



WEEKLY MEDIA MONITORING

FOR

Indonesia Social Development

HEADLINES

- The government's plan to increase the Village Fund (DD) in 2018 will not be realized as the fund allocation in **the 2018 State Budget (APBN) draft is set at Rp 60 trillion or the same as in 2017**. Previously, the government aimed to double the amount to Rp 120 trillion in 2018.
- **The Ministry of Finance will adjust the distribution formula of Village Fund. Next year the government will implement affirmative policy for underdeveloped and least-developed villages.** Seventy seven percent of the fund will be shared equally across villages, 3 percent is allocated for underdeveloped villages, while 20 percent is divided based population size, area, poverty rate, and geographical terrains.
- **The Ministry of Finance stated that DD program has reduced the gini ratios in rural areas, from 0.34 percent (2014) to 0.32 percent (2017).** The number of poor people in rural areas also fell from 17.7 million (2014) to 17.1 million (2017). The percentage of poor people in rural areas declined from 14.09 percent (2015) to 13.93 percent (2017).
- **The Minister of Villages, Disadvantaged Regions and Transmigration said Rp 35.98 trillion out of the total of Rp 60 trillion Village Fund has been disbursed as of Aug. 18.** The Fund channeled from the central government to local governments accounted for 99.97 percent, while the disbursement rate from local government to the villages stood at 87.48 percent. Each village receives Rp 800 million on average.
- Director General for Rural Area Development at the Ministry of Villages said **the DD-funded village infrastructure projects in 2016 absorbed 1.84 million short-term workers and 199,000 long-term workers.** The DD will focus on community empowerment programs next year.
- **In 2018, the annual budget of the Ministry of Villages is set at Rp 4 trillion,** down from Rp 9.5 trillion in 2015 and Rp 6.3 trillion in 2016.
- **The Government held two regional reflection workshops on the Teacher's Performance and Accountability (KIAT Guru) Program** in Surabaya and Bali. The workshops aimed to examine the achievements, best practices, challenges and impacts of programs that focus on various approaches such as community participation, performance-based allowance payment, and good governance.

1. VILLAGE FUND ALLOCATION

The government's plan to increase the Village Fund (DD) in 2018 will not be realized as the fund allocation in the 2018 State Budget (APBN) draft is set at Rp 60 trillion or the same as in 2017. Previously, the government aimed to double the amount to Rp 120 trillion in 2018. The Indonesia Corruption Watch (ICW) and the Association of Village Governments All of Indonesia (Apdesi) had urged the government to cancel the plan to increase the fund due to the rampant alleged corruption cases.

Meanwhile, the budget for the Ministry of Villages continues to decrease. Next year, the Ministry will receive Rp 4 trillion, down from Rp 9.5 trillion in 2015 and Rp 6.3 trillion in 2016.

The Ministry of Finance claims that Village Fund program has reduced gini ratios in rural areas, from 0.34 percent in 2014 to 0.32 percent (2017). The number of poor people in rural areas fell from 17.7 million (2014) to 17.1 million (2017) while the percentage of poor people in rural areas also dropped from 14.09 percent (2015) to 13.93 percent (2017).

Vice President Jusuf Kalla opened the Village Development Forum (VDF) 2017 in Jakarta on Aug. 24. In his opening speech, Kalla said the ideal amount of village funds is Rp 75 trillion to Rp 100 trillion per year, to ensure rural growth and reduce urbanization level. VDF 2017 is a knowledge sharing forum for policy makers and rural development practitioners from different countries.

Sources:

- [Daerah Siap-siap Berhemat](#) – Bisnis Indonesia, August 21, 2017
- [Pemerintah Diminta Tak Naikkan Dana Desa](#) – Koran Tempo, August 21, 2017
- [Dana Desa Batal Naik](#) – Suara Merdeka, August 21, 2017
- [Dana Desa pada 2018 Tak Alami Kenaikan](#) – Antaranews.com, August 21, 2017
- [Batal Naik, Dana Desa Dievaluasi](#) – Suara Pembaruan, August 21, 2017
- [Dana Desa Tak Akan Ditambah](#) – Pikiran Rakyat, August 22, 2017
- [Sri Mulyani: Dana Desa Rp 60 Triliun untuk Kurangi Kemiskinan](#) – Detik.com, August 21, 2017
- [JK: Dana Desa Bisa Menekan Urbanisasi](#) – Liputan6.com, August 24, 2017
- [Cegah Urbanisasi, JK: Dana Desa Harus Rp 75 – 100 Triliun](#) – Tempo.co, August 24, 2017
- [JK Khawatir Urbanisasi Besar-besaran Bila Dana Desa Gagal](#) – Viva.co.id, August 24, 2017
- [Pemerintah Genjot Pembangunan Desa untuk Cegah Urbanisasi](#) – Detik.com, August 24, 2017
- [Kemenkeu Klaim Dana Desa Berhasil Turunkan Gini Rasio Pedesaan](#) – Metrotvnews.com, August 21, 2017

2. VILLAGE FUND DISBURSEMENT AND REPORTING

The Minister of Villages, Disadvantaged Regions and Transmigration said Rp 35.98 trillion out of the total of Rp 60 trillion Village Fund (DD) has been disbursed as of Aug 18. The Fund channeled from the central

government to local governments accounted for 99.97 percent, while the disbursement rate from local government to the villages stood at 87.48 percent. Each village receives Rp 800 million on average.

Director General for Rural Area Development at the Ministry of Villages said the DD-funded village infrastructure projects in 2016 absorbed 1.84 million short-term workers and 199,000 long-term workers. The DD will focus on community empowerment programs next year.

The Ministry of Finance will adjust the distribution formula of Village Fund. Next year the government will implement affirmative policy for underdeveloped and least-developed villages. Seventy seven percent of the fund will be shared equally across villages, 3 percent is allocated for underdeveloped villages, while 20 percent is divided based population size, area, poverty rate, and geographical terrains. Underdeveloped villages will receive Rp 864 million to Rp 2.8 billion, while the least-developed ones will receive Rp 1.2 billion to Rp 3.5 billion. Almost 60 percent of villages are categorized as under-developed or least-developed.

The media reported the development of DD Phase 1 disbursement in some provinces. In Riau Islands, DD Phase 1 of Rp 35.8 billion has been disbursed to 42 villages in Karimun District. In East Nusa Tenggara, all 255 villages in Ende District have received DD Phase 1 of Rp 192 billion. In East Kalimantan, DD Phase 1 with amounted to Rp353.74 billion has been disbursed in 86 percent of the 814 villages. The district with the highest absorption rate is Panajam Paser Utara (100 percent of 30 villages), while the lowest disbursement rate is in Paser (65.5 percent of 139 villages).

The media reported some issues in the disbursement of DD Phase 1. In Central Java, the disbursement of DD Stage 1 in four villages in Sukoharjo District was delayed due to the conflict between the village head and the Village Consultative Board (BPD). In North Sumatra, Labuhan Batu Utara Legislative Council urged the regent to delay the disbursement of DD to villages with problematic financial reports. The district inspectorate recently found that the spending of Rp 4.6 billion of village budgets requires further clarification. Similarly, in Banten, the Regional House of Representative of Pandeglang District urged the district government to withhold the disbursement of DD Phase 2 to 65 villages due to the error in reporting.

In West Kalimantan, the Chairperson of the Association of Village Governments (APDESI) in Mempawah District said many village heads had difficulty in determining the price of goods or services when preparing detailed budget plan (*rencana anggaran biaya* or RAB). APDESI proposed the establishment of a district level body in charge of setting the benchmark for prices of goods and services. APDESI also proposed a more flexible timeline for village budget reporting, considering delays in DD disbursement.

In Papua, the Provincial Village Community Empowerment Agency said that 70 percent of the 5,420 villages had not implemented the Medium-term Village Development Plan (RPJMK), which led to ineffective village budget spending. In 2017, the province received Rp 4.3 trillion.

Sources:

- [Menteri Desa: Rp 36 T Dana Desa Tersalurkan, Rp 800 Juta Per Desa](#) – Tempo.co, August 24, 2017
 - [Pemerintah Ubah Penyaluran Dana Desa](#) – Koran Tempo, August 22, 2017
 - [Kemendes Fokus Pendalaman Kualitas](#) – Bisnis Indonesia, August 22, 2017
 - [2018, Dana Desa Diperbesar untuk Daerah Tertinggal](#) – Suara Pembaruan, August 25, 2017
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- [Dana Desa Rp 182,7 Miliar Diduga Dikorupsi](#) – Kompas, August 22, 2017
 - [Soal Dana Desa, 4 Desa di Sukoharjo Dapat Peringatan Keras](#) – Krjogya.com, August 24, 2017
 - [Tahap Kedua Pencairan DD Dimulai](#) – Batampos, August 23, 2017
 - [Tahan Pencairan DD Tahap Dua](#) – Radar Banten, August 21, 2017
 - [Apdesi Harap Pemkab Berikan Ruang Desa Susun APBDes](#) – Pontianak.tribunnews.com, August 24, 2017
 - [Dana Desa 2016 Labura Bermasalah](#) – Waspada, August 23, 2017
 - [713 Desa Kaltim Sudah Terima Dana Desa](#) – Kaltim.antaranews.com, August 21, 2017
 - [Desa di Ende Dapat Dana DD Sebesar Rp 192 M](#) – Kupang.tribunnews.com, August 22, 2017

3. CORRUPTION CASES AND ANTI-CORRUPTION MEASURES

Former Head of Community Empowerment and Village Government Empowerment of Tolikara District in Papua was named suspect in a case of Village Fund misuse in 2016. He was accused of arranging fictitious purchases of 503 motorcycles, 36 outboard motor engines, 38 boats, and furnitures. According to the police, the estimated state losses reached Rp 182.7 billion.

The Corruption Eradication Commission (KPK) extended the detention period for five bribery suspects in Pamekasan District in East Java for 40 days, until October 1, 2017. They are the regent, head of state attorney, chief inspectorate, Dassok village head, and an inspectorate staff.

The Attorney General said his office will promote the roles of TP4D (Monitoring and Supervision of Development Governance Team) in supervising Village Fund. It will be conducted simultaneously by district prosecutors in Indonesia to all village heads.

The media reported various corruption cases in several provinces that involved village heads and village secretaries. In Riau, the head of Bakong Village in Lingga District reportedly embezzled Rp 215 million of Village Fund to pay for a shaman (traditional healer or *dukun*). The village head reportedly consulted the shaman to be richer and to keep bad luck at bay, with the money was requested pay for certain rituals.

In East Java, Kediri District Prosecutor named treasurer of Pojok Village as suspect in village asset corruption. The suspect allegedly embezzled Rp 294 million income generated from the rental of 20.7 hectares of land to a third party. In Yogyakarta, the head of Bunder Village in Gunung Kidul District was detained by the District Attorney for allegedly embezzled Rp 137.9 million of Village Fund.

In Maluku, six village heads in East Seram District were accused of embezzling 30 percent of DD. In Riau, two village heads in Bintan District became suspects in the misappropriation of Rp 200 million DD. In West Java, the Inspectorate of Indramayu District said 73 village heads were reported by their citizens on indication of village funds misappropriation.

Sources:

- [Dana Desa Rp 182,7 Miliar Diduga Dikorupsi](#) – Kompas, August 22, 2017
 - [KPK Perpanjang Masa Tahanan Semua Tersangka Pamekasan](#) – Metrotvnews.com, August 22, 2017
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- [Kejagung-Kemendes Bahas Program Penyaluran Dana Desa](#) – Antaranews.com, August 23, 2017
 - [Dana Desa Rp 215 Juta Ludes Diembat Dukun](#) – Batampos.co.id, August 23, 2017
 - [Kejaksaan Periksa Tiga PJ Kades Pojok](#) – Jawa Pos, August 24, 2017
 - [Dana Desa Jadi pemantik Korupsi](#) – Koran Tempo, August 21, 2017
 - [73 Kuwu Tersangkut Dana Desa](#) – Pikiran Rakyat, August 25, 2017

4. VILLAGE GOVERNANCE

In East Nusa Tenggara (NTT), Nita Village in Sikka District is named the best village in the category of village budget transparency. The village government implemented several programs to ensure transparency, such as providing public information on village budget through banners, leaflets, website and Facebook page.

In NTT, the Sikka district government announced the establishment of 34 preparatory villages under District Head Bylaw (*Perbup*) No. 24/2017. The preparatory villages are spread across 13 subdistricts.

In Riau Islands, Bintan Regent appointed acting village heads in Malang and Penaga to replace the incumbents detained by the District Attorney over village budget corruption case.

In East Java, only 40 of the 430 villages in Bojonegoro District are registered to the National Health Insurance (JKN) Program, although the District Head Regulation (*Perbup*) No. 1/2017 has stipulated that 5 percent of DD can be allocated to enroll village apparatus in the JKN Program.

In Aceh, Lhokseumawe Municipal Government enrolled 1,564 development project workers in 65 villages to the BPJS Ketenagakerjaan social security insurance. The municipal government would be paying the premium only for the first month, while the premium for the following months would be covered by the village budget.

Sources:

- [KPK Jadikan Desa Nita Model Transparansi Kelola ADD](#) – Kupang Pos, August 21, 2017
- [Bupati Sikka Umumkan 34 Desa Persiapan](#) – Kupang Pos, August 25, 2017
- [Pekan ini Bupati Lantik Kades Penaga dan Malang Rapat](#) – Batampos.co.id, August 22, 2017
- [Minim, Aparat Desa Ikut JKN](#) – Media Indonesia, August 23, 2017
- [1.564 Aparat Desa Terima BPJS Ketenagakerjaan di Lhokseumawe](#) – Kompas.com, August 23, 2017

5. VILLAGE HEAD ELECTION

In East Java, village head elections in Arjowinangun and Dadapan in Pacitan District would receive tight security measure due to their vulnerability to conflicts. Dadapan have five candidates running for the election while Arjowinangun is prone to conflict due to its diverse communities. Pacitan District will hold a simultaneous village head elections in 18 villages, in which 49 candidates participate.

In NTT, three village head candidates who had won the February election would be inaugurated in September. The heads of Sisi and Muke villages had to wait for the incumbent to finish their terms, while the inauguration of Wederok village head was delayed due to an electoral dispute.

Sources:

- [Dua Desa Dapat Atensi Khusus](#) – Jawa Pos, August 26, 2017
- [Tiga Kades Terpilih Segera Dilantik](#) – Kupang Pos, August 24, 2017

6. VILLAGE-OWNED ENTERPRISES (BUMDes)

In West Java, Bogor district government instructed all villages to establish BUMDes in 2017. As of August 2017, only 216 of the 417 villages already have BUMDes, most of which focus on savings and loans.

In West Kalimantan, Kayong Utara district government passed on the bylaw on the Guidelines for the Establishment of BUMDes.

In Bangka Belitung, Bangka district government donated 21 operational vehicles for 21 BUMDes that were deemed successful in improving the village economy.

Sources:

- [Pemerintah Bogor Wajibkan Semua Desa Dirikan BUMDes](#) – Tempo.co, August 21, 2017
- [Pemda Kayong Utara Dorong Pembentukan BUMDes di Tiap Desa](#) – Pontianak.tribunnews.com, August 25, 2017
- [12 Kepala Desa Beli Ambulans Pakai Dana Desa](#) – Media Indonesia, August 22, 2017

7. EX-PNPM ASSETS

In NTT, Ende District Attorney declared the former Chairman of the Finance Management Unit (UPK) of the Kelimutu Sub-district as a suspect in the embezzlement of Rp 220 million from PNPM Mandiri Program. The attorney is also investigating two other cases, in East Lio and Kelimutu sub-districts.

Sources:

- [Jaksa Tetapkan Yohanes Jadi Tersangka](#) – Kupang Pos, August 23, 2017

8. EDUCATION

The Government held two regional reflection workshops on the Teacher's Performance and Accountability (KIAT Guru) Program in Surabaya and Bali. The workshops aimed to examine the achievements, best practices, challenges and impacts of programs that focus on various approaches such as community participation, performance-based allowance payment, and good governance. Local stakeholders and beneficiaries in pilot districts participated in the workshops.

The workshops also drafted recommendations for the future implementation. The results of the regional workshop would be reported in September 2017 to the national steering committee, comprising the Ministry of Education, the National Team for the Acceleration of Poverty Reduction (TNP2K), the National Development Planning

Agency (Bappenas), the Ministry of Finance (MoF), and representatives of the Australian Government and Bank World. The KIAT Guru program, aims to improve education service in remote areas, has been implemented since 2014 in hundreds of primary schools in remote districts in West Kalimantan, Papua and NTT.

Sources:

- [Presensi dan Kualitas Pengajaran Guru di Daerah Khusus Meningkatkan](#) – Kompas.com, August 25, 2017
- [Lokakarya Refleksi Program KIAT Guru Dibutuhkan](#) – Media Indonesia, August 25, 2017

9. INDIGENOUS PEOPLE AND INSTITUTIONS

In Banten, leaders of Baduy Dalam indigenous people in Cibeo Village in Lebak demanded the government to recognize *Selam Sunda Wiwitan* religious sect to be mentioned in the identity card. Members of Baduy tribe, which comprises nearly 12,000 people, are believers of the religion. The country only recognizes six religions: Islam, Catholic, Christian, Hindu, Buddhism, and Confucianism).

Source:

- [Tetua Baduy Minta Agama Dicantumkan Kolom KTP](#) – Antaranews.com, August 22, 2017

10. ADDITIONAL NEWS

- **ACEH:** Villages in Lhokseumawe City had difficulties in implementing DD-funded projects due to rising iron prices, from Rp 70,000 per unit to Rp 87,000 per unit. The projects' detailed budget plan (RAB) that had been prepared earlier were no longer valid. In addition, the rise in iron prices has led to limited stock ([Besi Langka, Proyek Desa Terhambat](#) – Serambi Indonesia, August 24, 2017).
 - **JAKARTA:** Fleur Davies, adviser to the Australia's Department of Foreign and Trade (DFAT) said the Australian Government has been providing technical assistance to improve regulatory framework and ensure smooth implementation of DD program. The support for rural empowerment in Indonesia has been provided in the past 10 years ([Alasan Pemerintah Australia Beri Bantuan Teknis Kelola Dana Desa](#) – Tempo.co, August 24, 2017)
 - **SOUTH SULAWESI:** The Provincial Village and Community Empowerment Agency (DPMD) commenced a recruitment process of village facilitators, although the number of APBN-funded quota for the province has not been confirmed. The province, which has 2,255 villages, proposes the recruitment of 500 village facilitators ([Kuota Perekrutan Pendamping Desa Belum Pasti](#) – Koran Sindo, August 22, 2017).
 - **EAST JAVA:** Twelve villages in Pasuruan District used DD to purchase ambulances. The village heads explained that the purchase was well justified considering the distance between the village and the hospital ([12 Kepala Desa Beli Ambulans Pakai Dana Desa](#) – Media Indonesia, August 22, 2017).
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- **EAST NUSA TENGGARA:** Dirma Village in East Malaka sub-district used village fund allocation (ADD) to rehabilitate 14 poor houses. Residents received building materials and were requested to carry out the renovation independently ([Rehab Rumah Warga Pakai Dana Desa](#) – Kupang Pos, August 22, 2017).
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