

**SPEECH BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE INTERNATIONAL CONFERENCE ON ZAKAT 2006
AT MANDARIN ORIENTAL, KUALA LUMPUR
28 NOVEMBER 2006**

BISMILLAHIR RAHMANIR RAHIM

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD AFTERNOON

HONOURABLE MINISTERS

EXCELLENCIES AND DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

1. IT IS INDEED AN HONOUR FOR ME TO BE INVITED TO SPEAK AT THIS HISTORIC OCCASION, WHICH MARKS THE BEGINNING OF A NOBLE CAUSE TO FORGE COOPERATION AMONG MUSLIM COUNTRIES, WITH A VIEW TO UPLIFTING THE SOCIO-ECONOMIC WELL-BEING OF THE UMMAH THROUGH THE MECHANISM OF ZAKAT.

2. WE GATHER HERE TODAY TO PUT INTO PRACTICE WHAT ALLAH S.W.T. COMMANDS IN THE HOLY QURAN WITH RESPECT TO THE PRACTICE OF ZAKAT, AND TO SEEK THE MOST EFFECTIVE AND EFFICIENT METHODOLOGY WITHIN THE MODERN SETTING TO BRING THE BENEFITS OF ZAKAT TO THE UMMAH. IT IS MY FERVENT HOPE THAT YOUR DELIBERATIONS WILL BE THE BEGINNING OF EFFORTS THAT WILL YIELD PRACTICAL RESULTS IN THE SHORTEST POSSIBLE TIME, INSYA-ALLAH.

3. ALL OF US HERE ARE OF COURSE FULLY AWARE THAT ALLAH S.W.T. COMMANDS ALL ABLE-BODIED MUSLIMS TO PAY ZAKAT FROM THEIR ESTATES UPON REACHING A SUFFICIENT MANDATORY THRESHOLD. ALHAMDULILLAH, THERE ALREADY EXIST A NUMBER OF PRACTICES TO ENSURE THAT ZAKAT IS PROFESSIONALLY AND EFFICIENTLY COLLECTED AND DISBURSED.

4. NEVERTHELESS, THE DEMAND FOR EFFICIENT ZAKAT MANAGEMENT IS NOT ONLY RELEVANT WITHIN A PARTICULAR STATE, BUT ALSO AT AN INTERNATIONAL LEVEL. LOOKING FROM THE VANTAGE POINT OF THE GLOBAL VILLAGE THAT WE LIVE IN TODAY, I AM CERTAIN THAT ZAKAT CAN BE MADE RELEVANT TO HELP ADDRESS DISPARITIES BETWEEN THE HAVES AND HAVE-NOTS WITHIN THE INTERNATIONAL UMMAH. THIS SHOULD INCLUDE CASES WHERE IMMEDIATE ASSISTANCE IS REQUIRED BY MUSLIM COMMUNITIES UPON THE OCCURRENCE OF NATURAL CALAMITIES OR THE ONSET OF ADVERSE CIRCUMSTANCES.

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5. IT HAS BEEN WIDELY ACKNOWLEDGED THAT A LARGE NUMBER OF THE UMMAH LIVE IN DIRE CONDITIONS, BE IT DUE TO GEOGRAPHICAL LOCATION, POVERTY, NATURAL CALAMITIES OR WAR. THESE CIRCUMSTANCES HAVE PRESENTED THE UMMAH WITH A REAL CHALLENGE OF COMING FORWARD TO PROVIDE PROMPT AND ADEQUATE ASSISTANCE IN WHATEVER FORM POSSIBLE. I FIRMLY BELIEVE THAT

MUSLIM COUNTRIES NEED TO ACT DECISIVELY TO RESET PRIORITIES, STRENGTHEN SOLIDARITY AND IMPLEMENT JOINT EFFORTS TO HELP IMPROVE THE SOCIO-ECONOMIC CONDITION OF THE UMMAH.

6. OUR PROPOSAL IS TO USE THE INSTITUTION OF ZAKAT TO SERVE AS A POOL OF RESOURCES FOR THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE UMMAH BEGINNING WITH THOSE WHO NEED THEM MOST. WE PROPOSE THAT ZAKAT FUNDS BE UTILISED FOR THE DEVELOPMENT OF RESOURCES ESPECIALLY IN THE AREA OF HUMAN CAPITAL DEVELOPMENT. WE SHOULD NOT VIEW ZAKAT MERELY AS CHARITY OR AS A MEANS FOR SHORT TERM RELIEF FOR THOSE IN NEED. WE SHOULD AIM TO USE ZAKAT AS A MEANS OF PROVIDING ASSISTANCE THAT WILL HAVE A LASTING EFFECT. WE SHOULD NOT MERELY FEED THE HUNGRY WITH FISH TO EAT. WE SHOULD HAVE PROGRAMS TO TEACH THEM TO CATCH FISH SO THAT THEY CAN TAKE CARE OF THEIR OWN WELFARE LONG INTO THE FUTURE. THIS IS THE BASIC CONCEPT THAT I PROPOSE ABOUT USING ZAKAT IN THESE MODERN TIMES, PARTICULARLY FOR PURPOSES OF HUMAN CAPITAL DEVELOPMENT, BOTH ON AN INDIVIDUAL AS WELL AS ON A COMMUNITY BASIS.

7. IF WE SUCCEED IN USING THE INSTITUTION OF ZAKAT TO ALLEVIATE ECONOMIC AND SOCIAL PROBLEMS AT THE INDIVIDUAL AS WELL AS THE COMMUNITY LEVEL, WE CAN EMBARK UPON WIDER RANGING EFFORTS TO ASSIST MUSLIM COUNTRIES AT THE INTERNATIONAL LEVEL. THE CHALLENGES FACING MUSLIM COUNTRIES ARE NUMEROUS. THESE INCLUDE THE ADVENT OF GLOBALISATION; STRICT STATE CONTROL OF ECONOMIC RESOURCES; THE LACK OF A STRONG PRIVATE SECTOR IN MANY MUSLIM COUNTRIES; AND THE FAILURE TO IMPLEMENT SUSTAINABLE DEVELOPMENT POLICIES. THE CONSEQUENCE OF FAILING TO ADDRESS THESE CHALLENGES CAN RESULT IN LOW LEVELS OF FOREIGN DIRECT INVESTMENT, INSUFFICIENT TRADE FINANCING, HEAVY BURDEN OF FOREIGN DEBT AND DEBT SERVICING, SEVERE BALANCE OF PAYMENTS DIFFICULTIES, AND POOR MARKET ACCESS. WHILE THE WEALTHIER MUSLIM COUNTRIES ARE BETTER ABLE TO MANAGE THESE CHALLENGES, MANY OTHERS REQUIRE ASSISTANCE TO SURVIVE IN WHAT IS BECOMING A VERY INHOSPITABLE WORLD. UNDER THIS SCENARIO, IT IS OF PARAMOUNT IMPORTANCE FOR ALL MUSLIM COUNTRIES TO COME TO SOME LEVEL OF COOPERATION OR ECONOMIC INTEGRATION TO AVOID ANY FORM OF MARGINALISATION OF THE UMMAH, AND TO ACCELERATE THE PROCESS OF SUSTAINABLE ECONOMIC DEVELOPMENT. PROMPT RESPONSES ARE REQUIRED TO CLOSE THE ECONOMIC AND SOCIAL GAPS BETWEEN THE MUSLIM COUNTRIES IN THE SHORT TERM, BUT LONG TERM STRATEGIES NEED TO BE FORMULATED TO ULTIMATELY ADDRESS THE MYRIAD OF CHALLENGES OF THE 21ST CENTURY.

8. TO DATE, ASSISTANCE CHANNELED FROM WEALTHIER MUSLIM COUNTRIES AND MUSLIM INDIVIDUALS TO THE LESSER DEVELOPED COUNTRIES HAVE LARGELY BEEN AD HOC IN NATURE. IN PARTICULAR, WE ARE UNABLE TO REALISE THE POTENTIAL OF ZAKAT AND WAKAF IN SOLVING THE PROBLEMS AFFLICTING THE MUSLIM COMMUNITY. THIS WE MUST ADDRESS WITHOUT DELAY OR HESITATION. AND THIS IS THE REASON WHY WE ARE GATHERED HERE IN KUALA LUMPUR.

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9. WE HAD FIRST RAISED THE IDEA OF INSTITUTING A SPECIAL FUND BASED ON ZAKAT COLLECTIONS, AS A PRIMARY MEANS OF DISBURSING DEVELOPMENT AID TO THE LESS DEVELOPED O.I.C. MEMBER COUNTRIES, DURING THE THIRD

EXTRAORDINARY SESSION OF THE ISLAMIC SUMMIT CONFERENCE IN MAKKAH AL-MUKARRAMAH, ON 7TH DECEMBER 2005. ALSO DECLARED DURING THE SUMMIT WAS THE IMPORTANCE OF ECONOMIC AND SOCIAL COOPERATION IN STRENGTHENING SOLIDARITY AMONG MUSLIM NATIONS, MAXIMISING COMPARATIVE ADVANTAGES, AND AVERTING THE PITFALLS OF GLOBALISATION THROUGH ERADICATION OF ILLITERACY, DISEASES, EPIDEMICS AND POVERTY. IN THIS RESPECT, THE MORE FORTUNATE MEMBER COUNTRIES MUST BE ABLE TO COMMIT THEMSELVES TO THE CAUSE OF ALLEVIATING POVERTY IN ALL MUSLIM NATIONS, WHICH IN MY VIEW IS AN URGENT STRATEGIC OBJECTIVE REQUIRING US TO POOL TOGETHER ALL OUR RESOURCES.

10. PROPOSALS WERE AGAIN RAISED, DISCUSSED AND AGREED UPON DURING THE THIRTY THIRD ASSEMBLY OF THE O.I.C. FOREIGN MINISTERS MEETING IN BAKU, AZERBAIJAN IN JUNE THIS YEAR. IT WAS THERE THAT THE IDEA OF ESTABLISHING AN INTERNATIONAL ZAKAT ORGANISATION TO AGGREGATE AND EFFICIENTLY CHANNEL ZAKAT FUNDS FROM WEALTHIER MEMBER COUNTRIES TO NEEDIER MEMBERS AND TO THE UMMAH IN GENERAL, WAS MOOTED.

11. WHILE VARIOUS PROPOSALS HAVE BEEN MADE RELATING TO THIS MATTER, I WOULD LIKE TO TAKE THIS OPPORTUNITY TO ACKNOWLEDGE THE EFFORTS OF BROTHER SALLEH KAMEL, CHAIRMAN OF THE ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY, WHO HAS COME FORTH WITH A CONCRETE CONCEPT OF THE PROPOSED INTERNATIONAL ZAKAT ORGANISATION. I AM MADE TO UNDERSTAND THAT BROTHER SALLEH KAMEL HAS PRESENTED HIS THOUGHTS ON THE MATTER DURING THE MORNING SESSION, AND ALL DELEGATES HAVE HAD THE OPPORTUNITY TO VOICE THEIR OPINIONS ON THE SUBJECT. I BELIEVE THAT NEW AND CONSTRUCTIVE IDEAS HAVE ALREADY BEEN ADDED TO THE ORIGINAL PROPOSAL.

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12. IN A RAPIDLY CHANGING AND DEMANDING GLOBAL ENVIRONMENT, I SINCERELY BELIEVE THAT THE MODERNISATION OF ZAKAT AS AN ECONOMIC AND SOCIAL INSTRUMENT FOR THE STABILITY OF THE UMMAH IS BOTH APPROPRIATE AND TIMELY. IN THIS RESPECT, THE VERSES RELATING TO ZAKAT FOUND IN THE AL-QURAN, BOTH FROM SOCIETAL AND SPIRITUAL CONTEXTS, MUST BE FULLY APPRECIATED BY ALL MEMBER COUNTRIES AND THE UMMAH. HOWEVER, THERE STILL EXIST SEVERAL CHALLENGES. FOR EXAMPLE, THE LEVEL OF AWARENESS RELATING TO THE SPIRITUAL AND ECONOMIC RATIONALE OF THE OBLIGATION TO PAY ZAKAT MUST BE RAISED FURTHER AMONGST THE GENERAL UMMAH. IN ADDITION, PUBLIC CONFIDENCE WITH REGARD TO THE MANAGEMENT AND DISTRIBUTION OF ZAKAT FUNDS MUST BE ENHANCED IN ORDER TO FURTHER STIMULATE THE PAYMENT OF ZAKAT. IT IS FOR THESE REASONS THAT THERE IS A NEED TO INTRODUCE A MORE EFFECTIVE CHANNEL FOR THE PAYMENT AND DISBURSEMENT OF ZAKAT, BOTH ON A DOMESTIC AND AN INTERNATIONAL LEVEL, SO THAT THE LARGEST POSSIBLE NUMBER OF THE UMMAH WILL BE ABLE TO FULFILL THEIR OBLIGATIONS.

13. USING CREATIVITY AND INNOVATION, SUPPORTED BY INFORMATION AND COMMUNICATIONS TECHNOLOGY (I.C.T.), I AM CONFIDENT THAT THE ESTABLISHMENT OF AN INTERNATIONAL ZAKAT ORGANISATION CAN BE REALISED WITHIN A SHORT TIMEFRAME. IF WE ARE GIVEN THE OPPORTUNITY, MALAYSIA STANDS READY TO COMMIT THE NECESSARY RESOURCES TOWARDS BRINGING

INTO BEING AN INTERNATIONAL ZAKAT ORGANISATION. I WOULD ALSO LIKE TO OFFER KUALA LUMPUR AS THE HEADQUARTERS OF THIS ORGANISATION, WHICH WILL IN TURN HAVE BRANCHES OPERATING IN OTHER MUSLIM COUNTRIES.

14. I SINCERELY HOPE THAT OTHER MUSLIM COUNTRIES, AS WELL AS THE LARGER MUSLIM GROUPS AND INDIVIDUALS ALL OVER THE WORLD, WILL COME FORWARD TO SUPPORT THIS NOBLE CAUSE. I AM CERTAIN THAT THE ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY WILL BE MORE THAN HAPPY TO WORK TOGETHER WITH ALL PARTIES THAT COME FORWARD TO SUPPORT THE PROPOSED ZAKAT ORGANISATION. IT SHOULD BE NOTED THAT SUPPORT MAY NOT ONLY BE IN THE FORM OF HARD FUNDS, BUT ALSO IDEAS, MATERIALS AND OTHER NON-CASH CONTRIBUTIONS THAT CAN BE CHanneLED TO THE NEEDY WITHIN THE UMMAH.

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15. ALHAMDULILLAH, I HAVE BEEN INFORMED THAT, AS A RESULT OF AN AGREEMENT IN PRINCIPLE TO ESTABLISH THE INTERNATIONAL ZAKAT ORGANISATION, FURTHER IMMEDIATE STEPS WILL BE TAKEN TO TRANSFORM THE IDEA INTO CONCRETE REALITY. I BELIEVE THIS SHOULD INCLUDE THE CONVENING OF A PANEL OF EXPERTS TO FILL IN THE DETAILS. I AM CONFIDENT THAT THIS STEP WILL ALSO CONTRIBUTE TOWARDS OTHER FORMS OF COOPERATION WITHIN THE UMMAH.

16. THUS, IT IS MY SINCERE HOPE THAT TODAY'S CONSENSUS FROM ALL THE PARTICIPATING ISLAMIC COUNTRIES WILL BE SUPPORTED BY OTHER ISLAMIC COUNTRIES, AND BY THE MUSLIM UMMAH AS A WHOLE. OF COURSE, I ALSO HOPE THAT THE PROPOSED INTERNATIONAL ZAKAT ORGANISATION WILL BE PROFESSIONALLY MANAGED. THIS IS ABSOLUTELY NECESSARY TO GARNER THE SUPPORT OF ALL CONCERNED. THE ORGANISATION MUST OPERATE ON A TRANSPARENT BASIS IN ORDER TO GAIN CREDIBILITY AND GENERATE CONFIDENCE. ONLY IN THIS MANNER WILL THE ORGANISATION GAIN THE NECESSARY SUPPORT FOR FUNDS FROM WEALTHY MUSLIM COUNTRIES, CORPORATIONS AND INDIVIDUALS.

17. WITH THIS COMMITMENT, IT IS MY WISH THAT THE PANEL OF EXPERTS CONVENE A MEETING AS SOON AS POSSIBLE IN ORDER TO MAKE RECOMMENDATIONS ON THE PROPOSED STRUCTURE OF THE FUND, AND TO WORK ON THE DETAILED TECHNICALITIES. OBVIOUSLY, FURTHER DISCUSSION WILL BE REQUIRED BEFORE THE INTERNATIONAL ZAKAT ORGANISATION CAN BE OFFICIALLY LAUNCHED. HENCE, WE CAN ALSO DECIDE AT A LATER MEETING AS TO HOW THIS ORGANISATION WILL BE AFFILIATED TO THE O.I.C.

18. BEFORE I END, I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK ALL PARTICIPANTS FOR MAKING THIS IMPORTANT CONFERENCE POSSIBLE. MY SPECIAL THANKS TO ALL GUEST MINISTERS FROM THE PARTICIPATING ISLAMIC COUNTRIES AND TO OTHER FOREIGN OFFICIALS WHO WERE ABLE TO COME HERE AT VERY SHORT NOTICE. I HOPE ARRANGEMENTS HERE HAVE BEEN SATISFACTORY AND I WISH ALL OF YOU A PLEASANT STAY IN MALAYSIA.

THANK YOU.