

RESEARCH PAPER

Optimisation of Village Funds in Achieving SDGs: Lesson Learned from East Java

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PURPOSE: This research aims to discover the ideal model of Village Regulation in order to realise SDGs Desa (Village Sustainable Development Goals). It begins with the Village Fund Management rules that became the basic legal framework of Village SDGs. This output helped local government design regulation bills to realise the Village SDGs that support the national SDGs programme.

DESIGN/METHODOLOGY/APPROACH: The paper is an empirical study applying a statute and conceptual approach. Additionally, supporting data are gained through interviews resembling a participatory approach.

FINDINGS: There is a relationship between ideal model regulation and the supporting programmes for Village SDG achievements.

ORIGINALITY/VALUE: This paper presents new information to optimise village funds in achieving SDGs through the development of regulatory models, especially at the local level.

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RESEARCH LIMITATIONS/IMPLICATIONS: As this research discusses updated issues in Village Financial Management, the sources are limited. However, the outcome is applicable for local governments to achieve SDGs.

PRACTICAL IMPLICATIONS: This research helps local village governments to draft bills in order to achieve the SDGs Desa (Village Sustainable Development Goals).

KEYWORDS: *Public Welfare; Regulation Model; Village Funds; SDGs*

INTRODUCTION

The enactment of Law No. 6 Year 2014 regarding Village (Law No. 6/2014 or Village Law, hereinafter) strengthens the existence of the village as a subject of national development; the law resembles the regulated authorities and focuses on village fund management and national priorities. Village funds are sourced from the National Budget that is allocated to villages. They are transferred through the Regency/Municipal Budget and used to finance government administration, development implementation, community development, and community empowerment.

To ensure village growth, the government designs the Village Fund Allocation Priority annually. From this the regional governance regulates the integral regional legal framework. In 2021, expenditure priorities were to support Village Sustainable Development Goals (VSDGs) pursuant to the Ministry of Village, Development of Disadvantaged Regions and Transmigration Decree No. 13 Year 2020 (Ministerial Decree 13/2020, hereinafter). In accordance with Article 5 para 2, priorities were allocated towards supporting VSDGs. Previously, the notion of reducing poverty, escalating community welfare and other SDG ambitions were regulated in accordance with the National Mid-Term Development Plan of Indonesia Year 2020-2024 and Law No. 6/2014.

The Ministerial Decree 13/2020 also indicated that the allocation plan should aim at the recovery of the national economy, grounded in the village economy based on the village authorities, national priority programmes and the village new normal policies. Both the ideas of SDGs and recovery of the economy are interchangeably related. This is because the goals are connected; that social and economy damage is minimised, and development that was hampered due to the COVID-19 pandemic continues.

Realising the integral role of the villages, it is therefore important to develop more comprehensive and mindful regulations regarding the use of Village Funds. It needs a possible designed regulation consisting of planning, allocating, transferring, managing and using policies.

MANAGEMENT OF VILLAGE FUNDS AS PART OF VILLAGE AUTHORITY

The village, as a government entity, is authorised to administer its main tasks and functions pursuant to the Laws and Regulations. Article 3 of Law No. 6/2014 states that the given authority recognises the origin rights owned by the village, and the principle of subsidiarity, namely the determination of local-scale authority and local decision-making upon community benefits. Article 19 of Law No. 6/2014 also covers village-scale local authority. More defined authorities are subject to the

Ministry of Village, Development of Disadvantaged Regions and Transmigration Decree No. 44 Year 2016 regarding the Village Authorities (Ministerial Decree No. 44/2016, hereinafter). Pursuant to the regulations, the village government is allowed to regulate its financial management, such as Village Budgeting; ideally, this is drafted on the actual situation and interest of the villages. Village income is streamed from the national budget and called *Dana Desa* (the Village Fund); it requires an equitable and fair management pursuant to the Article 72 para 1 (b) and para 2 of the Law No. 6/2014.

Local developments, including community empowerment, poverty alleviation, and the fulfilment of basic needs are prioritised; other allocations are permissible after initial priorities have been fulfilled. As the current priority, VSDGs should cover integrated efforts to realise villages that achieve zero poverty and hunger, a growing economy, concern for people's health and welfare, environmentally friendly, education supporting, women friendly, well-networked, and culturally responsive. This resembles the acceleration of the SDGs 2030 ambition.

IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT PROGRAMMES IN VILLAGES: LESSONS LEARNED FROM EAST JAVA

According to the Ministry of Village, Development of Disadvantaged Regions and Transmigration data, villages contribute to approximately 74% of the National SDGs (Kementerian Desa PDT, 2021). It can be seen that this is a major contribution that makes them accountable in realising the achievement of SDGs. The Village Fund priority expenditures are described below.

National Economy Recovery Programme

This programme is designed as the recovery plan for the Indonesian Economy after the pandemic. Since it shares similarities with the SDGs planning, the government expects to accelerate both at the same time. The National Economy Recovery (NER) Programmes that correlate to VSDGs cover.

ESTABLISHMENT, DEVELOPMENT, AND REVITALISATION OF VILLAGE-OWNED ENTERPRISES (VOE)/JOINT VILLAGE-OWNED ENTERPRISES (JOINT VOE) FOR EQUITABLE VILLAGE ECONOMIC GROWTH

The VoE aimed to improve the village economy, optimise village assets, and increase community efforts in managing the village's economic potential. It ultimately had a substantial impact on realising national economic recovery with an orientation towards the creation of sustainable development in the village (Putra, 2015). It oversees asset management activities, services, and businesses in the village as a legal entity (Andayani and Sudiarta, 2021). The optimisation of the VoE will have an effect on the economic quality improvement in the village that will lead to national economic recovery. One of the efforts determined the VoE activities based on the concerned area potentials (Kementerian Desa PDPT, 2022; Wibowo, 2018).

Since Village Funding became one of the VoE’s funding sources, it shows the relationship between well-managed funding and better and optimised economic growth of certain areas through VoEs.

Currently, VoEs are distributed to various villages in every province throughout Indonesia. Based on data from the Central Bureau of Statistics, nationally there are 60,911 business units (Priadi Asmanto, 2020). In East Java alone, there are 6,313 units according to the national agency, and 6,114 according to the provincial agency (East Java Community and Village Empowerment Agency). The distribution is shown in Figure 1 below.

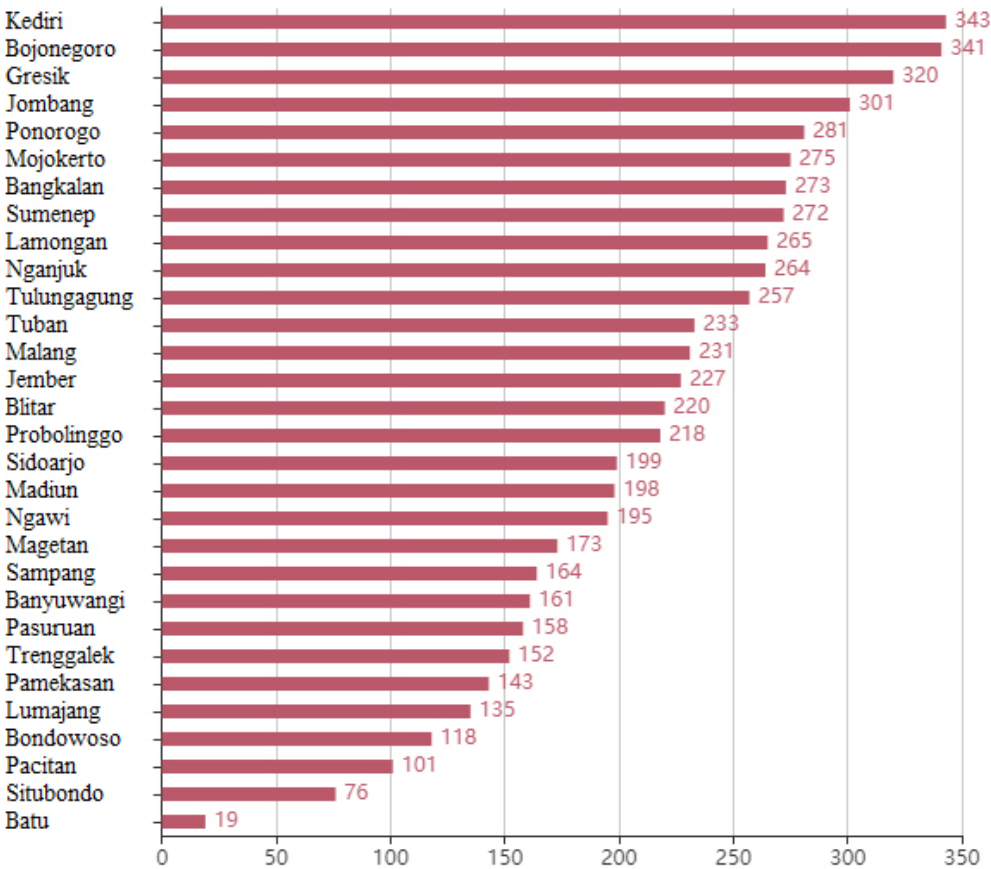


Figure 1: Number of the VoE by Regency

Source: East Java Province Village and Community Empowerment Service

To clarify, this paper recognises the data earned by the provincial agency. It is divided into 8,055 sectors with IDR57,433 billion (US\$3,671,869,732) valued total assets and IDR64,257 billion

(US\$4,108,149,206) total turnover (Dinas Pemberdayaan Masyarakat dan Desa Provinsi Jawa Timur, 2021) (Service, 2021a). The province earned IDR16,162 billion (US\$1,033,286,762) profit, the majority of which is streamed by Local-own Source Revenue. In 2019-2020, the number of the VoE in East Java increased by 682.

The VoE has various types of business units that are influenced by the original characteristic of each village and its potential. In East Java Province alone, the total number of business units is 9,354 (Service, 2021a), distributed as shown in Figure 2.

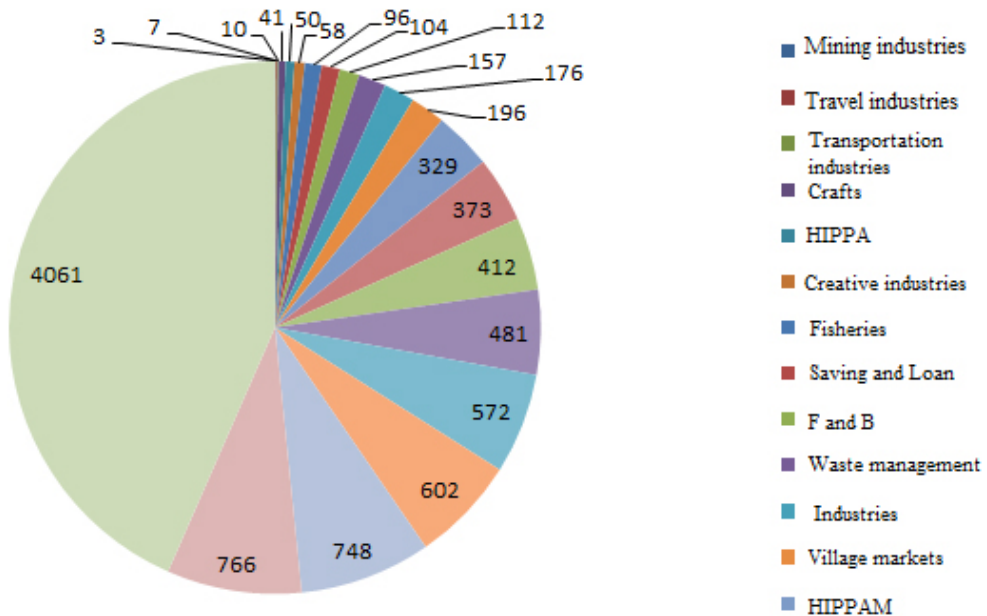


Figure 2: Number and Types of VoE Business Units in East Java Province

Source: East Java Province Village and Community Empowerment Service

According to the data, financial service units dominate with 4,061 units. In contrast, there are only three units in mining services. The advanced VoE reach nearly 16%, 36.11% of which are growing and 48.44% are at initiator level. Although the majority of villages in East Java own their business units, 1,776 villages have none (Service, 2021b).

Considering the integral role of the VoE, both central and local government should establish a synergised effort such as providing sustainable accompaniment pursuant to Government Regulation No. 11 Year 2021 regarding the Village-owned Enterprises (GR No.11/2021, hereinafter). Proper management will significantly impact on the welfare of the village community at large (Anggraeni, 2016). Accordingly, it supports the achievement of VSDGs 8, equitable and fair economic growth.

To support the existence of VoEs during the COVID-19 pandemic, the provincial government of East Java implemented three significant programmes. First, Lumpang Bude, a programme for a Food Estate by VoE, was applied by 107 VoEs with the total transaction equal to IDR1,820,805,500.00 (US\$116,409). It includes three activities: supplier, drop-shipper, and trading (Service, 2020).

The second programme is the VoE Clinic (Klinik BUMDES) through *Sinando/Sinau Nang Ndeso* (learning from the villages). It is run in 17 regencies with 34 trainings of 837 members (including 130 villages with 1,800 participants). The programme aims to escalate locals' entrepreneurial skills that support economic growth. Eventually, comprehensively speaking, it encourages communal branding, preparing new businesses in the villages, as well as creating a supply-demand channel (through traditional market modernisation and modern community retail projects). There are also some supporting programmes, e.g., *Paman Desa* (Strengthening the Capital of VoE), *Jatim Puspa* (Women's business empowerment), and *Bibit Jamur* (Training and Providing Soft Loan from Banking). Also, there are systems management programmes created to support the villages (IdFos Indonesia, 2021).

PROVIDING VILLAGE ELECTRICITY TO REALISE RENEWABLE AND CLEAN ENERGY VILLAGES

The provision of village electricity in the NER Programme rules that it is funded by the Village Fund aiming to realise a clean and RE-friendly village. The provision of village electricity includes:

- a) micro-hydro power plants;
- b) biodiesel power plants;
- c) solar power plants;
- d) wind power generation;
- e) biogas installation;
- f) electricity distribution network (not from the State Electricity Company); and
- g) other activities to realise the provision of Village electricity in accordance with the authority of the Village and decided in the Village Deliberation.

The availability of electricity in the village is related to the electrification ratio. The electrification ratio itself is a comparison of the number of household customers who have a source of lighting either from the State Electricity Company (SEC) or private electricity companies with the number of households (Kementerian Energi dan Sumber Daya Alam, 2020). The SEC is run by government whilst the private companies provide electricity, including solar panel-sourced electricity (Survei Sosial dan Ekonomi Nasional, 2012).

Based on data from the Ministry of Energy and Mineral Resources, in May 2021 346 villages were without electricity. To optimise supply, village electricity can be sourced in several ways, e.g., the State Budget through the Ministry of Energy and Mineral Resources, the Special Allocation

Fund, and the Village Funds Priority; these would impact on accelerating the rural electricity programme (Institute for Essential Services Reform, 2019). Even though in percentage terms Indonesia has reached an almost perfect number, the availability of village electricity must be carried out comprehensively in all villages within Indonesia. This is very important considering that the quality of economic growth requires reliable and equitable availability of energy, including the availability of electrical energy in villages (Mary et al., 2017).

DEVELOPMENT OF PRODUCTIVE ECONOMIC ENTERPRISES THAT IS PRIORITISED TO BE MANAGED BY VOE/JOINT VOE TO REALISE ENVIRONMENTALLY CONSCIOUS VILLAGE CONSUMPTION AND PRODUCTION

Productive economic efforts in the NER programme aim to realise environmentally conscious village consumption and production that is also in line with village SDGs 12 (Studies, 2021). When a village is committed to run an economic business by paying attention to the potential and role of the environment, as well as by paying attention to environmental sustainability itself, it will have an impact on achieving sustainable development through productive economic efforts (Ulumiyah, 2013).

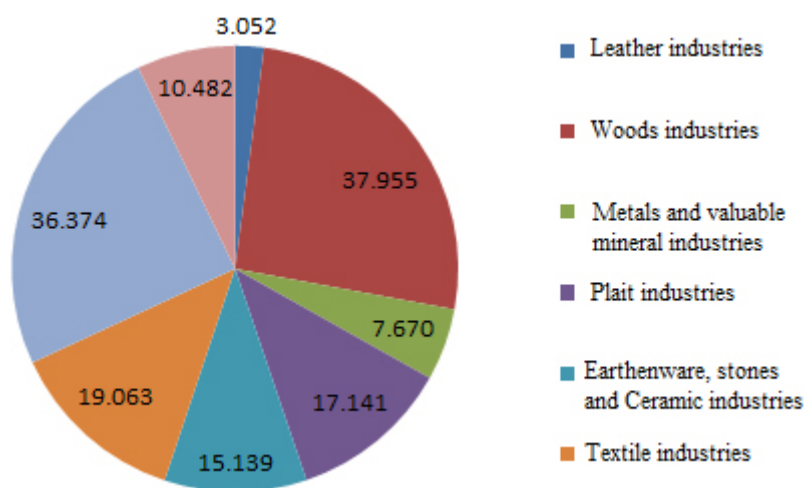


Figure 3: Data of village SMEs

Source: The Central Bureau of Statistics

As can be seen in Figure 3, these productive economic businesses already exist and are spread in various villages throughout Indonesia. The use of village funds for the development of productive economic enterprises will affect the national economic recovery. Moreover, in the NER programme, productive economic enterprises that are managed by the VoE or the joint VoE are

prioritised. These efforts will open and create more productive economic activities and businesses that are environmentally conscious. In addition, VoEs will be empowered and utilised in a more comprehensive and synergised manner.

National Priority Programmes

Village Fund priorities are the same as the National Priority Programmes; these include data collecting, natural resources and potential mapping, development of information and technology, support for village tourism, food sufficiency and strengthening, and the establishment of an inclusive village. There are three ways these can be used to pursue VSDGs.

VILLAGE DATA COLLECTION, MAPPING OF POTENTIAL AND RESOURCES, AND DEVELOPMENT OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) IN AN EFFORT TO EXPAND PARTNERSHIPS FOR VILLAGE DEVELOPMENT

Part of the first National Priority Programme comprises village data collection, mapping of potential and resources, and the development of technology and communication aimed at achieving village SDGs 17, namely partnerships for village development (Studies, 2021). The Central Bureau of Statistics has previously collected data from the villages. These data include potential natural resources, a map of the village's poverty levels, and occurred circumstances (hindrances and solutions) that support development and productivity levels (The Central Bureau of Statistics, 2021). These efforts support the ambition of VSDGs in accordance with the villages' potentials and characteristics. Furthermore, the development of ICT departs from the awareness of the technology and information advancement in developing the village economy (Badri, 2016). The Village Information System was created by central government to facilitate the accessibility of the locals to economic activities such as managing and integrating village assets and financial administration. It covers digital and technological information on digital application forms (Mukhsin, 2020).

DEVELOPMENT OF TOURIST VILLAGES FOR EQUITABLE VILLAGE ECONOMIC GROWTH

The development of tourist villages aims to achieve VSDGs 8, namely equitable village growth (Studies, 2021). The tourist villages are divided into four types: pilot tourism villages, developing tourist villages, advanced tourist villages, and independent tourism villages (Kemenparekraf RI, 2021). Based on current data, there are 7,275 tourist villages in Indonesia (Badan Pusat Statistik, 2019). The data from the Ministry of Tourism and Creative Economy show that, in 2015-2019 alone, the average number of foreign tourists visiting various regions in Indonesia reached 13.5 million per year. This stream will benefit the government once it can realise the villages as a main destination of tourism.

Developing village tourism can be done through:

- a) procurement, development, utilisation and maintenance of tourist village facilities and infrastructure;
- b) promotion of tourist villages prioritised through cultural and digital-based titles;
- c) tourism village management training;
- d) management of tourist villages;
- e) cooperation with third parties for tourism village investment; and
- f) other tourism village development activities in accordance with the village authority decided in the Village Forum.

Through these steps, combined with the efficient and effective use of the Village Funds, the hopes of achieving VSDGs seems reachable, particularly in terms of equitability and fair economic growth.

STRENGTHENING FOOD SECURITY AND PREVENTING STUNTING IN VILLAGES TO REALISE A VILLAGE WITHOUT HUNGER

This programme aims to achieve SDGs 2, namely villages without hunger. It covers food sufficiency, quality, quantity, safety, diversity, nutritious levels, equitable and affordable, that are also relevant to any religious concerns in the community. It also means healthy, active and productive food sufficiency in a sustainable manner that is managed to solve stunting issues. Stunting is a chronic malnutrition problem caused by a lack of nutritional intake over a long period, resulting in growth disorders in children, meaning that some children are shorter than others. International experience and evidence show that stunting can hinder economic growth and reduce labour market productivity, resulting in a loss of 11% of GDP and the income of adult workers being reduced by up to 20%. In addition, stunting can also contribute to widen inequality, thereby reducing 10% of total lifetime income and causing inter-generational poverty (Tim Nasional Percepatan Penanggulangan Kemiskinan, 2017).

Global Food Security Index data show that in terms of food security, Indonesia is currently at 65 out of 113 countries, slightly below Vietnam, Malaysia, Singapore, and Thailand (Agency, 2018). Based on the results of the Nutritional Status of Toddlers survey in 2019, the prevalence of stunting in Indonesia was recorded at 27.67% (Kementerian Koordinator Bidang Pembangunan Manusia dan Kebudayaan, 2021). This figure is still above the standard set by the WHO that the prevalence of stunting in a country should be below 20%. Currently, 2017 data show that Indonesia is in the fourth highest stunting position in the world and second in Southeast Asia; specifically, in East Java Province, the prevalence remains high (see Table 1) (Kementerian Koordinator Bidang Pembangunan dan Kebudayaan, 2017).

Table 1: Number of Villages in Districts with High Stunting Prevalence Rate

Regencies/Cities	Number of Villages	Population (thousand)	Number of Toddler with Stunting	Stunting Prevalence (%)
Trenggalek	157	691	19553	38.63
Malang	390	2556	57372	27.28
Jember	248	2416	80359	44.10
Bondowoso	219	764	29159	56.38
Probolinggo	330	1146	46576	49.43
Nganjuk	284	1045	36970	44.33
Lamongan	474	1188	44031	48.87
Bangkalan	281	961	32473	43.21
Sampang	186	945	35371	41.46
Pamekasan	189	852	32905	44.60
Sumenep	334	1076	33196	52.44

Source: Annual Report of Coordinating Ministry for Human Development and Cultural Affairs, 2017

According to the data, the East Java government together with the village should prioritise the use of the Village Fund to promote food sufficiency and zero hunger villages. This is in line with the national priority programme that aims to be achieved through:

- developing agribusinesses to support food sufficiency;
- developing village's foodshed system;
- post-harvesting management; and
- strengthening food sufficiency in accordance with the local authority decided in the Village Communal Forum.

The local community also takes part in benefiting village-owned lands as part of village cash (*Padat Karya Tunai Desa*). For example, a community can establish plantations to gain profits from the harvests (Kemendesa PDTT, 2020). Supporting the economy eventually helps to solve the basic reason for stunting.

Although the government supports these programmes, it takes several additional efforts to decrease the stunting percentage level. The efforts are:

- e-HDW (electronic-Human Development Worker);
- transferring fees for Human Development Cadre (including local health centres and early-childhood facilitators);

- preventing stunting through Healthy Village Centre (*Rumah Desa Sehat*); and
- providing basic services of health, nutritious support and child care.

Providing basic services includes activities for mother and child welfare, nutritionist consultation, clean water and sanitation, social protection (access for pregnant women and toddlers), education towards early childhood fostering, family support and encouraging urban gardening (self-resiliency). These efforts are part of the urgencies of government at any level in diminishing stunting levels, as well as accelerating the achievement of zero hunger (Studies, 2021).

ESTABLISHING INCLUSIVE VILLAGE, PEACEFUL AND FAIR VILLAGE, AND DEVELOPING DYNAMIC AND ADAPTIVE VILLAGE ORGANISATIONS

Conceptually, inclusive is defined as openness (Dakelan, 2016). In other words, it means the village applies equality principles in strategic decision-making, such as giving opportunities for women to be involved. Those concepts are pursuant to VSDGs 5, 16 and 18. Due to its uniqueness, the existence of VSDGs 18 represents the respect of Indonesia's local culture, religion and customs (Kementerian Desa PDTT, 2021). It includes support programmes for equality. One of these is establishing inter-ministerial coordination to create women-friendly and child-care villages. The collaboration is established between the Ministry of Women Empowerment and Child Protection, and the Ministry of Village, Development of Disadvantaged Regions and Transmigration subject to Press Release No. B-301/Set/Rokum/MP/01/11/2020. This will be the epicentre of new development strategies in welfare and health, qualified education access, lowering children-marriage rate, and encouraging home-centered economy backed up by stay-at-home mothers (Kementerian Pemberdayaan Perempuan dan Perlindungan Anak, 2020).

Despite support for the women's empowerment programme, inclusive notions also cover support towards the person-with-disability community. The pilot project runs in Bugeman Village, Situbondo, subject to the Decree of the Headman. In 2019, a village in Malang Regency followed this step. The activities carried out include social rehabilitation for this community and developing a non-profit organisation advocating this issue in 2020 (Syamsi, 2020).

The Villages New Normal Adaptation

This programme strategically aims to create health and welfare villages through the *Desa Aman* Covid-19 programme. It also aims to promote villages with zero poverty through the Village Fund-Cash Transfer.

DESA AMAN COVID-19

For this, a set of three activities comprises: 1) strictly ruling and monitoring the new normal measures, 2) maintaining isolation spaces to be ready-to-use at any time, and 3) maintaining security booths. In East Java alone, allocated Village Funds for COVID-19 control measures are calculated to be IDR422,630,717,098 (US\$27,970,926). It has been distributed to 7,411 villages around East Java, managed by nearly 275,000 volunteers. Table 2 lists the Village Fund allocation in COVID-19 control (Dinas Pemberdayaan Masyarakat dan Desa, 2021):

Table 2: Lists of the Village Fund Allocation in COVID-19 Control

Activities	Number of Villages
Establishing Volunteer Team Booth	7,218
Establishing Isolation Spots	5,714
Healthy Life Against COVID-19 Socialisation	7,013
Providing Hand-Wash Basins for Public	6,902
Disinfecting Spray	6,911
Registering Permanent and Non-Permanent Residents	6,264
Data Collection of Vulnerable Group of People	4,840
Face masks distribution	5,495

Source: Annual Report of Community and Village Empowerment Services Bureau (Dinas Pemberdayaan Masyarakat dan Desa, 2020), East Java Province, 2021

By July 2021, the National Board of Disaster Management data show the number of people under supervision (ODP) reached 45,192 from 188,787 villages. The number of confirmed patients in the villages is lower than in the cities (Kementerian Desa PDTT, 2020), because villages are concerned with managing patients. It shows that villages are reliable and the programmes are significantly impactful. If it is well-maintained, it helps the government in realising VSDGs 3, promoting healthy and wealthy villages.

THE VILLAGE FUND CASH TRANSFER PROGRAMME

This programme is resourced from the Village Fund subject to Ministry of Finance Decree No. 69/PMK.07/2021 regarding the amendment of the Decree No. 222/PMK/07/2020. This programme is distributed three times for two periods of time; first period (April-June 2020) and second period (July-September 2020). The amount distributed was different in each period pursuant to the Integrated Data of Social Welfare by the Ministry of Social (Kementerian Keuangan, 2020). Observing the data (see Table 3), the provincial government distributed the fund during the first three months of 2021. By July 2021, 39.58% of the total funds had been distributed, IDR769,537,800 (US\$50,930) of IDR1,944,188,100,000 (US\$128,672,006) (Dinas Pemberdayaan Masyarakat dan Desa, 2021).

Table 3: Distribution of Cash Transfer for East Java Province as of 19 July 2021

Month	Number of Regencies	Number of Benefiting Villages	Number of not yet Benefiting Villages	Number of Benefiting Families	Total Transferred	Percentage
1	30	7,716	8	570,355	171,106M	99.90%
2	30	7,665	59	567,611	170,283M	99.24%
3	30	7,115	609	527,939	158,381M	92.12%
4	28	5,897	1,827	435,728	130,721M	76.35%
5	23	4,227	3,497	275,055	82,516M	54.73%
6	14	2,321	5,403	139,661	41,898M	30.05%
7	8	911	6,813	48,767	48,767M	11.79%

Source: Annual Report of Community and Village Empowerment Services Bureau (Dinas Pemberdayaan Masyarakat dan Desa, 2020), East Java Province, 2021

This programme is pivotal in stabilising the national economy starting from the grassroots level (the villages); it promotes a turn around in the economy as a recovery effort post-pandemic (Ministry of Finance, 2021). Regardless of the smaller amount of funds distributed in 2021, which also required support and help from local government, this programme is an efficient implementation of the national budgets. Through this programme, eventually, it is hoped to bridge the whole social nets occurred in the post-pandemic recovery efforts. Moreover, it is relevant to the VSDGs 1, promoting zero poverty at the village level (Kementerian Desa PDTT, 2021).

VILLAGE FUND REGULATION MODEL IN ORDER TO REALISE SUSTAINABLE DEVELOPMENT IN THE VILLAGE

The village is authorised to draft its own regulations. Pursuant to Article 69 of Law No. 6/2014, village regulations include the Village Regulation, the Joint Headmen Regulation and the Headman Regulation. The difference between the Joint Headmen and the Headman Regulation is the Joint Headmen Regulation is drafted and enacted by two or more Village Headmen, whereas the Headman Regulation is drafted and enacted by a Headman only. Each type of Village Regulation requires the community's participation and negotiation by the Village Representative Body. The regulations contain the measurements ruled at the higher level of regulation.

The legislators are the Headman, Staffs and the Village Representative Boards. The locals are also included pursuant to Article 3 the Law of the Village as opinion makers. The ability of the villages to realise the democratic principles in drafting regulations can strengthen its governance (Marjoko, 2013). Therefore, the relationship between government and legal product of democratic principle is reciprocal and supportive. It is therefore important to create a regulation applying those principles in accelerating the VSDGs. As the results of this research show, the ideal drafts shall contain:

- I. General provisions
- II. Goals and Functions
- III. Drafting and Revising Mechanism of the Development Planning
- IV. The Decision Making Mechanism
- V. The Development Planning Systematic

This part will be elaborated at the annexes, as follows:

CHAPTER I INTRODUCTION

CHAPTER II THE VILLAGE FINANCIAL POLICIES

CHAPTER III RESUMES OF THE PRIORITY ISSUES

Identifying previous year issues evaluated from the former Development Planning.

- 3.1. Issues identified based on the Mid-term Development Planning of the Village.
- 3.2. Issues identified based on the Supra-Village Priority Policies
- 3.3. Issues identified based on the Emergency Situation Analysis

CHAPTER IV: POLICIES AND THE VILLAGE DEVELOPMENT PLANNING

PART V: CLOSING ANNEXES

- VI. The execution of the Planning
- VII. Closing Terms.

CONCLUSIONS

Village funds have a strategic role in achieving village SDGs. Therefore, concrete regulations that contain policy substance from planning, budgeting, distribution, and management and use of village funds are a must. Reflecting on the implementation in East Java, especially during the COVID-19 pandemic, there are many programmes that can be developed in villages to realise the village SDGs by optimising the use of village funds. First, to support the economy recovery and SDGs Desa 8 (equitable and fair economy): these are programmes developed by the East Java provincial government: Lumpang Bude (a programme for a Food Estate by VoE), VoE Clinic (learning from the villages), Paman Desa (Strengthening the Capital of VoE), Jatim Puspa (Women's business empowerment), and Bibit Jamur (Training and Providing Soft Loan from Banking). Second, the tourism village development programme was also established to support the village's economic growth. Third, Program Padat Karya Tunai Desa (PKTD) or Village Cash Intensive that aims to realise Zero Hunger and Stunting Villages. Fourth, the programme of *Aksi Desa Aman Covid-19* and its transformed volunteers that aims to accelerate sustainable development in the villages relevant to VSDGs 3, health and welfare villages. It is also supported by Cash Transfer to create Zero Poverty Villages.

To legitimise the implementation and justify the position of village government, the Headman, the Village Representative Body and community should draft a village regulation regarding development plans that regulate the Prioritised Development Policies and Programmes with the Funding Systems. This research helps the local village government to set adequate regulations in

order to achieve the SDGs Desa. Also, the findings of this research are useful for the government to arrange monitoring and evaluation components for SDGs Desa programme.

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