

Review of Resources Allocation Budget for Funding to Eradicate the COVID-19 Based on the Village Revenue and Expenditure Budget in Indonesia

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ABSTRACT

Corona Virus (COVID) has become a worldwide pandemic, including Indonesia. The Corona Virus Disease (COVID) pandemic is currently a problem in every country including Indonesia. In handling COVID 19, sufficient public funds are needed as a budget for funding this epidemic. Adjustments are needed on the income side of the budget (loans) to explain these new economic and fiscal constraints. Making quick decisions at this time is necessary and should be the main focus of the present. Each country must develop a special process for allocating budgetary funds to respond to this. In Indonesia, the number of patients who are positive for Covid-19 is increasing rapidly from day to day, therefore the government needs to think as soon as possible how to get this problem resolved quickly.

Keywords: Resource Allocation Budget, COVID-19 Epidemic, Village Revenue and Expenditure Budget

1. INTRODUCTION

This Corona Virus Disease (COVID) pandemic requires sufficient public funding to ensure a comprehensive response. Reprioritizing public spending to strengthen the economy and health system requires appropriate time and action from government leaders and a supportive public financial environment. Countries with the most cases of infection have taken various approaches to budget allocation; this depends on their public financial management and regulatory systems.

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The implication of the Covid-19 pandemic has also impacted the deterioration of the financial system as indicated by the decline in various domestic economic activities so it needs to be jointly mitigated by the Government and the Financial System Stability Committee (KSSK) to take action to anticipate (forward) to maintain financial sector stability. Based on these considerations, President Joko Widodo (Jokowi) has enacted Government Regulation in Lieu of Law (Perpu) Number 1 of 2020 concerning State Financial Policies and Financial System Stability for Handling Corona Virus Disease 2019 (Covid-19) and / or in the framework of Facing Threats that Endanger the National Economy and / or Financial System Stability signed on 31 March 2020. This Perpu states that the implementation of the State Budget (APBN) as referred to in the framework of: a. pandemic management (Covid-19) and / or b. facing threats that endanger the national economy and / or financial system stability, it is necessary to establish a state financial policy and a financial system stability policy

Village Funds are funds sourced from the State Revenue and Expenditure Budget allocated for Villages that are transferred through the regency / city Regional Revenue and Expenditure Budget and are used to fund governance, development, community development, and community empowerment. The Village Fund Program is expected to be able to transform various village potentials into economic power in the subsequent implementation. In addition to infrastructure, the funds can be used to develop, for example tourism in the village, to develop human resources and cultivate the potential of the village, to improve the health of rural communities, one of which is by utilizing the Village Fund to tackle the problem of malnutrition and stunting or failure to grow in the villages.

The dynamics of the role of the village as an integral part of national development seemed marginalized. The village is only an object of development under the control of the central government and regional governments. Village autonomy provides a hope in restoring the role of villages as the axis or basis of state development. Law number 5 of 2014 as a policy on the demands of village communities and village officials will be equal distribution of authority to villages in governance in Indonesia. Villages are given power and authority in managing their own households that are regulated in the constitution and obtaining village funds (grants) in accordance with the area and condition of the community. As a form of responsibility to the village community, village officials are required to draw up a village income and expenditure budget (APBDes).

Follow-up re-focusing is the reallocation of the Ministry / Agency budget of IDR 5-10 trillion. The government will focus more on priority activities. For non-urgent goods purchases, it is recommended to be reallocated such as domestic / foreign official travel, meetings and event organizing. Reallocation also applies to

capital expenditures for non-priority activities and there is no engagement with the status of being still blocked, still in the tender process and the remainder of the auction. In addition, the other prepared steps are accelerating the time of revision, submitting letters and supporting data online (not physically) as well as blocking revision which is also done online.

2. LITERATURE REVIEW

Good governance is very complex because of the views, criteria and meaning of good governance. Therefore building a good governance and brought in regional autonomy and village autonomy is a challenge in itself. Differences in perceptions in building commitment and opening participation of all elements in the area become obstacles, not to mention the problem of culture or culture of our society because it is good *governance* developing in developed countries that are not necessarily appropriate or can be created here. Apart from the various polemics, let us look at the views of Garry Stocker (Fadillah, 2004) who is said to be the first initiator of good governance. With five concepts about good governance, namely: a) Utilization of a set of institutions and actors both inside and outside government; b) Uniting the strength of the government, private sector and society; c) The interdependence of the three forces; d) The formation of separate networks between the three forces; f) The government is sufficient as a catalytic agent to provide direction, there is no need to run it alone.

Village autonomy in its implementation faced challenges and obstacles, especially in the Province of Bali. Bali has its own uniqueness compared to other regions in Indonesia because it knows two types of villages namely adat villages (pekraman) and official villages. The dualism of traditional villages (pakraman) and village offices should be able to be a synergy in increasing the role of all components of village governance in contributing to the community. One

indicator in view of this is the Village Budget (APBDes). APBDes is a form of responsibility of the village administration to the community through policies that are financed for one fiscal year. This is interpreted as a commitment, such as the opinion of Kumorotomo (2013) that the budget must have a direct link with strategic policy. Principles like money follows function or values for money (money must produce real benefits) become an important part in the planning and preparation of APBDes.

With the enactment of Law Number 22 Year 1999 which was then refined with the issuance of Law Number 32 Year 2004, it was subsequently renewed with Law Number 23 Year 2014 concerning Regional Government providing a strong foundation for villages in realizing "Community Development" in which villages no longer as an administrative or subordinate level but instead as an "Independent Community" i.e. the village and its people have the right to speak on behalf of the community's own interests. Villages are given the authority to manage their villages independently including in the social, political and economic fields. With

This independence is expected to be able to increase the participation of rural communities in social and political development.

The State Revenue and Expenditure Budget, hereinafter abbreviated as APBN, is the annual government financial plan approved by the House of Representatives. Village Budget and Revenues, hereinafter referred to as Village APB, is the annual Village Government financial plan. Priority in the use of Village Funds is the choice of activities that takes precedence and precedence over other activity choices to be funded with the Village Fund. Priority in the use of Village Funds is the choice of activities that takes precedence and precedence over other activity choices to be funded with the Village Fund Wildavsky and Caiden in Wahab (2012) mentioned that the budget is a financial

reflection on what the government is doing or what it wants to do. Mandica (2001: 5) says that in a decentralized perspective, local governments should play a role in budgeting as follows:

1. Establish budget priorities based on the needs of the population, not based on uniformity orders from the national government;
2. Manage regional finances including setting levels and levels of taxes and expenditures that meet the standards of public needs in the region;
3. Provide tax services and services as desired by the public and the interests of their respective regions;
4. Carefully consider the social benefits of each program and development plan, not just the interests of certain constituents;
5. Using power and strength independently in realizing and stimulating the concept of economic development;
6. Focusing on the agenda and setting economic programs in the budget that support the stability of growth and the provision of employment in the regions;
7. Determine the normal limits of expenditure in accordance with regional needs;
8. Finding and creating sources of regional income so as to reduce dependence on national subsidies

Priority in the use of Village Funds as referred to in paragraph (1) must provide maximum benefits to the Village community in the form of:

- a. improvement of quality of life;
- b. welfare improvement;
- c. poverty alleviation; and
- d. improvement of public services.

Improvement of public services in the village health sector as referred to in Article 6 paragraph (4), namely:

- a. nutrition improvement for the prevention of chronic malnutrition (stunting);
- b. improvement of clean and healthy lifestyle; and
- c. prevention of maternal and child mortality

Priority in the use of Village Funds is carried out following the stages of Village deliberations on Village development planning that results in the Village RKP document. The determination of priorities for the use of Village Funds is prepared by guiding national, provincial, and district / city development plans.

Baswir (1998), states that budgeting is based on a certain structure and classification is an important step to get a system good budgeting and serves as a guide for the government in managing the country, as a supervisory tool for the community of the government's policies and abilities. The preparation of the budget can not be separated from the characteristics of an area, to be used as a basis for consideration in the budget allocation.

3. RESULTS AND DISCUSSION

3.1 Capital for Eradicating the COVID-19 Virus Taken from the National Budget to the Regional Budget

The central government has coordinated with the Regional Government (Pemda) related to the reallocation of regional budgets to support the Covid-19 prevention and management policy. In addition, on March 16, the Minister of Finance (Minister of Finance) has issued Minister of Finance Regulation (PMK) number 19 of 2020 as a legal umbrella for adjusting the allocation of Revenue Sharing (DBH), General Allocation Funds (DAU), and Regional Incentive Funds (DID). "Currently, what the Ministry of Finance is doing is to identify all changes (budget), and accommodate emergency needs, be it health or social safety net," explained Minister of Finance Sri Mulyani Indrawati during an online press conference.

From the coordination and simulation that has been conducted with the Regional Government, the Ministry of Finance (MoF) notes that the DAU that can be optimized for handling Covid-19 reaches IDR 4 trillion. Plus, refocusing of the DBH Natural Resources (SDA) for handling Covid-19 nationally could reach Rp.463

billion. For DID, the local government can still optimize the allocation of Covid-19 handling of Rp. 4.2 trillion.

In addition, the Government also regulates the refocusing and relaxation of the Special Allocation Fund (DAK) to support the handling of Covid-19, namely the Physical DAK in the Health Sector with the potential for reallocation of the national ceiling reaching Rp4.98 trillion. Local governments can also use the Health Operational Assistance Fund (BOK) for activities relevant to the handling of Covid-19, one of which is for incentives and assistance for medical personnel and surveillance officers in affected areas. The potential relaxation of the distribution and use of BOK in 17 Provinces affected by Covid-19 reached Rp1.98 trillion, and nationally it could reach Rp3.54 trillion. At present, the rules for expanding the use of BOK for this matter are being prepared further.

Minister of Finance hopes that regional heads can sort out the priorities of the Physical DAK as well as possible, and if necessary, stop the process of implementing Physical DAK in advance outside the health sector and areas of high priority. Furthermore, in the implementation of the 2020 APBD, the Minister of Finance also appealed to the regions to make savings in spending that is less productive and focus on dealing with Covid-19 issues, both related to health impacts and economic impacts on low-income communities.

Furthermore, the local government can immediately prepare a budget change, through a regional head regulation regarding the elaboration of the regional budget. The preparation of activity plans and budgets in the prevention and handling of Covid-19, should refer to the guidelines and rules set by the central government, while maintaining good governance and accountability.

3.2 Utilization of Village Funds To Prevent and Handle Covid-19 Distribution

The village government can utilize village funds to prevent and deal with the spread of Covid-19. The basis of this provision is Circular Letter (SE) No. 8 of 2020 concerning Co-19 Tonder Village and PKDT Affirmation issued by the Minister of Villages. The SE also forms the basis for changes in the APBDes to shift spending in other fields and sub-sectors, to the field of disaster management, emergencies, and sudden villages, as well as the field of village development for PKDT activities. All of that is regulated in Minister of Domestic Affairs Regulation Number 20 of 2018 concerning Village Financial Management. For villages in the region Extraordinary Situation (KLB) of Covid-19, the APBDes can be directly changed to meet the needs of Covid-19 response in the village. KLB criteria are regulated in Regents or Mayors Regulations regarding village financial management. In response to Covid-19, according to SE, the chairperson is the Village Head and his deputy is the chair of the Village Consultative Body (BPD).

In prevention efforts the village government can use funds to educate people in their respective regions. The Director General of Village Community Development and Empowerment, the Ministry of Villages, Disadvantaged Regions and Transmigration, Taufik Madjid said that "all levels of village government, village heads, village consultative bodies (BPD), and village officials, even community leaders to participate in helping take steps -Preparation steps in anticipation by continuing to guide instruction from the task force in each area so that the use and needs of the community in accordance with the scale experienced by the community of all".

Regarding the issue of village funds, disbursements will be carried out in stages according to conditions that have been met by the village government. This year,

village funding was divided into 3 stages, the first stage was 40%, the second stage was 40%, and the third stage was 20%. The first phase 40% is approximately around Rp. 28.8 trillion. This fund allocation is distributed to 74,953 villages in 434 districts and cities in Indonesia.

4. CONCLUSION

The central government has coordinated with the Regional Government (Pemda) related to the reallocation of regional budgets to support the Covid-19 prevention and management policy. From the coordination and simulation that has been conducted with the Regional Government, the Ministry of Finance (MoF) notes that the DAU that can be optimized for handling Covid-19 reaches IDR 4 trillion. Plus, refocusing of the DBH Natural Resources (SDA) for handling Covid-19 nationally could reach Rp.463 billion. For DID, the local government can still optimize the allocation of Covid-19 handling of Rp. 4.2 trillion. The village government can utilize village funds to prevent and deal with the spread of Covid-19. The basis of this provision is Circular Letter (SE) No. 8 of 2020 concerning Co-19 Tonder Village and PKDT Affirmation issued by the Minister of Villages. This year, village funding was divided into 3 stages, the first stage was 40%, the second stage was 40%, and the third stage was 20%. The first phase 40% is approximately around Rp. 28.8 trillion. This fund allocation is distributed to 74,953 villages in 434 districts and cities in Indonesia.

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