



# Measuring Waqf Performance: A Comprehensive Analysis of the 2024 National Waqf Index

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## ABSTRACT

Waqf plays a strategic role in building social welfare and supporting national development, but its management in Indonesia still faces challenges of disparity between regions. The National Waqf Index (IWN) serves as a quantitative instrument to systematically and objectively measure the performance of the waqf ecosystem in 34 Indonesian provinces. This study examines the 2024 IWN based on six main pillars: regulations, institutions, processes, systems, outcomes, and impacts, using the Multi-stage Weighted Index method and primary and secondary data from various official sources. The results indicated that the greatest strength of national waqf lies in the regulatory and institutional aspects, with provinces such as Riau, Aceh, and West Kalimantan standing out. However, the process and outcome aspects presented the lowest scores nationally, indicating a gap between structural readiness and implementation effectiveness. These findings emphasize the need for human resource capacity building, digital transformation, cross-sectoral approaches, and affirmative interventions in disadvantaged regions to ensure the significant contribution of waqf to sustainable development goals.

## ABSTRAK

**Mengukur Kinerja Wakaf: Analisis Komprehensif Indeks Wakaf Nasional 2024.** Wakaf memainkan peran strategis dalam membangun kesejahteraan sosial dan mendukung pembangunan nasional, namun pengelolaannya di Indonesia masih menghadapi tantangan kesenjangan antar daerah. Indeks Wakaf Nasional (IWN) berfungsi sebagai instrumen kuantitatif untuk mengukur kinerja ekosistem wakaf secara sistematis dan objektif di 34 provinsi di Indonesia. Studi ini meneliti IWN 2024 berdasarkan enam pilar utama: regulasi, institusi, proses, sistem, hasil, dan dampak, menggunakan metode Indeks Berbobot Multitahap dan data primer serta sekunder dari berbagai sumber resmi. Hasil penelitian menunjukkan bahwa kekuatan terbesar wakaf nasional terletak pada aspek regulasi dan institusional, dengan provinsi seperti Riau, Aceh, dan Kalimantan Barat menonjol. Namun, aspek proses dan hasil menunjukkan skor terendah secara nasional, yang mengindikasikan kesenjangan antara kesiapan struktural dan efektivitas implementasi. Temuan ini menekankan perlunya peningkatan kapasitas sumber daya manusia, transformasi digital, pendekatan lintas sektoral, dan intervensi afirmatif di daerah-daerah yang kurang beruntung untuk memastikan kontribusi signifikan wakaf terhadap tujuan pembangunan berkelanjutan.

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## INTRODUCTION

Indonesia has significant potential for waqf development due to its large Muslim population. In Islamic teachings, waqf is a social finance instrument that can enhance community welfare (Listiana et al., 2026). Waqf also plays an important role in poverty alleviation and the promotion of sustainable economic growth (Masrizal et al., 2023). Its contribution remained evident during the COVID-19 pandemic, when waqf supported the construction of hospitals, the provision of medical equipment, and assistance programs for micro, small, and medium enterprises (MSMEs) as well as workers affected by layoffs (Ascarya, 2021).

Based on Law No. 41 of 2004, waqf is defined as the legal act of a waqif to separate and/or hand over part of his/her property to be used forever or for a certain period of time in accordance with the interests of worship or public welfare according to sharia. In Indonesia, waqf is developing not only in the form of land or other fixed assets, but also in the form of flexible cash waqf and has the potential to expand its reach of benefits (Sukmana, 2020). With a large Muslim population and high religious awareness, Indonesia has very significant waqf potential, even projected to reach trillions of rupiah per year (Huda et al., 2024).

As part of its efforts to optimize waqf potential, the Indonesian Waqf Board (BWI) developed the National Waqf Index (Indeks Wakaf Nasional - IWN) as a benchmark for assessing the performance of the waqf ecosystem at the provincial level. IWN is a data- and indicator-based approach that reflects achievements across various dimensions of waqf management, from regulations and institutions to human resources and waqf assets to the utilization of waqf proceeds. IWN aims not only to map performance but also to serve as a basis for developing more targeted and impactful waqf policies. Consistently implemented since 2021, the IWN has become a crucial monitoring and evaluation tool in the development of the national waqf ecosystem.

Literature on waqf in Indonesia has extensively highlighted the legal aspects, asset management, and economic utilization of waqf. However, much of it remains conceptual or focuses on local case studies, with few comprehensively discussing evaluative approaches like the IWN. Studies such as those by Alhifni et al. (2017) and Hasan & Syahrudin (2022) focus on productive waqf management and nazhir institutions but have not yet explored systematic measurement of the performance of the waqf ecosystem nationally. Meanwhile, studies on similar indices are more often found in the context of Islamic economics or social philanthropy in general, rather than specifically on waqf. Thus, the IWN's position as a quantitative indicator-based measurement tool represents a relatively new innovation in waqf studies in Indonesia.

Furthermore, a comprehensive analysis using the latest national measurement tools to gauge waqf performance in Indonesia is deemed necessary as it can serve as an evidence-based evaluation of national waqf policy. Such a comprehensive analysis is lacking in the literature. This creates a literature gap, with many studies focusing on local theoretical or operational aspects without a standardized analytical framework. This impacts the ability of policymakers and waqf practitioners to develop data-driven strategies and limits the ability to identify best practices across regions. Furthermore, without national aggregate data, it is difficult to assess the real impact of policy interventions implemented by the government or waqf management institutions (Ibrahim et al., 2022). This gap weakens the argument for making waqf a key pillar of an Islamic social finance system.

In the academic debate on Islamic social finance, scholars continue to discuss whether waqf performance should be evaluated primarily through legal and institutional readiness or through measurable socioeconomic impact. Some studies emphasize governance and regulatory structures as the foundation of effective waqf management, while others argue that the true



success of waqf lies in its contribution to poverty alleviation, financial inclusion, and community empowerment. This debate demonstrates the need for a more comprehensive and integrated measurement framework capable of capturing both structural readiness and actual development outcomes.

The present research is conducted to address the aforementioned challenges with a quantitative and comparative approach that allows for systematic inter-provincial analysis. This research not only continues the mapping efforts initiated by IWN but also strengthens indicators and methodologies to be more responsive to the dynamics of waqf management. This research is important because it can provide data-based insights to waqf stakeholders, including local governments, *nazhir* institutions, and civil society. Covering 34 provinces and assessing six main domains and 33 indicators, IWN 2024 seeks to produce a more comprehensive portrait that can serve as a basis for policymaking and the design of future waqf development programs.

This study has three main objectives. First, it aims to measure and compare the performance of the waqf ecosystem across Indonesian provinces using the 2024 National Waqf Index. Second, it seeks to identify the strengths and weaknesses of each component within the waqf ecosystem, including regulations, institutions, processes, systems, outcomes, and impacts. Third, the study aims to formulate strategic recommendations to strengthen waqf governance and enhance the contribution of waqf to sustainable socioeconomic development in Indonesia. Through these objectives, the study is expected to provide a comprehensive assessment of the current state of the waqf ecosystem and offer insights for improving its effectiveness and long-term impact.

The novelty of this study lies in its utilization of the 2024 National Waqf Index (IWN) as a multidimensional and nationally comparative measurement tool encompassing all 34 provinces in Indonesia. Unlike previous studies, which have predominantly focused on conceptual discussions or localized case analyses, this research integrates quantitative assessment, interprovincial comparison, and multidimensional indicators covering regulations, institutions, processes, systems, outcomes, and impacts. By adopting this comprehensive approach, the study contributes to the advancement of empirical literature on waqf performance evaluation in Indonesia.

This study also offers significant strategic implications for strengthening the waqf ecosystem in Indonesia. First, the IWN facilitates performance comparisons across provinces, thereby fostering healthy competition and encouraging improvements in waqf management practices. Second, the results of the IWN provide a credible evidence base for policymakers in designing targeted and effective policy interventions. Third, the indicators incorporated within the IWN can serve as a reference for developing programs aimed at enhancing the capacity of *nazhir* institutions and improving waqf information systems. Fourth, the findings of IWN 2024 may stimulate further research on the determinants of successful waqf management and the relationships among various ecosystem factors. Ultimately, this study reinforces the role of waqf as a strategic instrument for promoting inclusive and sustainable national development (Abdullah, 2018).

## LITERATURE REVIEW

### Waqf

Waqf is a concept in Islamic teachings that has spiritual, social, and economic dimensions (Abd Jalil et al., 2019). From a sharia perspective, waqf means the retention of assets that can be used without reducing their substance, for the public good or charity (Ayub et al., 2024). Waqf is a charity carried out with sincere intentions within a certain period of time,



and once ratified, the waqf assets cannot be withdrawn by the waqif, and become the property of the beneficiary as a form of charity. Since the time of the Prophet Muhammad (peace be upon him), waqf has been a crucial tool for empowering the community, including building mosques, schools, and even agricultural irrigation. In Indonesia, this concept has undergone significant development, extending beyond land to include cash waqf and waqf through Islamic financial instruments (Shofiatin et al., 2025). The modern understanding of waqf has become more dynamic, adapting to evolving societal needs and state regulations (Ali & Kassim, 2020).

Historically, waqf has played a significant role in the development of Islamic civilization (Shofiatin et al., 2025). In regions such as the Middle East, India, and Indonesia, waqf institutions have become the foundation for providing public services such as education and healthcare (Qurrata et al., 2020). This demonstrates that waqf not only has religious value but also powerful economic and social functions (Kasri & Ramli, 2019). In Indonesia, many Islamic boarding schools (*pesantren*), hospitals, and educational institutions have grown and developed on waqf land. However, the biggest challenge is how to manage this enormous potential professionally, accountably, and in accordance with Sharia principles (Masrizal et al., 2023). Several studies have revealed that waqf institutions in Indonesia are still not operating efficiently (Herindar & Rusydiana, 2022), and their productivity has tended to decline since the Covid-19 pandemic (Uula, 2022).

In the contemporary context, waqf has begun to be associated with sustainable development and financial inclusion. This concept is combined with modern asset and financial management principles, giving rise to the ideas of productive waqf and cash waqf. Cash waqf management in Indonesia is an innovation in the field of waqf, *nazhir* manages the waqf funds by investing them in sharia-compliant businesses to gain profits, then the profits are distributed to beneficiaries in various sectors such as education, health, MSMEs, and other social activities (Huda et al., 2022).

Much recent literature emphasizes the importance of governance, accountability, and technological innovation in waqf management (Htay et al., 2014). Therefore, understanding waqf can no longer be merely traditionalistic but must be contextualized with the needs of economic development and community empowerment. This requires accurate measurement and monitoring instruments for waqf management performance.

The present study is grounded in Institutional Theory as the grand theoretical frameworks for understanding waqf performance. Institutional Theory explains that the success of organizational performance is strongly influenced by formal regulations, institutional structures, norms, and governance mechanisms that shape organizational behavior and legitimacy. In the context of waqf management, strong institutions, clear regulations, and integrated systems are essential for creating accountability, efficiency, and sustainability in waqf governance.

## Waqf Performance

As a country with the largest Muslim population in the world, Indonesia has great potential to take a similar path, provided there is strong synergy between regulatory and institutional aspects, as well as public awareness in fulfilling zakat and waqf (Sofiatin 2025). Performance measurement in the context of waqf institutions is crucial to ensure the effectiveness and efficiency of asset management. In Islamic economics literature, this measurement can be conducted through an indicator- or index-based approach, such as those used in measuring zakat, Islamic microfinance, and Islamic economic development in general (Antonio et al., 2012). Indexes enable data-driven decision-making and help stakeholders understand progress or challenges in waqf management. This aligns with the demands of

modern governance that prioritize transparency and accountability, including in financial reporting. Preparing accurate and transparent financial reports is very important to demonstrate accountability and build public trust.

Problems in developing a waqf performance index include the lack of standardized data and the lack of an adequate information system (Sukmana et al., 2021). This hinders the development of comparable indicators across regions or nazhir institutions. Therefore, an ideal index should accommodate structural dimensions (such as regulations and institutions), functional dimensions (such as management and utilization), and outcomes (the social and economic impact of waqf). The index must be dynamic, comprehensive, and adaptable to changing times.

The existence of an index is also crucial for aligning central and regional policies. In Indonesia's highly diverse context, variations in waqf practices across regions demand a fair and accurate measurement tool. With a robust index, local governments and waqf institutions can focus more on interventions and improvements. This also strengthens the position of waqf as part of the Islamic social finance system that supports sustainable national development (Huda et al., 2024).

### **National Waqf Index**

The National Waqf Index (IWN) is a strategic instrument developed by the Indonesian Waqf Board (BWI) to objectively and systematically measure the performance of the waqf ecosystem in Indonesia. The IWN is based on a multidimensional approach that reflects the complexity and dynamics of waqf management across regions. Sukmana et al. (2021) served as the primary reference in developing this index scheme, emphasizing six key factors: Regulation, Institutions, Process, System, Results, and Impact. Each factor comprises specific indicators designed to holistically capture the reality of waqf management at the regional level.

The regulatory factor evaluates the legal and policy framework underlying waqf development at the regional level. Indicators in this factor include the existence of regional regulations (Perda) on waqf, policy synchronization between the central and regional governments, and the regional government's commitment to supporting waqf through regulations. Strong regulations are the foundation for ensuring that waqf implementation is in accordance with Sharia principles and supports innovations such as productive waqf or cash waqf. Without adequate regulations, waqf management tends to be purely administrative and risks stagnation (Sukmana et al., 2021). Therefore, this factor serves as the initial assessment in the IWN because it demonstrates the government's institutional commitment to waqf issues.

Institutional factors reflect the capacity and quality of institutions involved in waqf management. Indicators include the presence of regional representatives of the Indonesian Waqf Board (BWI), the number and competence of nazhirs (managers), the organizational structure of waqf institutions, and synergy between institutions such as the Office of Religious Affairs (KUA), BWI, and local governments. The assessment also includes the existence of forums or networks of waqf institutions in the region and the involvement of local governments in coordination. This factor is crucial because strong institutions enable the waqf ecosystem to operate systematically and sustainably. Good management in nazhir institutions plays an important role in preventing moral deviations, controlling risks, and building public trust in nazhir performance (Aryana & Hasan, 2024). Institutions that are not well organized will have difficulty managing assets and innovating in community empowerment.

This factor assesses the quality of waqf technical implementation, from recording and certification to asset utilization and reporting. Indicators include the level of waqf land certification, the quality of the documentation process, data collection efficiency, and the



implementation of standard management procedures. This factor reflects professionalism and transparency in waqf management. A sound process enables the effective management of waqf assets, avoids ownership conflicts, and enhances public trust. The assessment of the process also reflects the institution's readiness to utilize technology and data-driven procedures. Many nazhirs, both individuals and institutions, still struggle to understand and implement the standards set out in the PSAK. Training and mentoring for nazhirs are essential to improve their ability to optimally manage waqf. This increased competence also fosters public trust in entrusting their assets for waqf purposes (Muhammad & Sari, 2021).

The system factor assesses the supporting infrastructure for waqf management, particularly in terms of technology, data management, and information integration. Indicators include the existence of a waqf information system, the use of digital technology, and the interconnectedness of local and national systems. A good system supports efficient management processes, accurate asset recording, and transparent reporting. Furthermore, an integrated system facilitates real-time asset monitoring and supports strategic decision-making. In the modern context, digitizing the waqf system is imperative to address contemporary governance challenges.

The outcome factor focuses on the tangible output of waqf management, particularly from an economic and social perspective. Indicators include the productivity level of waqf assets, the number of economic benefits generated, the number of beneficiaries, and waqf-based empowerment models. The development of waqf asset productivity must continue to be carried out, including through flexible cash waqf, to improve community welfare and encourage economic growth, as demonstrated in the Retail CWLS program to support the National Waqf Movement (Ab Rahman *et al.*, 2023). This outcome demonstrates the effectiveness of waqf management in a region. Regions that successfully empower communities through productive waqf assets, such as agriculture, shops, or educational facilities, receive high scores. This factor also assesses the extent to which waqf management has generated positive changes in improving community welfare.

The final factor in the IWN is impact, which reflects the long-term effects of the waqf ecosystem on sustainable development (Usman *et al.*, 2022). Indicators include contributions to poverty reduction, improved access to education and health care, and strengthening the local economy, including MSMEs. Micro, Small, and Medium Enterprises (MSMEs) are economic units that play an important role in the Indonesian economy. Impact assessment is more qualitative and broad-scale, yet crucial for assessing the transformational success of waqf management. Regions that can demonstrate that waqf contributes to regional development indicators or the RPJMD (Regional Medium-Term Development Plan) will receive higher scores. In other words, impact measures not only what is done, but also what is left for future generations.

## METHODOLOGY

This study employs a quantitative approach to calculate the National Waqf Index (NWI) as an instrument for measuring waqf performance across Indonesia's 34 provinces. The research utilizes both primary and secondary data. Primary data were collected through questionnaires distributed to and completed by provincial offices of the Badan Wakaf Indonesia (BWI). Secondary data were obtained from various information systems and official sources, including Badan Pusat Statistik (BPS), the Sistem Informasi Wakaf (SIWAK), the Sistem Informasi Masjid (SIMAS), the Ministry of Education and Culture of Indonesia, and the Sistem Informasi Rumah Sakit (SIRS). The NWI is calculated using the Multi-stage Weighted Index method, which incorporates six main factors, each comprising several sub-factors. The initial research



phase began with the identification of factors that constitute the main pillars of the IWN, including Regulatory, Institutional, Process, System, Outcome, and Impact. Each of these factors encompasses several relevant sub-factors, such as regulatory support, quality of nazir management, level of waqf asset productivity, and beneficiary reach. These indicators were developed based on literature reviews and discussions with experts to ensure relevance to the research objectives.

The data obtained from the questionnaire were subsequently processed through a structured indexing procedure. First, the observed values for each indicator were transformed into a standardized index scale using either a Likert-based approach or ratio normalization, depending on the characteristics of the data.

After standardization, sub-factor index values were computed by applying predetermined weights derived from expert judgment. These weights were determined using the Analytical Hierarchy Process (AHP), a structured decision-making method used to derive relative importance among criteria. This weighting procedure ensures that each sub-factor contributes proportionally to the overall National Waqf Index (NWI) score.

The resulting sub-factor scores were then aggregated to form the corresponding main factor scores. Each main factor was assigned a specific weight reflecting its relative importance in waqf performance measurement. For instance, the institutional factor is often given greater weight due to its direct influence on the effectiveness of waqf governance and management, whereas the impact factor evaluates the extent to which waqf contributes to broader socio-economic development outcomes.

The 2024 IWN measurement data was analyzed descriptively and comparatively across provinces. This analysis was conducted to identify performance distribution patterns, the provinces with the highest and lowest scores, and the dominant factors influencing these performance differences. Furthermore, a thematic analysis of field findings was conducted to enrich the contextual understanding of score achievement. The results of this analysis were used not only for mapping but also as a basis for formulating policy recommendations for strengthening the regional waqf ecosystem. Data visualization in the form of radar charts and thematic maps was also used to clarify the analysis results.

## RESULT AND DISCUSSION

The 2024 IWN ranking (Table 1) shows significant variation in the performance of the waqf ecosystem across provinces in Indonesia. Of the 34 provinces, only eight were categorized as Very Good, while most provinces were in the Good and Fair categories, and three provinces were in the Poor category. Nationally, the average IWN score for 2024 was 0.316, placing Indonesia generally in the Good category. This indicates that while progress has been made in strengthening the waqf ecosystem, there is still room for improvement, particularly in terms of waqf management systems, processes, and impact.

Riau Province successfully ranked first with a score of 0.601, demonstrating very strong performance, particularly in institutional aspects and managerial processes. Aceh and West Nusa Tenggara (NTB) followed, ranking second and third, respectively. NTB's achievement is particularly notable, having jumped from 14th in 2023 to 3rd in 2024, a significant and commendable improvement. This demonstrates substantial improvements in governance, institutional synergy, and the province's waqf information system.



**Table 1: 2024 National Waqf Index**

No	Province	IWN	Category
1	Riau	0.601	Very Good
2	Aceh	0.597	Very Good
3	West Nusa Tenggara	0.586	Very Good
4	West Kalimantan	0.537	Very Good
5	Central Java	0.533	Very Good
6	East Kalimantan	0.512	Very Good
7	West Sumatra	0.447	Very Good
8	Jakarta	0.425	Very Good
9	Yogyakarta	0.381	Good
10	West Java	0.340	Good
11	North Sumatra	0.324	Good
12	Gorontalo	0.320	Good
13	South Kalimantan	0.318	Good
14	Central Kalimantan	0.313	Good
15	Southeast Sulawesi	0.312	Good
16	Bangka Belitung	0.305	Good
17	Riau Islands	0.285	Fair
18	Lampung	0.284	Fair
19	South Sumatra	0.278	Fair
20	North Sulawesi	0.272	Fair
21	East Java	0.253	Fair
22	North Kalimantan	0.233	Fair
23	North Maluku	0.229	Fair
24	Banten	0.227	Fair
25	South Sulawesi	0.225	Fair
26	Central Sulawesi	0.219	Fair
27	Bali	0.211	Fair
28	Jambi	0.210	Fair
29	Papua	0.209	Fair
30	West Papua	0.183	Fair
31	West Sulawesi	0.178	Fair
32	East Nusa Tenggara	0.172	Fair
33	Maluku	0.129	Poor
34	Bengkulu	0.107	Poor

**Source :** Authors' data

Meanwhile, provinces such as West Kalimantan, Central Java, and East Kalimantan also completed the list of provinces in the Very Good category, indicating their success in developing regulatory and institutional frameworks that support productive waqf management. West Sumatra and Jakarta also maintained their high performance. On the other hand, several provinces showed a drastic decline in performance. Bangka Belitung, previously ranked 8th in the Very Good category, has now dropped to 16th in the Good category. Lampung also experienced a decline from 3rd to 18th place. Provinces in Eastern Indonesia largely lag behind in waqf management. Bengkulu, Maluku, and East Nusa Tenggara (NTT) occupy the bottom three positions in the Poor category.

Looking at the regional pattern, Sumatra and Java remain highly dominant in the top 10 IWN rankings. Five of the top ten provinces come from these two regions, with Aceh, Riau, and West Sumatra representing strong Sumatran representatives, and Central Java, West Java, and Jakarta representing Java. Meanwhile, regions like West Kalimantan and West Nusa



Tenggara (NTB) are positive exceptions outside the Java-Sumatra region that have made it to the top of the rankings.

### Factor Based Analysis

The 2024 IWN measurement results revealed that the greatest strength of the waqf ecosystem in Indonesia currently lies in its institutional and regulatory aspects. The average national score for the Institution factor was 0.102, and for the Regulatory factor, 0.087. This reflects that many provinces have established structured waqf institutions, including regional BWI representatives, certified nazhirs, and stronger institutional collaboration. On the regulatory side, several provinces have also initiated regional policies such as waqf bylaws that strengthen the legal standing of waqf asset management. The value of each factors for IWN 2024 is shown in Table 2.

**Table 2: 2024 National Waqf Index**

No	Province	Regulatory	Institution	Process	System	Outcome	Impact
1	Riau	0,206	0,162	0,078	0,077	0,044	0,034
2	Aceh	0,308	0,123	0,066	0,044	0,022	0,034
3	West Nusa Tenggara	0,308	0,137	0,034	0,08	0	0,027
4	West Kalimantan	0,161	0,225	0,017	0,084	0,022	0,028
5	Central Java	0,104	0,274	0,032	0,093	0	0,03
6	East Kalimantan	0,263	0,137	0,009	0,06	0	0,043
7	West Sumatra	0,206	0,044	0,053	0,084	0,022	0,038
8	Jakarta	0,059	0,166	0,029	0,087	0,045	0,039
9	Yogyakarta	0,059	0,166	0,034	0,08	0	0,042
10	West Java	0,059	0,166	0,026	0,06	0	0,029
11	North Sumatra	0,104	0,118	0,026	0,044	0	0,032
12	Gorontalo	0,059	0,059	0,051	0,106	0,022	0,023
13	South Kalimantan	0,059	0,128	0,021	0,08	0	0,03
14	Central Kalimantan	0,059	0,147	0	0,08	0	0,027
15	Southeast Sulawesi	0	0,162	0	0,08	0,034	0,036
16	Bangka Belitung	0,161	0,034	0	0,08	0	0,03
17	Riau Islands	0,104	0,039	0,021	0,08	0,011	0,03
18	Lampung	0,029	0,142	0,026	0,06	0	0,027
19	South Sumatra	0,104	0,064	0,046	0,04	0	0,024
20	North Sulawesi	0,059	0,118	0	0,06	0	0,035
21	East Java	0,029	0,098	0,026	0,067	0	0,033
22	North Kalimantan	0	0,118	0	0,08	0	0,035
23	North Maluku	0	0,123	0	0,08	0	0,026
24	Banten	0	0,103	0,015	0,084	0	0,025
25	South Sulawesi	0,059	0,078	0,034	0,024	0	0,03
26	Central Sulawesi	0,059	0,039	0,017	0,08	0	0,024
27	Bali	0,059	0,029	0	0,08	0	0,043
28	Jambi	0,059	0,039	0,017	0,06	0	0,035
29	Papua	0,074	0,074	0	0,06	0	0,001
30	West Papua	0,029	0,098	0	0,02	0,022	0,014
31	West Sulawesi	0,059	0,039	0	0,06	0	0,02
32	East Nusa Tenggara	0,029	0,005	0,04	0,08	0	0,018
33	Maluku	0,045	0	0	0,06	0	0,024
34	Bengkulu	0	0	0	0,08	0	0,027

Source : Authors' data



However, this institutional and regulatory dominance has not been matched by achievements in the implementation and results dimensions. The process factor only recorded a national average of 0.021, while the outcome factor which measures the extent to which waqf produces concrete results was at the lowest point, at just 0.007. This means that despite the existence of an organizational and regulatory framework, many regions still face obstacles in implementing waqf programs effectively, particularly in asset certification, formal documentation, and the realization of productive use. A study by Mahmoud *et al.* (2023), which explored the determinants driving halal MSMEs to use Islamic financing, found that spiritual values, specifically blessings, were a key driver of their intention to return to Islamic financing. This finding indicates that there remains significant opportunity to realize the more productive use of Islamic financing, namely waqf, for the MSME sector, as waqf already contains spiritual values.

For example, West Nusa Tenggara (NTB) Province, which ranks third nationally with an IWN score of 0.586, actually has an outcome score of 0.000. This indicates that NTB's performance is very strong in terms of regulations and institutions, but it has not been able to translate this potential into tangible, documented benefits. A similar pattern is also found in several other provinces, such as Gorontalo and Central Kalimantan, where systems and regulations have been established, but processes and results on the ground are still minimal.

System factors, related to the digitization of waqf information and management systems, show positive developments. The national average stands at 0.070, indicating the beginning of a more orderly adoption of waqf information systems. Provinces such as West Java and West Kalimantan have high system scores (0.106 and 0.084, respectively), indicating that digitalization could be a lever for future transformation of the waqf ecosystem. However, not all regions are able to optimally utilize this potential for example, some provinces with weak institutions also have low system performance, such as Bengkulu and Maluku.

Meanwhile, the impact factor, which measures the extent to which waqf contributes to social and economic development, remains low, with a national average of 0.029. Only a handful of provinces, such as Aceh, Central Java, and East Kalimantan, recorded impact scores above 0.04. This indicates that waqf's contribution to poverty alleviation, education improvement, or community economic empowerment remains limited and unsystematic. Many provinces even have impact scores of 0.000, indicating a lack of data or the absence of interventions with measurable real impact.

Many provinces also scored zero on one or more factors. For example, North Kalimantan scored zero on regulations, processes, and outcomes. Similarly, Central Sulawesi scored zero on outcomes and impact. This phenomenon reflects a sharp imbalance in regional capacity to develop comprehensive waqf governance. Without increased human resource capacity, asset documentation, and digital awareness, these provinces risk stagnating in waqf management.

Overall, although the 2024 IWN demonstrates progress in terms of institutional frameworks and policies, the national waqf ecosystem still faces significant challenges in implementation and impact. This indicates the need to shift focus from solely building structures and regulations to strengthening execution and delivering tangible benefits. Digital transformation, strengthening asset certification processes, and training nazhir (Islamic waqf administrators) to manage productive waqf could be key agenda items to improve outcomes and impact in the future.



## Implication

From a managerial perspective, the findings indicate that waqf institutions and nazhir organizations need to transition beyond mere administrative compliance toward performance-oriented governance frameworks. Strengthening human resource capacity, enhancing digital literacy, and implementing integrated information systems are critical to improving the effectiveness of waqf management. Furthermore, waqf institution managers are expected to prioritize the development of productive waqf models that are capable of generating sustainable economic returns as well as measurable social impacts.

From a societal perspective, this study underscores the significance of enhancing public trust and participation in waqf programs. Transparent governance mechanisms, accessible reporting systems, and clear evidence of social impact are essential to fostering greater community engagement in waqf activities. In addition, the development of productive waqf instruments has the potential to contribute to community empowerment, poverty alleviation, and improved access to education, healthcare services, and MSME financing.

From a policy perspective, the findings highlight the necessity of strengthening collaboration among central and regional governments, the Indonesian Waqf Board (BWI), and other relevant stakeholders in reinforcing the waqf ecosystem. Policymakers are encouraged to prioritize the harmonization of regional regulations, the development of a national digital waqf infrastructure, and affirmative interventions for underdeveloped provinces. Moreover, the integration of waqf into broader national development agendas and the Sustainable Development Goals (SDGs) framework can optimize its role as an instrument of Islamic social finance.

## Recommendation

One of the main challenges that needs to be addressed immediately is the weak implementation of waqf processes and low waqf outcomes in most provinces. Although regulations and institutions are well-developed, technical implementation, such as waqf land certification, asset documentation, and productive waqf programs, remains suboptimal. Therefore, intensive efforts are needed from local governments, the Indonesian Board of Religious Affairs (BWI), and the Ministry of Religious Affairs to accelerate the development of operational waqf technical guidelines. This includes improving recording accuracy, traceability of waqf results, and integrating waqf data into regional development planning documents. Improving the quality of processes and outcomes will ensure that the waqf ecosystem is not only structurally strong but also delivers tangible impact (Rizal & Amin, 2017).

Furthermore, a cross-sectoral approach is needed to ensure that the regulatory strengths already in place in many regions can be implemented effectively and have a real impact. Harmonizing waqf policies with social and economic development programs at the regional level is a strategic step that needs to be developed. For example, education, social services, health, and economic agencies can be involved in the planning and utilization of waqf assets to directly address community needs. Furthermore, the role of the Regional Development Planning Agency (Bappeda) needs to be strengthened in designing development directions that are inclusive of waqf, so that regional fiscal planning can also accommodate the potential of Islamic social financing within the framework of the Sustainable Development Goals (SDGs).

Digital transformation also needs to be pushed more broadly to accelerate the modernization of waqf governance (Usman et al., 2022). Provinces that have developed waqf information systems can serve as references for best practices, while the central government



can facilitate the development of an integrated national waqf platform. Digitization will enable data transparency, program accountability, and ease of reporting for nazhir (managers) and other stakeholders. Furthermore, strengthening human resource (HR) capacity, particularly for nazhir (managers), must be a priority through training, ongoing certification, and incentives for professional nazhir (managers) capable of productively managing waqf.

## CONCLUSIONS

The 2024 Indonesian Waqf Index (IWN) indicates that the primary strengths of the national waqf ecosystem are predominantly found in its institutional and regulatory dimensions. This is evidenced by relatively high scores in these components across several provinces, including Riau, Aceh, West Kalimantan, and the Special Region of Yogyakarta. These findings suggest that, at the structural level, numerous regions have successfully established adequate organizational frameworks and legal infrastructures to support the development of waqf.

Nevertheless, these institutional strengths have not yet been fully translated into effective implementation and measurable outcomes at the operational level. The relatively low national scores in the process and outcome dimensions reveal a persistent gap between institutional capacity and the practical execution of waqf programs. In many provinces, efforts related to waqf asset certification, program documentation, and the productive utilization of waqf assets for socio-economic welfare remain suboptimal. This condition highlights the necessity of strengthening implementation mechanisms, enhancing human resource capacity, and improving the integration of waqf programs with regional development priorities.

Moreover, the low impact scores underscore the importance of adopting a cross-sectoral and participatory approach in waqf management. Without meaningful engagement from sectors such as social services, education, economy, and health, the potential of waqf as an instrument of Islamic social finance cannot be fully realized (Rizal & Amin, 2017). Conversely, with appropriate strategic integration, waqf holds significant potential to contribute to the achievement of the Sustainable Development Goals (SDGs), particularly in poverty alleviation and the enhancement of access to basic services.

Accordingly, the 2024 IWN should be understood not only as an evaluative instrument for assessing waqf performance, but also as a reflective basis for formulating transformative policy strategies. Future improvements to the waqf ecosystem should prioritize strengthening implementation processes, leveraging digital technologies, enhancing the capacity of nazhir, and implementing affirmative policies in less developed regions. Through an integrated and collaborative approach, waqf can be developed into a more inclusive, impactful, and sustainable instrument of development across Indonesia.

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