



Safe charity: giving to the right hands

Summary

- This policy brief summarizes key deliberations of the third provincial-level policy dialogue on counter-violent extremism in Punjab. Held in the provincial capital Lahore, the dialogue discussed how to ensure that charity reaches the right hands, besides exploring the role of social welfare organizations in Punjab.
- Curbing extremism requires hitting at extremists' financial sources, one of which is charity inside the country.
- The counter-terrorism response has remained focused on hard approaches, or the use of force, alone, ignoring attempts to curb terror financing. Even capacity to do so is limited.
- Social and attitudinal change will not come through policy. The group called for sensitizing people on their donations.
- As long as social welfare gaps remain unaddressed, private organizations engaging in these areas will continue to gain people's sympathies.
- As to ensuring that charity is safe, a scholar linked that to reviewing the prevailing thoughts of religious concept in day-to-day life.
- Better understanding was needed of extremist elements' resource mix and about how much of their funding originated in Pakistan and how much came from overseas.

Background

On July 6, 2017, Pak Institute for Peace Studies (PIPS) organized third provincial dialogue in Lahore, discussing how to ensure that charity reaches the right hands, besides exploring the role of social welfare organizations in Punjab.

The basic purpose behind the dialogue was to discourage dispensing funds to extremist outfits. The dialogue was designed to discuss the religious aspect of charity in Pakistan as well as the practitioner's lessons on curbing charity for extremists. The discussion was meant to find a way in which people can continue to donate funds, out of personal will or religious obligation, but that none of that fund ends up in the coffers of the extremists.

The theme of the dialogue was "Safe charity: giving to the right hands"; below are summaries of the first three dialogues:

- The first dialogue forum, held on May 12, 2017, deliberated on securing Punjab's diversity to counter extremism in the province.
- The second dialogue forum, held on July 5, 2017, debated how to achieve a cohesive and equal Punjab.

These provincial consultations built on the earlier findings of the PIPS. Earlier in 2017, PIPS released a strategy document of countering violent extremism in Pakistan, based on PIPS's experiences and ten expert-level consultations on key aspects of countering extremism. The strategy calls for effectively implementing National Action Plan, which calls for, among other things, blocking financial sources to militancy. The following points from the national strategy document are noteworthy for the third provincial dialogue:

- Most of the points of NAP come in the fold of counter-terrorism, having more immediate effect. There is less focus on soft approaches, conceptually as well as operationally.
- To standardize progress on NAP, a proper implementation mechanism of NAP be charted, including indicators and benchmarks against NAP points, besides adding new points dealing with arresting extremism in the long run.

Key considerations

- Participants rationalized the need for ensuring that charity undertaken in Punjab is safe.

The group was told that the money collected in the name of charity inside the country is a key source of revenue of extremist outfits. Finance is what keeps them alive. Curbing extremism requires hitting at their financial sources, one of which is charity inside the country.

To put things in context, three kinds of sources of funding for militants in Pakistan were identified: proceeds from crime, including kidnapping for ransom, extortion, bank robberies; legitimate businesses; and donations, external and internal. The internal donations can be thought of as charities, largely.

Surely, not all the charity goes in the wrong hands. There are other sources too, including external. One participant even claimed that in his experience of working with over 700 mosques, he had never come across any issue of dispensing charity to questionable motives. It was questioned that while the total charity collected in Pakistan is independently estimated at around 54 billion, the proportion of 'bad charity', or that going into wrong hands, could be low.

Yet, as one official said, even if one percentage of the charity amount goes in the wrong hands, the net amount is too big to be ignored. It is the sheer volume of bad charity that raises alarm.

- One of the reasons why militants are able to get away is that the state lacks capacity to trace terror financing.

Firstly, there is little understanding of the entire issue. Even estimates of terror financing are uncertain. Because a very small proportion of population transacts through banking channels, not all the informal transactions can be suspected as grey.

Secondly, the overarching counter-terror approach is militaristic, which emphasizes little on clamping down on terror financing, which is a huge challenge and task. In other parts of the world, the trend is to cut off finances too; an example of shared of how financial sources of the Islamic State (IS) were defused

to weaken it. In Pakistan, the point is not even understood. A participant privy to discussion on charting National Action Plan shared that the very point about curbing terror financing was added after a reminder was made. Still, even now, the official list of 65 banned outfits has only 3 trusts; separately, other 50 “trusts” are under observation.

Furthermore, the capability of tracking terror finance is limited. It was shared that investigating terror financing is not easy. There are hardly any specialists to look after this. Developing the capability to investigate terror financing had been an area that had been ignored. This led to the perception that efforts were not aimed at dealing with the basic problem but merely to appear to be doing something.

A government official said that they cannot take action anyone merely on the accusation of collecting funds for extremism. All they go against are banned outfits, as notified by the interior minister. The list includes only 3 trusts, as discussed above. It was only in last that Punjab police’s Counter-Terrorism Department (CTD) were given power to investigate assets of banned outfits. Since this was a specialized subject there had been emphasis on capacity building and training. CTD had sought help from Federal Investigation Agency (FIA) and the State Bank of Pakistan.

On this, it was reminded several banned or under-observation groups including Jamaatud Dawa and Falah-e-Insaniat Foundation are still collecting funds.

Moreover, the existing laws call for sealing bank account of the person accused of potential terrorism. Weak implementation of anti-terrorism law also gets the blame.

Similarly, it was shared that the state could forfeit the assets of organizations engaged in terrorism and such proceeds could be deposited in a specific fund for victims of terrorism. Even those looking at the issue closely had never heard nor had any information been publically shared if any money had been raised through forfeitures and whether any had been deposited in that fund.

The anti-money laundering law was comprehensive and took precedence over other laws. The main deficiency this law suffered from was that there was no parliamentary oversight, one said.

- Participants admitted that people giving charity, the donors, also share responsibility for where the money goes.

Charity is an individual's act; why put all expectations from the government. "Why focusing on the one collecting, rather than the one donating charity?", one asked. A participant shared that only 2% of people know about the purpose of their charity; the rest know nothing where there money is going to. Social and attitudinal change will not come through policy. The group called for sensitizing people on their donations.

A vital intervention in recent years to promote safe charity had been a nationwide campaign called Haq Haqdar Tak (to the right-holders their right). The federal level initiative, launched in 2015, sought to raise awareness among the people about safe charity. The idea behind the campaign was that things will not change until the individual was educated. A helpline was set up where the callers could complain about any dubious charity collecting funds.

When the Haq Haqdar Tak campaign was launched, people asked the authorities for advice on who they should donate money to.

Yet another asked what should be the religious qualification of someone who collects charity.

- The issue was also linked to the overall decline of services from the state. As long as social welfare gaps remain unaddressed in areas such as health, education, housing, and emergency assistance in calamities, the private organizations engaging in these areas will continue to gain people's sympathies. When the state ceded space, these elements were further empowered. Basic education for all children was a constitutionally-guaranteed right but millions of children were denied that right. "A common man is forced to donate to someone who gives them food", another said.
- Participants argued that tens of thousands of mosques and madrassahs in Punjab were in the private sector. All of the needs of hundreds of thousands of students at these madrassas were met from the zakat and charitable donation that people directly gave to them.

Some alleged that madrassas get foreign funding, which is likely to be dispensed for wrong ends. But a madrassa official said that banks are not ready to create financial accounts of madrassas. And that they comply with audit requirements.

A CTD official stated that significant percentage of madrassas in Punjab was registered as trust under Societies Registration Act. The rest had argued that they were affiliated with the Wafaqul Madaris and did not need any registration. In 2005, the need was felt to see where the money for madrassas was raised from and where it was spent. A change in the law had made it mandatory for the madrassas to state their sources of income.

Recommendations

- First and foremost, rule of law and governance should be improved. The state should urgently move to address the social welfare gaps and make the provision of health, education, housing and basic needs of the people its priority.
- Capacity of investigative agencies for terror financing be built; special courses of police, prosecution, and courts, about terror financing be introduced
- Avenues for funding and the use of funds should be monitored and accounts of such organizations audited.
- Public awareness about safe charity and the hazards of provided resources to militants should be raised through a sustained and imaginative campaign.
- At a strategic level, the national counter-terrorism effort needs to also have a non-kinetic focus, including measures aimed at curbing financial sourcing to terrorism.
- A change in the law in Punjab requires madrassas to state their sources of income. However, no punitive action has been provided to compel them to comply. If that is added then punitive action and legal proceedings could lend support to ensure compliance.
- A comprehensive policy for charities be designed; charity bodies be regulated
- The donors should be made stakeholders and sensitized that they should check where the money they intend to donate would be spent.
- Interaction and coordination needs to improve not only among the forces engaged in counter-terrorism but also with Social Welfare Department and the local government representatives.

Participants (arranged alphabetically by last name)

1.	Hamaad Abid	SSP Intelligence; Counter-Terrorism Department Government of Punjab
2.	Mukhtar Ali	Former Information Commissioner, Punjab
3.	Javed Altaf	Sectary Punjab, Progressive Writers Association Lahore
4.	Waheed Akhter Ansari	Director General, Social Welfare and Bait Ul Mall Department, Government of Punjab
5.	Asif Ali	Manager, IPAD Islamabad
6.	Haseeb Ali	Center for Public Policy and Governance Lahore
7.	Asif Bajwa	MPA Punjab Assembly
8.	Rafi Ullah Baloch	Project Manager, Aman Development Organization
9.	Ghalib Bandesha	Former Director General, Federal Investigation Agency (FIA)
10.	Iftikhar Bhutta	Columnist Ausaf, Gujrat
11.	Saeeda Deep	Institute of Peace and Secular Studies
12.	Najam U Din	Director, Human Rights Commission of Pakistan
13.	Dr Niusheen Hamid	MPA (PTI) , Punjab Assembly
14.	Raheem Ul Haq	Senior Research Fellow, Centre for Public Policy and Governance, FC College Lahore
15.	Dr Izhar Ul Haq	Director Fountain House and Expert
16.	Dr Izhar Hashmi	Director, Akhuwat Lahore
17.	Mariam Ilyas	Supervisor All Pakistan Women's Association Lahore
18.	Muhammad Irfan	Social Welfare Department Lahore
19.	Lubna Jabeen	Deputy Director, NGOs, Social Welfare & Bait Ul Mall Department Government of Punjab
20.	Xari Jalal	Special Correspondent, Dawn
21.	Sher Ali Kalti	Reporter, The News International
22.	Akmal Khan	Campaign Manager, Pakistan Peace Collective
23.	Malik Ahmad Khan	MPA Punjab Assembly
24.	Nazeer Khalid	Trainer, Asl-Saddiq Desert Welfare Organization Bahawalpur
25.	Fahad Liaqat	Chief Executive Officer, Azam Foundation
26.	Khalid Masood	Ex-chairman Council of Islamic Ideology of Pakistan
27.	Maheen Malik	Research & Communication Officer SPARC, Islamabad
28.	Khalid Mehmood	Lead Operations, TABA Foundation Lahore
29.	Maulana Raghieb Naeemi	Principal Jammia Naeemia Lahore
30.	M Ali Najjifi	Religious Scholar
31.	Tariq Pervaiz	Founding Head, National Counter-Terrorism Authority (NACTA)
32.	Mehwish Rani	Research Analyst,
33.	Tahir Raza	Director General Auqaf, Punjab Government
34.	I.A.Rehman	Director, Human Rights Commission of Pakistan
35.	Dr Shafqat Saeed	Professor FC College Lahore
36.	Sarmad Saeed	Former Inspector General of Police Punjab
37.	Dr. Amjad Saqib	Director, Akhuwat Foundation
38.	Zakir Shaheen	Program Manager South Asia Partnership Pakistan
39.	Raza Shahid	Center for Public Policy & Governance Lahore
40.	Dur e Shahwar	All Pakistan Women Association (APWA) Punjab

41.	Rana Amir Shahzad	Al-Sadiq Desert Welfare Organization
42.	Akbar Sherazi	Pakistan Peace Collective
43.	Sabookh Syed	Editor, IBC Urdu
44.	Muhammad Tahseen	Head, South Asia Partnership
45.	Sohail Tajjik	Deputy Inspector General of Police and Commandant, Sihala Police Academy
46.	Usman Zafar	Research Manager, Pakistan Peace Collective