



POLICY OF VILLAGE DEVELOPMENT

Ministry of Village, Development of Disadvantaged Areas and Transmigration

OLD VILLAGE VS NEW VILLAGE FOLLOWING LAW NUMBER 6 YEAR 2014 ABOUT VILLAGE

OLD VILLAGE

Village as the Object of Development

**Government driven development or
community driven development**

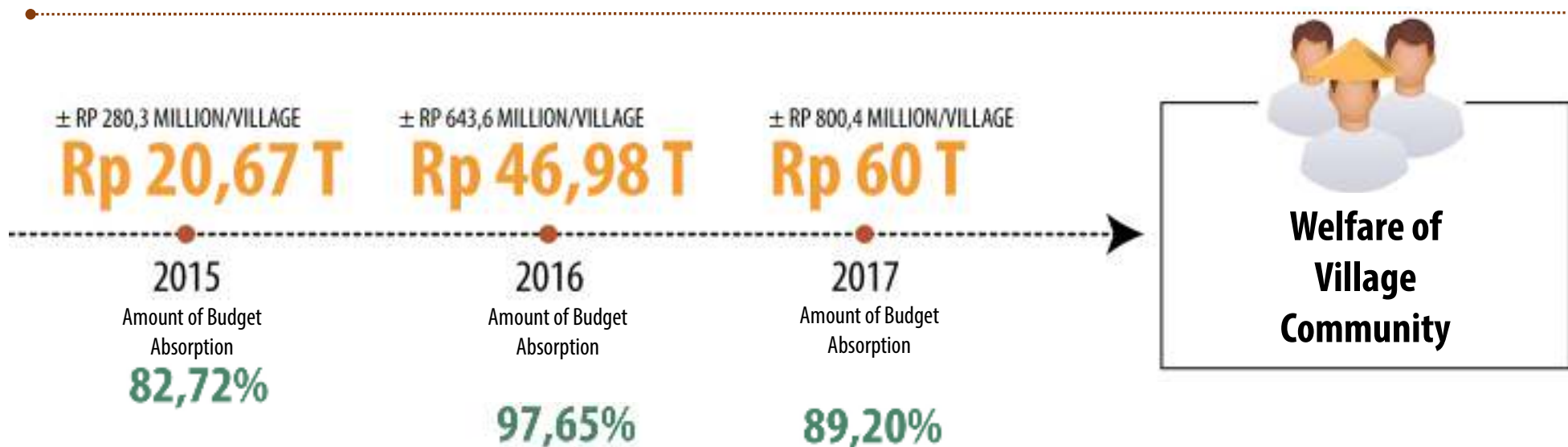
NEW VILLAGE

Village as the Subject of Development

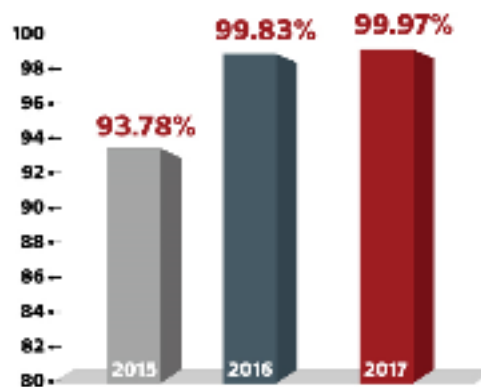
**Village driven development and
participation**



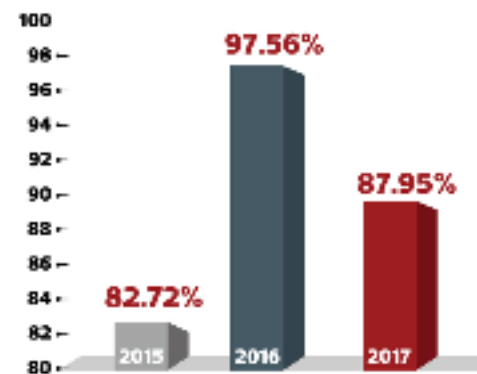
POLICY OF VILLAGE FUND



Distribution of Village Fund in 2015, 2016, and Phase I of 2017



Transfer from the State General Treasury Account to the Regional Account



Transfer from the Regional Account to Village Account

RECAPITULATION OF VILLAGE FUND UTILIZATION IN 2015, 2016, AND PHASE 1 OF 2017

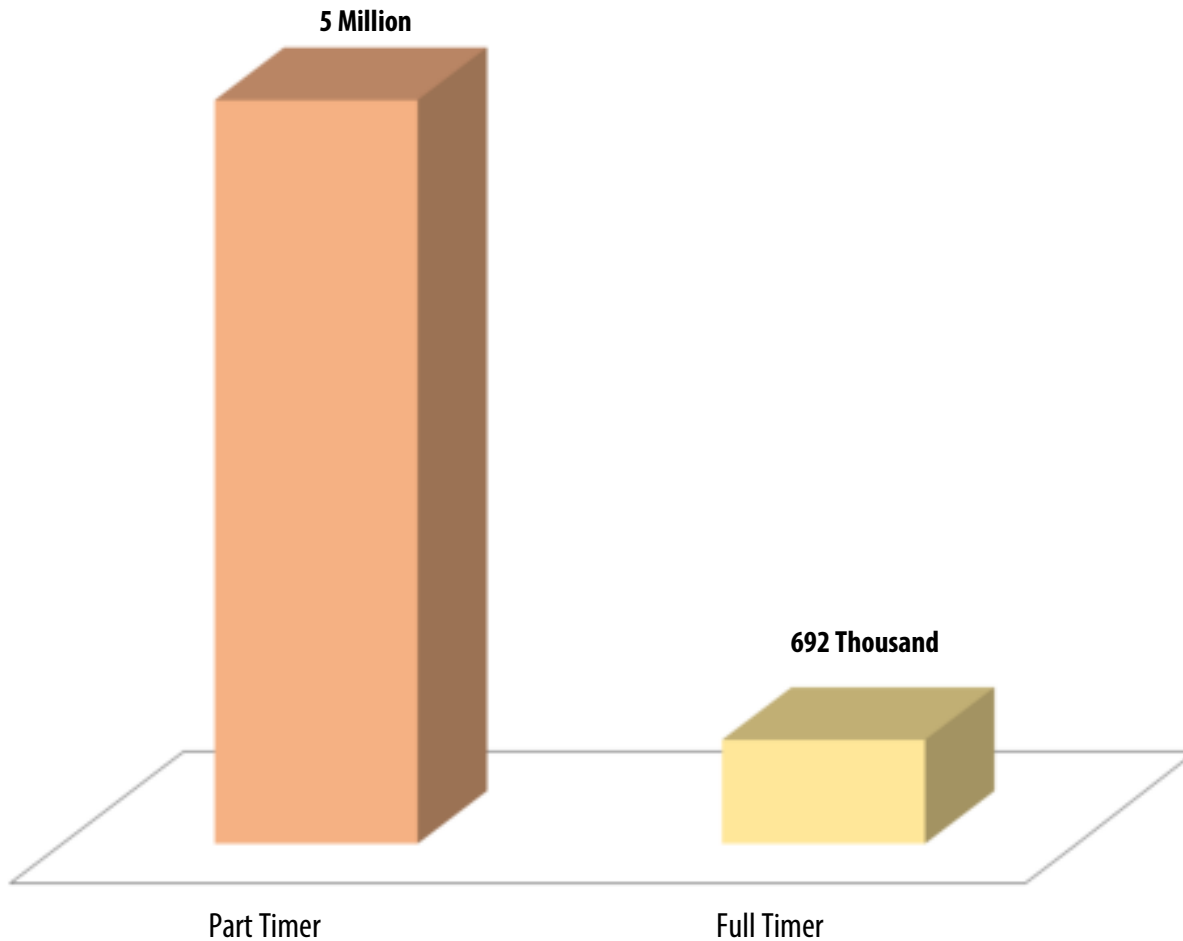
TO SUPPORT ECONOMY



TO INCREASE THE QUALITY OF LIFE OF VILLAGE COMMUNITY



ANALYSIS OF VILLAGE FUND CONTRIBUTION TOWARDS POTENTIAL EMPLOYMENT IN 2018



- If 30% of village funds is used for labor wages, it can be used to pay **5 Million part-time workers** (2 month infrastructure development);
- From the established infrastructure: *Polindes* (Maternity Clinic), *Posyandu* (Integrated Health Centre), PAUD (Early Childhood Education), BUM Desa (Village Owned Enterprises) and Village Markets) those will create **692,788 full time employment**;
- **IT WILL CREATE IN TOTAL OF 5,7 MILLION EMPLOYMENT**

PROPOSED VILLAGE FUND ALLOCATION POLICY ON SELF-MANAGED LABOR WAGES OF VILLAGE FUND ACTIVITIES

Cost Component Analysis per Activity Menu on the Utilization of Village Fund

NO	COMPONENT	LABOR WAGES (%)	MATERIAL COST (%)
1	Road	15	70
2	Village Market	30	69
3	Retaining Wall	22	75
4	Irrigation	40	57
5	Water Reservoir	38	48
6	Drainage	30	67
7	Bridge	15	70
8	Public Toilet	30	67
9	Well	30	67
10	Clean Water	30	67
11	Sport Facilities	30	67
12	Early Childhood Education	30	67
13	Integrated Health Post	30	67
14	Village Maternity Clinic	30	67






Analysis of Proposed Village Fund Allocation Policy on Self-Managed Labor Wages of Village Fund Activities

	30% Labor Wages from VF (million people)	40% Labor Wages from VF (million people)	50% Labor Wages from VF (million people)
30 days	10,0	13,3	16,6
60 days	5,0	6,6	8,3
90 days	3,3	4,4	5,5

- In minimum, 30% of Village Fund is used for labor wages;
- 30% of labor wages create **300 Million of Man Days which equal to 5 Million Labors**. Meanwhile, 40% labor wages create **400 Million of Man Days which equal to 6.6 Million Labors**.





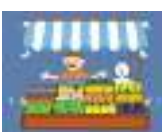
SUSTAINABLE EMPLOYEMENT BY 4 YEARS VILLAGE FUND ASSISTANCE (2015-2018)

Village Fund Utilization

 <p>Integrated Service Health Care (POSYANDU) 31.978 units</p>	 <p>BUM Desa (Village-owned Enterprise) 65.433 units</p>
 <p>Village Birth Facilities (POLINDES) 13.986 units</p>	 <p>Early Childhood Care (PAUD) 49.140 units</p>
 <p>Village Market (Pasar Desa) 12.660 units</p>	



Potential Employment

 <p>Integrated Service Health Care (POSYANDU) 127.912 people</p>	 <p>BUM Desa (Village-owned Enterprise) 261.732 people</p>
 <p>Village Birth Facilities (POLINDES) 13.986 people</p>	 <p>Early Childhood Care (PAUD) 196.560 people</p>
 <p>Village Market (Pasar Desa) 50.640 people</p>	<div style="border: 1px dashed #ccc; padding: 5px;"> <p>Notes : It can be assumed that each built infrastructure potentially recruits 4 new employees</p> </div>

In 2018, it will be created 5-6.6 Million labor-intensive employment and 692.788 sustainability of employment by village funds during 2015 to 2018. In total, there will be 5.7-7.3 Million new employments.

POTENCY OF PRUKADES AND MINE EXCAVATED TO BE USED AS WATER RESERVOIR (EMBUNG) /IRIGATION IN VILLAGE EMPLOYMENT

NO	PRIORITY PRODUCT	IMPORT	PRODUCTIVITY	AGRICULTURE LAND NEEDED	POTENTIAL EMPLOYMENT
1	Maize	5 Million Tons	5 Tons/Ha	500 Thousand Ha	10 Employees in each 1 Ha 5 Million Employees by 500 Thousand Ha
2	Sugar	3.5 Million Tons	7 Tons/Ha	500 Thousand Ha	20 Employees in each 1 Ha 10 Million Employees by 500 Thousand Ha
3	Salt	3 Million Tons	100 Tons/Ha	300 Thousand Ha	10 Employees in each 1 Ha 3 Million Employees by 300 Thousand Ha
Total Employees					18 Million



POTENCY OF MINE EXCAVATED TO BE WATER RESERVOIR (EMBUNG) / IRRIGATION

- There are 632 mine excavated in East Kalimantan that could potentially be used as water reservoir (embung) / irrigation;
- **There is a potential employment of 34,760 manpower in water reservoir (embung) construction and potential employment of 11,376 workers in irrigation channel construction (Total 46,136 workers).**

ISSUES OF VILLAGE FUND AND EFFORTS TO SOLVE THEM

- 1** Late issuance of Regent's Regulation concerning the determination of Village Fund as well as Village Report at the Previous Phase
Intensive Cooperation with Ministry of Home Affairs
- 2** Un-consolidation of Public Complaint Service System for Utilization of Village Fund
Consolidation system of Public Complaint Services for the Utilization of Village Fund by Satgas Dana Desa (the Village Fund Task Force) through Call Center, SMS, Facebook, or Twitter
- 3** Unintegrated system of Village Development Information
Integration of Village Development Information System (*SIPED*) with Village Finance System (*SISKEUDES*) coordinated with BPKP with its technology supervised by BPPT

RURAL DEVELOPMENT PRIORITY PROGRAM 2017



1. FEATURED PRODUCT OF RURAL AREA (PRUKADES)



2. WATER RESERVOIRS



3. VILLAGE-OWNED ENTERPRISE (BUM DESA)



4. SPORT FACILITIES

URGENCY OF DEVELOPING RURAL FEATURED PRODUCT (*PRUKADES*)



82,77%

**village community living
in agriculture sector**

PROBLEMS

1. Small-scale economy;
2. Limited market access;
3. Not vertically integration;
4. Unavailability post-production industry;
5. Limited fund assistance;
6. Low private sector involvement.

SOLUTIONS

1. Clustering of Village priority product ;
2. Creating vertical integration;
3. Private sector involvement in post-production industry.

EFFECT

1. Increasing village economic productivity;
2. Efficiency management;
3. Less productivity cost and profit maximization for community.

THE SUCCESS STORY OF PRUKADES

MAIZE IN PANDEGLANG, BANTEN

- 50.000 Ha of maize land area, and predictably produce around 250.000 Tons of maize.
- The average of maize selling price is Rp 3.000/Kg, that means the income will reach Rp 750 Billion. If it is harvested twice in a year due to water reservoir (embung) construction, then the income reaches Rp 1.5 Trillion.
- 5 parties have transacted in purchasing maize regularly.

MAIZE IN WEST HALMAHERA, NORTH MALUKU

- 20.000 Ha of potential land area in 9 Sub-districts with 80.000 Tons production target.
- Recent total of production is 467,5 Tons from 1679,48 Ha.
- BULOG committed to support in storage warehouse.

STARFRUIT AND GUAVA IN BOJONEGORO, EAST JAVA

- Starfruit, guava, and psidium guajava are 3 priority products that have been continuously explored.
- Premium starfruit that has been produced in these areas has 8-10 cm of diameter, while the normal size is 5-6 cm. Premium psidium guajava has 10-12 cm of diameter.
- Ministry of Village facilitates the collaboration between Bojonegoro and PT. Trans Retail Indonesia.

FORUM OF PRUKADES (COLLABORATION WITH LINE MINISTRIES AND LOCAL GOVERNMENTS)

In order to support sustainability program of Prukades, Ministry of Village, Development of Disadvantaged Areas, and Transmigration facilitates in arranging a meeting among local government with investor and another related ministries

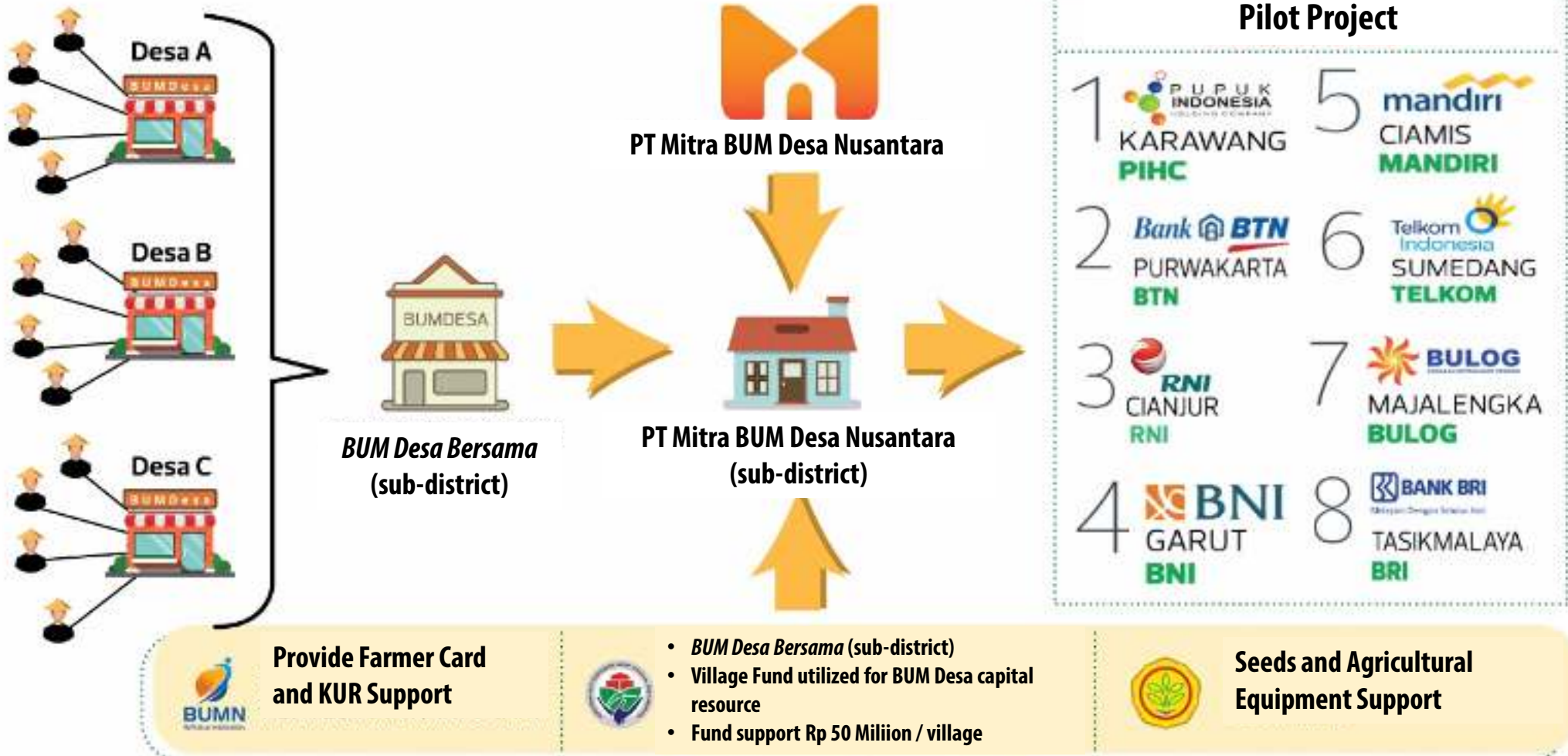
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DISTRICTS HAVE BEEN PARTICIPATED IN FORUM OF PRUKADES

1. Wonogiri;	11. Sleman;	21. Bungo;
2. Cilacap;	12. Pekalongan;	22. Bojonegoro;
3. Tegal;	13. Hulu Sungai Utara;	23. Halmahera Barat;
4. Kebumen;	14. Bolaang Mongondow Timur;	24. Pandeglang;
5. Blora;	15. Nias Utara;	25. Bangka Selatan;
6. Tanah Laut;	16. Tana Tidung;	26. Pesisir Barat;
7. Poso	17. Malang;	27. Mamuju Tengah;
8. Minahasa Utara;	18. Demak;	28. Musi Rawas.
9. Manokwari Selatan;	19. Pinrang;	
10. Sigi;	20. Bondowoso;	



SCHEME OF FARMER ENTREPRENEURSHIP DEVELOPMENT



EXAMPLE OF SUCCESSFUL DEVELOPMENT OF BUM DESA PONGGOK-KLATEN



Water Tourism Destination



Bottled Water Industry



Community loan



Village Store



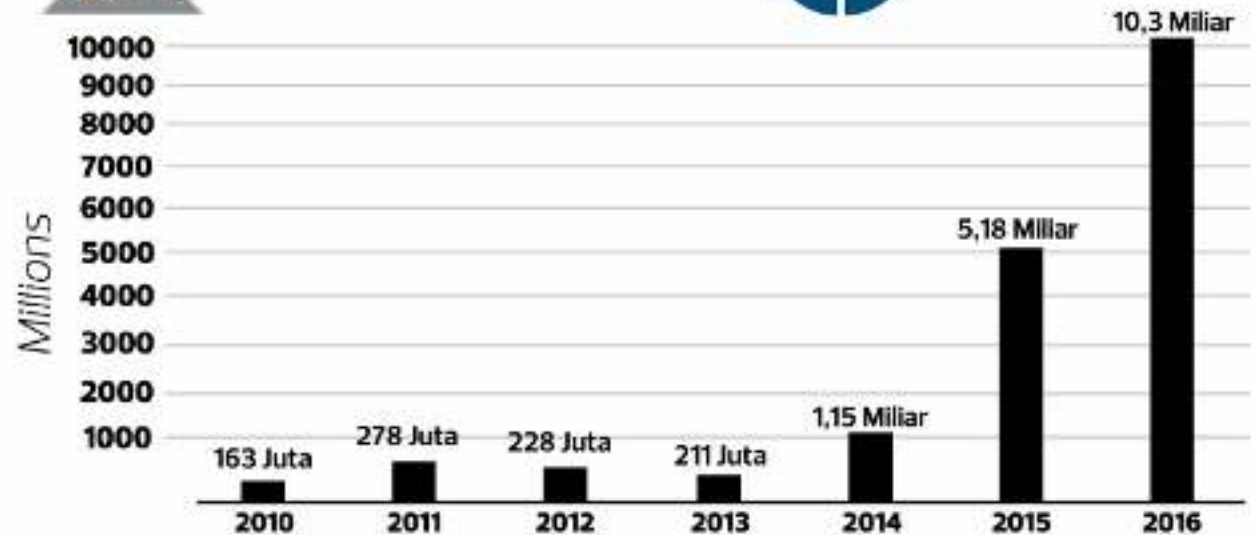
Red Tilapia Fish Cultivation



Education and Healthcare Guarantee Program

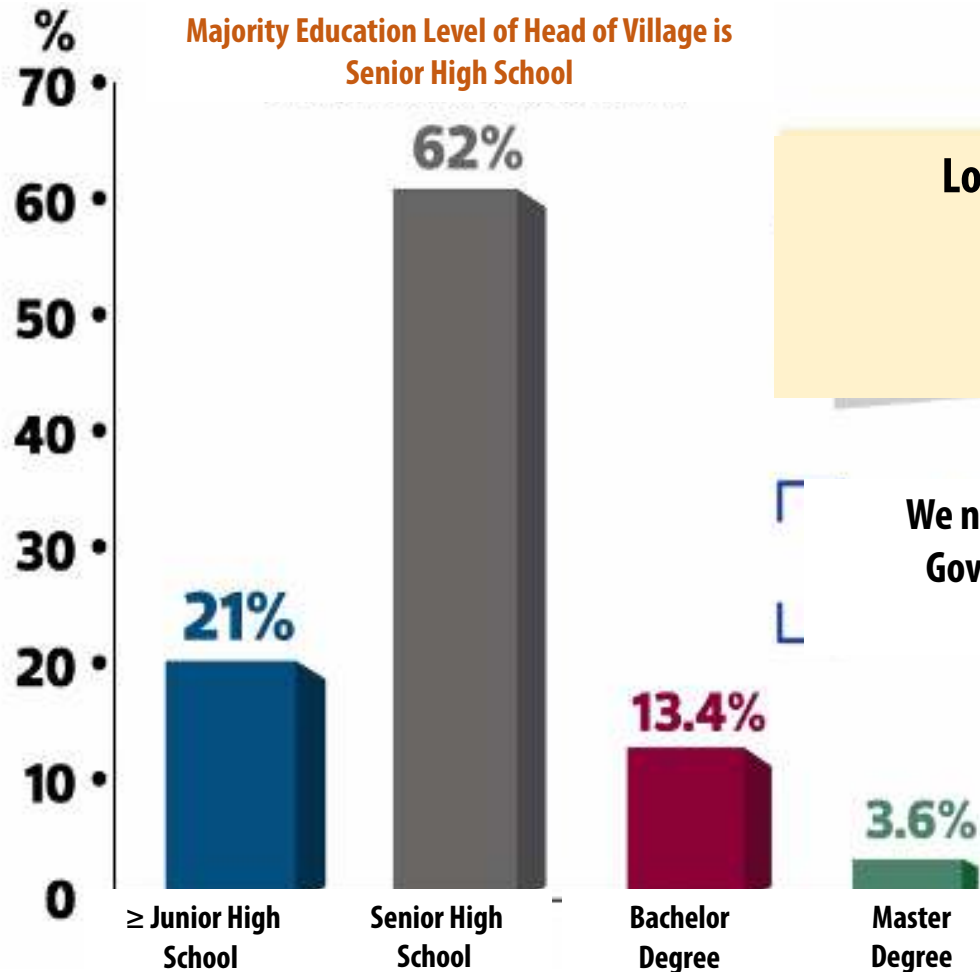


Foodcourt in Umbul Pongok



The total income of BUM Desa Tirta Mandiri experiences a significant increase. BUM Desa's profit is allocated for funding Pongok Village's eminent activities: educational funding (Kartu Cerdas Desa), healthcare insurance (Kartu Kesehatan Anak), and fund distribution through zakat desa.

URGENCY OF LOCAL GOVERNMENT CAPACITY DEVELOPMENT ON VILLAGE DEVELOPMENT MANAGEMENT

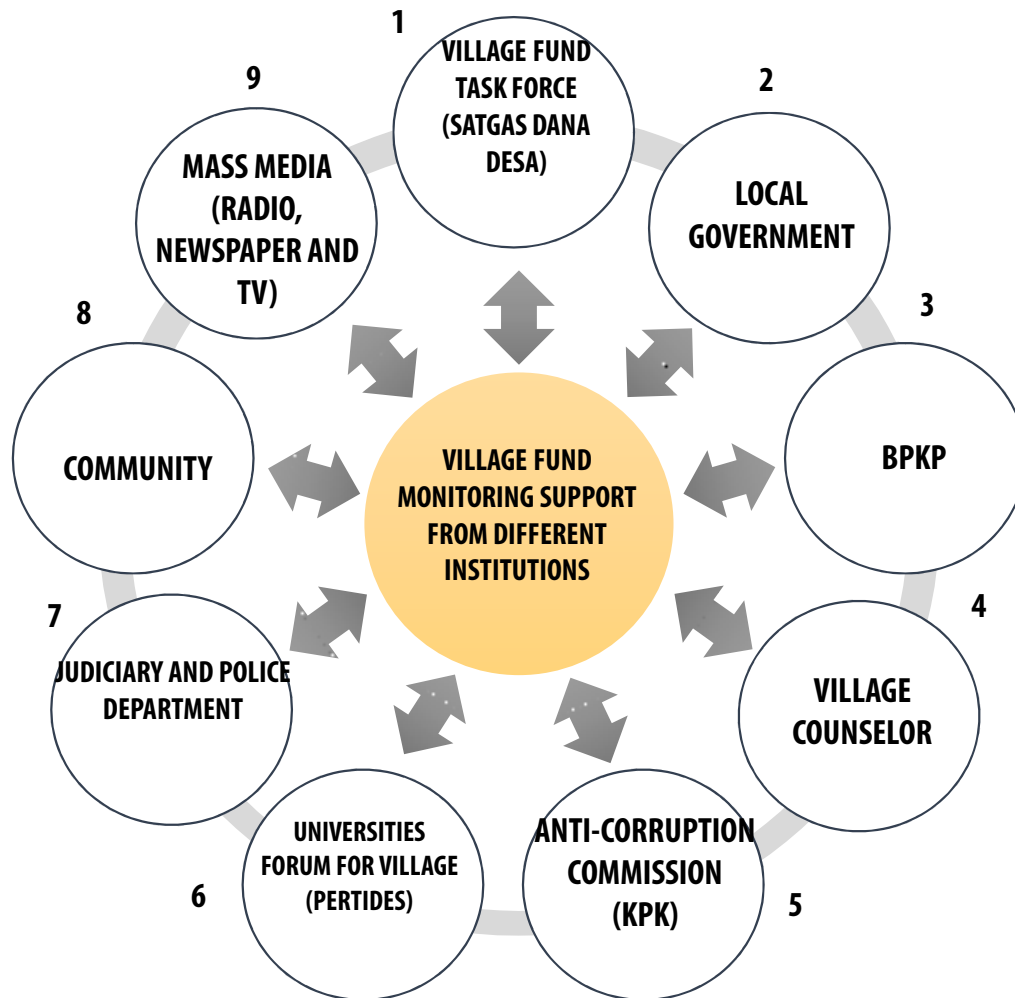


Local Government who have good vision and higher intellectual capacity will make village development process better

We need the capacity development program for Local Government on village development management



MONITORING OF VILLAGE FUND



In 2016, Village Fund Task Force (*Satgas Dana Desa*) found 900 offence cases

- 200 of the cases are given to KPK
- 167 are given to the police department (67 of those cases were into the court)
- The rest are just administrative mistakes;

Complaint Report of Village Fund in 2017*

- Illegal charges, 50 cases
- Procedural mistakes, 201 cases
- Mismanagement and use of Village Funds, 1.024 cases
- Misappropriation of Village Fund, 3.113 cases

**) till September 2017*

ACCOUNTABILITY OF VILLAGE FUND MANAGEMENT

THE PRIORITY OF THE USE OF VILLAGE FUNDS SHOULD BE PUBLICIZED BY THE VILLAGE GOVERNMENT IN THE PUBLIC SPACES OR THE SPACE ACCESSIBLE TO THE VILLAGE COMMUNITY.

MEDIA THAT CAN BE USED, SUCH AS:
BILLBOARDS, SOCIAL MEDIA AND VILLAGE WEBSITES

Examples of Public Information
on Billboards



Social Media
(Instagram, Twitter, Facebook)



Example of Transparency of Village Government Budget Usage in Village website:



REPORT !!

- **Village communities can report the village funds misappropriation, through :**



-  Call Center 1500040
-  0877-88990040
0812-88990040
-  kemendesa.1
-  KemenDesa

MINISTRY OF VILLAGE, DEVELOPMENT OF
DISADVANTAGED AREAS, AND TRANSMIGRATION



THANK YOU