

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

Period: Apr 24-30, 2017

HEADLINES

- **The Minister of Village stated that central government transfers to villages had positively contributed to improving welfare.** Improved welfare could be observed in two ways. Firstly, a survey by the Ministry of Village in 4,354 villages showed the number of ‘least developed villages’ (*desa tertinggal*) significantly decreased from 43 per cent to 29 per cent, while ‘least developing villages’ (*desa sangat tertinggal*) decreased from 13 per cent to 6 per cent.
- The General Secretary of the Ministry of Village Anwar Sanusi stated that village fund (*Dana Desa*, DD) Phase 1 had been transferred to 140 districts (or around 30 per cent of the total districts). **He expected that all districts would receive DD Phase 1 by the end of May.**
- The Minister of State-owned Enterprise (BUMN) Rini Soemarno officially launched PT Mitra BUMDes Nusantara (MBN) as a holding company for Village-owned Enterprise (BUMdes). The MBN is set up by the to the State Bureau of Logistics (Bulog) and its employee co-operative (KOPELINDO). Bulog becomes the majority shareholder (90 per cent), while the co-operative owns the remaining 10 per cent. **There were over 18,400 BUMDes in nearly 75,000 villages.** Of these, only 4,000 units scored profit last year.
- The government would accelerate the implementation of the agrarian reform program in 2017. **A total 21.1 million hectares of land would be redistributed, of which 12.7 million hectares are forest lands.** Since 2015 to February 2017, a total of 1.7 million hectares of land had been redistributed, including in transmigration and forest areas. The government had issued around 2 million land certificates under the agrarian reform.
- **The Gresik District Government (Central Java) was preparing an online village head elections application called *e-Pilkades*.** A simultaneous village head elections would be held in 19 villages in October, and *e-Pilkades* would be piloted in one village. The program would include creation of ‘real-time’ voter database and the use of finger print identification method.

1. VILLAGE DEVELOPMENT

The Minister of Village stated that central government transfers to villages has positively contributed to improving welfare. Improved welfare could be observed in two ways. Firstly, a survey by the Ministry of Village in 4,354 villages showed the number of the 'least developed villages' (*desa tertinggal*) significantly decreased from 43 per cent to 29 per cent, while the 'least developing villages' (*desa sangat tertinggal*) decreased from 13 per cent to 6 per cent. Secondly, in some regions, rural economic grew higher than the national growth. For example, in Sulawesi, the rural economy grew by 12 per cent last year.

Source:

- [Meningkatnya Kualitas Perdesaan](#) – Media Indonesia, April 26, 2017

2. THE DISBURSEMENT AND REPORTING OF DD

The General Secretary of the Ministry of Village Anwar Sanusi stated that DD Phase 1 had been transferred to 140 districts (or around 30 per cent of the total districts). He expected that all districts would received DD Phase 1 by the end of May.

In the Banyumas District (Central Java), 19 villages had not received DD because they had not issued the 2017 Village Annual Budget Plan (APBDes). In South Sulawesi, the government set a target that transfer of DD Phase 1 would be completed in July this year. In the East Nusa Tenggara (NTT), villages in the East Manggarai and West Malaka districts had not received the DD and ADD. In the Anambas District (Riau Islands), 11 villages had not submitted the 2016 budget realization reports.

Sources:

- [Bupati Ingin Kades Segera Cairkan Dana Desa](#) – Batampos.co.id, April 27, 2017
- [Pencairan Dana Desa Baru 140 Kabupaten](#) – Suara Merdeka, April 28, 2017
- [Dana Desa di Mabar Belum Disalurkan](#) – Kupang Pos, April 26, 2017
- [Realisasi Nol Persen](#) – Kupang Pos, April 26, 2017
- [Dana Desa Tabap I Mulai Dicairkan](#) – Suaramerdeka.com, April 25, 2017
- [Juli, Dana Desa Cair](#) – Fajar.co.id, April 25, 2017
- [ADD dan Dana Desa di Mabar Belum Cair](#) – Kupang.tribunews.com, April 25, 2017

3. CORRUPTION AND MISUSE

Budget corruption cases were reported in Yogyakarta and Central Java. In Yogyakarta, the Gunungkidul District attorney declared the Bunder Village Head as a suspect in APBDes corruption case. The case has reportedly caused IDR 138 million in monetary loss. Meanwhile, in the Temanggung District (Central Java), two DD corruption cases had received court decisions.

The South Bengkulu District Head Dirwan Mahmud dismissed five village heads in the Pino Raya Sub-district. Two of the village heads were dismissed due to an allegation of misusing the village budget, respectively in the Tungkal Dua and Padang Berieng villages, and were replaced by acting village heads. In Aceh, the authority was investigating two cases of village budget corruption, respectively in the Nagan Raya District and the Simeuleu District.

Sources:

- [*Warga Segel Kantor Desa*](#) – Serambi Indonesia, April 28, 2017
- [*Pembangunan USB di Detukeli Bermasalah*](#) – Kupang Pos, April 27, 2017
- [*Diduga Korupsi Dana Desa Rp137,9 Juta, Seorang Kades Jadi Tersangka*](#) – Kompas.com, April 27, 2017
- [*Polres Temanggung Target Ungkap Dua Kasus Korupsi*](#) – Krjogya.com, April 24, 2017
- [*Dewan Apresiasi Tindakan Bupati, Terkait Pemecatan Kades Asusila dan Korupsi*](#) – Bengkuluexpress.com, April 26, 2017
- [*Polres Selidiki Laporan Dana Desa*](#) – Serambi Indonesia, April 25, 2017
- [*Kades Korupsi APBDes Tampanan Keras Program Dana Desa*](#) – Jppn.com, April 29, 2017

4. VILLAGE GOVERNANCE

All 114 villages in the Gunungkidul District (Yogyakarta) had developed website that is integrated into the district's Village Information System (SID). The Gunungkidul District Head Badingah stated that this system could be used to improve public services, monitor and analyze program implementation, and to encourage transparency of village budget utilization.

In the Gresik District (East Java), the Regional House of Representative (DPRD) urged the district head to issue District Head Regulation (perbup) on the selection process of village officials. Currently, over 400 village official positions were reportedly vacant.

The media reported a four-month delay of salary payment for village heads and other officials in the South Bengkulu districts. The officials had not been paid since January 2017 due to delayed ADD transfer. It was delayed because the village government had not submitted detailed Budget Plan (RAB), required as one of the conditions.

Sources:

- [*Segera Terbitkan Perbup*](#) – Jawa Pos, April 25, 2017
- [*Kades 4 Bulan Belum Gajian*](#) – Bengkuluexpress.com, April 25, 2017
- [*Seluruh Desa di Gunung Kidul Punya “Website” yang Terintegrasi ke SID*](#) – Kompas.com, April 25, 2017

5. VILLAGE-OWNED ENTERPRISES (BUMDes)

The Minister of State-owned Enterprise (BUMN) Rini Soemarno officially launched PT Mitra BUMDes Nusantara (MBN) as a holding company for Village-owned Enterprise (BUMDes). The MBN is set up by the to the State Bureau of Logistics (Bulog) and its employee co-operative (KOPELINDO). The Bulog becomes the majority shareholder (90 per cent), while the co-operative has 10 per cent. The minister expected the local governments to co-operate with PT MBN in improving the performance of BUMDes. There were over 18,400 BUMDes in nearly 75,000 villages. Of these, only 4,000 units scored profit last year.

The media reported a progress in the establishment of BUMDes in some regions. In the Sumenep District (East Java), 112 villages out of 330 have formed BUMDes. Meanwhile, in the Gresik District, an additional 30 BUMDes have been established in 2017. In total 142 out of 188 villages have BUMDes.

Sources:

- [*Holding Bumdes Diluncurkan*](#) – Media Indonesia, April 28, 2017
- [*Holding Bum-Des Diluncurkan*](#) – Metrotvnews.com, April 28, 2017
- [*Penyaluran Pupuk ke Desa Sekarang Bisa Lewat Bumdes*](#) – Kompas.com, April 27, 2017
- [*Desa Punya Badan Usaha, Apa Untungnya Buat Petani?*](#) – Kompas.com, April 27, 2017
- [*112 Pemes di Sumenep Bentuk Bumdes*](#) – Antaranews.com, April 25, 2017
- [*Langgongsari Jadi Desa Agrobisnis Berbasis TI*](#) – Krijogya.com, April 26, 2017
- [*Trivulan I Terbentuk 30 Bumdes*](#) – Jawa Pos, April 30, 2017

6. HEALTH SERVICES

Head of Research, Development, Training, and Capacity Building Unit (Balilatfo) of the Ministry of Village Muhammad Nurdin stated that DD could be used to pay for the salary of midwives posted in villages. He explained that health is one of the priorities in village development. Costs that could be covered include community-based integrated health post (*posyandu*), clean water provision, and health workers.

Separately in the Bintan District (Riau Islands), delay in ADD and DD disbursement had affected payment of monthly contribution of the National Social Security Program (BPJS) for village officials such as village head, secretary, and other officials. Monthly BPJS contribution for village officials were paid from the village budget. Consequently, their BPJS memberships had been inactivated and they were temporarily uncovered.

Sources:

- [Kemendes PDTT: Bidan Kini Bisa Gunakan Dana Desa](#) – Detik.com, April 25, 2017
- [Pencairan Dana Desa tertunda, Layanan BPJS Ikut Macet](#) – Batampos.co.id, April 26, 2017

7. VILAGE HEAD ELECTIONS

The Gresik District Government (Central Java) was preparing an online village head elections application called “*e-Pilkades*”. A simultaneous village head elections would be held in 19 villages in October, and *e-Pilkades* would be piloted in one village. The program would include creation of ‘real-time’ voter database and the use of finger print identification method.

The Blora District Government would provide a financial assistance to all villages that hold village head elections in July. Each village would receive IDR 29 billion and they could raise additional fund from third parties. Separately in North Sumatera, the South Labuan Batu District Head instructed newly elected village heads to issue Village Mid-term Development Plan (RPJMDes) three months after being sworn on April 29.

Sources:

- [Siapkan Uji Coba E-Pilkades](#), - Jawa Pos, April 25, 2017
- [Bantuan Dana Pemkab Untuk Pilkades Minim](#) – Suaramerdeka.com, April 29, 2017
- [Dua Kades di Labusel Dilantik](#) – Antaranews.com, April 29, 2017

8. SOCIAL FORESTRY

The government would accelerate the implementation of the agrarian reform program in 2017. A total 21.1 million hectares of land would be redistributed, of which 12.7 million hectares are forest lands. Since 2015 to February 2017, a total 1.7 million hectares of land had been redistributed, including in transmigration and forest areas. The government has issued around 2 million land certificates under the agrarian reform.

Source:

- [*Pemerintah Godok Skema Reforma Agraria*](#) – Koran Tempo, April 25, 2017

9. INDIGENOUS PEOPLES AND INSTITUTIONS

The media reported a land dispute between the Suku Anak Dalam (SAD), an indigenous people in the Jambi, with private firm PT Asiatic Persada. The dispute began 30 years ago between the company and the SAD people in the Bungku Bajuban Village in Batanghari District. The National Peasant Organization (STN) proposed a solution that the 3,500 hectares of the disputed land could be included in land reform program.

Separately in South Kalimantan, 500 Dayak people from seven districts staged a demonstration at the Tanah Bambu Regional House of Representative (DPRD). The protesters demanded the authority to acknowledge their claim over an *adat* forests in the Meratus Mountain and to include them in social forestry program.

Sources:

- [*Sengketa Tanah Adat SAD Sudah 31 Tahun Tak Selesai*](#) – Serambi Indonesia, April 28, 2017
- [*Sengketa Tanah Adat, Warga Dayak Meratus Demo DPRD Tanah Bumbu*](#) – Tempo.co, April 24, 2017

10. ADDITIONAL NEWS

- CENTRAL JAVA: Some State-owned enterprises (BUMN) allocated IDR 36 billion of corporate social responsibility (CSR) fund to develop tourist facilities and attractions in 20 villages around the vicinity of the Borobudur Temple. It is expected that 3,5 million tourists coming to Borobudur every year would be interested in visiting local

attractions in these villages ([BUMN Gelontorkan Dana CSR Rp 36 Miliar ke Jawa Tengah](#) – Suaramerdeka.com, April 25, 2017).

- CENTRAL JAVA: In the Tambakroto Village in Demak, household recipients of government subsidized rice program (*raskin*) would have to pay a fee of IDR 5,000. The village government would conduct a verification process of the targeted households and eligible household that would receive 3 kilograms of rice ([Desa Tambakroto Verifikasi Penerima Raskin](#) – Suara Merdeka, April 27, 2017).
- CENTRAL JAVA: The provincial government allocated IDR 30 billion grant to villages in the Klaten District in 2018, but the eligible villages would have to meet the certain criteria which includes timely submission of the 2017 Budget Realization Report. The grant would be directly transferred from the provincial government to the selected villages. ([Bantuan Rp 30,1 Miliar untuk 127 Desa](#) – Suaramerdeka.com, April 26, 2017).