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## Optimizing Village Funds for Sustainable Development: A Technical Guidance Services in Tokowuta Village, Lasolo Sub-district

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### ABSTRACT

Synchronizing village funds with the Sustainable Development Goals (SDGs) is essential to achieve sustainable, inclusive village development and improve the welfare of village communities. Achieving these goals requires technical understanding from village government officials. Therefore, technical guidance on optimizing the utilization of village funds is crucial to ensure effective, transparent, and accountable fund management, so that it can support the achievement of the SDGs targets at the village level. This research uses lecture and case discussion methods to provide a theoretical and practical understanding of strategies to optimize the utilization of village funds in line with the SDGs. Through the combination of these two methods, it is expected that village officials can plan, implement, and supervise the use of village funds more effectively and efficiently. The results of this community service concluded that technical guidance on the optimization of village funds is essential to ensure the effective, transparent, and accountable use of village funds. Technical guidance helps village officials understand effective fund management techniques, encourages community participation, accelerates village development, and ensures funds are used as needed. Optimization of village funds supports sustainable development with a focus on good governance operations, development implementation, and community empowerment. Synchronizing village funds with the SDGs is urgent to solve village problems such as poverty and climate change, ensure inclusive and sustainable development, and improve the quality of life of rural communities.

### INTRODUCTION

The Village Fund is a crucial source of funding designed to support development and empowerment at the village level. The prioritization of the use of the Village Fund is focused on several key aspects that aim to improve the welfare of village communities and encourage sustainable development (Permata et al., 2022; Wijayanti & Taufik, 2022). With proper allocation, the Village Fund can play an important role in solving the challenges faced by villages and promoting inclusive and sustainable progress.

The main priorities of the Village Fund allocation cover three aspects, namely: governance, development implementation, and community development (Fahrurrozi, 2023; Kerihi et al., 2023). Village governance funds are directed to support village government operations and administration,

including the payroll of village officials, village office operational costs, and administrative activities that support the smooth functioning of village government. This funding is essential to ensure that the village government is well-run, transparent, and accountable, to effectively serve the village community (Taufiqurokhman & Andriansyah, 2018; Tulis et al., 2018).

Furthermore, the implementation of village development uses the Village Fund allocation for various physical and infrastructure development projects, such as the construction of roads, irrigation channels, health facilities, and educational facilities (Rahman, 2023). These projects aim to improve the accessibility, quality of life, and welfare of village communities. Meanwhile, community development through the Village Fund includes various community empowerment programs, skills training,

micro, small, and medium enterprise (MSME) development, as well as initiatives that encourage active community participation in village development. Thus, the Village Fund allocation plays an important role in creating independent, prosperous, and sustainable villages, following the sustainable development goals (SDGs).

Thus, the allocation of village funds is very important to pay attention to synchronization with the direction of sustainable village development. Inconsistent use of Village Fund allocations with sustainable village development principles can hinder the effective achievement of the Sustainable Development Goals (SDGs) (Marianti et al, 2023). When village funds are used for projects that do not consider sustainability aspects, such as poor environmental management or neglect of the long-term needs of the community, the impact can be detrimental in the long run. For example, environmentally unfriendly infrastructure projects or economic empowerment that does not consider limited resources can exacerbate problems of poverty, inequality, and environmental degradation. This not only reduces the effectiveness of fund allocation but also hinders progress in achieving the SDGs' goals of economic well-being, social, and a sustainable environment.

Utilization of the Village Fund that is not in sync with sustainable development can harm village development. When fund allocations do not follow sustainability principles, implemented projects may only provide short-term benefits without considering the long-term effects on the environment and community welfare. For example, infrastructure development without regard to environmental impacts can lead to ecosystem damage and reduce the quality of life for villagers in the future. The use of poorly planned Village Funds results in wasted resources and inefficiencies. Projects that are not based on real needs or careful planning often end up with inadequate results, such as facilities that do not function optimally or do not meet the needs of the community. This not only costs money but also hinders the achievement of broader development goals.

The lack of synchronization between Village Fund utilization and sustainable development goals also reduces the effectiveness of economic empowerment programs. If economic empowerment projects are not designed with

sustainability in mind, such as efficient resource management and environmental impacts, the results achieved may be temporary. For example, support to small businesses that does not consider sustainability may result in reliance on environmentally unfriendly raw materials or neglect of sustainable business practices.

In addition to environmental and economic impacts, unsynchronized use of the Village Fund can also affect the socio-culture of village communities. Projects that do not involve the community in their planning or implementation often do not meet local needs and expectations. This can reduce the level of community participation and hinder the achievement of inclusive development goals. This mismatch can lead to social conflict and lower community trust in development programs. Handayani & Badrudin (2019) found that the Village Fund Allocation has not had a significant impact on the Indonesian economy.

To ensure that the Village Fund is used effectively and supports sustainable development, it is important to apply the principles of comprehensive and participatory planning (Siafu et al., 2020). Coordination between village governments, communities, and other relevant parties should be strengthened to ensure that projects are implemented that not only meet current needs but also consider the long-term impacts on the environment and communities. With a planned and sustainable approach, the Village Fund can make a greater contribution towards achieving holistic and sustainable development goals.

The SDGs are global and national commitments to improve the welfare of society including 17 goals namely (1) No Poverty; (2) No Hunger; (3) Healthy and Prosperous Life; (4) Quality Education; (5) Gender Equality; (6) Clean Water and Sanitation; (7) Clean and Affordable Energy; (8) Decent Work and Economic Growth; (9) Industry, Innovation, and Infrastructure; (10) Reduced Inequality; (11) Sustainable Cities and Settlements; (12) Responsible Consumption and Production; (13) Addressing Climate Change; (14) Ocean Ecosystems; (15) Land Ecosystems; (16) Peace, Justice and Resilient Institutions; (17) Partnerships to Achieve the Goals (SDGs Knowledge Hub, 2024).

Village SDGs are integrated efforts for economic, social, environmental, legal, and

community governance development at the village level. Village SDGs are derived from the National SDGs into 18 areas of development focus. The Village SDGs score scale is 0 - 100 (<https://sid.kemendesa.go.id/sdgs>). The greater the score, the more the Village SDGs goals are achieved. Based on data from the Ministry of Villages' Village Information System, Tokowuta Village's SDGs score is still low, at 37.30. Tokotuwa Village SDGs data shows that there are still 3 SDGs focus areas that have not been scored, namely Climate Change Response Village, Marine Environment Care Village, and Partnership for Village Development. It is on this basis that Technical Guidance on optimizing the use of village funds oriented towards achieving Sustainable Development Goals (SDGs) is considered very important to be implemented.

## **METHODS**

The community service implementation method used in this program is the lecture method (Mutende et al., 2021) and case discussions, (Grageda, 2023) with a focus on optimizing the Sustainable Development Goals (SDGs) to achieve Village SDGs. The lecture method was used to provide a comprehensive theoretical understanding of the SDGs goals and how they can be implemented at the village level, involving systematic delivery of the material. After the lecture session, the case discussion method was applied to analyze the real situation faced by villages in achieving the SDGs targets. Participants are invited to actively participate in discussions, share experiences, and develop practical solutions that can be implemented in their local context. Through the combination of these two methods, it is expected that participants will have not only theoretical knowledge but also practical skills in implementing sustainable development strategies in their respective villages. This service activity was carried out through the following three stages.

### **Preparation Stage**

Preparation for community service activities begins with intensive coordination with the village government. This step is important to ensure that the program is in line with local needs and conditions. In this stage, the implementation team met with village officials to discuss program plans, obtain permits, and ensure support and participation

from residents. In addition, this coordination also aims to identify key figures and potential collaborators who can help the program run smoothly.

After coordination with the village government, then identify the problems faced by partners or village communities. This identification is done through surveys, interviews, and direct observation in the field. In this way, the implementation team can understand the real needs and formulate relevant and effective solutions. Based on the results of problem identification, the team then develops appropriate technical guidance materials. This material is designed to provide practical knowledge and skills that can be directly applied by the community so that the service program has a real and sustainable impact.

### **Implementation Stage**

The implementation of this activity involves providing technical guidance to village governments and communities. This technical guidance aims to improve the understanding and ability of village officials and residents to manage village funds optimally. The approach used includes training that is based on the needs and potential of each village. Thus, this activity is expected to provide the knowledge and practical skills necessary for more effective and efficient management of village funds.

Furthermore, the technical guidance also includes regular monitoring and evaluation to ensure proper implementation of the materials presented. This monitoring involves assessing the successes and obstacles encountered in managing village funds. Evaluation is conducted by collecting data and feedback from participants so that adjustments and improvements can be made to future technical guidance programs. With this comprehensive approach, it is expected that village governments and communities can manage village funds in a transparent, accountable, and sustainable manner.

### **Evaluation Stage**

Activity evaluation is an important process that aims to assess the participant's level of understanding of the material presented as well as the effectiveness of the overall program. This process involves interview methods designed to find out the extent to which participants can apply the knowledge they have gained. The data collected

from this evaluation not only provides an overview of the participants' achievements but also identifies areas that require further improvement in teaching methods or materials delivered.

In addition, activity evaluation also serves to assess the sustainability of the program. This includes an analysis of the long-term impact of the program on participants, as well as the extent to which the program can continue to operate and grow in the future. Factors such as active participation, participant satisfaction, and support from stakeholders are evaluated to ensure that the program has a solid foundation for survival and progress. Thus, the evaluation is not only a tool for reflection and improvement but also a strategic step to ensure that the program remains relevant and beneficial to all stakeholders involved.

## **RESULTS AND DISCUSSION**

### **Urgency of Technical Guidance on Village Fund Management**

Technical guidance on the optimization of village funds is very important because village funds are an important source of funding for village development and progress. Village funds can be used to finance various development programs and projects that will improve the welfare of village communities. However, non-optimal management of village funds can lead to errors and misuse of village funds. Therefore, technical guidance on the optimization of village funds is very important to assist village fund managers in performing their duties properly.

Technical guidance on Village Fund management based on the Sustainable Development Goals (SDGs) is crucial to ensure that the allocated funds can be used effectively to support sustainable development. The need for technical guidance arises from the complexity of managing village funds, which requires an in-depth understanding of SDG principles and how to apply them in the local context. Without adequate guidance, village fund managers may struggle to plan and implement projects that align with sustainable development goals, which could result in less than optimal use of funds.

The main urgency of the technical guidance is to solve the challenges often faced in the management of village funds, such as inadequacies in planning and budgeting. Village fund managers

need to be equipped with adequate skills and knowledge to design projects that not only meet basic needs but also support the long-term goals of the SDGs. With technical assistance, village officials learn how to create strategic, data-driven plans and allocate resources efficiently.

The importance of technical guidance also lies in its ability to improve transparency and accountability in the use of village funds. Good and transparent management is key to avoiding potential misuse of funds and ensuring that funded projects truly benefit the community. Technical assistance can guide best practices in financial reporting and oversight mechanisms needed to maintain accountability and transparency (Ladewi et al., 2020; Suhardi et al., 2023). In the context of the SDGs, technical guidance helps village fund managers understand and integrate sustainability principles in each village fund allocation. This knowledge is critical to ensure that village government programs not only meet current needs but also protect resources for future generations.

Technical guidance plays a role in strengthening the capacity of village communities to actively participate in project planning and implementation processes. Through training, communities can better understand how the Village Fund can be utilized for sustainable development purposes and how they can effectively contribute to decision-making. This active participation not only increases the relevance of the project but also strengthens the sense of ownership and responsibility for project outcomes. Technical guidance also has an urgency in facilitating coordination between the various stakeholders involved in Village Fund management. Synergies between village governments, non-governmental organizations, and the private sector are critical to ensure effective project implementation. With the right guidance, village fund managers can learn how to build productive partnerships and manage conflicts that may arise between the parties involved.

Some of the benefits of technical guidance on optimizing village funds are: (1) Improving the effectiveness of village fund management. Technical guidance can help village fund managers to understand and master effective fund management techniques, to increase the effectiveness of the use of village funds; (2)

Improve the accountability of village fund management. With technical guidance, village fund managers can understand good financial governance and can improve the accountability system, so that the transparency of village fund management increases and minimizes the risk of misuse of village funds; (3) Accelerate development in the village. With effective management of village funds, development programs and projects in the village can be implemented on time and at an optimal cost. This will accelerate development in the village; (4) Increase community participation in the management of village funds. With technical guidance, village communities can understand the governance of village funds and participate in the process of managing village funds. This will increase community participation in village development. Thus, technical guidance on the optimization of village funds is essential to ensure effective, transparent, and accountable management of village funds to support sustainable village development.

#### **Optimizing Village Funds Based on Sustainable Development Goals (SDGs)**

Each point of the SDGs has specific targets that must be achieved and measured to assess progress in achieving the goal. The SDGs program aims to solve various global problems, such as poverty, hunger, climate change, inequality, and violence, as well as to ensure environmental sustainability and inclusive and sustainable economic development around the world (Saputra et al, 2021; Sudirman et al., 2021). The utilization of village funds can be a solution for the development of more advanced and independent villages.

Synchronizing the Village Fund with the Sustainable Development Goals (SDGs) is key to achieving holistic and inclusive sustainable development at the village level (Prihatiningtyas et al., 2023). The targeting and orientation of Village Fund utilization is crucial in this effort, as the funds are designed to support various programs that improve the welfare of village communities. From infrastructure development to economic empowerment, proper allocation of the Village Fund can serve as a key driver in poverty alleviation and reducing social inequality in villages (Andari & Fitria, 2023). However, the utilization of the Village Fund often faces challenges in terms of effectiveness and efficiency. Without proper

planning and management, the use of funds may not be optimal. For example, projects that are poorly thought out or do not match the real needs of the community can result in inadequate benefits. Therefore, it is crucial to ensure that Village Fund allocations are based on accurate needs analysis and involve active community participation in the planning process.

The orientation of Village Fund utilization should also be in line with broader sustainable development goals. Any allocation of funds should consider long-term environmental and social impacts. Infrastructure development should integrate environmentally friendly principles, and economic empowerment programs should consider sustainability and resource efficiency. This ensures that the projects financed not only meet current needs but also contribute to sustainable development in the future. Utilization of the Village Fund should pay attention to the balance between short-term and long-term needs. A focus on projects that deliver immediate results, such as basic infrastructure improvements, may be necessary but should be accompanied by investments in programs that support economic growth and community capacity building over the long term. With this approach, the allocation of funds can provide sustainable benefits and not just be a temporary solution.

Community involvement is a key aspect in the orientation of Village Fund utilization. Active community participation in planning and implementing village projects can increase the relevance and effectiveness of the use of funds. Communities involved in decision-making are likely to have a better understanding of local needs and can provide valuable input to ensure that funding allocations align with their priorities. However, in practice, community participation in Village Fund management is often limited. Lack of transparency in the use of funds and minimal information about funded projects can reduce the level of community participation. Therefore, it is important to improve transparency and accountability mechanisms in the management of Village Funds so that the community can participate effectively and better monitor the use of funds.

Community participation in development planning is very important to ensure that development is carried out following community

needs and desires. The following are several village efforts to increase community participation in development planning: (1) Providing clear information. Villages must provide clear and easy-to-understand information about development plans that will be carried out, including objectives, benefits, and resources needed. This information must be presented openly and accessible to the entire community; (2) Hold village meetings. Village deliberations are discussion forums between residents and village officials to discuss development plans and make decisions together. Village meetings must be held regularly and involve all village residents, including women and children; (3) Hold community group meetings. In addition to village meetings, villages must also hold meetings of smaller community groups to discuss certain topics related to development. This meeting can involve groups such as farmer groups, housewives, or village youth; (4) Involving the community in preparing development plans. Villages must involve the community in preparing development plans, either through surveys of community needs or through the preparation of joint plans. The community must be allowed to convey ideas and suggestions that can be taken into consideration in planning; (5) Increasing community capacity. Villages must increase community capacity in the field of development through training and education. This will enable the community to more actively participate in the planning and implementation of development programs.

An effective strategy for utilizing Village Funds must also include increasing the capacity of village fund managers. Training and technical guidance for village fund managers can help improve their understanding of the principles of good management, including aspects of transparency, accountability, and sustainability. Skilled village fund managers can reduce the risk of errors and misuse of funds and increase the effectiveness of fund use.

At the village government level, good coordination between various related parties is very important to ensure optimal use of Village Funds. Collaboration between village governments, non-governmental organizations, and the private sector can create synergies that support the implementation of village projects more efficiently and effectively. This coordination can also help

identify and overcome challenges that may arise during the project implementation process. Periodic evaluation of the utilization of Village Funds is very necessary to ensure that the allocation of funds is in accordance with the targets that have been set. Evaluation can identify areas that need improvement and provide useful feedback for future planning. A transparent and participatory evaluation process can increase community trust in the management of Village Funds and ensure that funds are used effectively (Bahtiar & Supeno, 2020). Thus, to ensure the use of Village Funds is in line with sustainable development goals, it is important to integrate sustainability principles in every stage of project planning and implementation. With this approach, Village Funds can make a significant contribution to achieving sustainable development goals, supporting the welfare of village communities, and maintaining environmental sustainability for future generations.

Several things that can be done by using village funds for sustainable village development are as follows: (1) Environmentally friendly infrastructure development. The use of village funds can be focused on developing environmentally friendly infrastructure such as building environmentally friendly paved roads, using environmentally friendly building materials, and providing wastewater treatment systems; (2) Sustainable use of natural resources. Sustainable management of natural resources can be carried out by utilizing village funds for the development of organic agriculture, development of renewable energy such as solar panels and hydroelectric power plants, as well as sustainable forest management; (3) Increasing community welfare. The use of village funds can also be focused on improving the welfare of village communities, such as providing quality health and education services, training, and community empowerment, as well as building environmentally friendly public facilities such as parks and recreation areas; (4) Active community participation in decision making. Village funds can also be used to increase community participation in decision-making regarding the use of village funds. With active community participation, it is hoped that the policies taken will be more targeted and pay attention to the needs of village communities; (5) Increasing village accessibility and connectivity. Village funds can be used to build infrastructure

that facilitates village accessibility and connectivity with other areas, such as building roads and bridges, developing public transportation facilities, and building internet networks that can support the village economy.

## CONCLUSIONS

Technical guidance on village fund optimization is essential to ensure that village funds, as a vital source of funding for village development and progress, are used most effectively. Village funds can finance a wide range of development programs and projects aimed at improving the welfare of village communities. However, without optimal management, there is a risk of errors and misuse of these funds. Technical guidance plays an important role in helping village fund managers understand and master effective fund management techniques, thereby increasing effectiveness, accountability, and transparency in the management of village funds. It also facilitates active community participation, accelerates village development, and ensures the use of funds following the real needs of the community.

The optimization of village funds also supports sustainable village development, by focusing on good governance, development implementation, and sustainable community development. Active community participation in decision-making regarding the use of village funds is key to ensuring that policies are well-targeted and address the needs of the community. The importance of synchronizing village funds with the Sustainable Development Goals (SDGs) lies in their ability to address global issues, such as poverty, inequality, and climate change while ensuring inclusive and sustainable economic development. Challenges in the utilization of village funds, such as corruption, lack of transparency, and minimal community engagement, need to be addressed through close monitoring and appropriate preventive measures. By ensuring transparent, accountable, and sustainable use of village funds, and involving communities in planning and decision-making processes, village development can be carried out effectively and efficiently. This will support sustainable village progress and improve the quality of life for villagers.

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