



Optimising Waqf Funds through the GoJariyah Digital Platform as a Halal Business Financing Instrument to Overcome the Trap of Online Loans

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Abstract

Small and medium enterprises (SMEs) often face barriers to business growth due to limited access to capital and the increasing reliance on high-interest online lending. This study aims to examine the implementation and impact of a waqf-based halal financing program designed to provide sustainable and interest-free capital for SMEs. The program represents a collaboration between YEWI and Alma Ata University through the GoJariyah platform, which promotes a fair and inclusive sharia-based financial ecosystem. The program was implemented from July 2024 to August 2025 in Yogyakarta using a community-based program design that included needs mapping, outreach, transparent beneficiary selection, and periodic evaluation supported by digital technology and partnerships with local Islamic financial institutions. Through this program, a total of IDR 300 million in productive waqf funds was distributed to 30 selected SMEs. The first year of implementation demonstrated positive outcomes. Beneficiary SMEs experienced an average revenue increase of 10–15%, with several businesses expanding production capacity and creating new employment opportunities. In addition to financial access, participating SMEs also showed improvements in business management practices, readiness for halal certification, and stronger integration into the local halal economic ecosystem. Overall, the findings indicate that waqf-based financing can serve as a practical and impactful model for supporting SME development. The GoJariyah program demonstrates the potential of productive waqf to strengthen small business resilience, reduce dependence on high-interest loans, and contribute to the development of the halal economy.

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INTRODUCTION

Rapid technological development has significantly transformed various aspects of human life, including the financial sector (Granić, 2022; Hendricks & Mwapwele, 2024). One of the most prominent developments is the rapid growth of financial technology (fintech), particularly online lending platforms that provide fast and easy access to credit with minimal requirements and without collateral (Kurniawan, 2021; Pang et al., 2022). In Indonesia, fintech peer-to-peer (P2P) lending has expanded rapidly in recent years. However, despite this convenience, many unregistered platforms charge exorbitant interest rates and engage in unethical debt collection practices, often trapping

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borrowers in a cycle of debt (Huang et al., 2021). In Indonesia, where public financial literacy remains low and access to formal financial institutions is limited, this situation is becoming increasingly concerning (Wijaya & Said, 2024). Data from the Financial Services Authority (OJK) shows that the total outstanding fintech lending reached approximately IDR 80.07 trillion in February 2025, indicating the increasing reliance of individuals and businesses on digital lending platforms (Otoritas Jasa Keuangan, 2025). Furthermore, as of December 2024, there were 97 licensed fintech lending companies operating in Indonesia, reflecting the rapid development of this sector (Otoritas Jasa Keuangan, 2025).

Small and Medium Enterprises (SMEs) are still the backbone of the Indonesian economy, contributing approximately 60% to GDP and employing 97% of the national workforce (Kementerian Koordinator Bidang Perekonomian, 2025). However, SMEs still face significant barriers to accessing affordable financing (Rehman et al., 2023; Vu & Chi, 2022). A World Bank report in year 2022 states that 40% of SMEs in developing countries lack adequate access to formal credit, hampering their growth (World Bank, 2023). In Indonesia, this financing gap has driven many SMEs to resort to online loans, which often result in unsustainable instalment payments (H. Liu & Fu, 2024; Romero Alvarez et al., 2025).

This situation also contradicts the Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 9 (Industry, Innovation, and Infrastructure). High-interest online loans often increase the financial burden of SMEs, which can worsen economic vulnerability and increase the risk of poverty (SDG 1) (Mahedi et al., 2025). At the same time, excessive debt obligations limit SMEs' ability to expand businesses and create employment opportunities, thereby hindering sustainable economic growth (SDG 8) (Salim et al., 2024) and reducing their capacity to invest in innovation and productive infrastructure (SDG 9) (Karamoy & Tasik, 2020). SMEs often struggle with limited finances (Manyanga et al., 2023; Menne et al., 2023; Talom & Tengeh, 2020; Vu & Chi, 2022). In addition, many SMEs lack clear business legality, lack trained human resources, and have low financial literacy (Wijaya & Said, 2024). These factors make it difficult for them to obtain loans from formal financial institutions such as banks. In these circumstances, online loans are often seen as a quick solution to obtain fresh funds.

However, instead of solving financing constraints, online loans often create new financial problems for SMEs. Empirical evidence in Indonesia shows that many borrowers struggle with repayment due to high interest rates and short repayment periods, which frequently lead to mounting debt and financial distress among small business owners (Y. Liu et al., 2022; Rehman et al., 2023). Many online lending platforms charge very high interest rates. As a result, many SMEs have difficulty paying installments, leading to bad debts (Y. Liu et al., 2022; Rehman et al., 2023). The ever-increasing interest rates significantly raise the debt burden of borrowers, which can lead to financial distress and business failure. Empirical studies indicate that high-cost digital lending is associated with increasing repayment defaults and over-indebtedness among small borrowers, particularly those with limited financial literacy (Ab Hamid et al., 2025; Msomi & Nzama, 2022).

Many illegal online lending platforms apply very high and non-transparent interest rates and use inhumane debt collection practices, which ultimately harm borrowers (Huang et al., 2021). This practice contradicts the principle of justice in the conventional economic system and strays far from the values of Islamic economics, which uphold fairness, transparency, and blessings in every transaction (Husni Hasbulah et al., 2022; Mukhlisin et al., 2022; Nihayah, 2018; Sujono, 2024). From a sharia economic perspective, lending activities should be based on the principles of mutual assistance (ta'awun) and justice ('adl) and should be free from elements of usury, gharar (uncertainty), or exploitation (Wirani & Ibrahim, 2022). Therefore, the provision of technology-based financial services should not be solely oriented towards material gain but should also consider ethical and spiritual aspects to provide sustainable societal benefits. Government regulation and public financial literacy are also key in guiding the development of financial technology (fintech) to align with the values of justice and sustainability (Fitriyani & Sartika, 2025; Ulkhair et al., 2023).

As a solution, productive waqf is increasingly viewed as an ethical and sustainable alternative financing instrument. According to the (The Indonesian Waqf Board, 2025), the potential of cash waqf in Indonesia in 2025 reaches IDR 400 trillion per year, yet only a small portion has been collected and managed productively. Previous studies have mainly examined the role of waqf in education (Senjiati et al., 2020), health (Ilmiah, 2020), and social welfare (Nurul Fadhilah & Azmi,

2024). While these studies highlight the social benefits of waqf, they mainly focus on traditional charitable distribution rather than productive financing mechanisms. Moreover, existing research rarely explores how cash waqf can be integrated with digital platforms to provide structured financing for SMEs. Therefore, empirical studies examining the implementation of digital productive waqf as an alternative financing model for SMEs remain limited, highlighting an important research gap that this study seeks to address. The majority of studies are conceptual in nature, with few providing empirical models or concrete implementations that integrate productive waqf with SMEs empowerment. While other studies (Iman et al., 2021; Johari, 2017; Mahmood et al., 2017; Saiti et al., 2021; Senjiati et al., 2020) focus on optimizing waqf for large asset development or general poverty alleviation, this research specifically positions digital productive waqf as an antidote to the predatory online lending crisis. No previous research or activity has systematically documented the use of digital waqf platforms to empower SMEs identified as being at high risk of usury.

The Indonesian Waqf Education Foundation (YEWI), in collaboration with the Sharia Economics Study Program at Alma Ata University, has initiated a digital platform called GoJariyah to optimize the distribution of productive waqf for financing SMEs. Through this platform, donors can contribute cash waqf digitally, which is then managed and distributed as productive capital to selected SMEs through a transparent selection and monitoring system. This pilot project was implemented in Yogyakarta to reduce SMEs' dependence on high-interest loans while creating a financing ecosystem that is halal (Nurul Fadhilah & Azmi, 2024; Sujono et al., 2023), inclusive, and equitable (Sujono et al., 2022).

Therefore, this community service activity aims to provide an alternative halal financing scheme based on productive waqf for SMEs in order to reduce their dependence on high-interest online loans. The program also seeks to encourage SME growth through the distribution of fair, transparent, and sharia-compliant business capital. In addition, it aims to improve Islamic financial literacy among SMEs and enhance their understanding of the importance of halal and usury-free financing. Through digital technology-based mentoring, training, and monitoring, the program further intends to empower SMEs in the Yogyakarta region. Ultimately, this initiative aims to develop a productive waqf financing model that can potentially be replicated at the national level to strengthen the halal economic ecosystem. The scientific contribution of this research lies in the integration of Islamic social finance instruments (productive waqf) with digital financial innovation to address the financing gap for SMEs. This approach not only strengthens the Islamic economic system but also supports the achievement of the SDGs through poverty alleviation, sustainable economic growth, and inclusive and competitive industrial development.

METHOD

This study employed a program based research approach using a participatory implementation design to develop and implement a productive waqf financing model for SMEs. The initial stage involved mapping the potential waqf funds managed by nazhir under the Waqf Education Foundation to estimate the financial capacity available for SME financing. Data were collected through surveys using structured questionnaires and documentation of institutional waqf records from approximately 200 waqf institutions. The mapping process was conducted over three months to ensure that the data obtained were accurate and representative. The collected data were then analysed using descriptive analysis to identify the amount of waqf funds collected, their management patterns, and the potential funds that could be optimised as productive capital. Following the mapping stage, consultations were conducted with experts and stakeholders in waqf management and Islamic economics to refine the financing model. The overall methodological flow of this programme is illustrated in Figure 1.



Figure 1. Flowchart of this Program

This stage involved expert consultations and stakeholder focus group discussions (FGDs) with academics and representatives from relevant institutions, including the Indonesian Waqf Education Foundation (YEWI), the Indonesian Waqf Board (BWI), waqf nazhir institutions, the Ministry of Religious Affairs, and religious leaders familiar with sharia principles. The purpose of these consultations was to ensure that the planning and implementation of the program complied with Islamic sharia principles while preventing potential irregularities in the management of waqf funds.

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The fund disbursement mechanism was systematically designed to ensure that waqf funds distributed as business capital complied with halal principles and aligned with the maqasid al-sharia framework (Ilmiah, 2020). The procedure included several stages, namely the verification of waqf fund availability, the submission of financing applications by SMEs, administrative screening, and eligibility assessment based on predefined criteria. Once the mechanism and operational procedures were finalized through stakeholder consultations, the development of a digital platform was initiated in collaboration with web and application developers in Yogyakarta. The resulting platform, GoJariyah, was developed to facilitate the management and distribution of productive waqf funds. The platform functions as a digital system that enables the registration of SMEs, submission of financing applications, verification of beneficiaries, monitoring of fund utilization, and documentation of waqf fund distribution. The development process took approximately two months, after which the platform became operational and ready to support the implementation of the productive waqf financing program.



Figure 2. Platform Jariyah Fund

The program was implemented from July 1, 2024, to August 31, 2025. One of the key stages was the SME outreach process conducted in Yogyakarta and surrounding areas for approximately five months. This stage was carried out through socialization activities, information dissemination, and open registration for SMEs interested in participating in the program. The outreach aimed to introduce the waqf-based financing scheme, explain the application procedures, and identify potential SME participants.

The first stage of the outreach activities involved a needs mapping survey to identify the main challenges faced by SMEs and to assess their financing needs. The survey involved 30 SMEs respondents in the Yogyakarta region selected using purposive sampling, targeting business owners with limited access to formal financing. Data were collected through structured questionnaires and short interviews focusing on business characteristics, capital constraints, and financing needs. The results of this needs mapping served as the basis for designing a targeted waqf-based financing program. In addition, coordination was conducted with local stakeholders—including neighborhood

heads (RT/RW), hamlet leaders (Dukuh), village officials, and sub-district authorities to facilitate outreach activities and ensure administrative support for program implementation.

Furthermore, their involvement also helped strengthen the validity of data related to the SMEs targeted as program beneficiaries. The third stage of the outreach agenda consisted of educational activities in the form of seminars and workshops designed to enhance SMEs' understanding of ethical financing and waqf-based business capital. The seminar sessions were delivered by lecturers from the Islamic Economics Department of Alma Ata University and representatives from the Indonesian Waqf Education Foundation. Participants received information on the risks associated with online lending practices (pinjol) and were introduced to alternative financing models based on halal productive waqf.

The effectiveness of the training was evaluated using several indicators, including participants' understanding of sharia-compliant financing concepts, awareness of the risks of high-interest online loans, and their readiness to participate in the waqf-based financing program. Evaluation data were collected through participant feedback forms and short post-training assessments.

The seminar also presented training materials on the calculation and distribution mechanisms of waqf-based financing in accordance with sharia principles. The materials covered the types of contracts used in the financing scheme, the determination of permissible profit margins, and procedures for ensuring transparency and accountability in fund management. In addition, participants were introduced to the operational procedures of accessing waqf-based business capital through the program. Documentation of the seminar activities is presented in Figure 3.



Figure 3. Seminar of the Program

The workshop was held as a practical technical training session. Participants were given hands-on guidance on applying for business capital through a prepared digital platform. Participants were encouraged to understand the procedures for filling out forms, completing supporting documents, and independently navigating the platform's features. The workshop aimed to ensure business owners could easily access and apply for capital without technical obstacles while also increasing their confidence in utilising technology as part of their business transformation.

In the initial stage of the program, SMEs receiving waqf-based halal financing were selected through a structured selection process to ensure that the funds were allocated to eligible and viable businesses. The selection process consisted of several stages: (1) open registration of SMEs through the GoJariyah platform, (2) administrative screening of submitted documents, (3) verification of business eligibility and compliance with halal principles, and (4) final selection based on business feasibility and program priorities. The main criteria used in selecting SME beneficiaries included legal, operational, and sharia compliance aspects, as follows:

- Halal compliance: SMEs whose products or services were halal-certified by recognized authorities such as the Halal Product Assurance Organizing Agency (BPJPH) or the Indonesian Ulema Council (MUI) were prioritised.

- Business legality: SMEs were required to possess formal business legality, such as a Business Identification Number (NIB), a local government business certificate, or other valid legal documentation.
- Business feasibility: The business had to demonstrate operational sustainability and potential for growth.
- Commitment to program participation: SME owners were required to participate in training, mentoring, and monitoring activities conducted during the program implementation.

This structured selection process ensured that the distribution of productive waqf funds was transparent, accountable, and aligned with the objectives of empowering SMEs within the halal economic ecosystem.

Furthermore, SMEs were required to have a simple financial recording system, at least in the form of routine records of sales and expenses, to ensure transparency and enable an objective evaluation of business feasibility. In addition, the business had to have been actively operating for at least one year, indicating basic operational stability and experience in managing the enterprise. As part of the validation stage, the program implementation team conducted on-site surveys of prospective beneficiaries to verify the accuracy of the submitted information, assess actual business conditions, and identify operational challenges faced by SMEs. In addition to internal assessments, recommendations from local stakeholders including neighborhood heads (RT), community heads (RW), hamlet leaders (Dukuh), village officials, and sub-district authorities were also considered. These recommendations were validated through cross-checking with administrative documents, field verification of business activities, and confirmation of the SME's participation in local economic development records or programs. This multi-stage verification process ensured that waqf-based capital assistance was distributed to eligible SMEs that genuinely required financial support.

The selection process is designed and implemented with an objective, transparent approach, free from intervention or vested interests. The primary focus remains on the programme's overarching mission: to channel waqf-based, halal business capital to micro and small businesses that truly need it and can use it productively. Based on this principle, it is hoped that the waqf funds managed through this program will serve as an alternative financing solution and a means of sustainable economic empowerment for the community, oriented towards the common good. The following Figure 4 is our documentation on SME empowerment activities through the digital waqf platform



Figure 4. Development Program for SMEs

Waqf-based halal capital funds for businesses are disbursed directly to SMEs that have undergone a selection process and met the eligibility criteria. To date, 30 SMEs across the Yogyakarta region have received funding assistance, with a total disbursement value of IDR 300 million. These funds are provided as working capital and are expected to stimulate growth, strengthen beneficiaries' business capacity, and serve as a starting point for developing an effective waqf-based alternative financing model.

The disbursement process was conducted with transparent procedures and accountable documentation to ensure that each SME received funds according to the specified amount and

schedule. The disbursement mechanism was also adjusted to the operational needs and readiness of each business to support productive capital utilization. After the disbursement stage, monthly monitoring and evaluation (M&E) were conducted as part of the program management process. The monitoring focused on several indicators, including the use of capital for productive business activities, changes in sales and income levels, business operational stability, and SME participation in mentoring activities. Evaluation data were collected through monthly financial reports submitted by SMEs, field visits conducted by the program team, and online mentoring sessions. The improvement in SME income was calculated by comparing the average monthly income before receiving waqf-based capital with the average monthly income after the program implementation. The data were obtained from financial records maintained by SMEs and verified during monitoring visits. Based on these records, beneficiary SMEs experienced an average income increase of approximately 10–15% during the first year of program implementation.

This stage was conducted to maintain the accountability of waqf funds and ensure that the program supported SMEs effectively and that the funds were utilized productively. During the monitoring process, the implementation team also evaluated the compliance of fund utilization with sharia principles, including verifying that the funds were used for halal business activities and identifying any potential irregularities in their use. The monitoring and evaluation activities provided data on the effectiveness of the financing program and the operational conditions of beneficiary SMEs. These evaluation results were then used as the basis for documenting program outcomes and assessing the implementation of waqf-based financing for SMEs.

RESULTS AND DISCUSSION

Online lending has become a significant financial issue in Indonesia in recent years. Data from the Financial Services Authority (OJK) indicate that the total outstanding fintech peer-to-peer lending reached approximately IDR 80 trillion in 2025, reflecting the increasing reliance of individuals and small businesses on digital lending platforms ([Otoritas Jasa Keuangan, 2025](#)). SMEs, which often face limited access to formal financing, are among the groups most vulnerable to relying on such loans.

Islamic social finance instruments, particularly productive waqf, have been proposed as an alternative financing mechanism to reduce SMEs' dependence on high-interest lending. Previous studies have mainly focused on the development of waqf assets for halal economic sectors, such as halal tourism ([Fatturroyhan, 2017](#); [Muhardi et al., 2023](#); [Septiani et al., 2019](#)) and education financing ([Aziz et al., 2013](#); [Iman et al., 2021](#); [Usman & Ab Rahman, 2021](#)). Other studies have also discussed business model schemes for productive waqf management, including profit-sharing financing models and asset-based waqf development. However, empirical studies integrating productive waqf financing with efforts to reduce SMEs' dependence on online lending remain limited.

The results of this program indicate that waqf-based halal financing can provide an alternative source of capital for SMEs. Among the 30 SMEs participating in the program, several previously relied on online loans to support their business operations but gradually reduced their dependence after receiving productive waqf financing, indicating the potential of this model to support more sustainable and ethical SME financing.

The waqf-based halal business capital distribution program, which began on July 1, 2024, produced measurable outcomes in supporting the development of SMEs in the Yogyakarta region. During the registration stage, approximately 215 SMEs applied to participate in the program. Following a structured selection process based on predetermined criteria such as halal compliance, business legality, basic financial records, and a minimum business operation of one year 30 SMEs were selected as program beneficiaries. A total of IDR 300 million in productive waqf capital was distributed to these SMEs, with an average financing amount of approximately IDR 10 million per SME. The funds were utilized for several productive business purposes, including purchasing raw materials, increasing production capacity, improving product packaging, and expanding marketing activities. Based on the results of the first-year monitoring and evaluation process, the program demonstrated several performance indicators. Beneficiary SMEs experienced an average increase in monthly turnover of approximately 10–15%, accompanied by improvements in production capacity and marketing reach. In addition, several SMEs reported greater business stability after receiving

waqf-based capital, indicating the potential effectiveness of this financing model in supporting SME development.

As part of this innovation, the implementation team developed the GoJariyah digital platform, which functions as the main system for SME registration, selection, and reporting of fund utilisation. The platform facilitates the documentation of financing applications, verification processes, and monitoring reports submitted by beneficiary SMEs. Following the disbursement of funds, monthly monitoring and evaluation (M&E) were conducted to assess the effectiveness of capital utilisation. The evaluation was based on several indicators, including the allocation of funds for productive activities, changes in business turnover, and the continuity of business operations. Data for evaluation were obtained from monthly financial reports submitted by SMEs, field verification visits conducted by the program team, and online mentoring records. Monitoring results showed that more than 80% of beneficiary SMEs used the funds according to the intended business purposes and demonstrated improvements in their business activities. These findings support previous studies that highlight the potential of productive waqf as a sustainable financing instrument for small businesses (Zahro' et al., 2020). Similar to the findings of Nurhasanah et al. (2022), the results indicate that waqf-based capital can complement the limitations of access to formal Islamic banking services. However, this study extends previous research by demonstrating the practical implementation of a digital waqf platform integrated with SME financing, which enables more transparent fund management and systematic monitoring. In addition, the findings suggest that waqf-based financing may help reduce SMEs' reliance on high-interest online loans, which has been identified as a major financial risk for small businesses (Nurjamil & Nurhayati, 2021).

Collaboration with local officials played an important role in supporting the implementation of the program. The involvement of neighborhood heads (RT), community heads (RW), hamlet leaders, and sub-district authorities facilitated the identification and verification of eligible SMEs at the community level. Through these local networks, the program team was able to validate business data and ensure that potential beneficiaries met the required criteria. This collaboration contributed to the efficiency of the selection process, resulting in the identification and verification of 30 eligible SMEs out of 215 applicants (Sudjatno & Safitri, 2018).

Digitalization through the GoJariyah platform also supported program implementation by enabling a more transparent and efficient management process. The platform was used as the main system for SME registration, beneficiary selection, and reporting of fund utilization, allowing program administrators to track program activities systematically. During the first year of implementation, the platform recorded more than 215 SME registrations and regular monthly reporting from beneficiary SMEs, which facilitated data collection for monitoring and impact evaluation (Radicić & Petković, 2023)

Consistent monitoring and mentoring activities also contributed to improvements in the managerial and financial capacity of beneficiary SMEs. Based on monitoring reports and follow-up interviews, around 70% of SMEs demonstrated improvements in financial record-keeping and business planning practices, while more than 60% reported better operational management after participating in the mentoring sessions. These findings indicate that the program not only provided financial capital but also contributed to strengthening SMEs' managerial capacity. Furthermore, survey feedback from program participants indicated an increase in awareness regarding the role of waqf as an instrument for economic empowerment. Approximately 75% of respondents stated that they had previously perceived waqf primarily as a source of funding for religious infrastructure, such as mosques or madrasas. After participating in the program, they recognized the potential of productive waqf as a financing mechanism to support business development. These findings support the main objective of this study, which is to demonstrate the potential of waqf-based halal financing as an alternative model for empowering SMEs and reducing their dependence on high-interest financing sources.

LIMITATION

This study has several limitations that need to be addressed to provide a more comprehensive picture of the research framework and findings. The main obstacle is the lack of understanding among SMEs regarding funding sources for optimizing their businesses, particularly

capital derived from social and religious funds. Therefore, future programs should focus more on promoting business capital from social funds or developing more effective financing models for SMEs. Furthermore, this activity needs to be conducted longitudinally to measure the program's success through capital from the GoJariyah application. These combined limitations serve as the basis for implementing this community service intervention and a benchmark for future programs.

CONCLUSION

After a lengthy process that began in July 2024, the waqf-based halal business capital distribution programme initiated by the Waqf Education Foundation and its implementation team in Yogyakarta has demonstrated encouraging results. The programme successfully disbursed Rp300 million to 30 SMEs that passed a selection process based on sharia-compliant criteria and business feasibility. Beyond simply distributing funds, the programme has successfully introduced a new waqf-based alternative financing model that can have both an economic and spiritual impact on entrepreneurs. This success is reflected in increased business turnover and the growing awareness among SMEs of the importance of halal, usury-free, and blessed financing.

The program's success is inseparable from several key factors, such as objective selection, ongoing mentoring, using the Go Jariyah digital platform, facilitating access to services, and close collaboration with the local government. Intensive monthly monitoring strengthens accountability and ensures that funds are used effectively. Furthermore, training and educational activities in the form of seminars and workshops have opened new horizons for SMEs regarding the importance of sound business governance following Sharia principles. Such success makes the programme an economic intervention and a means of comprehensive community empowerment. Given these positive results, several recommendations have been developed to encourage the sustainability and expansion of the program's impact in other regions in Indonesia. First, expanding the programme to other regions with similar MSME characteristics is highly recommended so that more businesses can benefit from waqf-based halal funding. Second, strengthening the Go Jariyah platform must be done by adding innovative features that increase service efficiency and information transparency. Third, mentoring for SMEs needs to be increased, not only in fund management but also in strengthening business management, marketing strategies, and Sharia financial literacy. Fourth, waqf administrators' capacity needs to be enhanced through ongoing training so they can manage waqf productively, professionally, and accountably.

Furthermore, cross-sector collaboration—between government, academics, Islamic financial institutions, and local communities is a crucial prerequisite for fostering a productive waqf financing ecosystem at the national level. Equally important, a structured social and economic impact measurement system is needed so that programme results can be evaluated and used as a basis for continuous improvement. With these steps, it is hoped that this productive waqf financing model can become a significant milestone in sustainable economic development for the community, creating resilient, independent, and competitive SMEs, while simultaneously strengthening the role of waqf as a modern Islamic social financial instrument relevant to current needs.

AUTHORS CONTRIBUTIONS

RIS conceptualized the study, designed the waqf-based financing framework, and led the overall research implementation and manuscript preparation. FWW contributed to the development of the GoJariyah digital platform integration and supported data management and program monitoring. AA was responsible for coordinating field activities, including outreach, beneficiary selection, and stakeholder engagement with SMEs and local partners. RSW contributed to data analysis and evaluation of program outcomes, particularly in assessing business performance and revenue growth of participating SMEs. MMF supported the development of evaluation instruments and contributed to the analysis of business management improvements and halal certification readiness. MK contributed to the theoretical framework, particularly in Islamic finance and waqf-based economic models, and critically reviewed the manuscript.

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