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This study aims to see the budget allocation for the Covid-19 Handling Program and National Economic Recovery (PC-PEN), based on realizing the PC-PEN Program budget in 2020 and the challenges in 2021. The research method in this study is to use a qualitative approach through a review of the literature with the primary source coming from the Ministry of Finance, especially from the Warta Fiskal published by the Fiscal Policy Agency of the Ministry of Finance of the Republic of Indonesia, as well as other supporting sources. From data through literature, social protection programs and support for Micro, Small, and Medium Enterprises (UMKM) show significant budget absorption development. While the health management program, sectoral support from ministries/agencies and local governments, and business incentives, the absorption is still low. The Government must pay attention to the implementation and effectiveness of the PC-PEN Program, including maintaining the most subordinate economic groups' consumption and giving priority to the distribution of stimulus funds to the sectors most affected by this pandemic.

Keywords: *Pandemic Covid-19, National Economic Recovery (PEN), PEN Budget*



Evaluation of the COVID-19 Handling Programs and National Economic Recovery in Indonesia

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This study aims to see the budget allocation for the Covid-19 Handling Program and National Economic Recovery (PC-PEN), based on realizing the PC-PEN Program budget in 2020 and the challenges in 2021. The research method in this study is to use a qualitative approach through a review of the literature with the primary source coming from the Ministry of Finance, especially from the Warta Fiskal published by the Fiscal Policy Agency of the Ministry of Finance of the Republic of Indonesia, as well as other supporting sources. From data through literature, social protection programs and support for Micro, Small, and Medium Enterprises (UMKM) show significant budget absorption development. While the health management program, sectoral support from ministries/agencies and local governments, and business incentives, the absorption is still low. The Government must pay attention to the implementation and effectiveness of the PC-PEN Program, including maintaining the most subordinate economic groups' consumption and giving priority to the distribution of stimulus funds to the sectors most affected by this pandemic.

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1. Introduction

Indonesia officially identified Coronavirus was on March 2, 2020. If the count since mid-year, as of July 1, 2020, the growth of positive cases COVID-19 average of 1.56 percent. Although nominally, the average growth looks small, the accumulated number of positive instances both died and recovered is not underestimated. The COVID-19 pandemic has a very broad-scale impact, not only covering a country but furthermore, namely the world or many countries.(Tjahjaprijadi and Munandar, 2020)

Usually, the Government's primary concentration controls the national economic graph because it is relatively stable in other fields, such as health and defence and security. However, due to the COVID-19 virus, an extreme public health graphic has emerged that must be paid attention to by the Government (Kemkes, 2020). Handling must be done extraordinarily because the spread of the COVID-19 virus is swift and widespread at the economy's expense. It is feared that it will impact pulling the economy down to an economic recession. The economic downturn was caused by damage from the supply and demand sides simultaneously. Pandemic COVID-19 hit the Indonesian economy hard on these two sides. (Kennedy, 2020)

For this reason, the Government is preparing the COVID-19 Handling Programs and National Economic Recovery, or known as the PC-PEN Program, to restore Indonesia's economy both in terms of production and consumption. The PC-PEN program budget in 2020 is only 4.2% of total GDP, still far more than sufficient to positively sustain Indonesia's economic growth. Economic Indonesia increased by only 1.83%, from -5.32% growth in the second quarter of 2020 eased at -3.49% in the third quarter of 2020 (Rivani, 2021). However, there was a trend of economic improvement in Quarter IV-2020 of -2.19% (year on year / YoY.(LPEM FEB UI, 2021)

This paper wants to examine the budget allocation for the COVID-19 Handling Program and National Economic Recovery (PC-PEN) in 2020, an evaluation of the realization of the PC-PEN Program budget in 2020 and its challenges in 2021. This study's research method uses a qualitative approach through literature where the primary source comes from the ministry of finance, especially from Warta Fiskal that published by the Fiscal Policy Agency of the Ministry of Finance of the Republic of Indonesia, and other support sources.

2. Covid Handling Program and National Economic Recovery

The economic policies taken by Indonesia in the face of a pandemic COVID-19 begins with the issuing of Government Regulation In Lieu of Law (Perppu) No.1 of 2020 on Financial Policy of the State and Stability of the Financial System for Handling Pandemic Corona Virus Disease 2019 (COVID-19) and in the Context of Facing Threats that Endanger the National Economy and Financial System Stability. Government Regulation In Lieu of Law (Perpu) is a legal umbrella for taking quick and extraordinary, coordinated steps to deal with the COVID-19 pandemic. Furthermore, the Perppu was passed into Law No.2 of 2020 concerning the Stipulation of Government Regulations in lieu of Law No.1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 Pandemic (COVID-19) and / or in the Context of Facing a Threat. Endangering the National Economy and / or Financial System Stability to Become a Law.(Tjahjaprijadi and Munandar, 2020)

The background of the issuance of the Perppu is the COVID-19 pandemic which has triggered a health, social and economic crisis. Pandemic crunch created the conditions, so the Government needs to take immediate measures and extraordinary. In this case, the government and related institutions can formulate relaxation policies related to the implementation of the APBN and strengthen the authority of various institutions in the financial sector. Included in this extraordinary policy is the widening of the APBN deficit to exceed 3 percent of the GDP value and other matters needed to maintain economic stability in saving the national economy and financial system stability.(Dalyono, 2020)

2.1 PC-PEN Programs in Year 2020

(Dalyono, 2020)

In the context of the Covid-19 Handling Program and National Economic Recovery (PC-PEN), the Government has allocated a budget of IDR 695.2 trillion, which is focused on increasing health spending, social protection programs, and economic recovery through providing support to the business world. Stimulus for the poor and vulnerable is also carried out through various social protection programs, both of which are extensions of *existing* and new programs. The PEN Program also provides a stimulus for the business world to protect, maintain, and improve business actors' sustainability during the COVID-19 pandemic and accelerate the business world's recovery. The PC-PEN Program Policy is focused on six clusters with the following details (Dalyono, 2020):

1. Health care with a budget of IDR. 87.55 trillion. This allocation is used for handling the impact of the COVID-19 pandemic, which includes the provision of health and quarantine facilities in hospitals that handle COVID-19 patients, procurement of Personal Protective Equipment for health workers, and procurement of COVID-19 test kits. Stimulus is also provided in the form of incentives for health workers, including providing death benefits for health workers who died while handling COVID-19 and assistance for the National Health Insurance (JKN) contribution.
2. Social protection with a budget of IDR 203.90 trillion. This program focuses on low-income people such as construction workers, factory workers, farmers, small traders, and others. Social protection support is realized through several direct intervention programs such as the Family Hope Program (PKH), the Basic Food Program, Village Fund Direct Cash Assistance (BLT), Cash Social Assistance, and Jakarta-Bogor-Depok-Bekasi Basic Food Assistance, as well as indirect intervention in the form of discounted electricity rates and pre-work cards. The social protection

program is one of the main priorities in the PC-PEN Program to support the purchasing power and consumption of the community, especially those of the weak and vulnerable groups.

3. Sectoral support from Ministries / Institutions and Regional Governments of IDR 106.11 trillion, to encourage employment through physical development activities, empowerment of local communities, and expansion of alternative funding for local governments in the form of regional PEN loans, especially for regions that have the feasibility and experience a relatively severe impact of COVID-19 to be able to finance various priority expenditures in their regions. The provision of Regional PEN Loans is in line with the direction of the financing policy in the APBN, namely the development of creative and innovative financing to support the countercyclical and national stabilization, while still paying attention to existing funding and financing schemes in the regions.
4. Support for the Micro, Small and Medium Enterprises (UMKM) sector of IDR 123.46 trillion to save the national economy because UMKM play an essential role in national economic growth and support the expansion of employment opportunities for the community. Providing incentives to UMKM is manifested in the form of, among other things, tax incentives for UMKM Final Income Tax, providing relaxation for the payment of UMKM loan instalments and interest, and a program for placing funds in banks to provide additional new working capital loans.
5. Corporate financing support of IDR 53.57 trillion to maintain corporate businesses' sustainability amid a pandemic, especially for labour-intensive corporations through the provision of restructuring facilities with a fund placement scheme carried out by the Government. Corporate financing is also given to State-owned Enterprises (BUMN) that have an essential role in the national economy and are experiencing the pandemic's direct impact. The provision of Stimulus to BUMN was carried out in State Investment (PMN) and investment bailouts for working capital.
6. Providing business incentives with a budget of IDR 120.61 trillion. This Program aims to help the business world's efforts minimize bankruptcies and layoffs and move the economic sector. Support is provided in the form of tax incentives.

In detail, the Program for Handling COVID-19 and National Economic Recovery in 2020 can be seen in the Figure 1 below.



Figure 1. Program for Handling COVID-19 and National Economic Recovery

as IDR 695.2 trillion (in a trillion, *in Indonesian Language*)

Source: Presentation of the Head of Fiscal policy Agency (BKF) at the National Symposium on State Finance on November 4, 2020 (Dalyono, 2020)

As a consequence of the costs for handling COVID-19 and economic recovery, the Government has optimized the role of the State Revenue and Expenditure Budget (APBN) as a flexible instrument in responding to financial situations (countercyclical) while still prioritizing the principles of prudence, transparency and accountability. In this case, the Government has made adjustments to the state budget posture through the stipulation of Presidential Decree (Perpres) Number 54 of 2020, among others, by widening the 2020 state budget deficit from 1.76 percent of GDP to 5.07 percent of GDP. The change in the posture of the APBN has then adjusted again through the stipulation of Presidential Decree (Perpres) Number 72 of 2020, among others, regulating the widening of the 2020 State Budget deficit to 6.34 percent to increase financing for the implementation of the PC-PEN Program. Considering that the PC-PEN Program is an extraordinary policy and is responsible for all parties, the Government is also collaborating with Bank Indonesia through a *burden-sharing* scheme to cover the PC-PEN Program's financing. The cooperation scheme is stipulated in the Joint Decree of the Government and Bank Indonesia.(Dalyono, 2020)

Table 1. Changes in the Amount of Deficit in the 2020 State Budget

State Budget	Original (Presidential Decree Perpres 78/2019)	1st Change (Presidential Decree Perpres 54/2020)	2nd Change (Presidential Decree Perpres 72/2020)
A. STATE REVENUE	2.233,2	1.760,9	1.699,9
1. Tax Revenue	1.865,7	1.462,6	1.404,5
2. Non-tax revenue (PNBP)	367,0	297,8	294,1
B. STATE EXPENDITURE	2.540,4	2.613,8	2.739,2
I. Central Government Expenditures	1.683,5	1.851,1	1.975,2
II. Regional Transfers and Village Funds	856,9	762,7	763,9
C. SURPLUS / DEFICIT	(307,2)	(852,9)	(1.039,2)
% Surplus / (Deficit) to GDP	(1,76)	(5,07)	(6,34)
D. FINANCING	307,2	852,9	1.039,2

Source: Material for the Cabinet Session dated October 31, 2020 (Dalyono, 2020)

2.2 Realization of the 2020 PC-PEN Budget

At the Minister of Finance's presentation in the Meeting with Commission XI of the Indonesian Parliament on November 6, the absorption of the PC-PEN Program stimulus based on reclustered, as of November 2, 2020, of the total Stimulus for the PC-PEN Program of IDR 695.2 trillion, still realized of IDR 368.71 trillion or 53.04 percent. The details are health support absorbed IDR 31.54 trillion or 32.43 percent, social protection absorbed IDR 176.26 trillion or 75.22 percent, sectoral ministries/institutions and local governments absorbed IDR 30.25 trillion or 45.85 percent, to support UMKM absorbed IDR 92.73 trillion or 80.76 percent, absorbed business incentives IDR 37.93 trillion or 31.45 percent, and absorbed corporate support of IDR 0.001 trillion or 0.001 percent, in the form of guarantees for loans.(Dalyono, 2020)

But at the end of the absorption of the stimulus program, PC-PEN in 2020 increased, with the realization of IDR 579.78 trillion or 83, 4 percent. The details are as follows: the program health absorbed IDR 63,51 trillion, social protection absorbed IDR 220.39 trillion, ministries/agencies and local governments sectoral absorbed IDR 66.59 trillion, UMKM support absorbed IDR 112.44 trillion, business incentives absorbed IDR 56.12 trillion, and corporate support absorbed IDR 60.73 trillion. (Heppy, Erie and Bayu, 2021)

In detail, the realization of the PC-PEN 2020 program can be seen in the image below:



Figure 2. Realization of the 2020 PEN Program of IDR 579.78 trillion
(in the Indonesian Language)

Source: Ministry of Finance (Heppy, Erie and Bayu, 2021)

The social protection program and support for Micro, Small and Medium Enterprises (UMKM) show significant absorption development from the details above. Meanwhile, the health management program, sectoral support from ministries/agencies and local governments, and business incentives, the absorption are still low.

2.3 PC-PEN Program-Budget for 2021

Starting 2021, Indonesia's economy continues to move forward, although several indicators vary. Domestic economic recovery is expected to continue; in 2021, it is projected to grow by 5.0%, in the range of 4.5–5.3% (Puspasari, 2021). The Government continues to control the pandemic by balancing the policy of Restricting Community Activities (PPKM) and economic activities to maintain public health, and the economy continues to move. Therefore, the Government will continue the National Economic Recovery (PEN) program in 2021 to restore the economy. (Rivani, 2021)

The Government has increased the PEN Program's budget ceiling, which will be carried out five times in two months throughout 2021. The recovery budget is almost double that stipulated in the Law on the State Revenue and Expenditure Budget (APBN) for Fiscal Year 2021. Initially, the recovery budget was as large as IDR 372.3 trillion, and now it is IDR 699.43 trillion. This budget is

an increase of 21 percent from the realization of PEN 2020, which amounted to IDR 579.78 trillion. (Bayu *et al.*, 2021)

The PEN 2021 program is focused on increasing the effectiveness of economic recovery in five priority areas, namely health, social protection, priority programs, business incentives, UMKM support and corporate financing, with the following amounts (republika.id, 2021)(Avisena, 2021)(Rivani, 2021):

1. The first sector, namely health programs, has a budget allocation of IDR 176.3 trillion, which includes vaccination programs of IDR 58.18 trillion, diagnostics (testing and tracing) of IDR 9.91 trillion, therapeutic of IDR 61.94 trillion, incentives for health tax of IDR 18.61 trillion. And another handling of IDR 27.67 trillion.
2. The second area is the social protection of IDR 157.41 trillion, which includes the Family Hope Program (PKH) for 10 million beneficiary families (KPM) of IDR 28.71 trillion and food cards of IDR 45.12 trillion.
3. The third sector is priority programs of IDR 125.06 trillion covering ministries/institutions IDR 27.33 trillion, food security IDR 47.1 trillion, industrial estates IDR 11.33 trillion, regional loans IDR 10 trillion, *Information and Communication Technology* (ICT) IDR 16.65 trillion, tourism IDR 8.66 trillion, and other priorities IDR 4.11 trillion.
4. The fourth sector is the support for UMKM and corporations in the amount of IDR 186.81 trillion, including the UMKM interest subsidy program IDR 31.95 trillion, Presidential Assistance for productive micro businesses of IDR 17.34 trillion, subsidized guarantee fees of IDR 8.51 trillion, State Capital Participation (PMN) for State-Owned Enterprises (BUMN), Indonesian Export Financing Agency (LPEI) and Investment Management Institutions IDR 58.76 trillion, placement of funds of IDR 66.99 trillion, and other support of IDR 3.27 trillion.
5. The fifth sector is business incentives amounting to Rp. 53.86 trillion, including Government-borne PPh 21 Income Tax (DTP) IDR 5.78 trillion, PPh Import exemption IDR 13.08 trillion, reduction of PPh 25 IDR 19.71 trillion, Sales Tax on luxury goods borne by the Government (PPnBM DTP) of motor vehicles IDR 2.98 trillion, as well as other incentives of IDR 12.3 trillion.

In detail, the 2021 PC- PEN Program Allocation of IDR 699.43 trillion can be seen in the figure below.



Figure 3. National Recovery Program (PC-PEN) Budget for 2021

Amounting to IDR 699.43 Trillion (*in the Indonesian Language*)
Source: Ministry of Finance (Bayu et al., 2021)

The budget comparison of PC-PEN 2020 and Budget PC-PEN in 2021 can be seen in the following table.

Table 2. The PC-PEN Program-Budget for 2020 and 2021

Fiscal Support	Budget of 2020			Budget of 2021****
	Original*	Reclustering**	Realization***	
Health	84,75	97,25	63,51	176,3
Social Protection	244,60	234,34	220,39	157,41
UMKM support	114,82	114,82	112,44	186,81
Corporate Financing	62,22	62,22	60,73	
Business Incentives	120,61	120,61	56,12	53,86
Sectoral Ministries / Agencies and Local Governments	68,22	65,98	66,69	
Priority Program				125,06
Total	695,22	695,22	579,78	699,43
			Realization 83.4%	Up 21% of realization

Source: *Exposure by the Head of BKF at the National Symposium on State Finance on November 4, 2020 (Dalyono, 2020). **Material from the Minister of Finance's Exposure at the Meeting with Commission XI of the Indonesian Parliament on November 6, 2020 (Dalyono, 2020). ***Ministry of Finance (Bayu et al., 2021).

To accelerate the PC-PEN Program's realisation, reclustering was carried out by rearranging the allocation of budget for each cluster. Reclustering to optimize the PC-PEN Program's implementation did not change the total budget allocation amounting to IDR 695.2 trillion. However, the absorption that occurs is not 100 per cent (see Table 2). From table 2 above, it is also seen the increase in the PC-PEN budget in 2021, which is expected to accelerate economic recovery while maintaining the economy of the people affected by Covid-19.

3. Evaluation of the National Economic Recovery Program due to the Covid-19 Pandemic

Budget Management Program Covid-19 and National Economic Recovery (PC- PEN) 2020 is not fully absorbed. This is an important note when everyone hopes that PEN will help in economic recovery due to the Covid-19 pandemic. Many complaints were raised by the community, especially regarding social assistance; for example, the number of people who did not receive a gift even though they had registered was less than the amount of funding they should have received. Other complaints were that the officials did not distribute assistance to aid recipients, fictitious recipients, received more than one assistance, inadequate quality assistance, and those who should have received but did not receive help. Therefore, one of the things that must consider is the National Economic Recovery (PEN) Program's accountability amid a large budget and demands for the Government's response speed. Handling the Covid-19 pandemic and PEN cannot be done individually, so it is essential to have synergy and collaboration between all stakeholders and the community. (Byarwati, 2021)

3.1 Evaluation of the 2020 PC-PEN Program Budget Absorption

(Dalyono, 2020)

Social Protection

Absorption in social protection programs is supported by the realization of the Pre-Work Card program and the Family Hope Program (PKH), and cash social assistance (Bansos), which are almost entirely absorbed. Absorption is supported by the realization of a salary/wage assistance subsidy. On the other hand, the absorption of Village Fund Direct Cash Assistance (BLT) needs to be optimized, including for the empowerment of village communities through Village-Owned Enterprises (BUMDes). The thing that needs to be given attention is the need to accelerate the Village Fund BLT program. In its realization, social protection is enjoyed by the poor and vulnerable groups and the middle class, especially on electricity discounts and salary subsidies. Social security is also to support distance learning and increase access to the labour market (TK). Despite facing challenges, but social protection showed improvement, such as is, the scope of protection so unlucky widening and targets its getting better, food security improved, the investment of human resources in the long term through, the card program pre-employment accelerated and could encourage beneficiaries entry into the labour market, and disbursing aid can increase financial inclusion. (Dalyono, 2020)

Support for Micro, Small and Medium Enterprises (UMKM)

For the support of Micro, Small and Medium Enterprises (UMKM), the absorption is mainly supported by the Placement of Government Funds in Banking in the context of restructuring UMKM loans. Another support comes from Investment Financing for Cooperatives through the Cooperative, Micro, Small and Medium Enterprises (LPDB-KUMKM) Management Institution and Productive Assistance for Micro Business Actors. To encourage the absorption of UMKM support allocations, it is necessary to promote the interest of banks to guarantee UMKM credit, as well as the extension and expansion of the interest subsidy for the People's Business Credit (KUR), as well as the super micro KUR interest subsidy, which is currently still low absorption. The realization of UMKM support was also supported by completing the Presidential Assistance for Micro Enterprises (BPUM) and interest subsidies for UMKM. Meanwhile, for corporate financing, the realization is in the form of corporate guarantees through payment of Guarantee Services Fees and *claim loss limit* reserves and projected disbursement of PT. KAI, Perumnas, PT. Garuda Indonesia, PT. Krakatau Steel, and PTPN. (Dalyono, 2020)

Health care

For the handling of the health sector, the COVID-19 Task Force spending shows good absorption performance. Simultaneously, the incentives for import duties and value-added tax (VAT) are borne by the Government to procure medical devices. To absorb the remaining budget, spending on COVID-19 management needs to be accelerated, namely the realization of the cost of treatment claims and the purchase of medical infrastructure and equipment, incentives for health workers at the central and regional levels, spending on handling COVID-19, task force for controlling COVID-19, compensation death of health workers, National Health Insurance (JKN) contribution assistance, and health tax incentives. Incentives for health workers cannot be fully absorbed due to rigidity in verification and the slow process of revising the Budget Implementation List (DIPA) in the regions. (Dalyono, 2020)

Sectoral support from ministries/agencies and local governments

Regarding the sectoral realization of ministries/agencies and local governments, it is encouraged by the regional loan program and the PEN expansion program at the ministries/agencies, including the *food estate* and environmental programs. Programs in the sectoral clusters of ministries/agencies and local governments include labour-intensive programs, housing incentives, tourism stimulus, regional incentive funds (DID) for economic recovery, provincial loans, *food estate* and the environment, physical Special Allocation Funds (DAK), operational assistance. Islamic boarding schools and other ministerial/institutional PEN programs. (Dalyono, 2020)

On the other hand, the absorption of the tourism budget is very lacking, even though DIPA has been carried out for tourism incentives, building market confidence, and providing transportation subsidies to the five National Tourism Strategic Area (KSPN). Absorption for local borrowing is still minimal in awaiting the realization of the signing of the Regional Agreement of PEN Loan Fiscal Year 2020 of PT Sarana Multi Infrastruktur (PT SMI Persero) to 9 Local Government. To increase the

sectoral absorption of ministries/agencies and local governments, various programs were carried out. The realization of support for *food estate* and the environment is accelerated to increase its sectoral absorption.

Business incentives

Regarding business incentives, almost all of the absorption components are still low. The realization of business incentives, which amounted to completing Income Tax (PPh) article 21 borne by the Government (DTP), is still common. One of them is the inadequate reporting of the use of PPh Article 21 incentives by companies. The factors of lack of socialization, shared interest in the use of the Program by taxpayers and reluctance to deal with the tax office are thought to contribute. For this reason, massive socialization involving all *stakeholders*, including representative tax offices in the regions, needs to be encouraged. The Directorate General of Taxes (DJP) has communicated and appealed to taxpayers to submit reports by applicable regulations.

One debtor has received guarantees with a loan value of IDR 17.5 billion (60 percent coverage or IDR 945 million) for corporate financing. On the other hand, State Capital Participation (PMN) for State-Owned Enterprises (BUMN) will be disbursed immediately after all the draft Presidential Regulations (PP) have been completed after the Presidential-initiated permit application stage is stipulated. PMN realization was carried out in the first week of November to the second week of December 2020, to PT Penjaminan Infrastruktur Indonesia (PT. PII), the Indonesian Export Financing Agency (LPEI) of IDR 5 trillion and Bio Farma.

3.2 Obstacles faced

(Dalyono, 2020)

The PC-PEN Program's implementation is monitored and evaluated regularly, both at the cabinet level, the PC-PEN Committee, and internally at the Ministry of Finance. The monitoring results found that the *existing* PEN program, such as PKH and food cards, was realized more quickly because it was supported by adequate data and a ready *delivery* mechanism. However, for new nature programs, the speed they are discovered depends very much on the supporting data and its distribution tool. Regulatory barriers also affect the level of program realization. For this reason, the monitoring and evaluation process needs to be carried out regularly so that regulatory and bureaucratic obstacles can be resolved quickly.

In more detail, found several categories of obstacles in the implementation of the PC-PEN Program and efforts to overcome them, including (Dalyono, 2020):

1. **Regulatory Barriers.** Most of the PC-PEN stimulus programs are new programs that require a legal basis for implementation, including guarantees for working capital loans, regional loans, corporate financing and placement of funds. The absence of supporting regulations and regulations for these programs has resulted in a relatively low level of realization of the PC-PEN Program. The rules, which are too complicated and rigid, also hamper realizing the PC-PEN program, such as the verification process for payment of incentives and death benefits for health workers in the health care program. To overcome the constraints - constraints, the Government seeks to speed up the settlement process and change regulation to continue to promote the principles of credibility, among others step - the accelerated pace of finalizing the Draft Government Regulation that the State Capital (PMN) can be cleared, setting up a credit guarantee for labour-intensive corporations, as well as finalizing lending to several State-Owned Enterprises (BUMN). For a program of health care, has made efforts to include accelerating the billing process and verified claim treatment costs COVID-19 by the Social Security Agency Health (BPJS) , strengthen coordination of ministries of health and local government with the Savings and Insurance Servants (TASPEN) to accelerate the verification process for health personnel, including for health worker death benefits, as well as simplification of regulations for claims for treatment costs. The Government is also accelerating procuring medical devices to encourage recovery rates and reduce mortality rates.

2. Budgeting and Administrative Barriers. In the PC-PEN Program's implementation stage, several related ministries/agencies were slow in submitting budgeting, so that the Budget Implementation List (DIPA) was issued late. This affects the speed of the budget absorption process. On the other hand, administrative constraints occur in social protection programs, for example, programs whose targets outside the Integrated Social Welfare Data (DTKS) have not been fully implemented and are prone to target *errors (inclusion and exclusion)*. The temporary suspension of the Pre-Work Card program also hampers the budget absorption process. To overcome the barriers - those barriers, the Government attempted to speed up the issuance and revision of DIPA while promoting the principle of accountability. On the other hand, the Government is trying to accelerate the setting of targets outside the DTKS, accelerate the set of targets for food social assistance, improve targeting accuracy, and align Pre-Work Card training materials with economic recovery needs. The Government has also strengthened the role of village assistance to accelerate distributing Village Fund Direct Cash assistance.
3. Coordination Barriers. In the implementation of the PC-PEN Program, it was found that there was a lack of solid coordination between ministries/agencies and local governments, for example, coordination between the Ministry of Health and BPJS Health regarding the process of verifying claims for the cost of treating COVID-19 patients and the Ministry of Health and the local Government in the method of ascertaining incentive payments for health workers. Also, there are *overlapping* roles between the National Disaster Management Agency (BNPB) and the Ministry of Health in dealing with the COVID-19 pandemic. There are overlapping allocations of social assistance programs in social protection programs, and the amount of assistance is different, and the distribution per province is also other. In this regard, efforts to strengthen coordination continue, especially about health support programs such as the verification process for claims for health insurance and death benefits for medical personnel. Coordination between central and regional governments also strengthened related to Program Help Direct Cash Village Fund and borrowing.
4. Another obstacle is the lack of socialization of the PC-PEN Program. In the business world's incentive program, the level of participation of taxpayers (WP) who apply for tax incentives is still shallow. On the other hand, taxpayers tend to be reluctant to deal with the tax office because taxpayers do not have a comprehensive understanding of the business world incentive program's benefits in PC-PEN. The Government continues to carry out outreach that involves all *stakeholders*, including representative tax offices in the regions. On the other hand, the Government has also conducted a *mapping* of the initial estimated number of incentive users to realize and *track* WP business activities in 2020.

To overcome the barriers - those barriers, the Government seeks to accelerate the realization of the PC-PEN Program as a whole. For this reason, the Government has formulated a strategy to expedite absorption into three pillars, namely (Dalyono, 2020):

1. The first pillar is to accelerate the Program's execution by accelerating Regulation's settlement and revising the Budget Implementation List (DIPA) for new initiatives in the six clusters PC-PEN Program. It can be done immediately realizable. Also, a transfer of new proposed programs is not supported by valid data and requires complex regulatory changes to strengthen *existing* implemented programs. Meanwhile, for *existing* programs and those that already have DIPA allocations, acceleration of absorption and distribution improvement is carried out more precisely on target. The Government also socialized the PC-PEN Program by involving all relevant stakeholders.
2. The second pillar is to strengthen public consumption, which is the key to increasing economic growth. This is done by accelerating spending on social assistance, including modifying expenditures on social protection in the form of an increase in the amount of aid, expanding revenues, increasing the frequency of aid distribution, and extending the period of aid distribution.
3. The third pillar is increasing government consumption to boost economic growth. Steps - steps taken include encouraging the strengthening of personnel expenditure, accelerate expenditure items, primarily to support the pattern of new work in the adaptation of new habits (*the new*

normal), reallocate spending on goods and capital expenditures that are difficult to be executed, as well as to relax the policy procurement of goods and services.

3.3 Challenges for 2021

With the budget size increasing in 2021, the recovery program's implementation and effectiveness is an issue that the Government must address. Large budgets will not necessarily help increase consumption as long as the pandemic situation has not subsided. To ensure that the National Economic Recovery (PEN) Program can run effectively, it is essential to maintain *good governance* in implementing the Program. For this reason, the main thing that must consider is synergizing with policymakers. Between ministries/agencies, it is necessary to build communication and coordination in monitoring the implementation of the PEN program. Monitoring that is carried out systematically and periodically can accelerate the implementation of the PEN program, including overcoming obstacles in the implementation. (Tjahjaprijadi and Munandar, 2020)

The conditions of the COVID-19 pandemic have provided valuable lessons and experiences regarding the importance of designing implementable and straightforward policy programs to suit emergency conditions better. At the implementation level, to run the Program optimally and simultaneously accelerate economic and social recovery, the burden-sharing cooperation scheme and the synergy of the monetary, fiscal, financial sector and real sector policies are essential. Also, even though physical mobility is limited, work patterns must remain productive with technology. On the positive side, pandemic conditions have forced the Government to accelerate the reform process of *Information, Communication and Technology* (ICT) in Indonesia. (Bappenas, 2021)

The distribution of social protection programs must still be a priority because it has the most significant impact on the economy and can provide a cushion for the most affected communities. Maintaining the consumption of the bottom economies is much more critical to safeguarding the demand side. It is expected not to repeat the strategy in 2020, which provides social assistance (bansos) up to 50% but with a small amount, but the poverty rate increases. (Hidayatullah and Soegiono, 2021)

The increase in PEN funds must be accompanied by efforts to improve the distribution of the stimulus. Based on experience in 2020, there are PEN budget items that are not optimal, such as the health budget. PEN funds of 2020 for the health budget were only 63.8% or IDR 63.51 trillion of the total ceiling of IDR 99.5 trillion. Even though in the context of handling a pandemic, it is precisely this health budget that is important as an effort to overcome the COVID-19 pandemic, which is *authentic* or has never happened before. However, for 2021 the Government is asked to have a more mature policy plan. In particular, maintaining the consumption of the lowest economic groups, giving priority to the distribution of stimulus funds to sectors that are important in facing this pandemic, and solving technical problems such as improving data on aid recipients. (Avisena, 2021)

Learning from the distribution in 2020, the Government must first resolve the problem of beneficiary data, where the Integrated Social Welfare Data (DTKS) is not updated by the local Government, even though this DTKS is the key so that the distribution of social protection PEN funds, especially social assistance can be channelled properly. In addition to being right on target, this improvement can also encourage the realization of aid distribution to be faster and more effective. The Government has prioritized the UMKM business sector because they tend to be more vulnerable than other business sectors. (Rivani, 2021)

Supreme Audit Agency (BPK) highlights the social assistance program's findings, namely the quality of social assistance, distribution of each aid social, to the target beneficiaries of such assistance. For implementation in the following year to be more optimal, the Government needs to pay attention to matters reminded by the BPK, namely (Tegar Arif, 2021):

1. The BPK assessed that the Government was inconsistent in implementing regulations related to aid distribution. The reason is, many rules have changed and require adjustments at the level of policymakers. The change in regulations caused the implementation of the COVID-19 handling program not to dash.
2. Distribution programs tend misplaced. The use of integrated social welfare data (DTKS) that is not updated is the root of the problem in distributing this Program. This is because the DTKS, used as the basis for program distribution, was made in 2014. This means that there is a time gap of 5 years from the first time the DTKS was determined. This condition could have implications for the validity of the data used by the Government to distribute aid.
3. BPK highlighted that the social assistance distribution scheme carried out through banks also risks causing problems. This is because the public's access, especially the middle to lower class, to banking is still minimal.

4. Conclusion

The COVID-19 pandemic hurts socio-economic activities. In response to the adverse effects, the Government strengthened the budget, added stimulus, widened social assistance and implemented the National Economic Recovery (PEN) program. The Government strives to maintain *good governance* in implementing the Program, so that the Program can run effectively. Monitoring that is carried out systematically and periodically can accelerate the PEN program's implementation, including overcoming obstacles in implementing the Program.

The Government has increased the budget ceiling for the PEN program throughout 2021, reaching IDR 699.4 trillion. The PEN stimulus fund distribution in 2020 has not been effective, as reflected in the growth in household consumption, which is the most significant contributor to GDP. This component only grew slightly from -5.52% on an annual basis (YoY) in the second quarter of 2020 to -4.04% (YoY) in the next quarter. The unemployed labour force increased significantly by 37.61% to 9.77 million with an Open Unemployment Rate (TPT) of 7.07%. This is an increase in the new poor from vulnerable groups (Rivani, 2021). Even though there was an increase in economic growth in Quarter IV-2020 of -2.19% (year on year / YoY), it is still negative.

The Government needs to pay attention to the implementation and effectiveness of the PEN program, such as maintaining the consumption of the lowest economic groups, giving priority to the distribution of stimulus funds to sectors that are important in facing this pandemic, and resolving data problems on aid recipient data. With the strengthening of PEN and efforts to accelerate vaccination, it is hoped that future economic conditions will improve. Synergy and the active role of all parties are also needed so that Indonesia can quickly recover from this pandemic.

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