

Waqf Funds: Theoretical Concepts and International Experiences

الصناديق الوقفية: مفاهيم نظرية وتجارب دولية

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Abstract:

Through this research, we aimed to highlight the importance of endowment funds in providing financial support to waqf institutions, which establish proposed economic or social entities to secure appropriate funding for institutional waqf activities. These activities focus on investing waqf resources using contemporary frameworks to achieve optimal results and substantial returns, adhering to Shariah principles and legal regulations. The research concludes that endowment funds act as financial intermediaries between donors contributing monetary waqf and those seeking financing. These funds are managed in compliance with Shariah guidelines and legal frameworks, aligning with the donors' conditions and developmental objectives aimed at serving the public good while supporting philanthropic initiatives with social purposes and economic goals.

Keywords: Monetary waqf, waqf funds, waqf financing, waqf institutions.

ملخص:

حاولنا من خلال هذا البحث أن نذكر بأهمية الصناديق الوقفية في توفير التمويل للمؤسسة الوقفية، والتي تقوم بإنشاء مؤسسات اقتصادية أو اجتماعية نقترحها، حتى تجد التمويل المناسب لممارسة العمل الوقفي المؤسسي، الذي يهتم باستثمار الموارد الوقفية وفق صيغ معاصرة، لتحقيق أفضل النتائج وأجل العوائد وفق ضوابط شرعية وقانونية، ولقد توصلنا من خلال هذا البحث إلى أن الصناديق الوقفية تعتبر وسيطا ماليا بين الواقفين المتبرعين لنقود وقفية وبين طالبي التمويل، على أن يدار بضوابط شرعية ووفق أطر قانونية، تتوافق ورغبات الواقفين وما اشترطوه من شروط تنمية تخدم الصالح العام وتناسق والتوجهات الخيرية ذات الأغراض الاجتماعية والأهداف الاقتصادية.

الكلمات المفتاحية: الوقف النقدي، الصناديق الوقفية، التمويل الوقفي، المؤسسة الوقفية.

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1 .INTRODUCTION

Countries, regardless of their economic systems, strive to achieve comprehensive development by leveraging all available resources and capabilities. The public sector collaborates with the private sector to achieve critical goals, including the provision of economic and social goods and services, each according to its role, domain, and responsibility. With the growing needs of society, waqfs (awqaf) have emerged as a crucial support mechanism for the public sector, addressing the needs of individuals and providing essential living requirements such as food, shelter, education, and healthcare.

Waqfs take various forms, including monetary, real estate, and usufruct waqfs, all of which contribute to enhancing individuals' quality of life—from being born in waqf-funded hospitals to burial in waqf cemeteries with funeral expenses covered by waqf funds. Among these, monetary waqf stands out for its unique advantages: it is readily available, accessible to all societal members, easy to monitor, manage, grow, and distribute. Over time, the volume of monetary waqf resources has grown, along with increased contributions and participation. In some countries, dedicated accounts and funds have been established to collect, manage, invest, and allocate the returns and profits of these monetary waqfs, fulfilling the conditions set by donors and serving the public good.

Given the critical role of capital in investment activities, the collection of waqf resources serves as the foundation for building economic and social projects. Capital is the backbone of projects, enabling their initiation, operation, and sustainability. It can be sourced from various entities under different financial frameworks, with timelines ranging from short to medium to long term.

As contemporary waqf institutions have evolved, gaining legal status and institutional organization, they are now capable of mobilizing the necessary financial waqf resources within structured frameworks known as "waqf funds." These funds aim to channel resources into philanthropic and charitable economic and social activities, collaborating with various entities to align with the specific objectives of these activities and address the needs of beneficiaries. Waqf funds represent a multidimensional financing mechanism based on collective participation by individuals and societal organizations. Their Shariah rulings are based on jurisprudential interpretations aimed at serving public interests, extending from the permissibility of monetary waqf. Essentially, they are a financing tool managed by waqf institutions, which handle the collection, management, investment, and distribution of returns and profits.

This study aims to address the central research question: **How can waqf funds mobilize resources and finance the establishment of economic and social institutions?**

To break down this main question, the following sub-questions will be explored:

- What is meant by waqf financing and waqf funds?
- What are the primary objectives of waqf funds?

- How have countries utilized waqf funds to finance the establishment of economic institutions?

Research Methodology and Tools:

To address the research problem and achieve its objectives, the deductive method was employed. This approach integrates:

Descriptive analysis: To explore theoretical concepts of waqf financing and waqf funds, including their significance, objectives, and regulations.

Analytical review: To examine international experiences where waqf funds have been used to finance the establishment of economic institutions.

Research Objectives

This study aims to achieve the following:

- Promote Awareness of Waqf Culture: Introduce the tradition of waqf and contribute to disseminating its culture through waqf funds.
- Revive the Role of Waqf in Development: Highlight the importance of waqf in fostering development by learning from and emulating successful experiences in mobilizing and investing waqf fund resources.
- Address State and Societal Needs: Demonstrate the necessity of waqf for both the state and society by organizing it administratively through multi-purpose waqf fund financing tailored to societal needs. This approach alleviates the burden on government expenditures and reduces budget deficits in Algeria.
- Analyze Successful International Practices: Examine the procedures and strategies adopted by successful countries that have implemented waqf funds, aiming to follow their path and achieve similarly favorable results.

Research Structure

Based on the above objectives, the study will be divided into the following sections:

- Definition of Waqf Financing and Waqf Funds
- Objectives of Waqf Funds
- General Budget of Waqf Funds
- International Models and Experiences of Waqf Funds

2. Definition of Waqf Financing and Waqf Funds

Financial transactions in Islam are categorized into two distinct types: compensatory transactions (mu'awadat) and donations (tabarru'at). Waqf financing falls under the category of donations, as it is based on charitable giving, voluntary solidarity, and discretionary contributions that neither seek profit nor aim to achieve material gains or financial returns.

2.1 Definition of Waqf Financing

Islamic financing is defined as a comprehensive framework encompassing various models and mechanisms addressing all aspects of life, primarily for investment purposes. The principles governing financial investment in Islam emphasize that

wealth belongs to Allah, and humans are merely trustees of it, managing it under clear and well-defined Shariah guidelines.¹

Shariah-compliant financing mechanisms require that the financed project and its financial resources must be permissible under Islamic law, free from any prohibitions outlined by Shariah scholars. This includes avoiding any prohibited practices in contracts to ensure their validity.

Financing, in general, refers to a relationship whereby an individual or an economic entity is enabled to utilize the resources of another, either without compensation or with deferred compensation. Financing can serve productive purposes, such as purchasing machinery, or consumptive purposes, such as meeting household needs or furnishing homes. The financier might aim for profit, making it profit-oriented financing, or aim solely for charitable and humanitarian purposes, making it donation-based financing.²

Waqf financing is classified as voluntary, discretionary, and donation-based, driven by solidarity. It involves waqf institutions mobilizing the necessary funds and resources to develop, invest in, or establish new waqf properties. This financing can be sourced either from the waqf itself (self-financing) or from external sources (external financing), such as collective waqf through public contributions to waqf funds. These contributions can be charitable donations or profit-seeking investments, ensuring the preservation and fulfillment of waqf objectives.³

From the above, waqf financing can be defined as the process of securing and managing funds for waqf institutions, either from internal waqf resources (internal financing) or from external sources (external financing). The purpose is to maintain existing waqf properties, protect them, invest in them, or establish new waqf projects. External financing can take two forms: donation-based grants or profit-sharing investments.

Voluntary waqf financing strengthens social bonds within the community, stemming from the financier's sense of religious and social responsibility towards others who lack wealth and well-being. This type of financing helps bridge the material gap among community members and mitigates class disparity. Furthermore, it complements other types of financing to meet the financial needs of individuals and institutions dedicated to societal development.⁴

¹ Talha Mohamed Rahma: *Islamic Finance in Sudan: Challenges and Visions*, 1st edition, Sudan, Sudan Currency Printing Company, 2006, p. 31 (adapted).

² Monzer Kahf: *Islamic Economics: Knowledge and System*, Author's website: www.monzer.kahf.com, Date: 25/10/2024, p. 69 (adapted).

³ The meaning of this statement should not be interpreted as the endowment's objective being profit-making, as this contradicts the charitable and devotional philosophy of the waqf. Instead, it refers to, for example, participation in investment projects managed by the waqf institution on waqf land using external funds (from institutions or individuals), with profits to be shared at pre-determined percentages between the parties according to investment formulas and methods. The ownership of the project, however, remains with the waqf institution in the end.

⁴ Ahmad Taha Al-Ajlani: *Introduction to Islamic Finance Theory and Instruments*, Qassim University Press, 2014, Kingdom of Saudi Arabia, p. 107.

Waqf funds have emerged as a pivotal mechanism within waqf financing. The Kuwait Awqaf Public Foundation (KAPF) pioneered the adoption and development of this model, aligning it with modern institutional management practices. These funds aim to invest resources effectively while achieving philanthropic goals and promoting societal solidarity.

2.2 Concept of Waqf Funds

Monzer Kahf defines waqf funds as financial waqf units established by the Kuwait Awqaf Public Foundation (KAPF) through a decree issued by the Minister of Awqaf. Each fund is dedicated to a specific charitable purpose determined at its inception. The fund then invites donors to establish waqf contributions to serve its intended purpose or charitable focus. Essentially, the fund guides benefactors toward a particular avenue of good deeds, raises awareness about its importance, and attracts their waqf donations.¹

Muhammad Al-Zuhayli describes waqf funds as mechanisms for pooling monetary contributions from multiple individuals through donations or shares. These pooled resources are then invested, with the returns allocated to serve public interests that benefit individuals and society. The purpose is to revive the tradition of waqf and achieve its charitable goals, bringing broad benefits to the community, society, and individuals. Additionally, the fund includes a management body responsible for maintaining it, overseeing investment of its assets, and distributing returns according to a predetermined plan.²

In essence, an waqf fund serves as a tool, repository, or "basket" to collect monetary waqf donations from benefactors. These funds are used to benefit individuals, such as constructing facilities, building roads, supporting students, or other activities that fall under "public interest." This type of waqf primarily involves monetary waqf,* with a budget encompassing both resources and expenditures. However, the monetary nature of the fund does not preclude it from owning tangible investment assets such as land, buildings, equipment, or other resources that can generate additional income or returns.

The legitimacy of waqf funds is rooted in the permissibility of monetary waqf, a view supported by several contemporary and classical Islamic jurists.³ Monetary

¹ Monzer Kahf: *Modern Approaches to Endowment Management*, August 1997, Unpublished, p. 20.

² Mohammad Mustafa Al-Zuhaili: *Contemporary Endowment Funds: Their Structure, Types, Rulings, and Issues*, Paper presented at the Second Endowment Conference, Umm Al-Qura University, 18-20 Dhu al-Qi'dah 1427, Kingdom of Saudi Arabia, p. 4.

* Cash waqf was not widely accepted and did not appear as an acceptable form of endowment until the Ottoman era, where it gained significant prominence. It became one of the distinctive features of that period, developing both in its legal and practical aspects. During this time, large sums were endowed to provide loans to traders and artisans. As a result, the waqf evolved into a financial institution that financed various economic groups, such as merchants and craftsmen, through loans to invest in their businesses and projects.

³ Many scholars have permitted the endowment of money. Among the early scholars, the Malikis allowed it (see: "*Al-'Uqood al-Durriyyah fi Tanqih al-Fatawa al-Hamidiya*" by Ibn Abidin, 1/120;

waqf involves investing the funds in Shariah-compliant methods such as mudarabah (profit-sharing), partnerships, and other approved mechanisms. The resulting profits and returns are spent according to the conditions stipulated by the benefactors. The process is governed by sound oversight, accounting transparency, ethical standards, and responsible management.

The preference for monetary waqf aligns with the objectives of Shariah and serves the public good. It allows for greater flexibility and inclusivity, enabling participation from individuals of varying financial capacities. For instance, even those with limited means can contribute to a monetary waqf, as it does not require the substantial resources typically associated with traditional waqf assets like land or buildings. These small contributions can collectively form a significant monetary waqf, which can then be used to purchase properties, provide services, implement infrastructure projects, and establish institutions.

Thus, monetary waqf through waqf funds expands access to waqf, allowing broader societal participation and maximizing its impact on development and charitable activities.¹

3. Objectives of Waqf Funds

Cash waqf has gained significant importance in contemporary times due to the numerous advantages it offers, which justify the expansion of this form and its promotion. This encourages donors to take an interest in it and aims to increase its spread to achieve the highest possible percentage among charitable funds and financial donations. A key aspect of the contemporary importance of monetary waqf is the emergence of waqf funds as successful institutions that carry out their roles more effectively, with better organization and superior outcomes, thus achieving greater administrative, economic, and social success.

Historically, waqf in Islamic tradition has been a voluntary charitable act relying on individual initiative. Its management was typically based on individual or familial systems, despite the potential weaknesses these management systems may have, such as limited planning, ineffective methods, and difficulty in identifying the most important needs. However, cash waqf today has facilitated the creation of waqf funds, where the contributions of large numbers of donors are pooled together. These

Al-Khurasani, 7/80; Al-Sharh al-Kabir, 4/77). The Shafi'is also permitted it (see: "Rawdat al-Talibin," 5/315). Zafar of the Hanafi school and later scholars, as well as a narration from Ahmad (see: "Risalah fi Waqf al-Naqud" by Abu Saud, Shaykhizadeh, Majma' al-Anhar, 1/739, and Ibn Abidin's "Radd al-Muhtar," 4/363), also endorsed it. This is the position adopted today, following the approval of the International Islamic Fiqh Academy during its nineteenth session held in Sharjah, United Arab Emirates, from 1 to 5 Jumada al-Awwal 1430H, corresponding to 26–30 April 2009. In its statement, it was noted: "The legislative texts related to waqf are general, covering permanent and temporary endowments, specific and shared, assets and benefits, money, real estate, and movable property, as they fall under the category of charity, which is expansive and encouraged."

¹ For further details, refer to: Muhammad Abdul Halim Omar and Kamal Mansouri, The Temporary Endowment of Benefits and Money to Meet the Needs of the Poor and Finance Their Small Projects, see the link: <http://www.thbatq.com/images/stories/book/B25.pdf>, p. 16 and beyond.

funds operate within models of popular participation and community solidarity, leading to a large capital base, which necessitates modern administrative and economic arrangements that are suited to the management of such substantial waqf funds.

Thus, modern management systems for these waqf institutions have been established, with regulations and laws put in place, and boards of directors, general assemblies, certified accountants, and specialized departments for investment, planning, studies, and research have been formed. This development has increased the chances of success for these administrations, surpassing the effectiveness of individual, familial, or even government-managed systems. Moreover, these modern administrative and economic arrangements are among the key contributions of monetary waqf to the Islamic waqf system today.¹

The main objectives of waqf funds can be summarized as follows:²

- Reviving the tradition of waqf by promoting projects that resonate with people's needs and interests.
- Expanding the scope of waqf through an organizational structure that balances flexibility with discipline.
- Addressing community needs in areas that are inadequately supported.
- Advancing charitable work by offering a new model that can be emulated.
- Encouraging popular participation in the advocacy for waqf and the management of its projects.
- Renewing the developmental role of waqf by activating existing projects and creating new ones.
- Contributing through modern management techniques and contemporary governance in waqf fund institutions.

It is noteworthy that the activities of each fund's management are confined to promoting the waqf of funds for its purposes and utilizing its cash revenues to support the charitable goals defined for the fund. The management and investment of the waqf's assets themselves have been entrusted to specialized investment departments, following the principle of specialization and utilizing expertise in investment. This marks a redefinition of the role of the *nazir* or manager, who in the past managed the waqf's assets, collected its revenues, and spent them on its purposes. The new administrative structure of the General Secretariat of Awqaf in Kuwait, for example, has separated the management and investment of waqf assets from the allocation of expenditures for its purposes. Investment is now handled by

¹ For additional information, see: Abdullah bin Muflih al-Thamali, *The Endowment of Money - Its Ruling, History, Objectives, Contemporary Importance, and Investment*, presented at the Second Endowments Conference at Umm Al-Qura University, Saudi Arabia, 1427H, pp. 21-28 (with modifications).

² Hussein Abd Al-Muttalib Al-Asraj: *Endowment Fund Governance: Theory and Practice*, Published on the Islamic Transactions Research Center website: www.kantakji.com, accessed 29/10/2024.

dedicated investment departments, while waqf funds focus on providing services aligned with the purposes of the waqf, funding charitable and social projects.¹

4. General Budget of Waqf Funds

A budget reflects the sources of funds and their uses, organized according to generally accepted accounting principles. The general budget of waqf funds, like other budgets, consists of two sections: revenues and expenses.

1. **Revenues of Waqf Funds:** The sources of revenues for waqf funds can be clarified as follows:²

- Donations made by individuals in general, especially capital owners, and businessmen.
- Contributions from private sector institutions and companies, as well as public sector entities such as social development institutions, pension funds, insurance companies, charitable organizations, etc.
- Allocations from the state treasury, either through direct funding, taxes, or designated stamps to fill waqf funds.
- The income generated by the waqf funds themselves.
- The return on investments made with the waqf capital and the activities and services it funds.
- Donations from international Islamic organizations such as the Organization of Islamic Cooperation and the Islamic Development Bank.
- Grants from Islamic waqf institutions, Ministries of Awqaf, and general waqf bodies in Islamic countries.
- Income from new waqfs, which is spent according to the fund's objectives.
- Gifts, donations, aids, and bequests that align with the fund's nature, objectives, policies, and goals, ensuring that the waqf is directed toward the fund's objectives and areas, rather than the fund itself.

2. **Expenses of Waqf Funds:** These refer to the uses of the funds collected, which should be allocated for the same purpose as the initial resources. Each fund should spend part of its income (not from the principal, which is preserved and reinvested) on the following purposes:³

- Maintaining necessary reserves as determined by accountants and experts for the fund's management and operation.
- Allocating earnings to support beneficiaries.
- Spending the remaining income on projects, institutions, and activities that the fund supports.

¹ Monzer Kahf: *Modern Methods in Endowment Management*, ibid, p. 22.

² Monzer Kahf: *Islamic Endowment Finance and Governance: Theory and Practice*, 2nd Edition, Dar Al-Fikr Al-Mu'asir, Beirut, 2006, p. 303. And Mohammad Mustafa Al-Zuhaili: *Contemporary Endowment Funds: Their Structure, Types, Rulings, and Issues*, ibid, p. 9.

³ Mohammad Mustafa Al-Zuhaili: *Contemporary Endowment Funds: Their Structure, Types, Rulings, and Issues*, ibid, p. 9.

All of this is carried out within a rigorous accounting system, ensuring that the fund's function and objectives are maintained, along with the integrity of the waqf capital, which Islamic law has given special care and attention.

5. International Models and Experiences of Waqf Funds

Among the most notable examples of waqf funds, we mention the following:

5.1 The "Tabung Haji" Fund in Malaysia:

In 1959, Malaysian economist Anwar Aziz proposed a cooperative investment model, calling for the establishment of a non-profit institution to manage the savings of Malaysians wishing to perform Hajj and invest their funds. This initiative was supported by Sheikh Al-Azhar at the time, Imam Mahmoud Shaltut, during his visit to Malaysia in 1962, who stated: "It is an Islamically acceptable plan, and Muslims will benefit greatly from it." The idea was adopted by the Malaysian government in 1963, leading to the creation of the *Tabung Haji* (Hajj Fund), an investment fund designed to assist Muslims in Malaysia in saving for their pilgrimage to Mecca.

The fund's initial purpose was to alleviate the financial burdens faced by Malaysian pilgrims who, prior to the establishment of the fund, had to save for years, take loans, and sell parts of their property to cover the costs of Hajj. Upon returning, many of them were left with substantial debts. The Malaysian government adopted a cooperative waqf model to ease the suffering of those wishing to perform Hajj and make the process affordable for all Malaysians. Practically, the system works by opening a savings account for every newborn in a non-profit institution, with minimal monthly deposits (usually no more than \$2–3). The savings accumulate gradually, and the invested funds are managed to benefit all contributors, with profits shared according to a cooperative model. This was done to avoid dealings with conventional interest-bearing banks.¹

As a result, *Tabung Haji* became one of the most successful investment funds globally, with its assets and investments reaching approximately \$56 billion. It provided Malaysians the opportunity to invest in a "Hajj Savings Fund," with 100% government-backed deposits. This pioneering model has inspired several Islamic countries, including Jordan, which established a similar "Hajj Fund" based on the *Tabung Haji* concept. This outstanding experience should be widely adopted as a model of excellence in management, investment, and social welfare, emphasizing the Islamic principles of waqf and social solidarity, particularly as the financing of Hajj is one of the virtuous forms of charity in Islam.²

5.2 Waqf Funds in Sharjah:

In 1996, the Emirate of Sharjah issued Amiri Decree No. 2, establishing the General Secretariat of Waqfs, which included the creation of various waqf funds under its management. The decree defined the following categories of waqf funds (referred to as *maṣārīf* or uses):³

¹ Khaled Bin Hudub Al-Muhidib: Hajj Endowment Fund: A Malaysian Model, Al-Riyadh Newspaper, Issue 4, Wednesday 19/08/2015, available at: www.alriadh.com/1074411.

² Khaled Bin Hudub Al-Muhidib: Hajj Endowment Fund: A Malaysian Model, *ibid*.

³ Sami Mohamed Salahat: The Endowment Experience in the UAE, *Awqaf Magazine*, General Secretariat of Awqaf, Issue 5, October 2003, Kuwait, pp. 51-77 (adapted).

- **Waqf for the Care and Maintenance of Mosques:** Encourages Muslims to build and endow mosques, using waqf funds for construction, maintenance, religious books, and the care of mosque officials.
- **Waqf for the Needs of Poor Families:** To cover both material and social needs of impoverished families.
- **Waqf for the Elderly:** Providing financial and in-kind support to elderly and disabled citizens in the UAE.
- **Waqf for Hajj Services:** Supporting and facilitating the pilgrimage experience for Hajj pilgrims by alleviating difficulties and providing assistance.
- **Waqf for Investment:** Enhancing and developing waqf assets through investment in various projects.
- **Waqf for the Care of Disabled and Special Needs Groups:** Supporting mental and physical rehabilitation, vocational training, and the provision of medical equipment.
- **Waqf for Environmental Protection:** Promoting environmental awareness, supporting conservation projects, and organizing youth seminars focused on public environmental preservation.

5.3 Waqf Funds in the General Secretariat of Waqfs in Kuwait:¹

Among the notable waqf funds managed by the General Secretariat of Waqfs in Kuwait, we highlight the following:

- **Waqf Fund for the Qur'an and its Sciences:** A key fund focused on supporting the Quran, encouraging its memorization, recitation, research, and studies in its sciences, and providing the necessary support.
- **Waqf Fund for Scientific and Social Development:** Aims to support both public and private efforts to improve educational, cultural, and social services by addressing social problems and encouraging scientific research, as well as supporting students and talented individuals.
- **Waqf Fund for Health Development:** Supports health-related projects, environmental initiatives, and services for people with special needs.

These widespread experiences across the Islamic world demonstrate the potential of waqf funds to support any project that benefits society socially and economically, provided there is funding and a clear need for the project. The role of these projects, governed by Islamic legal principles and local regulations, is to address the essential needs of society, provide public benefits, and contribute to both social and economic development.

6. Conclusion

Based on the previous presentation of the research, we summarize the key findings as follows:

¹ Awqaf General Secretariat Website: Available at: <http://ww2.awqaf.org.kw/Arabic/AboutMunicipality/EndowmentFunds/Pages/default.aspx>, accessed 15/08/2023.

- **Waqf Funding** refers to the provision of funds to an waqf institution, which can be from internal resources (the institution's own waqf assets) or external sources (such as external contributions). The purpose is to maintain, protect, or invest existing waqfs or to establish new ones.
- **Waqf Fund** is a financial vehicle that pools together waqf funds contributed by individuals and institutions, each according to their capacity and willingness. The returns from the fund are directed towards the specific goals outlined in the waqf deed (waqf certificate), under the supervision of the waqf institution.
- **Waqf Investment** involves using the waqf funds in a project or product that has an economic and/or social purpose, with the aim of growing the funds and generating returns that help achieve the mission and objectives of the waqf.
- **Waqf Funds** serve as a financial intermediary between donors and fund recipients, who require funding for their investment or operational expenses. In this model, the waqf fund holds the capital, while the *mudarib* (investment manager) or *waqf partner* proposes projects or investment areas they are knowledgeable about and need financing for.

Recommendations

Based on the findings, we recommend the following actions:

- **Raising Awareness:** Promote waqf culture and awareness among society through various media channels and platforms, encouraging people to contribute towards waqf funds. Their contributions can help fund productive projects and institutions, benefiting the wider community and promoting sustainable development.
- **Creating a Supportive Legal Framework:** Establish a comprehensive legal system that supports waqf funds, based on careful study and learning from successful waqf models in other Islamic countries. This could enhance the operational effectiveness of waqf funds.
- **Optimal Utilization of Cash Waqfs:** Ensure that cash waqfs are wisely managed and not squandered. Investments should be carefully selected based on in-depth research and analysis, adhering to Islamic principles that ensure financial safety and avoid risky ventures. Alternatively, investment responsibilities could be entrusted to specialized, experienced investment firms that respect legal, Islamic, and financial standards, with models from countries like Kuwait, Malaysia, Sudan, and Sharjah being considered.
- **Empowering Skilled and Ethical Managers:** After selecting qualified and ethical professionals, it is essential to give them some degree of autonomy in managing the investments and operations of waqf funds. This includes financial oversight, investment management, and monitoring of the funds and institutions.
- **Supporting Development Projects in Algeria:** The Ministry should work towards collecting resources for waqf funds and investing them in development projects that meet the needs of individuals and institutions, thus contributing to economic and social development.

- **Conducting In-depth Needs Assessments:** The Ministry should carry out comprehensive surveys or collaborate with specialized university research centers to identify the areas in need of funding for institutions that serve individuals and address their essential needs, ultimately improving their living standards.

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