



## STRATEGY FOR CREATING ECONOMIC STABILITY THROUGH THE OPTIMIZATION OF ISLAMIC SOCIAL FINANCE: A PROPOSAL FOR POST-CONFLICT ECONOMIC REVIVAL IN SUDAN

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Abstrak	Article info
<p><i>Konflik bersenjata antara Sudanese Armed Forces (SAF) dan Rapid Support Forces (RSF) telah menyebabkan krisis multidimensi di Sudan, dengan dampak destruktif pada ekonomi, sosial, dan infrastruktur. Lebih dari 10,8 juta orang menjadi pengungsi internal, 25 juta menghadapi kerawanan pangan akut, dan 65% populasi hidup di bawah garis kemiskinan. Krisis ini diperparah oleh keruntuhan sistem kesehatan, pendidikan, dan sektor produktif, serta kegagalan transisi politik pasca-kudeta 2021. Penelitian ini bertujuan untuk merumuskan strategi optimalisasi Islamic Social Finance (ISF) melalui instrumen zakat, wakaf, dan sedekah sebagai pilar rekonstruksi ekonomi pasca-konflik. Metode penelitian menggunakan pendekatan kualitatif berbasis library research dengan menganalisis literatur akademik, laporan lembaga internasional, dan praktik terbaik dari negara seperti Malaysia dan Indonesia. Hasil penelitian menunjukkan bahwa integrasi ISF dengan tata kelola yang transparan, teknologi digital, dan skema blended finance dapat menciptakan leverage finansial hingga rasio 1:10, memobilisasi potensi zakat global senilai US\$600 miliar, serta mengurangi kebocoran dana hingga 25%. Kontribusi penelitian ini adalah pengembangan model keberlanjutan ISF yang berorientasi pada keadilan sosial, ketahanan pangan, dan pemulihan infrastruktur, sekaligus menjadi rujukan bagi negara-negara pasca-konflik lainnya.</i></p>	<p>Diajukan: 18-7-2025 Diterima: 12-9-2025 Diterbitkan : 25-09-2025</p>
Abstract	
<p><i>The armed conflict between the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF) has triggered a multidimensional crisis in Sudan, causing severe impacts on the economy, society, and infrastructure. More than 10.8 million people have become internally displaced, 25 million face acute food insecurity, and 65% of the population lives below the poverty line. This crisis is further exacerbated by the collapse of health, education, and productive sectors, as well as the failure of political transition following the 2021 coup. This study aims to formulate strategies for optimizing Islamic Social Finance (ISF) through the instruments of zakat, waqf, and sadaqah as pillars for post-conflict economic reconstruction. The research employs a qualitative library research approach by analyzing academic literature, international institutional reports, and best practices from countries such as Malaysia and Indonesia. The findings reveal that integrating ISF with transparent governance, digital technology, and blended finance schemes can generate financial leverage of up to a 1:10 ratio, mobilize global zakat potential worth US\$600 billion, and reduce fund leakage by up to 25%. The contribution of this research lies in developing a sustainable ISF model oriented toward social justice, food security,</i></p>	<p><b>Kata kunci:</b> <i>Islamic Social Finance, Rekonstruksi Ekonomi, Pasca-Konflik Sudan, Tata Kelola Transparan</i></p> <p><b>Keywords:</b> <i>Islamic Social Finance, Economic Reconstruction, Post-Conflict Sudan, Transparent Governance</i></p>

and infrastructure recovery, while also serving as a reference for other post-conflict countries.

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## INTRODUCTION

Sudan is currently facing a multidimensional crisis as a result of the protracted armed conflict between the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF). This conflict has brought destructive impacts not only on political and security aspects but also on the very foundations of societal life—ranging from the economy and social systems to education. The prolonged war has even been described as one of the most severe humanitarian disasters in the modern world, with the scale of suffering among the population being both vast and complex (Dahab et al., 2020). Recent data show that more than 10.8 million people have been forced to leave their homes and become internally displaced, representing nearly one-quarter of Sudan's population. In addition, around 25 million people are now facing acute food insecurity, a condition that reflects the fragility of the nation's food security system. According to United Nations reports, approximately 65% of the population lives below the poverty line, leaving them with inadequate access to basic needs such as food, clean water, healthcare, and education. Existing infrastructure has also collapsed: the healthcare system is nearly paralyzed with many medical facilities destroyed or non-functional, the education sector is in crisis with more than 17 million children forced out of school, and the economy is no longer able to sustain society (Breidlid, 2019). This already critical condition worsened with confirmed cases of famine in the Zamzam refugee camp, Darfur, in August 2024. That event became a stark symbol of the urgent need for comprehensive interventions—not only conflict resolution but also addressing the root causes of economic vulnerability and fundamental humanitarian needs.

The economic and social crises in Sudan do not stem solely from the recent military conflict but are in fact the accumulation of long-standing structural problems. One of the dominant factors has been decades of mismanagement, which fostered corruption, weak governance, and low public accountability. Additionally, Sudan has long suffered from international sanctions that further isolated the country from access to global markets and international financial support. Dependence on foreign aid made Sudan's economic structure extremely fragile, leaving it highly vulnerable to any shifts in geopolitics or global policies. Following the fall of Omar al-Bashir's regime in 2019, there was hope for a transition to civilian rule, but that hope was shattered by the 2021 military coup led by General Abdel Fattah al-Burhan. The coup severed international support that had just begun to emerge, leading to a drastic decline in financial aid and development programs. The situation worsened with the halt of oil production, which had long been the main source of foreign exchange revenue (Farmer et al., 2015). Agriculture—expected to support national food security—was also disrupted by armed conflict and extreme climate conditions such as drought and floods. As a result, Sudan now faces significant post-conflict challenges, including rebuilding collapsed infrastructure, restoring food security,

creating inclusive employment opportunities, and formulating economic policies based on social justice principles to avoid repeating the same structural mistakes.

In addressing this complex crisis, Islamic Social Finance (ISF) offers a relevant and potentially effective solution. ISF encompasses various instruments such as zakat, waqf, sadaqah, and Sharia-based microfinance, all of which share the central goal of promoting equitable wealth distribution while strengthening social solidarity. The potential for ISF in Sudan is substantial, given that the majority of the population is Muslim and has a strong tradition of philanthropy. For example, by effectively mobilizing zakat, the state can secure a sustainable source of funding to support vulnerable groups (Arafah, 2019). Likewise, productive waqf can be directed toward financing the development of education, healthcare, and agriculture infrastructure. Organized sadaqah can serve as an important supplement for food assistance programs and community empowerment. In addition, Sharia-compliant microfinance can support the growth of small and medium enterprises (SMEs), which form the backbone of the local economy. A concrete example can be seen in the World Food Programme (WFP), which has successfully delivered food aid in Sudan by incorporating principles of fairness. This demonstrates that international humanitarian aid can operate in harmony with ISF mechanisms rooted in Islamic values (Nishikawa, 2025). However, for ISF to function optimally, clear regulations, transparent governance, and strong collaboration between government, local institutions, and international partners are essential.

Academic studies on the role of ISF in post-conflict contexts remain relatively limited. Yet Sudan, as a Muslim-majority country, holds extraordinary potential to leverage ISF as a sustainable economic and social development strategy. Much of the existing literature focuses more on conventional aid or interventions by international organizations such as the UN and Western donors. Unfortunately, these models are often hindered by lengthy bureaucratic processes, political instability, and incompatibility with local values (Mufti Afif, Muhammad Diaz Supandi, Hartomi Maulana, 2025). This study seeks to fill that gap by offering a new approach: the integration of ISF into post-conflict economic rehabilitation programs. This approach is considered more contextual, as it focuses not only on physical reconstruction but also on spiritual, moral, and social justice dimensions. From an academic perspective, this research is significant because it builds a theoretical framework that bridges Islamic finance principles with resilient economic development. The concept can also serve as a reference for other countries facing similar situations, making the research not only practically valuable for Sudan but also globally relevant.

The primary objective of this research is to formulate concrete strategies for optimizing the role of ISF in achieving post-conflict economic stability in Sudan. The study focuses on several aspects: first, analyzing the comprehensive impact of the conflict on economic, social, and institutional structures; second, evaluating the extent to which ISF instruments such as zakat, waqf, and sadaqah can effectively reduce extreme poverty and food insecurity; and third, proposing realistic models of collaboration between the Sudanese government, Islamic philanthropic institutions, and international organizations. The central question to be addressed is: how can Islamic Social Finance be optimized to build economic and social resilience in post-conflict Sudan? The answer to this question is

expected to provide a strategic framework that is not only theoretical but also practical in real-world contexts.

The scope of this study focuses on the post-conflict period of 2023–2025, a crucial phase for determining Sudan's future development trajectory. The research covers both urban centers such as Khartoum, which have experienced severe pressures on infrastructure and demographics, and rural areas such as Darfur, which have been most heavily affected by conflict and famine. By considering dynamics in both areas, the study provides a more comprehensive picture of challenges and opportunities. Moreover, the scope includes macro-level policies, such as the government's role in establishing ISF-supportive regulations, as well as micro-level aspects, namely community empowerment through zakat, productive waqf, and microfinance programs. The hope is that this research will not remain purely academic but will produce applicable and relevant policy recommendations, serving as a reference for both the Sudanese government and international stakeholders in rebuilding economic and social stability.

## METHOD

This study employs a qualitative method based on library research by examining various scholarly literatures related to Islamic Social Finance, post-conflict governance, and sustainable development (Sugiyono, 2019). The primary sources include academic journals, reference books, reports from international organizations, as well as official regulations from countries that have systematically implemented zakat, waqf, and sadaqah instruments. Through this approach, the research does not merely stop at collecting secondary data but also seeks to construct a conceptual framework that explains how the integration of Islamic Social Finance governance can serve as a pillar for Sudan's economic recovery (Anto et al., 2024).

The central idea of this study lies in the importance of linking theory and practice by using literature as the foundation for formulating strategic models. For instance, the experiences of Malaysia and Indonesia in managing productive waqf and digital zakat can be adapted to Sudan's local needs, thereby creating a hybrid model suited to the post-conflict context. Accordingly, this library research is not only descriptive in nature but also transformative, as it strives to offer new conceptual formulations for Islamic Social Finance governance that emphasize sustainability, transparency, and social justice.

## RESULT AND DISCUSSION

### **The Impact of Conflict and Economic Collapse on the Urgency of Social Justice-Based Intervention in Sudan**

Sudan is currently engulfed in one of the most severe humanitarian and economic crises in the contemporary world, a situation that reflects a combination of armed violence, the collapse of infrastructure, and the loss of state capacity to protect its citizens. The conflict, triggered by clashes between the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF) since April 2023, has created a chain of impacts that are not only local in scope but also carry regional implications. To date, more than 25 million people—around half of Sudan's population—require emergency humanitarian assistance, an unprecedented figure in modern Sudanese history (Danlami et al., 2023). This situation is compounded by the fact that 30.4 million people are experiencing multidimensional

crises, including food insecurity, lack of access to healthcare, loss of income, and threats to personal safety. Meanwhile, mass displacement has reached a critical point, with 12.5 million people forced to leave their homes, including 2.2 million cross-border refugees, most of whom have settled in Chad and South Sudan (Mawejje & McSharry, 2021). This refugee wave not only strains the capacity of camps in neighboring countries but also drastically alters the demographics of border regions.

From an economic perspective, Sudan has become the epicenter of crisis after vital infrastructure such as highways, ports, and power grids were destroyed by the conflict. Domestic and regional supply chains have been severely disrupted, leading to soaring inflation and shortages of basic goods. Productive sectors such as oil, agriculture, and manufacturing have either ceased operations entirely or are functioning far below capacity. It is therefore not an exaggeration to state that Sudan is on the brink of total collapse unless rapid, precise, and socially just international intervention is implemented (Homeida, 2023).

The conflict has also devastated two fundamental sectors essential to generational sustainability: health and education. Field data indicate that about 70% of healthcare facilities have been destroyed or rendered inoperable, leaving medical services nearly paralyzed in conflict-affected areas. As a result, outbreaks of infectious diseases such as cholera, malaria, and dengue fever have risen sharply, worsening civilian suffering (Olsen et al., 2021). The situation is even more alarming given that 3.4 million children under the age of five are at high risk of contracting epidemic diseases, primarily due to declining vaccination rates and inadequate sanitation. The absence of healthcare access has also driven up maternal and infant mortality rates. On the other hand, Sudan's education sector faces equally severe destruction. Ninety percent of the 19 million school-aged children no longer have access to education, whether because schools were destroyed in airstrikes, occupied by the military, or repurposed as weapons depots and security posts. The loss of education not only strips children of a fundamental right but also threatens the disappearance of an entire generation that should have been the backbone of future development (Mahgoub et al., 2024). This crisis thus creates a vicious cycle: public health deteriorates, education collapses, and human resource capacity weakens, making economic and social reconstruction after the conflict increasingly difficult to achieve.

Sudan is now facing its worst food crisis in two decades, caused by a combination of armed conflict, agricultural system failures, inflation, and limited aid distribution. A total of 25.6 million people are suffering from acute hunger, with 755,000 in the most critical famine phase (IPC Phase 5). This condition is extremely dangerous, as IPC Phase 5 indicates a state of catastrophic famine with the potential to cause mass deaths (Guo et al., 2024). UN reports also warn that 222,000 children are at risk of dying from malnutrition within weeks, particularly in heavily affected regions such as Darfur. The primary drivers of this food crisis are not only disrupted aid distribution due to limited access and funding but also the collapse of Sudan's agricultural system. Vast farmland has been abandoned as farmers flee or are trapped in conflict zones, while extreme weather events such as droughts and floods further worsen the situation. High inflation has exacerbated the problem, with food prices soaring beyond the reach of ordinary citizens. International assistance faces severe limitations: available funds cover only a fraction of the actual needs, leaving food distribution grossly inadequate (Maystadt et al., 2015). As a result,



millions are living under acute food insecurity, and Sudan risks an even greater humanitarian catastrophe if the crisis is not urgently addressed through systematic interventions encompassing both short-term (emergency aid) and long-term (agricultural system reconstruction) measures.

The conflict in Sudan extends beyond its territorial boundaries, creating a domino effect for neighboring countries and the wider East African region. The influx of millions of refugees has placed immense strain on the economies, societies, and infrastructures of countries such as Chad, South Sudan, and Egypt. Chad, for example, now faces soaring food prices due to its heavy dependence on disrupted imports from Sudan. Meanwhile, refugee camps along Chad's border are overcrowded and severely underfunded, potentially creating a new humanitarian crisis (Breidlid, 2019). South Sudan, already fragile from its own internal conflicts, is forced to bear an additional refugee burden, further deepening its economic vulnerability (Taha et al., 2023). Egypt, too, faces inflationary pressures and a decline in cross-border trade due to regional supply chain disruptions. International institutions such as the IMF and Moody's have issued warnings that Sudan's conflict could become a major obstacle to economic growth across East Africa, particularly because regional trade, energy, and investment are also affected. Thus, Sudan's crisis is not merely a domestic issue but a regional one that threatens the economic, social, and security stability of Africa as a whole.

The roots of Sudan's conflict can be traced to the failure of the post-2019 military junta transition, which was supposed to pave the way toward a democratic civilian government. In reality, the military retained dominant influence in politics, while actors involved in past human rights violations were never brought to justice. The Juba Peace Agreement of 2020 included commitments to implement transitional justice, yet no special courts or truth commissions were ever established. Instead, military forces—especially the RSF—consolidated their political and economic influence by seizing control of strategic resources such as gold mines and farmland. This created an entrenched culture of impunity in which perpetrators of violence not only escaped punishment but also reaped political and economic benefits from conflict (Homeida, 2023). Such a culture perpetuates cycles of violence, obstructs reconciliation, and undermines the legitimacy of transitional governance. Hence, the failure of Sudan's transition is not merely political but structural, leaving the country trapped in a vicious cycle of conflict and crisis.

International intervention efforts in Sudan have often failed to achieve their objectives due to funding shortages, bureaucratic complexities, and insufficient engagement with local actors. Recent data show that only 27% of the UN's total funding appeal for Sudan has been met, leaving aid programs far short of actual needs. Consequently, there is an urgent need to design a new approach based on social justice. This approach emphasizes the restoration of victims' rights through mechanisms of reparations and reintegration, ensuring that affected communities receive not only material aid but also recognition and justice. Furthermore, social justice requires the transformation of economic structures into inclusive, participatory, and non-discriminatory systems, enabling all ethnic and social groups to have a role in development. Another key aspect is the establishment of hybrid courts combining national and international elements to prosecute war crimes, thereby upholding accountability (Supandi et al., 2025). A social justice-based intervention model is thus expected to

address the root causes of Sudan's conflict: ethnic inequality, economic marginalization, and the entrenched culture of impunity.

Amid state fragility, Sudanese civil society has demonstrated remarkable resilience by building local initiatives to tackle the crisis. Grassroots organizations, women's groups, youth networks, and religious communities have actively provided basic services, documented human rights abuses, and facilitated inter-community peace dialogues. The Peace Research Institute of the University of Khartoum recorded at least 15 different citizen-led peace initiatives, each with distinct strategies but sharing the same goal of creating inclusive and sustainable peace. Women's groups play a crucial role in distributing humanitarian aid, particularly in areas inaccessible to international organizations due to security concerns (RODER, 2016). Likewise, youth have become drivers of community-based reconciliation advocacy. Civil society's role is vital because they possess stronger local legitimacy and understanding of the context compared to international organizations. Strengthening civil society capacity must therefore be a top priority in Sudan's reconstruction strategy.

To break the cycle of violence and multidimensional crisis, Sudan requires a comprehensive, just, and long-term sustainable policy framework. First, multilateral coordination is needed to integrate humanitarian aid with economic recovery programs, ensuring that responses are not merely emergency-based but also constructive. Second, full financial support must be provided to meet the UN's funding appeals and strengthen local institutions, so that programs do not collapse due to resource shortages. Third, security sector reform is an absolute priority, with concrete steps such as dismantling militias and integrating the RSF into a professional armed force, ensuring that the monopoly on violence rests solely with the state. Fourth, transitional justice mechanisms must be designed with local contexts in mind, for example through conditional amnesty for cooperative perpetrators and special tribunals for severe cases (Taha et al., 2023). All these policies must be rooted in the principle of social justice, ensuring that Sudan's reconstruction not only treats the symptoms but also eradicates the root causes of conflict. In doing so, post-conflict reconstruction in Sudan can create sustainable peace that is resilient to political dynamics and economic pressures.

#### **Mapping Islamic Social Finance Instruments through Zakat, Waqf, and Sadaqah as Pillars of Economic Reconstruction**

Islamic Social Finance (ISF) is a Sharia-based economic paradigm that emphasizes social justice, wealth distribution, and collective welfare through instruments such as zakat, waqf, sadaqah, and Islamic microfinance. In the post-conflict context of Sudan, ISF emerges as a highly relevant alternative, as it can reach the most vulnerable groups often neglected by conventional aid mechanisms (Abdul Razak et al., 2020). The prolonged conflict has dismantled social structures, destroyed infrastructure, and deepened economic inequality. Therefore, ISF should not be viewed merely as a short-term charitable instrument but as a strategic framework with the potential to support sustainable economic reconstruction. According to World Bank data, Muslim-majority countries collectively hold a global zakat potential of up to USD 600 billion annually, which, if managed professionally, could address a substantial portion of development needs (Mukhid, 2024). Thus, implementing ISF in Sudan could serve as a vital catalyst for

rebuilding social trust and restructuring an economy rooted in the principles of Islamic justice.

Zakat, as a religious obligation for Muslims who meet the nisab threshold, holds a central position within the ISF system. In Sudan, where approximately 97% of the population is Muslim, zakat carries the potential to become a massive social safety net. With more than 65% of the post-conflict population living in poverty, zakat mechanisms are increasingly strategic, particularly for direct cash transfers and food distribution programs. The experience of international organizations such as Islamic Relief Worldwide demonstrates that zakat can reach millions of beneficiaries in global conflict zones. If managed professionally and transparently in Sudan, zakat has the potential to cover up to 40% of the basic needs of impoverished populations. Optimizing zakat requires credible management institutions, accountable distribution systems, and valid beneficiary data mapping. With sound governance, zakat functions not only as a charitable tool but also as a driver of long-term socio-economic transformation.

Waqf, as a sustainable instrument, presents vast opportunities for Sudan's economic reconstruction. Productive waqf can be directed toward rebuilding health facilities, schools, training centers, and agricultural sectors severely damaged by conflict. The waqf sukuk model, successfully implemented in countries such as Turkey, can be adapted to Sudan's context to involve social investors in large-scale reconstruction projects. With more than 70% of health facilities destroyed during the war, healthcare waqf should be a primary priority to ensure access to essential services. Agricultural waqf is equally crucial in restoring food security, given Sudan's significant agrarian potential disrupted by war and climate change (Mufti Afif, Muhammad Diaz Supandi, Hartomi Maulana, 2025). With transparent management, waqf can serve not only as a philanthropic instrument but also as a productive financial tool that generates sustainable returns, which are then reinvested for public benefit.

Sadaqah and other social funds also play a significant role due to their flexibility and rapid response to crises. As millions of Sudanese face acute food insecurity, mobilizing sadaqah can provide an effective short-term solution for food aid, clean water, and emergency shelters. Organizations such as Muslim Aid and Human Appeal have shown that sadaqah can serve as an efficient resource in responding to emergency needs in conflict zones. Furthermore, digital technology, such as Sharia-compliant crowdfunding platforms, can expand fundraising outreach to the Sudanese diaspora, which numbers in the millions abroad. Diaspora participation not only provides additional financial support but also strengthens transnational social bonds in solidarity for reconstruction. Thus, sadaqah functions as a bridge between humanitarian emergency responses and long-term recovery programs.

The strength of ISF lies in the integrative capacity of its instruments, creating a multiplier effect in development. The integration of zakat, waqf, and sadaqah allows for more strategic allocation of funds—zakat focusing on basic needs, sadaqah addressing emergencies, and waqf supporting long-term investments. For instance, the zakat-for-waqf integration model enables consumptive zakat funds to be converted into productive waqf assets, thereby generating sustainable benefits. Studies from Indonesia indicate that integrating ISF instruments can enhance poverty alleviation effectiveness by up to 35% compared to separate management. If applied in Sudan, such integration would have an



even greater impact, simultaneously addressing short-term needs and laying the foundation for a crisis-resilient economy. For this purpose, a national ISF coordination body is needed to integrate various Islamic philanthropic institutions and foster effective synergy.

The successful implementation of ISF is inseparable from strong governance and transparency. Sudan's long history of mismanagement and corruption necessitates the rebuilding of public trust in social fund management institutions. Modern governance mechanisms may include establishing independent Sharia audit bodies, employing blockchain technology to track real-time fund distribution, and providing regular public reporting. A positive example can be drawn from Kuwait, which successfully established the Kuwait Awqaf Public Foundation with strict governance systems that attracted both public participation and international donors. Transparency is not only a matter of internal accountability but also a prerequisite for fostering cooperation with global institutions that often require clear financial reporting. Thus, robust governance will strengthen ISF's legitimacy as a reconstruction instrument.

To maximize effectiveness, ISF implementation in Sudan must follow a structured roadmap encompassing short-, medium-, and long-term phases. In the initial stage (0–6 months), the focus should be on mobilizing zakat and sadaqah for urgent needs such as food, healthcare, and shelter for displaced persons. The second stage (6–24 months) should prioritize developing productive waqf projects to rebuild public facilities such as hospitals, schools, and farmlands. The third stage (beyond 24 months) involves consolidation, where ISF systems are integrated into national economic policies and expanded to micro- and small-enterprise sectors to generate employment opportunities. Collaboration with international institutions such as the Islamic Development Bank and UNDP will be essential for strengthening implementation capacity and ensuring sustainability. Outcome-based monitoring and evaluation should also be prioritized to guarantee that each phase progresses as planned.

In conclusion, Islamic Social Finance can serve as one of the primary pillars of Sudan's post-conflict economic reconstruction. The vast potential of zakat, waqf, and sadaqah, if managed professionally, transparently, and in an integrated manner, can address challenges ranging from extreme poverty to the collapse of social infrastructure. ISF does not merely provide financial solutions but also rebuilds social trust through the principles of Islamic justice and solidarity. In the long term, ISF can lay the foundation for inclusive, resilient, and sustainable economic development. This positions ISF not only as a philanthropic instrument but also as a reconstruction strategy that bridges spiritual values with the practical needs of national development.

#### **Integration Strategies and Governance in Designing a Sustainability Model for Sudan's Economic Revival**

Sudan's post-conflict economic development requires an integrated and comprehensive governance framework in which all Islamic Social Finance (ISF) instruments operate within a complementary system. Instruments such as zakat, waqf, and sadaqah must not function in isolation under fragmented institutional mechanisms, but instead under the supervision of a regulator with strong legal legitimacy and managerial capacity (Ismail et al., 2023). Accordingly, a dedicated authority for regulating and supervising Islamic Finance should be strengthened with a clear mandate to

coordinate zakat agencies, waqf managers (nazhir), and other Islamic social fund management units. A robust legal framework—such as Sharia-based social security laws and regulations on productive waqf management—is indispensable to ensure that the governance of public funds adheres not only to Sharia principles but also to international accountability standards. Sudan can draw lessons from other countries, such as Malaysia with its National Waqf Institution and Indonesia through the Indonesian Waqf Board, both of which have successfully integrated waqf management into national development frameworks, though their models must be adapted to Sudan's unique social, political, and economic realities.

Post-conflict reconstruction in Sudan also demands a digital transformation capable of addressing long-standing problems of low transparency and high risks of fund leakages. The application of financial technologies, particularly blockchain-based fintech systems, can serve as a primary tool for establishing a more transparent and accountable ISF fund management system. Through integrated digital platforms, the relationships between donors, regulators, and beneficiaries can be monitored directly with real-time tracking features that enable fund distribution mapping down to the end-recipient level. Such innovations have proven effective, reducing potential fund leakages by up to one-quarter of total allocations, as evidenced in case studies of digital zakat programs in Pakistan (Danlami et al., 2023). Collaboration with international fintech firms and networks such as the Islamic Fintech Alliance will accelerate the digital transformation of Sudan's ISF ecosystem while also strengthening public trust in Islamic social fund institutions, whose credibility has often been questioned. Technology-based transparency is not merely a technical matter but also a critical political instrument for rebuilding the legitimacy of the state in the eyes of its citizens.

Beyond institutional strengthening and digitalization, ISF integration strategies also require creative financing models capable of linking domestic resources with international support. Blended finance offers a relevant alternative, as it combines zakat, waqf, and sadaqah funds with global development financing from multilateral institutions such as the Islamic Development Bank, the World Bank, and UNDP (Iskandar et al., 2021). Through this mechanism, Islamic social funds can serve as catalytic capital to attract larger-scale social investment, with leverage ratios of up to 1:10. For example, every one US dollar of ISF funds can potentially mobilize ten US dollars from international sources for public infrastructure projects such as hospitals, schools, and community health centers (Lestari et al., 2025). Cash waqf may also be developed into an endowment fund that serves as an anchor for strategic projects, ensuring that ISF functions not only as a short-term redistribution mechanism but also as a long-term development instrument. Thus, integrating ISF into the international financial system will strengthen Sudan's economic resilience while enhancing its bargaining position in global forums.

However, the success of this integrated financing scheme largely depends on the capacity of human resources managing Islamic social funds. Across many countries, including Sudan, ISF has been hindered by the limited managerial capacity of waqf administrators (nazhir) and zakat agencies in applying modern management principles. Serious investments are therefore required in professional certification programs, intensive training, and the development of specialized curricula focusing on waqf asset governance, Sharia-compliant investment, and nonprofit management. Partnerships with

international institutions such as IRTI–IsDB and leading Islamic universities in Malaysia could pave the way for producing 500 professional waqf managers within the first five years (Lestari et al., 2025). Training programs should primarily target Sudan's younger generation, equipping them not only with an understanding of Islamic economic principles but also with technological literacy and social entrepreneurship skills. In this way, ISF institutions will acquire the human capital necessary to address post-conflict development challenges through innovative approaches.

For ISF funds to be distributed effectively, beneficiary targeting systems must be evidence-based and data-driven, rather than shaped by political preferences or social affiliations. The use of data analytics and artificial intelligence can help map priority regions and the most vulnerable households, ensuring that social funds reach those in genuine need. Close collaboration with Sudan's national statistics bureau and the adoption of international methodologies such as the Integrated Food Security Phase Classification will enhance the validity of fund distribution systems (Mukhid, 2024). A data-driven mechanism will shift zakat, waqf, and sadaqah away from purely charitable approaches and transform them into instruments that reduce social vulnerability and strengthen community resilience. Moreover, evidence-based distribution will mitigate the risk of politicizing social funds, reinforce state legitimacy, and increase community participation in supporting national reconstruction programs.

At the same time, waqf management strategies must be directed toward developing productive sectors of strategic value to Sudan's economy. Commodities such as gum arabic, sorghum, and livestock can form the basis for integrated value chains, with waqf lands utilized as hubs for modern agribusiness. In this model, waqf serves not only as a religious instrument but also as a driver of community-based economic development, capable of creating tens of thousands of new jobs. Supporting infrastructure such as storage facilities, processing plants, and transport networks can be financed through productive waqf, while zakat and sadaqah can be allocated for working capital to farmer cooperatives and micro, small, and medium enterprises (MSMEs). This approach would not only enhance Sudan's national food security but also strengthen its export competitiveness in global markets (Arafah, 2019). Integrating waqf with productive sectors would thereby position ISF as a central pillar of sustainable economic development.

Nevertheless, the success of these strategies can only be realized through strong oversight mechanisms involving multiple stakeholders. A multilevel supervisory system that engages government, religious scholars, academics, and civil society will provide social legitimacy and enhance public trust (Tanjung, 2023). A National Sharia Supervisory Council could be established with the authority to conduct routine audits of all Islamic social fund management institutions. Transparency could also be strengthened through whistleblowing mechanisms and participatory audits, allowing citizens to be directly involved in monitoring fund distribution. Quarterly financial reports audited by international accounting firms should be made mandatory to ensure Sudan's Islamic social fund institutions meet global standards. Such oversight mechanisms would prevent fund misappropriation, reduce opportunities for corruption, and guarantee the long-term sustainability of programs.

Finally, the entire ISF integration strategy in Sudan must be complemented by a clear and measurable impact evaluation framework. Success should not be assessed merely by the amount of funds collected or the number of projects implemented, but rather through more substantive indicators such as Social Return on Investment, Environmental Sustainability Index, and Community Resilience Score. By adopting a comprehensive impact measurement framework, ISF policies will be more responsive to the real challenges faced by post-conflict communities. Partnerships with international research institutions can help develop indicators tailored to Sudan's context, ensuring that evaluation results inform continuous policy improvements. Publicly accessible impact reporting will also strengthen donor confidence and enhance the accountability of Sudan's ISF system. Thus, the integration of Islamic Social Finance into a modern, transparent, and evidence-based governance framework can serve as the foundation for Sudan's sustainable economic revival.

## CONCLUSION

The findings of this study affirm that strengthening the role of Islamic Social Finance (ISF) through the optimization of zakat, waqf, and sadaqah instruments constitutes a significant strategy in supporting Sudan's economic stability in the post-conflict phase. ISF is not only positioned as a financial mechanism capable of addressing urgent needs—such as food provision, healthcare services, and protection for vulnerable groups—but also as a conceptual framework oriented toward sustainable socio-economic reconstruction. Through accountable governance, transparency, and the adoption of digital technology, ISF holds the potential to reinforce public legitimacy, reduce dependency on external aid, and revitalize social solidarity as an integral part of Sudanese Muslim society.

Moreover, the integration of ISF into Sudan's national policy framework offers the prospect of becoming a foundational pillar for inclusive development grounded in social justice. Synergy among the government, Islamic philanthropic institutions, civil society actors, and international development partners is essential to establish an adaptive and sustainable ISF ecosystem. Thus, the implementation of ISF should not be perceived merely as a short-term response to crisis but rather as a structural transformation strategy aimed at strengthening national economic resilience. Furthermore, this model has the potential to serve as a reference for other countries facing similar dynamics, thereby expanding the relevance of ISF within the broader context of global development.

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