

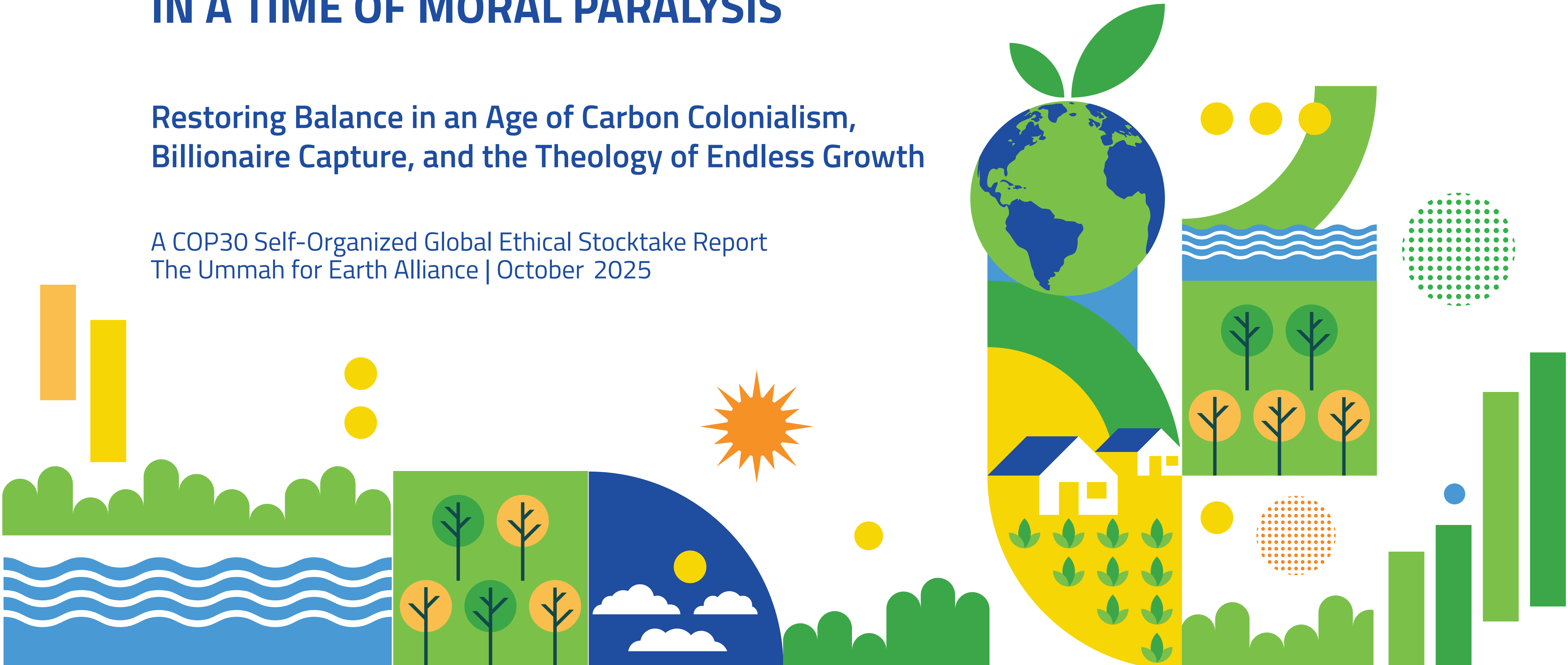
# ISLAMIC FINANCE AND THE RESTORATION OF **AL-MIZAN** IN A TIME OF MORAL PARALYSIS

GREENPEACE  
غرينيس



## Restoring Balance in an Age of Carbon Colonialism, Billionaire Capture, and the Theology of Endless Growth

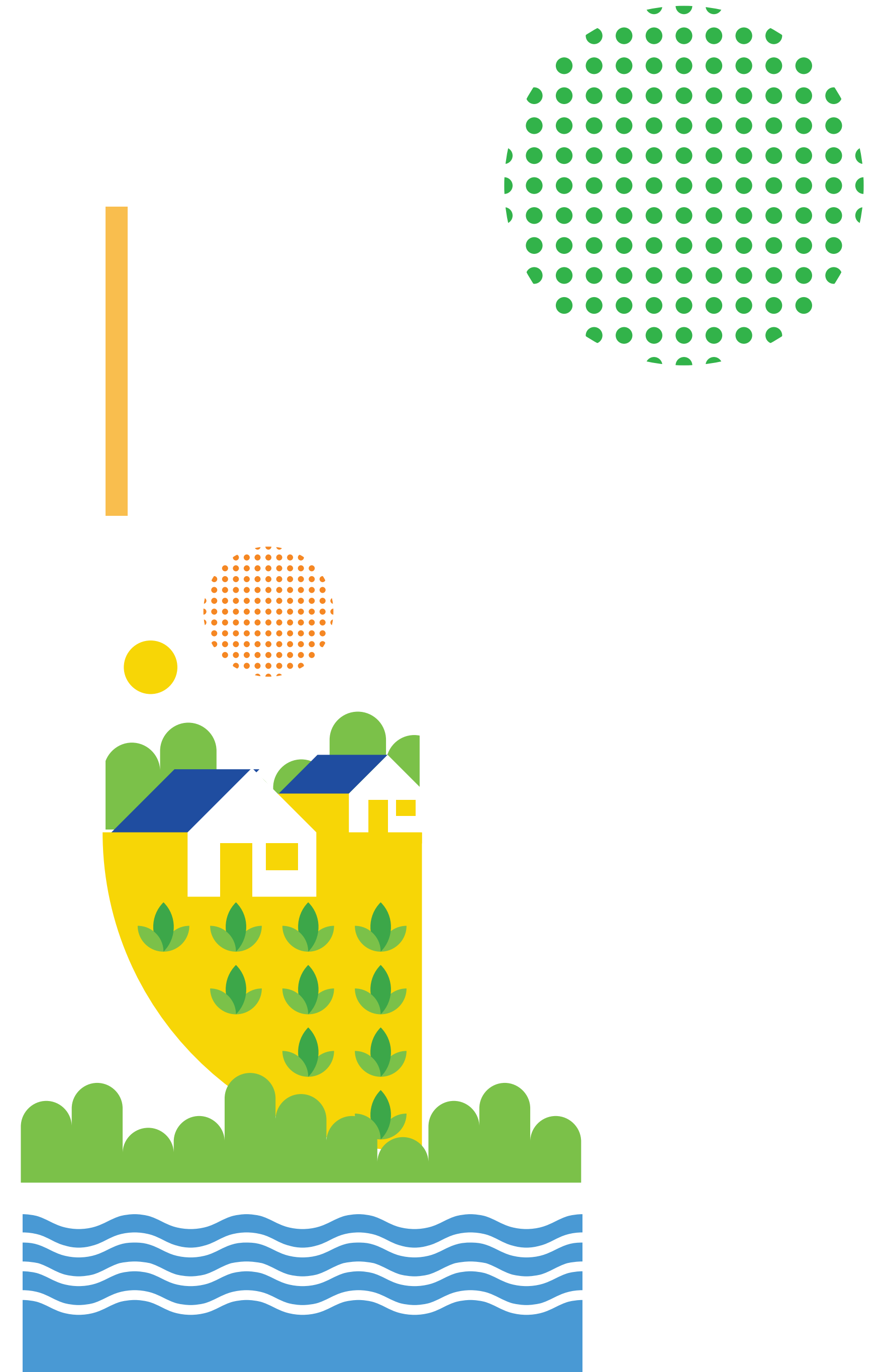
A COP30 Self-Organized Global Ethical Stocktake Report  
The Ummah for Earth Alliance | October 2025





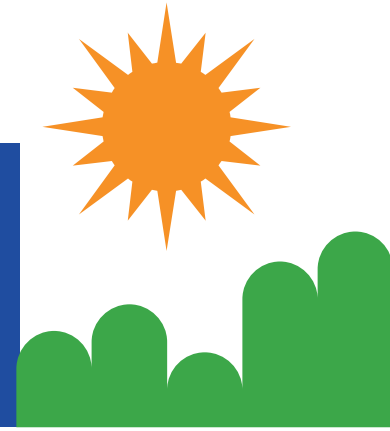
**"He raised the heaven and established the balance (Al-Mizan) so that you do not transgress in the balance. Weigh with justice and do not fall short in the balance. And the Earth He has spread out for all living creatures." Quran 10-55:7**

This foundational verse establishes Al-Mizan as the divine balance governing all existence. In Islamic cosmology, the same mathematical harmony that keeps planets in orbit maintains Earth's climate equilibrium, ensures just distribution of resources, and sets limits within which life flourishes. Today, as carbon colonialism perpetuates extraction, billionaires capture unprecedented wealth, and a theology of endless growth drives civilizational collapse, Islamic finance stands paralyzed between its sacred purpose and its current complicity. This report examines how to break that paralysis and restore Al-Mizan.

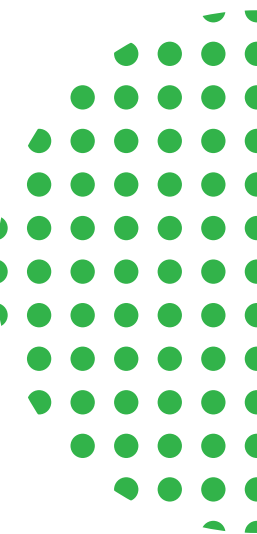
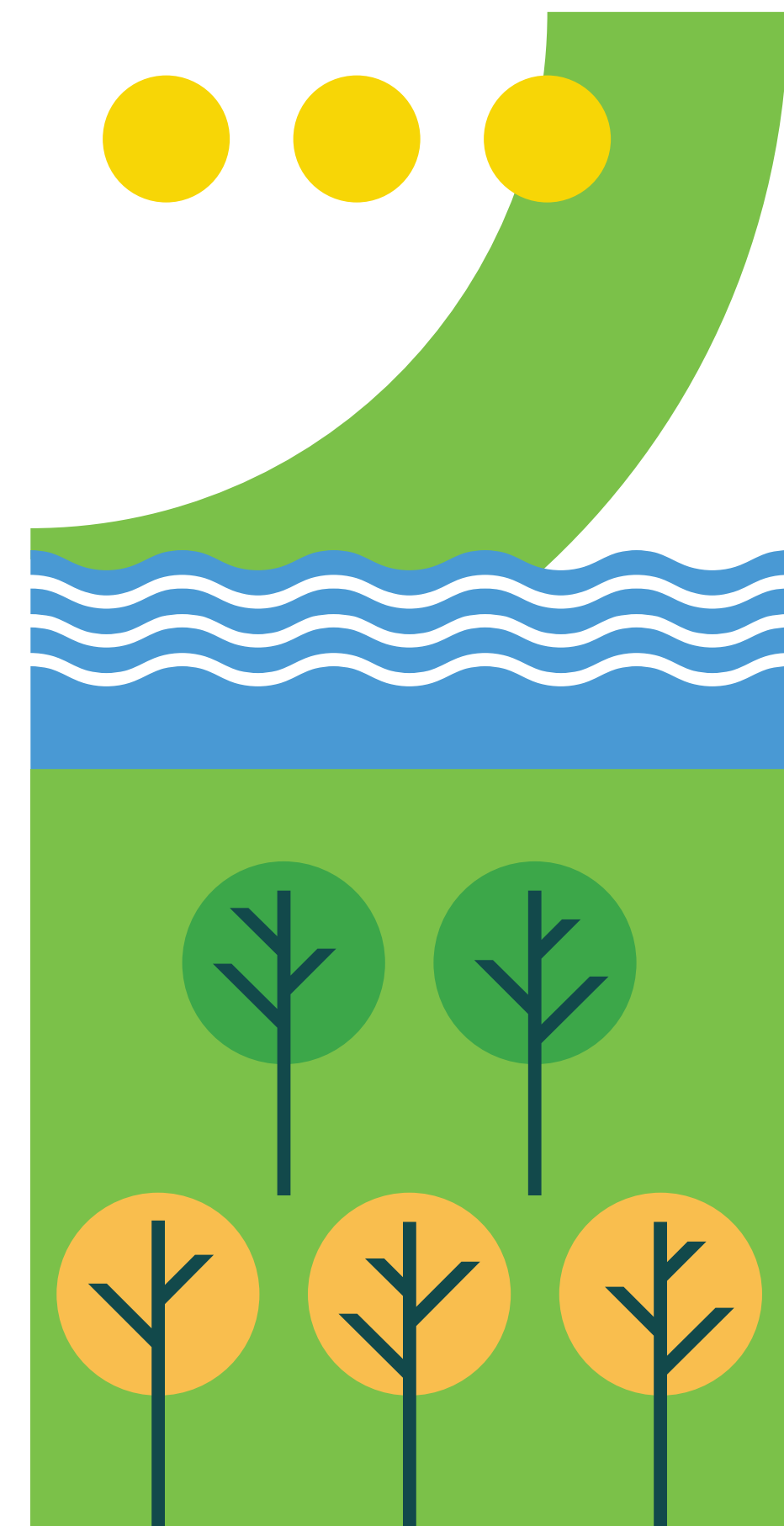




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# Executive Summary



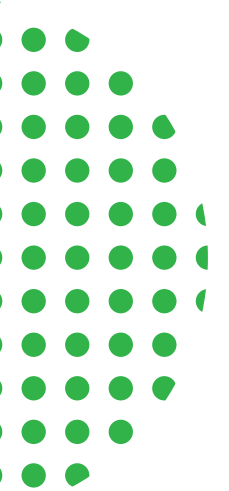
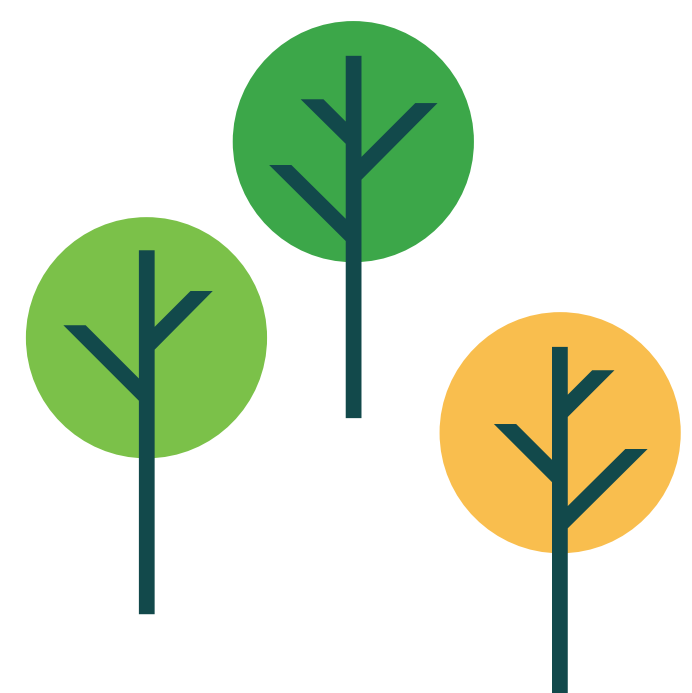
In September 2025, the Ummah for Earth Alliance convened a virtual bilingual dialogue (Arabic / English) to contribute to the Global Ethical Stocktake (GES). Responding to President Lula and UN Secretary-General Guterres's call for humanity to examine why we continue harmful practices despite knowing their consequences. This dialogue brought Islamic perspectives to the GES's central question: what moral failures prevent us from addressing climate breakdown, and what ethical frameworks can guide transformation?

## The GES Questions Applied to Islamic Finance

The Global Ethical Stocktake asks religious communities, Indigenous peoples, and civil society to identify the values and behaviors that must change for climate action to succeed. For Muslims, this question exposed a painful contradiction: Islamic finance manages \$6.7 trillion and operates on principles explicitly requiring ecological balance, yet it finances the same destructive systems as conventional banks. Our dialogue examined why institutions created to embody ethical alternatives have instead become complicit in planetary destruction.

## Islamic Finance's Untapped Potential as a System of Moral Economics

Islamic finance offers concrete answers to the GES's search for alternative economic values. It operates on principles that could transform global economics: prohibition of debt and speculation, mandatory wealth redistribution through a %2.5 annual wealth tax (zakat), and risk-sharing rather than risk-transfer. These aren't merely religious preferences but practical mechanisms preventing the exponential growth that drives climate breakdown. With Muslim nations controlling %70 of global energy resources, this sector could demonstrate that economies can function without perpetual expansion.



## Three Moral Failures Preventing Transformation

Responding to the GES framework of examining barriers to ethical action, our dialogue identified three systemic constraints:

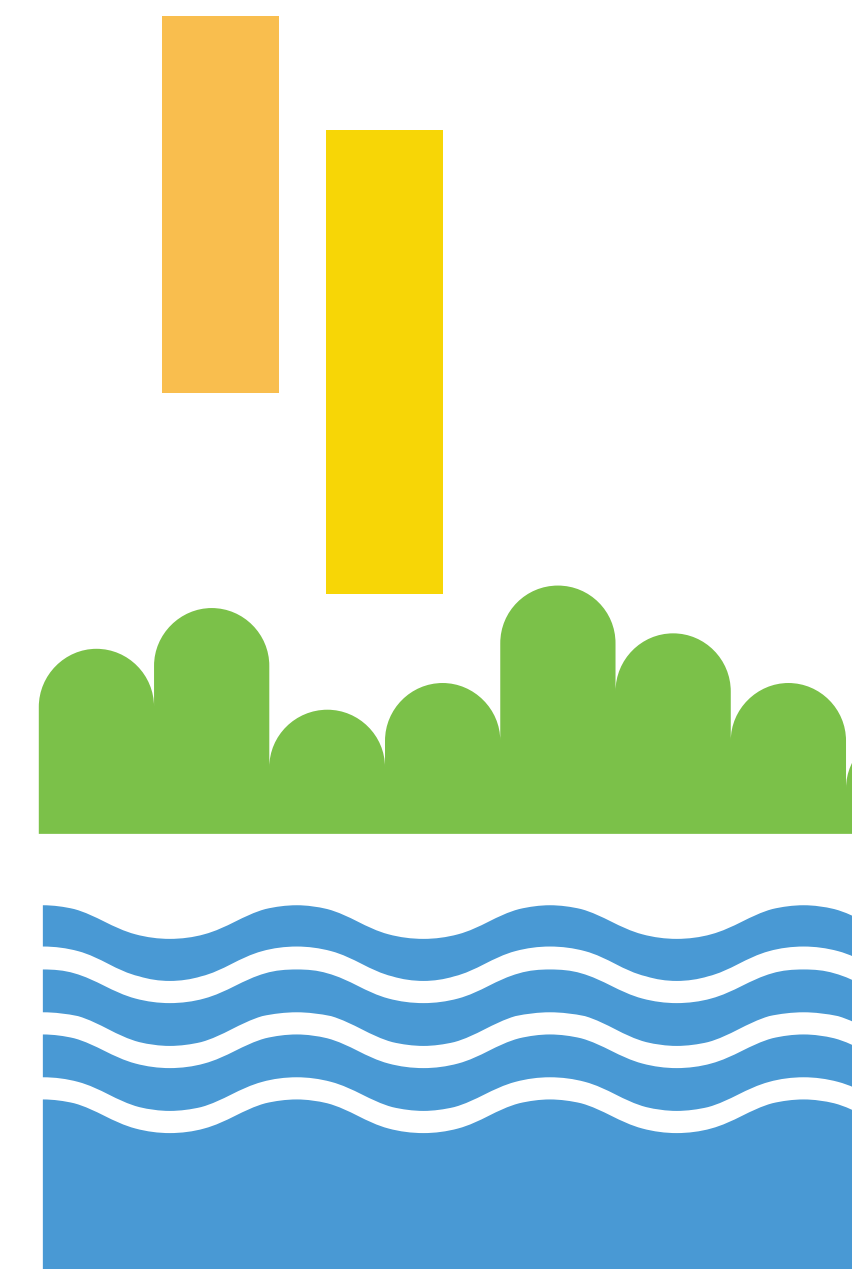
**1. Adoption of Growth Theology:** Islamic banks have internalized capitalism's belief that endless growth equals progress, measuring success by quarterly returns despite knowing this violates their foundational principle of balance (Al-Mizan). This represents the moral failure the GES seeks to expose: knowing what's right but doing what's profitable.

**2. Colonial Financial Control:** Muslim nations spend %60-40 of budgets servicing colonial-era debts while populations suffer climate impacts they didn't cause. Every Islamic bank depends on Western correspondent banks that can terminate relationships instantly. This exemplifies the structural injustices the GES highlights: systems that force harmful choices.

**3. Knowledge Fragmentation:** Islamic finance professionals lack climate science education, environmental activists don't understand Islamic financial mechanisms, and religious scholars issuing fatwas don't comprehend ecological collapse. Most critically, widespread misconceptions prevent mobilization of existing resources, with most Muslims unaware that tools like zakat can fund environmental protection.

### The Tayyib Solution: An Ethical Framework for Global Finance

Addressing the GES call for transformative values, our dialogue revealed the concept of Tayyib (pure benefit). While current sustainable finance avoids harm through exclusions, Tayyib demands active benefit creation. Every investment must demonstrably improve community wellbeing and ecological health. This isn't theoretical but operational. Malaysia's green sukuk (Islamic bonds) pioneered ethical climate finance. Indonesia mobilized \$6.7 billion for renewable energy. Jordan developed interest-free solar financing, enabling energy independence without debt. These models answer the GES question of what ethical economics looks like in practice.



## Complete Alternatives to Growth-Dependent Capitalism

The GES seeks economic models aligned with planetary boundaries. Islamic economics provides tested alternatives: prohibition of compound interest prevents debt spirals requiring infinite expansion; mandatory wealth circulation through zakat limits inequality; permanent community endowments (waqf) protect essential resources from speculation. These mechanisms sustained prosperous civilizations for centuries without requiring perpetual GDP growth.

### Seven Moral Calls for COP30

1. Include Islamic finance in climate governance, proportional to the 1.8 billion Muslims affected
2. Cancel colonial debts, forcing nations to choose between creditors and climate protection
3. Remove security restrictions preventing Islamic climate finance
4. Adopt Tayyib standards for beneficial rather than "less harmful" finance
5. Support alternatives to debt-based money driving unsustainable growth
6. Apply Islamic transition frameworks, protecting vulnerable communities
7. Create a coordination platform for the fragmented \$6.7 trillion sector

### The Choice Before COP30

The Brazilian presidency's moral reckoning through the GES creates an unprecedented opportunity to access proven economic models that don't require destroying Earth to function, such as Islamic finance.

The question is whether COP30 will enable these alternatives or leave them trapped. Solutions exist. Resources await mobilization. Communities stand ready. The hour demands activation of ethical economics already operating at a massive scale, or moral paralysis will prevent the cure we desperately need.

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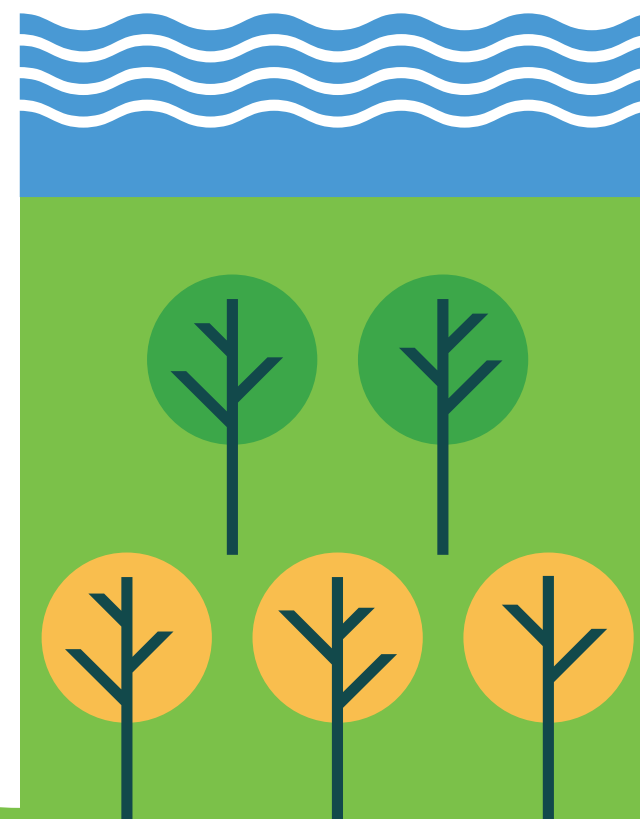
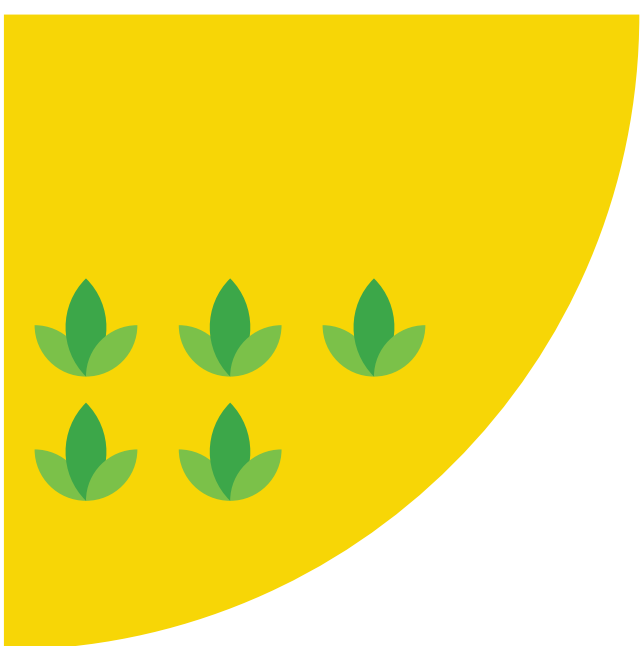
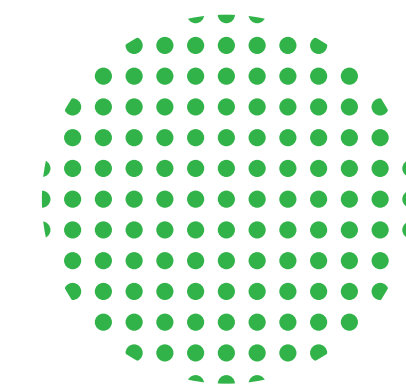
# Ummah



**أمة (Ummah)** is an Arabic word that means community or nation, but in the Islamic tradition, it carries a far deeper resonance. It refers not only to the global community of Muslims, bound together by faith, but also to the idea of a moral community that transcends borders, race, or class. At its heart, the Ummah is about shared responsibility: a collective of people who see themselves as entrusted with the care of one another and of creation, as though all are parts of a single body.

It is a vision of belonging rooted in compassion, justice and solidarity, where the wellbeing of each person and the wellbeing of the earth are tied to the wellbeing of the whole. In this sense, the Ummah is less about geography or ethnicity, and more about a living bond of values and purpose that unites hearts, communities and creation across the world.

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# The Ummah for Earth Alliance



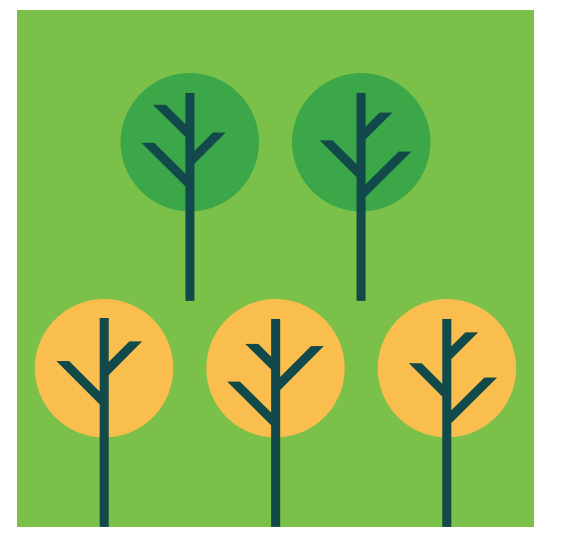
At the heart of our community mobilization stands Ummah for Earth (U4E), a groundbreaking faith-based climate alliance launched in 2020 by Greenpeace MENA and allies. This coalition has grown to encompass 55 allies, 39 organizations, and 16 influential individuals, spanning Africa, MENA, Southeast Asia, Europe, North America, and Pakistan, creating a truly global Muslim climate movement.

U4E's remarkable reach and impact demonstrate the power of faith-aligned climate action. Over the past 5 years Ummah for Earth has reached over 78.3 Million Young urban Muslims online, engaged 44.2 Million Youth Muslim voices, and drove 450K unique visitors to the website, and this all resulted in 200K actions taken with over 36k amplifying U4E's campaign on social media and beyond. These numbers represent not just statistics but a fundamental shift in how Muslim communities engage with climate issues.

The alliance's flagship initiatives showcase practical applications of Islamic environmental values. The Green Mosques Initiative has retrofitted mosques with solar panels. The Green Guide for Hajj and Umrah helps pilgrims reduce environmental impact during the world's largest annual gathering. The Sustainable Finance Campaign bridges Islamic finance principles with global sustainability goals. The Climate Justice Camps bring together young Muslim climate activists from 20 countries for intensive training and network building. The United for Climate Justice Ship Tour connected coastal communities facing sea-level rise with climate advocates,

These initiatives embody core Islamic values of Stewardship, Balance, and Wisdom, demonstrating that environmental action flows naturally from faith principles. U4E's diverse partnership network includes environmental organizations working at the intersection of faith and ecology, humanitarian groups, academic institutions, and youth organizations, ensuring next-generation leadership.

# The Global Ethical Stocktake: A Framework for Moral Reckoning



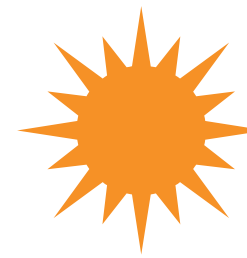
The Global Ethical Stocktake (GES) represents a shift in how humanity approaches climate governance. Launched by Brazilian President Lula and UN Secretary-General Guterres in preparation for COP30, the GES moves beyond technical assessments of emissions targets and temperature thresholds to confront deeper questions of moral responsibility and civilizational choice. Unlike traditional climate assessments that measure what we have done, the GES asks why we continue doing it despite knowing the consequences. It invites religious leaders, Indigenous peoples, youth, scientists, businesspeople, women, activists, and policymakers from all six continental regions to reflect on the values, behaviors, and responsibilities that must transform for climate commitments to become reality. For the Ummah for Earth Alliance, this invitation resonated with particular urgency. Islam provides one of the world's most comprehensive frameworks for ecological balance through the concept of Al-Mizan, yet Islamic financial institutions managing trillions also finance the very systems destroying Muslim communities. This contradiction demanded examination.

## The Questions That Guided Our Examination

In alignment with the GES, our self-organized dialogue structured itself around four fundamental questions:

1. Why do wealthy Muslim nations and institutions with power and resources continue economic models that harm our most vulnerable communities and violate principles of balance (Al-Mizan)?
2. Why do Islamic financial institutions, controlling \$6.7 trillion, despite the Quranic emphasis on seeking knowledge and truth, ignore what science and our traditional wisdom tell us about the climate crisis?
3. How have colonial legacies and imposed economic systems created structural barriers that prevent Muslim-majority countries from pursuing just transitions, and how can Islamic finance help break these cycles of dependency?
4. How can Islamic finance transform from serving the wealthy few to adopting Tayyib approaches that protect the majority of Muslims who suffer from, rather than contribute to, climate breakdown?

# Al-Mizan: A Covenant for the Earth



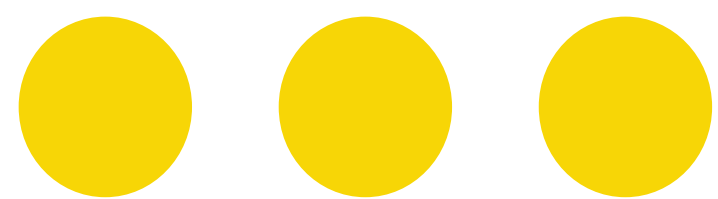
## **A Framework for Muslim Environmental Policy**

Al-Mizan: A Covenant for the Earth presents a comprehensive Islamic framework for environmental protection that addresses contemporary ecological crises while remaining rooted in Quranic principles and Prophetic tradition. This global initiative engages Islamic scholars and Muslim institutions in developing a unified response to climate change and environmental degradation, offering Muslim-majority nations a religiously grounded basis for environmental policy. The covenant's translation into Arabic, English, French, Dutch, Urdu, Persian, and Swahili demonstrates its expanding influence across diverse Muslim communities.

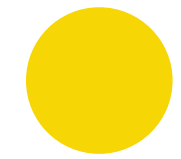
## **The Islamic Environmental Imperative**

Environmental stewardship is not peripheral to Islam but embedded in its core practices. The covenant draws from the Quranic concept of mizan (divine balance), which governs all creation from celestial movements to ecological systems. As the Quran states: "Let there be a community among you that calls for what is good, urges what is right and forbids what is wrong, they are the ones who have success" (3:104). This verse encapsulates the three pillars that Al-Mizan builds upon: encouraging public good, forbidding wrong action, and acting with moderation.

The Prophet Muhammad (PBUH) established foundational principles that evolved into comprehensive environmental ethics - from prohibiting waste even when performing ablution at a river, to establishing protected zones (hima) and endowments (waqf) for conservation. These were not merely personal practices but institutional frameworks for ecological governance. Al-Mizan translates timeless Islamic environmental principles into actionable frameworks for modern challenges. It examines how traditional concepts of khalifa (stewardship), amanah (trust), and tawhid (unity) can address climate change, biodiversity loss and resource depletion.



# Part I: The Theology of Unsustainable Growth Versus Al-Mizan



In the beginning, Islam offered humanity a complete economic vision centered on Al-Mizan, the divine balance that governs all existence. The Quran's economic verses consistently emphasize limits, distribution, and equilibrium rather than accumulation and expansion. Riba (usury/compound interest) was prohibited not merely as an unfair lending practice but as recognition that exponential growth violates the natural order Allah established. Zakat was mandated not as voluntary charity but as systematic wealth redistribution ensuring resources circulate rather than concentrate. Trade was encouraged but within ethical boundaries, preserving both social cohesion and ecological integrity.

Islamic finance emerged in the 20th century with revolutionary promise: to embody these principles in modern practice, creating economic systems based on divine balance rather than exploitation, real value rather than speculation, community benefit rather than individual accumulation. With \$6.7 trillion now under management, it possesses the scale to redirect global economics toward justice and sustainability. Yet this transformative potential remains captured by an ideology that contradicts everything Islamic economics represents. As one dialogue participant observed: "Money as we know it today acts as a virus to Allah's (SWT) creation." This virus, according to our keynote listener's historical analysis, began spreading with the creation of the Bank of England in 1694, which institutionalized the process of creating money from nothing and lending it for fees. This fictional money, "a copy of a copy of a copy" as another participant described it, drives perpetual growth to service exponential debt, making ecological balance mathematically impossible within current monetary systems.

**The tragedy isn't that Islamic finance has failed to offer global solutions to our climate emergency, but that institutions created to offer ethical alternatives have been forced to operate within systems contradicting every Islamic principle.** They must compete using capitalism's metrics while trying to maintain Islamic values. They've been compelled to adopt growth theology while knowing it violates Al-Mizan. This isn't a willing betrayal but systemic capture that must be broken for Islamic finance to fulfill its sacred purpose.

## Three Constraints Dialogue Participants Identified

Participants mapped three specific constraints preventing Islamic finance from fulfilling its purpose:

- **Metric Imprisonment:** Islamic banks must adopt capitalism's performance indicators to survive. They compete on returns, asset growth, and market share rather than community wellbeing or ecological restoration. As participants noted, current metrics determine behavior, making institutions "wholly answerable to our correspondent banks."
- **Scholarly Knowledge Gaps:** Religious scholars issuing fatwas (religious rulings) often lack understanding of modern finance's systemic implications. They focus on contract compliance while missing how those contracts serve endless accumulation. Participants emphasized the need to "revive Islamic environmental jurisprudence in a modern and realistic manner."
- **Educational Fragmentation:** Students learn to modify capitalist frameworks rather than understanding Islamic economics as a complete alternative. Participants identified that "Islamic education rarely integrates environmental issues" and called for "integrating climate and environmental science into Islamic institutions' strategies."

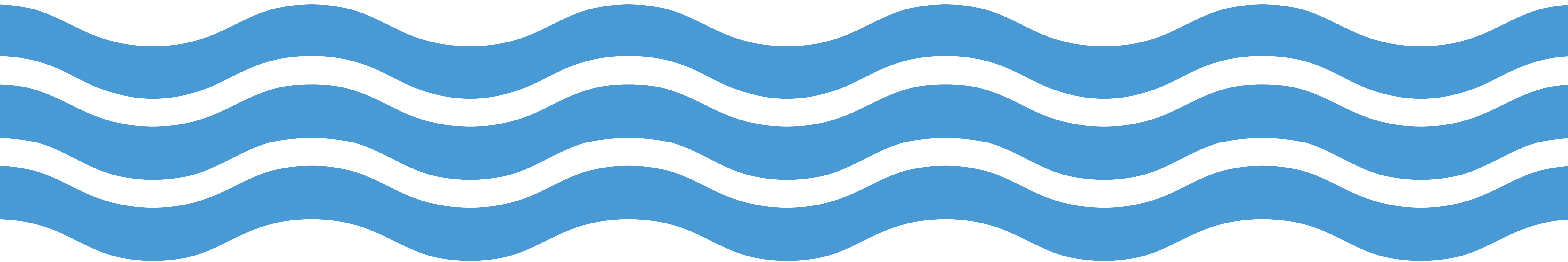
### The Jurisprudential Revolution Already Underway

Islamic finance has proven it can evolve rapidly when evidence demands transformation. The tobacco precedent demonstrates this capacity: once scientific consensus established harm causing 8 million annual deaths, Islamic institutions successfully excluded entire sectors, proving principled evolution possible. Coal now presents an even clearer opportunity for Islamic finance to lead. Contributing to 6.7 million annual deaths from air pollution, accounting for %41 of fossil carbon emissions, coal violates every Islamic principle. The jurisprudential tools exist: *lā darar wa lā dirār* (no harm to self or others), *maqāsid al-sharīah* (objectives of Islamic law protecting life and environment), *qiyās* (analogical reasoning applying tobacco precedent to fossil fuels), and frameworks of *darūrah* (necessity) and *tadarruj* (gradualism) for managing just transitions.



**"We have Sharia banking boards certifying the planetary destruction of everything the Sharia was sent to protect."**

On technical compliance violating the fundamental purpose of moral economics in Islam



## Part II: Carbon Colonialism's Architecture of Extraction

Carbon colonialism represents not a new phenomenon but evolved extraction, the latest phase in five centuries of systematic exploitation. The same powers that colonized Muslim lands militarily, extracted resources physically, and imposed political systems now colonize through debt, extract through financial mechanisms, and impose economic structures that perpetuate dependency while accelerating climate breakdown.

When colonial powers departed muslim majority countries in the mid-20th century, they left behind more than arbitrary borders and ethnic conflicts. They established "institutions defined by the departing powers, the most important of which was the central bank, whose ability to create money out of thin air sustained the model with debt." This created what dialogue participants called "the umbilical cord that tethered each new state to the departing power and ultimately to the evolving global system."

Today's carbon colonialism operates through sophisticated mechanisms that perpetuate extraction while claiming to address climate change. Industrial powers that filled the atmosphere with emissions during their development now deny others the same path. But more insidiously, they profit from the crisis they created through carbon markets that commodify the atmosphere, green bonds that maintain debt structures while claiming virtue, and climate finance that arrives as loans rather than reparations, deepening dependency while maintaining extraction.

Islamic finance was created precisely to break these chains of exploitation, to offer communities ethical alternatives based on risk-sharing rather than debt, real value rather than speculation, and mutual benefit rather than extraction. With \$6.7 trillion under management, sovereign wealth funds controlling additional trillions, and 57 OIC nations controlling %70 of global energy resources, Islamic finance possesses the resources to transform global economics. Yet it remains trapped within the very colonial structures it sought to escape.



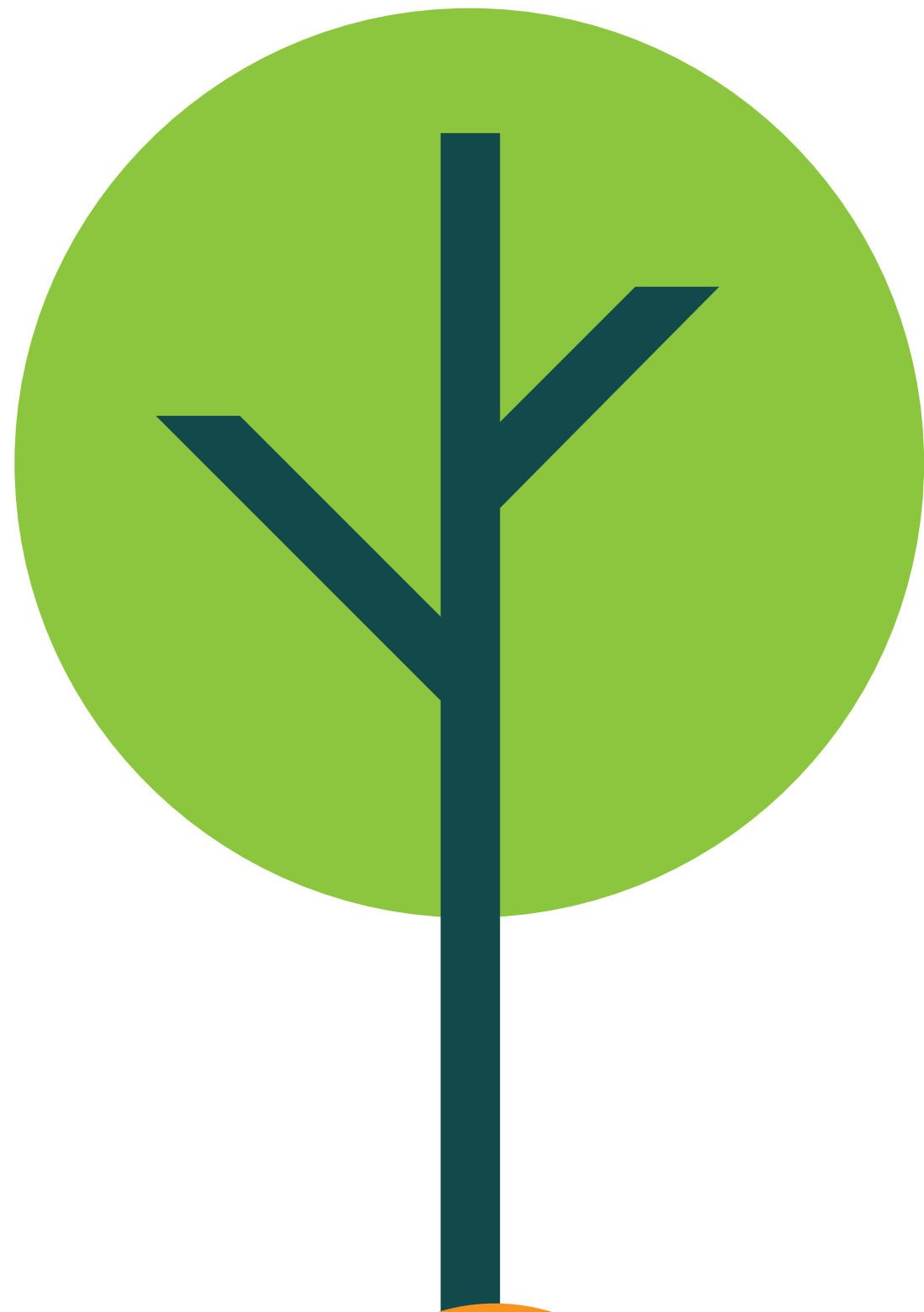
## Three Colonial Mechanisms Dialogue Participants Identified

- Debt Bondage: Muslim nations spend %60-40 of their budgets servicing colonial debts. Pakistan allocates \$10 billion annually to creditors while 33 million people face floods. As participants noted, "IMF and World Bank structural reforms privatize public services and make markets unbalanced."
- Atmospheric Colonization: Industrial powers consumed the atmospheric commons, now profit through carbon markets and green bonds, maintaining debt structures. Islamic finance could offer genuine alternatives through green sukuk, environmental waqf (perpetual endowments), and zakat funding adaptation as an obligation, not charity.
- Banking Dependency: Every Islamic bank depends on Western correspondent banks. As one participant stated, "We are wholly answerable to our correspondent banks. We are joined at the hip with the international financial system." This dependency ensures Islamic banks finance the same destructive projects.

## Counter-Terrorism's Impact on Climate Finance

The post-11/9 security regime deepened carbon colonialism's control mechanisms. Dialogue participants revealed how measures supposedly protecting Muslims instead prevent them from protecting themselves against climate breakdown:

- Widespread Fear: "Islamic finance is still being seen with fear, leading to debanking, so people not wanting to donate to Islamic causes for fear of getting their bank accounts closed either as individuals or organizations."
- Systematic Obstruction: Charities face account closures. Environmental organizations with Islamic names cannot access banking. Communities cannot fund renewable energy or adaptation.
- Elite Capture: Participants identified how colonialism "left behind people linked to them who are the richest in these countries."

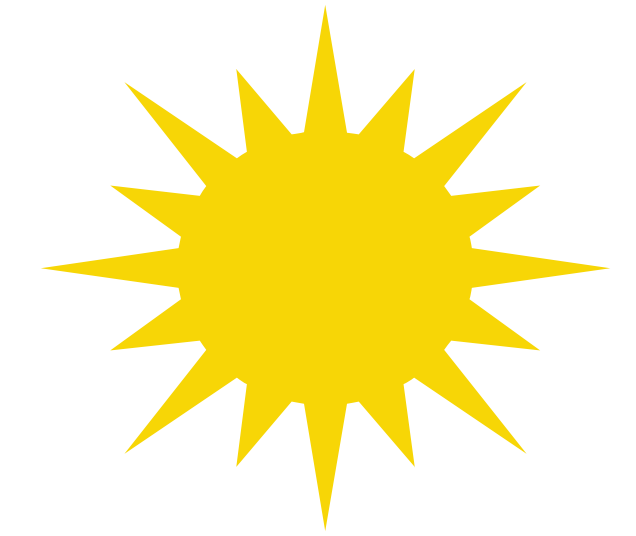


**"We know the temperature at which the planet burns, but not the verses that command us to stop lighting the fire."**

-On knowledge fragmentation between science and scripture



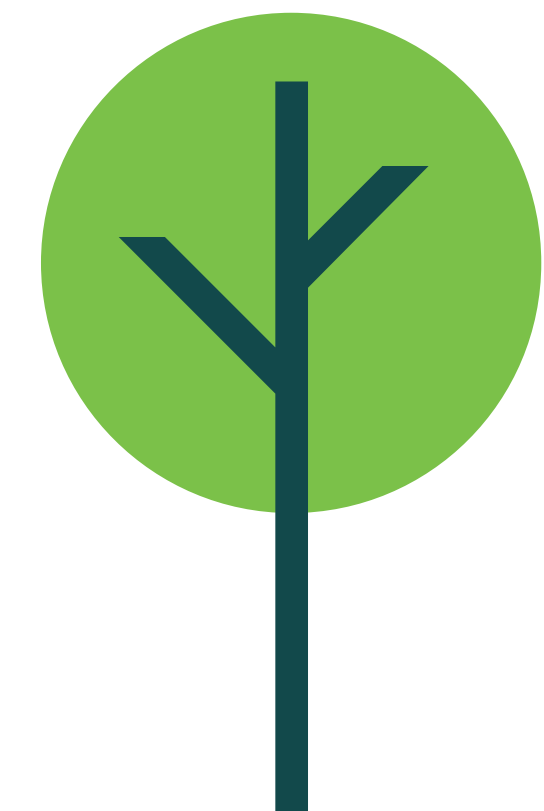
# Part III: Knowledge Fragmentation as Control Mechanism

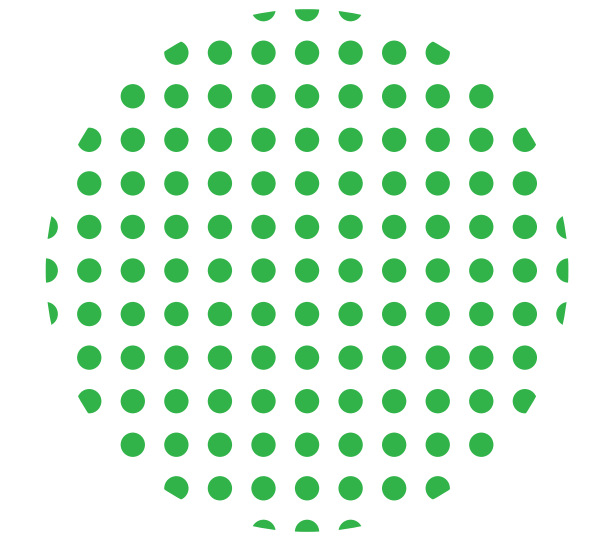


Knowledge is power, and power maintains itself through controlled ignorance. The Quran contains over 750 verses commanding believers to seek knowledge, observe creation's signs, and act on truth. Islamic scholars pioneered the scientific method. Muslim societies preserved and advanced human understanding when Europe descended into darkness. This tradition of integrated learning, where revelation and reason, faith and empiricism, spirituality and science reinforced each other, created civilizations that led the world in both material and spiritual advancement.

Yet our dialogue revealed systematic fragmentation preventing the convergence of knowledge necessary for transformation. This isn't accidental oversight but carefully maintained separation serving those who profit from current arrangements. Islamic finance professionals know nothing about climate science. Environmental activists cannot distinguish between Islamic and conventional financial instruments. Religious scholars issue fatwas on complex products while remaining ignorant of their role in civilizational destruction.

Most shocking was the widespread misconception about Islam's own tools for addressing climate breakdown. Resources that could mobilize hundreds of billions remain unused because communities don't understand their application. Mechanisms that protected ecosystems for centuries are forgotten, while communities suffer impacts they could prevent. This deliberate fragmentation ensures no one develops the integrated understanding necessary to challenge systems destroying both faith and future.



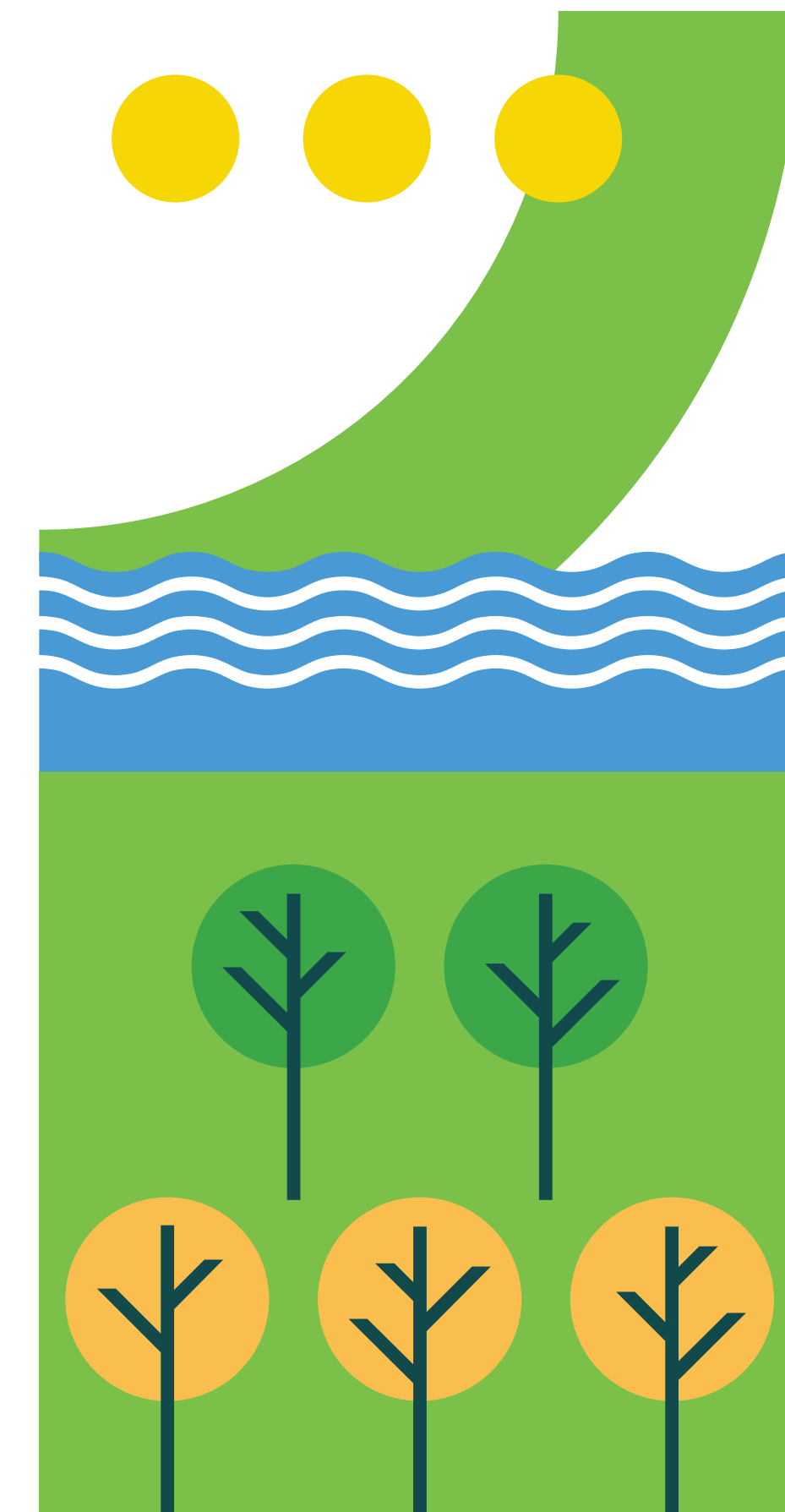


## Knowledge Bridges Dialogue Participants Identified

- Professional Integration: Islamic finance professionals lack climate science education. Environmental activists don't understand Islamic financial mechanisms. Religious scholars don't comprehend ecological collapse. Building bridges through training programs and cross-sector dialogue would create a powerful alliance.
- Conceptual Clarity: Indonesian participants revealed: "A very significant number of Muslims perceive that zakat cannot be allowed to support environmental activities." Correcting this single misconception could mobilize billions. Similar clarification about waqf and sadaqah jariyah (continuous charity) would free massive resources.
- Educational Revolution: Participants called for "integrating Islamic environmental education into curricula" and "developing training programs for stakeholders on linking faith, environmental justice, and social responsibility."

## Youth Engagement as a Priority

The generational disconnect represents a future crisis. Young Muslims view environmentalism as a "privileged people's cause" disconnected from their struggles. They don't see that their families in Pakistan, Bangladesh, and Somalia face climate devastation. This perception, internalized through education systems that divorce faith from ecology, prevents recognition that climate action is a survival imperative for Muslim communities. Participants emphasized the need for "awareness sessions in mosques and community centers" and "using social media to pressure institutions from their status quo."



# Part IV: From Halal Compliance to Tayyib Transformation



## The Shift from Avoiding Harm to Creating Benefit

Current Islamic finance operates on fundamentally limited premises: that avoiding explicit prohibitions equals ethical practice. This negative screening asks only "what's forbidden?" avoiding alcohol, pork, gambling, and conventional interest. The result is Islamic banks financing the same destructive projects as conventional banks, just with different documentation. Coal plants receive Sharia certification despite causing millions of deaths. Fossil fuel companies access Islamic capital despite driving climate breakdown. Weapons manufacturers get Islamic financing if they avoid nuclear arms.

The concept of Tayyib emerged from our dialogue as a key reframing that could transform not just Islamic finance but global economics. Where halal asks, "Is this permissible?" Tayyib demands, "Does this create pure benefit?" The Quran consistently pairs these concepts as "halal wa tayyib," indicating that technical compliance without beneficial impact fails divine requirements. This isn't a semantic distinction but a fundamental paradigm shift from avoiding harm to actively creating good.

As one participant illustrated with powerful clarity: "You might have halal chicken from farms creating massive environmental damage. That is not Tayyib." This principle, properly applied, would exclude not just harmful sectors but demand investment in restoration, regeneration, and justice. With \$6.7 trillion under management, Islamic finance applying Tayyib principles could redirect massive capital toward solutions rather than maintaining problems with religious decoration.

## Three Dimensions of Tayyib Participants Identified

**1 .Performance Revolution:** "Efficiency measurement using KPIs" measures community benefit not profits. "Clearly identifying and focusing on the right beneficiaries" meaning vulnerable communities. "Adding moral value beyond providing money."

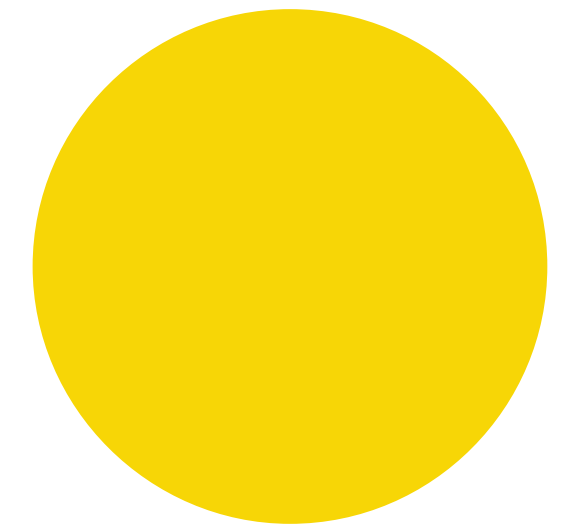
**2.Systemic Transformation:** Instead of asking "is this contract structured correctly?" Tayyib asks "does this restore balance?" Participants emphasized "sustaining positive social, environmental, or moral impact" throughout value chains.

**3. Community Implementation:** "Applying finance initiatives at local level with proper record-keeping and monitoring." Tayyib finance flows from communities upward rather than capital downward.

**4. Creating the Tayyib Taxonomy:** A crucial recommendation was developing what one participant called "a Tayyib taxonomy, a list of things that say this is Tayyib and this is not Tayyib." This would specify positive criteria, graduated classifications, measurement frameworks, and implementation pathways.

## Success Stories Proving Viability

- Malaysia: Pioneered the world's first green sukuk and now embeds sustainability across its Islamic finance sector.
- Indonesia: \$6.7 billion green sukuk program demonstrates massive capital mobilization possible.
- Jordan: "Compensation boxes" for climate-impacted farmers and proposals for "microfinance for people most affected by climate change, give them green loans with zero rate."
- Pakistan: Issuing green sukuk while recognizing coal expansion must end shows a transition beginning.



# Part V: Moral Economy Alternatives Within the Islamic Tradition

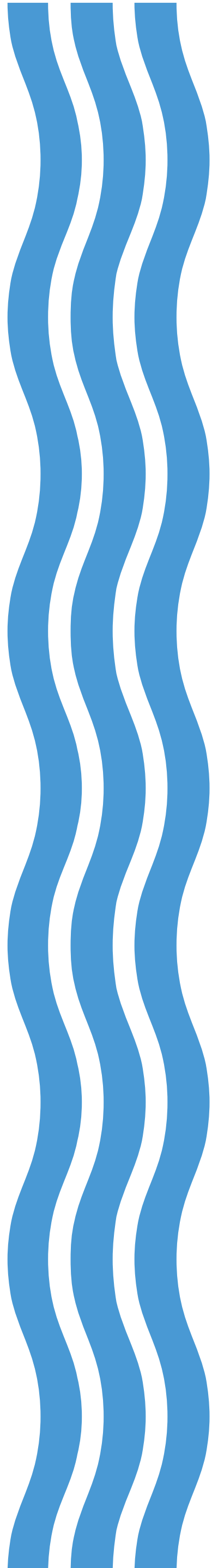
## Islamic Finance as Architect of Post-Capitalist Economics

Islamic tradition contains complete blueprints for economic systems serving humanity within planetary boundaries. These aren't modifications to capitalism or ethical adjustments to exploitation, but fundamentally different architecture based on real value rather than fictional debt, balanced distribution rather than unlimited accumulation, and recognition of limits rather than assumption of infinite growth.

The current global monetary system, where central banks create money from nothing and lend it at interest, requires perpetual growth to service exponential debt. Every dollar in circulation represents an obligation demanding further extraction. Every loan necessitates economic expansion beyond the principal amount. Every investment seeks returns that compound infinitely on a finite planet. This mathematical impossibility drives ecological destruction as surely as gravity pulls objects toward earth.

Islamic economics operates on entirely different foundations. The prohibition of *riba* (usury) prevents exponential debt expansion that forces unsustainable growth. *Zakat* ensures wealth circulates rather than concentrates, creating natural limits to inequality. *Waqf* establishes permanent community assets beyond market speculation, removing essential resources from cycles of boom and bust. *Takaful* shares risks collectively rather than individualizing them for profit, ensuring no one bears unbearable burdens alone.

These principles sustained Islamic civilizations for over a millennium, facilitating trade from Morocco to Malaysia, creating public goods from Cordoba to Cairo, and maintaining social cohesion while European feudalism collapsed into capitalism's violent birth. The Ottoman Empire at its peak managed sophisticated international commerce without compound interest. The Silk Road operated for centuries without debt-based currency. These weren't primitive systems but complex economies that served human needs within natural limits.



Modern technology combined with eternal principles could create economic systems more sophisticated than current capitalism while serving life rather than destroying it. Blockchain could enable transparent zakat distribution. Digital platforms could manage global waqf assets. Smart contracts could automate Sharia compliance. Renewable energy could back currencies with real productive capacity. The tools exist; only the will to implement them remains absent.

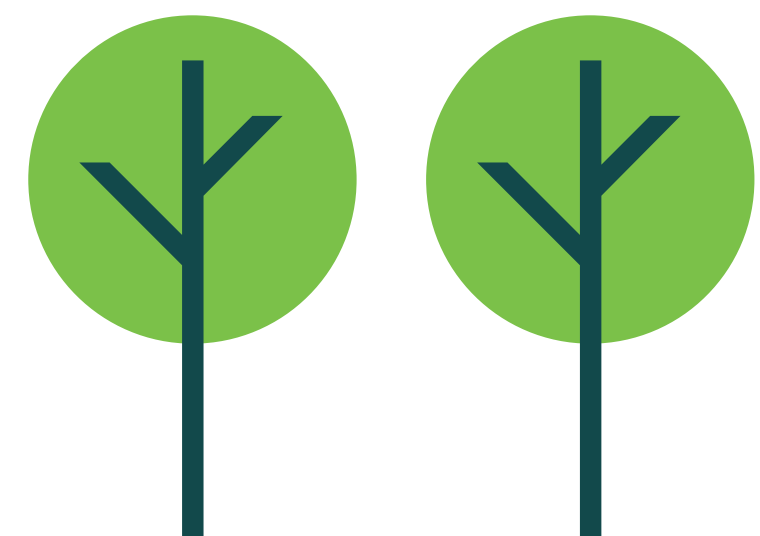
### **Three Liberation Pathways Dialogue Participants Identified**

- **Real Value Revolution:** Multiple participants proposed "gold-backed currency for the Islamic world." Currency representing actual value cannot be created infinitely. Digital gold systems and blockchain could create sophisticated systems maintaining real value.
- **Direct Cooperation:** "We need to create our own system" independent of Western banks. Direct Jakarta-Karachi, Cairo-Kuala Lumpur connections would retain value currently extracted through London and New York.
- **Community Wealth:** Reviving waqf for ecosystem protection. Properly understanding zakat could mobilize hundreds of billions. Takaful providing mutual protection without abandoning vulnerable.

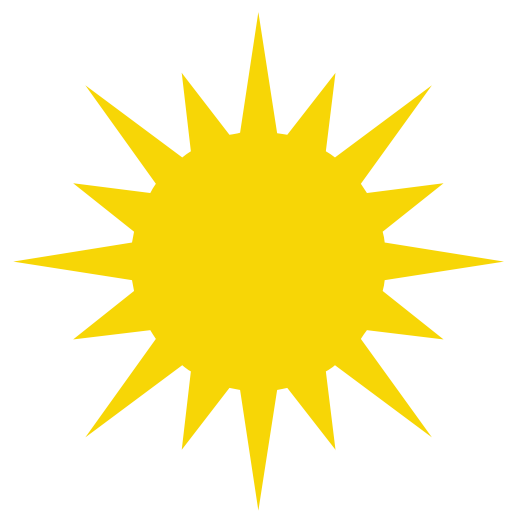
### **Islam as the Guarantee**

When asked what prevents alternative systems from reproducing current failures, participants offered profound insight: "Islam is the guarantee." This doesn't mean superficial compliance or Sharia boards within capitalist institutions, but fundamental restructuring based on different operating principles.

When Al-Mizan (divine balance) rather than growth drives decisions, excessive accumulation becomes impossible. When wealth must circulate through zakat rather than concentrate through interest, inequality has natural limits. When trusteeship (khilafah) rather than ownership frames resources, exploitation ends. When success is measured by communities served rather than returns generated, purpose transforms entirely.



# Part VI: Seven Moral Calls for COP30



## 1. Recognize Islamic Finance as an Essential Partner in Climate Solutions, Not a Peripheral Addition

The quarter of humanity following Islam, managing trillions in financial assets and controlling %70 of global energy resources, must be recognized as central to climate solutions. This means:

- Formal representation in all climate finance governance proportional to Muslim populations and climate vulnerability
- Integration of Islamic finance mechanisms (sukuk, waqf, zakat) into global climate finance architecture
- Recognition that Islamic economics offers systemic alternatives to growth-dependent capitalism, not just modified products
- COP30 must move beyond token inclusion to recognize that transforming Islamic finance from captured potential to liberation force is essential for global climate response.

## 2. Address the Moral Scandal of Forcing Climate Victims to Service Colonial Debts

- Muslim nations cannot both service illegitimate colonial debts and protect populations from climate impacts. Pakistan spending \$10 billion annually on debt service while 33 million face floods represents moral catastrophe. COP30 must:
- Acknowledge that these debts, imposed through violence and maintained through coercion, lack moral legitimacy
- Support immediate cancellation (not restructuring) of colonial-era and structural adjustment debts
- Recognize debt cancellation as climate justice, not charity
- This addresses the GES question of why harmful practices continue: nations are forced to choose between honoring illegitimate obligations or protecting their people.



### 3. End "Counter-Terrorism's" Weaponization Against Climate Action

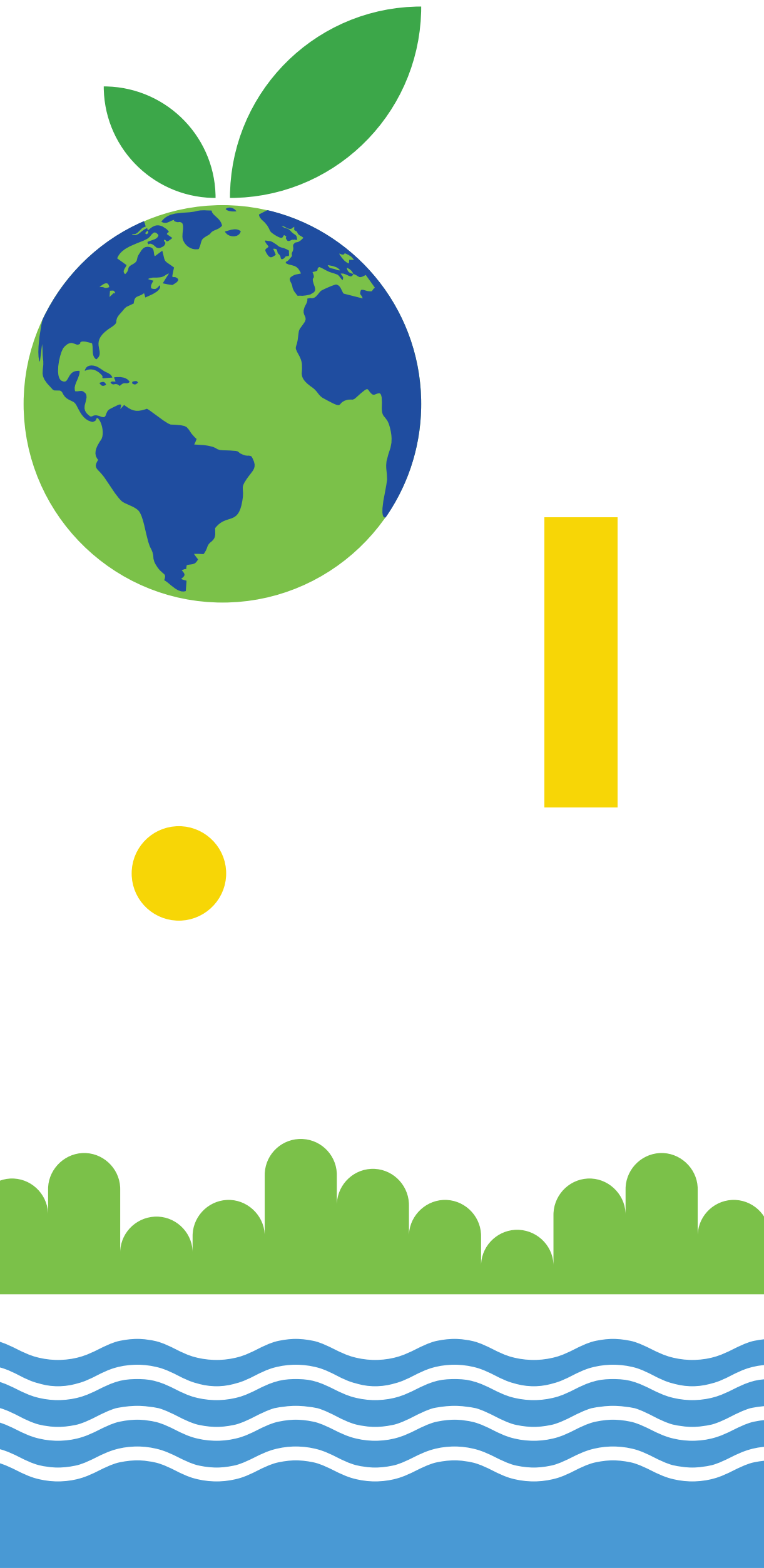
The security apparatus supposedly protecting Muslims instead prevents them from protecting themselves against climate breakdown. COP30 must:

- Acknowledge that debanking threats and enhanced monitoring, preventing Islamic climate finance constitute systematic obstruction
- Remove Islamic environmental organizations from surveillance lists
- Provide protection for Islamic institutions divesting from fossil fuels
- Create alternative banking access for organizations facing retaliation
- This confronts why communities knowing the solution cannot implement it: fear of financial destruction prevents action.

### 4. Establish the Tayyib Taxonomy as Global Standard for Beneficial Finance

Moving from negative screening (avoiding harm) to positive creation (generating benefit) through Tayyib principles offers revolutionary framework for all finance. COP30 should:

- Support development of comprehensive Tayyib taxonomy specifying what creates pure benefit
- Integrate Tayyib standards into global sustainable finance frameworks
- Recognize that technical compliance without beneficial impact represents moral failure
- Fund capacity building for institutions transitioning from halal to Tayyib standards
- This addresses why current "sustainable" finance often perpetuates harm: it lacks frameworks for evaluating genuine benefit.



## 5. Enable Alternative Financial Architecture Based on Real Value

Islamic finance cannot fulfill its purpose within systems based on fictional money creation and compound interest. COP30 must:

- Support Muslim nations developing gold-backed or commodity-based currencies
- Recognize this as legitimate decolonization, not financial extremism
- Provide technical assistance for alternative payment networks
- Protect nations attempting monetary transformation from retaliation

This confronts the root cause identified in our dialogue: money created as debt drives growth that destroys planetary balance.

## 6. Mandate Just Transition Using Islamic Principles

The coal divestment framework developed through Islamic jurisprudence provides blueprint for transformation. COP30 should:

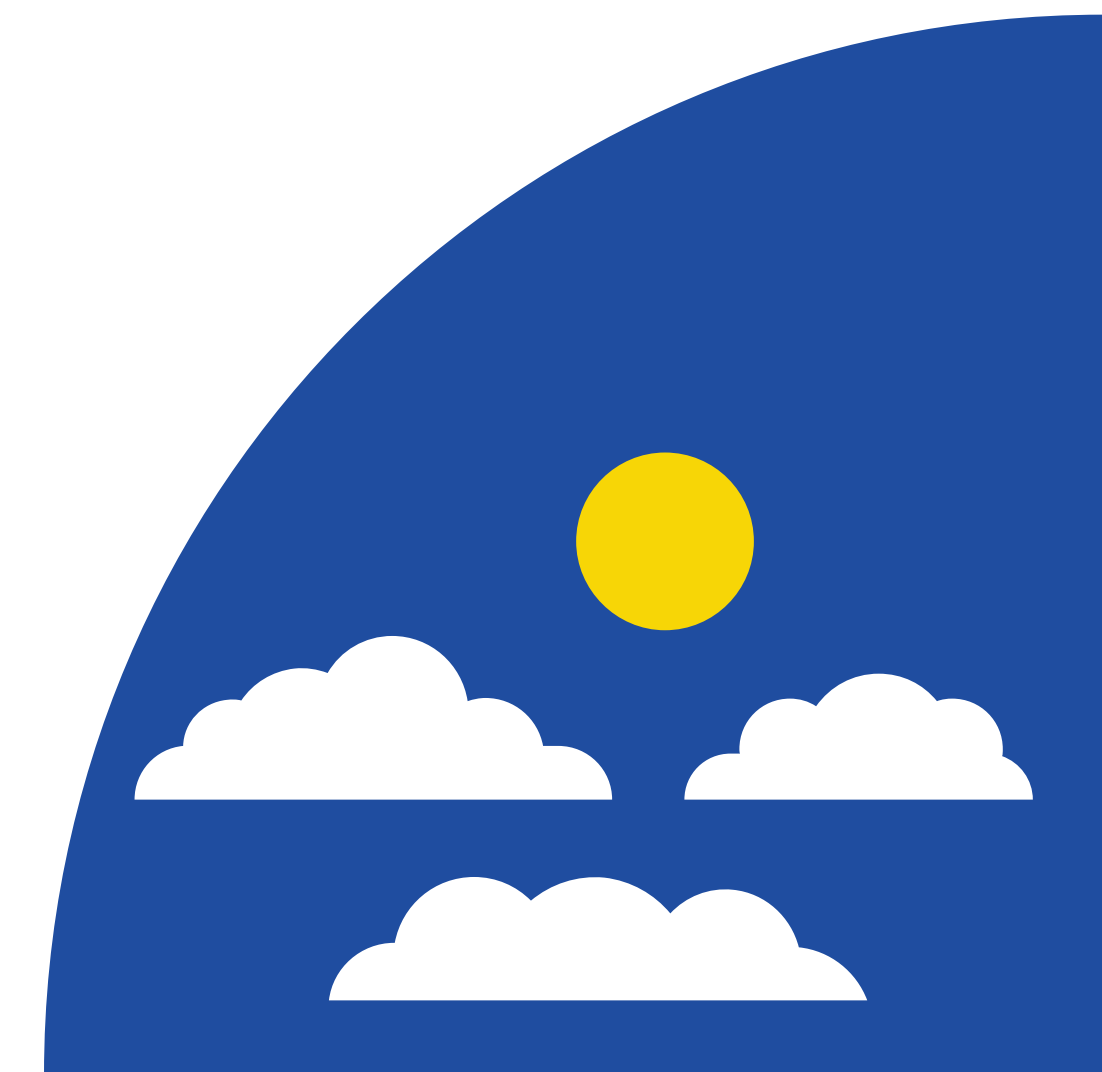
- Adopt the *arūrah* (necessity) framework for managing transitions where immediate change causes greater harm
- Implement *tadarruj* (gradualism) ensuring worker protection and community support
- Use Islamic risk-sharing principles rather than individualized insurance that abandons vulnerable
- Ensure oil-dependent Muslim nations receive support for economic transformation, not punishment

This addresses why transformation seems impossible: lack of frameworks ensuring no one is left behind.

## 7. Launch the "Single Table" for Islamic Climate Finance Coordination

Fragmentation prevents Islamic finance from realizing its potential. COP30 should support:

- Creating unified platform for governments, Islamic financial institutions, scholars, and communities
- Breaking silos between Islamic finance professionals, climate scientists, and religious scholars
- Training 10,000 professionals bridging Islamic knowledge and climate science



# Conclusion: The Hour of Decision



The Global Ethical Stocktake asked why humanity continues patterns destroying our planetary home despite knowing the consequences. For Islamic finance, managing \$6.7 trillion while Muslim communities suffer climate devastation, our dialogue revealed painful clarity: institutions created to embody divine balance have instead adopted the very growth theology and colonial dependencies they were meant to transcend.

Yet transformation remains possible. Islamic finance possesses comprehensive frameworks through Al-Mizan, proven mechanisms like Malaysia's green sukuk and Indonesia's \$6.7 billion renewable program, and growing recognition among practitioners that technical compliance while creation burns betrays everything Islam represents.

COP30 in Belém presents a historic convergence. The Brazilian presidency's moral reckoning creates space for fundamental questions. The quarter of humanity following Islam offers not just capital but complete alternatives to growth-dependent economics. As one participant stated when asked what prevents alternative systems from reproducing current failures: "Islam is the guarantee"—because Islamic economics operates on fundamentally different principles where balance supersedes growth, distribution replaces accumulation, and trusteeship frames resources rather than ownership.

The choice is clear. Islamic financial institutions must decide whether COP30 becomes their moment of transformation or continued complicity. COP30 delegates must decide whether to recognize Islamic finance as essential partner with proven alternatives, or leave these solutions trapped in destructive systems.

The hour demands activation of solutions that already exist within our traditions, awaiting only courage and cooperation to implement them. Either Islamic finance fulfills its purpose of restoring Al-Mizan, or we all face the consequences of moral paralysis.



# Key References



The “Islamic Finance and Renewable Energy” report and EDUCATE toolkit - a collaborative effort between Greenpeace MENA as part of the Ummah For Earth Alliance and The Global Ethical Finance Initiative (GEFI).

<https://ummah4earth.org/en/islamic-finance-report/>

Al-Mizan - A Covenant for the Earth is a restatement of the principles governing the protection of nature in a form that meets current challenges.

<https://www.almizan.earth>

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Report Author: Tariq Al-Olaimy