

Research Article

Village Government Strategies For Sustainable Management Of Village Funds In Minta Kasih Village, Langkat Regency

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Abstract: This study aims to analyze the government's strategy in Minta Kasih Village, Langkat Regency, in managing Village Funds sustainably. Village Fund management has tended to focus on physical development and administrative reporting, but has not fully considered social and environmental sustainability. This study used a qualitative narrative approach with data collection techniques through in-depth interviews, participatory observation, and documentation studies. The results indicate that the Village Fund planning and implementation strategy has been carried out in accordance with regulations and is based on deliberation. Programs implemented include the construction of drilled wells, alleyways, Family Empowerment and Welfare (PKK) activities, and training for village officials. However, community participation is still limited, village social institutions are not optimal, and environmental aspects have not been prioritized in village planning. Program evaluation also still focuses on administrative reporting, rather than on long-term impacts. To address these challenges, this study recommends five strategies: establishing a hamlet community forum, strengthening social institutions, implementing a household waste management program, utilizing land for educational green spaces, and developing digital village information media. By strengthening these strategies, it is hoped that Village Fund management can have a greater social, ecological, and sustainable impact. In addition, this study contributes theoretically by highlighting the importance of integrating participatory governance and environmental sustainability into rural development policies. Practically, it provides a reference for policymakers, village governments, and community organizations in formulating inclusive, transparent, and environmentally conscious strategies for Village Fund management. The findings also emphasize the need for continuous capacity building for village officials and increased awareness among communities to ensure that the Village Fund not only fulfills regulatory compliance but also creates long-term benefits for future generations.

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1. Introduction

The Village Fund (DD) is a strategic fiscal instrument introduced through Law Number 6 of 2014 concerning Villages. These funds are channeled directly from the State Budget (APBN) to village cash accounts through local governments, with the aim of accelerating village development, strengthening village autonomy, and reducing inter-regional disparities. Within this framework, the Village Fund is directed to support the achievement of the Village Sustainable Development Goals (SDGs), which encompass 18 objectives, ranging from poverty alleviation and improving education quality to environmental preservation (Ministry of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia [Kemendesa PDTT], 2022).

The implementation of Village Funds is regulated through several important regulations, such as Regulation of the Minister of Home Affairs (Permendagri) Number 20 of 2018 concerning Village Financial Management, Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration (Permendesa PDTT) Number 13 of 2020 con-

cerning Priority Use of Village Funds, and Regulation of the Minister of Finance (PMK) Number 190/PMK.07/2021 concerning Village Fund Management. All of these regulations emphasize the importance of transparent, accountable, participatory, orderly, and disciplined budget management of Village Funds (Kemendesa, 2020; Kemendesa, 2021).

However, in its implementation, Village Fund management in various regions still faces various challenges. One major issue is the tendency for Village Fund use to focus solely on fulfilling short-term physical and administrative activities, without a strategic approach that considers the sustainability of benefits for the community. This phenomenon was also found in Minta Kasih Village, Salapian District, Langkat Regency, which has significant local resource potential but has not been fully integrated into medium-term planning documents such as the Village Medium-Term Development Plan (RPJMDs) or annual planning through the Village Government Work Plan (RKPDs) (Br Bancin & Hasibuan, 2023).

Weaknesses in developing long-term strategies have resulted in a disconnect between Village Fund use and social dimensions, such as empowering vulnerable groups and community participation, and environmental dimensions, such as natural resource conservation. The lack of community involvement in decision-making, the low capacity of village officials, and a weak monitoring and evaluation system are factors that hinder the implementation of sustainable Village Fund management (Rahmawati & Sugiarto, 2021; Irawan & Widodo, 2020; Winarsih, 2021).

In this context, a more in-depth study of Village Fund management strategies is crucial. This strategy encompasses not only fund utilization planning but also comprehensive implementation, monitoring, and evaluation processes that ensure program sustainability. While previous studies have focused on technical administrative evaluations such as budget absorption effectiveness and financial reporting accountability (Maharani & Akbar, 2020) or on assessing the impact of Village Funds on overall community welfare (Fathony, Iqbal & Sopian, 2019), few have specifically explored how village governments formulate Village Fund management strategies that simultaneously consider social and environmental sustainability.

Based on these conditions, this study aims to explore in depth how the Minta Kasih Village Government implements Village Fund management strategies to create sustainable impacts. Using a qualitative narrative approach, data were collected through in-depth interviews with village officials, including the village head, secretary, head of financial affairs, and the head of the Village Consultative Body (BPD). This research was supported by a review of planning documents and direct observation. The focus of this study is to reconstruct the process of formulating, implementing, and evaluating Village Fund management strategies from a social and environmental sustainability perspective.

The findings of this study are expected to provide theoretical contributions to the development of participatory and adaptive village governance concepts, while also providing practical recommendations for stakeholders at both the village and district levels. Thus, Village Funds are not merely a means of annual budget absorption, but also serve as a catalyst for village transformation toward inclusive, sustainable, and future-oriented development.

2. Theoretical Study

Village Fund management is a strategic issue in local development, particularly in realizing sustainable village development. From an organizational strategy perspective, villages, as the lowest-level government entities, need to systematically design, implement, and evaluate policies to address complex development challenges. Organizational strategy encompasses the formulation of policy direction, resource distribution, and the involvement of key actors in decision-making. Bryson (2018) emphasized that public sector strategies must be designed adaptively, based on stakeholder needs, and oriented toward long-term results. In the context of village government, this means that Village Fund management strategies are not merely administrative and procedural but must also have a tangible impact on community life and the sustainability of the village environment.

To support this strategy, the principles of good governance provide a crucial framework. Governance is defined by the World Bank (1992) as the mechanisms and processes used by governments to exercise authority in managing resources for social and economic development. Key principles of good governance, such as accountability, transparency, participation, responsiveness, and efficiency, serve as the foundation for Village Fund management, ensuring

that programs reach their target groups equitably and sustainably (OECD, 2021). In the village context, governance also encompasses collaboration between the village government, the Village Consultative Body (BPD), and the community as local stakeholders.

Sustainable development is an important normative foundation for the use of Village Funds. This concept emphasizes meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. The United Nations Development Programme (UNDP, 2020) outlines that sustainable development encompasses three main dimensions: economic, social, and environmental. In the village context, these three dimensions are realized through the wise utilization of local potential, strengthening social institutions, and preserving village ecosystems. Village Fund management aligned with sustainable development includes community empowerment programs, increasing the capacity of government officials, and integrating environmental conservation with village planning.

Several previous studies have addressed Village Fund management from various perspectives. Br Bancin and Hasibuan's (2023) study examined the Village Fund Allocation management process in Minta Kasih Village, but its primary focus was on technical stages, such as planning, implementation, administration, and accountability, without addressing sustainability strategies. Meanwhile, Rahmawati and Sugiarto (2021) highlighted low community participation and the unpreparedness of village officials in managing participatory programs. Research by Kurniasih, Sari, and Maulana (2022) demonstrated that the village head's vision and leadership style significantly determine program sustainability, while Winarsih (2021) emphasized the importance of village governance in implementing SDG principles. Irawan and Widodo (2020) focused their research on the effectiveness of village government strategies in improving welfare based on local participation. A summary of these studies can be seen in the following table:

Table 1. Previous Research

No	Researchers	Title & Year	Results
1	Br Bancin & Hasibuan (2023)	<i>Analysis of Village Fund Allocation Management in Village Development</i>	Focuses on the planning, implementation, administration, and accountability stages. It does not address aspects of sustainable strategy.
2	Rahmawati & Sugiarto (2021)	<i>Challenges of Participatory Village Fund Management</i>	Highlighting the low level of community participation and the unpreparedness of village officials in participatory planning.
3	Kurniasih, Sari, & Maulana (2022)	<i>Village Head Leadership in Realizing Sustainable Development</i>	Emphasizing the importance of the village head's vision in building the sustainability of village programs.
4	Winarsih (2021)	<i>Village Governance from the SDGs Perspective</i>	Examining the role of village governance in achieving sustainability indicators.
5	Irawan & Widodo (2020)	<i>Effectiveness of Village Government Strategy in Village Fund Management</i>	Focusing on the strategic capabilities of village governments to improve welfare based on local participation.

Source: Researcher Analysis, 2025

Based on the theoretical review and previous studies, it can be concluded that there is still significant room to explore Village Fund management strategies more deeply from the perspective of village officials as the primary actors. This research positions itself as filling this gap, focusing on how strategies are formulated, implemented, and evaluated collaboratively to support social and environmental sustainability at the village level.

The conceptual framework used in this study integrates three main components: village government strategy, Village Fund governance, and sustainable village development. The relationships between these elements are dynamically structured in the following diagram:

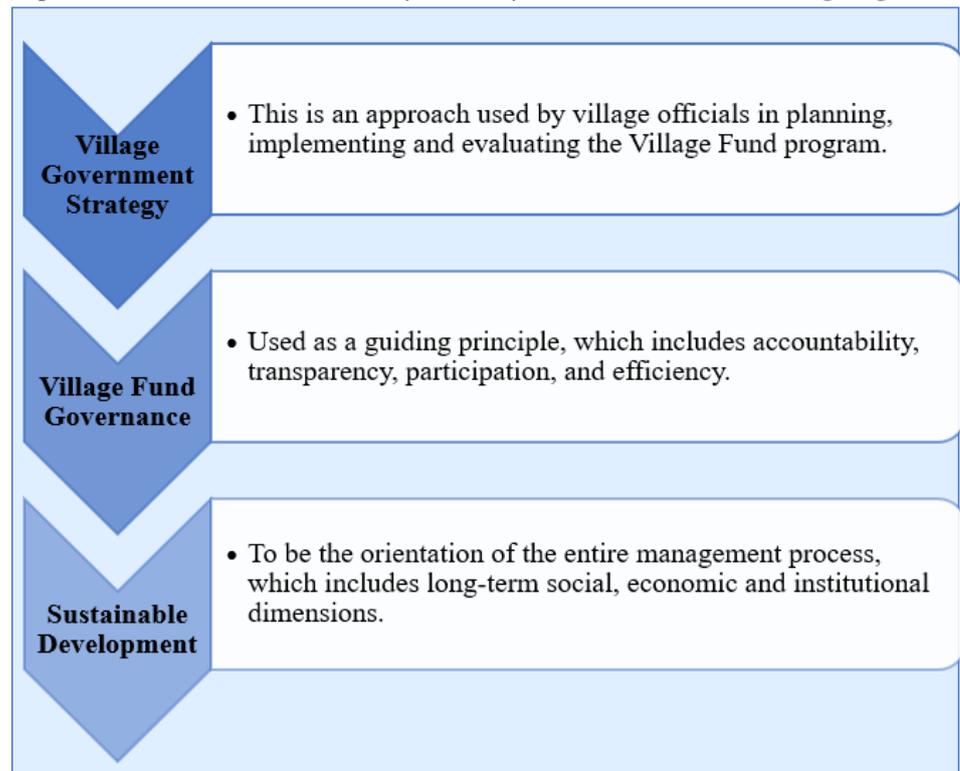


Figure 1. Conceptual Framework of the Research

Source: Author, 2025

Within this framework, the village government's strategy is positioned as the starting point in the management process, reflecting the vision, policy direction, and priorities of village development programs. This strategy is then implemented through Village Fund governance, which serves as both an operational tool and a policy instrument. At this stage, governance principles serve as the foundation for ensuring participatory, accountable, and efficient implementation. The results of this process are expected to lead to sustainable village development, characterized by improved community welfare, strengthened local institutions, and the preservation of village natural resources. The relationship between these three elements is cyclical, with development outcomes providing feedback to subsequent strategies, ensuring an adaptive and sustainable management process.

3. Methodology

This research uses a narrative qualitative approach with a focus on exploring the meaning and strategies used by village governments in managing Village Funds sustainably. This approach was chosen because it is able to

This study uses a qualitative approach with a narrative design, aiming to deeply explore the meaning behind Village Fund management strategies by village government officials. This approach was chosen because it can reveal the subjective and narrative perspectives of local policymakers, which cannot be achieved through quantitative approaches (Creswell & Poth, 2018). The primary focus is on how village officials interpret strategic actions, decisions, and practices within the context of local social, institutional, and value contexts (Saldana & Omasta, 2021).

This research was conducted in Minta Kasih Village, located in Salapian District, Langkat Regency, North Sumatra Province. This location was chosen purposively because the village actively utilizes Village Funds and has implemented various development programs, yet simultaneously faces challenges in maintaining long-term sustainability. The research took place from January to April 2025, encompassing the planning, data collection, analysis, and compilation stages.

The population in this study includes the entire government structure of Minta Kasih Village that is directly involved in the planning and implementation of Village Funds. These include: the Village Head, Village Secretary, Head of Financial Affairs (Kaur), Hamlet Head, Head of the Village Consultative Body (BPD), and community leaders active in village deliberations. The informant selection technique used purposive sampling, namely selection based on consideration of active involvement in strategic decision making. The number of informants is determined based on the principle of data saturation, where collection is stopped when the information obtained becomes repetitive or no longer yields new insights. An estimated 8–10 key informants will be involved, a common number in narrative research because it prioritizes data depth over statistically representative coverage (Creswell & Poth, 2018).

In qualitative research, variables are not formulated quantitatively and operationally, but rather focused on thematic issues that are the main focus. The research focuses on the strategies implemented by village governments in managing Village Funds sustainably. This includes: (1) planning strategies, (2) program implementation, (3) control and evaluation, and (4) factors supporting and inhibiting program sustainability.

The type of data used is qualitative data obtained from interviews, observations, and policy document reviews. Primary data sources come from in-depth interviews with informants and direct observation of village government activities. Secondary data sources include development planning and implementation documents, such as Village Medium-Term Development Plan (RPJMDes), Village Government Work Plan (RKPDDes), Village Fund accountability reports, and other relevant regulatory and administrative documents. Data collection was conducted using three main techniques: (1) Semi-Structured In-Depth Interviews, used to narratively explore informants' experiences, meanings, and strategies related to Village Fund management. (2) Participatory Observation, namely direct observation of village activities such as deliberation meetings, program implementation, and social dynamics within the village government environment. (3) Documentation Study, conducted to complement information from interviews and observations by reviewing official documents and village policy archives.

Data analysis was carried out using a thematic approach (thematic analysis) according to Braun and Clarke (2021), which involves several stages: (1) transcription of interviews and field notes; (2) identification and marking of initial themes; (3) open coding and grouping of data based on categories of strategy, challenges, and sustainability; (4) interpretation of data within the theoretical framework of organizational strategy, governance, and sustainable development. This process is carried out reflectively to capture the dynamics of values and social contexts that may be hidden behind administrative practices.

The validity of the results is maintained through triangulation of methods and sources, verification of interpretation through reconfirmation with informants (member checking), as well as documentation of the analysis process to ensure transparency and credibility of the findings.

4. Results And Discussion

4.1 Results

4.1.1 Village Fund Program Planning and Implementation Strategy

Village Fund Management in Minta Kasih Village, Salapian District, Langkat Regency, reflects the village government's efforts to implement deliberation-based development and address local community needs. Based on field observations, documentation studies, and interviews with village officials and residents, the Village Fund management strategy in Minta Kasih Village is divided into two main stages: planning strategy and program implementation. Administratively, Minta Kasih Village covers an area of approximately 6,300 hectares with a population of approximately 2,200. Most residents earn their living in agriculture and oil palm plantations. The village government structure is led by a village head and supported by village officials in the data collection process. The village institutional structure also involves the participation of community groups through village deliberation forums.

Village Fund planning is carried out in a participatory manner through a mechanism for gathering community aspirations, starting with the Hamlet Deliberation (Musdus) and continuing in the Village Deliberation (Musdes). These community aspirations are then formulated into the Village Medium-Term Development Plan (RPJMDes) and the Village Government Work Plan (RKPDDes). Based on the village development planning documents and interviews with

village officials, it is known that the allocation of Village Funds for Minta Kasih Village has increased from year to year, demonstrating consistency in supporting sustainable development programs. In the 2023 budget year, referring to Langkat Regent Regulation Number 3 of 2023, the allocation of Village Funds is determined based on a formula that takes into account population size, poverty level, area, geographic difficulty index, and the number of village officials. Although detailed nominal data for that year is not explicitly listed in open documents, the results of triangulation with the RKPDes document and statements from village officials indicate that the amount of Village Funds for Minta Kasih Village in 2023, referring to Langkat Regent Regulation Number 3 of 2023, the Village Fund allocation for Minta Kasih Village is IDR 466,690,000 (Langkat Regency Government, 2023).

Based on interviews with Minta Kasih Village officials and the 2024 village development planning document, it was discovered that the Village Fund allocation for Minta Kasih Village experienced a significant increase compared to the previous year. Estimates from village officials state that the Village Fund allocation in the 2024 budget year reached approximately Rp808,322,000, which was then used to fund priority physical development and community empowerment programs. This estimate was supported by the RBtv Disway media publication (2024) which included this figure, and was supplemented by an official report from the Langkat Regency Government through the Communications and Information Service which stated that Langkat was one of the regencies with the third best Village Fund distribution in North Sumatra in 2024. This achievement reflects the local government's commitment to ensuring the timely and equitable distribution of Village Funds to villages, including Minta Kasih Village. (RBtv Disway, 2024; langkatkab.go.id, 2023).

Furthermore, for the 2025 budget year, the Village Fund recapitulation document for Saplarian District obtained from field observations and documentation shows that Minta Kasih Village again received a Village Fund allocation of Rp549,349,000. This nominal amount was determined based on Langkat Regent Regulation Number 4 of 2025 and is part of the national Village Fund allocation scheme with a similar formula as in previous years (Langkat Regency Government, 2025).

Thus, the past three years show that the amount of Village Funds received by Minta Kasih Village ranges from IDR 500 million to IDR 800 million, with nominal fluctuations following the regulatory scheme and indicator proportions determined by the district government. This information is crucial for assessing how the village designs its Village Fund management strategy consistently and adapts to policy changes.

The RPJMDes and RKPDes documents for Minta Kasih Village emphasize the direction of village development, which focuses on meeting basic community needs, strengthening village institutions, and empowering vulnerable groups in a sustainable manner. All development plans are outlined in the Village Revenue and Expenditure Budget (APBDes) and serve as the basis for implementing activities. Village officials stated that:

"Development programs are formulated based on the results of deliberations. What residents propose will be prioritized. We simply facilitate compliance with regulations." (Interview, delivered by the relevant village official, 2025)

From 2023 to mid-2024, the implementation of the Village Fund program focused on two main aspects: physical development and community empowerment. This information was obtained from the Village Budget (APBDes) documents, village meeting minutes, and observations and confirmations with village officials. Several key programs that have been implemented are presented in the following table:

Table 2. Realization of the Village Fund Program in 2023–2024

YEAR	Program	Location/Hamlet	Information
2023	Direct Cash Assistance (BLT) Village Funds	The whole village	Supporting poor families affected by socio-economic conditions
2023	Food Security Program	Hamlets 1 & 4	Catfish cultivation and local chicken farming

YEAR	Program	Location/Hamlet	Information
2023	Village Road Maintenance	Hamlets 1–5	Regular maintenance of village road infrastructure
2024	Procurement of Early Childhood Education Facilities	Hamlet 2	Supporting early childhood education
2024	Strengthening Posyandu Cadres	The whole village	Increasing the capacity of basic health services
2024	Local Economic Development Program	Hamlets 3 & 4	MSME training and village product marketing

The program's implementation demonstrates that Village Funds have been utilized to meet basic community needs and strengthen local capacity. However, observations and reports from residents indicate that the quality of physical output remains a challenge. For example, recently completed alley roads are experiencing premature deterioration. One resident from a hamlet near the Village Office stated:

"The newly constructed alleyway is already starting to deteriorate. The cement is thin and cracks easily, especially during the rainy season." (Interview, with residents – Hamlet around the Village Office)

These findings confirm that high budget absorption rates do not always translate directly to the quality and sustainability of development outcomes. Factors influencing this situation include limited technical oversight and the need to strengthen the capacity of activity implementers. This aligns with a study by Subekti & Ulfah (2022), which emphasized that the effectiveness of Village Funds is largely determined by the control process and quality of implementation.

In general, the Village Fund planning and implementation strategy in Minta Kasih Village has been carried out according to procedure and based on deliberation. However, challenges related to the sustainability of infrastructure quality and strengthening community social capacity indicate that the village government still needs to improve the effectiveness of program implementation and oversight. Moving forward, integrating technical and social aspects into every stage of implementation will be key to promoting more inclusive and sustainable village development.

In terms of administration, Minta Kasih Village has used a general cash book and village information board to support transparency. Every development activity is documented through photographs, receipts, and written reports, as conveyed by the Head of Finance. The village government also submits budget realization reports to the Village and Community Empowerment Agency (PMD) through the sub-district head in accordance with Article 8 of Langkat Regent Regulation No. 4 of 2025. However, the level of community involvement in the decision-making process and monitoring of budget use still needs to be strengthened. This is due to limited socialization and unequal access to information for the community. Research by Putri (2023) noted that the integrity of village officials is a key element in maintaining public trust in the management of Village Funds.

The 2024 Village Fund priorities set out in the national policy document emphasize four main points: village economic resilience, human resource development, digital transformation, and environmental preservation. Implementation in Minta Kasih Village has so far addressed economic and social aspects, but has not yet optimally targeted digital innovation and environ-

mental conservation. Information technology-based programs and village ecological management remain incidental and have not been integrated into the Village Medium-Term Development Plan (RPJMDes).

4.1.2 Analysis of Social and Environmental Aspects in Village Fund Management

Ideally, Village Fund management should not only be aimed at physical development but also consider social and environmental sustainability as part of the commitment to sustainable development at the village level. In Minta Kasih Village, several programs implemented during the 2023–2024 fiscal year implicitly reflect attention to these two dimensions. However, their effectiveness and sustainability still require strengthening. The analysis in this section is based on observational data, interviews with village informants, and a study of policy documents and development activity reports. Social aspects in the context of Village Fund management include community participation, empowerment of vulnerable groups, and strengthening of village social institutions. Based on the results of the field study, it was found that:

Community Participation

Village deliberation (musdes) mechanisms have been implemented regularly. However, community involvement has been uneven. Only community leaders or village officials have predominantly voiced their aspirations, while women and youth groups have been relatively passive. One resident stated:

"When it comes to village meetings, usually the same people come. Sometimes we only hear the results, not the process." (Interview, Resident of Hamlet 2)

PKK and Posyandu activities

Village Funds also support Family Welfare Movement (PKK) activities, which focus on UP2K training, toddler nutrition counseling, and IVA screenings. These activities are held regularly at the village hall and serve as a means of empowering housewives. The integrated health service post (Posyandu) is actively functioning and is directly supervised by village cadres.

Strengthening Local Institutions

Institutional structures such as the Family Welfare Movement (PKK), Youth Organization (Karang Taruna), and Village Consultative Body (BPD) are functioning, but they are not yet fully integrated into the development planning system. Cross-sectoral programs between village institutions have not been systematically implemented. The following table summarizes the identified social aspects:

Table 3. Summary of Social Aspects

Social Dimension	Finding Indicators	Information
Community Participation	Village deliberations are ongoing but limited	Need to expand the base of village assembly participants
Women's Empowerment	IVA program, UP2K, basic necessities, nutrition training by PKK	Walk routine
Basic Social Services	Posyandu is active, toddlers and elderly are served	Supported by Village Funds
Village Social Institutions	BPD, Karang Taruna, PKK are involved in village activities	Not yet integrated across programs

Source: Researcher Summary, 2025

Furthermore, environmental aspects have not been explicitly prioritized in the RPJMDes or the implementation of the Village Fund program. However, several activities can be interpreted as contributing to the environment. Based on field studies, it was found that:

Environmental Health Supporting Infrastructure

The well-drilling program has helped improve community access to clean water. However, further management efforts, such as wastewater utilization or the separation of clean water and ash, have not been prioritized.

Waste management

An integrated waste management system at the village or hamlet level is not yet in place, so household waste management is still handled independently by residents. Family-based waste management education programs have not been implemented, unlike best practices in other villages in Langkat Regency.

Environmental Sustainability

No reforestation, tree planting, or green space revitalization programs have been identified. Disaster management assistance remains reactive, such as distributing logistics, rather than mitigating or preventive. The following table summarizes findings related to environmental aspects:

Table 4. Summary of Environmental Aspects

Environmental Dimension	Finding Indicators	Information
Access to Clean Water	Construction of village drilled wells	Positive impact, but not yet comprehensive
Waste management	The TPS system is not yet available, so household waste management is still individual and has not been coordinated in an integrated manner.	Need an integrated education program
Environmental Mitigation	There is no greening yet, there is no village park yet	The potential of green programs has not been utilized
Disaster Response	Disaster funds are used post-event (logistics)	Not yet targeting training and mitigation

Source: Researcher Summary, 2025

Overall, social aspects have been addressed first in Village Fund implementation, particularly through the role of the Family Welfare Movement (PKK) and basic service programs. Meanwhile, environmental aspects have not been included in development priorities. This indicates that Village Fund management in Minta Kasih Village still tends to be sectoral and not yet integrated with sustainable development principles.

The implication of this situation is the need to expand the scope of the RPJMDes and RKPDes to include environmental sustainability indicators as a planning requirement. This adjustment also aligns with the national policy direction regarding the 2025 Village Fund, which emphasizes green development and digital transformation of villages.

4.1.3 Evaluation and Constraints in Village Fund Management

An evaluation of Village Fund management in Minta Kasih Village shows that administratively, the village government has implemented reporting and administration procedures in accordance with the provisions stipulated in Langkat Regent Regulation Number 3 of 2023 concerning the Allocation of Village Funds for the 2023 Fiscal Year and related regulations governing village financial transparency and accountability mechanisms. These procedures include recording in the general cash book, preparing budget realization reports, and installing public information boards at the village office. Documentation of activity implementation is also available in the form of photos, minutes, and receipts, which formally fulfill the administrative and reporting requirements for the sub-district and the Community and Village Empowerment Service (Dinas PMD).

Observations and interviews indicated that the reporting met administrative requirements, but impact-based evaluation was not yet a primary focus. Village officials stated that although the reports were documented, monitoring the extent to which the community perceived the benefits of the activities still needed improvement. In the interview, they stated:

"Activity reporting has fulfilled administrative requirements, while monitoring of impacts on the community still needs to be strengthened to be more measurable." (Interview, 2025)

This statement indicates that the focus of reporting remains on implementation rather than long-term results, resulting in the under-documentation of social outcomes from Village Fund use. In terms of accountability, village governments have strived to uphold the principle of transparency through community involvement in village deliberation forums. However, community participation in the implementation and oversight stages has not been optimal. Several residents reported that they were not always aware of the details of ongoing programs, even after activities began. This situation is exacerbated by the lack of public information channels, such as noticeboards per hamlet or village digital media. This situation aligns with the findings of a study by Putri and Sulaiman (2020), which showed that transparency in Village Fund use in many regions tends to be limited to administrative reporting without the support of open and inclusive information delivery mechanisms for the public.

Furthermore, based on the analysis of documents and interviews, several obstacles were identified that hamper the effective management of Village Funds. These obstacles are divided into two major groups: structural and non-structural obstacles. Structural obstacles include limited technical human resources in villages, particularly in the areas of development administration and financial management, dependence on third parties for the implementation of physical projects such as roads and drilled wells, and suboptimal training and routine coaching for village officials. Meanwhile, non-structural obstacles include low community participation in the oversight phase, a lack of public education regarding the mechanisms for using Village Funds, and the dominance of informal communication patterns that are verbal and not systematically documented. To clarify the identification of these obstacles, the following summary table is presented:

Table 5. Summary of Constraints in Village Fund Management

Constraint Category	Description of Constraints
Structural	Limited technical human resources in the fields of administration and finance
	Dependence on third parties (contractors)
	There is no routine training for civil servants
Non-Structural	The level of community participation in supervision still needs to be increased
	Public education regarding the mechanism for using Village Funds still needs to be expanded.
	Communication patterns are still predominantly informal and not fully documented.

Source: Researcher Summary, 2025

This situation demonstrates that the effectiveness of Village Fund management is determined not only by applicable regulations and procedures, but also by institutional capacity and active community participation in all stages of the village development cycle. These results reinforce the findings of Irawan and Widodo (2020), who stated that strengthening institutional capacity and participatory transparency are crucial factors in increasing the effectiveness of Village Fund management in Indonesia. Therefore, although Minta Kasih Village has implemented a formal Village Fund administration and reporting system, strengthening aspects of impact evaluation, social accountability, and participatory monitoring systems remains a strategic challenge that must be addressed within the framework of sustainable village development.

4.2 Discussion

4.2.1 Reflection on Village Fund Management Strategy Based on Governance Principles

Village Fund management in Minta Kasih Village has adhered to basic village governance principles, such as the development of the Medium-Term Development Plan (RPJMDes), village deliberations, and the participation of village officials and institutions such as the Family Welfare Movement (PKK). However, evaluation results indicate that reports on Village Fund use remain administrative in nature, lacking long-term impact evaluation.

This indicates that the principles of accountability and transparency, while implemented through reporting, have not yet been fully translated into evaluative practices oriented toward sustainable benefits. Minta Kasih Village also continues to face challenges in community participation, particularly in the implementation and monitoring stages, which are crucial for community-based governance.

4.2.2 Comparison with National and International Best Practices

Compared with best practices in various regions of Indonesia and internationally, Minta Kasih Village currently focuses on strengthening administrative and social capacity. Nationally, several studies show that other villages have successfully integrated Village Funds with broader strategic issues. Subekti and Ulfah (2022), in their research in Ngroto Village, Malang Regency, revealed that although Village Funds have been used efficiently for physical development, the green budgeting approach has not been optimally implemented, resulting in ecological aspects being neglected. A similar trend is evident in the management of Village Funds in Rongdalem Village, Sampang Regency. While adopting the principles of village SDGs, the Village Fund remains constrained by widespread program dissemination to the general public (Putri & Fauzan, 2023). Furthermore, Pasirtalaga Village in Yogyakarta Province serves as an example of how budget transparency and community involvement in waste management and reforestation can increase public trust and strengthen sustainability (Subekti & Ulfah, 2022).

In the context of Minta Kasih Village, the challenges in managing Village Funds lie in the minimal community involvement in oversight and the lack of adequate public information. While participation occurs during the planning stage, community involvement does not extend to program implementation and evaluation. This aligns with the findings of Putri and Sulaiman (2020), who highlighted that village budget transparency is often not matched by information disclosure to the wider community, particularly at the hamlet level or for vulnerable groups.

Furthermore, research conducted by Wahyuni and Baharuddin (2023) in Somba Palioi Village, Bulukumba Regency, demonstrated that Village Fund allocations can be effectively directed to support social and economic sectors, including improving community literacy and access to village MSMEs. This finding aligns with a study conducted in Randuagung Village, Gresik Regency, which demonstrated that Village Fund management can simultaneously encourage community empowerment and basic infrastructure development (Rahman & Handoko, 2022). However, in Minta Kasih Village, Village Fund utilization has so far been primarily directed toward physical development and training of village officials, while strengthening the community's economic capacity still requires further development.

The evaluation of Village Funds in East Java by Susilowati et al. (2017) further supports the finding that Village Funds contribute directly to poverty alleviation and increased village original income, although the quality of governance across villages remains highly variable. Similarly, in a study in Central Java, Yulitasari and Tyas (2020) concluded that Village Funds play a significant role in improving village status, but without a sustainability-based strategy, this status tends to stagnate. A similar phenomenon is reflected in Minta Kasih Village, which, despite maximizing budget utilization and meeting administrative indicators, has not yet fully demonstrated the program's social and ecological sustainability.

A study conducted by Chen et al. (2024) in rural China showed that community-based governance models tend to be more adaptive in building social and ecological resilience in villages than top-down, corporate-based models. This finding is reinforced by research from the ALMIA project in Catalonia, Spain, which demonstrated how local communities can drive green energy transitions and social development through renewable energy-based resource management (Garcia et al., 2021). Meanwhile, the Smart Villages concept implemented in several digital villages in Indonesia reflects how information technology-based innovation not only improves public services but also expands community participation and village government efficiency (Ramadhan et al., 2022). Land management practices in Tarumajaya Village, Indonesia,

as reviewed by Wahyudi and Kusuma (2024) in the journal *Scientific Reports*, shows that access to land and green open space policies significantly influence the quality of village governance, and are important factors in achieving sustainable development goals.

4.2.3 Direction of Village Policy Reformulation Towards Sustainability

Based on these findings and comparisons with best practices, Minta Kasih Village needs to reformulate its village development policies. This involves not only revising the Village Work Plan (RKPD) to explicitly include sustainability indicators, but also developing a participatory approach that reaches more residents beyond formal village deliberation forums. By considering proven best practices, both domestic and international, Minta Kasih Village's future development opportunities can be directed at three main areas. First, strengthening community literacy through the digitization of village deliberation forums is necessary, thereby encouraging increased participation and transparency. Second, it is crucial to develop a development agenda that prioritizes environmental management and disaster mitigation, for example through reforestation or integrated household-based waste management. Third, innovation in financial governance can be expanded through synergies with educational institutions, local communities, or microfinance institutions to strengthen the entrepreneurial capacity of the village community. These three directions, if implemented gradually, will strengthen Minta Kasih Village's position not only as a budget implementer but also as a pioneer of sustainable development in its region.

5. Conclusions

This study shows that the Village Fund management strategy in Minta Kasih Village has been implemented in accordance with regulations and is based on community deliberation, particularly in providing basic infrastructure and social empowerment through PKK activities and basic services. However, its implementation is still administrative and has not yet touched on impact-based evaluation, community participation is not yet evenly distributed, and environmental aspects need to be more optimally integrated into development planning. Therefore, to make Village Fund management more effective, inclusive, and sustainable, the village government is advised to implement five main strategies: establishing a hamlet community forum as an initial aspiration channel that reaches women's and youth groups; strengthening the role of social institutions such as PKK and Karang Taruna in entrepreneurship and digital education; initiating a household-based integrated waste management program; utilizing unproductive village land into educational green spaces; and developing village digital information media to increase transparency and citizen participation. These five strategies do not require major structural changes but have the potential to produce significant transformations in Village Fund governance towards more adaptive, participatory, and long-term oriented development. Thus, the Village Fund is not merely a tool for budget absorption, but also a catalyst for village transformation towards a sustainable future.

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