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# Evaluation of the implementation of the village fund allocation policy

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## ABSTRACT

**Background:** The village fund allocation policy was introduced in Indonesia to enhance village financial capacity and autonomy. However, despite the implementation of Law No. 6/2014 on Villages, many villages, including Nguwok Village, still experience constraints in fully utilizing the village fund allocation funds due to regulatory control from the local government. This research aims to evaluate the implementation process of the village fund allocation in Nguwok Village, focusing on the allocation, utilization, and effectiveness of the funds within the framework of fiscal decentralization and village autonomy. **Methods:** This study employs a qualitative descriptive approach with purposive sampling to select key informants. Data collection methods include observations, document analysis, and in-depth interviews with stakeholders such as the Lamongan Regency Government, Modo Subdistrict Office, and Nguwok Village Administration. **Findings:** Out of seven effectiveness criteria, only three (range, frequency, and bias) were met, while access, service precision, program compatibility, and accountability remain ineffective. The village fund allocation implementation process is also found to be inefficient, with budgeting reports lacking transparency and not detailing fund expenditures. **Conclusions:** While the village fund allocation funds significantly contribute to Nguwok Village's financial capacity, village autonomy remains constrained by local government regulations. Despite smooth intergovernmental coordination and timely fund disbursement, village-level decision-making power is limited, and public participation is insufficient. Additionally, budget transparency issues persist, with incomplete reporting of fund utilization. To fully realize village autonomy, the Nguwok Village government must take a more proactive role in decision-making rather than merely following district-level guidelines. **Novelty/Originality of this Article:** This study provides a critical evaluation of the limitations of the village fund allocation policy implementation despite the legal framework supporting fiscal decentralization. By highlighting the gap between policy and practice, this research offers practical recommendations for improving village autonomy, community participation, and financial transparency.

**KEYWORDS:** evaluation; village fund allocation; public participation; autonomy; fiscal decentralization.

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## 1. Introduction

In Modo Sub-district, the number of poor people is quite large, out of 15,699 family heads in Modo Sub-district, more than half or 8,266 family heads are categorized as poor people. The number of family heads is spread across 17 villages, this then makes Modo Sub-district included as a disadvantaged area in Lamongan Regency so that it needs regional development and special attention from the Lamongan Regency government through the

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village fund allocation policy (Noor, 2012). So that later with this policy, the Modo District area will be more developed.

The village fund allocation is very important for financing the development of underdeveloped areas in a system of development areas. The implementation of the village fund allocation is intended for physical and non-physical programs related to Village Development indicators, including education levels, community income levels, and health levels (Budiono, 2013). The implementation of the village fund allocation itself is a challenge for the village government. What needs special attention from the village government as a policy maker is how to implement the village fund allocation program so that it becomes a strategic step in efforts to empower the community to meet village facilities and infrastructure (Amirulloh, 2022). Moreover, there is no ministerial regulation governing the procedures for the distribution and use of village fund allocation.

The main purpose of the village fund allocation is to build and restore trust in the management of the state in Indonesia. With the growth of trust, it will awaken the spirit of the community to rebuild the village where they live and catch up with their village to become better. However, so far, development mechanisms ranging from planning, implementation to supervision less involve the role of the village government. The position of the village here is as the subject and object of development (Pranarka & Moeljarto, 1996). However, in reality, villages cannot be said to be the Subject due to the lack of capital and resources owned by each village. In practice, if the village is not assisted by the local government, it will be difficult for the village to develop. Even if there is an injection of funds or assistance from the government, the determination of the program is determined by the local government, not from the village government itself, including in the Lamongan Regency area. This is no different from other villages in Lamongan Regency, which have relatively low Village Original Revenue. In addition, there is a lack of community participation in managing the village. Also, the ability to manage the village fund allocation either from elements of the village government or community institutions in the village in planning, implementing and controlling activities is not good. Lamongan community participation in general is still concerned with physical development such as the construction of roads and places of worship. As for allocations other than that, they are only impromptu, such as financing youth organizations to compete. The thinking of the village community itself still expects direct assistance in the form of money, not as what is the purpose of the village fund allocation itself such as to finance schools or loan capital for businesses, but still expects assistance such as rice, monthly money or other forms of direct assistance.

In Modo Sub-district itself, data on the receipt of village fund allocation from 2011 to 2013, Sidodowo Village received the most funds with an amount of IDR 234,250,000. Meanwhile, the lowest recipient of the village fund allocation in Modo Sub-district is Nguwok Village with a total amount from 2011 to 2013 of IDR 138,300,000. The receipt of the village fund allocation funds in Modo Sub-district from 2011 to 2013 can be seen in Table 1.

Table 1. Receipt of the village fund allocation funds

Village Code	Village	2011	2012	2013
001	Jegreg	79,500	32,550	84,500
002	Kedunglerep	58,000	29,050	60,500
003	Sambangrejo	58,000	29,050	60,250
004	Medalem	63,500	29,050	66,500
005	Kedungpengaron	69,000	29,050	72,500
006	Sumberagung	74,500	29,050	78,750
007	Mojorejo	74,500	29,050	82,500
008	Pule	74,500	29,050	81,000
009	Yungyang	63,500	29,050	67,000
010	Sidodowo	96,000	35,000	103,250
011	Jatipayak	63,500	27,600	69,250

012	Kedungwaras	58,000	27,597	62,250
013	Sidomulyo	63,500	29,050	67,500
014	Legumes	63,500	29,050	67,500
015	Sambungrejo	58,000	29,050	60,000
016	Kedungrejo	63,500	29,050	66,750
017	Nguwok	52,500	29,050	56,750
	Total	1,133,500	500,397	1,205,750

From the table above, Nguwok Village is the village that receives the least amount of the village fund allocation compared to other villages in Modo Sub-district, which is the reason why Nguwok Village needs to be studied as to whether the implementation of the village fund allocation in Nguwok Village, which basically receives the least amount of funds compared to other villages in Modo Sub-district, Lamongan Regency. In addition, if seen from the amount of The village fund allocation increase obtained by Nguwok Village from 2012 to 2013, whether the implementation was appropriate so that there was an increase in the amount of The village fund allocation received.

Difficulties that have occurred in the field (village) so far are the problems of less than optimal coordination between the implementers in the village and the community (Iswari & Indriani, 2024). The completeness of the administration owned by the village to support the performance of the village government, the human resources owned are also limited and seem to depend on people who are considered capable, the intervention of the upper parties ranging from sub-districts to districts which results in village community resources not being able to develop, budget management that does not match the budget received with the reports that must be given to the district government, the lack of facilitation from the district government towards efforts to improve the local economy, the lack of enthusiasm of the community to design the village/*Rencana Pembangunan Jangka Menengah* (RPJM) and finally the conflict between the village government and the management of the Village-Owned Enterprises (Ginting et al., 2023). It seems that what happened in Nguwok Village, Modo Subdistrict, Lamongan Regency, is the same: coordination between parties has not been maximized, where services should be carried out in accordance with the duties of each apparatus but in the field it does not happen, and in the end the apparatus does not do what should be its job. Likewise, the function of the Village Hall, which is supposed to be the center of village government, also does not function as it should. Village officials provide services at their respective residences, not at the village Hall (Mubarokah et al., 2021). The community in Nguwok Village also accepted this situation. The problem of managing the village fund allocation, which should have functioned as village development, was also not maximized; village development that was carried out was only in the form of physical development, such as road repairs and the construction of houses of worship, while what is meant in village development is not only physical but also community empowerment, such as the development of village businesses. The government's next step was to enact Law No. 6/2014, which regulates village governance, including the village fund allocation. The government's efforts are also reinforced by Lamongan Regent Regulation No. 5 of 2015 on village fund allocation.

According to previous research from Azwardi & Sukanto (2014) which examines the effectiveness of the village fund allocation and poverty in South Sumatra Province, the distribution of village fund allocation is not in accordance with applicable regulations. When viewed from the amount distributed until 2012, none of them met the applicable provisions (at least 10% of revenue sharing plus taxes minus personnel expenditure). However, the number of regions that have disbursed Village Fund Allocation has increased from 35.71% in 2006 to 50% in 2012. Existing regulations in South Sumatra Province also do not provide sanctions for regions that do not distribute the village fund allocation. Simple regression results show a negative influence between the village fund allocation and the poverty rate in South Sumatra Province.

Meanwhile, the results of research by Thomas (2013) on the management of the village fund allocation in an effort to improve development in Sebawang Village, Sesayap District,

Tana Tidung Regency revealed that the management of activities for apparatus expenditure and operational expenditure of 30% of the village fund allocation budget has been running in accordance with existing guidelines and regulations. As for public expenditure and empowerment to the community, 70% is more realized towards physical development (Kusmayadi, 2022). Meanwhile, non-physical development is not budgeted too much because there are still many physical developments that do not exist. The obstacles in the implementation of the village fund allocation in Sebang Village are the low resources of village officials as the spearhead of implementing the village fund allocation and the lack of coordination between the village fund allocation implementation team in Sebang Village and the agencies involved in managing the village fund allocation. Meanwhile, research from Budiono (2013) entitled "Implementation of the village fund allocation Policy Based on Permendagri No. 37 of 2007 concerning Village Financial Management Guidelines" concluded that Mergosari Village could implement the village fund allocation policy in accordance with the underlying regulations. The organizational structure of The village fund allocation implementers in Mergosari Village has been well established so as to provide clear lines of authority and duties as well as the direction of accountability between functions. The village fund allocation is implemented effectively based on the underlying standards and objectives.

However, in the aspect of solving social community problems, as well as in the aspect of increasing and equalizing the income of the Bareng Village community, it has not been able to optimally empower the village government and the village community because it is still focused only on physical development (Syaiful, 2000). In the end, the Bareng Village community is encouraged to be empowered at the stage of transformation of abilities in the form of knowledge insights, skills with open insights and providing basic skills so that they can take part in development both at the individual and group levels. with the village fund allocation policy through physical development. In contrast to previous research that focuses on management at the level of community empowerment. In this study, the researcher focuses on digging up information on the implementation of the village fund allocation as a whole, not only about community empowerment but also about the implementation of village governance and village finances. The researcher intends to conduct an evaluation study of how the implementation of the village Fund Allocation, which from several previous studies was considered good, but the government instead issued new regulations regarding village governance, namely Law No. 6 of 2014 and the village fund allocation is one of the sources of village finances and also as one of the budgets for running the village government.

## 2. Methods

A research requires a method to be able to answer a research problem. The research method is basically a scientific way to get data with specific purposes and uses (Sugiyono, 2008). Therefore, to be able to find answers to research that discusses the implementation of the village fund allocation Policy in Nguwok Village a method is needed, so that the research objectives can be achieved. The approach in this research uses a qualitative approach.

Moleong, quoting Kirk and Miller, states that qualitative research is a certain tradition in social science that fundamentally relies on observing humans in their own areas and relating to these people in their language (Prastowo, 2011). Meanwhile, according to Bogdan and Taylor, a qualitative approach is a research procedure that produces descriptive data in the form of written or which produces descriptive data in the form of written or spoken words from people and observable behavior (Moleong, 1998). In qualitative research, data analysis functions to organize data, sort it into manageable units and find important patterns to study and then decide what can be used to answer research problems (Moleong, 1998). The purpose of data analysis in this study is to create a logic that is able to answer the research problem, namely how to evaluate the implementation of the village fund allocation policy in Nguwok Village, Modo District, Lamongan Regency. The

combination of data presentation and data analysis is to facilitate researchers in conducting analysis so as to produce a discourse that is easily understood by readers (Sumarto, 2004).

Furthermore, the determination of informants in this study used a purposive technique, where the informants chosen were those who were in the best position to provide information related to the problems in this study, namely the evaluation of the implementation of the village fund allocation policy in Nguwok Village, Modo District, Lamongan Regency (Patton, 2006). The informants selected using this technique are those who know and understand the process of implementing the village fund allocation policy in Nguwok Village.

### 3. Results and Discussion

#### 3.1 Village fund allocation as a form of support for village government functions

Fiscal decentralization is a process of budget distribution from higher levels of government to lower governments to support government functions or tasks and public services in accordance with the amount of authority in the field of government delegated (Saragih, 2003). This also applies to village governments in order to carry out government functions and public services, which of course also require a lot of budget, especially since the income from Regional Original Revenue is also far more than enough.

In the implementation of the village fund allocation policy in Nguwok Village, in addition to carrying out government functions and public services, there are also development and community empowerment functions that require large funds. The village fund allocation funds received by the Nguwok Village government to carry out government functions provided by the Lamongan Regency government have a significant impact on village finances. Seen in Nguwok's Medium-Term Development Plan/*Rencana Pembangunan Jangka Menengah Daerah* (RPJMD) and Amended Village Budget/*Anggaran Pendapatan dan Belanja Desa* (PAPBDes) listed in the 2015 Village Regulation, if there was no income from the village fund allocation of IDR 266,696,000, village finances were far from sufficient to carry out government functions because they only relied on Village Original Income and 3rd party assistance whose nominal amount was not much and also uncertain income for the village, reinforced by information received by researchers. So the village fund allocation itself clearly strengthens Nguwok Village's finances listed in the APBDes. However, the management of the village fund allocation funds received by the Nguwok Village government does not make the Nguwok Village government act autonomously in managing its finances because it is still bound by regulations from the Lamongan Regency government. The calculation of the village fund allocation funds received by each village is different depending on the village value weight. The weight of the village value is determined from the accumulated weight of the number of population classifications, the area and the village poverty rate multiplied by the village's geographical difficulty index, where Nguwok Village itself is in class 2 where the population of Nguwok Village ranges from 1000-2000 people. Nguwok Village itself has a low geographical difficulty index due to its strategic location and one of the villages on the Lamongan-Jombang route.

#### 3.2 The authority of the village government in the use of village fund allocation funds

Village autonomy is original, unanimous, and complete and is not a gift from the government. On the contrary, the government is obliged to respect the original autonomy of the village (Djani et al., 2022). As a legal community unit that has an original structure based on privileges, the village can perform legal acts both in public law and civil law, has wealth, property and can be prosecuted and sued before the court (Widjaja 2003).

In the implementation of the village fund allocation policy in Nguwok Village, the implementation of village autonomy has not been fully implemented because there are still regulations from the Lamongan Regency Government in the form of Lamongan Regent

Regulation No. 5 of 2015 concerning the village fund allocation which regulates the budget for the use of the village fund allocation funds. Village freedom in the use of the village fund allocation funds is limited so that it only appears to be an executor of derivative tasks from the Regency government. Although in its planning the Nguwok Village government can be considered independent because it is no longer made by the sub-district, it does not change that the Nguwok Village government in implementing Village Autonomy is still bound by the Lamongan Regency government regarding the use of the village fund allocation funds. This is not in accordance with the concept of autonomy and also the concept of Village autonomy as stated in Law No. 6/2014 concerning Villages because there is still interference from the Lamongan Regency government in the implementation of the village fund allocation policy.

### *3.3 Nguwok village community participation in the village fund allocation policy implementation*

In the context of development administration theory, there is a classic concept to represent the phenomenon of levels or levels of participation proposed by Sherry R. Arnstein (1969, 1971) as a ladder of participation in (Mardiyanta, 2013). This theory categorizes participation as the power of citizens to influence changes in policy-making. In the implementation of the village fund allocation policy in Nguwok Village, the Nguwok Village community participated in the implementation of the village fund allocation policy from the formulation carried out during the development planning meeting (Musrenbang) from the lowest level to the Nguwok Musrenbangdes itself.

Nguwok Village community participation in the formulation of the use of the village fund allocation funds is represented by each neighborhood/*rukun tetangga* (RT) head and also community leaders in accordance with their fields after previously being discussed in each neighborhood/*rukun tetangga* and Hamlet. Not only that, the Nguwok Village community also participates in development and oversees the policy. What is done by the Nguwok Village community is included in community participation in the form of reassuring consultation. Where the Nguwok Village community is given a place to give suggestions to the Nguwok Village government, however, suggestions, concerns or ideas from the community are not necessarily taken into account due to the great control of the Nguwok Village Head who determines the decisions that will be taken in deliberations.

### *3.4 Evaluating the effectiveness of village fund allocation policy implementation*

The need to implement a policy effectively is so that the goals and objectives set by the policy can be achieved. Likewise, in the village fund allocation policy, which aims to improve the performance of the Village Government in carrying out government activities, implementing development, community services and community empowerment according to the authority of the village government itself. In this study, to be able to measure the effectiveness of the implementation of the village fund allocation policy, namely by using implementation performance. According to Ripley, the aspects used to assess policy output are 1) access, 2) coverage, 3) frequency, 4) bias, 5) service delivery, 6) accountability, and 7) policy compatibility with needs (Erwan & Dyah 2012).

In the village fund allocation policy in Nguwok Village, it is known that the access received by the Nguwok Village government to utilize village fund allocation funds from the Lamongan Regency government is quite easy. The Nguwok Village government is facilitated by guidance from the Lamongan Regency Government. So that the Nguwok Village government will not encounter difficulties in accessing the village fund allocation policy. Meanwhile, access for the Nguwok Village community itself is represented by each local neighborhood head and also community leaders through the implementation of the Nguwok Village Musrenbang. This is in accordance with what is stated in Law No. 6/2014 article 68 related to the rights of village communities in conveying aspirations, suggestions and opinions both orally and in writing so that the access provided by the Nguwok Village

government to its community is inclusive. However, it is different from the Nguwok Village community itself, which seems apathetic and does not care about policy implementation. So that the Nguwok Village community itself does not understand its right to access or reach the implementation of the village fund allocation policy more deeply, starting from the level of policy formulation according to needs to access to see the use of the village fund allocation funds.

The target groups in the village fund allocation policy in Lamongan Regency are the village government and community. In the implementation of the village fund allocation policy in Nguwok Village, the distribution of funds for basic services and village government operations is in accordance with what has been stipulated in Lamongan Regent Regulation Number 5 of 2015 concerning village fund allocation. To run the wheels of government in the village up to the neighborhood/*rukun tetangga dan warga* (RT/RW) level, it has been fulfilled in the form of government operations, as well as for health services, youth and village development where in the implementation of the village fund allocation policy in Nguwok Village, physical development of the Nguwok Village area is carried out alternately according to the results of village deliberations.

In the implementation of the village fund allocation Policy in Nguwok Village, the services received by the Nguwok Village government and the Nguwok Village community in addition to funds are also training from the Lamongan Regency government and the Modo District government. The village fund allocation itself is disbursed four times a year and is carried out once every three months, while services in the form of training for the Nguwok Village government each year are twice from the Lamongan Regency government and twice from the Modo District government (Pitoy et al., 2024). In accordance with Lamongan Regent Regulation No. 5/2015 on village fund allocation, the village fund allocation funds are disbursed four times every three months in a year. From the information obtained by researchers from interviews conducted with informants, so far in its implementation in Lamongan Regency until 2015 there has never been an obstacle to the delay in the disbursement of funds. Government services in the form of training in applying for the village fund allocation budget have also made it easier for the Nguwok Village government to apply for funds. There is a difference between the Lamongan Regent Regulation No. 5/2015 on the village fund allocation and the information obtained by researchers in the field, where in the regulation the fixed income of the Village Head and Village Apparatus falls once a month, but from the information obtained by researchers, fixed income is obtained every 3 months. The existence of these obstacles will certainly also affect the services provided by the Nguwok Village government to its community. This can result in services provided by the Nguwok Village government to the community not being maximized and hinder the implementation of the village fund allocation policy itself.

The accuracy of the use of the village fund allocation Budget in Nguwok Village can be said to be right on target and does not deviate. This is in addition to the existence of the Lamongan Regent's decree through Perbup Lamongan No. 5 of 2015, there is also supervision from the Lamongan Regency government through the Village Government section and also the village Government Section of Modo District in the form of physical and administrative supervision. In Regent Regulation/*Peraturan Bupati* Lamongan No. 5 of 2015, it has been clearly stipulated what the use of the village fund allocation budget is for, from the distribution of funds to the priority use of funds, besides that the existence of supervision from the government will also certainly facilitate the Nguwok Village government in using the village fund allocation funds themselves, so that the use of village fund allocation funds can be appropriate.

In this village fund allocation policy, the implementation time is 4 times in 1 year is done every 3 months. The implementation of the village fund allocation policy has never been late, because the Nguwok Village government itself is always on time in submitting SPJ every month. With the timeliness carried out in the implementation of the policy, there is certainly no problem in the budget and the implementation of the policy runs on time at each month. It is also supported by other village governments in Kecamatan Modo who also implement it on time because this policy is collective and waits for all villages in the

Kecamatan Modo area to be ready first. Moreover, in the implementation of the policy itself there is assistance from the government, both the Lamongan Regency government and the Modo Regency government. The only obstacle is the time of budget disbursement for the fixed income of the village head and village officials, where Regent Regulation No. 5/2015 on the village fund allocation states that the fixed income is disbursed once a month, but in reality the fixed income is disbursed once every 3 months.

In submitting accountability for the implementation of policies carried out by the Nguwok Village Government to the Lamongan Regency Government, especially in the implementation of 2015, no problems were found, because if there is a problem, of course, it will also hamper the disbursement of funds at the next time and in the field there has never been a delay in the disbursement of funds due to problems in the accountability of the Nguwok Village Government to the Lamongan Regency Government. In contrast to its accountability to the Lamongan Regency government, the Nguwok Village government's accountability to its community was not. In reporting accountability for each activity, not all community members were invited and knew what the village fund allocation budget was used for. To make matters worse, in the SPJ presentation, there was no evaluation meeting on the implementation of policies in Nguwok Village and it was already in the form of a form that only needed to be signed by representatives of the Nguwok Village community who participated in the Musrenbangdes and the writing was not detailed enough. Transparency carried out by the Nguwok Village government is considered lacking and even suspected by some elements of the community who think that the use of the village fund allocation funds does not match the report with the realization in the field in the implementation of programs carried out by Nguwok Village government officials (Supriyanto & Damayanti, 2007). This is also due to the absence of control from the Nguwok Village community itself as a form of community obligation as stated in Law Number 6 of 2014 article 68 paragraph 2 concerning community obligations in encouraging good governance.

The existence of the village fund allocation policy is actually very much needed by the village government, especially Nguwok Village. With this policy, it is certainly expected to help village (Herianti & Litdia, 2022), finances for village administration, community services and also development in the village. The last point is very important because several villages in the Lamongan Regency area have inadequate offices and village halls that hamper the services provided by the village government, as well as the construction of roads that are used as a means for the village economy. This is also in accordance with what is stated in Lamongan Regent Regulation No. 5/2015 on village fund allocation, which explains the priorities for the use of village fund allocation funds. In its own implementation, there has also been verification carried out in several stages after the Musrenbang in Nguwok Village, starting from clarification in Modo Sub-district, then verification carried out by the Lamongan Regency government through the Regional Secretary of the Village government section, then verified again by the Regional Financial and Asset Management Agency and then there is disbursement from the regional treasury to the village treasury. So it can be said that the village fund allocation policy is in accordance with what Nguwok Village needs in carrying out government functions.

### *3.5 Evaluation of the efficiency of village fund allocation policy implementation*

Input is an input or everything that can support the implementation of a policy. In this study, inputs are related to the source of funds in the village fund allocation policy and also the groups or institutions involved in implementing the village fund allocation policy (Wasistiono, 2006). In this village fund allocation policy the source of funds comes from the Regional Budget of Lamongan Regency as one of the sources of village income. In Law Number 6 of 2014 concerning Villages, Article 72 paragraph 1 letter d explains that the village fund allocation is part of the balancing funds received by the regency/city to be used as one of the sources of village income. In this study, human resources related to the implementation of the village fund allocation Policy in Nguwok Village are the Lamongan Regency Government as the policy development team at the regency level through the



Regional Secretary of Lamongan Regency in the village Government section. Then there is the Modo Sub-district government through the village Government Section as the controlling team at the sub-district level. For human resources implementing the village fund allocation policy in Nguwok Village, there is the village Head and his apparatus as well as the BPD, then under the guidance of the village Head there is the Nguwok Village Community Empowerment Organization/*Lembaga Pemberdayaan Masyarakat* (LPM) and also the Nguwok Village community itself. while Human Resources for village assistants in Lamongan Regency in 2015 are still limited to one person per sub-district, so in Nguwok Village itself there is no one (Wahyuni, 2011).

Output is a result of the implementation of policies that have been carried out. In this study, output can be assessed from budget realization reports and policy implementation reports. In the village fund allocation policy in Nguwok Village, the Budget Realization report obtained by researchers is not well structured. Researchers only found the total amount of expenditure made by the Nguwok Village government. Researchers could not find detailed data on Nguwok Village government expenditures, such as in physical development in Nguwok Village. This is not in accordance with Lamongan Regent Regulation No. 5/2015 and the Technical Guidelines for the Implementation of the village fund allocation for Lamongan Regency in 2015. However, the fixed income of the Village Head and village officials, as well as the operational funds received by each RT in Nguwok Village, were in accordance with Lamongan Regent Regulation No. 5/2015. Meanwhile, meetings and official travel have also been adjusted to the Technical Guidelines for the Implementation of the village fund allocation of Kabupaten Lamongan in 2015. The report on the implementation of the village fund allocation policy in Nguwok Village is also included in the budget realization report in the form of an accountability letter and also a statement of responsibility provided by the Nguwok Village government to the Lamongan Regency Government through the Modo District. The implementation of the village fund allocation policy in Nguwok Village is in accordance with regulations set by the Regency government through Regent Regulation No. 5 of 2015 concerning village fund allocation, Technical Guidelines for the Implementation of village fund allocation of Lamongan Regency in 2015, and also Regent Decree No. 50 of 2015 concerning the location and allocation of village fund allocation. The allocation of funds for each month has also been listed in these regulations.

From the effectiveness and efficiency criteria, it can be seen that there are various problems in the implementation of the village fund allocation policy in Nguwok Village (Gocer et al., 2024). Such as the lack of access obtained by the village community to participate in musrenbang meetings, then the village fund allocation policy that has not fully reached the Nguwok Village community, especially in physical development, the intensity of the decline in funds for the fixed income of the Village Head and Nguwok Village Apparatus, the lack of transparency provided by the Nguwok Village government to its community regarding accountability, and the lack of detailed budget reporting in the form of an Accountability Letter provided by the Nguwok Village government (Winarno, 2007).

### *3.6 Interpretation of research results related to previous research*

The first previous research used as a reference is from Azwardi & Sukanto (2014) who examined the effectiveness of the village fund allocation and poverty in South Sumatra Province, the distribution of the village fund allocation has not been in accordance with applicable regulations. Although there is an increase in the distribution made by the region. The existing regulations in South Sumatra Province also do not provide sanctions for regions that do not distribute the village Fund Allocation. Where the implementation of The village fund allocation in South Sumatra Province seems not mandatory. The difference in the results obtained between this research and this research: (a) The formula for the allocation of the village fund allocation policy since the existence of Law Number 6 Year 2014 involves the number of family heads per village which is divided into 3 classes. The determination of the factors is also different where in Lamongan Regency it is determined

by the level of geographical difficulty, population and also the size of the village area. (b) The allocation of the village fund allocation policy in Nguwok Village does not only focus on reducing poverty, but rather on the physical development of the village, the fixed income of the Village Head and Nguwok Village officials, the operations of government and village institutions such as the Community Empowerment Organization (LPM), the Village Supervisory Board (BPD), and the operations of RT/RW. BPD and RT/RW operations, and finally community empowerment in Nguwok Village. (c) The allocation of The village fund allocation funds from the local government to the village is mandatory and regulated in Law No. 6 of 2014 where the allocation also considers the APBD revenue of each region.

The second previous research used as reference material is Thomas (2013) on the management of the village fund allocation in an effort to improve development in Sebang Village, Sesayap Subdistrict, Tana Tidung Regency, which reveals that the management of activities for apparatus expenditure and operational expenditure of 30% of the village fund allocation budget has been carried out in accordance with existing guidelines and regulations. As for public expenditure and empowerment to the community, 70% is more realized towards physical development. Meanwhile, non-physical development is not budgeted too much because there are still many physical developments that do not exist. The obstacles in the implementation of the village fund allocation in Sebang Village are the low resources of village officials as the spearhead of implementing the village fund allocation and the lack of coordination between the village fund allocation implementation team in Sebang Village and related agencies in managing the village fund allocation (Sahdan, 2004). The difference in the results obtained between the research and this research: (a) Community empowerment in the village fund allocation policy in Nguwok Village is not only for physical development, but also for community services such as services in the health sector, youth, agriculture, and religion. (b) Coordination between policy implementers in Nguwok Village and related agencies, namely the Lamongan Regency government and the Modo Sub-district government, is quite good. There is even supervision and guidance received by the Nguwok Village government from the Lamongan Regency government and the Modo Sub-district government so that the implementation of the village fund allocation policy in Nguwok Village runs smoothly and in accordance with existing regulations. (c) The management of The village fund allocation in Nguwok Village is not only carried out by the village government, but also by various elements within the Nguwok Village community.

The third previous research used as reference material is Budiono (2013) entitled "Implementation of the village fund allocation Policy Based on Minister of Home Affairs Regulation/*Peraturan Menteri Dalam Negeri* (Permendagri) No. 37 of 2007 concerning Village Financial Management Guidelines" concluded that Mergosari Village can implement the village fund allocation policy in accordance with the underlying regulations. The organizational structure of The village fund allocation implementers in Mergosari Village has been well established so as to provide clear lines of authority and duties and directions of accountability between functions. The village fund allocation is implemented effectively based on the underlying standards and objectives. The difference in the results obtained between the research and this research: (a) In the implementation of the village fund allocation policy in Nguwok Village, it is not based on Minister of Home Affairs Regulation/*Peraturan Menteri Dalam Negeri* (Permendagri) no. 37 2007, but Law no. 6 of 2014 concerning Villages and also Minister of Home Affairs Regulation/*Peraturan Menteri Dalam Negeri* (Permendagri) No. 114 of 2014 plus Lamongan Regent Regulation No. 5 of 2015 concerning village fund allocation. (b) The accountability given to the Nguwok Village community by the Nguwok Village government is still not transparent, causing suspicion between the Village government structures.

In a previous study written by Viqqie Aulia Anindita related to community empowerment through the application of the village fund allocation in Bareng Village, Bareng District, Jombang Regency. The conclusion that can be drawn from the results of the study is that the village fund allocation policy in the aspect of strengthening the village's financial capacity encourages the village government to improve the performance of village

government administration and is able to empower the village government and the village community which is characterized by the emergence of high community participation in Bareng Village and strong institutions at the village and hamlet levels (Nugroho, 2023). However, in the aspect of solving social community problems, as well as in the aspect of increasing and equalizing the income of the Bareng Village community, it has not been able to optimally empower the village government and the village community because it is still focused only on physical development. In the end, the Bareng Village community is encouraged to be empowered at the stage of transformation of abilities in the form of knowledge insights, skills with open insights and providing basic skills so that they can take part in development both at the individual and group levels with the village fund allocation policy through physical development. The difference in the results obtained between this research and this research: (a) The distribution of the proportion of the village fund allocation in this study not only focuses on community empowerment and village physical development, but also the fixed income of the village head and village officials and also the administration of government in Nguwok Village coupled with the needs of the community revealed during village deliberations. (b) Community empowerment and participation in the village fund allocation policy in Nguwok Village is not only focused on physical development. But all activities ranging from the formulation of the use of funds to evaluation after use, not to mention community empowerment programs in accordance with their fields such as women in the Family Welfare Empowerment/*Pemberdayaan Kesejahteraan Keluarga*(PKK), Youth Organization/*Karang Taruna*, religion and also farmer groups.

#### 4. Conclusions

The contribution of the village fund allocation funds from the local/district government received by Nguwok Village in 2015 amounted to IDR 266,696,000, which was only slightly less than the village Fund from the central government of IDR 272,935,300. These funds greatly assisted the Nguwok Village government compared to the village's own revenue, which in total amounted to only IDR 30,500,000. Meanwhile, the calculation of The village fund allocation funds received by each village is different depending on the weight of the village value. The weight of the village value is determined from the accumulated weight of the number of population classifications, the area and the village poverty rate multiplied by the village geographical difficulty index. where Nguwok Village itself has a population classification number in class 2 where the population of Nguwok Village ranges from 1000-2000 people. Nguwok Village itself has a low geographical difficulty index due to its strategic location and one of the villages on the Lamongan-Jombang route.

In addition to the village Fund, the village fund allocation funds obtained by the Nguwok Village government amounting to IDR 266,696,000 in 2015 proved to increase the village's financial capacity to finance village development programs, but the village's freedom to use the budget sourced from the village fund allocation is still controlled by the Lamongan Regency government through the Perbup, as evidenced by the results of interviews from several informants and APBDes documents whose budget use follows the Lamongan Regent Regulation No. 5 of 2015 concerning village fund allocation. The existence of RPJMDes or APBDes documents made by the Nguwok Village government is only a requirement so that the village fund allocation funds can be disbursed immediately without going through the process of decision-making through proper deliberation where the Nguwok Village government has not understood the essence of Law No. 6/2014 on Villages.

Village autonomy, the authority of the Nguwok Village government in managing its own households has not been implemented optimally and does not fully understand village autonomy. This is because there are still regulations that bind the Nguwok Village government from the Lamongan Regency Government in the use of the budget received from the village fund allocation fund. So it seems that the Nguwok Village government is only an implementer of activities or programs from the village fund allocation policy. The Nguwok Village government should have initiated its own needs without being guided by the Lamongan Regency government. Nguwok Village community participation in the

implementation of the village fund allocation policy is included in the Airnstein category, as evidenced by the reciprocity of the community by providing suggestions regarding the use of the village fund allocation funds, especially in the field of village physical development. Although in the end the final decision remains with the Nguwok Village Head.

The comparison between the source of funds and the budget realization report shows that the implementation of the village fund allocation policy in Nguwok Village requires large funds, but in the disbursement of funds received by the Nguwok Village government there are no obstacles that cause problems in the implementation of the village fund allocation policy in Nguwok Village. This is in accordance with Lamongan Regent Regulation Number 5 of 2015 concerning the village fund allocation to support the implementation of policies in Nguwok Village. Then, related to the preparation of the budget realization report, there is no detailed mention of what the use of funds is spent on as well as the nominal amount. However, there is only the total expenditure. This is not in accordance with Lamongan Regent Regulation Number 5 of 2015 concerning the village fund allocation and also the Technical Guidelines for the Implementation of village fund allocation of Lamongan Regency in 2015 where every expenditure must be written in detail for what is needed and adjusted to the technical guidelines issued by the Lamongan Regency Government.

From the comparison between implementing agencies related to the implementation report of the village fund allocation policy in Nguwok Village, it shows that the cooperation between agencies is going well. Coordination between institutions from the Lamongan Regency government to the Nguwok Village Government runs smoothly. This is in accordance with the duties of each institution as stated in Lamongan Regent Regulation Number 5 of 2015. This is evident from the services received by the Nguwok Village government in implementing the village fund allocation policy, both in the form of assistance and supervision from the Lamongan Regency government and Modo Sub-district. Then, the report on the implementation of the village fund allocation policy in Nguwok Village is also well arranged in the budget realization report even though the budget report is not detailed. Because if the policy implementation report is not in accordance with existing regulations, it will certainly make it difficult for the Nguwok Village government to apply for fund disbursement at the next time.

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### **Author Contribution**

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