

GREEN WAQF IN INDONESIA AND MALAYSIA: A COMPARATIVE SYSTEMATIC LITERATURE REVIEW ON REGULATIONS, MODELS, AND IMPLEMENTATION EFFECTIVENESS

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Abstract

This systematic literature review examines the role of Green Waqf, integrating Islamic finance with environmental sustainability, in Indonesia and Malaysia, and its contribution to the Sustainable Development Goals (SDGs). It identifies a conceptual evolution from traditional asset-based models to innovative mechanisms like cash waqf, sukuk, and crowdfunding. While both countries demonstrate progress, regional divergence exists: Indonesia prioritizes social empowerment, whereas Malaysia emphasizes financial innovation. Key challenges include regulatory constraints, limited public awareness, and technological gaps. The review highlights technology, particularly blockchain and crowdfunding, as critical enablers of enhanced transparency and improved management efficiency. By aligning waqf with global sustainability objectives, this study extends the discourse beyond philanthropy, positioning Green Waqf as a transformative instrument for addressing climate change and social inequality. Future research should pursue longitudinal impact assessments, cross-country comparisons, and practical applications of blockchain in waqf systems.

INTRODUCTION

The development of waqf as an Islamic financial instrument has gained increasing attention in recent decades, particularly as it transforms from traditional models to more innovative and productive approaches. Among these innovations, Green Waqf has emerged as a particularly relevant concept, aligning with the broader global agenda of achieving the Sustainable Development Goals (SDGs). Green Waqf provides a unique solution that combines Islamic financial principles with environmental conservation efforts, fostering social and economic welfare¹. Early research by Syahnas Sulaiman et al. And Mohd Thaker et al.² highlighted the potential of waqf as an alternative financial source, particularly for land

¹ Mohammad Abdullah, "Waqf, Sustainable Development Goals (SDGs) and Maqasid Al-Shariah," *International Journal of Social Economics*, 2018, <https://doi.org/10.1108/IJSE-10-2016-0295>.

² Mohamed Asmy Bin Mohd Thas Thaker et al., "Developing Cash Waqf Model as an Alternative Source of Financing for Micro Enterprises in Malaysia," *Journal of Islamic Accounting and Business Research*, 2016, <https://doi.org/10.1108/JIABR-09-2014-0029>.

development and micro-enterprise funding in Malaysia. More recently, Ascarya et.al³ explored Islamic finance-based waqf models that could enhance asset productivity, with significant implications for sustainable economic growth. Expanding on this, Ari & Koc⁴ introduced the idea of waqf as a financial tool for renewable energy investments, suggesting that it could help address long-term environmental challenges. Interestingly, recent studies by Ari & Koc⁵ have stressed the importance of raising public awareness of Green Waqf, particularly in Indonesia, where its potential remains underutilized. As interest in sustainable finance continues to rise globally, Green Waqf could become a strategic tool for addressing environmental and social issues at local and international levels⁶. This evolving landscape of Green Waqf is not just an extension of traditional Islamic finance but also represents an innovative solution to achieving more inclusive and sustainable development.

The growing significance of cash waqf and its management further reflects a shift towards more modern, integrated financial models. Historically, waqf was predominantly concerned with the management of physical assets, such as land and buildings, with a focus on religious and social objectives⁷. However, in recent years, cash waqf has increasingly become an essential tool for financing social and economic development initiatives⁸. For example, the introduction of the Waqf-Owned Financial Intermediary (WOFI) model by Ari & Koc⁹ illustrates how waqf could be leveraged for renewable energy investments, thus promoting social equity through sustainable means. Technology, too, plays a central role in the evolving landscape of waqf management, particularly through the integration of crowdfunding and digital platforms. A noteworthy study by Meri Indri Hapsari et.al¹⁰ demonstrated how crowdfunding models have expanded public participation in the development of waqf land, capitalizing on user-friendly technology. Moreover, Aishath et.al¹¹ introduced an innovative cash waqf takaful model that

³ Ascarya Ascarya, Muhamad Nadratuzzaman Hosen, and Siti Rahmawati, "Designing Simple Productive Waqf Models for Indonesia," *International Journal of Ethics and Systems*, 2022, <https://doi.org/10.1108/IJOES-07-2020-0101>.

⁴ Ibrahim Ari and Muammer Koc, "Towards Sustainable Financing Models A Proof-of-Concept for a Waqf-Based Alternative Financing Model for Renewable Energy Investments," *Borsa Istanbul Review*, 2021, <https://doi.org/10.1016/j.bir.2021.03.007>.

⁵ Ari and Koc.

⁶ Faiza Elmahgop et al., "The Socio-Economic Impacts of Waqf Investment Funds as a Model for Sustainable Financing in Saudi Arabia," *Sustainability*, 2025, <https://doi.org/10.3390/su17093805>.

⁷ Ahmad Rafiki and Kalsom Abdul Wahab, "Influences of Islamic Practices on Small Firm Performance : A Study in North Sumatera , Indonesia," *Islamic Management and Business* 5, no. 11 (2013): 64–82.

⁸ Ari and Koc, "Towards Sustainable Financing Models A Proof-of-Concept for a Waqf-Based Alternative Financing Model for Renewable Energy Investments."

⁹ Ari and Koc.

¹⁰ Meri Indri Hapsari et al., "The Likelihood of Using Crowdfunding-Waqf Model in Malaysia," *International Journal of Ethics and Systems*, 2022, <https://doi.org/10.1108/IJOES-07-2021-0150>.

¹¹ Aishath Muneeza et al., "Empowering the Elderly a Cash Waqf Takaful Model for Enhanced Provision and Protection in Malaysia," *International Journal of Islamic and Middle Eastern Finance and Management*, 2024, <https://doi.org/10.1108/IMEFM-02-2024-0114>.

combines crowdfunding with takaful principles, addressing the needs of the elderly population, and showing how technology can expand the scope of waqf beyond traditional boundaries. The role of financial literacy and public awareness is also pivotal in increasing contributions to the cash waqf. While Khaled et.al¹² found that Indonesian millennials are generally aware of cash waqf, trust in the nazir (waqf manager) remains a significant barrier. This observation is echoed by Maulina et.al¹³, who point to a lack of transparency in waqf management as a major obstacle to larger contributions from wealthier individuals. To overcome these challenges, numerous studies recommend improving governance structures and integrating advanced technology in waqf management. Asyari et.al¹⁴ Noted that greater knowledge and trust in cash waqf significantly influence people's willingness to participate in online platforms, underscoring the importance of transparency and digital engagement. These shifts in how waqf is perceived and managed have profound implications not only for waqf management practices but also for reshaping public understanding of waqf as a key tool for sustainable development. As highlighted by Ascarya¹⁵, productive waqf models tailored to local needs, combined with frameworks such as the Waqf Integrated Income Generating Model (WIIGM), offer immense potential for achieving SDGs.

Despite the wealth of research, a significant gap persists in integrating Green Waqf with cutting-edge financial tools such as blockchain and in conducting cross-country comparisons that can illuminate the differing regulatory and cultural landscapes in which waqf operates. The majority of studies have focused on the financial and managerial dimensions, often overlooking the increasingly relevant social and technological factors. This study seeks to bridge this gap by conducting a comprehensive review of Green Waqf in both Indonesia and Malaysia, integrating Islamic finance principles with sustainability and social welfare concerns. By exploring the role of technology, particularly crowdfunding and digital platforms, this research also aims to propose innovative models that can enhance the effectiveness of waqf in addressing pressing global challenges.

The significance of this research lies in the growing global interest in sustainable finance, particularly in Islamic finance. Green Waqf aligns perfectly with international initiatives to achieve the SDGs, particularly those focused on social justice, poverty alleviation, and environmental sustainability. Through this comparative analysis of Green Waqf in Indonesia and Malaysia, the study aims to provide valuable insights into the factors that influence its implementation and

¹² Khaled Nour Aldeen, Inayah Swasti Ratih, and Risa Sari Pertiwi, "Cash Waqf from the Millennials' Perspective: A Case of Indonesia," *ISRA International Journal of Islamic Finance*, 2021, <https://doi.org/10.1108/IJIF-10-2020-0223>.

¹³ Rindawati Maulina, Wawan Dhewanto, and Taufik Faturohman, "How to Attract Wealthy Muslims to Contribute to Cash Waqf (Islamic Endowment) Held by the Islamic Banks? Case in Indonesia," *Journal of Islamic Marketing* 15, no. 12 (2024): 3323–56, <https://doi.org/10.1108/JIMA-11-2022-0312>.

¹⁴ Asyari Asyari et al., "Online Cash Waqf Behavioral Intention the Role of Knowledge of Cash Waqf and Trust," *Journal of Islamic Marketing*, 2024, <https://doi.org/10.1108/JIMA-07-2023-0224>.

¹⁵ Ascarya, Hosen, and Rahmawati, "Designing Simple Productive Waqf Models for Indonesia."

outcomes. Moreover, it seeks to contribute to both theoretical knowledge and practical solutions, offering policy recommendations to improve the management and impact of Green Waqf. By examining the contextual, social, and technological factors that shape Green Waqf's effectiveness, this research aims to shed light on its transformative potential to address both local and global challenges.

METHOD

This systematic literature review (SLR) rigorously follows the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines to ensure methodological transparency and replicability. The study aims to synthesize and analyze the literature on Green Waqf the convergence of Islamic endowments (waqf) with environmental sustainability in the contexts of Indonesia and Malaysia.

The literature identification process commenced with a targeted search on the Scopus database, selected for its rigorous indexing standards, ensuring high-quality, non-duplicative academic sources. Keywords included "green waqf," "environmental waqf," "cash waqf," "SDGs," and related terms. The initial search yielded 180 articles. After removing 21 duplicates, 4 articles outside the 2010-2025 timeframe, 49 from non-reputable journals, and 2 without abstracts, 104 articles proceeded to the screening phase.

During screening, all 104 abstracts were assessed for relevance to the research questions concerning Green Waqf's regulatory frameworks, operational models, and effectiveness. All were deemed relevant. Full-text retrieval was attempted for these articles; however, 41 were inaccessible, leaving 63 articles for the eligibility assessment. All 63 articles met the pre-defined inclusion criteria, and none were excluded. Consequently, all 63 were included in the final inclusion phase for qualitative synthesis.

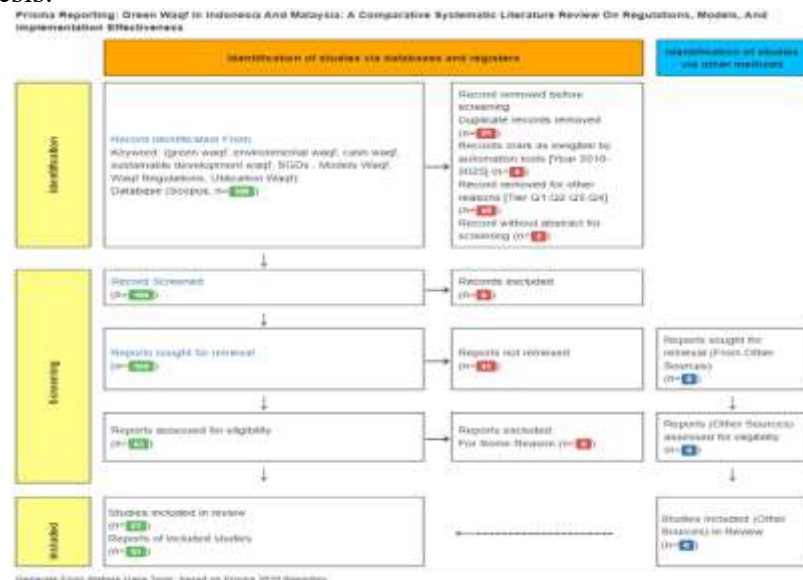


Figure 1. Prisma Reporting: Green Waqf in Indonesia and Malaysia: A Comparative Systematic Literature Review on Regulations, Models, and Implementation Effectiveness

A thematic analysis was conducted on the finalized corpus to distill key patterns and insights. The Watase Uake System was utilized to support the systematic organization and coding of data. This structured process, visualized in a PRISMA flow diagram (Figure 1), guaranteed a comprehensive and unbiased synthesis of existing knowledge¹⁶.

By adhering to the PRISMA protocol, this SLR provides a robust and transparent foundation for understanding the evolution, comparative implementation, and challenges of Green Waqf in Indonesia and Malaysia. This methodological rigor not only consolidates current scholarly discourse but also clearly delineates gaps, thereby offering a credible platform for future empirical and longitudinal research in this domain.

RESULT

The following section provides a thorough analysis of the literature on Green Waqf in Indonesia and Malaysia, based on the studies reviewed. This analysis is structured into descriptive, classificatory, and thematic segments, offering a comprehensive understanding of the emerging trends, gaps, and opportunities in Green Waqf research.

Descriptive Overview of the Articles Reviewed

The reviewed articles reveal a strong and growing interest in the evolution of waqf as an innovative financial tool, particularly in its role within sustainable development. At the core of this literature is the focus on cash waqf, which has emerged as a prominent innovation in Islamic finance. Traditionally, waqf was associated with land and property donations, but recent studies highlight how cash waqf has expanded its scope to address modern socio-economic and environmental issues. Most notably, the integration of Green Waqf with the Sustainable Development Goals (SDGs) has garnered significant attention. This approach positions waqf as not only a tool for financial inclusion but also as a solution for addressing environmental challenges like climate change, through projects such as renewable energy initiatives and conservation efforts¹⁷.

The geographic context of the studies also underscores the significant roles of both Indonesia and Malaysia in Green Waqf research. These two countries, with large Muslim populations, have become focal points for studies on waqf, though the research agendas differ. In Indonesia, the literature tends to focus on integrating Green Waqf with national poverty alleviation and environmental conservation efforts. Conversely, research in Malaysia is more concerned with financial aspects, emphasizing the development of innovative financial products such as sukuk-linked waqf and crowdfunding-based waqf models. These regional differences suggest

¹⁶ Lilik Wahyudi, "Systematic Literature Review Melalui Watase Uake Untuk Pengembangan Penelitian" (Jakarta, 2025).

¹⁷ Buerhan Saiti, Adama Dembele, and Mehmet Bulut, "The Global Cash Waqf: A Tool against Poverty in Muslim Countries," *Qualitative Research in Financial Markets*, 2021, <https://doi.org/10.1108/QRFM-05-2020-0085>.

that while both countries are advancing the concept of Green Waqf, their approaches are shaped by distinct socio-economic contexts and priorities¹⁸.

Classification Based on Analytical Framework

The reviewed articles can be categorized into three key analytical frameworks: regulatory frameworks, financial models, and the effectiveness of Green Waqf implementation. A recurring theme across the studies is the significant role of regulatory frameworks in determining the success or failure of Green Waqf initiatives. This is particularly true for both Indonesia and Malaysia, where comprehensive regulations, such as fiscal incentives for waqf contributors and legal frameworks for waqf management, have been identified as key factors for successful implementation.

The second prominent theme is the exploration of financial models, with particular emphasis on integrating Green Waqf with modern financial instruments, such as sukuk and crowdfunding. These models expand the waqf's economic reach and enable greater public participation. For example, the Cash Waqf-Linked Sukuk (CWLS) model in Indonesia has been noted for its potential to finance socially and environmentally impactful projects. In contrast, crowdfunding-based waqf models are seen as effective tools for engaging a wider audience in waqf contributions¹⁹. These models signify a departure from traditional waqf practices, leveraging modern financial tools to achieve more inclusive and sustainable outcomes.

The effectiveness of Green Waqf implementation has also been a major focus in the literature. Studies frequently note that while the potential of Green Waqf is substantial, its impact is often undermined by challenges such as insufficient public awareness, limited technological integration, and regulatory gaps. Interestingly, many studies suggest that while Green Waqf could potentially drive significant socio-economic and environmental changes, its actual effectiveness often depends on a combination of legal support, public engagement, and effective governance²⁰. These challenges highlight the need for more robust governance mechanisms and innovative solutions, particularly in technology integration.

In-depth Thematic Analysis

A deeper dive into the thematic areas reveals several key insights into the research on Green Waqf. One prominent theme is the role of regulations in facilitating Green Waqf development. As discussed in numerous studies, regulatory frameworks are often the bedrock upon which successful Green Waqf models are built. For instance, the absence of clear legal frameworks and fiscal incentives in some regions has been identified as a barrier to the full implementation of Green Waqf. This insight is especially relevant in Indonesia, where regulatory reforms are

¹⁸ Abdullah, "Waqf, Sustainable Development Goals (SDGs) and Maqasid Al-Shariah."

¹⁹ Nisful Laila et al., "Critical Assessment on Cash Waqf-Linked Sukuk in Indonesia," *Qualitative Research in Financial Markets*, 2024, <https://doi.org/10.1108/QRFM-11-2023-0291>.

²⁰ Syahnaz Sulaiman et al., "Proposed Models for Unit Trust Waqf and the Parameters for Their Application," *ISRA International Journal of Islamic Finance*, 2019, <https://doi.org/10.1108/IJIF-02-2018-0019>.

still needed to create an enabling environment for integrating Green Waqf with national programs such as poverty alleviation and environmental protection.

The integration of Green Waqf with modern financial tools, such as crowdfunding and sukuk, has also been a major focus of the literature. As noted in recent studies, models such as the Cash Waqf-Linked Sukuk (CWLS) are gaining traction as a means of channeling funds into sustainable projects. These models not only provide the financial sustainability waqf requires but also expand its impact on a much larger scale. Crowdfunding-based waqf, in particular, is seen as an innovative way to engage the public in contributing to waqf funds. This approach promotes greater inclusivity and democratizes the financial aspects of waqf, making it accessible to a broader audience beyond traditional donors²¹. This trend represents a critical shift in the waqf landscape, indicating a growing acknowledgment of the need to modernize and diversify waqf financing models.

Another significant theme identified in the literature is the effectiveness of Green Waqf implementation, which is often closely linked to the challenges faced in the field. While the potential of Green Waqf to contribute to both social and environmental sustainability is recognized, its implementation effectiveness is frequently constrained by limited technological infrastructure, inadequate public engagement, and a lack of transparency. These barriers often prevent the full realization of Green Waqf's potential, despite its promising benefits. As a result, future research must not only focus on strengthening the regulatory and financial aspects of Green Waqf but also emphasize the importance of public awareness and technological integration.

The theme of regional differentiation also emerges in literature. The studies reviewed highlight the contrasting approaches to Green Waqf in Indonesia and Malaysia. While Indonesia has placed greater emphasis on the social aspects of Green Waqf, focusing on poverty alleviation and community development, Malaysia has concentrated its efforts on the financial and technological dimensions, such as integrating Green Waqf with Islamic financial products like sukuk and crowdfunding²². These differences reflect the distinct socio-economic priorities of each country and provide valuable lessons for future Green Waqf initiatives. Notably, these regional differences also create opportunities for cross-border collaboration, where each country can learn from the other's strengths.

Finally, the integration of Green Waqf with SDGs is another central theme. Numerous studies have underscored the role of Green Waqf in advancing the SDGs, particularly in areas like poverty reduction, clean energy, and sustainable cities. This growing recognition of Green Waqf's potential to contribute to global sustainable development efforts is encouraging. However, there is still a need for further research to develop models that not only ensure the financial viability of Green Waqf but also measure its environmental and social impacts, aligning them more directly with SDG targets²³. This integration will be crucial for ensuring that

²¹ Laila et al., "Critical Assessment on Cash Waqf-Linked Sukuk in Indonesia."

²² Sulaiman et al., "Proposed Models for Unit Trust Waqf and the Parameters for Their Application."

²³ Ari and Koc, "Towards Sustainable Financing Models A Proof-of-Concept for a Waqf-Based Alternative Financing Model for Renewable Energy Investments."

Green Waqf continues to evolve as a sustainable and effective tool for addressing global challenges.

In conclusion, while the literature on Green Waqf in Indonesia and Malaysia demonstrates significant advancements, several challenges remain in implementing and sustaining Green Waqf models. The key to unlocking the full potential of Green Waqf lies in overcoming regulatory gaps, improving public awareness, and integrating technological innovations. By addressing these challenges, Green Waqf can play a transformative role in both social and environmental sustainability, helping to achieve the SDGs while also contributing to the growth of Islamic finance.

Visualisation

As depicted in Figure 1, the PRISMA flow diagram offers a clear, visual representation of the study selection process. This diagram outlines the key stages of the review, from identification to inclusion, and provides a transparent overview of how the articles were selected, screened, and included in the review. The use of PRISMA ensures that the process is systematic, reproducible, and transparent, and that it adheres to high standards of research methodology. This visual representation not only enhances clarity in the review process but also enables a more intuitive understanding of the steps involved, further strengthening the rigor of the study.

DISCUSSION

The findings of this review shed light on the increasing importance of Green Waqf, particularly in Indonesia and Malaysia, and highlight the growing integration of Islamic finance with sustainable development. This study offers fresh insights into the evolving role of cash waqf, which has been widely recognized as a pivotal element in supporting social and environmental projects. Interestingly, the review also emphasizes the novel integration of Green Waqf with contemporary financial mechanisms, such as sukuk and crowdfunding. These developments reflect a significant shift in how waqf can be utilized, suggesting that its potential extends well beyond traditional philanthropic efforts.

The results align with previous studies by Ascarya et al.²⁴ and Huda et al.²⁵, which also emphasizes the growing prominence of cash waqf in addressing socio-economic challenges. However, this review adds nuance to the literature by focusing on Green Waqf, specifically its role in addressing urgent global challenges like climate change and social inequality. In line with the work of Ari & Koc²⁶, This review underscores the importance of Green Waqf as a sustainable financial tool that can support renewable energy and environmental conservation projects. In contrast to earlier studies that primarily concentrated on cash waqf as a tool for poverty alleviation, this research illustrates how Green Waqf can be strategically

²⁴ Ascarya, Hosen, and Rahmawati, "Designing Simple Productive Waqf Models for Indonesia."

²⁵ Nurul Huda et al., "Intention to Donate in Green Waqf among Muslim Community: Indonesian Case," *Journal of Islamic Marketing*, 2025.

²⁶ Ari and Koc, "Towards Sustainable Financing Models A Proof-of-Concept for a Waqf-Based Alternative Financing Model for Renewable Energy Investments."

integrated with broader environmental goals, extending its impact to global sustainability efforts.

One of the more compelling aspects of this review is its examination of the regional variations in Green Waqf implementation between Indonesia and Malaysia. While prior studies, such as those by Sulaiman et al.²⁷ This review briefly touches on these differences and provides a deeper understanding of how each country has adapted the Green Waqf model to its unique socio-economic context. Indonesia's focus on integrating Green Waqf with poverty alleviation and environmental protection contrasts with Malaysia's emphasis on financial innovation and the development of sophisticated waqf-linked products, such as sukuk. This divergence in focus not only highlights the flexibility of Green Waqf but also emphasizes the importance of tailoring waqf models to local contexts. This finding is particularly significant, as it reinforces the idea that one-size-fits-all approaches may not be effective in optimizing the impact of Green Waqf.

The integration of technology, particularly blockchain and crowdfunding platforms, emerges as another critical theme in this review. In contrast to earlier discussions that primarily focused on the financial aspects of waqf, recent studies by Elmahgop et al.²⁸ have explored how technology can enhance the transparency and accountability of waqf management. This review extends these findings by suggesting that integrating digital platforms could be a crucial enabler of Green Waqf. The use of blockchain, for example, could ensure traceability and accountability in the management of waqf funds, addressing longstanding concerns about corruption and inefficiency. Similarly, crowdfunding platforms could democratize waqf participation, allowing a broader range of donors, particularly younger generations, to contribute to socially and environmentally responsible projects. These insights offer a valuable addition to the existing literature by emphasizing the transformative potential of technology to expand the reach and effectiveness of Green Waqf.

While the findings of this review align with several previous studies, they also challenge some traditional assumptions about the limitations of waqf. Notably, the idea that waqf management is inherently slow, opaque, and technologically outdated is increasingly being questioned. This review contributes to a growing body of literature that suggests waqf, when combined with modern financial tools and technology, can become a highly efficient and scalable mechanism for addressing contemporary issues. This shift away from the traditional view of waqf as a static, slow-moving institution opens up exciting new avenues for future research and practical applications.

One of the most important contributions of this review is its novel focus on Green Waqf's potential to bridge the gap between Islamic finance and achieving global sustainability goals, such as those outlined in the SDGs. While previous studies have highlighted the role of waqf in social development, this review brings attention to its environmental potential, a much less explored area in existing literature. By

²⁷ Sulaiman et al., "Proposed Models for Unit Trust Waqf and the Parameters for Their Application."

²⁸ Elmahgop et al., "The Socio-Economic Impacts of Waqf Investment Funds as a Model for Sustainable Financing in Saudi Arabia."

focusing specifically on Green Waqf, this review reveals an underexplored dimension of Islamic finance and shows how waqf can directly contribute to global environmental sustainability efforts. This represents a significant shift in academic discourse surrounding waqf, broadening its scope from a purely religious or charitable activity to a vital component of global financial and environmental strategies.

Theoretical Implications

The review also makes substantial contributions to the theoretical understanding of Green Waqf. The findings extend the application of traditional theories like the Theory of Planned Behavior (TPB) and the Technology Acceptance Model (TAM) to the context of waqf²⁹, providing a more nuanced view of how psychological and social factors influence public participation in Green Waqf initiatives³⁰. Interestingly, this review expands these frameworks by introducing a more holistic approach that incorporates regulatory and technological factors, which are critical in shaping the success of Green Waqf projects. In doing so, it challenges the traditional view of waqf as a purely financial mechanism and positions it within a broader socio-economic and technological context.

The integration of maqasid al-shariah with Green Waqf models is another theoretical advancement introduced by this review. Previous studies have explored the alignment of waqf with Islamic principles, but this review emphasizes how Green Waqf can further align with the global sustainability agenda. This integration provides a more robust theoretical foundation for understanding how Green Waqf can contribute not only to social welfare but also to environmental protection. By combining Islamic finance principles with sustainability goals, this review paves the way for future research to explore how Islamic financial instruments can be leveraged to achieve both economic and environmental justice on a global scale.

Practical Implications

From a practical standpoint, the findings of this review offer actionable insights for policymakers, practitioners, and researchers involved in the development and management of Green Waqf. The emphasis on regulatory frameworks highlights the need for clear legal structures that support the development of Green Waqf. In both Indonesia and Malaysia, regulatory environments have been critical in determining the success of Green Waqf projects. Policymakers in both countries should focus on strengthening the legal frameworks that govern waqf management, ensuring that regulations support not only financial innovation but also transparency and accountability. Moreover, policymakers should explore the potential of Green Waqf to support the SDGs, particularly in renewable energy, climate change mitigation, and social equity.

In terms of practical implementation, integrating digital platforms such as blockchain and crowdfunding offers a clear opportunity to increase public engagement and improve the efficiency of waqf management. This review

²⁹ Wahyu Jatmiko et al., "Intergenerational Analysis of Cash Waqf Behavior: Lessons Learned from Indonesia," *Journal of Islamic Accounting and Business Research*, 2024.

³⁰ Huda et al., "Intention to Donate in Green Waqf among Muslim Community: Indonesian Case."

highlights how technology can be a game-changer in Green Waqf management by improving transparency, reducing administrative costs, and expanding participation. Practitioners involved in the management of Green Waqf should consider adopting digital tools to facilitate contributions, streamline fund distribution, and ensure the accountability of funds.

Furthermore, this review underscores the need for greater public awareness of the benefits of Green Waqf. Practitioners should invest in educational programs and campaigns to increase understanding of waqf, particularly among younger generations who are increasingly concerned with social and environmental issues. Social media platforms and digital tools could be powerful vehicles for promoting Green Waqf, offering new ways to engage a broad and diverse audience in contributing to sustainable projects.

Gaps and Future Research Directions

Despite this review's significant contributions, several gaps remain that warrant further investigation. First, while this review sheds light on the potential of Green Waqf to support SDGs, the long-term social, economic, and environmental impacts of Green Waqf initiatives remain understudied. Longitudinal studies are needed to assess the sustained effects of Green Waqf on local communities and the environment. Future research could also explore the integration of Green Waqf with other sustainability frameworks, such as the Paris Agreement or local environmental goals, to understand better its potential to address global challenges.

Second, integrating blockchain technology into waqf management requires further empirical investigation. While the potential benefits of blockchain for enhancing transparency and accountability are clear, studies testing these claims in real-world contexts remain limited. Future research could focus on pilot projects integrating blockchain into Green Waqf management and on measuring its effectiveness in improving trust and system efficiency.

Lastly, comparative studies between Indonesia, Malaysia, and other countries could offer valuable insights into how Green Waqf models can be adapted to different socio-economic and regulatory contexts. This would not only broaden the scope of Green Waqf research but also provide practical lessons for implementing effective Green Waqf initiatives across various regions.

In conclusion, this review offers significant insights into the evolving role of Green Waqf in Islamic finance and sustainable development. The findings reveal that Green Waqf has the potential to bridge the gap between traditional Islamic financial instruments and the global sustainability agenda. However, challenges remain in terms of regulatory support, public awareness, and technological integration. By addressing these challenges, Green Waqf can become a powerful tool for promoting both social and environmental sustainability, contributing to achieving the SDGs. Future research should focus on the long-term impacts of Green Waqf, the integration of blockchain technology, and cross-country comparisons to further strengthen its effectiveness as a sustainable development tool.

Conclusion

This systematic literature review, structured using the CIMO (Context, Intervention, Mechanism, Outcome) framework, synthesizes findings on Green Waqf in Indonesia and Malaysia. It reveals distinct regional pathways: Indonesia primarily leverages Green Waqf for social empowerment and poverty alleviation, while Malaysia emphasizes financial innovation through instruments such as sukuk-linked waqf and crowdfunding. This divergence underscores the model's adaptability to specific socio-economic contexts.

Significant barriers to scalability include underdeveloped regulatory frameworks, low public awareness, and a lack of professional management expertise. A key finding is the emergent role of technology, particularly blockchain and digital crowdfunding platforms, as a potential solution to enhance transparency, accountability, and public engagement. However, its adoption remains nascent due to infrastructural and regulatory constraints.

The review's principal contribution is its theoretical expansion of the waqf concept, rigorously aligning it with the Sustainable Development Goals (SDGs). It positions Green Waqf not merely as a philanthropic or financial tool, but as a transformative mechanism for integrated socio-environmental change that addresses climate action and social equity concurrently.

Future research must address critical gaps. First, longitudinal empirical studies are needed to evaluate the long-term impact of Green Waqf projects. Second, cross-country comparative analyses will elucidate how varying regulatory and cultural contexts influence outcomes. Third, applied research on implementing blockchain technology in waqf management is essential to move from theoretical promise to practical efficacy. Finally, an interdisciplinary approach, integrating Islamic finance, environmental science, and technology studies, is crucial for developing robust, scalable Green Waqf models that can fully realize their potential as drivers of sustainable development.

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