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WEEKLY MEDIA MONITORING

FOR

Indonesia Social Development

HEADLINES

- Responding to the rampant publication of corruption disclosure of village funds by Corruption Eradication Commission (KPK) in Pamekasan Regency (East Java), **President Joko Widodo offered that the misuse of village funds of any kind should be prosecuted. The President also instructed the Ministry of Villages, Disadvantage Regions and Transmigration to conduct a survey to find out the effectiveness of village funds.** The ministry will soon conduct the survey in September, along with Indonesia Statistics (BPS) survey of potential villages.
- **Village Fund Task Force (Satgas) at the Ministry of Villages, Disadvantage Regions and Transmigration verified over 600 incoming complaint reports since January 2017**, to check whether the reported cases were classified as administrative violations or misappropriation of funds. **Until mid-2017, the number of reports increased sharply compared to the reports throughout 2016 (932 reports).** Last year, 10 complaints were forwarded to KPK.
- The government is closely monitoring areas prone to corruption of village funds. **These corruption prone regions are in the North Sumatra Province, Madura Island, and Mountainous areas of Papua Province.**
- **KPK stated that it had received over 300 reports from public about alleged embezzlement of village funds since 2016.** The number of reports on alleged embezzled funds increased after KPK issued a circular that encourages public to report any irregularities
- In regard to corruption prevention, **KPK proposed a 3-5 percent deduction in village funds for supervision purposes by the local government inspectorate.** The funds are especially needed in areas with remote villages.
- **KPK investigators caught Pamekasan Regent Achmad Syafii and Head of Pamekasan Prosecutor's Office in a sting operation in Pamekasan District (East Java) on August 2.** Lead inspector, several prosecutor's office employees and a village head were also arrested in alleged bribery scheme worth IDR250 million. The investigation is ongoing.

1. ANTI-CORRUPTION MEASURES

Responding to the rampant publication of corruption disclosure of village funds by KPK in Pamekasan District, President Joko Widodo ordered two things; to prosecute any kind of misuse of village funds and to have the Ministry of Villages, Disadvantage Regions and Transmigration to conduct a survey to find out the effectiveness of village funds. The ministry would conduct the survey in September, along with BPS survey on potential villages.

The minister asserted that the government was very serious in dealing with misappropriation of village funds since the value of village funds continues to increase every year. The Minister added that the handling of corruption cases at the village level requires a substantial cost of IDR 10-50 million per village. The minister asserted that the government had taken some preventive measures, by establishing Village Fund Task Force (*Satgas*) and a hotline call center (1500040), among others. The Task Force had been verifying over 600 incoming complaint reports since January 2017, to classify the reported cases as administrative violations or misappropriation of funds. Until mid-2017, the number of reports submitted increased sharply compared to the reports throughout 2016 (932 reports). Last year, ten complaints were forwarded to the KPK.

The government also closely monitored areas prone to corruption of village funds. These regions are in the North Sumatra Province, Madura Island, and mountainous areas of Papua Province. The minister added that many village heads faced pressure from certain groups or local NGOs to pay some money or implement certain projects for their benefit.

The minister also stated that the ministry would sign a memorandum of understanding (MoU) with the Police of the Republic of Indonesia regarding the monitoring and use of village funds. In this cooperation, the police would assist the village government in overseeing the implementation of DD-funded projects.

Separately, Chairman of KPK Agus Rahardjo said the government should evaluate all stages of village funds disbursement to improve governance and increase public participation. KPK stated that it had conducted a study on the management of village funds to prevent corruption. The KPK study shows that the management of village funds has weaknesses in four aspects: regulation, governance, supervision and human resources. KPK Deputy Chairman Laode M Syarif said that the study had been submitted to the government.

The KPK stated it had received over 300 reports from public on the alleged embezzlement of village funds since 2016, prompting the anti-graft body to investigate potential cases of corruption in the delivery of the funds. KPK Deputy Chairman for Prevention Pahala Nainggolan said that the number of reports on alleged embezzled funds increased after the agency issued a circular that encourages public to report of any irregularities. With regard to prevention, Nainggolan proposed a 3-5 percent cut in village funds for supervision by the local government inspectorate. The funds are especially needed in areas with remote villages.

Deputy Chairman of the House of Representatives (DPR) Fahri Hamzah questioned the urgency of KPK in handling corruption case of village fund infrastructure project amounting to Rp 100 million. According to Fahri, the KPK's mandate was to deal with large scale corruption cases and disclosure of small cases was not worth the operational costs of KPK investigators. Instead of monitoring the village funds in 37,000 villages across Indonesia, he mentioned that KPK must build a supervision system in cooperation with the police, prosecutors, and the Supreme Audit Agency (BPK).

Sources:

- [Presiden Minta Survei Efektivitas DD](#) – Pikiran Rakyat, Aug 8, 2017
- [Jokowi Perintahkan Usut Penyelewengan Dana Desa](#) – Koran Tempo, Aug 8, 2017
- [Polri Ikut Awasi Penggunaan Dana Desa](#) – Serambi Indonesia, Aug 8, 2017
- [Polri Akan Teken MoU Dengan Kemendes untuk Pengawasan Dana Desa](#) – Detik.com, Aug 7, 2017
- [Mendes Sebut Dana Desa Berpotensi Dikorupsi di 3 Daerah Ini](#) – Detik.com Aug 7, 2017
- [Menteri Eko: Dana Desa di Beberapa Wilayah Rawan Dikorupsi](#) – Viva.co.id, Aug 7, 2017
- [Korupsi Dana Desa, 362 Laporan Masuk ke KPK](#) – Tempo.co Aug 4, 2017
- [KPK Soroti 4 Kelemahan Dana Desa yang Buka Peluang Korupsi](#) – Detik.com, Aug 2, 2017
- [KPK Usulkan Dana Desa Dipotong 5 Persen untuk Pengawasan](#) – Detik.com, Aug 3, 2017
- [Mendes: Kepala Desa Segera Laporkan Satgas Bila Dana Desa Dikorupsi](#) – Liputan6.com, Aug 8, 2017
- [Fahri Hamzah Kembali Wacanakan Pembubaran KPK Karena Tangani Dana Desa](#) – Kompas.com, Aug 6, 2017

2. CORRUPTION CASES

KPK investigators reportedly caught Pamekasan Regent Achmad Syafii and Head of Pamekasan Prosecutor's Office head in a sting operation in Pamekasan district (East Java) on August 2. Lead inspector, several prosecutor's office employees and Dassok Village Head were also arrested. Pamekasan Regent was arrested in alleged bribery scheme worth Rp 250 million. The bribery case was revealed after the KPK received a report of alleged irregularities in a road construction project in Dassok Village worth Rp 100 million. Knowing that the KPK investigation was underway, Dassok Village Head complained to the regent who then asked the prosecutor to stop the case. The prosecutor accepted the request but he demanded Rp 250 million bribe. The investigation is currently ongoing.

Meanwhile, anti-corruption NGO Indonesia Corruption Watch (ICW) recorded 48 cases of misuse of village funds involving 61 suspects with monetary losses up to Rp 10.4 billion throughout 2016. The misuse includes mark-up of project costs, fictitious projects, fictitious travels, mark-ups of fee and equipment purchases, and use of government facilities for personal gain.

In Aceh, Simeulue District Government formed a monitoring team to oversee the use of village funds phase 1 worth Rp 156 billion in 128 villages. The team found some administration irregularities. For example, some villages received less than 40% of the amount of village funds phase 1. The team also found that the village treasurer had already withdrawn tens of millions of rupiah long before the activities were carried out.

Still in Aceh, Indonesian Islamic Student Association (PMII) with a local anti-corruption NGO Sejati demonstrated at the House of Representative (DPRD) of Bener Meriah District, demanding an investigation of alleged corruption of 2015 and 2016 village funds in the Timang Gajah, Bandar, and Pintu Rime Gay sub-districts.

In Central Sulawesi, former Village Head and Secretary of Balukung Village in Donggala District were convicted in a village funds corruption case in 2015. Both were sentenced to two years and 2.5 years in prison respectively.

In Madiun District (East Java), the police arrested the Village Head of Kranggan for alleged embezzling of village funds worth Rp 19 million to pay his debts in BRI Geger Sub-district.

Sources:

- [Dari Mark-Up Hingga Honor Fiktif](#) – Koran Tempo, Aug 8, 2017
- [KPK Segel Kantor Kejaksaan dan Bupati Pamekasan](#) – Tempo.co Aug 2, 2017
- [KPK Segel Kantor Inspektorat Kabupaten Pamekasan Madura](#) – Liputan6.com, Aug 2, 2017
- [KPK Geledah Rumah dan Kantor Bupati Pamekasan](#) – Koran Tempo, Aug 8, 2017
- [Kronologi Operasi Tangkap Tangan KPK di Pamekasan](#) – Kompas.com, Aug 2, 2017
- [Mahasiswa Demo DPRK Bener Meriah](#) – Serambi Indonesia, Aug 2, 2017
- [Korupsi Dana Desa, Kades Divonis 2 Tahun, Sekdes Lebih Berat](#) – Jppn.com, Aug 1, 2017
- [Tilep Dana Desa untuk Bayar Cicilan Utang, Seorang Kades Ditangkap](#) – Kompas, Aug 1, 2017
- [DPMD Temukan Penyimpangan Dana Desa](#) – Serambi Indonesia, Aug 2, 2017

3. VILLAGE OWNED ENTERPRISES (BUMDES)

Of the total 335 villages in Sidoarjo District, only 41 villages (12%) have village-owned enterprises (BUMDes). The actual number of BUMDES is higher but many are not actively running their business. This year, the district government will encourage these villages to activate BUMDes.

Village-owned enterprises (BUMDEs) in Tabanan District formed a waste bank to process waste into various products of economic value. This year, Tabanan District won Adipura award for the third time in a row for the innovation of urban environmental management.

Sources:

- [Tabanan Kelola Sampah Bumdes](#) – Serambi Indonesia, Aug 4, 2017
- [Baru 12 Persen Bumdes Aktif](#) – Jawa Pos, Aug 3, 2017

4. ADAT AND INDIGENOUS PEOPLE

The Ministry of Home Affairs and the Ministry of Villages, Disadvantage Regions and Transmigration sets a target to register 100 customary (*adat*) villages by 2017 in six provinces which districts have already issued bylaw (*perda*) on customary villages. The bylaw on customary village would be upgraded to become a Provincial Regulation to allow the registration of custom villages at the Ministry of Home Affairs. Customary villages have the right to manage village funds through customary mechanisms.

The Secretary General of the Indigenous Peoples Alliance of Nusantara (AMAN) urged districts in North Sumatra to issue a decree (*surat keputusan* or SK) on the recognition and protection of indigenous peoples' rights. The decree is required as a basis for returning the concession and state forest area to customary institutions. According to AMAN data, there are 1.7 million hectares of forest and 700,000 hectares of concession areas belong to indigenous people in North Sumatera.

Sources:

- [Pemerintah Targetkan Registrasi 100 Desa Adat Pada 2017](#) – Antaranews.com, Aug 4, 2017
- [Daerah Diminta Akui Hak Masyarakat Adat](#) – Kompas Aug 3, 2017

5. VILLAGE HEAD ELECTIONS

In East Nusa Tenggara (NTT), The House of Representatives of Timor Tengah Selatan (TTS) District urged the district government to conduct village heads elections in 50 villages this year, in accordance to Local Regulation No. 10/2015. The district government announced that the election would not be conducted this year because the budget had been cut off.

In East Java, Gresik District Government would conduct a pilot e-voting system for village head elections in Tulung Village, Kedamean Sub-district and Daun Village, Sangkapura District. E-voting would use electronic voter list (DPT) and finger print for voter identification. The simultaneous village head elections would be held at the end of October in 20 villages.

Sources:

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- [50 Desa di TTS Tak Bisa Pilkades](#) – Kupang Pos, Aug 3, 2017
 - [Uji Coba di Dua Desa](#) – Jawa Pos, Aug 2, 2017

6. EX PNPM PROGRAMS AND ASSETS

In NTT, the Ende State Attorney investigated the misappropriation of PNPM Mandiri funds in Kelimutu sub-district, amounting to Rp 220 million. PNPM sub-district managers were suspected to deduct a portion of the revolving fund that was channeled to women's beneficiaries. A similar case was previously found in Eastern Lio District and prosecutors had arrested one suspect.

Sources:

- [Dana PNPM Ende Dikorupsi Rp 200 Juta](#) – Kupang Pos, Aug 1, 2017

7. HEALTH

Ministry of Health asked the local government to focus more on nutritional issues of children and pregnant women, particularly in the role of Community Health Centers (*Puskesmas*) in promotion needs to be improved. The ministry estimated only about 50 percent of the total of 9,000 *Puskesmas* that already had a good health promotion program. The ministry also encouraged local governments to meet Minimum Service Standards, as currently there is only 30 percent of local governments provide folic acid for pregnant women.

Source:

- [Pemerintah Daerah Diminta Tingkatkan Layanan Kesehatan](#) – Koran Tempo, Aug 8, 2017

8. VILLAGE GOVERNANCE

The Ministry of Villages, Disadvantage Regions and Transmigration collaborated with the Center for Telecommunications and Informatics (BP3TI) would accelerate the implementation of Integrated Broadband Village program. BP3TI plan to build internet network in around 5,000 villages by 2019. By the end of December 2016, 31 base transceiver stations (BTS) had been built and construction of 40 BTS were in progress.

In Central Java, Magelang District Administration enrolled 2,505 village heads and village administrators from villages in the Social Security for Employment (*BPJS Ketenagakerjaan*). The government allocated the budget to pay

membership premiums using the 2017 district budget (APBD). Village heads and apparatus from the remaining villages will be enrolled in the following year.

In West Java, West Bandung District Government would implement online village financial system (*siskeudes*) to improve utilization and supervision of village budget in all 165 villages, as well as assigning one village facilitator to each village.

Sources:

- [Pengelolaan Keuangan Desa di Bandung Barat Bakal Gunakan Aplikasi Elektronik](#) – Pikiran-rakyat.com, Aug 1, 2017
- [Di Magelang, 2.505 Perangkat Desa Peserta BPJS Ketenagakerjaan](#) – Antaranews.com, Aug 7, 2017
- [Desa Tertinggal Juga Butuh Internet](#) – Koran Sindo, Aug 1, 2017

9. ADDITIONAL NEWS

- **EAST JAVA:** Sidoarjo District Government will implement *One Village One Car Program* this year. The district government had allocated Rp 69 billion in APBD 2017 for all 346 villages. Each village would be given a budget of Rp 202 million. The district government was also drafting technical guidelines (*juknis*) of the plan ([Segera Keluarkan Juknis Mobil Desa](#) – Jawa Pos, Aug 8, 2017).
 - **NORTH KALIMANTAN:** the construction of an ADD-funded village meeting hall led to an assault of an official of Lumbis Ogong Village (Nunukan District) by the village secretary. The perpetrators stabbed the victim using a *mandau* (a typical Dayak machete weapon), causing severe injuries. Persecution was triggered by a dispute over who was responsible for the project ([Berebut Proyek Dana Desa, Sekretaris Desa Bacok Bawahannya](#) – Kompas.com, Aug 1, 2017).
 - **JAKARTA:** Representatives of the Association of Indonesian Village Apparatus (PPDI) visited the Ministry of Home Affairs to clarify their employment status and income as a village apparatus. They protested that village officials in many regions were paid under local minimum wage ([Persatuan Perangkat Desa Temui Mendagri untuk Pertanyakan Status](#) – Detik.com, Aug 3, 2017).
 - **CENTRAL JAVA:** Around ten percent of the total Rp 79.8 village funds Phase I 2017 in Karanganyar District was not absorbed. The disbursement of village funds Phase 2 would commence in August ([10 Persen Dana Desa Tahap I Tak terserap](#) – Krjogya.com, Aug 3, 2017).
 - **EAST JAVA:** In Sidoarjo District, two suspects of illegal levy in the national land titling program, The Head and Secretary of Ploso Village, were put under city arrest. They allegedly collected a sum of Rp 507.2 million
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from around 800 applicants of the national land certification program. Each applicant was required to pay Rp 1 million to Rp 1.5 million ([Tersangka Kasus Ploso Jadi Tahanan Kota](#) – Jawapos.com, Aug 8, 2017).

- **EAST NUSA TENGGARA (NTT):** The residents of Malaka District complained about the unfinished construction of Public Health Centers (*Puskesmas*) in Alas Selatan Village, funded by the 2016 village funds. The citizens demanded for information about the project to be displayed on a dashboard to ensure transparency ([Pembangunan Pustu Alas Belum Rampung](#) – Kupang Pos, Aug 3, 2017).

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