

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

Period: May 29 - June 4, 2017

HEADLINES

- **The Minister of Villages, Underdeveloped Regions and Transmigration appointed Ahmad Erani Yustika as acting Inspector General** in Jakarta on May 29, replacing Sugito, who had been named suspect by the Corruption Eradication Commission (KPK) in a bribery case related to the Ministry's 2016 financial report. The Ministry would form a team to select the new inspector general.
- The Minister of Villages Underdeveloped Regions and Transmigration stated that **as of early June 2017, 60 districts in Indonesia have not received village funds (DD)** because the district heads have not issued the required decree. Some of these districts have newly-appointed district heads (*bupati*).
- The Ministry of Tourism will launch Village Homestay Program in villages with tourism potential, to help reach the target of 20 million tourists by 2019. **The Ministry is set to build 20,000 village homestays in 2017 and it encourages local governments to participate in the program.**
- **The number of village-owned enterprises (BUMDes) is estimated to reach 74,910 by 2022 and is expected to contribute around Rp75 trillion or about 8 percent of tax revenues.** There are 18,466 BUMDes as of the first quarter of 2017, up 43.57 percent from the end of 2016 at 12,848. Data from the Ministry of Villages showed 4,000 BUMDes have generated profit.
- Director General of Early Childhood Education (PAUD) of the Ministry of Education, Ella Suminah said, **around 100 PAUDs in Kupang district, East Nusa Tenggara, were selected for the integrated PAUD development program** and will receive financial assistance. There are about 156,000 PAUD across 516 districts/municipalities in Indonesia.

1. THE DISBURSEMENT AND REPORTING OF VILLAGE FUND

The Minister of Villages Underdeveloped Regions and Transmigration stated that **as of early June 2017, 60 districts in Indonesia have not received village funds (DD)** because the district heads have not issued the required decree. Some of these districts have newly-appointed district heads (*bupati*).

The media reported the disbursement of DD Phase 1 in various districts in Aceh, and found the best progress in Aceh Utara, where 97 percent of 762 villages have received the fund, and Bireuen District, where the entire fund has been disbursed to all 609 villages.

Meanwhile, in Aceh Tamiang District, only 30 out of 213 villages have received the fund as local government needed more time to verify village budget realization reports using Siskeudes application. The similar situation was reported from Aceh Barat Daya District, where only 14 villages from 152 villages have received village funds.

Sources:

- [*60 Kabupaten di Indonesia Belum Terima Dana Desa*](#) – Kompas.com, June 2, 2017
- [*Mendes: 60 Kabupaten Belum Terima Dana Desa*](#) – Antaranews.com, June 2, 2017
- [*Dana Desa Tak Cair Terkendala Peraturan Bupati*](#) – Suara Merdeka.com, June 2, 2017
- [*Ada 60 Kabupaten Belum Terima Dana Desa*](#) – Tempo.co, June 2, 2017
- [*138 Desa Belum Cairkan Dana*](#) – Serambi Indonesia, June 3, 2017
- [*183 Kampung Belum Bisa Cairkan Dana Desa*](#) – Serambi Indonesia, June 2, 2017
- [*Dana Desa Cair Hari ini*](#) – Serambi Indonesia, June 2, 2017
- [*Dana Desa Rp 22,1 Miliar Cair*](#) – Serambi Indonesia, May 31, 2017

2. CORRUPTIONS AND OVERSIGHT

The Minister of Villages, Underdeveloped Regions and Transmigration appointed Ahmad Erani Yustika as acting Inspector General in Jakarta on May 29, replacing Sugito, who had been named suspect by the Corruption Eradication Commission (KPK) in a bribery case related to the Ministry's 2016 financial report. The Ministry would form a team to select the new inspector general.

Previously, the media reported that KPK named four suspects in the case of alleged bribery case following the raids conducted at the offices of the Supreme Audit Agency (BPK) and

the Ministry of Villages. The suspects are the ministry's inspector general, Sugito, and two BPK auditors. Sugito was accused of bribing the auditors to obtain the status of "normal without exception (wajar tanpa pengecualian/WTP)", or the best grade, for the ministry's 2016 budget report.

The Indonesian Forum for Budget Transparency (FITRA) urged BPK to re-audit the financial report because the Ministry has been given the lower grade" for two consecutive years in 2014 and 2015.

The media also reported a number of cases that occurred in various regions. The Anti-Illegal Levy Task Force in Aceh Besar, Aceh, arrested an Ingin Jaya sub-district government employee who was caught red-handed when receiving bribe from village apparatus. In the disbursement process of village fund, the recipient village is required to deposit Rp 10 million. The suspect admitted to have received money from 10 villages.

In Banten province, the audit process in 64 villages by Pandeglang District Inspectorate found irregularities in the disbursement of the 2016 village budgets (APBDes) in 24 villages. The village heads were given two months to clarify the issue.

Sources:

- [Mendes Lantik PLT Irjen](#) – Indopos.co.id, May 30, 2017
- [Ada Tiga Alasan Sebaiknya BPK Audit Ulang Kementerian Desa](#) – Kompas.com, May 30, 2017
- [Kementerian Desa Siap Diaudit Ulang](#) – Tempo.co, May 31, 2017
- [Menteri Desa Persilahkan BPK Audit Ulang Kementeriannya](#) – Tempo.co, May 31, 2017
- [Uang Suap Untuk Auditor BPK Hasil Saveran](#) – Suara Merdeka, May 31, 2017
- [Tim Saber OTT Pungli Dana Desa](#) – Waspada, June 2, 2017
- [Dana Gampong Ternyata Diminati Banyak Pihak](#) – Serambi Indonesia, June 2, 2017
- [Pegawai Kecamatan di Aceh Ditangkap Karena 'Sunat' Dana Desa](#) – Detik.com, May 31, 2017
- [APBDes 24 Desa Bermasalah](#) – Radar Banten, May 30, 2017

3. VILLAGE DEVELOPMENT

The Ministry of Tourism will launch Village Homestay Program in villages with tourism potential, to help reach the target of 20 million tourists by 2019. The Ministry is set to

build 20,000 village homestays in 2017. A number of local governments are participating in the program. Gunung Mas district in Central Kalimantan allocated Rp 10 billion for road infrastructure to Hurung Bunut tourist village. Meanwhile, the provincial government of Bali provides awards to 29 tourist villages.

Sources:

- [Gunung Mas Kalteng Makin Pede Kembangkan Desa Wisata](#) – Viva.co.id, May 29, 2017
- [29 Desa di Bali Mendapat Anugerah Desa Award 2017](#) – Viva.co.id, May 29, 2017

4. VILLAGE-OWNED ENTERPRISES (BUMDes)

The number of village-owned enterprises (BUMDes) is estimated to reach 74,910 by 2022 and is expected to contribute around Rp75 trillion or about 8 percent of tax revenues. There are 18,466 BUMDes as of the first quarter of 2017, up 43.57 percent from the end of 2016 at 12,848. Data from the Ministry of Villages showed 4,000 BUMDes have generated profit.

Source:

- [Peluang Setoran Rp75 Triliun](#) – Bisnis Indonesia, June 2, 2017

5. VILLAGE GOVERNANCE

Data on village land and assets in 270 villages in Bekasi district, West Java, are poorly recorded, with many villages do not have any documentation of the location and value of their lands. The Association of Indonesian Village Governments (*Apdesi*) of Bekasi District proposed that village assets be re-registered to allow for proper assets documentation.

Source:

- [Pengelolaan Tanah Kas Desa Masih Semrawut](#) – Pikiran Rakyat, June 3, 2017

6. VILLAGE MAPS

An article in *Kompas Daily* on 27 May discusses the progress of village mapping programs. Currently, only 4,150 village borders (around 6 percent) are officially recognized by local government. Village mapping largely relies on loose geographical boundaries (rivers, hills,

forests) that they often overlap. Moreover, the production cost of high resolution maps (scale 1:5,000) stipulated by the Ministry of Home Affairs regulation (*Permendagri*) is considered too expensive by the Geospatial Information Agency (BIG). The article proposes that the acceleration of village map production begins by using the baseline map resulted from the Village Potential Census (*Podes*) by the Central Statistics Agency (BPS).

Source:

- [Menyelesaikan Peta Desa](#) – Kompas, May 31, 2017

7. HEALTH AND EDUCATION

Director General of Early Childhood Education (PAUD) of the Ministry of Education, Ella Suminah said, around 100 PAUDs in Kupang district, East Nusa Tenggara, were selected for the integrated PAUD development program and will receive financial assistance. There are about 156,000 PAUD across 516 districts/municipalities in Indonesia.

Source:

- [Kabupaten Kupang Jadi Model PAUD Integratif Berkualitas](#) – Kupang Pos, June 2, 2017

8. ADDITIONAL NEWS

- WEST JAVA: West Java Governor asked for stricter monitoring of village funds. This year, the available funds for 5,319 villages in the province increased by 20 percent, from Rp 3.5 trillion to Rp 4.7 trillion ([Gubernur Jabar Minta Dana Desa Diawasi Ketat](#) – Antaranews, May 30, 2017).
- WEST JAVA: Anti-corruption NGO Garut Governance Watch (GGW) demanded a re-audit to the 2016 financial report of Garut district government, which aimed at “normal without exception (WTP)” grade. ([Imbas Kemendes, Predikat WTO Kabupaten Garut Dipertanyakan](#) – Viva.co.id, May 30, 2017).
- BANTEN: Serang Public Works Agency will change the status of 400 kilometers of village roads into district roads by 2018, connecting sub-districts ([400 km Jalan Desa Diproyeksikan jadi Jalan Kabupaten](#) – Radar Banten, May 31, 2017).

- RIAU ISLANDS: Bintan district will receive Rp 72 billion in June, consisting of Rp 31 billion Village Fund and Rp 41 billion Village Fund Allocation. The fund received by each village would range between Rp 1.9 billion to Rp 2.2 billion ([*Dana Desa Rp 72 Miliar Disalurkan Bulan Ini*](#) –Batampos.co.id, June 3, 2017).
- CENTRAL KALIMANTAN: Waringin Timur District Legislative Council (DPRD) in Central Kalimantan received reports from residents in six villages on alleged Village Fund irregularities ([*Jumlah Penyalahgunaan Dana Desa Meningkat, Dewan Prihatin*](#) – Jppn.com, June 2, 2017).
- CENTRAL JAVA: Village facilitators in Temanggung district urged th district head to allocate some of the Village Fund for the rehabilitation of fire victims' houses in Cemoro Village. In the incident that occurred two weeks ago, seven houses were destroyed and five were damaged, resulted in Rp 1 billion total losses. ([*Dana Desa Bisa untuk Bantu Korban Kebakaran*](#) – Suara Merdeka.com, June 3, 2017).
- ACEH: Bireuen district head said that the Village Fund can be used to finance religious programs, including for mosque facility development, as long as it is agreed through a deliberative process ([*Dana Desa Boleh untuk Membangun Pagar Masjid*](#) – Serambi Indonesia, June 3, 2017).
- BANTEN: Dozens of village head candidates took medical tests at the Balaraja District General Hospital (RSUD) prior to the elections in 16 villages of Tangerang district on 27 August 2017. ([*Balon Kades Ikuti Tes Kesehatan*](#) – Radar Banten, May 30, 2017).