

# Philanthropic Funding: The Case of Waqf almsgiving

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*Economic literature is rich in writings full of praise for the role of traditional direct and indirect channels in mobilizing savings and allocating funds for productive projects of all kinds and forms in order to make profits to be distributed to shareholders. But very little of this literature talks about what we call the philanthropic funding, or institutions seeking to collect and invest money in order to make profits to be distributed for charity purposes. The endowment or Waqf institution is a model for such a funding form that will be explored in this paper to provide a forward-looking picture of what can be provided by charitable funding for the national economy.*

## 1. What is Waqf almsgiving?

Waqf in Islam is a symbiotic and inexhaustible charity. It is the equivalent of endowment foundations in modern societies. Simply defined, Waqf consists of transferring ownership of an asset –tangible or in monetary form- to a trustee for the benefit of a specific person or the community. It is worth mentioning here that a property given as Waqf can be neither inherited, nor sold, confiscated or nationalized, with the possibility to replace it for what is better than it. Muslim scholars have put, however, strict conditions to replace Waqf properties.<sup>1</sup>

Scrutinizing the components of the institutional sector of modern states, Waqf can be classified within the third economic sector institutions, or what might be called the philanthropic sector, which includes all volunteer institutions of civil society and charity associations.

## 2 - Sectoral division of modern economies

Given the overlap of economic activities and the increasing complexity of today's life, modern economies contain three major sectors:

1. The public sector, both for-profit and non-profit;

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<sup>1</sup> For more details on these aspects, Cf.

كتاب الإسعاف في أحكام الأوقاف، للشيخ الامام العلامة حسام المعاني النعماني برهان الدين إبراهيم، مركز النشر العلمي، جامعة الملك عبد العزيز، جدة، 1434 هـ، ص. 37.

2. The private sector, which is mainly a profit sector;

3. The third sector, which is different from the previous ones, comprises the charitable organizations that are theoretically designed not to make a profit as they are based on volunteering by donors and people with kindness and goodness within the community.

The striking point is that the third sector -the subject of our interest in this paper- which is somehow neglected by modern economists became an important figure in the economic equation in many industrialized countries. If we come back to figures of a country like the United States, the statistics for the beginning of the nineties of the twentieth century suggest that the third sector represented:<sup>2</sup>

- 6.8% of GDP, with incomes estimated at 315.9 billion dollars.
- Employs more than 9.3 million people on a permanent basis, equivalent to 6.7% of total US employment.
- Disbursed a total amount to \$ 122.20 billion on wages, or 5.2% of total US wages.
- The largest part of the revenues collected in this sector was spent on health, education, culture, art, and some of the social and civil projects.

The same increasing trend has continued through the previous years. The most recent figures show that:<sup>3</sup>

- Approximately 1.41 million non-profits were registered with the Internal Revenue Service (IRS) in 2013, an increase of 2.8 percent from 2003.
- The non-profit sector contributed an estimated \$905.9 billion to the US economy in 2013, composing 5.4 percent of the country's gross domestic product (GDP).
- In 2014, total private giving from individuals, foundations, and businesses totaled \$358.38 billion, an increase of just over 5 percent from 2013 after adjusting for inflation. According to Giving USA (2015), total charitable giving rose for the fifth consecutive year in 2014. After adjusting for inflation, this is the first year to exceed the previous peak set before the recession in 2007 (\$355.16 billion in 2014 dollars).
- 25.3 percent of US adults volunteered with an organization in 2014, contributing an estimated 8.7 billion hours, the most hours recorded since the Current Population Survey's volunteer supplement began in 2002; the value of these hours is approximately \$179.2 billion.
- Between 2003 and 2013, finances for reporting non-profits showed healthy development. Both revenues and assets grew faster than GDP: after adjusting for inflation, revenues grew 30.7 percent and assets grew 32.7 percent, compared with 14.3 percent growth for GDP. Expenses grew 27.3 percent (after adjusting for inflation) during the same period. In the short term, after adjusting for inflation, revenues grew 3.0 percent from \$2.19 trillion in 2012 to \$2.26 trillion in 2013; assets increased 5.2 percent from \$4.91 trillion to \$5.17 trillion.

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<sup>2</sup>Cf. D.R Young & Steinberg, **Economics for Nonprofit Managers**, The Foundation Center, U.S.A, 1995.

<sup>3</sup> Brice S. McKeever, the Non-profit Sector in Brief in 2015, Urban Institute, October 2015.

However, the steady growth of the early 2000s slowed between 2008 and 2013 when the recession hit the non-profit sector. Nevertheless, the sector as a whole continues to expand, with revenue, expenses, and assets all growing more than 10 percent between 2008 and 2013. This is to show that any economic recession hits all aspect of economic units, whether public, private or even non-profit organisations.

These figures clearly show the extent of the contribution of the charitable and voluntary sector in promoting the world's largest economy in terms of national income, which will encounter serious imbalances in the absence of such a contribution. Imagine, for example, that the workforce operated by the third sector will be forwarded on unemployment. Then we will say that the US economy abides a serious recession because of high unemployment, which has become the main indicator to judge the safety of any national economy.<sup>4</sup>

### **3 - Importance of the third sector in modern economies**

It is expected that the role of the third sector will increase in developed economies, whereas it is highly needed in weak economies encountering a state of decay at all levels. When asked about the homeless who died from the severe cold in the streets of Paris in 1993, the declaration of the French Prime Minister Edouard Balladur is revealing of the incapacity of public authorities to provide for all the social needs: "*The natural solidarity between people should predominate state intervention.*" (La solidarité naturelle doit l'emporter sur l'intervention de l'Etat).<sup>5</sup>

To emphasize the major role expected from the third sector, the American writer Jeremy Rifkin does not see a solution to the imbalances brought about by the dominant liberal system except encouraging solidarity among people through the rehabilitation of the third sector to ensure assistance to the victims of unemployment and marginalization. Neither the state nor the private sector are able to provide solutions to the serious secretions arising from the desperate attempts to "liberalize" the world on the American style, which failed to provide a decent life to more than 35 million of people living below the poverty line according to the classification of global organizations.<sup>6</sup>

Referring to the modern economic classification, Waqf is one of the components of the third sector because it is originally an act of charity in the form of an ongoing donation by which the owner seeks remuneration in the hereafter. Therefore, it is of great importance to promote the Waqf institution to serve the Muslim community, ease the burden on the government catering for the poor categories, and contribute to the redistribution of income and wealth in order to realise the objectives of social justice within the Muslim community.

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<sup>4</sup>It is unfortunate that the third sector –despite its weakness in Islamic countries- has undergone a relentless war by the largest world power at a time where Muslim populations remain in dire need of charity and volunteer work to support government efforts to overcome economic and social challenges facing the Islamic nation. There is no doubt that this is one face of the challenges imposed on the Muslim societies and communities.

<sup>5</sup>Declaration of the French Prime Minister Edouard Balladur on a 7/7 TV programme on TF1 channel, 17/10/1993.

<sup>6</sup>Jeremy Rifkin, *The Post-trade Society or the end of work*, Best seller , U.S.A , 1996

#### **4. Waqf and sustainable development:**

Although the expression “sustainable development” appeared late in the contemporary economic literature, specifically at the end of the eighties of the twentieth century, Waqf endowment contributes to the preservation of one of the three pillars of sustainable development which is to maintain the interest of future generations. The person who gives her/his property or part of her/his fortune to enable future generations to benefit from its fruits can be regarded as an ethical act with moral dimension, an altruistic behaviour expressing a sense of Muslim’s individual responsibility towards the community. By doing so, the donator is combining charity work on the one hand, and expecting to win the award the day of Resurrection on the other hand. That is why Muslim scholars consider this work as an ongoing charity (*Sadaqa jariya*).

Our governments should then encourage all forms of initiatives that help to revive this sublime Sunnah in perfect line with sustainable development at a time when there is a decline in public spending in most of Muslim countries resulting in difficulties in providing basic needs of the community. If developed countries cannot abandon the third sector, Arab and Islamic countries should spur themselves to encourage Waqf and any endowment or voluntary initiatives complementary to the efforts of public authorities in achieving social solidarity through what is known as social transfers.

#### **5. Foreseeing Waqf institution**

At a time where the Waqf institution has been weakened, hence depriving the Muslim community to benefit from this important symbiotic resources supplier, at a time when our governments are striving to search for funds to cater for economic and social development requirements, it seems wise to pave the way for all efforts that contribute to mobilize latent resources to ensure social welfare of the community. In view of the positive role that values play in promoting national cohesion and narrowing the gap between the rich and the poor, the values of Islam –if well vulgarized- may represent a powerful lever to mobilize philanthropic resources and strengthen the institutional structure of the natural solidarity between members of the community.

Therefore, we shall explore the Waqf institution as a key resource for philanthropic funding, as well as the expected role to enhance capacity building of the third sector to promote social justice and address imbalances in the distribution of wealth and incomes between the different groups of society.

##### **5.1 Definition of the prospective approach**

Usually the term ‘prospective’ is used in marketing operations of for-profit enterprise products. We say “prospecting the market” to mean exploring market conditions and their potential in contributing to increase sales and improve the company share of the market.

Prospective or foreseeing is a commercial operation through which the enterprise searches for prospective customers to make them permanent customers. It is therefore a strategic action that requires configuration of a database which helps to construct a prospective plan to define objectives, as well as the targeted customers.

Usually four ways are used to search for new customers:

1. Contact via postal mailing or internet (e-mail, social media, ...)
2. Contact by fax
3. Contact by phone
4. Face to face interviews.

Of course, the interviews are the best way of contact, but they are more costly compared with other means, and making an appointment for personal interview is not easy due to the pressure and high burden imposed on targeted people.

However, Waqf has another channel which is very important: the mosques. The Mosque presents an advantage in the sense that it is a place where all groups of society gather: the rich and the poor, the educated and the illiterate, men and women, the employed and the unemployed, the young and the elder people, the businessperson and the official in the government departments, etc.

The gathering in this holy place is an opportunity to call for Waqf giving that is not available in other places. Therefore, Waqf disposes of an enormous potential for raising public awareness about its benefits for the community. The effective way to use this channel depends on the capacity of imams to convince people to sacrifice part of their wealth for Waqf giving and support its mission within the Muslim community.

## **5.2 Selecting an exploration strategy**

Usually, for-profit firms use two strategies for the exploration process:

- a- A strategy to reinforce the loyalty of customers is keeping close relation with current clients by strengthening ties with them in the light of the increasing competition and increase sales with them without the others. This strategy is not consistent with the nature of the Waqf institution because donors usually do not ask back their almsgiving. However, it is important to link up with them and improve the image of the Nazeer (manager of the Waqf foundation) in their mind. This will boost confidence and encourage other people to do the same. It has been noted that the efficient Managers of Waqf foundations motivate others to engage in Waqf almsgivings, whereas the opposite is true as it happened in the Asian subcontinent, India and Pakistan specifically where Nuzar have been described as "sleeping partners" because they did not accomplish their duty properly to preserve Waqf properties for which they were entrusted. Such a behaviour has provoked deep harm to Waqf foundations.
- b- **Strategy to prospect new customers**, which suits more the nature and objectives of the Waqf foundation and respond to their quest to develop and expand the philanthropic sources of funds. But the success of this strategy in achieving the desired objectives, government institutions and civil society organisations, especially public and private media, as well as mosques should contribute in sensitizing members of the community of the importance of Waqf and its civilizational role in the development of nations. To succeed in this mission, it seems appropriate to recruit qualified specialists

in marketing and communication science because we live in an era with no room for incompetent and inefficient managers; in addition, there is a need to train imams on the best communicating ways to invite people to create and/or donate for Waqf foundations.

## 6. Waqf foundation and innovative Waqf products

The exploration of Waqf foundation prospects is inseparable from the process of diversifying the endowment products in an era when there are many ways to mobilize savings and invest financial surpluses. It is appropriate herein to refer to a paper published by the author in which we developed what we have called “the increasing Waqf” (الوقف النامي). The idea consists of the creation of a financial institution to mobilize financial philanthropic resources, whatever their amount big or small, and then invest them in profitable projects. The proceeds of these projects will be distributed in three ways, among them the poor persons as stipulated in the donors’ Waqf deed.<sup>7</sup>

What is new in this theory is that it opens wide horizons for Waqf donations so that they are no longer reserved for the rich, and even low-income owners can take advantage of the ongoing charity by devoting any amount of money to the increasing Waqf institution (IWI). Given the crucial contribution of this proposal in strengthening the prospective role of the IWI, the following paragraphs give an idea of the proposed philanthropic financial institution.

### Definition of increasing wealth:

Increasing wealth is part of properties that can be used to generate income [or taklib (turning) in the vocabulary of Maliki scholars] while preserving the original capital. In time, the accumulation of revenue leads to a doubling of the donated money, and this is what we mean by increasing wealth. At present, the best way to ensure the development of wealth properties is to invest in diversified economic activities with careful selection of the trustee who should be ‘competent and trustworthy’, or what is termed in today's business world: effective management and good governance.

We conclude from the foregoing that increasing Waqf should be seen as a continuous movement to collect funds (accumulation upstream) and then converted into investments to generate attractive returns to be affected for three purposes:

- **Downstream accumulation** while maintaining the original capital assets through the reserve mechanism and retained earnings with the consent of the donors (Waqifine).
- **Rewarding the increasing Waqf institution** as **Nazeer** (trustee Manager) as a specialized body in the management of funds by investing philanthropic resources in accordance with the provisions of Islamic Sharia law.

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<sup>7</sup>Mohammed Boudjelal, *Towards an Institutional Formulation of the developing role of Waqf : Theory of The Increasing Waqf*, Journal of Islamic Economic Studies, Islamic Research & Training Institute, Islamic Development Bank, Jeddah, Kingdom of Saudi Arabia, Vol.5, N°1, 1997.

(محمد بوجلال، نحو صياغة مؤسسية للدور التنموي للوقف: الوقف النامي، مجلة دراسات اقتصادية إسلامية، المعهد الإسلامي للبحوث والتدريب، البنك الإسلامي للتنمية، جدة، المملكة العربية السعودية، المجلد 5، العدد 1، 1997)

- **Distribution of part of the profits to charitable outlets** according to the donors' will in consolidation of the role of the Waqf sector in the process of redistribution of wealth and promotion of social justice.

Let us now try to examine in some detail the inherent cash flow cycle path relating to the increasing Waqf institution as proposed in this paper.

#### **A- First stage accumulation: Upstream accumulation**

At this stage, the focus is on the promotion of the Waqf almsgiving in its new form in order to mobilize philanthropic funds, small or big, and gather them so that they constitute the nucleus of the starting increasing Waqf action to contribute to development through the transfer of collected funds in the "upstream" into productive investments using various modern methods of cash investment.

Increasing Waqf institution may take the form of a holding company by acquiring part of the equity of a number of companies and get seats in the board of directors for the purpose of influencing the decisions to serve the community development purposes. We can note that the increasing Waqf formula is characterized by a great flexibility whereby we can develop new endowment products such as "**Waqf deposits**" which enables an amount of money holder -who does not need it for a certain period- to give it to the IWI on the basis of a temporary Waqf\* that can be retrieved at any time. The IWI combine these deposits with other Waqf cash resources and invest them in profitable projects. The Waqf temporary deposit owner would get reward in the hereafter (*ajr*) by giving the IWI the opportunity to invest her/his money and distribute the generated profits to the poor people. By doing so, the donor would have avoided the sin of hoarding money, which is severely condemned in Islam.

IWI would also represent an appropriate framework for the fructification of the money of the orphans, for which the Prophet Muhammad (PBUH) commanded to invest it so as not to remain idle and diminished by Zakat levy. We can think of other benefits of the IWI such as the fructification of the money of the extravagant who is prevented by the court to use his wealth by himself.

#### **B- Second stage: Downstream accumulation**

The profits generated by IWI would be distributed as follows:

- a- **Remuneration of the Nazeer:** Part of the cash flow in the form of bonus fees goes to the IWI management team and staff for their efforts as Nazeer (trustee). It is the duty of the Nazara team of IWI to find out the best and most profitable ways to invest cash Waqf endowments. The internal rules and procedures of IWI should define the manner to remunerate the Nazara team. The Moudaraba Waqf would be a good formula to reward the Board of trustees and IWI staff. This formula would motivate the management team of IWI to use rationally the philanthropic resources because the more profits they make, the more fees they get. We may think of the Agency formula

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\* We can grasp Waqf deposit as a kind of temporary donation that can be returned to the donator as stated by Muslim scholars. Cf. Wahbah Zuhayli, *Al-Fiqh Al-Islami Wa Adillatuhu*, p.173.

which contains the risk of not motivating the trustee to make good use of the mobilized philanthropic resources. That is why we prefer the Moudaraba formula.

- b- A part of the cash flow generated by IWI investments would be affected as retained earnings to consolidate the financial position of the firm. Of course, IWI would use all modern accounting mechanisms such as depreciation practices, etc. Retained earnings will form what we have called the **downstream accumulation**, which will contribute to the strengthening of the financial position of IWI for the interest of the community.
- c- Distribution of part of the proceeds of invested endowments to the poor persons whether designated by the donors or left to IWI Board of trustees to search for vulnerable groups of the community. In all cases, such a distribution contributes greatly the sublime objective of fair redistribution of wealth to serve the goal of social justice on the one hand and economic development on the other hand.

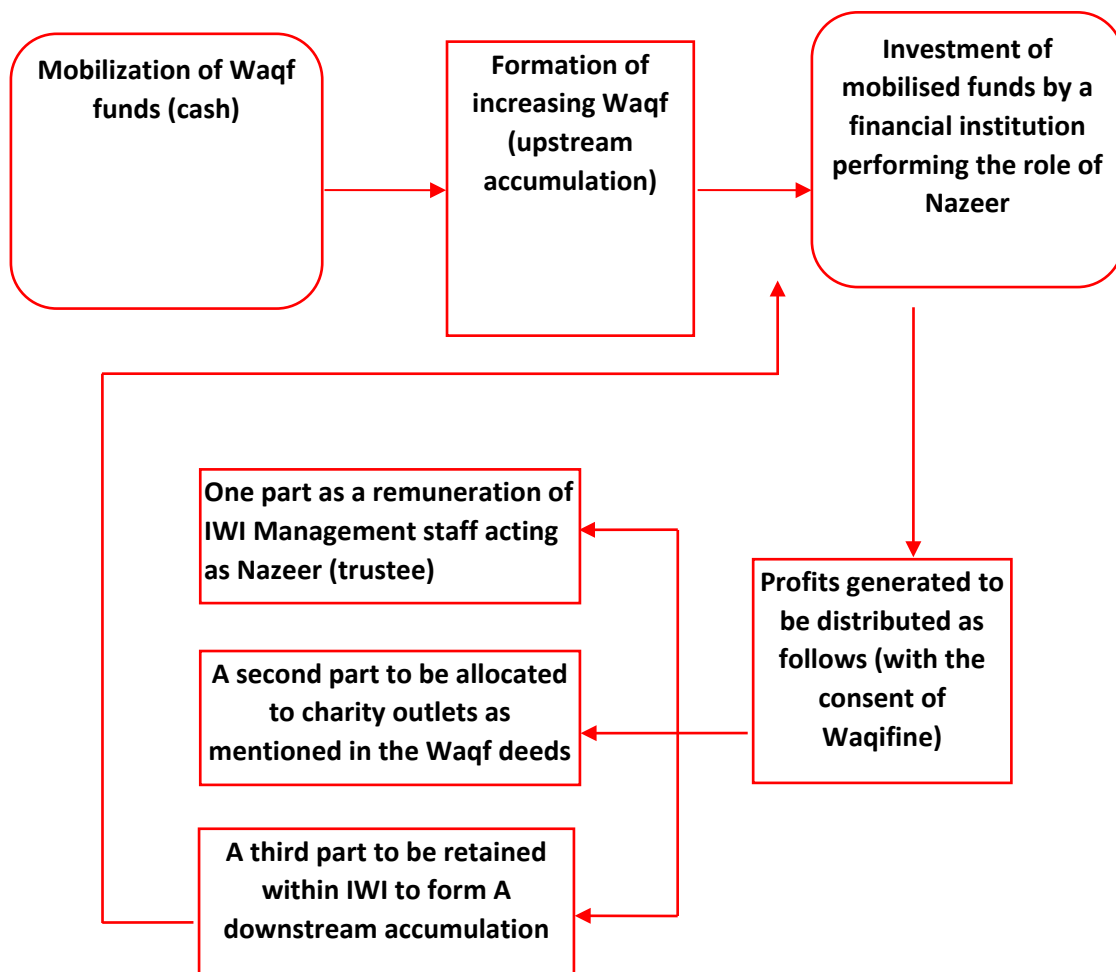
There is another aspect of the contribution of IWI in serving development through the investment in sectors and activities that do not generate significant returns despite their positive social impact. While private investors who seek to achieve quick profits are usually reluctant to invest in such projects, IWI can diversify its activities by financing some of these projects with high social return without neglecting other projects of comfortable returns that strengthen its financial position. IWI should be regarded as an ethical specialized financial body which seeks to use its philanthropic financial resources in a rational manner in the light of *Maqassid al-Sharia* \*.

At the end of this paragraph, we present a chart that summarizes the different phases of the cash flows cycle of IWI as proposed in this paper:

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\* Maqassid al-Sharia = Overall aims/objectives of the Sharia.





**Chart summarising cash flow interaction of IWI**

It can be seen from this Chart that IWI management process can take the form of a financial institution or a holding company that receives endowment funds and works to employ them in various aspects of investment. It plays, therefore, the role of an intermediate financial body that brings closer donors (Waqifine) as philanthropic saving surplus units from one hand, and deficit saving units (business enterprises) from another hand. However, the difference between IWI as proposed in this paper, and any traditional financial institution is that surplus saving units are donors who accept to waive their claim for profits for IWI to distribute them in the way showed in the chart. They are just philanthropic depositors who seek ongoing remuneration in the hereafter.

## **7. Relational Aspects of IWI**

We have seen above that increasing Waqf is an institutional arrangement to perform the function of financial intermediation between donors and deficit spending units (DSU) which are in need for the funds accumulated upstream initially as well as downstream subsequently through the mechanism of retained earnings. As a result, relations will be established between both IWI and the Waqf donors and between the institution and DSU that are looking for suitable sources of funds. We will try in this paragraph to explore the nature of institutional

relations referring to the experience accumulated by for-profit Islamic financial institutions during the last four decades.

### **7.1 Relation between IWI and donors**

There is no doubt that the function of IWI differs from the traditional function of Nazeer (Waqf Manager). IWI is required to employ monetary endowments mobilized upstream (and accumulated downstream) in projects that generate revenues to be distributed in the way described above, with the consent of the donors of course.

Therefore, we do not rule out that the relationship between the two parties would take the form of Moudaraba where donors are considered as Rab al-Mal (funds donors) as stated in any Moudaraba contract. IWI will play the role of Moudarib, i.e. the partner who contributes with her/his know-how and expertise in investing mobilized funds in profitable projects. However, due to the difference between the banks shareholders (and depositors) in conventional economics and the cash Waqf donors in our model, the relation between the donors and IWI would take the form of **Waqfi Moudaraba** (مضاربة وقفية). This neologism means that the revenues generated by IWI would not benefit to the original donors but to the poor persons as stated in the deed of Waqf. In classical Islamic financial intermediation, such revenues would benefit to shareholders and depositors. That is why we call this new kind of relation as Waqfi Moudaraba.

Besides the proposed Waqfi Moudaraba relation, one can think of another form of relation such the agency. In this case, Managers of IWI will act as agents appointed by the general assembly of Waqf donors. They will have salaries paid out from the revenues generated by the investment department of the institution.

This agency relation would not stimulate management to use the mobilized funds in the most efficient ways as they will not benefit from any incremental cash flows. However, we might think of a minimum guaranteed salary, above which incentive bonus will be paid out to managers. This is an alternative form of remuneration that needs to be explored.

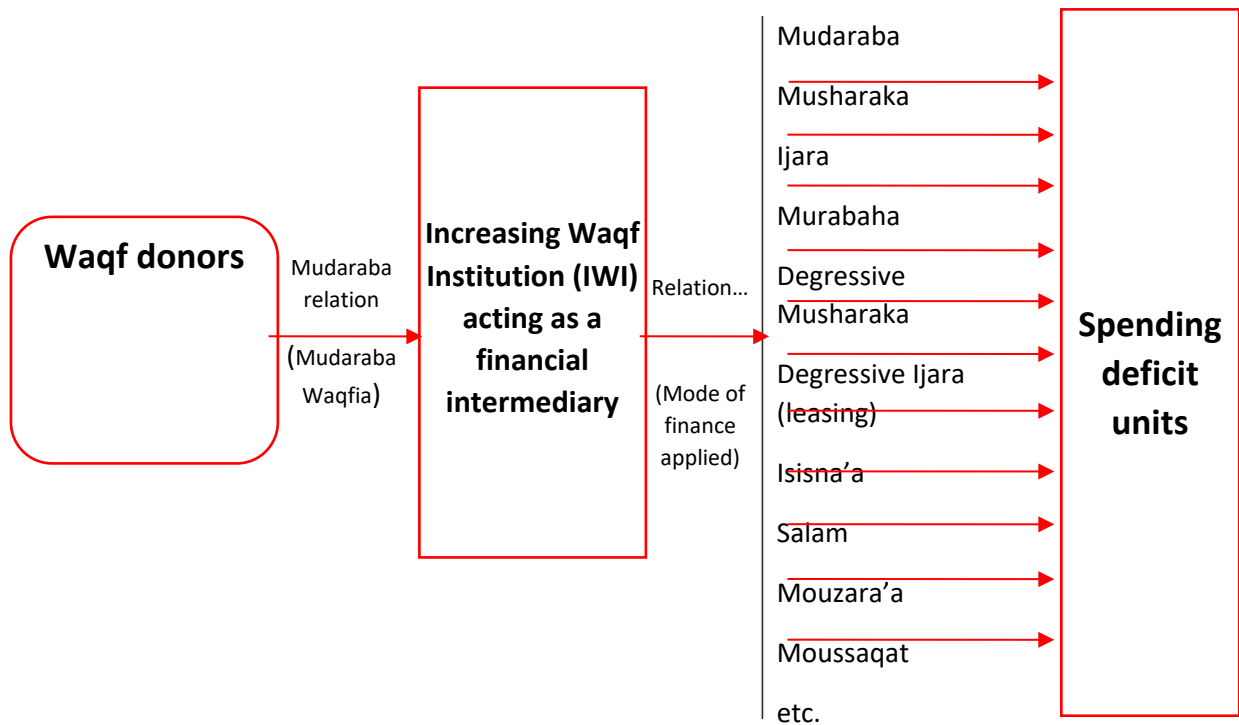
### **7.2 Relation between IWI and deficit spending units**

In this case, IWI will act as “Rab al-Mal” or fund proprietor who seeks to prospect the best possible investment opportunities. Because of the diversified relation with DSU belonging to different economic sectors, it is expected that the relation between IWI and the various DSU will be influenced by the nature of projects to finance. Mourabaha mode of finance might suit commercial activities, degressive ijara and Salam might be appropriate for productive activities, Moudaraba and Mousharaka might fit with partnership in huge projects with big amounts, Mouzaraa and Mousaqat might go with agricultural projects, etc.

In any case, IWI as an intermediate financial institution as we have explained in the course of this paper, can take advantage of the transactions carried out by the Islamic financial institutions during the last four decades. It can even compete by developing innovative financial products that suit its very philanthropic nature. If it were for IWI to be practiced in some Muslim countries, it will certainly face some obstacles. Then, Managers should face the challenge of innovating solutions for every contingency situation. Innovation should be the

leading objective towards any success. Actually, this would be the core challenge for IWI if it were to be applied in any part on this globe.

The following Chart summarizes the institutional relations likely to suit the IWI proposed model:



**Chart summarizing the institutional relations of IWI with donators from one hand and spending deficit units on the other hand**

### 8. IWI and the crowdfunding

It can be noted that crowdfunding has some similarities with the IWI model in terms of collecting money whatever their amounts. This will open more prospects for the cash Waqf institution to better expand within the Muslim community. We conclude from this analysis that there is no limit to innovation in Waqf products in line with the human aspiration to a better life in conformity with the provisions of Islamic values. It is the duty of governments to create a favourable environment and encourage the Waqf sector because it simply helps the state to provide for the needs of vulnerable groups and contribute to social stability and economic prosperity.

### 9. Waqf investment Funds

Investment Funds are a relatively new tool in the modern economies. Islamic economics may take advantage of this saving-investment device to establish Waqf investment Funds whose generated revenues are distributed as charity to vulnerable people. For a better performance, Waqf investment Funds should be entrusted to managers of a high degree of professional competence, aware of the mechanisms of employment and good governance, as well as

justifying of moral integrity and fairness. It is a difficult exercise, but these are the conditions of success of investment funds. Certainly, this new product will enrich the modern Waqf investment likewise experience and opens up broad prospects for the Waqf sector to develop and diversify its tools and organisational structures.

#### **10. Waqf Sukuk**

Cash money mobilised in the form of Sukuk for the purpose of Waqf is an innovative instrument that can be marketed in order to enhance the Waqf sector as it permits to surplus saving persons to buy such securitized philanthropic tools to finance investment projects. All sharia compliant means are good for mobilizing funds for charity purposes.

#### **11. Waqf Fund for interest-free loans**

One might say that asking Islamic banks to offer interest-free loans may be in conflict with the goal of profitability that these banks are required to achieve. This objection is pertinent somehow. One way to tackle this problem in an Islamic economy is create a Waqf Fund for interest-free loan. This might be done within IWI as well because offering free loans is a kind of charity highly appreciated in Islam. Such a Fund will solve a lot of problems for SME having liquidity shortages for a short period. Of course, beneficiaries of such loans will have to return back the loans once their treasury improves.

#### **12. Waqf properties as Project Related Investments: The Case of Algeria**

It is worth mentioning that Algeria is undergoing a new experiment in fructifying Waqf properties. The idea is to mobilise Waqf funds to finance the construction of commercial centres. Once the projects are operational, these centres will become profit centres. The revenues provided by the renting of these facilities will be used to alleviate poverty. Actually, this segment of Islamic finance which I called 'philanthropic funding' has a wide opportunity to prosper. It is just a matter of public will and a setting up of suitable organisational arrangements to efficiently and intelligently manage these projects.

The Annexe provided herewith gives an idea of how Waqf contributes to promoting Project Related Investments.

#### **Conclusion**

Waqf is an inexhaustible resource for promoting social justice, and in view of its flexibility, the Waqf institution has the capacity to diversify its assets and increase its resources so as to enhance the third sector of the economy in a time governments are striving to find new mechanisms of social transfers to narrow the gap between the rich and the poor. The IWI proposed model in this paper would constitute a suitable channel to mobilize philanthropic funds in a systematic manner to be invested in economic projects. IWI success will strengthen the social cohesion and help governments to better share the prosperity among the different groups of the community. IWI and other voluntary organisations which compose the third sector should focus the attention of the governments as well as the civil society.

# **ANNEXE**

People's Democratic Republic of Algeria

Waqf Investments Program (2014)

N°.	Wilaya (Department)	Site	Project	Surface area (m <sup>2</sup> )	Cost of the Project (DZD)	Obs.
01	Algiers	Touba Mosque (Hydra)	Car Parking + Shops + Offices	1000	8000000	Feasibility Study done
02	Algiers	Institute of Quran Lectures	Car Parking + Shops + Offices	1000	8000000	Feasibility Study don
03	Ghelizane	City Centre	Demolition of old building and construction of 20 flats	1000	3700000	Project ongoing
04	Medea	Berrouaguia	Construction of Shops + 20 flats	2071	5250000	Project ongoing
05	Skikda	Mosque of Salah Bouchour	Construction of a commercial Centre (24 shops) + 06 flats	592	4000000	Project ongoing

06	Skikda	Azzaba	Construction of Shops and Offices	600	4000000	Project ongoing
07	Tebessa	City Centre	Waqf Offices	259.25	1988850	Project ongoing
08	Tebessa	City Centre	Shops and Offices	271	1753560	Project ongoing
09	Tebessa	City Centre	Crèche + Medical care facility	234.53	1392513	Project ongoing
10	Batna	City Centre	Business Commercial Centre	1252.44	5000000	Project ongoing
11	Batna	42238 City Centre	Hotel + Services Centre + Trade Centre with Parking facility	42238	8000000	Project ongoing
12	El-Oued	319Ancient Mosque	Crèche	319	1000000	Project ongoing
13	Ain Temouchent	103716Sidi Safi County	Touristic Complex	103716	3500000	Project ongoing
14	Biskra	City Centre	Demolition of Old Construction and processing a new investment project	1171	2000000	Awaiting for demolition permit

15	Blida	City Centre	Demolition of Old Construction and processing a new investment project	1936	2000000	Awaiting for demolition permit
16	Bejaia	Amizour Countryside	Accommodation Building + Trade Centre + Offices	15461	8000000	Project ongoing
17	Djelfa	City Centre	Flats + Crèche	3000	6000000	Project ongoing
18	Jidjel	City Centre	Commercial Centre	231	27680000	Project ongoing
TOTAL					101264923	

Besides these projects, PRI related to Waqf properties account for 448353739 DZD. Investments vary from equity financing to service facilities (transportation) and the construction of huge commercial Centres in Algiers and some other big cities. In some, Waqf funding is a new segment that needs to be promoted side by side to public and private funding.