

Cash Waqf for Mosque Development: Engaging Every Citizen in a Perpetual Endowment

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ABSTRACT - This research aims to explore the viability and effectiveness of cash waqf through digital crowdfunding platforms in facilitating the construction of mosques in predominantly Muslim areas. It also seeks to propose a cash waqf model that encourages community-wide participation by involving every citizen. The study uses qualitative content analysis, drawing on literature reviews, and digital crowdfunding platform analysis, with a focus on the Maldives and Banda Aceh as unique contexts for exploring the scalability and sustainability of the proposed cash waqf model. This study introduces the Community-Integrated Waqf Development Model, demonstrating how digital crowdfunding can make cash waqf accessible to every citizen, encouraging full community participation. By enabling small contributions, the model cultivates a strong sense of shared ownership and responsibility. Our analysis suggests that this approach is not only sustainable and scalable but also has the potential to significantly enhance local development and cultural significance, particularly in fully Muslim communities like those in the Maldives and Banda Aceh. The findings offer practical recommendations for enhancing cash waqf implementation to support community development and meet the religious needs of Muslim populations. This research highlights the transformative potential of digital crowdfunding in modernizing waqf practices, emphasizing the crucial role of community-wide participation. It provides a practical and sustainable model for mosque construction, offering valuable insights for enhancing Islamic social finance in community development.

Keywords: Waqf-Based Crowdfunding, Cash Waqf, Maldives Islands, Bandar Aceh, Mosque Development



INTRODUCTION

Cash waqf, a contemporary adaptation of the traditional waqf system, has emerged as a significant component of Islamic social finance (Kahf, 1999). Historically, waqf properties such as mosques, schools, and hospitals have been integral to Islamic society, reflecting the high priority placed on immovable charitable assets (Owais & Ali, 2024). These endowments, primarily funded by affluent donors, have long served as vital resources for community development and religious needs. However, the substantial financial burden involved in establishing and maintaining such properties has often limited participation to wealthier individuals, thereby constraining the broader societal impact of waqf (Qurrata et al., 2021). According to Kahf (1999) cash waqf adds a financial aspect to the traditional waqf system, using collected funds to support the development and growth of waqf properties, especially in real estate. This approach allows for ongoing contributions, making it a sustainable way to enhance and expand these assets over time.

In recent years, the advent of digital technology and crowdfunding platforms has transformed the landscape of charitable giving, democratizing the waqf process and enabling broader participation (Bonang et al., 2024). These platforms facilitate the mobilization of cash waqf, allowing individuals to contribute small, affordable amounts towards collective goals. This shift not only alleviates the financial burden on individual donors but also fosters a sense of collective ownership and responsibility within the community. By recognizing each donor, digital crowdfunding platforms enhance transparency and accountability, further encouraging participation (Owais & Ali, 2024).

Despite the advancements in digital technology and the growing use of crowdfunding platforms, there is still a critical need for well-structured initiatives that can fully unlock the collective power of Muslim communities to transform their religious and social infrastructure (Feener, 2013; Hassan & Rashid, 2019). The Maldives and Banda Aceh, both with deeply rooted Islamic traditions and predominantly Muslim populations, offer a unique and fertile ground for such an exploration (CIA, 2024; Zikran, et al., 2022). In the Maldives, with its unified religious identity and centralized governance, there is a significant opportunity to leverage community engagement through established council systems, ensuring that every citizen can contribute to the betterment of their society (Ministry of Education Maldives, 2019). Similarly, Banda Aceh, a region with a rich history of Islamic law and communal

solidarity, presents a compelling case for studying how cash waqf can be harnessed to meet the growing needs of its population (Feener, 2013; Suma, Nurdin & Umam, 2020). By delving into the existing regulatory frameworks, community dynamics, and previous successes in these areas, this research can uncover vital insights and strategies that have the potential to be replicated and adapted across other Muslim-majority regions, making a lasting impact on Islamic social finance and community development.

The primary objective of this research is to investigate the historical and contemporary significance of waqf in Islamic society and to assess the impact of digital crowdfunding platforms on the mobilization of cash waqf. This study aims to propose and evaluate a cash waqf model for the development of mosques, focusing on community-wide participation. By applying and analyzing the new model in the context of the Maldives and Indonesia (Banda Aceh), the research seeks to determine the scalability and sustainability of this model. The Maldives, with its 100% Muslim population (Ministry of Education Maldives, 2019), presents a unique opportunity to leverage the council system to engage every citizen. Similarly, Banda Aceh, with its significant Muslim population, offers a conducive environment for implementing a collective cash waqf approach.

The proposed cash waqf model aims to address the pressing need for prayer facilities in underserved areas, thereby supporting the religious needs of Muslim populations. By fostering local development and attracting Muslim travelers, this model enhances the cultural and religious significance of the community. The study also aims to provide practical recommendations for policymakers and practitioners in Islamic finance to enhance the implementation of cash waqf models, ultimately contributing to community development and the broader discourse on Islamic social finance.

LITERATURE REVIEW

Digital Crowdfunding and Islamic Finance

The 11th SDG goal is the form of quality sustainable cities and communities, not only does the government take part in the success of this goal, but various parties can also take part. One of the contributions that can be made as a solution to the problems experienced by Maldivian today. The waqf model is

very relevant today to achieve the goals of the 11th SDGs (Rusydziana et al., 2023). In Maldives, Muslim people are majority and need to more financial literacy for ensure quality sustainable cities and communities can be made widely, especially in manage digital money platform through cash waqf.

Unfortunately, this crowdfunding application was not heralded for its existence to communities that did not use the internet until 2006, which saw the use of crowdfunding widely applied in social, community and humanitarian projects (Hemer, 2011) for example medical aid, financial aid to developing countries, the development of Information and Communication Technology (ICT), political matters and the reduction of poverty in a place and country. With the existence of platforms or crowdfunding services in cyberspace such as Kickstarter, IndieGoGo, Spot-us and others, it can be considered that the community has accepted the use and application of this crowdfunding as a whole to realize small and large projects.

Crowdfunding is inspired by the concept of micro-finance and crowdsourcing. It is applied through a fundraising method where collection is carried out based on the participation of individuals in a group to achieve the required financial assistance target. In other words, crowdfunding is also defined as 'information online for the purpose of collecting funds or getting support from certain parties, to carry out a project or initiative,' (Schwienbacher & Larralde, 2010). By using a crowdfunding platform, a project that needs funds will be advertised to find as many contributors as possible until the required amount is sufficient.

Crowdfunding also has the potential to replace the financial resources of a company and organization in producing small entrepreneurs (Hemer, 2011) who are looking for business start-up capital or who face financial difficulties to make a bank loan. Apart from that, the crowdfunding application is also used as one of the initiatives to develop an academic study carried out in universities, organizations and renowned projects (Hemer, 2011) by using the microfinancing method. With the financial constraints faced by the government at the moment, it is relevant to implement it by getting funding and donations from the public (crowd) online. Crowdfunding platforms have demonstrated significant potential in providing vital financial support to small and medium-sized enterprises (SMEs), particularly in the wake of economic challenges posed by the Covid-19 pandemic. As explored by Mohamed (2021), the strategic application of Islamic social financial instruments

through these platforms offers a robust framework for enhancing MSME resilience and sustainability in challenging times.

Applications of crowdfunding focus on the use and capability of Web 2.0 (Hemer, 2011) to market and advertise a project that needs funds by using internet technology to the community that uses the internet in a short time. Crowdfunding is divided into four (4) models based on the rewards and advantages that contributors will receive (Jascha-Alexander & Qian, 2016):

Table 1. Crowdfunding Categories

Crowdfunding Category	Explanation
Donation	Contributors will not receive any reward or remuneration for their contribution.
Reward	Contributors will receive non-monetary rewards, such as books, t-shirts, site visits and others.
Loan	Contributors will receive monetary benefits on their contributions based on the signed agreement.
Equity	Contributors will receive a share of shares and participate in the profits of the company proposing the project in the future.

Source: Securities Commission Malaysia, 2022

Based on the crowdfunding category, cash waqf is classified as a donation-based fundraising category where investors raise funds through crowdfunding platforms in the form of waqf.

Presence of Waqf and Cash-Waqf Initiatives in the Maldives and Aceh

The Case of Maldives

Waqf has been an integral part of the Maldives Islamic heritage since the nation embraced Islam in 1153 AD. As the most significant waqf establishments of the oldest mosques around the world, the small island nation is renowned for its unique coral stone mosques that stand as architectural and cultural symbols of its rich Islamic tradition (Jameel, 2023). Historically, Waqf supported the establishment of mosques, educational institutions, and other vital community assets. However, over time, the practice of Waqf diminished, largely due to socio-political changes and the absence of a formalized legal framework. Recognizing the need to revive this

crucial aspect of Islamic social finance, recent efforts have been made to reinvigorate both traditional Waqf and cash waqf in the Maldives (Ismail and Mohsin, 2023).

One of the significant steps taken was the establishment of the Mosque Waqf Fund by the Ministry of Islamic Affairs in 2012, allowing citizens to contribute directly to the construction and maintenance of mosques across the country. Following this, in 2013, the Religious Awareness Waqf Fund was launched to support religious education programs. These initiatives are vital in breathing new life into Waqf practices, encouraging broader public participation and providing a stable financial base for community and religious projects (Ismail and Mohsin, 2023).

A major development in the Waqf sector is the government plan to build the largest Waqf building in the Maldives, called Dar Al-Salaam, in Hulhumale which is expected to play a significant role in enhancing the nation's Waqf infrastructure, generating substantial revenue that will help fund the renovation and construction of mosques nationwide (Shiura, 2024). The government anticipates that, much like the existing Dar Al-Eiman building, which brings in about MVR 6 million (equivalent USD 389,000) annually, the new building will be a key resource in maintaining and developing mosques (Rehan, 2023; Aisha, 2024) ensuring that the mosques are well-preserved for future generations.

Cash waqf, a modern adaptation of traditional Waqf, has also been gaining momentum in the nation where in 2021, the Ministry of Islamic Affairs launched a campaign encouraging citizens to contribute small amounts through digital platforms, making it easier for individuals to participate in religious and charitable activities across the Maldives (Ibrahim, 2022). All these embrace new developments and initiatives in the Maldivian communities which uniquely accommodates and requires current social, economic, and religious development.

The Case of Banda Aceh, Indonesia

In Indonesia, waqf has long been integral to religious and cultural life, supporting community needs such as religious and educational facilities. Over time, the practice has evolved to meet changing societal and economic conditions, adapting to modern contexts while maintaining its core principles.

According to Masrizal et al. (2022), the development of waqf in Indonesia can be divided into three phases. Initially, waqf was mainly used for religious purposes, such as building mosques and supporting Islamic education. In the second phase, its role expanded to include social and community initiatives. The third phase introduces professional management, transforming waqf into a Sharī'ah-compliant financial instrument with innovations like Cash Waqf Linked Sukuk (CWLS) and Waqf Core Principles (WCP). Although Indonesia is currently in this third phase, the Indonesian Waqf Board (BWI) must continue to push for further development.

The concept of waqf in Indonesia, traditionally associated with immovable property, has evolved with the increasing significance of cash transactions. In response, the DSN-MUI issued a fatwa on May 11, 2002, permitting cash waqf, provided its primary goal is sustainability and perpetual use. Cash waqf involves donating assets in cash or securities managed by Sharī'ah-compliant financial institutions, with proceeds used to support those in need, while the principal remains intact (Atabik, 2016). The adoption of cash waqf among Indonesian Muslims has grown, driven by the DSN-MUI's fatwa and the regulatory framework established by Law No. 41/2004 and Government Regulation No. 42/2006 (Maulina, 2022). The establishment of the Indonesian Waqf Board (BWI) in 2007 has further facilitated the expansion of cash waqf institutions, with 407 registered as of October 2023.

Cash waqf in Banda Aceh has seen steady growth as public awareness of its importance in supporting social and religious activities increases. As the capital of Aceh Province, known as the "Veranda of Mecca," Banda Aceh is home to a deeply religious community that strongly supports initiatives aligned with Islamic values, including cash waqf. In recent years, the development of cash waqf in Banda Aceh has been positive. The local government, along with religious institutions and community organizations, has actively promoted cash waqf as a tool for empowering the Muslim community and providing public facilities such as mosques, schools, and healthcare services.

Supported by the Indonesian Waqf Board (BWI) and the National Sharia Council of the Indonesian Ulema Council (DSN-MUI), the people of Banda Aceh increasingly understand that waqf is not limited to immovable assets like land and buildings but can also be made in cash. These cash contributions

are then invested in Sharia-compliant instruments, with the proceeds used to fund various social and religious programs. Despite this progress, challenges remain, such as limited public literacy on cash waqf and the need to enhance waqf management capacities to ensure professional and transparent management of waqf funds. However, with continued commitment from various stakeholders, cash waqf in Banda Aceh has significant potential to grow and provide substantial benefits to the community.

METHODOLOGY

Research Design and Approach

This study adopts a qualitative exploratory research design to investigate the role of Cash Waqf in mosque development, with a particular focus on how it engages citizens in a perpetual endowment. The exploratory approach is suitable for this study because it seeks to understand a relatively under-researched area by exploring the perceptions, practices, and potential of Cash Waqf in the context of mosque development (Stebbins, 2001). This approach allows for the identification of key themes, concepts, and relationships that can provide a foundation for future research.

Data Collection

The primary method of data collection involved the systematic analysis of various documents related to Cash Waqf. These documents included official reports, financial records, promotional materials, policy papers, and historical texts. The selection criteria for documents were based on relevance to the research topic, credibility of the source, and the time frame of publication. Documents were selected from a variety of sources, including government publications, religious institutions, non-governmental organizations, and academic articles. The inclusion of diverse sources aimed to capture a broad range of perspectives on the role of Cash Waqf in mosque development.

Data Analysis

The collected documents were analyzed using content analysis to identify recurring themes and patterns related to Cash Waqf and mosque development. The analysis focused on identifying key themes such as the financial sustainability of mosques, community engagement, and the ethical

considerations of Waqf management. Thematic analysis was employed to organize these themes into coherent categories that reflect the research questions (Braun & Clarke, 2006).

An exploratory coding process was used to categorize the data. Initial codes were generated inductively from the content of the documents, allowing themes to emerge naturally from the data. These codes were then grouped into broader themes that addressed the study's objectives. The coding process was iterative, with ongoing refinement as new insights emerged during the analysis (Saldana, 2016). The findings from the content analysis were synthesized to develop a comprehensive understanding of the role of Cash Waqf in mosque development. This synthesis involved cross-referencing themes across different documents to identify commonalities and differences in how Cash Waqf is perceived and implemented.

RESULT AND DISCUSSION

Proposed Cash Waqf Model

The Community-Integrated Waqf Development Model was developed to fill a critical gap, as there currently exists no cash waqf model that effectively harnesses the collective power of the Muslim community to make a significant impact. By examining existing initiatives, regulatory frameworks, and public support in the Maldives—a fully and 100% Muslim nation (Ministry of Education Maldives, 2019)—and Aceh, a 100% Muslim state in Indonesia, this model was carefully designed to demonstrate how cash waqf can be utilized to drive substantial community development. It serves not only as a practical solution for these regions but also as an exemplary model for other Muslim nations and institutions, showing how they can lead a waqf initiative, manage it effectively, and eventually hand it over to a trustee, all while making a lasting impact.

Modus Operandi:

1. Announcement of the Mosque Waqf Initiative: The Waqf Initiator announces the opportunity for every citizen to participate in a community-wide Waqf project aimed at the construction of a mosque. This

announcement marks the beginning of the fundraising effort, encouraging community involvement.

2. Every Citizen's Participation and Donation: Every citizen is encouraged to contribute through digital crowdfunding platforms. The goal is for each citizen to donate an amount equal to or above the minimum target, fostering broad-based participation.
3. Fund Collection via Crowdfunding Platforms: Donations are collected through the designated crowdfunding platforms, ensuring a transparent and efficient collection process.
4. Outreach for Uncovered Citizens: For citizens who are not reached through the crowdfunding platforms, Island Councils or City Administrators conduct physical outreach to collect donations, ensuring no one is left out.
5. Consolidation of Funds: The Waqf Initiator consolidates the funds collected from both online platforms and physical outreach efforts, preparing them for the construction phase.
6. Preplanning, Contractor Selection, and Construction: The Waqf Initiator drafts a preplan for the mosque and selects the most feasible constructor based on criteria such as cost, quality, and efficiency. The selected contractor then proceeds with the construction of the mosque according to the pre-approved plan. This process is managed to ensure transparency, accountability, and alignment with the community's contributions.
7. Handover to Trustee: Upon completion of the construction, the administration of the mosque is handed over to the designated Mosque Administrator, Trustee, or Government authority, who will manage it according to Islamic principles.
8. Administration and Maintenance: The responsible entity takes charge of the mosque's ongoing administration and maintenance, ensuring that it remains functional and well-maintained.
9. Beneficiary and Community Impact: The mosque, symbolizing the collective effort of the community, serves as a place of worship and a landmark, contributing to local development and attracting tourism.

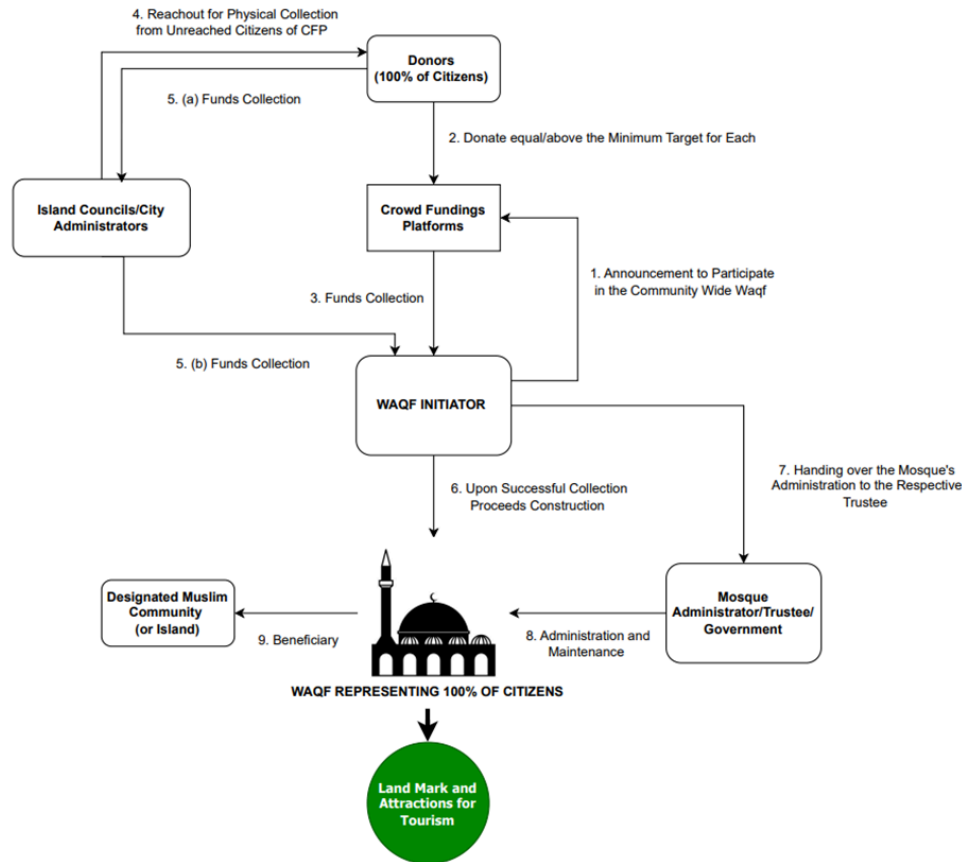


Figure 1. Proposed Community Integrated Waqf Development Model

This model is designed to mobilize community wide participation in the development of essential religious and social infrastructure, particularly in Muslim-majority regions like the Maldives and Banda Aceh. The process begins with a formal announcement by a Waqf initiator, inviting all citizens to contribute to the project, such as the construction of a mosque. Contributions are facilitated through digital crowdfunding platforms, making it easy for individuals to donate small amounts, thereby ensuring broad and inclusive participation. Once the funds are collected, any remaining gaps in contributions are addressed through targeted outreach, ensuring that the entire community is engaged. A comprehensive plan is then developed, and a qualified contractor is selected to execute the construction, with a strong emphasis on transparency and community involvement throughout the process. Upon completion, the mosque Building is handed over to a



designated trustee or government body for ongoing management with perpetual nature while benefiting its beneficiaries.

Analysis and Discussion

Implementation Strategies of Model in Local Contexts

The model is designed for communities with a fully Muslim population, allowing every citizen to participate in a religious cause that also has a significant social impact. The waqf initiator is not restricted to any specific organization but is open to any recognized institution, provided the operation is endorsed by a Shariah committee. This inclusivity ensures that the initiative aligns with Islamic principles and encourages a broader range of organizations to take the lead, including corporations, NGOs, and even government-linked institutions. In regions with a 100% Muslim population, where companies and institutions are already subject to Islamic rules, this approach fosters greater participation and collective responsibility in supporting community-driven projects.

In the Maldives, the model should be implemented on a selected island that has a pressing need for a new mosque. In the Maldives, communities are spread across islands where Islam is universally practiced, and existing mosques may sometimes be insufficient to accommodate all citizens, necessitating the construction of a new, centrally located mosque. The Waqf Initiator will select an island with such a need and launch the waqf initiative across the entire country. This will be done through internet-accessible platforms, ensuring that all citizens can participate in the Waqf donation. The platform will be integrated with account transfers and will record the name and national identity card number of every citizen to ensure their involvement. Since the Waqf donation amount is set as a small denomination, it is likely that every citizen will contribute. Even if the target amount for building the mosque is reached, the primary objective of the waqf is to ensure the involvement of every citizen. Donations can exceed the minimum target, with payments allowed on behalf of children, citizens under legal guardianship, and even future heirs, upon their wish to engage them. Public records, verified by the Island Council, will ensure that no citizen is left out. Once the funds are fully collected, they will be managed by the Waqf Initiator, who will oversee the mosque's development. Afterward, the mosque will be handed over to the Ministry of Islamic Affairs under the government, as the

Maldives legally administers all mosques (Ibrahim & Buang, 2018). An island that develops such a waqf will not only meet the religious needs of its community but also boost local tourism, attracting both international tourists and locals who wish to pray and visit the mosque built by the collective efforts of every citizen.

In Aceh, where Islam is deeply embedded in daily life, a waqf model could be effectively implemented to address the growing need for new mosques in rapidly developing or underserved communities. The province, which consists of numerous districts and villages, faces challenges such as population growth and natural disasters, creating an urgent demand for centrally located mosques. A Waqf Initiator whether a local government body, Islamic organization, or community leader would begin by identifying a specific area in Aceh where a mosque is critically needed. After selecting the location, a waqf initiative could be launched across the province using internet-accessible platforms. These platforms would facilitate donations from all citizens through bank transfers and mobile payments while recording each contributor's name and national identity card number to ensure transparency and collective involvement. To encourage widespread participation, the donation amounts would be kept small, allowing as many citizens as possible to contribute. This approach would ensure that the community feels connected to the mosque, with contributions also allowed on behalf of children, those under guardianship, and future heirs. Public records, verified by local councils, would document each contribution, ensuring that no one is left out. Once sufficient funds are raised, the Waqf Initiator would oversee the mosque's construction, ensuring it aligns with the religious and cultural needs of the community. Upon completion, the mosque would be handed over to the provincial government, which manages all mosques in the region. In addition to serving as a place of worship, a mosque built through such a collective waqf initiative could become a landmark, attracting both international tourists and local visitors. This initiative would not only fulfill the religious needs of the community but also promote local tourism, highlighting the unity and collective spirit of Aceh's people.

The following table 2 provides a concise comparison of the major factors impacting the implementation of the waqf model in the Maldives and Banda Aceh, focusing on historical context, government support, community

engagement, regulatory frameworks, technology, financial management, and cultural considerations.

Table 2. Comparison of Key Factors in Implementing the Community Integrated Waqf Development Model: Maldives vs. Banda Aceh

No	Factor	Maldives	Banda Aceh, Indonesia
1	Historical Waqf Context	Long tradition, diminished due to socio-political changes; recent revival efforts.	Evolved through phases; currently includes modern practices like Cash Waqf Linked Sukuk and professional management.
2	Government Involvement	Strong support with initiatives like the Mosque Waqf Fund and major waqf infrastructure projects.	Supported by BWI, DSN-MUI, with active promotion of cash waqf initiatives.
3	Community Engagement	Uses digital platforms and physical outreach; easier to target due to low poverty levels.	Focus on collective involvement, leveraging local religious leaders and digital platforms.
4	Regulatory Framework	Limited legal framework, relying on government and Islamic Ministry oversight.	Established legal structure under Law No. 41/2004, with fatwas guiding cash waqf practices.
5	Technology Integration	Digital platforms are crucial for waqf contributions, supported by well-established local infrastructure, such as Dhiraagu, Ooredoo M-Faisaa, Faisaa Mobile (Maldives Islamic Bank)	Primarily relies on national platforms for digital waqf, with limited local customization, such as Kitabisa, BWA (Badan Wakaf Indonesia), Wakaf Online.
6	Financial Management	Reliance on government for fund management; potential risks of mismanagement.	Structured oversight by BWI and DSN-MUI; emphasis on transparency.
7	Target Achievement	Broad-based participation likely due to low poverty and easier engagement.	Focuses on early engagement with large donors; risks mitigated by collective community support.
8	Cultural Considerations	Homogeneous Muslim population, strong cultural alignment with waqf initiatives.	Deeply religious community, culturally aligned with waqf but with diverse local practices.
9	Infrastructure Challenges	Geographic dispersal across islands complicates logistics and outreach.	Diverse population distribution; requires targeted outreach to underserved areas.

The comparison underscores the need to customize during implantation stage of the waqf model to the unique contexts of the Maldives and Banda Aceh. While the Maldives' centralized digital infrastructure facilitates easier implementation, Banda Aceh requires a localized approach leveraging existing platforms.

Integration with Digital Crowdfunding Platforms

Integrating this waqf model with digital crowdfunding platforms requires a deliberate approach that aligns with the community's cultural and religious values while ensuring accessibility and inclusivity. The selection of an appropriate platform is paramount; it must be Shariah-compliant, secure, and user-friendly to facilitate seamless participation. As such, in the Maldives, there are platforms such as the DHIRAAGU app, Ooredoo M-Faisaa, Bank of Maldives Portal, Maldives Islamic Bank's Faisaa Mobile, and FahiPay that facilitate online payments for charitable contributions and crowdfunding initiatives. These platforms provide accessible and convenient ways for citizens to participate in community-driven projects, including mosque construction, ensuring broad involvement across the country (Avas, 2023). In Aceh a similar approach can be adopted by leveraging existing digital payment and crowdfunding technologies while considering local preferences and needs. Platforms such as the BWA (Badan Wakaf Indonesia) app provide convenient options for online donations and management of cash waqf (Kartikah & Sofiyani, 2023). This app allows users to make waqf donations through various secure digital payment methods. In addition to BWA, other platforms such as Kitabisa, Wakaf Online, and Zakat.io also facilitate online payments for charitable donations and crowdfunding (Makhrus & Saepudin, 2023). Kitabisa offers a space for various fundraising campaigns, including charitable and social assistance efforts. Wakaf Online focuses on cash waqf donations, while Zakat.io provides services for zakat, infak, and waqf. These platforms enable the public to easily contribute to a range of social and religious initiatives through practical and transparent methods.

In Aceh, there is currently no dedicated platform developed independently by local entities to facilitate online donations and crowdfunding. Although there are several local initiatives and organizations supporting online payment for charitable contributions, most of the platforms used are national or international services accessed by the people of Aceh. In the Maldives, the

use of digital platforms for charitable donations has been widely embraced, with a significant portion of the population already accustomed to online transactions for various purposes, including religious contributions. The government's active promotion of digital literacy, as part of its broader digital transformation initiatives, further supports the adoption of these platforms in waqf initiatives, ensuring inclusivity across different socio-economic groups (World Bank, 2022).

Customization of the platform to reflect the specific goals of the waqf initiative, including sections that highlight the religious significance and social impact of the project, can enhance engagement and relatability (Hasan Hassan & Rashid, 2019). Furthermore, providing comprehensive training and support, such as through instructional materials, workshops, and step-by-step guides, ensures that all citizens, regardless of their digital literacy, can effectively participate. Incorporating transparency and accountability mechanisms, such as real-time donation tracking and public reporting on fund allocations, is crucial for building trust and encouraging widespread participation, thereby fostering a sense of collective ownership among contributors (Kamarubahrin et al., 2019).

Effective promotion of the initiative is also essential for successful integration. Utilizing the platform's promotional tools, including social media outreach, email campaigns, and partnerships with local influencers or religious leaders such as well-known Muftis, Sheikhs and popular Islamic figures, can significantly broaden the initiative reach and encourage active participation from all the segments (Islam, 2019). This strategic promotion not only raises awareness but also reinforces the communal nature of the waqf, emphasizing the collective responsibility of all citizens. Moreover, to sustain engagement and ensure the smooth operation of the platform throughout the project, it is critical to have a dedicated team in place to manage technical issues, provide ongoing support, and respond to donor inquiries. According to Mohamed, Junyuan, and Fasaaha (2024), various Islamic finance contracts, including Service Ijarah, can be used to develop new Shariah-compliant financial products. In light of this, cash waqf models can leverage different Shariah contracts to expand and innovate, particularly by incorporating investment generation strategies however upon the ability and need for the waqf initiators. Significantly, continuous management and support while implementing the proposed model is vital to maintaining momentum, ensuring that the waqf initiative not only achieves its financial

objectives but also fulfills its broader social and religious goals, ultimately contributing to community development.

Risks and Potential Issues in Practice for the Model and Way forward

Technological Accessibility and Literacy

The reliance on digital crowdfunding platforms within the proposed model presents a notable risk in regions where internet access is limited, or digital literacy is low. This challenge is particularly pronounced in rural or underdeveloped areas, where physical outreach by island councils and administrators may be logistically difficult. Successful implementation of digital financial models in rural and developing regions requires a multifaceted approach that addresses both technological barriers and digital literacy gaps (World Bank, 2022).

To mitigate this risk, it is essential for waqf initiators to provide ample advance notice of the initiative, coupled with an effective promotional campaign to raise awareness. Additionally, incorporating physical collection points where donors can contribute in cash will ensure broader participation. By setting the target donation amount at a minimal level (for example, around half a dollar), and allowing sufficient preparation time, the model can accommodate various methods of contribution. This approach will help overcome the barriers of accessibility and literacy, ensuring that all segments of the population are able to participate in the waqf initiative.

Regulatory and Legal Challenges

The absence of a comprehensive and consistent regulatory framework for Waqf management presents a significant challenge to the successful implementation of the proposed model. Without clear legal guidelines, there is an elevated risk of mismanagement, legal disputes, and obstacles in applying the model across different regions, which could undermine the trust and confidence necessary for the model's success. Addressing regulatory and legal challenges is crucial for the effective implementation of Islamic financial models, particularly in jurisdictions with evolving legal frameworks, to ensure both compliance and sustainability (International Monetary Fund, 2015).

Both the Maldives and Banda Aceh have existing cash waqf initiatives, indicating a foundational structure that can be leveraged. However, before expanding to new locations, it is crucial to conduct thorough feasibility and legal studies to assess potential challenges and ensure alignment with local laws. In many Muslim-majority countries, the intention to create a Waqf and subsequently transfer its administration to a legal entity or another authorized body is generally accepted, reducing the likelihood of severe legal barriers. Moreover, it is vital that these initiatives are brought to the attention of political and governmental bodies, such as the Ministry of Islamic Affairs and other relevant governmental organizations, to secure their support and ensure compliance with existing regulations. Engaging these bodies early in the process can help in navigating potential legal challenges and fostering a collaborative environment for the model's implementation.

Financial Mismanagement and Corruption

The success of the proposed model is heavily dependent on the transparent and accountable management of funds. Inadequate oversight could result in financial mismanagement or corruption, which would significantly erode public trust and discourage further participation. This risk is particularly acute in regions where governance structures are weak and oversight mechanisms are lacking. Effective risk management in Islamic finance, guided by Shariah principles, is crucial for ensuring the sustainability and compliance of waqf-based crowdfunding models, as emphasized by studies on risk-taking within Islamic jurisprudence (Khir & Mohamed, 2023).

To mitigate these risks, the model should incorporate several layers of oversight. Firstly, the Waqf initiator should engage an independent auditor in addition to Shariah advisors to regularly review and report on the financial management of the funds. This ensures that both religious and financial compliance is maintained. Secondly, given the initiatives strong Islamic foundation, it would be prudent for the government to play an active role in overseeing the management of funds and proceeds. Involvement from government bodies can enhance credibility and public confidence in the initiative. Furthermore, embedding the roles of anti-corruption agencies and adhering to stringent legal requirements can further mitigate the risk of financial mismanagement and corruption. By instituting these checks and balances, the model can maintain high standards of transparency and accountability, which are essential for its long-term success and public trust.

Uncertainty in Reaching the Target

The success of the proposed model is closely tied to the achievement of financial targets necessary for the completion of Waqf projects, such as the construction of mosques and other community assets. However, there is an inherent uncertainty in meeting these targets, especially in regions experiencing economic instability, donor fatigue, or where promotional efforts may not be sufficient to engage the entire community. Failure to reach the target amount could result in delays or even the failure of these projects, thereby undermining community trust and diminishing participation in future initiatives. Mitigating the uncertainty in reaching financial targets for Waqf projects requires strategic efforts, including broad-based participation and early engagement with key stakeholders, to ensure project success (Pratiwi, Meirani, & Khumairah, 2023).

To address this challenge, the model includes strategies to ensure broad participation and mitigate the risk of falling short of financial goals. One key approach is the proactive physical outreach to citizens who may not have been reached through digital or traditional promotional channels, ensuring that everyone has the opportunity to contribute. Given that the required donation amounts are relatively small, the model also allows for flexibility in accepting donations on behalf of others, which can help cover those who may be unable to contribute directly.

Furthermore, the model emphasizes early engagement with large corporations and wealthy individuals, encouraging them to participate actively, not only on their behalf but also by making donations on behalf of others. This approach, combined with strategic promotion efforts supported by state governments and local communities, enhances the likelihood of reaching the financial targets. By tying the success of the initiative to a collective outcome that benefits the entire community, the model creates a strong incentive for participation, increasing the probability of achieving the financial goals necessary for the successful completion of Waqf projects.

CONCLUSIONS

This study has successfully developed a customized Community-Integrated Waqf Development Model, as illustrated in Figure 1. The model addresses the unique regional contexts of the Maldives Islands and Banda Aceh, emphasizing the need for tailored strategies to effectively implement cash waqf initiatives in these distinct settings. It is not surprising that the need to learn waqf management should be given priority. The issue of waqf management which is less systematic in some countries has been one of the reasons why the privilege of waqf has sunk and received less attention. Therefore, this study highlights Maldives and Banda Aceh's experience in managing cash waqf funds, especially for mosque development purposes to identify governance methods and distribution of development waqf benefits.

From the results of the study, it was found that the governance structure of cash waqf at Maldives and Bandar Aceh is well organized through the establishment of internal and external governance. Both administrations will ensure that the objectives of the waqf fund can be properly implemented and meet the prescribed Shariah compliance standards. In addition, the method of channeling strategic waqf funds practiced by the Maldives and Bandar Aceh is also an approach that should be praised. However, it is recommended that the distribution of waqf benefits for the religious sector be given more focus considering the current teaching and learning system that emphasizes the aspects of information technology and the use of devices.

Future studies can investigate in more depth other aspects of waqf management such as finance, investment and other aspects of management. Islamic philanthropy provides valuable insights into stakeholders' roles and the importance of exposure in improving community performance, which could help them in (re-) align their best practices and formulate strategies for industry player's guidance (Nor et al., 2022). Research related to the management of waqf institutions in a comparative manner involving neighbouring countries such as Brunei and Singapore can be done to identify similarities and differences in terms of waqf management in neighbouring countries that have so many similarities in cultural wealth. In addition, studies that use other research methods such as surveys that are capable of producing large amounts of data can be pioneered by researchers.

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