

Wakalah as a Framework for NGO Public Fund Governance: Towards Accountability and Sustainability in Malay-Islamic Eco-Theology

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Abstract: Wakalah is a fundamental instrument in Islamic commercial jurisprudence, founded upon the principles of representation, amanah (trust) and responsibility. In the context of public fund management by Non-Governmental Organizations (NGOs), the principles embedded in wakalah have the potential to function as a governance framework that enhances accountability while promoting more sustainable resource management. Nevertheless, issues such as unclear mandates, weak governance, fund mismanagement and organizational sustainability challenges continue to undermine public confidence in NGO institutions. Accordingly, this study aims to examine the potential of wakalah as a governance framework for NGO public fund management and to analyse its contribution to strengthening accountability and sustainability from the perspective of Malay-Islamic Eco-Theology. This study adopts a qualitative approach through library-based research by examining primary and secondary sources related to wakalah, NGO governance, accountability, sustainability and Malay-Islamic Eco-Theology. The documents are analysed to identify the relationship between the principles of wakalah as a key element of an effective governance framework. The findings indicate that the principles of wakalah, including *amanah* (trust), accountability, transparency, the preservation of *maslahah* and responsibility, possess significant potential to establish a more integrity-driven framework for public fund governance. The study further demonstrates that the principles of wakalah are consistent with the values of Malay-Islamic Eco-Theology in strengthening social responsibility, promoting prudent resource management and ensuring the accountability and sustainability of NGO institutions. Finally, the study proposes the development of a Wakalah Framework that can serve as a theoretical guideline for enhancing the credibility of NGO public fund governance in accordance with Shariah principles and sustainability objectives.

Keywords: Wakalah Framework, NGO, public fund governance, accountability, sustainability, Malay-Islamic Eco-Theology.

Introduction

Wakalah is one of the Islamic commercial contracts whose permissibility has been unanimously agreed upon by Muslim jurists. According to Ibn Qudamah (1997, p. 198), *wakalah* is generally permissible because there is a practical need for its implementation to remove hardship and facilitate human affairs. Islamic law permits acts of representation, whether a person appoints another as an agent or acts as an agent on behalf of someone else. This permissibility is supported by hadiths describing the Prophet Muhammad (peace be upon him) appointing his Companions to undertake various matters on his behalf, such as the purchase and sale of sheep, as well as by the practical necessity for people to delegate their affairs to others.

Originally, the *wakalah* contract is classified as a non-binding (*ghayr lazim*) contract, meaning that it does not legally bind the contracting parties because it is established on the basis of benevolence and mutual assistance. As a non-binding contract, either party may terminate the agreement without the consent of the other party. However, when the agency arrangement involves remuneration, commonly referred to as *wakalah bil ujrah*, the nature of the contract changes from a non-binding contract to a binding (*lazim*) contract that legally binds both contracting parties (Syubayr M. O., 2021). Consequently, any decision concerning the contract requires the mutual consent of both parties.

After examining the practices of non-governmental organisations (NGOs) in public fundraising or crowdfunding activities, *wakalah* is considered an appropriate Islamic commercial contract for application by NGOs. Specifically, the NGO acts as an agent on behalf of the donor, who serves as the principal, to deliver the donated funds to those in need. In addition, NGOs retain a portion of the donated funds as a management fee to cover staff salaries, operational premises, and the sustainability of their voluntary operations. Unfortunately, cases of misconduct frequently occur in either the operational or management aspects of NGOs, resulting in negative public perceptions. These conflicts reflect one of the crises affecting sustainable development, where failures in sustainability may ultimately contribute to broader socio-economic collapse. Such concerns are justified because NGOs serve as important drivers of socio-economic development within the third sector, alongside government support.

In response to the governance issues faced by NGOs, this study examines them through the concept of Malay-Islamic Eco-Theology, which refers to the integration of the Malay-Islamic civilisation of the Malay World (Nusantara) with an ideological perspective that views the existence of nature through the lens of Islam. This

perspective serves as the foundation for understanding both the causes of and solutions to sustainability crises. In other words, Eco-Theology provides a religious understanding that is contextualised within environmental concerns, particularly regarding human responsibility for environmental stewardship (Quddus, 2012, p. 317). Accordingly, the scope of Eco-Theology encompasses the relationship between human beings, nature, and God (Mujiyono, 2005, p. 5).

This study is worth undertaking because it represents an academic effort to contribute ideas towards environmental sustainability, particularly from the perspective of sustainable development, formally recognised through the Sustainable Development Goals (SDG), specifically Peace, Justice and Strong Institutions. Furthermore, according to the International Law Association, sustainability has been recognised as one of the global objectives accepted as a legal principle across countries (ILA, 2002). Beyond that, this study also seeks to translate the values embedded in Malay-Islamic Eco-Theology, which remain largely abstract, into a more practical and applicable context through NGO public fund governance based on a *wakalah* framework. This framework serves as a Shariah-compliant governance structure for strengthening accountability and sustainability.

Method

This study adopts a qualitative approach to identify the components required for developing a *wakalah* framework as a theoretical framework for ethical NGO public fund governance. For data collection, the study employs a library research method to gather data from the existing literature, which is subsequently classified into four main themes: *wakalah* contracts, NGO public fund governance, accountability and sustainability, and Malay-Islamic Eco-Theology.

For data analysis, the study applies document analysis using a conceptual analysis approach to identify the concepts, principles, and relationships among the themes examined. Subsequently, to develop a *wakalah*-based framework for NGO public fund governance as an ethical governance model, the study employs a theoretical framework approach to establish the connections between the relevant thematic concepts. The outcome of the study is a *Wakalah Framework* for NGO public fund governance that is grounded in Shariah principles while incorporating the values of Malay-Islamic Eco-Theology, particularly to achieve accountability and sustainability.

Results and Discussion

1. Human and Nature: History, Relationship and Perspectives

During the Middle Ages, the relationship between humans and nature was commonly understood as one in which humans were the owners or rulers of the natural world (Lynn White Jr., 1967, p. 1205). Similarly, Occidental thought, influenced by the Judaeo-Christian doctrine, maintained that all creations in this world were objects for human use (Ben A. Minter & Robert E. Manning, 2022, p. xx). This perspective viewed the existence of nature as serving to satisfy human desires and further asserted that the domination of nature was the will of God. Consequently, it justified the unlimited exploitation of natural resources by humans. This worldview is commonly referred to as the anthropocentric humanist perspective (Lynn White Jr., 1967, p. 1205). Furthermore, capitalist thought, first introduced by Martin Luther, developed into a system whose principles and practices gave little recognition to moral and ethical values, focusing instead primarily on material gain and economic profit while neglecting spiritual dimensions (Quddus, 2012, p. 325). As a result, this ideology has indirectly contributed to a spiritual crisis in which humans have become increasingly indifferent towards nature, allowing environmental destruction to become more widespread.

To address the sustainability crisis, humanity must restore religion as the foundation of ethical and moral values in human affairs, providing the basis for overcoming ecological challenges (Seyyed Hossein Nasr, 1989, p. 84). The incorporation of Islamic values in establishing principles of environmental sustainability is referred to as Islamic eco-theology. This perspective differs fundamentally from the principles of the Judaeo-Christian tradition, anthropocentric humanism, capitalism, and similar ideologies by providing moral guidance for human responsibility towards environmental sustainability from an Islamic perspective.

Islam maintains that human existence in this world is governed by values and rules prescribed by religion, which in turn influence human interactions with nature. From a religious perspective, humans are created to benefit from natural resources while adhering to moral and ethical values. At the same time, humans are merely users of nature and are incapable of adding value to the natural or ecological system. This is evident from the fact that the natural world functions according to its own order without human intervention. Therefore, according to Islam, the only meaningful way for humans to contribute to nature is by protecting and preserving its sustainability (ISRA, 2016).

One of the primary ways humans benefit from, or exploit, nature is through economic activity. Islam does not reject the need for economic activity but requires that such activities be carried out in a manner that protects the natural environment (Bagader, 1994). The economy and the environment are closely interconnected because

economic considerations are often used to justify the utilisation of natural resources. Moreover, natural resources are frequently regarded as common property that may be used by anyone. Likewise, when natural resources are viewed as human property, individuals tend to maximise their exploitation for personal benefit, ultimately resulting in adverse consequences for society (Hardin, 1968, p. 1244). From the Islamic perspective, economic development is regarded as a form of worship and devotion to God. Therefore, humans are required to avoid behaviour that causes environmental degradation (Poderati, 2021, p. 10).

2. Malay-Islamic Eco-Theology: The Relationship Between Malay-Islamic Ethics and Eco-Theology

Historical records indicate that the formation of Malay culture, which continues to be inherited today, was significantly influenced by the spread of Islamisation throughout the Nusantara region (Nik Hasan & Arai, 2024). It can therefore be understood that one of the defining characteristics of Malay identity is adherence to Islam. Although Hinduism and Buddhism had influenced the Malay community for approximately 800 years, their values were never fully assimilated into the ethics and civilisation of the Malay people (Zakaria, 2012). Furthermore, the Malay ethnic identity is commonly associated with three main characteristics: practising Islam, residing within the Malay Archipelago (Nusantara), and possessing a distinctive socio-cultural identity.

Likewise, one of the defining features of Malay customs and culture is the close relationship between the Malay community and the natural environment, as well as the deep respect accorded to nature. This is reflected in various forms of cultural expression, including Malay proverbs and traditional customs. Environmental stewardship has also become part of Malay customary practice, influenced by certain traditional beliefs that regard nature as possessing a spiritual dimension and prescribe specific taboos governing human interaction with the natural environment (Afriani & Darusalam, 2025).

The relationship between the Malay community and Islam demonstrates that Islamic faith has become the foundation for the development of Malay culture (Ismail et al., 2012; Zakaria, 2012; Hussin et al., 2025). Islam is a religion that values intellectual inquiry and rational thought, while remaining accessible and promoting a balanced approach to both worldly life and the Hereafter. These characteristics contributed to the acceptance of Islam among the Malay people. As Islam became established within Malay society, it marked the beginning of a transformation in Malay thought and philosophy of life. Consequently, Islam played a significant role in liberating Malay society from intellectual stagnation. The period following the arrival of Islam is therefore regarded as a new era characterised by the development of rationalism and intellectualism. During this period, Malay civilisation produced literary, philosophical, and religious works that reflected this intellectual advancement (Zakaria, 2012). Studies have also shown that the Malay community possesses a strong intellectual tradition.

Among the Islamic elements that shape Malay identity are the principles of *aqidah* (creed), Shariah, and *akhlak* (ethics), which cultivate the spiritual values of the Malay community by continuously linking worldly life with the Hereafter. Daily life is guided by the commands of Allah SWT and the Sunnah of the Prophet Muhammad (peace be upon him). Furthermore, the social and economic aspects of Malay life are structured according to the legal principles established by Islamic Shariah (Hussin et al., 2025). For the Malay community, Islam is not merely a religious belief but also the primary factor shaping behaviour and Malay identity (Muhamad & Ab. Ghani, 2006). Therefore, if Malay culture is fundamentally shaped by Islam, then Islam itself constitutes an integral part of Malay culture.

Accordingly, the term *Malay-Islamic* in the phrase *Malay-Islamic Eco-Theology* should be understood as a single, integrated concept, as the term *Malay* itself refers to an ethnic community whose identity is inseparable from Islam (Zakaria, 2012; Gaspersz, 2019). In this context, the development of a *wakalah* framework for NGO public fund governance represents the practical implementation of the spiritual values embedded in Malay-Islamic Eco-Theology in order to achieve accountability and sustainability.

3. Malay-Islamic Eco-Theology Values

Malay-Islamic Eco-Theology refers to the integration of the ethical and civilisational context of the Malay-Islamic tradition in the Malay World (Nusantara) with the ideology of eco-theology, which advocates that the existence of nature should be understood through the lens of Islam. It serves as a conceptual foundation for understanding both the causes of and solutions to environmental sustainability crises. In other words, eco-theology provides a religious perspective that is contextualised within environmental concerns, particularly regarding human responsibility for environmental stewardship (Quddus, 2012, p. 317). Accordingly, the scope of Eco-Theology encompasses the relationship between human beings, nature, and God (Mujiyono, 2005, p. 5). The values of Malay-Islamic Eco-Theology may therefore be understood as a human understanding of nature based on a spiritual ecosystem that integrates divine revelation, the local Malay-Islamic culture, and ecological ethics.

Although the term *eco-theology* represents a distinct ideological concept, its meaning is better understood by examining the two components separately: *eco* and *theology*. The term *eco* is derived from *ecology*, which refers to the branch of biology that studies living organisms and their interactions with the environment (Oxford University Press, 2008). Ecology encompasses a wide range of dimensions, including culture, the physical

environment, environmental sustainability, technological development, financial capacity, economic productivity, regional infrastructure, and other related aspects (Awang Azman Awang Pawi, 2018). More specifically, ecology refers to the study of the structure and functions of natural systems, as well as the relationships among organisms of different species through biological, physical, and chemical interactions within the environments they inhabit (Dien, 2000).

The term *theology* in this study refers specifically to Islamic philosophy, which provides guidance on the relationship between humans and nature based on the two primary sources of Islam: the Qur'an and the Sunnah. These two sources should be recognised not only as classical references containing Islamic jurisprudential guidance but also as legal principles with the potential to address contemporary environmental crises, including broader social challenges occurring at the global level (Poderati, 2021, p. 2).

Accordingly, Islamic ecology defines the relationship between humans and nature by emphasising that human beings have been entrusted with the role of *khalifah* (vicegerent), serving as the representatives of Allah on earth who are responsible for cultivating and preserving the earth rather than causing its destruction (Rakhmat, 2022, p. 23). This means that humans are not absolute rulers over nature but act only in accordance with the commands of Allah SWT. The Qur'an further affirms that everything in the heavens and on the earth belongs to Allah SWT, while human beings are merely His creation, appointed as *khalifah* to manage the earth in the best possible manner. As stated in Surah al-Baqarah, verse 284:

Meaning: *"To Allah belongs whatever is in the heavens and whatever is on the earth."*

Furthermore, the relationship between human beings and nature is regarded as a reflection of the relationship between human beings and God. This perspective is justified because nature belongs to God. The purpose of human existence is therefore not limited to physical life but should also be understood from a spiritual perspective, including the obligation to worship Allah SWT (ISRA, 2016).

According to Poderati (2021), several Islamic principles are integrated with the concept of Environmental Law, whose primary objective is the protection of the natural environment. Among these principles is the relationship between human beings and God, which supports the view that humans serve as God's representatives (*khalifah*) on earth. This relationship is founded upon the principle of accountability, as Islam affirms that every human action will ultimately be held accountable. Furthermore, the relationship between humans and nature defines the human role as guardians of the environment. This relationship is grounded in the principle of *amanah* (trust), whereby humans are entrusted with the responsibility of both protecting nature and benefiting from its resources in a responsible manner (Poderati, 2021, p. 9; Nasr, 1968, p. 96). Accordingly, the core principles of eco-theology proposed in this study are accountability and *amanah*. The Qur'an also describes natural resources as a trust and a loan from Allah SWT, requiring humans to utilise them fairly, responsibly, and in ways that do not undermine environmental sustainability. These principles are reflected in several Qur'anic verses, including the following:

Surah al-A'raf, verse 56:

Meaning: *"And do not cause corruption on the earth after it has been set in order."*

Surah al-Baqarah, verse 60:

Meaning: *"Eat and drink from the provision of Allah, and do not act wickedly on the earth by spreading corruption."*

Surah al-Rum, verse 41:

Meaning: *"Corruption has appeared on land and sea because of what people's hands have earned, so He may let them taste some of the consequences of their deeds, that they may return to the right path."*

Although humans are appointed as *khalifah*, they do not possess superiority over other creations. Rather, the Qur'an rejects the view that places humans at the centre of existence as the most dominant beings over all other creatures, including nature and the environment. This is stated in Surah al-An'am, verse 38:

Meaning: *"There is no creature on the earth nor any bird that flies with its wings except that they are communities like you. We have neglected nothing in the Book. Then to their Lord they will all be gathered."*

In addition, one of the fundamental values of Islamic Eco-Theology is the principle of justice. This is evident in the Qur'an, Surah al-Rahman, verses 5–7:

Meaning: *"The sun and the moon move according to precise calculation. The stars and the trees bow in submission. And He has raised the heaven and established the balance."*

Allah SWT has created the universe to function in an orderly manner, demonstrating that the balance of nature is sustained through justice. This indicates that justice is a fundamental element for ensuring the continuity of life for both human beings and the natural environment. The principle of justice also requires those who cause environmental damage to be held responsible for the consequences of their actions. Nevertheless, justice remains an ethical value that must be supported by effective legal authority and environmental policies to prevent misconduct and promote moral awareness among human beings (Basri et al., 2016).

In addition, the relationship between humans and nature is also founded upon the principle of *ihsan*, which is a fundamental principle in Islam. It requires individuals to act with kindness, compassion, respect towards nature, and to uphold the rights of all living beings (Zaheer, 1994). The principle of *ihsan* embodies the moral and

ethical values necessary for preserving the cycle of life, which is increasingly under threat, in order to prevent ecological disasters that may ultimately lead to economic disasters (M. Gillis, 1991).

Furthermore, Islamic eco-theology is grounded in the principle of responsibility, which should be incorporated into the management of natural resources to prevent harm to the ecological system. Although ecological sustainability constitutes the primary objective of this principle, it does not deny the need for economic development. Instead, it advocates that economic activities should continue in a sustainable manner to meet human needs while remaining properly regulated so that they do not cause environmental degradation. From this perspective, economic activities remain within the scope of eco-theology because they are closely related to human actions in exploiting natural resources under the justification of economic development (Obaidullah, 2017).

Likewise, the primary sources of Shariah, particularly the Qur'an, affirm that the earth and everything upon it were created to fulfil human needs and as a manifestation of Allah's mercy towards His servants. At the same time, because nature is entrusted to humanity as an *amanah*, humans are responsible for its preservation and will ultimately be held accountable for how they fulfil that responsibility. This is stated in Surah al-Baqarah, verse 29:

Meaning: "It is He who created for you all that is on the earth..."

Similarly, Surah al-Jathiyah, verse 13 states:

Meaning: "And He has subjected to you whatever is in the heavens and whatever is on the earth all as a mercy from Him..."

Likewise, Surah Ibrahim, verses 32–34 state:

Meaning: "It is Allah who created the heavens and the earth, and sent down rain from the sky, thereby producing fruits as provision for you..."

Furthermore, Surah al-Mulk, verse 15 states:

Meaning: "It is He who has made the earth manageable for you, so travel through its regions and eat from His provision..."

These findings demonstrate that the principles of eco-theology represent a manifestation of the concept of *maslahah*, as they concern the long-term welfare of society on a global scale. Therefore, the preservation of ecology—including nature, the environment, the economy, and related dimensions—is a collective responsibility because it concerns the public interest (Dien, 2000, p. 134). Accordingly, every human being, whether acting as an individual, institution, or organisation, exists within an ecological system and has a corresponding responsibility to contribute to its preservation and improvement (ISRA, 2016).

4. NGO Public Fund Governance

NGOs are organisations established to pursue social welfare objectives through the collection and management of public funds. To obtain these funds, NGOs commonly establish online fundraising campaigns on their official websites and social media platforms to collect donations from the public, a practice commonly referred to as donation-based crowdfunding. Public fundraising has become a widely adopted financing mechanism worldwide, not only among NGOs but also within the private and business sectors, where it is used to raise funds or capital through public contributions rather than conventional financing methods such as bank loans. Several crowdfunding models have been introduced, each operating under different mechanisms, including donation-based crowdfunding, reward-based crowdfunding, equity-based crowdfunding, and peer-to-peer (debt-based) crowdfunding. Long before crowdfunding became established as a platform for raising social funds, Islam had already introduced social financing mechanisms such as *zakat*, *sadaqah*, and *waqf*.

From the perspective of organisational governance, the operation of public fundraising activities must be guided by ethical and moral principles, particularly accountability and *amanah* (trust) (Mat Radzi et al., 2024). One of the key characteristics of accountability is ensuring that individuals entrusted with authority within an organisation are held responsible for the decisions they make. The principle of accountability also requires organisations to report their activities and performance and to make them subject to audit by the relevant authorities (Edwards & Hulme, 1996). In addition, one of the recommended governance mechanisms is the implementation of internal control systems to enhance the reliability of financial reporting, improve operational efficiency, and ensure compliance with applicable laws and regulations (Kamaruddin & Ramli, 2017). More specifically, internal control practices may be guided by the *Internal Control–Integrated Framework* developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The implementation of effective internal controls in NGO governance enables public funds to be managed efficiently, strengthens accountability, enhances public trust (Kamaruddin & Ramli, 2017), and ultimately secures continued financial support for the organisation's charitable initiatives (Sinclair, Hooper, & Ayoub, 2010).

To achieve good governance, particularly four governance that supports sustainable development, the International Law Association has identified four principles of good governance related to sustainable development. These include adopting democratic and transparent decision-making procedures while ensuring financial accountability. They also include taking proactive measures to combat corruption among public officials and other relevant parties, upholding the principle of justice through due process by complying with the rule of

law and human rights, and adopting public procurement practices that are consistent with the Code on Public Procurement of the World Trade Organization (WTO) (ILA, 2002).

Accordingly, NGOs that are established upon strong foundations including ethical and moral principles, good governance, Shariah principles, and compliance with applicable laws are more likely to manage public funds effectively in achieving the objectives of Shariah (*maqasid al-Shariah*). These objectives include the equitable distribution of wealth, the promotion of social welfare, and ultimately the attainment of public benefit (*maslahah*) for the *ummah* (Mat Radzi et al., 2024).

Effective governance, particularly in the management of NGO public funds, is essential to ensuring organisational accountability. In its general sense, accountability refers to the responsibility borne by an organisation, whether internally or externally, for its actions and decisions, while also ensuring that information concerning those actions remains accessible. The key elements of accountability include the integration of good governance principles, transparent fund management, and a high standard of ethical compliance. Accountability is crucial not only for maintaining public trust among donors but also because it reflects the values of the religion itself (Mohd Ali & Mahadi, 2021).

Furthermore, accountability from a conventional perspective is generally confined to responsibilities between human beings. In contrast, accountability from the Islamic perspective encompasses all aspects of human life. This broader understanding demonstrates that accountability is rooted in the principle of *tawhid*, as believers recognise that they will ultimately undergo *hisab* (the Day of Reckoning), during which all good and bad deeds performed throughout their lives will be accounted for. Therefore, accountability in Islam extends beyond responsibility towards fellow human beings to include responsibility before Allah SWT (Basri et al., 2016).

Previous studies have also identified several key components of accountability. These include transparency, which refers to the willingness to openly disclose information and data that affect the interests of other parties. Accountability also requires organisations to provide rational justifications for their decisions. In addition, compliance involves not only adherence to established standards and procedures but also the continuous evaluation of those standards and procedures. Furthermore, accountability requires effective enforcement mechanisms or sanctions to address violations or failures in ensuring that transparency is properly upheld (Ebrahim & Weisband, 2007).

Basri et al. (2016) distinguish between *amanah* and accountability. *Amanah* refers to a personal attitude that reflects an individual's integrity and trustworthiness. However, *amanah* alone cannot be represented as an accountability governance system. In other words, *amanah* is not a technical procedure and cannot replace formal accountability mechanisms within an organisational governance system. Rather, it refers to the personal qualities of an individual in responsibly managing the duties entrusted to them by others. Nevertheless, *amanah* plays an important role in strengthening the accountability of a governance system.

At the same time, accountability is also recognised as one of the core principles of eco-theology. Allah SWT states in Surah al-Zalzalah, verses 7–8:

Meaning: "So whoever does an atom's weight of good will see it. And whoever does an atom's weight of evil will see it."

5. Challenges in Islamic NGO Governance

One of the major issues and challenges faced by Islamic NGOs, particularly in managing public funds, is the absence of an established legal framework for public fundraising to ensure that NGO operations, especially those of Islamic NGOs, are conducted transparently and in accordance with Shariah principles (Mat Radzi et al., 2024). The lack of a dedicated Shariah governance framework for public fundraising activities within Islamic NGOs creates negative perceptions towards faith-based organisations. It also undermines public support for humanitarian activities and, in more serious circumstances, may contribute to broader socio-economic decline. Therefore, there is a need to develop a legal Islamic framework based on the *wakalah* contract as a Shariah-compliant contractual instrument that strengthens accountability in NGO public fundraising activities.

Similarly, public fundraising activities conducted by NGOs remain inadequately regulated from both legal and Shariah perspectives. There are also no specific controls or guidelines governing the determination of management fees charged by NGOs. This can be observed from the varying fee structures adopted by different Islamic crowdfunding platforms. The inconsistency in these fees has raised questions regarding whether the charges are solely intended to cover legitimate management costs or whether they include excessive amounts. Furthermore, in the absence of a legal framework governing crowdfunding activities, there is no legal requirement for Islamic crowdfunding platforms to disclose the management fees imposed on donors.

When an NGO operates an Islamic crowdfunding platform to raise public donations, it must ensure that its crowdfunding operations comply with Shariah principles (Muhammed et al., 2026). This includes ensuring that the essential pillars and conditions of the underlying contract are fulfilled and that the operations are free from prohibited elements such as *riba*, *gharar*, and *maysir*. The responsibility for ensuring Shariah compliance within Islamic crowdfunding operations generally lies with a Shariah advisor. However, not all NGOs or crowdfunding platforms appoint Shariah advisors. Consequently, the Shariah compliance of Islamic crowdfunding operations

conducted by certain platforms, particularly NGOs, remains open to question.

The rapid advancement of digital technology also presents new challenges. Although digital platforms should provide greater opportunities for NGOs to attract public donations, Islamic crowdfunding operations must ensure that their online fundraising methods remain compliant with Shariah principles while maintaining transparency throughout the fundraising process. This is particularly important given the declining level of public trust and the increasingly negative perception of crowdfunding, which is frequently associated with the misuse of funds, integrity violations, fraudulent donation campaigns, and similar misconduct (Cai et al., 2020). At the same time, advances in technology have made it easier for irresponsible individuals to commit fraudulent activities. Therefore, openness and transparency should constitute fundamental ethical principles in crowdfunding operations to safeguard the integrity of NGOs from public doubt.

6. Towards Accountability and Sustainability Through a *Wakalah* Framework

Based on the findings of the conceptual analysis, several key principles of Malay-Islamic Eco-Theology can be integrated into NGO governance to promote accountability and sustainability. These principles include the concept of humans as *khalifah* (vicegerents), nature as an *amanah* (trust), and the moral qualities of *ihsan* (benevolence) and *amanah*. These principles are further reinforced by the values of Malay culture shaped by Islamic influence, including the traditional Malay ethical relationship with nature, which reflects the integration of three fundamental components: *aqidah* (creed), Shariah, and *akhlaq* (ethics). Together, these components establish the understanding that all human activities in this world constitute acts of worship to Allah SWT.

The *Wakalah Framework* proposed in this study translates the principles of Malay-Islamic Eco-Theology from a theoretical perspective into practical application, particularly in the context of NGO public fund governance. Through this structured *wakalah* model, governance practices are not only fully aligned with Shariah principles but are also strengthened as a strategic instrument for achieving socio-economic sustainability by enhancing accountability and supporting the broader agenda of sustainable development.

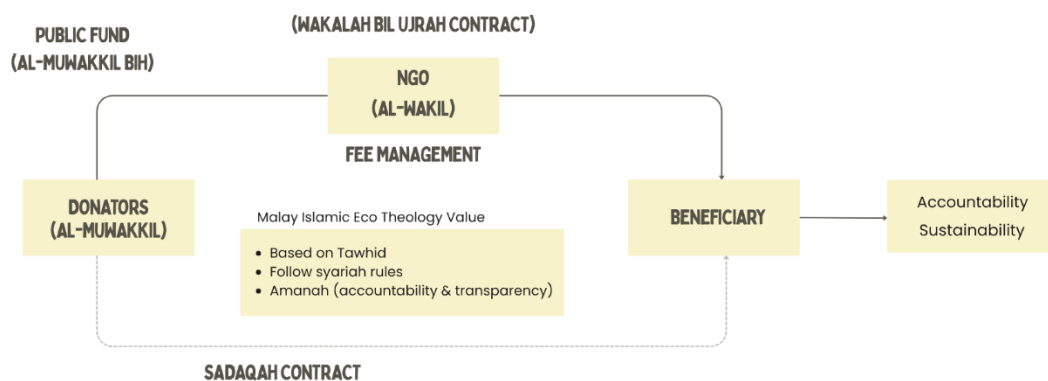


Figure 1: Wakalah Framework for NGO Public Fund Governance

The conceptual *Wakalah Framework* developed above in this study is proposed as an approach towards the value-driven of NGO governance in response to the increasing number of misconduct cases involving NGO management in Malaysia. This framework is expected to serve as a vehicle for embedding the ethical and moral values of Malay-Islamic Eco-Theology into NGO public fund governance, thereby promoting more effective management of public fundraising activities and contributing to socio-economic sustainability.

Conclusion

The *wakalah* contract is not merely a Shariah legal instrument but also serves as a holistic NGO governance mechanism for translating the principles of accountability and socio-economic sustainability within the framework of Malay-Islamic Eco-Theology. The integration of environmental ethics, good governance, and Islamic metaphysics creates a distinctive governance identity that promotes a high level of accountability grounded in personal spiritual values. The effectiveness of the proposed *Wakalah Framework*, however, depends on the existence of appropriate legal enforcement, including regulatory requirements that Islamic NGOs conducting crowdfunding activities operate under the *wakalah* contract and comply with additional governance

requirements, particularly those relating to NGO management. The *Wakalah Framework* is also expected to become one of the distinctive features of Malay-Islamic Eco-Theology in the context of NGO governance by aligning management practices with the principles of accountability and sustainability, particularly socio-economic sustainability, thereby ultimately contributing to broader environmental sustainability.

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