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The Role of Cash Waqf-Linked Sukuk as a Sustainable Financing Instrument in Supporting National Economic Development

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ABSTRAK

Indonesia menghadapi kesenjangan pembiayaan pembangunan nasional yang terus berlanjut, di mana instrumen fiskal konvensional dan utang komersial saja tidak mampu menutup kebutuhan tersebut, khususnya untuk mendukung pembangunan infrastruktur sosial dan agenda pertumbuhan inklusif yang sejalan dengan Sustainable Development Goals (SDGs). Cash Waqf-Linked Sukuk (CWLS) muncul sejak tahun 2020 sebagai instrumen keuangan Islam hibrida yang mengintegrasikan pembiayaan sosial dan komersial dengan menyalurkan dana wakaf uang yang pokoknya tetap terlindungi ke dalam sukuk negara, sehingga menghasilkan aliran imbal hasil berkelanjutan untuk mendukung program-program sosial yang produktif. Artikel ini mensintesis dua puluh lima sumber ilmiah terkini (2021–2026) untuk mengkaji bagaimana CWLS berfungsi sebagai mekanisme pembiayaan berkelanjutan yang mendukung pembangunan ekonomi nasional. Penelitian menggunakan metode tinjauan pustaka deskriptif kualitatif, dengan dokumen yang diseleksi, diklasifikasikan, dan dianalisis secara tematik berdasarkan lima domain utama, yaitu infrastruktur, ketahanan pangan dan pertanian, pemberdayaan usaha mikro, kecil, dan menengah (UMKM) serta masyarakat, pemulihan pascapandemi, dan perbandingan antarnegara. Hasil kajian menunjukkan bahwa CWLS menyediakan saluran investasi yang aman terhadap pokok dana serta sesuai dengan prinsip syariah, sekaligus mampu mengoptimalkan penghimpunan dana wakaf uang yang belum dimanfaatkan secara produktif dan memperluas basis investor sukuk pemerintah. Namun demikian, dampaknya masih dibatasi oleh rendahnya literasi masyarakat, terbatasnya kapasitas kelembagaan nazhir, serta belum terintegrasinya saluran distribusi. Kebaruan artikel ini terletak pada integrasi berbagai temuan sektoral yang sebelumnya tersebar ke dalam satu kerangka konseptual yang dipetakan berdasarkan SDGs, sekaligus mengidentifikasi adanya konvergensi yang semakin berkembang antara pembiayaan CWLS dan green sukuk. Implikasi kebijakan untuk memperluas implementasi CWLS sebagai instrumen pembiayaan nasional yang berkelanjutan juga dibahas.

Kata Kunci: cash waqf-linked sukuk, pembiayaan berkelanjutan, keuangan sosial Islam, SDGs.

ABSTRACT

Indonesia faces a persistent national development financing gap that conventional fiscal instruments and commercial debt alone cannot close, particularly for social-infrastructure and inclusive-growth agendas linked to the Sustainable Development Goals (SDGs). Cash Waqf-Linked Sukuk (CWLS) has emerged since 2020 as a hybrid Islamic social-commercial finance instrument that channels the principal-protected returns of cash waqf into sovereign sukuk, generating a perpetual yield stream for productive social programs. This article synthesizes twenty-five recent scholarly sources (2021–2026) to examine how CWLS functions as a sustainable financing mechanism supporting national economic development. Using a qualitative descriptive literature-review method, documents were screened, classified, and analyzed thematically across five domains: infrastructure, food security and agriculture, MSME and community empowerment, post-pandemic recovery, and cross-country comparison. The review finds that CWLS offers a principal-safe, Shariah-compliant channel that simultaneously mobilizes idle cash waqf and diversifies the government's sukuk investor base, but its

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impact remains constrained by low public literacy, limited Nazhir institutional capacity, and fragmented distribution channels. The novelty of this article lies in integrating dispersed sector-specific findings into a single SDG-mapped conceptual framework and identifying an emerging convergence between CWLS and green-sukuk financing. Policy implications for scaling CWLS as a sustainable national financing instrument are discussed

Keywords: *cash waqf-linked sukuk, sustainable financing, Islamic social finance, national economic development, Sustainable Development Goals.*

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INTRODUCTION

National economic development in Indonesia has long been constrained by a structural financing gap between the fiscal capacity of the state and the scale of investment required for infrastructure, human-capital development, and inclusive social programs. The government's medium-term development plans repeatedly identify trillions of rupiah in unmet financing needs across water and sanitation, health facilities, food-security infrastructure, and renewable energy, needs that conventional taxation and commercial borrowing cannot fully absorb without straining fiscal sustainability. At the same time, Indonesia possesses the world's largest Muslim population and, according to the Indonesian Waqf Board (Badan Wakaf Indonesia), an enormous latent pool of both land-based and cash-based waqf assets that has historically been under-mobilized for productive economic purposes. Cash waqf in particular has suffered from low liquidity utilization: funds are frequently held in low-yield deposit accounts by Nazhir (waqf managers) rather than deployed into instruments capable of generating sustained, reinvestable returns.

It was against this backdrop that the Government of Indonesia, through the Ministry of Finance in partnership with the Indonesian Waqf Board and Bank Indonesia, launched Cash Waqf-Linked Sukuk (CWLS) in 2020 as the world's first sovereign instrument explicitly designed to link temporary and permanent cash waqf to state sukuk (Surat Berharga Syariah Negara). Under the CWLS structure, waqif (waqf donors) place cash waqf with a registered Nazhir, which is then invested in government sukuk; the principal is protected by the state, while the periodic coupon or discount return generated by the sukuk is distributed as social-impact funding for Shariah-compliant productive projects such as clean-water systems, community health posts, and agricultural infrastructure. This design allows CWLS to occupy a unique institutional space between purely commercial sukuk, which are return-seeking and risk-bearing for investors, and pure philanthropic waqf, which lacks a formal capital-market channel; CWLS instead blends the perpetuity and social orientation of waqf with the liquidity, tradability, and sovereign guarantee of sukuk.

The relevance of CWLS to national economic development has attracted a rapidly growing body of scholarship since its launch. Early studies published in 2021, such as those examining CWLS's alignment with the Sustainable Development Goals and its potential for infrastructure and food-security financing, established the conceptual case for the instrument as a novel bridge between Islamic social finance and sovereign capital markets. The onset of the Covid-19 pandemic subsequently generated a second wave of research examining CWLS specifically as a tool of post-pandemic national economic recovery, given its capacity to mobilize socially motivated capital at a time when conventional investment appetite was depressed. From 2023 onward, the literature has diversified further into sector-specific applications, including sustainable agriculture financed through a Maqashid Shari'ah lens, securities-crowdfunding platforms designed to widen retail participation, and comparative analyses situating CWLS alongside Malaysia's social-sukuk instruments and Saudi Arabia's waqf-investment funds. Most recently, bibliometric studies published in 2025 and 2026 have begun mapping this expanding research landscape itself, confirming that CWLS scholarship, while growing quickly, remains heavily concentrated on conceptual and case-study designs rather than large-sample empirical impact evaluation, and that studies on CWLS's convergence with adjacent instruments such as green sukuk are still emerging.

Despite this expanding body of work, three interrelated gaps persist in the existing literature. First, most studies examine CWLS within a single sector or a single crisis context, be it food security, infrastructure, or pandemic recovery, without situating these sector-specific findings within an integrated framework that maps CWLS contributions systematically against the broader Sustainable Development Goals architecture that frames Indonesia's national development planning. Second, while several 2024 and 2025 studies raise governance concerns, including Nazhir institutional capacity, distribution-channel fragmentation, and disclosure gaps, few articles connect these operational constraints directly to the instrument's capacity to scale as a genuinely sustainable, rather than episodic, financing mechanism for national development. Third, the emerging but still fragmented literature on green-sukuk and CWLS convergence has not yet been synthesized alongside the more established social-development literature, leaving an incomplete picture of how CWLS might evolve as Indonesia's Islamic sustainable-finance ecosystem matures.

The urgency of closing this literature gap is reinforced by the scale of Indonesia's own development financing arithmetic. National medium-term planning documents have repeatedly flagged an infrastructure and social-financing shortfall running into thousands of trillions of rupiah, a gap conventional state budget allocations and commercial borrowing cannot close without risking fiscal overextension. Traditional sukuk issuance, while an effective tool for mobilizing domestic and international capital, still competes for the same investor base as conventional government bonds and remains sensitive to global interest-rate cycles and investor risk appetite. Waqf, by contrast, represents a fundamentally different capital pool: donor-motivated, not primarily return-seeking, and, under Shariah principles, perpetual once dedicated. The structural innovation of CWLS is precisely that it does not ask waqif to choose between religious philanthropy and formal capital-market participation; it fuses the two, allowing waqf capital to enter the sovereign sukuk market without compromising its perpetual, non-alienable character. This fusion is what several scholars identify as CWLS's primary contribution to diversifying Indonesia's national financing base beyond the traditional tax-and-debt paradigm.

Historically, the mobilization of waqf assets in Indonesia has been hampered by fragmentation across thousands of individual Nazhir, many of which are mosque- or foundation-based institutions with limited financial-management capacity and no direct access to capital markets. Prior to CWLS, cash waqf collected by these Nazhir was typically parked in conventional or Islamic bank savings products offering minimal returns, meaning that the social value generated by waqf donations depended almost entirely on the size of the principal rather than on any productive multiplier effect. CWLS directly addresses this structural weakness by creating a standardized, centrally administered channel through which any registered Nazhir, and by extension any individual waqif, can direct cash waqf into an investment-grade sovereign instrument, without needing in-house capital-market expertise. This institutional design feature, linking a highly fragmented donor base to a centralized, professionally managed sovereign investment vehicle, is a recurring theme in the literature reviewed for this article and forms part of the analytical foundation for the framework developed in Section 3.

Beyond its domestic significance, CWLS has also attracted international attention as a policy innovation within the broader global Islamic social-finance and sustainable-finance movements. Multilateral development institutions and comparable jurisdictions, including Malaysia and Saudi Arabia, have since introduced or studied analogous social-sukuk and waqf-investment instruments, suggesting that Indonesia's CWLS model is increasingly regarded as a reference design for blended Islamic social-commercial finance. This growing cross-country interest further motivates a synthesis that goes beyond a single-country, single-sector reading of the instrument and instead situates Indonesian CWLS scholarship within a comparative and forward-looking sustainable-finance context.

This article addresses these gaps and offers three principal novelties. First, it synthesizes twenty-five peer-reviewed and indexed sources published predominantly between 2021 and 2026, including the most recent bibliometric mapping studies, to construct an integrated, SDG-mapped conceptual framework that consolidates previously dispersed sector-specific findings on CWLS's contribution to infrastructure, food security, MSME empowerment, and post-pandemic recovery into a single analytical structure. Second, it explicitly links the governance and institutional-capacity constraints identified in recent critical-assessment literature to the structural conditions required for CWLS to function as a sustainable, rather than a one-off, financing instrument, thereby extending the discussion from instrument design toward instrument scalability. Third, it identifies and discusses the nascent convergence between CWLS and green-sukuk financing as an emerging frontier for Indonesia's Islamic sustainable-development finance architecture, an angle that has received only preliminary attention in the reviewed literature to date. By pursuing these three contributions, this article aims to provide both an academically grounded synthesis and a practically oriented reference for policymakers, Nazhir institutions, and capital-market regulators seeking to strengthen CWLS as a durable pillar of Indonesia's national sustainable-financing strategy.

METHOD

This study employs a qualitative descriptive method using a structured literature-review approach. The research does not generate primary field data; instead, it systematically collects, screens, classifies, and thematically analyzes secondary scholarly documents concerning Cash Waqf-Linked Sukuk published between 2021 and 2026. This period was deliberately selected because it captures the full trajectory of CWLS scholarship, from the instrument's conceptual introduction in 2020–2021 through the post-pandemic recovery literature of 2022–2023, sector-diversification studies of 2023–2025, and the most recent bibliometric mapping and green-financing convergence studies of 2025–2026.

Document sources were drawn from indexed academic databases and repositories, including Google Scholar, Scopus-indexed journals, DOAJ, and the Indonesian Garuda portal, supplemented by reference-management exports covering journal articles and conference proceedings directly addressing CWLS. Search terms combined "cash waqf linked sukuk" with secondary keywords such as "sustainable financing," "national economic development," "Sustainable Development Goals," "infrastructure," "food security," and "economic recovery." Documents were included if they (a) were published in a peer-reviewed journal or indexed conference proceeding,

(b) directly examined CWLS or a closely related Islamic social-sukuk instrument, (c) were published within the last five years or represented a foundational early study still actively cited in current literature, and (d) reported a retrievable digital object identifier (DOI) or an equivalent verifiable publication record. Documents that only mentioned CWLS in passing without substantive analysis were excluded.

Following screening, each eligible document was classified according to its primary thematic focus, such as infrastructure financing, agriculture and food security, pandemic recovery, financial inclusion and empowerment, or cross-country comparison, and its key findings were extracted into a structured synthesis matrix. A thematic content-analysis technique was then applied to identify recurring patterns, points of convergence, and unresolved gaps across the reviewed literature. The overall research flow, from topic formulation through database search, screening, extraction, thematic analysis, and synthesis into a conceptual framework, is illustrated in Figure 1.

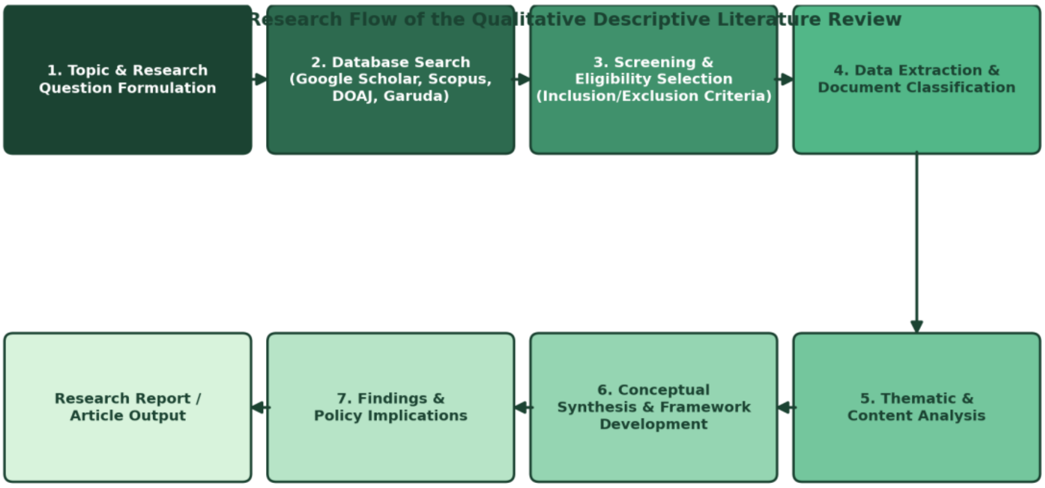

Figure 1. esearch Flow of the Qualitative Descriptive Literature Review

RESULT AND DISCUSSION

The CWLS Mechanism as a Bridge Between Waqf and Sovereign Sukuk

The reviewed literature consistently describes CWLS as a structurally distinctive instrument because it separates the protection of principal from the generation of social return. Cahyono and Hidayat (2022) characterize this design as a case study in how a state-backed sukuk wrapper allows cash waqf, a traditionally illiquid and dispersed form of philanthropy, to be pooled, invested securely, and converted into a predictable, reinvestable income stream for Nazhir-managed social programs. Because the underlying sukuk is a sovereign instrument, waqif principal is effectively guaranteed by the state, which several studies identify as the central trust-building feature distinguishing CWLS from purely commercial Islamic investment products (Fauziah et al., 2021; Azham, 2024). This structure allows CWLS to serve two national development functions simultaneously: it deepens the domestic sovereign sukuk investor base by attracting socially motivated capital that might not otherwise enter capital markets, and it converts previously idle cash-waqf balances into a continuous financing source for productive social infrastructure.

Sector-Specific Contributions to National Development

Table 1 summarizes the sectoral focus and principal findings of the twenty-four literature-derived and independently identified sources examined in this review.

Table 1. Synthesis of Selected Literature on CWLS and National Economic Development

Author(s) & Year	**Focus / Sector**	**Key Finding**
Fauziah et al. (2021)	Socially impactful projects	CWLS effectively channels waqf funds into productive social assets with measurable community benefit.
Paul, Faudji & Bisri (2021)	SDGs alignment	CWLS is positioned as an alternative Islamic instrument directly supporting multiple SDG targets.
Tanjung & Windiarto (2021)	International trade & growth	CWLS issuance correlates positively with indicators of national economic development.
Ubaidillah et al. (2021)	Infrastructure financing	CWLS offers a viable alternative to conventional debt for public infrastructure projects.
Yunita (2021)	Food security	An integrated CWLS model can strengthen community-level food security programs.
Danugroho & Sa'adah (2021) / Sulaeman et al. (2022)	Pandemic recovery	CWLS supported economic resilience and recovery during the Covid-19 crisis.
Cahyono & Hidayat (2022)	Development case study	Institutional trust and Nazhir professionalism are critical to CWLS success.
Aufa, Pratama & Pati (2023)	Securities crowdfunding	Digital crowdfunding platforms can widen retail CWLS participation.
Setyomurni & Nashirudin (2023)	Post-Covid recovery model	CWLS model design needs refinement to accelerate recovery outcomes.
Faiza (2023)	National economic recovery	Public literacy remains a major constraint on CWLS uptake.
Taqwiem & Rachmadi (2023)	Sustainable agriculture	CWLS yields can finance organic-farming infrastructure under a Maqashid Shari'ah frame.
Mustapha et al. (2023)	Cross-country comparison	CWLS compares favorably with Sukuk Prihatin (Malaysia) and Ihsan Sukuk in social-impact design.
Rusydiana, Ocktavia & Salmah (2023)	General overview	Research on CWLS is still concentrated on conceptual rather than empirical-impact studies.
Sari (2023)	Economic recovery / resilience	CWLS strengthens sukuk-market resilience while serving social-recovery goals.
Azham (2024)	Social welfare	CWLS bridges charitable giving and formal development financing mechanisms.
Mubarok et al. (2024)	Sustainable investment optimization	Distribution-channel optimization is needed to scale CWLS impact nationally.
Laila et al. (2024)	Critical assessment	Governance and disclosure gaps limit CWLS's full potential despite strong conceptual design.
Yumna et al. (2024)	Empowerment programs	CWLS-funded empowerment programs show measurable welfare improvement among beneficiaries.
Hasibuan & Lubis (2024)	Halal value chain	CWLS financing enables halal value-chain integration in community-based enterprises.
Budimansyah et al. (2025)	Inclusive & sustainable development	CWLS advances financial inclusion when paired with strong Nazhir capacity building.
Hermala, Sunitiyoso & Sudrajad (2025)	Green financing bibliometrics	Islamic green-financing research, including CWLS, is growing but still fragmented.
Fathurrahman & Yunus (2026)	Bibliometric mapping	CWLS scholarship is expanding rapidly post-2020 but remains Indonesia-centric.
Lubis & Marpaung (2026)	Socio-economic growth model	Integrating financial institutions, sukuk, and social entrepreneurship amplifies waqf-asset impact.

Across the infrastructure domain, Ubaidillah et al. (2021) argue that CWLS provides a genuine alternative to conventional public debt for financing water, sanitation, and community facilities, because its social-return orientation avoids the interest-based debt-service burden associated with commercial infrastructure bonds. In the food-security and agriculture domain, Yunita (2021) and Taqwiem and Rachmadi (2023) both demonstrate that CWLS yields can be directed toward organic-farming infrastructure and post-harvest facilities, positioning the instrument as a financing bridge between Islamic social finance and rural productive economies. During the acute phase of the Covid-19 pandemic, Danugroho and Sa'adah (2021) and Sulaeman et al. (2022) independently find that CWLS functioned as a stabilizing mechanism for economic resilience precisely because its principal-protected structure made it attractive to risk-averse waqif even amid broader market uncertainty, a finding later reinforced by Setyomurni and Nashirudin (2023) and Sari (2023) in the context of national recovery strategy design.

More recent contributions extend this sectoral picture toward empowerment and financial inclusion. Yumna et al. (2024) provide empirical evidence that CWLS-funded empowerment programs generate measurable welfare improvements among target beneficiaries, moving the literature beyond conceptual argument toward outcome documentation. Hasibuan and Lubis (2024) similarly show that CWLS financing can integrate halal value chains at the community-enterprise level, while Budimansyah et al. (2025) link CWLS explicitly to financial-inclusion outcomes when paired with adequate Nazhir capacity building. Aufa, Pratama, and Pati (2023) add a distributional innovation by examining how securities-crowdfunding platforms can widen retail access to CWLS instruments, potentially addressing the participation constraints noted in earlier studies.

Governance Constraints and the Question of Scalability

A recurring and increasingly critical theme in the 2023–2025 literature concerns the operational constraints limiting CWLS from evolving into a fully scaled national financing instrument. Faiza (2023) identifies persistently low public literacy regarding both waqf and sukuk mechanics as a primary constraint on CWLS uptake, a concern echoed in the bibliometric findings of Rusydiana, Ocktavia, and Salmah (2023), who note that CWLS research itself remains conceptually oriented rather than grounded in large-sample empirical evaluation of program outcomes. More pointedly, Laila et al. (2024) conduct a critical assessment concluding that governance and disclosure gaps, particularly regarding Nazhir institutional capacity and transparency in fund distribution, constrain CWLS's potential despite the strength of its underlying conceptual design. Mubarok et al. (2024) reach a complementary conclusion, arguing that distribution-channel optimization, rather than instrument redesign, is the more urgent priority for scaling CWLS's contribution to sustainable investment nationally.

These governance findings matter directly for the sustainability question central to this article. An instrument that is structurally sound but institutionally constrained risks remaining a demonstration project rather than a durable pillar of national development finance. The convergence of findings across Laila et al. (2024), Mubarok et al. (2024), and Faiza (2023) suggests that CWLS's long-term sustainability depends less on further product innovation and more on strengthening the institutional ecosystem, Nazhir professionalization, distribution-channel integration, and public financial literacy, that surrounds the instrument.

Cross-Country Perspective and the SDG-Mapped Framework

Placing CWLS in comparative perspective, Mustapha et al. (2023) find that CWLS compares favorably with Malaysia's Sukuk Prihatin and Ihsan Sukuk in terms of social-impact design, though Indonesia's integration of a formal waqf structure gives CWLS a distinctive perpetuity feature absent from those comparator instruments. Elmahgop et al. (2025), examining waqf-investment funds in Saudi Arabia, similarly find that sovereign-linked waqf structures can support sustainable financing outcomes when paired with strong regulatory oversight, reinforcing the governance argument raised in the Indonesian literature. Meanwhile, Hermala, Sunitiyoso, and Sudrajad (2025) and Fathurrahman and Yunus (2026), through bibliometric analysis, both observe that research at the intersection of Islamic green financing and instruments such as CWLS is still fragmented, pointing to green-sukuk convergence as an emerging rather than mature research frontier, a conclusion consistent with the conceptual synthesis proposed by Lubis and Marpaung (2026), who advocate integrating Islamic financial institutions, sukuk, and social-entrepreneurship models more tightly around waqf-asset development.

Synthesizing these sectoral, governance, and comparative findings, Table 2 maps CWLS beneficiary sectors identified across the reviewed literature against their corresponding Sustainable Development Goals, offering the integrated SDG-based framework that constitutes one of this article's principal contributions.

Table 2. CWLS Beneficiary Sectors Mapped to the Sustainable Development Goals

CWLS Beneficiary Sector	Related SDGs	Illustrative Instrument Use
Water, sanitation & health infrastructure	SDG 3, SDG 6	Financing of clean-water facilities and community health posts through Nazhir-managed projects.
Food security & sustainable agriculture	SDG 2, SDG 12	Organic-farming infrastructure and post-harvest facilities funded from CWLS yield distribution.
Poverty alleviation & MSME empowerment	SDG 1, SDG 8	Productive-asset financing and micro-enterprise capital channelled via Islamic social-finance institutions.
Renewable energy & green infrastructure	SDG 7, SDG 13	Potential integration with Green Sukuk for climate-resilient community infrastructure.
Education & human-capital development	SDG 4	Waqf-based scholarships and vocational-training facilities financed from CWLS returns.

This mapping demonstrates that CWLS's contribution to national economic development is not confined to a single policy silo but cuts across at least five distinct SDG clusters, health and sanitation, food security, poverty and enterprise development, climate and energy, and human-capital formation. This breadth is precisely what distinguishes CWLS from narrower sector-specific financing vehicles and what justifies its characterization in the literature as a genuinely sustainable, rather than single-purpose, financing instrument, provided the governance constraints identified in Section 3.3 are progressively addressed.

Synthesis: Toward a Durable National Financing Instrument

Taken together, the findings summarized in Sections 3.1 through 3.4 support three interlinked conclusions about CWLS's role in national economic development. The first is that CWLS's structural design, separating principal protection from social-return generation, gives it a genuine comparative advantage over both purely commercial sukuk and purely philanthropic waqf as a channel for financing socially oriented public goods;

this is a design-level strength that the literature treats as largely settled rather than contested. The second is that the instrument's sectoral reach, spanning infrastructure, agriculture, empowerment, and crisis recovery, has already been documented empirically, if unevenly, across the studies reviewed, indicating that CWLS is not merely a conceptual proposal but an operating mechanism with a growing track record. The third, and most consequential for policy, is that the binding constraint on CWLS's future contribution to sustainable national development is institutional rather than financial: the sovereign guarantee removes principal risk, and demand-side literature suggests latent waqf capital is not the scarce resource, but Nazhir capacity, distribution-channel integration, and public literacy remain underdeveloped relative to the instrument's design potential.

This synthesis also clarifies why the SDG-mapped framework proposed in this article has practical value beyond academic classification. By making explicit which SDG clusters each CWLS-funded sector addresses, policymakers and Nazhir institutions can more deliberately target future CWLS series toward underserved SDG clusters, for instance directing a greater share of future issuance toward renewable-energy and green-infrastructure projects, an area the literature identifies as still nascent relative to the more established health, sanitation, and food-security applications. Such deliberate sectoral targeting would also help address the fragmentation noted in the green-financing bibliometric literature, since CWLS could serve as a concrete, already-operational vehicle through which Indonesia's broader green-sukuk and Islamic sustainable-finance ambitions are implemented rather than merely theorized.

Finally, the comparative evidence from Malaysia and Saudi Arabia suggests that Indonesia's first-mover advantage in launching a sovereign cash-waqf-linked sukuk carries reputational and knowledge-transfer value beyond its immediate domestic financing function. As other Muslim-majority economies explore similar hybrid instruments, the institutional lessons emerging from Indonesia's CWLS experience, particularly regarding Nazhir governance and distribution-channel design, are likely to inform the design of comparable instruments elsewhere, reinforcing the case for treating governance strengthening not as a peripheral implementation detail but as a central component of CWLS's contribution to sustainable national and, potentially, regional economic development.

CONCLUSION

This article has examined the role of Cash Waqf-Linked Sukuk (CWLS) as a sustainable financing instrument supporting Indonesia's national economic development through a qualitative descriptive review of twenty-five recent scholarly sources published between 2021 and 2026. The evidence synthesized here confirms that CWLS occupies a structurally unique position in the national financing landscape by combining the principal protection and market credibility of sovereign sukuk with the perpetual, socially oriented character of cash waqf. Across sectors, including infrastructure, food security and agriculture, MSME empowerment, and post-pandemic economic recovery, the reviewed literature demonstrates that CWLS has generated tangible, although geographically and institutionally uneven, development outcomes. Furthermore, the integrated SDG-mapped framework developed in this article highlights that CWLS contributes to at least five distinct SDG clusters, underscoring its potential as a genuinely cross-sectoral financing instrument. For policymakers and Nazhir institutions, this framework provides a practical reference for prioritizing CWLS-funded programs based on national development needs through improved resource allocation, strengthened governance mechanisms, and enhanced social impacts of CWLS initiatives.

At the same time, this review finds that CWLS's long-term sustainability as a national financing pillar depends critically on addressing persistent governance constraints, namely low public financial literacy, uneven Nazhir institutional capacity, and fragmented distribution channels, rather than on further instrument redesign. The emerging, though still fragmented, convergence between CWLS and green-sukuk financing further suggests that Indonesia's Islamic sustainable-finance ecosystem is entering a new phase of instrument integration and may support the development of more targeted strategies to expand public participation and institutional collaboration in sustainable Islamic finance. This study is limited by its reliance on secondary literature rather than primary field or transaction-level data. Future research would therefore benefit from large-sample empirical impact evaluations of CWLS-funded programs, comparative institutional analyses of Nazhir capacity across regions, and dedicated investigations of the CWLS–green-sukuk convergence identified but not yet deeply explored in the current literature. Strengthening these empirical and institutional foundations will be essential if CWLS is to fulfill its potential as a durable and scalable pillar of Indonesia's sustainable national economic development strategy.

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