

WEEKLY MEDIA MONITORING

HEADLINES

- Indonesian Minister of Finance Sri Mulyani Indrawati said she is optimistic the regional transfers and social assistance programs can reduce poverty and income gap. **The government aims to decrease the poverty rate from 10.64 percent (27.77 million people) to 9.5 percent next year, as well as to achieve the Gini Ratio of 0.38, down from 0.39 currently.**
- Minister of Villages, Disadvantaged Regions and Transmigration, Eko Putro Sandjojo said, **the Village Fund (DD) program has succeeded in reducing the number of poor people in rural areas by 1.33 percent on average.** He added that the cash labor-intensive programs (padat karya tunai) are expected to absorb 5.7 million workers. The Minister said that 30 percent of the village fund in 2018 (Rp 18 trillion) will be allocated for wages.
- The media reported that the Central Statistics Agency (BPS) data showed a slight reduction of open unemployment rate in rural areas from 4.51 percent (August 2016) to 4.01 percent (August 2017). In absolute terms, the number of open unemployment has decreased by 302,000.
- **The Village Minister is optimistic this year's absorption of Village Fund will be better due to improved governance in disbursement and reporting.** Data from the Ministry of Finance showed that as of October 2017, Rp 47.55 trillion of Village Fund has been disbursed, up from Rp 41.47 trillion last year. In percentage, however, the figure stood at 79.26 percent or down from 88.26 percent last year.

Secretary General of the Ministry of Villages, Anwar Sanusi said, budget allocation for village-owned enterprises (BUMDes) in many villages is very modest, only Rp 5 million to Rp 10 million. **As of October 2017, around 22,000 out of 74,910 villages have BUMDes. Despite the increasing number, most BUMDes do not have clear business plan.**

1. VILLAGE DEVELOPMENT

Indonesian Minister of Finance Sri Mulyani Indrawati is optimistic the regional transfers and social assistance programs can reduce poverty rate and income gap. The government aims to reduce poverty rate from 10.64 percent (27.77 million people) to 9.5 percent next year, as well as to achieve the Gini Ratio of 0.38, down from 0.39 currently.

Next year, the fund transfers to the regions and the social assistance program will consist of Village Fund of Rp 60 trillion; General Allocation Fund (DAU) and Revenue Sharing Fund (DBH) of Rp 70 trillion; Family Hope Program (PKH) for 10 million poor people of Rp 27 trillion; and rice subsidy program (*Rastra*) of Rp17 trillion.

Minister of Villages, Disadvantaged Regions and Transmigration, Eko Putro Sandjojo said the Village Fund (DD) program has succeeded in reducing the number of poor people in rural areas by 1.33 percent on average. He added that the cash labor-intensive programs (*padat karya tunai*) are expected to absorb 5.7 million workers. The Minister said that 30 percent of the village fund in 2018 (Rp 18 trillion) will be allocated for wages.

Separately, the media reported that the Central Statistical Agency (BPS) data showed a slight reduction of open unemployment rate in rural areas from 4.51 percent (August 2016) to 4.01 percent (August 2017). In absolute terms, the number of open unemployment in the village has decreased by 302,000 people.

Deputy Head of the Regional Representative Council's Committee I, Beni Ramdani, pointed to four issues in Village Fund implementation: overlapping regulatory framework, unclear monitoring mechanisms, undetermined program priorities, and lack of village officials' capacity.

Sources:

- [Alokasi Dana Besar, Pemerintah Berharap Kemiskinan Bisa Dikurangi](#) – Metrotvnews.com, November 17, 2017
- [Tahap Berikutnya Terancam Tak Cair](#) – Bisnis Indonesia, November 14, 2017
- [Jumlah Pengangguran di Desa Turun, di Kota Naik](#) – Kompas, November 15, 2017
- [Dana Desa Diprediksi Serap 5,7 Juta Pekerja](#) – Metrotvnews.com, November 18, 2017
- [DPD Diharap Kawal Dana Desa](#) – Kompas November 18, 2017

2. CORRUPTION AND ANTI-CORRUPTION MEASURES

The Indonesia Corruption Watch (ICW) recorded 110 cases of village budget misappropriation within January 2016 and August 2017 with the total state losses of Rp 30 billion.

The media reported village fund misuse allegations in two East Nusa Tenggara districts. In Lembata, the District Inspectorate found Rp 1.8 billion misused fund in six villages. In Nagekeo District, a total of Rp 630 million of village fund in 2015 and 2016 has been allegedly embezzled in Ua Village.

In Aceh Besar District, Aceh, Cot Lampohsoh Village head reportedly disappeared after withdrawing Rp 420 million of village fund last month. The police have put his name on the fugitive list (*Daftar Pencarian Orang*).

In Aceh Tenggara District, the inspectorate received reports of village budget misuse allegations from residents in 40 villages.

Sources:

- [Dana Desa dan Penguatan Organisasi Desa](#) – Pikiran Rakyat, November 14, 2017
- [40 Desa Dilaporkan ke Inspektorat](#) – Serambi Indonesia, November 14, 2017
- [Dana Desa Rawan Ditilap di Lembata](#) – Media Indonesia, November 15, 2017
- [Inspektorat Nagekeo Temukan Dugaan Penyimpangan Dana Desa di Desa UA](#) –Kupangtribunnews.com, November 16, 2017
- [Polisi Buru Keuchik Cot Lampohsoh](#) – Serambi Indonesia, November 18, 2017

3. VILLAGE FUND DISBURSEMENT AND REPORTING

The Village Minister is optimistic this year's absorption of Village Fund will be better due to improved governance in terms of disbursement and reporting. Data from the Ministry of Finance showed that as of October 2017, Rp 47.55 trillion of Village Fund has been disbursed, up from Rp 41.47 trillion last year. In percentage, however, the figure stood at 79.26 percent or down from 88.26 percent last year.

The media reported delays in the disbursement of Village Fund Phase 2 in various districts. In Kudus, Central Java, only three out of 123 villages met the requirement to receive the fund. Panjang Village in Bae Sub-district will not receive both Village Fund Phase 1 and 2 because it has not submitted the 2017 Annual Budget Plan (RAPBDes).

In Temanggung District, Central Java, incomplete process to input the data into ON SPAN online application has delayed the disbursement of Village Fund Phase 2 in 266 villages.

In Malaka District, West Nusa Tenggara, nine villages are unable to provide receipts in the report of Village Fund Phase 1 realization.

In Bireuen District, Baroe Village residents questioned the remaining of 2016 Village Fund Phase 2 amounting to Rp 180 million, which had been canceled last year. This year, the village has not received Village Fund Phase 1 either.

In Ambon, Maluku, only three out of 30 villages submitted Village Fund Phase 1 realisation reports and are ready to receive ADD Phase 2.

Sources:

- [Tahap Berikutnya Terancam Tak Cair](#) – Bisnis Indonesia, November 14, 2017
 - [Baru Tiga Desa Cairkan Dana Desa](#) – Suara Merdeka, November 17, 2017
-

- [Laporan Keuangan Desa Gunakan Aplikasi OM Span](#) – Krjogya.com, November 13, 2017
- [Kemenkeu Belum Transfer Dana Desa Tahap II di Kabupaten Malaka](#) – Kupang.tribunnews.com, November 13, 2017
- [Kemenkeu Belum Transfer Dana Desa Tahap II](#) – Kupang Pos, November 13, 2017
- [Warga Pertanyakan Sisa Dana Desa 2016](#) – Serambi Indonesia, November 16, 2017
- [Baru Tiga Desa terima ADD Tahap II](#) – Ambon Express, November 17, 2017

4. VILLAGE HEAD ELECTIONS

In Trenggalek District, East Java, financial assistance from the district government has not been disbursed, although village head elections were held on 6 November. In Gresik District, Rp 1.3 billion of financial assistance was eventually disbursed last week, following the election on 29 October.

In Serang District, Banten, 116 village head candidates signed a peace declaration ahead of the simultaneous village head elections in 33 villages on 26 November.

Sources:

- [Dana Bantuan Pilkades Masih Ngadat](#) – Jawa Pos, November 15, 2017
- [Jelang Pilkades Serempak di Serang, 116 Kandidat Deklarasi Damai](#) – Detik.com, November 15, 2017
- [Anggaran Akhirnya Cair](#) – Jawa Pos, November 16, 2017

5. VILLAGE-OWNED ENTERPRISES (BUMDes)

Secretary General of the Ministry of Villages, Anwar Sanusi said, budget allocation for village-owned enterprises (BUMDes) in many villages is very low, only Rp 5 million to Rp 10 million. As of October 2017, around 22,000 of the 74,910 villages have BUMDes. Despite the increasing number, most BUMDes do not have clear business plan.

Sources:

- [Kemendes: Banyak Desa Setengah Hati Anggarkan BUMDes](#) – Antaranews.com, November 13, 2017
- [50 BUMDes Beromzet di Atas Rp500 Juta](#) – Metrotvnews.com, November 13, 2017
- [Pengelolaan BUMDes Minim Inovasi](#) – Suaramerdeka.com, November 14, 2017
- [Pengembangan BUMDes di Kota Ini Perlu Dukungan Dana Desa](#) – Jawapos.com, November 14, 2017

6. VILLAGE GOVERNANCE

Around 386 village heads in Simalungun District, North Sumatra, said they have not received their salary since September as the Village Fund Allocation to these villages has not been disbursed.

Source:

- [Ratusan Kades Dua Bulan Tak Digaji](#) – Koran Sindo, November 14, 2017

7. EX-PNPM PROGRAM

Police in Tasikmalaya District, West Java, is investigating a corruption allegation case involving the former PNPM-Rural program with total losses of over Rp 221 million. The treasurer of Activity Management Unit (UPK) of Gunungtanjung Subdistrict has been named as suspect.

Source:

- [Bendahara Korupsi Dana PNPM](#) – Pikiran Rakyat, 17 November 2017

8. EDUCATION

In Jakarta, the Education Agency only disbursed Rp 50 billion out of Rp 80 billion allocation for the development of Early Childhood Education. Of 5,000 Early Childhood Education Centers (PAUDs), only 50 percent has license and are eligible for financial assistance.

Sources:

- [Rp30 Miliar DAK PAUD Dikembalikan](#) – Media Indonesia, November 15, 2017
- [Maksimalkan Serapan Dana Alokasi PAUD](#) – Jawa Pos, November 15, 2017

9. HEALTH

Indonesia ranks fifth as the country with the highest number of premature births in the world, a condition that contributes to the soaring infant mortality rate. Based on the 2016 data, infant mortality rate stands at 25 per 1,000 births.

Sources:

- [Teknologi Terkini Tekan Angka Kematian Bayi](#) – Koran Sindo, November 16, 2017

10. ADDITIONAL NEWS

- **SOUTH SUMATRA:** District Attorney and District Government of Penukal Abab Lematang Ilir established a legal service post in every village that provides legal counseling for local government in regards to the use of Village Fund ([Kawal Dana Desa, Dirikan Pos Pelayanan Aspiratif Hukum](#) – Sumeks.co.id, November 17, 2017).
-

- **WEST JAVA:** Sirnagalih Village in Bandung Barat District held a training on community media as public information and Village Fund monitoring tool ([Meningkatkan Publikasi Desa](#) – Pikiran Rakyat, November 16, 2017).
- **ACEH:** In Bireuen District, a team has been established in Jeumpa Sub-district to monitor the use of Village Fund in 42 villages ([Jeumpa Evaluasi Penggunaan Dana Desa](#) – Serambi Indonesia, November 18, 2017).
- **ACEH:** Aceh Timur District was selected as one of 10 pilot locations in fishery development program. The Ministry of Villages will build ice factory, fish storage facility, and village roads ([Kemendes Prioritaskan Pedesaan di Aceh Timur](#) – Serambi Indonesia, November 17, 2017).

Click [here](#) for Previous Weekly Media Monitoring Reports

More information about Media Monitoring, please email us [here](#)

Local Solutions to Poverty

World Bank Office, Jakarta ISEB Tower 1, 9th Floor Jl. Jend. Sudirman Kav 52-53, Jakarta 12190 - Indonesia