Establishment of the National Da’wah Waqf Fund (NDWF)

Perpetual Waqf for Perpetual Da’wah

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Overview for the Establishment of A National Da'wah Waqf Fund (NDWF)

The Vision

Malaysia requires a sustainable, national-level financing engine for Islamic da’wah, education, research, and socio-economic development.

The Reality

Under the Federal Constitution, waqf is strictly a State matter. State Islamic Religious Councils (SIRCs/MAIN) act as the sole legal trustees and guardians of waqf property within their jurisdictions.

Within this constitutional framework, the **NDWF** may be established as the **licensed Mutawalli**, responsible for the professional mobilisation and management of **cash waqf** not only **for new projects** but for the **redevelopment of idle waqf properties** in accordance with the waqif's conditions, Shariah principles, and the evolving needs of society, under **the supervision of the SIRCs/MAIN**.

The Classical Distinction

ناظر

Nāẓir (ناظر)

Root: From *naẓara* (نظر) – the one who observes, supervises, and oversees.

Role: The Supreme Authority. Responsible for watching over and ensuring the proper administration of waqf assets in accordance with Shariah principles and the waqif (endower's) conditions.

مُتولي

Mutawallī (متولي)

Root: From *waliya* (ولِي) – the one who takes responsibility, manages, and administers.

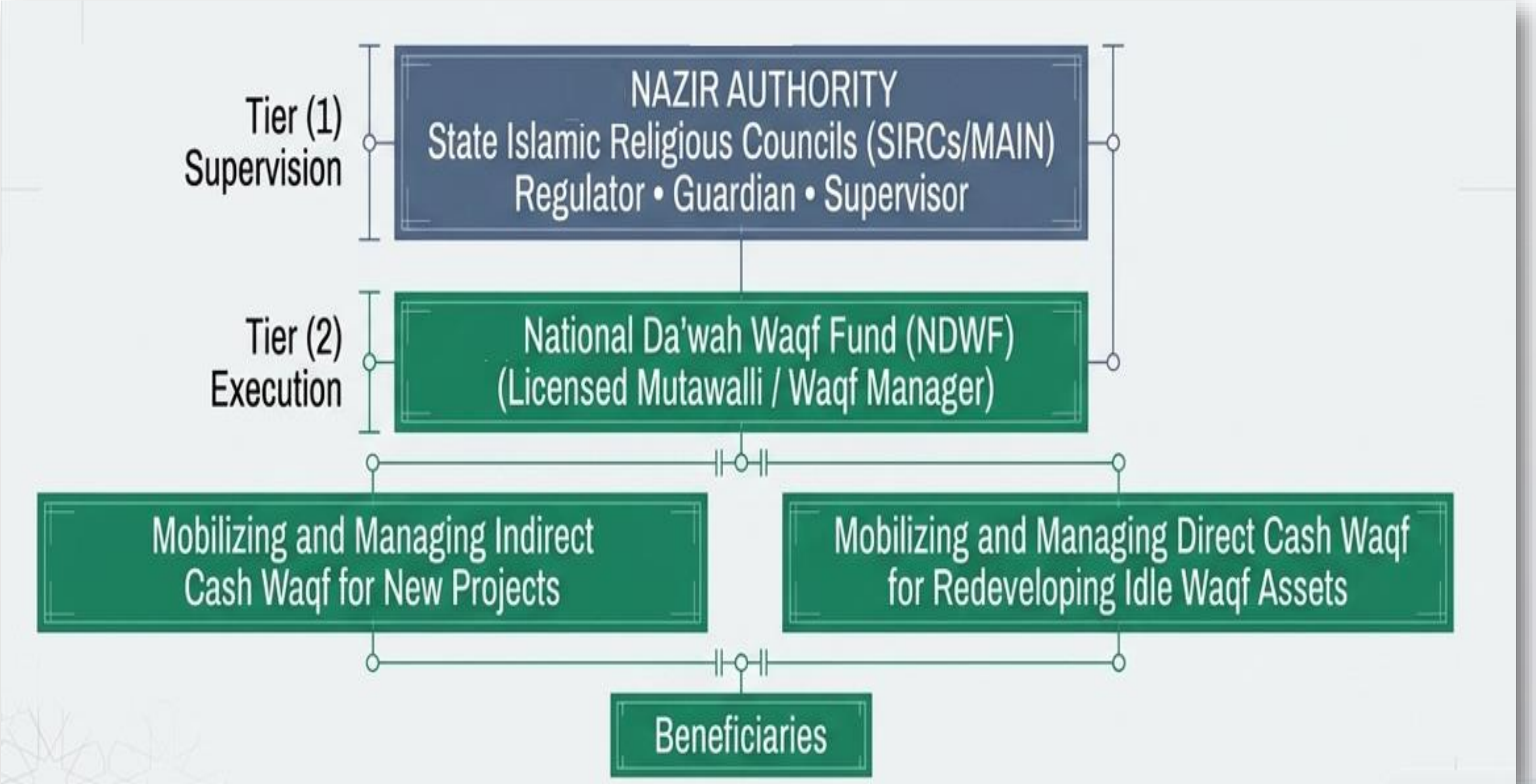
Role: The Executive Engine. Entrusted with the day-to-day management, mobilisation, and development of waqf activities under the direct supervision of the Nāẓir.

Historical Evaluation of Waqf Governance

Timeline & Period	Nāẓir (Supervisor) (ناظر)	Mutawallī (Executor) (متولي)
Prophetic Period (610–632 CE)	The waqif appointed a Mutawalli to administer and manage the waqf according to the founder's conditions.	The Prophet ﷺ exercised supervisory authority only when disputes or breaches of trust arose.
Rashidun Caliphate (632–661 CE)	Mutawalli continued to manage waqf assets and distribute benefits.	Qadis and governors supervised compliance and intervened where necessary.
Umayyad–Abbasid Period (661–1258 CE)	Professional management of increasingly complex waqf institutions expanded.	Specialised supervisory officers (Nazir) emerged to oversee governance, accountability, and compliance.
Mamluk–Ottoman Period (1250–1924 CE)	Mutawalli remained responsible for the day-to-day administration, investment, maintenance, and implementation of the waqf.	Niẓārat al-Awqāf was institutionalised as a central supervisory authority responsible for appointing the Mutawalli
Modern Era	In many jurisdictions, the operational role of the Mutawalli continues; however, in several countries the term Nazir has gradually been used interchangeably with Mutawalli, with the same institution assuming responsibility for both managing and supervising waqf assets.	

Following the Historical Evaluation of Waqf Governance

A Proposal : The Dual-Tier Governance Model



Tier 1: Elevating SIRCs to Supreme Supervisory Authorities

In this model, SIRCs evolve from sole operational trustees to Supreme Waqf Supervisory Authorities (Nāẓir). They function akin to a financial regulator—supervising the entire sector without the burden of directly managing every asset.

Power of the Nāẓir
Registering all waqf and approving waqf deeds.

Power of the Nāẓir
Licensing qualified Mutawalli (like the NDWF).

Power of the Nāẓir
Issuing governance and investment standards.

Power of the Nāẓir
Conducting Shariah, governance, and financial audits.

Power of the Nāẓir
Safeguarding beneficiaries' rights and protecting the waqif's intent.

Power of the Nāẓir
Suspending or replacing non-performing Mutawalli.

Tier 2: The National Da’wah Waqf Fund (*Mutawalli*)

Note: The NDWF manages day-to-day operations and mobilization, remaining strictly accountable to the Nazir via transparent reporting and audits.

Engine 1: Indirect Cash Waqf (Capital Growth)

Engine 2: Direct Cash Waqf (Asset Revitalization)

1

Collection

Funds sourced directly via salary deductions, waqf shares, and Corporate VBI initiatives.

2

Identification

NDWF (Mutawalli) targets the 9,906 hectares of idle land.

3

Execution

Appointment of qualified developers under Shariah guidelines.

4

Transformation

Conversion into productive community assets (housing, clinics, commercial centers) without prior market investment of the funds.

Underdeveloped Waqf Assets in Malaysia

- Without the SIRCs/MAIN acting as the Nazir, the redevelopment of waqf properties would lack proper legal authority, constitutional legitimacy, and regulatory oversight.
- Without the NDWF acting as the Mutawalli, there would be no specialised institution to professionally mobilise cash waqf, manage redevelopment projects, and coordinate implementation on a national scale.
- Together, the Dual-Tier Waqf Governance Model combines effective supervision with professional management, enabling idle waqf properties to be transformed into productive assets that benefit society while preserving the waqif's conditions.

The Reality:

Malaysia holds approximately 11,091 hectares of registered waqf land.

The Bottleneck:

89.32% of this land (approximately 9,906 hectares) is currently reported as idle or undeveloped.

The Opportunity:

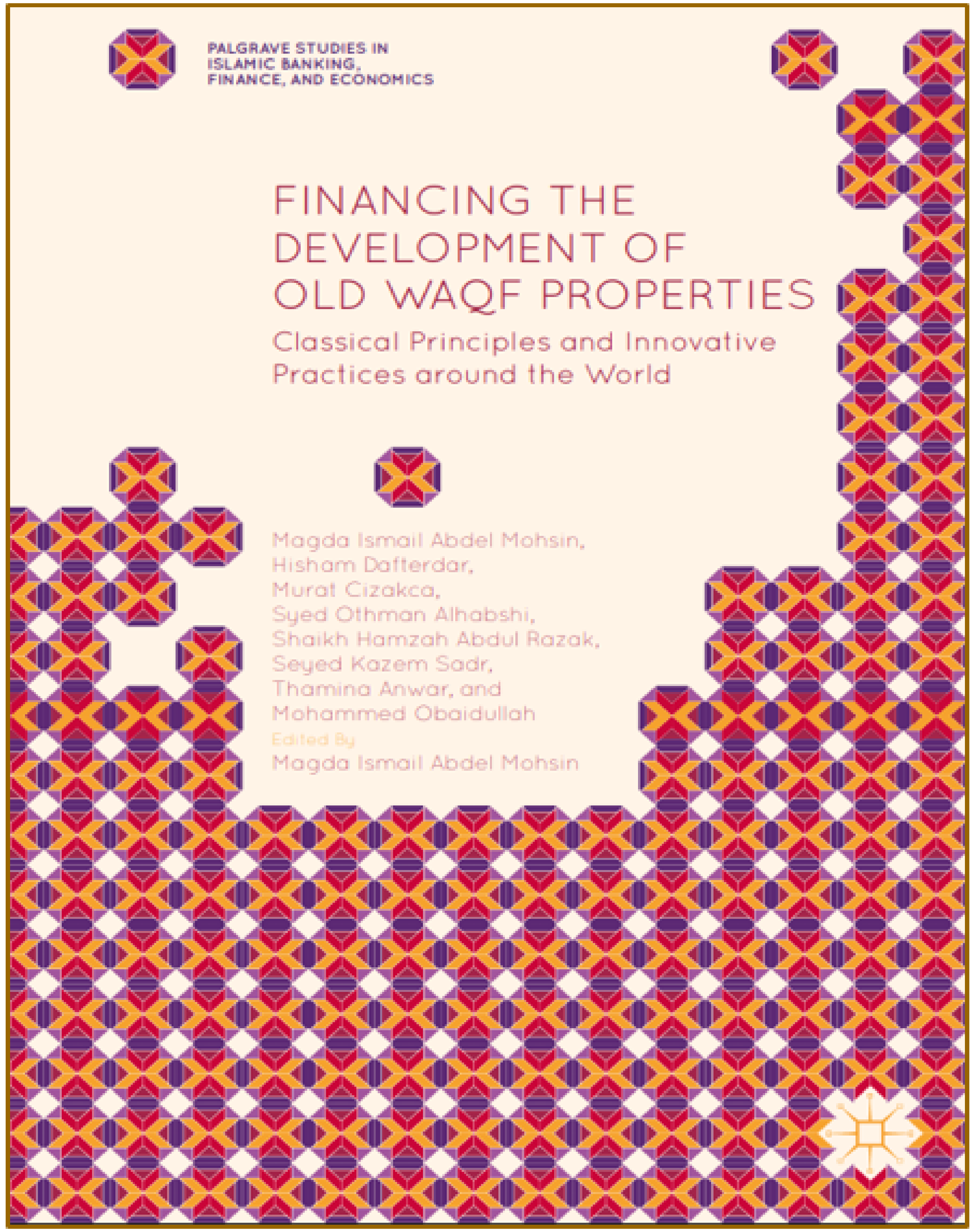
This massive, dormant asset base represents a generational opportunity to develop affordable housing, educational hubs, healthcare facilities, and renewable energy initiatives—if unlocked by professional management.

Indirect vs. Direct Cash Waqf

	Indirect Cash Waqf	Direct Cash Waqf
Primary Mechanism	Invested in Shariah-compliant portfolios to preserve capital. Returns are utilised.	Channelled directly to physical development without prior market investment.
Target Outcome	Financing brand new socio-economic and da'wah projects.	Specifically targeted to redevelop existing idle or underutilised waqf assets.
Collection Strategy	Broad-based (Zakat, GLCs, GLICs, Fintech, International donors).	Targeted (Salary deductions, Waqf shares, Corporate ESG/VBI initiatives).
Accountability	Rigorous financial auditing of investment yields.	Strict adherence to original waqif's physical development conditions.

Financing the Development of Idle Waqf Assets

1. *Hikr*/Long Lease
2. *Istisna'a* /Construction Financing
3. Cash waqf mobile model
4. Compulsory cash waqf model
5. Waqf mutual fund model
6. Deposit product model
7. Co-operative model
8. Waqf shares scheme
9. Corporate cash waqf model
10. *Musharakah Mutanaqisah*/ Diminishing Partnership
11. Build-Operate-Transfer (BOT)
12. Build-Lease-Transfer BLT
13. Joint Venture
14. *Musharkah*/Partnership
15. *Sukuk* al- *Musharakah*/ Partnership Bonds
16. *Sukuk al-Intifaa'*
17. *Al-Istibdal*/Substitution



Revitalising Idle Waqf while Preserving Founders' Conditions

Original Waqf Condition	Modern Redevelopment
Housing the poor	Affordable housing complexes
A local mosque	Integrated complex (classrooms, clinic, library)
Economic empowerment	SME hubs & Halal business incubators
Agricultural land	Modern food security & agro-based projects
General public benefit (*Maṣlaḥah ʻAmmah*)	Renewable energy installations

Asking ChatGPT

1. Assuming all idle waqf land in Malaysia is redeveloped into modern, productive assets while preserving the waqif's conditions, what estimated monthly and annual income could it generate?

Estimated Income (Average **net annual return**: **RM200,000 per hectare)**

Development	Annual Income	Monthly Income
5,000 hectares	**RM1.0 billion**	RM83.3 million
7,500 hectares	**RM1.5 billion**	RM125.0 million
10,000 hectares	**RM2.0 billion**	RM166.7 million

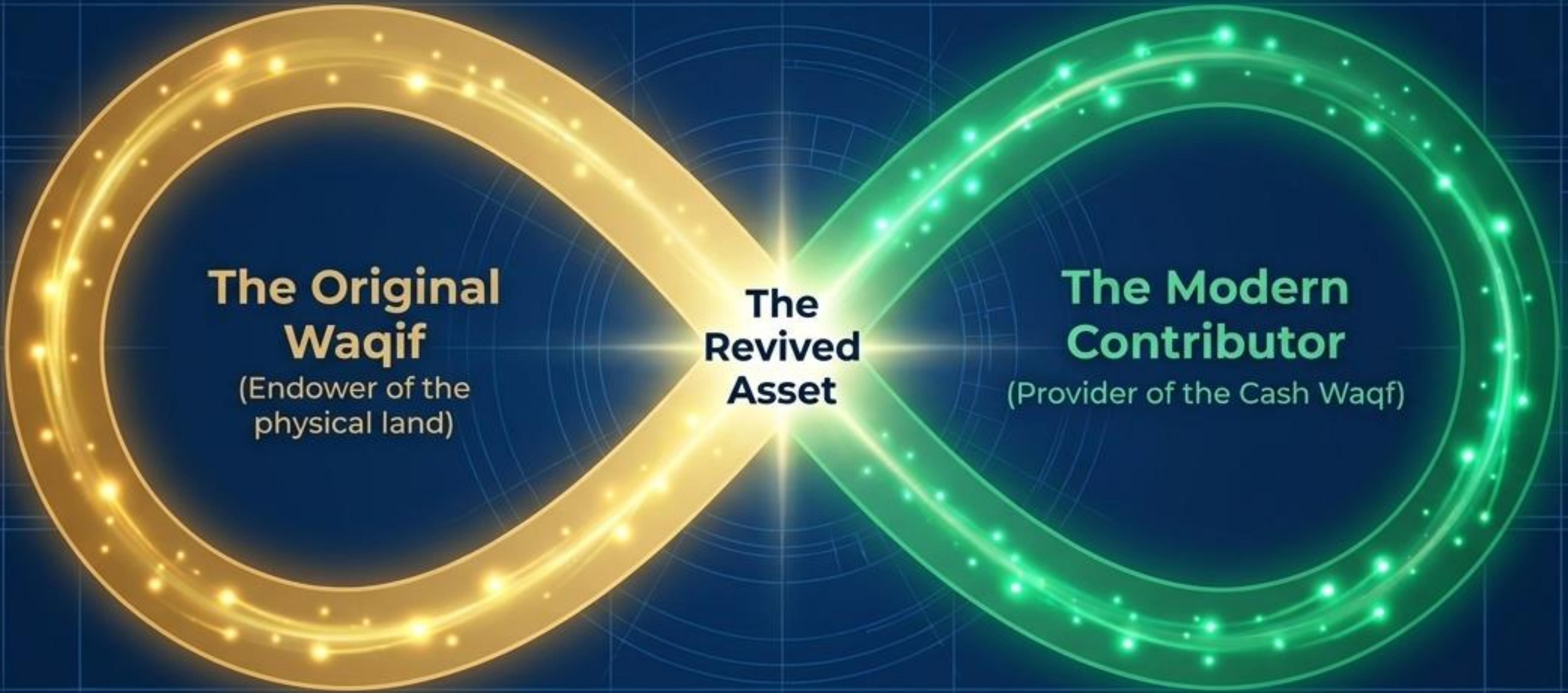
2. Federal Government's allocation for Islamic affairs (including da'wah, Islamic education, mosque administration, religious institutions, and JAKIM-related programmes)

Year	Budget Allocation
2024	RM1.9 billion
2025	RM2.0 billion
2026	**RM2.6 billion**

3. Total working population: 16 million (salary deduction scheme)

Contributors	Monthly Contribution	Total per Month
8 million people	RM10	RM80 million
8 million people	RM50	RM400 million
Total		**RM480 million**
Yearly		**RM5.76 billion** (RM480 million × 12)

The Continuous Chain of Sadaqah Jariyah



Both the historical founder and the modern donor share perpetually in the spiritual reward and societal benefit.

Conclusion

- The proposed National Daʾwa Waqf Fund (NDWF) provides a sustainable and perpetual financial mechanism to support Islamic daʾwa, education, research, digital outreach, and community development.
- Through the proposed Dual-Tier Waqf Governance Model, the fund promotes effective governance by positioning SIRCs/MAIN as Nazir for supervision and regulation, while enabling NDWF as Mutawalli for professional management, investment, and implementation.
- The model also encourages national and international collaboration by adopting best practices in waqf governance, Islamic finance innovation, digital transformation, and impact measurement, contributing towards the establishment of a sustainable and impactful daʾwa institution.

The End

Q&A