

SOCIAL DEVELOPMENT UNIT – WORLD BANK

MEDIA MONITORING REPORT VILLAGE LAW

Period: May 8-14, 2017

HEADLINES

- **The Minister of Villages praised the performance of the Ministry’s Task Force for Village Fund (DD) Oversight as effective. In 2016, the Task Force compiled approximately 900 cases of fund irregularities.** Of these, 200 cases have been handed over to Corruption Eradication Commission (KPK), 167 to the police, 67 cases were in court and the rest was categorized as administrative errors.
- **The Ministry of Villages signed a cooperation agreement with the Ministry of Tourism on local tourism development.** Villages with tourism potentials were urged to allocate their Village Fund to build tourism-related infrastructures. The Ministry of Tourism would promote tourism activities. The Minister also gave awards to 10 best tourist villages.
- **Local media reported slow progress in the disbursement of Village Fund and Village Fund Allocation in Aceh.** In Aceh Tamiang, the absorption rate of the special allocation fund stood at zero percent. In Lhokseumawe, the government set May 24 as the deadline for 68 villages to complete the 2017 village budget (APBdes), which is a requirement to receive Village Fund Phase 1.
- **In Gresik district, East Java, the authority prohibited village head election committees from asking for financial contribution from election candidates.** The 2015 bylaw (*perda*) clearly stipulates that the costs of village head elections are covered by district budget (APBD).
- **In Yogyakarta, State Logistics Agency (*Bulog*) has established 570 staple food centers (*Rumah Pangan Kita* or RPK) at village level since June 2016, to stabilize the prices of staple food.** Bulog is set to establish 1,000 of the centers in the province by 2019.

1. VILLAGE DEVELOPMENT

The Ministry of Villages signed a cooperation agreement with the Ministry of Tourism on local tourism development. Villages with tourism potentials were urged to allocate their Village Fund to build tourism-related infrastructures. The Ministry of Tourism would be responsible for marketing and promotional activities. The Minister stated the partnership was an attempt to attract 20 million foreign visitors in 2019.

Separately, in Bukittinggi, West Sumatera, Tourism Minister gave awards to 10 villages for their achievement in tourism. The awards consisted of 10 categories, including customary tourist village, cultural tourism, nature tourism, and maritime tourism.

Meanwhile, in Yogyakarta, State Logistics Agency (*Bulog*) has established 570 staple food centers (*Rumah Pangan Kita* or RPK) at village level since June 2016, to stabilize the prices of staple food. Bulog is set to establish 1,000 of the centers in the province by 2019. The food centers aimed to simplify foods distribution channels before reaching the end consumers.

Sources:

- [Dana Desa Bisa untuk Bangun Homestay](#) – Beritasatu.com, May 10, 2017
- [Bulog Targetkan Bentuk 1.000 RPK](#) – Suaramerdeka.com, May 10, 2017
- [Ini 10 Desa Wisata Terbaik yang Dapat Penghargaan Mendes](#) – Kompas.com, May 14, 2017

2. VILLAGE FUND DISBURSEMENT AND REPORTING

Local media reported slow progress in the disbursement of Village Fund and Village Fund Allocation in Aceh. In Aceh Tamiang, the absorption rate of the special allocation fund stood at zero percent. In Lhokseumawe, the government set May 24 as the deadline for 68 villages to complete the 2017 village budget (APBdes), which is a requirement to receive Village Fund Phase 1. In Bener Meriah district, the acting district head urged all 232 *reje* (village heads) to submit the 2016 budget realization reports.

As of May 2017, only two of 292 villages in Cirebon district, West Java, have completed their 2017 Budget. As the result, the district government could not disburse the Village Fund Phase 1 it received, which amounted at Rp 196 billion.

The disbursement of Village Fund Phase 1 to 351 villages in Tasikmalaya district, West Java, reportedly would be delayed to July this year. None of the villages has submitted the 2017 planning and budget documents into the village financial system (*siskeudes*). The district government admitted many village heads found difficulties in implementing the newly introduced system.

Sources:

- [Hanya 2 Desa yang Terima Dana Desa](#) – Media Indonesia, May 9, 2017
- [Serapan DAK Tamiang 0 Persen](#) – Serambi Indonesia, May 10, 2017
- [Plt Bupati Ultimatum Reje Selesaikan Laporan](#) – Serambi Indonesia, May 9, 2017
- [Pencairan Dana Desa Terlambat](#) – Pikiran Rakyat, May 9, 2017
- [Qanun APBDes Harus Rampung 24 Mei](#) – Serambi Indonesia, May 13, 2017

3. VILLAGE GOVERNANCE

In East Nusa Tenggara, Nagekeo district government received proposals of partition from eight villages. These proposals required careful consideration as area partition would lead to significant budget implications. The district consists of 101 villages, six of them are transitional villages (*desa persiapan*), a result of recent village proliferation/partition.

In Flores district, a dispute occurred between Blepanawa village head and the local investment board (BPMD). The village head in 2015 asked BPMD to issue a decree to acknowledge the replacement of Village Consultative Body members. The delay in the decree issuance had made the new members ineligible to receive salary.

Officials of Cibodas village in Bandung district finally received their salary after a four-month delay. Some officials stated that the same issue had occurred in the previous years. The officials who were effected by the delay included village head, village secretary, and hamlet head.

Bengkulu Tengah district in Bengkulu increased the monthly salary of village head, from Rp 3 million to Rp 3.8 million, which consists of basic salary (Rp 2 million), structural allowance (Rp 500,000) and honorarium paid for their capacity as village programs implementing officer (PPTKD) (Rp 1.3 million).

Sources:

- [*Kades Lein Mengadu Ke Penjabat Bupati Flotim*](#) – Kupang Pos, May 10, 2017
- [*Kades Kantong Rp 3,8 Juta/Bulan*](#) – Bengkulu express.com, May 10, 2017
- [*Lima Bulan “Puasa”, Akhirnya Gaji Cair*](#) – Pikiran Rakyat, May 10, 2017
- [*Dana Rp 121.104 M Beredar di Nagekeo*](#) – Kupang Pos, May 14, 2017

4. VILLAGE-OWNED ENTERPRISES (BUMDes)

In Klaten district, Central Java), local government granted Rp 15 billion from the district budget (APBD) to all BUMDes in the district, or Rp 100 million for every enterprise. To date, 146 villages claimed to have established BUMDes, but the district government would conduct verification process to determine the eligibility of the recipients.

Lhokseumawe district government in Aceh initiated a cooperation with state-owned bank BRI in a program to support BUMDes in 68 villages. The bank would provide various trainings on management and business skills.

Sources:

- [*APBD Siapkan rp 15 Miliar Untuk Modal Bumdes*](#) – Suaramerdeka.com, May 10, 2017
- [*Baru 146 Desa Bentuk Bumdes*](#) – Suaramerdeka.com, May 10, 2017
- [*BRI dan Pemko Kerja Sama Kembangkan BUMDes*](#) – Serambi Indonesia, May 12, 2017

5. CORRUPTIONS AND OVERSIGHT

The Minister of Villages praised the performance of the Ministry’s Task Force for Village Fund (DD) Oversight as effective. In 2016, the Task Force compiled approximately 900 cases of fund irregularities. Of these, 200 cases have been handed over to Corruption Eradication Commission (KPK), 167 to the police, 67 cases were in court and the rest was categorized as administrative errors.

In Central Kalimantan, a suspect in a corruption case of PNPM Rural asset was arrested. The suspect, who had been as fugitive for about one month, was arrested in South Barito district. The suspect served as a treasurer of the Activity Implementing Unit (UPK) in Tewah sub-district in the period of 2010 to 2014 and was allegedly involved in embezzling Rp 688 million of PNPM fund.

Head of Malang Rapat village in Bintan district in Riau has been named as suspect in a corruption case of Village Fund Allocation. The suspect has allegedly embezzled the 2016 budget allocation to BUMDes, inflicting financial loss of Rp 300 million.

Sources:

- [Cegah Penyalahgunaan Dana Desa, Kemendes Minta Bantuan KPK](#) – Liputan6.com, May 10, 2017
- [Satgas Temukan 900 Kasus Penyimpangan Dana Desa](#) – Metrotvnews.com, May 9, 2017
- [Tersangka Korupsi BUMDes Diperiksa Sebagai Saksi](#) – Batampos.co.id, May 9, 2017
- [DPO Korupsi Dana PNPM Dibekuk Jaksa di Pedesaan](#) – JPPN.com, May 13, 2017

6. VILAGE HEAD ELECTIONS

In Gresik district, East Java, the authority prohibited village head election committees from asking for financial contribution from election candidates. The 2015 bylaw (*perda*) clearly stipulates that the costs of village head elections are covered by district budget (APBD).

In the Serang district (Banten) 34 villages will hold simultaneous elections in December 2017. The village heads would be elected for a six-year term. Currently, 29 of the 34 villages are led by acting heads.

Sources:

- [Desember, Pilkades Serentak di 34 Desa](#) – Radar Banten, May 10, 2017
- [Dilarang Tarik Pungutan ke Calon Kepala Desa](#) – Jawa Pos, May 13, 2017

7. ADDITIONAL NEWS

- WEST JAVA: Sumedang district government obliged sub-district and village governments to develop a website to promote and disseminate information on the government's programs to the public. Currently, only 14 of 270 villages have developed official website ([Desa dan Kecamatan Wajib Punya Situs Web](#) – Pikiran Rakyat, May 9, 2017).
- EAST NUSA TENGGARA (NTT): The village head of Renrua, one of the least developed villages in Belu district, requested financial assistance from the district government to renovate the houses of poor people. In the village, 111 of 344 houses are in poor conditions ([53 Keluarga Tak Punya Rumah Tinggal 111 Rumah Tak Layak Huni](#)

[di Desa Renrua-Belu](#) – Kupangtribunnews.com, May 9, 2017).

- PAPUA: Many villages in Jayapura district decided to prioritize poor houses renovation and subsidized rice distribution in 2017. Kemtuk sub-district head stated that several villages use Village Fund Allocation (ADD) to fund these programs ([ADD di Distrik kemtuk Fokus Rumah Layak Huni](#) – Bintang Papua, May 12, 2017).
- SOUTH SULAWESI: Pangkep district head Syamsuddin Hamid promised to allocate Rp 100 million for family welfare movement (*Pendidikan Kesejahteraan Keluarga* or PKK, a state-sanctioned community-level women activism) in the 2018 budget ([2018, Anggaran PKK Per Desa Rp 100 Juta](#) – Fajar.co.id, May 9).
- EAST JAVA: In Sidoarjo district, 154 villages joined *Program Desa Melangkah* (Moving Forward Village Program), a program initiated by the district government in cooperation with Jawa Pos media group and a private university. The program provides trainings on entrepreneurships, information technology, and soft skills for village officials and youth ([154 Desa Sudah Tak Sabar](#) – Jawa Pos, May 10, 2017).