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Analysis of APBD Management in Supporting Regional Development Achievements in Lamongan Regency

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Abstract

The management of the Regional Revenue and Expenditure Budget (APBD) is an important instrument for local governments in supporting the achievement of development and improving community welfare. The effectiveness of APBD management is not only seen from the amount of budget allocation and realization, but also from its relationship with development achievements in priority sectors, such as infrastructure, education, health, community economy, and public services. This study aims to analyze the management of the Lamongan Regency APBD in supporting the achievement of regional development, identify supporting and inhibiting factors for its implementation, and formulate efforts to increase the effectiveness of regional budget management. This study uses a qualitative descriptive method with a literature study approach and secondary data analysis. Data was obtained from Lamongan Regency APBD reports, data from the Central Statistics Agency (BPS), local government documents, scientific books, and relevant national journals. The results of the study show that the management of the Lamongan Regency APBD plays an important role in supporting regional development through budget allocation in the infrastructure, education, health, agriculture, fisheries, MSMEs, and public service sectors. Local governments have also begun to develop the digitalization of financial administration as an effort to increase transparency, accountability, and effectiveness of budget management. However, the effectiveness of APBD management still faces several obstacles, including delays in budget absorption in several Regional Apparatus Organizations, inequality in development between regions, limited quality of human resources of apparatus, and weak supervision of development programs. Therefore, it is necessary to strengthen data-based budget planning, increase the capacity of the apparatus, optimize regional financial digitalization, strengthen the supervisory system, and increase community participation so that regional development can run more equitable, transparent, accountable, and sustainable.

1. Introduction

Regional development is an integral part of national development which aims to improve the welfare of the community through the equitable distribution of economic, social, educational, health, infrastructure, and public service development. In the context of regional autonomy, local governments have the authority to regulate and manage government affairs according to the needs and potentials of their respective regions. The local government and the DPRD are elements of local government organizers, with functions that include policy formulation, budgeting, and supervision of regional development (Law Number 23 of 2014). In addition, regional financial management includes revenues, expenditures, regional wealth, and regional obligations that must be managed in an orderly, efficient, economical, effective, transparent, and responsible manner (Government Regulation Number 12 of 2019).

The Regional Revenue and Expenditure Budget (APBD) is an important instrument in realizing regional development priorities. Through the APBD, local governments set the direction of budget policies, determine spending priorities, and finance development programs and public services. Public sector budget management must pay attention to the principles of transparency, accountability, effectiveness, efficiency, and community participation (Mardiasmo, 2018). In line with that, good regional financial management is not only oriented to administrative compliance, but also to the ability of the budget to support the achievement of development goals and improve community welfare (Halim, 2017).

Lamongan Regency is one of the areas in East Java Province that has considerable economic potential, especially in the agriculture, fisheries, trade, small industry, services, and MSME sectors. The economy of Lamongan Regency in 2024 will reach Rp52.08 trillion based on GDP on the basis of prevailing prices and Rp32.19 trillion based on GDP on the basis of constant prices in 2010 (Badan Pusat Statistik Kabupaten Lamongan [BPS], 2025). In addition, the Lamongan Human Development Index (HDI) in 2024 will reach 75.90, an increase compared to the previous year of 75.29 (BPS, 2025). This data shows that Lamongan Regency is experiencing development development, especially in economic and human development aspects.

However, the increase in development indicators has not fully shown that budget management has run optimally in all sectors and regions. In the implementation of the 2024 APBD, Lamongan Regency's regional revenue was realized at IDR 3.299 trillion or 90.81%, while regional spending was realized at IDR 3.207 trillion or 89.60%. This achievement shows that there is a fairly high budget realization, but it still leaves room for evaluation related to the effectiveness of spending, the accuracy of program targets, and the relationship between the budget used and the development achievements felt by the community.

Several previous studies have discussed the management of the regional budget and finance, but they have different focuses. The research, for example, focuses more on analyzing the efficiency and effectiveness of the APBD realization report through a financial ratio approach (Yuliyanto, 2022). The research is important to look at budget performance in terms of realization figures, but it has not been widely associated with budget management results with regional development achievements sectorally. Meanwhile, the research on the Padang Pariaman Regency APBD places the APBD as a regional development instrument through a literature study of policy documents, financial reports, and academic references, but the regional context and regional development characteristics are different from Lamongan Regency. Another study regarding the effectiveness of the management of the DKI Jakarta APBD shows that the effectiveness of the APBD can be analyzed through the level of realization and accuracy of program targets, but the characteristics of DKI Jakarta as a metropolitan area are certainly different from Lamongan which has an economic base of agriculture, fisheries, and MSMEs (Sari, 2025).

Based on this comparison, it can be seen that some previous research still tends to focus on the effectiveness of budget realization, financial ratios, or administrative performance of the APBD. Meanwhile, studies that specifically link the management of the APBD with the achievement of regional development in Lamongan Regency, especially in the infrastructure, education, health, community economy, and public service sectors, still need to be strengthened. Thus, this research gap lies in the need for an analysis that not only sees the APBD as a financial document, but also as a development instrument that has an impact on the achievement of regional priorities.

The novelty of this research lies in the focus of analysis that links the management of the Lamongan Regency APBD with the achievements of regional development more comprehensively. This research not only examines aspects of budget planning and realization, but also pays attention to its relationship with development priority sectors, supporting factors, inhibiting factors, and efforts to increase the effectiveness of regional budget management. With this approach, this research is expected to contribute to the study of public administration, especially in seeing the APBD as an instrument of regional development governance that is not only administrative, but also has an impact on equitable distribution and sustainability of development.

Based on this description, this study aims to analyze the management of the Lamongan Regency Regional Budget in supporting the achievement of regional development, identify supporting and inhibiting factors in its implementation, and formulate efforts to improve the effectiveness of budget management so that regional development can run more equitable, transparent, accountable, and sustainable.

2. Literature Review

2.1 MSMEs and Regional Economic Growth

Micro, small, and medium enterprises (MSMEs) are one of the important sectors in the regional economic structure (Irfan et al., 2025; Malau & Ekananda, 2025). MSMEs play a role in creating jobs, increasing people's income, and strengthening locally-based economic activities (Malau & Ekananda, 2025). The existence of MSMEs is also one of the pillars of economic stability because this sector is relatively flexible in dealing with changes in economic conditions (Hadijah & Mokodompit, 2025). In the context of regional development, MSMEs are not only seen as small business units, but also as strategic instruments in encouraging economic equity and reducing unemployment (Irfan et al., 2025; Malau & Ekananda, 2025).

Despite having an important role, MSMEs still face various obstacles in their development (Irfan et al., 2025; Sitompul et al., 2025). Some of the problems that are often faced include limited access to capital, low quality of human resources, limited product innovation, weak business management, and not optimal use of digital technology (Avista et al., 2025; Irfan et al., 2025; Sitompul et al., 2025). This condition makes it difficult for some MSMEs to increase competitiveness, expand the market, and maintain business sustainability (Irfan et al., 2025; Sitompul et al., 2025). Therefore, the development of MSMEs requires support from various parties so that the potential of the local economy can be maximized more effectively (Avista et al., 2025; Hutajulu & Islami, 2024; Irfan et al., 2025).

2.2 Pentahelix Model Concept

The pentahelix model is a collaborative approach that involves five main elements, namely the government, academics, business actors, society, and the media (Mardiatmi et al., 2023; Pratiwi et al., 2025). This model was developed from the idea that economic development and innovation cannot be carried out by one party alone, but requires cross-sectoral synergy (Pratiwi et al., 2025; Megawati et al., 2024). Each actor in the pentahelix has a different, but complementary role in driving innovation, capacity building, and sustainability of development programs (Mardiatmi et al., 2023; Megawati et al., 2024).

In the development of MSMEs, the government plays a role as a regulator and facilitator through policy formulation, provision of training programs, capital assistance, and market access facilitation (Mardiatmi et al., 2023). Academics play a role in producing research, innovation, training, and science-based mentoring (Mardiatmi et al., 2023; Megawati et al., 2024). Business actors are the main actors in the production process, product innovation, marketing, and competitiveness development (Mardiatmi et al., 2023). The community plays a role in building social networks, supporting the consumption of local products, and strengthening the economic community (Mardiatmi et al., 2023; Pratiwi et al., 2025). Meanwhile, the media plays a role in promoting products, disseminating information, building a business image, and expanding market reach (Mardiatmi et al., 2023).

2.3 Collaboration-Based MSME Development

Collaboration-based MSME development emphasizes the importance of the involvement of various stakeholders in solving problems faced by business actors (Rachman & Thalib, 2025; Trianti et al., 2024). Collaboration is needed because MSME issues are complex and not only related to capital, but also include aspects of management, technology, innovation, marketing, legality, and business networks (Meliana et al., 2025; Rahayu et al., 2023). Through inter-sector cooperation, the development of MSMEs can be carried out in a more targeted manner because each party can contribute according to their capacity and authority (Rachman & Thalib, 2025; Trianti et al., 2024).

However, the success of collaboration depends heavily on the quality of coordination between actors (Rachman & Thalib, 2025). MSME empowerment programs often do not run optimally because they are still fragmented, less integrated, and not fully based on the needs of MSME actors (Meliana et al., 2025; Rachman & Thalib, 2025). For example, the training provided has not always been followed by continuous mentoring, access to capital has not always been linked to strengthening marketing, and digital promotion has not always been accompanied by increasing digital literacy capacity (Mulyadi et al., 2023; Nasir, 2025; Rahayu et al., 2023). Therefore, the pentahelix model is important to be used as a framework to see the extent to which the relationship between actors can support the development of MSMEs more effectively (Rachman & Thalib, 2025; Trianti et al., 2024).

2.4 Digitalization of MSMEs and the Role of Media

Digitalization is one of the important factors in the development of MSMEs, especially in the face of changes in consumption patterns and the development of the digital economy (Herman et al., 2025; Sitompul et al., 2025). The use of digital technology can help MSMEs expand the market, increase business efficiency, strengthen promotions, and facilitate transactions with consumers (Herman et al., 2025; Sitompul et al., 2025). Social media, marketplaces, and other digital platforms provide opportunities for MSME players to introduce products to a wider market (Nadhila & Yusuf, 2025; Sitompul et al., 2025).

However, not all MSME actors are able to make optimal use of digital technology (Avista et al., 2025; Nadhila & Yusuf, 2025). Low digital literacy, limited ability to create promotional content, lack of understanding of digital marketing strategies, and limited access to technology are still obstacles that need to be overcome (Avista et al., 2025; Sitompul et al., 2025). In this case, the media not only functions as a means of promotion, but also as an educational tool and liaison between MSME actors and consumers, the government, the community, and the business world (Avista et al., 2025; Nadhila & Yusuf, 2025; Sitompul et al., 2025).

3. Method

This study uses a qualitative descriptive method with a literature study approach and secondary data analysis. This method is used because the research focuses on efforts to understand and describe the management of the Lamongan Regency Regional Revenue and Expenditure Budget (APBD) in supporting the achievement of regional development. A qualitative descriptive approach was chosen to provide a systematic explanation of the budget management process, the direction of budget allocation, its relationship with development priority sectors, and factors that support and hinder the effectiveness of its implementation.

The study focuses on the 2024 fiscal year. The selection of this period was based on the consideration that 2024 represents the most recent fiscal period for which relatively complete budget planning, realization, statistical, and regional development data were available and could be compared systematically. The period also allows the researchers to examine the relationship between the implementation of the APBD and regional development indicators within the same fiscal year. Where necessary, data from previous years were used as comparative information to identify changes in budget performance and regional development achievements.

The data used in this study is secondary data obtained from various official and relevant sources, including Lamongan Regency APBD reports, regional budget realization documents, data from the Central Statistics Agency (BPS) of Lamongan Regency, regional development planning documents, scientific journals, reference books, and local government policy documents related to financial management and regional development. The use of secondary data was carried out to obtain an overview of the condition of budget management, development achievements, and the development of regional development indicators in Lamongan Regency.

The unit of analysis in this study consists of official documents and statistical information related to the management of the Lamongan Regency APBD and regional development achievements. The analysis covers regional revenue, regional expenditure, budget realization, development priorities, and development indicators in the infrastructure, education, health, community economy, and public service sectors.

Data collection techniques are carried out through literature studies and documentation. Literature studies are used to examine the concepts, theories, and results of previous research related to regional budget management, APBD, budget effectiveness, and regional development. Meanwhile, documentation is carried out by tracing and analyzing official local government documents, statistical data, budget reports, and other supporting information relevant to the focus of the research. The data collected were then selected based on the suitability of the research objectives, especially data related to the management of the APBD and the achievements of regional development in Lamongan Regency.

The operational definitions used in this study are intended to clarify the scope of the analysis. APBD management refers to the process of planning, allocating, implementing, administering, reporting, and evaluating regional revenues and expenditures. Budget realization refers to the level of achievement of regional revenue and expenditure compared with the targets established in the APBD. Budget effectiveness refers to the extent to which the allocation and realization of the budget support the achievement of predetermined programs, targets, and regional development priorities. Regional development achievements refer to changes or progress in development indicators, particularly in the infrastructure, education, health, community economy, and public service sectors. Supporting factors refer to conditions that facilitate effective APBD management, while inhibiting factors refer to administrative, institutional, financial, technical, and coordination constraints that reduce the effectiveness of budget implementation.

The data analysis technique in this study is carried out through the stages of data reduction, data presentation, and conclusion drawn. Data reduction is carried out by selecting, simplifying, and grouping relevant data according to the focus of the research, such as budget management data, regional expenditure allocation, development priority sectors, and regional development indicators. Furthermore, the data is presented in the form of a descriptive description that is reinforced with information from supporting documents and literature. In the final stage, conclusions are drawn by interpreting the relationship between APBD management and regional development achievements, as well as identifying supporting factors, inhibiting factors, and efforts to increase the effectiveness of budget management.

Data validation was carried out through source triangulation and document verification. Source triangulation was conducted by comparing budget information, realization data, and development indicators obtained from APBD documents, Lamongan Regency government reports, BPS publications, regional planning documents, and relevant scientific literature. Document verification was carried out by examining the issuing institution, publication year, consistency of figures, completeness of information, and relevance of each document to the research focus. When differences were found between sources, priority was given to the most recent official documents issued by authorized government institutions. This process was conducted to improve the credibility, accuracy, and consistency of the research findings.

With this method, the research is expected to be able to provide a comprehensive picture of the role of APBD management in supporting regional development in Lamongan Regency. In addition, this approach also allows researchers to analyze budget management not only from the administrative side, but also from its relationship with the achievement of more equitable, transparent, accountable, and sustainable development.

4. Results and Discussion

The management of the Regional Revenue and Expenditure Budget (APBD) of Lamongan Regency is basically directed to support regional development priorities that have been formulated in the development planning document, both through the Regional Medium-Term Development Plan (RPJMD) and the local government work plan. The APBD not only functions as a financial document, but also as a public policy instrument that determines the direction of regional development. Through the APBD, local governments determine budget allocations in strategic sectors, such as infrastructure, education, health, agriculture, fisheries, community economic development, and public services (Marsuni & Kamal, 2024).

From the perspective of *public financial management* theory, the orientation of the APBD toward development priorities reflects the principle of allocative efficiency, namely the ability of the local government to direct limited financial resources toward sectors that provide the greatest benefits to the community (Cuadrado-Ballesteros & Bisogno, 2022). Aggregate fiscal discipline is reflected in the consistency between revenue capacity, expenditure limits, and budget realization, while operational efficiency is reflected in the ability of each Regional Apparatus Organization (OPD) to convert budget inputs into measurable development outputs and outcomes (Imantria & Kurnia, 2024). Therefore, transparency, accountability, supervision, and managerial capacity determine whether the APBD produces public value or merely achieves a high level of financial realization (Cuadrado-Ballesteros & Bisogno, 2022; Firdaus & Mariana, 2026; Kartika & Ningsih, 2024; Marsuni & Kamal, 2024).

In the context of regional development, the management of the Lamongan Regency APBD shows an orientation to sectors that are directly related to the needs of the community. Budget allocation in the infrastructure sector, for example, plays a role in supporting the construction of roads, bridges, drainage, public facilities, and supporting facilities for community economic activities. Infrastructure development is important because it is directly related to population mobility, distribution of agricultural and fishery products, access to public services, and smooth local economic activities. Thus, budget management in the infrastructure sector not only has an impact on physical development, but also contributes to increasing productivity and regional connectivity (Imantria & Kurnia, 2024; Ramadania & Kamal, 2024).

In addition to infrastructure, the education sector is also one of the important targets in regional budget management. The local government allocates a budget to support the improvement of the quality of educational facilities, renovation of school facilities, educational assistance, procurement of learning facilities, and improvement of the quality of educators. Budget management in the education sector plays a role in expanding public access to better education services (Imantria & Kurnia, 2024). This is in line with the goals of regional development which not only emphasizes economic growth, but also improves the quality of human resources (Imantria & Kurnia, 2024).

In the health sector, budget management is directed to support the improvement of health facilities, the procurement of medical devices, hospital and health center services, and public health programs. The health budget is important because the quality of health services is one of the indicators of the success of regional development (Imantria & Kurnia, 2024). Adequate health services can improve public health, reduce the socio-economic burden of families, and support community productivity (Imantria & Kurnia, 2024). Therefore, the effectiveness of health budget management needs to be seen not only from the size of the budget allocation, but also from the accuracy of program targets and the improvement of the quality of services received by the community (Cuadrado-Ballesteros & Bisogno, 2022; Imantria & Kurnia, 2024).

The management of the Lamongan Regency APBD is also related to the economic development of the community. As a region that has potential in the agriculture, fisheries, trade,

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small industries, and MSME sectors, regional budget policies need to be directed to strengthen these productive sectors. Budget support can be realized through training programs, business assistance, provision of economic facilities, regional market development, strengthening marketing access, and assistance for small business actors. In this case, the APBD plays a role as an instrument of local government to encourage local economic growth and improve community welfare (Imantria & Kurnia, 2024; Ramadania & Kamal, 2024).

On the other hand, local governments have also begun to take advantage of the digitization of financial administration as part of efforts to increase transparency and effectiveness of budget management. Digitalization in budget management can help the planning, implementation, reporting, and supervision processes become more orderly, fast, and easy to monitor (Jin & Wang, 2025; Purnamasari et al., 2024). The use of digital systems can also reduce the potential for administrative errors and encourage information disclosure to the public (Jin & Wang, 2025; Purnamasari et al., 2024). However, the effectiveness of digitalization is highly dependent on the readiness of human resources, system integration, and the commitment of local governments in using data as a basis for decision-making (Firdaus & Mariana, 2026; Kartika & Ningsih, 2024; Marsuni & Kamal, 2024; Sunardi et al., 2019).

Although the management of the APBD has been directed to priority sectors, there are still several challenges in its implementation. One of the problems that often arise is the delay in budget absorption in several Regional Apparatus Organizations (OPD). This delay can be caused by immature planning processes, administrative constraints, delays in the procurement of goods and services, or lack of coordination between implementing units (Vidyattama et al., 2022). The low effectiveness of budget absorption can have an impact on delays in the implementation of development programs, so that the benefits of the program cannot be felt optimally by the community (Vidyattama et al., 2022).

The change in expenditure efficiency can be explained by differences in program readiness, procurement schedules, expenditure composition, coordination quality, and the capacity of the apparatus between implementation periods (Imantria & Kurnia, 2024; Vidyattama et al., 2022). Expenditure efficiency tends to increase when budget allocations are absorbed on time and successfully converted into outputs that correspond to development targets (Imantria & Kurnia, 2024). Conversely, efficiency tends to decrease when procurement delays, overlapping responsibilities, weak data integration, administrative constraints, or inappropriate spending priorities result in idle budgets or development outputs that do not meet predetermined targets (Vidyattama et al., 2022). Similar problems were found in regional financial management practices, where suboptimal planning, overlapping institutional functions, weak digital databases, and insufficient supervision affected the achievement of financial management targets (Marsuni & Kamal, 2024; Purnamasari et al., 2024).

Thus, changes in expenditure efficiency should not be interpreted solely as an increase or decrease in the percentage of budget realization. A high level of realization may still be inefficient when the resulting outputs are not proportional to the costs incurred, are delayed, or do not correspond to community needs (Cuadrado-Ballesteros & Bisogno, 2022; Imantria & Kurnia, 2024). Conversely, a lower realization may remain relatively efficient when expenditure savings are achieved without reducing the quality and quantity of public services (Imantria & Kurnia, 2024). Therefore, the assessment of Lamongan Regency's expenditure efficiency needs to consider the relationship between budget inputs, program outputs, development outcomes, implementation time, and the quality of benefits received by the community (Cuadrado-Ballesteros & Bisogno, 2022; Imantria & Kurnia, 2024).

In addition, inequality in development

between regions is also a challenge in managing regional budgets. Development that is more concentrated in a specific area can create a gap between urban and rural areas. This condition shows that budget management needs to pay attention to the principle of equity, especially in determining program priorities and development locations. Local governments need to ensure that budget allocations are not only oriented to developing areas, but also reach areas that still need improved access to infrastructure, education, health, and the economy.

Weak supervision is also one of the factors that can hinder the effectiveness of budget management. Suboptimal supervision can cause development programs to not run as planned, the use of the budget is not on target, or the quality of development results is not in accordance with the needs of the community (Purnamasari et al., 2024). Therefore, supervision needs to be carried out in layers, both through internal supervision of local governments, legislative supervision, and community participation. Community involvement is important to ensure that development programs are truly in line with real needs and conditions on the ground (Marsuni & Kamal, 2024).

Another factor that also affects the effectiveness of budget management is the quality of human resources of government apparatus. Regional apparatus has an important role in preparing budget planning, implementing programs, making accountability reports, and evaluating development programs. Limited capacity of the apparatus can have an impact on weak planning, lack of precision in the preparation of program indicators, and low quality reporting (Kartika & Ningsih, 2024; Sunardi et al., 2019; Vidyattama et al., 2022). Therefore, increasing the capacity of the apparatus through training, technical assistance, and strengthening regional financial management competencies is an important need (Firdaus & Mariana, 2026; Kartika & Ningsih, 2024).

Based on these findings, it can be understood that the success of regional development is not only determined by the amount of budget available, but also by the quality of budget governance (Cuadrado-Ballesteros & Bisogno, 2022). A large APBD does not always guarantee the success of development if it is not managed effectively, transparently, accountably, and on target (Cuadrado-Ballesteros & Bisogno, 2022; Purnamasari et al., 2024). On the other hand, good budget management can help local governments optimize available resources to achieve development priorities more evenly and sustainably (Purnamasari et al., 2024).

These findings are consistent with previous research, which found that effective management of village fund allocations can support infrastructure development and improve the community economy, although the level of effectiveness may fluctuate between implementation periods (Ramadania & Kamal, 2024). The findings also support previous research that identified weaknesses in planning, overlapping institutional functions, digital databases, supervision, and revenue management as factors that influence regional financial performance (Marsuni & Kamal, 2024). In addition, the emphasis on the capacity of government apparatus and financial digitalization is in line with research concluding that strategic decision-making, managerial adaptability, innovation, and digital transformation improve resource utilization and sustainable organizational performance (Firdaus & Mariana, 2026).

The findings regarding the relationship between expenditure allocation and regional development are also consistent with empirical evidence from 508 districts in Indonesia, which shows that education, health, and economic expenditures have a significant positive effect on human development, although capital expenditure does not always produce the expected outcome (Imantria & Kurnia, 2024). The finding concerning budget absorption delays is also consistent with previous research showing that human resource capacity, administrative problems, bargaining processes, and political interactions can slow budget preparation and implementation in Indonesian local governments (Vidyattama et al., 2022). Meanwhile, the importance of human resource competence, internal control, and information systems is supported by empirical findings showing that these factors contribute to financial reporting quality, government accountability, transparency, and sustainable development performance (Kartika & Ningsih, 2024; Purnamasari et al., 2024).

However, this study differs from previous empirical studies in terms of the scope and context of the analysis. Ramadania and Kamal (2024) focused on the effectiveness of village fund allocation management in Sinjai Regency, while Marsuni and Kamal (2024) focused on the management of locally generated revenue in Pangkajene Regency and Islands. Firdaus and Mariana (2026) examined managerial capabilities and sustainable economic development through a systematic literature review. Imantria and Kurnia (2024) analyzed the relationship between local government expenditure and human development across districts in Indonesia, while Vidyattama et al. (2022) specifically examined the causes of local government budget delays. In contrast, this study analyzes the Lamongan Regency APBD more comprehensively by linking budget management with development achievements in the infrastructure, education, health, community economy, and public service sectors.

Efforts to increase the effectiveness of the management of the Lamongan Regency APBD can be carried out through several strategic steps. First, local governments need to strengthen budget planning based on community needs and development data. Data-driven planning will help local governments determine priority programs more objectively (Purnamasari et al., 2024). Second, supervision of the implementation of the program needs to be improved so that the budget used is truly in accordance with development goals (Purnamasari et al., 2024). Third, the quality of human resources needs to be strengthened, especially in the fields of planning, budgeting, implementation, and program evaluation (Kartika & Ningsih, 2024; Sunardi et al., 2019). Fourth, regional financial digitalization needs to be developed consistently so that the budget management process becomes more transparent, efficient, and easy to supervise (Jin & Wang, 2025; Purnamasari et al., 2024). Fifth, community participation needs to be increased so that regional development is more in line with the needs of residents (Firdaus & Mariana, 2026; Marsuni & Kamal, 2024; Ramadania & Kamal, 2024).

Thus, the management of the Lamongan Regency APBD has an important role in supporting the achievement of regional development, especially in the infrastructure, education, health, and economic development sectors of the community (Imantria & Kurnia, 2024). However, the effectiveness of this management still needs to be strengthened through improving the quality of planning, equitable distribution of budget, program supervision, strengthening the capacity of apparatus, and optimizing the regional financial digitalization system (Jin & Wang, 2025; Kartika & Ningsih, 2024). If these aspects can be carried out consistently, then the APBD can be a more effective development instrument in encouraging community welfare and sustainable regional development (Cuadrado-Ballesteros & Bisogno, 2022; Purnamasari et al., 2024).

To clarify the relationship between the management of the APBD and the achievement of regional development, the focus of budget allocation can be seen from priority sectors that are directly related to the needs of the community. Each budget sector has a different form of program, but it is generally directed to support the improvement of public services, equitable development, and regional economic growth. These relationships can be seen in Table 1 below.

Table 1. Regional Budget Priorities, Program Forms, and Their Linkages to Development

Budget Focus	Program Form	Linkages with Development
Infrastructure	Roads, bridges, drainage, public facilities	Improve connectivity and economic activity
Education	School renovations,	Improving the

	learning facilities, educational assistance	quality of human resources
Health	Health centers, medical devices, public health programs	Improving the quality of healthcare
Community economy	MSMEs, agriculture, fisheries, regional markets	Driving local economic growth
Financial digitalization	Budget administration and reporting system	Increase transparency and accountability

Based on Table 1, it can be seen that the management of the Lamongan Regency APBD has a direct relationship with various aspects of regional development. Budget allocation in the infrastructure sector plays a role in strengthening regional connectivity and supporting community economic activities. Meanwhile, the education and health budget is directed to improve the quality of human resources and basic services. In the community's economic sector, support for MSMEs, agriculture, fisheries, and regional markets is an important part of encouraging local economic growth. In addition, regional financial digitalization is also a supporting element in increasing transparency, accountability, and effectiveness of budget management.

5. Conclusion

Based on the results of the discussion, the management of the Lamongan Regency Regional Revenue and Expenditure Budget (APBD) plays an important role in supporting the achievement of regional development. The APBD is the main instrument of local governments in directing development programs in priority sectors, such as infrastructure, education, health, community economic development, and improving public services. Effective, transparent, and accountable budget management can help local governments in accelerating the implementation of development programs and improving the quality of services to the community.

The main findings in this study show that the management of the Lamongan Regency APBD has been directed to support regional development through budget allocation in strategic sectors. However, the effectiveness of budget management still faces several obstacles, including delays in budget absorption in several Regional Apparatus Organizations, inequality of development between regions, weak program supervision, and limited quality of apparatus human resources. These obstacles show that the success of regional development is not only determined by the size of the budget, but also by the quality of budget planning, implementation, supervision, and evaluation.

The implications of this study show that local governments need to strengthen the governance of the APBD so that it is more based on community needs and development data. Strengthening budget planning, increasing the capacity of apparatus, optimizing regional financial digitalization, and stricter supervision are important steps to increase the effectiveness of budget management. In addition, community participation also needs to be increased so that development programs are more targeted and able to encourage equitable development in a sustainable manner.

This study has limitations because it uses a qualitative descriptive approach based on literature studies and secondary data, so that it has not measured the relationship between budget management and development achievements quantitatively. Therefore, further research is recommended to use APBD realization data, regional development indicators, and quantitative or mixed analysis methods so that the relationship between budget management and development achievements can be analyzed in more depth.

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