World Journal of Advanced Research and Reviews
eISSN: 2581-9615 CODEN (USA): WJARAI
Cross Ref DOI: 10.30574/wjarr
Journal homepage: https://wjarr.com/

(Research Article)

Check for updates

Evaluating village fund allocation policy management through an input-based approach: Evidence from Buol regency, Indonesia

Sri Yanti U.M. Armin *, Rauf A. Hatu, Hasim and Juriko Abdussamad

Pascasarjana, Universitas Negeri Gorontalo, Indonesia.

World Journal of Advanced Research and Reviews, 2026, 31(01), 1508–1514

Publication history: Received on 15 June 2026; revised on 22 July 2026; accepted on 25 July 2026

Article DOI: https://doi.org/10.30574/wjarr.2026.31.1.1961

Abstract

Village Fund Allocation has become a strategic instrument for strengthening rural development, improving public services, and promoting community welfare through fiscal decentralization. However, the effectiveness of village fund management depends not only on financial resources but also on the quality of institutional and social inputs supporting policy implementation. This study aimed to evaluate the input dimension of the Village Fund Allocation policy in Buol Regency, focusing on the capacity of village apparatuses and community participation in village fund management.This study employed a qualitative approach using a policy evaluation framework. Data were collected through observations, in-depth interviews, and document analysis involving village government officials, local government representatives, village facilitators, and community members. The data were analyzed through systematic evaluation procedures emphasizing the assessment of policy inputs.The findings reveal that the effectiveness of Village Fund Allocation management is strongly influenced by the administrative capacity of village officials and the level of public participation. Village apparatuses generally possess the institutional structure required for policy implementation; however, limitations remain in development planning, data utilization, analytical competence, and monitoring and evaluation practices. In addition, community participation is evident in village deliberation forums and development planning processes, but it is often procedural rather than substantive. Limited access to information, insufficient understanding of budgeting mechanisms, and weak involvement in monitoring activities constrain the effectiveness of participatory governance. These conditions reduce the ability of village governments to optimize the developmental impact of village funds and ensure accountability.The study concludes that strengthening village apparatus capacity and enhancing meaningful community participation are critical prerequisites for improving Village Fund Allocation policy effectiveness. These findings contribute to policy evaluation literature by highlighting the importance of input factors as the foundation for successful village governance and sustainable rural development.

Keywords: Village Fund Allocation; Policy Evaluation; Input Evaluation; Village Governance; Community Participation; Administrative Capacity; Rural Development

1. Introduction

Village development has become a central component of public sector reform and decentralization policies in many developing countries. In Indonesia, the enactment of Village Law No. 6 of 2014 marked a significant transformation in local governance by granting villages greater authority and financial resources to manage their own development agendas. Through the Village Fund Allocation (Alokasi Dana Desa/ADD) mechanism, the government aims to reduce regional disparities, improve public services, strengthen local economies, and enhance community welfare. The policy reflects a broader commitment to equitable development by ensuring that rural communities gain access to infrastructure, public services, and economic opportunities comparable to those available in urban areas. Effective

* Corresponding author: Sri Yanti U.M. Armin

village financial management is therefore essential for achieving sustainable rural development and strengthening local governance capacity.

The growing importance of village funds has attracted considerable scholarly attention, particularly regarding their effectiveness in promoting inclusive development and improving governance outcomes. Previous studies have emphasized that adequate infrastructure development can improve market accessibility, facilitate economic activities, and increase access to education and healthcare services (Akbar & Sihaloho, 2019). At the same time, decentralization reforms have increased expectations for village governments to function as frontline public service providers capable of responding effectively to diverse community needs. However, the implementation of public policies often fails to fully accommodate local aspirations and priorities, while village administrations frequently encounter limitations arising from higher-level governmental regulations and administrative constraints (Honig, 2006). Consequently, evaluating the effectiveness of village fund management remains a critical issue in public administration research.

Although decentralization is intended to empower local governments, village administrations continue to face substantial challenges in managing development resources effectively. As a subsystem of the national governmental structure, village governments possess delegated authority to administer local affairs while simultaneously operating within a framework of regulations established by higher levels of government (Irawan, 2017). This situation frequently creates tensions between local autonomy and administrative control. Furthermore, the success of Village Fund Allocation policies depends not only on the amount of financial resources transferred to villages but also on the capacity of local institutions to manage those resources transparently, rationally, participatively, and accountably. In this context, effective governance mechanisms become fundamental to ensuring that village funds generate meaningful development outcomes rather than merely fulfilling administrative requirements.

The management of Village Fund Allocation plays a strategic role in supporting local development and public welfare. According to Miharja and Woltjer (2010), village fund management should reflect a government's commitment to serving public interests and promoting regionally based development strategies. Consistent with this perspective, the principles of transparency, accountability, public participation, sustainability, and inclusiveness have become fundamental components of village financial governance. Hutabarat (2022) argues that effective village fund management requires transparent decision-making processes, accountable financial administration, active community participation, sustainable program design, and special attention to vulnerable groups. Nevertheless, empirical evidence suggests that the implementation of these principles remains uneven across regions, particularly in rural areas with limited administrative and institutional capacities.

Several studies have proposed strengthening village governance capacity as a key strategy for improving the effectiveness of Village Fund Allocation policies. Research has demonstrated that the competence of village officials significantly influences the quality of planning, budgeting, implementation, and monitoring processes. Effective development planning requires the ability to identify community needs accurately, formulate measurable objectives, and prioritize development interventions based on local conditions. Azlina and Hasan (2017) emphasize that village administrators must possess the capacity to conduct systematic needs assessments and collect relevant information from multiple sources. Similarly, Gao and Wu (2017) highlight the importance of analytical capabilities in transforming community data into evidence-based development priorities. These findings suggest that administrative capacity constitutes a critical input factor influencing policy performance and development outcomes.

Another important solution identified in previous studies concerns strengthening community participation in village governance. Participatory approaches enable local residents to contribute to planning, implementation, monitoring, and evaluation processes, thereby increasing policy responsiveness and accountability. Kirubi et al. (2009) argue that meaningful participation can take the form of community involvement in village meetings, contribution of development ideas, and direct engagement in project implementation. Furthermore, community participation in monitoring village fund utilization serves as an important mechanism for preventing misuse of public resources and ensuring alignment between development programs and local needs. Consequently, participatory governance has been widely recognized as a crucial element for enhancing the effectiveness and legitimacy of village development policies.

The literature has also emphasized the importance of integrating administrative capacity and community participation within broader policy evaluation frameworks. Bridgman and Davis (2000) propose a systems-based approach that evaluates public policies through four interconnected dimensions: input, process, output, and outcome. Within this framework, input factors encompass the resources, capacities, and stakeholder involvement that support policy implementation. Previous studies have frequently examined governance transparency, infrastructure development, economic empowerment, and long-term welfare impacts as indicators of policy effectiveness. However, much of the existing literature focuses on outputs and outcomes, while relatively limited attention has been devoted to systematically examining the input dimension, particularly the interaction between village administrative capacity and community participation in shaping policy performance. This limitation creates an important research gap, especially in rural regions characterized by diverse geographical and socio-economic conditions.

The case of Buol Regency presents a particularly relevant context for addressing this gap. Preliminary observations indicate several challenges in Village Fund Allocation management, including limited administrative competence among village officials, inadequate monitoring and evaluation practices, and low levels of community participation. These challenges persist despite substantial financial transfers to villages and continued policy efforts to improve rural development. Moreover, the increase in village funding has not always been accompanied by corresponding improvements in poverty reduction and community welfare, suggesting the need for a more comprehensive evaluation framework. Existing studies have not sufficiently explored how input factors influence the effectiveness of village fund management within the specific socio-administrative context of Buol Regency. Consequently, a more contextualized evaluation model is required to identify critical determinants of policy success and inform future policy improvements.

This study aims to analyze the input dimension of Village Fund Allocation policy evaluation in Buol Regency by focusing on two fundamental components: the capacity of village apparatuses and the level of community participation in village fund management. Drawing upon the systems evaluation framework proposed by Bridgman and Davis (2000), the study seeks to develop a more context-sensitive understanding of how these input variables shape policy implementation and effectiveness. The novelty of this research lies in its effort to reconstruct and contextualize the policy evaluation model by integrating administrative capacity and participatory governance indicators that reflect the realities of village governance in Buol Regency. By concentrating specifically on the input dimension, the study contributes to the development of a more comprehensive evaluation framework capable of informing evidence-based policy improvements and strengthening the effectiveness of Village Fund Allocation management in rural Indonesia.

2. Methodology

This study employed a qualitative approach to evaluate the Village Fund Allocation (ADD) policy in Buol Regency, with a specific focus on the input dimension of policy evaluation. A qualitative design was considered appropriate because it enables an in-depth exploration of social realities, stakeholder perspectives, and institutional practices related to village fund management. Consistent with Nasution (1988), qualitative research seeks to understand phenomena within their natural settings through direct interaction with participants and interpretation of their experiences. The study adopted the policy evaluation framework proposed by Bridgman and Davis (2000), focusing on two key input components: the capacity of village apparatuses and the level of community participation in Village Fund Allocation management.

Data were collected over a six-month period through observation, in-depth interviews, and document analysis. Informants were purposively selected and included officials from the Village Community Empowerment Office (DPMD), sub-district heads, village heads, village facilitators, and community members. The evaluation of village apparatus capacity focused on their ability to formulate development plans and utilize information for decision-making, while community participation was assessed through involvement in planning, deliberation, monitoring, and evaluation activities. Data were analyzed using the systematic evaluation stages proposed by Bridgman and Davis (2000), including information identification, source selection, data collection, and interpretation. Triangulation across multiple data sources was employed to enhance the credibility and validity of the findings.

3. Results

3.1. Overview of Input Evaluation

Within the Context, Input, Process, and Product (CIPP) evaluation framework, the input dimension focuses on assessing the resources, capacities, institutional arrangements, and stakeholder readiness required to support effective policy implementation. Input evaluation is particularly important because it determines whether the fundamental prerequisites necessary for achieving policy objectives are available before implementation occurs. In the context of Village Fund Allocation (Alokasi Dana Desa—ADD) in Buol Regency, input evaluation was conducted to examine the extent to which village governments and communities possess the institutional and social capacities necessary to manage village funds effectively.

The findings indicate that the success of Village Fund Allocation policy implementation in Buol Regency is strongly influenced by two principal input components: (1) the capacity of village apparatuses and (2) the participation of local communities. These two components serve as the foundation upon which planning, implementation, monitoring, and accountability processes are built. The analysis reveals that although substantial financial resources have been transferred to villages through decentralization policies, the effectiveness of fund utilization continues to depend heavily on the quality of human resources and the degree of citizen engagement in local governance processes.

The findings further suggest that weaknesses in administrative capacity and limited public participation constitute significant challenges in realizing the intended developmental outcomes of Village Fund Allocation. Consequently, understanding these input factors becomes essential for explaining variations in policy performance across villages in Buol Regency.

3.2. Institutional Capacity of Village Apparatuses

3.2.1. Human Resource Readiness and Administrative Competence

The first major aspect of input evaluation concerns the capacity of village apparatuses to perform planning, budgeting, implementation, and accountability functions related to Village Fund Allocation management. The study found that the competence of village officials remains a critical determinant of policy effectiveness. While village governments generally possess formal administrative structures and operate within established regulatory frameworks, significant disparities continue to exist regarding technical competencies and managerial capabilities among village officials.

The findings reveal that many village officials still experience difficulties in preparing comprehensive development plans that accurately reflect local priorities and community needs. Planning activities often focus on fulfilling administrative requirements rather than generating evidence-based development programs. Consequently, village development plans sometimes fail to adequately address strategic issues such as poverty reduction, economic empowerment, infrastructure development, and public service improvement.

This condition demonstrates that the availability of financial resources alone does not automatically guarantee effective development outcomes. Rather, the capacity of village officials to identify problems, formulate priorities, allocate resources, and monitor implementation significantly influences the overall effectiveness of Village Fund Allocation programs. In several cases, village officials demonstrated limited ability to conduct systematic needs assessments and to translate community aspirations into measurable development programs. As a result, development interventions occasionally reflected administrative routines rather than strategic responses to local challenges.

The importance of administrative capacity becomes particularly evident considering the broader demographic and governmental context of Buol Regency. The region possesses substantial human resource potential supported by educational institutions, government infrastructure, and a relatively large productive-age population. Nevertheless, the translation of these broader regional capacities into effective village-level governance remains uneven. The findings indicate that village administrations often require additional technical support and continuous capacity-building programs to improve planning quality and implementation effectiveness.

3.2.2. Planning and Analytical Capacity

Another important dimension of village apparatus capacity concerns analytical competence in development planning. Effective planning requires village governments to collect, process, and analyze information regarding socio-economic conditions, infrastructure needs, and community priorities. However, the study found that although planning forums are routinely conducted, the analytical utilization of available information remains limited.

Village development planning frequently relies on previous planning patterns rather than comprehensive assessments of emerging community needs. Data collection processes are often undertaken primarily to satisfy procedural requirements, while the interpretation and utilization of data for decision-making remain relatively weak. Consequently, planning documents sometimes lack clear prioritization mechanisms and measurable performance indicators.

The findings suggest that this limitation affects the quality of policy implementation because development priorities may not always correspond with the most pressing local challenges. Effective allocation of village funds requires not only administrative compliance but also evidence-based decision-making supported by reliable data and analytical skills. Without adequate analytical capacity, village governments face difficulties in maximizing the developmental impact of available financial resources.

3.2.3. Monitoring and Evaluation Capacity

Input evaluation also revealed deficiencies in monitoring and evaluation competencies among village officials. While accountability reports are routinely produced, monitoring activities frequently emphasize financial compliance rather than substantive assessment of development outcomes. This orientation toward administrative reporting reflects a procedural understanding of accountability that prioritizes documentation over performance improvement.

The findings indicate that village governments often lack sufficient technical expertise to evaluate program effectiveness, identify implementation obstacles, and formulate corrective actions. Consequently, opportunities for organizational learning and continuous improvement remain limited. Monitoring systems tend to focus on expenditure realization rather than assessing whether development activities have generated meaningful improvements in community welfare.

This limitation is particularly important because Village Fund Allocation programs are intended not only to finance development activities but also to contribute to broader objectives such as poverty reduction, community empowerment, and local economic development. Therefore, strengthening monitoring and evaluation capacities represents a critical prerequisite for improving policy effectiveness.

3.2.4. Organizational Support and Bureaucratic Environment

The effectiveness of village apparatuses is also influenced by the broader bureaucratic environment within Buol Regency. The study notes that the regional government possesses a relatively strong administrative structure supported by thousands of civil servants across various educational levels and functional positions. Most government employees possess higher educational qualifications, indicating the availability of substantial bureaucratic resources at the regional level.

However, the existence of qualified personnel at the district level does not necessarily translate into equivalent capacities at the village level. Village administrations often operate with limited personnel and restricted access to technical assistance. As a result, disparities emerge between policy expectations and implementation capabilities. The findings therefore suggest that institutional strengthening initiatives should prioritize village-level administrative capacity through targeted training, mentoring, and technical guidance programs.

Overall, the study demonstrates that the capacity of village apparatuses remains one of the most influential determinants of Village Fund Allocation policy effectiveness. Strengthening planning competencies, analytical capabilities, and monitoring skills is essential for improving the quality of village governance and maximizing the developmental benefits of fiscal decentralization.

3.3. Community Participation as a Strategic Input

3.3.1. Community Involvement in Development Planning

The second major component of input evaluation concerns community participation in Village Fund Allocation management. The findings reveal that public participation constitutes a fundamental element of village governance because it ensures that development programs reflect local needs and aspirations. Village deliberation forums (musyawarah desa) serve as the primary mechanism through which citizens contribute to planning processes and express development priorities.

The study found that community participation exists in most villages; however, the quality and intensity of participation vary considerably. In many cases, participation is largely characterized by attendance at meetings rather than active involvement in decision-making processes. Although villagers are formally invited to planning forums, their influence on final policy decisions is often limited.

This situation suggests that participation frequently remains procedural rather than substantive. Citizens are involved in consultation processes, but their ability to shape development priorities may be constrained by limited access to information, insufficient understanding of budgeting mechanisms, and unequal power relations within local governance structures. As a result, development plans do not always fully reflect the diversity of community interests and needs.

3.3.2. Public Awareness and Access to Information

The effectiveness of community participation is closely related to the availability of information regarding Village Fund Allocation programs. The findings indicate that limited public access to information remains one of the primary obstacles to meaningful participation. Many community members possess only a basic understanding of village budgeting procedures, policy priorities, and accountability mechanisms.

This information gap reduces the ability of citizens to engage critically in planning discussions and oversight activities. Without adequate knowledge regarding fund allocation processes, community members may find it difficult to assess whether proposed programs correspond with local needs or whether implementation activities comply with established plans.

The study therefore suggests that transparency initiatives constitute an important component of input strengthening. Providing accessible information regarding village budgets, development priorities, and implementation progress would enhance public awareness and encourage more meaningful participation in governance processes. Increased transparency would also strengthen accountability relationships between village governments and local communities.

3.3.3. Community Participation in Monitoring and Oversight

Beyond planning activities, community participation also plays an important role in monitoring and evaluating Village Fund Allocation implementation. The findings reveal that citizen involvement in oversight activities remains relatively limited. Although communities occasionally monitor infrastructure projects and development activities, systematic public oversight mechanisms are not consistently implemented across villages.

As a result, accountability processes depend largely on formal administrative controls rather than community-based monitoring systems. This condition potentially reduces transparency and limits opportunities for early identification of implementation problems. Effective community oversight could strengthen accountability by providing additional mechanisms for monitoring resource utilization and program performance.

The findings therefore highlight the need to expand community participation beyond planning forums and encourage greater involvement in implementation monitoring and evaluation processes. Such participation would contribute to more transparent governance and improve public trust in village institutions.

4. Discussion

The findings of this study demonstrate that the effectiveness of Village Fund Allocation policy implementation in Buol Regency is fundamentally shaped by the quality of inputs available within village governance systems. Specifically, the capacity of village apparatuses and the level of community participation emerge as the two most influential determinants of policy readiness and implementation effectiveness.

The study confirms that financial decentralization alone is insufficient to achieve development objectives. Although substantial fiscal resources have been transferred to villages, the developmental impact of these resources depends heavily on the competence of local administrators and the active involvement of community stakeholders. Weaknesses in planning, analytical capacity, monitoring competencies, and public participation create barriers that reduce the effectiveness of Village Fund Allocation programs.

Furthermore, the findings reveal an important interrelationship between administrative capacity and community participation. Competent village officials are better able to facilitate participatory planning processes, communicate policy information, and incorporate community aspirations into development programs. Conversely, active community participation can improve accountability, strengthen transparency, and provide valuable information for decision-making. Therefore, these two input dimensions should not be viewed as separate factors but rather as mutually reinforcing components of effective village governance.

Overall, the input evaluation indicates that improving Village Fund Allocation performance in Buol Regency requires simultaneous investments in institutional capacity-building and participatory governance mechanisms. Strengthening village apparatus competencies, enhancing transparency, expanding access to information, and promoting meaningful community participation are essential strategies for ensuring that village funds contribute effectively to local development and community welfare. Through such improvements, Village Fund Allocation policies can more fully realize their intended role as instruments of rural development, poverty reduction, and community empowerment.

5. Conclusion

This study demonstrates that the effectiveness of the Village Fund Allocation (ADD) policy in Buol Regency is fundamentally determined by the quality of policy inputs, particularly the capacity of village apparatuses and the level of community participation. The findings reveal that although village governments have implemented administrative procedures in accordance with regulatory requirements, limitations remain in planning competencies, data utilization, analytical capacity, and monitoring and evaluation practices. These weaknesses reduce the ability of village administrations to formulate evidence-based development priorities and maximize the developmental impact of village funds. In addition, community participation is present within village governance processes; however, it is often procedural rather than substantive, with limited public involvement in decision-making, monitoring, and evaluation activities.

The study contributes to the existing body of knowledge on public policy evaluation by demonstrating the critical role of input factors in determining the effectiveness of fiscal decentralization policies at the village level. By applying the input dimension of the policy evaluation framework, this research highlights the interdependence between administrative capacity and participatory governance as foundational elements of successful village fund management. The findings imply that policy reforms should prioritize capacity-building initiatives, strengthen evidence-based planning mechanisms, improve transparency, and expand meaningful citizen participation. Future research may extend this analysis by examining the relationships between input, process, output, and outcome dimensions to develop a more comprehensive evaluation model for village fund governance and rural development.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

References

[1] Akbar, M. T., & Sihaloho, E. D. (2019). The impact of village fund program in developing physical infrastructure: case on construction value across provinces in Indonesia. Media Trend, 14(2), 194-200.

[2] Azlina, N., & Hasan, A. (2017). The effectiveness of village fund management (case study at villages in coastal areas in Riau).

[3] Bridgman, J & Davis G. 2000. Australian Policy Handbook, Allen & Unwin, NSW.

[4] Gao, J., & Wu, B. (2017). Revitalizing traditional villages through rural tourism: A case study of Yuanjia Village, Shaanxi Province, China. Tourism Management, 63, 223-233.

[5] Honig, M. (2006). Complexity and policy implementation. New directions in education policy implementation: Confronting complexity, 63, 1-25.

[6] Hutabarat, S. B., & Dewi, R. S. (2022). Transparansi dan akuntabilitas pemerintah desa dalam pengelolaan alokasi dana desa. PESHUM: Jurnal Pendidikan, Sosial dan Humaniora, 1(3), 261-268.

[7] Kirubi, C., Jacobson, A., Kammen, D. M., & Mills, A. (2009). Community-based electric micro-grids can contribute to rural development: evidence from Kenya. World Development, 37(7), 1208-1221.

[8] Miharja, M., & Woltjer, J. (2010). Inter-local government collaboration and perceived transaction costs in Indonesian metropolitan transport planning. International Development Planning Review, 32(2).