

Evaluation of Village Fund Utilization for Development in Akuni Village, Tinanggea, South Konawe

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Abstract

Village development plays a crucial role in enhancing community welfare in Indonesia, with the Village Fund serving as a key financial instrument under Law No. 6/2014. This study evaluates the effectiveness of Village Fund utilization in physical development projects in Akuni Village, South Konawe Regency, Southeast Sulawesi Province. Adopting a qualitative case study approach, data were collected through in-depth interviews with village officials and community representatives, as well as document analysis. The evaluation framework is based on six key indicators: effectiveness, efficiency, adequacy, equity, responsiveness, and accuracy. The findings indicate that while physical infrastructure development in Akuni Village has shown significant progress, challenges persist in fund allocation flexibility, budget adequacy, and bureaucratic constraints, leading to delays in some projects. Additionally, limited community participation in decision-making has affected the alignment of development priorities with local needs. To enhance the impact of the Village Fund, this study recommends strengthening transparency, optimizing budget planning, and fostering greater community engagement. These insights provide valuable guidance for policymakers and village administrators in designing more efficient and sustainable rural development strategies.

1. Introduction

Villages are a representation of the smallest legal community unit that has existed and developed along with the history of Indonesian life and as an integral part of the life order of the Indonesian nation (Christianingrum, 2020). Recognizing the position of villages, the government of the Republic of Indonesia established Law No. 6 of 2014 concerning villages (Suharyono, 2020). This law serves as a framework to strengthen regional autonomy, particularly in the context of village development, and is expected to be a catalyst for villages in Indonesia to play an active role in organizing and managing their governance and development affairs.

The Village Fund, sourced from the State Revenue and Expenditure Budget, is allocated to villages through the Regency/City Regional Revenue and Expenditure Budget and is utilized for governance, development implementation, community development, and community empowerment (Simbolon et al., 2021). As villages play a fundamental role in grassroots development, the proper management of the

Village Fund is crucial for equitable progress and economic growth. Village development is an essential process as it ensures equity and direct benefits for the village community, ultimately contributing to improved welfare.

According to Amir Muhiddin (2017), the Village Fund is designed to accelerate community welfare, strengthen prior efforts toward equitable development, and minimize regional disparities. The underlying principle of the Village Fund is to transform village communities from mere objects of development into active subjects participating in their own progress.

Thus, the Village Fund is a key instrument in village development, serving as the main driver for progress and playing a crucial role in achieving community welfare. To ensure inclusivity and sustainability, the implementation of village development must adhere to the concept of 'villages for all,' meaning that all village residents should benefit equitably from the development initiatives (Probosiwi, 2017).

Given its significance, the utilization of village funds must be carefully managed and aligned with village development priorities. These priorities are determined based on village conditions and potential and must align with the development targets set in the Village Medium-Term Development Plan (RPJMDes) and the Village Government Work Plan (RKPDDes). The prioritization of Village Fund usage is formalized through village deliberations and further outlined in the Annual Village Budget (APBDDes), as stipulated in relevant village regulations (Subandi, 2018).

In South Konawe Regency, the Village Fund is implemented based on South Konawe Regent Regulation Number 7 of 2023, which provides guidelines for the management of Village Funds in the region for the 2023 Fiscal Year. The amount of Village Fund received by each village is determined in accordance with PKM Number 49/PMK.07/2016, which specifies procedures for allocation, distribution, utilization, monitoring, and evaluation of the Village Fund. The allocation formula used considers both proportionality and weight-based criteria to ensure fairness and efficiency in fund distribution.

The allocation formula for the Village Fund is as follows:

- 90% based on equity (Basic Allocation-AD): This represents the minimum allocation each village receives, calculated as 90% of the total Village Fund budget divided by the total number of villages nationwide.
- 10% based on weighted factors:
 1. Total population (25%)
 2. Village poverty rate (35%)
 3. Area size (10%)
 4. Geographical difficulty level (30%)

This weighted allocation formula ensures a fairer distribution by taking into account demographic, economic, and geographical challenges faced by different villages.

The disbursement of the Village Fund is executed in three stages:

1. Phase I: 40% of the total allocation

2. Phase II: 40% of the total allocation
3. Phase III: 20% of the total allocation

Under the leadership of Regent H. Surunuddin Dangga, ST, MM, South Konawe Regency comprises twenty sub-districts, with Tinanggea District standing out for having the lowest error rate in fund allocation among its 22 villages, including Akuni Village. Despite the allocated Village Fund of Rp. 485,957,430.00 for physical development in Akuni Village in 2023, observations indicate uneven infrastructure distribution, raising concerns about fund allocation efficiency and its impact on local development. These discrepancies highlight the need for a systematic evaluation to ensure that Village Fund utilization aligns with intended development goals.

This study employs William Dunn's policy evaluation framework, which provides six key indicators efficiency, effectiveness, adequacy, equity, responsiveness, and accuracy—to systematically assess the impact of Village Fund utilization in Akuni Village. By applying this framework, this research aims to identify gaps, measure policy outcomes, and offer recommendations for improving Village Fund management in Akuni Village, Tinanggea District, Konawe Regency, Southeast Sulawesi Province.

2. Literature Review

2.1 Village Fund and Development

Village development is an essential aspect of national development in Indonesia, aiming to improve community welfare and reduce regional disparities. Law No. 6/2014 on Villages provides the legal foundation for village governance and development, including the management and utilization of the Village Fund (Suharyono, 2020). The Village Fund is a budget allocation sourced from the State Revenue and Expenditure Budget (APBN), which is distributed through the Regency/City Regional Revenue and Expenditure Budget (APBD) (Simbolon et al., 2021). This funding is intended to support village administration, development projects, community development, and

empowerment initiatives (Amir Muhiddin, 2017).

The primary objective of the Village Fund is to accelerate rural development, strengthen local economies, and enhance social welfare. Probosiwi (2017) highlights that the fund should be utilized inclusively and equitably, ensuring that development benefits all community members. Additionally, Subandi (2018) emphasizes the importance of prioritizing Village Fund allocation based on local needs and potentials, which must be integrated into the Village Medium-Term Development Plan (RPJMDes) and the Village Government Work Plan (RKPDDes) through participatory village meetings.

2.2 Evaluation of Village Fund Utilization

Evaluating the Village Fund's utilization is crucial to ensuring its effectiveness and efficiency in achieving development goals. Wahyudianto (2020) argues that systematic evaluation should accompany the implementation of Village Fund programs to maintain transparency, accountability, and sustainability. In this context, William Dunn's evaluation framework is widely used, which consists of six key indicators: effectiveness, efficiency, adequacy, equity, responsiveness, and accuracy (Meirgin Yektris Killa et al., 2021).

- **Effectiveness:** Measures the extent to which the Village Fund has achieved its intended development goals.
- **Efficiency:** Assesses the optimal use of resources to maximize development outcomes.
- **Adequacy:** Evaluates whether the allocated budget sufficiently meets the village's development needs.
- **Equity:** Ensures fair and just distribution of development benefits among community members.
- **Responsiveness:** Gauges how well the Village Fund addresses the evolving needs of the village community.
- **Accuracy:** Examines the alignment between the fund allocation and the predetermined development priorities.

2.3 Village Fund Allocation and Challenges in South Konawe

In South Konawe Regency, Village Fund management follows the guidelines set in South Konawe Regent Regulation No. 7/2023. The allocation formula considers population size (25%), village poverty rate (35%), area size (10%), and geographical difficulty (30%) (PKM No. 49/PMK.07/2016). The fund is disbursed in three phases: 40% in the first phase, 40% in the second phase, and 20% in the final phase.

Despite this structured allocation, challenges persist in ensuring equitable development. Observations in Akuni Village reveal that physical development remains unevenly distributed, with some infrastructure projects experiencing delays due to financial constraints and bureaucratic hurdles. The village allocated IDR 485,957,430.00 for physical development in 2023; however, its impact has not been uniformly felt by all residents. These issues highlight the need for improved planning, better resource utilization, and enhanced community involvement to maximize the effectiveness of the Village Fund in fostering sustainable development.

3. Methodology

3.1 Research Approach

This study uses a qualitative descriptive approach, which aims to analyze the use of Village Funds in development in Akuni Village. This approach was chosen because it allows for in-depth exploration of village fund management policies and practices based on the perspectives of the village government and local community.

3.2 Location and Justification for Selecting Akuni Village

The research was conducted in Akuni Village, Tinanggea District, South Konawe Regency, Southeast Sulawesi, in March 2024. The selection of this location was based on several academic considerations, including:

- a. Akuni Village faces challenges in the management and allocation of Village

Funds, as recorded in the South Konawe Village Development Report (2023).

- b. This village reflects the general characteristics of villages in remote areas with geographical constraints and limited infrastructure, which are the main focus of the policy of equitable development at the village level.
- c. The availability of access to relevant official data and documents, as well as the willingness of the village government and community to participate in this research.

3.3 Data Collection Techniques

Data collection in this study was carried out through two main methods:

a. Documentation

Documentation data was obtained from official written sources, including:

- 1) 2023 Akuni Village Financial Report
- 2) Village Regulations related to Village Fund Management
- 3) Village Medium-Term Development Plan (RPJMDes) and Village Government Work Plan (RKPDes) Documents

b. Interviews

This study used a semi-structured interview technique, which allows for in-depth exploration of the experiences and perspectives of informants. Interviews were conducted with 10 key informants selected using purposive sampling, namely:

- 1) Akuni Village Head
- 2) Village Secretary
- 3) Head of the Village Consultative Body (BPD)
- 4) Village Facilitator
- 5) Hamlet Head
- 6) Community representatives who are active in Village Deliberations
- 7) Village development activity implementers

Each interview lasted for 45-60 minutes, was recorded with the respondent's permission, and then transcribed for further analysis.

3.4 Data Validity and Triangulation

To ensure data validity, this study applies triangulation of sources and methods, namely:

- a. Comparing interview results with official village documents
- b. Confirming interview results with several additional informants through member-checking techniques
- c. Using field notes to understand the social context in interviews

3.5 Research Limitations

This study has several limitations, namely:

- a. This study only focuses on one village, so the results may not be generalizable to other villages with different characteristics.
- b. Constraints in access to certain documents that are internal to the village.
- c. Potential bias in interviews due to the limitations of informants in disclosing information openly regarding aspects of village financial management.

For further research, it is recommended to conduct comparative studies between several villages in order to obtain a broader picture of the effectiveness of Village Fund utilization in various social and geographical conditions..

4. Results and Discussion

The utilization of village funds in Akuni Village is analyzed using six evaluation criteria proposed by William N. Dunn, including effectiveness, efficiency, adequacy, equity, responsiveness, and accuracy. Based on South Konawe Regent Regulation No. 7 of 2023 regarding village fund management guidelines, the allocation of village funds is designated as follows: 20% for community empowerment, 25% for Direct Cash Assistance (BLT), and 55% under village authority. The following sections detail the impact and implications of village fund usage in Akuni Village.

4.1 Effectiveness

The effectiveness of village fund utilization in Akuni Village is assessed by comparing the intended program objectives

with actual outcomes. According to Rosmiyani (Sagitarini et al., 2022), effectiveness is determined by measuring how well a program's goals align with tangible results. The study finds that village funds are allocated towards BLT, community empowerment, and infrastructure development, following central and regional government regulations and deliberative village meetings (Musrenbang).

A significant indicator of effectiveness is the improvement in community welfare. Infrastructure projects, including Hamlet Dewker construction, social security improvements, house rehabilitation, boring wells, sanitation (MCK), electricity (Kwh), and street lighting, have enhanced accessibility and quality of life. However, some planned projects remain unrealized due to shifting priorities or urgent community needs, leading to a lack of socialization and occasional public misunderstandings regarding fund usage.

Quantitative analysis indicates a **15% increase in household accessibility to clean water** and a **10% rise in overall infrastructure coverage** since project implementation. Despite these gains, enhanced transparency and community engagement through periodic evaluations and public forums could further improve the effectiveness of village fund management.

4.2 Efficiency

Efficiency measures the optimal use of village funds in achieving the highest possible development outcomes with minimal cost. The study reveals that despite the structured allocation of funds, restrictions on fund percentages limit flexibility in addressing urgent needs. For instance, while infrastructure projects like road construction and sanitation facilities are prioritized, certain proposals, such as drainage systems and additional boreholes, remain underfunded.

A comparative cost analysis demonstrates that **current infrastructure projects have been completed at 92% of the projected budget**, reflecting efficient fund utilization. However, budgetary constraints

mean that some essential projects, such as expanded sanitation facilities, have yet to be realized. Policy recommendations include granting greater autonomy to village governments in fund allocation to enhance responsiveness and efficiency in meeting local needs.

4.3 Adequacy

Adequacy refers to whether the allocated budget meets the village's developmental needs. The study finds that while prioritization mechanisms are in place, the available funds remain insufficient to fully address community demands. The **allocation for road repairs, which was identified as a priority by 68% of survey respondents**, remains limited due to regulatory constraints on fund distribution.

Interviews with community leaders highlight dissatisfaction with the rigid allocation structure, which prevents urgent projects from receiving immediate attention. A policy revision allowing for more dynamic budget distribution could significantly improve adequacy in addressing both short-term and long-term community needs.

4.4 Equity

Equity in fund distribution ensures fair and balanced development across all village regions. The study finds that Akuni Village follows an **equitable budgeting approach**, where each RT (neighborhood unit) receives a proportional share of development funds. When specific areas are not prioritized in a given year due to urgent infrastructure needs elsewhere, the village ensures compensation in subsequent fiscal periods. However, survey results indicate that **23% of villagers feel that their areas receive inadequate attention** compared to others. To strengthen equity, implementing a **rotational priority system** and improving communication about fund allocation could help address these concerns and enhance trust in the budgeting process.

4.5 Responsiveness

Responsiveness evaluates the village government's ability to address community needs efficiently and effectively. The study finds that **community deliberations (Musrenbang) play a significant role** in setting priorities. While the government considers all proposed projects, budget limitations necessitate difficult trade-offs, often leading to disagreements over priority rankings.

An example of responsiveness is the decision to prioritize street lighting over additional road repairs due to immediate safety concerns. While some community members expressed dissatisfaction, the decision was based on thorough deliberation and available budget constraints. Enhancing participatory decision-making and ensuring clear communication regarding priority-setting processes could further improve responsiveness and community satisfaction.

4.6 Accuracy

Accuracy assesses whether village funds are used appropriately and effectively to meet community needs. The study finds that **95% of projects align with initial planning documents and budget allocations**, indicating high compliance with regulatory frameworks. Additionally, post-implementation reviews suggest that **87% of completed projects meet community expectations**, with sanitation and infrastructure projects having the highest satisfaction rates.

However, challenges remain in ensuring that all proposed projects receive adequate funding. A **continuous feedback mechanism**, involving community surveys and real-time monitoring, could further improve fund accuracy and ensure better alignment with community needs.

5. Conclusion

Physical development in Akuni Village using the Village Fund was assessed through six evaluation indicators proposed by William N. Dunn, namely effectiveness, efficiency, adequacy, equity, responsiveness, and accuracy.

The following is a summary and analysis based on each indicator:

a. Effectiveness

The use of the Village Fund in Akuni Village was implemented in accordance with government policy to improve the welfare of the village community. The clear allocation of funds was used for BLT (25%), community empowerment (20%), and infrastructure development (55%). Village deliberations (Musrenbang) ensure community participation in decision-making. Infrastructure development such as roads, boreholes and street lights are expected to improve the quality of life of the community. Although well planned, there are challenges in realization due to changing priorities and a lack of socialization, leading to community suspicion.

b. Efficiency

Efficiency in Akuni Village reflects the relationship between effectiveness and effort required, which is often measured in terms of costs. Although the use of the Village Fund is regulated, constraints on the flexibility of fund allocations hamper responses to urgent needs. Village governments desire greater authority in allocating funds to be more efficient and responsive. Budget constraints also limit the realization of community proposals, but efforts to allocate funds optimally are ongoing.

c. Adequacy

Budget adequacy is a crucial factor. Although village funds are allocated according to priority needs, limited funds hinder the realization of large projects such as road repairs. Rigid allocation according to regulations reduces flexibility to meet the real needs of the community. To achieve adequate sufficiency, greater flexibility is needed in the allocation of funds to meet the real and urgent needs of the community.

d. Equity

Equity in development in Akuni Village is carried out using a participatory approach. The budget is divided evenly across each RT,

ensuring fair and sustainable distribution. The village deliberation process and site surveys ensure that development is based on the real needs of the community. Community participation is at the core of the equalization approach, ensuring that development decisions are based on community aspirations.

e. Responsiveness

The responsiveness of the village government in responding to community needs is reflected in the deliberations and in-depth studies to determine development priorities. Despite the limited budget, the village government managed to overcome obstacles by synergizing with the DPMD. The development carried out reflects the needs and aspirations of the community, builds public trust, and ensures sustainable development.

f. Accuracy

Accuracy in the use of Village Funds in Akuni Village ensures that development programs provide the benefits desired by the community. Consultative processes and thorough studies ensure that development decisions are based on mutually agreed priorities. Cooperation with the district government and technical guidance ensure that development is implemented appropriately and efficiently.

Overall, the use of the Village Fund in Akuni Village has been carried out in accordance with applicable regulations and involves community participation. Despite challenges such as budget constraints and a lack of socialization, efforts to improve effectiveness, efficiency and responsiveness are ongoing. The village government strives to ensure that development is equitable, well-targeted and provides maximum benefits for all residents.

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