

SOCIAL DEVELOPMENT UNIT – WORLD BANK
MEDIA MONITORING REPORT VILLAGE LAW
Period: February 16-22, 2017

HEADLINES

- **The government instructed local governments to allocate 25% of the general allocation fund (DAU) for infrastructure.** Deputy Minister of Finance Mardiasmo stated that in 2017 a total of IDR 764.9 trillion in DAU would be transferred to sub-national governments. In order to allow 25% allocation for infrastructure, measures to reform the local bureaucracy are required.
- Despite an increased in allocation of DD in 2017, **delays in the submission of the 2016 budget realization reports in various districts would likely to delay the disbursement of the 2017 DD Phase 1.** For example, only a few of 132 villages in the Southwest Aceh district had submitted their reports.
- The Indonesia Corruption Watch (ICW) revealed a data that **in 2016 as many as 62 corruption cases occurred at the village government level, with a total financial loss of IDR 10.4 billion.** Of these, 61 cases involved the village heads. With respect to the total number of cases, the village government ranked three, after the district and municipality governments.
- In addition to local infrastructure, **the Ministry of Villages encouraged villages to allocate 20-30% of the village budget on basic social services.** The Ministry of Villages acknowledged that the quality of basic social services in rural areas was generally poor. The General Secretary of the Ministry, Anwar Sanusi, stated that over 50% of the 74,000 villages were categorized as least developed, a status that reflected the poor quality of such services.
- **The media reported two corruption cases of PNPM evolving fund, respectively in Central Java and NTT, with a total loss of over IDR 700 million.** In the Tegal District (Central Java) the suspect was charged by a seven year of imprisonment and IDR 200 million fine, while in the Ende District (NTT) the case was still being investigated by the district attorney.
- **The government plans to set up a task force (satgas) to accelerate the implementation of social forestry program.** It would be established by a presidential decree, with the main tasks of collecting data, reviewing regulations, and facilitating dialogues with local stakeholders, including the *adat* (indigenous customary) communities. Expectedly the task force would complete its tasks by the end of 2017. The government aims to implement social forestry program in 12.7 million hectares of forests across the country.

1. VILLAGE DEVELOPMENT

The government instructed local governments to allocate 25% of the general allocation fund (DAU) for infrastructure. Deputy Minister of Finance Mardiasmo stated that in 2017 a total of IDR 764.9 trillion in DAU would be transferred to sub-national governments. In the previous years, a large percentage of local budgets were allocated for routine expenditure. In order to allow 25% allocation for infrastructure, measures to reform the local bureaucracy are required.

Separately, the Executive Director of the Regional Autonomy Oversight Committee (KPPOD) Robert Endi Jaweng stated that however, 25% allocation for infrastructure appeared to be unrealistic considering the fiscal constraint among the regional governments. Jaweng asserted that many local governments would see a significant cut in the budget for public services, which in turn would affect the quality of public service delivery.

Sources:

- [*Dana Bagi Hasil 25% untuk Infrastruktur*](#) – Koran Sindo, February 21, 2017
- [*Daerah Sulit Prioritaskan Infrastruktur*](#) – Koran Sindo, February 22, 2017

2. THE DISBURSEMENT AND REPORTING OF DD

Despite an increased allocation of DD in 2017, delays in the submission of the 2016 budget realization reports in various districts would likely to delay the disbursement of the 2017 DD Phase 1. In the Pandeglang District (Banten), 20 out of 326 villages had not submitted their reports. A worse situation was reported in the Southeast Aceh District in which only a few of 132 villages had submitted their reports. The media also reported a similar development in the Ende District (NTT), the Karanganyar District (Central Java), and the Nagan Raya District (Aceh).

Sources:

- [*Penerimaan Dana Desa Aceh Selatan Naik*](#) – Waspada, February 16, 2017
- [*Kabag Pemerintahan Salahkan DPMPD*](#) – Radar Banten, February 16, 2017
- [*Kadis: Segera Serahkan LPPG*](#) – Aceh.tribunnews.com, February 17, 2017
- [*Kepala BPMD Ende Ingatkan ADD Bisa Dicairkan Apabila Sudah Ada LPJ*](#) – Kupang.tribunnews, February 19, 2017
- [*Pengucuran Dana Desa di Kabupaten Banjar Terancam Molor, Ada Masalah Apa Ya?*](#) – Banjarmasin.tribunnews, February 19, 2017
- [*Pencairan Dana Desa Mundur*](#) – Krjogya.com, February 20, 2017
- [*Tanpa LPJ, Desa Tak Dapat Dana*](#) – Serambi Indonesia, February 20, 2017

3. VILLAGE GOVERNANCE

The Minister of Villages emphasized that community participation is an important element in the effort to increase transparency and accountability of DD management. The village governments are expected to ensure public access to information on the village budget, among other by displaying the information on banners and other information tools. Availability of information is key to community oversight.

The State Commission of Public Information (KIP) of Banten Province received nine complaints from the community on the use of DD in 2017, mostly from villages in the Tangerang District and Serang municipality. Generally, the community members complained about the lack of information concerning the allocation and realization of DD in their respective villages. The Commission encouraged the village governments to set up a dedicated unit to handle communication and information affairs.

In Central Java, the BPD (village consultative body) communication forum of the Bergas Sub-district (Semarang Regency) criticized the allocation of IDR 5 million per village, paid to village officials selection committee in the district, as highly inefficient. The forum argued that the total costs allocated for 208 villages would reach more than IDR 1 billion. Instead of using an external selection committee, the Forum proposed for the role of the BPD to be strengthened to carry out selection processes.

Sources:

- [*Menteri: APBDes Harus Dipublikasikan ke Masyarakat*](#) – Serambi Indonesia, February 19, 2017
- [*Informasi Dana Desa Disengketa*](#) – Radar Banten, February 17, 2017
- [*Dana Perekrutan Perangkat Desa Dipertanyakan*](#) – Suara Merdeka, February 18, 2017

4. CORRUPTION

The Indonesia Corruption Watch (ICW) revealed a data that in 2016, as many as 62 corruption cases occurred at village government level, of which 61 cases involved the village heads. The total loss from these cases reached IDR 10.4 billion. With respect to the total number of cases, the village government ranked three, after the district and municipality governments. According to ICW, there were 219 cases at district level governments resulting in IDR 478 billion of financial loss. Meanwhile, while at municipal governments level, 73 cases were found with a loss of IDR 247 billion.

The media reported a number DD corruption cases. In North Sumatera, residents of Sumber Tani Village reported an allegation of DD fund misuse by the village head to the Batubara district house of representative (DPRD). The village head was accused of

manipulating budgets for DD-funded projects in 2013, 2015, and 2016, as well as embezzling the *silpa* (the annual budget surplus) of the 2013 village budget. The DPRD representatives promised to send an investigation team.

In South Kalimantan, the Head of Kembaran Baru Village of the Kuala Barito District was brought to trial over DD corruption case. The village head was accused of misusing IDR 171 million DD last year. Meanwhile in South Sulawesi, a local NGO named Kompda LP-KPK (the institute for government policy oversight) was reported to the district government for demanding payment from a number of villages to support their programs. A number of village heads reportedly have contributed a certain amount of money to the NGO.

From North Sumatra, the media reported that data by the Indonesia Corruption Watch (ICW) chapter of the Dairi district showed that implementation of DD-funded projects in 40 out of 150 villages in the district were problematic. In a recent survey to the villages, the ICW found strong indication that projects in these villages had been marked-ups, or implemented not in accordance with the budget plan (RAB).

Sources:

- [*Korupsi Merambah ke Desa*](#) – Pikiran Rakyat, February 20, 2017
- [*Ada Korupsi Hingga Di Desa*](#) – Koran Tempo, February 20, 2017
- [*Dana Desa*](#) – Pikiran Rakyat, February 22, 2017
- [*Kades Harus Kembalikan Dana Silpa*](#) – Waspada, February 17, 2017
- [*DD dan ADD Harus Dinsut*](#) – Waspada, February 21, 2017
- [*Dua Kasus Korupsi di Batola Akan Disidang, Salah Satu Terdakwa Masih DPO*](#) – Banjarmasin.tribunnews, February 20, 2017
- [*Waspada! Ada LSM Rajin "Minta" Dana ke Kades*](#) – JPPN.com. February 20, 2017
- [*40 Desa di Dairi Gunakan DD Bermasalah*](#) – Waspada, February 22, 2017

5. LOCAL ELECTIONS

In Central Java, the House of Representative (DPRD) of the Banyumas District was discussing a draft bylaw on village head elections. One of the stipulations being considered in the bylaw concerns the place of origin of village head candidates running in elections. There is a possibility that the bylaw would allow non-native villagers to run the village head office.

In the NTT Province, a dispute on village head election in the Kila Village in the Ngada District was settled following a district head decision to acknowledge the results and inaugurate the village head elect on Feb 16. The district head requested all parties, who had protested the results, to accept the decision.

Sources:

- [Kades Bisa Dari Luar Desa](#) – Suara Merdeka.com, February 20, 2017
- [Proses Pilkades Kila Sudah Final](#) – Kupang Pos, February 17, 2017

6. BASIC SERVICE DELIVERY

The Ministry of Villages acknowledged that the quality of basic social services in rural areas is generally poor. The General Secretary of the Ministry, Anwar Sanusi, stated that over 50% of the 74,000 villages were categorized as least developed, a status that reflected the poor quality of such services. In addition to local infrastructure, the Ministry encourages villages to allocate 20-30% of the village budget on basic social services, such as clean water and sanitation, health center for mothers and infants, or community health facilities. Separately, the Deputy Minister for Regional Development at the State Ministry for Development Planning (BAPPENAS) made a similar remark. The villages are urged to pay more attention to the provision of basic services.

Sources:

- [Layanan Pendidikan dan Kesehatan di Desa Masih Buruk](#) – Koran Sindo, February 21, 2017
- [Bappenas akan Arabkan Dana Desa untuk Pelayanan Dasar](#) – Antaranews, February 21, 2017

7. EX-PNPM ASSETS

The media reported two corruption cases of PNPM evolving fund, respectively in Central Java and in NTT. In Central Java, a suspect in a corruption case of ex-PNPM fund was charged by a seven year of imprisonment and IDR 200 million fine. The suspect was tried in the Tegal District Court. The suspect was accused of embezzling a total of IDR 529 of the PNPM fund during his tenure as coordinator of PNPM recipient groups in the Jatinegara Sub-district.

Meanwhile in NTT, the Ende District Attorney was investigating a corruption of PNPM evolving fund in the Lio Timur Sub-district. A number of people, including a treasurer, a verification officer, and a number of recipients were questioned for their alleged involvement in a marks-up of PNPM fund disbursement. These suspects acted in concert in embezzling a total of IDR 200 million.

Sources:

- [Anida Dituntut 7,5 Tahun](#) – Suara Merdeka, February 16, 2017

- [Jaksa Periksa Penerima Dana PNPM Lio Timur](#) – Kupang Pos, February 22, 2017
- [Kerugian Negara PNPM di Lio Timur Rp 200 Juta](#) – Kupang Pos, February 21, 2017

8. SOCIAL FORESTRY AND INDIGENOUS PEOPLES

The government plans to set up a task force (satgas) to accelerate the implementation of social forestry program. The Director General of Village Development and Empowerment of the Ministry of Villages Ahmad Erani Yustika stated the task force would be established by a presidential decree, with the main tasks of collecting data, reviewing regulations, and facilitating dialogues with local stakeholders, including the *adat* communities. The task force is expected to complete its tasks by the end of 2017. The government aimed to implement social forestry program in 12.7 million hectares of forests across the country.

Separately in the Jambi Province, Social Affairs Minister handed over permanent houses to 23 families of the nomadic Anak Dalam tribe, also known as Orang Rimba, on Sunday in the Pulau Lintang village, Sarolangun Regency. In addition, the government also provided financial assistance for basic education program.

Sources:

- [Satgas Masyarakat Hukum Adat Disiapkan](#) – Kompas, February 21, 2017
- [Govt. Grants Houses to Orang Rimba](#) – Jakarta Post, February 20, 2017

9. ADDITIONAL NEWS

- WEST JAVA: Approximately 60 % of 300,000 pieces of land in the Bandung District had not been certified. In 2017, the Agrarian Reform and Tata Ruang Authority aimed to complete a certification process of 13,550 pieces of land in seven villages, primarily those owned by the village governments and customary institutions ([60% Tanah Belum Miliki Sertifikat](#) – Pikiran Rakyat, February 16, 2017).
- CENTRAL KALIMANTAN: A member of the Kotawaringin Timur District House of Representative (DPRD) raised a concern about the growing threat of horizontal conflict caused by village-border disputes. Unclear borders have been a major source of disputes among villages in light of an increased investment in the plantation sector, including a recently broke out incident between residents of the Patai and Rubung Buyung village ([Awas! Kerukunan Antardesa Bisa Terganggu](#) – Kalteng.prokal.co, February 20, 2017).
- WEST JAVA: In West Java, Garut District's status of underdeveloped region had been lifted. The district was successful in increasing the human development index (HDI) in the last three years, from 61.7 (2013) to 63.2 (2015), and ranked 25 out of 27

districts in the province ([*Kabupaten Garut Tak Lagi Jadi Daerah Tertinggal*](#) – Pikiran Rakyat, February 16, 2017).

- NORTH SUMATERA: The Deli Serdang District Government completed a renovation of 16 poor houses in several villages of the Gunung Meriah Sub-district. A similar program would be continued in the following years ([*Program Baru Yakin' Terus Berkelanjutan*](#) – Waspada, February 16, 2017).