

Designing a Productive Waqf Strategy Based on Plasma Waqf to Accelerate Sustainable Development in Cirebon

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Abstract: This study aims to design a strategic implementation of productive waqf through a plasma waqf scheme to support sustainable development in Cirebon Regency. Waqf management is still dominated by traditional models that are not aligned with human development. Waqf has not yet been able to reduce poverty and suffering. This study employs a qualitative case study approach; data were collected through in-depth interviews, observations, and documentation involving key stakeholders, including waqf managers, the Cirebon Regency government, and beneficiaries. The research findings indicate that the design for productive waqf development utilizes the plasma waqf scheme through a dual-track investment approach: the development of micro-enterprise units and business projects developed by government financial institutions. Waqf institutions and the government conduct regular joint oversight to ensure success. To strengthen human resources, all business unit managers are trained in skills and management through a group-based concept where members mutually evaluate one another. Evaluation and monitoring are conducted in an integrated manner among the government, the waqf trustees (nadzir), and the business units as implementers. This scheme represents a new model where waqf management undergoes a shift in coordination and managerial transformation. This scheme aligns with the path toward achieving the SDGs to eradicate poverty and strengthen humanity..

Keywords: productive waqf, plasma waqf scheme, sustainable development

Introduction

Global development challenges continue to be marked by persistent poverty, widening income inequality, and limited access to sustainable financing for social welfare programs. Despite notable progress in several sectors, the achievement of the Sustainable Development Goals (SDGs) remains uneven¹. In particular, Goal 1 (No Poverty), Goal 8 (Decent Work and Economic Growth), and Goal 10 (Reduced Inequalities) are still far from realization in many

¹ Yali Liu et al., "Overlooked Uneven Progress across Sustainable Development Goals at the Global Scale: Challenges and Opportunities," *The Innovation* 5, no. 2 (March 4, 2024), <https://doi.org/10.1016/j.xinn.2024.100573>.

developing countries. The World Bank estimates that hundreds of millions of people continue to live in extreme poverty, while the financing gap required to achieve the SDGs reaches trillions of dollars annually². Within this context, Islamic social finance instruments especially productive waqf have gained increasing global recognition as alternative mechanisms to support sustainable and inclusive development. Nevertheless, several structural issues persist, including the underutilization of waqf assets for productive economic activities, weak institutional and managerial capacity in waqf governance, the lack of integration between waqf management and national development agendas, and limited innovation in developing sustainable, incomegenerating waqf models.

In the national context, Indonesia possesses one of the largest waqf asset potentials in the world; however, it faces similar structural constraints in optimizing their utilization. Data from the Sistem Informasi Wakaf (SIWAK) of the Ministry of Religious Affairs (2022) indicate that waqf land is distributed across more than 440,512 locations, covering approximately 57,263 hectares. Furthermore, the collection of cash waqf has reached around IDR 2.361 trillion, reflecting substantial financial potential³. Despite these promising figures, the majority of waqf assets are still utilized for consumptive purposes such as mosques, cemeteries, and other religious facilities which generate limited economic returns. Consequently, the contribution of waqf to broader economic development and the achievement of the SDGs remains suboptimal. The main national challenges include the dominance of consumptive waqf utilization, limited professional capacity of nazhir (waqf managers), insufficient regulatory and institutional synergy, and the absence of scalable models for productive waqf development. These conditions underscore the urgency of developing strategic and innovative approaches to transform waqf into a sustainable and impactful economic instrument in Indonesia⁴.

Despite its considerable potential, the management of waqf in Indonesia remains suboptimal. Most waqf assets are utilized for consumptive purposes, such as mosques, cemeteries, and religious facilities, which, while socially beneficial, generate limited economic returns⁵. This consumption oriented utilization constrains the financial sustainability of waqf assets, as they do not produce renewable income streams. Furthermore, the predominance of traditional management practices and the limited managerial capacity of nazhir

² Athanasios Valavanidis, "World Bank Report : Extreme Poverty Is Rising Again .," no. July (2023): 1–23.

³ Badan Wakaf Indonesia, "Indeks Wakaf Nasional 2022," n.d., .

⁴ Fauzan Ulwan Fadhlurrahman et al., "Managing Islamic Endowments (Waqf): Legal Challenges and Strategic Approaches for Sustainable Development" 2, no. 1 (2025): 16–25.

⁵ Amelia Fauzia, "Waqf Making and Commercial Cemeteries: Religious Circulation and Commodification of the Economy of Giving *," 2018, 676–701, <https://doi.org/10.1111/muwo.12269>.

(waqf managers) hinder the transformation of waqf into productive assets⁶. Consequently, many waqf properties remain underutilized and fail to deliver their full socioeconomic potential.

In the local context, Cirebon Regency represents an area with significant waqf potential, supported by a predominantly Muslim population and strong traditions of Islamic philanthropy. However, similar to the national trend, waqf utilization in Cirebon is still largely consumptive, with limited development of productive waqf initiatives⁷. This condition reflects gaps in strategic planning, institutional capacity, and stakeholder collaboration. In fact, if managed effectively, productive waqf could serve as a catalyst for local economic development, job creation, and community empowerment. To provide an empirical overview, the following illustrative data describe the condition of waqf in Cirebon Regency:

Table 1
 Condition of Waqf in Cirebon Regency

No	Waqf Category	Total (Units)	Percentage (%)
1	Certified waqf land	1,250	45%
2	Uncertified waqf land	1,530	55%
3	Productive waqf	420	15%
4	Consumptive waqf	2,360	85%

Source: Compiled from data from the Ministry of Religious Affairs of Cirebon Regency (2023), the Indonesian Waqf Board (2023), and the Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN) (2023).

The data indicate that the majority of waqf assets in Cirebon Regency remain consumptive in nature (85%), while productive waqf accounts for only approximately 15%. In addition, 55% of waqf land remains uncertified, highlighting significant challenges related to legal status and administrative processes. This condition reflects a gap between the potential and the actual utilization of waqf assets, thereby underscoring the need for more innovative and sustainable management models.

In line with the evolution of contemporary Islamic economics, waqf management has undergone a paradigm shift toward more productive and

⁶ Muhajir Zainuddin, "The Role and Strategy of the Indonesian Waqf Agency (BWI) of Aceh Province in Developing Productivity and Improving Nazhir Skills for Creative Economy Empowerment through Waqf in Banda Aceh City," 2024, 83–100.

⁷ Mukarto Siswoyo, Ipik Permana, and Arif Arofah, "Productive Waqf : Potential Resources for Society Welfare : Case Study in Cirebon City , West Java" 8, no. August (2019): 28–41.

professional models⁸. This transformation requires nazhir to possess not only religious knowledge but also competencies in modern business management, investment strategies, and asset development. The optimization of waqf assets particularly land into productive sectors such as agriculture, real estate, education, and microenterprises is essential to ensure sustainable economic benefits.

Previous studies have highlighted the role of productive waqf in supporting economic development and sustainability. Abdullah M (2018) argue that productive waqf significantly contributes to sustainable development through the provision of socioeconomic services⁹. Nisrina et al. (2023) emphasize the importance of innovation in waqf management to adapt to contemporary economic dynamics¹⁰. Meanwhile, Astutik et al. (2019) identify the capacity of nazhir as a critical determinant in the successful management of productive waqf¹¹.

However, existing studies generally focus on macrolevel analysis or conceptual discussions and lack specific examination of strategic implementation models at the regional level. Moreover, there is limited research that integrates productive waqf with a plasma scheme approach within the framework of sustainable development. This indicates a clear research gap, particularly in understanding how a structured and collaborative model such as the Plasma Waqf Scheme can be implemented to optimize productive waqf in local contexts.

Therefore, this study aims to analyze the strategic implementation of the Plasma Waqf Scheme in developing productive waqf to support sustainable development in Cirebon Regency. This research is expected to contribute both theoretically, by enriching the literature on Islamic social finance and waqf development, and practically, by providing strategic insights for policymakers, waqf managers, and stakeholders in optimizing waqf as a sustainable development instrument.

Methods

This study adopts a qualitative research design using a case study approach to examine the strategic implementation of the plasma waqf scheme in developing productive waqf for sustainable development in Cirebon Regency.

⁸ Abdullah A Afifi, "Waqf Business Model (WBM): Towards A Sustainable Social Business Model on The Mainstream Economics" 2 (2024): 63–78.

⁹ Mohammad Abdullah, "Waqf, Sustainable Development Goals (SDGs) and Maqasid Al-Shariah," *International Journal of Social Economics* 45, no. 1 (January 8, 2018): 158–72, <https://doi.org/10.1108/IJSE-10-2016-0295>.

¹⁰ Ayu Nisrina, Indah Sari, and Abdul Aziz, "Robbani : Jurnal Keilmuan Dan Aplikasi Ekonomi Islam Perekonomian Masyarakat Sekitar Di Mizka Al-Bahjah Cirebon" 2, no. 1 (2023): 1–15.

¹¹ Henik Hari Astuti, Yuswar Z Basri, and Hendri Tanjung, "Analysis of Nazhir Accountability Implementation in Empowerment of Productive Waqf in Indonesia" 13, no. 1 (2019): 63–80.

The case study approach is employed to provide an in-depth, contextual, and holistic understanding of the implementation process, institutional dynamics, and stakeholder collaboration involved in the plasma waqf scheme.

The informants in this study were selected purposively based on their expertise, authority, and direct involvement in waqf management and policy implementation. The main informant is Mr. Arief Syahfaat, a civil servant at the Ministry of Religious Affairs (Kementerian Agama) of Cirebon, who serves as an official in the field of zakat and waqf. He was selected due to his institutional role and in-depth knowledge regarding waqf governance and implementation at the local level. Another key informant is Mr. Agus Ismail, a representative of the Indonesian Waqf Board (Badan Wakaf Indonesia/BWI), who participated as a resource person in a Focus Group Discussion (FGD) conducted at the Ministry of Religious Affairs in Cirebon. His inclusion provides insights from the national waqf authority perspective, particularly in relation to policy direction and strategic development of productive waqf.

This study utilizes both primary and secondary data sources. Primary data were obtained through in-depth interviews and a Focus Group Discussion (FGD). The interviews were conducted with the main informant to explore detailed information regarding the implementation process, while the FGD facilitated interactive discussions and validation of findings among stakeholders.

Secondary data were obtained from several authoritative sources. These include data from the SIWAK (Sistem Informasi Wakaf) application, which provides official information on waqf land assets and their management, as well as documents from the Decree of the Head of the Land Office (ATR/BPN) of Cirebon Regency regarding the Waqf Land Certification Acceleration Program for the period 2023–2024. These documents were used to analyze regulatory frameworks, institutional support, and the progress of waqf land certification as part of the plasma waqf strategy.

Data analysis in this study follows Miles and Huberman's interactive model, which consists of data reduction, data display, and conclusion drawing/verification. To ensure the credibility and trustworthiness of the findings, this study applies triangulation of sources and methods, as well as member checking with selected informants to validate the accuracy and consistency of the data. This methodological approach is expected to generate a comprehensive understanding of how the plasma waqf scheme is strategically implemented and how it contributes to economic empowerment, social welfare, and sustainable development at the local level.

Result and Discussion

Optimization of Productive Waqf Management in Cirebon Regency

The Cirebon Regency Government, through the Ministry of Religious Affairs (Kemenag) Zakat and Waqf division and BWI (Indonesian Waqf Board), has been working to carry out its duties in regulating and supervising regulations related to land waqf. As part of this effort, the Cirebon Regency Religious Affairs Office consistently conducts land waqf data collection and certification. This program aims to ensure that every waqf asset, particularly land, has a clear legal status and is protected by an official certificate.

Through strict regulations and ongoing supervision, the Ministry of Religious Affairs works with the National Land Agency (BPN) and related parties in the waqf land certification process. This effort is expected to provide security guarantees for waqf assets so they can be used more optimally for community interests. The existence of waqf certificates not only provides legal certainty but also supports transparency and accountability in waqf management in Cirebon Regency. The Ministry of Religious Affairs of Cirebon Regency has successfully certified 1,903 waqf land plots with a total area reaching 1,736,949 square meters across 40 Districts. This certification is an important effort to provide legal certainty guarantees for waqf lands in the region. With certification, the status of these waqf lands becomes clear and safe from disputes that might arise in the future, so their utilization can be more directed and maximized for the community¹².

Waqf land certification covers various designations, ranging from educational facilities such as madrasas, Islamic boarding schools, and TPQ (Quranic learning centers), to places of worship, rice fields, and public buildings. This diversity reflects the role of waqf land in supporting the social, economic, and spiritual life of the Cirebon community, especially through access to affordable religious education. This certification also provides guarantees of legality and asset security, allowing waqf-based institutions to operate better and provide sustainable benefits for community welfare¹³.

Similarly, waqf lands used as places of worship, such as mosques, prayer rooms, and small mosques (*langgar*), provide places for the community to worship comfortably and safely. Legal certainty through certification ensures these places of worship can continue to be used by the community without

¹² Interview with Arief Syahfaat, a civil servant at the Cirebon Ministry of Religious Affairs, an official in the field of zakat and waqf. The interview was conducted on July 3-5, 2024.

¹³ Islamiyati Islamiyati, "Analisis Hukum Administrasi Terhadap Kebijakan Pemerintah Mengenai Pembebasan Biaya Sertifikasi Tanah Wakaf," *Administrative Law and Governance Journal* 2, no. 1 (2019): 1-18, <https://doi.org/10.14710/alj.v2i1.1-18>.

worrying about claims from outside parties¹⁴. Additionally, places of worship also function as centers for religious and social activities, thus playing an important role in building a sense of togetherness and harmony within the community.

This certification step is part of the Ministry of Religious Affairs' efforts to support the welfare of the community, especially in Cirebon Regency, by making waqf land a sustainable asset that can be utilized in the long term¹⁵. This program aligns with the government's vision in realizing sustainable development, where waqf land is protected as an asset that continues to provide benefits for current and future generations. Overall, the certification of waqf land in Cirebon Regency is a strategic effort to ensure that waqf land is truly used according to its designation and is safe from disputes. With this legal certainty, various social and religious facilities on waqf land can continue to be developed to improve the quality of life of the Cirebon community and support the spiritual and social needs of the people sustainably.

Implications of Islamic Economic Law in Productive Waqf Management for Supporting Sustainable Development

Law No. 41 of 2004 concerning Waqf, particularly in Chapter V Article 43 paragraph (2), emphasizes the importance of productive management and development of waqf property to increase economic value and benefits for society. This provision aims to encourage optimized utilization of waqf assets as instruments for economic and social development, not limited to maintenance but also directed toward welfare improvement. With transparent and planned management, waqf can make significant contributions to supporting various sectors, such as education, health, and local economic empowerment, thus strengthening the role of waqf in community welfare.¹⁶

Supervision and evaluation are integral parts of productive waqf management. The Ministry of Religious Affairs, Indonesian Waqf Board (BWI), and the Sharia Supervisory Board (DPS) play important roles in ensuring that every management process complies with Islamic sharia principles¹⁷.

¹⁴ Yusuf Agus Santoso and A'rasy Fahrullah, "Efektivitas Sistem Informasi Wakaf (SIWAK) Sebagai Strategi Mengurangi Sengketa Dan Percepat Sertifikasi Tanah Wakaf Di Surabaya," *Jurnal Ekonomika Dan Bisnis Islam* 3, no. 3 (2020): 100–113, <https://doi.org/10.26740/jekobi.v3n3.p100-113>.

¹⁵ RR Tini Anggraeni and Sofyan Rizal, "Manajemen Portofolio Aset Wakaf Produktif Untuk Pembangunan Yang Berkelanjutan," *Maqdis : Jurnal Kajian Ekonomi Islam* 6, no. 1 (2021): 25–35.

¹⁶ An interview with Agus Ismail, a representative of the Indonesian Waqf Board (BWI), was conducted during a focus group discussion (FGD) at the Ministry of Religion in Cirebon, July 3-5, 2024.

¹⁷ Mohammad Adnan and Badrah Uyuni, "Optimizing the Role of the Sharia Supervisory Council (Dps) AT the Ziswaf Institution," *Al-Risalah : Jurnal Studi Agama Dan Pemikiran Islam* 14, no. 1 (2023): 134–53, <https://doi.org/10.34005/alrisalah.v14i1.2250>.

Additionally, periodic evaluations are conducted to measure the social impact of this productive waqf and ensure the sustainability of its benefits. Various Islamic economic law contracts are used, such as waqf contracts for asset submission, Mudharabah or Musyarakah for investment, Ijarah for productive property management, and Conditional Hibah for allocation of specific benefits, ensuring that management remains compliant with sharia and effective. From the Islamic economic system perspective, waqf has not been maximally realized, despite waqf funds having great potential as a tool for the economic welfare of Muslims. Therefore, waqf institutions become important to develop. This is supported by the category of waqf as continuous charity (*amal jariyah*) where the rewards continue to flow, even after the person who endowed (*wakif*) has passed away. In the history of Islamic development, waqf has played a very significant role in the development of social activities, Islamic welfare, and educational, economic, and cultural aspects¹⁸.

This can be seen in Islamic countries such as Egypt, Turkey, and Morocco. Waqf has played a significant role in helping to prosper and empower Islamic economics. The continuity of waqf benefits is made possible through productive waqf established to support various social and religious activities. Productive waqf generally consists of agricultural or plantation land and commercial buildings, managed in such a way as to generate profits, with some of the results used to finance these various activities. Thus, waqf property truly becomes a source of funds from the community for the community. Therefore, it can be said that waqf plays an important role in Muslim communities in Islamic countries¹⁹.

Productive waqf management has great potential in supporting sustainable development, especially in the context of Islamic economics. Here are several implications of Islamic economic law in productive waqf management for supporting sustainable development. First, Fulfillment of Maqashid Sharia Principles. Maqashid Sharia refers to the objectives of sharia which include protection of religion, life, intellect, lineage, and property²⁰. Productive waqf management in accordance with sharia principles contributes to community welfare by utilizing waqf assets for beneficial and sustainable purposes, such as social infrastructure, education, and health development. Second, Economic Development. Productive waqf can be used to develop important economic sectors for community welfare, such as agriculture, industry, and trade²¹. The

¹⁸ Nafisah Maulidia Chusma Chusma, Halimatus Sa'diyah, and Fitri Nur Latifah, "Wakaf Uang Sebagai Instrumen Perkembangan Ekonomi Islam," *Wadiah* 6, no. 1 (2022): 76–97, <https://doi.org/10.30762/wadiah.v6i1.163>.

¹⁹ Fahmi Medias, "Wakaf Produktif Dalam Perspektif Ekonomi Islam," *La_Riba* 4, no. 1 (2010): 71–86, <https://doi.org/10.20885/lariba.vol4.iss1.art5>.

²⁰ (Sulaeman, 2018)

²¹ Siti Masriyah, "Peran Wakaf Produktif Dalam Kesejahteraan Masyarakat," *Jurnal Ilmiah Ekonomi Islam* 10, no. 1 (2024): 627, <https://doi.org/10.29040/jiei.v10i1.12064>.

results from this management can be used to fund social projects, create jobs, and empower the economy of poor communities, all of which are important elements of sustainable development.

Third, Legal Certainty and Supervision. In Islamic economic law, good legal certainty and supervision in waqf management are important. This includes clear regulations regarding waqf governance, transparency in reporting, and accountability of waqf managers²². This legal certainty is important to ensure that waqf assets are managed properly and in accordance with sharia principles. Next, Financing Mechanism for Sustainable Development. Productive waqf can be an alternative financing mechanism in sustainable development. With proper management, the results from productive waqf can be used to finance infrastructure projects, renewable energy, and other initiatives that support the achievement of Sustainable Development Goals (SDGs).

Then, Innovation in Waqf Management. Productive waqf management in the context of Islamic economics also opens space for innovation, such as the use of Islamic financial technology (Islamic fintech) for collecting and managing waqf funds²³. This can increase community participation in waqf and improve the efficiency of waqf asset management. Reduction of Poverty and Inequality. Through the distribution of results from productive waqf to those in need, good waqf management can help reduce poverty and social inequality. This aligns with the principle of justice in Islamic economics, which aims to ensure a more equitable distribution of wealth among the community. Social and Environmental Responsibility Islamic economic law teaches the importance of maintaining a balance between economic development and social and environmental responsibility. Productive waqf management that considers environmental and social impacts will support sustainable and just development. **Thus**, productive waqf management based on Islamic economic law plays an important role in supporting sustainable development, through the utilization of waqf assets for purposes that benefit the wider community.

Strategic Initiatives of the Ministry of Religious Affairs in Cirebon Regency for Productive Waqf Development

Various efforts have been made by the Cirebon Regency government to realize productive waqf for the community, as waqf is an Islamic social financial instrument that embodies the values of community welfare. One manifestation of productive waqf management is the innovation of productive waqf. This

²² Linatul Uyun and Nuriya Hamida, "Waqf Productivity in Indonesia : Challenges and Prospects for Sustainability Mengungkap Tantangan Dan Peluang Wakaf Produktif Di Indonesia," *Qanun: Jurnal Hukum Keluarga Islam* 2, no. 1 (2024): 80–104, <https://doi.org/10.21580/ahkam.2015.1.25.195.4>.

²³ Universitas Wijaya, Putra Surabaya, and Erwan Aristyanto, "Digital Transformation of Waqf Management : Innovation Pathways and Policy Directions in Muslim" 10, no. 2 (2025).

productive waqf is implemented by utilizing waqf assets to generate money and be productive in various fields such as livestock, agriculture, and other income-generating activities. According to Syakir, Productive Waqf is a scheme for managing waqf donations from the community to be managed productively and capable of generating sustainable surplus²⁴.

The management of productive waqf can be done by empowering the community and managing waqf assets through productive enterprises. Fundamentally, productive waqf serves as a funding source that can be used for financing community welfare. In the past, society only knew that waqf was distributed in the form of land or buildings used for places of worship, education, or other social activities. However, the forms of waqf offered have begun to develop, one of them being cash waqf. This is based on Law Number 41 of 2004 concerning Waqf, which regulates various important matters for the empowerment and development of waqf assets productively. Waqf objects are not only immovable objects but also objects such as money, precious metals, securities, and other objects that comply with sharia provisions and legislation. Specifically, Article 43 regulates the management and development of waqf productively through collection methods such as investment, capital placement, and other ventures that do not contradict Islamic sharia.²⁵ There are 2 potential locations that have been explored by researchers as manifestations of productive waqf development in Cirebon Regency:

First, The research results show that waqf management at Jami Al-Muttaqin Mosque, Kulon Village, Gegesik District, Cirebon Regency, has made significant contributions to the welfare of the surrounding community. The waqf managed by the Nazhir of the Mosque Prosperity Council (DKM) includes approximately 80 plots of land that are rented out through an auction system. The income from these waqf land rentals reaches around Rp. 300,000,000 per year. These funds are utilized for various community benefit programs, including mosque maintenance, religious activities, educational assistance, as well as social and economic support for communities in need.

The waqf management at Jami Al-Muttaqin Mosque demonstrates that productive waqf potential can serve as an economic instrument supporting social development at the village level. Through good management, the DKM Nazhir is able to optimize waqf income for various activities that benefit the wider community. This is a concrete example that productive waqf is not limited to asset maintenance but also plays a role in strengthening community welfare by

²⁴ Ahmad Syakir, "Pemberdayaan Ekonomi Umat Islam Indonesia," *Al-Intaj* 2, no. 1 (2016): 37–48, <https://ejournal.iainbengkulu.ac.id/index.php/Al-Intaj/article/view/1107>.

²⁵ Direktorat Jenderal Departemen Agama RI and Bimbingan Masyarakat Islam, *Undang-Undang Tentang Wakaf (Nomor 41 Tahun 2004)*, 2007.

focusing on empowerment and sustainable development that aligns with local needs.

The success of waqf management at Jami Al-Muttaqin Mosque can serve as an inspirational model for waqf management in other regions, especially in efforts to maximize the economic and social benefits of waqf assets. Government support and ongoing guidance for nazhir can further enhance the potential of productive waqf to support sustainable development. With broader optimization, productive waqf has the potential to become an important pillar in improving welfare and economic equality in rural communities, while also helping to achieve the Sustainable Development Goals (SDGs) at the local level.

Figure 1.1

Jami Al-Muttaqin Mosque Gegesik, Cirebon Regency



Source: Ministry of Religious Affairs, Cirebon Regency

Second, Research findings show that the Productive Waqf assistance from the Indonesian Ministry of Religious Affairs in 2010 has played an important role in the development of Buntet Mart, which is managed by the Nazhir of Yayasan Pesantren Islam (YPI) Buntet Pesantren in Mertapada Village, Astanajapura District, Cirebon Regency. Buntet Mart is one example of successful productive waqf implementation that has driven the community's economic activities around the Islamic boarding school. With sales turnover reaching approximately Rp. 1.5 billion per month, Buntet Mart has successfully optimized the potential of waqf assets for sustainable economic activities that benefit many parties.

Financial management at Buntet Mart is carried out transparently and professionally. Profits generated from Buntet Mart activities are allocated

according to an established scheme: 10% for the nazhir, 20% for mauqf alaih (beneficiaries), and 70% for business development. The 10% allocation for nazhir demonstrates YPI Buntet Pesantren's commitment to valuing the role of waqf managers, while 20% for mauqf alaih reflects the utilization of profits for the benefit of recipient communities. The remaining 70% of profits are used to develop new business units, resulting in Buntet Mart's expansion from initially having only one unit to now having two to three business units.

Buntet Mart's success in managing productive waqf opens significant opportunities to strengthen waqf-based economy in the Islamic boarding school environment and surrounding villages. Through management that focuses on sustainability, this business not only provides economic benefits but also expands employment opportunities and improves community welfare. Buntet Mart has successfully become an example of productive waqf management that has not only survived but also significantly developed, increasing its contribution to the economic development of the community in the area. This development aligns with the objective of productive waqf to create long-term benefits that can be experienced by future generations.

The success of Buntet Mart as a result of Productive Waqf assistance from the Ministry of Religious Affairs is expected to inspire other institutions to develop similar models in various regions. Government support, particularly through productive waqf assistance, has proven effective in promoting economic independence and social development in Islamic boarding school environments. By optimizing waqf assets through modern and sustainable business management patterns, Buntet Mart becomes tangible evidence that waqf can function as a widely beneficial development instrument, aligned with sustainable development goals (SDGs) that focus on poverty alleviation and community welfare improvement²⁶.

²⁶ <https://buntetpesantren.id/buntet-mart-2-resmi-dibuka/> accessed September 20, 2024 at 09:00 WIB

Figure 1.2

Buntet Mart at Buntet Pesantren Islamic Boarding School



Source: Ministry of Religious Affairs, Cirebon Regency

Strategies and Policies of the Ministry of Religious Affairs in Cirebon Regency

Along with efforts to optimize waqf management in the Cirebon region, the Cirebon Ministry of Religious Affairs has recorded significant improvements in the issuance of waqf land certificates. Data shows that in 2023, the Cirebon Ministry of Religious Affairs issued 133 waqf land certificates, marking a strong commitment to ensuring legal certainty for waqf assets in the region. Entering 2024, there was an encouraging increase where the number of waqf land certificates issued reached 155 certificates, an increase of 16.5% compared to the previous year. This increase reflects the growing public awareness of the importance of waqf land certification and demonstrates the positive performance of the Cirebon Ministry of Religious Affairs in facilitating and accelerating the waqf land certification process to ensure the security and sustainability of waqf assets for community welfare. Below is the data on waqf land certification in Cirebon Regency:

Figure 1.3

Data obtained from the Decree of the Head of the BPN Land Office of Cirebon Regency for the Waqf Land Certification Acceleration Program 2023-2024.



The implementation of Zakat and Waqf as referred to in PMA Number 19 of 2019 Article 592 letter g is tasked with providing services, technical guidance, data and information management, and preparing plans and reporting in the field of zakat and waqf empowerment. The Zakat and Waqf Administration of the Ministry of Religious Affairs Office in Cirebon Regency has the task of implementing material preparation and implementation of technical policies, services, guidance, coaching, information system management, and planning, as well as reporting on zakat and waqf empowerment based on technical policies established by the Head of the Ministry of Religious Affairs Office in Cirebon Regency. In carrying out its duties, the Zakat and Waqf Administration of the Ministry of Religious Affairs Office in Cirebon Regency performs the following functions:

1. Preparation of materials for the development and implementation of technical policies and planning for zakat and waqf empowerment;
2. Service and fulfillment of national standards for zakat and waqf empowerment;
3. Technical guidance and supervision of empowerment, monitoring, and evaluation of zakat management institutions and waqf property, as well as management of zakat and waqf empowerment information systems; and
4. Evaluation and preparation of reports on zakat and waqf empowerment
5. Preparing materials for the implementation of services, technical guidance, coaching, education, monitoring, and evaluation of zakat, infaq, and shodaqoh management institutions;
6. Carrying out the task of collecting and utilizing civil servant (ASN) professional zakat within the Ministry of Religious Affairs Office in Cirebon Regency.

In the field of waqf administration, it has the task of preparing materials for the implementation of coordination, services, technical guidance, coaching, education, monitoring, and evaluation of waqf management institutions, as well as the management of waqf property. In carrying out its duties, it technically synergizes with various stakeholders, including the Land Office (ATR-BPN) of Cirebon Regency, Religious Organizations, District Religious Affairs Offices (KUA), the Indonesian Waqf Board, and other related parties. Realizing productive waqf as an instrument of Sustainable Development in Cirebon Regency faces several challenges that need to be addressed. Productive waqf itself is a scheme where waqf assets (such as land or property) are used for economic activities that generate profits, which are later used for community welfare. These challenges and solutions include:

Table 1.2
 Challenges and Solutions for Cirebon Communities in Managing Waqf to Realize Productive Waqf for Sustainable Development

No	Challenges	Solutions
1	Many waqf properties in the form of land remain uncertified, especially religious facilities (Mosques/Prayer Rooms); and not all waqf land or assets in Cirebon Regency are suitable for productive waqf. Some assets may be in non-strategic locations or have low economic value, requiring innovation in their use to become productive.	Issuance of technical regulations regarding the collection, management, and utilization of zakat, infaq, and shodaqoh among the community along with licensing mechanisms, coordination, and supervision ²⁷ . Government and waqf institutions can follow up by revitalizing unproductive waqf assets ²⁸ or those in less strategic locations, for example by converting the land for productive activities such as

²⁷ Musdalifah Musdalifah, Rahman Ambo Masse, and Trisno Wardy Putra, "Analisis Swot Dalam Strategi Penghimpunan Dan Pendayagunaan Zakat Di Inisiatif Zakat Indonesia," *COMSERVA Indonesian Journal of Community Services and Development* 2, no. 6 (2022): 587–96, <https://doi.org/10.59141/comserva.v2i6.359>.

²⁸ Ramadhan Razali, Sutan Febriansyah, and Surya Darni, "Revitalisasi Zakat Produktif Dan Wakaf Produktif Sebagai Pengentas Kemiskinan," *J-ISCAN: Journal of Islamic Accounting Research* 1, no. 2 (2019): 97–106, <https://doi.org/10.52490/j-iscan.v1i2.704>.

modern agriculture, commerce, or services.

2	<p>Low public awareness due to various factors in developing productive waqf. One main challenge is the lack of understanding about the concept of productive waqf ²⁹. Many people still view waqf as merely passive charitable donations. Fear of deviating from the Shafi'i school of thought that waqf property must remain intact without changing its form, rather than seeing it as an economic instrument.</p>	<p>Adequate education is needed to change this perception, so that more people are interested in donating waqf in productive forms.</p>
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3	<p>Inadequate monitoring and evaluation processes to ensure productive waqf runs according to its objectives. This also includes transparency in reporting and distributing waqf results to the community. Cirebon Regency faces challenges in building this system, especially with limited human resources who have competence in waqf asset management.</p>	<p>a. Development of digital platforms that allow the community to donate waqf online and track the development of donated assets, making it easier and more transparent.</p> <p>b. Creating applications that help nadzir (waqf managers) in managing waqf assets ³⁰, from administrative recording to business feasibility analysis.</p>
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²⁹ Azhar Alam, Muslih Isnaini Rahmawati, and Aditya Nurrahman, "Manajemen Wakaf Produktif Dan Tantangannya Di Majelis Wakaf Dan Kehartabendaan Pdm Surakarta," *Profetika: Jurnal Studi Islam* 23, no. 1 (2021): 114–26, <https://doi.org/10.23917/profetika.v23i1.16799>.

³⁰ Nurul Iman, Edy Kurniawan, and Adi Santoso, "Integrasi Dan Digitalisasi Sistem Informasi Manajemen Aset Wakaf (Simas Waqfuna)," *KOMIK (Konferensi Nasional Teknologi Informasi Dan Komputer)* 4, no. 1 (2020): 11–17, <https://doi.org/10.30865/komik.v4i1.2567>.

With the implementation of these solutions, Cirebon Regency can more effectively develop productive waqf that supports local economic growth and community welfare, as well as contributes to the achievement of development goals.

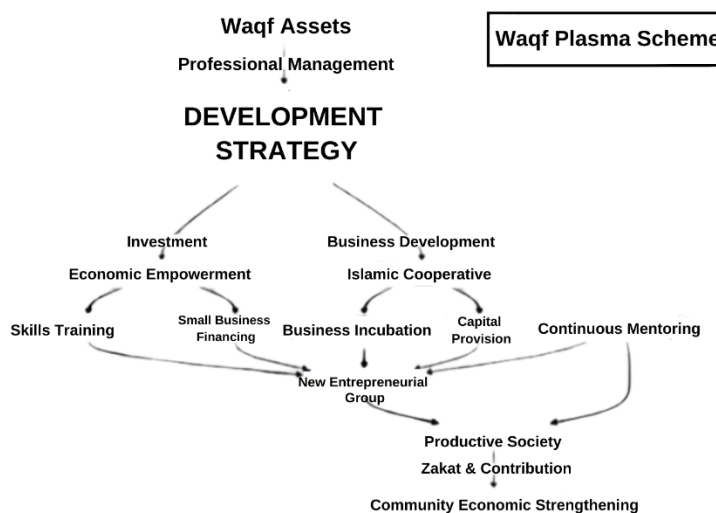
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|---|--|---|
| 4 | Minimal collaboration with financial institutions regarding cash waqf and other conventional waqf. For example, the lack of coordination between Sharia Financial Institutions Receiving Cash Waqf (LKS-PWU) and the Zakat and Waqf Administration Office of the Ministry of Religious Affairs in Cirebon Regency; | Collaborating with Islamic financial institutions to offer waqf-based investment products, such as waqf sukuk or waqf mutual funds, so that the community can contribute while also obtaining economic benefits ³¹ . |
|---|--|---|
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Therefore, addressing these challenges requires synergy between various parties, including the government, community, waqf institutions, and the private sector, as well as encouragement to improve productive waqf literacy among the community. In addition to the obstacles mentioned above, another major constraint is the minimal availability of budget for zakat and waqf administration. For this reason, the Cirebon Regency Government, according to the capacity and authority of the Zakat and Waqf Administration Office of the Ministry of Religious Affairs in Cirebon Regency, has taken several steps by implementing policies, namely: a) Coordination and close cooperation with various stakeholders, especially the Land Office (ATR-BPN) of Cirebon Regency, to implement accelerated certification of waqf land, included in the Cross-Sector priority program (Lintor) of the Land Office (ATR-BPN) of Cirebon Regency in 2023 and continuing in 2024; b) Allocation of a portion of the civil servant

³¹ Azizah Shodiqoh Rafidah and Happy Novasila Maharani, "Inovasi Dan Pengembangan Produk Keuangan Syariah: Tantangan Dan Prospek Era Revolusi Industri 4.0," *Jurnal Ilmiah Edunomika* 8, no. 1 (2024): 1–14, <https://jurnal.stie-aas.ac.id/index.php/jie/article/view/11649>.

professional zakat budget from the Ministry of Religious Affairs Office in Cirebon Regency to support activities for accelerating waqf land certification; c) Waqf Plasma becomes a solution for Cirebon regency to transform its community into productive individuals through the steps in the diagram below:

Figure 1.4
Diagram of the Waqf Plasma scheme, a system designed to create a productive Cirebon community



The Waqf Plasma System is an economic development scheme that begins with the management of Waqf Assets through Professional Management. This system uses two main development strategies: investment through economic empowerment and business development through sharia cooperatives. The investment path focuses on skills training and small business financing, while the business development path is carried out through business incubation, capital provision, and continuous mentoring. All of these aim to form new entrepreneurial groups that will later become part of a productive society.

The success of this program is marked by the formation of a productive community capable of providing zakat and contributing to the strengthening of the community's economy. This system creates a positive cycle where successful entrepreneurs will contribute back through zakat, which can then be used to help other new entrepreneurs. With an integrated approach from upstream to downstream and based on sharia principles, Waqf Plasma becomes a comprehensive solution to develop the economy of the Cirebon community by utilizing waqf assets productively, providing training and assistance, and creating a sustainable entrepreneurial ecosystem.

Conclusion

This research affirms the importance of productive waqf in supporting the achievement of Sustainable Development in Cirebon Regency. Through optimized waqf management, waqf assets can be utilized more strategically and sustainably for social, economic, and environmental interests. The research results show that productive waqf can not only improve community welfare but also contribute to poverty alleviation, education, and sustainable infrastructure development. The researchers also found that the Cirebon regency government is committed to realizing productive waqf that provides sustainable benefits and changes the mindset of the Cirebon community. So it's not only the waqf objects that are productive, but the community also takes part in realizing Sustainable Development, creating a cycle called waqf plasma. Furthermore, cooperation between the government, waqf management institutions, and the community is very important in realizing the full potential of productive waqf. With appropriate regulatory support, supervision, and transparent governance, productive waqf can become one of the innovative solutions for achieving inclusive and sustainable development in Cirebon Regency. This research recommends the need for broader education about the importance of productive waqf, as well as increased waqf management capacity so that contributions to the Sustainable Development Goals (SDGs) become more tangible and measurable.

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