

**CAN ISLAMIC PHILANTHROPIC INSTITUTIONS IN
INDONESIA ACHIEVE SDGs?
An Empirical Legal Research**

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Abstract

Islamic philanthropic is part of Sustainable Development Goals (SDGs) as per Article 3 [b] Presidential Regulation No.111 of 2022, highlighting the legal framework (Presidential Regulations No.111/2022) and its connection to SDGs. This research aims to analyse to what extent Islamic philanthropic institutions can achieve SDGs according to Article 3 [b]. This research used a descriptive qualitative with an empirical juridical approach. Primary data was obtained from interviews and documentation, while secondary data came from legal materials. Atlas.ti software version 9.0 was used to analyse the data. The results show planning was carried out by getting involved in the preparation of a national development plan, contributing to national and regional action plans, and reducing SDG programs in the institution's strategic plan. The implementation, however, only focuses on blended financing schemes and initiates a 'programme follows money' approach to aligning all programs with SDGs. In terms of monitoring and evaluation, these aspects are still constrained by filling in the reporting matrix, which

needs converting. The contribution of this research is to contextualise the role of Islamic philanthropic institutions towards SDGs by providing policy recommendations for the government, such as enhancing the role of philanthropic institutions, developing blended financing schemes, legal reforms and multisector collaboration.

Lembaga filantropi Islam merupakan bagian dari lembaga yang terlibat dalam mewujudkan SDGs di Indonesia dan telah diatur melalui Peraturan Presiden No.111 Tahun 2022. Tujuan penelitian untuk melihat sejauhmana lembaga filantropi Islam dalam mencapai SDGs ditinjau dari sisi regulasi. Jenis penelitian ini adalah deskriptif kualitatif dengan pendekatan yuridis empiris. Data primer diperoleh dari wawancara dan dokumentasi, sedangkan data sekunder berasal dari bahan hukum (perundang-undangan). Software Atlas.ti versi 9.0 digunakan sebagai tools untuk menganalisis data. Hasil penelitian menunjukkan bahwa bentuk perencanaan dilakukan dengan turut terlibat dalam penyusunan rencana pembangunan nasional, pengisian rencana aksi nasional dan daerah, serta menurunkan program SDGs dalam rencana strategis lembaga, dari segi pelaksanaan hanya berfokus pada skema blended finance serta diperlukan inisiasi “programme follows money” untuk meng in-line kan seluruh program dengan SDGs, dari segi pemantauan dan evaluasi masih terkendala dengan pengisian matriks pelaporan yang dinilai perlu dikonversi. Penelitian ini berkontribusi dalam wujud kontekstualisasi peran lembaga filantropi Islam terhadap pencapaian SDGs sekaligus memberikan rekomendasi kebijakan yang ditujukan kepada pemerintah seperti peningkatan peran lembaga filantropi, pengembangan skema blended finance, pembaharuan hukum dan kolaborasi multi-sektor.

Keywords: *Islamic philanthropic, regulation, sustainable development goals.*

Introduction

Sustainable Development Goals (SDGs) is a current issue that is discussed by around the world. SDGs is continuation from Millennium Development Goals (MDGs) ¹ agreed upon by United Nations (UN) members.² SDGs concept is oriented towards programs for alleviating social, economic and environmental problems with law and governance problem.³ There are at least five primary constructs in the SDGs program principles, namely: people, planet, welfare, peace, and partnership.⁴ SDGs has 17 goals with 169 achievement indicators.⁵ This agreement was concretized into a UN Resolution A/RES/70/1 concerning *"Transforming Our World: the 2030 Agenda for Sustainable Development"*.⁶ Interestingly, Indonesia has a strong commitment to realizing the SDGs agenda. Then the form of government action as Indonesia's commitment to achieve SDGs was carried out by ratifying the regulation and making it a legal regulation. First, the government stipulates Presidential Regulation No. 59 of 2017 on the Implementation of SDGs. The regulatory mandate produces at least three important documents for implementing SDGs, namely: the National Action Plan/ *Rencana Aksi Nasional* (RAN), the Regional Action Plan/ *Rencana Aksi Daerah* (RAD), and SDGs Roadmap towards 2030.⁷ Second, as effort to improve the government in achieving SDGs, the

¹ Kementerian PPN/Bappenas, "Ringkasan Eksekutif Pelaksanaan Pencapaian Tujuan Pembangunan Berkelanjutan/ Sustainable Development Goals (TPB/SDGs) Tahun 2019" (Jakarta, 2019), P. 1.

² Alfajri Alfajri, Luerdi Luerdi, and Suwignyo Suwignyo, "Pelatihan Dan Pemberdayaan Tunas Sustainable Development Goals (SDGs) Siswa Tingkat SMA/MA Sederajat Di Kota Pekanbaru Untuk Mewujudkan Tujuan Sustainable Cities and Communities Dan Responsible Consumption and Production," (JPMM) *Jurnal Pengabdian Masyarakat Multidisiplin* 3, no. 3 (2020), <https://doi.org/https://doi.org/10.36341/jpm.v3i3.1295>.

³ Daphne Comfort Peter Jones, Martin Wynn, and David Hillier, "The Sustainable Development Goals and Information and Communication Technologies," *Indonesian Journal of Sustainability Accounting and Management (IJSAM)* 1, no. 1 (2017).

⁴ Filho and Walter Leal, "Viewpoint: Accelerating the Implementation of the SDGs," *International Journal of Sustainability in Higher Education*, 2020, <https://doi.org/10.1108/IJSHE-01-2020-0011>.

⁵ Ursula Werther-Pietsch, "The Impact of SDGs on International Law - A Nucleus of a Right to Peace?," *Austrian Journal of Political Science* 47, no. 1 (2018): 17–28, <https://doi.org/10.15203/ozp.1895.vol47iss1>.

⁶ See Saddam Rasanjani, "Sustainable Development Goals (SDGs) and Indonesian Housing Policy," *Otoritas: Jurnal Ilmu Pemerintahan* 8, no. 1 (2018).

government issued regulations as a form of improvement to Presidential Regulation 59/2017 by ratifying Presidential Regulation No. 111/2022. This presidential regulation becomes the basis and legal umbrella for all parties in implementing the SDGs.

The concept of SDGs is oriented towards programmes to alleviate social⁸, economic and environmental problems⁹ by maintaining a balance in the three sectors in a sustainable manner. SDGs are formulated as development that meets the needs at present without compromising the rights to fulfil in the future generations.¹⁰ The five principles are projected to be achieved on 2030 by alleviating poverty, inequality and tackling climate change.¹¹ The Annex of Presidential Regulation No.59/2017 contains the goals of SDGs, namely improving economic welfare of the community in a sustainable manner, maintaining the sustainability of the community's social life and maintaining the quality of the environment. The government continues to encourage inclusive implementation SDGs. Interestingly, Presidential Regulation 59/2017 and Presidential Regulation 111/2022 emphasize stakeholder collaboration between government and non-government elements. In line with this Scheyvens, et.all (2016)¹² it was revealed that one of the most critical changes in the SDGs agenda involves the role of the non-government sector. Efforts to involve the non-government sector are carried out by legal regulations that prioritize the principle of "no one left behind". This principle is the main principle for implementing the SDGs at national and regional levels. The stakeholders referred to in this principle as stated in Presidential Regulation 111/2020 are stakeholders in a multi-stakeholder network in the form of a pentahelix network. The pentahelis network is government, academics,

⁸ Syamsuri, Yaumi Sa'adah, and Isma Aulia Roslan, "Reducing Public Poverty Through Optimization of Zakat Funding as an Effort to Achieve Sustainable Development Goals (SDGs) in Indonesia," *Jurnal Ilmiah Ekonomi Islam* 8, no. 01 (2022): 792–805.

⁹ Jones, Wynn, and Hillier, "The Sustainable Development Goals and Information and Communication Technologies."

¹⁰ Ishatono Ishatono and Santoso Tri Raharjo, "Sustainable Development Goals (Sdgs) Dan Pengentasan Kemiskinan," *Share : Social Work Journal* 6, no. 2 (2016): 159–167.

¹¹ Rofiqoh Ferawati, "Sustainable Development Goals Di Indonesia: Pengukuran Dan Agenda Mewujudkannya Dalam Perspektif Ekonomi Islam," *Kontekstualita* 33, no. 02 (2018): 143–67, <https://doi.org/10.30631/kontekstualita.v35i02.512>.

¹² Scheyvens et al., "The Private Sector and the SDGs: The Need to Move Beyond 'Business as Usual': The Private Sector and the SDGs: Moving Beyond 'Business-as-Usual' 24(6):," *Sustainable Development* 24, no. 6 (2016): P. 379, <https://doi.org/doi:10.1002/sd.1623>.

philanthropists, media and business actors. This effort was carried out to strengthen the inclusiveness of SDGs implementation in Indonesia

Philanthropic activities are also involved in the SDGs agenda, as stated in Presidential Regulation 111/2022. In addition, philanthropic included in the terminology as outlined in the presidential regulation is Islamic philanthropic. Islamic philanthropic is a form of charity¹³, voluntary donations¹⁴ and support based on Islamic values¹⁵. Islamic philanthropic, which is manifested in the payment of zakat, infaq, sadaqah and waqf, also aims to cleanse assets and purify the soul. Assets must be cleaned because they contain other people's rights, and avoid greed, and stinginess.¹⁶ Islamic philanthropic institutions in Indonesia are legally entrusted to National Board of Zakat/*Badan Amil Zakat Nasional* (BAZNAS), Amil Zakat Institution/*Lembaga Amil Zakat* (LAZ), and Zakat Collection Unit/*Unit Pengumpulan Zakat* (UPZ) for the management of zakat, infaq and sadaqah (ZIS) funds.¹⁷ The institution is responsible to the state for optimizing ZIS. Meanwhile, in the dimension of organized waqf at BWI.¹⁸ The various program that run by Islamic philanthropic institutions consistently respond to the sustainable development agenda as a voluntary¹⁹, although regulation still requires legal reform.²⁰

However, the role of Islamic philanthropic as intended in Presidential Regulation 111/2022 needs to be studied in more depth. Article 3 letter (b) of

¹³ Jon B. Alterman and Shireen Hunter, "The Idea of Philanthropy in Muslim Contexts," *The Center for Strategic and International Studies*, 2004, P. 2.

¹⁴ Farid Septian, "Recontextualization of Islamic Philanthropy Funds," *IJZIP: International Journal of Zakat and Islamic Philanthropy* 3, no. 1 (2021). P. 61.

¹⁵ Muhamed Zulkhibri and Abdul Ghafar Ismail, *Financial Inclusion and Poverty Alleviation: Perspectives from Islamic Institutions and Instruments* (Palgrave Macmillan by Springer Nature, 2017), P. 9, <https://doi.org/https://doi.org/10.1007/978-3-319-69799-4>.

¹⁶ Zulkhibri and Ismail, P. 9.

¹⁷ Filantropi Islam, "Manajemen Strategi Baznas Dalam Pengelolaan Dana Filantropi Islam" 4, no. 1 (2018): 64–83.

¹⁸ Neneng Hasanah, Indah Sulistya, and M. Iqbal Irfany, "Strategi Pengelolaan Wakaf Uang Oleh Badan Wakaf Indonesia (BWI)," *Al-Awqaf: Jurnal Wakaf Dan Ekonomi Islam* 13, no. 1 (2021): 39–58, <https://doi.org/10.47411/al-awqaf.v13i1.95>.

¹⁹ Naili Qiyadatul Ulya, "Strategy of Zakat Utilization for Productive Economic and Social Activity: A Case Study at Lembaga Amil Zakat, Infaq and Shodaqoh Yayasan," *World Academy of Science, Engineering and Technology International Journal of Economics and Management Engineering* 17, no. 1 (2023): 80–85.

²⁰ Suciyani and Amrin, "Development of Sharia Economic Law in Indonesia (Positivation of Zakat Law)," *LEGAL BRIEF* 11, no. 2 (2022): 1335–44.

the regulation highlights its function as a guideline for planning, implementing, monitoring and evaluating the implementation of the SDGs. However, the integration of philanthropic institutions, particularly in formulating action plans and implementing SDG initiatives, needs to be studied more comprehensively within the framework of existing legal regulations. Several provisions within the regulation call for legal reforms to ensure alignment with current laws. Islamic philanthropic, for example, operates under Law No. 23/2011 concerning Zakat and Law No. 41/2004 concerning Waqf. Therefore, there is a need to empirically examine how Presidential Regulation No. 111/2022 interacts with *ziswa*f (zakat, *infaq*, *shadaqah*, and *waqf*) regulations in Indonesia. This research focuses on the role given by Islamic philanthropic institutions in achieving the SDGs in terms of empirical legal aspects.

Islamic philanthropic plays a significant yet often overlooked role in achieving the SDGs. Several studies have highlighted the contributions of Islamic philanthropic institutions to sustainable development. For instance, Khalifah (2017)²¹ emphasised that achieving the SDGs requires active participation from Islamic philanthropic organisations. Normasyhuri, K., et.al (2022)²² observed that the programmes initiated by LAZ (Amil Zakat Institutions) align closely with the SDGs. Bashori, A., et.al (2024)²³ noted how BAZNAS Kendal has modernised zakat management to support sustainable development initiatives. Suprayitno, E, et.all (2023)²⁴ documented the role of BAZNAS Lumajang in distributing *ziswa*f (zakat, *infaq*, *shadaqah*, and *waqf*) funds to support sustainable programmes, such as post-disaster recovery efforts.

²¹ Mohamad Handi Khalifah, "Optimization of BAZNAS Programs on Sustainable Development Goals (SDGs): Analytic Network Process Approach (ANP)," *International Journal of Zakat* 2, no. 2 (2017): P. 79.

²² Khavid Normasyhuri, Budimansyah, and Ekid Rohadi, "Strategi Pengelolaan Zakat, Infaq Dan Sedekah (ZIS) Terhadap Pemberdayaan Ekonomi Umat Dalam Pencapaian Sustainable Development Goals (SDGs)," *JIEI: Jurnal Ilmiah Ekonomi Islam* 8, no. 02 (2022): 1947–62.

²³ Akmal Bashori et al., "The Transformation of Zakat Law: An Analysis of Ijtihad Maqasidi in the Modernisation of Zakat Practicies in Indonesia," *Jurisdictie: Jurnal Hukum Dan Syariah* 15, no. 1 (2024): 34–72.

²⁴ Eko Suprayitno, Khusnudin, and K. Nina Amaliya, "Funds and the Post-Disaster Recovery of Mount Semeru Eruption," in *AICOLLIM 2022* (Atlantis Press SARL, 2023), 664–73, <https://doi.org/10.2991/978-2-38476-002-2>.

Rejab, s., et.al (2022)²⁵ stressed the need for greater government support to optimise the role of zakat institutions in advancing SDG-related programmes.

In another study, Hariyanto (2020)²⁶ highlights Indonesia's immense potential in using Islamic philanthropic to address various challenges faced by the *ummah*. Similary, Rahman, F., et.al (2022)²⁷ suggest that the impact of Islamic philanthropic needs further exploration, particularly regarding the challenges of achieving sustainable development. Previous studies have demonstrated the contributions of Islamic philanthropic institutions in supporting sustainability-focused programmes. However, research specifically examining their role in achieving the SDGs, especially from a legal perspective, remains scarce. This paper seeks to address this gap by analysing the planning, implementation, and monitoring of programmes run by Islamic philanthropic institutions that align with SDG targets. It focuses on the role of these institutions within the framework of existing regulations, particularly the mandate of Article 3(b) of Presidential Regulation No. 111/2022. By doing so, this research aims to shed light on how Islamic philanthropic in Indonesia contributes to achieving the SDGs while operating within the boundaries of applicable laws.

Research Methods

This research used qualitative descriptive with legal research approach. According to Morris L. Cohen, legal research is a process of discovering laws that regulate human social activities, which involves rules imposed by the state that explain or analyze these regulations.²⁸ This type of research can also be called applied legal research, focusing on examining the implementation of positive

²⁵ Siti Noorbiah Md Rejab et al., "Can Zakat Realize the Sustainable Development Goals (SDGs)?," *HIV Nursing* 22, no. 2 (2022): 3833–37.

²⁶ Erie Hariyanto et al., "Effectiveness of the Economic System to Zakat and Waqf for Empowerment of the Ummah in Indonesia," *International Journal of Advanced Science and Technology* 29, no. 06 (2020): 1910–16.

²⁷ Ferdausur Rahman et al., "Infaq for Sustainable Development : The Pathway to Achieving No Poverty and Zero Hunger in Bangladesh," *International Journal of Advanced Research in Economics and Finance* 4, no. 3 (2022): 262–78.

²⁸ Johnny Ibrahim, *Teori Dan Metode Penelitian Hukum Normatif* (Malang: Bayumedia Publishing, 2005), P. 3.

legal provisions, both in factual contracts at each specific legal event.²⁹ This research uses an empirical legal research approach, as it examines the empirical aspects of the existence of Islamic philanthropic institutions in achieving SDGs, especially reviewing the enactment of Article 3 [b] of PR No.111/2022.

This research utilised both primary and secondary data. Primary data was collected from field sources, including archived documents and interviews with selected informants, chosen based on criteria set by the researchers. The focus of the data collection centred on Islamic philanthropic institutions, the SDGs, and the application of legal frameworks. In his book *Legal Research*, Peter Mahmud Marzuki explains that interviews, though considered non-legal materials, can be used as primary data if they are well-prepared by researchers addressing legal issues and are documented in written form.³⁰

For this research, the researcher developed interview questions guided by legal theories and phenomena to address the research objectives. These questions were specifically constructed with reference to Article 3(b) of Presidential Regulation No. 111/2022 and were divided into three core areas: SDG planning, implementation, and monitoring. To conduct interviews with informants, researchers used interview tools: a notebook, tape recorder, and camera. The following is a list of informants interviewed by researchers:

Table 1. Profile of Informants

Position	Informant	Document Code
Directorate of Empowerment of Zakat and Waqf, Ministry of Religion Republic of Indonesia	IFM	D01
Project Manager of Department IV Innovation Program, National Zakat Forum (FOZ)	DM	D02
Head of Department IV Innovation Program, National Zakat Forum (FOZ)	CW	D03
Manager of the Environmental	RK	D04

²⁹ Abdulkadir Muhammad, *Hukum Dan Penelitian Hukum* (Bandung: PT. Citra Aditya Bakti, 2004), P.40.

³⁰ Peter Mahmud Marzuki, *Penelitian Hukum*, ed. Ct. 2 (Jakarta: Kencana, 2008), P. 165.

Development Pillar, SDGs National Secretariat		
Programme Development Manager of LAZ Harfa	IB	D05
Executive Director of NU-Care LAZISNU	QC	D06
Head of Waqf Development Division of Dompot Dhuafa	AB	D07
LAZISMU Programme Manager	NA	D08
BAZNAS	PPID	D09

Source: Author's Analysis

The secondary data used in this research include laws, books, scientific articles, and other relevant supporting documents. However, the focus of the secondary data primarily centres on legal materials. This research specifically examines four regulations: Law No.23 of 2011 concerning Zakat; Presidential Regulation of Republic Indonesia Number 59 of 2017 concerning The Implementation of the Achievement of Sustainable Development Goals, Regulation the Minister of National Development Planning/Head of the National Development Planning Agency of Republic Indonesia Number 7 of 2018 concerning Coordination, Planning, Monitoring, Evaluation and Reporting on the Implementation of Sustainable Development Goals; Presidential Regulation of Republic Indonesia Number 111 of 2022 concerning The Implementation of the Achievement of Sustainable Development Goals.

Data analysis uses an analytical tool, Atlas.ti-an application software that assists researchers in organising, coding, and analysing research data in a structured and efficient manner. This software is capable of reading various types of data, such as audio, video data, image data, or written data (articles, books, survey data, or interview transcripts).³¹ Atlas.ti helps organise raw research data and provide data coding for each categorised data.³² Researchers

³¹ Roberto Franzosi et al., "Quantitative Narrative Analysis Software Options Compared: PC-ACE and CAQDAS (ATLAS.Ti, MAXqda, and NVivo)," *Springer*, 2012, P. 3222, <https://doi.org/10.1007/s11135-012-9714-3>.

³² Tabitha Hart and P E G Achterman, "Qualitative Analysis Software (ATLAS . Ti / Ethnograph / MAXQDA / NVivo)," *The International Encyclopedia of Communication Research Method*, 2017, P. 7, <https://doi.org/10.1002/9781118901731.iecrm0194>.

used data analysis and empirical-juridical approaches to explore more deeply positioning Islamic philanthropic institutions to achieve SDGs, followed by data analysis with Atlas.Ti software version 9.0. The results of the in-depth interviews were processed using Atlas.ti to find the right coding to describe research results in reference to existing legal practices, theories and facts.

Discussion

The role played by Islamic philanthropic towards the SDGs is inseparable from the programme goals that have been implemented. In fact, the programmes created by Islamic philanthropic institutions so far do not refer to the SDGs. This is because SDGs is an issue that was only raised by the world in 2015. Interestingly, several Islamic values influence the alignment of philanthropic with the SDGs. One such value is social justice (*al-'adl*), where Islamic philanthropic institutions use this value to ensure that their programmes do not only benefit a few but also reach a wide range of people, in line with the SDGs goals that focus on reducing poverty and inequality. Another Islamic value is concern for the general welfare (*Ummah*). The concept of *ummah* in Islam emphasises the importance of solidarity and collective responsibility for the well-being of society. Islamic philanthropic can leverage this value to design programmes that support health, education, and community welfare as part of the SDGs.

Islamic philanthropic in Indonesia has been running for a long time, based on the first zakat regulation (Law No.38/1999).³³ However, its role is large, as its programmes are in line with the SDGs. Programmes run by philanthropic institutions are currently responding to emergencies and solving social problems. Seeing this potential, the government acknowledges that achieving the SDGs targets cannot be accomplished by government efforts alone. Multisectoral parties, such as philanthropic organisations, are needed to assist the government. This realisation led to the issuance of Presidential Regulation No. 111/2022 concerning The Implementation of the Achievement of SDGs.

The involvement of Islamic philanthropic institutions to achieve the SDGs is outlined in regulations as guidelines. Specifically, the regulation serves as a

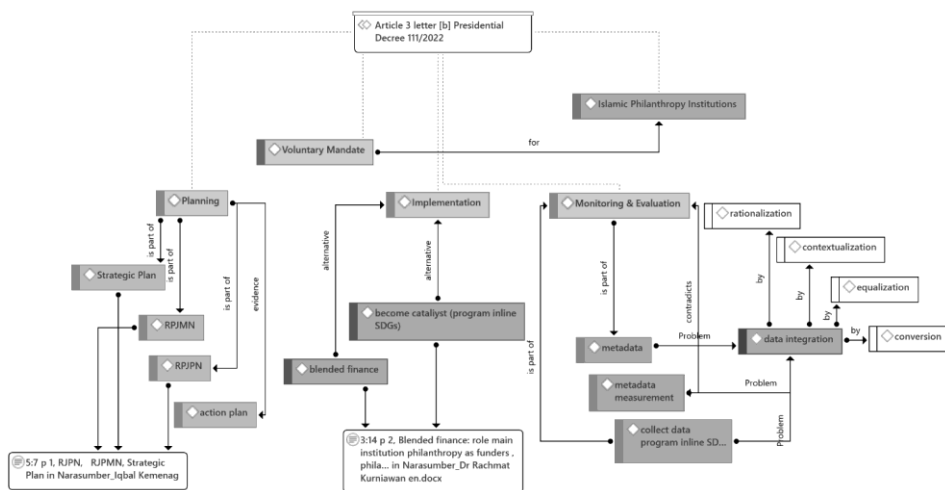
³³ Suciyani and Amrin, "Development of Sharia Economic Law in Indonesia (Positivation of Zakat Law)," P. 1335.

guideline for the implementation of SDGs by Islamic philanthropic institutions in terms of planning, implementation, monitoring and evaluation, as mentioned in Article 3 letter (b):

“The national SDG targets for 2024 as referred to in Article 2 paragraph (1) shall be used as: [b] a reference for CSOs, philanthropies, business actors, academics, and other stakeholders who will formulate SDG planning, implementation, and monitoring and evaluation.”

This research reveals the extent of the efforts made by Islamic philanthropic institutions to achieve the SDGs referring to the wording of article. The results of the data analysis presented focus on empirically reviewing the application of Article [3] letter [b] related to aspects of planning, implementation, monitoring and evaluation. The provisions of this article need to be explored empirically. The purpose of this analysis is to reveal the facts in the field (empirical legal aspects) of the implementation of the mandate stated in the article. The following are the results of Altas.ti data processing using open networking (Figure 1):

Figure 1. Results of Open Networking Analysis of Planning, Implementation, Monitoring and Evaluation of SDGs by Islamic Philanthropic Institutions in Indonesia



Source: Author’s Analysis

The results of Atlas.ti's networking analysis show an overview of efforts related to the implementation of planning, implementation, monitoring and evaluation as stated in the provisions of Article 3 letter [b] of Perpres 111/2022. However, the networking results show the positioning of Islamic philanthropic institutions regarding the implementation of the provisions of Article [3] letter [b] which states that the position of philanthropic institutions and SDGs is voluntary. This condition causes differences in the practice of planning, implementation, monitoring and evaluation stages for Islamic philanthropic institutions. The following is a detailed data presentation:

Compilation of Action Plans by Islamic Philanthropic Institutions as a Form Planning of SDGs

Presidential Regulation 111/2022 serves as a normative guideline for the planning process required to achieve SDGs. Effective and appropriate planning is essential, as it will lay the foundation for successful implementation. Article 3 (b) of the regulation outlines a comprehensive strategy, offering guidance on planning, implementation, monitoring and evaluation. Achieving the SDGs agenda must be planned, organised, controlled, and evaluated to measure progress. This approach ensures that efforts to meet SDG targets are effective and efficient.

Structurally, referring to the mandate of Presidential Regulation 111/2022, philanthropic is part of the TKN (National Coordination Team) and TKD (Regional Coordination Team). Article 10 paragraph [2] states:

“The national implementation team as referred to in paragraph [1] is led and known by one of the senior middle leaders at the ministry of national development planning with members consisting of elements of ministries/institutions, philanthropic, business actors, academics, and mass organisations.”³⁴

Nationally, as part of the TKN, Islamic philanthropic organisations participate in recommending policies and coordinating the implementation of

³⁴ Article 10 paragraph [2] “Presidential Regulation Number 111/2022 on the Implementation of the Achievement of Sustainable Development Goals,” n.d.

achieving the SDGs. Of course, as a member of TKN and POKJA, Islamic philanthropic has a role in the formulation of the action plan. The forms of involvement given to Islamic philanthropic organisations include:

First, Preparation of National Action Plan/ *Rencana Aksi Nasional* (RAN) and Regional Action Plan/ *Rencana Aksi Daerah* (RAD). The preparation of an action plan is a document that is directly related to the SDGs. The form of action plan is a necessary document in the preparation of programmes and activities and targets carried out related to the achievement of SDGs.³⁵ The programmes contained in the action plan activities are more detailed when compared to the RPJMN, where the document is inline with the targets of achieving the SDGs. The analysis using Atlas.ti (Figure 1) highlights the involvement of Islamic philanthropic institutions in the planning process, including their participation in drafting the National Medium-Term Development Plan (RPJMN), the National Long-Term Development Plan (RPJPN), and action plans at both national and regional levels. As part of the TKN (National Coordination Team), these institutions work alongside the National Development Planning Agency (Bappenas), the coordinator of SDGs implementation, to help shape these strategic plans. This aligns with the statement from the Manager of the Environmental Development Pillar at the SDGs National Secretariat, who explained: “Bapennas often invited Islamic philanthropic institutions to formulate RAN/RAD, implement actions, monitor and be included in the implementation of SDGs. However, because it is voluntary, it only provides mechanisms and direction. The method and implementation are left to the philanthropist. “The institutions we invite are BAZNAS, LAZISNU, LAZISMU, LAZ Harfa and many other philanthropists”³⁶

Field data reveals that Bapennas, as the coordinator, facilitates the formulation of RAN/ RAD. Researchers obtained samples of a national action plan submission from Dompot Dhuaafa and a regional action plan submission from LAZISMU (Figure 2). LAZISMU’s submission detailed 32 programmes

³⁵ Ferawati, “Sustainable Development Goals Di Indonesia: Pengukuran Dan Agenda Mewujudkannya Dalam Perspektif Ekonomi Islam.”

³⁶ “Interview Result with Dr. Racmat Kurniawan as a Manager of the Environmental Development Pillar, SDGs National Secretariat (Thrusday, 5 Oct 2023 on 01.15 Pm),” n.d.

outlined in the NAP with a varied distribution of programmes. Similarly, Dompét Dhuafa Riau's RAD submission (Figure 15) included the following details: a) goal 1 consists of 9 target indicators with 14 activities, b) goal 2 consists of 2 target indicators with two activities, c) goal 3 consists of 5 target indicators with seven activities, d) goal 4 consists of 2 indicators with two activities, e) goal 5 consists of 1 target indicator with one activity, f) goal 6 consists of 1 target indicator with one activity.³⁷

“The data reveals that Islamic philanthropic institutions have completed action plans at both the national and regional levels, adhering to the format provided by Bappenas. However, there is a notable difference in the submissions. While LAZISMU's national action plan does not specify the SDG target goals or indicators, Dompét Dhuafa's action plan includes both goals and corresponding indicators, aligning more closely with the SDG framework”.

Second, SDGs Elements in Islamic Philanthropic Institutions Action Plans. Action plans are a key part of an institution's.³⁸ The planning governance of zakat, *infaq*, *sadaqah*, and other religious social funds is contained in the Strategic Plan (Renstra) and Annual Budget Work Plan (RKAT). The preparation of these two planning documents is in accordance with the mandate of Law No.23/2011 in Article 7, which is to organise the functions of planning, collecting, distributing and utilising zakat. The position of the strategic plan as a medium-term planning document contains the vision, mission, policy direction, and key performance indicators (KPIs) within the scope of the zakat institution.

The planning form of the institution's strategic plan is included in the planning part of zakat management. This refers to BAZNAS Regulation No.1 of 2016 concerning Guidelines for Preparing Work Plans and Budgets. The action is included in the Zakat Management (OPZ) planning section by preparing a strategic plan. The making of the institution's strategic plan is carried out by referring to the vision and mission of the institution, followed by

³⁷ “Arcieve Document RAD Dompét Dhuafa,” n.d.

³⁸ R. Bali Swain and F. Yang-Wallentin, “Achieving Sustainable Development Goals: Predicaments and Strategies,” *International Journal of Sustainable Development and World Ecology* 27, no. 2 (2020): 96–106, <https://doi.org/10.1080/13504509.2019.1692316>.

a SWOT analysis. From this analysis, the institution's five-year strategic plan is made, as outlined, along with its goals and success indicators.³⁹

Several Islamic philanthropic institutions have incorporated SDG-related elements into their strategic action plans. For instance, field findings reveal that LAZ Harfa has integrated SDGs into its 2018–2022 strategic plan, with activities explicitly linked to SDG objectives. Similarly, LAZISMU has aligned its programmes with the SDGs. According to its 2021–2025 strategic plan, available on the LAZISMU website (<https://lazismu.org>), the institution has synchronised its programme pillars—covering economic, social outreach (*dakwah*), humanitarian efforts, and environmental initiatives—with SDG targets (Figure 4). These pillars represent LAZISMU's national priority programmes. This alignment demonstrates a practical reconceptualisation of SDG goals.

From a legal perspective, the involvement of Islamic philanthropic institutions in planning to achieve the SDGs, as outlined in Article 3(b), has been implemented. The efforts of these institutions are congruous with their professional responsibilities, as stipulated in Article 13(1) of BAZNAS Regulation No. 1/2018 concerning the Code of Ethics for Amil Zakat. This regulation requires *amil zakat* to develop plans that align with the institution's vision, mission, and policies.⁴⁰ The integration of SDG programmes into the strategic plans of these institutions reflects their commitment to incorporating these goals into their organisational policies.

The results of this study are in line with research Jaenudin, M & Harianingrum, S (2022)⁴¹ implying that the existence of LAZ plays a role in supporting the SDGs. They also strengthen the work of Rejab, et.all (2022)⁴² emphasising that the achievement targets of the SDGs require the participation

³⁹ Direktorat Kajian dan Pengembangan BAZNAS, *Pengelolaan Zakat Menurut Syariah Dan Perundang-Undangan* (Jakarta: Pusat Kajian Strategis Badan Amil Zakat Nasional, 2023), P. 38.

⁴⁰ Bunyi Pasal 13 ayat [1] “Peraturan Badan Amil Zakat Nasional No.1 Tahun 2018 Tentang Kode Etik Amil Zakat,” n.d.,

⁴¹ M Jaenudin and Sri Herianingrum, “ZAKAT , INFAQ , SADAQAH ON MUSTAHIK INCOME TO REALIZE NO POVERTY IN INDONESIAN ZAKAT INSTITUTION,” *JEBIS: Jurnal Ekonomi Dan Bisnis Islam* 8, no. 1 (2022): P. 136, <https://doi.org/10.20473/jebis.v8i1.36360>.

⁴² Rejab et al., “Can Zakat Realize the Sustainable Development Goals (SDGs)?,” P. 3834.

of zakat institutions due to the link between their efforts and the SDGs. Furthermore, this study supports the conclusions of Madjakusumah, Zarfi, A (2019)⁴³ which stress the need for *ziswa* funds in philanthropic institutions to be maximised for other important agendas with well-targeted programmes. Therefore, this research shows the participation efforts of Islamic philanthropic institutions that empirically carry out the mandate of Article 3 [b]. This participation is part of the institution's compliance with the mandate law.

Implementation of SDG Programmes in Line with SDG targets according to the Action Plan

First, Alternative Financing Sources. Presidential Regulation No.111/2022 encourages Islamic philanthropic as a non-governmental actor to provide more participation through its contribution to the financing gap in the implementation of SDGs. Islamic philanthropic can play a role in terms of innovative financing development..⁴⁴ These efforts can be made to encourage the achievement of sustainable development goals and expand the portion of government cooperation with business entities to reduce the burden of government funding contributions. Thus, it is expected that in the future many public investments can be funded from a mix of various funding sources (blended finance)⁴⁵ for greater utilisation activities.

The results of the networking analysis (Figure 1) show that the implementation aspect is a catalyst and is closely related to the financing aspect. The mandate of Article 3 [b] of Presidential Regulation 111/2022 related to implementation places Islamic philanthropic institutions as funders. As expressed by the Manager of the Environmental Development Pillar, the National Secretariat of SDGs explained: "There are 17 SDGs, 167 targets and 289 indicators. To cover the financing gap in SDGs funding. During Mapping (the government cannot just reach it immediately). It turns out there is a

⁴³ Adil Zarfi, "The Integration of Awqaf, Zakat and Crowdfunding in Islamic Microfinance Framework: Focus on Moroccan Case," *Recherches et Applications En Finance Islamique* 3, no. 1 (2019): P. 45.

⁴⁴ Gunawan Baharuddin and Bayu Taufiq Possumah, "Blended Finance and the Role Of Waqf Bank: Shaping the SDGs in Indonesia," in *Wealth Management and Investment in Islamic Settings* (Springer Nature Singapore Pte Ltd, 2022), <https://doi.org/10.1007/978-981-19-3686-9>.

⁴⁵ Baharuddin and Possumah.

funding gap, now this funding gap must be filled, must receive support from philanthropic. Blended finance: the main role of philanthropic institutions as funders, philanthropic funds can be a catalyst, or to attract and initiate investment, especially in the private sector”⁴⁶

The interview results show that Islamic philanthropic institutions became as a problem solving to overcome the financing gap. One of the alternatives to overcome this problem is the blended scheme. Blended finance is a form of mixed funding for development financing.⁴⁷ The field findings reveal that blended finance is often done by BAZNAS. Because on a national scale, the financing potential of BAZNAS is very large. Several alternative blended finance schemes were carried out by BAZNAS and other institutions.

The search conducted by researchers has found that several blended financing run by BAZNAS includes: 1) BAZNAS cooperation programme with the Ministry of Public Works and Public Housing (PUPR) for the Liveable Housing Provision project, with 90986 units 2) BAZNAS and *Dana Desa* (village fund) cooperation programme for ZCD (Zakat Community Development) programme with blended finance between Village-Owned Enterprises (BUMDes) and zakat funds. The cooperation programme was conducted by BAZNAS and related ministries. Even BAZNAS succeeded in issuing the BAZNAS RLTH Programme Guidebook as a guide for LAZ or other BAZNAS that will adhere to the same scheme. These various data show the success of the blended financing scheme carried out by the BAZNAS Islamic philanthropic institution.

Juridically, the form of involvement of Islamic philanthropic institutions in the blended financing scheme, as has been done by BAZNAS (from the data results), is compliant with SDG regulations. Article 18 paragraph [2] of Perpres 111/2022 states that ‘other legal and non-binding sources as referred to in paragraph [1] letter c can be in the form of innovative funding.’⁴⁸ The provisions of the article can be understood that Islamic philanthropic funds are included in

⁴⁶ “Interview Result with Dr. Racmat Kurniawan as a Manager of the Environmental Development Pillar, SDGs National Secretariat (Thursday, 5 Oct 2023 on 01.15 Pm).”

⁴⁷ Farahdina Al Anshori, Roy Valiant Salomo, and Retno Kusumastuti, “Understanding Blended Finance: How Different Definitions of Blended Finance Result in Different Inputs and Outputs and What to Expect,” *Technium Social Sciences Journal* 44 (2023): 379–97.

⁴⁸ Ketentuan Bunyi Pasal 18 ayat [2] “Peraturan Presiden Nomor 111 Tahun 2022 Tentang Pelaksanaan Pencapaian Tujuan Pembangunan Berkelanjutan.”

the category of other legal sources, because they are outside the APBN and APBD. However, the problem lies in the regulation of zakat, *infaq*, and *sadaqah*, which is not ready to be accepted because the blended financing scheme has not been regulated in the provisions of the regulation. The existing regulation on *ziswa*f only regulates the use of bonded funds for *asnaf* and dubious programmes. Meanwhile, the blended financing scheme involves two or more organisations to involve each other in the utilisation of the funds. Therefore, a new and strong regulation is needed to promote such schemes in Islamic philanthropic institutions.

In particular, efforts to strengthen regulations to support the actualisation of blended schemes can be made by establishing special laws that comprehensively regulate blended finance. Until now, there is no legal regulation that specifically regulates blended finance schemes. Therefore, this scheme run by BAZNAS only refers to Law No.23/2011 and Law No.9/1961. In the case of *waqf*-blended finance, there is no regulation that can regulate it specifically. This includes building regulations that are flexible enough to accommodate various innovative blended financial models in accordance with the changing times.

The results of this study criticise research Khanifa, N (2018)⁴⁹ asserting that Islamic philanthropic institutions in optimising philanthropic funds need to be supported to increase the scope of the achievement of the SDGs because the support of fund participation for the scope of the achievement of the SDGs must consider the existing regulatory aspects so that the path of participation support remains within the applicable legal corridors. The results of this study are also in line with research Maulida & Rahmatullah (2018)⁵⁰ asserting that proper management of zakat funds is needed to determine the direction of a successful institution's programme.

⁴⁹ Nurma Khusna Khanifa, "Penguatan Peran Ziswa Dalam Menyongsong Era SDGs Kajian Filantropi BMT Tamzis Wonosobo," *CAKRAWALA: Jurnal Studi Islam* 13, no. 2 (2018): P. 151.

⁵⁰ Sri Maulida and Akhsanul Rahmatullah, "The Implementation of Indeks Desa Zakat (IDZ) for Priority Areas of the Zakat Community Development (ZCD) Program for the Empowerment of Productive Mustahiq in South Kalimantan," *International Journal of Zakat* 3, no. 3 (2018): P. 89.

This research is also in line with Zarfi (2019)⁵¹ Hariyanto, et.all (2020)⁵² mentioning that *zakat*, *infaq*, *sadaqah*, and *waqf* are self-financing. Financially, Islamic philanthropic institutions can independently manage, collect and distribute their funds, allowing alternative management of *ziswaqf* fund utilisation to be used for any programme and scheme, but it must remain in accordance with its sharia objectives, as stated in Article 25 of Law No.23/2011.

Second, 'Programme follows Money' through mobilisation scheme of all Islamic philanthropic programs that are in line with SDGs (As a Catalyst). The analysis of Atlas.ti data networking (Figure 1) highlights programme implementation as a catalyst for achieving SDGs. Field findings reveal that implementing SDG programmes using a blended financing scheme is feasible primarily for institutions with sustainable fundraising capabilities, such as BAZNAS or LAZ, which have established extensive partnerships. As a result, these institutions play the role of programme catalysts, driving SDG initiatives forward. This aligns with insights shared from the Directorate of Empowerment at the Indonesian Ministry of Religion: "Alternatives for implementing SDGs as an option given by the implementing committee, there are two patterns that are built, first, all funds for the program or in other words, money follows the program, but not all institutions can, because it's difficult, in terms of funding it cannot be fixed year by year. The amount of funding raised fluctuates."⁵³

This perspective highlights the need for an alternative approach, shifting from the traditional '*money follows programme*' model to '*programme follows money*.' The performance of Islamic philanthropic institutions often fluctuates due to their reliance on fundraising, making it challenging to project consistent outcomes.⁵⁴ This critique underscores that viewing these institutions solely as funders is an oversimplification. Currently, the focus remains primarily on

⁵¹ Zarfi, "The Integration of Awqaf , Zakat and Crowdfunding in Islamic Microfinance Framework : Focus on Moroccan Case." P. 43

⁵² Hariyanto et al., "Effectiveness of the Economic System to Zakat and Waqf for Empowerment of the Ummah in Indonesia." P. 1992

⁵³ "Interview Result with Iqbal Faldi Muhammad as a Directorate of Empowerment Zakat and Waqf, Ministry of Religion Republic Indonesia (Wednesday, 4 Oct 2023 on 04.15 Pm)," n.d.

⁵⁴ Ahmed Tahiri Jouti, "An Integrated Approach for Building Sustainable Islamic Social Finance Ecosystems," *ISRA International Journal of Islamic Finance* 11, no. 2 (2019): 246–66, <https://doi.org/10.1108/IJIF-10-2018-0118>.

financing, but Islamic philanthropic has the potential to act as a catalyst for broader development. Strengthening databases and measurement frameworks is crucial to its success, ensuring that programmes are well-aligned and their outputs and outcomes are effectively evaluated. If the government embraces this approach, achieving SDG targets will become more attainable.

Article 3(b) positions philanthropic institutions primarily as funders in terms of implementation. However, the role of Islamic philanthropic institutions differs significantly from that of other organisations. The implementation model outlined in the article, known as '*money follows programme*,' is not well-suited to the unique nature of these institutions. Applying this approach to Islamic philanthropic organisations is unlikely to be effective..

Islamic philanthropic institutions, by their nature, do not explicitly follow the SDGs framework, as their programmes already incorporate sustainability principles and are designed for the long term, surpassing the SDGs' 2030 target. Since its inception, the SDGs Agenda has centred around private sector involvement. Interestingly, most programmes run by Islamic philanthropic institutions naturally align with the SDGs. This alignment is rooted in the fundamental regulations governing *ziswaf* institutions, which shape the pillars of distribution and utilisation of *ziswaf* funds, as outlined in Article 7 of Law No.23/2017.

However, the programmes that have been created by Islamic philanthropic institutions in Indonesia are not recorded by the state. The form of programme action that has been running in line with the SDGs has not yet reached the results of rigorous measurement. This condition causes the need for adjustments from Islamic philanthropic institutions. In line with research by Sjaf et al. (2021), achieving SDG targets requires the role of various parties to alleviate economic, social and environmental problems in the area.⁵⁵

The government should take advantage of the proper integration of SDG programmes with Islamic philanthropic institutions. The government, through regulations, can place Islamic philanthropic institutions as an alternative

⁵⁵ Sofyan Sjaf et al., "Measuring Achievement of Sustainable Development Goals in Rural Area : A Case Study of Sukamantri Village in Bogor District , West Java , Indonesia Mengukur Pencapaian Tujuan Pembangunan Berkelanjutan Di Pedesaan : Studi Kasus," *Sodality: Jurnal Sosiologi Pedesaan* 09, no. 02 (2021): P. 17.

evidence-based policy. This means that the government, with its policy power, can determine the direction of policy communication at all levels. It is essential for the government to consider the evidence generated by programmes implemented by Islamic philanthropic institutions. These organisations can play a crucial role in collecting evidence of programmes on the problems of existing cases. This approach would enhance productivity and serve as a basis for determining budget allocations, shaping programme strategies, setting targets, and identifying appropriate segments.

Monitoring and Evaluation by Synchronization the Compilation of Islamic Philanthropic, SDGs Matrix and Metadata Measurement

This research reveals that the monitoring and evaluation aspects are primarily undertaken by institutions that have completed the RAN and RAD documentation, such as BAZNAS, LAZISMU, LAZ Harfa, and LAZISNU. Institutions that do not complete these documents are found to lack engagement in the reporting process. An analysis of the existing data indicates that only a portion of BAZNAS and LAZ institutions are actively and administratively involved in contributing to the achievement of the SDGs.

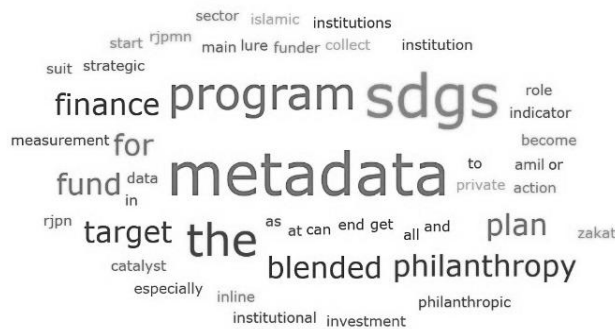
The monitoring and evaluation aspect is closely related to the database in the form of filling in the measurement work matrix with an output in the form of a graphical report on SDGs achievements. Field findings reveal that various zakat institutions have difficulty filling out the self-assessment form to recapitulate programme achievements. Not much different from the action plan form, the evaluation form of Islamic philanthropic institutions also experienced difficulties because many of the Islamic philanthropic institutions lack literacy related to this issue and are considered too complicated. This is in accordance with the statement of Disya Marianty as a Project Manager of Department IV Innovation Program, National Zakat Forum / Forum of Zakat Organisations (FOZ) who stated:

“Related to reporting and monitoring format forms. The government has actually issued monitoring and evaluation guidelines. However, when zakat institutions want to fill in the format, there are still gaps, the translation is not yet appropriate for zakat institutions. Reporting at zakat institutions is more rigorous than SDGs. So the problem here is the "terminology," which still has a gap. For example, output in zakat institutions is measurable or

rigorous, whereas in SDGs, output is goals. This gap needs to be translated”.⁵⁶

The interview findings highlight challenges in the monitoring and evaluation process, particularly regarding reporting. An issue lies in the gap between the intended outputs of zakat institutions and the need for measurable, well-structured programmes. When examining the form, these outputs are directly tied to specific goals. The word cloud analysis from Atlas.ti (Figure 4) reveals that SDG measurement metadata is the most frequently discussed topic among informants. This emphasises the critical importance of a robust measurement database in driving progress toward achieving the SDGs.

Figure 2. Word Cloud Problem Metadata



Source: Authors 'Analysis

In a simple explanation, the measurement matrix needs to be adjusted. Data conversion is needed by Bapennas for the SDG measurement matrix with the programmes of Islamic philanthropic institutions. Existing programme monitoring and evaluation processes remain constrained, particularly in completing the reporting matrix required to assess the achievement of the SDGs. This points to the need for better systems to track progress. Establishing a better system for programme monitoring and evaluation is crucial, including training staff on how to fill in the reporting matrix and assess the programme's impact on the SDGs. Meanwhile, rationalisation of the matrix form is also needed to make it easier for Islamic philanthropic institutions to fill in the form of monitoring

⁵⁶ “Interview Result with Disya Marianty as a Project Manager of Department IV Innovation Program, National Zakat Forum/ Forum Organisasi Zakat (FOZ) (Tuesday, 2 Oct 2023 on 9 a.M),” n.d.

and evaluation for SDG achievements. The goal of the conversion and rationalisation measurement matrix is to record all programs run by Islamic philanthropic institutions.

Philanthropic institutions face challenges in fulfilling the requirements of Article 3(b) regarding the monitoring and evaluation process. This process focuses on assessing the outputs and outcomes of programmes developed by Islamic philanthropic institutions. Monitoring the implementation of action plans (RAN/RAD) is designed to evaluate the extent to which these plans have been executed, a task overseen by Bappenas as mandated by Article 6 of Presidential Regulation No. 111/2022. Additionally, the evaluation process aims to measure the metadata of the SDGs within the programmes of Islamic philanthropic institutions, particularly focusing on the effectiveness of programme implementation in achieving SDG targets. This highlights the need for robust mechanisms to track and measure progress effectively.

Islamic philanthropic organisations should remain involved in the reporting process, as Article 3(b) mandates their participation in monitoring and evaluation through reporting. The mechanism for monitoring and evaluating non-government entities—such as community organisations, media, businesses, philanthropic actors, and academics—differs significantly from government processes. Unlike government initiatives, programmes and activities carried out by non-government parties to support the SDGs are voluntary, and their reporting mechanisms reflect this voluntary nature. Although participation is voluntary, the reporting of programmes and activities must still be accountable, as outlined in the provision of Article 16 paragraph [1] of Presidential Regulation No.111/2022:

“The results of the implementation national SDG targets for 2024 as referred to in Article 15 paragraph (3) shall be the material for reporting Indonesia's SDG achievements at the regional and global levels every year.”⁵⁷

The earlier data reveals that Islamic philanthropic institutions face significant challenges in completing the evaluation matrix and measurement metadata. This issue presents its own set of obstacles, as it is unrealistic to expect

⁵⁷ Provisions of Article 16 paragraph [1] "Presidential Regulation Number 111 of 2022 concerning the Implementation of Achieving Sustainable Development Goals."

Bappenas to revise the measurement matrix specifically for these institutions. To address this, advocacy efforts are essential to bridge the gap. One such effort is being led by FOZ, which is working to adapt and streamline the SDG programme measurement matrix for Islamic philanthropic institutions. Currently, FOZ is focused on developing and standardising measurement tools to serve as effective materials for monitoring and evaluation. This process naturally involves collaboration with experts, including those from Bappenas.

The results of this study are in line with Pomaty, M & Nandy, S (2020)⁵⁸ implying that monitoring and evaluation are positioned to see the achievements of the planned program. The monitoring and evaluation process is carried out not only to see the achievements of the SDGs but also to see the form of problems or obstacles in the field. This study is also in line with Bidarbakhtnia's research, A (2020)⁵⁹ which confirms that the measurement data matrix has various different methods, so its form needs to be simplified to facilitate the measurement of SDG impacts.

The findings of this study align with the research by Giri and Chaparro (2023), which highlights the critical role of SDG measurement in evaluating performance indicators and serving as a basis for outcome evaluation.⁶⁰ Similarly, they reflect the conclusions of Ejarcude & Campos (2022), emphasising the need for integrated databases. Such integration is essential to consolidate data on the achievements of programmes run by Islamic philanthropic institutions. To achieve this, efforts must focus on rationalising and contextualising the SDG measurement and evaluation matrices used by Bappenas, tailoring them to the specific conditions of Islamic philanthropic institutions. The goal is to produce SDG reports from these institutions that are formally recognised by the government. Empirically, there is still a need to simplify the Bappenas matrix to make it more accessible for institutions like LAZ, as the existing format is perceived as complex. Developing a more practical and straightforward

⁵⁸ Marco Pomati and Shailen Nandy, "Measuring Multidimensional Poverty According to National Definitions: Operationalising Target 1.2 of the Sustainable Development Goals," *Social Indicators Research* 148, no. 1 (2020): P. 106, <https://doi.org/10.1007/s11205-019-02198-6>.

⁵⁹ Arman Bidarbakhtnia, "Measuring Sustainable Development Goals (SDGs): An Inclusive Approach," *Global Policy* 11, no. 1 (2020): P. 56, <https://doi.org/10.1111/1758-5899.12774>.

⁶⁰ Felipe Suárez Giri and Teresa Sánchez Chaparro, "Measuring Business Impacts on the SDGs : A Systematic Literature Review," *Sustainable Technology and Entrepreneurship*, 2023, P. 39 <https://doi.org/10.1016/j.stae.2023.100044>.

measurement matrix is vital to address this challenge and enable Islamic philanthropic institutions to align with SDG monitoring and evaluation requirements effectively.

Conclusion

The mandate outlined in Article 3(b) regarding the planning, implementation, monitoring, and evaluation of SDG initiatives within Islamic philanthropic institutions can be summarised as follows: a) **Planning:** Islamic philanthropic institutions are involved in preparing the National Medium-Term Development Plan (RPJMN) and the National Long-Term Development Plan (RPJPN), as well as national and regional action plans. Additionally, SDG elements are incorporated into their strategic plans; b) **Implementation:** The current implementation efforts are not yet fully optimised, as these institutions are primarily positioned as funders. Blended financing schemes, such as those utilised by BAZNAS, can be adopted to enhance their role. Alternative strategies for implementing SDG programmes should also be explored; c) **Monitoring and Evaluation:** These institutions face challenges in the monitoring and evaluation process, particularly in adapting to the SDG measurement matrix standards established by Bappenas. This calls for efforts to simplify and convert these standards to better suit the operational realities of Islamic philanthropic institutions. However, the analysis underscores the significant contributions of Islamic philanthropic institutions to achieving the SDGs.

This research offers several recommendations for policymakers and stakeholders to advance the SDGs. These include reformulating zakat regulations to better support SDG initiatives and fostering multisector collaboration among Islamic philanthropic institutions, the government, and the private sector to design and implement programmes in line with the SDGs. Strengthening blended financing programmes is also highlighted as a critical step. However, the study has certain limitations. The informant samples are restricted to *ziswa*-based Islamic philanthropic institutions operating at the national level. In terms of regulatory analysis, the research focuses solely on Presidential Regulation No. 111/2022 and does not encompass the broader regulatory framework. Additionally, the exploration of legal theory remains relatively narrow in scope.

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