

Prioritizing Waqf Core Principles (WCP) Criteria

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A waqf institution is a social organization that acts as an intermediary between wakif and mauquf alaih or people who are entitled to receive waqf benefits. The waqf core principle (WCP) is a starting point as a framework and best practice standard for waqf-based governance. The waqf core principle is intended to improve the quality of waqf students by identifying these weaknesses in supervision and regulation. This study tries to prioritize the WCP principles and also the important criteria from each level using the Analytica Hierarchy Process (AHP). There are five core principles in this WCP, which consist of: the legal basis, waqf supervision, good, and correct Nazir governance, risk management, and the application of sharia principles in governance. Of these principles, the main priority is the application of sharia principles in waqf governance. The recommendation for waqf practitioners or managers is to apply this WCP optimally, according to the priority level according to the results of this study.

Keywords: Waqf core principle; WCP; AHP; Waqf Institution

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INTRODUCTION

Waqf is etymologically derived from the word *waqfa* which has a similar meaning to the word *habasa*, namely to stop, be silent (*al-tamakkasut*), or withhold (*al-imsak*) (BI 2016). According to Law No. 41 of 2004, waqf has the meaning, namely, the legal act of wakif (the party conducting the waqf) to separate and/or surrender part of his property to be used forever or for a certain period following his interests for worship purposes and/or general welfare following sharia (R. Abdullah & Ismail, 2017; Noor et al., 2018; Shah, 2014).

Waqf is one of the instruments in Islamic economics whose implications involve people's lives as *ijtima'iyah* worship that functions for the benefit of the community in the context of devotion to Allah SWT (Fathurrohman, 2012). In addition, Islam has institutional preparations to obtain funds so that the poor can stand on their own. To achieve this goal, one of them can be through waqf in addition to the mandatory payment of zakat and other voluntary payment contributions (Ismail & Mohsin, 2011; Sodikin, 2020; Yusof, 2014). So this waqf if developed and managed productively can act as an alternative for poverty reduction (Rusydia and Devi 2016). Even today waqf can have environmental benefits (Irfany et al., 2023; Rahayu & Irfany, 2022).

The potential of waqf as a form of Islamic social funds in the world is so great, as an example of Indonesia, which is a country with the largest Muslim population in the world (PEW Research Center 2010), has waqf land that reaches 50.63 thousand hectares with 375.93 thousand locations throughout the world. Indonesia (SIWAK 2019). Meanwhile, the potential for cash waqf in Indonesia alone can reach up to 77 trillion rupiahs per year (Saptono 2019). However, of the number of waqf lands, only 61.56 percent are certified, while the realization of the potential for cash waqf in Indonesia is far from the existing potential, which is around 0.004 percent (Kemenag 2016). This is due to various factors in it, one of which is because waqf institutions are not yet competent and optimal in managing existing waqf (Wulandari et al., 2019).

A waqf institution is an organization that acts as an intermediary between wakif and mauquf alaih or people who are entitled to receive waqf benefits (Ascarya et al., 2017; Fajariah et al., 2020; Rusydia & Rahayu, 2019). To encourage the development of waqf institutions in the world, specifically Indonesia, the Indonesian Waqf Board (BWI), Bank Indonesia (BI), and the International Research of Training Institute-Islamic Development Bank (IRTI-IsDB) established

and formulated the waqf principles, namely the Waqf Core Principles. (WCP).

The WCP itself is a set of principles formulated for two purposes, namely to provide a brief description of the position and role of waqf management and supervisory systems in economic development programs, as well as a methodology that contains these principles of waqf management and supervision systems (BWI 2018). In addition, this WCP also has the aim of realizing credible waqf management and can increase the role of waqf as a financial instrument in Muslim countries (Jouini 2018). With the issuance of the Waqf core principle, it is hoped that the management of waqf institutions can be better and waqf management will be more optimal (Harrieti et al., 2020; Komite Nasional Keuangan Syariah, 2018).

This study seeks to find the main priority in each WCP category and each instrument by weighting all these components to get the highest score indicating that these components are the main components that must be prioritized. This research was conducted to illustrate that among the components of the WCP, in its implementation it can be ordered based on the level of urgency, and with the existence of a priority scale, the work carried out will be more focused. So that this research can be useful for all parties engaged in waqf, both academics, practitioners, and regulators.

To be understood more clearly, a systematic description of writing is a brief description of the contents of the chapter by chapter that will be written in this research which includes an introduction which is the initial part of the research which contains the background, research objectives, benefits of research and systematic writing, then a literature review. which explains the conceptual description, previous research, and framework. Next is the research method which contains the methods used in this research, then the content and discussion which contains an explanation related to the results of the research that has been carried out and the discussion is following the title stated. The last part is the conclusions and suggestions related to the analysis of the research results and the limitations of the research that has been done.

LITERATURE REVIEW

Waqf has changed over time and in various parts of the world. Most countries have legal systems that demonstrate how important it is to maintain security, such as the three principles of conservation of assets, irrevocability, and immutability. The Waqf Core Principle (WCP) consists of several components that

focus on “goodness”, as well as various guidelines from different perspectives (BWI et al., 2018).

WCP shows how the waqf sector fits in with the rest of the economy, especially in terms of direct socioeconomic benefits (using waqf in the form of fixed or non-fixed assets) and low-cost financing of the return on investment of waqf bodies. WCP is also a set of clear rules and standards for the supporting parts of the waqf system used around the world. This core principle of waqf is also regulated to ensure that it is compatible with other prudential standards of the financial sector, as well as the latest regulatory standards that promote good governance.

All parties involved in the waqf sector must follow the same rules and be supervised as people in other parts of the financial world. Operational standards are made by considering risk adjustment measures based on the type of assets being managed and the benefits to the community. WCP seeks to break down the parts of supervision that make the waqf system work into a logical structure. Legal Basis, Waqf Supervision, Good Waqf Governance, Risk Management, and Sharia Governance are part of WCP.

On the other hand, the management of waqf assets must be managed by a person or institution called mutawalli. This administrator is in charge of managing the waqf property for the best interests of the beneficiaries as expected by the waqf, maintaining the security of the property, and making money from the waqf property. It is important for people who make waqf to have faith in it, and those who manage it must also be honest, transparent, and efficient (R. Abdullah & Ismail, 2017). In terms of waqf management, the challenges faced are lack of funds and also weak land planning and development. The management of waqf assets involves many individuals and of course, requires very large costs. The lack of experts in waqf management results in weak waqf management. In addition, the bureaucratic factor is also a factor that causes the weak management of waqf. Support from the top management level is very important before a project can be run or operated (M. Abdullah, 2020; Azha et al., 2013).

Waqf managers or nazhir also really need management in explaining their duties. This management is applied to carry out waqf management activities, collect cash waqf, and maintain good relations between Nazhir, Wakif, and the community. In waqf management is needed as an effort to carry out activities effectively and efficiently. Waqf will certainly contribute to socio-economic empowerment if it is managed with

proper and professional management. Nadzir's professionalism is an important point because it is the key to the success of waqf management to be more focused, productive, and strategic. As one of the sharia instruments, waqf management should be optimized to improve people's welfare (Mansor et al., 2015; Permaisela, 2019).

Research on WCP in the context of managing waqf, whether carried out by individuals or institutions, has been carried out by researchers, but there has been no research that has specifically weighted each of its components to determine which priorities should take precedence. This study then, seeks to fill the research gap.

METHOD

This study uses primary data obtained through in-depth interviews twice with practitioners and academics. The first interview was conducted to determine the variables used, and the second interview was conducted to find results and ascertain the variables used in this study. Respondents were selected by considering the respondent's understanding of the development of waqf, especially the waqf core principle. The number of respondents in this study was seven experts who were experts in the field of waqf. This research uses the Analytical Hierarchy Process (AHP) method by going through two steps (Rusydia & Firmansyah, 2017). The first step is to develop an appropriate AHP network using relevant questionnaires in collecting the required data from waqf experts and academics. The second step is to conduct an AHP analysis that is applied to set the priorities of the waqf core principle in a waqf institution. AHP is a structured technique used to make complex decisions by breaking them down into smaller, more manageable components, considering multiple criteria, and then synthesizing these criteria to make a final decision.

Today, AHP is part of the ANP. Analytical Network Process (ANP) is a mathematical theory that can analyze the influence through an approach of assumptions in solving a form of problem (Khotimah, 2021; Ali et al., 2023). This method is used in the form of a solution by considering the adjustment of the complexity of the problem by parsing the synthesis along with the existence of a priority scale that can produce the greatest priority effect. In contrast to AHP, ANP can explain the factors of dependence and provide systematic feedback. Decision-making in the ANP application is by considering and validating empirical experiences (Saaty 2006).

Table 1 Comparison of Verbal Scale and Numerical Scale

Definition	Intensity of Importance
Equal Importance	1
Weak	2
Moderate Importance	3
Moderate plus	4
Strong importance	5
Strong Plus	6
Very strong or demonstrated importance	7
Very very strong	8
Extreme importance	9

Source: Saaty, 2003

There are three stages in the AHP method, namely the first stage is model construction, compiled based on a literature review, both theoretically and empirically, and asking questions to experts and practitioners who know the development of cash waqf in Indonesia utilizing in-depth interviews. (in-depth interview). To study more deeply related to the actual problem. The second stage is model quantification, which is a stage that uses questions in the ANP questionnaire, namely pairwise comparison or comparison of pairs between elements in the cluster. The last stage is the analysis of results and synthesis, by entering the results of the questionnaire that has been filled out by the respondents in the super decision software, then looking for the value of the geometric mean (GMk) and rater agreement using Microsoft Excel (Ascarya 2011).

Based on the results of research through a literature review and in-depth interviews with respondents who understand the waqf core principle (WCP) applied to waqf institutions in Indonesia, there are five basic principles of WCP. From the WCP, it will be known what must be the main priority to be carried out, especially in Indonesia, and the most important priorities of each WCP principle will be known.

The results of the study show that the principles contained in the WCP principles consist of:

1. Legal basis, consisting of (1) Responsibility, purpose, power, independence, accountability, and collaboration (2) Class of waqf assets (3) Permitted activities (4) Licensing criteria (5) Transfer of waqf management (6) Takeover waqf institutions and assets.
2. Waqf supervision, consisting of (1) Waqf supervision approach (2) Waqf supervision techniques and tools (3) Waqf supervision reporting (4) The power of correction and

sanctions from the waqf supervisor (6) Consolidation of supervision (7) Host relations.

3. Good Nazhir governance system, consisting of (1) The existence of laws, regulations, and supervision of waqf following sharia (2) Guidance on waqf supervision (3) Nazir governance policies and practices (4) Nazir governance structure and requirements (5) Supervision of the board of waqf institutions (6) Recommendations on the composition of the board of waqf institutions (7) Development of governance competencies.
4. Risk management, consisting of (1) Risk management (2) Collection Management (3) Risk from other parties (4) Payment management (5) Issues of waqf assets, provisions, and reserves (6) Transactions with related parties (7) Country and transfer risk (8) Market risk (9) Risk of loss of waqf assets and reputation (10) Sharing of profit and loss risk (11) Payment risk.
5. Implementation of sharia principles in government, consisting of (1) Sharia compliance and operational risk (2) Sharia compliance and internal audit (3) Financial reports and external audits (4) Disclosure and transparency (5) Violations of waqf services.

RESULT AND DISCUSSION

Based on the results of interviews with respondents and data processing through superdecision, of the five principles in the waqf core principle there are top priorities that can be carried out in the management of waqf institutions in Indonesia. The first priority of the WCP principle is "the application of sharia principles in government" which has a value of 0.28. The second principle is "Legal basis" with a value of 0.254. The third principle is "A good and

correct nazhir governance system" which has a value of 0.229. The fourth principle is "Risk Management" with

a value of 0.128. The last is the principle of "waqf supervision" which has a value of 0.11.

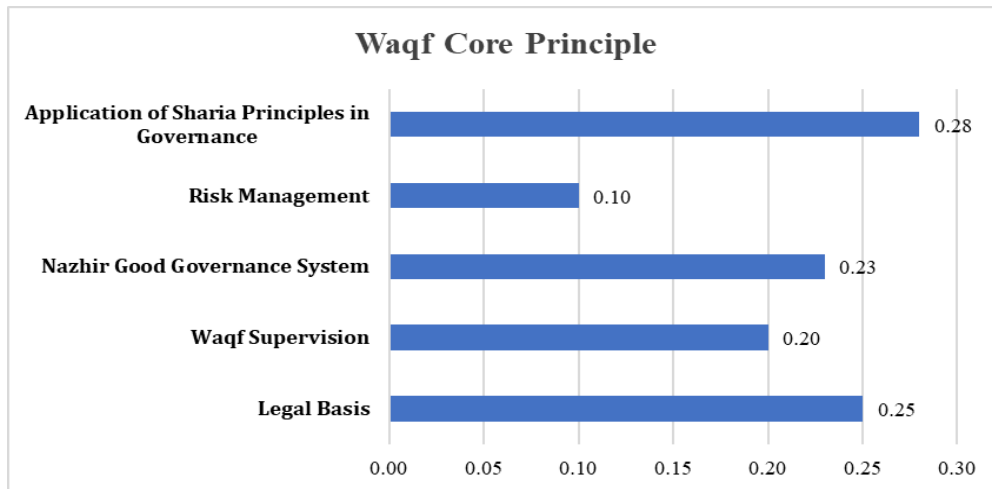


Figure 1. Five Principles on the Waqf Core Principle

The first principle of WCP in waqf institutions is the application of sharia principles in government. Which has several sub-criteria in it, the most important priority in this first principle is "Sharia compliance and operational risk" with a value of 0.433. This is because waqf institutions must have risk management in accordance with operational rules or compliance and must comply with sharia principles. So as to minimize the occurrence of fraudulent practices, system disturbances and other potential disturbances.

The second priority is "Notification and transparency" with a value of 0.178. Waqf institutions must regularly publish information that fairly reflects the financial condition, performance, risks, risk management strategies, policies and processes of waqf governance, and that information can be easily accessed by the public.

The third priority is "Financial reports and external audit" with a value of 0.174. Waqf institutions must have records of financial statements that comply with national accounting requirements and are published annually, as well as conduct external audits in assessing assets and the effectiveness of financial disbursements.

The fourth priority is "Sharia compliance and internal audit" with a value of 0.151. Waqf institutions must have an adequate internal audit framework in determining the organizational structure, policies and accounting processes of waqf, separation of waqf funds and other charitable funds, and in accordance with sharia compliance. The fifth priority is "Violation of waqf services" with a value of 0.065. Waqf institutions must have adequate policies and processes in promoting Islamic ethics and their professional standards, so as to prevent waqf institutions from being used for criminal activities, whether intentional or not.

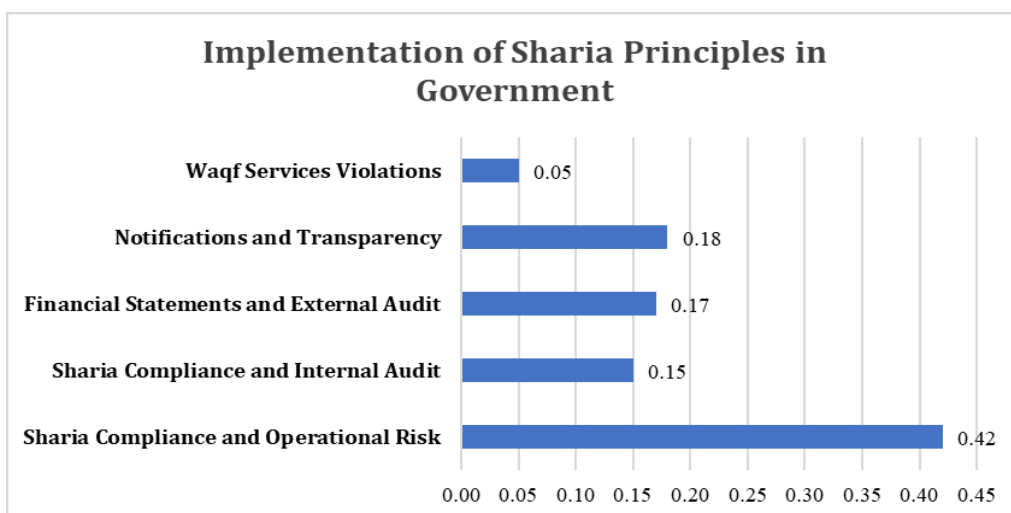


Figure 2. Priority in the Implementation of Sharia Principles in Governance

The second principle of WCP in waqf institutions is the legal basis. The most important priority on the legal basis is “Responsibility, purpose, strength, independence, accountability, and collaboration” with a score of 0.346. This is important to do because waqf institutions in managing and managing existing waqf must be emphasized with a sense of responsibility, have clear goals, have independent legal and regulatory powers, and have clear accountability and can collaborate.

The second priority is the “waqf asset class” which has a value of 0.21. In the management of waqf assets, waqf institutions should be able to divide the waqf assets through several classes based on several existing criteria and in accordance with sharia principles. Where, this will help people who want to waqf and make it easier for the waqf institution to manage their waqf assets.

The third priority is "permitted activities" with a value of 0.124, this is because every activity carried out by the waqf institution must be in accordance with sharia principles and in accordance with the management

capacity of the waqf institution, so that these activities are permitted by the waqf supervisory board.

The fourth priority is "Transfer of waqf asset management" with a value of 1,117, in its implementation the waqf supervisor has the authority to review, refuse and apply prudence in every waqf asset transfer activity. The waqf assets can be transferred from one waqf management to another, this is done if the waqf management is deemed to be detrimental to the waqf beneficiary.

The fifth priority is "Takeover of waqf institutions and assets" with a value of 0.106, the takeover of waqf institutions and assets by other waqf institutions occurs when the investment has a relatively small value compared to the waqf capital. This is permitted by the waqf supervisor in the hope that effective improvements will occur in the future.

The sixth priority is “Licensing criteria” with a value of 0.095, where the regulator has the power to regulate and set licensing criteria for waqf institutions that wish to establish a program.

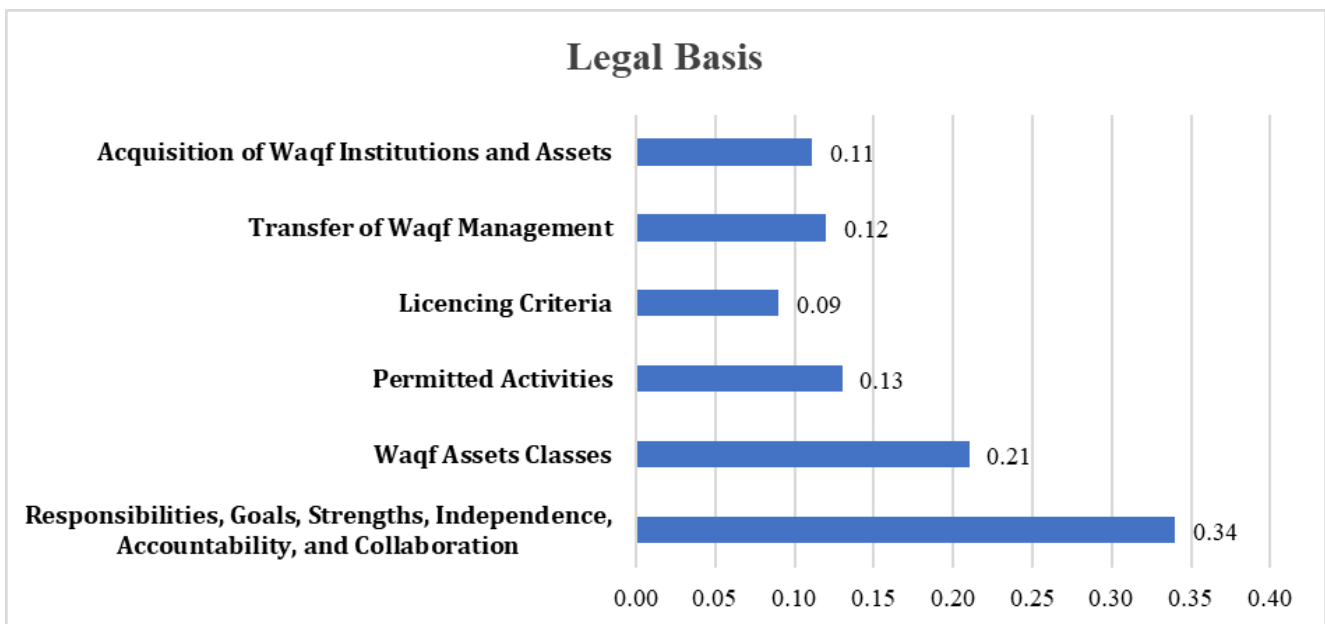


Figure 3. Priority in Legal Basis

The third priority of the WCP principle in waqf institutions is the good governance system of Nazhir institutions. The most important priority in this principle is “Supervision of the board of waqf institutions” with a value of 0.302. Where, the board of waqf institutions can approve and actively supervise the activities and strategies of waqf institutions, build and cultivate Islamic values, set standards of eligibility and compliance in selecting nazhir officers who have karate, integrity, and

basic knowledge of waqf, establish policies, as well as ensuring the effectiveness of waqf governance for the entire management of waqf institutions.

The second priority is “Nazir governance structure and requirements” with a value of 0.160. Where the structure and requirements of nazir governance are determined by the waqf supervisor, who has the task of assigning and appointing honest, trustworthy, and virtuous workers.

The third priority is "law, regulation, and supervision of waqf according to sharia" with a value of 0.158. This priority shows that the definition of nazir is still following sharia and can be applied to current waqf institutions. Current laws, regulations, and supervision of waqf still allow nazhir to receive profits from managing funds with a certain percentage of the total duration of the waqf assets. If the share is not enough it is allowed through a nationally agreed non-waqf property.

The fourth priority is "Nazir governance policies and practices" with a value of 0.150. Waqf supervisors routinely assess that the current policies and practices of nazhir governance of waqf institutions must be following sharia regulations and common interests.

The fifth priority is "Development of governance competence" with a score of 0.092. Waqf management

should be able to develop competence in a waqf institution, of which there are at least three basic elements that must be developed and support an effective independent governance structure, namely risk management, auditing, and business.

The sixth priority is "Recommendations for the composition of the board of waqf institutions" with a value of 0.076. Where in meeting good nazhir governance, waqf supervisors can recommend changes in the composition of the board of waqf institutions if it is legally proven that each individual is not fulfilling their duties.

The seventh priority is "Guideline for waqf supervision" with a value of 0.061. In implementing good and correct nazhir governance, waqf supervisors guide waqf institutions regarding healthy nazir governance.

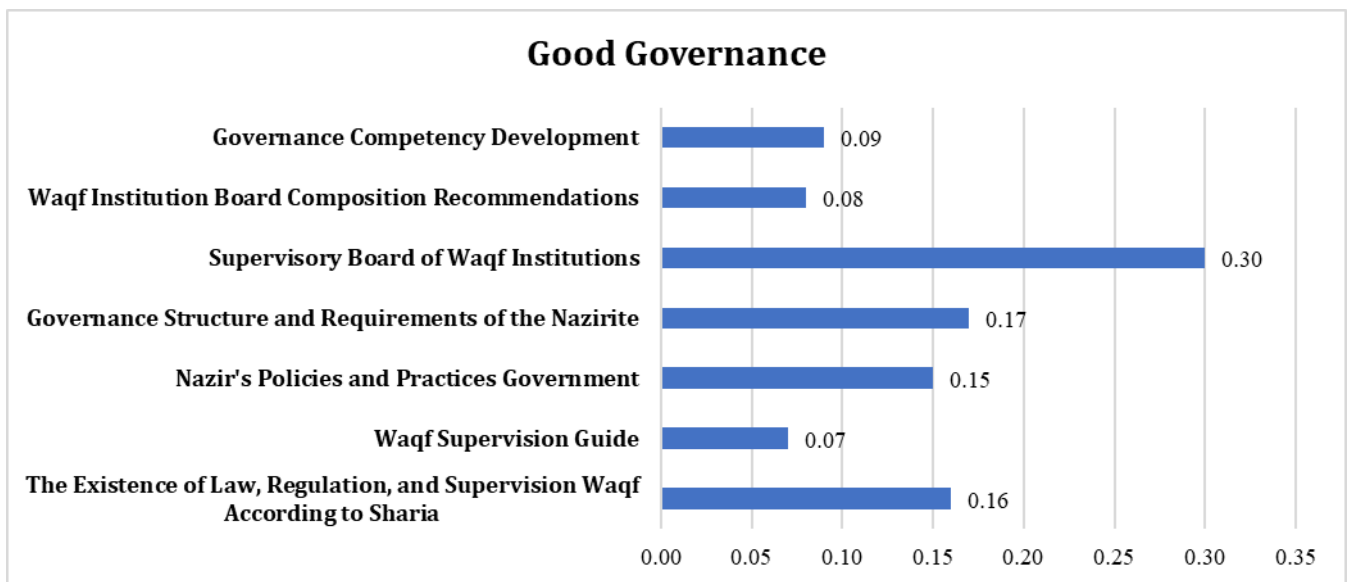


Figure 4. Priority on Good Nazhir Governance

The fourth priority of the WCP principle in waqf institutions is risk management. The most important priority in this principle is "risk management" with a value of 0.221. This is because waqf institutions must have appropriate risk management policies and strategies that have been approved by the waqf board or authority. In addition, waqf institutions must have comprehensive policies and risk management in identifying, measuring, evaluating, monitoring, reporting, and controlling or reducing various kinds of risks promptly.

The second priority under this principle is "Payment risk" with a value of 0.182. This is because waqf institutions must prevent payment risks such as an unhealthy financial position and misallocation of payment activities. In addition, waqf institutions must

establish strategies, policies, and payment processes in identifying, assessing, monitoring, and managing payment risks, to reduce payment allocation errors.

The third priority in this principle is "assessment management" with a value of 0.118. Where waqf institutions must have adequate policies and processes in assessing assets or waqf funds. The policies and processes in the assessment owned by the waqf institution must be precise and orderly so that they can evaluate various types of assets or waqf funds, and the waqf supervisor obtains timely information from the waqf institution.

The fourth priority in this principle is "Profit and loss risk-sharing" with a value of 0.093. This is because waqf institutions must have an appropriate profit/loss risk-sharing strategy and a risk management framework

that can provide a comprehensive overview of waqf and income/profit loss risks. This includes policies and processes to identify, measure, evaluate, monitor, report, and control or reduce material sources of income/profit and loss risk.

The fifth priority under this principle is “Payment Management” with a value of 0.092. This is because waqf institutions must have adequate policies and processes in the management of assets and waqf funds as well as a distribution system for investment benefits. In addition, in its implementation, waqf institutions must have proper financial planning, recording, and management in preventing inappropriate allocation of distribution of funds.

The sixth priority in this principle is “Risk from other/related parties” with a value of 0.065. This requires waqf institutions to have adequate risk management in taking into account their risk appetite, risk profile, market conditions, and macroeconomic conditions. This includes having policies and processes to identify, measure, evaluate, monitor, report, and control or reduce counterparty risks promptly.

The seventh priority under this principle is “Country risk in transfer activities” and “Market Risk” with a value of 0.059. Waqf institutions must have adequate policies and processes to control state risks in cross-border waqf activities. Waqf management owned by waqf institutions must have policies and processes in identifying, measuring, evaluating, monitoring, reporting, controlling, and mitigating state risks. Thus providing a comprehensive view of the country and transferring risks taking into account macroeconomic

conditions. Meanwhile, in dealing with market risk, waqf institutions must have an adequate market risk management process and have a standard valuation mechanism for assets under management based on regular changes in market value. So that it can control or reduce market risk promptly.

The eighth priority in this principle is “The issue of waqf assets, provisions, and reserves” with a value of 0.048. This is because waqf institutions must have adequate policies and processes in identifying problematic asset management, as well as maintaining adequate provisions and reserves of waqf assets.

The ninth priority under this principle is “Transactions with related parties” with a value of 0.041. In preventing the misuse of waqf assets arising from transactions with related parties other than waqf beneficiaries and overcoming the risk of conflicts of interest. The waqf institution must conduct transactions with fair principles, monitor the transaction, and take appropriate steps to control the risks associated with the transaction. As well as removing exposure to related parties following standard policies and processes.

The last priority in this principle is “Risk of loss of waqf assets and reputation” with a value of 0.021. In dealing with the risk of loss, waqf institutions must have an adequate management framework and be able to handle any transmission, reputation, and risk of loss of waqf assets that could jeopardize the safety and health of the asset management system or waqf funds. In addition, waqf supervisors must apply the precautionary principle in reducing reputation risk.

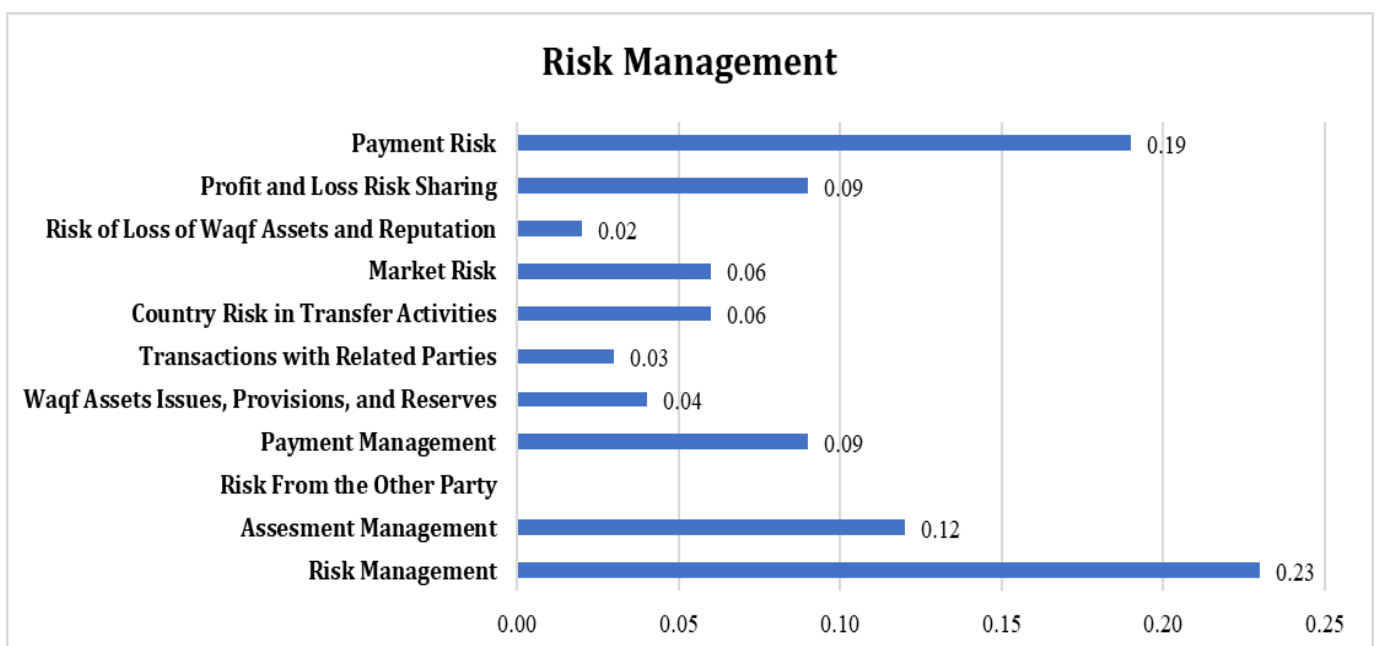


Figure 5. Priority on Risk Management

The final priority of the WCP principle in waqf institutions is waqf supervision. The most important priority in this principle is “Power of correction and sanctions from waqf supervisors” with a value of 0.254. Waqf supervisors have the power to address unsafe and unhealthy practices or activities. In addition, the waqf supervisor has a series of supervisory tools that are adequate in carrying out corrective actions on time and can revoke the permit of the waqf institution or recommend the revocation of the waqf if there are many violations committed by the waqf institution.

The second priority on this principle is “Reporting of waqf supervision” with a value of 0.211. This is because waqf supervisors must be able to collect, review, and analyze prudential reports on the performance of waqf institutions both individually and in consolidation. And independently verify the report, either through on-site inspection or by using external experts.

The third priority in this principle is the “Waqf supervision approach” with a value of 0.187. Waqf supervisors must have an integrated supervision scheme that covers all aspects, namely waqf collection, investment, management, and payment. The approach used by the waqf supervisor is used to determine and assess the risks associated with sharia issues, internal environmental control, and optimization of the waqf management system.

The fourth priority in this principle is “Consolidation of supervision” with a value of 0.112. Waqf supervisors must supervise and monitor waqf institutions in a consolidated manner. This is done in understanding and assessing the risks of all supervised groups and taking action if risks are arising from waqf institutions and other related institutions within a wider group, particularly related to transmission and reputational risks, as well as endangering the safety and health of waqf institutions and waqf system.

The fifth priority in this principle is “Host-host relationship” with a value of 0.097. Home waqf supervisors and hosts of cross-border waqf institutions can share information and cooperate with ineffective supervision of groups. In addition, the home and host waqf supervisors can coordinate and plan supervisory activities or work collaboratively in increasing the effectiveness and efficiency of supervising groups of cross-border waqf institutions.

The last priority on this principle is “Waqf supervision techniques and tools” with a value of 0.073.

Waqf supervisors can use various appropriate techniques and tools in implementing a supervisory approach and disseminating waqf resources proportionally, taking into account the risk profile, and subject to adequate validation and verification.

Findings

One of the main strategies that can be taken to accelerate waqf or Islamic social funds, in general, is to make an Islamic country or a Muslim-majority country a global Islamic financial inclusion center. Until 2018, there has been no institution or country that has become a center for waqf development, which is the core of Islamic inclusive finance. Indonesia itself has played this role, which can be seen among other things from Indonesia's initiative in encouraging the preparation of standardization of zakat management for international Islamic social funds, namely waqf core principles (WCP).

WCP was launched in 2018 and is currently being implemented in several Islamic countries (National Committee on Sharia Finance, 2018). This concept was formally formulated and launched by BWI and Bank Indonesia at the annual IMF-World Bank event in Bali in October 2018. This is a strategic step aimed at improving the governance of Nazir institutions so that these institutions can manage waqf assets and distribute the proceeds better. The main objective of these principles is to realize credible waqf management while increasing the role of waqf as a financial instrument in Muslim countries (Harrieti et al., 2020).

Of the 35 WCP items grouped into five clusters, this study found that the application of sharia principles in a government consisting of five items became the top priority. The role of implementing Sharia principles in government can be done by, for example, political support through waqf legislation so that waqf can function productively (Uula, 2022).

The government also needs to step in to help strengthen the waqf agenda, acting as a facilitator in ensuring the process of developing waqf to be more efficient so that the benefits of waqf can be achieved. This is because successful waqf initiatives can help ease the burden on the government in providing public services, especially in community empowerment (Fajrin et al., 2020; Hiram & Umam, 2018; Suryanto et al., 2020).

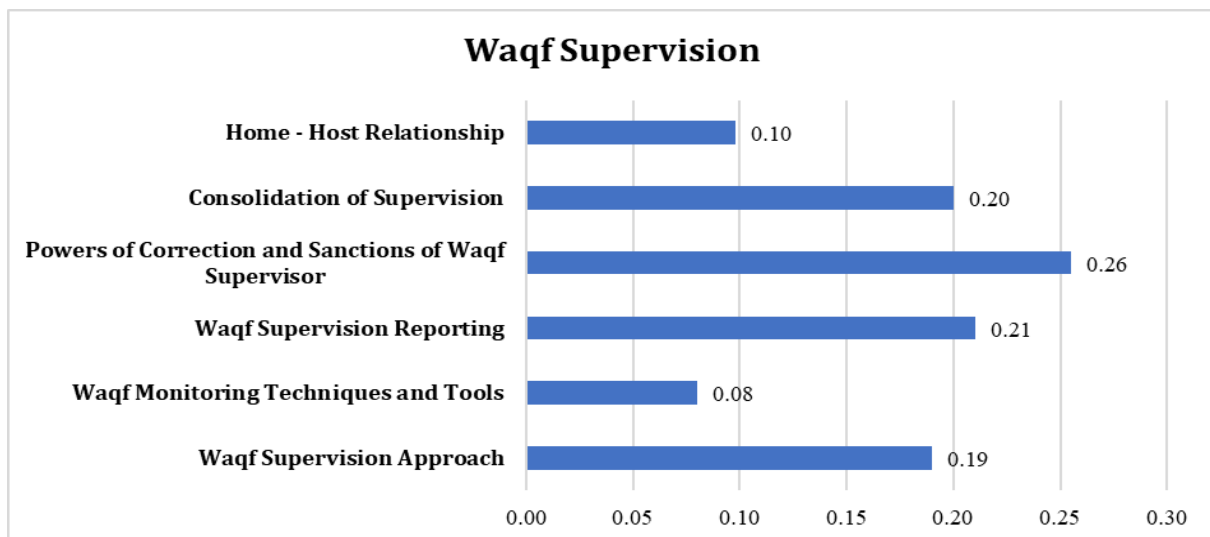


Figure 6. Priority on Waqf Supervision

Table 2. Waqf Core Principles (WCP) Criteria

	NO-WCP	WCP ITEM	EIGEN-V	RANK
Legal Basis [0.254]	WCP 1	Responsibility, purpose, power, independence, accountability, and collaboration	0.347	1
	WCP 2	Waqf Asset Class	0.210	2
	WCP 3	Allowed activities	0.124	3
	WCP 4	Licensing Criteria	0.095	6
	WCP 5	Waqf management transfer	0.117	4
	WCP 6	Expropriation of waqf institutions and assets	0.106	5
Waqf Supervision [0.110]	WCP 7	Waqf supervision approach	0.187	1
	WCP 8	Waqf supervision techniques and tools	0.073	6
	WCP 9	Waqf supervision reporting	0.211	2
	WCP 10	The power of corrections from the waqf supervisor	0.254	1
	WCP 11	Supervision consolidation	0.112	4
	WCP 12	Host relationship	0.097	5
Good Nazir Governance [0.229]	WCP 13	The existence of law, regulation, and supervision of waqf following Sharia	0.158	3
	WCP 14	Waqf supervision guide	0.061	7
	WCP 15	Nazir governance policies and practices	0.150	4
	WCP 16	Nazir governance structure and requirements	0.160	2
	WCP 17	Oversight of the waqf board	0.302	1
	WCP 18	Recommendations for the composition of the board	0.076	6
	WCP 19	Governance competency development	0.092	5
Risk Management [0.128]	WCP 20	Risk management	0.221	1
	WCP 21	Collection management	0.118	3
	WCP 22	The risk from other parties	0.065	6
	WCP 23	Payment management	0.092	5
	WCP 24	Waqf asset issues, provisions, and reserves	0.048	8
	WCP 25	Transactions with related parties	0.041	9
	WCP 26	Country risk in transfer activities	0.059	7
	WCP 27	Market risk	0.059	7
	WCP 28	Risk of loss of waqf assets and reputation	0.021	10
	WCP 29	Profit and loss risk sharing	0.093	4
	WCP 30	Payment risk	0.182	2
Syariah compliance [0.280]	WCP 31	Sharia compliance and operational risk	0.433	1
	WCP 32	Sharia compliance and internal audit	0.151	4
	WCP 33	Financial reports and external audit	0.174	3
	WCP 34	Disclosure and transparency	0.178	2
	WCP 35	Waqf service violation	0.065	5

The next priority cluster is the legal basis, where the clarity of the legality of waqf is important in maintaining its sustainability. In developing waqf, there needs to be a legal umbrella in the implementation of waqf. The issuance of the Waqf Law is one of the efforts to expand Waqf assets. Legal institutional capital for the development and management of waqf, in the form of a legal umbrella regarding waqf and its management institutions, is important to note so that there are no juridical obstacles in its implementation, including legal substance, legal structure, and legal culture. Prioritizing the legal basis for waqf helps anticipate legal and Shariah constraints in exposing waqf property or the transfer of ownership (Abdullah, 2018; Iman et al., 2020; Praja et al., 2020).

The next cluster is a good and correct nazhir governance system. Improved governance of nadzir is needed to be able to develop the potential of waqf and increase nadzir's competence in the management of waqf assets. The improvement of nadir skills can be done through group discussion forums, educational programs, sharing knowledge, training to increase the use of technology. Nadzir as a waqf manager must have good governance in managing cash waqf assets. Thus, cash waqf assets will grow and have a social impact to increase economic stability (Iman et al., 2020; Kresnowati & Berakon, 2017; Yasin, 2021).

The fourth priority cluster is risk management. This cluster is important to be able to minimize the risks that will arise so that all parties involved in the waqf are required to be able to manage the anticipation and solutions of the risks that may arise so that they will not interfere with the process of implementing the waqf. Perceptions of risk management and knowledge increase enthusiasm for taking action to solve problems currently faced in waqf management. Waqf as a sustainable social fund must have adequate risk management capacity because without an effective risk management plan, waqf cannot determine its future goals. Risk management that is carried out properly is expected to protect waqf from losses and continue to take advantage of opportunities (Afroz et al., 2019; Hamed, 2020; Sulaiman & Zakari, 2015).

The fifth priority cluster is waqf supervision. Human resources are the most important resources in waqf, where waqf supervision plays a key role that supports the success of waqf management. Because waqf manages public funds, proper supervision is very important. Non-profit waqf institutions are required to have a good and systematic performance management system to manage funds better, one of which is through

waqf supervision. Waqf governance supervised by experts will be better by providing direct supervision of the implementation of standards following sharia principles. The existence of waqf supervisors will have a more significant impact because, in addition to carrying out comprehensive supervision, they also play a role in providing a fiqh perspective, understanding of the economy, modern finance, and other supporting matters related to waqf operations (Fajrin et al., 2020; Rusydiana, 2019; Tajuddin et al., 2015).

CONCLUSION

Waqf Core Principles (WCP) is a joint initiative between BWI, BI, and the International Research of Training Institute-Islamic Development Bank (IRTI-IsDB). WCP is formulated for two purposes, namely to provide a concise description of the position and role of waqf management and supervision systems in economic development programs and to provide a methodology that contains the core principles of waqf management and supervision systems.

Based on the results of this study, WCP must be implemented by various waqf institutions to produce wider benefits. In practice, the WCP can be applied according to the priorities examined by this study, the priority of the WCP principle is "the application of sharia principles in waqf governance" which has a value of 0.28. The second principle is "Legal basis" with a value of 0.254. The third principle is "A good and correct nazir governance system" which has a value of 0.229. The fourth principle is "Risk Management" with a value of 0.128. The last is the principle of "waqf supervision" which has a value of 0.11.

The recommendation for waqf practitioners or managers is to apply this WCP optimally, according to the priority level according to the results of this study. Suggestions for academics are to continue to update information and data on WCP developments and conduct case studies on waqf institutions that have implemented the WCP concept to see the impact on the governance of their waqf assets. Academics can also develop this research in terms of methodology or grouping of indicator variables that can be adapted to the development of waqf in the future. Recommendations for regulators are the need to provide support and attention to improving the quality of waqf governance which has great potential in the economic development of the ummah and optimizes its role as one of the sustainable Islamic social funds.

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