

The reality of the Algerian Zakat Fund's experience in supporting and financing small and medium enterprises during the period from 2004 to 2014

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Abstract:

This study aims to assess the availability of one of the key factors of production—capital—within the framework of Islamic finance principles. It specifically focuses on the role of the Algerian Zakat Fund in providing financial support to micro-enterprises through the Qard Hasan (benevolent loan) mechanism. To achieve this objective, the study adopts a descriptive-analytical approach, involving the review and analysis of statistical data related to the role of micro-enterprises in the Algerian economy, as well as an evaluation of the activities of the Zakat Fund and its contribution to financing these businesses.

The study concludes that zakat, in addition to its profound religious significance, has a concrete and positive economic impact. It plays a vital role in enhancing the economic conditions of individuals and society as a whole. Zakat serves as an effective tool for stimulating economic activity in Islamic countries and makes a significant contribution to economic and social development, particularly among the poor and middle-income segments of the population.

To strengthen the role of the Zakat Fund and transform it into a powerful instrument for supporting, establishing, and developing small and medium-sized enterprises (SMEs) in Algeria, the study recommends investing zakat funds in carefully designed investment projects. The ownership shares of these projects could be allocated to eligible zakat recipients, either enabling them to manage the businesses themselves or appointing qualified professionals to oversee their success and sustainability.

Keywords: Algerian Zakat Fund, SME financing, small and medium enterprises.

Introduction:

Recognizing the pivotal role of small and medium-sized enterprises (SMEs) in driving economic development, the Algerian government has made concerted efforts to foster a supportive environment for their growth and expansion. As part of these initiatives, a dedicated ministry—the Ministry of Small and Medium Enterprises and Traditional Industries—was established in 1991 to provide targeted support to this sector. This ministry

was later incorporated into the Ministry of Industry and Mines to streamline oversight and coordination.

This study aims to explore the availability of one of the fundamental factors of production—capital—within the context of Islamic financing principles. In particular, it investigates the role of the Algerian Zakat Fund in offering financial support to micro-enterprises through the Qard Hasan (benevolent loan) mechanism. To achieve this objective, the study adopts a descriptive-analytical methodology, which includes a comprehensive review and analysis of statistical data on the contribution of SMEs to the Algerian economy, alongside an evaluation of the Zakat Fund's operations and its effectiveness in financing these enterprises.

The role of the Zakat Fund in financing micro-enterprises has been a rich field of study for numerous researchers. Notable works include **Messedour Farès (2002)** with his study titled *"Investment Strategy for Zakat Funds"*, **Naouar Eddine Djawadi and Okba Abad El Alaoui (2011)** with their study *"Zakat as a Mechanism for Achieving Economic Stability: An Analytical Study Based on Macroeconomic Models"*, and **Abdelkader Khalil Idris Abadli (2012)** with his study *"Zakat as a Fiscal Policy Instrument and Its Impact on Key Economic Indicators – Towards an Analytical and Econometric Approach to the Algerian and Malaysian Experiences."*

Accordingly, the main question that can be raised in this paper is: **What is the reality of the Algerian Zakat Fund's experience in supporting and financing small and medium enterprises during the period from 2004 to 2014?**

This paper has been divided into three main sections:

- The Reality and Role of Small and Medium Enterprises in Algeria.
- The Algerian Zakat Fund.
- The Outcome of the Algerian Zakat Fund and The Loans Distributed.

1. The Reality and Role of Small and Medium Enterprises in Algeria

This section seeks to provide a comprehensive overview of the current landscape of small and medium-sized enterprises (SMEs) in Algeria by defining and conceptualizing them, while also examining their significance, current status, and contribution to the national economy.

1.1. Definition of Small and Medium Enterprises (SMEs):

The year 2001 marked a significant turning point in the development of the SME sector in Algeria. In that year, the Ministry of Small and Medium Enterprises and Traditional Industries introduced Executive Decree No. 11-01, dated December 12, 2001, aimed at promoting SMEs. This decree laid the foundational legal framework necessary to ensure the stability and sustainable development of the sector within the national economy. As stated in Article One, its primary objective is to define small and medium enterprises and to establish mechanisms for their support and growth.

According to Article Four of the Executive Decree on the Promotion of SMEs, a small or medium-sized enterprise is defined as any production-oriented business—regardless of its legal form—that meets the following criteria:

- Employs between 1 and 220 individuals;
- Has an annual turnover not exceeding 2 billion Algerian dinars, or total annual receipts not exceeding 200 million dinars;
- Maintains administrative independence.

This definition clearly demonstrates that the Algerian legislator has adopted a combination of quantitative and qualitative criteria in characterizing SMEs. The quantitative indicators include annual turnover and total receipts, while the non-monetary indicator is the number of employees. The qualitative aspect pertains to the enterprise's management structure, which must operate independently.

1.2. Characteristics of SMEs in Algeria

At present, it appears difficult to accurately determine the characteristics of SMEs in Algeria and the role they play in economic development due to the challenges in collecting data on enterprises operating in the informal sector—a sector that significantly affects the direction of economic development. For this reason, our analysis will be limited to data on formal SMEs registered with governmental agencies, based on figures provided by the National Social Security Fund.

1.2.1 Components of the SME Sector in Algeria

According to statistics related to the SME sector in Algeria, by the end of the first half of **2013**, a total of **747,934** small and medium-sized enterprises were recorded as operating across the national territory. This figure includes **private SMEs**, **public SMEs**, and **craft enterprises**, as detailed in the following table.

Table No. 1: Components of the SME Sector

Type of Enterprise	Number of EnterprisesFirst Semester of 2013	Percentage
Private Enterprise	578586	77.36%
Public Enterprise	547	0.07%
Craft Enterprise	168801	22.57%
Total	747934	100

Source: Ministry of Industrial Development and Investment Promotion, General Directorate of Strategic Monitoring, Economic Studies, and Statistics, SME Statistical Information Bulletin, Bulletin No. 23, data from the 1st semester of 2013, p. 11.

From this table, we note that SMEs consist of 578,586 private enterprises, 547 public enterprises, and 168,801 craft enterprises, meaning that SMEs are distributed unevenly. The private sector comprises the majority of SMEs, followed by the craft sector, while public enterprises represent a much smaller share.

1.3. The Role of Small and Medium Enterprises in Creating Added Value in Algeria

Due to the improved economic environment for the private sector—which has fostered the establishment and growth of SMEs—private enterprises, including SMEs, have significantly contributed to wealth creation. This is evident in their superior added value growth rates compared to public sector companies across various economic activities.

Data shows that the private sector consistently contributes a larger share of added value across nearly all sectors. For instance, in 2007, its contribution ranged from 78.92% in business services to 99.55% in agriculture. This trend remained relatively stable in 2011, with contributions ranging from 79.58% in business services to 99.34% in agriculture.

Thus, it is clear that the private sector exhibits strong growth across most economic activities, with the exception of the hydrocarbons and heavy industries sectors, which continue to be dominated by the public sector.

2. The Algerian Zakat Fund

2.1 Definition of the Algerian Zakat Fund

The Zakat Fund is a religious and social institution operating under the supervision of the Ministry of Religious Affairs and Endowments and is governed by the law regulating mosque institutions. Established in 1991, the Algerian government designated the Zakat Fund as a religious body responsible for collecting Zakat funds and subsequently allocating a portion of these funds as microloans to assist the poor in establishing small and medium-sized enterprises (SMEs) (Nawreddine Djouadi and Oqba Abdelalaoui, 2011).

In addition, the Zakat Fund functions as an educational institution dedicated to raising awareness about Zakat and enhancing its effectiveness in driving development at both the individual and societal levels. It aims to reinvigorate the practice of Zakat by ensuring its proper application, thereby benefiting various needy groups in accordance with the legitimate categories of Zakat recipients.

2.2. The Role of the Zakat Fund

The role of the Zakat Fund is highlighted in the following aspects: (Saleh Salhi, 2002)

A. Combating Poverty and Community Development:

The Zakat Fund plays a pivotal role in alleviating poverty by empowering local grassroots organizations—entities deeply embedded in and familiar with their communities—to identify beneficiaries and distribute Zakat funds through dignified financial transfers. Moreover, the

Zakat Fund enhances the cultural, social, and political well-being of individuals by facilitating access to education, healthcare, and religious guidance.

B. The Role of the Zakat Fund in Economic Development:

The Zakat Fund contributes to economic development by improving overall national savings and investment dynamics while promoting income and wealth redistribution. It also has a positive impact on employment levels, both in terms of job opportunities for those managing the fund and through the investment and consumption activities it stimulates, ultimately leading to increased job creation and economic growth.

2.3. Zakat Fund Committees in Algeria

The Zakat Fund in Algeria is organized into the following committees:

2.3.1. The Local Committee

:Operating at the district level, this committee is responsible for identifying individuals eligible to receive Zakat within each district. Its deliberative body comprises the district authority head, mosque committee leaders, neighborhood committee representatives, community elders, and representatives of Zakat donors.

2.3.2. The Provincial Committee:

At the provincial level, this committee conducts a final review of Zakat applications following the initial decision by the local committee. Its deliberative members include the head of the provincial authority, two senior imams from the province, prominent Zakat donors, representatives of the Provincial Federation of Mosque Committees, the head of the Provincial Scientific Council, legal experts, an accountant, an economist, a social worker, and the heads of local committees.

2.3.3. The National Committee:

This committee comprises the Supreme Council of the Zakat Fund, which includes the council's president, provincial Zakat committee heads, members of the religious authority, a representative from the Supreme Islamic Council, representatives from relevant ministries, major Zakat donors, and several oversight committees that monitor and guide the work of the provincial committees. Its primary function is to oversee and regulate all aspects of the Zakat Fund in Algeria.

2.4. Distribution of Zakat Funds in Algeria

The Algerian Zakat Fund distributes Zakat into two main categories:

2.4.1. Consumption-Oriented Distribution

This category is allocated to impoverished families who are unable to work, such as the poor and needy, including the elderly, disabled individuals, widows, and divorced women.

2.4.2. Investment-Oriented Distribution

After the establishment of the Zakat Fund, concerns arose about individuals who, despite being capable of work, still required financial assistance. Prophet Muhammad (peace be upon him) addressed this issue by stating, "There is no share of Zakat for a wealthy person or a strong, able-bodied individual."

In response, the Zakat Fund introduced the Zakat Investment Fund in collaboration with Al Baraka Bank Algeria. This initiative offers various financing models tailored to the needs of artisans, university graduates, other skilled professionals, and even women who remain at home. It also extends support to small and micro-enterprises as well as medium-sized enterprises (Fares Mesdour, 2010).

The investment-oriented component specifically targets families and individuals capable of working, provided that the provincial total reaches 5 million DZD. In such cases, 37.5% of the Zakat is earmarked to finance micro-projects for various working groups through the Qard Hasan (interest-free loan) model, complete with special repayment facilities.

Allah, the Exalted, commands: "Indeed, Allah orders justice and the doing of good, and giving to relatives; and forbids immorality, and bad conduct, and oppression. He admonishes you that perhaps you will be reminded." Similarly, the Messenger of Allah (peace be upon him) said: "Whoever relieves a believer's distress of the distressful aspects of this world, Allah will rescue him from a difficulty of the difficulties of the Hereafter." Abu ad-Darda (may Allah be pleased with him) also advised, "Relieve a debtor's burden, then support him, and then relieve as much as you can."

2.5. How Zakat is Disbursed in Algeria According to Percentages

Zakat in Algeria is distributed according to the following percentages: (fares Mesdour, 2004)

A. The First Case:

If the provincial total does not exceed 5 million Algerian Dinars, the disbursement is carried out as follows:

- **87.5%** allocated to the poor and needy,
- **12.5%** designated to cover the operating expenses of the fund.

B. The Second Case:

If the provincial total reaches an amount of 5 million Algerian Dinars, the disbursement is as follows:

- **50%** allocated to the poor and needy (in fixed amounts),
- **37.5%** disbursed as Qard Hasan (interest-free loans) to those capable of working,
- **12.5%** designated to cover the operating expenses of the fund.

The 12.2% for operating expenses is further distributed as follows:

- **4.5%** to cover the operating expenses of the provincial committee,
- **6%** to cover the operating expenses of the local committees,
- **2%** transferred to the national account to cover the fund's activities at the national level.

2.6. Tools of Oversight in the Fund's Activities

Every citizen and every organization has the right to review the total revenues collected from Zakat and how they have been distributed, through:

- A. Detailed reports are published in all media.
- B. Detailed lists are made available to any organization or association for reviewing the channels of Zakat disbursement.
- C. Detailed figures are published on the Ministry's website.
- D. The publication of the Zakat Fund is adopted as a media tool that is accessible to all entities and individuals.
- E. The Zakat payer must assist the administrative body of the fund in monitoring the Zakat collection processes by sending receipts or copies thereof to the various deliberation committees at all levels.

2.7. Qard Hasan:

The loan is primarily disbursed to address discrepancies in clients' accounts, which may arise from temporary financial difficulties, the nature of the transaction, or even intentional errors by the client. It also covers loans granted to beneficiaries for various reasons, such as delays in salary disbursements (Judith Brandesma and Lauren Hart, 1991).

In Algeria, the entity managing Qard Hasan implements and oversees the process by supporting citizens who seek to create their own business ventures and launch micro-projects that produce goods and services—excluding purely commercial activities.

The Ministry of Religious Affairs has increased the value of Qard Hasan from 20 million centimes to 20 million centimes to facilitate financial assistance for eligible beneficiaries in establishing small enterprises, based on the funds available with the provincial committees responsible for disbursing Zakat funds.

The investment financing provided by the Algerian Zakat Fund is characterized by the following requirements:

- **A.** It must not involve any profit-sharing.
- **B.** It should serve as a tool for implementing economic policy.
- **C.** It must adhere to constraints on productive and beneficial spending to ensure welfare.

- **D.** It is selective, meaning that the project or commodity financed is chosen based on the economic priorities of society.

2.8. Phases of Financing SMEs Using the Qard Hasan Model

2.8.1. At the Fund Level

After verifying the acceptance of Qard Hasan loan applications at the initial cells (mosques, neighborhood committees) and the local committee, the applications are then arranged according to priority by the provincial committee. A special list is forwarded to the agencies representing the various financing forms to summon eligible beneficiaries for file preparation according to the established procedures. This process is subject to the final approval of Al Baraka Bank, which ultimately decides whether the projects are financeable according to the criteria it normally adopts.

2.8.2. At the Al Baraka Bank Level

Procedures (Articles No. 01-02-02-01, dated 01 Safar 1425 AH – March 22, 2004 – from the Cooperation Agreement between Al Baraka Bank and the Ministry of Religious Affairs, Algeria):

A. For Youth Employment Projects and the National Unemployment Insurance Fund:

- **Certificate Issuance:** Al Baraka Bank issues the youth a certificate confirming that they have a personal contribution balance—either fully or partially available—as well as the non-refundable installment and file study fees (or the non-refundable amount in cases of mixed financing between the bank and the agency), all based on a Qard Hasan contract, or a commitment to pay the conditional financing dues by the National Unemployment Insurance Fund.
- **Eligibility Certification:** The youth then completes the procedures required to obtain an eligibility certificate from the National Agency for Youth Support and Employment or the National Unemployment Insurance Fund in their province.
- **Supplementary Loan Application:** After obtaining the eligibility certificate, the youth applies to Al Baraka Bank to complete the procedures for securing the supplementary loan, as applicable.

B. For Micro-Financing:

- The eligible beneficiary is invited to Al Baraka Bank to prepare a file in accordance with the established procedures.
- The beneficiary signs the Qard Hasan contract.
- The bank disburses the payment directly to the supplier, without providing cash to the beneficiary.
- Should the micro-project require additional financing, the bank may provide supplementary funds according to its approved procedures.

C. For Indebted Institutions:

- The provincial committee compiles a list of such institutions.
- Supervisors of these institutions are summoned to the bank to submit the necessary supporting documents.

- Al Baraka Bank assesses their needs and potential for recovery.
- Their debts are then partially or fully covered as a Qard Hasan (benevolent loan), strictly for the principal amount only, without any interest.
- Alternatively, they may receive the required funds partially or fully as a Qard Hasan in non-cash form—such as bill payments or another method at the bank's discretion.

D. For Joint Projects:

- These projects are established as joint ventures between Al Baraka Bank and the Zakat Fund Investment, based on studies conducted by the bank to determine the appropriate scale and type of projects for each province.
- Such projects generally aim to create employment opportunities for zakat-eligible individuals who are able to work.
- They are subject to independent agreements between the bank and the ministry when necessary, and evolve alongside the growth of the fund's assets.

E. Support for Projects Guaranteed by the Small and Medium Enterprises Loan Guarantee Fund:

- This support involves exploring ways to assist projects guaranteed by this fund, typically through subsequent procedures that may be formalized as an agreement between the ministry and the fund.
- Currently, cases are handled on an individual basis in collaboration with Al Baraka Bank, a member of the Small and Medium Enterprises Loan Guarantee Fund.

It is also noted that the Ministry of Religious Affairs and Endowments has signed an agreement with Al Baraka Bank to act as a technical agent in the field of zakat fund investment—commonly referred to as the Zakat Investment Fund. To access funding, the zakat recipient completes a form at the base committee to request a Qard Hasan loan, with their status verified by mosque committees. The request is then approved and forwarded to the provincial committee, where projects are prioritized based on urgency, benefit, and productivity. A special list is subsequently sent to the National Youth Employment Support Agency, which summons eligible individuals and prepares the necessary documents in accordance with Al Baraka Bank's procedures. Finally, the bank makes the final decision on project eligibility for funding or rejection, based on its established criteria. Consequently, Al Baraka Bank holds full discretionary authority in determining both the need for assistance from the Zakat Fund Investment and the potential for recovery of indebted institutions.

2.9. Characteristics of Priority Projects for Financing:

Priority investment projects for financing are those that adhere to Islamic Sharia principles, stimulate economic growth, and have positive social impacts. The nature of the projects funded by the Zakat Fund can be summarized in the following table:

Table No. (02): Nature of Projects Funded by the Algerian Zakat Fund

Projects	Characteristics Required	Examples of Projects
Medical and Semi-Medical Projects	Ensures treatment at a lower cost: This could be one of the conditions set by the fund before financing a project, as demonstrated through an economic study of the project and the proposed prices. Provides permanent job positions: Every project of this type must provide employment for the unemployed in society. Ensures continuity of cash flows: Such projects tend to have long-term sustainability, especially if the services offered are of high quality.	Health clinics, Traditional medicine services
Craft Projects	Ensures the continuity of crafts: Especially traditional crafts, for which significant efforts are made to preserve them. Provides permanent job positions: Skilled craftsmen strive to keep up with developments in their craft, ensuring job stability. Ensures continuous cash flows: There is increasing interest in traditional crafts, especially in the context of economic openness and society's growing interest in these crafts, such as in construction, decoration, and textiles.	Wood engraving, Copper engraving, Traditional pottery Traditional weaving, Stone carving, Blacksmithing, Plumbing
	Moderate financing costs: These are small or micro-projects, and may be medium-sized if needed.	
Service Projects	Responds to market needs: Activities that support economic activities by providing necessary services that may be simple in structure but are essential for a conducive investment environment. Simple financing costs: These projects do not require large equipment, as they may only require a computer, printer, and photocopier. Provides stable job positions: These projects are linked to economic	Study offices, Telecommunication services, Internet services Maintenance services, Computer services, Basic training services Sewing, Hairdressing, Evening classes for students

	developments and show steady expansion. Generates significant cash flows: This is linked to the dynamic nature of service activities that must keep pace with developments in the environment.	
Productive Projects	Offers higher employment: These projects are often in the form of medium-sized institutions. Relatively higher costs: This is due to the high prices of the necessary equipment and machinery. Generates significant cash flows: This is due to the relative scale of the project.	Clothing manufacturing, Food production, Building materials production
Agricultural Projects	Offers higher employment: These projects do not require a large number of qualified individuals, and learning the techniques does not require advanced intellectual skills. Fixed and moderate costs: These are related to the nature and size of the agricultural activities being financed. Higher returns: Especially during periods with abundant water and fertilizers.	Agriculture, Livestock farming

Source: Prepared by the researcher based on Fares Massador (2003), *Zakat Funds Investment Strategy, Message of the Mosque Journal*, Algeria, Issue 1.

3. The Outcome of the Algerian Zakat Fund and The Loans Distributed:

3.1. The Outcome of the Algerian Zakat Fund

The following table shows the outcome of the Algerian Zakat Fund since the launch of the first campaign in 2003 until 2014.

TableNo. (03): The Development of the Algerian Zakat Fund's Revenue

Year	Zakat on Assets Outcome (Algerian DZD)	Zakat Fitr Outcome (Algerian DZD)	National Zakat Outcome (Algerian DZD)
2003	175,947,298.00	29919021,50	175947298,00
2004	315,514,379.5	111915911,00	315514379,5
2005	296243438,38	229122192,10	296243438,38
2006	528041966,15	220511511,25	528041966,15
2007	741101199,7	252191502,90	741101199,7
2008	996691240,99	211911201,20	996691240,99
2009	884,000,000.00	290000000,00	884000000,00
2010	900,000,000.00	—	Approximately 900.000.000.00
2011	1,141,000,000.00	—	Approximately 1111000000,00
2012	1,400,000,000.00	—	Approximately 1100000000,00
2013	1,140,000,000.00	—	Approximately 1110000000,00
2014	1,250,000,000.00	—	Approximately 1220000000,00

Source: Prepared by the researcher based on: the Algerian Ministry of Religious Affairs and Endowments website (www.marwakf_dz.org); Abdelkader Khalil Idris Abdelli, *"Zakat as a Tool of Fiscal Policy and Its Impact on Some Indicators of Economic Activity – Towards an Analytical and Econometric Approach to the Algerian and Malaysian Experiences,"* Al-Baheth Journal, Issue 15, University of Ouargla, Algeria, 2015, p. 241; and Ghanem Abdullah and Hamza Fayshoush, *"Procedures and Measures to Support Employment Policy in Algeria,"* a presentation at the International Conference on the Government's Strategy for Eradicating Unemployment and Achieving Sustainable Development, University of M'sila, November 15–16, 2011, p. 10.

It is evident from the table that the initial results of the Algerian Zakat Fund were very modest, with only about 176 million DZD collected during the first campaign in 2003. However, with enhanced public awareness—bolstered by efforts from mosque imams, strategic media campaigns, community volunteer work, and the organization of lectures and awareness days—the fund experienced continuous growth, reaching 1.4 billion DZD by 2012 (equivalent to approximately 14.2 million USD). This achievement remains modest, considering reports suggesting there are over 6,000 Algerian billionaires, and expectations that the total Zakat collection should exceed 2.5 billion USD.

A decline in the fund's outcome was observed in 2013, when Zakat collections dropped to 1.14 billion DZD. This decrease is likely attributable to a raised Zakat threshold that year, driven by rising global gold prices. Since Zakat calculations are linked to the value of gold, higher gold prices reduce citizens' purchasing power. As more money is allocated to gold purchases, funds are held rather than circulated, leading to reduced market liquidity. This decline in liquidity subsequently results in lower savings, higher interest rates, diminished investments, and decreased production, which in turn drives prices upward and further erodes purchasing power (Bachir Msitpha, 2013).

3.2. The Loans Distributed by the Algerian Zakat Fund range between:

Table No. (00): Evolution of Microfinance Projects for the Algerian Zakat Fund

Years	2004	2005	2006	2007	2008	2009
Number of Loans	256	466	857	1141	800	1200

Source: Ghanem Abdullah and Hamza Fayshoush, "Procedures and Measures to Support Employment Policy in Algeria," a presentation at the International Conference on the Government's Strategy to Eradicate Unemployment and Achieve Sustainable Development, University of M'sila, November 15–16, 2011, p. 10.

As we review the table, we observe a steady increase in the number of projects financed through Qard Hasan over the years. For instance, 256 projects were financed nationally in 2004, rising to 1,200 projects in 2009. This growth is largely attributable to the continuous annual increase in Zakat collections. According to the Ministry of Religious Affairs and Endowments, by the end of 2013, nearly 7,500 investment projects had been financed using the Qard Hasan model by the Zakat Investment Fund. However, these figures remain relatively low, especially in light of various reports indicating a significant rise in poverty and unemployment in Algeria in recent years.

Conclusion

In addition to its profound religious significance, Zakat positively influences the economic sector by impacting both individuals and society. It creates the conditions necessary to stimulate economic activity in Islamic countries and is recognized as one of the most crucial means for fostering economic and social development among the poor and middle-income segments of society.

To enhance the effectiveness of the Zakat Fund and transform it into a robust support mechanism for the establishment and upgrading of small and medium enterprises (SMEs) in Algeria, we propose the following recommendations:

A. Enhance Academic Research: Strengthen and expand research efforts across various disciplines to continuously improve the services provided by the Algerian Zakat Fund.

B. Develop Operational Mechanisms and Programs: Refine and bolster the operational mechanisms and programs of the fund to attract a larger pool of benefactors willing to contribute their Zakat to eligible recipients.

C. Promote Transparency and Good Governance: Establish rigorous transparency and governance standards within Zakat institutions by ensuring open and accurate financial accounts, thereby enhancing public trust in fund management.

D. Invest in Zakat Funds: Channel the funds collected into well-planned investment initiatives. These should allocate shares to Zakat-eligible recipients, either through direct management by the recipients or via the employment of experienced and qualified professionals.

E. Activate Volunteer Community Efforts: Boost the inflow of Zakat funds by promoting community volunteer initiatives, recognizing that the commitment of committee members—often driven by religious conviction—is key to the success of these efforts.

F. Intensify Awareness Campaigns: Ramp up awareness campaigns to encourage Algerians to contribute their Zakat and to highlight the fund's achievements by publicizing annual results across diverse media platforms.

G. Leverage Experiences from Other Islamic Countries: Learn from successful models in other Islamic nations—such as Malaysia—by adopting best practices and involving specialized experts to ensure the effective implementation of Zakat in accordance with Sharia principles.

H. Utilize Support from Other Agencies: Collaborate with other support agencies in Algeria to enhance administrative management, planning, organization, and operational oversight.

I. Embrace Technology: Invest in and utilize modern technology to streamline the processes of Zakat collection, enhancement, and disbursement to eligible recipients.

These strategic measures aim to strengthen the Zakat Fund as an instrument for economic empowerment, thereby contributing to broader socio-economic development in Algeria.

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