

Research Article

# The Triple Helix Model of Islamic Social Financial Institutions Achieves SDGs 2030 Finance in North Sumatra

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## ABSTRACT

This research is planned to examine one of the development instruments used by Islamic economics, namely Islamic social financial institutions/philanthropy, namely OPZ, which is part of Islamic Social Finance. Historical evidence speaks to zakat as an important development instrument for the country. Zakat and the SDGs have significant relevance. This is because zakat is an instrument of Islamic economic development that places maqasid sharia as its implementation goal. Therefore, optimization of zakat on the most optimal SDGs indicators needs to be determined. The method in this research uses a type of qualitative analysis to determine which SDGs indicators need to be prioritized and supported by the Islamic Social Finance program in North Sumatra. The results obtained from the study indicate that the achievement of SDGs, especially in the aspect of sustainable economic empowerment in 2030, is not a utopian thing if there is synergy between all stakeholders for a better Indonesia. Based on the results of research conducted by Islamic financial institutions, Islam is quite good and certainly needs to be appreciated and supported by various parties, especially the role of the government in terms of regulation, protection, and institutional guarantees. Public awareness of the virtues of almsgiving, charity, waqf, and the obligation to pay zakat (alms) should be continuously nurtured and increased. Other Islamic financial institutions with similar visions and missions should continually evaluate their management and distribution to ensure they are targeted, effective, and sustainable.

**Keywords:** Islamic Social Finance; Zakat; SDGs; North Sumatra

## 1. INTRODUCTION

Islamic financial institutions have now shifted from a concept of caring to a public purpose, as voluntary action for the public good, in the form of institutions (Khanifa, N.K., 2018). Philanthropic institutions are non-profit organizations, or institutions that do not seek profit in implementing their programs. The establishment of Islamic philanthropic institutions serves to improve the long-term and sustainable welfare of their beneficiaries, realized through zakat, infaq, sadaqah, waqf, grants, and other charitable activities (Sholikhah, N.A., 2021). Islamic social financial institutions can be categorized into zakat management organizations such as the National Zakat Agency (Baznas) and community-based zakat institutions (LAZ). Currently, Baznas has been established in 34 provinces and 464 regencies/cities. Meanwhile, according to data from the Ministry of Religious Affairs of the Republic of Indonesia, there are 37 national-level LAZ institutions, 33 provincial-level LAZ institutions, and 70 district/city-level LAZ institutions.

According to the Indonesian Zakat Outlook data for 2022, Indonesia's zakat potential reached IDR 327.6 trillion. This figure consists of corporate zakat (IDR 144.5 trillion), income and services zakat (IDR 139.07 trillion), cash zakat (IDR 58.76 trillion), agricultural zakat (IDR 19.79 trillion), and livestock zakat (IDR 9.52 trillion). However, national zakat collection is still relatively low compared to the aforementioned potential, reaching only IDR 13-14 trillion annually, representing only 4.3% of the potential. Obit Dwi Pratama et al. (2024) found that brand awareness and trust levels have a positive and significant influence on zakat payments, especially online zakat, with the most dominant variable being trust levels. The use of technology can also be a supporting factor, for example through social media. Juliana et al. (2023) found that zakat promotion through social media is important for increasing zakat fund collection. Sasmita et al. (2025) found that optimizing technology in zakat management requires human resources (zakat collectors) capable of managing and analyzing data in the big data era.



Figure 1. National Zakat Collection 2018 – 2022

Based on the Figure 1, the growth of zakat, infaq, alms, and other religious social funds (DSKL) has shown a positive trend since 2018, consistently achieving double-digit growth. In 2018, zakat growth increased by 30.42%, followed by 26% in 2019, 22.18% in 2020, 12.98% in 2021, and 59.2% in 2022. This demonstrates the significant potential of zakat in addressing community issues if properly managed. Baznas (National Zakat Agency) has also developed a Strategic Plan (Renstra) for 2020-2025, targeting a 60% increase in zakat collection by the end of 2025, with an average annual increase of 20%-30% for national zakat collection (Baznas, 2021). The target for increasing national zakat collection has also been set by Baznas for the next 5 years, where in 2025 it is planned that national zakat collection will reach 50 trillion rupiah, as illustrated in the following image:

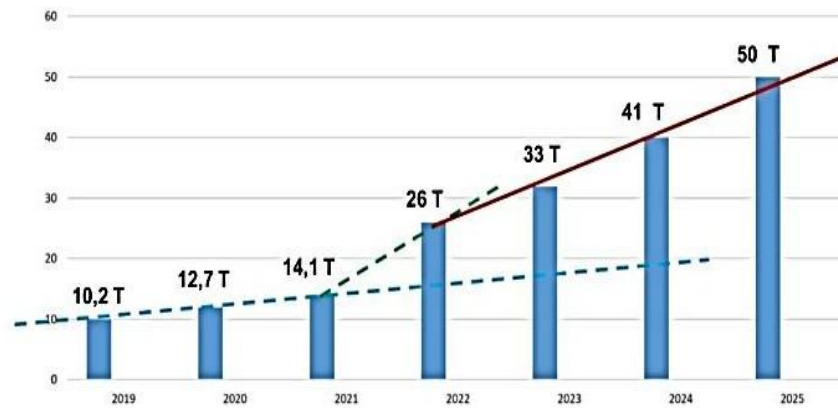


Figure 2. Grand Design National Zakat Collection 2019 – 2025

Zakat distribution is carried out across five program areas: humanitarian, health, education, economics, and da'wah/advocacy. According to the 2023 National Zakat Management Report, the amount of zakat distribution for each program area in 2022 and 2023 is as follows:

Table 1. Amount of Zakat Distributed by Each Program Field per Year 2022 and 2023

No	Program Areas	Amount of Distribution (Rp.)			
		Year 2022	Percent (%)	Year 2023	Percent (%)
1	Humanity	1.704.137.529.906	37,55%	1.171.934.013.048	50,10%
2	Health	333.171.190.549	7,34%	125.196.927.252	5,35%
3	Education	902.959.626.579	19,89%	399.229.358.743	17,07%
4	Economy	492.147.882.599	10,84%	174.939.139.239	7,48%
5	Preaching & Advocacy	1.106.480.922.945	24,38%	467.742.480.075	20,00%
		<b>4.538.897.152.578</b>	<b>100,00%</b>	<b>2.339.041.918.357</b>	<b>100,00%</b>

Source: National Zakat Management Report, 2023.

The data (**Table 1**) shows that humanitarian programs received the largest allocation, at 37.55% in 2022 and 50.10% in 2023. The da'wah-advocacy sector received the second-largest allocation, at 24.38% in 2022 and 20% in 2023. Meanwhile, the smallest allocation was for health, at 7.34% in 2022 and 5.35% in 2023. Functionally, in the practice of Islamic financial institutions in Indonesia, religion plays a vital role in the lives of both traditional and modern societies. Religion is a place to seek the ultimate meaning of life, so that all actions refer to its guidance (way of life) within the framework of law (fiqh). Revitalization and contextualization of philanthropy are necessary, with attention not only focused on short-term charitable activities. But it also focuses on the long-term goal of eliminating injustice and the root causes of social problems that have a broad impact on many people. From the concept of philanthropy above, it can be concluded that philanthropy is a form of compassion that improves welfare and fosters bonds of brotherhood in fostering harmonious social relations.

The means by which Islamic financial institutions address life's challenges are designed to achieve societal well-being. Building prosperity in a sustainable economy is not merely a short-term endeavor, but a long-term effort involving many variables that require in-depth study. Ramadhan (2019) found that improving infrastructure and educational facilities has a significant impact on per capita income, indicating that public infrastructure is crucial for improving economic well-being. Furthermore, good governance and institutional quality play a significant role in economic growth, and improving these requires evaluation and oversight. A new approach by Islamic financial institutions to achieve the Sustainable Development Goals (SDGs) in Muslim countries requires a spiritual aspect. This will lead to the development of an Islamic economic system, including the utilization of natural resources and the environment, as well as an Islamic social system. Spiritual development will create Islamic individuals with sound social and environmental awareness. Such individuals will develop the characteristics and culture necessary for achieving sustainable development (Dariah et al., 2016).

Furthermore, the government is collaborating with Baznas (National Zakat Agency), one of Indonesia's Islamic philanthropic institutions, to contribute to realizing the SDGs through zakat. The initial strategy was the creation of the book "Fiqh Zakat on SDGs." The book outlines how the SDGs align with Islamic teachings and serves as a guide for Zakat Management Organizations (OPZ) in managing zakat in alignment with SDG targets (Muharromah, G.L., 2021). Determining objectives, programs, and priority indicators is crucial as a reference for OPZ in distributing zakat management based on the SDGs. This aligns with the jurisprudence of priority. Priority fiqh is a concept that emphasizes prioritizing in daily religious life, including worship, social interactions, and morals. According to Yusuf Qaradhawi, the knowledge of how to determine these priorities is called fiqh al-awlawiyah (jurisprudence of priority) or fiqh maratib al-a'mal (jurisprudence of sequencing activities). This concept involves determining the scale of priorities among various religious obligations, both in the context of worship and worldly affairs. Regarding the activities that are most likely to receive rewards or punishments from Allah SWT, fiqh scholars have formulated rules regarding how to determine priorities in daily religious life. Priority fiqh is also closely related to the jurisprudence of consideration (muwazanah), which provides a balance between the various benefits and advantages of various good deeds carried out by philanthropic institutions (Yusuf Al Qaradhawi: 2008).

There is currently confusion in prioritizing the implementation of good deeds. For example, Islamic governments allocate large budgets for entertainment and sports, but significantly less for religious education. Or, some Muslims perform the Hajj and Umrah pilgrimages annually, despite the high costs, while their neighbors remain impoverished and hungry. Furthermore, Yusuf Al-Qaradhawi emphasized several important aspects in various charitable fields, namely prioritizing continuous good deeds, deeds that have broad benefits and a more lasting impact. This is certainly an important reference, including in determining the priorities of zakat programs (Yusuf Al-Qaradhawi: 2008).

The research is limited to examining one of the development instruments used by Islamic economics, namely Islamic social financial institutions. Determining program priorities is crucial because in practice, some zakat programs lack synchronization with the needs of the conditions in North Sumatra, and the level of management completion is similar to the national level. Zakat programs determine the appropriate indicators for SDG goals. However, the determination of SDGs indicators that are in accordance with the zakat program can develop following the development of distribution carried out by the Zakat Management Organization (OPZ), as an economic distribution instrument, aimed at regional development through community welfare and advancing the economy, which is in line with the SDGs goal of realizing a North Sumatra that is free from poverty, lives a dignified, just and prosperous life, and cooperates with each other.

## 2. RESEARCH METHOD

The qualitative approach used in this study involved reviewing various literature, research documents, and previous studies relevant to the study's theme. Quantitative analysis is the decision-making process based on data. (Moleong, 2017). This research was conducted in North Sumatra, using primary and secondary data. The primary data source required comes from informants. Primary data is also referred to as original data or new data, which is up-to-date. To obtain

primary data, researchers must directly interview the subjects. Secondary data consists of written texts, recordings, drawings, or photographs. Secondary data sources include supporting documents and infrastructure. Informants are a subset of the entire research population and are considered representative of the entire population. Informants were selected using purposive sampling. The informants in this study include: 1) Experts, those deemed to possess sufficient knowledge related to zakat management. In this case, they are academics in the field of Islamic economics, particularly social finance. 2) Practitioners, namely those directly involved in zakat fund management practices. Some practitioners who served as informants include: Zakat Collection Institutions; and 3) Regulators, namely policymakers or regulatory makers. In this case, those representing the government in the relevant field, namely local governments. Data analysis techniques were conducted by determining the validity of the data, which required auditing techniques. The implementation of auditing techniques was based on four criteria: credibility, transferability, dependability, and confirmability (Moleong, 2017). This technique was used throughout the research and was circular and continuous in nature. After data collection, transcriptions were immediately made and then confirmed with informants to confirm their accuracy. Further modifications, corrections, and refinements were made until the data were credible.

### 3. RESULTS AND DISCUSSION

#### 3.1 The Relationship Between Islamic Financial Institutions and SDGs in North Sumatra

One global development theory that can be referenced is the SDGs (Sustainable Development Goals). The SDGs, or Sustainable Development Goals (SDGs) in Indonesian, are a United Nations (UN) agenda proposed by various countries on September 25, 2015, with the ultimate goal of ending poverty, protecting the planet, and ensuring prosperity for all humanity. This agenda, published on October 21, 2015, ran from 2015 to 2030, and was agreed upon by 193 countries. The SDGs contain 17 goals with 169 measurable outcomes, all of which are expected to be achieved by 2030 (Dika Harliadi, 2016). The SDGs are an updated set of universal targets and indicators for UN member states, which will shape every country's political agenda and policies for the next 15 years. Essentially, the SDGs will follow and expand on the achievements of the SDGs agreed upon in 2000, which will expire in 2030. (Ministry of National Development Planning and Development, 2018). The objectives of the SDGs align with the maqasid sharia, which is to realize human welfare and avoid harm. (Fiqh Zakat on SDGs, 2018). Referring to Al-Ghazali, who stated that the maqasid sharia aims to preserve five basic objectives: religion, life, progeny, wealth, and intellect, several SDG objectives can be classified in (**Table 2**).

**Table 2.** SDGs Objectives from the Perspective of Maqashid Syariah

No	SDGs Goals	Dominant Maqasid Sharia
1	No Poverty	Treasure
2	Zero Hunger	Soul, Treasure
3	Healthy and Well-Being	Soul, Treasure
4	Quality Education	Sense
5	Gender Equality	Wealth, Intellect, Soul, Offspring
6	Clean Water and Adequate Sanitation	Soul, Offspring
7	Affordable and Clean Energy	Descendants
8	Decent Work and Economic Growth	Treasure
9	Industry, Innovation, and Infrastructure	Treasure

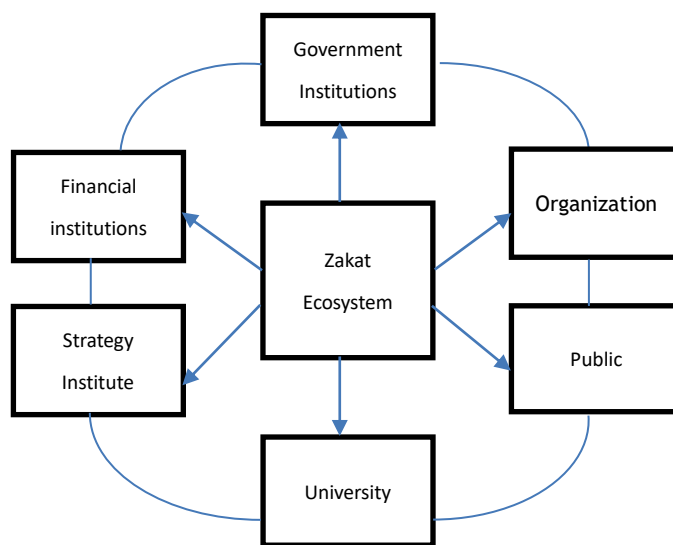
Source: SDGs Matrix-Based Zakat Program Codification Guide, 2021.

Bappenas views the SDGs as development that maintains sustainable economic prosperity, social sustainability, and environmental quality, as well as ensuring justice and governance that maintains an improved quality of life from one generation to the next (Bappenas, 2016). Zakat funds have significant potential to support the achievement of the SDGs. Several sectors are considered crucial, including poverty and hunger eradication, health and welfare, quality education, gender equality, and clean water and sanitation (Damanuri, A., & Rosyidah, E., 2024). Fitri, M., & Nasution, Y. S. J. (2023) found that productive zakat is a source of funding for programs supporting the SDGs and achieving the SDG goal of poverty alleviation. Meanwhile, Iswanaji, Chaidir, et al. (2021) explain that zakat plays a crucial role in achieving the SDGs related to poverty, hunger, health and welfare, quality education, employment and economic growth, and income inequality. The potential of zakat in Indonesia can also support the SDGs program in the form of equitable distribution of income and

supporting economic growth in every province in Indonesia (Anindita. S.F., 2019). Therefore, zakat has an important role in achieving the SDGs goals and improving community welfare. This is also supported by research by Utama, R. P. (2021). It is known that zakat, infaq and sedekah have a positive role in achieving the SDGs in Indonesia. In line with that, Salman & Abdul Ghafar (2017) in a study entitled "Role of Zakat in Sustainable Development Goals" found that zakat can play an important role in meeting sustainable development goals related to hunger, poverty, global health, health and well-being, quality education, decent work, economic growth, and income inequality. Zakat has a positive and significant influence on human development in the short and long term. Zakat can be used as a fiscal policy tool that can support human development and economic growth.

### 3.1.1 Zakat Management Ecosystem in North Sumatra

North Sumatra has a population of 15.18 million, with 10.06 million Muslims, or 66.3%. North Sumatra is a province on the island of Sumatra, with Medan as its capital. North Sumatra Province covers an area of 72,981.23 km<sup>2</sup>. It has small borders in the west and east of Sumatra. North Sumatra Province borders Aceh Province and the Strait of Malacca to the north, West Sumatra and Riau Provinces to the west, and the Sumatra Strait to the east. Zakat management in North Sumatra Province is carried out by one Zakat Management Organization (OPZ), which serves as the National Zakat Agency, and 33 Zakat Management Organizations (OPZ) located in all regencies/cities in North Sumatra Province, in accordance with Zakat Law No. 23 of 2011. Since the enactment of Zakat Law No. 23 of 2011, coordinated zakat management has been implemented in Indonesia. Currently, the National Zakat Collection Agency (BAZNAS) has been appointed as a non-structural state institution responsible for coordinating national zakat management. Furthermore, zakat management in North Sumatra is inseparable from other zakat stakeholders who form a management ecosystem. Imron, M., & Fadil, A. (2024) defines the zakat management ecosystem as a unified and comprehensive system of environmental elements within the zakat environment that influence each other, involving reciprocal interactions between OPZ (Zakat Management Organizations) and the Zakat movement environment. Based on this definition, the zakat management ecosystem in North Sumatra can be grouped as shown in the **Figure 3**.



**Figure 3.** Zakat Management Ecosystem in North Sumatra, 2025

In Indonesia's zakat management ecosystem, there are at least six zakat stakeholders: government institutions (OPZ), communities and NGOs, universities, research or strategic institutions, and Islamic financial institutions. Government institutions have a stake in overseeing and coordinating national zakat management, including the Indonesian Ministry of Religious Affairs, the National Zakat Agency (BAZNAS), and the National Committee for Islamic Economics and Finance.

### 3.1.2 Zakat Fundraising at Zakat Institutions in North Sumatra

As the country with the largest Muslim population in the world, the development of zakat in Indonesia has changed dynamically over time, both in terms of regulations, institutions, collection processes, and distribution. These changes are naturally based on the needs and demands of zakat stakeholders. Approaching 2020, the condition of zakat in Indonesia is

moving aggressively towards better management. This can be seen in the various innovations currently being and have been implemented by OPZ, including efforts to integrate zakat management with technology through technology-based service processes, harmonization of the national integrated zakat data system, and the development of research-based strategic policies in zakat management. As we know, Robotic Process Automation (RPA), Artificial Intelligence (AI), and the Internet of Things (IoT) have rapidly fundamentally transformed the entire industry. This is because these technologies can provide significant benefits in improving industrial performance, leading to better performance at lower costs. As institutions that manage public funds, these technologies significantly assist Zakat Organizations (OPZ) in increasing efficiency, transparency, and accountability. Many zakat institutions have implemented various technological efforts across all aspects of management, particularly zakat fund collection.

Zakat organizations urgently need technology to improve efficiency and effectiveness in collection and distribution. To achieve this, all OPZs must develop zakat technology based on information technology, such as artificial intelligence (AI). Other forms of zakat technology, such as financial technology, blockchain, and the Internet of Things (IoT), have rapidly fundamentally transformed the entire industry. This is because these technologies can provide significant benefits in improving industrial performance, leading to better performance at lower costs. As institutions that manage public funds, the existence of this technology significantly assists OPZ in improving efficiency, transparency, and accountability. Many zakat institutions have implemented various technological efforts across all aspects of management, including technology-based zakat fund collection, management, and distribution.

The legal basis for utilizing technology in zakat management, payment innovation, and increasing public trust in Zakat Institutions (OPZ) refers to Law Number 11 of 2008, which was amended by Law Number 19 of 2011 concerning Electronic Information and Transactions (ITE). Technology, as previously explained, presents an opportunity that Zakat Institutions (OPZ) must maximize to accelerate the development of multi-segmented zakat, from institutional and operational and financial matters, to collection, distribution, and utilization, network strengthening, and zakat databases.

In recent years, Zakat Institutions (OPZ) have created numerous innovations. One such innovation is the use of blockchain, whose implementation in optimizing zakat management is currently being studied. Theoretically, blockchain can improve zakat collection and distribution because this technology allows for full tracking of zakat fund transactions at any time. This will positively impact transparency and trust in Zakat payers (muzakki) and Zakat recipients (mustahiq) in receiving Zakat. From the perspective of zakat management, the implementation of this system will reduce the risk of fraud or misuse of zakat funds, so that in the end the zakat audit system can run optimally as shown in the results of an interview with the Head of the North Sumatra OPZ :

*" The implementation of this technology is not without challenges. Some of the challenges that OPZ must address are their readiness to implement the technology. Considering that its implementation will revolutionize zakat management, significant impacts can be seen in various aspects, such as the role of amil, zakat server data, increased bound zakat (zakat muqayyadah), etc. This technology can be implemented well in revolutionizing its management. The first step, OPZ is encouraged to build a blockchain-based platform. This can be a challenge for OPZs that are not used to utilizing technology. This step can start from OPZ at the national level, which will develop into regional OPZs afterward. However, currently OPZs with this technology operate independently without connections to other OPZs. This is because there is not yet a strong blockchain network agreed upon by all OPZs in Indonesia. The second step, infrastructure is needed to connect blockchain systems between OPZs in Indonesia, in the form of a distributed network and blockchain consensus mechanism. The final step is the implementation of nodes across OPZs in Indonesia. So all steps can be encouraged by issuing regulations. The Ministry of Religious Affairs has created the Ministry of Religious Affairs Strategic Plan 2020-2024, This regulation includes regulations on zakat technology. These regulations will be included in the Draft Regulation of the Minister of Religious Affairs (RPMA) concerning the Utilization of Internet Technology/Blockchain in Zakat, Infaq, Shadaqah, and other Religious Social Fund Collection and Distribution Mechanisms. With this regulation, it is hoped that blockchain implementation in zakat can be accelerated to boost zakat management performance in Indonesia, particularly North Sumatra."*

The above discussion is relevant to a 2019 Zakat Forum survey of 104 LAZs. Eighty-eight percent of LAZs felt that technology could support their organizations' operational activities, and 71 percent expressed their readiness to adopt blockchain, should the opportunity arise.

### 3.2 Triple Helix Model Synergy

The Triple Helix model is based on the assumption that industry, universities, and government are increasingly interdependent. This implies that these different institutional spheres must be studied in their co-evolution. This model can be seen as a heuristic that forces researchers to systematically consider all three spheres when studying the dynamics

of knowledge production and innovation (Leydesdorff & Meyer, 2006). This research includes:

## 1. Civil Welfare Foundation

Civil Welfare Foundation is a National Zakat Collection institution legitimized by the Indonesian Ministry of Religious Affairs through Decree Number 822 of 2023. Civil Welfare Foundation once again invites donors, partners, the government, the media, and the public at large to share more. Sharing is a concrete action to help those in need more and reach a wider area, as stated by a representative of Civil Welfare Foundation. Through its vision, it is to become a trusted, professional philanthropic institution that plays a role in improving community welfare. Developing the welfare of teachers, preachers, volunteers, and community activists through programs covering various areas, including economic, social, talent, and educational empowerment, is a primary focus of Civil Welfare Foundation. Civil Welfare Foundation programs extend beyond zakat distribution to include MSME development, talent training, and educational and health services. In its activities, Civil Welfare Foundation strives to increase transparency and accountability in the management of zakat funds to strengthen public trust in Civil Welfare Foundation. Civil Welfare Foundation plays a crucial role in improving community empowerment and welfare. It focuses on four main areas: education, economics, social issues, and skills. Civil Welfare Foundation has proven that its targeted distribution can have a tangible impact on improving the community's quality of life. Community philanthropy in Langkat, North Sumatra Province, known for its agricultural and industrial potential, is crucial for improving socioeconomic welfare. Many communities still face economic challenges, such as poverty and lack of access to public facilities. The role of non-profit organizations, such as Civil Welfare Foundation, is as follows:

1. Foster Home: A social welfare home for children in need of special care or orphans, providing substitute services for parents/guardians to meet their physical, mental, and social needs.
2. Tahfidz House: A residential-based program teaching Quran recitation and memorization in the surrounding community.
3. Orphan & Dhuafa Scholarship: The Orphan Scholarship is a much-needed program for the community. In addition to supporting the government's 12-year compulsory education program, this program also meets the educational needs of orphans and their families.
4. Quran Alms: A program that collects and distributes Quranic manuscripts and supporting materials to areas vulnerable to religious and educational challenges, including remote areas.
5. Clean Water Alms: A program to provide clean water, a basic need, for areas in North Sumatra where water sources are scarce (clean water crisis).
6. Minority Da'i: A program to send and develop preachers (ustaz/dai) to areas where Muslims are a minority, both in terms of number and social status.
7. Ambulance Services: A health program providing ambulance services for the sick or deceased.
8. Emergency Response: This Emergency Response program distributes emergency aid in the form of ready-to-eat meals, drinking water, hygiene kits, blankets, and psychosocial support services to disaster-affected residents.
9. MSME Empowerment: Assisting MSMEs in their economic empowerment by providing business capital, production equipment, and legal assistance with business permits.
10. Palestine Program: Caring for Palestinian Families: Food for Gaza & Drinking Water, Clothing, Clean Water & Hygiene Kits, and Drilled Wells.

Civil Welfare Foundation contributes to the achievement of sustainable development goals at the local level. Another goal is for Civil Welfare Foundation programs to have a positive impact and support development in all sectors.

## 2. Sharia People's Credit Bank (Trust of the People of Love)

Sharia People's Credit Bank (Trust of the People of Love) is implementing a more targeted and targeted zakat distribution program. Collaborating with academic institutions, including the State Islamic University of North Sumatra, Sharia People's Credit Bank (Trust of the People of Love) Amanah Insan Cita will collaborate with other Islamic universities in the future to maintain its commitment to improving community welfare through its zakat distribution program. The Director of Sharia People's Credit Bank (Trust of the People of Love) stated: *"Collaboration through academics is expected to expand the reach of zakat beneficiaries and increase transparency in zakat fund management. Through a pre-designed distribution scheme, collected zakat will be distributed to those entitled to receive it in the form of educational assistance, business capital, and other social programs. Spreading Goodness, Reaping Blessings. This collaboration is implemented as a form of synergy between educational institutions and the Islamic banking sector to optimize the utilization of zakat funds."*

The collaboration between Sharia People's Credit Bank (Trust of the People of Love) will partner with academics (Islamic universities) to support community economic empowerment and assist groups eligible to receive zakat in accordance with Islamic sharia principles. This collaboration is expected to broaden the benefits of zakat and positively

impact the welfare of the community. The company is committed to continuing to collaborate in implementing social programs based on Islamic values.

### 3. Indonesian Orphans Foundation

Indonesian Orphans Foundation launched the Yatim Excellent Entrepreneur School (YEES) program in collaboration with JNE. The program was officially launched at the Tengku Rizal Nurdin Hall on Jalan Sudirman, Medan, on Sunday, June 18, 2023. The program aims to provide free education for orphans who aspire to become entrepreneurs. Rizkil Asri, Founder of Indonesian Orphans Foundation, stated: *"The YEES program arose from concerns about the condition of orphans who have received only consumptive assistance. There has been no assistance that provides guidance or knowledge that will benefit their future. We hope and hope that these orphans will be independent in the future, so that they can become individuals who are not dependent on others. We invited JNE to collaborate, as we all know JNE is a private company that deeply cares about orphans. Thank God, this program has been officially launched and has already run for one class. May it be a blessing for all parties who contribute, especially JNE."*

After successfully creating the first class and providing a good learning opportunity for orphans who aspire to start a business. This program is a highly appropriate educational and developmental space. Likewise, the curriculum is tailored to the needs of students, leading to the development of entrepreneurial character. Student success is measured by the businesses they currently manage and the proper maintenance they receive throughout their education, enabling them to create new jobs that can benefit colleagues in need. Furthermore, students are also trained to become entrepreneurs who can channel the knowledge they gain during their education, a positive influence on future prospective students.

### 4. Government

The government in this case is Deli Serdang Regency and North Sumatra Province. The Regent of Deli Serdang & Baznas Distribute Zakat to 1,099 Beneficiaries/Muzzaki (rightful and deserving people) from five sub-districts in Deli Serdang Regency, namely Percut Sei Tuan, Hamparan Perak, Lubuk Pakam, Labuhan Deli, and Tanjung Morawa, received assistance and zakat from the National Zakat Agency (Baznas) of Deli Serdang Regency. The details are 1,000 poor people, 41 converts, 52 wheelchair recipients, and one hearing aid recipient. In addition, at the event held at the Convention Hall of the Deli Serdang Regency Government (Pemkab), one bicycle was also given to a pecal seller in Lubuk Pakam District who had been selling on foot, two recipients of barber chair assistance, assistance to a tahfiz boarding school and a mosque (Pemkab Deli Serdang, 2023).

*"It was reported that the amount of aid distributed in this activity was Rp 410 million. The funding source was zakat from civil servants (ASN) of the Deli Serdang Regency Government and entrepreneurs," said the Head of the Deli Serdang Baznas, H. Surya Saputra, at the zakat/inafaq fund distribution event. The Baznas Chairman stated that the zakat revenue received by Baznas in 2022, amounting to Rp 2.4 billion, came from zakat and infaq donations from Serdang Regency Government ASN. In 2023, the estimated zakat revenue will increase to Rp 4.7 billion. The Baznas Chairman stated, "We hope this increase will come from strengthening zakat and infaq among ASN, village heads, and sub-district heads, and their staff. We also hope that the same can be done in all 22 sub-districts and all entrepreneurs in Deli Serdang Regency."*

Meanwhile, the Regent of Deli Serdang, Ashari Tambunan, in his direction emphasized that the existence of Baznas as a government institution under the auspices of the Ministry of Religious Affairs is an instrument to increase the effectiveness and efficiency in the service and management of zakat that is oriented towards the public interest. The existence of Baznas as the organizer, manager of zakat and infaq continues to develop various superior programs in the distribution of zakat and infaq that are truly needed by Muzzaki. The goal is for beneficiaries to be more empowered and become independent and dignified people. *"We all hope that the zakat and infaq funds provided can be utilized and benefit the beneficiaries. In the future, it is also hoped that more ASN and other parties will carry out their obligations to pay zakat. Indeed, everything that is organized will be better and more beneficial. Through activities like this, with the presence of all of us stakeholders in Deli Serdang Regency, in the future more zakat can be distributed through Baznas."*

Another thing to be grateful for is that Baznas has brought about many changes, as seen in the increasing number of beneficiaries of the assistance provided. The Government, in this case the National Zakat Agency (BAZNAS) of the Republic of Indonesia, together with the BAZNAS of North Sumatra Province, held an audience and gathering with the Governor of North Sumatra, M. Bobby Afif Nasution. This meeting discussed strengthening synergies in the management of zakat, infaq, and alms (ZIS) as well as collaboration on community empowerment programs. The Chairman of BAZNAS RI, Noor Achmad, in his remarks stated that BAZNAS remains committed to increasing zakat fundraising to support various programs that benefit the community. Noor Achmad explained: *"As long as Baznas collects well, many programs can be implemented and the community can be helped. In 2020, BAZNAS Central zakat collection reached IDR 279 billion*

and continues to increase every year. In 2025, our target is IDR 1.3 trillion, and we are optimistic that this target will be achieved by the end of the year." (Baznas North Sumatra, 2025).

And as part of an effort to strengthen collaboration between regional zakat institutions, the North Sumatra Zakat Forum (FOZ), along with 16 Zakat Collection Institutions (LAZ), conducted a friendly visit to the North Sumatra Baznas Provincial Office. A strategic dialogue was held between LAZ and Baznas North Sumatra to strengthen synergy and improve coordination in zakat management in the North Sumatra region, from collection to distribution. The Head of Baznas North Sumatra, Mohammad Hatta, emphasized that: "The zakat movement should be a field for collaboration, not a space for competition. We are not competing or competing, but rather with one goal: mutual collaboration. Amils are the leading figures in the zakat movement in North Sumatra."

Hatta also highlighted the significant zakat potential in North Sumatra, which he believed could be optimized if all zakat institutions worked together in harmony and coordination. The Head of FOZ North Sumatra, Sulaiman, welcomed the direction from Baznas North Sumatra. According to him, this meeting is an important moment to strengthen the spirit of the amil, as well as ensure that communication and vision between LAZ and Baznas remain aligned. "We want to hear direct direction and input from the Chairman of Baznas to strengthen the fighting spirit of amil from various institutions. Hopefully, the synergy formed can expand the impact of zakat for the community," The institutions that are members of the North Sumatra Zakat Forum are committed to continuing to encourage cross-institutional collaboration in order to strengthen the zakat ecosystem that is more inclusive, productive, and has a broad impact.

#### 4. CONCLUSION

Achieving the SDGs, particularly in terms of sustainable economic empowerment, by 2030 is not a utopian prospect if all stakeholders work together for a better Indonesia. Research conducted by Islamic financial institutions has demonstrated considerable progress and deserves recognition and support from various parties, particularly the government's role in regulation, protection, and institutional guarantees. Public awareness of the virtues of almsgiving, charity, waqf, and the obligation to pay zakat (alms) deserves to be continuously nurtured and enhanced. Other Islamic financial institutions with similar visions and missions must continually evaluate their management and distribution to ensure they are targeted, effective, and sustainable.

#### RECOMMENDATIONS

A collaborative approach between various parties is highly recommended to achieve the SDGs through Islamic financial institutions by implementing the Triple Helix approach. Cooperation between the government, the private sector, organizations/communities, and all levels of society will strengthen the "feel" of the programs implemented by Islamic financial institutions. Programs at Islamic financial institutions are not only limited to providing material assistance to those in need, but can also include non-material assistance such as education, training, and collaboration so that they also learn to be independent and less dependent on philanthropic service providers when the time comes to stand on their own. Social philanthropy requires creative ideas and innovation to maximize the benefits felt.

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