

The Regulatory Framework of Green Zakat to Support the Transition Towards a Green Economy Based on the Principles of Islamic Justice

Lalu Khairil Azmi, Muhammad Zaki As Suminar
UIN Syarif Hidayatullah

Paper was presented at the 8th International Conference of Zakat (ICONZ)
17 – 19 December 2024, Bandung, Indonesia

ABSTRACT

The background of this study focuses on the development of the concept of green zakat as an effort to expand the function of zakat in the context of environmental sustainability. Although zakat in Indonesia has largely been directed towards socio-economic programs, there is no regulation that explicitly directs zakat to support environmental conservation and sustainable development. This study aims to propose a regulatory framework for green zakat that can support environmental projects and energy transitions, as well as integrate the principles of maqashid syariah, such as hifz al-bi'ah (environmental protection), in zakat distribution. The research method used is a normative-analytical approach with a literature review to analyze the existing zakat regulations, the challenges faced, and the opportunities for directing zakat towards the green sector. Data were collected from various secondary sources, including zakat regulations, literature related to productive zakat, and international practices. The results of the study show that, despite the large potential of zakat in Indonesia, the zakat allocated to the environmental sector is still very minimal (<1%), and there is a regulatory gap that prevents zakat from being utilized for environmental sustainability. This study suggests the need for a revision of zakat regulations to include green zakat clauses, as well as the issuance of a new PMA to support the utilization of zakat for green projects. In conclusion, green zakat has the potential to become an important instrument in supporting sustainable development but requires clear legal foundations and measurable systems for its implementation.

Keywords: Green Zakat, Maqashid Syariah, Environmental Sustainability, Productive Zakat, Zakat Regulation

INTRODUCTION

The transition to a green economy has become an urgent global agenda, given the significant challenges the world faces in addressing the climate crisis and environmental degradation. The Paris Agreement sets a global commitment to reduce carbon emissions, with the target of Net Zero Emission (NZE) by 2060, a goal adopted by many countries, including Indonesia (Islam, 2024). The worsening climate change requires more rapid mitigation measures, including the transition to clean energy and sustainable

natural resource management. At the global level, this goal is reflected in the Sustainable Development Goals (SDGs), particularly SDG 13 (Climate Action) and SDG 7 (Affordable and Clean Energy), which emphasize the importance of addressing climate change and developing renewable energy. Achieving these SDGs is crucial for building a more sustainable future and avoiding the more severe impacts of climate change (Agbakwuru et al., 2024; Gan et al., 2023).

Indonesia, as part of the international community, has committed to

achieving Net Zero Emission (NZE) by 2060 as part of its sustainability goals (Dwi, 2025). In the National Medium-Term Development Plan (RPJMN), the energy transition is a key priority to reduce dependence on fossil fuels and introduce renewable energy. However, a major challenge faced by Indonesia is the high dependency on fossil fuels and the limited development of affordable clean energy. Additionally, the country also faces issues related to food security and unsustainable natural resource management (Aprianto et al., 2024). In this context, the green economy transition is key to creating food security, social sustainability, and reducing economic inequality, while providing solutions to the increasingly urgent environmental problems.

Zakat, as one of the key instruments in Islamic economics, holds great potential to support sustainable development and the transition to a green economy. Zakat is not only a religious obligation but also a social financial instrument that functions as a redistribution of wealth to help mustahik (fakir, miskin, gharimin, and others). According to Law No. 23 of 2011, zakat plays an important role in poverty alleviation and community empowerment. However, zakat, which has traditionally been focused on socio-economic programs, has not yet been directed toward supporting sustainability projects such as renewable energy, green food security, and environmental conservation. PMA No. 52 of 2014 and PMA No. 69 of 2015 regulate productive zakat, but there is no explicit policy directing zakat toward the environmental sector or green economy.

Indonesia's national zakat potential is estimated to reach approximately Rp327 trillion per year, but its realization remains very low, only about Rp42 trillion (Baznas, 2025; Validnews, 2025). The majority of zakat funds in Indonesia are still allocated to charitable programs, such

as assistance for the poor and education. Zakat programs that support green development or focus on environmental sustainability are almost nonexistent, with less than 1% of total zakat distribution allocated to this sector (BAZNAS, 2024). This gap shows a significant disparity between the zakat potential that can be generated and its contribution to the environmental sector, which needs substantial funding to achieve sustainable development targets.

With the increasing awareness of climate change and the importance of sustainable development, zakat regulations in Indonesia need to be updated. Currently, Law No. 23 of 2011 focuses primarily on traditional socio-economic distribution, such as aid for the poor and health, without addressing the environmental sector. Although productive zakat is recognized in the regulations, there is still a legal gap regarding how zakat can be directed to support green initiatives and the clean energy transition. Therefore, a new regulatory framework is needed to integrate green zakat, which would direct zakat funds toward sustainability projects such as organic farming, renewable energy, reforestation, and environmental conservation.

The objective of this research is to examine the need for a green zakat regulatory framework that can effectively direct zakat funds to support a sustainable green economy in accordance with the principles of Islamic justice (al-'adl) and environmental protection (hifz al-bi'ah). This research aims to provide clear regulatory recommendations that not only ensure zakat is used for the socio-economic welfare of mustahik but also supports sustainability initiatives that can provide long-term benefits to humanity and the planet. This regulation should expand the scope of maqashid syariah, incorporating environmental protection as an integral part of zakat's objectives. Additionally, this research will

highlight the importance of accountability and transparency in the use of zakat for green projects, and how appropriate regulations can create a greater social and environmental impact.

LITERATURE REVIEW

Zakat is one of the five pillars of Islam that must be fulfilled by every Muslim who is able. In the Qur'an, zakat is mentioned as an instrument to purify and cleanse wealth. As stated in QS. At-Taubah: 103, *"Take alms from their wealth, that you may purify and sanctify them."* The Hadith of Prophet Muhammad SAW also affirms that zakat is an obligation that is part of the five pillars of Islam, and fulfilling it is a duty for capable Muslims. Zakat has a broader purpose than merely helping the poor; it also aims to purify wealth and souls, while enhancing the welfare of the community. This makes zakat an instrument that not only functions in the socio-economic context but also in shaping a more just and prosperous society.

In recent years, the concept of productive zakat has developed, where zakat is not only given in the form of direct aid but is also used for the economic empowerment of mustahik, such as through small business assistance or productive capital. However, while productive zakat has been widely implemented, the concept of green zakat is still relatively new. Green zakat refers to efforts to integrate environmental preservation and sustainability principles into the distribution and utilization of zakat. Green zakat is directed to support various programs aimed at maintaining ecosystem sustainability, such as organic farming, renewable energy, waste management, and environmental conservation, all of which contribute to the green development (Obaidullah, 2017). In this context, zakat aims not only to fulfill the basic needs of mustahik but also to

preserve nature, which is part of *hifz al-bi'ah* (environmental protection) in *maqashid syariah*.

This concept of green zakat also proposes a reinterpretation of *asnaf* (categories of zakat recipients). Traditionally, zakat has been directed towards the poor, the needy, and a few other established categories. However, with the green zakat approach, programs related to environmental conservation and sustainability can also be included under *fi sabilillah* (in the path of Allah). This means that zakat can be directed not only for the socio-economic welfare of mustahik but also to maintain ecological balance, which directly benefits both society and the planet. Programs such as reforestation, waste management, and environmentally-friendly food security based on sustainable farming are concrete examples of green zakat that not only fulfill social goals but also contribute to environmental sustainability.

According to Kusuma (2025) and Karimullah (2025), green zakat can be a highly strategic tool for supporting sustainable development, especially in the face of climate change and the global resource crisis. Zakat, long recognized as a social-economic philanthropic instrument, can evolve into a force that drives broader social-ecological change. Therefore, green zakat not only serves to provide short-term benefits to mustahik but also to create a more inclusive, just, and sustainable civilization, in line with the fundamental principles of *maqashid syariah*.

Green zakat, as a transformation of traditional zakat, presents a great opportunity for Muslim countries to play an active role in combating the climate crisis and supporting sustainable food security, while still fulfilling religious obligations and enhancing the welfare of the community. For this reason, it is essential that zakat regulations in Indonesia incorporate green zakat programs, by introducing new concepts in

zakat utilization that can contribute to environmental preservation as well as long-term social empowerment.

RESEARCH METHODOLOGY

This study employs a qualitative approach to analyze the need and potential for developing a green zakat regulatory framework in Indonesia. The qualitative approach was chosen because the research aims to gain an in-depth understanding of the existing zakat regulations and the challenges in integrating them with sustainable development, particularly within the context of a green economy. This approach will provide insights from the existing literature, policy analysis, and relevant international practices.

The research design is analytical-descriptive, where the study is intended to identify gaps in the current zakat regulations and explore the potential of green zakat as an instrument to support sustainable development. The research begins with a literature review on zakat, relevant regulations, and green zakat practices in both Indonesia and internationally. This is followed by an analysis of existing policies and recommendations for a more relevant regulatory framework.

The data sources used in this study are secondary data, which include legal literature, government regulations, and international case studies on green zakat. Data collection techniques involve documentary study and content analysis of Law No. 23 of 2011, PMA No. 52 of 2014, PMA No. 69 of 2015, as well as reports and publications related to sustainable development and renewable energy.

This study does not rely on a sample or population that can be measured numerically, as its focus is on policy analysis and official documents. The research instrument used is a document analysis guide to evaluate the content of existing zakat regulations and the proposed green zakat framework.

The research procedure involves gathering literature, analyzing regulations, and comparing them with international practices. The collected data is then analyzed using thematic analysis to identify key themes in zakat management that focus on environmental sustainability. Data validity is ensured by confirming reliable sources and validating the findings through in-depth literature reviews.

Ethical considerations in this study prioritize maintaining the confidentiality of data and adhering to principles of objectivity and integrity throughout the analysis process.

RESULTS AND DISCUSSION

Existing Zakat Regulation and Its Limitations

Law No. 23 of 2011 on Zakat Management serves as the main normative foundation for zakat governance in Indonesia, establishing a more structured and accountable system. This regulation outlines the authority of the National Zakat Amil Agency (BAZNAS) and Zakat Amil Institutions (LAZ) as official zakat management institutions, with the mandate to distribute zakat to mustahik in accordance with Islamic principles. Article 25 emphasizes the obligation of zakat distribution to eligible groups, especially the poor and needy. Article 26 regulates distribution based on a priority scale, considering justice and fairness, while Article 27 opens the possibility for utilizing zakat for productive enterprises to enhance the quality of the ummah once the basic needs of the mustahik are met. Furthermore, Article 28 expands the mandate of BAZNAS and LAZ to also manage infak, sadaqah, and other religious social funds (Aristoni, 2021).

These provisions are further detailed in Government Regulation (PP) No. 14 of 2014, which emphasizes governance aspects, including planning, collection,

distribution, and sharia and financial audits. This regulation also governs the establishment of Zakat Collection Units (UPZ) within government agencies and private institutions, as well as the mechanism for appointing BAZNAS officials at various levels (Fahrozi & Suprima, 2022). To strengthen the productive zakat utilization mandated by Article 27, Minister of Religious Affairs Regulation (PMA) No. 52 of 2014 was issued, outlining the terms and procedures for calculating zakat mal and zakat fitrah, as well as utilizing zakat for productive enterprises. This regulation stresses that zakat can be used productively only if the basic needs of the mustahik are met, the activities are in accordance with Islamic law, and the funded activities create economic value. This was later refined by PMA No. 69 of 2015, which updated technical provisions to better align with contemporary zakat dynamics, emphasizing transparency, accountability, and mandatory reporting on the progress of the businesses funded by zakat. This shift in focus directs zakat management towards sustainable economic empowerment.

Although the zakat regulations in Indonesia are fairly comprehensive, the policy direction still heavily emphasizes traditional socio-economic distribution. Zakat is primarily directed towards the poor, the needy, gharimin, and other mustahik groups, with an orientation towards short-term poverty alleviation. The utilization of zakat for productive purposes is acknowledged, but the regulations have yet to explicitly direct zakat towards environmental or sustainable development goals. Therefore, although the legal framework allows for the diversification of zakat's functions, environmental issues have not yet been formally integrated into this framework.

This limitation becomes even more apparent in practice. Data from the Outlook Zakat Indonesia 2024 reveals that

the total collection of Zakat, Infak, Sadaqah, and Other Social Religious Funds (ZIS-DSKL) reached Rp40.509 trillion, a 25.34% increase from the previous year, with distribution amounting to Rp39.508 trillion, benefiting over 74 million mustahik. However, of the total distribution, the portion allocated to productive programs remains under 30%, while programs specifically aimed at environmental initiatives are almost nonexistent (BAZNAS, 2024). This reinforces the fact that the majority of zakat distribution is still focused on charitable social-economic aspects. The National Zakat Index (IZN) also indicates suboptimal performance in the empowerment and sustainability dimensions, showing that the integration of zakat with the Sustainable Development Goals (SDGs) remains weak.

In addition to the limitations in content and implementation, there is also the issue of regulatory inconsistencies between central and regional governments. Several regional zakat regulations are not fully aligned with Law No. 23 of 2011, causing legal uncertainties in zakat management practices (Fahrozi & Suprima, 2022). This inconsistency impacts the effectiveness of zakat policies at the local level, ultimately limiting zakat's contribution to long-term development. Furthermore, public zakat literacy remains low (Hariyanto et al., 2024), meaning that despite the space provided by regulations for innovation, awareness and understanding among both the public and zakat managers have not yet significantly driven transformative changes.

The gap between contemporary needs and zakat regulations becomes even more pronounced when linked to the challenges of climate change, energy transition, and green development. There is no explicit clause in Law No. 23 of 2011 or its derivative regulations that addresses "environment" or "sustainability." However, national agendas, such as the

RPJMN, and global commitments through the SDGs emphasize the importance of sustainability. International practices, such as those in Malaysia, show that zakat can be directed to support sustainable agriculture programs. In Malaysia, new industry initiatives focus on better zakat management to empower the economy, support environmental sustainability, and drive social engineering in communities, aligning with the 12th Malaysia Plan (12 MP) and Shared Prosperity Vision 2030 (SPV2030), as well as the UN SDGs to fulfill Maqāṣid al-Sharī'ah. In Indonesia, despite BAZNAS launching the Green Zakat Framework in 2025 and the Zakat for SDGs program since 2017, both initiatives remain without formal regulatory backing. This gap highlights the serious discrepancy between field practices and the existing regulations (Kassim et al., 2020).

From the perspective of Islamic economic law, this situation shows that the zakat legal framework in Indonesia remains trapped in a traditional distributive paradigm. However, the principles of *maslahah* (public benefit) and *al-'adl* (distributive justice) provide normative legitimacy to expand zakat's scope to include sustainability issues, including the environment. In the context of *maqashid syariah*, zakat should not only preserve life (*hifz al-nafs*), wealth (*hifz al-maal*), and lineage (*hifz al-nasl*), but also extend to protecting the environment (*hifz al-bi'ah*) as a contemporary need. Therefore, updating the zakat regulations to accommodate green zakat is an urgent necessity, so zakat can function as a strategic instrument in addressing the climate crisis and supporting the transition to a green economy.

CORE PROBLEM

Absence of zakat regulation supporting environmental sustainability
and green economic transformation



ROOT CAUSES (Structural Barriers)

-
- | | |
|---|--|
| - Law No. 23/2011 lacks any reference to environmental issues | |
| - Ministerial regulations focus only on socio-charitable use | |
| - Distribution approach remains largely consumptive | |
| - Limited awareness of green zakat among zakat institutions | |
| - Weak integration of zakat with SDGs and Net Zero targets | |
-



STRATEGIC CONSEQUENCES (Systemic Impacts)

-
- | - Zakat potential (IDR 327 trillion/year) remains underutilized |
 - | - Less than 1% of zakat is allocated to environmental programs |
 - | - SDGs and Net Zero Emission 2060 targets lack zakat support |
 - | - Zakat loses its relevance in addressing contemporary maqashid |
-

Urgency of the Green Zakat Regulatory Framework

The absence of explicit clauses regarding environmental issues in Law No. 23 of 2011 and its derivative regulations creates a gap between the zakat mandate, which focuses on traditional socio-economic distribution, and contemporary needs that are increasingly complex. The current regulations emphasize zakat distribution to the poor, the needy, and other mustahik groups, with a focus on short-term poverty alleviation. However, Islamic law views zakat as a public welfare instrument that can be directed towards broader needs. The principles of *maslahah* (public benefit) and *al-‘adl* (distributive justice) open space for zakat to be managed innovatively in line with contemporary challenges. In the framework of *maqashid syariah*, zakat should not only preserve life (*hifz al-nafs*), wealth (*hifz al-maal*), and lineage (*hifz al-nasl*), but also extend to environmental protection (*hifz al-bi’ah*). The expansion of *maqashid* in this context makes zakat relevant in addressing the climate crisis, environmental degradation, and energy transitions, which are now both global and national issues. Therefore, the need for a new regulatory framework to accommodate green zakat has become urgent.

The global challenges further underscore the urgency of this need. The world is facing serious threats such as climate change, the energy crisis, environmental degradation, and food

security. Indonesia, as one of the most vulnerable countries, has set the target of Net Zero Emission (NZE) by 2060 through the Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR). The national development agenda (RPJMN) also emphasizes integrating environmental sustainability into all aspects of development. In this context, zakat holds substantial potential to become one of the social-religious funding sources supporting the green agenda. The national zakat potential is estimated to reach Rp327 trillion per year, yet its realization in 2025 is only about Rp42 trillion, or less than 15% of the potential (Setya, 2025). This gap of approximately Rp280 trillion presents a strategic opportunity to leverage zakat funds as a financing instrument for sustainable development. With the proper regulatory framework, zakat can be directed towards energy transition projects, waste management, reforestation, and environmentally friendly food security.

Empirical data strengthens this argument. The Outlook Zakat Indonesia 2024 report records that in 2022, the collection of Zakat, Infak, Sadaqah, and Other Social Religious Funds (ZIS-DSKL) reached Rp22.475 trillion, significantly increasing to Rp40.509 trillion in 2024, with Rp39.508 trillion distributed to more than 74 million mustahik (BAZNAS, 2024). However, the allocation for environmental programs is almost nonexistent, representing less than 1% of the total distribution. The majority of zakat funds are still focused on humanitarian

programs, education, health, and short-term economic empowerment of mustahik. The National Zakat Index (IZN) 2024 also highlights the weakness of the sustainability dimension in zakat governance. The national IZN score is only 0.60, with a macro dimension score of 0.68 and a micro dimension score of 0.57. The sustainability dimension remains relatively low compared to other aspects such as planning and technology (Abyan, 2025). This shows that, empirically, zakat in Indonesia has yet to make a significant contribution to sustainable development.

International comparisons demonstrate that zakat can be directed to support environmental issues when backed by a clear regulatory framework. In Malaysia, zakat has been used to fund organic farming programs and sustainable rural community empowerment. This practice shows that zakat can function not only as a social instrument but also as a public policy tool to support the transition to a green economy. Unlike Indonesia, which is still in the initiative stage, countries like Malaysia have provided broader legitimacy in zakat management to support environmental sustainability and green development.

At the national level, awareness of connecting zakat to sustainable development has emerged. Since 2017, BAZNAS has collaborated with UNDP to launch the Zakat for SDGs program, integrating zakat funds with global development goals. In August 2025, BAZNAS, together with Bank Syariah Indonesia (BSI) and UNDP Indonesia, launched the Green Zakat Framework, which explicitly links zakat management with environmental issues, clean energy, and sustainability (UNDP, 2025; Yanwardhana, 2025). This framework emphasizes that zakat can serve a dual function, fulfilling the sharia mandate of assisting mustahik while also supporting environmental preservation. Forums involving religious organizations, the

government, and research institutions also emphasize that zakat can be directed towards clean energy as part of *maqashid syariah* (*hifzhul bi'ah*). However, this initiative remains experimental and lacks formal regulatory legitimacy. Without a clear legal framework, these efforts risk remaining temporary programs without integration into the national strategy.

From the perspective of Islamic economic law, the urgency for establishing a green zakat regulation is evident. Regulations will provide legal certainty for BAZNAS and LAZ in channeling zakat funds to environmental programs, ensuring there are no concerns about sharia compliance or legality. With such regulation, zakat can be positioned as a strategic instrument for the green economy, similar to other Islamic financial instruments like green sukuk or productive waqf. The analysis of *maqashid syariah* also supports this view. Zakat directed towards environmental programs can preserve life (*hifz al-nafs*) through providing clean water and air, protect wealth (*hifz al-maal*) by increasing environmentally friendly economic productivity, preserve lineage (*hifz al-nasl*) by ensuring food sustainability, and safeguard the environment (*hifz al-bi'ah*) as the foundation of life. Thus, the green zakat regulation is not only relevant from a positive law perspective but also has a strong sharia legitimacy.

The implication of the absence of formal regulations is that green zakat will depend solely on the initiatives of certain institutions and partnerships with international partners. This makes its contribution vulnerable and inconsistent. On the other hand, with a clear legal framework, green zakat can be institutionalized as part of the national sustainable development strategy. Regulation will ensure clear fund allocation, measurable sustainability indicators, and both sharia and administrative accountability.

Furthermore, the green zakat regulation will demonstrate the relevance of contemporary Islamic law, which can harmonize traditional values with modern needs, addressing the climate crisis while strengthening social justice. With this regulatory framework, zakat will not only be a philanthropic instrument for charity but also an instrument for transformation towards a just, sustainable, and environmentally friendly society.

Proposed Regulatory Framework for Green Zakat

The development of a green zakat regulatory framework in Indonesia must be based on strong sharia legitimacy to ensure normative grounding and flexibility in addressing contemporary needs. From the perspective of Islamic law, zakat is not only an individual obligation but also a social justice instrument with relevance across time. The principles of *maslahah* (public benefit) and *al-'adl* (distributive justice) provide a foundation for expanding zakat's function into broader areas. By incorporating *hifz al-bi'ah* (environmental protection) into *maqashid syariah*, zakat can be directed to address climate crises, environmental degradation, and energy transitions. The principles of *khalifah* (stewardship), *mizan* (balance), and *adl* (justice) further emphasize humanity's obligation to protect the earth. Therefore, the green zakat regulatory framework must ensure compliance with *asnaf mustahik* (fakir, miskin, gharimin, and others), ensuring that fund utilization does not deviate from sharia, while also providing additional benefits for environmental sustainability.

The basic principles of the proposed green zakat regulatory model include sharia compliance, accountability, transparency, and integration with national policies such as RPJMN, SDGs, and the Net Zero Emission 2060 target. While Law No. 23 of 2011, particularly Articles 25–27, has opened up space for productive zakat utilization, it has not explicitly

directed zakat towards environmental programs. PMA No. 52 of 2014 and its amendment in PMA No. 69 of 2015 regulate productive zakat utilization, but no clause addressing the environment can be found. In fact, the DSN-MUI fatwa of 1982 has allowed zakat to be used productively and for public welfare (Febriani, 2023). Thus, the normative and fiqh foundations to legitimize green zakat are already available and only need to be realized in more specific technical regulations.

The main components of the proposed regulatory model can be divided into three areas. First, governance. The Ministry of Religious Affairs (Kemenag) as the regulatory authority is responsible for formulating regulations, while BAZNAS serves as the national coordinator for zakat management and the performance supervisor of OPZ. LAZ acts as the operator that implements green programs on the ground. Synergy must be built with relevant technical ministries such as KLHK and ESDM, as well as international partners like UNDP. Research by Kholipah and Pangestu (2022) highlights the importance of human resources quality and public education in supporting zakat governance for sustainability. Sari and Raharja (2023) also show that the use of digital platforms for zakat collection can enhance transparency and accountability, which is essential for maintaining public trust. Second, fund distribution. A specific portion of productive zakat must be allocated for environmental programs with gradual targets, such as 2% in the first year, increasing to 5% in three years, and evaluating to reach 10% if indicators are met. The program selection mechanism must be based on *asnaf*, meaning each green project must provide direct benefits to *mustahik*. An example is the installation of solar panels in *mustahik* households, providing eco-friendly farming tools, or supporting green UMKM. Research by Nurdin and Fuady (Nurdin & Fuady, 2021)

shows that renewable energy consumption positively impacts economic growth, so zakat directed towards clean energy provides dual benefits: mustahik welfare and environmental sustainability. Third, accountability and reporting. The regulation must require sharia-compliant thematic audits and annual Green Zakat Disclosure reporting. The report should not only present financial data but also the achievements of social, economic, and environmental indicators, and must be integrated with the National Zakat Index (IZN).

To strengthen accountability, sustainability indicators should be used as a performance measurement tool. Output indicators include the number of hectares of reforested land, installed solar panel capacity, waste managed, and the number of green UMKM supported. Outcome indicators include increased income of green mustahik, improved environmental quality, reduced CO₂ emissions, and improved food security. Accountability is ensured through sharia audits, transparency in reports based on SDGs, and community-based participatory monitoring. To reinforce this, two new indicators can be added to the IZN: the Green Allocation Ratio (GAR), which measures the percentage of productive zakat allocated to green programs, and the Sustainability Outcome Score (SOS), which is a combined score of social, economic, and environmental impacts. With clear MRV (Measurement-Reporting-Verification), green zakat can be objectively and accountably measured.

The legal instruments required can be implemented in two stages. In the short term, the Ministry of Religious Affairs can issue a new PMA on the Utilization of Zakat for Environmental and Sustainable Development Programs. This instrument is easier to implement than revising the law. In the long term, revision of Law No. 23 of 2011 is necessary to explicitly include

green zakat clauses to provide stronger legal legitimacy. BAZNAS needs to prepare technical SOPs for planning, monitoring, evaluation, and reporting mechanisms based on sustainability indicators.

Integrating this regulatory model with international practices and national initiatives is also crucial. In Malaysia, zakat has been used to support sustainable organic farming. In Indonesia, initiatives such as Zakat for SDGs and the Green Zakat Framework show an awareness of connecting zakat with sustainable development. However, these initiatives are still limited as they lack formal regulatory backing. With the green zakat regulatory model, these initiatives can become formal, measurable, and integrated into the national zakat system.

The implications of implementing this framework are far-reaching. For mustahik, green zakat can increase income, improve health through clean energy, and strengthen food security. For the state, green zakat will support the achievement of SDGs, Net Zero 2060 targets, and the RPJMN agenda in energy transition and green development. For Islam, this regulation will demonstrate that contemporary Islamic economic law is adaptable and solution-oriented in addressing global issues, thus strengthening the legitimacy of Islam as a religion that cares for social justice and environmental sustainability.

Regulatory reform can be pursued with short-term steps such as issuing a new PMA, and long-term steps through the revision of Law No. 23 of 2011. Additionally, the establishment of a Green Zakat Board under the coordination of BAZNAS and Kemenag is necessary. This board would consist of scholars/DSN, environmental and energy experts, auditors, mustahik representatives, and relevant government agencies. Its mandate would be to establish eligibility criteria, approve program portfolios, oversee MRV,

and issue green eligibility opinions. With transparent governance and a strict code of ethics, this body will ensure the integrity of green zakat.

With a structured green zakat regulatory model, Indonesia can optimize its zakat potential of Rp327 trillion per year to address two agendas simultaneously: empowerment of mustahik and environmental sustainability. This regulation will strengthen sharia legitimacy, enhance accountability, and prove that Islam can be an ethical and practical foundation for sustainable development.

CONCLUSION

This study has examined the need for a green zakat regulatory framework to support a green economy in Indonesia, aligning with the principles of Islamic justice (*al-'adl*) and environmental sustainability (*hifz al-bi'ah*). The key findings indicate that although zakat potential in Indonesia is substantial, estimated at Rp327 trillion per year, the actual zakat collected remains very low, only around Rp42 trillion. Moreover, the allocation of zakat funds for the environmental sector is extremely limited, with less than 1% of total zakat distribution directed towards environmental initiatives. This reflects a significant regulatory gap between zakat's current focus on conventional socio-economic issues and its potential to support green development sectors.

This study contributes to the knowledge in the field of Islamic economics and social finance by proposing the concept of green zakat as a strategic instrument that could expand zakat's role in supporting sustainable development. Zakat, in this context, not only serves to assist mustahik but can also actively contribute to addressing the climate crisis and other environmental challenges. By integrating *maqashid syariah*, which includes environmental protection (*hifz*

al-bi'ah), green zakat can become a highly relevant tool for realizing a green economy and fulfilling SDGs objectives.

Practically, the findings of this research provide crucial insights for policymakers, zakat management institutions, and sharia finance practitioners. By formulating a regulatory framework that integrates zakat with sustainable development, the results of this research can serve as the foundation for updating zakat regulations in Indonesia, as well as strengthening zakat management that focuses not only on social empowerment but also on environmental sustainability. Furthermore, the application of green zakat can strengthen the synergy between social-economic policies and environmental policies that mutually support each other.

However, this study also identifies several limitations that need to be addressed in future research. One of the key issues is the lack of regulations regarding the use of zakat for green sectors, which requires strengthening through the revision of laws or the issuance of more specific ministerial regulations on green zakat. Future research could delve deeper into analyzing zakat distribution models that are more focused on sustainability and explore international practices that could be applied in Indonesia.

Additionally, further studies should explore the long-term impacts of green zakat on the green economy and the development of performance indicators that can measure zakat's contribution to SDGs and environmental resilience. As a recommendation, future research could investigate how accountability and transparency in the management of zakat funds for green sectors can be enhanced and propose a clear monitoring framework to ensure that zakat funds are effectively and appropriately allocated.

This research makes a significant contribution by introducing green zakat as a concept that not only supports poverty alleviation but also contributes to environmental sustainability, in line with the principles of Islamic economics that are just and sustainable. With the renewal of zakat regulations more integrated with green development agendas, Indonesia has the potential to make zakat an instrument that not only alleviates poverty but also preserves the sustainability of the planet for future generations.

REFERENCES

- Abyan, S. (2025, May 26). IZI Raih Predikat LAZ Yang Berkelanjutan (Sustainable). *Inisiatif Zakat Indonesia*.
<https://izi.or.id/izi-raih-predikat-laz-yang-berkelanjutan-sustainable/>
- Agbakwuru, V., Peter Ofuje Obidi, Ojonimi Segun Salihu, & Ogwu Chinelo MaryJane. (2024). The role of renewable energy in achieving sustainable development goals. *International Journal of Engineering Research Updates*, 7(2), 013–027.
<https://doi.org/10.53430/ijeru.2024.7.2.0046>
- Aprianto, D., Laksmono, Sinambela, F. A. H., & Murtiana, S. (2024). Addressing Indonesia's Fossil Fuel Dependence: A Path Towards a Sustainable Future. *International Journal Of Humanities Education And Social Sciences (IJHESS)*, 4, 1518–1524.
- Aristoni, A. (2021). Integration of Sharia in Zakat Law. *ZISWAF: JURNAL ZAKAT DAN WAKAF*, 8(1), 18.
<https://doi.org/10.21043/ziswaf.v8i1.9099>
- Baznas. (2025). *BAZNAS RI Ungkap Potensi Zakat Fitrah 2025 Capai Rp8 Triliun, Masyarakat Diimbau Bayar Lewat Lembaga Resmi*.
<https://baznas.go.id/>
- BAZNAS, P. (2024). *Outlook Zakat Indonesia 2024*. BAZNAS Center of Strategic Studies.
<https://www.puskasbaznas.com/publications/books/1857-buku-outlook-zakat-indonesia-2024>
- Dwi, A. (2025, March 19). *Roadmap Indonesia Menuju Net Zero Emission 2060*.
listrikindonesia.com.
<https://listrikindonesia.com/detail/16055/roadmap-indonesia-menuju-net-zero-emission-2060>
- Fahrozi, M. H., & Suprima, S. (2022). LEGAL CERTAINTY OF AUTHORITY OF LOCAL REGULATIONS CONCERNING ZAKAT MANAGEMENT IN STATE ADMINISTRATIVE LAW PERSPECTIVE. *Indonesian Journal of Multidisciplinary Science*, 1(10), 1165–1175.
<https://doi.org/10.55324/ijoms.v1i10.184>
- Febriani, G. I. (2023). *Implementasi Fatwa MUI Tahun 1982 Tentang Mentasharufkan Dana Zakat untuk Kegiatan Produktif dan Kemaslahatan Umum (Studi Kasus Pelaksanaan Tasharuf Dana Zakat untuk Kegiatan Produktif di BAZNAS Kota Surakarta)*.
- Gan, K. E., Taikan, O., Gan, T. Y., Weis, T., Yamazaki, D., & Schüttrumpf, H. (2023). Enhancing Renewable Energy Systems, Contributing to Sustainable Development Goals of United Nation and Building Resilience Against Climate Change Impacts. *Energy Technology*, 11(11), 2300275.
<https://doi.org/10.1002/ente.202300275>
- Hariyanto, H., Ratnasari, R. T., Rusgianto, S., & Pitchay, A. A. (2024).

- Antecedents of Behavioral Intention to Adopt Sharia Digital Services in ZISWAF Distribution. *ETIKONOMI*, 23(1), 109–128. <https://doi.org/10.15408/etk.v23i1.33892>
- Islam, M. (2024). *Here Are the Real Steps the World Is Taking Toward Net Zero Emission*. <https://bats-consulting.com/news/Here-Are-the-Real-Steps-the-World-Is-Taking-Toward-Net-Zero-Emission?lang=en>
- Karimullah, S. S. (2025). KONSEP DAN IMPLEMENTASI ZAKAT UNTUK PELESTARIAN LINGKUNGAN. *DIRHAM: Jurnal Ekonomi Islam*, 6(1), 51–65. <https://doi.org/10.53990/dirham.v6i1.396>
- Kassim, S., Othman, A. H. A., & Haron, R. (Eds.). (2020). *Handbook of Research on Islamic Social Finance and Economic Recovery After a Global Health Crisis*: IGI Global. <https://doi.org/10.4018/978-1-7998-6811-8>
- Kholipah, W., & Pangestu, R. A. (2022). Efektivitas Peningkatan Pemahaman Masyarakat Melalui Optimalisasi ZISWAF Kelurahan Muarasari, Kecamatan Bogor Selatan, Kota Bogor. *ALMUJTAMAE: Jurnal Pengabdian Masyarakat*, 2(2), 112–118. <https://doi.org/10.30997/almujtamae.v2i2.5419>
- Kusuma, K. A., Lestari, I. D., Amelia, A. M., & Wai, K. T. (2025). ZAKAT INFAQ ALMS (ZIS) MOVEMENT MODEL AND GREEN ECONOMY: STUDY OF THE ROLE OF LAZISNU EAST JAVA. *Journal of Economic and Economic Policy*, 2(1), 26–33. <https://doi.org/10.61796/ijecep.v2i1.56>
- Nuridin, K., & Fuady, M. S. (2021). Analisis Hubungan Kausalitas Konsumsi Energi (Terbarukan Dan Tidak Terbarukan) Dengan Pertumbuhan Ekonomi Indonesia. *Jurnalku*, 1(4), 379–389. <https://doi.org/10.54957/jurnalku.v1i4.83>
- Obaidullah, M. (2017). Managing Climate Change: Role of Islamic Finance. *IES Journal Article*. <http://dx.doi.org/10.2139/ssrn.3303687>
- Sari, S. M., & Cipta Raharja, M. (2023). INOVASI PLATFORM E-COMMERCE DALAM PENGUMPULAN ZAKAT DAN WAKAF: MENINGKATKAN AKSESIBILITAS, TRANSPARANSI, DAN EFISIENSI DALAM PENGGALANGAN DANA SOSIAL. *Filantropi: Jurnal Manajemen Zakat Dan Wakaf*, 4(2), 158–169. <https://doi.org/10.22515/finalmaza.wa.v4i2.7604>
- Setya, D. (2025). *Tahun 2025, Kemenag Targetkan Zakat Nasional Naik 10 Persen*. <https://www.detik.com/hikmah/ziswaf/d-7830166/tahun-2025-kemenag-targetkan-zakat-nasional-naik-10-persen>
- UNDP. (2025). *BAZNAS, BSI, dan UNDP Resmi Luncurkan Kerangka Zakat Hijau untuk Membangun Ketangguhan Masyarakat dan Mengatasi Perubahan Iklim*. UNDP. <https://www.undp.org/id/indonesia/press-releases/baznas-bsi-dan-undp-resmi-luncurkan-kerangka-zakat-hijau-untuk-membangun-ketangguhan-masyarakat-dan-mengatasi-perubahan>

- Validnews. (2025). *Kemenag Targetkan Pengumpulan Zakat Nasional Naik 10% Di 2025*. <https://validnews.id/nasional/kemenag-targetkan-pengumpulan-zakat-nasional-naik-di>
- Yanwardhana, E. (2025). *Prabowo: Potensi Zakat RI Rp 327 T, Penerimaan Tahun Ini Baru Rp 41 T*. CNBC Indonesia. <https://www.cnbcindonesia.com/lifestyle/20250327171420-33-622368/prabowo-potensi-zakat-ri-rp-327-t-penerimaan-tahun-ini-baru-rp-41-t>