



## EFFECTIVENESS OF VILLAGE FUND USE ON PHYSICAL AND NON-PHYSICAL INFRASTRUCTURE DEVELOPMENT IN ENAROTALI VILLAGE, PANIAI REGENCY

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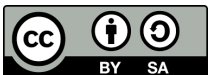
### Abstract :

*This study aims to evaluate the effectiveness of Village Fund utilization for physical and non-physical infrastructure development in Enarotali Village, East Paniai District, Paniai Regency, and to uncover the influencing factors in order to strengthen transparent and accountable village financial governance. The research approach used is qualitative with analytical descriptive method, where data is collected through participatory observation, in-depth interviews with key informants such as the Village Head and community leaders, and documentation of the 2023-2025 Village Budget realization report. The results of the study indicate that the use of Village Funds in Enarotali Village in the implementation of physical and non-physical infrastructure development is classified as effective due to the continuity of well-planned work programs. Quantitatively, the realization of the 2023-2025 physical budget ranges from 70% to 73% (Rp477 million - Rp548 million) which is focused on road construction to Mount Pogei tourist area and drainage maintenance. Meanwhile, the realization of the non-physical budget ranged from 10% to 11% (Rp63 million - Rp82 million) allocated for technical guidance on village tourism development, entrepreneurship training, and strengthening the capacity of BUMDes. This effectiveness is supported by four main indicators: the achievement of welfare-oriented goals, thorough planning through the Musrenbangdes forum, the preparation of appropriate programs in accordance with Law Number 6 of 2014, and a monitoring system involving the community and district auditors. Despite challenges such as geographical constraints and delays in disbursement of funds from the local government, which often only arrived at the end of the year, the village government was able to maintain synchronization between the development of physical infrastructure and improving the quality of human resources. This success proves that good coordination between participatory planning and strict monitoring is the main key to minimizing budget irregularities while ensuring maximum benefits for the community in remote areas of Enarotali Village.*

**Keywords:** Village Funds, Development Effectiveness, Physical Infrastructure, Non-Physical Infrastructure, Enarotali Village.

### INTRODUCTION

Realizing a just and prosperous society, as envisioned by the Republic of Indonesia, must be accompanied by equitable development, even in remote villages. This is crucial because since Indonesia declared its independence, the community has not experienced equitable development, even in remote villages. (Rahmadhani et al., 2024) According to Law Number 6 of 2014 concerning Villages, villages are granted the authority to regulate and manage



their own affairs according to their needs. This means that village funds can be used to fund all village authorities, tailored to the priorities and needs of the village funds. This autonomy provides villages with the freedom to manage local potential for the advancement of their communities, but it also opens up opportunities for budget mismanagement if not accompanied by strong oversight. (Mamengko et al., 2024) Village funds are funds sourced from the State Budget (APBN) distributed to villages transferred through the Regional Budget (APBD) from districts or cities and used in government financing, community development, development implementation, and community empowerment. In addition, village funds are also regulated in Ministerial Regulations, which prioritize financing the implementation of local programs and activities in villages in the field of Village Development and Village Community Empowerment. The priority use of village funds is based on principles such as Justice, which prioritizes the rights or interests without discriminating against all village residents; Priority needs, which prioritize more urgent village interests and concern the interests of the majority of village residents; Village typology, which considers the conditions and realities of the geographical, economic, sociological, anthropological, economic characteristics of the village, as well as the development or changes in village progress (Safitri, 2022).

However, the effectiveness of Village Fund utilization is often questioned, particularly in the context of budget realization, program targeting accuracy, and community participation in planning and implementation. Each stage of the village fund management process has regulations that must be understood and implemented within a predetermined timeframe. Furthermore, village fund management activities require the support of competent and qualified human resources, along with adequate financial systems and procedures, to ensure optimal implementation. (Andris et al., 2022). Therefore, the village government is required to have a financial management organizational structure that can be used as a reference in implementing village fund management activities. Enarotali Village, located in East Paniai District, Paniai Regency, has been one of the recipients of Village Funds since 2015 with a significant budget allocation each year. Village Budget data shows that in 2023 to 2025, the realization of funds for physical development ranged from IDR 477 million to IDR 548 million, while for non-physical development ranged from IDR 63 million to IDR 82 million. (Abrellian, 2024). Although administratively the budget absorption is considered effective, the reality on the ground shows that infrastructure development in Enarotali Village is still uneven. Based on initial observations, this process is often hampered by delays in the disbursement of funds from the local government, which are usually only disbursed at the end of the year, so that the time for development implementation is very limited or "tight." These geographical conditions and administrative constraints are real challenges that can hinder the optimal use of funds for the welfare of the local community. In addition to technical constraints in disbursement, there is an imbalance between physical and non-

physical development due to the preparation of work programs that are not relevant to the needs of the village community. Local communities often do not understand empowerment or non-physical programs, so the focus of development is absorbed more on physical infrastructure such as roads and drainage.(Amelda et al., 2024). Factors such as low community participation in planning, limited human resource capacity of village officials, and weak oversight of budget absorption are the main concerns in the management of Village Funds in this region. Therefore, this study aims to evaluate the effectiveness of Village Fund use for physical and non-physical infrastructure development in Enarotali Village and uncover the factors that influence it in order to strengthen more transparent and accountable village financial governance.(I. Fadila et al., 2025).

## **RESEARCH METHOD**

This study uses a qualitative approach with descriptive analytical methods to explore the phenomenon of the effectiveness of village fund utilization in depth and context. Qualitative research was chosen because it can provide a comprehensive understanding of complex social realities, where researchers act as key instruments in collecting data that cannot be measured solely with numbers. This method focuses on interpreting the meanings, perceptions, and experiences of actors involved in Village Fund management, from village officials to beneficiary communities.(Alaslan, 2023)In this context, qualitative research allows researchers to capture the nuances behind administrative data, such as power dynamics in village deliberations, sociological barriers to community participation, and qualitative bureaucratic constraints. The use of a descriptive approach aims to systematically, factually, and accurately describe the facts and relationships between the phenomena being investigated, namely how the 2023-2025 Village Fund allocation is implemented in physical and non-physical development.(Safrudin et al., 2023). The theoretical basis for effectiveness according to experts, such as indicators of goal achievement, integration, and adaptation, is used as a framework for analyzing field data. Thus, this qualitative method serves not only to report what happened but also to explain why a development program was successful or hampered, and how geographic environmental factors and human resource capacity in Paniai Regency influenced its overall success.(Annasthasya et al., 2025).

The research in Enarotali Village, East Paniai District, combined three primary data collection techniques: participant observation, in-depth interviews, and documentation. Direct field observations were conducted to review physical development outcomes such as roads and drainage, and to monitor the implementation of non-physical programs to validate the alignment between the Village Budget (APBDesa) administrative report and the physical reality.(F. Fadila et al., 2025)In-depth interviews were conducted with key informants (purposive sampling) consisting of the Village Head (Ketua Kampung), Village Treasurer, Village Consultative Body (BPD), community

leaders, and villagers to explore their perspectives on the accuracy of the program's targets and benefits. Documentation techniques were used to collect secondary data in the form of Village Budget Implementation Realization Reports for 2023, 2024, and 2025, as well as related laws and regulations. The collected data were then analyzed using the Miles and Huberman model, which includes three main stages data reduction, data presentation, and conclusion drawing or verification. In the reduction stage, researchers sorted raw data from the field and focused on key points related to the effectiveness of physical and non-physical development. Next, the data were presented in a systematic narrative form to examine patterns of relationships between variables, such as the relationship between delays in fund disbursement and low infrastructure quality. The final stage is verification, where researchers tested the validity of the data through triangulation of sources and techniques to ensure that the findings regarding factors inhibiting participation and administrative constraints in Enarotali Village were truly valid and accountable. This approach ensures that the resulting analysis can provide applicable recommendations for strengthening village financial governance in the mountainous region of Papua.(Arianto, 2023).

## **FINDINGS AND DISCUSSION**

### **Analysis of the effectiveness of planning and budgeting in the use of village funds**

The results of the study show that the use of Village Funds in Enarotali Village in implementing physical and non-physical infrastructure development is considered effective because there is continuity of work programs in 2024 and 2025 based on the results of qualitative data processing from direct observations in the field and interviews and document sampling on village officials and the Enarotali village community, based on interviews with the Enarotali village head with Mr. Jeki Yogi: "Our main priority is the development of physical infrastructure, such as repairing village roads, clean water pipes, irrigation and drainage since the village funds began in 2015, which we consider absolute to support the local economy.(Anggraini et al., 2024)However, recognizing the potential for local tourism in the village, since 2023, we have been providing technical guidance on village tourism development so that the community can develop skills in managing local village tourism. In 2025, we also established a village tourism project on Mount Poge. This ensures a continuous program between physical and non-physical development.(Suryani & Gaol, 2025). The sustainable program between physical and non-physical development in rural areas emphasizes a holistic approach to ensure balanced and sustainable growth. This approach integrates two pillars of village development, which strengthen each other to achieve optimal community welfare. The program is very effective because the people of Enarotali village feel the real benefits of development through the village fund program. The following table shows the realization of the physical and non-physical development budget for Enarotali village.(Setiawan et al., 2025).

**Table 1. Realization of Village Funds for Physical Infrastructure in Enarotali Village 2023-2025**

Year	Village Fund Realization	Percentage of Total Village Funds (%)	Accuracy
2023	Rp548,078,000	71%	Effective
2024	Rp477,659,000	73%	Effective
2025	Rp481,628,000	70%	Effective

**Source:**Processed Data for Enarotali Village Funds in 2025

The physical infrastructure development most felt by the community is the construction of roads to the Gunung Pogeji tourist village and road drainage. This is in accordance with the Enarotali Village APBDesa data, which records that the Village Fund allocation in 2023 was Rp. 548,078,000, in 2024 it was Rp. 477,659,000, and in 2025 it was Rp. 481,628,000, the majority of which was allocated for physical infrastructure activities.(Gina Fitria Prihatin et al., 2024).

**Table 2. Realization of Village Funds for Non-Physical Infrastructure in Enarotali Village 2023-2025**

Year	Village Fund Realization	Percentage of Total Village Funds (%)	Accuracy
2023	Rp82,945,000	11%	Effective
2024	Rp. 75,500,000	10%	Effective
2025	Rp. 63,690,000	11%	Effective

**Source:**Processed Data for Enarotali Village Funds in 2025

The most impactful non-physical infrastructure developments by the community are Technical Guidance, Village Tourism Development, Entrepreneurship Training, and Technical Guidance for the Village-Owned Enterprises (BumDes). This is in accordance with the Enarotali Village APBDesa data, which records that the Village Fund allocation in 2023 was Rp. 82,945,000, in 2024 it was Rp. 75,500,000, and in 2025 it was Rp. 63,690,000. Fund realization is quite minimal, but fund absorption is in accordance with the planned village program for non-physical infrastructure development activities. The community also expressed a high level of satisfaction with the program planning and implementation process, which was considered quite transparent and involved them through village deliberations.(Setianingsih & Indriati

Amarini, 2023)Based on the research results, the researcher put forward four indicators of effectiveness in planning and absorption of Village Fund budgets for physical and non-physical infrastructure development in Enarotali Village which can be described as follows:

**Table 3. Indicators of the Effectiveness of Physical and Non-Physical Infrastructure Development in the Planning and Absorption of the Enarotali Village Fund Budget**

Indicator	No	Target	Achievement Results
<b>Goal Achievement:</b> An activity that has a goal by using planning, organizing, and controlling.	1	Improving community welfare	Village Tourism Development
	2	Improving development infrastructure	Construction of roads to village tourism and drainage maintenance
	3	Improving Community Capacity	Technical Guidance for Village Tourism Development, Entrepreneurship Training, Technical Guidance for BumDes Communities
<b>Thorough Planning:</b> A planning process that is designed in such a way as to provide maximum results.	1	The existence of a Village Deliberation	Holding a Musrenbang forum
	2	Involving government elements and community leaders	Judging from the level of attendance at the Village Musrenbang
<b>Proper</b>	1	Based on Regional	The Enarotali village

<b>Programming:</b> The planned program must be appropriate and according to what is needed.		Regulations / Minister of Home Affairs Regulation	government refers to Law Number 6 of 2014 and its implementing regulations.
	2	According to Village Conditions	According to the needs in Enarotali village
<b>Monitoring and Control System:</b> Supervision and control based on applicable regulations and educational norms.	1	Community Participation	The community plays an active role in managing village funds
	2	The presence of a village consultant/companion	The existence of a work team structure and accompanying consultants from the district/district/village
	3	The existence of an audit	The district auditor team's inspection, both administratively and in the field, is intended to direct management in accordance with principles.

*Source: Indicators of Effectiveness of Physical and Non-Physical Infrastructure Development in Enarotali Village (Processed Data)*

Based on the data presented in Table 3 regarding the effectiveness indicators of physical and non-physical infrastructure development in Enarotali Village, it can be concluded that the management of Village Funds has been carried out systematically and meets the criteria of organizational effectiveness by fulfilling four main pillars, namely goal achievement, planning maturity, program accuracy, and educational supervision. This effectiveness is reflected in the village government's ability to translate the vision of community welfare into concrete programs that address fundamental aspects, where physical development such as the road to Mount Pogei tourism and drainage maintenance are integrated harmoniously with non-physical development through technical guidance on tourism development, entrepreneurship

training, and strengthening the capacity of BUMDes managers.(Gulo & Kakisina, 2023)This success is inseparable from a thorough planning process involving all elements of society through the Village Development Planning Forum (Musrenbangdes), which demonstrates the social legitimacy and active participation of community leaders and government officials in determining the direction of village development. Furthermore, adherence to formal legal aspects, particularly Law Number 6 of 2014, ensures that each program formulation has a strong legal basis and remains relevant to the characteristics and local needs of Enarotali Village. The success in budget absorption, assessed as effective in the previous tables, is reinforced by a monitoring and control system that is not only administrative but also educational, with active community participation, the presence of village consultants, and regular audits by the district audit team that serve as both a verification instrument and a guide to ensure that village fund management remains within the corridor of transparency and accountability.(Bili et al., 2024). Holistically, the synchronization between the development of physical infrastructure and the improvement of human resource quality through non-physical programs creates a sustainable development model, where the infrastructure built can be managed independently by communities who have been given capacity through training, so that Village Funds are not only absorbed quantitatively in financial reports, but provide a real qualitative impact in encouraging village economic independence through the tourism sector and strengthening village institutions in Paniai Regency. Thus, the effectiveness shown in this table proves that good coordination between participatory planning and strict supervision is the main key in minimizing budget deviations while ensuring that every rupiah of Village Funds provides maximum benefits for improving the standard of living and infrastructure in remote areas of Enarotali Village.(Anggoro et al., 2022).

## **CONCLUSION**

Based on the results of research on the effectiveness of Village Fund utilization in Enarotali Village, Paniai Regency, it can be concluded that budget management for physical and non-physical infrastructure development in the 2023-2025 period has been carried out effectively, transparently, and accountably. This success is reflected in the realization of consistent physical budget absorption in the range of 70% to 73% or around Rp477 million to Rp548 million per year, which is allocated for crucial projects such as road construction to the Mount Poge tourist attraction and drainage maintenance. Meanwhile, non-physical development, despite having a smaller allocation, namely between Rp63 million and Rp82 million, is considered very well targeted because it focuses on increasing human resource capacity through technical guidance for tourism development, entrepreneurship training, and strengthening BUMDes. This effectiveness is achieved through the implementation of four main indicators achieving welfare-oriented goals, thorough planning through a participatory Musrenbangdes forum, the

preparation of programs relevant to local needs and based on Law Number 6 of 2014, and a strong monitoring system. The active involvement of community leaders, village officials, and professional facilitators in the oversight process ensures that each program has social legitimacy and minimizes the risk of irregularities. Despite challenges such as geographical conditions and administrative constraints related to the timing of fund disbursements from the local government, the village government was able to maintain the program's holistic continuity. Synchronizing the provision of physical infrastructure with community empowerment creates a sustainable development model that not only improves regional connectivity but also encourages village economic independence through the tourism sector. Overall, harmonious coordination between participatory planning and educational oversight by the district audit team is key to ensuring that the Village Fund provides tangible, qualitative benefits for improving the living standards of communities in remote areas of Papua.

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