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Implementation and Role of the Productive Waqf Incubation Program (IWP) of the Ministry of Religious Affairs of the Republic of Indonesia in the Development of Nazhir Entrepreneurship

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Abstract: This study examines the implementation and role of the Productive Waqf Incubation Program (IWP) of the Ministry of Religious Affairs of the Republic of Indonesia in developing nazhir entrepreneurship. The study is motivated by the large potential of waqf in Indonesia that has not yet been fully managed productively, since many waqf assets are still used for direct worship purposes and have not been directed toward sustainable socio-economic activities. This research aims to analyze the implementation of IWP, its role in strengthening the entrepreneurial capacity of nazhir, and its impact on local economic development and community welfare. This study uses a qualitative method with a descriptive approach. Data were obtained through observation of productive waqf practices, interviews with the Directorate of Zakat and Waqf Empowerment and nazhir who received the program, and documentation studies of regulations, reports, and related literature. The findings show that IWP is implemented through asset mapping, administrative and field verification, business feasibility assessment, nazhir training and certification, capital assistance distribution, mentoring, monitoring, evaluation, and business development. The program transforms nazhir from administrative managers into social entrepreneurship actors who are able to develop waqf assets productively, professionally, and accountably. This study concludes that IWP can serve as a sustainable productive waqf development model in Indonesia and can be replicated according to each region's local potential in a more adaptive, measurable, collaborative, inclusive, and public-benefit-oriented manner.

Keywords: Productive Waqf Incubation, Nazhir Entrepreneurship, Productive Waqf, Waqf Management, Community Welfare.

INTRODUCTION

Waqf is one of the Islamic philanthropic instruments that has a strategic role in social development and the economic empowerment of the ummah. In the history of Islamic civilization, waqf was not only practiced as a form of social worship, but also functioned as a source of financing for various public sectors, such as education, health, social services, worship facilities, and community infrastructure. According to Alfidhatun (2024), waqf as part of sustainable Islamic philanthropy has a distinctive characteristic because its principal asset is preserved while its benefits can continue to be used for the interests of the ummah. Thus, waqf can be understood not only as a religious practice, but also as an Islamic economic and financial instrument that has the potential to support sustainable community welfare.

The potential of waqf in Indonesia is very large because it is supported by a Muslim population of approximately 230 million people, or 87.2% of the total population. This large Muslim population serves as an important social and religious capital for developing waqf as an instrument of economic empowerment for the ummah. In this context, Syahputra et al (2024) explain that Indonesia has extensive religious and social infrastructure, including 288,065 mosques, 334,816 prayer rooms, 30,494 Islamic boarding schools, 500 Islamic hospitals, and thousands of Islamic financial institutions. These data indicate that waqf development in Indonesia has a strong institutional foundation, especially with the potential of cash waqf reaching IDR 180 trillion and zakat potential reaching IDR 327.6 trillion.

Although the potential of waqf in Indonesia is very large, its utilization has not yet been fully optimized. Most waqf assets are still used for direct worship purposes and have not been maximally directed toward productive socio-economic activities. Data from the SIWAK Ministry of Religious Affairs of the Republic of Indonesia (2025) show that waqf land in Indonesia reaches 57,263.69 hectares and is spread across 440,512 locations. However, the use of waqf land is still dominated by mosques at 43.51%, prayer rooms at 27.90%, and cemeteries at 4.35%, while utilization for schools, Islamic boarding schools, and productive socio-economic activities remains relatively low.

The gap between the large potential of waqf and the low level of productive utilization shows that the main problem of waqf in Indonesia lies not only in the availability of assets, but also in governance and development capacity. Waqf assets that should be able to become economic resources for the ummah are still largely managed in a traditional and consumptive manner. In this regard, Republic of Indonesia (2004) concerning Waqf provides a legal basis for managing and developing waqf assets productively through investment, capital participation, production, partnerships, trade, agribusiness, industry, health facilities, and other businesses in accordance with sharia principles. Thus, there remains a gap between regulatory support and the reality of waqf management, which has not yet become fully productive.

The enactment of Republic of Indonesia (2004) marked an important momentum in the modernization of waqf management in Indonesia. The regulation not only strengthens the legal aspect of waqf, but also opens space for more professional and productive waqf management. Productive waqf development is viewed as part of Islamic economic empowerment because it contains a modern management pattern directed at increasing the benefits of waqf assets (Nurfaidah, 2016). Therefore, studies on productive waqf development are important so that waqf assets do not stop at a consumptive function, but can be directed into instruments of community economic empowerment.

One important factor in the success of productive waqf management is the quality and professionalism of nazhir. Nazhir are responsible for receiving, safeguarding, managing, and developing waqf assets according to their designated purposes. However, in practice, some nazhir still manage waqf through a traditional approach and do not yet have an entrepreneurial orientation. This is reinforced by Nawawi, (2013), who explains that some nazhir still view waqf as a religious trust that is sufficient to manage sincerely. As a result, waqf management

is not yet fully professional, so a number of waqf assets have not been optimally developed and have not provided sustainable economic benefits to the community.

Nazhir professionalism is an important requirement in transforming waqf management from a consumptive model toward a productive model. Nazhir are not only required to understand the religious and legal aspects of waqf, but also need managerial ability, financial accountability, business insight, and an entrepreneurial spirit. Waqf can develop into a potential Islamic socio-economic institution when it is managed by professional nazhir (Hashmi, 1987). This view shows that the success of productive waqf depends heavily on the quality of the human resources who manage it, especially the ability of nazhir to develop waqf assets so that they generate sustainable benefits.

The development of nazhir entrepreneurship is increasingly important because productive waqf requires managers who are able to identify opportunities, prepare business plans, manage risks, build networks, and create economic value from waqf assets. In this regard, (Musyfikah, 2017) emphasizes that nazhir development is an important part of waqf management because the quality of human resources determines the success of waqf organizations in the future. Therefore, nazhir need to be directed not only to act as asset custodians, but also as waqf asset developers with a social entrepreneurship orientation and a commitment to public benefit. The need for professional nazhir is also reflected in the competency standards required in waqf management. Ideally, nazhir should not only understand sharia, but also possess skills in law, management, business, leadership, creativity, integrity, and partnership building. According to the Directorate of Zakat and Waqf Empowerment Directorate General of Islamic Community Guidance Ministry of Religious Affairs of the Republic of Indonesia (2024), the professional standards of nazhir are an important measure in assessing their readiness to manage waqf accountably, productively, and sustainably. With these competencies, nazhir are expected to respond to the increasingly complex challenges of modern waqf management.

As an effort to address the need to strengthen nazhir capacity, the Directorate of Zakat and Waqf Empowerment of the Ministry of Religious Affairs of the Republic of Indonesia, together with the Indonesian Waqf Board, initiated the Productive Waqf Incubation Program. This program is designed as a flagship program to develop business potential on productive waqf land through capacity building for nazhir, capital assistance, mentoring, and business development. The document of the Directorate General of Islamic Community Guidance and Directorate of Zakat and Waqf Empowerment, (2024) explains that this program aims to enable nazhir to manage waqf land professionally, maintain an accountable financial system, and run sustainable businesses. The IWP program therefore functions not only as capital assistance, but also as an instrument for institutional development and nazhir entrepreneurship.

From 2020 to 2024, the Productive Waqf Incubation Program was provided to 45 nazhir, with assistance of IDR 75,000,000 per location. The assistance was intended to support productive businesses carried out by nazhir so that waqf assets can generate economic and social benefits for the community. Productive waqf development cannot be carried out merely by providing assets; it also requires guidance, mentoring, and capacity strengthening for managers (Directorate of Waqf Empowerment Ministry of Religious Affairs of the Republic of Indonesia, 2015). However, studies that specifically discuss the implementation of the IWP program and its role in shaping nazhir entrepreneurship still need to be strengthened.

The novelty of this study lies in its focus, which does not merely discuss productive waqf in general, but specifically examines the Productive Waqf Incubation Program as a model for developing nazhir entrepreneurship implemented by the Ministry of Religious Affairs of the Republic of Indonesia. Unlike previous studies that have largely highlighted the professionalism of nazhir or the general concept of productive waqf, this study positions IWP

as an institutional instrument that connects regulation, capital assistance, mentoring, business development, and the transformation of nazhir into social entrepreneurship actors.

This study aims to analyze the implementation of the Productive Waqf Incubation Program of the Ministry of Religious Affairs of the Republic of Indonesia in developing nazhir entrepreneurship. It also aims to examine the role of IWP in strengthening the capacity of nazhir, encouraging the transformation of waqf management from an administrative model toward a productive model, and identifying its contribution to improving community welfare in a sustainable manner.

METHODS

This study uses a qualitative method with a descriptive approach. This approach was selected because the study seeks to understand in depth the implementation and role of the Productive Waqf Incubation Program (IWP) of the Ministry of Religious Affairs of the Republic of Indonesia in developing nazhir entrepreneurship. Qualitative research is used to examine social phenomena in a natural setting by positioning the researcher as the main instrument in the process of collecting and interpreting data (Creswell & Creswell, 2018). In this study, the descriptive approach is used to systematically describe the program implementation process, institutional roles, and the contribution of IWP to strengthening the entrepreneurial capacity of nazhir.

This research is descriptive qualitative because the focus of the study is directed toward describing facts, processes, and meanings related to the implementation of the Productive Waqf Incubation Program. Descriptive qualitative research not only aims to present data narratively, but also interprets the relationship between field findings, program policies, and the concept of productive waqf development. Thus, this study attempts to explain how the IWP program is implemented, how nazhir are involved in the program, and how the program contributes to shaping nazhir entrepreneurial capacity.

The data sources in this study consist of primary and secondary data. Primary data were obtained through observation of productive waqf practices developed under the IWP program and interviews with parties directly involved in program implementation. Interviews were conducted with sources from the Directorate of Zakat and Waqf Empowerment, the Directorate General of Islamic Community Guidance of the Ministry of Religious Affairs of the Republic of Indonesia, and nazhir who received the Productive Waqf Incubation Program. Observation and interviews were used because both allow the researcher to obtain deeper data regarding experiences, perspectives, and practices of productive waqf management in the field (Sugiyono, 2019).

Secondary data were obtained through literature review of relevant sources, such as scientific journals, reference books, laws and regulations, research reports, mass media articles, and official policy documents related to the Productive Waqf Incubation Program. Secondary data were used to strengthen the analysis and provide a conceptual foundation regarding productive waqf, the role of nazhir, social entrepreneurship, and waqf development policies in Indonesia. Document analysis is also important in qualitative research because it helps researchers understand the policy context, legal basis, and development of the program that becomes the object of research (Bowen, 2009).

The research subjects are parties who have knowledge, experience, and direct involvement in the implementation of the Productive Waqf Incubation Program. These subjects include the Directorate of Zakat and Waqf Empowerment, the Directorate General of Islamic Community Guidance of the Ministry of Religious Affairs of the Republic of Indonesia, and nazhir selected as recipients and managers of the IWP program. The research object is the implementation and role of the Productive Waqf Incubation Program in developing nazhir entrepreneurship. The determination of research subjects and objects was conducted

purposively, based on the consideration that the informants have information relevant to the research focus (Sugiyono, 2019).

Data collection techniques included observation, interviews, and documentation studies. Observation was carried out to directly examine productive waqf management practices, the types of businesses developed, and the utilization of waqf assets in productive activities. Interviews were conducted to obtain information about the program implementation process, forms of mentoring, capital assistance, challenges faced, and program impacts on nazhir capacity. Meanwhile, documentation studies were conducted by examining official documents, regulations, program reports, and scientific literature that support the research discussion.

Data were analyzed descriptively through the processes of data collection, data reduction, data presentation, and conclusion drawing. Data reduction was conducted by selecting information relevant to the research focus, especially data related to IWP implementation, program roles, and the development of nazhir entrepreneurship. The reduced data were then presented systematically in narrative form to describe patterns and meanings from the research findings. Conclusion drawing was conducted by linking field findings, document analysis, and relevant theories. This analytical stage is in line with the qualitative data analysis model that emphasizes continuous data condensation, data display, and conclusion drawing (Miles et al., 2014).

To maintain data validity, this study used source triangulation and method triangulation. Source triangulation was conducted by comparing information obtained from different sources, such as the Ministry of Religious Affairs and nazhir who received the program. Method triangulation was carried out by comparing observation results, interviews, and documentation. Triangulation is important in qualitative research to increase data credibility and ensure that the findings do not come from a single source of information (Creswell & Creswell, 2018). The findings are therefore expected to describe the implementation and role of the Productive Waqf Incubation Program more objectively, deeply, and accountably.

RESULTS AND DISCUSSION

Implementation of the Productive Waqf Incubation Program as a Productive Waqf Development Model

The Productive Waqf Incubation Program (IWP) is one form of institutional innovation in the development of productive waqf in Indonesia. The program was introduced as a response to the large number of waqf assets that have not been managed productively and have not yet generated sustainable economic benefits. Conceptually, productive waqf is understood as the management of waqf assets for production activities, whether in agriculture, trade, services, industry, or other economic sectors, so that the benefits received by the mauquf 'alaih come not only from the existence of waqf assets, but also from the results of their development (Suhairi, 2014). In this context, IWP becomes an instrument that connects the potential of waqf assets, nazhir capacity, capital assistance, and business mentoring so that waqf can move from a consumptive pattern toward a productive pattern.

Historically, waqf has played an important role in the social, economic, and cultural development of Muslim societies. Waqf is not only known as a form of social worship, but also as an instrument that can finance public interests over the long term. Rozalinda (2016) explains that waqf institutions have been practiced since the early development of Islam in the form of immovable assets, such as land and buildings, as well as movable assets. In its development, the concept of waqf is no longer limited to asset preservation, but also includes efforts to develop assets so that they generate added value for society. Therefore, the IWP program can be seen as a continuation of the historical function of waqf adapted to contemporary economic needs.

The implementation of the IWP program has a strong regulatory foundation. In Republic of Indonesia (2004) concerning Waqf, the management and development of waqf assets productively may be carried out through various activities, such as investment, capital participation, production, partnerships, trade, agribusiness, industry, health facilities, and other businesses in accordance with sharia principles. This provision provides legal legitimacy that waqf assets may not only be used for direct worship purposes, but may also be developed as economic resources for the ummah. Thus, IWP is a concrete implementation of the waqf regulatory mandate that encourages the productive, professional, and sustainable utilization of waqf assets.

Based on the research findings, the IWP program is implemented as a process of transforming nazhir resources into human resources with an entrepreneurial, creative, innovative, and visionary spirit. This program does not only focus on providing capital assistance, but also includes supervision, guidance, and the sustainable utilization of waqf assets for economic and social purposes. In the research manuscript, the IWP program is described as a program that aims to foster and accelerate the success of productive waqf business development through a series of capital and business mentoring activities. Thus, IWP functions as an incubation model that prepares nazhir to manage waqf assets as business units with economic value and social benefits.

The scope of the IWP program includes the initiation and growth of waqf nazhir, strengthening nazhir legality, increasing capacity and professionalism, mentoring, nazhir independence, MSME development, collaboration within the waqf ecosystem, and monitoring and evaluation. This scope shows that IWP is not designed partially, but uses an ecosystem approach. This approach is important because productive waqf development cannot be carried out only by providing assets or capital. Productive waqf development requires legal institutions, competent human resources, mentoring support, market networks, and supervisory mechanisms. This is in line with Kahf's view that developing waqf assets requires financing schemes, asset protection, and efficient management so that waqf assets can contribute to community development (Kahf, 2003).

The stages of IWP implementation begin with waqf asset mapping. Mapping is a fundamental stage because productive waqf development must be based on accurate data regarding the location, size, legal status, physical condition, and economic potential of waqf assets. Through SIWAK and primary data from nazhir, the Ministry of Religious Affairs can map waqf assets that have the potential to be developed. Comprehensive mapping also helps prevent misdirected program targeting. In the context of modern waqf management, asset data are an important basis for designing empowerment strategies, because assets that are not properly recorded are difficult to develop in a directed and accountable manner.

After mapping, the next stages are administrative verification and field verification. Administrative verification is carried out to ensure the validity of documents, such as waqf land certificates, waqf pledge deeds, legal status of nazhir entities, and other supporting evidence. Field verification is then conducted to match administrative data with actual conditions in the field. Both stages are very important because productive waqf requires legal certainty and operational readiness. If waqf assets still have legal problems or are not institutionally ready, business development on those assets may create conflict risks and hinder program sustainability.

The interview or business feasibility assessment stage is an important part of IWP implementation. At this stage, prospective program recipients are assessed in terms of business readiness, market potential, institutional capacity, compliance with sharia principles, and the ability of nazhir to implement the program. Business feasibility assessment shows that IWP does not merely distribute assistance, but also ensures that assistance is provided to nazhir who have the opportunity to develop businesses sustainably. In productive waqf development,

business feasibility is important because every waqf asset has different characteristics, so the business model developed must be adjusted to local potential and managerial capacity.

Nazhir training and certification are strategic stages in the IWP program. This stage shows that the core of productive waqf development is not only the asset, but also the people who manage it. Nazhir as waqf managers need knowledge of waqf law, business management, finance, marketing, leadership, and institutional governance. The Directorate of Waqf Empowerment Ministry of Religious Affairs of the Republic of Indonesia (2015) emphasizes that nazhir professionalism can be seen from sharia, legal, management, business, integrity, work ethic, creativity, leadership, and partnership-building competencies. Therefore, training and certification in the IWP program function as capacity-building instruments so that nazhir can manage waqf professionally.

The capital assistance distribution stage is an important instrument for mobilizing productive waqf businesses. The research manuscript states that the IWP program provides assistance of IDR 75,000,000 per location, while another part explains that assistance may range from IDR 50,000,000 to IDR 100,000,000 according to program needs and schemes. This assistance is directed to support productive businesses in agriculture, plantations, livestock, shops, forestry, and other relevant business sectors. However, capital assistance does not stand alone. Capital is only an initial stimulus, while program success depends greatly on the ability of nazhir to manage the assistance productively, transparently, and responsibly.

Mentoring is a stage that strengthens the sustainability of the IWP program. In practice, mentoring can be carried out by BWI, waqf institutions, zakat management institutions, local governments, universities, or other designated parties. Mentoring not only provides technical guidance, but also helps nazhir solve operational problems, improve financial reporting, enhance product quality, build market networks, and maintain compliance with sharia principles. Continuous mentoring is important because many empowerment programs fail not because of the absence of capital, but because of weak follow-up after assistance is provided.

Monitoring and evaluation are the final stages that ensure the IWP program continues to run according to its objectives. Monitoring is carried out to assess the use of assistance, business development, sharia compliance, financial accountability, and the resulting social impact. Evaluation also serves as a means to identify constraints and improve program implementation strategies in the next period. With monitoring and evaluation, IWP is not only oriented toward outputs in the form of distributed assistance, but also toward outcomes in the form of developed productive waqf businesses and increased nazhir capacity. This is in line with the principles of modern waqf governance, which emphasize transparency, accountability, and sustainability of benefits.

The implementation of the IWP program shows a paradigm shift in waqf management in Indonesia. Waqf is no longer positioned merely as a static socio-religious asset, but as an economic resource that can be developed through an incubation process. This program brings together legal aspects, nazhir capacity, capital assistance, mentoring, monitoring, and business development in a single program framework. From the perspective of productive waqf development, IWP can be understood as an institutional model that seeks to bridge the large potential of waqf with the need for professional governance.

The Role of the IWP Program in Developing Nazhir Entrepreneurship

The main role of the Productive Waqf Incubation Program is to shape nazhir so that they have an entrepreneurial orientation in managing waqf assets. In the context of productive waqf, nazhir are not sufficient if they only act as custodians or administrators of assets; they must become asset developers capable of creating economic value and social benefits. According to Republic of Indonesia (2004), nazhir are parties who receive waqf assets from wakif to be

managed and developed according to their. This definition confirms that the duties of nazhir do not stop at maintenance, but also include development functions.

Nazhir entrepreneurship can be understood as the ability, attitude, and innovative action of nazhir in developing and productively managing waqf assets economically, creatively, and sustainably without abandoning sharia principles and the social objectives of waqf. In the research manuscript, nazhir entrepreneurship is described as the ability of nazhir to think and act like social entrepreneurs oriented toward the public benefit through productive economic activities. This concept is in line with the view that productive waqf requires managers who are able to combine business orientation with social objectives. Nazhir entrepreneurship is therefore not purely commercial entrepreneurship, but social entrepreneurship based on Islamic values.

The IWP program plays a role in increasing the entrepreneurial capacity of nazhir through training and coaching. Through this program, nazhir gain understanding of business management, Islamic finance, marketing, business innovation, and productive asset management. Such training is important because many nazhir have previously been accustomed to managing waqf through a traditional approach and do not yet possess business skills. Musyfikah, (2017) emphasizes that nazhir development is an important part of waqf management because the quality of human resources will determine the success of waqf organizations in the future. Therefore, strengthening nazhir capacity is a key prerequisite for productive waqf to run effectively.

The IWP program also plays a role in changing the mindset of nazhir from passive managers into productive developers. This transformation is important because one of the fundamental problems in waqf management is the persistent assumption that waqf is sufficient to be managed sincerely without requiring professionalism. Nawawi, (2013) explains that some nazhir are not yet professional because they view waqf as property belonging to Allah that must be managed as sincerely as possible, so waqf asset management tends to remain traditional and unproductive. Through IWP, this mindset is directed toward a new paradigm that sincerity in managing waqf needs to be accompanied by competence, accountability, and innovation.

In addition to building capacity, the IWP program opens nazhir access to capital and institutional networks. Many nazhir have potential waqf assets but lack initial capital to develop them. Capital assistance in the IWP program becomes a stimulus for nazhir to start or expand productive businesses. However, the opening of networks with the Ministry of Religious Affairs, BWI, local governments, universities, Islamic financial institutions, zakat institutions, and business actors is equally important. These networks help nazhir gain access to knowledge, mentoring, markets, and partnership opportunities that were previously difficult to reach.

Within the framework of productive waqf empowerment, institutional networks are important because nazhir cannot work alone. Productive waqf requires cross-sectoral support, ranging from asset legality, financing, business management, technology, marketing, to benefit distribution. Hadyantari explains that the success of productive waqf empowerment can be seen from the optimization of the nazhir role and the optimization of waqf result distribution (Hadyantari, 2018). This view is relevant to IWP because the program not only encourages nazhir to develop businesses, but also ensures that business results can benefit the community.

Business mentoring is another important role of the IWP program. Through mentoring, nazhir do not only receive initial training, but continue to be guided in running their businesses. Mentoring helps nazhir prepare financial reports, solve production problems, improve marketing strategies, manage risks, and evaluate business progress. In this context, mentoring functions as a continuous learning process. Huda, (2020) show that nazhir professionalism in waqf management is closely related to transparency, accountability, and institutional ability to account for the management of waqf funds or assets. Therefore, mentoring in IWP can strengthen nazhir governance and accountability.

The IWP program also encourages the economic independence of nazhir institutions. So far, some waqf institutions have depended on donations, public assistance, or external support. Through waqf-based business development, nazhir can create independent income sources that are used to finance institutional operations and social programs. This independence is important because waqf institutions with productive income sources will be more capable of surviving in the long term. Thus, IWP not only develops business units, but also strengthens the sustainability of waqf institutions.

From the perspective of social entrepreneurship, the IWP program has a distinctive character because it encourages business activities without eliminating social orientation. Nazhir are trained to balance profit objectives with social benefits. Profits from waqf businesses are not used for the personal interests of managers, but are directed to the mauquf 'alaih, such as educational operations, assistance for students, community empowerment, and other social activities. This is consistent with the character of waqf, which places the sustainability of benefits as the main objective. Therefore, nazhir entrepreneurship in IWP must be understood as Islamic social entrepreneurship oriented toward public benefit.

The role of IWP in developing nazhir entrepreneurship is also seen in its encouragement of business innovation. Productive waqf requires creativity in choosing business forms that suit local potential. In agricultural areas, waqf can be developed for crop cultivation; in fisheries areas, waqf can be developed into fish ponds; while in trading areas, waqf can be developed into shops or service businesses. Ascarya et al., (2022) explain that productive waqf models in Indonesia need to be adjusted to the characteristics of waqf institutions, managerial capacity, and the local economic context. Thus, IWP encourages nazhir not to use a uniform business model, but to adapt waqf development to the potential of each region.

With these various roles, the IWP program can be understood as an instrument for empowering nazhir. The program increases individual capacity, strengthens institutions, provides capital, opens networks, and assists the business process. The development of nazhir entrepreneurship is important because nazhir are the main actors in determining whether waqf assets will remain passive or develop into sources of economic benefit. Therefore, the success of IWP depends heavily on the extent to which the program is able to form nazhir who are professional, innovative, accountable, and socially committed.

The Impact of the IWP Program on Local Economic Strengthening and Sustainable Waqf Governance

The impact of the Productive Waqf Incubation Program can be seen from changes in the way waqf assets are managed and from the socio-economic benefits generated. In the research manuscript, the program impact is shown through inspirational stories of nazhir who received the program, namely the Al Muhajjirin Islamic Boarding School Foundation in West Kalimantan and the West Sumatra Provincial Representative of the Indonesian Waqf Board. These two examples show that waqf assets that previously had limited utilization can be developed into productive business units when supported by training, capital assistance, mentoring, and nazhir commitment.

The Al Muhajjirin Islamic Boarding School Foundation is one of the nazhir recipients of the IWP program since 2021. The foundation manages 17,046 square meters of waqf land with a productive waqf business in agriculture. Part of the waqf land is developed for chili and papaya cultivation. The results of these agricultural activities are not only used to support pesantren operations, but also to assist underprivileged students and the surrounding community. This case shows that productive waqf can become an instrument for financing Islamic education while also empowering the local economy.

The impact of the IWP program on the Al Muhajjirin Islamic Boarding School Foundation is seen not only in increased income, but also in changes in the institutional

capacity of nazhir. Through training, mentoring, capital assistance, and coaching, nazhir are encouraged to develop an entrepreneurial spirit and a character of independence. Waqf land that previously functioned only as a socio-religious asset can be developed into agricultural land that generates economic benefits. This shows that waqf productivity depends greatly on the ability of nazhir to identify asset potential and manage it sustainably.

The Al Muhajjirin case also shows that productive waqf can develop in rural areas or areas far from economic centers. Its geographical setting in the interior of West Kalimantan does not become an obstacle when nazhir have commitment, program support, and adequate mentoring. This is important because many waqf assets in Indonesia are located in areas that do not yet have strong economic access. With a model such as IWP, waqf assets in rural areas can be developed according to local potential, so their benefits are closer to the surrounding community.

Another example is the West Sumatra Provincial Representative of the Indonesian Waqf Board, which developed 14,000 square meters of waqf land into tilapia fish ponds. Waqf land that had previously been underutilized was transformed into productive land through the construction of fish ponds. This business generates income while also supporting religious education activities for the community of Asak Ranah Pasisia District, West Pasaman Regency. This transformation shows that productive waqf can be a real solution for converting undeveloped assets into sources of economic and social benefit.

The success of the West Sumatra Provincial Representative of the Indonesian Waqf Board shows the importance of visionary nazhir leadership. The development of tilapia fish ponds requires not only capital, but also planning, initiative, and business management ability. The research manuscript states that the transformation process began with land clearing using heavy equipment and continued with the construction of two fish ponds as the main sources of income. In addition, the construction of a productive waqf building around the ponds shows a broader vision, namely to make the waqf area a center for economic activities, education, and social interaction.

From these two cases, it can be understood that the impact of IWP is not singular. Its impact includes economic, social, institutional, and educational aspects. Economically, the program helps create new income sources from waqf assets. Socially, the results of waqf businesses are used to assist the community, students, and educational institutions. Institutionally, the program strengthens the capacity of nazhir in managing assets and businesses. Educationally, the program supports the sustainability of Islamic educational institutions and religious activities in the community.

From the perspective of waqf governance, these impacts show that productive waqf requires an accountable management system. The results of waqf businesses must be managed transparently and distributed according to their designated purposes. This principle is in line with the characteristics of contemporary productive waqf, which emphasize integrated management, nazhir welfare, transparency, and responsibility. With good governance, productive waqf can increase public trust and strengthen the legitimacy of nazhir institutions.

The IWP program also contributes to strengthening local economies. Agricultural and fisheries businesses developed through waqf assets open opportunities for the surrounding community to participate in economic activities. In addition, business results can be used to support local social programs. In the context of ummah economic development, productive waqf has strategic value because it connects religious assets with community economic activities. Kahf, (2003) states that the development of waqf properties can be one way to expand the contribution of waqf to the development of contemporary Muslim societies. This view is relevant to IWP because the program encourages waqf assets to generate real economic benefits.

Nevertheless, the sustainability of the IWP program's impact still requires strengthening. Possible challenges include limited nazhir management capacity, business risks, market fluctuations, limited access to technology, and uneven financial reporting capacity. Therefore, mentoring and monitoring need to be carried out continuously. The IWP program should not stop once capital assistance is distributed, but must continue to be guided until waqf businesses are able to operate independently and generate measurable social impact.

Digital strengthening is also needed in productive waqf development. Nazhir need to be encouraged to use technology in product marketing, financial recording, program reporting, and communication with the community. The use of social media and e-commerce can help expand the market for productive waqf products. On the other hand, digital reporting can increase transparency and accountability. Thus, the development of nazhir entrepreneurship in the future needs to include digital literacy as part of training and mentoring curricula. The IWP program shows that productive waqf can become an instrument of socio-economic development when managed through a systematic approach. The program not only provides capital assistance, but also builds capacity, strengthens institutions, and fosters a social entrepreneurship orientation. The impacts shown in the cases of Al Muhajjirin and the West Sumatra BWI indicate that waqf assets can provide real benefits when managed productively and sustainably.

CONCLUSION

This study shows that the Productive Waqf Incubation Program (IWP) of the Ministry of Religious Affairs of the Republic of Indonesia is one of the strategic models in developing productive waqf and strengthening nazhir entrepreneurship. The program was introduced in response to the problem of waqf management in Indonesia, which remains largely traditional and consumptive, while the potential of waqf assets is very large and can be developed into economic resources for the ummah. Through an incubation approach, IWP not only provides capital assistance, but also builds a productive waqf management ecosystem through asset mapping, verification, training, certification, mentoring, monitoring, evaluation, and business development.

The implementation of the IWP program shows that productive waqf development requires integrated governance involving asset legality, institutional capacity, nazhir competence, capital support, and continuous mentoring. The program plays an important role in transforming the position of nazhir from merely administrative managers into waqf asset developers with a social entrepreneurship orientation. Through training, capital assistance, and mentoring, nazhir are encouraged to manage waqf assets more professionally, accountably, productively, and with an orientation toward public benefit.

The findings also show that the IWP program has a positive impact on strengthening local economies and community welfare. The experiences of the Al Muhajjirin Islamic Boarding School Foundation and the West Sumatra Provincial Representative of the Indonesian Waqf Board show that waqf assets can be developed into productive businesses in agriculture and fisheries that support education, institutional independence, and community empowerment. Thus, IWP can be viewed as a productive waqf development model that is relevant for replication in various regions by adjusting to local potential, nazhir capacity, and community needs.

Theoretically, this study strengthens the understanding that productive waqf cannot be separated from the professionalism and entrepreneurship of nazhir. Practically, the findings provide input for the Ministry of Religious Affairs, the Indonesian Waqf Board, nazhir institutions, and other stakeholders to continue strengthening mentoring, digitalization, institutional collaboration, and the measurement of the socio-economic impact of the IWP program. With sustainable management, the Productive Waqf Incubation Program has the

potential to become an important instrument in strengthening Islamic social finance, increasing the independence of waqf institutions, and promoting broader community welfare.

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