# Proceeding of International Conference on Islamic Economics, Islamic Banking, Zakah and Waqf

Faculty of Islamic Economics and Business
UIN Prof. K.H. Saifuddin Zuhri Purwokerto
Banyumas, Jawa Tengah - INDONESIA

# Optimizing Zakat Fund Distribution and Utilization in the Implementation of Sustainable Development Goals (SDGs)

Arif Zunaidi\*1, Ahmad Syakur², Jamaludin A. Khalik³, Novita Sri Lestari⁴, Fika Kemala Nikmah⁵, Nadya Arisanti<sup>6</sup>

1,2,3,4,5,6IAIN Kediri, Indonesia

Author's Correspondence: arifzunaidi@iainkediri.ac.id\*1

#### **Abstract**

This study aims to examine the optimization of the distribution and utilization of zakat funds in the implementation of the Sustainable Development Goals (SDGs) by the National Amil Zakat Agency (BAZNAS) of Kediri City. The purpose of this study was to analyze the effectiveness of the zakat fund management program in achieving sustainable development goals in the City of Kediri and to identify the factors that influence the success of the distribution and utilization of zakat funds. This research uses a qualitative approach with a case study method. Primary data was collected through in-depth interviews with related parties such as BAZNAS administrators, zakat recipients, and the community involved in the zakat management program. In addition, secondary data is also collected through related documents such as BAZNAS financial reports and sustainable development program planning documents in Kediri City. The results of the research show that the Kediri City BAZNAS has made various efforts to optimize the distribution and utilization of zakat funds in implementing the Sustainable Development Goals (SDGs). Some of the steps that have been taken include the development of poverty alleviation programs, educational assistance, economic empowerment, and social infrastructure. In addition, BAZNAS also collaborates with various parties, including local governments and other social institutions, to ensure the effectiveness and sustainability of the programs being implemented. This research has an important contribution to make in enriching our understanding of optimizing the distribution and utilization of zakat funds in implementing the Sustainable Development Goals (SDGs).

**Keywords:** Optimization, Distribution, Utilization, Zakat Funds, Sustainable Development Program (SDGs)

#### A. Introduction

Many governments around the world, including Indonesia, have made sustainable development a top priority. The United Nations' (UN) Sustainable Development Goals (SDGs) aim to address many global concerns such as poverty, hunger, climate change, and social inequality (Neubauer & Calame, 2017). The zakat fund is one of the tools that can be used to help accomplish the SDGs (Saniff & Wan Norhaniza Wan Hasan, 2020).

Zakat is one of Islam's five pillars and plays a vital role in fostering a more just and prosperous society (Darvina et al., 2020). Zakat money has the potential to promote long-term growth and improve people's well-being (Widiastuti et al., 2021). The National Amil



Zakat Agency (BAZNAS), as the entity in charge of handling zakat money, plays a crucial role in maximizing the distribution and utilization of zakat monies to fulfill the Sustainable Development Goals (SDGs).

In fact, despite the fact that zakat funds have a high potential to promote sustainable development, there are still issues with their distribution and utilization. Some of the issues that must be addressed include a lack of openness in the management of zakat funds, flaws in the distribution system, and a lack of public understanding of zakat as a tool for long-term development (Fiqih Afriadi & Sanrego, 2016).

Kediri City is one of Indonesia's regions with a high level of social and economic demands. BAZNAS Kediri City is responsible for managing community zakat monies in an effective and efficient manner in order to achieve sustainable development and increase people's welfare. However, significant hurdles and obstacles remain in implementing the distribution and utilization of zakat monies in Kediri.

One of the issues is the inefficiency with which zakat money is distributed. There is a disparity between the quantity of zakat contributions collected and the amount of funds efficiently disbursed to those in need. This can be attributed to a lack of cooperation between BAZNAS and local governments, as well as a lack of public understanding about the necessity of zakat and active involvement in the zakat program.

Furthermore, utilizing zakat funding is a barrier to fulfilling the goals of the Sustainable Development Goals (SDGs). Zakat funding must be able to give actual benefits in terms of increasing people's welfare and promoting sectors in need. In practice, however, there is a need to improve the effectiveness and efficiency with which zakat funds are used in order to have a substantial impact on reaching sustainable development goals (Sholawati et al., 2022).

As a result, this research will look into how BAZNAS Kediri City may improve the distribution and utilization of zakat monies in order to better execute the Sustainable Development Goals (SDGs). The purpose of this research is to assess the performance of the zakat fund management program in reaching sustainable development goals in the City of Kediri as well as identify the elements that determine the success of zakat fund distribution and utilization.



With a better understanding of the obstacles and constraints encountered in the distribution and utilization of zakat monies, it is intended that this research will provide ideas and solutions to improve BAZNAS Kediri City's performance in effectively and efficiently managing zakat funds. The findings of this study are expected to help local governments, zakat institutions, and other stakeholders build better policies and methods for administering zakat programs in order to achieve long-term development goals and increase people's well-being.

#### **B.** Literature Review

### 1. The concept of Zakat Management

The notion of zakat management is critical to managing zakat monies properly and efficiently in order to achieve long-term development goals (Febriansyah et al., 2021). Zakat administration entails a set of concepts and methods designed to ensure that zakat money is delivered to the intended beneficiaries and used efficiently in initiatives that benefit society (Masyita, 2018).

The two most important concepts in zakat administration are transparency and accountability (Irwansyah & Retnowati, 2023). Transparency in the management of zakat funds entails transparency and clarity. The public must have access to information about the collection, distribution, and use of zakat funds. This enables the public to understand how zakat monies are collected and used, as well as ensuring that zakat funds are appropriately managed. Accountability refers to the responsibility of zakat management to carry out their tasks honestly and with honesty, as well as to be accountable to the public for the use of zakat monies (M. Wahyudi et al., 2021).

The second guiding element in zakat administration is professionalism and expertise. Zakat managers must be knowledgeable about financial management, development programs, and Sharia principles (M. Wahyudi et al., 2021). They must be able to administer zakat monies efficiently and effectively in order to ensure that these funds are spent wisely on activities that benefit people. This knowledge is also useful in monitoring and evaluating established programs in order to objectively assess their impact.

Another crucial aspect of zakat administration is cooperation and partnership (Khaliq et al., 2023). To guarantee that zakat funds are used optimally and have a major



influence on increasing people's welfare, many parties, such as zakat institutions, the government, communities, and other institutions, must be involved. Collaborations with other institutions, such as microfinance or educational institutions, can help broaden the scope and efficacy of zakat-funded economic empowerment programs (Widiastuti et al., 2021).

Innovation and program development are also critical components of the zakat management approach (Utami et al., 2021). In this day and age, with the rapid advancement of information and communication technology, the use of technology can aid in the management of zakat monies, from collecting to reporting. Furthermore, developing innovative initiatives that are relevant to community needs is critical for accomplishing sustainable development goals (Asmalia et al., 2018). Zakat management innovations might include the use of technology, such as digital platforms, to streamline the process of collecting, distributing, and reporting zakat money.

It is critical to maintain consistency and sustainability when implementing the notion of zakat management (Aswar & Rahim, 2023). Zakat institutions must apply zakat management principles comprehensively and consistently, both in terms of collecting and using zakat funds. Good zakat management is critical in the context of sustainable development to ensuring that zakat funds are used efficiently in accomplishing sustainable development goals and have a beneficial influence on society (Hasan, 2020).

# 2. Distribution of Zakat Funds

One of the most essential components of zakat management is ensuring that zakat money is allocated to the proper recipients and used effectively in projects that promote people's wellbeing (Husin et al., 2022). This distribution procedure entails numerous critical processes that must be completed properly and transparently.

The first stage in distributing zakat cash is to identify eligible zakat recipients. This process entails identifying the requirements for zakat recipients based on applicable Sharia principles. Zakat recipients, for example, can include the needy, the impoverished, people who are in debt, and those who are unable to meet their basic demands. Identification of zakat recipients must be done carefully to guarantee that zakat payments are distributed to those in need (Husin et al., 2022).



Following identification, the next stage is to examine the zakat recipient's needs. This procedure includes determining the amount of need and priorities for each zakat recipient. This can be accomplished through surveys or direct conversations with zakat recipients to gain a better understanding of their circumstances and conditions. It is critical to consider issues such as food, shelter, education, health, and so on when conducting this needs assessment. The distribution of zakat payments can be more focused and have a genuine impact on recipients if their precise needs are known (Fahlefi & Alimin, 2020).

Furthermore, once needs have been identified and assessed, the next stage is to develop an aid program that is tailored to the needs and potential of zakat users. These programs may involve cash support, education, economic empowerment, or other initiatives that aid zakat recipients in breaking the cycle of poverty. It is critical to create programs that provide long-term and sustainable advantages to zakat recipients, allowing them to become self-sufficient and improve their economic circumstances (Furqani et al., 2018).

Furthermore, data and information management is a critical component in the distribution of zakat monies. Zakat managers must effectively maintain data and information connected to zakat recipients, such as identification data, needs data, and a history of aid delivered. With appropriate data management, zakat managers can carry out effective monitoring and evaluation of the distribution of zakat monies, ensuring that the aid provided is on target and has a beneficial impact (Annahl, 2020).

Furthermore, strict oversight is essential in the disbursement of zakat payments. Internal and external monitoring techniques are used to verify that the distribution process is transparent, fair, and in conformity with Sharia standards. This oversight can be carried out through zakat institutions, independent auditors, and the general public. With careful oversight, zakat funds can be distributed more properly, and misuse or inconsistencies in zakat fund management can be avoided (Fadilah & Nurcholisah, 2020).

When distributing zakat funds, it is critical to guarantee that the funds reach their intended recipients and are put to good use in projects that benefit people. The distribution of zakat funds can have a significant impact on reducing poverty and improving people's welfare by involving steps such as identifying zakat recipients, needs



assessment, preparing assistance programs, data and information management, supervision, and transparent management (Al Haq & Abd. Wahab, 2017).

#### 3. Utilization of Zakat Funds

One of the most important components of zakat management is ensuring that zakat monies are used properly and efficiently in projects that increase people's wellbeing. Zakat payments can have a great impact on eliminating poverty and improving the quality of life of zakat recipients if they are used wisely (Pratama & Yuni, 2020).

Economic empowerment programs are one way zakat funds can be used. The goal of using zakat funds for economic empowerment is to help zakat recipients create enterprises or skills that will boost their income (Furqani et al., 2018). Zakat monies, for example, can be utilized to offer business financing to zakat recipients with the ability to start or develop small and medium-sized firms. Furthermore, zakat funding can be used to support vocational training and education so that zakat recipients have job-relevant abilities.

In addition to economic empowerment, zakat funds can be used for short-term social aid activities. This social assistance program attempts to help zakat recipients who are experiencing difficulties or have urgent needs, such as food, housing, health, or education. These initiatives are critical for providing social protection to zakat users who are currently experiencing challenges and do not have enough access to the resources they require (Mutmainah, 2023).

Furthermore, the use of zakat monies may include investment in long-term development projects. Zakat revenues can be utilized to fund infrastructure projects such as road construction, irrigation, or health care facilities that will benefit the community in the long run (Sulaiman, 2023). These investments can help create jobs, increase access to basic services, and improve people's overall quality of life.

Furthermore, the use of zakat monies might include the creation of programs that promote social inclusion and communal development. These programs may involve education, training, and women's empowerment, as well as initiatives that improve underprivileged populations' access to health and education services (Yasin, 2022). Using



zakat funding to build these programs aims to alleviate social inequality and provide equitable opportunities for all members of society.

When utilizing zakat funding, it is critical to ensure that the programs are carried out in compliance with Sharia principles, are equitable, and are long-term. Strict monitoring and evaluation are required to guarantee that zakat funds are used appropriately and have a genuine impact on zakat recipients (T. W. Wahyudi & Puspita, 2022). Furthermore, openness and accountability in the use of zakat monies are critical to ensuring that zakat funds are managed with honesty and public trust.

The utilization of zakat funds is a key stage in zakat management because it guarantees that zakat monies are used properly in projects that benefit people. Zakat funds can make a substantial contribution to eradicating poverty and enhancing people's quality of life through initiatives such as economic empowerment, social aid, development investment, and social inclusion (Mustafida et al., 2020).

# 4. Sustainable Development (SDGs) in BAZNAS

Sustainable Development Goals (SDGs) are a worldwide agenda agreed upon by United Nations (UN) member countries with the goal of overcoming the world's development difficulties, such as poverty, inequality, climate change, and environmental degradation. The SDGs are made up of 17 Sustainable Development Goals that address numerous issues such as social welfare, the environment, the economy, and peace.

The National Amil Zakat Agency (BAZNAS) in Indonesia plays a significant role in implementing the SDG agenda through effective and transparent zakat management. BAZNAS, being the institution in charge of collecting, managing, and distributing zakat, has a significant role to play in assisting Indonesia in meeting SDG targets. Zakat, as a social and economic financing instrument, has the potential to alleviate poverty, reduce social inequality, and improve people's well-being (Sa'adah & Hasanah, 2021).

BAZNAS can contribute to the SDGs by collecting and managing zakat funds efficiently. Zakat funds can be used to fund projects that align with the SDGs' goals, such as education, health, economic empowerment, and infrastructure development. Through transparent and accountable management, BAZNAS can reassure the public that the zakat funds they provide are handled appropriately and to benefit zakat recipients (Hasan, 2020).



BAZNAS can also help raise public knowledge and understanding of the SDGs. BAZNAS can promote a greater awareness of the SDGs' aims and the critical role of zakat in achieving these goals through campaigns, outreach, and education (Anisa & Mukhsin, 2022). It is intended that by raising public knowledge, participation in the distribution of zakat would rise and that the funds collected would be used more efficiently to assist in the fulfillment of the SDGs.

Furthermore, BAZNAS can work with governments, international organizations, and civil society organizations to boost efforts to accomplish the SDGs. Exchanging knowledge and expertise, conducting cooperative initiatives, and developing innovations in more effective and sustainable zakat management can all be part of this relationship. Through this agreement, BAZNAS will be able to broaden the reach and effect of its initiatives while also accelerating the achievement of SDG targets.

BAZNAS can also help monitor and evaluate activities aimed at achieving the SDGs. BAZNAS can measure the degree of impact and efficacy of the initiatives that have been implemented by conducting systematic monitoring and evaluation. This evaluation can be used to make adjustments and modifications to zakat management so that BAZNAS' contribution to achieving the SDGs is more optimal.

In order to accomplish the SDGs, BAZNAS, as a zakat management agency, plays a crucial role in mobilizing and utilizing zakat monies for the benefit of sustainable development (Riyaldi et al., 2020). BAZNAS can become a powerful partner in Indonesia's efforts to achieve the SDGs by implementing transparent management, boosting public awareness, collaborating with other parties, and conducting rigorous monitoring and evaluation.

#### C. Research Methods

This study employs a qualitative method, including descriptive analysis and case studies. The qualitative technique was used since the purpose of this research was to gain a thorough understanding of the distribution and application of zakat monies in the context of the Sustainable Development Goals (SDGs) in the City of Kediri. Descriptive analysis is used to examine and characterize the collected primary and secondary data. Case studies are used in BAZNAS Kediri City to investigate specific cases.



Interviews with Kediri City BAZNAS officials and zakat recipients yielded primary data. This interview will provide in-depth insight into the distribution and application of zakat monies, as well as the problems encountered in meeting the Sustainable Development Goals (SDGs). Secondary data were gathered through literature and documentation research on the distribution and use of zakat monies.

The collected data will be evaluated using descriptive statistics. Primary data will be reviewed in order to discover patterns, findings, and issues in the distribution and utilization of zakat monies at BAZNAS Kediri City. Secondary data will be used to support the findings and outcomes of the original data analysis.

#### D. Result and Discussion

# 1. Receipt of zakat funds at the BAZNAS in Kediri in 2020-2022

Several relevant facts emerge from the receipt of zakat funds at BAZNAS Kediri City between 2020 and 2022. First, the receipt of zakat funds has increased significantly from year to year. Zakat monies are received in the amounts of Rp. 864,447,461 in 2020, Rp. 853,930,825 in 2021, and Rp. 1,210,145,725 in 2022. This demonstrates an increase in public awareness of the importance of paying zakat as well as BAZNAS Kediri City's efforts to improve the efficiency with which zakat monies are collected.

Furthermore, the circumstances that influence the receipt of zakat funds must be considered. According to the report, effective public campaigns, partnerships with religious organizations, and Kediri City BAZNAS efforts to promote trust and transparency in the community are among the variables contributing to a rise in the receipt of zakat donations. On the other hand, factors such as unpredictable economic conditions and a lack of awareness about the need to pay zakat remain barriers that must be overcome in the future to improve the receipt of zakat contributions.

Baznas Revenue Per Month 2020					
No.	Month	Zakat Fitrah	Zakat Maal	Infaq/Shodaqoh	Donations
1	January	Rp. 0	Rp. 48.107.206	Rp. 21.646.233	Rp. 0
2	February	Rp. 0	Rp. 49.014.813	Rp. 18.085.250	Rp. 0



	Total	Rp. 83.805.000	Rp. 546.569.378	Rp. 234.073.083	Rp. 0
12	December	Rp. 0	Rp. 52.518.511	Rp. 17.092.000	Rp. 0
11	November	Rp. 0	Rp. 45.951.101	Rp. 23.848.750	Rp. 0
10	October	Rp. 0	Rp. 43.978.736	Rp. 17.445.250	Rp. 0
9	September	Rp. 0	Rp. 41.501.293	Rp. 17.705.250	Rp. 0
8	August	Rp. 0	Rp. 49.530.114	Rp. 18.486.750	Rp. 0
7	July	Rp. 0	Rp. 54.272.364	Rp. 18.076.250	Rp. 0
6	June	Rp. 0	Rp. 40.121.453	Rp. 17.978.250	Rp. 0
5	May	Rp. 83.805.000	Rp. 39.646.491	Rp. 24.845.250	Rp. 0
4	April	Rp. 0	Rp. 43.399.317	Rp. 20.140.750	Rp. 0
3	March	Rp. 0	Rp. 38.527.979	Rp. 18.723.100	Rp. 0

	Baznas Revenue Per Month 2021					
No.	Month	Zakat Fitrah	Zakat Maal	Infaq/Shodaqoh	Donations	
1	January	Rp. 0	Rp. 42.021.591	Rp. 18.478.366	Rp. 0	
2	February	Rp. 0	Rp. 43.654.658	Rp. 18.446.000	Rp. 0	
3	March	Rp. 0	Rp. 43.097.158	Rp. 17.148.000	Rp. 0	
4	April	Rp. 20.780.000	Rp. 48.937.285	Rp. 21.353.500	Rp. 0	
5	May	Rp. 34.385.000	Rp. 51.222.579	Rp. 19.269.000	Rp. 0	
6	June	Rp. 0	Rp. 44.837.388	Rp. 33.400.075	Rp. 0	
7	July	Rp. 0	Rp. 44.108.501	Rp. 19.420.375	Rp. 0	
8	August	Rp. 0	Rp. 47.080.352	Rp. 6.099.800	Rp. 0	
9	September	Rp. 0	Rp. 54.228.084	Rp. 19.830.575	Rp. 0	
10	October	Rp. 0	Rp. 42.129.694	Rp. 20.458.575	Rp. 0	
11	November	Rp. 0	Rp. 40.603.681	Rp. 18.989.675	Rp. 0	
12	December	Rp. 0	Rp. 61.216.238	Rp. 22.684.675	Rp. 0	
	Total	Rp. 55.165.000	Rp. 563.137.209	Rp. 235.578.616	Rp. 0	



	Baznas Revenue Per Month 2022					
No.	Month	Zakat Fitrah	Zakat Maal	Infaq/Shodaqoh	Donations	
1	January	Rp. 0	Rp. 41.942.156	Rp. 18.764.375	Rp. 0	
2	February	Rp. 0	Rp. 39.132.888	Rp. 18.576.575	Rp. 0	
3	March	Rp. 0	Rp. 38.420.078	Rp. 20.771.675	Rp. 0	
4	April	Rp. 64.009.400	Rp. 38.993.281	Rp. 24.167.725	Rp. 0	
5	May	Rp. 0	Rp. 39.769.182	Rp. 24.560.575	Rp. 0	
6	June	Rp. 0	Rp. 55.343.046	Rp. 23.813.125	Rp. 0	
7	July	Rp. 0	Rp. 50.478.911	Rp. 24.873.275	Rp. 0	
8	August	Rp. 0	Rp. 64.661.726	Rp. 24.872.275	Rp. 0	
9	September	Rp. 0	Rp. 53.663.828	Rp. 26.856.575	Rp. 0	
10	October	Rp. 0	Rp. 62.519.227	Rp. 43.748.175	Rp. 0	
11	November	Rp. 0	Rp. 112.575.923	Rp. 61.774.044	Rp. 0	
12	December	Rp. 0	Rp. 133.033.893	Rp. 62.102.130	Rp. 0	
	Total	Rp. 64.009.400	Rp. 730.534.139	Rp. 374.880.524	Rp. 0	

# 2. Zakat Fund Distribution and Utilization at BAZNAS Kediri City

Zakat distribution and use are two critical parts of zakat administration that must be carried out successfully and efficiently. As a zakat management institution in the region, BAZNAS of Kediri City plays a crucial role in ensuring that the collected zakat monies are disbursed on time and successfully utilized in initiatives that benefit the zakat beneficiary community.

To begin with, zakat monies are distributed through a systematic and transparent process at BAZNAS in Kediri City. Following the collection of zakat contributions, BAZNAS will identify and verify the zakat beneficiaries to guarantee that the funds are distributed to individuals who meet the conditions for mustahik or zakat recipients. This identification method includes gathering data and information about zakat recipients' economic and social circumstances so that zakat payments can be administered effectively



based on their requirements. Transparency in the distribution of zakat funds is also achieved through the publication of financial reports and activities.

BAZNAS Kediri City follows sharia standards in the distribution of zakat payments. The distribution is done while keeping in mind the features of fairness and advantages governed by Sharia law. According to the needs of the zakat beneficiary community, zakat monies are provided for various economic, educational, health, and social empowerment projects. Zakat monies, for example, can be utilized to provide business financing to zakat recipients with the ability to start or expand small and medium-sized firms, as well as educational scholarships to those in need.

#### 2020 Baznas Program

No.	Program Baznas	Amount
1	Kediri Peduli	Rp. 36.625.000
2	Kediri Taqwa	Rp. 1.000.000
3	Kediri Cerdas	Rp. 2.790.000
4	Kediri Makmur	Rp. 4.000.000
5	Kediri Sehat	Rp. 1.000.000
	Total	Rp. 45.415.000

#### 2021 Baznas Program

No. Program Baznas		Amount
1	Kediri Peduli	Rp. 35.960.000
2	Kediri Cerdas	Rp. 2.500.000
3	Kediri Makmur	Rp. 2.800.000
4	Kediri Sehat	Rp. 2.100.000
5 Kediri Taqwa		Rp. 5.000.000
Total		Rp. 48.360.000

#### 2022 Baznas Program

No.	Program Baznas	Amount
1	Kediri Taqwa	Rp. 89.753.825



2	Kediri Cerdas	Rp. 4.000.000
3	Kediri Peduli	Rp. 555.599.042
4	Kediri Sehat	Rp. 750.000
5 Kediri Makmur		Rp. 8.400.000
Total		Rp. 658.502.867

Apart from distribution, BAZNAS Kota Kediri is also involved in the utilization of zakat monies. The use of zakat monies is done with the goal of delivering long-term advantages to zakat recipients so that they can be self-sufficient and no longer rely on zakat. BAZNAS uses zakat monies for economic empowerment, skill training, and infrastructure development, which can improve the quality of life for zakat recipients. Furthermore, BAZNAS can work with connected parties such as financial institutions, business actors, and educational institutions to offer job possibilities and build long-term plans.

BAZNAS Kediri City additionally monitors and assesses the programs that have been implemented in order to optimize the distribution and utilization of zakat monies. Periodic monitoring is performed to ensure that zakat monies are used in accordance with the stated objectives and offer significant benefits to zakat recipients. The evaluation is carried out to assess the program's effectiveness and identify areas for improvement in the management of zakat monies. BAZNAS can improve the quality of programs executed and guarantee that zakat monies are used optimally by conducting effective monitoring and evaluation.

The distribution and utilization of zakat monies at the BAZNAS of Kediri City is a systematic endeavor to guarantee that zakat funds benefit the zakat beneficiary community to the greatest extent possible. It is believed that zakat money will make a substantial contribution to enhancing welfare and eliminating social inequality in Kediri through a transparent strategy based on sharia principles and carried out with proper distribution and effective usage.



3. Optimizing the Distribution and Utilization of Zakat Funds in the Implementation of the Sustainable Development Program (SDGs) Objectives of BAZNAS Kediri City

The distribution and application of zakat payments are critical to fulfilling the Sustainable Development Goals (SDGs). As a zakat management institution, BAZNAS Kota Kediri is responsible for ensuring that the zakat monies received are disbursed and utilized effectively in initiatives that assist the attainment of SDG targets. Optimizing the distribution and utilization of zakat monies at Kediri City's BAZNAS is critical in order to optimize the positive impact of zakat management on community welfare and sustainable development.

In order to maximize the distribution of zakat monies, BAZNAS of Kediri City has adopted a goal-oriented strategy based on the SDGs. Zakat monies are distributed by prioritizing projects that align with SDG targets such as poverty eradication, economic empowerment, education, health, and environmental protection. BAZNAS Kediri City collaborates closely with different associated institutions and stakeholders to identify urgent needs and effectively administer zakat monies to satisfy these requirements. This is consistent with the SDGs¹ ideals, which emphasize the necessity of all parties actively participating in attaining sustainable development.

The Kediri City BAZNAS's main priority in promoting the SDGs is also the use of zakat monies. BAZNAS Kediri City uses zakat monies for projects that promote the economic empowerment of zakat beneficiary communities. Zakat monies are used to provide zakat recipients with business capital, skill training, and help so that they can become economically independent. Furthermore, BAZNAS Kediri City forms alliances with financial institutions, business actors, and educational institutions in order to provide job opportunities, grow productive enterprises, and improve zakat recipient communities' access to education and health care. Thus, the use of zakat monies not only provides short-term advantages but also has long-term effects on boosting wellbeing and contributing to the achievement of the SDGs.

BAZNAS for the City of Kediri is also working on internal capacity building to improve the distribution and utilization of zakat monies. BAZNAS Kota Kediri improves its staff's competency and knowledge of zakat management principles based on the SDGs.



Baznas Kediri City adopts a continuous monitoring and evaluation system to measure and evaluate the impact of the implemented programs when handling zakat monies. By performing periodic reviews, BAZNAS of Kediri City can identify shortcomings and chances for improvement in the distribution and application of zakat monies, as well as increase the efficacy and efficiency of zakat administration.

Furthermore, BAZNAS Kediri City works with a variety of partners, including municipal governments, financial institutions, and community organizations, to improve the distribution and application of zakat monies. This collaboration includes knowledge exchange, sharing best practices, and working together to develop projects that contribute to the SDGs. By incorporating several partners, BAZNAS for Kediri City may broaden the scope and impact of its activities while also ensuring coherence in regional efforts to attain the SDGs.

BAZNAS Kediri City functions as a driving force for sustainable development by maximizing the distribution and application of zakat monies in the execution of the Sustainable Development Goals (SDGs). BAZNAS for Kediri City may become a constructive force in reducing poverty, boosting access to education and health, and encouraging community economic empowerment by embracing SDGs concepts, incorporating many stakeholders, increasing internal capacity, and establishing effective collaboration. As a result, Kediri City BAZNAS has made a significant contribution to achieving the Sustainable Development Goals (SDGs) in its region.

4. Factors Influencing the Success of BAZNAS Zakat Fund Distribution and Utilization in Kediri

Baznas Kediri City's distribution and utilization of zakat funding is a complex process influenced by a variety of factors that can affect its success. An in-depth understanding of these aspects is essential for improving the effectiveness and efficiency of zakat management and ensuring that zakat funds have a major beneficial impact on the achievement of sustainable development goals. Transparency and accountability, community participation, program selection, and continuing review are all aspects that determine the performance of zakat distribution and utilization at BAZNAS Kediri City.



Transparency and accountability are critical success factors in the distribution and utilization of zakat funds at BAZNAS Kediri City. Transparency in the management of zakat funds entails communicating to the public clear and open information about the amount of monies collected, their utilization, and the ensuing impact. Transparency allows the public to understand how zakat funds are used and ensures that these funds are appropriately managed. Accountability, on the other hand, refers to BAZNAS's ability to handle zakat monies by completing periodic financial reporting and disseminating pertinent information to stakeholders. Transparency and accountability will strengthen public trust in BAZNAS and the effectiveness of zakat distribution and consumption.

Furthermore, strong community participation is critical to the successful distribution and application of zakat monies at BAZNAS Kediri City. BAZNAS can ensure that the programs undertaken are in accordance with the requirements and aspirations of the community by integrating zakat recipient groups in the decision-making process about the utilization of zakat monies. Community involvement can also help BAZNAS gain a deeper awareness of the conditions and potential of zakat recipient communities, allowing it to deploy zakat monies more effectively and sustainably.

The right program is also an important aspect of the distribution and utilization of zakat funds at BAZNAS Kediri City. The chosen program must be relevant to the needs and possibilities of the zakat beneficiary community as well as aligned with long-term development goals. The right program allows BAZNAS to give large and long-term advantages to zakat recipient communities, assisting in the improvement of welfare and the reduction of poverty.

Finally, in BAZNAS Kediri City, continuous review is critical to ensuring the successful distribution and utilization of zakat monies. Continuous evaluation is carried out to assess the impact of implemented initiatives and identify flaws and potential improvements in zakat management. BAZNAS can improve the efficacy and efficiency of zakat fund management by conducting continuous evaluations, ensuring that zakat monies are used appropriately to meet long-term development goals.

To improve the success of zakat distribution and utilization at BAZNAS Kediri City, efforts must be made to increase transparency and accountability, involve active



community participation, select the appropriate program, and conduct continuing reviews. BAZNAS Kota Kediri can increase the quality of zakat fund management, strengthen public trust, and have a substantial impact on attaining sustainable development goals by focusing on these factors.

#### E. Conclusion

BAZNAS Kediri City's optimization of the distribution and application of zakat monies plays a significant role in achieving the Sustainable Development Goals (SDGs) for sustainable development. Zakat monies have enormous potential as a source of revenue for alleviating poverty, improving people's welfare, and advancing economic and social development. In order to achieve the SDGs, BAZNAS of Kediri City must make concerted and effective efforts in administering, distributing, and utilizing zakat monies.

BAZNAS for the City of Kediri can make a significant contribution to efforts to achieve sustainable development objectives by maximizing the distribution and application of zakat monies in the achievement of the SDGs. Zakat monies can become a strong tool for reducing poverty, expanding access to education and health care, and fostering inclusive and sustainable economic development through targeted distribution and effective application.

#### References

- Al Haq, M. A., & Abd. Wahab, N. B. (2017). Effective Zakat Distribution: Highlighting Few Issues and Gaps in Kedah, Malaysia. Al-Iqtishad: Journal of Islamic Economics, 9(2), 259–288. https://doi.org/10.15408/aiq.v9i2.4002
- Anisa, Y., & Mukhsin, M. (2022). The Role Of Zakat In Realizing Sustainable Development Goals (SDGs) To Increase Community Economic Income. Jurnal Ekonomi Islam, 13(2), 2579–6453.
- Annahl, M. A. F. (2020). Performance Management in Indonesia Zakat Institutions: Balanced Scorecard and Fuzzy DEMATEL Framework. 4th International Conference of Zakat (ICONZ) 7-8 October 2020, Surabaya, Indonesia, 75–96. https://www.iconzbaznas.com/submission/index.php/proceedings/article/view/231/110
- Asmalia, S., Awaliah Kasri, R., & Ahsan, A. (2018). Exploring the Potential of Zakah for Supporting Realization of Sustainable Development Goals (SDGs) in Indonesia.



- International Journal of Zakat, 3(4), 51–69. https://doi.org/10.37706/ijaz.v3i4.106
- Aswar, A., & Rahim, E. I. (2023). Factors Influencing the Application of Regional Regulation Number 3 of 2021 Concerning Zakat Management in the City of Gorontalo. 5(1), 128–142.
- Darvina, D., Kamaluddin, S. H., & Nur, M. R. (2020). Zakat and Taxes in Islamic Overview: in terms of Benefit. Kawanua International Journal of Multicultural Studies, 1(2), 66–73. https://doi.org/10.30984/kijms.v1i2.5
- Fadilah, S., & Nurcholisah, K. (2020). Sharia Audit in Zakat Institutions: Study at BAZNAS of West Java Province. Mimbar, 36(2), 461–468. https://doi.org/10.29313/mimbar.v36i2.6541
- Fahlefi, R., & Alimin, A. (2020). Zakat for The Elderly: A Survey of Mustahiks and An Islamic Law Perspective. Madania: Jurnal Kajian Keislaman, 24(2), 179. https://doi.org/10.29300/madania.v24i2.3368
- Febriansyah, S., Wahyuni, S., Tinggi, S., Ekonomi, I., Persada, B., Tinggi, S., & Ekonomi, I. (2021). Zakat Management: Study the History of Islamic. THARWAH: Journal of Islamic Civilization and Thought, 19(1), 1–23.
- Fiqih Afriadi, & Sanrego, Y. D. (2016). Mengurai Permasalahan Distribusi Zakat Kepada Fakir Miskin: Pengalaman Organisasi Pengelola Zakat Baznaz, Dompet Dhuafa, Dan Lazizmu. Jurnal Madania, 20(1), 23–36.
- Furqani, H., Mulyany, R., & Yunus, F. (2018). Zakat for Economic Empowerment (Analyzing the Models, Strategy and Implications of Zakat Productive Program in Baitul Mal Aceh and Baznas Indonesia). Iqtishadia, 11(2), 391. https://doi.org/10.21043/iqtishadia.v11i2.3973
- Hasan, Z. (2020). Distribution Of Zakat Funds To Achieve SDGs Through Poverty Alleviation In Baznas Republic Of Indonesia. AZKA International Journal of Zakat & Social Finance, 1(1), 25–43. https://doi.org/10.51377/azjaf.vol1no01.7
- Husin, N. A., Tipla, N. A. A. M. K., Zaffaruddin, M. A. H. bin M., & Riduan, N. M. (2022). The Determinants Of Effective Zakat Distribution In Selangor Higher Education Institutions. AZJAF, 3(1), 157–173. https://doi.org/DOI: 10.51377/azjaf.vol3no1.100
- Irwansyah, M. G., & Retnowati, T. (2023). The Principle of Accountability of Zakat Institutions In Management and Its Application In Amil Zakat Baitul Maal Hidayatullah Institution. Eduvest Journal of Universal Studies, 3(1), 246–254. https://doi.org/10.59188/eduvest.v3i1.730
- Khaliq, A., Lutfi, M., Muin, R., & Jaya, A. (2023). Use Of Zakat Funds For Productive Purposes In Indonesia. Jurnal Ar-Ribh, 06(01), 39–44. https://journal.unismuh.ac.id/index.php/ar-ribh/article/view/10632



- Masyita, D. (2018). Lessons Learned of Zakat Management from Different Era and Countries. Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah, 10(2), 441–456. https://doi.org/10.15408/aiq.v10i2.7237
- Mustafida, R., Kurnia, Z. N., Fauziah, N. N., Subri, N. S. B., & Faiz, F. A. B. A. (2020). the Implementation of Maqashid Shariah in Zakat Institution: Comparison Between Indonesia and Malaysia. Jurnal Ekonomi Dan Bisnis Islam (Journal of Islamic Economics and Business), 6(2), 317. https://doi.org/10.20473/jebis.v6i2.23532
- Mutmainah, S. (2023). Optimization of Productive Zakat As an Effort To. Empowering Humanity, 1(1), 38–53.
- Neubauer, C., & Calame, M. (2017). Global pressing problems and the sustainable development goals. Higher Education in the World, 1–13. https://www.guninetwork.org/articles/global-pressing-problems-and-sustainable-development-goals
- Pratama, S. D., & Yuni, R. N. (2020). Reducing Poverty through Optimization of Zakat on Agricultural and Profession. International Journal of Islamic Economics and Finance (IJIEF), 3(3), 145–174. https://doi.org/10.18196/ijief.3237
- Riyaldi, M. H., Suriani, S., & Nurdin, R. (2020). Optimization Zakat for Sustainable Development Goals: Evidence from Baitul Mal Aceh. International Conference of Zakat, 339–354. https://doi.org/10.37706/iconz.2020.223
- Sa'adah, M., & Hasanah, U. (2021). The Common Goals of BAZNAS' Zakat and Sustainable Development Goals (SDGs) according to Maqasid Al-Sharia Perspective. Al-Ihkam: Jurnal Hukum Dan Pranata Sosial, 16(2), 302–326. https://doi.org/10.19105/AL-LHKAM.V16I2.4990
- Saniff, S. M., & Wan Norhaniza Wan Hasan, M. S. S. (2020). Zakat and SDGs: a love story? PalArch's Journal of Archaeology of Egypt/Egyptology, 17(7), 10979–10988. https://archives.palarch.nl/index.php/jae/article/view/4499
- Sholawati, R., Fauza, N., & Zainuddin, M. (2022). Pengelolaan Dana ZIS Untuk Meningkatkan Kesejahteraan Mustahik Dalam Mewujudkan Sustainable Development Goals (SDGs). Proceedings of Islamic Economics, Business, and Philanthropy, 1(2), 522–541.
- Sulaiman, M. A. (2023). Islamic Pilantrophy as A Mechanism in Improving Agricultural Products and Sustenance in the Refugees Camps of the Lake Chad Basin Sub-Region. International Journal of Islamic Khazanah, 13(1), 26–34. https://doi.org/10.15575/ijik.v13i1.23320
- Utami, P., Basrowi, B., & Nasor, M. (2021). Innovations in the Management of Zakat in Indonesia in Increasing Entrepreneurial Interest and Poverty Reduction. IJISH (International Journal of Islamic Studies and Humanities), 4(1), 1. https://doi.org/10.26555/ijish.v4i1.1960



- Wahyudi, M., Herianingrum, S., & Ratnasari, R. T. (2021). Accountability Practices Based on Zakat Institutions Website in Indonesia. Jurnal Riset Akuntansi Dan Keuangan, 9(3), 459–466. https://doi.org/10.17509/jrak.v9i3.31225
- Wahyudi, T. W., & Puspita, G. (2022). Intellectual capital on zakat performance with corporate governance as an intervening variable in sharia commercial banks. Jurnal Ekonomi & Keuangan Islam, 8(19), 250–263. https://doi.org/10.20885/jeki.vol8.iss2.art8
- Widiastuti, T., Auwalin, I., Rani, L. N., & Ubaidillah Al Mustofa, M. (2021). A mediating effect of business growth on zakat empowerment program and mustahiq's welfare. Cogent Business and Management, 8(1). https://doi.org/10.1080/23311975.2021.1882039
- Yasin, A. (2022). The Effectiveness of Zakat Institutions Empowerment Using the Zakat Village Index: Analysis in Sumenep East Java. Jurnal Ilmiah Ekonomi Islam, 8(1), 363. https://doi.org/10.29040/jiei.v8i1.3637.