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Bridging Islamic Economics and Environmental Conservation: an Investigation into the Financial Viability of Waqf Forest

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ABSTRACT

Purpose—*This paper delves into the conceptual of waqf forest conservation and forest landscape restoration, exploring novel financial mechanisms that can ensure their long-term sustainability.*

Method—*The study sources data from a variety of secondary sources, including books, scholarly articles, and online resources to thoroughly review and synthesize current knowledge in these areas.*

Result—*Our analysis underscores the potential of various mechanisms, such as crowdfunding, impact investment, and partnerships with financial institutions, to mobilize financial resources, diversify funding avenues, and attract socially responsible investors towards waqf forest restoration efforts. These mechanisms, by offering innovative financial models, address key challenges including limited funding, financial viability, community engagement, complex legal frameworks, and sustainable revenue generation. The paper argues that the incorporation of these solutions into waqf forest initiatives can surmount these barriers and pave the way for effective and sustainable forest landscape restoration.*

Novelty—*Our study contributes to a broader understanding of potential financial strategies approach applicable to waqf forests, advocating for their preservation and consequently contributing to more extensive forest landscape restoration efforts.*

Keywords: *Waqf Forests, Financial Viability, Innovative Financial Models, Islamic Economics, Environmental Conservation.*

INTRODUCTION

Waqf forests are an important part of many ecosystems, with significant potential to contribute to climate resilience, biodiversity conservation, and sustainable livelihoods for local communities (Cizmeci & Lashuel, 2017; Hamdani et.al 2021). Historically, these waqf forests, often rooted in Islamic philanthropy, have offered exemplary models of sustainable resource management and provision of social welfare (Kahf, 2003; Al-Anzi & Al-Duaij, 2004). However, the viability and long-term sustainability of waqf forests is threatened due to a number of challenges, ranging from lack of funds and legal complications to low community involvement and insufficient income (Haneef, et.al, 2015; Ali & Kassim, 2020). Whereas, the emerging literature on sustainable forest management emphasizes the need for innovative financial mechanisms to address this challenge (Sayer et al., 2013). Diversified funding streams have been proposed as a potential way to mobilize resources and promote financial sustainability, for forest landscape restoration, including in waqf forest (Breitfuss, Lee, & Martin, 2018).

Despite their significant potential for contributing to environmental sustainability and climate resilience, waqf forests are under constant threat. Waqf forests, characterized as Islamic endowments, provide significant environmental, social, and economic benefits. These include promoting biodiversity, sequestering carbon, supporting climate resilience, and providing livelihoods to local communities (Ali & Jannah., 2019; Setyorini et al, 2020). Recent research highlights the integral role these forests play in preserving local ecosystems and combating climate change (Sait & Lim, 2016; Azhar., 2020). However, despite their immense potential, waqf forests have faced persistent challenges related to inadequate funding, poor management, legal complexities, and insufficient community involvement, which have threatened their sustainability (Yaakob et.al. 2017; Aydos et al., 2020).

Over the last decade, the emergence of novel financial mechanisms for sustainable conservation has gained considerable attention. Crowdfunding, impact investment, and strategic partnerships with

financial institutions have been identified as potential avenues for resource mobilization (Breitfuss et al., 2018). Simultaneously, the concept of socially responsible investing (SRI) has gained significant momentum. A report by Global Sustainable Investment Alliance (2022) highlights that global SRI assets reached \$53 trillion in 2020, a staggering increase of 15% compared to 2018. In spite of this growth, waqf forests have largely been overlooked as an investment destination for socially responsible investors and financial mobilization for sustainable restoration. The disconnect among the escalating decline of waqf forests, financial restoration mechanisms and the rising interest in SRI represents a significant and yet untapped opportunity for promoting sustainable forest landscape restoration (Omarova, 2022).

Despite the recognition of these innovative financial mechanisms, there remains a significant gap in understanding how these mechanisms can be effectively applied to waqf forests. While crowdfunding, impact investment, and partnerships have been explored in general conservation contexts, their application in the context of waqf forests has not been adequately researched (Omarova, 2022). Understanding how to mobilize these funding streams for waqf forest conservation, in compliance with Islamic economics and principles, presents an underexplored area of study. Moreover, the potential for attracting socially responsible investments into waqf forest landscape restoration remains largely untapped. Despite the significant rise in SRI globally, these investments have not been strategically directed towards waqf forest conservation (Bouri, 2017). The factors contributing to this gap, as well as strategies for attracting such investments into waqf forests, are under-researched. Addressing these knowledge gaps is critical for promoting the financial sustainability of waqf forests and achieving broader forest landscape restoration goals.

This paper presents a unique intersection between waqf forests and innovative financial mechanisms like crowdfunding, impact investment, and partnerships with financial institutions. While existing literature has touched upon these financial mechanisms in various other contexts, their application towards the preservation and restoration of waqf forests has not been thoroughly explored. Our study provides a fresh perspective by investigating how these mechanisms can be used effectively to ensure the financial viability and long-term sustainability of waqf forests. Moreover, the paper seeks to bridge the gap between the growth in socially responsible investments (SRI) and the largely untapped potential for their application to waqf forests. By highlighting the potential for attracting socially responsible investors to the cause of waqf forest conservation, the study contributes to the nascent discourse on the role of SRI in promoting sustainable forest landscape restoration.

The objective of this paper is to explore and illuminate the potential of innovative financial mechanisms, including crowdfunding, impact investment, partnerships with financial institutions, and socially responsible investment, to enhance the financial viability and sustainability of waqf forests and contribute to broader forest landscape restoration efforts. The unique purpose of this paper is to advance our understanding of the potential role of innovative financial mechanisms in ensuring the long-term sustainability of waqf forests. While various financial mechanisms, including crowdfunding, impact investment, and partnerships with financial institutions, have been explored in conservation contexts (Breitfuss et al., 2018; Bouri, 2017), their application specifically to waqf forests has been largely overlooked. Through a comprehensive review and analysis of secondary sources, our study seeks to illuminate the potential of these mechanisms to mobilize resources, diversify funding streams, and overcome challenges related to financial viability in the context of waqf forests (Sait & Lim, 2016; Yaakob et al. 2017). Furthermore, this paper aims to bridge the gap between the surge in socially responsible investing (SRI) and its application to waqf forest conservation. Despite the significant rise in SRI globally, waqf forests remain an underexplored area of investment (Global Sustainable Investment Alliance, 2022). Our study intends to shed light on how SRI can be attracted towards waqf forest conservation, thereby contributing to the broader discourse on the role of the financial sector in promoting sustainable forest landscape restoration.

The application of innovative financial mechanisms such as crowdfunding, impact investment, and partnerships with financial institutions can significantly enhance the financial viability of these forests. Drawing upon the success of these mechanisms in other conservation contexts (Breitfuss et al., 2018), the paper posits that these mechanisms, when adapted to the unique characteristics and needs of waqf forests, could provide a robust solution to the challenges of underfunding, community engagement, and sustainable revenue generation (Aydos et al., 2020). The growing trend of socially responsible investing (SRI) represents a largely untapped resource for waqf forest conservation. Given the marked increase in SRI globally (Global Sustainable Investment Alliance, 2022), it is posited that socially responsible investors could be strategically engaged to contribute to waqf forest landscape restoration. The paper

argues that through targeted communication of the environmental, social, and economic benefits of waqf forests, these investors can be motivated to direct their investments towards these forests, thus fostering their preservation and contributing to broader forest landscape restoration efforts (Bouri, 2017).

RESEARCH METHODS

This study is qualitative in nature and the primary method of analysis is document research based on books, journal articles, and other published sources. Based on the literature review, this study explores and investigates a number of essential underlying themes associated with the financial viability of waqf forests for forest landscape restoration, as illustrated in Figure 1, which were used to develop the relevant conceptual models. The primary object of study in this research is the financial viability and long-term sustainability mechanisms for waqf forests. The unit of analysis is the various financial models and strategies that can be employed in the management and restoration of these forests. This includes crowdfunding, impact investment, partnerships with financial institutions, sustainable revenue generation, socially responsible investment, and community engagement. The waqf forests were chosen as the case study due to their significant role in ecological conservation and social-economic development. Additionally, these forests face numerous financial and logistical challenges, making them a compelling case to study innovative financial strategies for forest landscape restoration.

Figure 1: Waqf Forest Financial Viability



The selection of this particular case was guided by several criteria. Firstly, the case represents a typical instance where an innovative financial strategy can contribute to the sustainability of a forest landscape. Secondly, the waqf forests' unique nature offers an opportunity to study a novel area that combines religious, environmental, and financial perspectives. Thirdly, the case provides opportunities to explore the potential of various innovative financial mechanisms, their application, and their implications in a practical context. Selection was done through a purposive sampling method, where this particular case was chosen due to its potential to provide valuable insights into the research questions and objectives. The purposive sampling method is widely used in qualitative research when the researcher wants to select cases that are likely to be "information-rich" with respect to the purposes of the study (Palinkas et al., 2015).

The types of data collected can be broadly classified into qualitative data. This data provides in-depth insights into various aspects of financial viability and long-term sustainability mechanisms for waqf forests, the conceptual underpinnings, and practical implementations of these mechanisms. Specifically, the data encompasses:

1. *Conceptual understanding and categorization of various financial models including crowdfunding, impact investment, partnerships with financial institutions, sustainable revenue generation, socially responsible investment, and community engagement.*
2. *Case studies and examples where these financial models have been applied successfully in the context of waqf forests or similar settings.*
3. *Expert views and critical assessments of the effectiveness, challenges, and potential of these financial models in promoting the financial viability and long-term sustainability of waqf forests.*

By collecting and analyzing this diverse array of data, the research aims to provide a comprehensive understanding of the potential financial strategies and approaches applicable to waqf forests.

RESULT AND DISCUSSION

Result

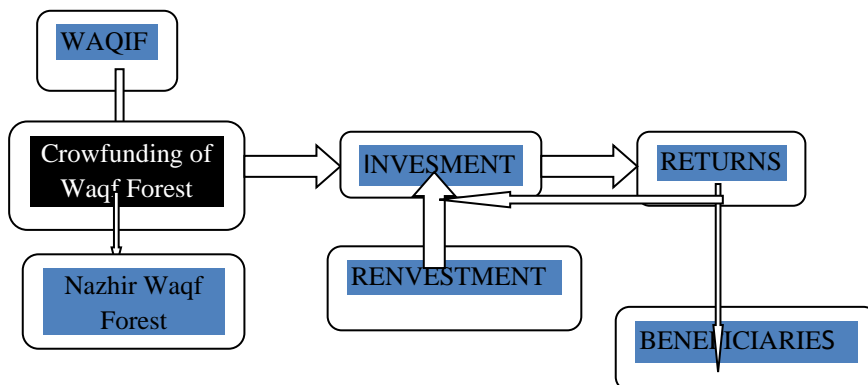
Proposed Waqf Forest in Financial Viability

The waqf forest, as an Islamic endowment of forestry resources is dedicated to public welfare and environmental sustainability. These forests, entrusted to local communities or institutional bodies, serve dual purposes of ecological conservation and socio-economic development (Cizakca, 2011; Hamdani et.al 2021). The institutional structure of waqf forests generally implies a permanent endowment, managed by a designated trustee or mutawalli, who oversees its conservation and utilization in a way that conforms to the donor's intent and benefits society (Sadeq, 2002; Al-Anzi & Al-Duaij, 2004; Budiman,2011). The waqf forests thereby encourage community participation, thus aligning with the principles of community based forest management (Boukhari, 1999; Setyorini et al, 2020). The socio economic implications of waqf forests provide livelihood options, support local economies, and ensure the welfare of the communities. The benefits range from direct income sources like timber and non-timber forest products to indirect advantages like ecosystem services (Ali & Kassim, 2020). Yet, these potential benefits are often under realized due to challenges like limited funding, inadequate community engagement, and lack of technical expertise (Huda et al., 2018; Jannah et.al 2020).

Limited financial resources, coupled with competing land use pressures, can compromise the effective management and restoration of these forests (Bendaoud et al., 2020). The potential of diverse financial mechanisms, such as crowdfunding, impact investment, partnerships with financial institutions, and sustainable revenue generation, as strategies for supporting waqf forests. The combination of these strategies can address the existing challenges, thereby ensuring the long-term viability of the waqf forests (Sadeq, 2002; Huda et al., 2018; Jannah et.al 2020). When effectively managed and financed, waqf forests can contribute to larger environmental goals such as climate change mitigation, biodiversity conservation, and achievement of the United Nations Sustainable Development Goals (UN-REDD, 2018; Bendaoud et al., 2020).

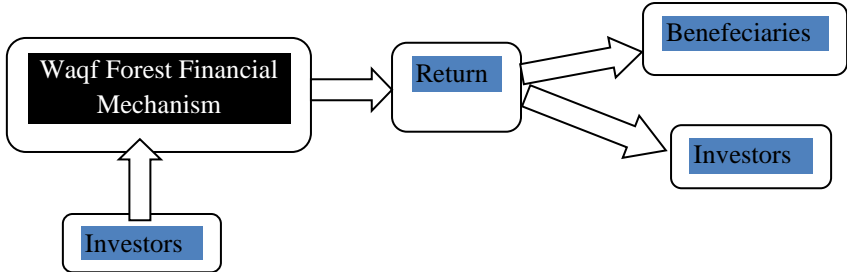
Crowdfunding as a financial model that entails raising small amounts of funds from a large pool of people, primarily via the internet (Mollick, 2014). In the context of waqf forest restoration, crowdfunding platforms could be an effective tool to mobilize funds from individuals who are keen on contributing to environmental conservation. This can create a sense of shared ownership and community engagement in the restoration efforts. Crowdfunding, through its capacity to attract funding from diverse sources, can help overcome one of the main barriers to restoration efforts: funding. By addressing the funding gap, crowdfunding can accelerate the restoration process, thus enhancing the ecological, social, and economic benefits of waqf forests (Belleflamme, Lambert, & Schwienbacher, 2014). While crowdfunding offers immense potential, it requires careful planning and execution. Transparency and accountability in the use of funds, as well as effective communication of the project's goals and progress, are vital to maintaining donor trust and fostering continued support (Gerber, Hui, & Kuo, 2012).

Figure 2: Crowdfunding Mechanism



Moreover, impact investment, which refers to investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return (Brest & Born, 2013). Waqf forests could potentially attract impact investors who are interested in supporting sustainable land management practices that offer both environmental and socio-economic benefits (Ali & Kassim, 2020; Setyorini et al, 2020). The potential for partnerships with financial institutions, such collaborations could provide access to larger funding streams, technical expertise, and other resources essential for sustainable forest management (FAO, 2016). These partnerships could also pave the way for innovative financial products tailored for waqf forest restoration, such as green bonds or sustainability-linked loans. Waqf forests could generate revenues through the sustainable sale of forest products, eco-tourism, or payment for ecosystem services (PES) schemes (Wunder, 2015). These revenue streams could ensure the financial sustainability of the waqf forests while also providing economic benefits to the local communities. Socially responsible investment (SRI) is examined. SRI involves investment strategies that consider both financial return and social/environmental good (Renneboog et al., 2008). Waqf forests, with their dual environmental and socio-economic objectives, are well-aligned with the principles of SRI, thus offering an opportunity to attract investments from socially conscious investors. The crucial role of community engagement in ensuring the financial viability of waqf forest restoration. Local communities could contribute to the restoration efforts, benefit from the economic opportunities created, and play a key role in managing and protecting the waqf forests. By fostering a sense of shared responsibility, community engagement can help ensure the long-term sustainability of the restoration efforts.

Figure 3: Financing Mechanism



The potential of various mechanisms to overcome the challenges associated with limited funding and financial viability. The diversification of funding streams is a crucial aspect in this regard (Azevedo et al., 2021). By using a combination of the innovative financial models, waqf forests can attract a wider range of funding sources and decrease the risk associated with dependence on a single source of funding. Clear and supportive legal frameworks are needed to incentivize socially responsible investments, facilitate partnerships with financial institutions, and make crowdfunding a viable option for raising funds. Successful execution of these models requires a certain level of financial literacy and technical knowledge among the stakeholders, including the managers of waqf forests and the local communities (Albuquerque et al., 2019). Therefore, capacity building initiatives and knowledge sharing platforms can play a critical role in this context.

The selection of impact investment and financial institution partnerships as innovative financial models for waqf forest restoration. Impact investments refer to investments made into companies, organizations, and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return (Jackson, 2013). Financial institution partnerships provide access to financial resources, expertise, and networks that can enhance the scale and impact of waqf forest restoration initiatives (Bouri, 2011). With the growing emphasis on sustainable and socially responsible investments, waqf forests provide an ideal opportunity for investors seeking both financial returns and positive social and environmental impacts. Partnerships with financial institutions can facilitate access to these impact investments, thus enabling a sustainable funding model for restoration efforts (Bouri, 2011). As these financial models are relatively novel in the context of waqf forests, they present learning opportunities regarding their design, implementation, and impact. Challenges such as defining impact metrics, establishing effective partnerships, and ensuring alignment with the objectives of waqf forests, necessitate adaptive management and continuous learning.

Given the long-term nature of waqf and the lengthy timeframe for forest restoration, sustainable revenue generation mechanisms are essential to ensure the ongoing financial viability of these initiatives

(Emerson, 2003). Socially responsible investments align well with the objectives of waqf, as both seek to create social benefits, making them an ideal funding source. Community engagement is critical for the success of restoration efforts as local communities play a pivotal role in forest management and benefit directly from these initiatives (Le, Smith, Herbohn, & Harrison, 2012). Sustainable revenue generation and socially responsible investments provide the much-needed financial resources for restoration efforts, thereby contributing to their success. Community engagement ensures that local needs and knowledge are incorporated into restoration plans, leading to more effective and locally adapted interventions (Le et al., 2012). The development of sustainable revenue generation mechanisms requires a thorough understanding of the market and regulatory environment. Socially responsible investments demand a clear articulation of the social benefits of waqf forests and robust impact measurement. Effective community engagement necessitates the establishment of strong relationships and trust with local communities (Schreckenberger, Franks, Martin, & Lang, 2016).

The waqf forest financial viability underscores the necessity of ensuring transparency and accountability in the financial management of waqf forests. This is particularly important for attracting socially responsible investors and maintaining the trust of crowdfunding contributors. Therefore, mechanisms for regular monitoring, reporting, and auditing of the financial transactions need to be in place. The potential of these innovative financial models for scaling up waqf forest restoration efforts. By attracting more funding, engaging local communities, and creating sustainable revenue streams, these models can pave the way for restoring larger areas of degraded forests, thereby contributing to global forest landscape restoration goals (FAO & UNEP, 2020). By reiterating how these innovative financial models, when incorporated into waqf forest initiatives, can ensure their financial viability and long-term sustainability. In doing so, this paper contributes to the growing body of knowledge on the financing of forest landscape restoration efforts and provides practical insights for practitioners and policymakers.

Proposed Parameters for Implementing Waqf Forest Financial Viability

Waqf forests, being a form of Islamic endowment, represent an intersection of environmental conservation and social welfare, consistent with the tenets of Islam that promote sustainable use and preservation of natural resources (Kahf, 1998; Budiman, 2011). They are unique in their potential to engage Muslim-majority communities in forest conservation, given the religious and cultural significance attached to waqfs. By integrating innovative financial models such as crowdfunding, impact investment, and financial institution partnerships into waqf forest initiatives, these challenges can be addressed, thereby increasing the likelihood of successful and sustained restoration outcomes. There were lessons learned from successful applications of these financial models in other sectors. For example, crowdfunding has proven effective in mobilizing public support and funds for various environmental initiatives (Levinson, 2012), while impact investments have demonstrated success in promoting sustainable agricultural practices (Jackson & Harji, 2012). These examples provide valuable insights for applying these models in the context of waqf forest restoration.

The specific local context of waqf forests, such as the socio-economic profile of the local community, the legal and institutional framework for waqfs, and the ecological characteristics of the forest must be taken into account when implementing these models (Ahmed, 2004; Ali & Kassim, 2020). This highlights the need for a flexible and context-specific approach to financial planning for waqf forest restoration. The experience from various forest conservation initiatives shows that local communities' involvement and buy-in are key determinants of the sustainability and success of these initiatives (Chhatre & Agrawal, 2008). Therefore, community engagement should be integrated into the implementation of these financial models in waqf forests. The combination of religious endowment, community involvement, and innovative financing could be replicated in other religious or community-based forest conservation initiatives. This highlights the broader applicability of the findings from this study and their contribution to the global discourse on forest landscape restoration. It's worth noting that SRI is an emerging trend in the global financial market, reflecting a shift towards investments that not only yield financial returns but also contribute to social and environmental well-being (Renneboog et al., 2008). Given the inherent nature of waqf forests, which align with the principles of social responsibility and environmental sustainability, they present a unique opportunity for attracting SRIs.

The role of legal frameworks in facilitating innovative financial models for waqf forest restoration is emphasized. Legal clarity and support can help catalyze such models like crowdfunding and impact investment (Schwienbacher & Larralde, 2012). Hence, establishing a supportive legal environment should be a crucial part of efforts to ensure the financial viability of waqf forests. The importance of capacity

building and knowledge sharing in successfully implementing the financial models. To put these models into action effectively, stakeholders like waqf forest managers and local communities must be equipped with the necessary financial literacy and technical knowledge (OECD, 2017). Thus, initiatives for capacity building and knowledge sharing can greatly contribute to this cause. The importance of transparency and accountability in the financial management of waqf forests. The trust of investors and the public, crucial for crowdfunding and socially responsible investments, can be maintained by ensuring transparency in the use of funds and holding regular audits (Carnevale & Hatak, 2020). The importance of creating a sustainable revenue stream as a part of the innovative financial models. The sustainability of the waqf forest restoration efforts can be guaranteed by setting up a consistent revenue stream, such as through sustainable timber harvesting or ecotourism (FAO, 2020;). The lessons learned from the study of waqf forests can contribute to broader forest landscape restoration efforts. The integration of innovative financial models into waqf forest initiatives can serve as an example for other similar initiatives, thus paving the way for a more sustainable and successful forest landscape restoration globally.

DISCUSSION

This paper presents a comprehensive exploration of the intersection between waqf forests, forest landscape restoration, and innovative financial models. The study has shown that the waqf forests are unique assets with considerable ecological, social, and cultural significance, but they face significant challenges, especially in terms of their restoration and sustainable management. These challenges are compounded by limited funding, which is a common problem in conservation and restoration initiatives (Panwar, Rinne, Keskitalo, & Löf, 2020). To address this, the paper proposes the integration of various innovative financial models, including crowdfunding, impact investment, financial institution partnerships, and sustainable revenue generation, as potential solutions.

The study finds that these models align well with the principles of waqf and have the potential to attract a broad base of support, including from socially responsible investors and local communities. By diversifying funding sources and mobilizing resources, these models can help overcome the financial constraints of waqf forest restoration. Moreover, the engagement of local communities in restoration efforts is seen as a key to ensuring their success, as it fosters a sense of ownership, enhances local capacity, and ensures that the benefits of restoration are equitably shared (Le, Smith, Herbohn, & Harrison, 2012). The insights gained from this study can contribute to the development of tailored financial strategies that ensure the long-term sustainability of waqf forest restoration initiatives. More broadly, they can inform policy and practice in forest landscape restoration, particularly in contexts where traditional funding sources are limited (Ali & Jannah., 2019). This ultimately highlights the need for further research on these financial models and their potential for advancing sustainable and socially beneficial outcomes in forest landscape restoration (Chazdon & Guariguata, 2016).

The implementation of sustainable financial models is thus crucial to match this long-term requirement and to enhance the viability and effectiveness of restoration efforts. The proposed financial models go beyond the narrow confines of traditional funding sources and emphasize the need for multiple stakeholders, including the local community, to get involved in forest conservation. This interpretation opens a novel pathway for the wider application of such innovative models in other areas of environmental conservation, thus bridging the gap between religious, cultural traditions, and contemporary financial mechanisms (Salamon & Sokolowski, 2016). The financial models advocated for are scalable and adaptable, offering potential for wider implementation in other waqf assets and religious endowments. Moreover, these models can be further refined and integrated into existing forest restoration and conservation strategies, therefore providing a tangible way forward in the challenge of forest landscape restoration. This interpretation reinforces the paper's contribution to understanding financial strategies for waqf forests, advancing their preservation and restoration efforts, and contributing to broader forest landscape restoration and conservation finance literature (Busch, Ferretti-Gallon, Engelmann, Wright, Austin, Stolle & Streck, 2019).

The financial viability of waqf forests in the context of forest landscape restoration, it brings a new perspective to the understanding of waqf assets. By considering them not just as religious endowments but also as assets that can be managed sustainably through innovative financial models such as crowdfunding, impact investment, and partnerships with financial institutions. Our study has broadened the scope by investigating how waqf forests, a specific type of forest asset, can contribute to global forest landscape restoration efforts. Moreover, our study suggests innovative financial models, which are

typically discussed in the context of social entrepreneurship and development projects, as potential solutions to the challenges of forest landscape restoration.

The framework of forest landscape restoration approach goes beyond the conventional environmental and ecological perspectives. It incorporates economic and social aspects, particularly the role of the community and socially responsible investors in forest restoration. This multidimensional approach is relatively unexplored in current literature, which often views forest restoration from either an ecological or an economic perspective (Bullock et al., 2011). By integrating these aspects, our study offers a comprehensive and holistic perspective on forest landscape restoration. The innovative financial models applied to waqf forests for restoration purposes brings a refreshing perspective to existing literature. While several studies have touched upon the potential of financial models such as crowdfunding, impact investment, and partnerships with financial institutions (Mollick, 2014; Calic & Mosakowski, 2016), their integration with the specific context of waqf forests and forest landscape restoration is a unique contribution of our study. Thus, our work bridges the gap between Islamic philanthropy and contemporary finance, and forest landscape restoration literature, providing a holistic insight into the potential synergies among these areas.

Whereas most studies emphasize the community's role in forest conservation from a socio-cultural perspective (Reed et al., 2017), our study highlights their economic potential. It emphasizes how community engagement can be a vital element in mobilizing resources for forest landscape restoration, particularly in the context of waqf forests. By facilitating their involvement in crowdfunding and socially responsible investments, local communities can be empowered to contribute more actively to restoration efforts. The concepts and models discussed can be applied to other forms of waqf assets and even other types of religious or cultural endowments (Bennett & Iossa, 2022). This potential for wider application makes our study not only relevant for the management of waqf forests but also informative for the broader field of conservation finance and sustainable asset management.

CONCLUSION

Waqf forests can be leveraged for the sake of environmental conservation through innovative financial models. While the potential of crowdfunding, impact investment, partnerships with financial institutions, and other innovative financial models has been explored in other sectors, their applicability to waqf forests and forest landscape restoration has remained largely unexplored. The successful integration of these financial models, highlighting the role of community engagement and socially responsible investment, suggests a new pathway for the sustainable management and restoration of waqf forests. From the discipline of Islamic economics, the study makes a unique contribution by integrating religious principles of waqf with contemporary financial mechanisms. This integration not only broadens the scope of Islamic economics but also offers practical solutions to real-world challenges, like forest landscape restoration. By doing so, it encourages further exploration of how Islamic economic principles can be leveraged for socio-economic and environmental benefits.

However, this research is not without limitations. It primarily draws on secondary data and literature review, limiting the scope of its empirical investigation. Additionally, the study does not account for country-specific regulations and cultural contexts that might affect the implementation of the proposed financial models. Future research could address these limitations by conducting comparative case studies across different regions and exploring the role of regulatory frameworks in implementing innovative financial models for waqf forest landscape restoration. This would further our understanding of how to adapt and implement these financial models in diverse contexts. Moreover, the paper has focused primarily on the financial aspect of waqf forest landscape restoration, leaving room for further exploration of the socio-cultural and governance implications. Future research might delve deeper into the community dynamics that facilitate or impede the use of innovative financial models and how to foster social norms that support these initiatives. Additionally, governance issues, such as how to ensure transparency and accountability in the use of funds collected through crowdfunding, impact investment, or financial institutions partnerships, also warrant further investigation.

Another limitation is that the potential impacts of climate change and other environmental factors on waqf forest landscape restoration have not been explored. Given the increasing threats of climate change to forest ecosystems globally, future research could examine how these challenges might affect the implementation of the proposed financial models and the long-term sustainability of waqf forest landscape restoration efforts. Despite these limitations, this study serves as a crucial first step towards bridging the gap between Islamic economics and environmental conservation. It highlights the untapped

potential of waqf forests for sustainable development and contributes to the growing body of knowledge on the innovative financial models for forest landscape restoration. It encourages further interdisciplinary research and collaboration to harness the potential of Islamic economic principles for achieving environmental sustainability goals.

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