

An Analysis of Green Waqf as an Instrument for Sustainable Development

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Abstract

Green Waqf offers a transformative approach to achieving sustainable development goals (SDGs). This study analyses Green Waqf's potential to address ecological challenges like biodiversity loss, resource depletion, and climate change while fostering community empowerment. This study reveals that Green Waqf could support afforestation, renewable energy, and sustainable urban projects by aligning environmental stewardship with Islamic principles. It highlights innovative funding mechanisms, including green sukuk and digital platforms, ensuring financial sustainability and transparency. Green Waqf is vital for integrating environmental conservation with socio-economic development. This study provides policy recommendations for Green Waqf, focusing on legal, financial, and governance frameworks.

Keywords: Green Waqf; sustainable development; afforestation; renewable energy

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1.0 Introduction

In Islamic societies, waqf has traditionally been associated with charity endowments that support the construction of mosques, schools, and hospitals, among other necessities. On the other hand, Green Waqf results from contemporary scholarship refocused on using waqf for environmental sustainability. This new paradigm aligns with international ecological programs, especially those that aim to prevent climate change and support the preservation of the environment (Sukmana & Rusydiana, 2023; Dewananda et al., 2023; Hasan & Syahrudin, 2022). Waqf can help address environmental issues like ecological degradation, resource depletion, and biodiversity loss as the effects of climate change get severe (Irfany et al., 2023; Rusydiana et al., 2023).

The objective of this study is to analyse the potential of Green Waqf as a strategic tool for sustainable development which is hoped to provide a comprehensive understanding of the potential of Green Waqf as a tool for environmental sustainability.

1.1 Definition and Historical Context of Waqf

According to Abas and Raji (2018), *waqf* is a perpetual charity endowment in which assets are reserved for community or public use, frequently for all time. These endowments have historically funded public goods like infrastructure, healthcare, and education. Regarding funding environmental projects, the *waqf* idea has grown to encompass a broader range of assets, including cash, land, and even digital currencies (Hatimah et al., 2023).

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Waqf has long been an effective instrument for social welfare, but its potential for environmental stewardship has only now come to light. According to recent studies, it has the ability to finance environmentally friendly initiatives, including afforestation, renewable energy, and sustainable waste management (Abdullahi, 2019; Hasan & Syahrudin, 2022). The development of *waqf* reflects the rising understanding of the connection between environmental sustainability and social well-being.

1.2 Green Waqf: A New Paradigm

Using a *waqf* asset to promote ecological balance and sustainability while having a social and economic impact on society is known as Green *Waqf*. Green *Waqf* emphasizes environmental sustainability and social development, a substantial departure from the *waqf* paradigm. Based on Islamic principles of responsible resource management, Green *Waqf* allocates funds to environmental initiatives like wildlife protection, reforestation, and climate resilience (Dewananda et al., 2023; Irfany et al., 2023). This creative strategy complies with both environmental goals and religious duties.

Green *Waqf* can substantially contribute to the SDGs for climate action, sustainable cities, and responsible consumerism by incorporating environmental stewardship (Sukmana & Rusydiana, 2023; Rusydiana et al., 2023). In addition, Green *Waqf* promotes community involvement in conservation initiatives, cultivating a sense of accountability and ownership among involved parties (Alfarisi & Huda, 2023; Hasan & Syahrudin, 2022).

2.0 Literature Review

As academics investigate the concept of Green *Waqf* and its potential to address social and environmental concerns, it has garnered much attention in recent years. Because *waqf* helps communities for a long time, it is naturally adapted to assist the SDGs. According to research, *waqf* can handle financial sustainability through efficient asset management, which is a crucial obstacle for many environmental projects (Kusumaningtias, 2019).

Numerous studies indicate that *waqf* can significantly influence entrepreneurship, education, and poverty reduction. Additionally, combining *waqf* with contemporary financial instruments like interest-free loans (*qard*) can improve its influence on the SDGs. However, strong governance, thoughtful planning, and open administration are necessary for *waqf* institutions to survive (Ardiyansyah & Kasdi, 2021).

There have also been proposals for creative models to revive the socio-economic impact of *waqf*, such as unit trust *waqf*, which pools cash *waqf* to generate income-generating assets. These models demonstrate the *waqf*'s ability to address contemporary issues, particularly those related to sustainable development, by fusing contemporary financial mechanisms with traditional Islamic endowments.

Numerous prosperous Green *Waqf* initiatives offer valuable perspectives on implementing the idea. For instance, the Green *Waqf* Movement in Indonesia aims to support sustainable farming methods and reforest degraded areas. These projects benefit the environment and the economy by establishing sustainable livelihoods through eco-tourism and green farming (Fikri & Andrean, 2023; Restiyani et al., 2023).

Waqf forests represent another instance of effectively implementing Green *Waqf*. These protected areas manage resources sustainably to create revenue while preserving biodiversity. According to Ali and Kassim (2020), Green *Waqf* can generate sustainable solutions that benefit local communities and the environment by reinvesting earnings into conservation initiatives. This approach guarantees the long-term viability of these ecosystems.

The financial viability of Green *Waqf* initiatives is critical to their long-term success. New developments like crowdsourcing websites and green *sukuk* (Islamic bonds) are viable options for funding environmental projects. These tools increase the financial sustainability of large-scale projects and draw in various investors (Musari, 2022; Hasan & Syahrudin, 2022).

Additionally, digital platforms have become valuable instruments for stakeholder trust, transparency enhancement, and *waqf* asset management. Technology can guarantee the effective and transparent allocation of resources by tracking funds and monitoring project outcomes (Hatimah et al., 2023).

Although Green *Waqf* has great promise, several obstacles prevent its wider adoption. Lack of knowledge and comprehension among critical stakeholders, such as *waqf* administrators and donors, is one of the biggest obstacles (Anam et al., 2022; Jannah et al., 2021). Campaigns to increase awareness and promote Green *Waqf* as a workable solution for environmental sustainability must include capacity-building and education components.

Furthermore, many current legislative frameworks make using *waqf* to fund environmental projects difficult. Policymakers must update these frameworks to enable the legal recognition and protection of Green *Waqf* efforts (Abdullah et al., 2021; Yusoff et al., 2021).

3.0 Methodology

This study employs a qualitative approach to analyze Green *Waqf*'s potential as a sustainable development tool. A comprehensive literature review of recent studies (2015–2023) was conducted to explore the concept, applications, and challenges of Green *Waqf*. Real-world projects, such as *waqf* forests and renewable energy initiatives, were analyzed to identify successful strategies and limitations. Key focus areas included Green *Waqf*'s alignment with Sustainable Development Goals (SDGs), innovative funding mechanisms (e.g., green *sukuk* and digital platforms), governance practices, and community engagement.

Thematic analysis was used to identify patterns and insights across data sources, including academic publications, case studies, and policy frameworks. Comparative analysis of case studies highlighted best practices and contextual differences. While the study relies on secondary data, limiting direct stakeholder perspectives, it provides a clear understanding of how Green Waqf can address environmental challenges, foster community empowerment, and promote sustainable economic development.

4.0 Findings

This study highlights Green Waqf's potential as a transformative instrument for sustainable development, emphasizing its environmental, financial, and socio-economic contributions. It identifies the key areas where Green Waqf aligns with sustainable development goals (SDGs) while addressing critical challenges hindering its implementation.

4.1 Environmental Impact

Green Waqf has shown significant promise in supporting environmental conservation initiatives. Green Waqf contributes directly to SDG 13 (Climate Action) and SDG 15 (Life on Land) by funding afforestation, renewable energy projects, and biodiversity protection. These projects not only mitigate the effects of climate change but also help restore ecological balance. For instance, waqf forests and sustainable agriculture projects have been used effectively to preserve natural habitats while generating revenue through eco-tourism and green farming. However, the widespread implementation of these projects faces barriers such as limited frameworks for execution and insufficient technical expertise among waqf administrators.

4.2 Financial Sustainability

One of the most compelling advantages of Green Waqf is its potential for financial sustainability. Unlike conventional charitable donations, waqf endowments are perpetual, ensuring ongoing funding for environmental projects. Recent innovations such as green sukuk (Islamic bonds) and digital platforms have further enhanced the financial sustainability of Green Waqf initiatives. These tools attract a broader range of investors, ensuring that large-scale environmental projects receive consistent support. Moreover, digital platforms improve transparency and accountability, fostering greater stakeholder trust. Despite these advancements, challenges persist, including the lack of integration of waqf with contemporary financial mechanisms and the limited understanding of modern tools like sukuk among waqf administrators.

4.3 Community Empowerment

Green Waqf is crucial in empowering communities by promoting job creation, environmental education, and grassroots participation in conservation efforts. Projects such as renewable energy installations and sustainable agricultural initiatives provide local communities with economic opportunities and the tools to address environmental challenges. These initiatives align with SDG 1 (No Poverty) and SDG 4 (Quality Education) by improving livelihoods and increasing awareness about sustainability. Community involvement fosters a sense of ownership, ensuring long-term commitment to environmental stewardship. However, a lack of understanding and stakeholder engagement remains a significant hurdle. Educational campaigns and training programs are necessary to highlight the benefits of Green Waqf and encourage broader participation.

4.4 Governance and Legal Challenges

Strong governance and supportive legal frameworks are essential for the effective implementation of Green Waqf. Currently, many waqf institutions operate under outdated laws and administrative practices, which hinder their ability to adapt to contemporary challenges. Modern governance practices, including digital monitoring and transparent reporting, are critical to using waqf resources effectively. Similarly, legislative reforms are needed to facilitate using waqf for environmental sustainability. Without these updates, waqf administrators face difficulty navigating regulatory barriers, limiting the scale and impact of Green Waqf initiatives.

Table 1: Summary of the Findings

Key Area	Findings	Contributions to SDGs	Challenges
Environmental Impact	Afforestation, renewable energy, biodiversity protection	SDG 13 (Climate Action), SDG 15 (Life on Land)	Limited implementation frameworks
Financial Sustainability	Perpetual funding through waqf endowments, enhanced by green sukuk and digital platforms	SDG 17 (Partnerships for Goals)	Lack of integration with modern financial mechanisms
Community Empowerment	Local job creation, education, and participation in conservation efforts	SDG 1 (No Poverty), SDG 4 (Quality Education)	Limited awareness and stakeholder engagement
Governance and Legal	Need for modern governance practices and updated legal frameworks	Cross-cutting SDGs	Weak institutional support and legal barriers

Green Waqf holds immense potential to address environmental challenges while fostering socio-economic development, making it a valuable tool for achieving multiple SDGs. However, unlocking its full potential requires addressing governance gaps, integrating modern financial tools, and increasing stakeholder awareness. With the proper support, Green Waqf can become a cornerstone of sustainable development strategies, particularly in Islamic contexts.

5.0 Discussion of the Findings

The findings of this study demonstrate Green Waqf's transformative potential as an instrument for achieving sustainable development goals (SDGs). While its environmental, financial, and socio-economic benefits are significant, realising its full potential hinges on overcoming various challenges, particularly in governance, financial integration, and stakeholder awareness.

5.1 Environmental Contributions

Green Waqf's environmental impact is one of its most critical strengths. Projects like afforestation and biodiversity conservation address urgent ecological challenges such as deforestation and species loss, while renewable energy initiatives mitigate the effects of climate change. These efforts align closely with SDG 13 (Climate Action) and SDG 15 (Life on Land), demonstrating how Islamic endowments can support global sustainability goals. However, the limited frameworks for implementing such projects pose a significant hurdle. Many waqf administrators lack the technical expertise to execute complex environmental projects, underscoring the need for specialized training and partnerships with environmental organizations.

5.2 Financial Sustainability

The perpetual nature of waqf endowments positions Green Waqf as a financially sustainable mechanism for long-term environmental and social initiatives. Innovations like green sukuk and digital platforms have enhanced its financial viability by attracting diverse investors and increasing transparency. These tools align with SDG 17 (Partnerships for the Goals), encouraging collaboration between waqf institutions and financial stakeholders. Despite these advancements, the integration of modern financial mechanisms remains inconsistent. Many waqf administrators are unfamiliar with tools like sukuk, and traditional waqf structures are often slow to adopt technological innovations. Addressing these gaps requires targeted capacity-building efforts and the modernization of financial practices within waqf institutions.

5.3 Community Empowerment

Green Waqf's ability to empower communities is a unique and vital aspect of its role in sustainable development. Green Waqf initiatives contribute to SDG 1 (No Poverty) and SDG 4 (Quality Education) by creating jobs, promoting environmental education, and fostering local participation. Community ownership of projects ensures long-term sustainability and helps embed environmental stewardship in local cultures. However, a lack of awareness among stakeholders limits the reach and effectiveness of these initiatives. Campaigns to raise awareness and education and training programs are essential to ensure that communities fully understand and engage with Green Waqf projects.

5.4 Governance and Legal Challenges

Effective governance and supportive legal frameworks are essential for the success of Green Waqf. Current governance practices in many waqf institutions are outdated, leading to inefficiencies and a lack of transparency. Digital monitoring tools and transparent reporting systems are crucial for optimizing waqf management and building donor trust. Additionally, legislative reforms are needed to enable waqf assets to be used for environmental sustainability projects. Without these changes, regulatory barriers will continue to hinder the scalability and impact of Green Waqf initiatives.

6.0 Conclusion & Recommendations

The findings underscore Green Waqf's compatibility with SDGs and its ability to bridge the gap between environmental conservation and socio-economic development. However, realizing its full potential requires coordinated efforts to modernize waqf practices, integrate innovative financial tools, and educate stakeholders. Partnerships with environmental organizations, governments, and financial institutions will be instrumental in addressing these challenges.

Green Waqf represents a powerful, faith-based solution to global sustainability challenges, especially in Islamic contexts. By addressing governance gaps, leveraging financial innovations, and fostering community engagement, Green Waqf can become a cornerstone of sustainable development strategies worldwide.

The study on Green Waqf as an instrument for sustainable development faces several limitations. Firstly, it relies solely on secondary data, which may restrict the depth of insights from direct stakeholder perspectives. The generalizability of findings is constrained by the focus on specific case studies and geographical contexts. Additionally, the lack of empirical validation limits the ability to assess the real-world effectiveness of proposed strategies. Challenges such as insufficient data on the financial performance of Green Waqf initiatives and variability in governance structures across regions further hinder comprehensive analysis. Future studies should incorporate primary data and broader contextual exploration.

Green Waqf represents a transformative approach to addressing contemporary environmental challenges through the lens of Islamic endowments. By aligning the traditional concept of *waqf* with sustainable development goals, Green Waqf can play a pivotal role in advancing global environmental stewardship, particularly within Muslim-majority communities. This research reveals that Green Waqf is significant in contributing to the United Nations Sustainable Development Goals (SDGs), particularly in areas such as climate action (SDG 13) and life on land (SDG 15). Moreover, by integrating modern financial instruments like *green sukuk* and digital platforms for transparency and governance, Green Waqf offers a sustainable economic model capable of generating long-term support for environmental initiatives.

Despite its promise, several barriers remain, including the need for increased awareness, more robust governance frameworks, and supportive legal structures. Addressing these obstacles is critical to unlocking the full potential of Green Waqf. With the appropriate reforms, Green Waqf can foster financial sustainability, promote community engagement, and generate impactful environmental and social outcomes. The continued evolution of Green Waqf, supported by partnerships between governments, financial institutions, and non-profit organizations, will enable it to become a vital instrument in achieving a more sustainable and equitable future.

The future viability of Green Waqf depends on cooperation amongst stakeholders, including governmental bodies, non-profit organizations, and commercial enterprises. These partnerships can hasten the implementation of successful Green Waqf initiatives by combining resources and expertise. Enhancing the effect of Green Waqf projects on community development and environmental protection would also require more study and innovation in sustainable practices.

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