

## **Village Fund Policy Based Planning Development**

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### **Abstract**

Village funds are used for village development through the development of village potential as an effort to increase PAD and the community's economy, including the establishment of BUMDes which aims to manage village assets and can open new job opportunities for village communities. This village fund also requires dedication from the village government but because of the limited capacity of human resources as village fund managers and village heads. Acceleration of village development with the use of village funds can be carried out by utilizing area-based village funds that lead to natural resource management adapted to rural settlements, government services, social services, and economic activities so that village potentials and problems can be mapped and resolved in perspective more comprehensive. The method used in this study is the Participatory Rural Appraisal (PRA) method. This research produces a form of synergistic participation in developing village potential through village fund policies that must be managed and can provide benefits to the community so that it can encourage the realization of village independence and at the same time integrate village potential with all parties, namely the government, community, private sector.

### **Keywords:**

village fund policy; village potential; planning development

### **Introduction**

Regional progress and development in Indonesia is largely determined by the success of development carried out, especially in villages. The axis of development and has a strategic position to develop regional potential is in the village, because the village is part of the village government area which is a government that is at the smallest level and directly deals with the community. This is in accordance with Indonesia's development policy strategy, namely increasing equitable distribution of development along with its results through cross-sectoral and village development policy directions to be responsible for managing each regional interest.

The main goal of development in Indonesia is to create quality, healthy and independent human beings where this development starts from the periphery, namely the

village. Based on the direction of the national development policy, namely the 2020-2024 RPJMN that Indonesia can form quality and competitive human resources (HR), namely healthy and intelligent, adaptive, innovative, skilled and characterized human resources, development is carried out with planning that leads to better with various innovations and strategies that can realize a developing village. Thus, it is important for a development plan that is carefully prepared, especially in the implementation of village fund policies. As described by (Mahi and Trigunarso, 2017); (Kemenkeu, 2017) that the planning function in development can be formulated as an implementing guide, can make estimates and implementations that will be passed, choose alternatives, standard tools to carry out supervision, answer community needs to achieve certain goals. Then (Faludy, 1973); (Christensen, 2017); (Persada, 2018); (Hajar et al., 2018) that planning always means taking intelligent and rational action, and planning to meet the needs of the community, which is divided into two ways, namely 1) identifying the best way to achieve goals, and 2) contributing to learning and therefore to growth in the community future. In accordance with this statement, the preparation of a good plan must also be supported by accurate and adequate data and information, especially in relation to development planning which has a period to formulate policies and implement village development programs.

Appropriate action in planning especially with village funds must be carried out in a systematic, structured and directed process to improve the efficiency and effectiveness of a work program. (Mazzeo Rinaldi, 2016); (Sapru, 2017); (Aswad, 2017) argues that a work system created based on joint results with various parties can identify regions with special strengths through the level of planning, for example the most dynamic regions in developing regional development policies. Meanwhile, (Jhingan, 2016); (Pedercini et al., 2019) argues that development planning is the control and regulation of the economy that is carried out intentionally by the government to achieve certain goals and objectives within a certain period of time. Thus, the planning process cannot be separated from political interests, let alone aiming to become a policy. So, in the formulation of the plan, it must be in accordance with the stages in a planning process so that the understanding and direction of the relevant parties can be used as a solution to deal with problems that can hinder development, especially in realizing Village Development through village fund policies.

The concept of a developing village is one of the efforts to create successful development in all regions of Indonesia. This village building is also one of the products of village policy through Law Number 6 of 2014 concerning Villages, which explains that the village is a legal community unit that has territorial boundaries and has the authority to regulate and manage government affairs, the interests of the local community based on community initiatives, rights of origin and/or traditional matters which are recognized and respected in the system of government of the Unitary State of the Republic of Indonesia. (Pahlevi, 2015); (Arifin et al., 2020); stated that with the issuance of Law no. 6 of 2014 concerning Villages, it is hoped that villages will become advanced, strong, independent and independent so that they can realize the goal of changing the paradigm from developing villages to developing villages. Then (Wibisono, 2017); (Ridha, 2019) also explained that the existence of the Village Law was strengthened by the Village Minister Regulation No. 21 of 2016 concerning Village Fund Management which is aimed at improving the welfare and equity of village development through improving public services in the village, advancing the village economy and overcoming development gaps between villages and strengthening village communities as development subjects. Thus, based on Law No. 6 of 2014 concerning Villages, each village is expected to be able to realize the formation of an independent village, where: 1) The village is not only an object of beneficiary, but also the subject of providing benefits to local residents; 2) as a village component, it has a sense of togetherness and movement to develop local assets as a source of livelihood and livelihood for community members; 3) The village has the ability to produce and meet the needs and interests of the local community such as food, energy, basic services and others. This is in line with the concept echoed by the central government, namely building Indonesia from villages or Villages to Build.

(Pamungkas, et.al, 2020); (Lubis, 2020); (Saragi, 2021) based on the concept of building Indonesia from the village, that it is important to have financing or funds to make it happen, the central government disburses very large funds for each village and is called the village fund. Responding to this statement, (Rimawan & Aryani, 2019); (Desa & Desa, 2020); (Aprilia & Shauki, 2020); argues, Village Funds given to villages will be managed by the village government so that the purpose of village funds can be achieved. Based on Law Number 6 of 2014, Village Funds are funds sourced from the state revenue and expenditure budget

designated for Villages which are transferred through the district/city regional revenue and expenditure budget and are used to finance government administration, development implementation, community development, and community empowerment. Then, (Asya'ri, 2018); (Zakariya, 2020)l stated that with the distribution of the Village Fund, it is expected to create equitable and beneficial development for all village communities. Based on these opinions, one of the implementations of the village law policy which is the government's strategy to create an independent and autonomous village is to provide village funds as a source of income. This village fund is used 30% for the operational costs of the Village Government and the Village Consultative Body (BPD) and 70% for community empowerment and strengthening the capacity of village government. The provision of village funds is one solution to the problems faced by the village through sources of income.

Based on data from the (Ministry of Finance, 2020) shows that in 2015 village funds of Rp. 20.8 trillion have been disbursed and continue to increase from year to year until the 2021 RAPBN of Rp. 72 trillion, this figure has increased by 1.1% from 2015. previously amounting to Rp 71.2 trillion in 2020. Provision of village funds in North Sumatra Province in 2020 has been allocated Rp 7.9 trillion to villages, which is used for the prosperity and welfare of the community, then in 2021 the provision of village funds is allocated for IDR 4.5 trillion, but the disbursement to the village is IDR 855 billion. (<https://sumatra.bisnis.com/read/20210524/534/1397166/dana-desa-di-sumut-cair-rp855-miliar-dari-alokasi-rp45-triliun>)

One of the villages in North Sumatra Province which is also the best village at the national level is Pematang Johar Village, Deli Serdang Regency. The amount of village funds received by Pematang Johar Village is as follows:

**Table 1.**  
**Total Pematang Johar Village Funds**

<b>Year</b>	<b>Total (Rp)</b>
2017	910.198.000
2018	1.138.140.000
2019	1.239.797.000
2020	1.313.446.000
2021	1.384.710.000

*Source: Perdes APB Desa Pematang Johar 2017-2021*

Based on the data in the table above, the amount of village funds received by Pematang Johar village increases every year. This is a positive side where the village government can take advantage of it for the benefit of improving the economy of the community. With the high number of village funds obtained by Pematang Johar village, it is necessary to review and analyze how the village government creates a developing village so that it can improve the welfare of the community.

## **Methods**

The method used in research on the implementation of village fund policies in realizing developing villages in Pematang Johar Village is the Participatory Rural Appraisal (PRA) method, (Hajar, Siti; Faustyna; Santoso, 2022) the village community itself and aims to produce program designs that are more in line with community needs. While (Khairani et al., 2021) that this method aims to accommodate and involve the community in designing actions that include planning, monitoring and evaluation of village fund programs or policies that have an impact or impact on life, especially in villages.

## **Results and Discussion**

Development planning must be emphasized on development policies that are based on the advantages or peculiarities of the area concerned by using the potential of human resources, institutions, physical resources locally (regionally). This emphasis can also minimize development inequality between villages, which in the end can become a driving factor to improve the quality of life of the community, because each region has differences related to regional potential, geographical conditions, budgeting, economic growth rates and others. A successful strategy in implementing development policies and programs can be used as a successful planning system. The success of development can be proven by an advanced and successful planning system, because through this system it can encourage the participation of the community or stakeholders and the development of market mechanisms. (Mondal & Haque, 2017); (Boulange et al., 2018) that the planning system in Indonesia, has undergone many developments in accordance with development needs and the progress of planning approaches and models.

(Chowdhury & Kirkpatrick, 2003); (Parga Dans & Alonso González, 2018); development planning aims to make changes in all sectors through increasing human resources, increasing productivity in various sectors and creating jobs. Then, (Massei et al., 2014); (Tarigan et al., 2017) the regional development program is a local planning level that involves all stakeholders including the council, as a decision-making process. Thus, development program priorities can be detailed and more specific if all stakeholders can work together and interact well, especially regarding policy making, especially in the administration of village government.

Pematang Johar Village is one of the villages located in Deli Serdang Regency, North Sumatra Province, and has an area of 2,217.84 Ha. Pematang Johar Village is a village with a large area of rice fields, which is  $\pm$  1750 Ha, and 50% of the population earns a livelihood as farmers. This village also has local wisdom that is being developed, namely batik and tempe chips, also another asset to be developed is rice field tourism. The potentials of this village are developed with village funds optimally.

The vision of Pematang Johar village is "Realizing an Advanced, Independent, Serving & Religious Pematang Johar" with missions including:

1. Improving physical and non-physical development (HR) through village funds.
2. Increasing the participation of Non-Governmental Organizations.
3. Revitalizing the culture of gotong royong with the theme "Benah Dusun, Build a Village.
4. Conducting entrepreneurship development for youth and the community.
5. Providing skills to youth and mothers.
6. Calling on the public to buy products made in Pematang Johar Village.
7. Calling for shopping in Pematang Johar village.
8. Improving the discipline of village government apparatus.
9. Increase village PAD through BUMDES.
10. Provide guidance and training for community services to village officials.

Based on the vision and mission, the village of Pematang Johar has given its own focus on managing village funds to achieve specific physical and non-physical development. This indicates that village funds are an important source of funds for this village which is expected to increase the growth and development of the village for the better.

Village funds managed by the Pematang Johar Village Government are directed to provide public services both in the fields of education and health. In addition to the direction of village development, village funds are used to support the progress of community MSMEs and support the growth of Bumdes which is managed by the community. This can also be proven by several programs that have been planned in the APBDesa for the use of village funds. The programs in the 2021 APBDesa include:

1. Construction/rehabilitation/improvement/hardening of residential neighborhood roads
2. Construction of village road infrastructure (culverts, ditches, etc.)
3. Residential sanitation development
4. Implementation of village public information (posters, billboards, etc.)
5. Construction of village-owned inland fishery cages/ponds
6. Fishery assistance (seeds, feed, etc.)
7. Capacity building of village apparatus
8. Empowerment training and counseling
9. Training and strengthening of persons with disabilities
10. Emergency handling
11. Handling of urgency.

The purpose of managing village funds is to improve the welfare of the community by meeting their needs and interests. So, in order to achieve this goal, the village government has carried out the management of village funds based on democratic principles, namely from the community, by the community and for the community. The management of village funds is carried out as stipulated in the legislation, namely by holding deliberation. (Ali & Saputra, 2020); This deliberation is carried out with stakeholders or interested parties such as village officials including hamlet heads, village institutions such as village consultative bodies (BPD), community leaders including community groups that manage BUMDES such as tourism awareness groups, batik groups and MSME actors and AQQUA drinking water.

Based on the implementation of the village fund policy carried out by the Pematang Johar village government, the implementation of village government through the distribution of village funds really requires cooperation with various parties so that it can improve the prevention of irregularities in the use of village funds. One of the preventive actions that must

be taken is strengthening the competence of the assistant staff to strengthen the capacity and capability of village officials in planning, budgeting, implementing and compiling reports on accountability reports. As the results of research conducted by (Jefry Crisbiantoro, 2019); (Sudianing & Sandiasa, 2020); that the village's ability to regulate management and utilize funds needs to be improved so that there are no deviations at the village government level in realizing good governance.

The implementation of village government through the distribution of village funds, really requires cooperation with various parties so that it can improve the prevention of irregularities in the use of village funds. One of the preventive actions that must be taken is strengthening the competence of the assistant staff to strengthen the capacity and capability of village officials in planning, budgeting, implementing and compiling reports on accountability reports. This is because the Village Fund aims to develop the potential of the village so that it can advance the economy of the village community and strengthen the independence and creativity of the community so that village policies can be realized properly and correctly. Village funds given to the village are the village's right to manage development, governance, and social affairs autonomously.

In addition, village funds are also direct assistance that can carry out the development of village facilities and infrastructure, this is intended as stimulant assistance or stimulant funds to encourage the financing of government programs at the village level in the field of government and empowerment.

The Pematang Johar village government has created various programs that create employment opportunities for its citizens, namely Rice Field Tourism, Refill Water, Batik SMEs managed by BUMDes, which are named MANDIRI JAYA. The activities carried out have been able to improve the community's economy, apart from village funds, they also received assistance from several local companies in collaboration with the village government. This local assistance comes from the result of village collaboration with several companies or industries located in the Medan Industrial Estate (KIM), this is because Pematang Johar Village is directly adjacent to KIM making it easier to access investment in village development in the future.

Several activities or programs carried out by the village government aimed at building and developing villages and realizing community welfare have always received support from



the industry, especially PT. POKPHAND as a village partner. This partnership based on the principle of partnership has provided tangible results for the village community, namely CSR assistance as an implementation in community empowerment, in partnership with BUMDes. Utilization of village funds which are used as a source of funds by the village government, not only in community empowerment activities but also in public services.

Public services designed by the village government are related to the e-Village program designed by the government as an innovation in the administration of village governance. The purpose of this program is to provide convenience for the village community in managing documents according to their needs. Realizing the e-Village program is also sourced from village funds, but this program cannot be implemented optimally due to limited human resources and is supported by inadequate facilities. The e-Village program is also a priority in the utilization of village funds which aims to realize an information technology-based village.

Acceleration of village development by using village funds can be carried out by utilizing area-based village funds that lead to natural resource management adapted to rural settlements, government services, social services, and economic activities so that village potentials and problems can be mapped and resolved in perspective. more comprehensive. This is also to facilitate the formation of BUMDes that are adapted to the potential of the existing village.

## **Conclusion**

Village funds are a source of village income from the State Revenue and Expenditure Budget (APBN) which are intended for villages to be able to carry out village development and empower village communities. The aim is to improve public services in the village, eradicate poverty, advance the village economy, overcome the development gap between villages, and strengthen rural communities as subjects of development. In essence, this village fund is intended to build and improve the welfare of rural communities which can be carried out by the village government through community development and empowerment programs. Therefore, the amount of the village fund budget that has been issued by the State should be used wisely for all village governments. To ensure that the village funds can achieve

the objectives of the village funds, one of which is to improve the village economy, it is necessary to manage village funds properly and correctly.

The distribution of village funds, carried out by the village government, becomes a challenge for the village in the future in developing the village and prospering the community by improving the community's economy, but the challenge in distributing village funds is managing and utilizing funds properly, correctly, and transparently. Thus, it is very necessary to have village fund planning optimally so that the expected goals can be achieved according to applicable regulations and can realize the Village Build program.

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