



Contributions of Waqf Investments in Achieving SDGs

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INTRODUCTION

Waqf is an Arabic terminology that means holding, or confinement. Technically, it means retaining the corpus of a property, whether movable or immovable, for the sake of certain beneficiaries—which could be individuals or institution, to serve certain objectives defined by the Waqf founder. The detailed definition and conditions of Waqf have been the subject of historical debate among classical Islamic Jurists who vary in their opinions over almost everything related to Waqf including its conditions, such as whether Waqf can be temporary or permanent, whether it must be immovable or it can be in cash, or whether the Waqf founder or

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owner has the right to cancel the status of Waqf property and use it for other purposes. According to (Shwaiki 2012), despite these variations in opinion on the definition of Waqf, the four Islamic schools of thoughts have unanimously agreed that Waqf is “retaining the corpus of the asset and utilize its usufruct for the beneficiaries.”

Meanwhile, modern Islamic scholars have further added to the diverse definitions and conditions of Waqf. For example, Kahf (1998) defined Waqf as “retaining the corpus of Maal (an asset) and preventing its consumption for the purpose of perpetually utilizing its usufruct to serve righteousness or philanthropy objectives.” On the other hand (Hallaq 2013) stated that Waqf can be defined as “a charitable endowment; usually, immovable property alienated and endowed to serve the interest of certain beneficiaries, such as members of a family, the poor, the wayfarers, scholars, mystics, the general public, etc.”.

The need of social support in all societies and cultures has been covered through philanthropic and non-governmental institutions that play similar role which Waqf is playing in Islam. Institutions that are playing similar role of Waqf in non-Muslim countries can be found under different names, which are synonymous to Waqf. Some of these terms include: Endowment, Foundations, Philanthropy, Third sector, voluntarism, social capital, civil society, and non-profit organizations (NPO). However, the improvements introduced by Muslim scholars over these kind of institutions since the sixth century can be considered undeniably as the most substantial improvements both on the conceptual and theoretical field as well as in the practical field. In fact, Waqf institutions in Islamic history have played major roles in sustaining the societies and providing more independence from government control, while relieving the government from many forms of social support expenditures. It has been estimated that by the sixteenth century, nearly 50% of all real properties owned by Muslims were in fact Waqf properties (Hallaq 2013).

According to Islamic economists, Waqf institution is classified among the poverty alleviation institutions along with Zakat and Sadaqah (Sadeq, 2002). It works toward improving economic enabling tools and infrastructure such as education, cash, land, and other economic activities. Furthermore, it is seen to support societies through disaster relief programs, and health services. Moreover, its impact extends further to serve animals and the environment (Islamic Development Bank 2019). Due to its success, the Waqf institution model has been replicated by modern western organizations—especially universities, to benefit from the

Islamic experience of Waqf in developing their educational organizations and supporting them through Waqf like institution such as endowment (Awqaf Properties Investment Fund [APIF] 2019).

Looking at the system of Waqf investment more broadly across the world, we find that Waqf investment entities have relied heavily on tangible assets to avoid any risk of falling into interest through debt financial instruments. Nevertheless, Waqf institutions continue to explore new investment opportunities and vehicles or avenues to sustain their project needs. Such investment vehicles include financial service, securities such as stocks and Sukuk, Waqf investment funds, and Islamic banking investment accounts.

Waqf investment has been defined as: “diverting funds (and other resources) from consumption and investing them in productive assets that provide either usufruct or revenues for future consumption by individual or group of individuals” (Budiman 2011). Needless to say, such investment would require savings by Waqf institution. Investments enhance the perpetual feature of Waqf properties to sustain their objectives of providing usufructs to the beneficiaries throughout the life span of these properties. In order to generate a Shari’ah compliant revenue for the Waqf institutions, the Waqf properties need to be invested ethically, free from negative values such as interest. Investments can be in the product market as well as the service market, financial or otherwise. The product market includes trade in commodity, agriculture, real estate, or manufacturing. Whereas the service market includes education, health care, and securities, among others. Meanwhile investment in the financial service market includes Cash Waqf funds, Waqf sukuk and stocks. Sukuk are forms of investments to raise funds that are usually utilized to finance ethical projects identified by the Waqf manager. Another avenue for investment is “Cash Waqf” which comes in many forms including funds that provide cash for the needy people in form of Qard Hasan Loans. The capital of those funds is not completely consumed in the process of Loans. Rather part of the capital is invested to continue growing. The invested capital can be used to cover any loan default as well as overhead costs.

Traditionally, Waqf investment served as a decentralized pool of funding to support the provision of public goods and services such as health care, agriculture, and education, which are nowadays considered as part of the central government responsibilities. It is estimated that around one-third of inhabitable land ruled by the Ottoman Empire was designated as Waqf owned lands which was used to ensure food security, while

its investment arm generated profits from the sale of its agricultural yields. Those profits were most likely used to support education and healthcare services for the society as whole (Babacan 2011). Funding by Waqf investment was not limited to education and health care. Other social services were also funded by Waqf investments including Mosques, restaurants, soup kitchens, cultural institutions, social welfare organizations, Jihad and military power (Babacan 2011). Although Waqf investments have greatly diversified over the years, the following areas remain vital vehicles and opportunities where Waqf capitals and properties are invested: Shar'i'ah compliant equity shares, education sector, construction and property sector, commercial sector, real estate, and Islamic banking and finance sector.

SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND THEIR INVESTMENT AREAS

Since Waqf Investment Institutions focus on provision of finance, it is necessary to identify the financial needs of all the sustainable development goals (SDG). However, SDGs describe broad outcome objectives that require large numbers of inputs, which may contribute to more than one goal. For example, access to safe water contributes to GOAL 2: Zero Hunger, GOAL 3: Good Health and Well-being, and GOAL 6: Clean Water and Sanitation. Hence, it is impossible to organize SDG investment needs by goals since this would lead to double-counting of those investment needs. Attempts to solve this problem were undertaken by United Nations Conference on Trade and Development (UNCTAD) in 2014 and 2020, and by Guido Schmidt-Traub, the executive director of Sustainable Development Solutions Network (SDSN) in 2015. Below are brief explanations of each of those methodologies.

UNCTAD SDGs Investment Areas

UNCTAD converted the 17 SDGs into 10 investment sectors in 2014 and enhanced them further in its 2020 report. Their Investment areas are identified in Table 26.1 along with the most relevant SDGs (United Nations Conference on Trade and Development 2014, 2020).

It can be noted in Table 26.1 that the proposed investment areas miss the following SDGs:

Table 26.1 UNCTAD SDGs investment areas

	<i>Investment sector</i>	<i>Definition</i>	<i>Most relevant SDGs</i>
1	Power	Investment in generation, transmission and distribution of electricity	GOAL 7: Affordable and Clean Energy
2	Transport Infrastructure	Investment in roads, airports, ports, and rail	GOAL 9: Industry, Innovation and Infrastructure GOAL 11: Sustainable Cities and Communities
3	Telecommunications	Investment in infrastructure (-fixed lines, mobile and internet)	GOAL 9: Industry, Innovation and Infrastructure
4	Water Sanitation and Hygiene (Wash)	Provision of water and sanitation to industry and households	GOAL 6: Clean Water and Sanitation
5	Food and Agriculture	Investment in agriculture, research, rural development, etc.	GOAL 2: Zero Hunger
6	Climate Change Mitigation	Investment in relevant infrastructure, renewable energy generation, research and deployment of climate-friendly technologies, etc.	GOAL 13: Climate Action
7	Climate Change Adaptation	Investment to cope with impact of climate change in agriculture, infrastructure, water management, coastal zones, etc.	GOAL 13: Climate Action
8	Ecosystems and Biodiversity	Investment in conservation and safeguarding ecosystems, marine resource management, sustainable forestry, etc.	GOAL 14: Life Below Water GOAL 15: Life on Land
9	Health	Investment in infrastructure, e.g., new hospitals, and R&D on vaccines and medicines	GOAL 3: Good Health and Well-being
10	Education	Infrastructural investment, e.g., new schools	GOAL 4: Quality Education

Source Adopted from (United Nations Conference on Trade and Development 2014, 2020)

1. GOAL 1: No Poverty.
2. GOAL 5: Gender Equality.
3. GOAL 8: Decent Work and Economic Growth.
4. GOAL 10: Reduced Inequality.
5. GOAL 12: Responsible Consumption and Production.
6. GOAL 16: Peace and Justice Strong Institutions.
7. GOAL 17: Partnerships to achieve the Goal.

Guido Schmidt-Traub SDG Investment Areas

In 2015, Guido Schmidt-Traub attempted to identify the SDG investment areas by adopting the same methodology that was used by the UN millennium project in 2005 to rearrange all interrelated inputs into separate investment areas with regard to the Millennium Development Goals (MDGs). He suggested that the 17 SDGs be translated into the following eight “SDG investment areas”: (1) health, (2) education, (3) social protection, (4) food security and sustainable agriculture, (5) infrastructure—including (a) energy access and low-carbon energy infrastructure, (b) water and sanitation, (c) transport infrastructure, and (d) telecommunications infrastructure, (6) ecosystem services and biodiversity, (7) data for the SDGs, and (8) emergency response and humanitarian work (Schmidt-Traub, Investment Needs to Achieve the Sustainable Development Goals, 2015a). Schmidt-Traub list of investment areas, however, excluded GOAL 8: Decent Work and Economic Growth, and GOAL 17: Partnerships to achieve the Goal for no apparent reason. Besides, the final list of investments areas also excluded the investment area of “social protection” because its components overlap with other investment areas, particularly with health and education areas of investment. Table 26.2 shows Guido Schmidt-Traub SDGs Investment Areas.

Analysis and Consolidation of SDG Related Investment Areas

Both studies above agree with regard to excluding GOALS 8 and 17 from the list of SDGs that have investment needs. Schmidt-Traub investment model, however, is the one which has more coverage of the Sustainable development Goals in its investment areas. It is hence more logical to go with Schmidt-Traub investment model with its final form after removing the Investment Area 3 (social protection) from its list because of the immense overlap of this investment area with the

Table 26.2 Guido Schmidt-Traub SDGs investment areas

<i>Investment area</i>	<i>Most relevant SDGs</i>
1 Health	GOAL 3: Good Health and Well-being GOAL 12: Responsible Consumption and Production
2 Education	GOAL 4: Quality Education GOAL 12: Responsible Consumption and Production
3 Social Protection	GOAL 1: No Poverty GOAL 3: Good Health and Well-being GOAL 4: Quality Education GOAL 5: Gender Equality (No Data could be found) GOAL 10: Reduced Inequality GOAL 11: Sustainable Cities and Communities GOAL 12: Responsible Consumption and Production GOAL 16: Peace and Justice Strong Institutions.
4 Food Security and Sustainable Agriculture	GOAL 1: No Poverty GOAL 2: Zero Hunger GOAL 12: Responsible Consumption and Production
5 INFRASTRUCTURE: Covers the following sectors: Energy, Water, Transportation, and Telecommunication.	GOAL 7: Affordable and Clean Energy GOAL 6: Clean Water and Sanitation GOAL 9: Industry, Innovation and Infrastructure GOAL 10: Reduced Inequality GOAL 11: Sustainable Cities and Communities GOAL 12: Responsible Consumption and Production GOAL 13: Climate Action
6 Ecosystem Services and Biodiversity	GOAL 12: Responsible Consumption and Production GOAL 13: Climate Action GOAL 14: Life Below Water GOAL 15: Life on Land
7 DATA FOR THE SDGS: Covers production and dissemination of data to monitor progress toward operationalizing and achieving the SDGs	All GOALS (General requirement)

(continued)

Table 26.2 (continued)

	<i>Investment area</i>	<i>Most relevant SDGs</i>
8	EMERGENCY RESPONSE AND HUMANITARIAN WORK	GOAL 12: Responsible Consumption and Production

Source Adopted from (Schmidt-Traub, Investment Needs to Achieve the Sustainable Development Goals—Supplemental material, 2015b)

rest of the seven remaining areas. To benefit from UNCTAD as well as Schmidt-Traub models, the authors have developed Table 26.3 to find common and unique investment areas for each of the models. It is clear in Table 26.1 that four of UNCTAD SDG investment areas are covered under the INFRASTRUCTURE Investment area proposed by Schmidt-Traub model. These are: Power, Transport Infrastructure, telecommunications, Water Sanitation and Hygiene (Wash), and Climate change Mitigation.

The other point that is worth highlighting here is that Schmidt-Traub model has added the following two areas for investment which need to be further understood in order to use them right (Schmidt-Traub, Investment Needs to Achieve the Sustainable Development Goals, 2015a):

1. DATA FOR THE SDGS: Achieving the SDGs and promoting sustainable development will require significant investments in data and monitoring systems—a genuine “data revolution” is required. According to the Asian Development Bank (ADB) Sustainable Development Goals 2020 report, governments in the Asia Pacific region should invest in improving statistical data quality and in better transparency in monitoring and accountability activity (Asian Development Bank 2020).
2. EMERGENCY RESPONSE AND HUMANITARIAN WORK: These are basically the humanitarian aids provided to victims of war, civil strife, and natural disasters in long-term humanitarian settings and short-term emergency forms.

The final list of SDG Investment Areas that we will be covered are the following:

Table 26.3 UNCTAD vs Schmidt-Traub SDG investment areas

		Schmidt-Traub SDG Investment areas				Extra Investment Area		
UNCTAD SDG Investment Areas	Power	Health	Education	Food Security and Sustainable Agriculture	INFRASTRUCTURE (Energy, Water, Transportation, and Telecommunication)	Ecosystem Services and Biodiversity	Data for the SDGS	Emergency Response and Humanitarian Work
	Telecommunications				GOAL 7: Affordable and Clean Energy GOAL 9: Industry, Innovation and Infrastructure GOAL 9: Industry, Innovation and Infrastructure			
	Water, Sanitation and Hygiene (Wash)				GOAL 6: Clean Water and Sanitation			
	Food and Agriculture			GOAL 2: Zero Hunger				
	Climate Change Mitigation							
	Climate Change Adaptation					GOAL 13: Climate Action		

(continued)

No Extra Investment Area by Schmidt-Traub Model

Table 26.3 (continued)

Ecosystems and Biodiversity	GOAL 14: Life Below Water GOAL 15: Life on Land
Health	GOAL 3: Health and Well-being
Education	GOAL 4: Quality Education
Extra Investment Area by Schmidt-Traub Model	Data for the SDGS Emergency Response and Humanitarian Work

1. Health
2. Education
3. Social Protection
4. Food Security and Sustainable Agriculture
5. INFRASTRUCTURE: Energy, Water, Transportation, and Telecommunication
6. Ecosystem Services and Biodiversity
7. Data for the SDGS
8. Emergency response and Humanitarian Work.

WAQF-SDGS INVESTMENT AREAS

In 2015, the Asian Development Bank (ADB) estimated that annually over one trillion USD is needed to meet the financial needs of Sustainable Development Goals in the Asian Pacific region (Kwa 2015). ADB estimated that seventy-five percent of those costs are needed to build infrastructure between 2010 and 2020 (Kwa 2015). In 2017, the UN Assistant Secretary General “Magdy Martínez-Solimán” stated that the financial investment needed to support the Sustainable Development Goals (SDGs) for the developing countries was approximately US\$4.5 trillion per year, and that The Official Development Assistance (ODA) was not even close to support those needs (Martínez-Solimán 2017). Below are some of the important investment areas of Waqf that are related to SDGs investment.

Investment Area 1: Health

Waqf in the field of health care are as old as the idea of Waqf itself. Waqf investment entities use different models to ensure healthcare support of the needy people. For example, a healthcare Waqf entity that is targeting the needy people can have a commercial healthcare entity which serves as its investment arm. Another model in this field comes in the form of limiting the Waqf to the healthcare service, where the needy people benefit from this Waqf while the rich patients pay for their treatment as per the commercial market price, hence serving as the investment arm of the healthcare service Waqf.

Investment Area 2: Education

What has been said about healthcare Waqf investment forms can also be applied to education. Furthermore, Education Waqf entities are usually supported through many different investment arms such as research investments, fees, licensing, and patenting, as well as some services that are provided through their investment entities such as hospitals and factories.

Investment Area 3: Social Protection

This area is also considered as the indirect target of Waqf according to Islamic guideline, (Hoque 2019). Muslims who seek mercy and hope to be blessed by ALLAH are usually engaged in social Waqf activities which are usually sustained by their Waqf investment institutions.

Waqf investment institutions can support this Investment Area both in the short term, and the long term. However, it can be achieved through other Investment areas as well. For example, cash or financial support can be directly provided to extremely poor people, including women and children through micro-finance in order to enable them to invest in livestock, fishing agriculture, and handicraft to help them come out of poverty under the supervision of well-governed Waqf institutions whether government, NGO, or civil society. This action can be classified under the Investment Area 4: food security and sustainable agriculture.

Similarly, social protection can be achieved by providing financial support for poverty reduction enabling instruments including education (Investment Area 2: Education), infrastructure, and ICTs all of which fall under Investment Area 5: Infrastructure. It can be also achieved by expanding the social safety net capital through financial support obtained from Waqf investment institutions. Moreover, the government can use these financial resources to replace the Interest-based loans to support poverty alleviation projects.

Investment Area 4: Food Security and Sustainable Agriculture

This can be achieved by financing malnutrition combating projects through food feeding programs in areas that are poverty-prone, climate-hit, or war-affected. Many Waqf entities are already playing role in

supporting this area through provision of long-term investment in agricultural activities.

Investment Area 5: Infrastructure

This is the costliest area as it covers infrastructure in the field of Energy, Water, Transportation, and Telecommunication. Major projects taken by governments to ensure provision of clean water and sanitation for their people get financed through many financial instruments including interest-based loans, bonds, Sukuk, BOT (Build Operate and Transfer) scheme. Such projects can be financed by revenue generated from Waqf investment institutions using direct cash, Waqf sukuk, engaging in Mudarabah contract with the Waqf, or any other means of financing between the project owner and the Waqf investment institution.

Investment Area 6: Ecosystem Services and Biodiversity

This area is usually supported through governments and international entities. It is not one of the classically known areas of Waqf investment and since it is not yet clear how much financial support this area get from Waqf investment entities, it is believed that it is one of the areas that can be considered as an opportunity for investment by Waqf investment entities.

Investment Area 7: Data for the SDGs

Since this is the least financially supported area, Waqf investment entities need to focus on governmental or civil projects for developing state of art data management system that focuses on acquiring, analyzing, and releasing reports with regard to the Sustainable Development Goals targets. The financial support that Waqf investment entities can provide does not limit only to the system, but it shall support the system management organizations and its human resources that are used to collect needed data, operate the system, and organizations that are responsible for monitoring and auditing the whole process.

Investment Area 8: Emergency Response and Humanitarian Work

This area is challenging to deal with from Waqf investment perspective because of its unpredictable nature. Waqf investments are usually developed to support continuous needs of beneficiaries. Emerging humanitarian needs are taken care of by specialized organizations whose scope is unique to those kinds of circumstances. Waqf investment entities can support those humanitarian aids organizations based on their operating models (Table 26.4).

Challenges of Waqf Investments and Some Suggestions

Throughout Islamic history, Waqf investment enterprises have played vital roles in supporting sustainable social projects. Despite these tremendous contributions of Waqf to SDG-related projects, the investment faces several challenges. Waqf investment lost its role after much of the Muslim governments abandoned the system. In many countries, Waqf investment entities are underdeveloped and underutilized because of many reasons. For example, a study in India on a sample of 32 Waqf properties showed that only six percent of those Waqf properties were developed, while the remaining ninety-four percent were undeveloped and at most underdeveloped. A study by World Bank showed that with an average investment of USD 660,896 in Waqf, with an average rate of return of more than 19%, expected income from it could be increased by USD 126,547 on annual basis (Ahmed 2015).

The major challenges that are faced by Waqf investment institutions can be classified as the following:

1. Role of the government in managing the Waqf investment enterprise: it is noted that government central control over Waqf entities has led to mismanagement and opened the role to lots of problems. In many Muslim countries, the Waqf investment enterprise manager (Nazir) is assigned by the government and gets his salary paid by the central government agency. There is lack of centralized institutions that can provide strategic and technical planning needed to help managing Waqf investment entities efficiently.

Furthermore, in many countries, Waqf are not seen by governments as a source of financing projects that serve the public, and hence Waqf investments are not required to be registered,

Table 26.4 Waqf-SDGs Investment Areas

	<i>Investment Area</i>	<i>Estimated popularity in Waqf</i>	<i>Examples</i>	<i>Waqf investment Opportunity</i>
1	Health	Popular	Healthcare Waqf investment arm Healthcare Waqf sukuk	New forms of healthcare services can be supported throughout Waqf investments
2	Education	Popular	Education Waqf investment arm Education Waqf sukuk	Needs to expand to new places and reach more people
3	Social Protection	Achieved through other Investment Areas	See other Investment Areas	See other Investment Areas
4	Food Security and Sustainable Agriculture	Popular	Waqf kitchens Agriculture lands and agriculture products provision	Establishment of food security Waqf
5	Infrastructure	Limited to small individual projects	Wells	Need to be directed toward financing mega infrastructure projects
6	Ecosystem Services and Biodiversity	New	New	Ecosystem supporting projects need to be supported by Waqf Investments
7	Data for the SDGs	New	New	Data analysis and research centers supporting centers funding.
8	Emergency Response and Humanitarian Work	New	New	Waqf investment entities need to collaborate with Humanitarian aids organizations

which opens the door for illegally occupied and underutilized Waqf investment entities.

2. Lack of community knowledge regarding the Waqf investment entities: With regard to compliance with Shari'ah, the services provided by those entities, and the relationship between those entities and the community in large. One of the issues that are faced by Waqf

investment institutions is the Shari'ah knowledge of the people. In India for example, Muslim communities are reluctant to deal with cash Waqf entities due to the controversial status of this practice according to the Hanafi jurisprudence school.

3. Lack of management skills of the Waqf investment entities: managers play strong role in developing those entities and allow them to play their role in the development of the sustainable objectives. Researchers identified the following management related challenges as major constraints for developing Waqf investment institutions: unskilled nazirs, lack of trained employees, poor information system, lack of accessibility, lack of trust, lack of asset maintenance, misuse of Waqf assets (Saad 2018).
4. Lack of proper legal and policy sources: In many Muslim communities Waqf investments have been hindered by lack of proper legal and policy sources. In some countries, there are no Waqf laws. In some others, there are no comprehensive definitions of Waqf. In many other countries, the institution of Waqf investment is not even recognized or regulated. Legal restrictions are even practiced by some governments. Such issues disincentivize adoption of Waqf investment rather than facilitating its development (Obaidullah 2014).
5. Absence of Islamic banking and finance infrastructure in minority Muslim countries: This issue has also formed a challenge in providing Waqf investment services to people who are in need of it. In India, for example, where all banks are interest-based banks, very small-sized Islamic banks which are situated in Kerala are not able to provide any worth mentioning Islamic banking facilities. Furthermore, Complexity of modes of utilizing cash Waqf resources adds to the difficulties faced by Waqf investment institutions to convince people to deal with them (Rashid 2018).

To remedy these challenges, the following are some of the proposed suggestions:

Role of government in managing the Waqf investment enterprise: The role of the central government should be to maintain needed tools and supervision for Waqf investment entities and leave it to the Waqf to be managed in a way similar to private companies. Muslim

governments need to meet and agree on a set standard for managing Waqf entities in general and Waqf investment institutions in particular. Furthermore, the standard needs to be converted into a grading framework where authorized independent auditing and assessment bodies assess and publish annual reports with regard to Waqf investment institutions compliance with those standards. Such a solution can build trust in the Waqf investment arms and create competition between Waqf entities to increase their grading according to the standards.

Lack of community knowledge regarding the Waqf investment entities: As with other forms of non-conventional financing tools, Muslim communities first need to be fully aware of the efficient implementation of Waqf investment practices. This can be promoted through enough awareness programs.

Lack of management skills of the Waqf investment entities: as stated in the first point above, central government has a major role to play with regard to building needed institutional and management capabilities for Waqf investment entities starting with accountability and transparency as well as good governance. With those steps implemented, strong reputation of Waqf investment institutions will encourage wealthier individuals to participate in the cycle of Waqf development and sustainability.

Lack of proper legal and policy ground: Another point that needs to be solved is the provision of enabling environment. For example, government regulations need to facilitate and incentivize Waqf investment practices and encourage citizens to participate in it, while at the same time work as a guarantor for their participation in case of any defaults. Furthermore, taxation of transactions made through Waqf investment entities shall be exempted.

Absence of Islamic banking and finance infrastructure in minority Muslim countries: This issue is unique to each country, and it depends on the political and legal system of these countries, as well as the relationships between them and Muslim countries that are leading in the field of Islamic banking. Islamic banking and finance pioneering countries can play a great role in facilitating establishment of Islamic banking and finance entities through economic or diplomatic means.

CONCLUSION AND WAY FORWARD

The role of Waqf in supporting the 17 internationally recognized Sustainable Development Goals, has been the subject of lots of studies in the field of philanthropy recently. It is well-established that Waqf entities and activities add great value to the 2030 agenda as several goals are already embodied into Waqf dimensions since the birth of Islam. For the Waqfs to sustain the provision of their service to achieve their objectives, they need sustainable financial income. Such income comes in two forms: donation or investment. Two problems are associated with the financial donation. For one, it is not sustainable as it relies on the availability of donors. Moreover, it is susceptible to manipulation by the donors who can affect Waqf entity and can open door to corruptions. The form of financial support through investment is immune to those problems as they are more sustainable and have the privilege of keeping Waqf independent of any favor by the donors. The benefit of Waqf investment is that they can come in any form and scale such as Cash Waqf, Waqf Sukuks, financial forms of Murabaha, Mudarabah, Musharakah, and BOT.

This chapter has analyzed the relationship between Waqf investment and Sustainable Development Goals based on crystallizing the 17 SDGs into the following 8 SDG investment areas: (1) health, (2) education, (3) social protection, (4) food security and sustainable agriculture, (5) infrastructure; energy, water, transportation, and telecommunication, (6) ecosystem services and biodiversity, (7) data for the SDGs, (8) emergency response and humanitarian work.

It is concluded that Waqf investment entities are already strong in the Investment Areas of (1) health, (2) education, (3) social protection, and (4) food security and sustainable agriculture. As for the investment area number (5) infrastructure; energy, water, transportation, and telecommunication, it is found that there are lots of rooms for improvement. Waqf investments are usually limited to small scale infrastructure projects which directly affect the lives of the society. However, mega projects that are of long-term benefits can benefit from the investments provided by those Waqfs.

On the other hand, there are gaps in the following three areas: (6) ecosystem services and biodiversity, (7) data for the SDGs, (8) emergency response and humanitarian work. The latter one is unique because it is unpredictable and can be avoided by investing in other areas including infrastructure. As for investment areas number (6) and (7), they are areas

that have not been considered by the classical literature of Waqf, hence they can be considered as major opportunities for Waqf investments. Apart from the investment opportunities in those areas of investments, Waqf investments need to consider different challenges that might face them. Firstly, the role of government might bring down the whole effort through excessive control of the Waqf investments, or totally ignoring their existence and leaving them without proper legislations strategic planning, education, or auditing and monitoring. The second challenge that Waqf investment might face is the lack of community knowledge regarding Waqf investment which can be solved by various awareness and educational initiatives regarding the status of Waqf investment tools that conform to Shari'ah. Thirdly, many Waqf investment entities fail because of lack of management skills by their managers and team. This can be overcome by compelling all management teams to achieve a minimum management certification in Waqf investment. If such certification programs do not exist, the Muslim world is called upon to develop an "International Waqf Investment Management" certification programs and make it a standard for any Waqf investment management teams. Finally, the lack of Islamic banking and financial infrastructure in many countries pose a major challenge for Waqf investments particularly in minority Muslim countries. Major Muslim countries and Institutions need to tackle this problem through political, diplomatic, and economic channels.

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