

**SOCIAL DEVELOPMENT UNIT – WORLD BANK
MEDIA MONITORING REPORT VILLAGE LAW**

Period: January 12-18, 2017

HEADLINES

- **Data from the Ministry of Villages showed that the absorption rate of the 2016 Dana Desa (DD) was 95%, higher than the rate in 2015 (83%).** With regard to financial reporting, around 30% of the 74,754 villages have not submitted their bi-annual financial reports. The media reports indicate that the delay was due to untimely disbursement of the DD from the central government and difficulties in meeting reporting requirements.
- **The Ministry’s data also showed that throughout 2016, 628 reservoirs or wet ponds have been built using the DD.** The government aims to build a total of 3,000 reservoirs by 2017, primarily for fishery and agricultural purposes.
- *Suara Merdeka* daily issued a special report on ex-PNPM Program assets, which have been discontinued since Dec 31, 2014. **In the Banyumas district, programs such as the evolving fund for the local community and the savings and loan scheme for women were still operating, with a total value of IDR 110 billion in 21 sub-districts.** It is estimated that nationwide the total amount of ex-PNPM Program assets reached IDR 10 trillion.
- **The Ministry of Health launched a joint health program with a number of government agencies, called “Nusantara Sehat” (healthy archipelago)** that has a focus on health issues in the disadvantaged regions, outer islands, and the Indonesian border regions. The activities included deployment of health workers, development of the Internet network for community health centers and basic infrastructures to improve access to clean water and sanitation. 122 districts were categorized as disadvantaged regions.
- Data from an environment NGO Scale Up showed that in 2016 **there were 73 cases of natural resource conflicts in the Riau Province, of which 10 cases occurred in the forest plantation areas (HTI).** Three large cases occurred last year in the districts of Kampar, Teluk Meranti, and Minas, involving a forced eviction of hundreds of indigenous people and local community members.

1. THE DISBURSEMENT AND REPORTING OF DD

Data from the Ministry of Villages showed that the absorption rate of the 2016 Dana Desa (DD) was 95%, or higher than the 2015 rate of 83%. With regard to financial reporting, around 30% of the 74,754 villages have not submitted their bi-annual financial reports. The Secretary General of the Ministry of Villages stated that most of the villages that experienced delays in the reporting were villages in eastern Indonesia. An extension period was granted to these villages to allow a submission by February 2017 and in order to allow a timely disbursement of the 2017 DD Phase 1 in March 2017.

The media reported several reasons behind the delays. First, the delays were in part due to consequence of delayed DD disbursements from the central government. Secondly, many villages found that the reporting format and processes were complicated. Many reports were returned to the village for revision. The Ministry is currently discussing options to simplify reporting obligations with the state supreme audit board (BPK) and the development and financial supervisory board (BPKP). In Banten, the media reported that the Maja sub-district government set up a team comprising of nine sub-district government officials to assist the villages in preparing the village budget realization reports.

Separately, a researcher from the Makna Indonesia Institute asserts that the 70% completion rate in village financial reporting was an indication that the role of village facilitators and community oversight has not been effective.

Sources:

- [*30% Dana Desa Belum Dilaporkan*](#) – Koran Sindo, January 11, 2017
- [*Penyerapan Dana Desa Tahun 2016 Sebesar 95 Persen*](#) – Suara Merdeka.com, January 12, 2017
- [*30% Desa Belum Laporkan Penggunaan Dana Desa*](#) – Suara Pembaruan, January 12, 2017
- [*Pengamat Nilai Mendes Pdti Belum Lakukan Gebrakan*](#) – Gatra.com, January 13, 2017
- [*Pelaporan Penggunaan Disederhanakan*](#) – Bisnis Indonesia, January 12, 2017
- [*Pelaporan Penggunaan ADD di Maja Banyak Kesalahan*](#) – Radar Banten, January 18, 2017

2. THE DEVELOPMENT OF WET POND IN THE VILLAGE

Throughout 2016, 628 reservoirs or wet ponds have been built using the DD. The government aims at building a total of 3,000 reservoirs by 2017, primarily for fishery and agricultural purposes. The Director General for the Community Empowerment, stated

that villages are encouraged - not obliged - to build wet ponds, to stimulate economic growth, and to make use of abundant idle village land. A recommendation to develop wet pond would be offered to villages that have the capacity and potential, but a final decision would fall in the hands of the village governments.

Sources:

- [2016, 628 Unit Embung Berhasil Dibangun Dari Pemanfaatan DD](#) – Suara Merdeka.com, January 12, 2017
- [Bangun 3 Ribu Embung Baru](#) – Jawa Pos, January 15, 2017

3. MANAGEMENT OF EX-PNPM PROGRAM ASSETS

Central Java-based Suara Merdeka daily issued a special report on ex-PNPM Program assets in Central Java on Jan 16. The special report included stories on the management of ex-PNPM assets in a number of districts in Central Java and issues concerning the unclear legal status of these assets. Previously on Jan 6, the deputy head of the Anti-corruption Committee (KPK) stated that KPK would ask for a formal clarification to the Joko Widodo administration concerning the legal status of ex-PNPM assets. According to the KPK, the total value of ex-PNPM assets amounted to IDR 10 trillion.

Even though the PNPM program was discontinued since Dec 31, 2014, some programs such as evolving fund for the local community and saving and loan scheme for women were still operating. In the Banyumas district, the media reported that a value of ex-PNPM Program assets in all 21 sub-districts reached around IDR 110 billion, including funds and physical assets (buildings, vehicles, and lands). The amount of funds managed in each district ranged between IDR 5-6 billion, of which the value kept increasing overtime. In the Brebes District for example the inter-village cooperation body (BKAD) coordinated these activities. In the Klaten district, similar activities were managed by a unit within the sub-district government (UPK), in coordination with BAKD at the sub-district level. Many of the BAKDs have not obtained legal status yet.

Ex-PNPM facilitators and legal experts from a local university urged the government to issue a regulation to address the issue of ex-PNPM assets management and coordination among government agencies, especially the Ministry of Home Affairs and the Ministry of Villages. A legal expert from General Soedirman University suggested that ex-PNPM assets were registered as district government assets, while waiting for a central government regulation. Registering ex-PNPM assets to the district government is necessary to ensure accountability.

Sources:

- [*Penyisihan Surplus Untuk Beli Aset*](#) – Suara Merdeka, January 16, 2017
- [*Nasib Pnpm Di Tangan BPK*](#) – Suara Merdeka, January 16, 2017
- [*Serahkan Dulu Ke Kas Negara*](#) – Suara Merdeka, January 16, 2017
- [*Aset PNPM Mengambang*](#) – Suara Merdeka, January 16, 2017
- [*Penyisihan Surplus Untuk Beli Aset*](#) – Suara Merdeka, January 16, 2017

4. MISUSE AND CORRUPTION OF THE VILLAGE FUND

In Aceh, two anti-corruption NGOs - the Aceh Society for Transparency (MATA) and Public Information Center (LIRA) - criticized a statement by the Head of the Southeast Aceh District Inspectorate Office, which claimed that results of the 2016 DD audit were classified information and could not be disclosed to the public. The Head of the Inspectorate Office stated that the disclosure of audit results could only be done based on an order of the district head. The anti-corruption NGOs stated that DD audit results were public documents and according to Law No 14 of 2008 on Public Information the public has the rights to access the information.

In the Aceh Tamiang district, hundreds of villagers signed a petition demanding a clarification from the village head concerning the DD and ADD funded projects in 2015 and 2016 with the total budget of IDR 857 million. The villagers claimed that these projects, such as water and sanitation project, renovation of a village mosque, road improvement, were of poor quality and abandoned. Both the village head and the sub-district head claimed that the concerned projects were not abandoned, but still unfinished and would be completed in 2017.

In the Grobogan district (Central Java), the media reported illegal levies to residents of the Plosoharjo village participating in the national land certification program (PRONA). The village head demanded a payment of IDR 650,000 from each individual who registered for the program. A representative of the district land agency (BPN) explained that the land certification program is free of charge, but the village head claimed that since the registration was coordinated by the village office, the money - collected from 127 land owners – was needed to pay for administration and transportation costs.

Sources:

- [*Hasil Audit Dana Desa 2016 Rabasia*](#) – Serambi Indonesia, January 12, 2017
- [*Warga Melidi Desak Pertanggungjawaban ADD*](#) – Serambi Indonesia, January 16, 2017
- [*Desa Tarik Dana Warga untuk Proses PRONA*](#) – Suaramerdeka.com, January 18, 2017

5. PUBLIC SERVICE DELIVERY: HEALTH

The Ministry of Health launched a joint health program with a number of government agencies, called “Nusantara Sehat” (healthy archipelago) that has a focus on health issues in the disadvantaged regions, outer islands, and the Indonesian border regions. In this joint initiative, the Ministry of Health focuses on effort to address unequal distribution of health workers, the Ministry of Communication focuses on providing the Internet network for community health centers, while the Ministry of Public Works focuses on building basic infrastructures to improve access to clean water and sanitation. Based on the Presidential Decree No 131 of 2015, as many as 122 districts were categorized as disadvantaged regions.

Separately in East Java, the Donorojo village initiated a schooling program for the disabled people in the village. The program was still at its initial stage, in which only 5 children participated. There were 20 disabled people in the village, mostly children below 20 years old, consisting of mental illness (60%) and physical disability (40%). IDR 5 million has been allocated from the DD for the period of Aug-Dec 2016 and the program would be continued in 2017.

Sources:

- [*Lima Kementerian Berkolaborasi Membangun Kesehatan Di Daerah Pinggiran*](#) – Gatra, January 13, 2017
- [*Menumbuhkan Kepercayaan Diri Kaum Difabel*](#) – Kompas, January 17, 2017

6. INDIGENOUS PEOPLE AND ADAT COMMUNITIES

Data from an environment NGO Scale Up showed that in 2016 there were 73 cases of natural resources conflict in the Riau Province, of which 10 cases occurred in the HTI areas. Three large cases occurred last year in the following three districts: Kampar, Teluk Meranti, and Minas, in which a total of hundreds of indigenous and local community members were forcedly evicted.

Separately in the North Sumatera Province, a draft of the bylaw on the protection of the rights of indigenous people is being prepared and will be included in the 2017 provincial legislation program (Prolegda) list for deliberation.

Sources:

- [Perusabaan HTI Diduga Serobot Tanah Adat](#) – Media Indonesia, January 16, 2017
- [Daerah Dorong Legislasi Lindungi Masyarakat Adat](#) – Kompas, January 13, 2017

7. ADDITIONAL NEWS

- CENTRAL JAVA: the Kendal District have set up 10 Community Information Groups (KIM) in eight sub-districts since 2014. KIM is assigned to help the government with the dissemination of information on ongoing government programs, such as electronic identity card (E-KTP), local elections, online village, etc (*source: [Diskominfo Bakal Giatkan Pembentukan KIM](#) – Suara Merdeka, January 13, 2017*).
- NORTH SUMATERA: Villagers in the Gunung Melayu Village (Labura District) protested DD-funded local infrastructure projects, claiming that no proper public consultations were conducted (*source: [Warga Protes Proyek Dana Desa](#) – Waspada, January 16, 2017*).
- EAST NUSA TENGGARA: the West Sumba District government set a target that all 63 villages have issued a village annual budget (ABPDes) by February 2017. The district government would be facilitating the preparation of the 2017 budget, in light of an increased DD allocation. IDR 53 billion of DD would be disbursed to 63 villages (*source: [Tabun 2017, Sumba Barat Dapat Dana Desa Rp 53 Miliar](#) – Kupang.tribunews.com, January 13, 2017*).
- CENTRAL JAVA: the 2017 DD in the Sukoharjo district will increase by IDR 27 billion from ID 96 billion last year. Similarly, the amount of ADD will slightly increase from IDR 95 billion to IDR 96.1 (*source: [Anggaran Dana Desa Naik Rp 27 Miliar](#) – Suaramerdeka.com, January 12, 2017*).
- CENTRAL JAVA: the media reported a delay in the payment of salaries for village heads and officials from 372 villages in the Magelang District. The payment would be made after the 2017 district budget (APBD) is issued, expectedly in March 2017 (*source: [Pencairan Gaji Kades Dan Perades Tunggu APBD 2017](#) – Suaramerdeka.com, January 15, 2017*).