

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

Period: Mar 30- Apr 5, 2017

HEADLINES

- The Village Development Index showed that over 20,000 villages (27.2 per cent) of all villages in Indonesia were categorized as ‘underdeveloped’, of which the majority (over 6,000 villages) were in Papua and West Papua. To reduce the number of underdeveloped villages, **the Ministry of Public Works would continue the Acceleration for the Improvement of Rural Water Management and Irrigation Program (PPP-TGAI) in 3,000 villages in 30 provinces.**
- The Ministry of Villages had implemented ‘**online village program**’ in 800 villages last year. This year, the program **would be scaled up to around 1,500 villages.** An online portal would be established in these villages as an information tools.
- **The first Innovative Village Festival of 2017 was held in the West Nusa Tenggara (NTB) Province.** The festival took as a theme provision of health service and education, with the aim to promote commitment to improve basic service delivery. The festival showcased ‘innovation shops’, where over 30 innovations from villages in districts in NTB were showcased.
- Member of the House of Representative (DPR) Sukiman expressed his optimism that **by 2019 the government would be able to allocate IDR 111 trillion of village funds (*Dana Desa – DD*),** or approximately IDR 1,5 billion per village. Separately, member of Supreme Audit Board (BPK) Bahrullah stated that management and reporting of DD were a more pressing challenge, rather than the misuse of DD.
- **The State Bureau of Logistics (BULOG) in co-operation with the Ministry of Villages established a BUMDes holding company called PT Mitra BUMDes Nusantara.** This enterprise is formed in partnership with the Bulog Pension Fund and Employee Co-operative (Kopelindo) with an initial investment of IDR 10 billion.

- **Member of the House of Representative (DPR) Dwita Ria Gunadi urged villages to allocate budget to build library.** She stated only 22,000 villages (30%) have library of the total 75,000 villages. Bill on the National Bookkeeping System (RUU Sistem Perbukuan) is being discussed by the DPR.

1. VILLAGE DEVELOPMENT

According to the Village Development Index, over 20,000 villages (27.2 per cent) of all villages in Indonesia were categorized as ‘underdeveloped’, of which the majority (over 6,000 villages) were in Papua and West Papua. To reduce the number of underdeveloped villages, the Ministry of Public Works would continue the Acceleration for the Improvement of Rural Water Management and Irrigation Program (PPP-TGAI) in 3,000 villages in 30 provinces. A budget of IDR 600 billion is allocated this year.

The Ministry of Villages has implemented ‘online village program’ in 800 villages last year. This year, the program would be scaled up to around 1,500 villages. An online portal would be established in these villages as an information tools. The village governments would be obliged to make information on annual budget and its utilization available on the portal.

The first Innovative Village Festival of 2017 was held in the West Nusa Tenggara (NTB) Province. The festival took as a theme delivery of education education and health, aiming to promote commitment to improve basic service delivery. The festival showcased ‘innovation shops’, where dozens of innovations from villages in all seven districts were showcased. In the opening ceremony, the Governor of NTB Dr. Zainul Majdi emphasized the importance of assessing priorities in village development. Once good basic services could be delivered, the next challenge would be to improve welfare. Ideas from the festival, he added, were expected to stimulate creative development programs to address local issues.

Sources:

- [Kemendes Gelar Pelatihan Desa Daring di Paser](#) – Kaltim.antaranews.com, April 1, 2017
- [2015-2019, Kempupera Kurangi 5.000 Desa Tertinggal](#) – Suara Pembaruan, March 30, 2017
- [NTB Gelar Festival Desa Inovatif 2017](#) – Republika.co.id, March 30, 2017

- [Puluhan Inovasi Dipamerkan di Festival Desa Inovatif 2017](#) – Suarantb.com, March 30, 2017
- [TGB: “Desa Inovatif Masa Depan NTB”](#) – Samawarea.com, March 31, 2017
- [Festival Desa Inovatif, Orang Kota Harus Belajar dari Masyarakat Desa](#) – Cendananews.com, March 30, 2017
- [Festival Desa Inovatif Pamerkan Sejumlah Program Unggulan](#) – Seruji.co.id, March 30, 2017
- [Gubernur Resmi Membuka Festival Desa Inovatif](#) – Ntbprov.go.id, March 30, 2017

2. THE DISBURSEMENT AND REPORTING OF DD

Member of the House of Representative (DPR) Sukiman expressed his optimism that by 2019 the government would be able to allocate IDR 111 trillion of DD, or approximately IDR 1,5 billion per village. He stated that strong government commitment could be observed from continued increase of the DD allocation, from IDR 20.7 trillion (2015) to IDR 80 trillion (2017). Separately, member of Supreme Audit Board (BPK) Bahrullah stated that management and reporting of DD were a more pressing challenge, rather than the misuse of DD.

The media reported progress in the reporting and disbursement of DD in some districts. The Murung Raya District (Central Kalimantan), the Banyuwangi District (East Java), and the Brebes District (Central Java) experienced a significant DD allocation in 2017. In Brebes, however, only 70 per cent of 292 village finalized the 2017 Village Budget (APBDes) – a requirement to claim DD transfer.

In the Banyuwangi District (East Java), the adoption of e-village budgeting had created problem in many villages. As many as 179 of 189 villages were unable to produce the 2017 annual budget plan in a timely manner using a newly adopted e-budgeting system. So far only 10 villages had completed the 2017 budget plan. On the contrary, the Sleman District (Central Java) had adopted village financial system (Siskeudes) in all 86 villages since 2016. All villages have used this system for budgeting and reporting purposes.

Separately Head of the Village Development and Empowerment Agency of South Kalimantan Gusti Sahyar estimated that over 90 per cent of DD would be allocated to local infrastructure projects. The trend, which had begun since the first disbursement of

DD in 2015, would continue in the next three years given poor condition of rural infrastructure in the province.

Sources:

- [*Pada 2019, Dana Desa Ditargetkan Capai Rp 111 Triliun*](#) – Pontianak.tribunews.com, April 3, 2017
- [*Bantuan Dana Desa Rp 272 Miliar*](#) – Suaramerdeka.com, April 3, 2017
- [*Dukung Dana Desa, Sleman terapkan Siskeudes*](#) – Suaramerdeka.com, March 30, 2017
- [*Dana Desa di Kalimantan Selatan Fokus ke Infrastruktur*](#) – Media Indonesia, April 3, 2017
- [*Di Banyuwangi, Seratusan Desa Terancam Kebilangan Dana Desa*](#) – Balipos.co.id, March 31, 2017
- [*Bupati Anas Imbau Anggaran Miliaran untuk Desa Sinergi dengan Pemkab*](#) – Detik.com, April 4, 2017
- [*Banyuwangi Dapat Rp 320 Miliar untuk Desa*](#) – Antaranews.com, April 4, 2017
- [*Kabar Gembira, ADD Tembus RP 63 Miliar*](#) – Kalteng.prokal.co, April 1, 2017
- [*BPK RI: Masih Ada Kelemahan dalam Pelaporan Dana Desa*](#) – Pontianak.tribunews.com, April 3, 2017

3. VILLAGE GOVERNANCE

The National Ombudsman Representative Office for Central Java would conduct a review on Village Regulations (*Perdes*) that allows the village government to collect fees from residents participating in the land certification program (PRONA). Many villages had reportedly issued a regulation following the issuance of Governor Circular No. 590/00026609 in February, which stipulates that contribution from land owner is acceptable under a condition that it is mutually agreed through a deliberation process. Prior to the circular, some villages had charged up to IDR 650,000 for land certification fees.

In Demak District (Central Java), more than 50% members of the District House of Representative (DPRD) agreed to exercise an interpellation rights to review District Head Regulation (*Perbup*) on the recruitment village officials recruitment procedure. The DPRD accused the district head of ignoring the bylaw (*Perda*) by issuing a *Perbup* on the same subject.

The Surakarta Municipal Government (Central Java) would ask permission from the Ministry of Home Affairs to continue a plan to split two urban villages (*kelurahan*), respectively Kadipiro and Semanggi, into four *kelurahan*. The reason of the proposed splitting was because the *kelurahan* had been overpopulated. The proposal was originally submitted in 2011, but was halted due to a moratorium policy.

From Aceh, the media reported that officials in 68 villages in the Lhokseumawe District had not been paid in six months. Last year, these officials were not paid for three months (Oct-Dec 2016) due to budget deficit. In 2017, a three-month salary (Jan-Mar) was on hold due to delay in the finalization of the 2017 budget plan.

Sources:

- [Pemkot Incar Izin Kemendagri](#) – Suaramerdeka.com, March 31, 2017
- [DPRD Ajukan Hak Interpelasi](#) – Suara Merdeka, March 30, 2017
- [Aparatur Gampong Sudab Enam Bulan Tak Bergaji](#) – Serambi Indonesia, March 30, 2017
- [Ombudsman Kaji Dugaan Malaadministrasi Perdes Prona](#) – Suara Merdeka.com, March 30, 2017

4. CORRUPTION AND MISUSE

The media reported two corruption cases in Aceh Province. In Aceh Tamiang District, 125 residents of Rantau Bintang Village signed a petition demanding the village head to step down from his office over lack of transparency in the village budget management. Dozens of projects in 2016, with a total value of IDR 258 million, had allegedly been marked-up. The village head denied the accusation.

Meanwhile in North Aceh, anti-corruption NGO Society for Transparency (MATA) urged the authorities to set up a team to investigate DD corruption in Cot Keupok village. The NGO reported corruption occurred in three DD-funded projects in 2015 with a total loss of IDR 223 million. The district inspectorate and attorney office previously stated that the accusation was not supported by sufficient evidence.

Sources:

- [Kejari Perlu Bukti Baru](#) – Serambi Indonesia, April 1, 2017
- [Inspektorat Harus Tanggung Jawab](#) – Serambi Indonesia, April 1, 2017

- [*Warga Desak Datok Mengundurkan Diri*](#) – Acehtribunews.com, April 3, 2017
- [*Datok: Tidak ada Penyelewengan Dana*](#) – Serambi Indonesia, April 3, 2017

5. BASIC SERVICE PROVISION: EDUCATION

Member of the House of Representative (DPR) Dwita Ria Gunadi urged the villages to allocate money to build library. She stated that only 22,000 villages (30 per cent) had library out of the total 75,000 villages. Bill on the National Bookkeeping System (RUU Sistem Perbukuan) is being discussed by the DPR.

The Ministry of Education planned to build 11 schools for students with disability (SLB) in 2017. The Director General for Special Education at the Ministry of Education Sri Renani Pantjastuti stated many regular schools had been tailored as ‘inclusive schools’ to provide education for students with special needs. Teachers in inclusive schools, however, were regular teachers who have received additional trainings, not teachers with certificate from a special education institution.

In Pidie District (Aceh), an early childhood education center (PAUD) building in Bili Aron village was reportedly stranded. The building was not in use because the village government had not obtained permit to run the PAUD. The PAUD was built using the 2015 DD, with a total budget of IDR 300 million. Head of PAUD Education Agency raised concern about unassertiveness of the village government, explaining that the Pidie District Government had the budget to support PAUD operational costs.

In East Java, the Sidoarjo District Head issued a regulation (*Perbup*) No. 50/2016 on holistic early childhood learning, which among stipulates obligation of parents to enroll their children in PAUD.

Sources:

- [*Pendidikan Usia Dini Jadi Perhatian Utama*](#) – Jawa Pos, April 4, 2017
- [*Paud Bili Aron Dibangun Menggunakan Dana Gampong*](#) – Serambi Indonesia, Apr 4
- [*Segera Panggil KPA*](#) – Serambi Indonesia, April 3, 2017
- [*Gedung PAUD Senilai Rp 300 Juta Terlantar*](#) – Serambi Indonesia, April 3, 2017
- [*Komisi X DPR Minta Kepala Desa Memajukan Perpustakaan*](#) – Metrotvnews.com, April 3, 2017
- [*Layanan Sekolah Inklusi Belum Maksimal*](#) – Jawa Pos March 31, 2017

6. VILLAGE-OWNED ENTERPRISES (BUMDes)

The State Bureau of Logistics (BULOG) in co-operation with the Ministry of Villages established a BUMDes holding company PT Mitra BUMDes Nusantara. This enterprise was established in partnership with the Bulog Pension Fund and Employee Co-operative (Kopelindo) with an initial investment of IDR 10 billion. BULOG Director Djarot stated that the holding company would focus on strengthening the management of BUMDes.

In West Kalimantan, the media reported that only 4 per cent of the villages in the province hadt BUMDes. Director of Gemawan Institute, Laili Khairnur, stated the lack of qualified BUMdes had caused ineffective implementation of village economic development program.

Sources:

- [*Bentuk "Holding" BUMDes, Bulog Anggarkan Rp 10 Miliar*](#) – Kompas.com, April 4, 2017
- [*Kemendes Bentuk Induk Badan Usaha Milik Desa*](#) – Media Indonesia, April 5, 2017
- [*Gemawan Sebut Dana Desa Harus Digunakan untuk Pengembangan Potensi UMKM*](#) – Pontianak.tribunews.com, April 1, 2017

7. EX-PNPM PROGRAM / ASSETS

In Temanggung District (Central Java), the PNPM had transformed into rural a sub-district level community empowerment trust fund (*Pengelola Dana Amanah Pemberdayaan Masyarakat* – DAPM). In Kandangan sub-district, DAPM continued to grow, accumulating a total asset of IDR 6.7 billion and scoring IDR 600 million profit.

Source:

- [*Eks PNPM Serahkan Dana Sosial*](#) – Suara Merdeka, March 31, 2017

8. VILAGE HEAD ELECTIONS

Simultaneous village head elections would be held in 80 villages in Garut District (West Java) on May 22, 2017. According to the Constitutional Court's decision No. 128/2015 the non-native residents are eligible to run for candidacy. Head of Village Development and Empowerment Agency (DPMPD) Asep Mulyana stated the government predicted

that competition would be tighter because many candidates would come from outside the village. The government had been prepared to anticipate any disturbances that might arise in the elections.

As many as 45 residents of the Alue Dawah Village signed a petition on March 21 rejecting the Aceh Barat Daya District Head to appoint Fready Sitinjak as an acting village head for the period of 2017-2018. The residents argued that the appointment was not made in consultation with local leaders.

Sources:

- [*Warga Tolak PJ Keuchik Alue Dawah*](#) – Serambi Indonesia, March 30, 2017
- [*Aturan Baru Pilkades 2017 Berpotensi Gejolak*](#) – Pikiran Rakyat, April 5, 2017

9. ADDITIONAL NEWS

- PAPUA: Seven villages in West Mimika sub-district (Mimika) used DD to purchase generator set (genset) for village electrification program ([*Warga Mimika Barat Nikmati Listrik Dana Desa*](#) – Bintang Papua, March 30, 2017).
- YOGYAKARTA: Provincial Food Resilience Agency (BKPP) stated that rural food insecurity was likely to occur in 20 villages due to an increased poverty and decline in food production. Most of the villages were in the districts of Kulon Progo (nine villages) and Gunungkidul (seven villages) ([*20 Desa di Yogyakarta Masih Rawan Pangan*](#) – Pikiran Rakyat, March 30, 2017).
- CENTRAL JAVA: The Purbalingga District Government stated that target of 100% open defecation free (ODF) was unlikely to be achieved this year. Despite IDR 3 billion budget allocation for this program, community participation in certain villages had been weak. Last year, the project only achieved 53% completion rate ([*Dianggarkan 3 Miliar, Jambanisasi Purbalingga Terkendala Minimnya Kesadaran Warga*](#) – Gatra.com, April 2, 2017).
- NORTH SUMATERA: The Humbang Hasundutan District Government formed a partnership with 153 villages to implement programs in the agricultural sector. Part of the program is to recruit agricultural extension workers (Petugas Penyuluh Lapangan or PPL), who would play an intermediary role between farmers and the District Agricultural Agency. The village would allocate DD fund to pay for the PPL salary,

approximately IDR 1.7 million per month ([*Dana Desa untuk Bayar Gaji PPL*](#) – Waspada, March 31, 2017).

- YOGYAKARTA: Gajah Mada University (UGM) organized a training of trainer for village facilitators from eight villages in the Kulon Progo District ([*DPKM UGM Gelar Pelatihan Kapasitas Pendamping Desa*](#) – Suara Merdeka.com, March 31, 2017).