BAITUL MAL ACEH/GLOW 2026

From Traditional Waqf to a Sovereign Social Fund: Inclusive growth and economic resilience through Aceh's waqf ecosystem

A Conceptual Vision for BMA's Institutional Transformation

Fahmi M. Nasir, Commissioner of Baitul Mal Aceh (2025-2030)

Aceh’s Waqf Heritage

A foundation for contemporary institution building

01

Habib Bugak Asyi

Enduring generosity connecting Aceh and Makkah

02

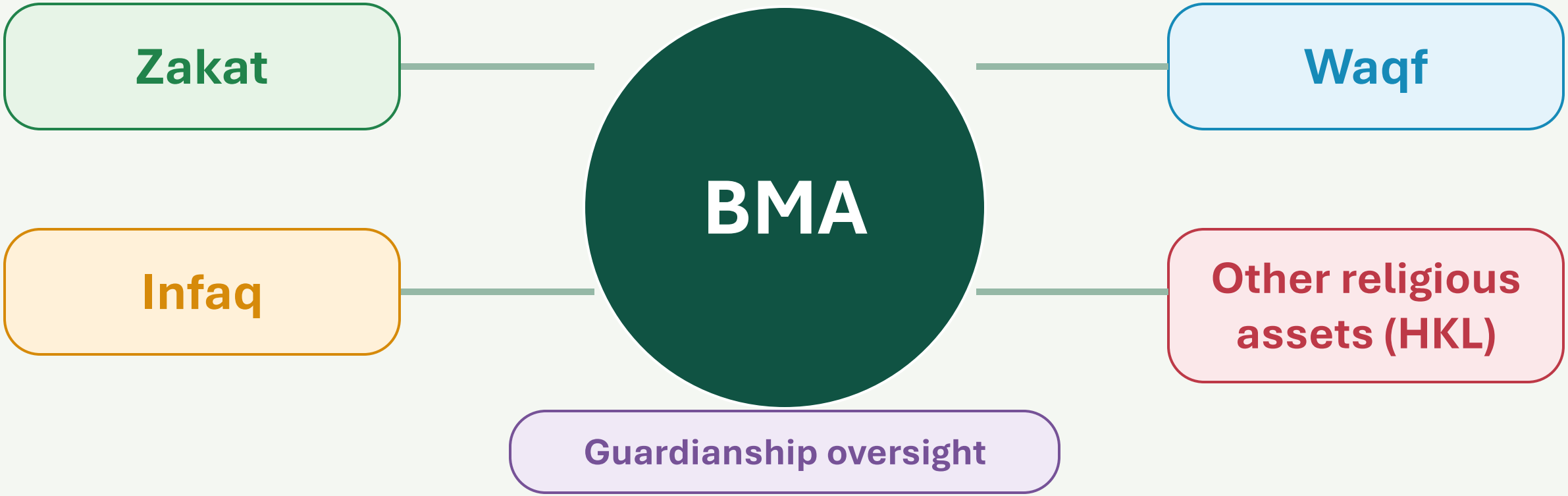
Al-Muslim Peusangan

Waqf and educational institution building

Heritage guides purpose. Feasibility guides each new project.

BMA's Institutional Transformation

Distinct mandates within one development agenda



Enabler, catalyst and development hub

Implementation cycle

Community service, public benefit and continuous improvement



1. Service, outreach & advocacy
2. Zakat & infaq collection
3. Waqf & HKL management
4. Planning, verification & approval
5. Distribution & empowerment
6. Guardianship oversight
7. Monitoring & supervision
8. Evaluation, reporting & transparency
9. **Service improvement**

Community and partners participate throughout the cycle

Governance within the cycle

Clear responsibilities support accountable delivery

1 DPS

Sharia advice and oversight

2 Board of BMA

Policy and programme direction

3 Secretariat

Administration and operations

Accountable programme delivery

Shared objectives, separate accounts and applicable rules

Aceh’s transformation architecture

Four initiatives with complementary institutional roles

1

GAB

Ecosystem coordination

Launched

2

DAWA

Long-term endowment capital

Proposed

3

BMA Institute

Knowledge and professional capacity

Proposed

4

AWS

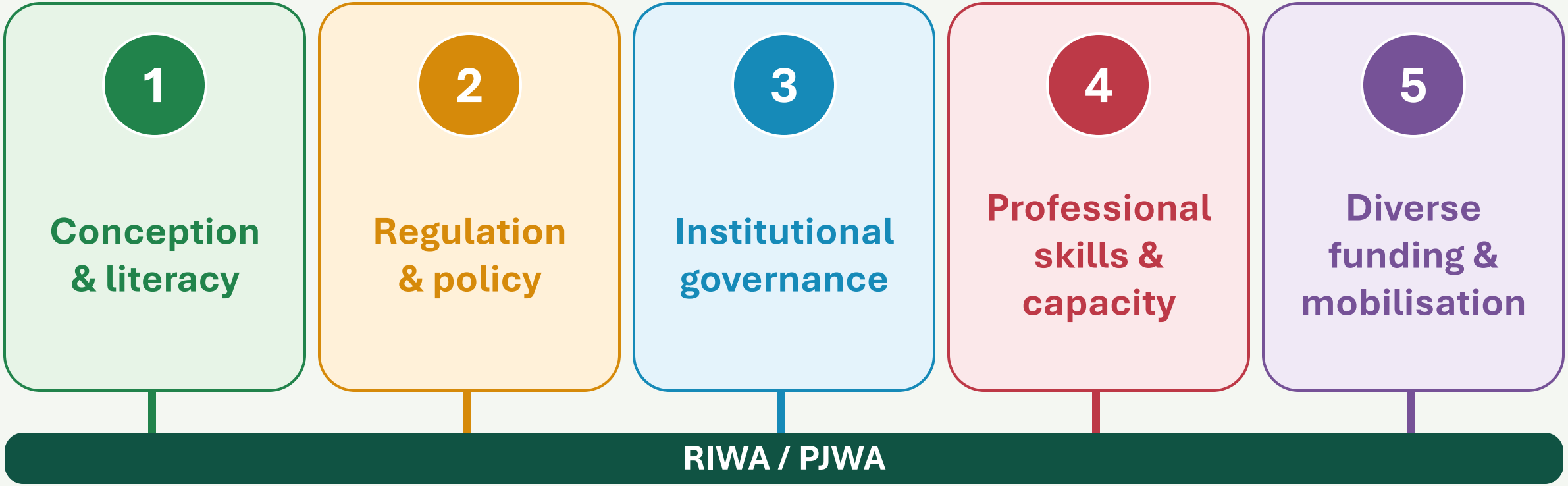
Policy dialogue and global partnerships

2025 experience / 2026 agenda

BMA coordinates the wider transformation agenda

GAB’s five ecosystem pillars

The Aceh Waqf Movement launched on 16 March 2025



Verified waqf data and digital infrastructure support implementation

DAWA’s proposed endowment model

Institutional discipline for intergenerational social capital

From oil wealth to waqf: Building intergenerational social capital



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Banda Aceh/Jakarta

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At the 2026 FIFA World Cup, Norway captured global attention with the “Viking Row”. Thousands of supporters moved in unison, mimicking the rhythmic pull of oars on a longship —a striking display of shared purpose that became one of the soccer tournament’s defining images.

Yet Norway possesses another, far more consequential legacy of collective discipline. For decades, generations of Norwegians have effectively rowed their national wealth in the same direction through the Government Pension Fund Global (GPFG), now one of the world’s largest sovereign wealth funds.

What can Indonesia learn from this model? Substantially more than the disparity in revenue sources might suggest.

Norway transformed finite petroleum windfalls into durable financial assets designed to serve posterity. Indonesia possesses its own vehicle for intergenerational capital, deeply embedded in domestic culture and Islamic legal traditions, namely waqf.

The objective is not to duplicate Norway’s exact asset allocation. Rather, Indonesia should adopt the underlying institutional principles that drove Norway’s success: patient capital accumulation, rigorous separation of policy setting from professional asset management, operational cost controls and uncompromising public accountability.

Indonesia does not lack philanthropic impulse. A 2026 national survey by the Social Trust Fund (STF) at Syarif Hidayatullah State Islamic University Jakarta estimated annual religious giving—comprising zakat, *infaq*, *sadaqah* and waqf—at Rp 343 trillion (US$19 billion). However, because these instruments serve distinct legal and socioeconomic purposes, only a fraction can function as permanent capital. The core policy challenge is expanding long-term social endowments alongside necessary, direct relief.

Historically, waqf has underwritten Indonesian mosques, boarding schools, universities and healthcare facilities. In recent years, the market has introduced modern financial instruments, including Cash Waqf Linked Sukuk (CWLS) and Cash Waqf Linked Deposits (CWLD). The next step is scaling these foundational achievements.

Too often, public discourse fixates on headline mobilization figures rather than asset productivity, risk management and sustained social yield. Fundraising asks what can be gathered within a single fiscal year; fund-building determines how much productive capital can be accumulated over 20, 50 or 100 years.

While waqf assets must strictly adhere to sharia jurisprudence, statutory regulations and specific donor mandates, the mechanics of portfolio diversification, transparent disclosure and disciplined distribution policies remain universally applicable.

Aceh is uniquely positioned to pilot this transition. Through the Aceh Waqf Movement (GAB), coordinated by Baitul Mal Aceh (BMA), the province exercises an integrated mandate over zakat, *infaq*, waqf and other religious assets (*harta keagamaan lainnya*). This unified framework allows policymakers to harness complementary instruments while maintaining strict administrative firewalls between asset classes.

A central initiative within this strategy is the proposed Aceh Waqf Fund (DAWA). Under BMA’s leadership, DAWA could serve as an institutional aggregator for cash waqf, corporate and institutional endowments, diaspora capital and eligible community contributions. Governance arrangements must ensure that asset segregation rules remain uncompromised, with distribution covenants honored precisely as stipulated by endowers (*waqif*).

Deployment could initially center on liquid, sharia-compliant sovereign and corporate instruments, gradually expanding into direct, income-generating real assets as institutional capacity, underwriting expertise and risk management mature. Returns could then provide predictable, perpetual funding streams for higher education scholarships, preventative health care, micro-enterprise capitalization and ecological restoration.

DAWA’s viability, however, will hinge on its structural design rather than its conceptual appeal.

In the Norwegian framework, the *Storting* (parliament) establishes the statutory parameters, the Ministry of Finance sets the investment benchmark and asset-class constraints, and Norges Bank Investment Management executes operations independently.

DAWA requires a comparable architecture adapted to Indonesian law. Its governing statutes must clearly delineate BMA’s supervisory jurisdiction, the fiduciary obligations of certified endowment managers (*nazhir*), the operational autonomy of accredited investment professionals and the oversight of sharia supervisory boards and external auditors.

Crucially, this governance model must be insulated from local electoral shifts. Capital designated for unborn generations cannot be deployed to resolve short-term political exigencies.

Preserving principal also entails more than a legal ban on asset liquidation: inflation, operational drag and market volatility can erode nominal assets just as rapidly. DAWA will require conservative spending rules, strict liquidity covenants and risk parameters designed to maintain purchasing power in real terms. Reporting standards must encompass net performance, fee drag, systemic risk exposure and audited social impact indicators.

If successfully executed, the Aceh model can provide an operational blueprint for regional governments, state and private universities, healthcare networks and broader philanthropic institutions across Indonesia.

Norway’s collective row succeeded because an entire society committed to a shared, distant horizon. Indonesia now faces a similar structural imperative: assembling government, professional *nazhir*, institutional investors, academia and civil society behind an integrated agenda that transforms generosity into perpetual, productive wealth.

Norway turned finite hydrocarbons into financial resilience. Indonesia’s primary endowment is different, but the institutional lesson is identical: National prosperity lasts only when society builds structures capable of safeguarding wealth across generations.

By fusing Islamic endowment principles with institutional-grade management, Aceh and Indonesia alike can demonstrate how to turn ancient traditions of charity into modern engines of permanent prosperity.

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1 Eligible capital

Purpose and terms

2 Professional management

Sharia, risk and liquidity

3 Sustainable distribution

Benefits and capital resilience

GPFG informs discipline. DAWA requires its own legal design.

Data and BMA Institute

Reliable information and professional capacity



1

Digital infrastructure

Asset records, project monitoring and financial reconciliation



2

BMA Institute

Nazhir training, applied research and institutional learning

Better information and stronger capacity improve decisions

Implementation challenges

Funding pressure and delivery capacity require attention together

Collection pressure	→	Realistic forecasts and programme priorities
Delivery delays	→	Ready projects and clear responsibility
Waqf capacity gaps	→	Reliable data and professional managers

Timely delivery with eligibility checks, controls and outcome reporting

Development direction 2027–2030

Mandates and sustainable public benefit



1

Zakat & infaq

Collection, payer data and empowerment outcomes



2

Waqf & endowment

Productive waqf, cash waqf and DAWA



3

HKL & guardianship

Legal clarity, asset development and oversight

Zakat and infaq remain integral to BMA’s transformation

Development direction 2027–2030

Data, knowledge and partnerships



4

Data & digital

Integrated records, digital services and management dashboards



5

Knowledge & partnership

Research, staff capacity, BMA Institute and national / global networks

Stronger foundations for wider and more sustainable public benefit

Aceh Waqf Summit 2026



Waqf, Endowment and Sovereign Wealth Funds

Redefining Sustainable Financing for the Muslim World

Proposed AWS 2026 theme

Technical dialogue, project preparation and research partnerships

A collaboration agenda for Aceh

Governance, a demonstrable pilot and professional capacity



1

DAWA governance

Investment policy and fiduciary responsibilities



2

Productive waqf pilot

Feasible project with demonstrable benefits



3

Professional capacity

Nazhir development and applied research

Explore collaboration through GAB and Aceh Waqf Summit

Let’s collaborate

Five partner groups for wider public benefit

1 Government & public institutions

Policy, programmes, data and empowerment

2 Business & banking

CSR, zakat, waqf, investment and digital

3 Universities & research

Research, education and capacity

4 Philanthropy & NGOs

Social programmes, empowerment and relief

5 National & global partners

Islamic social finance and knowledge exchange

BMA welcomes partners to turn entrusted resources into public benefit

Areas for collaboration

Shared opportunities across BMA's ecosystem

1 Zakat

Collection and impact

2 Waqf

Assets and endowment

3 Empowerment

Livelihoods and independence

4 Research

Knowledge and innovation

5 Digital

Data and technology

6 Fundraising

Partnerships and resources

Partnership opportunities through GAB and Aceh Waqf Summit