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## WEEKLY MEDIA MONITORING

FOR

### Indonesia Social Development

#### HEADLINES

- **Indonesia Corruption Watch (ICW) disclosed that there were 110 graft cases related to Village Fund (DD) and Village Fund Allocation (ADD) within 2016 to mid 2017.** Of the 139 perpetrators in the cases, 107 were village heads. ICW urged the government to cancel the planned increase in village funds from Rp 60 trillion to Rp 120 trillion next year, saying that the government should conduct a thorough evaluation of the program in lights of the numerous corruption reports.
- As of mid 2017, the Ministry of Villages, Disadvantaged Regions and Transmigration has received about 300 complaints on Village Fund (DD). The number reached 932 reports last year. Meanwhile, **the Corruption Eradication Commission (KPK) received 459 complaints related to DD from January to June 2017.** These reports do not necessarily about the misappropriation of village funds, some of which are due to administrative errors and lack of transparency.
- **The media reported that the Government of Indonesia would carry out three measures to combat DD embezzlement.** First, incentives would be provided to strengthen the role of district inspectors and sub-district heads in overseeing village funds. Second, a joint decree (SKB) of four ministers would be issued to avoid overlapping authority in managing village fund. Third, the Ministry of Villages is set to increase the use of the village's financial system (Siskeudes).
- **The trial hearing on the bribing of Supreme Audit Agency (BPK) auditor by the Inspector General of the Ministry of Village** revealed that the bribes were not only to obtain the Unqualified Opinion (WTP) status for the Ministry's financial report, but also to cover the irregularities in the payment of honorarium and operational cost for village facilitators amounting to Rp 550 billion.

- **The media reported various corruption and misuse of Village Fund and village budget in several provinces.** Papua Police found an indication of misuse of the 2016 Village Fund in two districts, Tolikara and Pegunungan Bintang, with estimated total state losses of Rp 186 billion. During the same period, six village heads have been named suspect, arrested, or dismissed over village budget corruption cases in various provinces.
- **The Village Minister stated the government is considering two mechanisms of village fund disbursement in 2018** that amounts to Rp 120 trillion: direct disbursement to village government and disbursement involving relevant ministries or agencies.
- **As of mid-August, the coverage of the Measles Rubella (MR) immunization program for students in Java has reached 12,576,729 children (35.97 percent of the target).** Provinces with the highest coverage of MR immunization were Central Java (39.26 percent), followed by West Java (35.57 percent), Yogyakarta (35.67 percent), East Java (37.47 percent) and Jakarta (28.61 percent).

## 1. ANTI-CORRUPTION MEASURES

Indonesia Corruption Watch (ICW) urged the government to cancel the planned increase in village fund from Rp 60 trillion to Rp 120 trillion next year. ICW proposes the government to thoroughly evaluate the village fund (DD) program in lights of the numerous reports of corruption. ICW disclosed that there were 110 graft cases related to Village Fund and Village Fund Allocation grafts within 2016 to mid 2017. Of the 139 perpetrators in those case, 107 of them were village heads while the rest is village officials (20) and the village chiefs' wives (2). The total state losses inflicted by the cases reached around Rp 30 billion -- Rp 19.6 billion this year and Rp 10.4 billion last year.

In 2016, the Ministry of Villages received 932 reports of public complaints related to Village Fund, around 200 of which were submitted to the the Corruption Eradication Commission (KPK), 167 to the police, and the rest is classified as administrative issues. As of mid 2017, the Ministry has received about 300 complaints, while the KPK received 459 complaints related to Village Fund from January to June 2017. These reports do not necessarily about the misappropriation of village funds, some of which are about administrative errors and lack of transparency.

The media reported that the Government of Indonesia would carry out three measures to combat Village Fund embezzlement. First, incentives would be provided to strengthen the role of district inspectors and sub-district heads in overseeing village funds. The Minister of Villages stated the incentives would not be deducted from the Fund, but from the central government budget. Rather than establishing a new institution to monitor the Fund, the government focuses on strengthening existing institutions such as Village Fund task force, the Ministry's call center, Village Consultative Board (BPD), district inspectorate, and subdistrict government.

Second, the government would issue a joint decree (SKB) of four ministers to avoid overlapping authority in managing village fund. The four ministers are the Village Minister, the Minister of Home Affairs, the Minister of Finance, and the Minister of National Development Planning/Head of Bappenas.

Lastly, the Ministry of Villages is set to increase the use of the village's financial system (*Siskeudes*). The Minister instructed all village facilitators throughout Indonesia to encourage the application of *Siskeudes*. Currently, only 30 percent of the total of villages are using *Siskeudes* application. The Ministry sets a target that 100 percent of villages would be using *Siskeudes* by the end of 2017.

Separately, Vice President Jusuf Kalla proposed that the DD program follow the accountability model implemented by houses of worship, where they announced the amount of money received and its purpose to worshippers each week. This method could reduce the potential of the misappropriation of village funds.

#### Sources:

- [Kemendes: Pengawasan Dana Desa akan Diperkuat](#) – *Liputan6.com*, Aug 19, 2017
- [Penegakan Hukum Kunci Pemberantasan Korupsi Dana Desa](#) – *Tempo.co* Aug 1, 2017
- [Atasi Penyelewengan Dana Desa, Mendes Libatkan LSM](#) – *Suara Pembaruan*, Aug 13, 2017
- [ICW Minta Pemerintah Batalkan Rencana Kenaikan Dana Desa](#) – *Kompas.com*, Aug 1, 2017
- [Tak Tersentuh KPK, Kades jadi Aktor Korupsi Anggaran Desa Terbanyak](#) – *Kompas.com*, Aug 1, 2017
- [KPK: Ada 459 Laporan Soal Dana Desa](#) – *Detik.com*, Aug 9, 2017
- [Village Funds Prone to Misuses: ICW](#) – *The Jakarta Post*, Aug 12, 2017
- [ICW Sebut Pak Kades Paling Banyak Korupsi Dana Desa](#) – *Detik.com*, Aug 1, 2017
- [110 Korupsi Dana Desa Diproses Hukum](#) – *Suara Merdeka*, Aug 1, 2017
- [Anggaran untuk Pengawasan Dana Desa akan Ditingkatkan](#) – *Kompas.com*, Aug 19, 2017
- [SKB Empat Menteri Soal Dana Desa Segera Diterbitkan](#) – *Kompas.com*, Aug 20, 2017
- [Inspektorat Daerah Bakal Diberi Insentif Kawal Dana Desa](#) – *Antaraneews.com*, Aug 9, 2017
- [Siskeudes Cegah Penyelewengan Dana Desa](#) – *Cendrawasih Pos*, Aug 10, 2017
- [Why Village Funds are Open to Misuse](#) – *Majalah Tempo (English)*, Aug 14, 2017

## 2. CORRUPTION CASES

The trial hearing on the bribing of Supreme Audit Agency (BPK) auditor by the Inspector General of the Ministry of Village revealed that the bribes were not only to obtain the Unqualified Opinion (WTP) status for the Ministry's financial report, but also to cover the irregularities in the payment of honorarium and operational cost for village facilitators in 2016 amounting to Rp 550 billion.

The media reported various corruption and misuse of Village Fund (DD) and village budget in several provinces. **In Papua**, the police found an indication of misuse of the 2016 DD in two districts in the province, Tolikara and Pegunungan Bintang. In Tolikara, there were alleged mark-ups the procurement of 507 motorcycle and furnishing and the purchase of 38 boats and 36 outboard motor engines. Some fictitious procurements were also reported. The case allegedly inflicted state losses of Rp 182.7 billion. Meanwhile, in Pegunungan Bintang, the police grilled three district employees, who have allegedly stolen Rp 15 million per village. Last year, all 227 villages received Rp 555 million Village Fund each. The police interrogated 17 witnesses, including village heads, and estimated a loss of Rp 3.6 billion.

**In East Java**, Governor Soekarwo issued a decree appointing Pamekasan Vice Regent as acting district head since Aug. 11 to replace the Regent who is now detained by the KPK. Two defendants in a DD corruption case in Sampang district were sentenced to 20-month prison term. Both were found guilty of embezzling the fund during the disbursement process to the villages. In Probolinggo district, the authority named a Paiton subdistrict official as suspect in embezzling Rp 137 million from Village Fund. The suspect allegedly instructed officers of Bank Jatim to directly deduct Rp 9.2 million of the disbursed Fund to each village. Gresik District Inspectorate

conducted an investigative audit of the use of village funds in five out of 330 villages in four subdistricts (Wringinanom, Kedamean, Menganti, and Manyar).

**In West Kalimantan**, Sanggau District Attorney arrested the head of Ilai village for allegedly misusing the 2016 village budget (APBDEs) that inflicted Rp 500 million of state losses. The suspect allegedly created fictitious documents in reporting projects funded by the 2016 budget.

**In Central Sulawesi**, the head of Tangkura village Tangkura in Poso regency was named a suspect of DD and ADD corruption in 2016. The case was investigated based on community reports.

**In Bangka Belitung**, Tanjungpinang District Attorney arrested the heads of Penaga and Malang Rapat villages in Bintan District in ADD corruption case. Bintan Regent will soon appoint acting village heads.

**In North Sulawesi**, the provincial prosecutor and police are investigating the allegations of village fund misappropriation in 11 villages. Police have summoned several witnesses, including village heads from North Minahasa and South Minahasa districts.

**In Maluku**, the head of Oma village in Central Maluku District and the village secretary were named suspect in the case of 2015-2016 ADD embezzlement and were detained in Ambon. The 2015 case has resulted in Rp 289 million of state losses. The Development Finance Comptroller (BPKP) is still counting the state losses in the 2016 ADD corruption case.

**In Central Java**, villagers of Summersari in Kendal District came to the Central Java Audit Agency (BPK), demanding the investigation of alleged misappropriation of DD and ADD in 2014-2016 by the village head and village officials. The village head has been dismissed and District Inspectorate has declared Rp 358 million of state losses.

**In Aceh**, Pidie District Attorney is investigating the corruption case of the 2016 DD disbursement. The village head of Gampong Mesjid in Muara Tiga subdistrict has been named a suspect for his involvement in stealing Rp 200 million.

#### Sources:

- [Ratusan Miliar Dana Desa di Tolikara Disalahgunakan](#) – *Bintang Papua*, Aug 9, 2017
- [Rp 182 M Dana Desa Tolikara Diduga Diselewengkan](#) – *Suara Pembaruan*, Aug 9, 2017
- [Polda Papua Cium Korupsi Dana Desa di Pegubin](#) – *Bintang Papua*, Aug 8, 2017
- [Dana Kampung di Dua Kabupaten, Diduga Disalahgunakan](#) – *Cendrawasih Pos*, Aug 8, 2017
- [Jaksa Sebut Suap Auditor BPK untuk Tutupi Temuan Ro 550 Miliar di Kemendes](#) – *Kompas.com*, Aug 16, 2017
- [Penjelasan BPK Soal Temuan Rp 550 Miliar dalam Sidang Suap Opini WTP Kemendes PDDT](#) – *Kompas.com*, Aug 16, 2017
- [BPK Temukan Kejanggalan Anggaran Rp550 Miliar di Kemedes](#) – *Viva.co.id*, Aug 16, 2017
- [Bupati Pamekasan Ditangkap, Gubernur Tunjuk Wabup Jadi Pelaksana Tugas](#) – *Kompas.com* Aug 15, 2017
- [Kacabjari Entikong Tahan Kepala Desa Ilai](#) – *Pontianak.tribunnews.com*, Aug 15, 2017
- [Lima Desa Masuk Audit Investigatif](#) – *Jawa Pos*, Aug 1, 2017
- [Limpahkan Berkas Korupsi DD, Polisi Hanya Tetapkan Satu Tersangka](#) – *Jawa Pos*, Aug 14, 2017

- [Pak Kades Jadi Tersangka Korupsi Dana Desa](#) – *Jppn.com*, Aug 14, 2017
- [Kasus Dana Desa, Camat Kedungdung dan Kasi Diganjar 1,8 Tahun](#) – *Jawapos.com*, Aug 12, 2017
- [Pasca Ditahan, Bupati Segera Tunjuk Dua PLT Kades](#) – *Batampost.co.id*, Aug 18, 2017
- [Usut 11 Kasus Dugaan Korupsi Dana Desa](#) – *Jppn.com*, Aug 19, 2017
- [Datang di Kejari bawa Pendukung, Ternyata Raja Oma Tetap Ditahan](#) – *Fajar.co.id*, Aug 9, 2017
- [Korupsi Dana Desa, Kepala Desa di Maluku Tengah Ditahan](#) – *Kompas.com*, Aug 9, 2017
- [BPK Diminta Hitung Kerugian Negara](#) – *Suaramerdeka.com*, Aug 18, 2017
- [Kejari Geledah Kantor Dinas PMG Pidie](#) – *Serambi Indonesia*, Aug 18, 2017

### 3. DISBURSMENT AND REPORTING OF DD

**The Minister of Villages, Disadvantaged Region and Transmigration** said the government is considering two mechanisms of disbursement of village funds in 2018, which amounts to Rp 120 trillion: direct disbursement to village government and disbursement through relevant ministries or agencies. If village officials are not ready, the Fund can be channelled through the relevant ministries.

**In East Kalimantan**, the compliance rate in submitting DD Phase 1 accountability report only stands at 19.38 percent. Kutai Kartanegara District reported only Rp 100.56 million (0.15 percent) of Rp 68.77 billion in total village funds. Only two villages in Kutai Kartanegara and East Kutai submitted the accountability reports. Meanwhile in West Kutai District, 171 villages (out of 190 villages) have received a DD Phase 1 transfer amounting to Rp 81.17 billion. Nineteen other villages have not fulfilled the requirements.

**In Aceh**, 1,558 of the 6,497 villages have not yet received the 2017 DD as the requirements have not been met. In Southeast Aceh district, 309 of the 385 villages have not submitted the accountability report, while in North Aceh district, all of the 852 villages have not issued village annual budget plan (APBDes).

**In Papua**, Jayapura district government stated that villages in the region still have difficulties in reporting of the 2017 DD and ADD Phase 1. This year, ADD is channelled through checking account. Consequently, the withdrawal of ADD funds by check is new to these villages and additional training is required.

**In Yogyakarta**, Kulon Progo district government will use an online application of State Budget Online Monitoring (OMSPAN) to report the 2017 DD Phase 2. The application is linked to the Regional Treasury and Assets Agency (BKAD) and the sub-district government.

#### Sources:

- [Dana Desa Rp 120 T, Kemendes Kaji 2 Opsi Pencairan](#) – *Tempo.co*, Aug 20, 2017
- [Laporan Penggunaan Dana Desa Kaltim Baru 19,38 Persen](#) – *Kaltim.antaranews.com*, Aug 12, 2017
- [171 Kampung Kutai Barat Manfaatkan DD](#) – *Kaltim.antaranews.com*, Aug 18, 2017
- [1.558 Gampong Belum Terima Dana Desa](#) – *Serambi Indonesia*, Aug 15, 2017
- [Kulon Progo Terapkan Omspan Dalam Laporan Dana Desa](#) – *Antaranews.com*, Aug 14, 2017
- [Aplikasi Daring untuk Pelaporan Dana Desa](#) – *Media Indonesia*, Aug 15, 2017
- [Penyaluran Dana Kampung Tahap I Dievaluasi](#) – *Bintang Papua*, Aug 16, 2017

#### 4. VILLAGE GOVERNANCE

**The Minister of Villages, Disadvantaged Region and Transmigration** said the government is considering two mechanisms **In Aceh**, the head of Aceh Besar district Mawardi Ali reinstated 28 village heads in Darul Imarah Sub-district who had been dismissed in September 2016 by the former district head. These village heads were fired following their petition to split from Aceh Besar district and join Banda Aceh municipality.

**In East Java**, Bangkalan Legislative Council criticized the district government's livestock program where all of 273 villages are requested to allocate Rp 23 million from the village budget (APBDes) to buy five goats and build cages. The total budget for this program amounts to Rp 6.2 billion. The Council criticized the program as an intervention to the village administration.

#### Sources:

- [Aceh Besar Aktifkan 28 Keuchik](#) – *Serambi Indonesia*, Aug 15, 2017
- [Borong 1.365 Ekor Kambing Etawa Rp 6,2 Miliar](#) – *Jawapos.com*, Aug 9, 2017

#### 5. HEALTH

As of mid August, the coverage of the Measles Rubella (MR) immunization program for students in Java has reached 12,576,729 children (35.97 percent of the target). Provinces with the highest coverage of MR immunization were Central Java (39.26 percent), followed by West Java (35.57 percent), Yogyakarta (35.67 percent), East Java (37.47 percent) and Jakarta (28.61 percent). The immunization was carried out in two phases: August - September 2017 for Java and August - September 2018 for outer islands. The government sets the target of 95 percent immunization coverage by 2020.

#### Source:

- [Sudah 12 Juta Anak Diimmunisasi Campak Rubella](#) – *Suara Pembaruan*, Aug 15, 2017

#### 6. ADDITIONAL NEWS

- **JAKARTA:** The Ministry of Villages named three people as the best facilitator in 2017: Nur Irawati (Jambi Province), Ni Ketut Sri Astuti (Bali), Pigome and Leo (Papua) ([Inilah Tiga Pendamping Terbaik Tahun 2017](#) – *Gatra.com*, Aug 15, 2017).
- **NORTH SUMATERA:** Two motorcyclists stole Rp 288 million worth of Village Fund for Pondok Bulu village in Pematang Siantar when the car carrying the money stopped to patch the tires. The money was just taken from a bank and was stored in plastic bags ([Ban Mobil Kempis, Dana Desa Ratusan Juta Raib](#) – *JPPN.com*, Aug 17, 2017).
- **ACEH:** Bireuen District Inspectorate is closely monitoring a dozen villages to prevent administrative error or mismanagement of Village Fund. The inspectorate will send a team to verify the incoming reports ([Belasan Desa dalam Pengawasan](#) – *Aceh.tribunnews.com*, Aug 19, 2017).
- **EAST JAVA:** Eighty nine village heads in Mojokerto district returned the fee from the public road lighting installation project (LPJU) worth Rp 2.3 billion. The project sees each village receive 15 lamps from the

Public Works Agency and they required to allocate budget for the installation costs. The project was done by vendor, in which a village head received an average fee of Rp 15 million. ([89 Kades di Mojokerto Kembalikan Fee Proyek LPJU Rp 2,3 Miliar](#) –Detik.com, Aug 16, 2017).

- **PAPUA:** Papua Police and the Corruption Eradication Commission (KPK) will conduct a training on village fund monitoring for 330 police officers in September. This training is a follow-up cooperation between the Ministry of Villages and the Indonesian Police. The participants come from four districts (Jayapura City, Jayapura, Sarmi, and Keerom). ([Bakal Gandeng KPK Latih Bhabinkamtibmas Awasi Dana Desa](#) – *Cendrawasih Pos*, Aug 9, 2017).
- **NORTH KALIMANTAN:** State-owned bank BNI supported the establishment of 10 village-owned enterprise (BUMDes) in Sebatik Island, Nunukan District. Sebatik Island is one of the outermost islands of Indonesia that borders directly with Malaysia. Since 2016 BNI has supported the establishment of 2,745 BUMDes ([BNI Fasilitasi Bumdes di Pulau Sebatik](#) – *Kompas.com*, Aug 18, 2017).

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