

Implementation of Green Economy Policy in Village Fund Management: Institutional Challenges and Ecotourism Sustainability

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ABSTRACT

This study analyzes the implementation of green economy policy through the Village Fund in Damaran Baru Tourism Village, Bener Meriah Regency, and the constraints affecting its implementation. The study employs a descriptive qualitative approach using data obtained through in-depth interviews, non-participant observation, and documentation. The analysis draws on the four policy implementation dimensions proposed by George C. Edwards III: communication, resources, disposition, and bureaucratic structure. The findings show that green economy principles have begun to be implemented through the allocation of approximately 3% of the Village Fund for ecotourism development, the Eco Village, protected-forest tourism, camping grounds, and local economic activities based on natural potential. Implementation, however, remains suboptimal because public communication is predominantly one-way, implementers' technical capacity and digital literacy are limited, commitment has not been fully institutionalized, SOPs have not been standardized, and cross-sectoral coordination remains sporadic. The available evidence is stronger in demonstrating the orientation and process of implementation than in measuring economic and ecological outcomes; changes in income, employment opportunities, waste reduction, resource efficiency, and environmental carrying capacity have not yet been documented quantitatively. The study concludes that strengthening institutional capacity is a critical prerequisite for translating fiscal commitment into sustainable green economy outcomes.



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INTRODUCTION

Sustainable development requires a shift in policy orientation from economic growth that relies on resource exploitation toward development capable of maintaining a balance among economic, social, and environmental interests. In this context, the green economy is understood not merely as an environmental agenda, but as a development approach that promotes resource efficiency, reduces ecological risks, creates inclusive economic opportunities, and improves community well-being. The literature demonstrates a strong intersection between the green economy and sustainable development because environmental quality is positioned as a form of development capital rather than an external cost of the growth process (Loiseau et al., 2016; Georgeson et al., 2017). In Indonesia, the green economy approach has become increasingly relevant as national and subnational development policies face the need to integrate economic recovery, poverty reduction, local economic strengthening, and environmental protection within a more coherent policy framework (Anwar, 2022).

Villages occupy a strategic position within this agenda because they are the level of governance closest to communities and the setting in which natural resources are directly utilized. Following the strengthening of village authority and the expansion of fiscal transfers through the Village Fund, village governments have gained greater discretion to determine development priorities based on local needs. The Village Fund is no longer viewed solely as a financing instrument for basic infrastructure, but also as a policy instrument for strengthening community economic capacity, local institutions, public services, and the sustainable management of village potential. Nevertheless, broader village fiscal authority requires accountable governance, adequate administrative capacity, and meaningful community participation to ensure that budget allocations generate genuine public benefits (Aziz, 2016; Meutia & Liliana, 2017; Mada et al., 2017).

The need for sound governance becomes even more critical when the Village Fund is used to finance programs that combine economic and ecological objectives. A number of studies indicate that the effectiveness of Village Fund utilization is determined not only by the availability of financial resources, but also by administrative competence, organizational commitment, community participation, transparency, and the ability of village governments to establish control mechanisms that prevent irregularities (Atmadja & Saputra, 2017; Tangkumahat et al., 2017). Accordingly, a green economy orientation at the village level requires implementation capacity that is more complex than merely listing activities in a budget. Village governments must be able to ensure that funded programs generate economic benefits, maintain environmental carrying capacity, involve local communities, and remain accountable both administratively and substantively.

One manifestation of the green economy at the village level is the development of tourism villages and ecotourism based on local potential. Village tourism can generate economic effects by expanding employment opportunities, stimulating local enterprises, increasing household income, and creating value chains based on local resources. These benefits, however, do not emerge automatically. The management of tourism villages requires institutional capacity, clear role allocation, community participation, environmental conservation, and destination-management mechanisms capable of sustaining long-term development (Hermawan, 2016; Nalayani, 2016; Prafitri & Damayanti, 2016). Other studies further emphasize that community empowerment and socio-cultural resilience are essential if tourism development is to do more than increase visitor numbers and instead strengthen the position of local residents as the principal actors in local development (Andayani et al., 2017; Ridlwan et al., 2017).

Damaran Baru Tourism Village in Bener Meriah Regency provides a relevant setting in which to examine these issues because the village government has directed a portion of the Village Fund toward ecotourism and Eco Village activities. Preliminary research data indicate that the Damaran Baru Village Fund amounted to IDR 658,965,000 in 2024 and IDR 669,797,000 in 2025, with approximately 3% allocated to ecotourism development. The allocation supports, among other activities, protected-forest tourism, camping grounds, educational activities related to honey harvesting, coffee and watercress cultivation, and the development of distinctive Gayo food products. This budgeting pattern reflects an effort to connect village fiscal policy with conservation, local enterprise development, and the use of natural potential as a source of economic value. However, the field data presented in the study also indicate that the availability of funding does not, by itself, guarantee high-quality policy implementation.

The problems identified in Damaran Baru include limited human-resource capacity, uneven digital literacy, public communication that remains predominantly one-way, unequal participation among community groups, unclear divisions of responsibility among local institutions, and cross-sectoral coordination that has not yet been systematically structured. In contemporary village governance, limited literacy and technology use also affect information transparency, residents' access to program data, and the capacity of village organizations to provide more responsive services and decision-making. Village transformation therefore cannot rely solely on additional financial resources; it also requires stronger institutions and a greater capacity to manage information in an open and collaborative manner (Herdiana, 2019). These conditions reveal a gap between the normative orientation of green economy policy and the capacity to implement it at the local level.

Previous research can be grouped into three increasingly interconnected streams. First, studies of the Village Fund no longer focus exclusively on fiscal accountability, but also assess its relationship with sustainable development and village-level economic outcomes. Permatasari et al. (2021) show that Village Fund-financed activities can be mapped against Sustainable Development Goals targets, while Yusuf and Khoirunurrofik (2022) and Wasudewa and Iskandar (2023) emphasize the importance of the quality of Village Fund utilization for village and regional economic development. Second, studies of tourism villages based on the green economy identify community participation, environmental management, local enterprise development, and capacity building as central elements of sustainability (Rahmayani et al., 2022). Third, research on ecotourism institutions shows that leadership, coordination, partnerships, community positioning, and organizational capacity shape the ability of village destinations to sustain socio-economic and ecological benefits (Suhendri et al., 2023). Nevertheless, these bodies of literature generally examine the Village Fund, the green economy, or ecotourism institutions separately. Studies explaining how the fiscal instrument of the Village Fund is translated

into green economy practices through policy implementation processes at the village level remain limited.

Against this background, the novelty of this study lies in integrating three analytical domains—the Village Fund as a fiscal instrument, the green economy as a development orientation, and ecotourism as an arena of implementation—through the four implementation dimensions proposed by George C. Edwards III. The study does not merely assess the presence of a budget or tourism activities, but traces the mechanisms linking communication, resources, implementers' disposition, and bureaucratic structure to the village's ability to institutionalize the program. A further contribution is the explicit distinction between evidence of implementation orientation/process and evidence of green economy outcomes. Budget allocations, ecotourism activities, and conservation commitments are therefore treated as evidence of early-stage implementation, whereas substantive success requires verifiable economic, social, and ecological indicators. This approach extends Village Fund research, which has tended to emphasize fiscal dimensions, while enriching ecotourism studies through the perspectives of policy implementation and institutional capacity.

Accordingly, this study aims to analyze the implementation of green economy policy in the use of the Village Fund in Damaran Baru Tourism Village, Bener Meriah Regency, and to identify the constraints affecting its implementation. Academically, the study is expected to broaden policy implementation research by connecting village fiscal policy, the green economy, and ecotourism governance at the local level. Practically, the findings are intended to provide a basis for the Damaran Baru Village Government and the Bener Meriah Regency Government to improve communication strategies, strengthen human-resource capacity, enhance digital transparency, clarify institutional roles, and improve cross-sectoral coordination so that Village Fund utilization can generate local economic benefits without compromising environmental sustainability.

RESEARCH METHOD

This study employed a qualitative approach with a descriptive design. This approach was selected because the research sought to develop an in-depth understanding of the implementation process of green economy policy in the use of the Village Fund within its natural social and institutional context. Qualitative research enables researchers to examine the experiences, practices, interactions, and interpretations of policy implementers without reducing the phenomenon to statistical relationships. The descriptive design was used to systematically explain how the policy was implemented, which actors were involved, what resources were available, what forms of coordination emerged, and what constraints arose during program implementation. This approach is appropriate for research intended to explain the processes, context, and meaning of a policy phenomenon in depth (Yuliani, 2018; Fadli, 2021).

The study was conducted in Damaran Baru Tourism Village, Bener Meriah Regency, Aceh Province. The site was selected because of the characteristics of the case, namely the use of the Village Fund to support ecotourism and Eco Village development that combines local economic objectives with environmental conservation. The unit of analysis was the process of implementing green economy policy through the use of the Village Fund at the village level. The analytical framework refers to Edwards III (1980), who identifies communication, resources, disposition, and bureaucratic structure as factors that may facilitate or constrain policy implementation. The Edwards III framework was selected because this study focuses on operational processes within implementing organizations—how policy messages are understood, how resources are made available and used, how implementers' attitudes are formed, and how bureaucratic procedures and coordination operate—rather than on macro-level policy formulation or causal impact evaluation. The four dimensions are treated as interacting elements: communication shapes understanding and resource use; resources influence the capacity to act; disposition affects consistency in implementation; and bureaucratic structure determines whether the other dimensions can be institutionalized through stable procedures and coordination.

Research informants were selected through purposive sampling based on their involvement, authority, experience, and direct knowledge of Village Fund policy, village empowerment, and ecotourism development in Damaran Baru (Campbell et al., 2020). Structurally, the manuscript identifies 12 key informant positions/functions drawn from three groups of actors. The regency-government group comprises three functions within the Community and Village Empowerment Agency (DPMK)—the head of the agency, the unit responsible for village government and community

institutions, and the unit responsible for area development, natural resources, and appropriate technology—and three functions within the Tourism Office—the head of the office, the tourism human-resource development unit, and the destination and tourism-industry development unit. At the village level, the informants include the Reje, or Head of Damaran Baru Village, while the Village Forest Management Institution (LPHK)/management group includes the chairperson, treasurer, patrol team, journalist, and data-entry team. This grouping allows perspectives to be compared across supervisory actors, implementers, and operational managers.

Data were collected through non-participant observation, in-depth interviews, and documentation. Observation was used to examine ecotourism management activities, facility conditions, interactions among implementers, and relevant field situations without positioning the researcher as a participant in the observed activities. Unstructured in-depth interviews were conducted to obtain explanations regarding policy communication, Village Fund utilization, resource adequacy, capacity and digital literacy, actor commitment, the distribution of authority, institutional coordination, community participation, and social and organizational constraints. Documentary data included the Village Revenue and Expenditure Budget (APBDes) and program reports, including fiscal-year data for 2024 and 2025 used to trace Village Fund allocations for ecotourism activities. The combination of these three data sources was used to establish traceability among actors' statements, field conditions, and administrative evidence. The documentary analysis covered the 2024–2025 fiscal years.

Data obtained through the three techniques were organized according to the research focus to maintain consistency between the analytical process and the research objectives. Communication-related data were grouped into information concerning socialization, village deliberation forums, message clarity, access to information, communication media, and inter-party coordination. Resource-related data included budget allocations, technical competence, the capacity of village officials and managers, digital literacy, facilities, and operational support. Disposition-related data covered implementers' commitment, attitudes, responses, and willingness to sustain the program. Bureaucratic-structure data encompassed task allocation, institutional relations, work procedures, the presence of standard operating procedures, and patterns of coordination among the village government, LPHK, tourism-management groups, and technical agencies at the regency level. These groupings served as a qualitative categorization framework rather than a quantitative measurement instrument.

Data analysis was conducted interactively through data reduction, data display, conclusion drawing, and verification (Rijali, 2018). Interview, observation, and documentary data were first grouped according to the themes of communication, resources, disposition, bureaucratic structure, and implementation constraints. Information was then compared across actors and data sources to identify convergences and differences before being formulated into findings. This process provided a basis for source and method triangulation, as recommended for establishing trustworthiness in qualitative research (Mekarisce, 2020). However, because the source manuscript does not provide detailed documentation of member checking or other validation procedures, claims regarding trustworthiness are limited to the cross-source and cross-method comparisons reflected in the analysis. The findings were subsequently presented in a descriptive-analytical manner and interpreted through the relationships among the dimensions of Edwards III.

RESULTS AND DISCUSSION

The findings indicate that the implementation of green economy policy through the Village Fund in Damaran Baru Tourism Village has progressed from a normative orientation toward development practices based on local potential. The clearest administrative evidence derives from APBDes documentation: the Village Fund amounted to IDR 658,965,000 in 2024 and IDR 669,797,000 in 2025, with approximately 3% allocated to ecotourism development. Programs recorded in the manuscript include the Eco Village, protected-forest tourism, camping grounds, educational activities related to honey harvesting, coffee and watercress cultivation, and the development of distinctive Gayo food products. Interview and observation findings summarized in the manuscript were then used to explain how these programs were implemented at the actor and institutional levels. Because verbatim transcripts were not available in the manuscript reviewed, interview evidence in this section is presented as thematic paraphrase and is not reconstructed as direct quotations. This approach avoids creating undocumented informant statements while preserving traceability among documentary evidence, field findings, and theoretical interpretation.

Implementation of Green Economy Policy Based on the Edwards III Dimensions

Conceptually, policy implementation does not end with the issuance of regulations or the availability of funding; it depends on the ability of implementing actors to translate policy objectives into consistent action. Edwards III (1980) explains that communication, resources, disposition, and bureaucratic structure may function either as enabling or constraining factors in implementation. In the case of Damaran Baru, these four dimensions reveal an interdependent pattern: financial support and local commitment are already present, but non-inclusive communication, limited technical capacity, the absence of standardized SOPs, and sporadic cross-sectoral coordination restrict the organization's ability to transform commitment into routine policy practice. This pattern is consistent with recent studies of the Village Fund and sustainable development, which emphasize that fiscal transfers must be accompanied by adequate implementation capacity, appropriate priorities, and governance arrangements that allow development benefits to materialize (Permatasari et al., 2021; Yusuf & Khoirunurrofik, 2022; Wasudewa & Iskandar, 2023).

Policy Communication: Information Is Available, but Not Yet Fully Inclusive

Within the communication dimension, the findings show that information regarding the Village Fund and ecotourism programs has been conveyed through village deliberation forums, village information boards, and local print media. The presence of these communication channels indicates that the village government has established basic mechanisms for disseminating program information to residents. However, the quality of communication has not yet fully met the requirements of green economy implementation. Information remains largely normative-procedural and one-way, meaning that residents more often receive information about programs than participate in understanding their rationale, ecological benefits, risks, and indicators of success. This condition helps explain why program socialization has not consistently translated into evenly distributed public understanding.

Another finding is that deliberation forums remain relatively dominated by community leaders, while youth and women are not yet intensively involved. Empirically, this indicates that the existence of participatory forums does not automatically ensure an equitable distribution of voice in planning. In tourism-village development, meaningful participation requires community involvement from program selection and implementation through to the monitoring of benefits and impacts. Rahmayani et al. (2022) emphasize the importance of local participation and stakeholder synergy in developing tourism villages based on the green economy, while Suhendri et al. (2023) show that the position of local communities and the quality of institutions affect the sustainability of ecotourism management. Thus, the limited representation of youth and women in Damaran Baru is not merely a matter of participant numbers, but an indication that policy communication has not yet become fully inclusive.

Limited digital communication is another important finding. Uneven digital literacy constrains information dissemination, program transparency, and coordination among actors. In the context of a tourism village, digital channels function not only as promotional media but also as governance infrastructure for communicating budget information, activity agendas, program results, and grievance mechanisms. Herdiana (2019) emphasizes that transformation toward a smart village requires the integration of technology with community capacity and village institutions. Therefore, the communication problem in Damaran Baru is not simply a shortage of media, but reflects the incomplete transformation of information into an instrument of transparency and public participation. This finding extends the interpretation of policy implementation: the effectiveness of green economy communication should be assessed not only by whether socialization activities exist, but also by the accessibility of information, the involvement of social groups, and the community's ability to use that information to participate.

Resources: Financial Support Exists, but Technical Capacity Remains Limited

Within the resource dimension, the principal strength of implementation lies in the existence of budgetary commitment to ecotourism activities. APBDes documentation for 2024–2025 shows recurring allocations, indicating that the program cannot be regarded as a one-off initiative. This decision is important because national studies show that the Village Fund can contribute to economic development and sustainable development targets when directed toward activities that are relevant to local needs (Permatasari et al., 2021; Yusuf & Khoirunurrofik, 2022; Wasudewa & Iskandar, 2023).

Nevertheless, the Damaran Baru allocation should still be interpreted as a policy input rather than automatic evidence of successful outcomes. Its effectiveness depends on the ability of managers to convert financial resources into institutional capacity, tourism services, stronger local enterprises, and environmental protection that can be monitored through measurable indicators.

Financial support, however, has not been matched by an equivalent level of human-resource capacity. The manuscript indicates limited technical training in environmental management, waste management, energy efficiency, destination management, and digital marketing. These limitations directly affect the ability of implementers to translate the concept of a green economy into measurable operational standards. A green economy requires the capacity to manage environmental impacts while simultaneously generating economic benefits. Without adequate technical capacity, there is a risk that the concept will be narrowed to nature-based tourism alone. Loiseau et al. (2016) and Georgeson et al. (2017) conceptualize the green economy as an approach requiring the integration of resource efficiency, ecological-risk reduction, and social well-being. Thus, Village Fund expenditure on ecotourism can only be considered substantively aligned with the green economy when implementers are able to demonstrate how economic activities are managed without increasing pressure on the environment.

Limited competence is also related to accountability in Village Fund management. Studies in Indonesia show that administrative competence and organizational commitment influence the quality of accountability in village financial management (Mada et al., 2017; Meutia & Liliana, 2017). In Damaran Baru, the digital-literacy issue broadens this concern because reporting, data management, promotion, and information disclosure increasingly depend on the ability to use technology. Policy investment is therefore required not only in the form of larger program budgets, but also through financing for human-capacity development. The findings indicate that specific allocations for technical training remain limited. This creates an imbalance between program ambitions and implementers' capacity, which may ultimately reduce the effectiveness of budget utilization.

Implementers' Disposition: Local Commitment as an Asset, but Not Yet Sufficient

Within the disposition dimension, the findings indicate relatively positive attitudes among the Damaran Baru Village Government, LPHK, and tourism-management groups. The commitment to protecting the forest and developing nature-based destinations constitutes important social and administrative capital. In policy implementation, implementers' support determines whether rules are followed merely as formal requirements or are genuinely translated into practice. In Damaran Baru, local enthusiasm indicates that the green economy has gained acceptance among implementers. This creates an opportunity for the policy to grow from local needs and identity rather than solely from instructions issued by higher levels of government.

Nevertheless, personal and community-based commitment has clear limitations when it is not institutionalized. The study identifies the need for technical guidelines, incentive schemes, and continuous mentoring to prevent a decline in implementers' motivation. In tourism-village management, sustainability depends not only on initial enthusiasm but also on institutional capacity to transform commitment into divisions of labor, rules, and organizational routines. Ridlwan et al. (2017) emphasize that ecotourism development that empowers local communities requires a management model capable of maintaining the relationship among economic benefits, community involvement, and the protection of local resources. In other words, positive disposition in Damaran Baru is a necessary but insufficient condition for ensuring program sustainability.

This finding also shows that green economy policy at the village level has a strong organizational-behavior dimension. When implementers understand conservation as part of local identity and as an economic resource, policy support is easier to sustain. However, when incentives, divisions of responsibility, and recognition of workloads are unclear, commitment may become dependent on particular individuals. Strategies to strengthen disposition should therefore go beyond the socialization of green economy values and be translated into mechanisms for recognition, training, mentoring, and management succession. Lessons from the development of other tourism villages similarly show that sustainable community empowerment requires continuing capacity-building processes rather than merely mobilizing residents when activities are being implemented (Hermawan, 2016; Andayani et al., 2017).

Bureaucratic Structure: Institutions Exist, but Coordination Is Not Yet Integrated

The bureaucratic-structure dimension most clearly reveals the gap between the existence of institutions and the maturity of governance. LPHK and tourism-management groups have performed functions at the local level, but the organizational structure remains relatively simple and is not yet supported by standardized Standard Operating Procedures (SOPs). Consequently, the distribution of authority, coordination pathways, operational responsibilities, and reporting mechanisms remain insufficiently clear. In the management of natural resources and tourism destinations, unclear procedures may lead to overlapping tasks, dependence on particular individuals, and weak control over environmental and tourism-service standards.

Cross-sectoral coordination is another prominent issue. Relations between the Damaran Baru Village Government and DPMK, the Tourism Office, and the Environmental Office have not yet been institutionalized through an integrated and regular coordination forum. This condition creates a risk that village programs will operate in isolation from regional development planning. The green economy is inherently cross-sectoral: destination development requires management and marketing support, forest protection requires environmental standards, and the Village Fund operates within systems of governmental supervision and community empowerment. Suhendri et al. (2023), in their study of institutional strengthening in ecotourism, likewise emphasize the importance of leadership, partnerships, and the positioning of actors to prevent organizations from becoming overly dependent on village-government structures. In Damaran Baru, therefore, irregular coordination represents a substantive problem that may hinder the integration of fiscal, economic, and ecological objectives.

From an accountability perspective, the absence of SOPs also increases the risk of inconsistent practices over time. Atmadja and Saputra (2017) show that preventing irregularities in village financial management requires adequate control systems, competence, and governance practices. Although this study neither identified nor assessed fraud, this argument is relevant in demonstrating that procedural standardization constitutes a preventive instrument in public-budget management. In the Damaran Baru context, SOPs should regulate not only financial transactions but also destination operations, waste management, restrictions on activities in environmentally sensitive areas, visitor services, activity documentation, revenue-sharing arrangements, and reporting. Bureaucratic structure can thus serve as a bridge between the abstract principles of the green economy and operational practices that can be evaluated.

Implementation Constraints in Green Economy-Based Village Fund Utilization

The findings classify implementation constraints into two interrelated categories: socio-economic constraints and organizational-capacity constraints. This distinction demonstrates that weaknesses or failures in implementation cannot be attributed solely to either officials or the community. Socio-economic constraints affect participation, acceptance, and access to policy benefits, whereas organizational-capacity constraints affect the ability of institutions to plan, implement, and control programs. The two categories converge on one central issue: governance quality. When communities have a limited understanding of program objectives and implementing organizations lack strong communication capacity, participation declines. Conversely, when participation is low, organizations also lose an important source of local information needed to improve policy design.

Socio-Economic Constraints: Literacy, Participation, and Distribution of Benefits

The first socio-economic constraint is limited public understanding of the substance of the green economy. This condition may lead residents to perceive the program merely as a tourism activity or village project rather than as a strategy requiring changes in economic and environmental behavior. Where understanding is limited, participation tends to be instrumental—for example, involvement in physical work—without corresponding involvement in determining program direction, oversight, or evaluation. The finding that residents are more extensively involved during implementation than in strategic planning reinforces this indication. Sustainable tourism villages, however, require local communities to function as primary stakeholders because they both receive the benefits and bear the social and ecological impacts of destination development (Hermawan, 2016; Nalayani, 2016).

A further constraint is the limited availability of digitally accessible data. Transparency in the context of the Village Fund is not merely an administrative obligation, but also a means of building public trust and clarifying the relationship among budgets, activities, outputs, and benefits. When

financial information and program developments are difficult to access, communities lose an important basis for evaluating policy. At the same time, village officials lose the opportunity to use information disclosure as a form of public education. Aziz (2016) and Meutia and Liliana (2017) identify governance quality and accountability as important factors in the effectiveness of Village Fund management. In Damaran Baru, stronger digital transparency could therefore address two issues simultaneously: strengthening budget accountability and improving public understanding of the green economy orientation.

Organizational-Capacity Constraints: Training, SOPs, and Cross-Sectoral Coordination

The most evident organizational constraint is the limited budget and provision for technical capacity development. This problem generates cascading consequences. Limited training makes it difficult for managers to improve the quality of destination and environmental management; limited digital competence constrains transparency and promotion; and weak administrative capacity complicates the preparation of procedures, performance indicators, and reports. These conditions point to the need to shift part of the spending orientation from facility development toward capacity development. Tourism infrastructure without adequate management capacity may generate short-term benefits but does not necessarily ensure sustainability. The green economy instead requires organizations to assess impacts, control resource use, and ensure that economic benefits remain within the local community (Loiseau et al., 2016; Anwar, 2022).

The absence of standardized SOPs indicates that organizational knowledge still depends heavily on informal practices. In the short term, informal flexibility may accelerate activities. In the long term, however, it complicates management succession, program evaluation, and quality standardization. SOPs are necessary to ensure that changes in personnel do not alter the entire work mechanism. In addition, sporadic vertical coordination with technical agencies reduces opportunities to obtain mentoring, program access, and technical support. The organizational problem in Damaran Baru, therefore, is not the absence of institutions but the immaturity of inter-institutional relations and the limited institutionalization of work processes. This finding is consistent with research on institutional capacity in tourism villages, which emphasizes the importance of rules, leadership, networks, and resources as an integrated whole (Prafitri & Damayanti, 2016).

Synthesis of Findings and Policy Implications

When the four implementation dimensions and the two groups of constraints are considered together, the central problem in Damaran Baru is not the absence of a green economy orientation, but the gap between policy commitment and institutional capacity. The village government has demonstrated political commitment through budgeting, while local implementers have shown a positive disposition toward conservation and ecotourism development. These two forms of capital provide an important foundation. Their effectiveness, however, is constrained by non-inclusive communication, limited competence, the absence of standardized procedures, and irregular cross-sectoral coordination. In other words, the implementation challenge lies at the institutionalization stage: transforming existing initiatives into a governance system that is stable, measurable, transparent, and replicable.

The findings also show that policy sustainability cannot be assessed solely on the basis of the amount of Village Fund resources allocated. An allocation of approximately 3% indicates fiscal commitment, but does not in itself demonstrate economic, social, or ecological outcomes. To avoid reducing the green economy to a synonym for nature-based tourism, this study operationalizes the concept through three groups of indicators: (1) economic indicators, including the strengthening of local enterprises/products, employment opportunities, and changes in income; (2) social indicators, including participation, group inclusiveness, capacity development, and transparency; and (3) ecological indicators, including area protection, waste management, resource efficiency, and destination carrying capacity. The evidence available in the manuscript shows activities and processes across all three domains, but does not provide quantitative measures for most outcomes. The study's conclusions are therefore limited to the quality of implementation and institutional readiness rather than claims of causal economic or ecological impacts.

Operationalization of Green Economy Indicators and Evidentiary Limitations

Table 1. Operationalization of Green Economy Indicators and Evidentiary Limitations

Pillar	Operational Indicators	Evidence in the Manuscript	Evidentiary Limitations/Measurement Agenda
Economic	Productive allocation; local enterprises/products; employment opportunities; income	Approximately 3% of the Village Fund allocated; honey, coffee, watercress, distinctive Gayo food products, and ecotourism services	Changes in income, number of enterprises, and employment opportunities have not yet been measured quantitatively.
Social	Participation; inclusiveness; human-resource capacity; transparency	Deliberation forums and information channels are available; participation by youth/women and digital literacy remain limited	Measures are needed for representation, intensity of participation, training outcomes, and public access to information.
Ecological	Conservation; waste; resource efficiency; carrying capacity	Protected-forest tourism and conservation orientations have been incorporated into the program	No measures are yet available for changes in area/forest conditions, waste volume, energy/water efficiency, or carrying capacity.

In practical terms, implementation can be strengthened through three levels of intervention. First, the village government should improve public communication through more inclusive forums and a simple digital information system that is updated regularly. Second, capacity development should be positioned as a core budget component, particularly for ecotourism management, environmental management, digital literacy, financial record-keeping, marketing, and visitor services. Third, the village government and regency government should establish a more permanent coordination mechanism among DPMK, the Tourism Office, the Environmental Office, and local institutions. These interventions will be more effective when supported by SOPs and clear performance indicators that make the responsibilities of each actor traceable.

Positioning the Findings in Relation to Previous Research and the Study's Novelty

Compared with previous research, this study both confirms and connects findings from several strands of literature. Permatasari et al. (2021), Yusuf and Khoirunurrofik (2022), and Wasudewa and Iskandar (2023) show that the Village Fund should be assessed in relation to sustainable development and economic outcomes rather than merely through budget absorption. At the same time, Rahmayani et al. (2022) identify participation and capacity development as important components of tourism villages based on the green economy, while Suhendri et al. (2023) show that institutional strength, coordination, and the position of local communities shape the sustainability of ecotourism management. The Damaran Baru findings bring these three arguments together within a single case: a fiscal instrument acquires substantive green economy meaning only when it is translated through implementation capacity and destination governance.

The principal distinction of this study lies in its focus on implementation mechanisms. Village Fund research tends to assess allocation, effectiveness, or relationships with development; tourism-village studies more often examine empowerment and destination management; and green economy research emphasizes the integration of economic benefits with social and ecological sustainability. This study places these domains within a single analytical chain: the Village Fund provides the fiscal input, ecotourism serves as the operational arena, the green economy supplies substantive criteria, and the four Edwards III dimensions explain why these inputs can or cannot be transformed into stable practices. The explanatory unit of the study is therefore not simply 'how large the budget is,' but how organizational capacity mediates the relationship between financial inputs and expected outcomes.

The substantive novelty of this study lies in explaining the institutional gap between commitment and outcomes. The Damaran Baru case demonstrates that fiscal commitment and a positive disposition among implementers may coexist with weaknesses in communication, competence, SOPs, and coordination. The availability of funding and implementers' willingness are therefore necessary but insufficient conditions. The study's conceptual contribution lies in positioning bureaucratic structure as

a mechanism of institutionalization: SOPs, the distribution of responsibility, and routine coordination determine whether information, resources, and commitment can be transformed into organizational routines that endure beyond particular individuals. From this perspective, the four Edwards III dimensions do not function as a list of independent factors, but as an interlocking system.

Accordingly, Damaran Baru Tourism Village can be understood as a laboratory of local-development governance that is currently transitioning from initiative to institutionalization. Further strengthening requires more than additional facilities or funding; it should focus on procedural standardization, competence development, information and public-feedback channels, and regular cross-sectoral forums. If these mechanisms function effectively, the Village Fund has greater potential to connect conservation, local enterprise development, community empowerment, and accountability. Without them, however, the green economy label risks remaining a programmatic orientation without evaluable evidence of outcomes.

Table 2. Synthesis of Green Economy Implementation Findings in Damaran Baru Village

Dimension	Strengths/Positive Findings	Main Weaknesses	Policy Implications
Communication	Village deliberation forums, information boards, and local media have been used.	Communication remains predominantly one-way; youth/women participation and digital channels are not yet optimal.	Inclusive communication, digital transparency, and public-feedback mechanisms.
Resources	Village Fund allocations for ecotourism were made repeatedly in 2024–2025.	Technical capacity, digital literacy, and training budgets remain limited.	Human-resource strengthening as a core component of green economy program expenditure.
Disposition	The village government, LPHK, and managers demonstrate relatively strong commitment to conservation.	Commitment has not been fully institutionalized through incentives, succession, and mentoring.	Institutionalize commitment through mentoring, incentives, and clear allocation of responsibilities.
Bureaucratic structure	Local institutions have been established and are active.	SOPs are not standardized; role allocation and cross-sectoral coordination are not yet integrated.	Develop SOPs and establish regular coordination forums across agencies and local institutions.

Table 2 shows that each implementation dimension contains both initial strengths and specific constraints. The principal strengths lie in budgetary decisions, local institutions, and implementers' commitment, while the main weaknesses concern communication quality, technical capacity, the institutionalization of commitment, procedural standardization, and coordination. Read together with Table 1, this pattern suggests that Damaran Baru already has program inputs and a clear orientation, but does not yet have a comprehensive system for measuring green economy outcomes. The strengthening agenda should therefore proceed in two directions simultaneously: improving the implementation process and developing outcome indicators that can be monitored periodically.

Theoretical Implications and the Agenda for Strengthening Implementation

Based on this synthesis, the relationships among the implementation dimensions can be understood as a chain of reciprocal mechanisms. Communication determines whether policy objectives are understood consistently and whether communities possess the information required to participate. Resources determine whether that understanding can be translated into technical action. Disposition determines whether implementers are willing to sustain such action, while bureaucratic structure transforms actions that depend on individuals into procedures, divisions of labor, and recurring coordination. In Damaran Baru, bureaucratic structure appears to be the institutional node that most directly explains why financial support and local commitment have not yet produced stable implementation: SOPs are not standardized and cross-sectoral coordination is not routine. Bureaucratic structure, however, cannot be improved in isolation because SOPs without competence, communication, and commitment will result only in administrative formalism. These findings clarify the contribution of Edwards III in the village context: weakness in one dimension can reduce the effectiveness of others, whereas simultaneous improvements can generate cumulative reinforcing effects.

At the regional policy level, this pattern points to the need for more integrated institutional support. DPMK can strengthen Village Fund governance and village-government capacity; the Tourism Office can support destination management and marketing; and the Environmental Office can provide conservation standards, waste-management guidance, and protection of environmental carrying capacity. Integrating these functions is important so that the village does not receive fragmented support programs. The smart village approach is also relevant insofar as digitalization is understood not merely as the use of applications, but as a means of strengthening transparency, access to information, participation, and institutional coordination (Herdiana, 2019). Technology should therefore be positioned as a governance tool rather than a policy objective in itself.

CONCLUSION

The implementation of green economy policy through the Village Fund in Damaran Baru Tourism Village demonstrates a development orientation that connects local economic activities with conservation. Administrative evidence in the form of an approximately 3% Village Fund allocation during 2024–2025, together with the existence of ecotourism programs, the Eco Village, protected-forest tourism, camping grounds, and local economic activities, reflects this initial commitment. However, analysis based on communication, resources, disposition, and bureaucratic structure indicates that policy institutionalization remains suboptimal. Communication is still predominantly one-way and not fully inclusive; technical capacity and digital literacy remain limited; implementers' commitment has not been fully translated into organizational mechanisms; and SOPs and cross-sectoral coordination have not yet been standardized. The central issue, therefore, is not merely the size of the budget, but the institutional capacity to transform fiscal commitment and actor commitment into consistent governance. The study also underscores an evidentiary limitation: the available data are stronger for assessing implementation processes than for quantitatively demonstrating economic and ecological outcomes.

Based on these findings, the Damaran Baru Village Government should strengthen participatory communication by involving youth and women, improve program transparency through easily accessible digital channels, and position human-resource capacity development as a core component of program expenditure. The village government, together with LPHK and tourism-management groups, should also develop SOPs governing task allocation, destination management, environmental protection, reporting, and evaluation. At the regency level, DPMK, the Tourism Office, and the Environmental Office should establish a regular coordination forum to prevent fragmented institutional support. Future evaluations should employ measurable outcome indicators, including changes in local income or enterprises, employment opportunities, the involvement of social groups, competency improvements, the volume of waste managed, resource efficiency, environmental conditions, and destination carrying capacity. Such indicators would allow the success of the green economy to be assessed beyond budget absorption and the number of activities implemented.

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