
Developing *Tangerang BISA* and *Tangerang EMAS* Programs Based Cash Waqf as Solution for MSMEs Financing in Tangerang City

Dian Friantoro^{1*}, Muhammad Dzulfaqori Jatnika², Lu'liyatul Mutmainah³

^{1,2,3} Faculty of Islamic Studies, Siliwangi University, Indonesia

Abstract: *The purpose of this research is to design a model for developing Tangerang BISA and Tangerang EMAS programs-based cash waqf as a solution for SMEs financing in Tangerang City. The Government of Tangerang City and Micro Waqf Bank can collaborate to realize the MSMEs financing to improve the welfare in Tangerang City. This study uses a qualitative approach with descriptive analysis method through literature study. Data collection techniques in this study were carried out through secondary data. This study shows that the design of the MSMEs financing development model based on cash waqf can be implemented with a partial scheme and integrated scheme. The government of Tangerang City can cooperate with nadzir institutions to create a Micro Waqf Bank so that this cash waqf-based financing development model can be implemented and bring benefits to the SMEs in Tangerang City. Future researchers are expected to be able to develop assistance mechanisms and contracts in financing-based cash waqf.*

Keywords: *Tangerang BISA; Tangerang EMAS; Cash Waqf; MSMEs*

*Corresponding author: dianfriantoro@unsil.ac.id

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INTRODUCTION

The role of the Micro, Small and Medium Enterprises (MSMEs) sector in Indonesia's economic growth is very strategic. Business units operating in the MSME sector are the dominant business units in the Indonesian economy. The ratio of MSME business units reached 99% of all existing business units in Indonesia (Kemenkumham RI., 2023). Considering the very strategic role of the MSME sector, support for the MSME sector needs to be a priority for the government and financial institutions. The number of MSMEs in various regions in Indonesia continues to increase, including in Tangerang City. Based on data from the Office of Cooperatives and MSMEs and the Office of Industry and Trade of Kota Tangerang, the number of MSMEs in Kota Tangerang continues to increase. In 2024, the number of MSMEs in Tangerang City was 58.692 and continue to increase in year to year (Tangerang City Government, 2024a). Although the number of MSME players continues to increase, MSME players still have a few challenges in running their businesses.

There are two common and frequently occurring problems of MSME actors, namely capital problems and creativity or innovation of MSME actors in running a business. The capital problem commonly experienced by MSMEs is that they already have a business idea but are hampered by limited capital, which means their chances of business success are very small. Many MSME players have difficulty obtaining additional capital because of the difficulty in accessing capital from financial institutions. Apart from capital problems, many MSME players also lack innovation or creativity so that the products or services offered are not strong or unable to compete and ultimately go bankrupt (Chrisna & Nasution, 2022).

Based on Law no. 20 of 2008 concerning MSMEs, micro businesses are productive businesses owned by individuals and/or individual business entities that meet the criteria for micro businesses as regulated in the law. Meanwhile, a small business is a productive economic business that stands alone, carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is part, either directly or indirectly, of a medium or large business that meets the criteria as follows intended in the law. In addition, medium-sized businesses are productive economic businesses that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of small businesses or large businesses with large amounts of wealth net or annual sales proceeds as regulated by law.

Several local governments have programs to empower MSMEs. One of them is the Tangerang City Government; the MSME empowerment program initiated by the Tangerang City Government includes "Tangerang BISA" and "Tangerang EMAS". Tangerang was chosen because it has been called "the city of a thousand industries" and is a buffer zone for the capital city of Jakarta (Purwanto, 2021). Tangerang also has many MSMEs and increases every year because many migrants from the region seek their fortune from the village to Tangerang City. The "Tangerang BISA" program is an abbreviation for Incentive Assistance for Your Startup. This program provides business capital assistance for novice entrepreneurs who will start a business or develop a business during the Covid-19 pandemic. The amount of the incentive received is 760 thousand rupiah which will be sent directly to the account of the program beneficiary. The "Tangerang EMAS" program is an abbreviation of Tangerang Economic Community Prosperity. This program aims to provide capital assistance to a group of MSMEs in the amount of two million rupiah without any loan interest. There were 244 MSMEs from 27 groups who received this capital loan assistance. The Tangerang City Government allocated a budget of IDR 15.2 billion and targeted 20 thousand beneficiaries (Tangerang City Government, 2021a)

Apart from support from central and regional government funds, the MSME sector can also be helped by philanthropic institutions through Islamic social financial instruments such as waqf. Waqf has an important role in realizing the welfare of the people and has been proven to be able to solve various problems. Waqf management emphasizes a sustainable process through developing waqf assets so that benefits can be distributed. In Law no. 41 of 2004 concerning Waqf, it is stated that waqf is an act of people who want to donate their assets (waqif) in

order to separate and hand over part of their assets to be used forever or for a certain period of time that has been mutually agreed with the intention of worship and general welfare based on Islamic principles. Waqf is more commonly known in the form of immovable waqf objects such as houses or land, but waqf assets also include waqf movable objects. One of the waqf of movable objects that is widely practiced today is cash waqf (Gina & Effendi, 2015).

Cash waqf is waqf made by a person, group of people, and institutions or legal entities in the form of money. The law on cash waqf has become the concern of the Fuqaha (Ahyani & Muharir, 2021). The research results of Said & Amiruddin (2019) show that cash waqf can be used as a source of capital for productive businesses. This cash waqf can be a solution for MSME players who have difficulty accessing banking services for capital.

The government together with the Financial Services Authority (OJK) is supporting MSME capital by launching the Micro Waqf Bank (BWM) in 2017. The emergence of BWM is expected to be a solution for MSME players as access to increase capital. BWM is a microfinance institution that was established in an Islamic boarding school environment (Nur et al., 2019). The development of BWM in Indonesia is quite rapid. As of October 2019, there were 54 BWM in Indonesia. The total amount of financing that has been disbursed through BWM has reached IDR 29.33 billion to 22,668 customers throughout Indonesia and has been spread across 16 provinces (Nugrahana & Zaki, 2020). The role that BWM can play in supporting the MSME sector is to become an institution that provides loans to MSME players. BWM can offer loans with a qardh contract, the loan in question is that customers can borrow without having to share the profits they get with BWM, but they are required to pay installments whose amount has been determined in advance by BWM according to the amount of the loan they get (Ramadhan & Sukmana, 2020).

Micro Waqf Bank (BWM) is a Islamic microfinance institution (Lembaga Keuangan Mikro Syariah/LKMS) registered and supervised by the Financial Services Authority (Otoritas Jasa Keuangan/OJK) which aims to provide access to capital for small communities who do not yet have access to formal financial institutions with a mentoring pattern (Indonesia Financial Services Authority, 2021). This BWM institution was established with permission from the OJK and is part of the Islamic microfinance institutions. The aim of BWM is to become a source of capital for people who have not been able to access financial services from other financial institutions. There are two objectives for establishing BWM, namely building prosperity for the institution and providing capital waqf so that it not only grows waqf assets but also makes more money by providing banking services to waqf bank customers (Mohammad, 2015).

There are several researchers who have conducted research to study BWM. The results of research from Maghfiroh et al. (2021) shows that the role played by BWM is to provide financing and guidance to customers. This financing and coaching can be an opportunity to continue the business and cover the problem of lack of capital. Meanwhile, the coaching carried out can provide benefits as a business control tool as well as providing assistance when customers experience difficulties in their business. Nur et al. (2019) in their research confirmed that the

financing and business assistance carried out had an impact on increasing the amount of production. In the end, this increase in production has an impact on increasing the income received by BWM beneficiaries.

Apart from that, research from Faujiah (2018) shows that BWM as nadzir can distribute cash waqf through several schemes, including: Mudharabah, Musyarakah, Ijarah, and Murabahah. Then, Mohammad (2015) research results show that the potential of cash waqf can be used to create a waqf bank so that it can attract more funds through other services. Disemadi & Kholis Roisah (2019) stated that BWM can optimize its role as a financial institution that can strengthen the people's economic system in Indonesia.

The aim of this research is to design a model for developing the waqf-based "Tangerang BISA" and "Tangerang EMAS" programs as a solution for empowering MSMEs in Tangerang City. So, it is hoped that the Tangerang City government and BWM can collaborate to realize waqf-based MSME empowerment to improve the welfare of the people of Tangerang City based on Islamic values.

RESEARCH METHODS

This research uses a qualitative approach with descriptive analysis methods through literature study. The library research method is a method used to search for data, or a method of in-depth observation of the themes being researched to find temporary answers to problems discovered at the beginning before the research is followed up (Habibaty, 2020). The data collection technique in this research was carried out through secondary data such as journals, books, official website information, and other literature related to MSMEs, waqf, microfinance institutions, local government, and the City of Tangerang. In this research, the author proposes a cooperation model between the Micro Waqf Bank and the Tangerang City Government in the context of empowering MSMEs. The proposed model focuses on integration between the "Tangerang BISA" and "Tangerang EMAS" programs with the MSME empowerment program from the Micro Waqf Bank which is expected to optimize the potential for developing waqf-based MSMEs to improve community welfare based on Islamic values.

RESULTS AND DISCUSSION

Tangerang BISA and Tangerang EMAS

The Tangerang BISA (Bantuan Insentif untuk Startup Anda/Incentive Assistance for Your Startup) and Tangerang EMAS (Ekonomi Masyarakat Sejahtera/Prosperous Community Economy) programs are programs initiated by the Tangerang City Department of Industry, Trade, Cooperatives and SMEs (Disperindagkopukm) to advance Micro, Small and Medium Enterprises (MSMEs). These two programs are business capital assistance programs for MSMEs in Tangerang City. The difference is that Tangerang BISA focuses on Micro Business actors who are going to start a business or develop their business from zero to one year, while Tangerang EMAS targets Small and Medium Business actors who are already running their businesses (Tangerang City Government, 2021b). This program started from the problem of MSMEs which experienced many losses due

to the impact of the Covid-19 pandemic, so stimulus was needed to revive the economy in Tangerang City.

The Tangerang BISA and Tangerang EMAS programs are incentive assistance programs in the form of capital given to business actors domiciled in Tangerang City. This assistance is not provided to business actors who are receiving People's Business Credit (KUR) to run a business in the midst of the crisis due to the Covid-19 pandemic within the framework of the National Economic Recovery Program (Tangerang City Government, 2021b). The basic difference between these two programs is the nature of the assistance. The Tangerang BISA program is capital assistance, not a loan, so business actors do not need to return the principal, while the Tangerang EMAS program is a loan, so business actors are required to return the principal but without interest. The nominal amount of assistance provided for the Tangerang BISA program in 2020 is IDR 500,000 and in 2021 it is IDR 760,000 (Tangerang City Government, 2020). In 2021, the Government set a quota of 20 thousand business actors as beneficiaries so that the total Tangerang BISA budget is IDR 15,200,000,000 in 2021. The loan ceiling for the Tangerang EMAS program is IDR 2,000,000 to IDR 5,000,000 (Tangerang City Government, 2021b).

In 2021, the Tangerang Emas Program will also be expanded to business entities under the leadership of the Tangerang City Mosque in collaboration with the Indonesian Mosque Council (DMI). Based on data from 2019 to 2023, the Tangerang City Disperindagkop UKM through the Tangerang Emas Program distributed funds amounting to IDR 603 million to 305 MSMEs from 36 groups, namely 295 general MSMEs and 10 DMI MSMEs. Currently, the Tangerang City Disperindagkop UKM has prepared the Tangerang Emas program so that the benefits can be felt again in 2024 (Tangerang City Government, 2024b).

Support for government programs, in this case the Tangerang City Government to initiate a capital assistance program for MSMEs, can be done in various theoretical and practical aspects. One support for developing the Tangerang BISA and Tangerang EMAS capital assistance programs is to design capital assistance or waqf-based financing. Waqf is an Islamic social financial instrument which is related to the distribution of capital assistance or financing for MSMEs. Waqf has been proven to be a solution for optimizing MSME financing theoretically (Asmy et al., 2016; Pramono & Wahyuni, 2021; Rohim, 2021; Thaker, 2018) and has practically been carried out in Malang (Merlinda et al., 2021) and Surabaya (Ramadhan & Sukmana, 2020). Waqf for financing MSME capital is specifically for cash waqf. Cash waqf can be an alternative financing assistance for MSMEs (Islam, 2015; Mohd Thas Thaker, 2018). In this regard, the author initiated the development of the waqf-based Tangerang BISA and Tangerang EMAS Programs to empower MSMEs in Tangerang City.

The Tangerang BISA and Tangerang EMAS programs can use the waqf scheme in terms of capital financing for MSMEs. The waqf used is not waqf in the form of immovable assets, but waqf for movable assets in the form of money. So, the waqf used in this idea is cash waqf. Cash waqf, which is an alternative to financing MSMEs, can be formed in two different schemes, namely, it can be an addition to the capital assistance received by MSME actors or it can also be integrated into a waqf investment scheme carried out by the government. The

advantage of waqf as a source of capital financing for MSMEs is that the nominal principal of the money remains fixed. According to the meaning of the word, namely waqf or waqf (stop), the principal amount cannot be reduced at any time. Therefore, the funds owned by the government for MSME capital can be invested using a waqf agreement in profit-oriented businesses. Later, the profit sharing from this investment can be channeled as capital financing assistance for MSMEs. Furthermore, the financing scheme is explained in the Waqf-Based Capital Financing Scheme section. All businesses have risks, and businesses that use waqf funds are no exception. Risks that arise include operational risk, financial risk, and legal risk. Operational risks may include the production and distribution processes by MSMEs whose performance must be supervised by the Nazir. Financial risks will arise because the business world is faced with market competition and economic uncertainty. Legal risks may arise in the form of clarity of ownership and rights over the management of waqf assets (Agil, M., Sholikhah, N. N., Zunaidi, A., & Ahmada, 2023).

The capital financing program owned by the Tangerang City Government can use the cash waqf scheme. Differences that can also be advantages of capital financing with cash waqf when compared to existing capital financing programs are as follows:

Table 1. Differences in Capital Financing with Cash Waqf and Without Cash Waqf

Difference	Capital Financing Without Cash Endowments	Capital Financing with Cash Waqf
Principle	Conventional	Islamic or conventional combination
Amount of Financing	Limited to the Tangerang City Government Budget	It is not limited to the government budget plus waqf funds from the community
Number of Beneficiaries	Limited to the allocation of each beneficiary and government policy	Unlimited because it is supported by endowment waqf funds
Risk	Minimal risk because incentive funds are given directly to beneficiaries	It has a relative risk because it has to seek investment to develop waqf funds
Parties involved	Tangerang City Government and MSMEs	Tangerang City Government, MSMEs, and other parties related to waqf management
Rule of law	In accordance with Tangerang City Government regulations or related regulations	A legal law must be developed for its implementation.

Source: Processed Data (2025)

Table 1 explains that capital financing with cash waqf has great opportunities in terms of the size of the financing and the number of beneficiaries. On the other hand, if capital financing with cash waqf is implemented, the Tangerang City Government must provide everything related to legal protection, cooperation with the parties involved, and must also develop a risk mitigation framework because it will be faced with investment to develop waqf funds. It is different if capital financing is done without cash endowments, the efforts made are

not too difficult but cannot optimize the benefits of capital financing in a sustainable manner.

Waqf-Based Capital Financing Scheme

The capital financing program for MSMEs implemented by the Tangerang City Government is divided into two types, namely Tangerang BISA which targets Micro Enterprises with assistance of IDR 760,000 which is capital assistance without obligation to return the principal and Tangerang EMAS which targets Small and Medium Enterprises with assistance. a maximum of IDR 2,000,000 which is a loan without collateral, without interest, but accompanied by an obligation to return the principal (Tangerang City Government, 2021b). Based on the capital financing scheme implemented by the government, both programs can be supported by cash waqf. The schemes that can be implemented for the development of cash waqf-based Tangerang BISA and Tangerang EMAS programs consist of two schemes, namely partial scheme 1 and integration scheme 2. Both combine the BISA and EMAS programs with cash waqf. More clearly, the two schemes are explained as follows:

Table 2. Cash Waqf-based Tangerang BISA and Tangerang EMAS Program Development Scheme

Principle	Scheme 1 (Partial)		Scheme 2 (Integration)	
	BISA+ Cash Waqf	Emas+ Cash Waqf	BISA Linked Cash Waqf	EMAS Linked Cash Waqf
Source of funds	Government budget and endowments from the community	Government budget and endowments from the community	Investment results from community waqf funds and the Tangerang City government	Investment results from community waqf funds and the Tangerang City government
Target beneficiaries	Micro business	Small and Medium Enterprises	Micro business	Small and Medium Enterprises
Investment Scheme	Outside of the Tangerang BISA program, only on waqf from the community	Outside of the Tangerang EMAS program, only waqf from the community	Funds from the government and society for investment	Funds from the government and society for investment
The nature of capital financing	Capital assistance + loan without collateral and interest (optional)	Loan without collateral and without interest + loan without collateral and interest (optional)	Loans without collateral and interest (assistance + free risk of loss)	Loans without collateral and interest

Principle	Scheme 1 (Partial)		Scheme 2 (Integration)	
	BISA+ Cash Waqf	Emas+ Cash Waqf	BISA Linked Cash Waqf	EMAS Linked Cash Waqf
Returns per Year for BWM	0%	0%	0%	0%
Sharia Contract	Conventional + Qardul Hasan	Conventional + Mudharabah	Qardul Hasan/ Mudharabah	Qardul Hasan/ Mudharabah
There is a large opportunity for capital assistance	IDR 760,000 + IDR 1,000,000	IDR 2,000,000 + IDR 3,000,000	Unlimited	Unlimited
MSME Screening Institute	Tangerang City Government and Micro Waqf Bank separately	Tangerang City Government and Micro Waqf Bank separately	(>IDR 760,000)	(>IDR 2,000,000)

Source: Processed Data (2025)

Table 2 explains that there are two program development schemes, each with two capital assistance/loan products. Scheme 1 is a partial development scheme, which means a separate assistance program from Tangerang BISA or Tangerang EMAS with capital financing from cash waqf. Scheme 2 is an integrated development scheme, meaning that the Tangerang BISA or Tangerang EMAS assistance programs can be integrated with capital financing from cash waqf.

Scheme 1 has the concept that customers can get additional capital from waqf proceeds sourced by the community. The Tangerang BISA and Tangerang EMAS programs which are already running will continue as usual. Meanwhile, the addition of cash waqf will be implemented in a separate system but can be combined into one when it is handed over. The additional capital from waqf is optional, so MSME players can choose whether to only take assistance/loans from government programs or add cash waqf through micro waqf banks. Of course, if MSME players choose to get additional capital from micro waqf banks, the opportunity to increase capital is greater. However, MSME players who choose to obtain additional capital must comply with all sharia provisions, for example their business must adhere to Islamic principles, the loan agreement is qardh or mudharabah and must comply with other provisions in the Micro Waqf Bank. This scheme is divided into two based on its targets: BISA + Cash Waqf for Micro Enterprises and EMAS + Cash Waqf for Small and Medium Enterprises. The institutions that carry out MSME screening are the Tangerang City Government and the Micro Waqf Agency separately. The contracts used from existing programs are capital assistance for

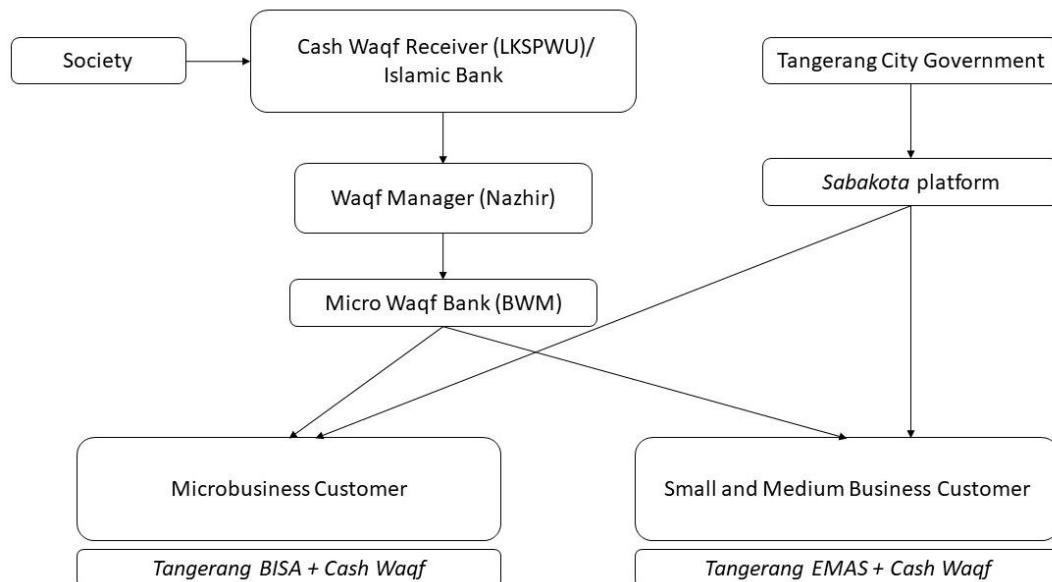
Tangerang BISA and loans without collateral and interest for Tangerang EMAS. Then the contract is used in the qardul hasan or mudharabah waqf scheme.

Scheme 2 has the concept that customers can get assistance/capital loans that are larger than scheme 1 because it comes from government budget funds and waqf funds from the community which are combined for waqf investment. The nominal amount of this aid/loan is greater than scheme 1 because the waqf investment element is not only waqf from the community, but also the government budget. Just like scheme 1, MSME players must comply with all sharia provisions and provisions of the Micro Waqf Bank. This scheme is divided into two based on its targets. BISA Linked Cash Waqf for Micro Enterprises and EMAS Linked Cash Waqf for Small and Medium Enterprises. The institutions that carry out MSME screening are the Tangerang City Government and the Micro Waqf Agency together. The contract used in scheme 2 is Qardul Hasan or Mudharabah.

Both development schemes basically have investment schemes originating from waqf investments. The difference is, waqf investment in scheme 1 is limited only to cash waqf collected from the community, while waqf investment in scheme 2 is in waqf funds from the government budget and waqf funds from the community. Then regarding loans in all schemes, loans will be implemented with a 0% yield on the first loan. Meanwhile, for the second and subsequent loans, MSME players are subject to a 3% yield for the Micro Waqf Bank. The contract used is qardul hasan on the first loan, and mudharabah on the second loan.

The implementation of the scheme in implementing the cash waqf-based Tangerang BISA and Tangerang EMAS programs in scheme 1 is as follows:

Figure 1. Implementation of Scheme 1 Development of Waqf-Based Financing Program



Source: Author (2025)

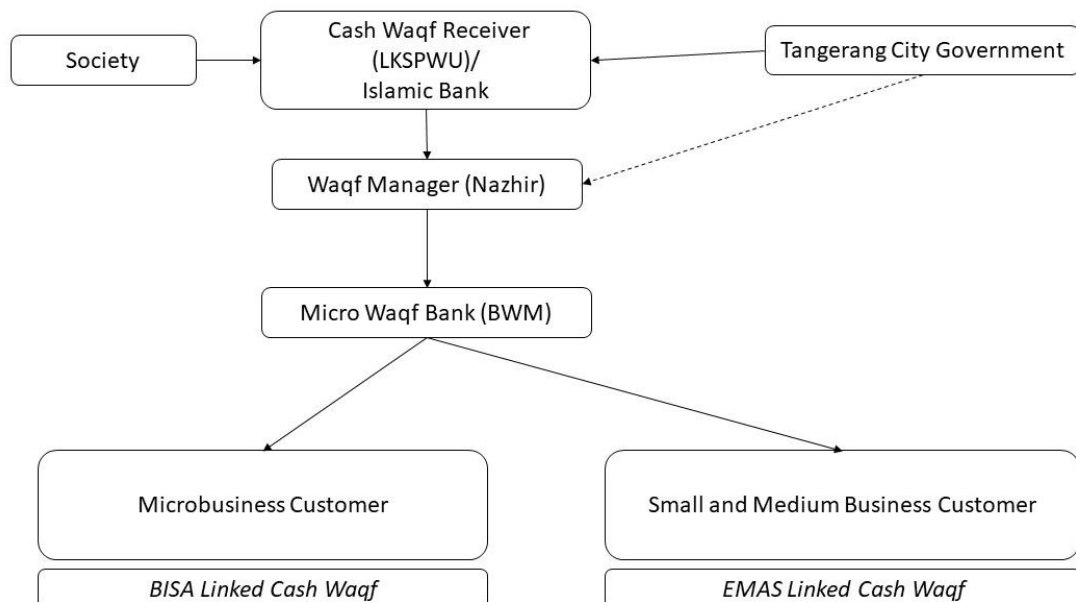
Figure 1 shows scheme 1 in developing a waqf-based financing program, a description of the steps is as follows:

- 1) People pay cash waqf through the Islamic Financial Institution Receiving Cash Waqf (LKSPWU) and can then choose whether the waqf is permanent or

temporary waqf. The community is then given a cash waqf certificate for the amount paid.

- 2) LKSPWU or Islamic Bank collects waqf money from the community and allocates the funds to nazhir institutions to be managed
- 3) Nazir institutions receive waqf funds to be managed or developed in order to obtain results. Can use various Islamic financial instruments, for example sharia deposits, sukuk, gold, and so on. The proceeds from the waqf investment will be allocated to the Micro Waqf Bank so that the Micro Waqf Bank will later develop it again through Islamic financial schemes for customers (MSMEs). The principal amount of the waqf will remain in the nazhir institution and its value cannot be reduced.
- 4) Micro Waqf Bank receives an allocation of funds from waqf investment results to be used as principal capital for loans to customers (MSMEs). Micro Waqf Bank applies a qardh or mudharabah agreement.
- 5) On a separate side, the Tangerang City Government, which in this case is the Department of Industry, Trade, Cooperatives and SMEs, runs the Tangerang BISA and Tangerang EMAS programs through the Sabakota platform (Platform or application used to apply for grants and social assistance in Tangerang City). Then distribute capital assistance to MSMEs.
- 6) MSMEs can receive assistance/loans from the Tangerang BISA and Tangerang EMAS programs. Then get the option to add capital assistance/loans using the cash waqf scheme from the Micro Waqf Agency with a previously determined agreement.

Figure 2. Implementation of Scheme 2 for the Development of Waqf-Based Financing Programs



Source: Author (2025)

Figure 2 shows scheme 2 in developing a waqf-based financing program, a description of the steps is as follows:

- 1) People pay cash waqf through the Sharia Financial Institution Receiving Cash Waqf (Lembaga Keuangan Syariah-Penerima Wakaf Uang/LKSPWU) and can then choose whether the waqf is permanent or temporary waqf. The community is then given a cash waqf certificate for the amount paid.
- 2) The Tangerang City Government, in this case the Department of Industry, Trade, Cooperatives and SMEs allocated the previous budget for the Tangerang BISA and Tangerang EMAS programs but in scheme 2 it was allocated as cash waqf investment to LKSPWU.
- 3) LKSPWU or Islamic Bank collects cash waqf from the community and from the Tangerang City Government and then allocates the funds to the nazhir institution to manage.
- 4) Nazir institutions receive waqf funds to be managed or developed in order to obtain results. Waqf funds come from the community and government. Nazhir institutions can use various Islamic financial instruments, for example sharia deposits, sukuk, gold, and so on. Apart from that, it can also be done with other forms of investment. The proceeds from the waqf investment will be allocated to the Micro Waqf Bank so that the Micro Waqf Bank will later develop it again through Islamic financial schemes for customers (MSMEs). The principal amount of the waqf will remain in the nazhir institution and its value cannot be reduced.
- 5) The Tangerang City Government not only allocates funds to LKSPWU but also supervises nazhir institutions which are given the authority to develop waqf investments by LKSPWU.
- 6) Micro Waqf Bank receives an allocation of funds from waqf investment results to be used as principal capital for loans to customers (MSMEs). Micro Waqf Bank applies a qardh or mudharabah agreement.
- 7) MSME players can receive assistance/loans from the BISA linked Cash Waqf or EMAS Linked Cash Waqf program with a predetermined agreement.

It can be explained that the development of waqf-based financing programs has its own advantages and disadvantages. The advantages include: 1) Growing MSMEs in Tangerang City as well as MSMEs operating in business sectors that adhere to sharia principles; 2) Capital assistance/loans provided to MSMEs will be greater than existing programs; 3) Government budget funds that are directly distributed to MSMEs will be managed by the Nazhir Institution and the Micro Waqf Bank using a waqf scheme so that the total budget funds will become endowment funds which are permanent at all times and sustainable; 4) There is assistance for MSMEs provided by the Micro Waqf Agency; 5) Expanding city government cooperation with Islamic financial institutions.

The weaknesses include: 1) There are risks faced because government budget funds are invested through waqf schemes by nazhir institutions; 2) There is a risk because MSMEs receive larger capital and actually misuse the capital assistance provided; 3) Weak city government authority in providing capital assistance because the entire system and rules will be managed by Islamic financial institutions but the government can supervise; 4) the selection of MSMEs will be stricter because it uses the perspective of *mauquf alaih* as beneficiaries in the waqf scheme which of course prioritizes the poor. Then there is also strict selection

because the business carried out must comply with sharia. 5) This waqf-based program must require the support and cooperation of all parties, not just the city government.

Table 3 Simulation of Capital Financing through Cash Waqf

Information	Scheme without Cash Waqf	Partial Scheme with Cash Waqf	Integration Scheme with Cash Waqf
Source of government funds	15.2 Billion (BISA) and 3.3 Billion (EMAS)	15.2 Billion (BISA) and 3.3 Billion (EMAS)	18.5 Billion (BISA+EMAS)
Source of public funds (waqf)	-	5 Billion	5 Billion
Invested funds	-	5 Billion	23.5 Billion
Waqf investment results	-	792 Million	3 Billion
Total aid funds/capital loans	15.2 Billion (BISA) and 3.3 Billion (EMAS)	15.2 Billion (BISA), 3.3 Billion (EMAS), and 792 Million (Waqf)	> 3 Billion
Amount of capital assistance/loan	760,000 (Micro Enterprises/ME) and 2,000,000 (Small and Medium Enterprises/SME)	760,000+ (ME) and 2,000,000+ (SME)	760,000+ (ME) and 2,000,000+ (SME)
Benefit recipients	20,000 (Micro Enterprises) and 1650 (SME)	20,000+ (Micro Enterprises) and 1650+ (SME)	20,000+ (ME) and 1650+ (SME)
Time Period	1 year	3 years and ongoing	3 years and ongoing

Source: Processed Data (2022)

Information:

1. BISA savings use 2021 budget data on tangerangkota.go.id
2. EMAS savings use 2020 budget data on tagar.id
3. The waqf investment scheme used is sukuk with a tenor of 3 years
4. The results of waqf investment in the integration scheme have the potential to be greater than 3 billion depending on the investment scheme chosen.

Program Implementation Stages

Conceptual ideas require a real implementation stage so that an idea can be realized and benefit the wider community. The implementation stages for implementing the development of the cash waqf-based Tangerang BISA and Tangerang EMAS programs are as follows:

- a) Hold a Focus Group Discussion and invite several experts in the field of economics, especially Islamic economics to analyze needs and urgency, feasibility analysis, and other considerations.
- b) Develop a legal umbrella regarding the capital assistance program for waqf-based MSMEs within the Tangerang City Government
- c) Collaborating with Islamic financial institutions receiving cash waqf or LKSPWU and Nazir Institution

- d) Establishing Micro Waqf Banks in several sub-districts in Tangerang City
- e) Preparation of regulations and mechanisms for waqf-based MSME capital assistance programs
- f) Adjustment of regulations and mechanisms of existing programs (Tangerang BISA and Tangerang EMAS)
- g) Socialization and education regarding cash waqf to the community
- h) Socialization and education regarding waqf-based capital to MSME players
- i) Release a waqf-based capital program for MSMEs.

Program Impact Analysis

a) Tangerang City Government

The Tangerang City Government has for 2019-2023, namely "Creating a Prosperous Tangerang City with Morals and Competitiveness" with a strategy to form a religious and independent society. This financing program through the waqf will be in accordance with the Government's vision because it will create a society that has businesses based on sharia principles and avoids usury. It is hoped that people will have independence by running their own businesses. This program is also in accordance with the strategic plan of the Tangerang City Disperindagkopukm by providing greater capital financing of up to IDR 5,000,000 for each MSME actor, especially for the Tangerang EMAS program.

b) Relevant non-governmental institutions

The Indonesian Waqf Board (Badan Wakaf Indonesia/BWI) can fulfill its mission in raising awareness of waqf in the community, especially in Tangerang City, through the National Cash Waqf Movement. In addition, for the National Committee for Islamic Economics and Finance (Komite Nasional Ekonomi dan Keuangan Syariah/KNEKS), this program can increase the community's Islamic financial literacy and inclusion from upstream to Downstream financial processes will use sharia schemes.

c) Micro Waqf Bank

Based on data from the Financial Services Authority (OJK), Tangerang City does not yet have a Micro Waqf Bank (BWM). With this program, it will stimulate the establishment of Micro Waqf Bank (BWM) in the Tangerang City area. This Micro Waqf Board can support other Islamic financial institutions not only Islamic banks, BPRS, and BMT in Tangerang City.

d) Nazir Institutions

Nazir institutions have a large allocation of waqf funds because they come from the community and the government budget. The collected waqf funds will be ready to be developed through profitable sharia investment schemes. It is hoped that nazhir institutions can have more freedom in managing waqf funds so that they can avoid investment risks.

e) Islamic Financial Institutions Receiving Cash Waqf (Lembaga Keuangan Syariah-Penerima Wakaf Uang/LKSPWU)

LKSPWU can get a larger source of funds so that the investments made also produce greater returns. Apart from that, it can also strengthen LKSWPU in terms of capital structure and increase liquidity as a Islamic bank.

f) MSME actors

MSME players can get additional capital and possibly have greater opportunities for assistance in the long term with the development of waqf-based financing. Apart from that, this program can educate MSMEs so that they can run businesses according to Islamic principles and avoid usury so that the business they run will be more blessed. MSME players are also helped by assistance from micro waqf banks, so that not only capital is provided but there is a mentoring program from Micro Waqf Bank to increase business opportunities to gain profits.

g) Society

The community can be helped because they can easily channel cash waqf to LKSPWU so that it can be distributed to nazhir institutions and micro waqf banks for economic benefits in their own area. It is also hoped that the public can have a good understanding of waqf, especially cash waqf.

CONCLUSION

The design of a cash waqf-based MSME financing development model can be implemented using an integrated scheme and a partial scheme. In both schemes, MSMEs can obtain greater financing value, but there are risks for the Nadzir institution as the cash waqf manager in terms of investing the funds that have been received. It is hoped that this cash waqf-based financing development model will be welcomed and responded well by the Tangerang City Government. The Tangerang City Government can collaborate with the Nadzir institution to create a Micro Waqf Bank so that this cash waqf-based financing development model can be implemented and bring benefits to Tangerang City MSMEs. As a development for further research, it is recommended to examine in more depth the assistance mechanisms for MSME actors who receive the benefits of cash waqf-based financing and to discuss comprehensively the development of contracts used in cash waqf-based financing.

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