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THE EVALUATION OF THE UTILIZATION OF THE 2018 VILLAGE FUNDS IN BINTAN DISTRICT AND LINGGA DISTRICT

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Abstract

The Village funds are part of the State Revenue and Expenditure Budget which are allocated for villages and disbursed through the district/city expenditure budget. During the period of 2015 – 2018, two village heads (village of Malang Rapat and Penaga) were the suspects of corruption cases in Bintan District in the province of Riau Islands. There was no evaluation of the use of the village funds by the district government. The objective of this study was to gain an insight into the use of village funds in the province of Riau Islands. The study problem was how to evaluate the use, impact, and constraints in the utilization of village funds in the province of Riau Islands in 2018 (Case study in Bintan District and Lingga District). This study used a qualitative descriptive method, using interviews and observations for data collection. The results showed that a large portion of village funds was used for physical development in the village, while human development in the village was not yet properly implemented due to the limited allocation of village funds for empowerment and community development. The impact of village funds felt by the community for the addition of physical facilities in the village was significant, while the impact on empowerment and economy of the community was not. The constraints of the usage of the village funds were regulation, human resources, and coordination.

Keywords: Evaluation, Village, Village Funds, Riau Island.

I. INTRODUCTION

A village is a spearhead of development in Indonesia, both in the fields of economic and social governance, as well as assistance tasks, which are linked to one another (Yudianto Noverman, 2018, p. 69). The village autonomy must be based on the decentralization principle and carried out with principles of broad, real, and responsible (Noviyanti, Gading Gamaputra, Yuni Lestari, 2018).

Village funds are a State Revenue and Expenditure Budget which are allocated for villages and disbursed through the district/city expenditure budget, to be used to finance government administration, implementation of development, community development and community empowerment. The village is expected to build the capacity for development and empowerment through the village funds. It will possibly be a momentum of developing the village and trigger the community's welfare (Jamaluddin, Sumaryana, Rusli, & Buchari, 2018, p. 15). The village funds policy is intended to create strong, progressive, independent, and democratic villages; thus, the role and potential of the village should be enhanced. A study by Tangkumahat, Panelewen, & Mirah (2017, p. 341) concluded that the village's funds positively beneficial for the village's development and economics in Pineleng sub-district, Minahasa District. In contrast, the study by Jamaluddin et al. (2018), showed that the management and utilization of village funds did not provide any significant growth of the area and, rural development programs were not in sync with the regional development policy (Provinsi & Riau, 2016). This study will evaluate the use of village funds in the Riau Islands Province, especially in Bintan District and Lingga District in 2018.

In 2015, the government set a budget of Rp20,766,200,000 for village funds, in 2016 it was raised to Rp46,982,080,000, raised again in

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Table 1.
The Number of Villages and Sub-District in the Riau Islands Province

District/ City	Total of Sub-Districts	Total of Villages	Total of Villages (Kelurahan)	Total of Villages
Karimun	12	42	29	71
Bintan	10	36	15	51
Natuna	12	70	6	76
Lingga	9	75	7	82
Anambas	7	52	2	54
Batam	12	-	64	64
Tanjungpinang	4	-	18	18

Source: Riau Islands in Figures, 2017

2017 to Rp60,000,000,000, and the same amount in 2018. (Ministry of Finance Regulation No 226/ PMK.07/2017). Next, Anderson define policy as "A relative stable, purposive course of action followed by an actor or set of actors in dealing with a problem or matter of concern." Therefore, a policy is a direct action by an actor or actors which is aimed to solve a problem or issue (Nugroho, 2004, p. 83). Policy is a common decision of government for the citizen (Syafarudin, 2008, p. 75). According to Anderson, evaluation of policy is an assessment of the policy itself, its implementation, and impact, as the last step in a policy process (Winarno, 2012, p. 229). Meanwhile, according to Dye public policy is whatever the government choose to do or not to do (Subarsono, 2008, p. 2). The laws and regulations used in this study were: Law Number 6 of 2014 on Villages, Government Regulation Number 43 of 2014 on The Implementation of Law Number 6 of 2014 on Villages, Government Regulation Number 60 of 2014 on Village Funds from the State Budget, Regulation of the Minister of Villages, Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 5 of 2015 on The Determination of Priority of Use of the Village Funds in 2015, Regulation of the Minister of Villages, Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 21 of 2015 on the Determination of Priority of Use of the Village Funds in in 2016, Regulation of the Minister of Villages, Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 22 Of 2016 on The Determination of Priority of Use of the Village Funds in 2017, Regulation of the Minister of Villages, Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 19 of 2017 on The Determination of Priority of Use of the Village Funds in 2018.

The province of Riau Islands was formed based on Law Number 25 of 2002 as the 32nd province in Indonesia. Riau Islands consists of five Districts and two Cities, which were consisted of 66 sub-districts, 275 villages and 141 sub-districts. The detail is in the Table 1.

The logical consequences for the birth of the autonomous region is the decentralization of budget, transferring funds from the central government to the village government. (Prasetyo & Masdjojo, 2015, p. 1).

In 2015, Riau Islands received village funds in the amount of Rp79,199,724,000. In 2016 the funds were Rp177.766,079,000

Table 2.
Allocation of Village Funds of Riau Island Province of 2015 – 2018

Regencies	Village Funds Allocation				Total
	2015	2016	2017	2018	
Bintan	10,806,783,000	24,261,077,000	31,516,891,000	30,903,914,000	97,488,665,000
Karimun	12,272,922,000	27,549,427,000	35,818,950,000	35,444,527,000	111,085,826,000
Natuna	19,765,951,000	44,370,782,000	57,115,594,000	54,514,794,000	175,767,121,000
Lingga	21,165,424,000	47,488,957,000	59,776,396,000	57,013,545,000	185,444,322,000
Kep. Anambas	15,188,644,000	34,095,836,000	43,954,705,000	43,487,568,000	136,726,753,000
Total	**79,199,724,000**	**177,766,079,000**	**228,182,536,000**	**221,364,348,000**	**706,512,687,000**

Source: BPMD Disdukcapil of Riau Island Province, 2018

(increase by Rp98,566,355,000). In 2017, the funds were Rp228,182,536,000 (increase by Rp50,416,457,000). In 2018 the funds were Rp221,364,348,000 (reduced by Rp6,818,188,000). As seen on the Table 2.

Based on the law, the villages have their own rights and authority to organize their village funds (Santoso, 2015, p. 142), however, as a part of the Republic of Indonesia, the village government should be supervised by the level of government above them (Letty, 2016, p. 194). In total, Riau Island Province received Rp706,512,687,000 of village funds from 2015 to 2018. However, there were no evaluation of its utilization.

One study by the Deputy of Corruption Eradication Commission in 2015 concluded that there four aspects with the potential of corruption on the use of village funds (Deputi Bidang Pencegahan Komisi Pemberantasan Korupsi, 2015, p. 1). Potential problem on regulation and institution, 2). Potential problem on management, 3). Potential problem on surveillance, 4). Potential problem on human resource.

Another study of the Center of Governance Management of the Institution of Public Administration recommended two alternative policies to create proper financial management which adhere to the principle of good governance: first, village funds policy still carry on while implementing the incremental improvement to the managed factors. Government did the correction of policy, the test of surveillance model, workshop for the head of villages and staff, and run the mobilization of experienced village companion. Second, government freeze the village funds policy. The village funds will be disbursed after fulfilling the four factors affecting the success of village funds policy. Those four factors are fair and complete regulation, effective and comprehensive surveillance, the competence of the head of the village, competence of village companion (Kajian Pusat Inovasi Tata Pemerintahan Lembaga Administrasi Negara, 2015, p. 27).

Related with village funds policy, BPK stated that there were problems on the management of village funds due to the lack of knowledge and adequate financial reporting, and that there will be a potential chance for corruption (Abidin, 2015, p. 62). On the other hand, in the period of 2015 – 2018, there were two village heads (village heads of Malang Rapat and Penaga) suspected of corruption in Bintan District (Riau, 2015, p. 120). ICW stated that there was an increase in cases of corruption in the village during the period of 2015-2017. There were 17 corruption cases in 2015, increased to 41 cases in 2016, and increased to 96 cases (more than 100% increase) in 2017. In total, 154 corruption cases were found (Kadir & Moonti, 2018, p. 434).

Based on previous studies, there were many obstacles in the utilization of the village funds in the Riau Islands, in terms of regulation and human resources, including coordination between agencies. This study was aimed to review the utilization, impact, and constraints in the implementation of village funds in the Province of Riau Islands during the period of 2015 – 2018.

The strength of this study was that it reviewed the utilization of village funds policy in the two districts, as well as the community's response to the benefits of village funds.

II. Method

This study used a qualitative descriptive method. The location of the study was Bintan District and Lingga District. Bintan District was chosen due to its proximity to the provincial capital and the least amount of allocated village funds. Whereas, Lingga District was chosen to represent a district which geographically composed of many islands, the farthest location to the provincial capital, and allocated the largest amount of village funds in the Riau Island Province. Two villages selected from each district and the selected villages are the closest and the farthest to the district capital. The selected study location was not intended to represent all villages in the province. However, some rural characteristics were assumed to have an influence on the governance of the village funds.

The types of data in this study are:

1. Primary data, data obtained from the source. The primary data was collected through surveys (field study) conducted through interviews;
2. Secondary data, data obtained through sources that are relevant to the topic of the study. The data collection technique in this study was through interviews with parties related to studies, observations, and documentation studies.

III. Results and Discussion

A. Evaluation of Utilization of Village Funds

1) Utilization of Village Funds in 2015

The overall details of the use of village funds in Lingga District based on their priority use in 2015 were as follows:

According to the data, more than 80% of village funds in 2015 were allocated for the development

Table 3.
Utilization of Village Funds Based on Lingga District Priorities in 2015

Priority for Using Village Funds 2015						
Field of Development						
Basic Needs	Infrastructure	Economic Potential Development	Utilization of Sustainable Natural Resources	Community Development	Village Governance	Community Empowerment
5,820,491,600	11,365,832,688	-	-	1,858,324,227	1,735,564,768	380,977,632
27.51%	53.67%	-	-	8.78%	8.20%	1.80%

Source: Community and Village Protection Agency of Lingga District, 2018

Table 4.
Summary of Village Development through Village Funds in 2015

Toapaya	Kuala Sempang	Panggak Laut	Tanjung Harapan
		Improvement of clean water facilities	Construction Jl. Rabat Beton, Length 86 m x width 2 m, RT 003/ RW 001
			Construction Jl. Rabat Beton, Length 90 m x width 2 m, RT 001/ RW 002
			Construction Jl. Rabat Beton, Length 142 m x width 2 m, RT 002/ RW 002
			Construction Jembatan Kayu, Length 31 m x width 3 m, RT 003/ RW 003
			Construction Jl. Rabat Beton, Length 102 m x width 3 m, RW 005

Source: Processed from the Village Budget document and the Accountability Report for the realization of the Village Expenditure Budget for each village

Table 5.
Community Empowerment through Village Funds in 2015

Toapaya	Kuala Sempang	Panggak Laut	Tanjung Harapan
			fardhu kifayah training
			Stay Alert Village Training

Source: Processed from the Village Budget document and the Accountability Report for the realization of the Village Expenditure Budget for each village

sector, 8.78% for community development, 8.20% for village government administration, and 1.80% for community empowerment. The total village funds used in the development sector in Lingga District in 2015 amounted to Rp17,186,324,288, with 30% of the funds used for wages or about Rp5,155,897,286.40. In 2015 the Lingga District minimum wage was Rp1,974,000, based on this assumption the 2015 village funds potentially absorb 2,612 workers, with a working period of two months.

Data on the utilization of village funds in Toapaya and Kuala Sempang Villages of Bintan District in 2015 could not be found. The village heads of the two villages elected in 2016, as such, they did not have definitive village heads in 2015, and the records management were not enough during the transition period. Panggak Laut Village of Lingga District received village funds amounted to Rp275,371,198 in 2015. The funds were utilized for clean water facilities. Meanwhile, Tanjung Harapan Village, Lingga District, received Rp289,669,096 of village funds in 2015. The funds were allocated for the village development and utilized for five activities in the amount of Rp281,660,896 or 97.23%. In 2015, two villages in Lingga District of this study utilized the village funds for village development activities in the form of development of village facilities and infrastructure.

There was no data found on village development funded through village funds in Toapaya and Kuala Sempang, while Panggak Laut

Table 6.
Utilization of Village Funds Based on Priorities in Bintan District in 2016

Development Sector	Community Development	Implementation of Village Government	Community empowerment
16,836,715,734	863,823,848	48,031,638	6,352,438,265
69.86	3.58	0.20	26.36

Source: Processed data from the Bintan District Community and Village Empowerment Agency, 2018.

village did not have the allocation for community empowerment activities. Tanjung Harapan Village used the village funds for community empowerment amounted to Rp8,008,200 for two activities in 2015. These two community empowerment activities in Tanjung Harapan Village are for a capacity building for community groups. However, six activities in community empowerment priorities were not included in the 2015 village funds.

The findings showed that less than 3% of village funds were allocated for community empowerment activities. Almost all the funds were used for village development.

2) Utilization of Village Funds in 2016

The details of the utilization of village funds in Bintan Regency in 2016 are as follows.

The table shows that 69.86% of the village funds in Bintan District in 2016 were utilized in development sector, 3.58% for community development was, 0.20% was for village government, and 26.36% was for community empowerment. The total village funds used in the development sector in Bintan District in 2016 amounted to Rp16,836,715,734. If 30% of the funds allocated for wages, the amount would reach Rp5,051,014,720. In 2016, the Bintan District minimum wage was Rp2,645,017. As such, it potentially absorbs 1,910 workers, with a working period of two months.

Table 7 shows the data of the overall utilization of 2016 village funds in Lingga District.

Table 7 shows that 82.78% of village funds in 2016 in Lingga District were used for development, 0.20% was for community development, and 7% was for community empowerment. The total village funds in 2016 used in the development sector in Lingga District amounted to Rp44,060,254,305. If 30% of the funds were used for wages, the amount would reach Rp13,218,076,291.38. In 2016 the Lingga District's minimum wage was Rp2,201,010, as such, potentially it could absorb 6,005 workers with a working period of two months.

Toapaya Village, Bintan District received Rp639,195,537 of village funds in 2016. Village development was budgeted Rp253,195,537 and Rp242,666,228 was used for seven village-development activities which were included in priority of use of village funds for rural development.

Kuala Sempang village received Rp677,402,954 of village funds in 2016, the amount budgeted for rural development were Rp443,222,870 for eight village development activities. These activities included the development, construction, and maintenance of infrastructure or physical infrastructure for daily livelihood, including food security and settlements. There was nothing on the construction, development and maintenance of facilities and infrastructure for public health, education, social and cultural development

Table 7.
Utilization of Village Funds Based on Priorities in Lingga District in 2016

Basic Needs	Development Sector			Community Development	Village Government	Community Empowerment
	Infrastructure	Economic Potential Development	Sustainable Natural Resource			
5,879,132,877	37,991,165,600	189,955,828	-	94,977,914	-	3,324,226,990
12.38%	80.00%	0.40%	0.00%	0.20%	0.00%	7.00%

Source: Community and Village Empowerment Agency of Lingga District, 2018

Table 8.
Utilization of Village Funds Based on Priorities in Bintan District in 2017

Development Sector	Community Development	Village Government	Community Empowerment
16,243,784,196	373,262,292	-	14,173,678,058
52,75	1,21	-	46,03

Source: Processed data from the Community and Village Protection Agency of Bintan District, 2018

Table 9.
Utilization of Village Funds Based on Priorities in Lingga District in 2017

Development Sector				Community Development Basic Needs	Village Government Infrastructure	Community Empowerment Economic Potential Development
Basic Needs	Infrastructure	Economic Potential Development	Sustainable Natural Resource			
34,072,544,010	19,726,209,690	268,993,769	-	119,552,786	5,977,639	5,977,639,300
57.00%	33.00%	0.45%	0.00%	0.20%	0.01%	10.00%

Source: Community and Village Protection Agency of Lingga District, 2018

of economic business community (including construction and maintenance of infrastructure, development of production and distribution infrastructure, and the development of renewable energy and environmental conservation activities).

Panggak Laut Village, Lingga District, received Rp617,851,990 of village funds in 2016, used for village development in the amount of Rp609,521,990 for seven activities. There is no development in the scope of the community economic development, including the construction and maintenance of infrastructure for production and distribution.

Tanjung Harapan Village, Lingga District, used the village funds for village development in the amount of Rp634,112,400 for 15 activities in 2016. The funds were allocated for development and maintenance of educational, social, and cultural facilities and infrastructure, community economic development, including the construction and maintenance of infrastructure production and distribution, development of renewable energy infrastructure, and environmental conservation activities.

The budget for community empowerment in Toapaya Village was Rp385,491,715. Only three of five planned empowerment activities were realized. The village of Kuala Sempang allocated Rp258,893,044 for three empowerment activities and used Rp245,815,200. Panggak Laut Village, Lingga District, received Rp617,851,990 of village funds in 2016 and Rp8,330,000 were allocated for community empowerment activities. The fund was used for empowerment of small businesses and home industry. Tanjung Harapan Village, Lingga District, used Rp85,964,584 in community empowerment for eight activities.

3) Utilization of Village Funds in 2017

The details of the utilization of village funds in Bintan District in 2017 are as follows:

The table shows 52.75% of village funds in 2017 in Bintan District were used for development, 1.21% for community development and 46.03% for community empowerment. The use of village funds for community empowerment increased, compared to the previous two years. The total village funds used in the development sector in Bintan District in 2017 amounted to Rp16,243,7196,734.11. If 30% of the funds used for wages (amounted to Rp4,873,135,258.83), with minimum wages of Rp2,863,231, the Bintan District have the potential to absorb 1,702 workers in the period of two months.

The following is the overall use of village funds in Lingga District in 2017.

In 2017, 90% of village funds in Lingga District were used for development, 0.20% for community development, 0.01% for governance and 10.03% community empowerment. The village funds for the development sector amounted Rp54,067,747,469. If 30% of it used for wages (Rp16,220,324,240.55), with a minimum wage in Bintan District of Rp2,384,583 it could absorb 6,802 workers with a working period of two months. The following is

Table 10.
Utilization of Village Funds Based on Lingga District Priorities in 2018

Priority of Use of Village Funds 2018						
Development Sector				Community Development	Village Government	Community Empowerment
Basic Needs	Infrastructure	Economic Potential Development	Sustainable Natural Resource			
3,762,893,970	21,893,201,280	1,847,238,858	2,086,695,747	-	-	4,447,056,510
11.00%	64.00%	5.40%	6.10%	-	-	13.00%

Source: Community and Village Empowerment Agency of Lingga District, 2018

the use of village funds in 2017 at four study sites in the field of village development and community empowerment.

Toapaya village in Bintan District received Rp825,754,000 of village funds in 2017, with Rp344,301,782.66 for development. Kuala Sempang Village received Rp880,450,000 of village funds in 2017, with Rp415,695,675 for the village development. Panggak Laut Village, Lingga District, received Rp778,473,770 of village funds in 2017, with Rp424,473,407.99 allocated for the village development. Tanjung Harapan Village, Lingga District used Rp645,761,520 of village funds for village development for 14 activities.

The budget realization for community empowerment in Toapaya village was Rp633,089,060. This fund was budgeted for seven activities. In Kuala Sempang Village, there were seven community empowerment activities with a budget of Rp525,378,729. Panggak Laut Village allocated community empowerment activities of Rp8,330,000 for one activity. Tanjung Harapan Village, Lingga District, realized Rp131,333,000 for six activities.

4) The Use of Village Funds in 2018

The details of the utilization of village funds in Lingga District in 2018 are as follows:

The table shows that 87% of village funds in 2018 in Lingga District were used for the development sector, and 13% for community empowerment. From 2015 to 2018, more village funds were allocated for village development. The total village funds used in the development sector in Lingga District were Rp29,590,029,855. If 30% of the funds were used for wages (Rp8,877,008,956.50), with minimum wage of Rp2,590,116 in Lingga District, potentially it could absorb 3,247 workers with a working period of two months.

This was in line with the opinion of Prasaja & Wiratno (Prasaja & Wiratno, 2019) that the purpose of the Village Fund was to finance Village Government's programs in carrying out government activities and community empowerment, and improvement of the income distribution, employment opportunities, and business opportunities.

In 2018, Toapaya Village in Bintan District received Rp954,210,000 of village funds, the village budgeted Rp711,959,795 or 74.61% of funds allocation for development, which was used for four village development activities. Kuala

Table 11.
Summary of Village Development through Village Funds in 2018

Toapaya	Kuala Sempang	Panggak Laut	Tanjung Harapan
Procurement, construction, development, and selection (drainage)	Procurement, construction, development, and maintenance	Village road construction activities	Road construction of roads (199 m x 3 m x 15 cm).
Procurement, construction, development, and selection (road)	Procurement, construction, development, and maintenance	Construction of clean water facilities	Drainage Dam Construction (P: 7m T160 cm & P: 4 m, T: 180 cm) and laundry house (3m x 2.40m)

Toapaya	Kuala Sempang	Panggak Laut	Tanjung Harapan
Procurement, construction, development, and selection (health facilities)	Procurement, construction, development, and maintenance	Procurement, construction, development, and maintenance of infrastructure for production of farmers' businesses	Drainage construction 314 m
Procurement, construction, development, and selection (education facilities)		Capital Expenditures (Plantation)	Construction of 104 m Drainage, 148 m tidal drainage and 17 m tidal drainage,
			Drainage construction 155.5 m
			Landfill Construction
			Construction of Drainage 121.8 m
			Construction of Drainage 107.90 m and drainage of 137 m masonry
			Construction of drainage 62.5 m

Source: Processed from the Village Budget document and the Accountability Report for the realization of the Village Expenditure Budget of each village

Table 12.
Summary of Community Empowerment Activities through Village Funds in 2018

Toapaya	Kuala Sempang	Panggak Laut	Tanjung Harapan
Small Business Services and Industry Business Activities	Public health service activities	Posyandu, UP2K and BKB empowerment activities	Training of PKK cadres
Environmental Conservation Activities	Agricultural business production management activities	Training activities for Farmers and Fishermen Groups	Training on capacity building for managers of BUMDEs
Pro-poor activities	Economic business establishment and development activities	Development of joint BUMDes and / or BUMDes businesses focused on the production process	Hydroponic cultivation training
Utilizing Village Community Institutions	Improvement in quality and capacity		Frame making skills training
Sustainable village community assistance activities			Training on making compost fertilizer
Improvement in quality and capacity			Educational and cultural services
			Village capital participation

Source: Processed from the Village Budget document and the Accountability Report for the realization of the Village Expenditure Budget of each village

Sempang Village received Rp777,450,000 of village funds, allocated Rp547,777,896 to the community development in three activities. Panggak Laut Village, Lingga District, received Rp717,296,000 of village funds which used Rp414,355,141 for rural development, carried out for four activities. Tanjung Harapan Village, Lingga District allocated Rp749,481,258 for nine activities.

In 2018, community-empowerment program in Toapaya Village was budgeted at Rp183,643,000, allocated for six community-empowerment activities. Kuala Sempang Village budgeted Rp229,672,104 for four activities. Panggak Laut Village budgeted Rp271,942,180 for three activities. Tanjung Harapan Village, budgeted community-empowerment program of Rp153,784,780 in seven activities.

Table 13.
Summary of Village Development Activities and Community Empowerment

Years	Toapaya		Kuala Sempang		Panggak Laut		Tanjung Harapan	
	Village Development	Community Development	Village Development	Community Development	Village Development	Community Development	Village Development	Community Development
2015	0	0	0	0	275.371.198	0	281.660.896	8.008.200
2016	253.195.537	385.491.715	443.222.870	258.893. 044	609.521.990	8.330.000	634.112.400	85.964.584
2017	344.301.782,66	633.089.060	415.695.675	525.378.729	424.473.407,99	8.330.000	645.761.520	131.333.000
2018	711.959.795	183.643.000	547.777.896	229.672.104	414.355.141	271.942.180	749.481.258	153.784.780
Total	**965.155.332**	**1.202.223.775**	**1.406.696.441**	**755.050.833**	**1.299.248.329**	**288.602.180**	**2.0293.55.207**	**379.090.564**

Source: Processed Data 2018

B. The Impact of Village Funds

For the community, the expected changes from any policy usually is are "to create changes in people's lives" (Makmur, 2015, p. 84).

The following are the use of village funds from 2015 to the present.

The table shows that from 2015 to 2018, most village funds at the study locations were used for basic physical development in the village. From various observation, discussions, and interviews with village officials, the Village Consultative Body (BPD), and the local government, generally the impact felt by the community were that the village funds enabled the provision of many basic infrastructure needs of the village. The development activities also increased the quality and quantity of village access, sanitation, assets, and office facilities. One of the interviews were as follows:

Community empowerment has been felt, for an example, roads that were initially muddy became passable, and the one that have farm inside can run expeditious, which always stagnant because muddy right now is very expeditious (Discussion with the BPD and the Toapaya Village apparatus, July 2018)

The impact of the village funds was very significant, including the 17 km of installation of water in Panggak Laut Village:

17 km water installation. The main pipe made by the village government and the people connects it to their houses. The water is free of charge. Besides that, there are also sports facilities that the people wanted, such as soccer and volleyball court which were built in the swamp area. 2018 focuses on economic improvement in the short term and long term. In the short term, there will be bottled water to increase the village's budget. (Interview with Panggak Laut Village Chief, August 2018)

The results of the discussions and observations showed that there were only 17 Km of water installations built in Panggak Laut Village, which

Table 14.
Recapitulation of Village Development Activities and Community Empowerment

Years	Toapaya		Kuala Sempang		Panggak Laut		Tanjung Harapan	
	Village Development	Community Development	Village Development	Community Development	Village Development	Community Development	Village Development	Community Development
2015					1	0	5	2
2016	7	5	8	3	7	1	15	8
2017	4	7	5	7	5	3	13	6
2018	4	6	3	4	4	3	9	7
Total	**15**	**18**	**16**	**14**	**17**	**7**	**42**	**23**

Source: Processed from the Village Expenditure Budget at the study location villages, 2018

had a positive impact on the community. In Toapaya, educational and cultural service activities or village libraries have benefited the community. Other villages were still in the position of fulfilling their basic needs and were still waiting to enjoy the benefit.

In general, the physical development in the village was carried out, fulfilling the village's need for physical facilities, even though it did not have significant impact. Similar things happens too with financial management village in Keji village, they still oriented with strengthening of infrastructure's village that arrange along with people and village instrument by management of village funds (Luthfi, 2017, p. 129). In another note, human development (health, education, and basic skills improvement) was not well implemented due to the limited allocation of village funds for empowerment and community development.

C. Constraints in the Management of the Village Funds

1) Regulation

The obstacle in managing the village funds is related to regulations. Regulations, in the form of laws and other regulations, ideally provide references and guidelines in managing the village funds. However, in some cases, regulation becomes obstacles due to frequent changes, overlapping policies, and difficulties to be implemented properly by the village governments.

Beside human resources, village government should follow the ever-changing regulations. (interview, Head of Kuala Sempang village, July 2018).

Regulatory problems were one of the factors that inhibit the management of the village funds, not only for the village government as the implementer, but also for the local government (the Community and Village Empowerment Agency). As revealed in the following interview quotes:

Forms of protest to the district, rules regarding village funds are ambiguous, so there are multiple interpretation (?) that each perspective appears, budget assistance in the district, services for activities from the central government, for example training provinces, but in fact the end of the burden is delegated to BPMD district. (Discussion with the Community and Village Empowerment Agency of Lingga District, August 2018).

It can be concluded that more regulations issued by the government, published almost along with the preparation and implementation of the village expenditure budget, more significant obstacles for the village government to understand the rules. With their limited understanding, it affected the implementation of these rules.

2) Human Resource

Utilization of the village funds in the development of the village must be supported by human resources with adequate competence in managing the funds (Mingkid, 2017, p. 3). Another obstacle was the lack of quality of human resources (the village heads, village officials, the Village Consultative Body/BPP and village community) in the village. A study by Sofianto (Sofianto, 2017) also shows similar problem in Kebumen and Pekalongan.

There will be obstacles. But the most (significant ??) are the human resources and the village society. One of the constraints is related to civil engineering. Nobody understands this, and no consultant wants to do it because it only has a mere 2% from the development activities budget (Interview, Head of Kuala Sempang Village, July 2018)

The village head acknowledged that there was a lack of quality in the village's human resources and the community in understanding, managing, and running the village funds. In the other hand, according to Prasetyo & Muis (Galih Prasetyo & Muis, 2015), there is a potential of corruption by using the lack of knowledge the village government (??). According to (Atmojo, Eko, Fridayani, Kasiwi, & Pratama, 2017, p. 130) before the availability of the village funds, the changes in the community were very slow, especially because of the low income, inadequate education, and also employment status that was far from normal.

3) The Coordination Process

In the operational level, there was some misunderstanding between the parties in managing the village funds. The budget planning verification, verified by the sub-district authorities, then submitted and subsequently verified by the Village Community Empowerment Agency. There was no understanding between the sub-district and Village Community Empowerment Agency in the verification process, as revealed in the results of the following interview:

Sub-district office carries out the verification. After the verification, it would then submit to the regional head. There were frequent changes due to synchronization between sub-district and BPMD. (Interview, Head of Panggang Laut, August 2018).

The discussions and interviews showed that there were coordination problems between the village government and village facilitators, as revealed from this interview:

If the verification process was conducted as it supposed to be, the village government will not in a difficulty as what we feel right now. Because there is a place to complain. The existence of a village companion who came to the village only asked for data. Negative effects obtained by the local Village Government. The village facilitator positioned the village as an object. one of them is the SPJ object. (Interview, Secretary of Kuala Sempang village, August 2018).

IV. Conclusion

Based on the results of the study, it can be concluded as follows: first, most of the village funds were used for the physical development of the village, while the development of human resources was not implemented properly due to the limited allocation of village funds for empowerment and community development. Second, the significant impact felt by the community was on the improvement of basic physical facilities in the village, this was in contrast with the impact on empowerment and the community economy. Third, the constraints in the implementation of village funds were regulation, human resources, and coordination.

The recommendations of this study are the following, there is a need to a broader and more equitable dissemination of information to the community, village consultative body, and community institutions in the village to improve the implementation and management of village funds and increase community participation. In order to increase the transparency and accountability of the village governments in the implementation and management of the village funds after the implementation of the activities, there should be an effective and simple way to publish the related information to the community.

Next, it is necessary to synergize between regional apparatus organizations to optimize the implementation and management of village funds, and local governments need to simplify the procedures and mechanisms of implementing and reporting on the use of the village funds.

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