



**BAZNAS**  
Badan Amil Zakat Nasional

# 2017 INDONESIA ZAKAT OUTLOOK



**PUSKAS BAZNAS**  
Pusat Kajian Strategis

Center of Strategic Studies  
The Indonesian National Zakat Board (BAZNAS)  
Kebon Sirih Raya Street, No. 57 Central Jakarta 10340, Indonesia  
Website: [www.puskasbaznas.com](http://www.puskasbaznas.com)





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## **INDONESIA ZAKAT OUTLOOK 2017**

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### **Foreword, Director of Centre of Strategic Studies BAZNAS:**

Dr. Irfan Syauqi Beik

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### **Advisors:**

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Director of National Zakat Coordinator BAZNAS  
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Printed in Indonesia.

### **Published by:**

Center of Strategic Studies  
The National Board of Zakat, Republic of Indonesia  
(BAZNAS RI)  
Kebon Sirih Raya Street No. 57, 10340, Central  
Jakarta, Indonesia  
Phone. +6221 3904555 Fax. +6221 3913777  
Mobile. +62857 8071 6819  
Email: sekretariat@puskasbaznas.com  
www.puskasbaznas.com

ISBN: 978-602-60689-2-7

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## FOREWORD

### DIRECTOR OF CENTER OF STRATEGIC STUDIES



**Dr. Irfan Syauqi Beik**

Director, Center of Strategic Studies BAZNAS

*Assalamualaikum Warahmatullahi Wabarakatuh.  
Bismillahirrahmanirrahiim.*

Our praise and gratitude to Allah SWT, for His mercy, His grace and His guidance. Approaching the end of 2016, Center of Strategic Studies National Board of Zakat (BAZNAS) The Republic of Indonesia would like to present “Indonesia Zakat Outlook 2017”. The presence for the inaugural book titled Indonesia Zakat Outlook 2017 is hoped to be a reference and source of information for stakeholders regarding zakat in Indonesia, in attempt to optimize the zakat potential in 2017.

This book elaborates the zakat projection and zakat development in Indonesia. Therefore, we expect that Indonesia Zakat Outlook 2017 will able to provide a more thorough understanding about the dynamics of zakat in Indonesia. Hopefully, this book can be a real contribution for the development of zakat in Indonesia and for the treasures of knowledge among the Muslims.

*Wassalamualaikum Warahmatullahi Wabarakatuh.*

## FOREWORD

### CHAIRMAN OF BAZNAS



**Prof. Dr. H. Bambang Sudibyo, MBA., CA**  
Chairman of BAZNAS

*Assalamualaikum Warahmatullahi Wabarakatuh.  
Bismillahirrahmanirrahiim.*

Indonesia, as a country with the largest Muslim population in the world, ideally should be a leader for other Islamic countries in matters of practice, study, and sharing knowledge of Islamic matters. This idea is one of BAZNAS missions to develop a better zakat management.

Zakat is a third pillar of Islam with vast dimensions, ranging from aspects of faith, economic, and social. Therefore, it becomes a challenge when the dynamics of zakat in Indonesia is not recorded properly, or simply being discussed without a valid data. Thus, we should be grateful since the very first book of Indonesia Zakat Outlook 2017 is presented here. This book, published by the Center for BAZNAS Strategic Studies (PUKAS BAZNAS), includes a detail report and updated data about zakat

Indonesia Zakat Outlook 2017 is important because up to this day, Indonesia – I emphasize: which has the most Muslim population in the world – has not had a similar publication which compiled the data and projections of zakat collection and distribution on the national scale. In addition, the presence of Indonesia Zakat Outlook also reflects the real work of BAZNAS in favor of zakat resurgence in Indonesia.

Going forward, this Indonesia Zakat Outlook will be published regularly and continuously to enrich Indonesia zakat discourses. As a form of collective responsibility, we openly accept criticism and constructive suggestions to make Outlook Zakat Indonesia in accordance with the needs of the ummah.

*Wassalamualaikum Warahmatullahi Wabarakatuh.*





BAZNAS  
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BAZNAS  
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# PROGRAM PEMBERDAYAAN PETANI SAYUR DAN BUAH

Kegiatan ZCD Bedugul  
(Desa Candikuning II Kec. Batuntiti Kab. Tabanan Bali)

@baznasindonesia

f badanamilzakat

www.baznas.go.id







## CHAPTER I

### GENERAL REVIEW OF ZAKAT IN INDONESIA

#### 1.1 Background

The zakat area is one of the primary sector of economic philanthropy in the Muslim country. As the third pillar of Islam, payment of zakat is an obligation for an eligible Muslim to purify his wealth by distributing it to the *mustahik* based on the specific criteria. Not only does it serve to provide funds for *mustahik*, the zakat also acts as balancing instrument for the economy. In this point, zakat can potentially meet the resource gap for poverty alleviation in the nations. Generally speaking, the ultimate goal of zakat is to transform the *mustahik* into *muzakki* within a definite time frame.

In the context of alleviating poverty, zakat in Indonesia has the huge potential to contribute in this area. Since Indonesia has the biggest Muslim population in the world which is 85 percent of total population in Indonesia or 216.66 million population (BPS, 2015), zakat fund can be collected optimally from the Muslims. It can also be portrayed from the increasing of zakat, alms, and sadaqah (zakat, infaq, sadaqah or ZIS) collection fund since 2002 until 2015 (Table 1.1).

**Tabel 1.1 Time Series of ZIS Collected in Indonesia**

Year	Billion Rupiah	Million USD	Annual Growth (%)	GDP Growth (%)
2002	68.39	4.98	-	3.7
2003	85.28	6.21	24.70	4.1
2004	150.09	10.92	76.00	5.1
2005	295.52	21.51	96.90	5.7
2006	373.17	27.16	26.28	5.5
2007	740	53.86	98.30	6.3
2008	920	66.96	24.32	6.2
2009	1200	87.34	30.43	4.9
2010	1500	109.17	25.00	6.1
2011	1729	125.84	15.30	6.5
2012	2200	160.12	27.24	6.23
2013	2700	196.51	22.73	5.78
2014	3300	240.17	22.22	5.02
2015	3700	269.29	21.21	4.79

*Note: 1 USD = Rp13.740,00, Source: National Board of Zakat (BAZNAS)*

Table 1.1 shows that the ZIS collection fund had increased 5310.15 percent since year 2002 until 2015. In year 2005 and 2007, it also increased significantly (almost 100 percent) which was predicted as the implication of tsunami in Aceh and earthquake in Yogyakarta. Both of these tragedies were stated as the national disaster in Indonesia. Table 1.1 also shows the increasing of ZIS collection fund since year 2002 until 2015 as 39.28 percent in average. This data indicated that the public awareness to pay zakat through the certified zakat institutions (Lembaga Amil Zakat or LAZ) has been increased dramatically. The positive trend of this zakat collection also implied the increase of public trust to the zakat institution's performance in managing zakat fund.

The annual growth of ZIS collection fund was also higher than the GDP growth year to year. In year 2009, the GDP growth decreased 1.3 percent as a consequence of global financial crisis. On the contrary, zakat growth increased 6.11 percent. The average of zakat growth in 2002 to 2015 (39.28 percent) also showed a higher number than the average of GDP growth which only 5.42 percent. Generally speaking, the zakat growth is not much affected by the global crisis. Therefore, zakat has a huge potential to contribute to the national development.

At the international level, zakat in Indonesia had received the appreciation and recognition from many stakeholders. In 2010, on the 8<sup>th</sup> International Zakat Mukhtar held in Beirut, all members of zakat delegation from Middle East countries gave an appreciation to Indonesia for showing a creative and innovative zakat management performance (IZDR, 2012). Islamic Development Bank (IDB) also requested Indonesia to create a 'reverse linkage program' regarding the zakat fund management which had been applied in various small and microenterprises financing in Indonesia, to all members of IDB countries. Another achievement is that Indonesia has been actively contributed to establish the standardization of global zakat system which had been compiled in the document of Zakat Core Principles. This document had been officially launched on the World Humanitarian Summit in Istanbul, Turkey, on May 23-24, 2016. Thus, these achievements and appreciations showed that the performance of zakat in

Indonesia has been internationally recognized and could give positive contribution to the global zakat development in the near future.

The incredible growth in zakat collection and those achievements in the international level, however, have not been accompanied by the improvement in the efficiency and effectiveness of the internal amil zakat performance. Thousand of problems and challenges such as: (1) a low quality and quantity of human resources in zakat area, (2) a discrepancy of each zakat institution performance in Indonesia, (3) limited integration and coordination between zakat institutions, and (4) lack of research, studies, and data integration in the zakat area, are still waiting to be solved in order to build a sustainable national zakat system. Therefore, as one of contribution to promote the national zakat, this Indonesia Zakat Outlook 2017 is created to bring a comprehensive overview about zakat development in Indonesia and attempt to provide the projection on zakat in Indonesia in 2017.

## **1.2 Regulatory and Institutional Framework**

In the Western colonialism, zakat in Indonesia was the source of funds of the liberation struggle of the Dutch colonialist. Colonial government issued Bijblad No. 1892 on August 4, 1893 which contained the colonial government policies regarding zakat. After the independence day, the government through the Ministry of Religious Affairs issued the Regulation of the Minister of Religion (PMA) No. 4 year 1968 on the Establishment of Zakat Board. However, this PMA was repealed before it is implemented. Finally, the government is willing to put it in the legislation even though only at the Joint Decree (Surat Keputusan Bersama) No. 29 and No. 47 in 1991.

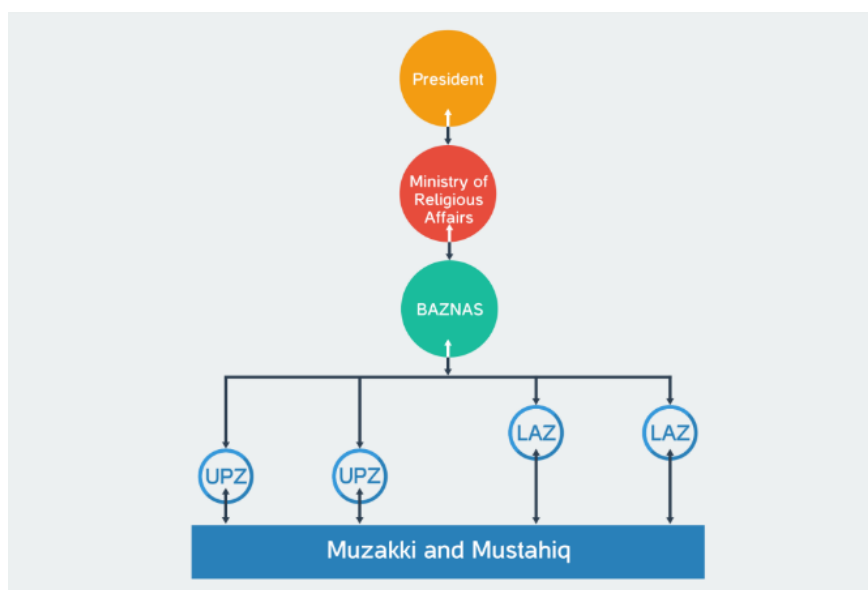
The development of zakat in Indonesia increased significantly when the Zakat Act No. 38/1999 was launched. Based on this act, zakat can be managed by the zakat institutions created by the government (Badan Amil Zakat) and also privately created by the public (LAZ). However, a major change in the regulatory framework occurred on the replacement of Zakat Act No. 38/1999 with the Zakat Act No. 23/2011. Among other things, the later Act brought all major private collectors under the supervision of National Board of Zakat (BAZNAS).

The Zakat Act No. 23/2011 acts as the basis of entire zakat operation in Indonesia. It aims to “improve the effectiveness and efficiency of the management



of zakat services, and optimise the benefits of zakat for public welfare and poverty alleviation” (Art.3). The National Board of Zakat (BAZNAS) has been chosen as an independent body responsible to the President through the Minister of Religious Affairs. It had been given two main obligations: (1) to manage entire zakat system including planning, implementation, controlling the process of collection, distribution and use of zakat and reporting the operational performance of zakat management and (2) to coordinate all zakat institutions in the country.

Other regulations are PP No. 14/2014 and Inpres No. 3/2014. The PP No.14/2014 regulated BAZNAS to have new Board members which are assigned by the president. On the other hand, the Inpres No.3/2014 sets the zakat collection from the ministries, Indonesian state-owned enterprises, and other government bodies to pay their zakat through BAZNAS. Another regulation is the Decision of Minister of Religion Affairs (Keputusan Menteri Agama) No. 333/2015 that arranges the classification of amil zakat institutions (LAZ). It classifies three categories of LAZ such as the national LAZ (if the zakat collection fund reaches Rp 50 billions), the province LAZ (if the zakat collection fund exceeds Rp 20 billions), and the regional LAZ (if the zakat collection fund reaches Rp 3 billions). These regulations are formulated to escalate the development of zakat in Indonesia and further contribute to the economic development. Thus, the institutional structure for zakat in Indonesia is illustrated in Figure 1.1.



**Figure 1.1 Institutional Structure for Zakat in Indonesia**

*Source: Islamic Social Finance Report (2014)*

### 1.3 Zakat Potential in Indonesia

Zakat has a huge potential to be economically developed. In the last decade, zakat experienced a rapid growth marked by the increase of total zakat collection fund. However, this zakat growth still has a significant gap compared to its potential. According to Kahf, total potential of zakat in OIC member countries ranged from 1.8 to 4.34 percent of total GDP. If zakat is multiplied by the GDP at current prices in 2010 from the OIC member countries, the global potential zakat reached USD 600 billion (Beik, 2015).

This huge potential of zakat has also been recognized by the government, in this case the Ministry of National Development Planning Agency (BAPPENAS). BAPPENAS has integrated zakat programs in the zakat institutions into national programs which aim to achieve the SDGs (Sustainable Development Goals). Moreover, BAPPENAS also incorporates zakat into Masterplan of Indonesian Islamic Financial Architecture (Masterplan Arsitektur Keuangan Syariah Indonesia or MAKSI) which was launched in 2015. Based on MAKSI, BAZNAS is directed as the coordinator of national zakat management including the regulation setting, zakat collection, and distribution in the nation. Here, the Ministry of Religious Affairs is appointed as a regulator and supervisor of BAZNAS performance.

There are some studies regarding the potential of zakat in Indonesia. *First*, PIRAC (Public Interest Research & Advocacy Public) study showed that the potential of zakat in Indonesia has a tendency to increase every year. Based on the survey to ten major cities in Indonesia, PIRAC showed that the average potential zakat per *muzakki* reached Rp684,550 in 2007, increased Rp416,000 from 2004. *Second*, PEBS FEUI stated that the potential zakat fund in 2009 reached Rp 12.7 trillion (Indonesia Economic Outlook, 2010). It was based on the assumption that 95 percent of *muzakki* population in Indonesia fulfilled to pay zakat. *Third*, a research conducted by UIN Syarif Hidayatullah Jakarta portrayed that the national zakat potential could reach Rp 19.3 trillion. *Fourth*, Firdaus *et al* (2012) stated that the zakat potential in 2011 reached 3.4 percent of total GDP, or in other words, zakat potential in Indonesia was estimated to reach Rp 217 trillion. This amount included the potential zakat from various areas, such as zakat in

households, private companies, state enterprises, as well as deposits and savings. *Fifth*, according to BAZNAS, the zakat potential in 2015 has reached Rp 286 trillion. This number is generated by using an extrapolation method that takes into account GDP growth in previous years (can be seen in Table 1.1).

These studies about potential of zakat in Indonesia, however, has not been supported by the actual zakat collection fund. Recent data showed that there is a high gap between the potential zakat and the actual zakat fund. It could be seen from the actual data of zakat, alms, and sadaqah (ZIS) collection by all zakat institutions in 2015, which only reached Rp 3.7 trillion, or less than 1.3 percent of its potential. This gap is influenced by several things, such as:

1. The low awareness of *muzakki* to pay zakat, lack of public trust to the zakat institutions, and *muzakki* behaviour is still short-term oriented, decentralized and interpersonal.
2. Zakat collection still focused only on the specific zakat such as zakat *fitra* and zakat *maal*.
3. Low incentive for *muzakki* to pay zakat, particularly related to zakat as a tax deduction so that the *muzakki* is not affected by the double payment obligation (Indonesia Economic Outlook 2010).

#### **1.4 Zakat Development in Indonesia**

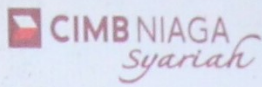
Zakat in Indonesia has dynamically developed along with the times. It can be seen from at least three aspects. *First*, Indonesia has several regulations on the management of zakat in the Act No. 23/2011, PP No. 14/2014, and the Presidential Decree (Inpres) No. 14/2014 3/2014. These regulations indicate the seriousness of the government in an effort to promote national zakat towards a more equitable economic development.

*Second*, the increased number of total ZIS fund in Indonesia from year to year. Generally, it indicates that the awareness of Muslim population of Indonesia to pay zakat through a certified zakat institution have increased. In addition, an increasing number of ZIS fund has also implied that the zakat players in Indonesia is growing. *Third*, the huge number of zakat potential in Indonesia. Despite this potential has not been backed up by the actual data of zakat collection, this may



be a sign that zakat in Indonesia can develop into a more stable system and can support the economy in the future.





**ZAKAT COMMUNITY  
DEVELOPMENT (ZCD)**



## **PROGRAM BANTUAN MODAL USAHA**

**Kegiatan ZCD Bedugul**  
(Desa Candikuning II Kec. Baturiti Kab. Tabanan Bali)

@baznasindonesia badanamilzakat [www.baznas.go.id](http://www.baznas.go.id)



## CHAPTER II

### STATISTICS OF ZAKAT IN INDONESIA

This chapter presents the statistical reports of zakat management in Indonesia for the last five years. This statistical report includes the number of collection and allocation of zakat funds, zakat proportion by type of funds and zakat institutions (Organisasi Pengelola Zakat or OPZ), the growth of the collection, as well as the proportion of distribution based on the *ashnaf*, zakat institutions (OPZ), and distribution sectors.

#### 2.1 Zakat Collection & Allocation Fund based on the Zakat Institutions (ZI)

Zakat institutions in Indonesia consist of BAZNAS, BAZNAS Province, BAZNAS Regency/City and certified zakat institutions (LAZ). These institution has collected and distributed zakat funds as follows:

**Table 2.1 Collection and Allocattion Fund based on the Zakat Institutions (ZI)**

Institutions	Collection		Distribution		Absorption
	Rp	%	Rp	%	
BAZNAS	92,568,574,079	2.53	77,163,263,785	3.43	61.6 %
BAZNAS Province	644,859,329,420	17.65	342,186,614,275	15.20	
BAZNAS Regency/City	876,626,483,800	24.00	568,772,590,869	25.26	
LAZ	2,039,218,862,993	55.82	1,263,512,276,616	56.11	
Total	3,653,273,250,292	100.00	2,251,634,745,545	100.00	Quite effective <sup>1</sup>

Source: Statistical Document of BAZNAS (2016)

Table 2.1 shows the zakat collection and distribution funds in each zakat institutions in year 2015. It also presents the absorption rate of the zakat funds which reflects the effectiveness of zakat management. The zakat effectiveness is one of the indicator in zakat institutions that operates based on the ratio of total zakat distribution to total zakat collection. In 2015, the absorption rate of all zakat

<sup>1</sup> Based on *Zakat Core Principles*

institutions is 61.6 percent. While Figure 2.1 shows that the total zakat collection fund grew by 10.71 percent compared to 2014. Thus, the absorption rate reflects that the zakat management of OPZ in 2015 is Quite Effective (Zakat Core Principles, 2015).

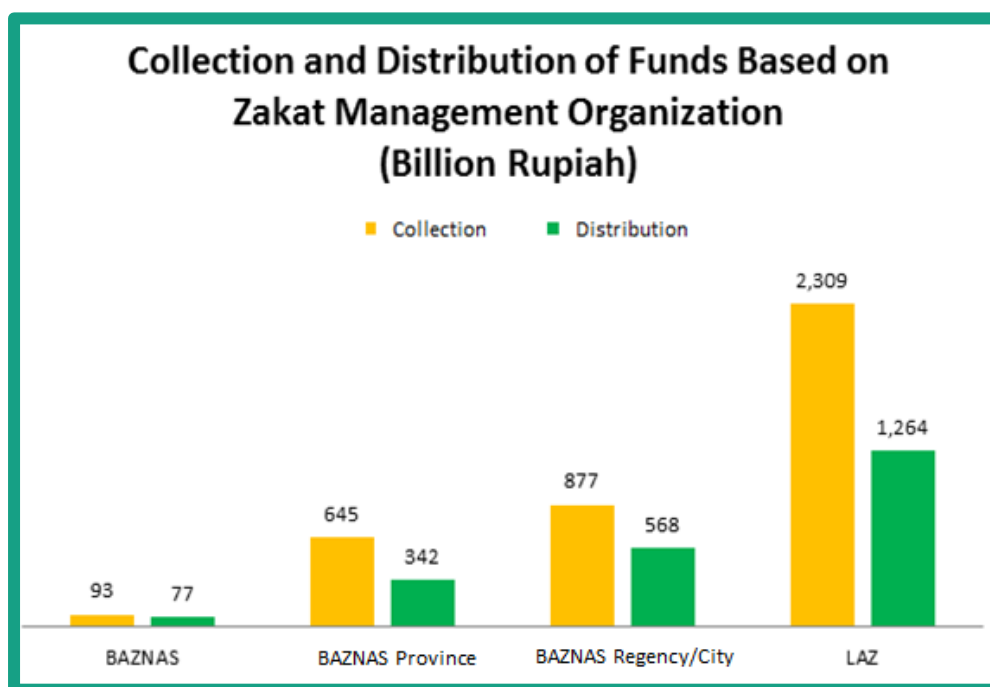


Figure 2.1 Collection and Allocation Funds based on Zakat Institutions (ZI)

Source : Statistical Document of BAZNAS (2016)

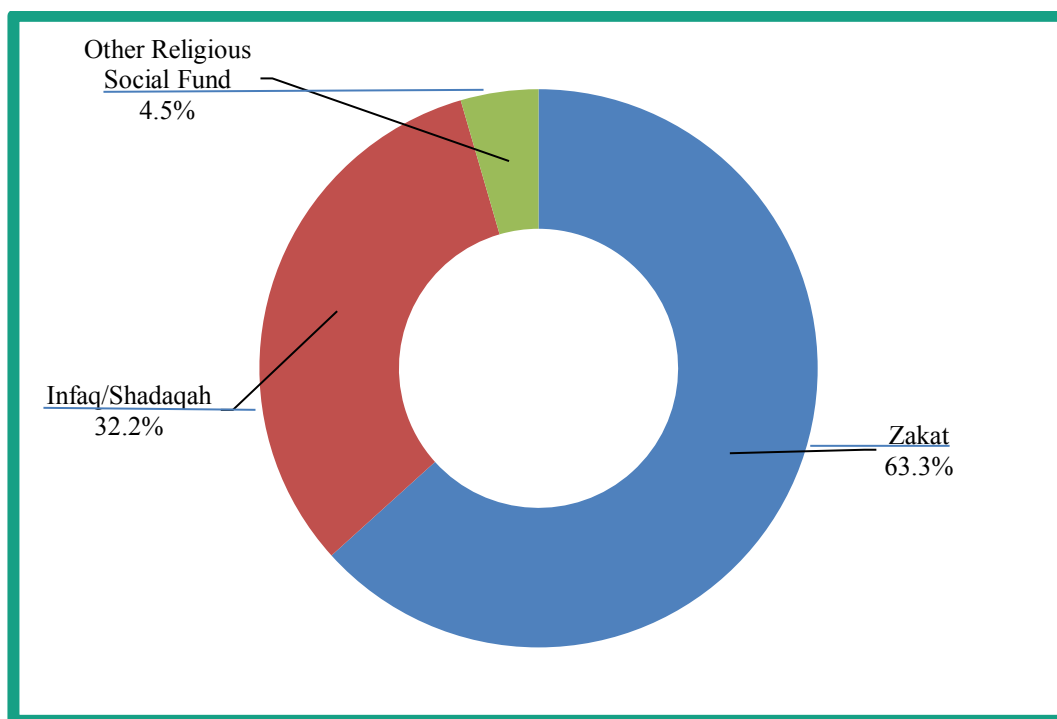
## 2.2 Proportion of Collection Fund based on the Source of Fund

Total zakat collection funds obtained by the zakat institutions are derived from the zakat funds, *infaq/sadaqah*, Other Religious Social Fund and Other Funds. The details of each source of fund are described in Table 2.2 as follows:

Table 2.2 Total Collection Fund based on Source of Fund

No.	Type of Funds	Realization 2015	%
1	Zakat <sup>2</sup>	2,312,195,596,498	63.29
2	<i>Infaq/Shadaqah</i>	1,176,558,166,696	32.21
3	Other Religious Social Fund	163,986,086,154	4.49
4	Other Funds <sup>3</sup>	533,400,945	0.01
Total		3,653,273,250,292	100.00

Source: Statistical Document of BAZNAS (2016)



**Figure 2.2 Total Collection Fund based on Type of Funds**

*Source : Statistical Document of BAZNAS (2016)*

Based on Figure 2.2, the proportion of zakat funds dominates the total funds collected which obtained 63.29 percent from the total funds, while *Infaq/Shadaqah* reached 32.21 percent, Other Religious Social Fund is 4.49 percent and Other Funds only reached 0.01 percent. Zakat has the greatest proportion of total accumulation compared with *Infaq/Shadaqah*, Other Religious Social Fund and Other Funds.

## 2.3 Growth of National Zakat Collection Fund on 2010 – 2015

**Table 2.3 National Zakat Collection Growth (year 2010-2015)**

Year	BAZNAS	BAZNAS Province	BAZNAS Regency/ City	LAZ	National	Growth
2010	33.125.920.074	306.512.258.082	525.608.580.693	634.917.482.126	1.500.164.240.975	
2011	40.403.967.865	204.482.157.749	824.014.964.426	659.963.269.358	1.728.864.359.398	15,25%
2012	50.212.435.875	253.252.821.346	1.179.716.104.080	729.217.590.043	2.212.398.951.344	27,97%
2013	59.238.304.066	1.645.482.867.203	281.687.974.612	653.194.923.848	2.639.604.069.729	19,31%
2014	82.293.545.780	415.451.020.092	1.422.364.285.476	1.379.891.148.652	3.300.000.000.000	25,02%
2015	94.068.893.820	642.797.514.841	885.309.169.850	2.028.193.434.453	3.650.369.012.964	10,62%

*Source: Statistical Document of BAZNAS (2016)*

Table 2.3 shows the increase of total national zakat fund from 2010 to 2015. However, the growth of collected zakat funds in each year does not always increase, such as in 2013 and 2015. The escalation in 2013 (19.31 percent) was lower than in 2012 (27.97 percent), and so was the increase in 2015 (10.62 percent) that was lower than it was in 2014 (25.02 percent). Even so, there is a perpetual improvement in the number of collected zakat fund each year.

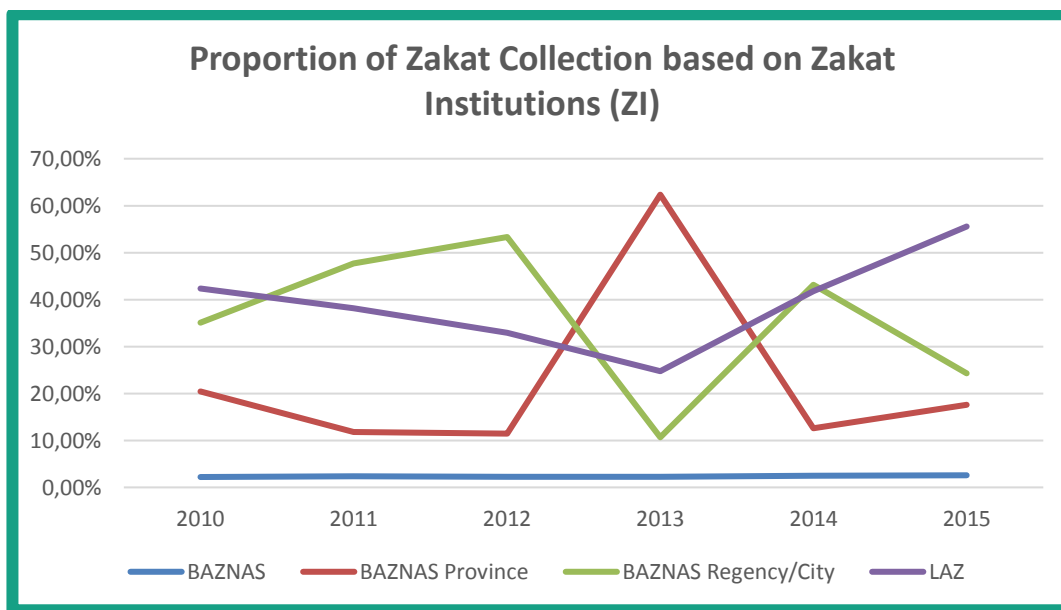
A sustained increase in the level of zakat institutions is only found in BAZNAS. From 2010 to 2015, the zakat fund collected by BAZNAS increased every year. Unfortunately, the amount of zakat fund collected by this institution is lower than those

collected by the others. On the other hand, LAZ almost has a continual escalation of zakat fund from 2010 to 2015. The exception occurred in 2013 when the collected zakat fund is lower than in the previous year.

Unlike the said institutions, BAZNAS Province and BAZNAS Regency/City have a fluctuating growth of zakat funds from 2011 to 2015. In addition to the decrease in 2013 that is like what occurred in LAZ, BAZNAS Regency/City also has degradation of collected zakat fund in 2015. On the contrary, BAZNAS Province has a significant improvement of collected zakat fund in 2013. The derivation of collected zakat fund occurred in 2011 and in 2014 instead.



## 2.4 Proportion of National Zakat Collection Fund based on the ZI



**Figure 2.3 Proportion of Zakat Collection Fund based on ZI**  
*Source: Statistical Document of BAZNAS (2016)*

In general, the proportion of the zakat fund collected by each ZI towards the national zakat fund varies from 2010 to 2015. However, the proportion of BAZNAS collection fund is the lowest among those of others, specifically below 3 percent every year. In 2010, the biggest proportion of national zakat contribution belonged to LAZ with the proportion of 42.32 percent, BAZNAS Regency/City followed with the proportion of 35.04 percent, while BAZNAS Province only contributed 20.43 percent of the national zakat fund. In the following year, BAZNAS Regency/City overtook the share with the proportion of 47.66 percent while the proportion of LAZ declines to 38.17 percent. The proportion of BAZNAS Province also decreased to 11.83 percent. The order of these proportions continued to the ensuing year, yet the percentages were different.

In 2013, all of a sudden, BAZNAS Province led the portion with the proportion of 62.34 percent. The proportion of LAZ still declined but it stayed in the second position, while the proportion of BAZNAS Regency/City drastically decreased to 10.67 percent. In the following year, BAZNAS Province's

proportion back to the third position, a bit higher than it was before leading the share, that is 12.59 percent. The proportion of BAZNAS Regency/City and LAZ rose again to 43.10 percent and 41.81 percent respectively. Next, in 2015, LAZ dominated the proportion aback with the proportion of 55.56 percent. BAZNAS Regency/City had a decline in the proportion of national collected zakat fund to 24.25 percent, and BAZNAS Province followed the declining despite its increasing percentage that is 17.61 percent. All in all, during the said years, the contribution of ZI in collecting zakat fund varies every year, except the proportion of BAZNAS contribution that gradually improves.

## 2.5 Growth of Zakat Collection on 2010 – 2015

**Table 2.4 Zakat Collection Growth in 2010-2015**

Year	BAZNAS	BAZNAS Province	BAZNAS Regency/City	LAZ	National	Growth
2010	33.125.920.074	306.512.258.082	525.608.580.693	634.917.482.126	1.500.164.240.975	
2011	40.403.967.865	204.482.157.749	824.014.964.426	659.963.269.358	1.728.864.359.398	15,25%
2012	50.212.435.875	253.252.821.346	1.179.716.104.080	729.217.590.043	2.212.398.951.344	27,97%
2013	59.238.304.066	1.645.482.867.203	281.687.974.612	653.194.923.848	2.639.604.069.729	19,31%
2014	82.293.545.780	415.451.020.092	1.422.364.285.476	1.379.891.148.652	3.300.000.000.000	25,02%
2015	94.068.893.820	642.797.514.841	885.309.169.850	2.028.193.434.453	3.650.369.012.964	10,62%

*Source: Statistical Document of BAZNAS (2016)*

The amount of national zakat funds in 2010 to 2015 consistently increased. However, such growth does not always increase in each year, as in 2013 and 2015. The increase in 2013 (19.31 percent) was lower than the increase in 2012 (27.97 percent). Similarly, the increase in 2015 (10.62 percent) was also lower than the increase in 2014 (25.02 percent). Nevertheless, there is always an increase in the amount of collected zakat fund every year.

A consistent increase of collected zakat fund in the level of ZI was only found in BAZNAS. From 2010 to 2015, the zakat funds collected by BAZNAS increased every year. However, the amount of zakat funds collected by BAZNAS was lower than the amount of zakat funds collected by other zakat institutions. On the other hand, LAZ almost has a consistent increase in collected zakat funds from 2010 to 2015, except in 2013, when the zakat funds collected were lower than a previous year.

In contrast to the two institutions that have been described before, BAZNAS Province and BAZNAS Regency/City had a very fluctuating growth of collected zakat funds from 2011 to 2015. In addition to the decline in 2013 as what happened to LAZ, BAZNAS Regency/City also had a decrease in the number of collected zakat funds in 2015. By contrast, BAZNAS Province had a significant increase of collected zakat funds in 2013. Instead, the decline in the number of collected zakat fund occurred in 2011 and 2014.

## 2.6 Proportion of Zakat Allocation based on the *Ashnaf*

In accordance to Q.S. At-Taubah: 60, zakat funds must be distributed to eight groups of zakat recipients (*ashnaf*), namely indigent (*fakir*), poor (*miskin*), amil, *mualaf*, *riqob*, *gharimin*, *fi sabilillah*, and *ibnu sabil*. Since the indigent and poor are usually located in the similar zones, the data on the zakat funds given to those groups are often lumped together. Meanwhile, the zakat funds allocated to amil are relatively same in each institutions, to wit, one-eighth at most of the total collected zakat funds.

**Table 2.5 Distribution of Zakat Allocation Fund based on Ashnaf in the ZI**

<i>Ashnaf</i>	Nasional		OPZ							
			BAZNAS		BAZNAS Province		BAZNAS Regency/City		LAZ	
	Rp (million)	%	Rp (million)	%	Rp (million)	%	Rp (million)	%	Rp (million)	%
<i>Fakir Miskin</i>	1,524,058	74,36	50,733	89.32	222,496	67.23	371,362	76.9	879,467	74.89
<i>Mualaf</i>	19,098	0,93	10	0.02	7,296	2.20	5,882	1.21	5,911	0.50
<i>Riqob</i>	10,627	0,52	0	0.00	149	0.04	1,087	0.22	9,391	0.80
<i>Gharimin</i>	13,214	0,64	1,050	1.85	2,649	0.80	6,734	1.38	2,780	0.24
<i>Fi Sabilillah</i>	459,056	22,4	4,859	8.55	84,623	25.57	94,252	19.34	275,322	23.44
<i>Ibnu Sabil</i>	23,484	1,15	150	0.26	13,750	4.15	8,087	1.66	1,497	0.13
Total	2,049,537	100	56,803	100	330,962	100	487,405	100	1,174,367	100

Source: Statistical Document of BAZNAS (2016)

In 2015, the group that receives most of the funds at the national level is *fakir & miskin*, which around IDR 1.5 trillion or 74.36 percent of the total zakat funds excluded from the amil portion. In each ZI, the group of indigent and poor is also the highest recipient group with allocation above 50 percent. *Fi sabilillah*



is the second highest recipient group with allocation around IDR 0.5 trillion or 22.40 percent nationally. *Fi sabilillah* is also the second highest recipient group in BAZNAS, BAZNAS Province, BAZNAS Regency/City, and LAZ. At the national level, *ibnu sabil*, *mualaf*, *gharimin* and *riqob* are the groups with the least total allocation which are around IDR 23.5 billion, 19 billion, 13 billion, and 10 billion or 1.15 percent, 0.93 percent, 0.64 percent, and 0.52 percent of the total collected zakat funds (excluded from the amil allocation), respectively.

However, the proportion varies in each ZI. Similar with the national distribution, in BAZNAS Province, group of *ibnu sabil*, *mualaf*, *gharimin*, and *riqob* portion are ranked respectively, though the proportion is different from the national zakat funds. Likewise, BAZNAS and BAZNAS Regency/City are also had the *riqob* as the group with the least allocation, but BAZNAS allocated *gharimin*, *ibnu sabil*, and *mualaf*, respectively. While BAZNAS Regency/City put *ibnu sabil*, *gharimin*, and *mualaf*, respectively before the *riqob*. On the other hand, LAZ allocated the zakat fund to *riqob* more than to *mualaf*, *gharimin*, and *ibnu sabil*, respectively.

## 2.7 Proportion of Zakat Allocation based on the ZI

Table 2.6 Proportion of Zakat Allocation Fund on Ashnaf in the ZI

OPZ	Indigent & Poor	<i>Mualaf</i>	<i>Riqob</i>	<i>Gharimin</i>	<i>Fi Sabilillah</i>	<i>Ibnu Sabil</i>
BAZNAS	3.33 %	0.05 %	0.00 %	7.95 %	1.06 %	0.64 %
BAZNAS Province	14.60 %	38.20 %	1.40 %	20.05 %	18.43 %	58.55 %
BAZNAS Regency/City	24.37 %	30.80 %	10.23 %	50.97 %	20.53 %	34.44 %
LAZ	57.71 %	30.95 %	88.37 %	21.04 %	59.98 %	6.37 %
Total	100 %	100 %	100 %	100 %	100 %	100 %

Source: Statistical Document of BAZNAS (2016)

Most of zakat funds from four groups of *ashnaf*, namely indigent, poor, *riqob* and *fi sabilillah* are allocated by LAZ. The LAZ contributed 57.71 percent of total zakat fund received by indigent and poor, 88.7 percent received by *riqob*, and 59.98 percent received by *fi sabilillah*. Meanwhile, the zakat fund for *gharimin* is mostly allocated by BAZNAS Regency/City, specifically 50.97 percent of the total allocation for the group. In BAZNAS

Province, *ibnu sabil* received most of zakat fund, that is 58.55 percent. On the other hand, *mualaf* received the zakat fund from BAZNAS Province, LAZ, and BAZNAS Regency/City

more or less the same, specifically 38.20 percent, 30.95 percent, and 30.80 percent of the total zakat received by each group mentioned.

## 2.8 Proportion of Zakat Allocation based on the Distribution Sector

**Table 2.7 Proportion of Zakat Allocation Fund based on Distribution Sector**

Distribution Sectors	BAZNAS		BAZNAS Province		BAZNAS Region/City		LAZ		National	
	Rp	%	Rp	%	Rp	%	Rp	%	Rp	%
Economy	5,160,745,386	9.09	29,661,729,044	12.98	119,877,927,473	21.46	183,330,220,105	13.02	338,030,622,008	15.01
Education	18,845,317,774	33.18	24,342,625,535	10.65	102,016,117,968	18.26	312,991,211,720	22.23	458,195,272,997	20.35
Dakwah	3,479,546,400	6.13	52,045,770,515	22.78	77,701,839,014	13.91	201,522,667,885	14.32	334,749,823,815	14.87
Health	13,975,178,500	24.6	6,526,711,864	2.86	36,632,218,128	6.56	134,285,642,171	9.54	191,419,750,663	8.5
Social	15,341,857,768	27.01	115,927,543,729	50.73	222,405,748,083	39.81	575,564,126,482	40.89	929,239,276,062	41.27
Total	56,802,645,828	100	228,504,380,687	100	558,633,850,666	100	1,407,693,868,363	100	2,251,634,745,545	100

Source: Statistical Document of BAZNAS (2016)

Zakat funds are distributed in several sectors, namely economy, education, *dakwah*, health, and social sectors. Among the sectors, social sector has the highest allocation at the national level, with almost half of the total zakat fund, that is 41.27 percent or almost IDR 1 trillion. About half of it, specifically 20.35 percent or almost IDR 500 billion, are allocated to the education sector. Economy and *dakwah* sectors follow with the allocation of 15.01 percent or around IDR 340 billion and 14.87 percent or around IDR 330 billion, respectively. In addition, the smallest proportion of zakat distribution

that is 8.5 percent or around IDR 200 billion are allocated in health sector.

In BAZNAS Province, LAZ, and BAZNAS Regency/City, most of zakat funds are also allocated in social sector, with allocation of 50.73 percent, 40.89 percent, and 39.81 percent, respectively. The smallest allocation of zakat funds in those institutions is also in the health sector. However, the other sectors vary.

BAZNAS Province allocates the zakat funds in the *dakwah* sector as the second highest after the social one with the allocation of 22.78 percent, followed by economy with the

allocation of 12.98 percent and education with the allocation of 10.65 percent. On the other hand, BAZNAS Regency/City allocated 21.46 percent of the zakat funds in the economy sector, followed by education and *dakwah* sectors with the allocation of 18.26 percent and 13.91 percent, respectively. Meanwhile, the second highest allocation of zakat funds in LAZ is allocated in education sector with the allocation of 22.23 percent, followed by *dakwah* and economy sectors with the

allocation of 14.32 percent and 13.02 percent, respectively.

Unlike those in the other zakat institutions, the highest allocation of zakat fund in BAZNAS is in education sector with the allocation of 33.18 percent. Social sectors has the second highest allocation of zakat fund in BAZNAS with the allocation of 27.01 percent, followed by health, economy, and *dakwah* sectors with the allocation of 24.60 percent, 9.09 percent, and 6.13 percent, respectively.





# AL-ITTIHAD AGROCENTER CANDIKUNING 2

Ds. Candikuning, Kec. Baturiti, Kab. Tabanan  
Bali-Indonesia



**BAZNAS**



KKN-PPM  
UGM



## ZAKAT GROWTH PROSPECT

## 3.1 Introduction

Zakat is a part of the economic elements in Islam and zakat has an important role in the Indonesian economy. Zakat institution's role in Indonesian economic activity is important as the function of other Islamic financial institutions. The existence of zakat institution can encourage the economy in this country. The purpose of zakat institution in Indonesia is to be a stimulus for economic prosperity especially reducing poverty, creating a fairness in economy, making an equitable income distribution, and becoming a social security with effective services.

Poverty in Indonesia according to Central Bureau of

Statistics (Badan Pusat Statistik or BPS) per March 2015 is 11.22 percent or 28.59 million people, with poverty benchmarks of US\$ 1.2/day per capita. However, if the World Bank standard is used as the benchmark, which is US\$ 2/day per capita, the poverty rate would rise to around 40 percent. Since the reformation era, social gap experienced a significant decline, proved by Gini ratio which reached 0.40 in 2010. According to economists' consensus, this ratio had reached the unreasonable threshold, which means that one percent of the richest group accounts for 40 percent of national assets.

## 3.2 Projection of Zakat Regulation Development

Having regard to zakat regulatory development today, we can predict the zakat development in 2017 as an effect of zakat regulation policy changes as follows:

*First*, with an improved of zakat regulation and governance,

zakat is expected to grow up to 30 percent in 2017, with regard of the national zakat collection in 2016 which reached Rp 5.46 trillion. This number means that the achievement of zakat collection is still 2.5 percent of its potential.



*Second*, the restriction of minimum requirement of zakat collection for LAZNAS (National LAZ), which is amount to minimum Rp 50 billion, will create a strict selection process to LAZNAS establishment in Indonesia. Therefore, LAZNAS who wants to formally manage the zakat operation must obtain a permission from the government (Ministry of Religious Affairs).

*Third*, the number of zakat unit management (Unit Pengelola Zakat or UPZ) will increase. One of the reasons is because the informal zakat organizations in mosques, Islamic boarding schools (*pesantren*), and *baitul maal wat tamwil* (BMT) will jointly form an UPZ. In addition, the increase number of UPZ can be from the state institutions and state-

owned enterprises which managing zakat funds.

*Fourth*, the role of BAZNAS will be more significant. With an authority based on the Act No.23/2011 and other derived policies, BAZNAS has an important role in the zakat management in Indonesia. BAZNAS, with its strategic position, is expected to coordinate the zakat management in Indonesia and to build a strong networking with all zakat stakeholders in the nation.

*Fifth*, LAZ is demanded to be more qualified. It is the result of zakat governance change in Indonesia which includes monitoring and evaluation function supervised by BAZNAS and Ministry of Religious Affairs. In this case, LAZ should improve its institution's quality.

### **3.3 Projection of Zakat Collection in 2017**

Zakat collection in Indonesia has been increased periodically. BAZNAS has projected that the total zakat collection fund in 2016 is about Rp 5 trillion. Until now, the real calculation of zakat collection fund from all zakat institutions in Indonesia is still on process. All zakat institutions must report their zakat collection and allocation fund. The use of the zakat reporting system is in accordance with Act No. 23/2011, in which the entire zakat institutions in Indonesia are required to submit their zakat reports to BAZNAS.

Unfortunately, the practice of this zakat reporting has not been optimally implemented. There are many zakat institutions which have not reported their

zakat data to BAZNAS. In efforts to solve this problem, BAZNAS developed an IT system called by SIMBA<sup>2</sup> (Management Information System of BAZNAS) in 2012. However, until 2016, the application of SIMBA is still limited in scope of BAZNAS, covering central and regional BAZNAS. Although SIMBA has been disseminated to all certified zakat institutions (LAZ), this system has still not optimally applied by these zakat institutions. However, the effort to use real data of zakat in these projections must be appreciated, though it is not able to capture the whole zakat collection fund in Indonesia yet.

Generally, the data of zakat collection can be divided into zakat collected from the individuals, institutions, and total zakat collection on each province in Indonesia. As per August 2016, BAZNAS had received the data of zakat collection that were inputted to SIMBA as shown by Table 3.1, 3.2, 3.3, and 3.4 and Figure 3.1, 3.2, and 3.3.

**Table 3.1 ZIS Collection (Individual) in Indonesia\***

Year	2012	2013	2014	2015	2016*
Zakat	20,779,335,226	23,320,146,044	117,085,731,136	234,207,296,949	284,775,967,586
Infāq Sadaqah	1,407,465,859	1,635,310,122	23,499,642,443	35,677,250,486	81,729,424,572
TOTAL	22,186,801,085	24,955,456,166	140,585,373,579	269,884,547,435	366,505,392,158

*Source: Primary Data of BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016*

<sup>2</sup> SIMBA system (Management Information System of BAZNAS) has two main categories: Operational Information System (SIO) and Reporting Information System (SIP). Each BAZNAS and LAZ using SIO for daily operations with the approach of cash-in and cash-out. In cash-in, among others, can be inputted by the *muzakki* database, transaction of zakat, infāq, and sadaqah (ZIS) collection fund. While the cash-out, can be inputted by *mustahik* database and distribution of ZIS fund. These data, including the financial transactions, will be inputted to this system and will generate reports, such as *muzakki* profiles, the number of ZIS collection fund, *ashnaf* profile, and the type of allocation program. Financial statement in SIMBA refers to the Statement of Financial Accounting Standards (SFAS) 109.

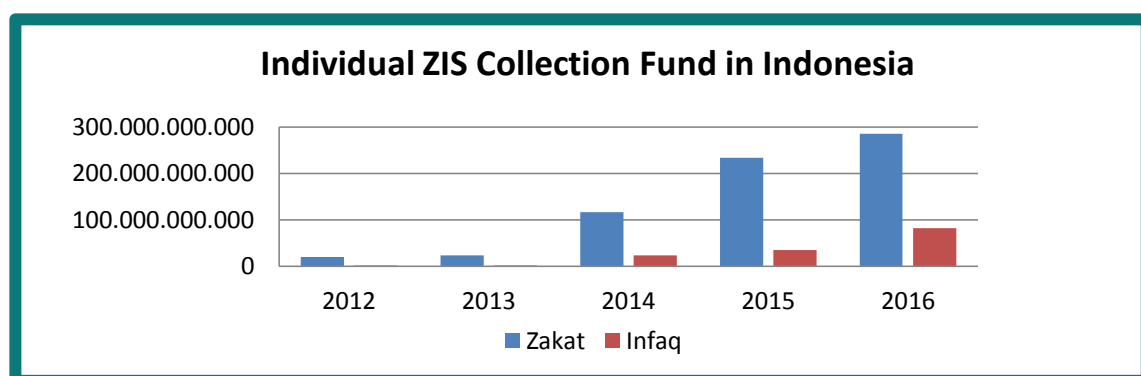


Figure 3.1 ZIS Collection (Individual) in Indonesia

Table 3.1 shows the accumulation of ZIS collection fund from the individuals as per August 2016. The collection of individual zakat recorded in SIMBA from 2012 to 2016 increased by Rp 264 billion, or 1270.48 percent. While the individual infaq sadaqah fund, also increased by Rp 80.3 billion, or 5706.85 percent. As for the total individual ZIS collection, it increased by Rp 344.3 billion, or 1551.91 percent. In addition, Table 3.1 also illustrates an increasing trend of individual ZIS collection from 2012 to 2016. The largest increase occurred in 2014, reaching 463.35 percent.

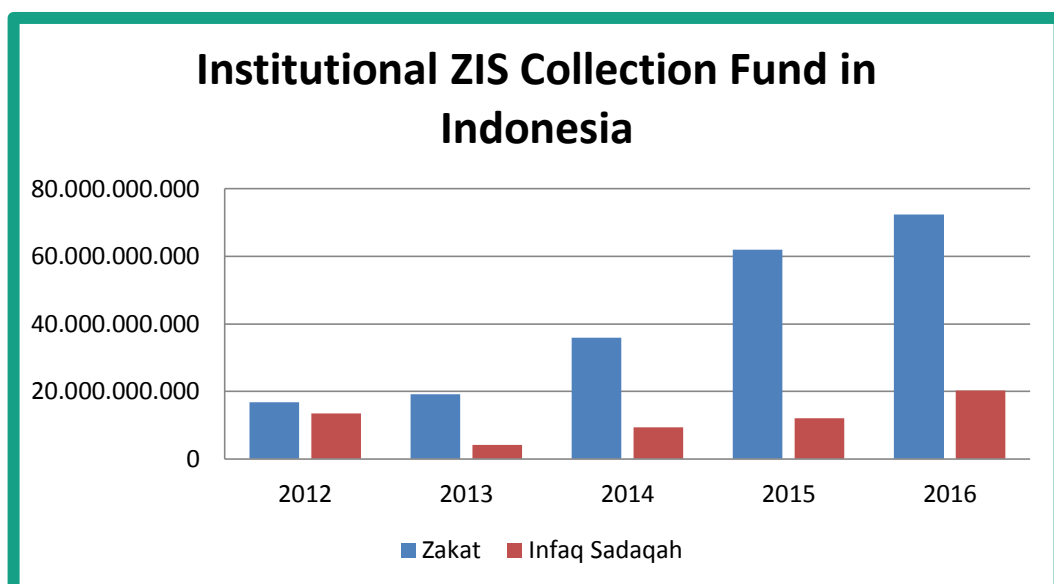
A significant increase, both on the zakat and infaq sadaqah, can be caused by two factors. *First*, the improvement of SIMBA application which gives the updated data of zakat collection from various regions in Indonesia. *Second*, an increasing of public awareness to fulfill the obligation of zakat through BAZNAS and/or certified zakat institutions (LAZ). Thus, it can be predicted that the individual zakat collection in 2017 will continue to raise in accordance with the positive trend of zakat collection in the previous years.

Table 3.2 ZIS Collection (Institution) in Indonesia\*

Year	2012	2013	2014	2015	2016*
Zakat	16,771,638,926	19,091,201,735	35,916,501,176	61,987,632,803	72,354,281,978
Infaq Sadaqah	13,495,855,415	4,126,077,822	9,382,342,129	12,101,996,858	20,312,579,146
TOTAL	30,267,494,341	23,217,279,557	45,298,843,305	74,089,629,661	92,666,861,124

Source: Primary Data of BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016





**Figure 3.2 ZIS Collection (Institution) in Indonesia**

In contrast to Table 3.1 which shows the individual ZIS collection, Table 3.2 shows the institutional ZIS collection in Indonesia until August 2016. The collection from zakat institution which had been recorded by SIMBA from 2012 to 2016, increased by Rp 55.58 billion or 331.41 percent. Infaq sadaqah fund also increased by Rp 6.82 billion, or 50.51 percent. As for the institutional ZIS collection in 2016, it increased by Rp 62.4 billion or 206.16 percent. In addition, Figure 3.2 also shows an increasing trend of institutional ZIS collection from 2013 to 2016. While the decrease amounted to Rp 7.05 billion or 23.29 percent occurred in 2013. However, this decrease is

directly followed by a surge increase in the following year reaching Rp 22 billion, or 95.11 percent.

An upward trend in the collection of institutional ZIS is caused by several factors, such as the increased participation of institutions or companies to give zakat through BAZNAS and/or certified zakat institutions (LAZ). Another reason is due to the socialization by the government which obliges the institutions to pay zakat. From these explanations, it can be projected that institutional ZIS collection in 2017 will continue to improve in accordance with the trend of an increase of ZIS collection in the previous years.

**Table 3.3 Total ZIS Collection in Indonesia\***

Year	2012	2013	2014	2015	2016*
Individual	22,186,801,085	24,955,456,166	140,585,373,579	269,884,547,435	366,505,392,158
Institution	30,267,494,341	23,217,279,557	45,298,843,305	74,089,629,661	92,666,861,124
TOTAL	52,454,295,426	48,172,735,723	185,884,216,884	343,974,177,096	459,172,253,282

Source: Primary Data of BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016



**Figure 3.3 Total ZIS Collection in Indonesia**

Since SIMBA BAZNAS was launched, the total of both ZIS collection of individuals and institutions showed a significant increase. According to Table 3.3, total ZIS collection in 2016 amounting to Rp 459.17 billion, or raise 33.49 percent from 2015. This significant increase was also shown in 2014 which rose to Rp 137.71 billion or 285.87 percent increase. On the other hand, Figure 3.3 depicts a higher increase in individual ZIS collection than the increase in institutional ZIS

collection. This data reveals that the payment of zakat in person is still dominating compared to the institutions. In fact, the potential zakat from companies and institutions far exceeds the potential of personal zakat/household zakat. These data indicate that there is a need for dissemination and raising awareness of the company/institution to pay zakat through BAZNAS or certified zakat institutions (LAZ).

In general, these explanations show that the growth of ZIS

collection always increased from year to year. So, it is predicted that the total accumulation of ZIS in 2017 will also increase. If we look at the trends, there are at least three possible scenarios which are possible to happen, such as the optimistic, moderate and pessimistic scenario. The optimistic scenario is indicated by an increase in zakat collection which rises above 30 percent. This scenario might happen as in 2014, the collection of ZIS even increased 285.87 percent. The second scenario is moderate scenario in which the zakat collection growth is between 20-30 percent. While on the pessimistic scenario, the growth of zakat collection is below 20 percent. Although historical data derived from SIMBA BAZNAS in the last five years show a relatively increased

trend, but in 2013, the collection of ZIS had decreased by 8.16 percent. Based on these data, the pessimistic scenario is possible to occur.

If the zakat collection in 2016 amounting to Rp 459.17 billion, then under an optimistic scenario, a total of zakat that can be collected in 2017 is more than Rp 596.92 billion. While the total zakat in the moderate scenario is Rp 551-596 billion and smaller than Rp 551 billion in the pessimistic scenario. However, these scenarios only predict national zakat collection based on the real data from the SIMBA. Therefore, the national zakat collection data will also rise along with the improvement of SIMBA application in reporting system and the participation of all zakat institutions in Indonesia.

**Table 3.4 Distribution of ZIS Collection based on Province\* (in IDR; 2012-2016)**

No.	Province	2012	2013	2014	2015	2016**
1	Nangroe Aceh Darusalam	0	38,000,000	0	0	11,747,806,523
2	North Sumatera	0	0	0	4,276,588,772	7,796,701,114
3	West Sumatera	13,375,217,657	282,656,061	3,779,463,230	4,763,612,710	54,172,101,913
4	Riau	0	1,344,397,234	15,329,111,121	20,153,308,397	35,000,062,326
5	Jambi	0	1,377,896	0	1,074,222,824	10,876,748,382
6	South Sumatera	1,075,090	968,521,184	1,376,396,718	3,399,710,074	7,478,550,509
7	Bengkulu	246,606,894	10,638,000	0	1,362,945,079	3,345,412,809
8	Lampung	0	0	0	0	3,830,402,596



No.	Province	2012	2013	2014	2015	2016**
9	Bangka Belitung Island	102,545,125	396,494,161	479,031,725	1,201,349,257	4,651,791,577
10	Riau Island	0	0	681,378,236	2,977,635,181	6,837,113,030
11	DKI Jakarta	20,425,401,575	27,808,201,876	117,539,397,851	192,060,269,506	130,982,048,323
12	West Java	12,719,419,542	5,986,259,562	18,613,000,264	45,208,416,664	71,711,838,686
13	Central Java	1,758,100	23,529,900	241,835,065	1,872,201,361	25,248,562,924
14	Yogyakarta	0	0	0	39,229,813	5,880,290,179
15	East Java	41,446,800	553,199,338	7,256,440,413	19,948,992,053	29,838,686,577
16	Banten	783,615,951	1,212,017,249	2,200,477,198	13,615,613,203	23,521,848,661
17	Bali	0	8,340,000	13,580,000	172,300,200	2,662,393,638
18	West Nusa Tenggara (NTB)	0	300,000	0	1,350,000	23,215,571,724
19	East Nusa Tenggara (NTT)	2,070,000	54,236,000	0	24,406,300	1,753,938,138
20	West Kalimantan	0	0	168,638,800	2,787,285,356	3,324,289,704
21	Central Kalimantan	0	167,405,650	260,840,000	73,428,000	71,186,700
22	South Kalimantan	779,354,990	1,517,202,617	2,714,900,774	3,559,683,835	3,732,321,088
23	East Kalimantan	3,927,506,760	7,319,945,030	5,855,476,651	13,801,761,177	19,535,383,712
24	North Kalimantan	0	4,640,000	1,897,114,913	6,345,654,569	7,504,880,258
25	North Sulawesi	3,500,000	358,544,089	359,840,344	317,438,666	2,318,309,950
26	Central Sulawesi	0	0	66,684,147	16,308,000	4,302,430,254
27	South Sulawesi	0	1,693,000	0	1,550,315,757	12,843,951,562
28	Southeast Sulawesi	0	0	0	0	11,830,000
29	Gorontalo	44,776,942	52,670,838	342,158,095	3,346,787,342	8,745,951,173
30	Sulawesi Barat	0	0	0	0	101,784,353
31	Maluku	0	0	0	0	3,664,294,134
32	North Maluku	0	62,466,038	2,175,000	23,363,000	1,697,727,671
33	Papua	0	0	0	0	3,027,261,975
34	West Papua	0	0	0	0	860,000

Source: Primary Data of BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016; \*\*taken from SIMBA BAZNAS until November 2016

Aside from total ZIS collection from 2012 to 2016, the forecast of zakat collection in 2017 can also be seen from the distribution of ZIS collection on each province in Indonesia. From Table 3.4, it can be concluded that the accumulation of ZIS in each province is varied. At the national level, in 2016, DKI Jakarta has the largest ZIS collection among

other provinces in Indonesia which reached Rp 130.98 billion, followed by West Java, West Sumatra, Riau and East Java. While for some provinces such as Papua, Southeast Sulawesi and Central Kalimantan is still showing the low number of ZIS collection (still below Rp 100 million). The gap amount of ZIS collection in various provinces shows

that the zakat collection is still centralized and gathered in large cities. There are some reasons behind this condition. *First*, SIMBA has not optimally used in all provinces, so that several provinces in Indonesia still does not include their real data collection of zakat. *Second*, there is a

limited human resources to maximize the collection of zakat, especially in under developed regions. *Third*, the lack of standardization of national zakat management which can be actually applied in BAZNAS province and the regional zakat organizations.

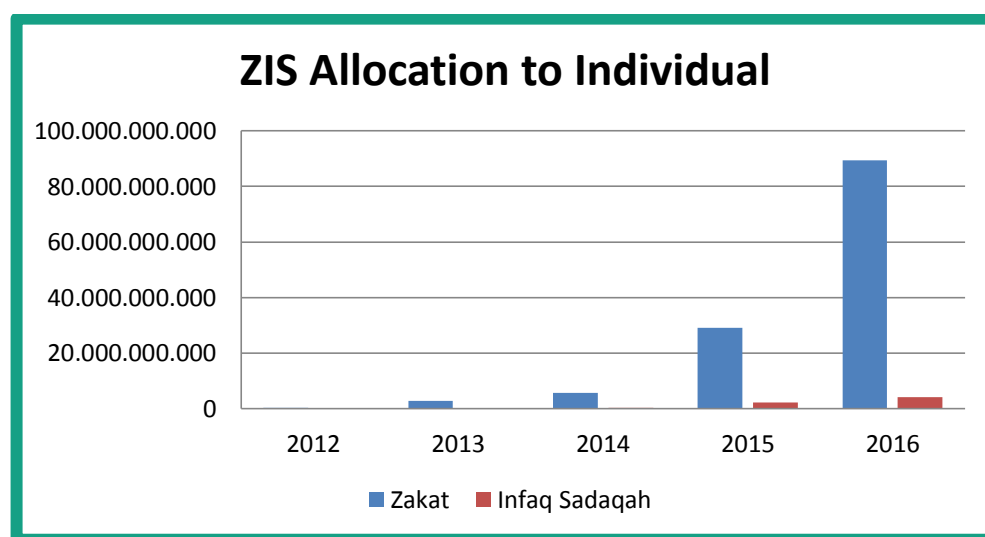
### 3.4 Projection of Zakat Allocation in 2017

The data of zakat allocation can be divided into individual, group, total zakat allocation, and distribution of zakat allocation per province in Indonesia. As per August 2016, BAZNAS through IT SIMBA has received the data of zakat allocation as shown by Table 3.5, 3.6, 3.7, and 3.8 and Figure 3.4, 3.5, and 3.6.

**Table 3.5 ZIS Allocation (Individual) in Indonesia\***

Year	2012	2013	2014	2015	2016*
Zakat	232,403,000	2,746,157,341	5,609,690,003	29,126,463,635	89,313,759,040
Infaq Sadaqah	1,500,000	56,500,000	312,690,000	2,310,169,558	4,238,166,910
TOTAL	233,903,000	2,802,657,341	5,922,380,003	31,436,633,193	93,551,925,950

Source: Primary Data of BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016



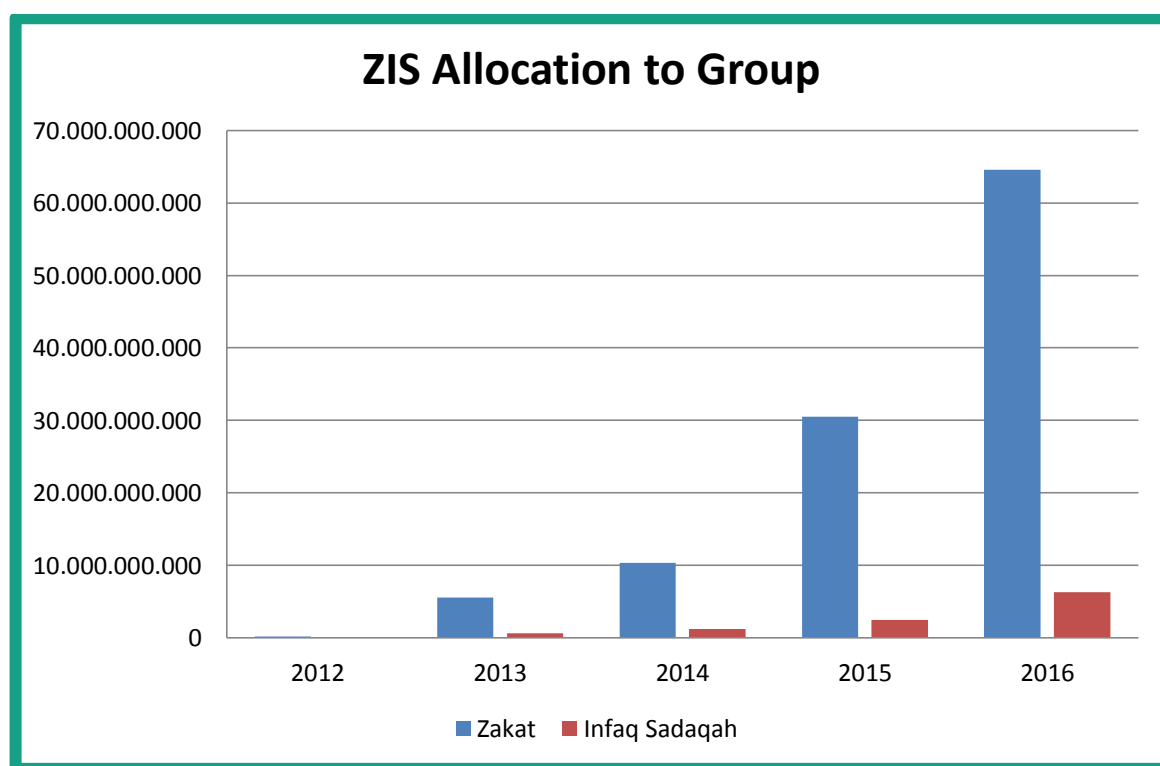
**Figure 3.4 ZIS Allocation (Individual) in Indonesia**

Table 3.5 shows the ZIS allocation to individual. It shows that the ZIS allocation to individual recorded in SIMBA from 2012 to 2016 increased by Rp 89.08 billion or 38,330 percent. For infaq sadaqah, it also increased significantly by Rp 4.24 billion, or 282,444 percent. As for the total individual ZIS, it increased by Rp 93.318 billion, or 39,896 percent. The upward trend in the ZIS allocation to individual from 2012 to 2016 are also shown in Figure 3.4.

**Table 3.6 ZIS Allocation (Group) in Indonesia\***

Year	2012	2013	2014	2015	2016*
Zakat	182,455,000	5,527,745,843	10,357,237,035	30,469,769,872	64,566,948,371
Infaq Sadaqah	37,250,000	649,499,247	1,210,674,840	2,467,401,168	6,259,076,775
TOTAL	219,705,000	6,177,245,090	11,567,911,875	32,937,171,040	70,826,025,146

*Source: Primary Data of BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016*



**Figure 3.5 ZIS Allocation (Group) in Indonesia**

On the other hand, Table 3.6 shows the ZIS allocation to group as per August 2016. The allocation of zakat to group as recorded in SIMBA from 2012 to 2016 increased by Rp 64.38 billion or 35,287 percent. For infaq sadaqah, the

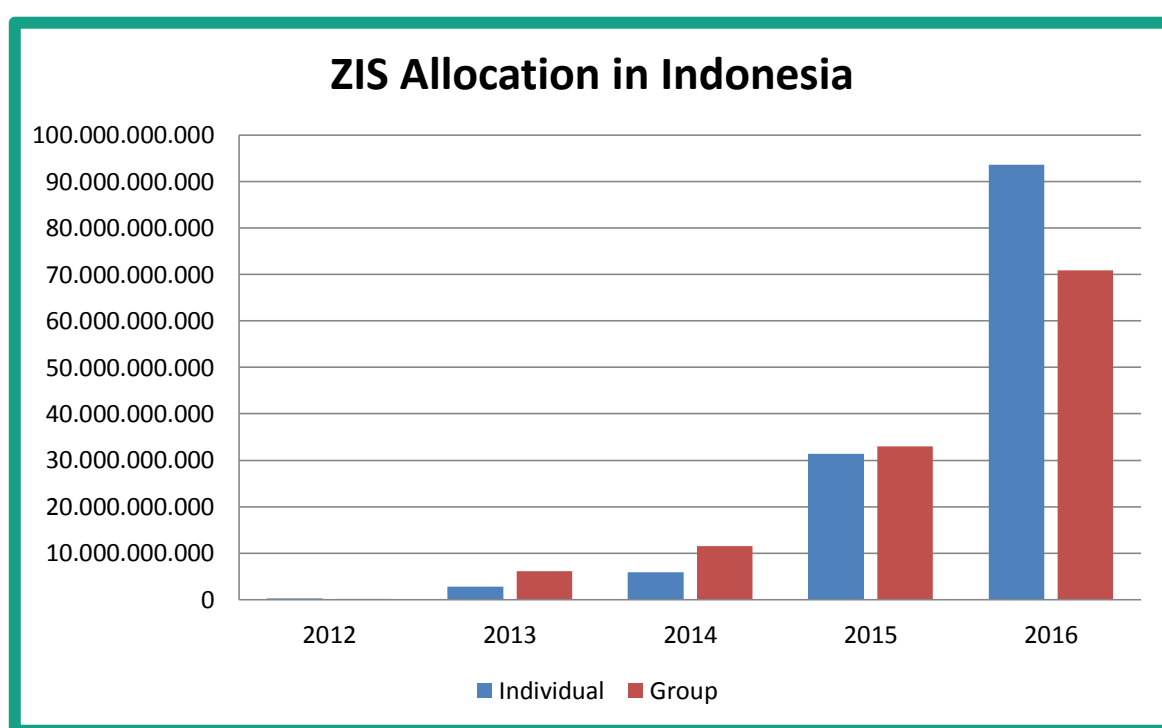


number also increased by Rp 6.22 billion, or 16,702 percent. As for the total ZIS allocation to group in 2016 increased by Rp 70.6 billion, or 32,136 percent. In addition, Figure 3.5 also shows an increasing trend of ZIS allocation to group from 2012 to 2016. The largest spike in the ZIS allocation to group occurred in 2013, which reached Rp 5.96 billion or 27.20 percent.

**Table 3.7 Total ZIS Allocation in Indonesia\***

Year	2012	2013	2014	2015	2016*
Individual	233,903,000	2,802,657,341	5,922,380,003	31,436,633,193	93,551,925,950
Group	219,705,000	6,177,245,090	11,567,911,875	32,937,171,040	70,826,025,146
TOTAL	453,608,000	8,979,902,431	17,490,291,878	64,373,804,233	164,377,951,096

Source: Primary Data of BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016



**Figure 3.6 Total ZIS Allocation in Indonesia**

In general, the ZIS allocation from 2015. Figure 3.6 also shows the fund showed a significant increase. ZIS allocation to group in 2012 until According to Table 3.7, total ZIS funds 2015 is relatively higher than the ZIS disbursed in 2016 amounting to Rp allocation to individual. Whereas in 164.38 billion, rose 155.35 percent 2016, the allocation of individual ZIS

is higher than channeling ZIS allocation funds through group. Overall, the total ZIS allocation fund is increasing every year, since 2012 until 2016.

From this positive growth, it can be predicted that ZIS allocation fund in 2017 will also increase. This is in line with the trend increase in the collection of ZIS from 2012 to 2016 and the prediction of ZIS collection fund in 2017. On ZIS collection projections in 2017, there are three possible scenarios, namely the optimistic, moderate, and pessimistic scenario. Meanwhile, if we analyze from the allocation side, it can be

predicted that ZIS allocation fund in 2017 could reach more than Rp 213.69 billion in the optimistic scenario; located between Rp 197.26 to 213.69 billion in the moderate scenario; and less than Rp 197.26 billion in the pessimistic scenario. However, same with ZIS collection projections, the scenarios of ZIS allocation fund in 2017 are only predicted based on the real data of zakat allocation of SIMBA in 2016, therefore the allocation rate of the national zakat will also increase along with the increase of SIMBA reporting system and the participation of all zakat institutions in Indonesia.

**Table 3.8 Distribution of ZIS Allocation based on Province**

Province	2012	2013	2014	2015	2016*
Nangroe Aceh Darusalam	0	0	0	0	17,276,901,507
North Sumatera	0	20,000	500,000	1,969,425,000	2,275,575,009
West Sumatera	79,155,000	73,250,000		376,160,000	34,754,260,109
Riau	0	1,655,890,000	1,915,335,000	6,544,690,000	22,000,835,022
Jambi	0	0	0	0	7,516,263,000
South Sumatera	0	43,198,000	939,537,600	2,078,453,609	4,705,827,170
Bengkulu	0	0	0	0	1,233,510,000
Lampung	0	0	0	0	1,237,692,000
Bangka Belitung Island	49,720,000	22,170,000	64,965,000	583,009,000	2,105,964,640
Riau Island	0	0	418,033,000	2,925,649,000	3,457,129,496
DKI Jakarta	0	1,800,003	0	12,785,970,764	33,107,843,216
West Java	0	804,386,338	2,016,465,964	4,276,855,576	27,260,079,479
Central Java	0	0	0	45,000,000	5,345,435,700
Yogyakarta	0	0	0	0	1,479,108,900
East Java	0	0	1,957,007,174	14,060,695,936	15,061,675,715
Banten	500,000	4,799,392,090	8,003,673,640	8,643,194,031	11,111,784,322
Bali	0	500,000	5,800,000	70,600,000	1,905,698,955
West Nusa Tenggara (NTB)	0	400,000	0	0	13,039,147,759

Province	2012	2013	2014	2015	2016*
East Nusa Tenggara (NTT)	0	0	0	0	929,017,970
West Kalimantan	0	0	600,000	113,050,000	867,000
Central Kalimantan	0	44,400,000	9,470,000	16,900,000	80,950,000
South Kalimantan	126,950,000	48,200,000	1,538,798,000	1,787,709,000	2,338,375,000
East Kalimantan	197,283,000	1,472,396,000	558,206,500	4,039,194,792	10,349,623,038
North Kalimantan	0	0	2,500,000	3,773,547,525	4,490,430,297
North Sulawesi	0	0	23,900,000	0	1,810,588,434
Central Sulawesi	0	0	35,500,000	0	477,671,500
South Sulawesi	0	0	0	283,700,000	1,947,146,231
Southeast Sulawesi	0	0	0	0	0
Gorontalo	0	0	0	0	6,668,081,590
Sulawesi Barat	0	0	0	0	0
Maluku	0	0	0	0	1,070,171,541
North Maluku	0	13,900,000	0	0	1,361,846,288
Papua	0	0	0	0	1,094,182,000
West Papua	0	0	0	0	0

Source: Primary Data of BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016

From Table 3.8, it can be concluded that the highest ZIS allocation fund at the national level in 2016 is led by West Sumatra province, with a total fund of Rp 34.75 billion. Other provinces also have a high ZIS allocation fund, such as DKI Jakarta, West Java, Riau, and Nangroe Aceh Darussalam. While for some provinces, such as West Papua, Southeast Sulawesi and West Sulawesi show that their ZIS allocation reached Rp 0. This huge gap in different provinces again concluded that the zakat allocation system is still centralized in large cities.

### 3.5 Projection of Allocation to Collection Ratio (ACR)

In addition to data collection and distribution of ZIS described previously, another important aspect that need to be analyzed is the Allocation to Collection Ratio (ACR). This ratio can measure the ability of a zakat institution in distributing zakat funds by dividing the total allocation funds with a total collection funds. (Zakat Core Principles, 2015). ACR is expressed in a percentage that can be divided into five categories, namely:

1. *Highly effective* (ACR  $\geq$  90 percent)
2. *Effective* (ACR: 70 – 89 percent)
3. *Fairly Effective* (ACR: 50 – 69 percent)
4. *Below Expectation* (ACR: 20 – 49 percent)
5. *Ineffective* (ACR < 20 persen).



ACR score of each province in Indonesia in 2016 can be seen on Table 3.9.

**Table 3.9 Allocation to Collection Ratio (ACR) based on Province (2016)**

Province	Collection Fund (Rp)	Allocation Fund (Rp)	ACR (%)	Category
Nangroe Aceh Darusalam	11,747,806,523	17,276,901,507	147.06%	<i>Highly Effective</i>
North Sumatera	7,796,701,114	2,275,575,009	29.19%	<i>Below Expectation</i>
West Sumatera	54,172,101,913	34,754,260,109	64.16%	<i>Fairly Effective</i>
Riau	35,000,062,326	22,000,835,022	62.86%	<i>Fairly Effective</i>
Jambi	10,876,748,382	7,516,263,000	69.10%	<i>Fairly Effective</i>
South Sumatera	7,478,550,509	4,705,827,170	62.92%	<i>Fairly Effective</i>
Bengkulu	3,345,412,809	1,233,510,000	36.87%	<i>Below Expectation</i>
Lampung	3,830,402,596	1,237,692,000	32.31%	<i>Below Expectation</i>
Bangka Belitung Island	4,651,791,577	2,105,964,640	45.27%	<i>Below Expectation</i>
Riau Island	6,837,113,030	3,457,129,496	50.56%	<i>Fairly Effective</i>
DKI Jakarta	130,982,048,323	33,107,843,216	25.28%	<i>Below Expectation</i>
West Java	71,711,838,686	27,260,079,479	38.01%	<i>Below Expectation</i>
Central Java	25,248,562,924	5,345,435,700	21.17%	<i>Below Expectation</i>
Yogyakarta	5,880,290,179	1,479,108,900	25.15%	<i>Below Expectation</i>
East Java	29,838,686,577	15,061,675,715	50.48%	<i>Fairly Effective</i>
Banten	23,521,848,661	11,111,784,322	47.24%	<i>Below Expectation</i>
Bali	2,662,393,638	1,905,698,955	71.58%	<i>Effective</i>
West Nusa Tenggara (NTB)	23,215,571,724	13,039,147,759	56.17%	<i>Fairly Effective</i>
East Nusa Tenggara (NTT)	1,753,938,138	929,017,970	52.97%	<i>Fairly Effective</i>
West Kalimantan	3,324,289,704	867,000	0.03%	<i>Ineffective</i>
Central Kalimantan	71,186,700	80,950,000	113.72%	<i>Highly Effective</i>
South Kalimantan	3,732,321,088	2,338,375,000	62.65%	<i>Fairly Effective</i>
East Kalimantan	19,535,383,712	10,349,623,038	52.98%	<i>Fairly Effective</i>
North Kalimantan	7,504,880,258	4,490,430,297	59.83%	<i>Fairly Effective</i>
North Sulawesi	2,318,309,950	1,810,588,434	78.10%	<i>Effective</i>
Central Sulawesi	4,302,430,254	477,671,500	11.10%	<i>Ineffective</i>
South Sulawesi	12,843,951,562	1,947,146,231	15.16%	<i>Ineffective</i>
Southeast Sulawesi	11,830,000	0	0.00%	<i>Ineffective</i>
Gorontalo	8,745,951,173	6,668,081,590	76.24%	<i>Effective</i>
Sulawesi Barat	101,784,353	0	0.00%	<i>Ineffective</i>
Maluku	3,664,294,134	1,070,171,541	29.21%	<i>Below Expectation</i>
North Maluku	1,697,727,671	1,361,846,288	80.22%	<i>Effective</i>
Papua	3,027,261,975	1,094,182,000	36.14%	<i>Below Expectation</i>
West Papua	860,000	0	0.00%	<i>Ineffective</i>

Source: Primary data of BAZNAS (2016)

Table 3.9 shows that there are two provinces of Highly Effective category, four provinces with Effective category, eleven provinces with Fairly Effective category, eleven provinces under Below Expectation category, and six provinces with Ineffective category. While the ACR of all provinces in Indonesia showed 45 percent which is classified as Below Expectation category. Below Expectation indicates that the total zakat fund which had been distributed is still less than the total zakat collection funds.

The low rate of this ACR implies that zakat management has not been effectively carried out by the zakat institution. It can also be caused by the incomplete reporting data

collected in the SIMBA, so this ratio does not represent all the real data throughout the zakat institutions spread in Indonesia. The application of SIMBA has not reached its optimum condition. It still needs to be enhanced so that every zakat institutions in Indonesia (either BAZNAS or LAZ) can optimally apply this SIMBA. So, in the future, we can see the real data of zakat collection and allocation in Indonesia. Thus, the ACR can also be reflected the effectiveness of zakat management in Indonesia. However, the effort to use real data derived from SIMBA as a reference for these projections is an initial strategic step to be able to predict the zakat management condition in the future.

### 3.6 Projection of *Muzakki* Growth

Table 3.10 Total of *Muzakki* in Indonesia\*

Year	2012	2013	2014	2015	2016*
Individual	700	33,492	28,033	56,837	119,332
Institutional	520	3,396	2,143	3,066	7,568
TOTAL	1,220	36,888	30,176	59,903	126,900

Source: BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016

Table 3.10 shows the number of *muzakki* in Indonesia recorded in SIMBA from 2012 to August 2016. The total *muzakki* consists of the

number of individual and institutional *muzakki*. Generally, there is an increase in the total of *muzakki* recorded in SIMBA

BAZNAS. A significant enhancement shown in 2013 when the total *muzakki* escalated about 35 times higher than it was in the previous year. However, in 2014 the total *muzakki* decreased to approximately thirty thousand *muzakki*. In the following year, the total *muzakki* has increased for almost hundred percent. Even from 2015 to August 2016, the increase is more than a hundred percent.

There are at least two possibilities of the significant improvement of total *muzakki* in those years. *First*, the use of SIMBA was still not optimum in 2012, so that not all *muzakki* are recorded in that year. The decrease of total

*muzakki* in 2014 might be also due to the recording matter since the use of SIMBA is still in the trial phase, therefore not all regions had already input the total *muzakki* to the system consistently, or there are some technical errors in the input process. Whereas, in addition to the usage of SIMBA that is more optimal year by year, the significant increase in 2015 and 2016 may happen in conjunction with the increase of public expectation to BAZNAS and its new officials which effectively run since the second semester of 2015. The high expectations are then encourage people to give zakat through BAZNAS.

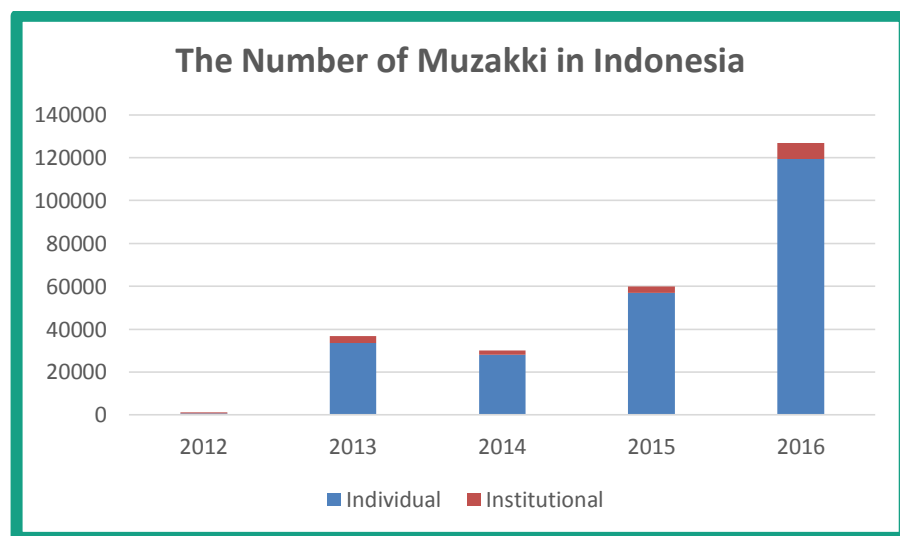


Figure 3.7 Total Muzakki in Indonesia



Figure 3.7 shows that the increase of total *muzakki* dominantly influenced by the number of individual *muzakki*. The number of individual *muzakki* had a significant improvement from year to year, except in 2014. On the other hand, the number of institutional *muzakki* showed no significant increase. A considerable improvement of the amount of institutional *muzakki* was shown in 2016. One of the reasons of small growth in institutional *muzakki* is that the awareness of zakat obligation for the company or business entity is much less than it is for individuals. Therefore, the increasing number of institutional *muzakki* is also much less than the increasing number of individual ones.

**Table 3.11 Distribution of Muzakki based on Province\* (2012-2016)**

No.	Province	2012	2013	2014	2015	2016*
1	Nangroe Aceh Darusalam	0	0	0	0	1,032
2	North Sumatera	0	0	0	1,824	2,403
3	West Sumatera	62	973	446	737	4,134
4	Riau	133	219	92	6,566	8,755
5	Jambi	0	0	2	2,628	3,533
6	South Sumatera	0	376	3,015	1,466	4,945
7	Bengkulu	7	180	0	69	834
8	Lampung	0	0	0	0	308
9	Kepulauan Bangka Belitung	40	122	119	132	2,216
10	Kepulauan Riau	0	0	180	252	2,681
11	DKI Jakarta	6	21,663	9,762	13,531	11,558
12	West Java	51	3,886	1,557	4,320	20,973
13	Central Java	223	199	179	0	7,120
14	Yogyakarta	0	12	1,212	2,773	4,729
15	East Java	83	2,818	4,866	10,979	16,217
16	Banten	324	2,956	7,467	5,439	2,696
17	Bali	0	13	10	23	739
18	Nusa Tenggara Barat	0	0	0	0	10,541
19	Nusa Tenggara Timur	8	9	0	0	352
20	West Kalimantan	0	20	0	1,136	959
21	Central Kalimantan	0	339	99	57	36
22	South Kalimantan	36	693	199	550	808
23	East Kalimantan	21	1,909	667	2,102	5,209
24	North Kalimantan	0	0	0	586	4,866
25	North Sulawesi	0	192	117	583	640
26	Central Sulawesi	0	0	184	5	1,518
27	South Sulawesi	0	0	0	1,265	4,433
28	Southeast Sulawesi	0	0	0	0	13

No.	Province	2012	2013	2014	2015	2016*
29	Gorontalo	226	0	0	2.675	1,314
30	West Sulawesi	0	0	0	0	617
31	Maluku	0	0	0	0	214
32	North Maluku	0	309	3	205	111
33	Papua	0	0	0	0	391
34	West Papua	0	0	0	0	5

Source: BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016

Table 3.11 shows the number of *muzakki* in each province in Indonesia from 2012 to August 2016. Until 2015, some provinces still have 0 (zero) *muzakki*. This does not mean that there is no *muzakki* in those provinces. It may happen due to the non optimal application of SIMBA in those regions. Consequently, the *muzakki* in those provinces are not recorded into the system.

Seeing the pattern of tables and figure above, it is estimated that in 2017, the number of *muzakki* will be higher than in the previous years. Plus, with a more optimal use of SIMBA in all provinces in Indonesia, the *muzakki* growth in Indonesia can be captured better. In other words, the number of unrecorded *muzakki* can be minimized. Thus, the number of *muzakki* in 2017 will be higher.

### 3.7 Projection of *Mustahik* Growth

Table 3.12 Total of *Mustahik* in Indonesia\*

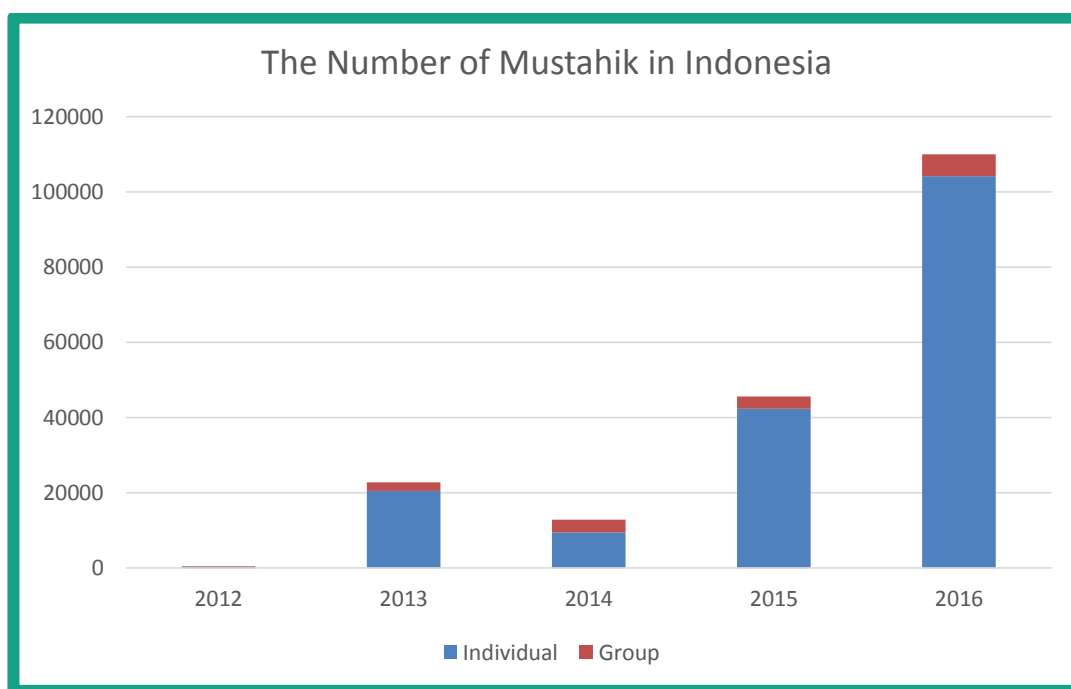
Year	2012	2013	2014	2015	2016*
Individual	428	20,557	9,487	42,270	104,145
Group	25	2,218	3,291	3,332	5,772
TOTAL	453	22775	12778	45602	109917

Source: BAZNAS (2016); \*taken from SIMBA BAZNAS until August 2016

The number of *mustahik* in Indonesia from 2012 to August 2016 recorded in SIMBA is shown in Table 3.12. Like the total number of *muzakki*, the total number of *mustahik* also significantly increased in 2013. The same pattern also happened in the following years, except in 2014.

The growth of *mustahik* which has a similar pattern with the growth of *muzakki* indicates that in 2012, the use of SIMBA was still very limited. The same pattern in 2014 also showed the indication of some technical errors in the system. However, a better application of SIMBA since 2015 may contribute to the

significant improvements in the total number of *mustahik*. Another factor of the meaningful enhancement is the increase of the total number of *muzakki* and the collected fund, so that BAZNAS can serve more *mustahik*.



**Figure 3.8 Total Mustahik in Indonesia**

Figure 3.8 shows that the increase of the total number of *mustahik* in Indonesia mostly influenced by the number of individual *mustahik*. It shows that most of zakat programs target the individual *mustahik* as beneficiaries. Again, the growth pattern is similar with the growth of *muzakki*, where

the most visible improvement of the number of *mustahik* groups is found in 2016. This may happen because there are more distribution programs for groups of *mustahik* than before. Another possibility is the existing zakat fund has enabled BAZNAS to distribute more fund to groups of *mustahik*.

**Tabel 3.13 Distribution of Mustahik based on Province\* (year 2012-2016)**

Province	2012	2013	2014	2015	2016*
Nangroe Aceh Darusalam	0	0	0	0	2,976
North Sumatera	0	0	0	2,024	3,992
West Sumatera	226	988	0	1,392	7,812



Province	2012	2013	2014	2015	2016*
Riau	0	164	199	8,024	17,557
Jambi	0	0	0	163	7,603
South Sumatera	0	87	171	687	2,675
Bengkulu	0	0	0	1,037	1,044
Lampung	0	0	0	0	303
Bangka Belitung Islands	168	10	70	1,245	1,388
Kepulauan Riau	0	2	79	492	1,063
DKI Jakarta	35	2,165	1,511	1,611	286
West Java	0	7,643	4,711	3,699	8,338
Central Java	0	1,283	0	17	2,568
Yogyakarta	0	0	0	339	503
East Java	17	274	2,949	11,480	13,177
Banten	0	4,117	2,168	1,366	4,178
Bali	0	72	52	103	2,049
West Nusa Tenggara (NTB)	1	4,294	0	0	11,067
East Nusa Tenggara (NTT)	0	0	0	0	358
West Kalimantan	0	0	0	274	696
Central Kalimantan	0	889	102	6	101
South Kalimantan	6	132	325	4,443	3,488
East Kalimantan	0	413	305	1,961	4,474
North Kalimantan	0	93	0	26	897
North Sulawesi	0	114	66	1,485	720
Central Sulawesi	0	0	70	16	185
South Sulawesi	0	0	0	66	1,981
Southeast Sulawesi	0	0	0	0	0
Gorontalo	0	0	0	3,646	7,614
West Sulawesi	0	0	0	0	0
Maluku	0	0	0	0	92
North Maluku	0	35	0	0	298
Papua	0	0	0	0	434
West Papua	0	0	0	0	0

Source: BAZNAS (2016) ); \*taken from SIMBA BAZNAS until August 2016

Table 3.13 shows the number of *mustahik* on each province in Indonesia from 2012 to August 2016. Unlike the number of *muzakki*, the table shows that even until August 2016, there are some provinces that still have 0 (zero) *mustahik*.

This may occur because until August 2016 the data of *mustahik* in those provinces have not been recorded yet into the SIMBA. It might be caused by the lack of socialization and distribution programs in those areas.

Based on the table and the figure above, it can be estimated that in 2017, just like the number of *muzakki*, there will be more recorded *mustahik* than before. In addition to the more optimal use of SIMBA in recording the number of *mustahik*, the more collected ZIS fund also can escalate the number of *mustahik* that can be served by BAZNAS. The better coordination of BAZNAS in all areas in Indonesia can also boost the number of beneficiaries in all areas in Indonesia, especially the remote areas, since every area will be connected through BAZNAS.

### 3.8 Projection of Zakat Growth



Figure 3.9 Zakat Growth in Indonesia (year 2002-2015)

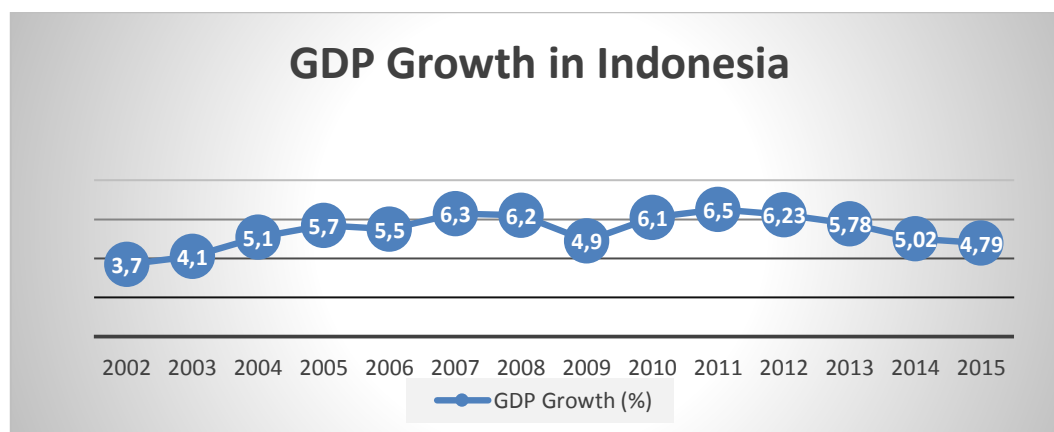


Figure 3.10 GDP Growth in Indonesia (year 2002-2015)

As seen in Figure 3.9, the zakat growth in Indonesia consistently increased since 2002 to 2015. This zakat growth data is taken from the national collection report that is received by BAZNAS (not only from the SIMBA BAZNAS). The growth can be seen in some indicators, such

as the ratio of collection as well as the distribution, year by year.

In 2003, the growth of zakat collection in Indonesia reach almost 25 percent. From 2004 to 2015, the growth of zakat collection is 76 percent, 97 percent, 26 percent, 98 percent, 24 percent, 30 percent, 25



percent 15 percent, 27 percent, 22 percent, 22 percent and 21 percent, respectively. Based on the trend of zakat growth that mostly above 20 percent, it is expected that the growth of zakat collection in 2016 will be around 20-25 percent with the total target of IDR 5 trillion. In 2017, the growth of zakat collection is predicted to be significantly higher since the national zakat governance would be fully supported by the regulation and information technology.

Factually, zakat has grown faster than GDP, as seen in the Table 3.9 and 3.10. The average of annual growth of ZIS collected by the certified zakat institutions from 2002 to 2015 is 38.8 percent. The growth is far exceeds the average annual growth of national economic in the same period that is only 5.4 percent. The potential causes of average annual growth of zakat collection that surpass the average annual economic growth are: (1) the increase of public awareness to pay ZIS through official zakat institutions, (2) the improved ZIS reporting system nationally, and (3) the rapid growth of the middle class people (the fastest in ASEAN).

The zakat growth in the future will likely continue to grow in accordance with the economic growth, population growth, and the growth of the middle class. Zakat growth optimism is associated with the prediction of PWC (2005), Citibank (2010), and Mc Kinsey (2012) that projecting Indonesia to be one of the greatest economic power (ranged seventh to fourth in the world) in the era of 2030-2050. Therefore, if the projection is right, then the zakat in that era is potential to be an enormous strength.

The optimism is also related to the predictions of some experts who claim that geo-economic center of gravity is gradually being shifted from the West to Asia. This prediction is supported by the fact that since the mid-1980s, the pace of the shift from the US and Europe toward Asia has been increasing dramatically (McKinsey Global Institute, 2012).





### CHALLENGES & OPPORTUNITIES OF ZAKAT 2017

#### 4.1 Introduction

It can be concluded from the previous chapters that Indonesia has a huge zakat potential, reached Rp 286 trillion in 2015 (using extrapolation method). In addition, the growth of zakat collection counted from the zakat institutions between 2002-2015 is more than 23 percent, which far exceeds the average growth of national economy in the same period which only reached 6 percent.

There are several factors affecting this high zakat growth, namely: (1) the raise of people awareness to pay zakat, infaq, and sadaqah through the authorized zakat institutions, (2) the increase of public empathy to help others, (3) an improvement of zakat reporting by the authorized zakat institutions, and (4) the rapid growth of middle class people in Indonesia, which is the fastest among ASEAN member countries.

#### 4.2 Socio-Economic and Poverty Problems in Indonesia

Global economic developments affects significantly on the economy of Indonesia. In 2016 and 2017, global economic growth is expected to be higher than 2015 which amount of 3.5 percent. Indonesia's domestic economy is expected to grow by 5.8 to 6.2 percent, that is higher than the previous year. This is in line with the improving global economy.

Nonetheless, the growth of the national economy is not entirely has positive impact in terms of prosperity equalization. This indication appears in the Press Release issued by the Central Bureau of Statistics (BPS) on March 2016, which found that Gini ratio Indonesia reached 0.397. It means that one percent of the richest people controlled 39.7 percent of the national assets. These figures show that the distribution of wealth from the economic growth was not spread evenly, and only owned by certain group of people.

Another concern is the BPS version of poverty rate in Indonesia that reached 10.86 percent of total population in Indonesia on March 2016. Despite the 0.36 percent decrease from last year, there are 28.01 million people in Indonesia



who have incomes below the poverty line, ie an average of Rp. 354,386.00 per capita per month. The amount would be much greater if the measurement use the standard global poverty line issued by the World Bank, which is equivalent to USD \$ 1.9 per capita per day.

Meanwhile, in the report of United Nations Development Programme (UNDP) (2015), the Human Development Index (HDI) of Indonesia is 0.684. This indicates that Indonesia is included in the country with medium human development. In general, based on the measurement since 1980, Indonesia relatively has significant improvement with an average growth of 44.3 percent per year. However, Indonesia is still ranked 110 of 188 UN member states, which is equivalent to Gabon, one of the poor countries in Africa.

At the same time, Indonesia is a country that is vulnerable to the impact of natural disasters, such as volcanoes, earthquakes, and tsunamis, as well as other disasters, such as floods, landslides, and wildfires. This condition has significant impact in the creation of new poverty as a result of the disaster, such as loss of assets, lack of jobs, as well as loss of access to social security provided by the state.

In an effort to reduce social inequalities and poverty, the government through the State Budget (APBN) emphasize national priority programs (among other connectivity infrastructure, sustainable agriculture and energy, maritime, tourism, reduction of disparities, and defense) to improve the quality of development. In the State Budget 2016, there are nine new things. First, health budget fulfillment of 5 percent of the State Budget for the first time and keeping education budget of 20 percent. Second, accelerated implementation of infrastructure development projects. Third, accelerated reduction of social discrepancy by expanding the range of “Program Keluarga Harapan”. Fourth, keeping the state apparatus welfare. Fifth, the allocation of transfer budget to the regions and the “Dana Desa” in the State Budget 2016 approaching ministerial/agency. Sixth, increase in the amount and improving the General Allocation Fund (DAU) formula to improve the distribution of financial capability among regions. Seventh, increase in the amount and strengthening the policies regarding Special Allocation Fund (DAK) to support the implementation of

*Nawacita* and achieving national priorities. Eighth, increase in the allocation of “Dana Desa” up to 6 percent excluding the transfer, according to the “Dana Desa” Road Map 2015-2019. Ninth, sharpening the allocation of the national capital participation by increasing the role of state-owned enterprises and providing support for the development of infrastructure (power, roads, airports and ports).

Specifically, the government's agenda related to the poverty alleviation is mandated to the Ministry of Social Affairs in the stewardship of social rehabilitation, social security, social empowerment, social protection and handling the poor. In 2014, the Ministry of Social Affairs launched four Poverty Alleviation Strategy which includes (1) the increased access to business opportunities through the provision of venture capital, (2) fulfillment of basic needs such as food and home, (3) increasing capacity by providing training and skills, and (4) social assistance in order to provide guidance to beneficiaries as well as to speed up the empowerment.

Practically, poverty reduction strategies promoted by the government is implemented in a number of programs, including: the National Health Insurance, the Family Welfare Card, *Indonesia Pintar* program, *Keluarga Harapan* Program, Raskin (rice for the poor), and business credit facilities.

### **4.3 Financial Inclusion Development in Indonesia**

In the Indonesia Islamic Financial Roadmap 2015-2019, Financial Services Authority (Otoritas Jasa Keuangan, abbreviated as OJK) stated that the economic value of sharia is in common with the noble values and culture of the Indonesian nation. Islamic economics is based on value which associated with faith, sharia, morality that spawned solidarity (*ukhuwah*), justice, equity and welfare. While the noble values of the Indonesian nation made up of the faith in the one and only God, manners and high morals, unity and mutual cooperation, deliberation and shared prosperity.

In the Masterplan of Indonesian Islamic Financial Architecture (MAKSI) released by the National Development Planning Agency (BAPPENAS), zakat is one of the important pillars of Religious Financial Sector. The existence of zakat in this framework complements what is not owned by the conventional financial models. Strengthening sharia economy cannot be separated from the growth of

zakat management in Indonesia. The presence of the sharia economic activity is expected to provide a positive implications for the economy, i.e: access to economic resources evenly, encouragement for implementation of profit sharing concept, harmonization of the financial sector and the real sector, sustainable and responsible investment, prudent economic practices, and fulfillment of Islamic principles. These lead to actualize prosperity in Indonesia.

One form of support needed in realizing Islamic economic development is financial inclusion. Financial inclusion is the whole effort aimed at negating any form of obstacles, both price and non-price, to the public access to use financial services. This is a national strategy to promote economic growth through equitable distribution of income, poverty alleviation and the stability of financial system.

World Bank survey (2010) showed that only 49 percent of households in Indonesia who have access to formal financial institutions. The same thing was found by Bank Indonesia in the Survey of Household Balance Sheets (2011) which showed that the percentage of households with savings in formal financial institutions and non financial institutions is 48 percent. This lack of access is caused by the low income levels, complicated bank operational procedures, lack of financial education, high administrative costs and the distance between the bank and their houses. Therefore, there is an idea to implement the financial inclusion strategy to boost the economic activity of society who have not enjoyed the financial services, which leads to income equalization and poverty alleviation.

The financial inclusion has become an important agenda at the international and national levels. At the international level, it has been discussed in the forum of G20, OECD, AFI, APEC and ASEAN, in which Indonesia actively participate. At the national level, the government's commitment has been presented by the President of Indonesia on the ASEAN Summit 2011 with the commitment to have a National Strategy for Financial Inclusion. This strategy contains six pillars, namely financial education, public finance facilities, financial information mapping, policy/regulatory support, intermediation and distribution facilities, as well as consumer protection.



#### 4.4 Zakat as a Financial Inclusion Instrument in Indonesia

The movement of Islamic economics which start to reach its momentum and the inclusion issue in the financial sector indicates that zakat has some important roles. At least, there are four roles that can be done by the zakat sector in this development, such as: (1) moderate social inequalities; (2) arouse community economics; (3) encourage the emergence of a breakthrough in the model of poverty alleviation; and (4) develop funding sources for society welfare out of the state budget. Those roles will be described in detail as follows.

*First*, the social inequality moderating role that can be done by zakat appears concretely in the distribution of assets from *muzakki* to *mustahik*, with *amil* zakat as an intermediary. With the distribution of wealth, zakat theoretically can reduce the wealth gap between the rich and the poor. Implementation of zakat properly believed to reduce economic inequality that has existed over years.

*Second*, the role of community economics revival is a discussion agenda of zakat that means growing and developing. Distribution of zakat to *mustahik*, either in the charitable or productive way, may improve their ability to make ends meet. Thus, *mustahik* empowerment is an agenda of economic empowerment for the poor and generate community economics.

*Third*, zakat has a role in encouraging the emergence of a breakthrough in poverty alleviation models. Poverty alleviation programs that have existing are government compassion programs to the poor. The programs are highly depend on the concern of the government in improving the justice and social welfare. Unlike the zakat which is a mandatory law that must exist in life. Thus, the zakat has a philosophy framework that is more long term and is expected to encourage the emergence of a breakthrough in the model of sustainable poverty alleviation.

*Fourth*, zakat is a funding source of society welfare development beyond the state budget. During these times, the poverty alleviation program relies heavily on the government funding. Whereas, the Muslims in Indonesia have the potential fund of Rp 286 trillion per year that can be used specifically for the group of people who are powerless in the eight categories of *mustahik*. If optimized, the potential zakat funds can be a complement to the agenda of poverty alleviation programs through the synergy with the government programs.

#### 4.5 Prospect of Zakat Development in 2017

By looking at the future prospects of zakat and its supporting factors, it can be said that the moment between 2016 and 2017 is a strategic momentum in the development of zakat. At least two things that can be elaborated. First, the years are very important years in terms of institutional consolidation of zakat with the new format, that is when BAZNAS has jurisdiction as coordinator of zakat in Indonesia. Second, the rise of public expectations toward BAZNAS with its new management that has been effective since the second half of 2015.

At the global level, 2016 and 2017 are also expected to be a momentum to strengthen the cooperation of zakat institutions all over the world. This is indicated by the results of the International Working Group on Zakat Core Principles in 2014-2015. ZCP document was launched on 23-24 May 2016 in Istanbul, Turkey and now has produced two derivatives technical notes documents, ie Technical Notes on Risk Management for Zakat Institution and the Technical Notes on Good Amil Governance. The existence of these documents is expected to be a reference in the world of zakat management and as an effort to improve the quality of zakat governance in the world.

By looking at the above statements, it appears that 2016 and 2017 will be dynamic, progressive, and challenging years for zakat. In order to accord the national and international development of zakat, there are at least three things that must be considered and carried out by BAZNAS as the responsible management of zakat in Indonesia.

*First*, the institutional consolidation should be completed well. This consolidation includes the adjustments to recent regulations, such as the adjustment of the requirements of LAZ, assigning BAZNAS leaders at the provincial and district/city level, and the allignment of national zakat vision and missions to be internalized by all national zakat campaigners. It is very important that BAZNAS and LAZ understand well the entire agenda and policies of national of zakat.

*Second*, there is a need for strengthening the strategy of the collection and distribution of zakat nationwide, so that the gap between the potential of zakat and the actual collection of it can be reduced. In this context, the dissemination and

public education should be strengthened and developed massively, systematically and effectively, including strengthening cooperation with other relevant authorities, such as OJK and Bank Indonesia.

With the OJK, zakat collection strategy of other financial institutions under the OJK controls should be developed. For example, how to raise the collective consciousness of financial institutions, both banks and non-bank financial industry, and capital markets to fulfill their obligation of zakat through BAZNAS or official LAZ. One of the concrete attempts is establishing a requisite of stocks in the category of Islamic stocks through the implementation of the obligation of zakat. If it is accommodated in the OJK Rules, then certainly the zakat collection will increase.

On the distribution side, adapting to ZCP documents is advised to begin. For example, the provisions on the ratio of ACR (Allocation to Collection Ratio) calculation, that is the ratio between the amount disbursed by the number of zakat collected. This calculation is important as a performance indicator of the distribution of zakat institutions. If the ACR reaches 90 percent, it means that 90 percent of the zakat collected have been distributed. Amil use the funds as much as 10 percent to meet all operational activities. Thus, the less ACR demonstrate the weak the distribution capabilities of zakat institution so that it need to be evaluated.

*Third*, the plan to establish IIFSB (Inclusive Islamic Financial Services Board) in 2016 should be well guarded. BAZNAS need to coordinate with Bank Indonesia and the Ministry of Finance regarding the establishment of the IIFSB so that it can be launched according to plan. The IIFSB will be a strengthening media to improve the quality of zakat management globally.

However, it is also predicted that there will be a number of challenges faced by zakat institutions in 2017. First, public awareness to give zakat is still relatively low. This condition coupled with the regulation in Indonesia that still treat obligation of zakat as voluntary. Secondly, there is a common phenomenon that people tend to give zakat directly to mustahik. Third, public trust in the zakat institutions is also still low. All these factors effect on the low number of zakat managed by BAZNAS, BAZNAS Province, BAZNAS Regency/City, and LAZ.



# RUMAH SEHAT BAZNAS





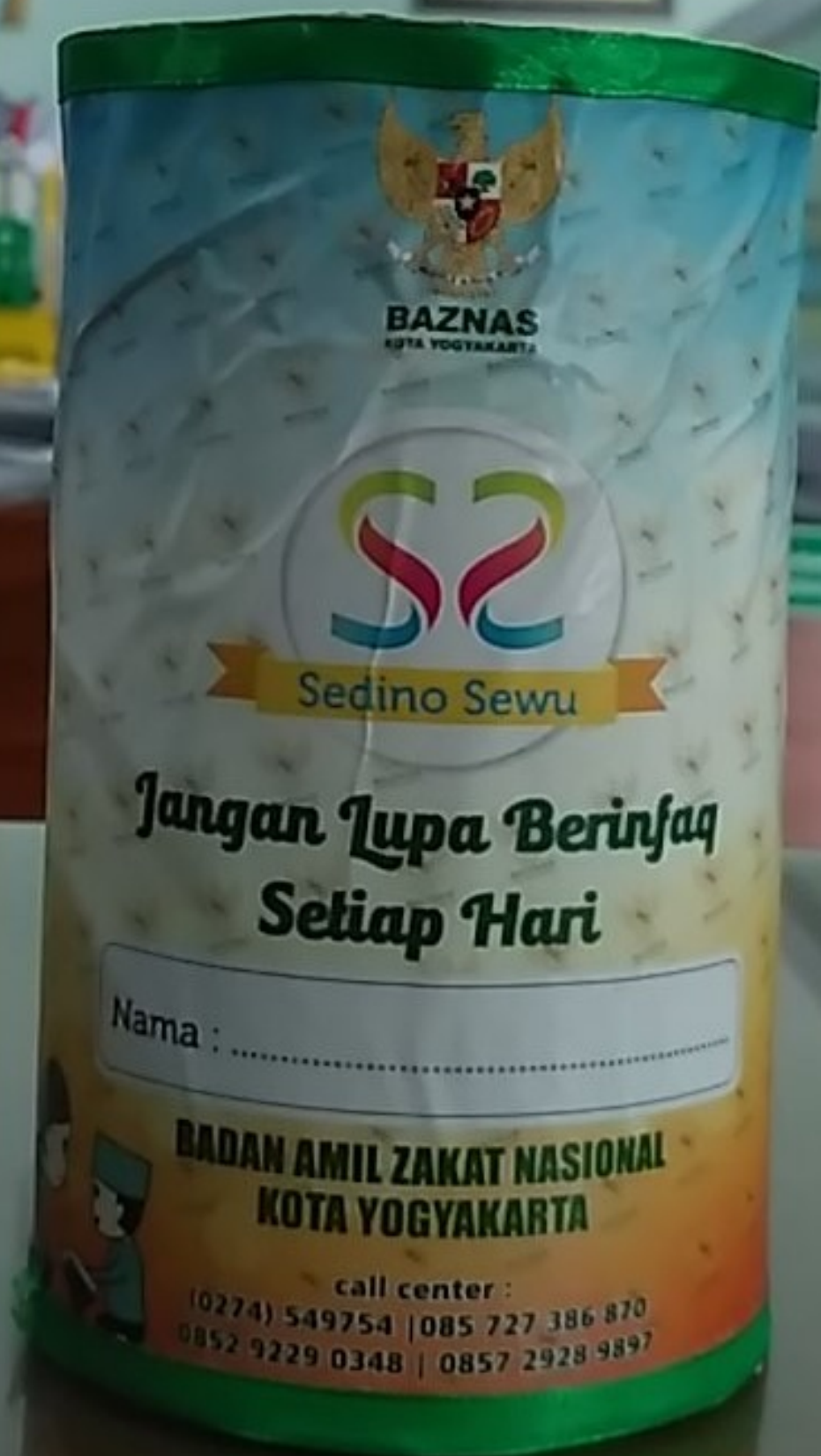
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## APPENDIX

### Appendix 1. Profile of BAZNAS

#### Establish of BAZNAS

The National Board of Zakat (BAZNAS) is a non-structural government institution which has an authority to manage the zakat in the national level. BAZNAS was established based on the Presidential Decree No. 8 of 2011 on January 17, 2011. The head office of BAZNAS is located at Arthaloka Building Lot 2, Jalan Sudirman, Jakarta 10220. The purpose of BAZNAS is to realize the zakat organization board that promote the principles of transparency, professional and trustworthy in carrying out its activities.

#### Vission:

To be the best and the most trustworthy zakat institution in the world.

#### Mission:

1. Coordinate BAZNAS Province, BAZNAS District/City, and LAZ in achieving national targets;
2. Optimizing measurably national zakat collection;
3. Optimizing the distribution and utilization of zakat for poverty alleviation, improvement of social welfare, and social inequality moderation;
4. Implement transparent and accountable financial management systems based on the latest information and communication technology;
5. Implement excellent service to all zakat stakeholders nationwide;
6. Promote the *dakwah* of Islam to the rise of the national zakat through the synergy of the Ummah;
7. Actively involved and lead the world zakat movement;
8. Mainstreaming zakat as an instrument of development towards an equitable and prosperous society, *baldatun thayyibatun wa rabbun ghafuur*;
9. Develop competencies of *amil* to be excellent and be the world reference.



## **Quality Objectives and Quality Policy**

As an institution that has ISO 9001: 2015 certification, BAZNAS has established Quality Policy and Quality Objectives as follows:

### **Quality Policy**

1. To mentor, develop and create awareness on the obligation to pay zakat in order to provide the society with better quality of life and welfare
2. To provide the best service for muzaki and mustahik
3. To design planning of empowerment program that is sustainable in poverty alleviation
4. To develop the BAZNAS Province, BAZNAS District/City, and LAZ in Indonesia
5. To present accurate data on collection and utilization of zakat supported by information technology system
6. To establish a focused management towards mentoring and development of human resources as trustworthy and professional amil
7. To prioritize health and work safety for all amil

The success of the implementation of the above matters are the responsibility of the Boards and the entire BAZNAS amil

### **Quality Objectives**

1. To make excellent programs of BAZNAS as mainstream utilization programs of zakat institutions throughout Indonesia.
2. To maximize participation of zakat institutions in supporting the joint programs of national zakat utilization.
3. To focus on government agencies, state-owned enterprises and Foreign Affairs through strengthening the regulation.
4. To strengthen the centralized national data both total number of muzaki and the number of zakat fund collection.
5. To socialize and to educate society.
6. To optimize the CCI (Coordination, Consultation, and Information) through the development of mechanisms and coordination systems, strengthening the institutions and human resources of zakat institutions.
7. To increase cooperation between national and international institutions.

8. To intensify and expand the partnerships and coordination with government agencies, state-owned enterprises, Islamic banking, and social / religious organizations at domestic and abroad
9. To complete the regulations and SOP.
10. To increase the sources of fund and resources.
11. To reorganize and consolidate the organization.

## **Appendix 2. Profile of Certified Zakat Institutions (LAZ)**

In accordance with Act No. 23/2011, The National Board of Zakat (BAZNAS) became a coordinator in managing zakat in national level including to collect a regular reports from Certified Zakat Institution (LAZ). Minister of Religious Affairs Decision (KMA) No. 333/2015 about guidelines for licensing Certified Zakat Institutions (LAZ) which led The National Board of Zakat (BAZNAS) has an authority to recommend The Certified Zakat Institutions to have official license.

Based on KMA No. 333/2015, The Certified Zakat Institution (LAZ) is divided to three levels : National LAZ (LAZNAS), Province LAZ and Regency/City LAZ. Currently, LAZ has been getting a recommendation from The National Board of Zakat (BAZNAS) consists of 16 LAZNAS, 7 Province LAZ, and 10 Regency/City LAZ.

The 16 LAZNAS are LAZ Rumah Zakat, Dompot Peduli Ummat (DPU) Daarut Tauhid, Yayasan Baitul Maal Hidayatullah, LAZ Dompot Dhuafa Republika, LAZ Nurul Hayat, LAZ IZI, Yatim Mandiri, Yayasan Lembaga Manajemen Infaq Ukhuwah Islamiyah, Yayasan Dasa Sosial Al Falah, Yayasan Pesantren Islam Al-Azhar, Yayasan Baitul Maal Muamalat, LAZIS NU, LAZ Global Zakat, LAZIS Muhammadiyah, LAZIS Dewan Dakwah and LAZ PZU (Persis).

The existence of LAZ became an important part for optimizing the potential zakat in national level. So far, zakat funds collected by LAZ are increasing. For example, LAZ Rumah Zakat (2010) collect funds for Rp135.081,7 billion to Rp198.331,7 billion (2014). Moreover, LAZ Dompot Dhuafa Republika, based on the performance report (2014) raise Rp195.747,7 billion. LAZIS NU (2013) amounted Rp7.4 billion, while LAZ PZU (Persis) collect funds until Rp1.1 billion.

There are a brief profile of LAZ, which have received an official license from The National Board of Zakat (BAZNAS) for managing zakat in Indonesia:



Table 5.1 Profile of National LAZ in Indonesia

No	Certified Zakat Institutions	Recommendation	Address	Program
1	LAZ Rumah Zakat	No.234/BP/BAZNAS/VI/2015	Jl. Turangga No. 25 C Bandung. Call Center: 0804 100 1000 WA/SMS Center: 0815 7300 1555 Phone: 022-7332407 Fax: 022-7332478 Email: <a href="mailto:welcome@rumahzakat.org">welcome@rumahzakat.org</a> BBM Center: 5D4F850C Website : <a href="https://www.rumahzakat.org">https://www.rumahzakat.org</a>	1. “Senyum Juara” 2. “Senyum Mandiri” 3. “Senyum Sehat” 4. “Senyum Lestari” 5. “Senyum Ramadhan” 6. “Superqurban”
2	Dompot Peduli Ummat (DPU) Daarut Tauhid	No.096/BP/BAZNAS/II/2016; No.236/BP/BAZNAS/VII/2015 (province)	Jl. Gegerkalong Girang No. 32 Bandung- Pesantren Daarut Tauhid Phone: 08510007002 Website: <a href="https://dpu-daaruttauhid.org">https://dpu-daaruttauhid.org</a>	1. “Dakwah KU” 2. “Ikhtiar KU” 3. “Beasiswa KU” 4. “Peduli KU”
3	Yayasan Baitul Maal Hidayatullah	No.237/BP/BAZNAS/VII/2015	Jl. H. Samali No. 79B Pejaten Barat, Pasar Minggu, South Jakarta, Indonesia 12510 Phone: 021-7975770 Website: <a href="http://bmh.or.id">http://bmh.or.id</a>	1. “Dai Tangguh” 2. “Mandiri Teladan” 3. “Senyum Anak Indonesia” 4. “Siaga Bencana Nusantara”
4	LAZ Nurul Hayat	004/HVR/SDP/BAZNAS/IV/2015	IKIP Gunung Anyar Housing B-48, Surabaya, Indonesia Phone: 0231-8783344 Website: <a href="http://www.nurulhayat.org">http://www.nurulhayat.org</a>	1. Education 2. Orphans Economic Development 3. Dakwah Program 4. Health Program
5	LAZ Dompot Dhuafa Republika	No.339/BP/BAZNAS/X/2015	Philanthropy Building : Jl. Buncit Raya Barat No.14, South Jakarta 12540, Indonesia	1. The Emergency Need 2. Economic aid 3. Health 4. Social Development 5. Orphans Education

			Phone: +62 21 7821292 Fax: +62 21 7821333  ZISWAF Office : Ciputat Indah Permai Office, Blok C 28-29 Jl. Ir. H. Juanda No. 50 Ciputat - 15419 South Tangerang, Banten, Indonesia Phone: +62 21 7416040 (Hunting) Fax: +62 21 7416070 Call Center: +62 21 7416050 Email: <a href="mailto:layandonatur@dompetdhuafa.org">layandonatur@dompetdhuafa.org</a> Website: <a href="https://www.dompetdhuafa.org">https://www.dompetdhuafa.org</a>	
6	LAZ IZI	005/HVR/SDP/BAZNAS/VI/2015	Jl. Raya Condet No. 54 D-E Batu Ampar East Jakarta, 13520 Phone: 021-8778603 E-mail: <a href="mailto:salam@izi.or.id">salam@izi.or.id</a> Website: <a href="https://izi.or.id">https://izi.or.id</a>	1. IZI To Success 2. IZI To Smart 3. IZI To Fit 4. IZI To Iman 5. IZI To Help
7	Yatim Mandiri	No.006/BP/BAZNAS/I/2016	Graha Yatim Mandiri, Jl. Raya Jambangan No. 135-137 Surabaya 60232 Phone: 08111343577 Website: <a href="http://www.yatimmandiri.org">http://www.yatimmandiri.org</a>	1. Health 2. Education 3. Social humanity 4. Economic Empowerment

8	Yayasan Lembaga Manajemen Infaq Ukhuwah Islamiyah	No.007/BP/BAZNAS/I/2016	Gedung Sehati Lt. 3. Jl. Barata Jaya Gg XXII No. 20 Surabaya Phone: 0231-5053883 or 082230000909 Website: <a href="http://lmizakat.org">http://lmizakat.org</a>	Program “Aksi Peduli” : 1. “Peduli Dakwah” 2. “Peduli Pendidikan” 3. “Peduli Yatim” 4. “Peduli Kesehatan” 5. “Peduli Ekonomi Masyarakat” 6. “Peduli Kemanusiaan” 7. Ramadhan Plus 8. Qurban Plus
9	Yayasan Dana Sosial Al-Falah	No.095/BP/BAZNAS/II/2016	Jl. Kertajaya 8C/17 Phone: (031)5056650 Website: <a href="http://ydsf.org">http://ydsf.org</a>	1. Education 2. Fatherless 3. Dakwah 4. Mosque 5. Humanity
10	Yayasan Pesantren Islam Al-Azhar	No.097/BP/BAZNAS/II/2016	Komplek Masjid Agung Al-Azhar, Jl. Sisingamangaraja Kebayoran Baru-South Jakarta Phone: 0217243933/7261233 Website: <a href="http://www.al-azhar.or.id">http://www.al-azhar.or.id</a>	1. Education 2. Dakwah 3. Business 4. Social 5. Community
11	Yayasan Baitul Maal Muamalat	No.107/BP/BAZNAS/II/2016	Mitra Matraman Office Blok A1 No. 27 Jl. Matraman Raya, East Jakarta 13150 Website: <a href="http://www.baitulmaalmuamalat.org">www.baitulmaalmuamalat.org</a>	1. Economic Empowerment 2. Education 3. Social Humanity 4. Health
12	NU CARE - LAZIS NU	No.095/PH/BAZNAS/V/2016; 002/HVR/SDP/BAZNAS/V/2016	Gedung PBNU Lt 02 Jl. Kramat Raya No. 164, Jakarta Pusat Phone: 021-3102913 Email: <a href="mailto:info@lazis.nu.or.id">info@lazis.nu.or.id</a> Website: <a href="http://www.nucare.id">http://www.nucare.id</a>	1. Education 2. Health 3. Economy 4. Disaster Preparedness



13	LAZ Global Zakat	No.187/PH/BAZNAS/VII/2016; No.017/HVR/SDP/BAZNAS/VII/2016	Menara 165, 11 <sup>th</sup> Floor, Jl. TB. Simatupang, Kav. 1, Cilandak, South Jakarta, 12560 Phone: 021-29406565 Website : <a href="https://act.id">https://act.id</a>	<ol style="list-style-type: none"> <li>1. Disaster and Social Mitigation</li> <li>2. Disaster Emergency and Rellief Management (DERM)</li> <li>3. Disaster Recovery Program (DRP)</li> <li>4. Global Humanity Response</li> <li>5. Social Development Program</li> </ol>
14	LAZIS Muhammadiyah	218/PH/BAZNAS/VIII/2016; 020/HVR/SDP/BAZNS/VIII/2016	Jl. Menteng Raya 62, Central Jakarta 10340 Phone: 021-3150400 Website: <a href="http://www.lazismu.org">http://www.lazismu.org</a>	<ol style="list-style-type: none"> <li>1. Education</li> <li>2. Economy</li> <li>3. Social</li> <li>4. Dakwah</li> </ol>
15	LAZIS Dewan Dakwah	228/PH/BAZNAS/IX/2016; 021/HVR/SDP/BAZNAS/IX/2016	Jl. Kramat Raya No.45, RT.3/RW.4, Kramat, Senen, Central Jakarta 10450 Phone: 021-3909059	<ol style="list-style-type: none"> <li>1. Education</li> <li>2. Economy</li> <li>3. Dakwah</li> <li>4. Health</li> </ol>
16	LAZ PZU (Persis)	No.349/PH/BAZNAS/X/2016; 025/HVR/SDP/BAZNAS/X/2016	Jl. Perintis Kemerdekaan No. 2-4 Bandung- West Java, Indonesia Phone: 022-4217436 Website: <a href="http://pzu.or.id">http://pzu.or.id</a>	<p>Program “Umat Peduli” :</p> <ol style="list-style-type: none"> <li>1. “Layanan Mustahik Pribadi”</li> <li>2. “Layanan Mustahik Ibnu Sabil”</li> <li>3. “Layanan Mustahik Gharimin</li> <li>4. “Layanan Mustahik Mualaf”</li> <li>5. “Layanan Mustahik Lembaga”</li> <li>6. “Bantuan Dana Bencana Alam”</li> </ol>

### Appendix 3. Achievement and Appreciation



Sumber: <http://rmaward.asia/news/gallery-2016-ramon-magsaysay-awards-event/>

#### RAMON MAGSAYSAY AWARD

In the middle of 2016, **Dompet Dhuafa** received an Asia's equivalent of Nobel Prize, the Ramon Magsaysay Award. The award is given to outstanding person or organization whose selfless service has offered their societies, Asia, and the world

successful solutions to some of the most intractable problems of human development. The Ramon Magsaysay Award Foundation board of trustees recognizes "the organization and its leaders for redefining the landscape of zakat-based philanthropy in Indonesia, unleashing the potential of the Islamic faith to uplift, irrespective of their creed, the lives of millions."

#### SUPERQURBAN

One of the innovations in the distribution of qurbani meat is held by **Rumah Zakat**. Through Superqurban, the meat is packed in the form of canned corned, so that the meat can last up to three years. Therefore, the meat can reach out to remote areas across Indonesia which usually takes more time for people to distribute the meat. Giving the canned meat to those places also has less risk than distributing the living animals.



Sumber: [http://images.sharinghappiness.org/Superqurban\\_SH\\_Papua.jpg](http://images.sharinghappiness.org/Superqurban_SH_Papua.jpg)

### **TRENSAINS**

An innovative educational program of **LazisMU** is Trensains. Trensains, stands for Pesantren Sains, is an educational institution equal to high school whose concern is in learning and doing research regarding the verses in Quran and Hadith Nabawi about universe. Initiated by DR. Agus Purwanto, physicist author of verses of the Universe, Trensains is intended to produce scientists who have a strong base understanding of the Quran.

### **MATABACA**

The hardship of life, especially in economic sector, usually become an excuses for people to count heavily on materialistic matter than the spiritual one. Some of the people who have this tendency are the pedicab drivers, who usually get limited income despite their hard work. Therefore, **LAZ Nurul Hayat** give more attention to the pedicab drivers by holding a routine Islamic study. With a brotherhood approach, Nurul Hayat finally managed to unite thousands of pedicab drivers in Islamic study groups. Each month, the pedicab drivers come to the mosques where the study be held. As an appreciation for their willingness to learn Islam, Nurul Hidayat provides free medical treatment, no-interest loan, and an endowment on the feast day (*hari raya*).



## Appendix 4. Strategic Plan of BAZNAS

### A. Legal Aspect

Table 5.2. Legal Aspect

No	Key Performance Indicator	Unit	Target				
			2016	2017	2018	2019	2020
1	Strategic Plan of BAZNAS 2016-2020 has improved	%	100	n.a	n.a	n.a	n.a
2	Strategic Plan of BAZNAS Province	%	0	50	80	100	100
3	Strategic Plan of BAZNAS Regency/City	%	0	25	50	75	100
4	Guidelines/Regulations of BAZNAS which have been ratified	Amount	26	26	n.a	n.a	n.a
5	A recommendation to permit the formation of LAZ eligible	%	100	100	100	100	100
6	Decree Elevation Leader of BAZNAS Province, Regency/City accepted by BAZNAS	%	100	100	100	100	100

Source : The Strategic Plan of BAZNAS (2016-2020)

### B. Accountability and Sharia Compliance

Table 5.3. Accountability and Sharia Compliance Aspect

No	Key Performance Indicator	Unit	Target				
			2016	2017	2018	2019	2020
1	Annual Work Plan and Budget of BAZNAS	%	100	100	100	100	100
2	Annual Work Plan and Budget of BAZNAS Province	%	100	100	100	100	100
3	Annual Work Plan and Budget of BAZNAS Regency/City	%	100	100	100	100	100
4	Financial Statements of BAZNAS and LAZ audited by Accountant Public per 30 June	%	100	100	100	100	100
5	Financial Statements of BAZNAS Province audited by Accountant Public per 30 June	%	n.a	100	100	100	100
6	Financial Statements of BAZNAS Regency/City audited by Accountant Public per 30 June	%	n.a	n.a	10	20	30
7	BAZNAS report to President	Month	July	July	July	July	July
8	National Coordination Meeting of BAZNAS Province	Period	1	1	1	1	1
9	National Coordination Meeting of LAZ	Period	1	1	1	1	1
10	Regional Coordination Meeting BAZNAS Regency/City by BAZNAS Province	%	n.a	25	50	75	100
11	Congress National Zakat			√		√	
12	Congress World Zakat				√		

Source : The Strategic Plan of BAZNAS (2016-2020)

## C. Aspects of IT and System Aspect

Table 5.4. Aspects of IT and System Aspect

No	Key Performance Indicator	Unit	Target				
			2016	2017	2018	2019	2020
1	BAZNAS Province has implemented well SIMBA	%	100	100	100	100	100
2	Infrastructure IT development for BAZNAS Province	Province	8	15	22	30	34
3	BAZNAS Regency/City has implemented well SIMBA	%	100	100	100	100	100
4	Infrastructure IT development for BAZNAS Regency/City	Regency/City	25	75	125	175	250
5	LAZ integrated well with SIMBA	%	75	100	100	100	100
6	Muzakki service accessible by BAZNAS Province	%	n.a	50	80	100	100
7	Muzakki service accessible by BAZNAS Regency/City	%	n.a	25	50	75	100
8	Data centers and libraries nationwide of zakat	Unit		1			
9	BAZNAS has teleconference			√			
10	BAZNAS Province has teleconference	Province	n.a	8	16	25	34
11	BAZNAS Regency/City has teleconference	Regency/City	n.a	10	100	200	514

Source : The Strategic Plan of BAZNAS (2016-2020)

## D. Collection and Distribution Aspects

Table 5.5. Collection and Distribution Aspects

No	Key Performance Indicator	Unit	Target				
			2016	2017	2018	2019	2020
Collection Aspects							
1	ZIS and DSKL collected nationally is rising significantly	%	100	n.a	n.a	n.a	n.a
2	Individual muzakki national database	%	0	50	80	100	100
3	Entities muzakki national database	%	0	25	50	75	100
Distribution Aspects							
1	Ratio of distribution to the collection over 70%	Trillion IDR	3.50	4.55	6.14	8.59	12.04
2	The poor are alleviated from poverty line by 1 % each year of the number of poor based on BPS	Thousand people	280	280	280	280	280
3	Implementation of zakat community development	village	40	81	121	141	161
4	Mustahik BAZNAS database	time	Oct	July	July	July	July

Source : The Strategic Plan of BAZNAS (2016-2020)

## E. Amil Development Aspects

Table 5.6 Amil Development Aspects

No	Key Performance Indicator	Unit	Target				
			2016	2017	2018	2019	2020
1	Zakat Institution become a financial institution supervised by the FSA	%	n.a	n.a	n.a	10	100
2	National Zakat education and training center for Amil			√			
3	Amil of BAZNAS, BAZNAS Province, BAZNAS Regency/City and LAZ certified	%	n.a	10	30	50	100
4	Indonesia be a role model for zakat management in the world	%	n.a	n.a	10	50	100
5	Center of Strategic Studies of BAZNAS		√				
6	Headquarters office			√			
7	BAZNAS TV			√			

Source : The Strategic Plan of BAZNAS (2016-2020)



ISBN 978-602-60689-2-7



*Published in Indonesia by:*  
**Center of Strategic Studies**

**The Indonesian National Zakat Agency (BAZNAS)**  
Kebon Sirih Raya Street No. 57, Central Jakarta 10340, Indonesia  
<http://www.puskasbaznas.com>