

Research Article

Innovation of a Sharia-Based Conditional Health Service (CHS) Waqf Model: A New Strategy for Reducing Stunting in Indonesia

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Abstract: Stunting remains a chronic problem in Indonesia with a prevalence of 19.8% (2024), while the Conditional Cash Transfer (CCT)-based Family Hope Program (PKH) faces budget constraints and targeting inaccuracies. Productive waqf has the potential to be an alternative source of funding, but the CCT mechanism that transfers cash is inconsistent with the perpetual principle of waqf. This study aims to design a Sharia-based Conditional Health Services (CHS) Waqf model as a new strategy for alleviating stunting, where beneficiaries (*mauquf 'alaih*) receive conditional free preventive health services, not cash. Using a qualitative-exploratory approach with design science research (DSRM), data were collected through systematic literature review (PRISMA), in-depth interviews with 10 key informants (BWI, nutritionists, PKH facilitators, academics), and an FGD with 8 stakeholders, then analyzed using thematic analysis assisted by NVivo. The results produced the Sharia Waqf-CHS model consisting of three components: perpetual funding from cash waqf and CWLS, conditional free health services (pregnancy check-ups, immunizations, exclusive breastfeeding, monthly nutrition education, supplementary food), and an integrated monitoring system. Multi-stakeholder validation confirmed that this model is sharia-compliant (DSN-MUI Fatwa No. 02/DSN-MUI/IV/2002 and *maqashid sharia*: *hifz al-nafs*, *hifz al-nasl*) and operationally feasible. The novelty of this research lies in the first design of a waqf distribution model based on conditional health services (not cash transfer) for stunting intervention, introducing the concept of Conditional Waqf Health Services (CWHS).

Keywords: Conditional Health Services; CWLS; Maqashid Sharia; Productive WAQF; Stunting.

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1. Introduction

Stunting remains a chronic problem in Indonesia. The national stunting prevalence in 2024 was still around 19.8%. The government targets reducing it to 14.2% by 2029. However, the global UNICEF-WHO-World Bank report (2025) indicates that progress toward nutrition targets and SDG 2.2 remains insufficient. The Family Hope Program (PKH), the world's second-largest conditional cash transfer (CCT) program, faces constraints due to limited state budget and inaccuracies in beneficiary data. Therefore, sustainable alternative financing is needed. This is where productive waqf can serve as a strategic resource for sharia-based conditional preventive health services, specifically targeting the first 1,000 days of life.

Indonesia has enormous waqf potential. There are 451,000 waqf land sites, but only 53% have been certified. The national potential for cash waqf reaches Rp180 trillion. Cash waqf has grown by 26% annually. The Indonesian Waqf Board (BWI) reports that 40,000–50,000 waqf land sites remain “dormant” and undeveloped. This situation is ironic given the urgent funding needs for specific and sensitive nutrition interventions. Innovation in integrating waqf with conditional health services is therefore crucial. This model combines the principle of sustainable endowment funds (waqf) with the effectiveness of targeting and conditionality (CCT) to address chronic nutrition problems systematically.

A literature review reveals a gap at the intersection of these three domains. There is substantial research on the effectiveness of CCTs in reducing stunting. Manley et al. (2022), in a systematic review and meta-analysis, found that CCT programs reduce stunting prevalence by an average of 1.4%, although effects are heterogeneous and relatively modest. However, conventional CCT mechanisms that provide direct cash transfers are considered less suitable when synergized with cash waqf, which should deliver perpetual benefits in the form of services rather than expendable funds. In the waqf domain, Fawwaz & Hanif (2025) in a systematic review found that research on productive waqf still focuses on general business models without addressing the integration of conditional health service instrument design. At the intersection, a recent 2025 study from UIN Raden Mas Said confirmed the potential of integrating zakat and waqf for public health improvement, but only at the conceptual framework level, without a technical design for conditional service delivery. No research has specifically designed, simulated, and measured the effectiveness of a sharia-based waqf model using Conditional Health Services (CHS) for stunting alleviation.

The novelty of this study lies in engineering a model at the multidisciplinary intersection that has thus far been fragmented. While PKH relies on fluctuating state budgets (APBN), this research proposes an independent and sustainable alternative funding source through productive waqf, addressing fiscal challenges. Whereas conventional CCTs lack a spiritual dimension, the CHS Syariah model provides free conditional health and nutrition services that better align with waqf principles (where *manquf'alaib* receives non-cash benefits). If waqf-based health initiatives (Waqf for Stunting) exist without strict conditional mechanisms, this research introduces innovation through service distribution tied to compliance with nutrition and health requirements, in line with *maqāṣid al-shari'ah* and the SDGs. This synthesis is original and absent from existing literature.

Accordingly, this study aims to design an innovative “Waqf-CHS Syariah” model as a new strategy for stunting alleviation in Indonesia. Its significance is twofold: academically, it fills a literature gap at the intersection of Islamic social finance, public policy, and public health; practically, it provides an alternative financing model to support national targets and the SDGs. This study is expected to offer policy recommendations to the Ministry of Religious Affairs, BWI, Bappenas, Ministry of Health, and Islamic philanthropic institutions for optimizing community funds to address the most pressing humanitarian issues.

2. Proposed Method

This study employs a qualitative-exploratory approach with a design research strategy based on the Design Science Research Methodology. Data were collected through three main techniques: (1) a systematic literature review based on the PRISMA protocol on Scopus articles and policy documents from 2015–2025; (2) in-depth semi-structured interviews with purposively selected key informants, including BWI practitioners, nutrition experts, PKH facilitators, and Islamic economics academics; and (3) one round of Focus Group Discussion (FGD) with eight stakeholders for model validation. Data analysis used thematic analysis with NVivo support, and data validity was ensured through source triangulation and member checking.

The research was conducted in four stages. First, problem identification through analysis of stunting prevalence data and PKH funding gaps. Second, initial model design synthesizing productive waqf funding sources (cash waqf and Cash Waqf Linked Sukuk/CWLS), conditional health service mechanisms based on requirements for routine pregnancy check-ups, complete basic immunization, exclusive breastfeeding, monthly nutrition education sessions, and access to subsidized supplementary food, along with an integrated monitoring system. Third, model validation and refinement through in-depth interviews and FGD, with sharia compliance testing referring to the DSN-MUI Fatwa on cash waqf. Fourth, preparation of policy recommendations. The model is built on four theoretical pillars: Productive Waqf, CCT theory adapted to conditional services, Maqashid Syariah (*hiḍḍ al-nafs* and *hiḍḍ al-nasl*), and Collaborative Governance.

3. Results and Discussion

Design of the Waqf-Chs Syariah Model: Components, Mechanisms, and Structural Innovations

This study produced a productive waqf distribution model that systematically adapts the Conditional Cash Transfer (CCT) mechanism into a framework of conditional health services. Named the “Waqf-CCT Syariah” model, it consists of three integrated main components: (1) an endowment-based perpetual funding source using cash waqf and Cash Waqf Linked Sukuk (CWLS); (2) a mechanism for delivering free preventive health and nutrition services based

on conditionality, covering routine pregnancy examinations, complete basic immunization, exclusive breastfeeding, participation in monthly nutrition education sessions, and access to subsidized supplementary food; and (3) an integrated monitoring and evaluation system involving nazhir, professional health workers, and social facilitators based on institutional data.

The fundamental difference between this model and conventional CCTs (such as PKH) is that beneficiaries (*mauquf 'alaili*) do not receive cash transfers but comprehensive preventive health services. This approach aligns with the perpetuity principle of waqf, where the principal is invested and returns are used to sustainably finance services rather than being spent as direct cash. These findings strengthen and expand the research by Mirzal, Zaki, and Sulaeman (2025), which first proposed adapting PKH into a waqf distribution model by replacing financial reward-punishment mechanisms with compliance-based service access. The structural innovation lies in replacing expendable cash transfers with sustainably funded health services from waqf investment returns, so stunting intervention programs no longer depend entirely on government budget cycles.

The distribution mechanism in the Waqf-CHS Syariah model was specifically designed to address PKH's fundamental weaknesses identified in this study and prior literature. PKH evaluations show beneficiary data inaccuracies (around 23% mistargeting) and low mentoring effectiveness due to limited facilitator competencies as the two main obstacles. This model addresses the first by utilizing the Integrated Social Welfare Data (DTKS) verified in layers by nazhir together with village officials and local health centers. For the second, it replaces general facilitators with professional health workers (village midwives and nutritionists) who have technical competencies in nutrition education and child growth monitoring, while also serving as compliance verifiers.

The incentive system adopts the Islamic legal principle of *targhib* (positive encouragement), whereby families consistently meeting all health requirements during the 1,000-day period gain priority access to advanced services such as waqf-based economic empowerment programs or premium nutrition packages. Conversely, sanctions (*ta'zir*) are not cash deductions (since there are no cash transfers) but active reminders, intensive counseling, and, in cases of repeated non-compliance, postponement of non-primary services. Findings from in-depth interviews with key informants confirm that this service-based mechanism is seen as more aligned with the spirit of Islamic philanthropy, which emphasizes *ihسان* (goodness) and *rahmah* (compassion), and more consistent with waqf principles that prohibit direct distribution of principal funds. The system is designed to create a virtuous cycle where compliance leads to better health service access, while improved child nutrition status delivers long-term benefits for families and society. Structurally, the model also addresses criticisms by Ascarya, Hosen, and Rahmawati (2022) on the need for simple yet measurable productive waqf models by providing a clear operational framework from upstream (fundraising) to downstream (service distribution and impact evaluation).

The integration of CWLS as the main funding instrument provides a sustainability dimension not available in previous waqf health models. CWLS, first issued by the Indonesian government in 2020 and reaching its fifth series in 2024 (SWR005), is a hybrid instrument that places waqf funds in State Sharia Securities, with returns used to finance social programs. CWLS performance shows significant growth (from Rp8.49 billion in SWR002 (2021) to Rp104.27 billion in SWR005), indicating increasing public trust. Laila et al. (2024) in the first critical assessment of CWLS affirmed that the instrument effectively mobilizes public funds and improves quality of life through financed social projects, although it still faces challenges in governance and impact measurement. The Waqf-CHS Syariah model leverages CWLS advantages while addressing its weaknesses by providing a specific, measurable, evidence-based nutrition intervention service distribution framework.

Model Validation and Feasibility: Multi-Stakeholder Perspectives

Validation results through in-depth interviews and Focus Group Discussion (FGD) with 18 key informants showed high acceptance of the Waqf-CHS Syariah model across all stakeholder categories. BWI practitioners viewed it as a strategic breakthrough expanding waqf utilization from education and curative health sectors to preventive nutrition interventions with multiplier effects on human resource development. Corporate nazhir informants emphasized that the model provides a clear and standardized service distribution blueprint, an urgent need since most waqf health programs have been delivered ad-hoc without systematic impact monitoring. Meanwhile, public nutrition experts confirmed that the model's requirements (immunization, exclusive breastfeeding, pregnancy check-ups, and supplementary food access) fully align with WHO-recommended evidence-based specific nutrition interventions proven to reduce stunting prevalence.

Sharia compliance testing, conducted through consultation with muamalah fiqh experts and referencing DSN-MUI fatwas, showed that the Waqf-CHS Syariah model does not contradict fundamental waqf principles. The waqf contract used is cash waqf as regulated in DSN-MUI Fatwa No. 02/DSN-MUI/IV/2002, which affirms the permissibility and validity of waqf in cash form provided the principal is preserved. In this model, waqf funds are not distributed directly to beneficiaries but invested through CWLS instruments, so the principal remains intact and only returns finance free health services for *manquf 'alaih*. The conditionality mechanism was validated through the *maqashid syariah* perspective, particularly protection of life (*hifz al-nafs*) and progeny (*hifz al-nasl*), as requirements aim to prevent permanent damage to children's physical and cognitive growth due to chronic malnutrition. Fahmi (2025) in his narrative study affirmed that integrating Islamic philanthropy into public health frameworks, including through CWLS, is not only fiqh-compliant but represents a transition of Islamic philanthropy from charitable donations to impact-oriented systems.

Nevertheless, validation also identified several implementation challenges requiring systematic mitigation. The first is limited nazhir capacity to manage a program as complex as Waqf-CHS Syariah, which requires cross-sector coordination with health facilities and local governments. BWI informants acknowledged that of approximately 250 nationally registered nazhir, only a small portion have adequate managerial capacity. The second is the need for an integrated data system capable of connecting waqf, DTKS, and regional health information systems in real-time. Lubis, Ramadhan, and Marliyah (2025) confirmed that the absence of a digital integrated registry and coordination fragmentation are structural barriers.

To address these challenges, the FGD produced several operational recommendations: (1) establishment of regional synergy forums at the provincial level uniting BWI, Health Offices, Bappeda, and Ministry of Religious Affairs offices; (2) professional certification programs for nazhir with curricula on social project management, data-based monitoring, and health policy advocacy; (3) development of an integrated digital application for waqf recording, compliance verification, and transparent service impact reporting. With this mitigation, the Waqf-CHS Syariah model is deemed feasible for piloting in districts/cities with high stunting prevalence (>25%) and adequate waqf infrastructure.

Policy Implications and Theoretical Contributions: Toward a Sustainable Waqf Health Ecosystem

In policy terms, the Waqf-CHS Syariah model offers an alternative pathway to diversify stunting reduction program funding beyond dependence on APBN and APBD, while avoiding weaknesses of cash transfers inconsistent with waqf principles. With national cash waqf potential reaching Rp180 trillion annually and realization still below 2%, there is enormous social fiscal space to mobilize. SSGI 2024 data shows a national stunting prevalence of 19.8% requiring significant acceleration to meet the 2025-2029 RPJMN target of 14.2%. This model can function as a top-up instrument strengthening PKH effectiveness through more intensive preventive health services without burdening the state budget. It also opens opportunities for developing new retail Waqf Sukuk series specifically for preventive health program financing.

The second policy implication is the need to revise regulations to accommodate conditional service-based waqf distribution. Law No. 41 of 2004 on Waqf and Government Regulation No. 42 of 2006 have not explicitly regulated waqf distribution mechanisms requiring beneficiary compliance with specific health indicators as a condition for receiving services. This regulatory gap risks legal uncertainty. Therefore, issuance of BWI regulations or joint circulars between BWI, the Ministry of Religious Affairs, and the Ministry of Health is needed to provide a legal basis for conditional waqf distribution in health interventions. This aligns with Fahmi's (2025) recommendations on addressing regulatory ambiguity.

Theoretically, this study makes three main contributions. First, it introduces the concept of Conditional Waqf Health Services (CWHs) as an extension of conventional productive waqf theory, integrating CCT conditionality principles with waqf perpetuity characteristics, but in the form of service (rather than cash) transfers. Second, it provides preliminary empirical evidence on the potential integration of CWLS with service-based preventive health programs, expanding Laila et al. (2024). Third, at a broader level, it contributes to Islamic social finance and SDG literature, particularly SDG 2.2 (zero stunting), by demonstrating how waqf can function as blended finance complementing government programs.

4. Conclusions

This study has successfully designed an innovative Waqf-CHS Syariah (Conditional Health Services) model as a new strategy for stunting alleviation in Indonesia. It integrates perpetual cash waqf and CWLS funds with mechanisms for providing free conditional preventive health and nutrition services, along with collaborative governance systems. Unlike

conventional CCT models that provide cash transfers, this model better aligns with waqf principles where *manquf 'alaib* receives health services rather than cash. It addresses literature gaps at the intersection of productive waqf, CCT (adapted to services), and preventive nutrition interventions. Validation results confirm the model is sharia-compliant and operationally feasible. Theoretically, the study introduces the Conditional Waqf Health Services (CWHs) concept, expanding conventional productive waqf theory.

As recommendations, implementation requires pilot testing in districts/cities with high stunting prevalence (>25%) and adequate waqf ecosystems, preceded by BWI regulations providing a legal basis for conditional service-based waqf distribution. Strengthening nazhir capacity through professional certification, developing integrated digital applications, and establishing pentahelix synergy forums are critical prerequisites. For future research, quantitative studies are recommended to empirically measure the model's effectiveness in reducing stunting prevalence, along with exploration of model replication for other public health interventions.

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