

REPORT

STUDY VISIT TO TUBAN REGENCY IN 2012

I. Preface

Last April 11-13th, 2012, YTS assisted government staffs and partners from six pilot projects in Gunung Mas (Gumas) to have a study visit to Tuban in East Java. It is one of YTS agenda to strengthen the capacity of partners in YTS good governance project.

Tuban is regency in East Java Province which has more than 1 million populations. Latest years, Tuban becomes very popular for its achievement in village fiscal decentralization especially for *Village Allocation Fund* (ADD) and local economic development.

This year, Tuban receives Unqualified Opinion (WTP) achievement based on Supreme Audit Agency (BPK) report on Tuban fiscal assessment in 2011. It is the best achievement for Regional Government Budget (APBD) performance in Regency.

For the information above, YTS and partners in Gumas regency eager to learn more about the successful of ADD policy and village assets management in Tuban as a part of local economic development policy.

The participants in this visit were 12 representatives of pilot project villages, two Camat from Kahut and Damang Batu, two staffs from community Empowerment Agency (BPMPD-KB), one staff from Animal Husbandry and Fishery Agency, and 9 YTS staffs.

II. Activity Process

At the first day, YTS facilitated a briefing meeting to set the schedule for study visit and forming group for each topic. There are three groups for the visit. First group consist of government staff visited BAPPEDA and Empowerment Agency (BPMD). Second group consist of village representative and Camat visited Sugihan Village for ADD revitalization issue. And the third group consists of Camat and village representative visited Klotok village for Village Asset (VA) management issue.

In BAPPEDA, the team met Head of BAPPEDA and staffs, representative from BPMD, and some people from various agencies in Tuban. Head of BAPPEDA gave a presentation about some aspects in ADD policy in Tuban and continue with open discussion. In BPMD, the team noticed some proposal and liability document of ADD.

In Sugihan, the second team met the Village Head and staffs. The Village Head, Warsito, SE, gave a presentation about ADD management, Village Own Source Revenue (PAD), Village Assets such as village land and community self-help, and village activities. The presentation finished with an open discussion. Seem that the participants from Gumas are really interesting to the topic because they ask many questions especially that are related to the problem in their village.

In Klotok, the third group met Ir. Suprayitno, MP, the Village Head, Agus Hanafi, Purwoto, Kusyanto, Subakir, Iman Safi'I, and Hali. They gave presentations about various village asset activities in Klotok such as HIPPA (*Farmer Organization of Water Users*), jetty business, village market, village barn, and agriculture innovation. The participants impressed to the innovation in Klotok and willing to replicate it in their village.

III. Analysis and Conclusion

Visit to Tuban Regency

Here are some important aspects based on the analysis of BPMPD-KB:

No.	Comparative Aspect	Tuban	Gumas
1.	Amount of ADD based on PP No. 72/2005	Rp. 17.380.000.000 for 311 villages or 10% from General Allocation Fund (DAU) in Tuban. It is not include the Village Government fee.	Rp. 8.850.000.000 for 115 villages or 2% of General Allocation Fund (DAU) in Gumas. It is allocated out for fee and operational fund of Village Government.
2.	Used of ADD	30% for Village Government operational and 70% for community development activities	27% for Villages Government Operational and 73% for fee of Village Government and Village Legislative (BPD)
3.	Mechanism for channeling Fund	ADD is including in List of Priority Budget of Finance and Assets Management Agency (DPA DPKAD) in Tuban	ADD include in DPA DPKAD
4.	Stages of Fund Delivery	1 st stage on Januari – March, and the next stages depend on the Land and Building Tax payment.	Stage I: 35% (jan- March) Stage II: 45% (April-Sept) Stage III: 20% (Oct-Dec)
5.	Implementation Stages	Adjusting to the Planning of Village Government Budget (APBDesa)	Adjusting to the Planning of Village Government Budget (APBDesa)
6.	Controlling Stages	It is done by the ADD coordination team and villagers through BPD.	It is done by the ADD coordination team and villagers through BPD.
7.	Reporting Stages	ADD reporting for each fund delivery stages and it set out in LPPD and LPKJ at the end of the year.	ADD reporting for each fund delivery stages and it set out in LPPD and LPKJ at the end of the year.

Based on the notes above, here are some aspects that need further analysis:

1. Both Tuban and Gumas follows *PP No. 72 year 2005* (Government Regulation), but there are some different in basic principals such as:

According to the regulation, ADD is 10% of General Allocation Fund (DAU) and Regional Government should ensure that ADD is used to support Village Government Operation and community empowerment activities. The fact in Gumas, almost the entire fund is used to pay village government salary, only 3% of ADD is allocated for village operational. This is

caused by (1) village government do not have salary from regional budget, and (2) the morality of some Villages Head.

There are some implication of problems above (1) there is no transparent information about ADD to the community and there is no consultation process for ADD implementation because the entire budget are used to pay village government salary; (2) BPD does not used their function as a controlling section of ADD implementation; (3) generally, there is no annual report of ADD implementation which is should be done b the Village Head every year, it stated in National Regulation.

2. Based on the problems above, Regional Government in Gumas cannot make decisive action because of the following consideration:

Regional Government has not allocated specific fund to support Village Government salary;

Regional Government admits that Village Head and staffs have lack of human resource to manage ADD. If Regional government applies strict law and administrative to the village government, there will be lots f the Village Head are going to be in jail. It will impact to the

Visit to Sugihan Village

Sugihan Village, Meurakurak SubDistrict in Tuban Regency has more than 732 household and their main livelihood is agriculture. Sugihan is one of the most successful villages in ADD management in Tuban.

- Preparation process to aim successful ADD revitalization (*How was the previous condition in Sugihan before the change?*)

Since the ADD policy launched, Regional Government of Tuban has cooperated with a National NGO, FITRA, in East Java to assist and strengthen the capacity of village government and community in Sugihan. So, the village government and partners are ready to implement ADD according to the basic principles, using participatory and transparent mechanism.

- Regarding the early implementation of ADD revitalization

The communities give very positive response to ADD policy in Tuban and the 70% allocation fund for community empowerment raise people' enthusiasm to expand more village development activities.

Table 1. Distribution of ADD in Sugihan

NO	ACTIVITIES	AMOUNT (Rp)
1	Village Government Operational Budget = 30 %	
	- Village Government Operational Cost	12.730.000
	- BPD Operational Cost (7 people)	1.970.000
	Sub - Total	14.700.000
2.	Village Development Program = 70 %	

	a. Supporting Budget for Community Organization Activities:	
	- Youth Organization (Karang Taruna)	1.000.000
	- Women & Child Health Center (Posyandu)	1.400.000
	- Women Group (PKK)	1.500.000
	- Village Development rganization (LPMD)	1.500.000
	b. Infrastructure Development :	
	- General Road Lightning Cost	3.600.000
	- Building Paving Stone	25.300.000
	Sub - Total	34.300.000
	TOTAL	49.000.000

- Outcomes of the ADD revitalization in Tuban:

Raising communities' trust to Village Government because the communities involve in planning, implementing, and evaluation of ADD;

Increase communities' income from becoming a labor in infrastructure development activities in their village. In Sugihan, they use local labor and material for general infrastructure development (except the material is not available in the village)

Growing knowledge and creativities of the communities through organization's regular meeting (such as Women Organization, Youth Organization, Women Cooperation, Farmer Groups etc).

- Village Planning for ADD implementation in Sugihan Village are:

They will continue the budget to improve general infrastructure in their village from ADD every year. Thus, there is new street or gang to be made or repaired every year. Then they will continue the regeneration the knowledge of Community Organization in managing ADD budget properly and accountable.

- Lesson Learn for Sugihan Village are:

➤ *How is the preparation of managing ADD implementation to be successes?*

Village Government ensure that all requirements are met; such as RPJMDesa, APBDDesa, RKP, and ADD proposal.

Village Government facilitates a participatory forum in constructing ADD proposal. Communities have the same change to give input and idea, so that they have feeling of responsibilities to success the ADD implementation in the village.

- *What kind of capacity is need to success the management of ADD in 6 (six) pilot project?*

Village Head should have a strong vision for the Village Development.

Village Head has to be honest, clear, and transparent to communities.

Village Head have to improve the cooperation with the Community Organization in the village.

It needs support from RT, RW, Women Group, and other community Organizations to success the program in the village.

- *What is the role of Village Government, BPD, and communities to success the ADD revitalization?*

Village Government prepares all requirements of ADD proposal, accommodating the communities' participation, and having good cooperation with all Community Organization.

BPD role is giving advises to the ADD proposal document, monitoring, and controlling the implementation of ADD.

Communities' role is being active in the activity planning process and giving independent support to the program such as material, money, land, or free labor etc.

Analysis and Conclusions

Based on the information above, there are three main points to success the ADD implementation. First, using a participatory planning process in constructing ADD proposal. Then, fulfill all administrative requirements for ADD disbursement. And the third is a good capacity in managing ADD in accountable way and transparently. These three points ensure that the small amount of ADD, such as in Sugihan, still can give benefits to the village development.

Six pilot projects can replicate successful ADD in Sugihan by improving their technical capacity and support polices from Regional Gov.

Visit to Klotok Village

Kelotok Village in Plumpang SubDistrict is one of the successful villages in developing their local economic in agriculture sector. It gives significant contribution to the village income.

- Preparation process to aim successful Village Asset (VA) revitalization. (*How was the first condition in Klotok?*)

In Soeharto era, Klotok was one of the poorer villages and frequently flooding because of its geographic area, this village is in Bengawan Solo river side. People in Klotok are hard workers and willing to work together, that brings them out from the poverty.

In village governance, Village Head and staffs give clear and open information especially in managing community organization and development activities in the village. Then, village governments give a regular report of village activities to the communities.

- First implementation of VA revitalitation to aim an independent village.

Since ADD disbursement few years ago, Klotok adds some of the fund to their village capital. Since 2005, Klotok creates others village income source which are manage by Village-Owned Enterprise (BUMDes), such as:

1. *Organisasi Himpunan Petani Pengguna Air (HIPPA)- Farmers Organization for water users*

Before they created this organization, they used to have a traditional agriculture system. Actually they have fertile land but since they did not have good water system, they only can harvest their rice once a year. Then, the Village Head and a Kyai raised an initiative to use the potential of Bengawan Solo River and started the water system which exists until today.

As a result of the initiative, there is cooperation between businessman and Village government to build demplots and offers personal capital loan for farmers. Since 2005, village government has developed 92 point of village law (Perdes) for HIPPA management. HIPPA contribute Rp 602.500.000 for village income every year.

The mechanism of HIPPA is collecting retribution from farmers. Farmers have to pay for 12% in rainy season and 14% in dry season. It is collected by HIPPA boards in form of grain. To ensure that they have success cultivation, they have a really good plan in agriculture include planting time and water management. To support the farmers, HIPPA prepare the equipments needed such as seeds, equipments, irrigation system, marketing of the crops, and saving and loan. HIPPA also do the monitoring for the whole activities.

Some assets manage by HIPPA are two cabin car, water can 4.000 liter and 5.000 liters, 22 irrigation machines,

Aset-aset desa yang dikelola HIPPA diantaranya: 2 mobil Pick Up, Tangking 4000 dan 5000, Diesel imbalan 22 buah (12 pk – 16 pk), grain barn and observation pos.

2. *Village Market*

Retribution from village market and parking are 20 million per year.

3. *Village Land*

There are three kinds of village lands that manage by village government named *tanah bengkok*, *tanah celengan*, and *tanah Sugor Dayon**. Communities can borrow the land for agriculture through an auction system. Village incomes from the auction are around Rp 368.250.000.

4. *Rice Grinding and Barn Retribution*

It contributes 4 million rupiahs a year.

5. *Cross-River Retribution*

It contributes 17 million a year. It also use auction system, the applicant has to pay the money first.

6. *Road's retribution for cargo and project vehicles.*

It contributes 17.5 million a year.

Result and impacts of VA revitalization.

In 2007, their APBDes are 1.070.000.000 rupiahs; they get 150 millions from ADD means that their original income is 900 million. For this reason, Klotok can give scholarship to students in the village and develop their own infrastructures. Also they can pay the Village Head salary about 5 million a month. All hemlets have their own office and all people are in good level of wealth.

*) Village Land that can be rented by communities

Planning

Klotok will maintain their achievement and continue to do the regeneration of organization board and good cooperation between communities.

Lesson learns

➤ *How is the preparation to aim successful VA?*

Have a complete village profile including data of village assets.

Conducting a participatory planning process with all communities to manage village assets activities.

There is good cooperation between village government, community organizations, and communities.

There is a transparently and accountable report of village assets management.

There are formal regulations to prevent unconditional things in the future such as corruption.

➤ *Capacity need in managing village assets.*

Village Head should have a development vision and commitment to motivate communities. Then develop local potentions to raise village income or utilize the cooperation with outside party such as YTS to make an innovation.

Village Heed, village organization board such as BPD and *Kaur* have t improve their capacity in administrations, village regulations, and the most important thing is understand their job description clearly.

➤ *The roles of village government, BPD, and communities in VA revitalization.*

Village Government roles

- Access capital resources to support local economic
- Updating village asset data
- Indentify business opportunity with communities in a public discussion
- Develop village regulations to support village economic development
- Conducting transparent and countable village governance to get communities trust.

BPD roles

- Monitoring village government performance.
- With Village Government, developing village regulation.
- Supports village government to improve communities' participation.
- Asses village government performance in responsibility-report meeting which usually done by Village Head every year.

Communities' roles

- Actively participate in village development planning.
- Active in *gotong royong* and give independent support for village activities such as materials, money, or energy.

Analysis and Conclusion

Successful village asset management in Klotok brings us to an understanding that village assets can create community prosperity. Basically, there five kinds of assets named *pentagonal asset* include money, human resources with knowledge and skill, natural resources, social capital, leadership, transparent etc. Klotok has met the *pentagonal* aspects especially the creativity, strong leadership and support from communities as a key of village development.

In creativity aspect, Klotok optimize their natural resources with social capital by having cooperation with businessmen and get assistance from FITRA-East Java to strengthen communities' organization and improve village government capacity.

Furthermore, village head leads the communities using traditional wisdom that encourage people to work together and support each other.

As a result of those aspects, the communities have strong desire to come out from their poorness and reach the prosperity.

IV. Recommendations

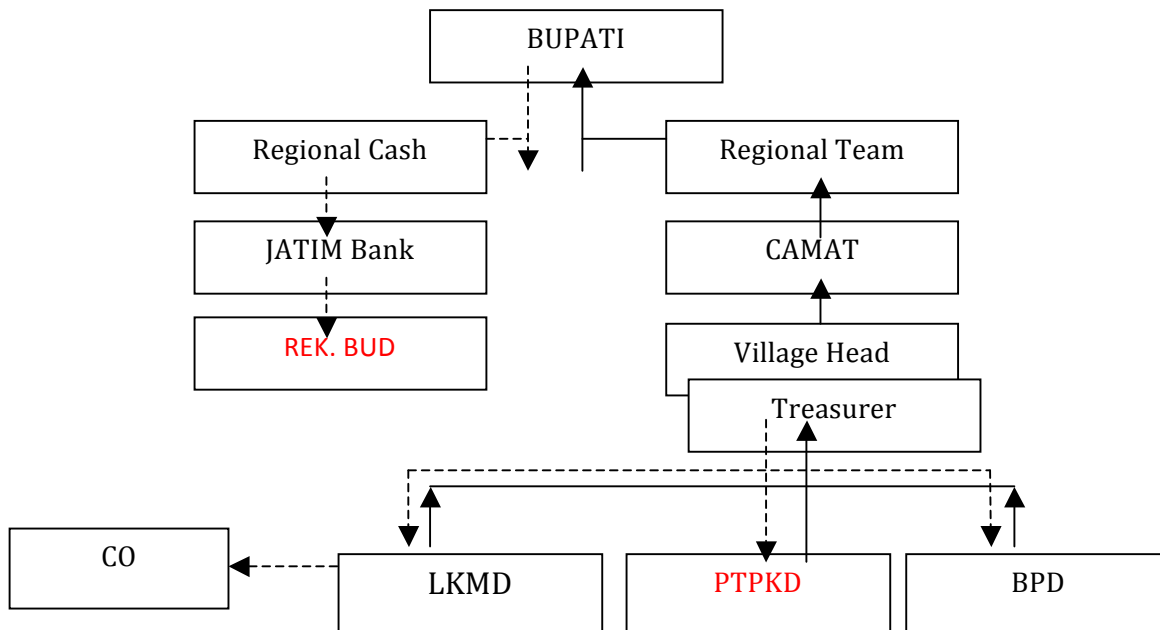
1. Village Head should have strong development vision to encourage his officers and community organizations to support village development programs. Improving village government capacity is very important.
2. Successful village development is depended on community support. Village government should follow the regulation in running village governance to ensure that they get people trust, starting from planning process until Village Head's annual report at the end of the year.
3. Good cooperation between village organization and community organization to support village good governance.
4. In case of ADD, regional government should allocated budget for Village Head and officers' fee so they can manage ADD according to the regulation. Some aspects in ADD mechanism that need intervention are management and monitoring, disbursement mechanism, Structure of monitoring and improving the capacity of village government to meet the requirement of ADD disbursement.
5. Especially in village asset management, Regional Government have to update the resident administration and land ownership data to get calculation of Land and Building Tax which 10% of it is belong to village income.
6. Regional government and Sub-District develop policies and supporting system of Village Owned Enterprise (BUMDes) establishments.
7. Develop synergy cooperation with YTS especially in case of local economic development in six pilot projects

V. Closing

Gumas has some tricky challenges on the geographical but it has many potentials. In fact that Gumas has small population; it is the best time for breakthrough in order to improve governance quality. Some strategic components that can be replicated in Gumas are ADD fiscal decentralizations and Sub-District indicative budget ceiling.

Appendix 1:

FLows of ADD Disbursement in Tuban Regency

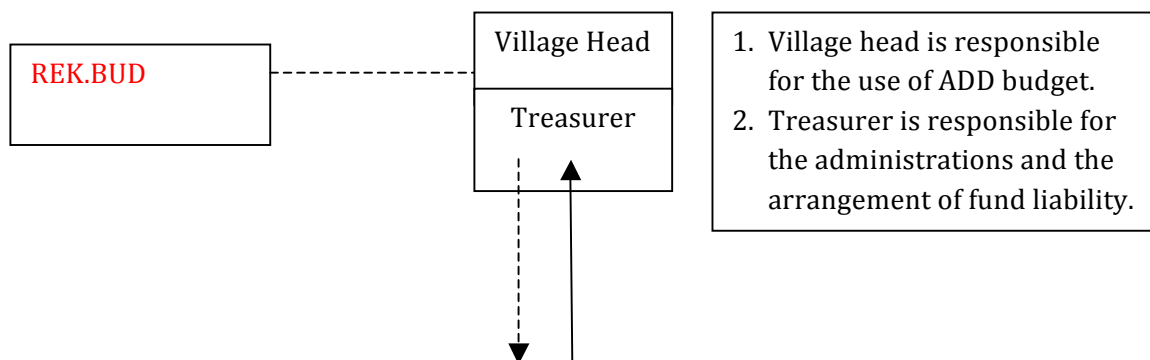


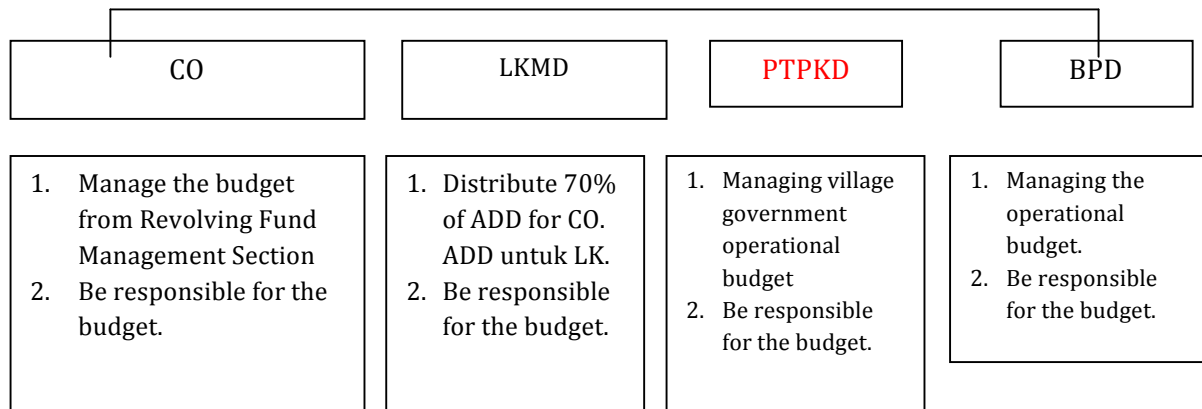
Remarks:

- ▶ : Submission
-----▶ : Disbursement

Appendix 2:

FLows of ADD Management in Tuban Regency





Remarks:

Rek. BUD :

CO : Community Organization i.e Women Group (*PKK*), Youth Organization (*Karang Taruna*)

LPMD : *Lembaga Pemberdayaan Masyarakat Desa* (Revolving Fund Management Section)

PTPKD :

BPD : *Badan Perwakilan Desa* (Village Legislatives)

Appendix 3:

PHOTO GALERY

