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Exploring Humanitarian Sukuk as an Innovative Financial Instrument to Support Victims of Banditry and Cattle Rustling in Nigeria

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Abstract

This study explored Humanitarian Sukuk as an innovative Islamic financial instrument for supporting victims of banditry and cattle rustling in Nigeria. The growing humanitarian impact of violent insecurity has highlighted major gaps in traditional humanitarian financing and the need to explore sustainable, ethically based options. This study used a qualitative research design and reviewed scholarly literature, policy documents, institutional reports, books, and conference proceedings from well-known academic databases. The evidence was then subjected to thematic analysis to identify salient themes associated with humanitarian financing, Islamic social finance, post-conflict recovery, and sustainable development. The findings showed that traditional funding for humanitarian operations remains constrained by underfunding, donor dependence, and limited capacity to fund long-term recovery efforts. It also revealed that humanitarian sukuk has significant potential to complement existing financing mechanisms by mobilising sustainable financing for relief, rehabilitation, livelihood restoration, and community resilience through Shariah-compliant financing structures. However, it needs conducive regulations, transparent governance, collaboration with institutions, and linkages with other Islamic social finance instruments like zakat and waqf. Thus, the study suggests that humanitarian sukuk is a viable and innovative financing mechanism that can help to enhance Nigeria's humanitarian financing architecture and foster sustainable recovery and inclusive development within conflict-affected communities. The study contributes to the emerging dialogue on Islamic social finance and suggests integrating humanitarian sukuk into Nigeria's humanitarian response system.

Keywords: Humanitarian Sukuk, Islamic Social Finance, Financing, Nigeria, Maqasid Shari'ah.

Introduction

Nigeria has been facing an ongoing humanitarian crisis due to the ongoing operations of armed bandits and cattle rustlers, leading to significant displacement, livelihood damage, and high levels of food insecurity and poverty in impacted communities (Salaudeen, 2026). While banditry and cattle rustling have always posed security problems in Nigeria, the increasing organised violence of the past decade has made it a complex humanitarian emergency with socio-economic consequences. The devastation of agricultural resources, livestock losses, disruption of rural markets, forced migration, and loss of social cohesion have significantly impacted the local economies and made them less self-reliant on humanitarian aid (Abdullahi, 2018; Lawal, 2019; Mukhtar et al., 2026). In parallel, these conditions have put pressure on government institutions and humanitarian organisations that cannot keep pace with the increased scope and complexity of humanitarian needs (Ahmed, 2021; Thomas, 2025; Bahrin et al., 2024).

In recent times, humanitarian financing has thus emerged as an ever more critical aspect of modern disaster response and post-conflict recovery. Traditional humanitarian funding mechanisms that rely largely on government allocations, donor assistance, and charitable contributions have proven to have significant constraints when it comes to sustainability, predictability and responsiveness to prolonged humanitarian crises (Ahmed, 2021; Thomas, 2025; Leal Arcas et al., 2025). These mechanisms are still used to deliver immediate relief. Still, they are highly dependent on external funding, which can make humanitarian programmes vulnerable to donors' fatigue, geopolitical agendas, and financial insecurity. This is especially true in fragile contexts where humanitarian needs keep increasing, while funding opportunities are limited (Devarajan & Mottaghi, 2016; Ahmed, 2021; Bahrin et al., 2024). This has led to an increasing international interest in innovative financing schemes that can help mobilize sustainable resources for humanitarian activities, outside of traditional formal humanitarian channels (Thomas, 2025; Febrianto et al., 2025).

Humanitarian Sukuk can be considered one of the most innovative financing instruments in Islamic finance that can support the humanitarian and sustainable development goals (SDGs). The basic difference between Sukuk and regular debt securities is that Sukuk are based on the principles of ownership of tangible assets and risk sharing, and on the requirements of Shariah that forbid transactions that involve interest. In the realm of Islamic social finance, recent advancements have led to the use of sukuk for financing social infrastructure, disaster recovery, refugee support, poverty alleviation, and humanitarian initiatives, among other forms of social finance (Shuaib, 2020; Bahrin et al., 2024; Thomas, 2025). This development is part of a larger trend in Islamic finance, where innovation and ethical considerations are increasingly intertwined with sustainable development goals (Zafar & Jafar, 2025; Febrianto et al., 2025; Leal Arcas et al., 2025).

Nigeria has one of the biggest Islamic finance markets on the Continent, and attempts by countries like Nigeria in the region to issue successful sovereign sukuks set a precedent for the region's institutional capabilities to mobilise Islamic capital for infrastructure development (Abubakar & Lawa, 2020; Shuaib, 2020). However, the financing of humanitarian needs by the use of sukuk is still relatively underdeveloped, despite the escalating humanitarian needs experienced across the region.

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However, the financing of humanitarian needs by the use of sukuk is still relatively underdeveloped, despite the escalating humanitarian needs experienced across the region. While some Islamic social finance initiatives have focused on infrastructure, education, health, and poverty reduction, little scholarly literature has been dedicated to the study of humanitarian sukuk with a focus on financing victims of armed violence, displacement, and livelihood destruction in the context of banditry and cattle rustling (Lawal, 2019; Abubakar & Lawa, 2020; Bahrin et al., 2024). This is a significant research gap considering that Islamic principles of social finance and providing humanitarian aid are compatible in protecting vulnerable populations (Jajere, 2026; Mukhtar et al., 2026; Pertek & Nabil, 2026).

The overall Islamic social finance ecology also reinforces the justification for the consideration of humanitarian sukuk. Historically, instruments like waqf, cash waqf, zakat and sadaqah have served a purpose in social welfare, poverty alleviation and resilience of communities across Muslim societies (Dembele, 2019; Haji Mohiddin, 2015; Zafar & Jafar, 2025). Today, more and more researchers are calling for the integration of these philanthropic products with new Islamic financial products to create sustainable financing ecosystems that can meet today's humanitarian challenges, as proposed by Atanda & Akanni (2025), Salaudeen (2026), Thomas (2025) and Mukhtar et al. (2026). Although cash waqf and charitable financing are still influential, humanitarian sukuk has greater potential to attract institutional investors, private capital, development partners, and socially responsible investment funds with far greater enthusiasm, which will increase the amount of finance available for humanitarian recovery (Ahmed, 2021; Bahrin et al., 2024; Febrianto et al., 2025).

These opportunities, however, come with critical institutional, regulatory, governance, operational and stakeholder-related questions which have not been adequately explored within the region's context. The existing studies focus on infrastructure financing, public investment or general Islamic social finance, without considering the design, governance, implementation and monitoring of humanitarian sukuk in helping to improve the lives of communities impacted by insecurity in Nigeria (Abubakar & Lawa, 2020; Lawal, 2019; Bahrin et al., 2024). Furthermore, there is limited empirical evidence on the stakeholders' perceptions in terms of the feasibility, legitimacy, accountability and sustainability of humanitarian sukuk in a conflict-affected environment. As a result, there is currently no evidence-based framework to guide the practical implementation of humanitarian sukuk in the regional humanitarian financing landscape that can be used by policymakers, humanitarian organisations, Islamic financial institutions and development agencies (Thomas, 2025; Pertek & Nabil, 2026; Mukhtar et al., 2026).

The issue targeted by this research, therefore, is that there is a lack of context-specific understanding of the potential for using the new Islamic financial instrument, humanitarian sukuk, to help the victims of banditry and cattle rustling in Nigeria. While humanitarian needs continue to rise, fiscal capacity is decreasing, and humanitarian funding mechanisms are under pressure, there is still limited qualitative evidence on the perceptions of stakeholders, implementation challenges, governance requirements, and institutional arrangements for deployment of humanitarian sukuk within the region. This knowledge gap hinders the development and implementation of policies, thus restricting the potential for diversifying humanitarian financing by leveraging ethically sound and sustainable Islamic financial instruments (Ahmed, 2021; Bahrin et al., 2024; Thomas, 2025).

The value of this study lies in its contribution to the growing literature on Islamic social finance, which has sought to go beyond disaster response and use a humanitarian sukuk to address complex emergencies in Nigeria caused by armed violence and forced displacement. The study also offers practical input for government institutions, humanitarian organizations, Islamic financial institutions, and development partners, as well as regulatory authorities, who are all looking for new ways to finance humanitarian actions. Secondly, the study has a theoretical contribution, as it has developed a

conceptual framework that can guide the future implementation of humanitarian sukuk in conflict-affected settings, as well as contribute to the ongoing debate on Islamic finance, sustainable development, humanitarian governance and social resilience (Thomas, 2025; Leal Arcas et al., 2025; Mukhtar et al., 2026).

The study is limited to a qualitative inquiry on how humanitarian sukuk can be used to support victims of banditry and cattle rustling in Nigeria as an innovative financial instrument by involving the stakeholders. The study is not focused on assessing the performance of the existing sukuk or financial modelling but on perceptions by stakeholders, opportunities for implementation, institutional needs, governance and practical challenges of the humanitarian sukuk. In geographical terms, the study is located in Nigeria, as the region is the most affected by armed banditry and cattle rustling activities and therefore gives a good background for studying the possible use of humanitarian sukuk in humanitarian financing.

AIM AND OBJECTIVES OF THE STUDY

Aim of the Study

This study aims to explore humanitarian sukuk as an innovative Islamic financial instrument for supporting victims of banditry and cattle rustling in Nigeria and to develop a conceptual framework for its effective implementation within the humanitarian financing landscape.

Objectives of the Study

The study seeks to achieve the following objectives:

1. To examine the humanitarian and socio-economic needs of victims of banditry and cattle rustling in Nigeria and the limitations of existing humanitarian financing mechanisms.
2. To explore the perceptions of key stakeholders regarding the feasibility, opportunities, governance requirements, and implementation challenges of humanitarian sukuk as an innovative financing instrument for humanitarian response in Nigeria.
3. To develop a conceptual framework for the implementation of humanitarian sukuk to support the relief, rehabilitation, and sustainable recovery of victims of banditry and cattle rustling in Nigeria.

Research Questions

The following research questions will guide the study:

1. What are the humanitarian and socio-economic needs of victims of banditry and cattle rustling in Nigeria, and what limitations exist within the current humanitarian financing mechanisms?
2. How do key stakeholders perceive the feasibility, opportunities, governance requirements, and implementation challenges of humanitarian sukuk as an innovative financial instrument for supporting victims of banditry and cattle rustling in Nigeria?
3. What conceptual framework can be developed to facilitate the effective implementation of humanitarian sukuk for the relief, rehabilitation, and sustainable recovery of victims of banditry and cattle rustling in Nigeria?

LITERATURE REVIEW

Humanitarian Sukuk: Concept, Principles and Evolution

Humanitarian sukuk is a new direction in Islamic finance, in which the use of sukuk is extended beyond funding infrastructure and commercial investments to finance humanitarian interventions, disaster

response and post-conflict recovery in a shariah-compliant manner (Ahmed, 2021; Bahrin et al., 2024; Thomas, 2025). In contrast to traditional bonds, sukuk are based on the concept of ownership of assets and sharing risks, which ensures that they avoid interest and encourage ethical investment and social responsibility (Shuaib, 2020; Febrianto et al., 2025). Most scholars agree that the issuance of humanitarian sukuk is indeed related to the underlying goals of Maqasid al Shariah, especially in protecting life, wealth and human dignity through sustainable financial mechanisms (Thomas, 2025; Mukhtar et al., 2026). However, there is still some discussion over its operationalisation. Bahrin et al. (2024) opine that humanitarian sukuk can be a sustainable solution to financing that relies on donors, while Ahmed (2021) warns that it would still require good governance, transparency, and investor confidence. Likewise, Febrianto et al. (2025) argue that technological advancements like blockchain can enhance accountability, while Abubakar and Lawa (2020) stress the need for institutional readiness in this context within developing economies. This divergence indicates that scholars are aware of the potential of humanitarian sukuk as a financing innovation. Still, for it to work, it should be combined with good governance and institutional capacity in a specific context.

Islamic Social Finance and Humanitarian Response

Islamic social finance involves various financial instruments that adhere to Sharia principles, such as Zakat, Waqf, cash waqf, Sadaqah, and Sukuk, all aimed at fostering social justice, poverty alleviation, and equitable distribution of wealth (Shuaib, 2020; Dembele, 2019; Zafar & Jafar, 2025). Nowadays, these tools are becoming more and more understood as strategic instruments for funding humanitarian action or promoting sustainable development in Muslim societies (Thomas, 2025; Atanda & Akanni, 2025; Mukhtar et al., 2026). It is grounded in the sense of community and religious duty; hence, Islamic social finance has great potential to solve humanitarian challenges in Nigeria, as noted by Lawal (2019). Similarly, Jajere (2026) shows that faith-based financing has the ability to bolster the protection mechanisms for internally displaced women and children through means that are acceptable in the local community. However, opinions vary on what is the best tool for humanitarian financing on a large scale. Dembele (2019) and Haji Mohiddin (2015) highlight the continued impact of waqf for long-term social welfare, while Bahrin et al. (2024) and Ahmed (2021) argue that humanitarian sukuk has the potential to generate more investment, both institutional and private, and philanthropic contributions, making it more scalable. Such scholarly consensus on the significance of Islamic social finance and the consensus on the strengths of the various instruments provides an impetus to consider the potential role of humanitarian sukuk in complementing, not replacing, the current philanthropy mechanisms in the humanitarian financing landscape.

Banditry, Cattle Rustling and Humanitarian Crisis in Nigeria

Today, banditry and cattle rustling have grown from being localised criminal acts to a comprehensive security and humanitarian issue, threatening socio-economic development in Nigeria. Violent attacks have escalated and are leading to widespread displacement, destruction of agricultural livelihoods, food insecurity, disruption of education and decreasing resilience of communities, with increased reliance on humanitarian assistance (Lawal, 2019; Abdullahi, 2018; Mukhtar et al., 2026). The humanitarian impacts are not limited to immediate physical losses but also long-term economic marginalisation and social instability, which are difficult to tackle through traditional relief measures (Ahmed, 2021; Thomas, 2025; Jajere, 2026). However, opinions vary as to what the best course of action is. Abdullahi (2018) considers the crisis to be largely a governance failure and weak institutional capacity, while Mukhtar et al. (2026) stress the need for a more integrated approach to the provision of humanitarian

services, including the incorporation of faith-based social protection and community-led resilience measures. Likewise, Lawal (2019) argues that Islamic social finance can provide an untapped means of assisting affected populations, and Ahmed (2021) emphasises the need for innovative financing to be complemented by effective humanitarian governance. All this indicates that whatever response is needed to the humanitarian dimension of banditry, it must have financial solutions which will not only sustain immediate response but also take care of the long-term recovery.

Innovative Humanitarian Financing: Opportunities and Challenges

As humanitarian needs have outstripped the capacity of traditional donor-based financing, innovative humanitarian financing has come to light. Innovative financing aims to identify ways to unlock private capital, philanthropy, and blended financial solutions to generate more ongoing and sustainable funding for humanitarian relief operations (Ahmed, 2021; Thomas, 2025; Bahrin et al., 2024). Researchers generally agree that these strategies offer a positive impact on financial resilience by diversifying funding sources and decreasing reliance on volatile donor pledges (Leal Arcas et al., 2025; Febrianto et al., 2025). However, there are questions about issues of implementation. In the absence of transparent governance and institutional accountability, innovation alone cannot ensure effective humanitarian outcomes, Ahmed (2021) states. Conversely, Febrianto et al. (2025) highlight how digital technologies and financial innovation have the potential to bolster efficiency, traceability, and stakeholder trust greatly. In addition, Bahrin et al. (2024) argue that among the potential instruments, humanitarian sukuk is one of the most promising options due to the dual nature of its offering – commercial investment and social goals – which is consistent with Islamic ethical principles. This diversity of perspectives provides an important reminder that good humanitarian financing requires not just financial innovation, but also governance mechanisms to hold actors accountable, be legitimate and distribute resources equitably.

Humanitarian Sukuk as a Mechanism for Post-Conflict Recovery and Sustainable Development

More and more, Islamic finance and sustainable development are converging, with the potential for the use of humanitarian sukuk to finance post-conflict reconstruction, livelihood restoration and long-term community resilience. Whereas emergency assistance is more for immediate humanitarian needs, humanitarian sukuk can mobilise significant long-term capital for recovery and reconstruction of infrastructure, revival of economic activity, and support for vulnerable populations due to conflict and displacement (Abubakar & Lawa, 2020; Thomas, 2025; Bahrin et al., 2024). This strategy is generally considered to be in line with the objectives of sustainable development, as it encourages inclusive growth, social justice, and responsible investment and focuses on humanitarian priorities (Leal Arcas et al., 2025; Zafar & Jafar, 2025; Mukhtar et al., 2026). However, there is a lack of consensus on how these goals are to be accomplished. While Abubakar and Lawa (2020) underscore the significance of government-led sukuk initiatives in Nigeria, Pertek and Nabil (2026) highlight the need for increased partnerships among governments, humanitarian organisations, philanthropic institutions, and local communities to achieve inclusivity and resilience. Likewise, Atanda and Akanni (2025) state that humanitarian sukuk should not operate in isolation but rather as an addition to the existing Islamic social finance instruments. Possessing this knowledge, there is great potential for humanitarian sukuk to help close humanitarian financing gaps; however, there is a need for coordinated governance, stakeholder engagement, and context-specific approaches to implementation.

Theoretical Review

This research is based on Maqasid al Shariah (MAS) Theory that serves as the most appropriate theory to understand the role of humanitarian sukuk as an innovative Islamic finance tool in supporting banditry and cattle rustling victims in Nigeria. It is a theory that has its roots in classical Islamic jurisprudence in the works of such scholars as Al-Ghazali and Al-Shatibi, who believed that all the rules and institutions in Islamic law aimed at the welfare of human beings, namely the protection of religion, life, intellect, lineage, and wealth. Islamic finance is not seen as a way to make a profit, but as a tool of justice, social welfare, human dignity and sustainable societal development (Shuaib, 2020; Thomas, 2025; Mukhtar et al., 2026).

Humanitarian crises, from the point of view of Maqasid al Shariah, are not only a security or economic issue but are a threat to the goals of human life. Loss of livelihoods due to banditry and cattle rustling is a major threat to the protection of wealth; displacement, violence, food insecurity, and loss of life are threats to the protection of life and human dignity. Thus, humanitarian intervention is not just about charity, but about a moral and institutional responsibility to restore the conditions that enable individuals and communities to thrive (Lawal, 2019; Jajere, 2026; Mukhtar et al., 2026). This interpretation widens the definition of humanitarian sukuk not only as a financial innovation, but also as a financial tool which serves the higher moral mission of Islamic finance.

The theory also shifts the focus of academics from traditional financial measures of performance to broader social impacts of financial instruments. In this context, humanitarian sukuk cannot be evaluated solely by the amount of capital mobilised and the efficiency of financial markets alone. Rather, its success hinges on how well it can restore livelihoods, build community resilience, mitigate vulnerability, ensure social justice, and foster sustainable recovery for conflict-affected populations (Ahmed, 2021; Bahrin et al., 2024; Thomas, 2025). This more inclusive definition sets humanitarian sukuk apart from many of the conventional financial instruments that often focus more on economic returns than social change.

In general, scholars agree that there is a philosophical foundation of the Sharia of Islamic finance, which is known as the Maqasid al Shariah, but there are differences in its application. According to Thomas (2025), the theory needs to be applied towards integrating Islamic finance with sustainable development, with consideration of the current humanitarian and environmental issues. Likewise, Bahrin et al. (2024) argue that humanitarian sukuk is an operationalisation of the objectives of Maqasid al Shariah by integrating socially responsible investment with humanitarian provision. However, Abubakar and Lawa (2020) warn that the realisation of these aims requires the presence of favourable legal structures, institutions and good governance, indicating that ethics alone are not enough to ensure effective implementation. Similarly, Febrianto et al. (2025) argue that technological innovations and transparent financial systems are essential to make sure that humanitarian sukuk truly provide the social justice that is intended by the theory.

In the context of Nigeria, the meaning of the research problem could be further extended by using the concept of Maqasid al Shariah, which shows that humanitarian financing should be more than an immediate solution to alleviate suffering, but should also rehabilitate the human capabilities, social stability and economic dignity of the people. Beyond emergency relief, victims of banditry and cattle rustling need livelihoods to be rebuilt, vulnerable households to be protected, and resilient communities that can face future shocks (Lawal, 2019; Jajere, 2026; Pertek & Nabil, 2026). Hence, this theory is a broad and holistic theory that allows humanitarian sukuk to be comprehended as a tangible manifestation of moral values in Islam that can be used to transform the financing resources into a tool of social protection, inclusive development and long-term peace. This is the theory that is the foundation

of the present study and therefore will be used to develop a conceptual framework for introducing humanitarian sukuk in Nigeria's humanitarian financing landscape.

Operationalizing Maqasid Al-Shariah Metrics as Social Return on Investment (SROI) Indicators to Measure Project Outcome for Displaced Households

Evaluating Islamic Social Finance interventions through the deployment of humanitarian sukuk in the light of the Maqasid Al-Shariah in post-conflict, fragile ecosystems require frameworks that can capture both economic metrics and deep-seated socio-cultural dynamics. In North East Nigeria, over a decade of insurgency has displaced millions, systematically dismantling institutional trust, community structures, and household assets. Standard management evaluation methodologies, such as traditional Social Return on Investment (SROI) Nicholls. (2012), struggle in these settings. They rely heavily on Westernized, market-centric financial proxies that undervalue non-material dimensions like trauma recovery, community cohesion, and religious freedom (Amin et al., 2023).

By integrating the five dimensions of Maqasid al-Shariah—Faith (*Din*), Life (*Nafs*), Intellect (*Aql*), Posterity (*Nasl*), and Wealth (*Mal*)—into an SROI methodology, management scholars and NGOs can utilize a culturally grounded framework (Laldin & Furqani, 2013). This framework translates qualitative, faith-centric dimensions of human security into rigorous, monetized social impact indicators. In doing so, it provides a comprehensive accounting of the value generated by humanitarian and developmental interventions.

The Operationalization Matrix for the North East Nigerian Context

In North East Nigeria, IDPs face distinct hurdles: severe psycho-social trauma, breakdown of patriarchal family units, lack of formal land tenure, and deep dependency on humanitarian aid. The matrix below translates these specific vulnerabilities into measurable SROI outcomes and localized financial proxies.

Maqasid Dimension	Human& Contextual Realities (North East Nigeria)	SROI, Human Outcome Indicator	Compassionate Financial Proxy Strategy
Faith (Din)	Loss of community agency, structural indignity in IDP camps, and erosion of social cohesion due to ethno-religious profiling.	•Increased perception of safety and dignity. • Re-establishment of community-led arbitration and mutual-aid networks.	•**Well-being Valuation:** Localized market cost of culturally integrated, trauma-informed counseling or community reconciliation workshops (Fujiwara & Campbell, 2011).
Life (Nafs)	Acute food insecurity, exposure to cholera epidemics in camps, and unsafe, temporary shelter.	• Drop in water-borne disease rates. • Secure transition from informal camp tents to durable, dignified housing leases.	• **Cost-Avoidance Framework:** Saved out-of-pocket medical expenses and emergency clinic costs; local market-rate valuation of safe, secure rental housing in hub cities like Maiduguri.
Intellect (Aql)	A generation of out-of-school children due to targeted attacks on schools; lack of market-relevant trades.	• Higher school enrollment and retention among conflict-affected youth. • Graduated IDPs acquiring viable vocational skills (e.g., tailoring, sustainable agri-business).	• **Shadow Pricing / Human Capital:** Market cost of private remedial tutoring or accredited vocational training programs in Borno or Adamawa State.

Maqasid Dimension	Human& Contextual Realities (North East Nigeria)	SROI, Human Outcome Indicator	Compassionate Financial Proxy Strategy
Posterity (Nasl)	High rates of gender-based violence, orphan vulnerability, and survival-driven child labor or early marriage.	• Documented reduction in child labor or survival-driven early marriages. • Improved access to maternal health services for displaced women.	• **Economic Value Estimation:** Projected lifetime income gains from keeping a child in formal education versus early labor market entry (Psacharopoulos & Patrinos, 2018).
Wealth (Mal)	Total loss of livestock and farmland; deep debt cycles driven by informal predatory lenders.	• Diversification and growth of household monthly income. • Acquisition of small productive assets and reduction of high-interest debt.	• **Revealed Preference:** Net shifts in household monthly cash flow and fair market value of acquired assets (e.g., solar-powered grain mills, livestock).

Methodological Adjustments for Post-Conflict Management Research

Applying this integrated framework within North East Nigeria requires specific methodological adaptations to ensure empirical validity and ethical safety:

Trauma-Informed Stakeholder Engagement: Standard SROI engagement can cause secondary trauma for vulnerable populations. In North East Nigeria, focus groups must be facilitated alongside local community leaders (*Bulamas*) and faith-based actors. This collaboration ensures definitions of *Din* (Dignity) and *Nafs* (Well-being) are derived safely and directly from the beneficiaries. (Afridi. 2021)

Counterfactual Rigor and Attribution: The region is heavily saturated with international aid organizations (UNHCR, WFP, IOM) and state agencies (NEDC). To avoid artificially inflating the SROI ratio, researchers must apply strict deductions for **Deadweight** (outcomes that would have happened due to baseline humanitarian aid) and **Attribution** (sharing the credit with other concurrent interventions). Haji-Mohiddin. (2015)

Localizing Financial Proxies: Because hyperinflation and volatile parallel-market exchange rates affect the Nigerian Naira (NGN), financial proxies should be anchored to tangible consumer goods or localized basket-of-goods metrics. This structural anchor helps maintain long-term stability and reliability in the valuation process.

Empirical Review

Abubakar and Lawa (2020) conducted a study on the use of the sukuk financing mechanism for rehabilitation and reconstruction of North East Nigeria after the humanitarian and infrastructural devastation occasioned by insurgency. This study aimed to understand the role of sovereign sukuk in supporting reconstruction efforts and putting socio-economic reconstruction on track in conflict-affected communities. The authors used a qualitative approach using documentary analysis of government reports, policy documents, and literature on Islamic finance and post-conflict reconstruction. The results showed that sukuk have great potential to be used in financing public infrastructure and in the process of stimulating economic recovery and relieving the fiscal burden of the government, while still being in line with the principles of Islamic finance. The study also concluded that sukuk improve transparency through the use of asset-backed financing, which boosts investor confidence and accountability of the public. This is the implication of these findings: Islamic financial instruments have a great role to play in the reconstruction of fragile communities if supported by a conducive institutional set-up. The authors suggested that there is a need for more government effort to

increase the use of sukuk for purposes other than infrastructure financing. The study, however, focused mainly on reconstruction post-insurgency and did not look at humanitarian sukuk as specialised financing for victims of banditry and cattle rustling. Nor did it analyze the perceptions of stakeholders or create an implementation framework that is appropriate for the financing of humanitarian intervention in Nigeria.

A study was carried out on the contribution of Islamic social finance in mitigating the humanitarian crisis in North East Nigeria by Lawal (2019). The research aimed to explore the potential of Islamic social finance in alleviating conditions of poverty, providing humanitarian support and enabling sustainable recovery for conflict-affected communities. This research used a qualitative approach that was conducted through documentary review and conceptual analysis of Islamic social finance practices in the humanitarian context. The results showed that zakat, waqf, and sadaqah have great potential to help the government in implementing assistance to vulnerable households in the form of welfare and strengthening the community's resilience. The study also noted that Islamic social finance, as well as humanitarian social finance, are in the same direction, as both are motivated to save people from the situation of vulnerability and restore the dignity of humanity. These findings have implications that indicate that financing mechanisms based on religion can offer a sustainable alternative to donor-dependent humanitarian assistance. The study suggested the need for more cooperation among governments, religious bodies and humanitarian organizations to mobilize Islamic social finance. However, the study only referred to sukuk in the context of the Islamic social finance ecosystem, but not as an innovative financing instrument in the context of humanitarian financing. Moreover, the study did not focus on the implementation challenges, governance needs or stakeholders' perceptions of humanitarian sukuk in the North.

The study by Shuaib (2020) has analysed the effectiveness of Islamic social finance instruments in delivering social services in Nigeria. The main goal of the study was to understand the contributions of different Islamic financial tools in combating poverty, education, healthcare and other social development in the country. The research has a qualitative approach, which involved documenting and a detailed reading of Islamic law and financial literature. The results found that Islamic social finance plays a major role in achieving inclusive development using Islamic financing tools like zakat, waqf and sukuk to maintain the equitable distribution of wealth, financial inclusion and welfare of the community. The study further highlighted the importance of good governance, legal security and coordination of institutions in order to achieve maximum development impact with these instruments. From the findings, it can be implied that Islamic finance is not only a system of commercial finance but also a tool for achieving social justice and sustainable development. The study suggested that regulatory frameworks should be strengthened and that there is a need for greater public awareness of Islamic social finance. However, although the research acknowledged the potential of sukuk in general, it failed to consider the concept of sukuk in a humanitarian context within communities affected by conflicts, and it did not cover financing options for victims of banditry, cattle rustling, and other forms of armed violence and displacement.

Bahrin, Najmuddin, and Rusli (2024) looked at the sustainability of humanitarian financing under the issuance of sukuk in the humanitarian economy. The study focused mainly on assessing humanitarian sukuk as an innovative financial instrument that can finance humanitarian interventions in the long run and be used as a catalyst for sustainable development. The authors used a conceptual and qualitative research approach, which involved a detailed review of the current literature in the fields of Islamic finance, sustainability financing, and humanitarian economics. The results indicated that humanitarian sukuk has tremendous potential to diversify humanitarian funding sources while still being in line with

Islamic ethical principles, and it is appealing to socially responsible investors. The study also demonstrated that humanitarian sukuk can serve as a means to mitigate over-reliance on charitable donations and traditional funding from donors, which is often unpredictable and unsustainable. The findings from this study are that humanitarian organisations should enhance their financial resilience by including Islamic capital market instruments in humanitarian response. The authors made the following recommendations for successful implementation: (1) the need to develop enabling regulatory frameworks, (2) the need for improved stakeholder cooperation, and (3) the need for improved governance structures. Mostly, however, the study was still of a conceptual nature, lacking empirical evidence from conflict-impacted contexts. It also failed to gather information on the perceptions of stakeholders, institutional preparedness, and implementation needs in the Nigerian context, which are crucial and left unaddressed.

Ahmed (2021) has carried out a comprehensive study on innovative humanitarian financing, aiming to explore the new financial instruments that can help bridge the humanitarian funding gap. Alternative financing models, such as Islamic finance, blended finance, impact investment and private sector participation in humanitarian response, were explored. The author resorted to a qualitative research approach that involved in-depth analysis of existing documents, literature, and reports of humanitarian financing arrangements, as well as contemporary literature. The results showed that traditional donor-driven humanitarian funding has become insufficient to address the ongoing humanitarian crises due to funding uncertainty, an increasing number of humanitarians needs and fatigue among donors. The study also found that innovative financing mechanisms offer more sustainability through diversification of funding sources and financial resilience of humanitarian systems. What these results mean for humanitarian organisations is that they need to shift away from the traditional reliance on aid towards more sustainable financing mechanisms. The study called for increased cooperation and collaboration between governments, financial institutions, development agencies and private investors to create innovative financing models for humanitarian purposes. However, whilst it was mentioned that Islamic finance is a potentially viable part of innovative financing, the study did not specifically look at the case of humanitarian sukuk in Nigeria or how it could be implemented for beneficiaries of insecurity and violent conflict.

Febrianto, Asshidqi, and Adlan (2025) conducted research on the innovation of sukuk and blockchain integration as a sustainable financing mechanism for social, economic, and environmental development. The study's emphasis was placed on a study of technological innovation in improving transparency, accountability and efficiency in the operation of sukuk. The methodology used was qualitative and literature-based, where the researchers analysed current literature that deals with Islamic finance, financial technology, and sustainable investment. The results showed that the adoption of blockchain technology in the issuance of sukuk is capable of increasing the traceability of transactions, minimizing inefficiencies in the system, boosting investor confidence, and improving governance by providing transparency in financial reporting. The study also revealed that there is a huge potential in the development of innovative sukuk structures for sustainable development financing without compromising Islamic financial principles. The findings imply that technology innovation can enhance the sustainability and trustworthiness of humanitarian funding efforts. The authors suggested that more investment should be directed towards digital infrastructure and a change in regulation to ease the integration of technology in Islamic capital markets. However, the study focused mainly on financial technology and sustainable investment without discussing humanitarian crises, conflict-affected populations, and the socio-institutional factors affecting the implementation of humanitarian sukuk in developing countries like Nigeria.

Jajere (2026) examined the impact of Islamic social finance on safeguarding IDP women and children in Borno State, Nigeria. The study aimed to explore the role of financial means of faith in sustainable improvement of the situation of the displaced people in long-term humanitarian situations. The research method employed was a qualitative approach, such as documentary analysis and contextual analysis of Islamic social finance practices in the humanitarian context. The results showed that Islamic social finance has a significant impact on increasing community protection and local resilience, and also complements humanitarian delivery in tackling immediate needs for well-being and social recovery. The study also found that localised faith-based financing mechanisms enhance community engagement since they are generally seen as being culturally legitimate and socially inclusive by beneficiaries. The findings have implications that suggest Islamic social finance has great potential to enhance humanitarian protection in fragile environments. It suggested more institutional collaboration between governments, humanitarian actors, the religious community and community-based actors. However, the study focused primarily on women and children IDPs of Borno State and the Islamic social finance arrangements. It was not specifically a study of the humanitarian sukuk as an innovative financing tool, nor did it establish a framework for implementation which would sustain victims of banditry and cattle rustling in Nigeria.

Mukhtar et al. (2026) carried out a study to explore the linkages between human security, Islamic philanthropy, and sustainable development in the North of Nigeria. The study tried to investigate the role of Islamic philanthropic institutions in the fight against insecurity, poverty and humanitarian issues in the region. The researchers used the qualitative method and the techniques of documentary analysis in this research; the documentary analysis technique was used to analyze Islamic social finance documents and humanitarian policy documents. The results indicated that the provision of financial aid to vulnerable groups in the face of conflict and economic hardship contributes to social cohesion, resilience and sustainable development through Islamic philanthropy. The study also revealed that the development policy which incorporates Islamic moral principles improves social inclusion and long-term human security. The findings allude to the fact that humanitarian interventions are more sustainable if delivered through ethical and community-centred governance systems. To enhance humanitarian outcomes, the authors suggested that there is a need for more institutional coordination and dialogue between public authorities and Islamic social finance organisations. However, the research remained on Islamic philanthropy and not on a capital market instrument – humanitarian sukuk. Also, it failed to examine the perceptions of the stakeholders, institutional readiness and implementation strategies needed for operationalizing humanitarian sukuk in Nigeria.

The findings from all the empirical studies reviewed in total show an increasing interest of scholars in Islamic social finance, innovative humanitarian financing, sustainable development, and post-conflict recovery. The studies conducted have consistently recognized the role that sukuk, waqf, zakat, and other Islamic financial instruments can play in alleviating humanitarian challenges (Abubakar & Lawa, 2020; Lawal, 2019; Shuaib, 2020; Bahrin et al., 2024). Likewise, research on innovative humanitarian financing also notes that humanitarian funding sources should be diversified from traditional donor assistance to enhance the sustainability of humanitarian interventions (Ahmed, 2021; Thomas, 2025). However, there are many empirical gaps. Firstly, most of the current literature is conceptual and documentary and lacks empirical evidence on the perceptions of stakeholders of the role of humanitarian sukuk in conflict-affected settings. Second, earlier research on insurgency, infrastructure financing, Islamic philanthropy or humanitarian aid generally has not paid much attention to victims of banditry and cattle rustling in Nigeria. Third, no reviewed study has presented and developed a context-specific conceptual framework for the implementation of humanitarian sukuk as an innovative financing

mechanism for the humanitarian response in the study area. This study therefore aims to fill these gaps by using a qualitative approach to elicit the views of the stakeholders and to come up with a practical conceptual framework for humanitarian sukuk financing to aid the relief, rehabilitation and sustainable recovery of the victims of banditry and cattle rustling in Nigeria.

METHODOLOGY

The design of this study was qualitative, using a systematic review of literature and documentary analysis to understand humanitarian sukuk as an innovative financial instrument in supporting banditry and cattle rustling victims in Nigeria. A qualitative design was deemed suitable since it allows for the interpretation and synthesis of available scholarly and policy evidence to generate in-depth knowledge of complex humanitarian and financial phenomena, as opposed to numerical analysis (Ahmed, 2021; Shuaib, 2020; Thomas, 2025).

Articles relevant to the study were collected from reputable academic databases, namely Scopus, Web of Science, ScienceDirect, SpringerLink, Google Scholar, JSTOR, Taylor and Francis Online, Emerald Insight, and reports from international organisations and government institutions. The search process used a combination of the following keywords: Humanitarian sukuk, Islamic Social Finance, Innovative Humanitarian Financing, banditry in Nigeria, Cattle Rustling, Humanitarian crisis, Post-conflict recovery, Islamic philanthropy, Waqf, Sustainable development.

Peer-reviewed journal articles, books, book chapters, doctoral theses, conference proceedings and institutional reports were reviewed from 2015 to 2026. Previously important seminal publications were included, as they provided the necessary theoretical or conceptual underpinning. Documents were included if they discussed Islamic finance, humanitarian financing, humanitarian crises, conflict recovery, and sustainable development and had been published in English. Studies that were not related to the research focus, studies that were opinion articles with a lack of scientific rigour, duplicate publications and articles with a lack of methodological transparency were excluded. Upon reviewing the selected documents, a thematic synthesis was carried out to identify recurring themes, scholarly debates, methodological approaches, and gaps in the literature concerning humanitarian sukuk and humanitarian financing in Nigeria as revealed by the studies (Abubakar & Lawa, 2020; Bahrin et al., 2024; Mukhtar et al., 2026).

FINDINGS AND DISCUSSION

Humanitarian Challenges in North East Nigeria

The literature reviewed shows that the humanitarian crisis in Nigeria has become multifaceted, not only in terms of physical insecurity but also with extensive socio-economic, psychological, and developmental implications. Insurgency was the primary concern of humanitarian discussion; however, recent evidence suggests that banditry and cattle rustling have exacerbated displacement, livelihood destruction, food insecurity and rural poverty in some states, leading to increased reliance on humanitarian assistance (Lawal, 2019; Abdullahi, 2018; Mukhtar et al., 2026). The reviewed studies consistently show that victims suffer from the loss of productive assets (e.g., farmland and livestock) as well as reduced access to education, healthcare, and viable sources of livelihoods, leading to reduced resilience of households and reduced stability of the community (Ahmed, 2021; Jajere, 2026; Thomas, 2025). Such findings are in line with the ideas of Maqasid al Shariah, whereby the preservation of life, property and human dignity is considered among the goals of social and economic systems (Shuaib, 2020; Thomas, 2025; Mukhtar et al., 2026).

The literature also indicates that in the region, humanitarian interventions are largely reactive and focused on emergency response, not on socio-economic and long-term recovery. In crises, immediate food assistance and temporary shelter are essential, but this is often not sufficient to tackle structural vulnerabilities that sustain poverty and dependence on external support (Ahmed, 2021; Bahrin et al., 2024; Leal Arcas et al., 2025). As a result, communities affected by disasters are frequently stuck in a vicious cycle of vulnerability, with relatively little financial focus on livelihood restoration. Drawing on this understanding, the findings suggest the need to shift humanitarian funding from the provision of short-term relief to more sustainable recovery pathways that can be designed to rebuild economic resilience, restore productive capacity, and empower communities to become more self-reliant, including through innovative funding solutions like humanitarian sukuk.

Existing Humanitarian Financing Mechanisms

Literature reviewed shows that the funding of humanitarian issues in Nigeria is mostly reliant on the government budgetary allocation, international donor assistance, humanitarian agencies, and philanthropy from religious and charitable organisations (Ahmed, 2021; Lawal, 2019; Thomas, 2025). These mechanisms have undoubtedly helped provide emergency support during humanitarian crises to finance food distribution, temporary shelter, healthcare services, and emergency protection programmes for displaced populations (Jajere, 2026; Mukhtar et al., 2026; Bahrin et al., 2024). However, the results consistently show that traditional humanitarian funding still faces limited funding opportunities, slow disbursement, donor dependency and growing competition for scarce international humanitarian resources (Ahmed, 2021; Devarajan & Mottaghi, 2016; Leal Arcas et al., 2025).

Some studies state that the complexity and prolonged nature of humanitarian crises require financing mechanisms to go beyond traditional humanitarian financing. Lawal (2019) and Shuaib (2020) posit that Islamic social finance offers a valuable alternative source of financing humanitarian efforts as it mobilises resources from local communities and faith-based institutions and contributes to social cohesion. Likewise, Bahrin et al. (2024) argue that innovative Islamic financial instruments have a stronger sustainability impact potential as they attract both philanthropic and commercial capital. The findings thus show that while the current financing mechanisms are essential to emergency response, they are not adequate to support a comprehensive post-conflict recovery. This indicates that the incorporation of humanitarian sukuk into the humanitarian financing architecture in Nigeria can help to diversify, predict and strengthen financial systems which can respond to immediate humanitarian needs, as well as longer-term development priorities.

Contribution of Sukuk to Reconstruction

The results show that sukuk are one of the most promising Islamic financial instruments that can be used to raise funds for reconstruction and sustainable development in fragile and conflict-affected environments. The findings of the reviewed literature indicate that Nigeria's sovereign sukuk experience has already proven its ability to finance large-scale infrastructure projects, maintain transparency, accountability, and adherence to Islamic financial principles (Abubakar & Lawa, 2020; Shuaib, 2020; Bahrin et al., 2024). While these schemes have focused on transport infrastructure and public development works, the literature indicates that financing schemes of this nature can be adjusted to humanitarian programmes focused on the restoration of livelihoods, rebuilding community assets and strengthening the resilience of the victims of banditry and cattle rustling (Thomas, 2025; Ahmed, 2021; Mukhtar et al., 2026).

The studies examined also show that humanitarian sukuk has a great value compared with conventional financing, as it brings a combination of ethical investment with measurable social benefits. Sukuk can raise significant long-term financing from governments, institutional investors, Islamic financial institutions, and socially responsible investment funds (Bahrin et al., 2024; Febrianto et al., 2025; Thomas, 2025), which is not always the case in conventional donor funding that is often limited due to uncertain funding cycles. But the literature also shows that effective implementation requires clear governance, robust regulation and good institutional coordination to build investor trust and ensure that fund flows go where they are needed (Abubakar & Lawa, 2020; Ahmed, 2021; Febrianto et al., 2025). Hence, these findings indicate that humanitarian sukuk should be considered not just as an alternative source of financing but as a strategic tool to aid in humanitarian response, sustainable reconstruction and long-term socio-economic transformation in the North of Nigeria.

Contribution of Zakat to Humanitarian Relief

The literature reviewed clearly shows that even in the face of the challenges of humanitarian crises, zakat still stands out as one of the most developed instruments of Islamic social finance for the purpose of redistributing wealth among the members of society and ensuring the well-being of people in need. In the Nigerian context, zakat has played an essential role in poverty alleviation, emergency relief, food support, health support, education support and livelihood support to vulnerable households affected by conflict and displacement (Lawal, 2019; Shuaib, 2020; Mukhtar et al., 2026). The results show that the compulsory nature of zakat means that it could be a relatively stable source for humanitarian funding since it is based on religious obligation and not on voluntary philanthropy. Therefore, many academics consider zakat an effective tool for humanitarian needs and to promote social justice and economic inclusion (Thomas, 2025; Atanda & Akanni, 2025; Zafar & Jafar, 2025).

However, the studies reviewed also show significant limitations of zakat in financing large-scale humanitarian reconstruction. Lawal (2019), while acknowledging the potential of zakat institutions in enhancing humanitarian assistance through better coordination, and Ahmed (2021) believe that humanitarian crises of this magnitude need financial instruments that can mobilise much larger and more predictable resources. Likewise, Bahrin et al. (2024) argue that while zakat is effective for welfare needs in the short term, humanitarian sukuk can provide an opportunity to finance long-term recovery projects that require capital-intensive projects. It is thus a new finding that zakat should not be seen as a standalone humanitarian financing mechanism, but as a necessary part of a wider Islamic social finance ecosystem that can complement innovative financing instruments in the recovery of humanitarian aid in a sustainable manner.

Contribution of Waqf and Cash Waqf to Community Recovery

The results of the studies analysed showed that waqf and cash waqf have been used in the past to promote social welfare and community development in Muslim society through financing education, health, housing, and poverty alleviation projects (Dembele, 2019; Haji Mohiddin, 2015; Zafar & Jafar, 2025). Research has shown that these instruments have significant relevance to humanitarian recovery, as they can ensure sustainable financing sources that can support community resilience beyond emergency recovery intervention (Atanda & Akanni, 2025; Thomas, 2025; Mukhtar et al., 2026). From the evidence examined, it is clear that cash waqf is especially significant since it can be invested to produce a financial stream to support humanitarian and development programmes, while the main capital remains intact (Dembele, 2019; Haji Mohiddin, 2015; Atanda & Akanni, 2025).

However, the literature shows conflicting views on the viability of waqf for complex humanitarian emergencies (CHEs). Dembele (2019) contends that with proper governance and professional management, modern waqf institutions can play a great role in sustainable development. On the other hand, Bahrin et al. (2024) argue that waqf alone, due to constraints in capital mobilization, may not be effective in funding the extensive reconstruction programmes. The studies reviewed thus concur that waqf should be combined with other Islamic financial instruments that are able to attract institutional investors and increase the available humanitarian resources (Thomas, 2025; Zafar & Jafar, 2025; Febrianto et al., 2025). The discovery underlines the argument that humanitarian sukuk, in the framework of integrated Islamic financing for humanitarian activities, is supposed to be complementary to waqf and not substitute for it.

Islamic Social Finance and Women's Economic Resilience

Women are consistently referred to in the literature reviewed as one of the groups most affected by humanitarian crises, as conflict often affects the income of households, reduces access to productive resources and makes female-headed households more economically vulnerable (Jajere, 2026; Pertek & Nabil, 2026; Mukhtar et al., 2026). The results show that Islamic social finance can help women's economic resilience through financial support, livelihood support, vocational training, and participation in the economy, which help in household recovery from displacement and conflict (Lawal, 2019; Jajere, 2026; Thomas, 2025). These interventions go beyond immediate welfare, enhancing women's ability to sustain income and contribute effectively to the reconstruction of impacted communities.

The reviewed studies also highlight those efforts to improve women's economic resilience bring about wider development gains, as women's economic empowerment can lead to improved education, food security, and stability in society (Pertek & Nabil, 2026; Mukhtar et al., 2026; Leal Arcas et al., 2025). However, significant funding constraints are still apparent. However, Pertek and Nabil (2026) state that the needs of displaced women are often underestimated in existing humanitarian programmes, and Ahmed (2021) notes that donor-dependent interventions are often not sustainable when the emergency funding is withdrawn. Recognising these challenges, Bahrin et al. (2024) and Thomas (2025) propose that humanitarian sukuk can offer a more sustainable financial platform for women-centred livelihood programmes by mobilising greater investment resources through an ethically responsible financial marketplace. Thus, the results suggest that humanitarian sukuk can be incorporated with other Islamic social finance interventions to greatly enhance women's economic resilience and inclusive and sustainable recovery from conflict in Nigeria.

Islamic Social Finance and Child Protection

The literature reviewed shows that children are one of the most vulnerable groups in humanitarian situations caused by armed conflict, banditry and forced displacement. In addition to physical violence, many children also face disrupted schooling, malnutrition, psychological trauma, family separation and restricted access to health services, which will adversely affect their long-term human development and future economic prospects (Lawal, 2019; Jajere, 2026; Mukhtar et al., 2026). The studies reviewed found consistent evidence that Islamic social finance not only plays a vital role in the financing of educational support, nutrition programmes, health care services, and orphan care, but also in other social welfare measures that protect the wellbeing of children during humanitarian emergencies (Shuaib, 2020; Thomas, 2025; Zafar & Jafar, 2025). These interventions are very close to the objectives of Maqasid al Shariah, especially the preservation of life, intellect, and human dignity.

However, the literature has identified that despite all these contributions, existing child-focused interventions are still limited by the lack of funding and unpredictable funding. Donor-dependent humanitarian programmes often focus on the immediate emergency response and under-invest in children's welfare and education, Ahmed (2021) states. Likewise, Jajere (2026) notes that there is a need for more effective institutional partnerships and locally owned funding mechanisms to support and protect displaced children sustainably. The results thus indicate that humanitarian sukuk could be a more sustainable means of funding child protection programmes, as it has the potential to bring in long-term capital for education, health, psychological rehabilitation and community reintegration. Therefore, establishing a humanitarian sukuk as part of the wider Islamic social financing movement could be a way to improve the continuity and impact of child-centred humanitarian interventions in Nigeria.

Institutional and Regulatory Challenges

It is consistent across the studies reviewed that institutional and regulatory weaknesses pose significant constraints in the utilisation of Islamic social finance for humanitarian purposes. Despite Nigeria's significant strides in establishing Islamic financial institutions and sovereign sukuk issuance, the humanitarian use of these financial instruments is still hindered by weak institutional capacity, poor policy coordination, weak regulations, and weak governance structures (Abubakar & Lawa, 2020; Shuaib, 2020; Bahrin et al., 2024). The results show that the lack of proper governance in humanitarian sukuk raises investor uncertainty in identifying the projects and beneficiaries, managing the funds, and ensuring accountability and the roles of various stakeholders, which eventually impacts negatively on the effectiveness of the implementation and investor confidence (Ahmed, 2021; Febrianto et al., 2025; Thomas, 2025).

There are also divergent views expressed in the literature reviewed with respect to institutional reform. While Abubakar and Lawa (2020) focus on the need for government leadership in enhancing regulatory oversight and expanding Islamic capital markets, Febrianto et al. (2025) highlight the importance of technological innovation and digital financial systems to complement regulatory reform for better transparency and monitoring. In the same vein, Mukhtar et al. (2026) argue for the need to improve cooperation between governments, humanitarian institutions, Islamic financial institutions, and religious institutions for effective humanitarian financing. Such findings suggest that humanitarian sukuk can never stand alone but must be supported by an enabling institutional framework of transparent governance, effective regulation, coordination among stakeholders and robust accountability mechanisms to ensure that the financial resources are able to achieve their desired humanitarian goals.

Integrating Islamic Social Finance into Nigeria's Humanitarian Financing Framework

The evidence analysed in this report strongly suggests that Islamic social finance is a tool that can play a significant role in enhancing financial sustainability and humanitarian outcomes, and should be incorporated into the wider humanitarian financing system in Nigeria. The current funding models are still heavily dependent on government spending and foreign donor support, which are subject to budgetary pressures and shifting in the international arena (Ahmed, 2021; Devarajan & Mottaghi, 2016; Thomas, 2025). However, Islamic social finance provides a diversified financing framework that includes the use of zakat, waqf, cash waqf, sadaqah and humanitarian sukuk, each having complementary attributes to respond to a specific aspect of humanitarian response and post-conflict recovery (Lawal, 2019; Atanda & Akanni, 2025; Zafar & Jafar, 2025). The results suggest that these tools could be more effective in mobilising resources, fostering community engagement and making humanitarian efforts more sustainable when combined under an integrated policy framework.

The literature also shows that the creation of humanitarian sukuk has unique comparative advantages, as it can mobilise a large amount of investment capital while filling the gaps of philanthropic instruments that are more suitable for addressing immediate welfare needs (Bahrin et al., 2024; Febrianto et al., 2025; Thomas, 2025). However, a successful integration will demand full-blown policy changes, institution-based cooperation, transparent governance, and a robust monitoring system with the power to hold parties to account and gain citizens' trust (Ahmed, 2021; Abubakar & Lawa, 2020; Mukhtar et al., 2026). The research findings suggest that humanitarian sukuk can complement and coexist with other Islamic social finance instruments, such as zakat, waqf, cash waqf, and other social finance mechanisms, in developing a comprehensive humanitarian financing system that would cover emergency relief, livelihoods restoration, infrastructure rehabilitation, and long-term community resilience. An integrated approach would better serve as a means of a more sustainable and contextually responsive response to the humanitarian implications of banditry and cattle rustling in Nigeria and support the broader goals of inclusive development and social justice.

CONCLUSION

The results of this study show that the situation in Nigeria, which is currently facing a humanitarian crisis due to the activities of banditry and cattle rustling, requires new approaches to the funding and maintenance of humanitarian interventions. Based on an analysis of existing literature, it was found that while existing humanitarian funding mechanisms have been essential in providing essential emergency relief through government funding, international donor support, humanitarian agencies and charitable organisations, these funding mechanisms have been increasingly squeezed by fiscal constraints, donor fatigue, other humanitarian crises in other parts of the world and the long duration of violent conflict and violence affecting the vulnerable communities (Devarajan & Mottaghi, 2016; Thomas, 2025). Despite intermittent humanitarian support, many affected households continue to live in cycles of poverty, food insecurity, displacement, livelihood destruction, and social exclusion (Lawal, 2019; Jajere, 2026; Mukhtar et al., 2026). The study therefore recommends that humanitarian finance is no longer seen as a tool for providing short-term relief, but as an investment which can help to restore livelihoods and rebuild the resilience of communities, strengthen social cohesion, and support long-term socio-economic recovery in fragile environments. This larger understanding reinforces the point that financing models are not just to be considered based on resources mobilised but also on their ability to create sustained developmental impacts that are aligned with the recognition of the dignity of the human person and social justice (Thomas, 2025; Leal Arcas et al., 2025; Zafar & Jafar, 2025).

The study also reveals that the potential of humanitarian sukuk is great in changing the face of humanitarian financing by providing a sustainable, ethically driven and Shariah-based mechanism for mobilising long-term funds for humanitarian response and post-conflict reconstruction. Humanitarian sukuk is unlike traditional financing methods, where the primary sources of funding are generally through recurrent public spending or voluntary contributions, but combines commercial financing with social responsibility, with the inclusion of governments, institutional investors, development partners, Islamic financial institutions, philanthropic organisations, and socially responsible investment funds in a coordinated financing ecosystem (Abubakar & Lawa, 2020; Bahrin et al., 2024; Febrianto et al., 2025). The reviewed evidence was consistent in showing that this would increase financial sustainability while at the same time enhancing transparency, accountability and wise use of resources via the structure of asset-backed financing that enhances public and investor confidence (Ahmed, 2021; Shuaib, 2020; Thomas, 2025). However, the study also acknowledges that financial innovation is not enough to address humanitarian needs that are deeply rooted in problems, as financial innovation must be

accompanied by supporting governance structures that can ensure equitable resource allocation, institutional accountability, effective monitoring, and meaningful participation by stakeholders (Abubakar & Lawa, 2020; Febrianto et al., 2025; Mukhtar et al., 2026). Thus, it is important to see that humanitarian sukuk is not just a financial product but a governance tool that will facilitate the effectiveness of humanitarian efforts through cooperation between public institutions, humanitarian organisations, religious entities, financial regulators and the local community.

Another significant finding from this research is about the complementary nature of the different instruments of Islamic social finance. The results indicate that zakat, waqf, cash waqf, sadaqah and humanitarian sukuk are not mutually exclusive – they are complementary – and can be used as parts of an integrated humanitarian financing system to address the various aspects of humanitarian needs (Lawal, 2019; Dembele, 2019; Atanda & Akanni, 2025). Zakat helps vulnerable households to meet immediate needs; waqf and cash waqf can contribute to community welfare in the long term by building sustainable assets, and humanitarian sukuk have a unique potential to mobilise significant investment capital needed for large-scale reconstruction, livelihood restoration, education, healthcare provision and economic recovery (Haji Mohiddin, 2015; Bahrin et al., 2024; Zafar & Jafar, 2025). The integrated approach is a conceptual leap, as it is not the traditional way of focusing on Islamic financial instruments alone, but also highlights the role of the instruments as a whole in securing sustainable humanitarian outcomes. This is especially pertinent in Nigeria, where humanitarian needs are multifaceted, necessitating financing strategies that tackle emergency relief, economic empowerment, social protection, and long-term resilience (Mukhtar et al., 2026; Pertek & Nabil, 2026; Thomas, 2025).

The theoretical underpinning of the study, which is based on the principles of Maqasid al Shariah, further strengthens the findings that the evaluation of humanitarian financing should not just be based on financial performance indicators (Shuaib, 2020; Thomas, 2025; Mukhtar et al., 2026). This theoretical lens suggests that interventions should not just be temporary relief measures. Still, it should include efforts to rebuild sustainable productive livelihoods, restore key infrastructure, safeguard vulnerable women and children, and facilitate long-term economic engagement of victims of banditry and cattle rustling (Jajere, 2026; Pertek & Nabil, 2026; Lawal, 2019). It means that humanitarian sukuk must be structured specifically for developmental purposes with clear humanitarian response and poverty reduction, financial inclusion, social justice and community resilience goals. The study thus posits that humanitarian sukuk is not only an innovative financial instrument but is also a moral tool that can be used to reconcile an Islamic financial concept into a viable solution in addressing some of the most urgent humanitarian issues facing Nigeria.

The study also contributes to the scholarly literature through the identification of an important knowledge gap with regard to the application of humanitarian sukuk in conflict-affected settings. While most studies have looked at sukuk in the context of infrastructure development, public finance, sustainable investment and Islamic social finance, there is far less empirical research on how humanitarian sukuk can be operationalised to support the victims of banditry and cattle rustling within the Nigerian context (Abubakar & Lawa, 2020; Bahrin et al., 2024; Ahmed, 2021). Similarly, current research has largely been conceptual in nature, neglecting to examine the institutional, governance, and stakeholder aspects that enable effective implementation of Islamic social finance in the context of humanitarian interventions (Lawal, 2019; Shuaib, 2020; Mukhtar et al., 2026). This study therefore contributes to the current literature by moving humanitarian sukuk from a financing option debate to an effective policy tool to tackle humanitarian financing gaps in fragile and conflict-affected communities. The study utilises a combination of concepts and theories from humanitarian finance, Islamic finance, sustainable development and humanitarian governance, offering a more comprehensive perspective on

the potential of combining the use of Islamic capital market instruments with conventional humanitarian assistance in a way that is sensitive to local socio-cultural contexts (Thomas, 2025; Leal Arcas et al., 2025; Zafar & Jafar, 2025).

In addition, the results show that institutional readiness is a precondition for the success of humanitarian sukuk application. It is well established in the literature that, without transparent governance, effective regulation, competent institutions and stakeholder engagement, financial innovation can have little impact on meaningful humanitarian consequences (Abubakar & Lawa, 2020; Ahmed, 2021; Febrianto et al., 2025). Therefore, while working on the introduction of humanitarian sukuk in Nigeria, it is crucial to conduct a comprehensive review of the policies to ensure the implementation of legal frameworks, enhance Shariah governance, create robust institutions, and foster effective coordination between federal and state government, humanitarian organisations, Islamic financial institutions, development partners, community leaders, and civil society organisations (Bahrin et al., 2024; Mukhtar et al., 2026; Thomas, 2025). These institutional structures are critical in providing a mechanism for the effective mobilisation, transparent allocation, and use of humanitarian resources for interventions that lead to measurable welfare gains for conflict-affected populations. The study thus posits that the success of humanitarian sukuk is not just financial, but also hinges on governance systems that can transform financial resources into sustainable humanitarian effects.

A further implication that has arisen from this research has to do with the overall policy orientation of humanitarian funding in Nigeria. The evidence indicates that dependence on traditional donor support is not likely to be sustainable, especially as humanitarian crises are becoming more prevalent, extensive, and complicated in Nigeria and globally (Ahmed, 2021; Devarajan & Mottaghi, 2016; Thomas, 2025). Based on the above, it is recommended that policymakers should adopt a diversified humanitarian financing strategy that includes humanitarian sukuk, zakat, waqf, cash waqf, philanthropic contributions, public expenditure and international development assistance within a financing framework (Lawal, 2019; Atanda & Akanni, 2025; Bahrin et al., 2024). Such integration would increase financial resilience by diversifying the sources of funding and encouraging a wider range of investors who are interested in ethical and sustainable investment, both domestically and internationally. At the same time, the study also emphasises the need to prioritise financing of programmes that will be able to restore livelihoods, rebuild productive assets, improve educational opportunities, strengthen healthcare delivery, protect vulnerable women and children, and enhance community resilience, instead of only providing short-term emergency relief (Jajere, 2026; Pertek & Nabil, 2026; Mukhtar et al., 2026). This is a more developmental perspective in line with the core tenets of Islamic social finance and with a close affinity to the internationally recognised goals for sustainable development and human security (Thomas, 2025; Leal Arcas et al., 2025; Zafar & Jafar, 2025).

One of the major contributions of this study is the conceptual framework for humanitarian sukuk that provides a practical avenue for the collaboration between the government, humanitarian organisations, Islamic financial institutions and development partners in mobilising sustainable resources for humanitarian response in Nigeria. The proposed framework does not set out humanitarian sukuk as an alternative to current financing structures, but rather as a complementary approach within a broader humanitarian financing system that encourages partnership, accountability, transparency, social inclusion and long-term resilience (Bahrin et al., 2024; Febrianto et al., 2025; Mukhtar et al., 2026). The contribution is relevant beyond the focus of the study area, as many developing countries with chronic humanitarian situations struggle with the same financing challenges, and humanitarian sukuk models, which could be adapted to the socio-economic and institutional context, have the potential to benefit these countries. The findings have broader implications for the development of Islamic social

finance mechanisms as enablers for strengthening humanitarian protection, inclusive development and sustainable peace in fragile societies.

The study thus recommends that humanitarian sukuk have huge potential to remodel humanitarian financing in the North of Nigeria, as they can help fill the funding gap and also promote the ethical values of Islamic finance and the overall Sustainable Development Goals. In an enabling regulatory and governance framework, humanitarian sukuk have the potential to mobilise long-term investment for humanitarian recovery, livelihood restoration, incremental building of institutional resilience, and addressing vulnerable populations' wellbeing, as evidenced in this report. It also shows that effective humanitarian sukuk requires the use of other social finance instruments alongside it, robust institutional coordination, and a transparent governance model and meaningful participation of stakeholders in the financing process (Lawal, 2019; Shuaib, 2020; Bahrin et al., 2024). With this realisation, the humanitarian sukuk is not just an innovative financial instrument, but a policy tool that can turn Islamic ethical values into practical solutions in the realm of addressing humanitarian crises, restoring human dignity, enhancing community resilience and fostering inclusive and sustainable development for banditry and cattle rustling victims in Nigeria.

Limitation of this Study

This study is mainly exploratory in nature. The research lacks numerical impact metrics and suffers from small sample sizes among experts; the research also fails to provide tested frameworks for actual execution of humanitarian sukuk across Nigeria. The research has no operational models, and it omits step-by-step legal or regulatory structures. This paper also ignores investor behaviour on zero-profit humanitarian sukuk. The paper does not present risk analysis relating to the humanitarian sukuk, investors, default risks, political interference, or emergency cash-flow halts, as well as multi-nation collaboration. Future research on this topic should deploy mixed methods and cover the gaps highlighted above.

Contribution to knowledge:

This exploratory research on humanitarian sukuk has laid the foundational groundwork for using sukuk to fund emergency relief, refugee crises, and sustainable social welfare. The researcher has identified innovative ways to integrate sukuk, waqf, zakat and sadaqa together in solving chronic funding gaps in humanitarian aid.

From the Conceptual and Structural angle, the research has contributed to the growing literature on new financing models. Nigeria can launch humanitarian sukuk. The research has also bridged theory and practice and clarifies how risk-sharing mechanisms can be applied to philanthropic investments to protect vulnerable populations during economic downturns or conflicts.

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Details of AI usage are given below:

Grammarly was used to enhance grammar, spelling, and clarity.

All content was reviewed and finalised by the author, who accepts full responsibility for the work.

Competing Interests Disclaimer

The author has declared that no known competing financial interests, non-financial interests, or personal relationships could have appeared to influence the work reported in this research.

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