

## The Continuation of Special Physical Allocation Funds for The Social Sector as One of The Supports in Fulfilling Basic Services in The Region

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### *Abstract*

The Special Allocation Fund (DAK) is part of the Special Transfer Fund (DTK) allocated by the central government to support basic social services in the regions. This program aims to assist areas in providing social infrastructure, particularly for vulnerable groups such as the poor, elderly, children, and people with disabilities, to reduce socio-economic disparities among regions in Indonesia. Since it was proposed in 2020, implementing the Physical DAK in the social sector has faced various challenges, primarily due to the COVID-19 pandemic, which has led to budget refocusing and reallocation. The impact of the pandemic forced the government to make budget policy changes, resulting in suboptimal program implementation in many regions. This study employs descriptive analysis methods to examine the planning, implementation, and evaluation of the Physical DAK in the social sector during 2020–2024. The findings indicate that despite limitations in implementation due to the pandemic, the Physical DAK in the Social Sector has significantly contributed to supporting the fulfillment of Minimum Service Standards (SPM) for Social Services in the regions. Several identified challenges include low budget allocation from the Regional Budget (APBD) for social services, more effective coordination between central and regional governments, and more flexible policies to address crises. This study's recommendations include optimizing the allocation and use of the Physical DAK in the social sector, enhancing the capacity of local governments in fund management, and strengthening continuous evaluation mechanisms to ensure effective budget usage. With adaptive policies, the sustainability of the physical DAK in the social sector is expected to support equitable access to social services across Indonesia.

**Keywords:** Fulfillment of Basic Services; Special Allocation Fund (DAK); the Physical DAK in the Social Sector; Minimum Service Standards (SPM); Ministry of Social Affairs (MoSA); Directorate General of Fiscal Balance (Ministry of Finance; National Development Planning Board (Bappenas).

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## 1. Introduction

The Special Allocation Fund (DAK) is designed to improve the quality and accessibility of basic services in education, health, infrastructure, and social welfare. It aims to support equitable development across all regions and reduce socio-economic disparities among areas. By targeting basic services, DAK is expected to address significant inequalities between developed and underdeveloped regions, thereby creating more evenly distributed welfare.

In the context of social welfare, DAK focuses on the Physical DAK in the Social Sector, allocated for the construction or renovation of social facilities and infrastructure in the regions. It is a form of support from the central to local governments to enhance the capacity of social welfare services, especially in areas that require physical interventions to meet the needs of vulnerable communities. This allocation includes funding for facilities for the poor, elderly, children, and people with disabilities to enable regions to provide adequate and sustainable social services.

The implementation of the Physical DAK in the social sector began in 2020 following a planning process that started in 2019. During 2020-2024, this program is proposed to support the achievement of Minimum Service Standards (SPM) in the social sector at the regional level. Its focus is to ensure that all segments of society, especially vulnerable groups, have adequate access to quality social services.

This paper reviews the initial stages of implementing the Physical DAK in the social sector, from the planning and budgeting process to the formation of the Activity Plan (RK) document. However, during the implementation phase, the COVID-19 pandemic posed significant challenges that impacted the allocation and realization of the budget, including the Physical DAK in the Social Sector. The budget refocusing and reallocation applied to address the pandemic's impact caused the planned DAK budget allocation to be suboptimal. As a result, the expected realization in 2020 did not align with the initial plan, causing significant obstacles in achieving the Physical DAK in the Social Sector's goals to improve social services in the regions.

## 2. Impact of The Physical Dak in The Social Sector on The Implementation of SPM in The Regions

Special Allocation Fund (DAK) is an incentive fund allocated in the State Budget (APBN) to regions to help finance activities and regional affairs following national priorities. It aims to accelerate regional development, especially in areas related to the provision of basic services for the community. In this context, DAK is an important instrument in supporting national development achievements by stimulating regional funding for urgent local needs.

Physical DAK, including the physical DAK in the social sector, is a stimulus motivating regions to build and strengthen the social infrastructure for which they are responsible. Over the next five years, it is directed towards:

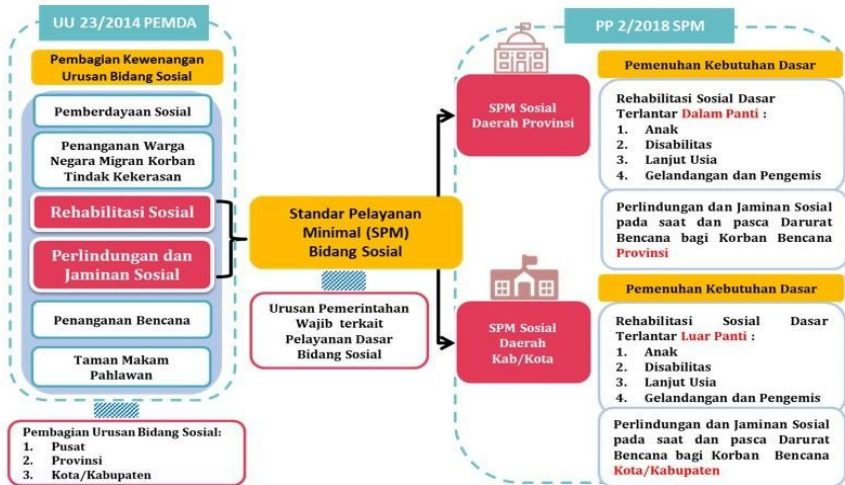
- **Fulfilling basic services that support the achievement of SPM**, the quality standards for basic services that must be met by local governments to provide adequate services to the community, in line with the Sustainable Development Goals (SDGs) to reduce inequalities.

- **Equalizing infrastructure across regions** to reduce development disparities and ensure more equitable access to public services in various areas.
- **Supporting the achievement of national priorities and addressing other national issues**, following the President’s directives.

As a new initiative within the regular DAK, the Physical DAK in the Social Sector was designed by Bappenas in early 2019 to address urgent regional needs in meeting SPM in the social sector. The main goal is to provide financial support for social infrastructure, enabling more optimal implementation of basic public services in social welfare. Additionally, the background for proposing the Physical DAK in the social sector includes the following reasons:

1. **Shift in funding from central to regional government:** The central government, through various policies, no longer finances governmental affairs that fall under regional authority, either through deconcentration funds or co-administration tasks. Therefore, with the physical DAK in the social sector, regions receive direct funding from the central government to fulfill their responsibilities in the social sector.
2. **A national priority funding scheme, Physical and Non-Physical DAK in the Social Sector**, is provided to improve the quality of basic services, reduce regional disparities, and enhance community welfare, especially for the poor and vulnerable groups.

DAK in the Social Sector aims to strengthen regional capabilities in achieving SPM in the Social Sector, as mandated by Law No. 23 of 2014 on Regional Government and Government Regulation No. 2 of 2018. The technical details regarding SPM are further regulated in the Minister of Social Affairs Regulation No. 9 of 2018, setting the SPM in the social sector for provincial, regency, and city regions.



Figur 1. Government Regulation No. 2/2018 on Minimum Service Standards (SPM)

The highlights of Government Regulation No. 2/2018 on Minimum Service Standards (SPM) are as follows:

Article 10 section 4:

- a. **Standards** for the quantity and quality of goods and services.

- b. **Standards** for the quantity and quality of **social welfare human resources**.
- c. **Technical guidelines** or procedures for **meeting the standards**.

Article 10 section 6:

Further provisions on technical standards as referred to in paragraph (4) are regulated by the Minister who administers government affairs in the social sector.

- The funding scheme for affairs already under regional authority and national priority can be carried out through physical and non-physical DAK. In 2020, the funding for the Physical DAK in the social sector was approved. This aims to improve the quality of basic public services, reduce regional disparities, alleviate poverty, and enhance community welfare.
- DAK in the Social Sector aims to strengthen regional capabilities in implementing SPM in the Social Sector, as mandated by Law No. 23 of 2014 and Government Regulation No. 2 of 2018. The detailed provisions are outlined in the Minister of Social Affairs Regulation No. 9 of 2018 on Technical Standards for Basic Services in SPM in the Social Sector in Provincial and Regency/City Regions.
- Support for National Priorities in 2020, summarized as follows:

Menu Kegiatan	PN (Prioritas Nasional)	PP (Program Prioritas)	KP (Kegiatan Prioritas)	ProPN (Proyek Prioritas Nasional)
Rehabilitasi prasarana dan sarana penunjang dalam panti rehabilitasi sosial yang dimiliki oleh pemerintah provinsi			(03) Kesejahteraan Sosial	(01) Kesejahteraan Penyandang Disabilitas (02) Kesejahteraan Lanjut Usia
Pengadaan peralatan bantu penerima layanan di panti rehabilitasi sosial provinsi dan luar panti di kabupaten/kota	(01) Pembangunan Manusia dan Pengentasan Kemiskinan	(01) Perlindungan Sosial dan Tata Kelola Kependudukan		(01) Kesejahteraan Penyandang Disabilitas (02) Kesejahteraan Lanjut Usia
Rehabilitasi dan pengadaan peralatan layanan Pusat Kesejahteraan Sosial (Puskesos)			(04) Penguatan Sistem Layanan Terpadu dan Pendampingan	(01) Penguatan Mekanisme Pengaduan dan Pendataan
Revitalisasi dan pengadaan perangkat pengolah data untuk mendukung Pusat Layanan Data Sosial di Kabupaten/Kota				(01) Penguatan Mekanisme Pengaduan dan Pendataan

**Figur 2.** The menu proposing the Physical DAK in the Social Sector

Based on this background, the menu for proposing the Physical DAK in the Social Sector was opened. The mechanism involves using the Krisna DAK Application managed by Bappenas. The funding scheme is directly supervised by the Directorate General of Fiscal Balance (DJPK) of the Ministry of Finance (MoF) and the Directorate of Regional Development of the Ministry of Home Affairs (MoHA) as the initial proposal verifiers. The details of activities in the Physical DAK in the Social Sector menu for 2020-2024 are listed in the application as follows:



Figur 3. explains what can be proposed in the Physical DAK in the Social Sector

With the Physical DAK in the Social Sector supporting the fulfillment of basic services, it becomes a stimulus for more optimal implementation of the SPM in the Social Sector.

Regional governments have welcomed the Physical DAK in the social sector, with almost all provincial, regency, and city governments proposing it. A total of 33 provinces, 73 cities, and 310 regencies from 33 provinces, except DKI Jakarta, have proposed the Physical DAK in the Social Sector. For more details, please refer to the matrix below:

<b>Rekap Usul DAK Reguler Bidang Sosial Tahun 2020 oleh daerah</b>			
			<b>(Rp)</b>
<b>Pagu Alokasi</b>			<b>200.000.000.000</b>
<b>Usulan dari 414 daerah (dengan total 6.029 usulan/3.795 rincian menu yang akan diverifikasi dan dinilai)</b>			
			<b>1.657.505.522.090</b>
	31 provinsi		604.184.552.279
	73 kota		64.413.537.762
	310 kabupaten		988.907.432.049
<b>usulan 73 kabupaten/kota dari 33 provinsi</b>			
<b>Perkiraan jumlah usulan yang tidak dapat dipenuhi</b>			<b>1.457.505.522.090</b>

Figur 4. Matrix regional government welcomed the Physical DAK in the social sector.

Rekap Data PraUsulan-Approval DAK Reguler Bidang Sosial Tahun 2020 (tahap 1 - usulan)				
			(jumlah daerah)	(rincian menu)
<b>Usulan dari 414 daerah</b>				
(dengan total 6.029 usulan/3.795 rincian menu yang akan diverifikasi dan dinilai)			414	3.795
<b>Total daerah yang ter-verifikasi</b>				
			419	3.906
			provinsi	31
			kota	73
			kabupaten (sebelumnya 310)	315
				2.977
<b>terdapat penambahan 5 daerah kabupaten dengan usulan rincian menu sebanyak sebagai berikut :</b>				
<u>no</u>	<u>wilayah</u>	<u>usulan dalam</u>		
		<u>rincian menu</u>		
1	Kab. Langkat	26		
2	Kab. Karimun	26		
3	Kab. Malang	26		
4	Kab. Ngada	26		
5	Kab. Luwu Timur	7		
	<b>jumlah usul</b>	<b>111</b>		

**Figur 5.** Matrix government welcomed the Physical DAK in the social sector.

Explanation of the Matrix:

- The total number of proposals is 6,029, divided into 3,795 menu details from 414 proposing regions.
- There was an addition of 5 regencies as proposing regions, bringing the total to 419 regions for re-verification, with the total number of proposals based on menu details becoming 3,906 (the number of proposals was not listed in the application after the menu details increased).
- The number of proposed data is the same as the data that has been verified by both Bangda (Region Development) and the Province (for regencies/cities).
- The number of verified data is the same as the data evaluated/approved by both MoSA and Bappenas.
- Verification was conducted 3 times by both Bangda and the Province.
- Approval was conducted 4 times by both MoSA and Bappenas.
- It can be concluded that the total of 6,029 proposals/3,795 menu details were used up to the approval process before the next stage, which is data synchronization.

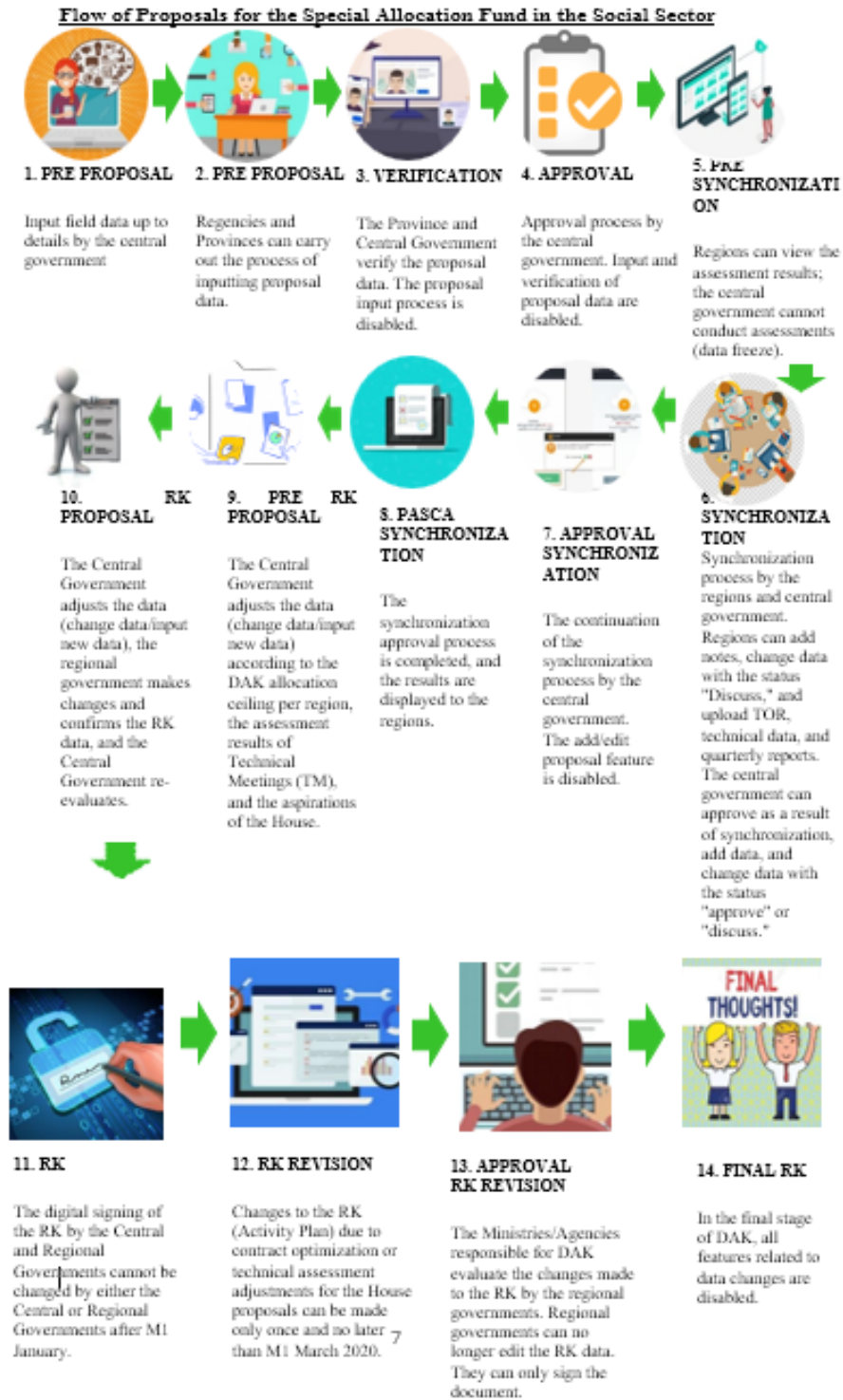
<b>Rekap Data PraUsulan-Approval DAK Reguler Bidang Sosial Tahun 2020</b>		
	<i>(jumlah daerah)</i>	<i>(rincian menu)</i>
<b>Usulan dari 414 daerah</b>	<b>414</b>	<b>3.795</b>
<b>Total daerah yang ter-verifikasi</b>	<b>419</b>	<b>3.906</b>
provinsi	31	291
kota	73	638
kabupaten (sebelumnya 310)	315	2.977
<b>Summary submitted perbaikan</b>	<i>(jumlah daerah)</i>	<i>(total usulan submitted)</i>
	<b>282</b>	<b>3.262</b>
provinsi	15	218
kota	53	556
kabupaten	214	2.488

**Figur 6.** Pra-Approval DAK reguler in the social sector

Explanation of the Matrix:

- Only 282 regions submitted improvements, reducing the total number of proposals from 6,029 to 3,262.
- From proposal submission to approval is one stage (proposal stage).

The mechanism for all proposals is conducted through the Krisna DAK application managed by Bappenas, with an explanation of the submission process until the final stage before the DAK is allocated in the Activity Plan (RK) as follows:



Figur 7. Flow of proposals for the special allocation found the social sector

After all stages of proposal submission and the preparation of the Activity Plan (RK) were completed in 2019, the RK-DAK was implemented in 2020. The central government began transferring funds to the regions according to the work contracts agreed upon by the regional governments, based on the previously established RK. With the DAK, especially the Physical DAK in the Social Sector, regional governments have been greatly assisted in implementing the SPM. This is particularly significant in the social sector, which often receives smaller budget allocations (APBD/Regional Budget) compared to other sectors. This funding support is crucial in enhancing the regions' ability to provide adequate basic services to their communities.

In addition to supporting the fulfillment of basic needs, the Physical DAK in the Social Sector aligned with Nawacita (nine priorities agendas) No. 5, "Improving the Quality of Indonesian Human Life," and No. 9, "Strengthening Diversity and Enhancing Social Restoration." Currently, the Physical DAK in the Social Sector also supports Astacita (eight priorities agendas) No. 4, focusing on "Strengthening the development of human resources, science, technology, education, health, gender equality, and the role of vulnerable groups." Thus, the Physical DAK in the Social Sector significantly supports the implementation of SPM and greatly contributes to improving the quality of life for the community and reducing social disparities among the regions.

### **3. The Impact of Covid-19 on The Implementation of Physical DAK in The Social Sector**

The global economy's journey at the end of the decade (2020) finally began to show signs of recovery, with a trade agreement between the two economic giants, the US and China, giving hope that the global economy would be able to rebound.

Although economic recovery in 2020 was predicted to be challenging, no one imagined a much larger storm looming, ready to devastate the global economy further. Its sudden arrival and unique nature created a situation filled with uncertainty and tremendous impact.

On March 11, 2020, the World Health Organization (WHO) officially declared the coronavirus, or Coronavirus Disease 2019 (COVID-19), as a global pandemic. This unprecedented crisis tested the world, including Indonesia, placing policymakers in a race against time to mitigate further impacts. All efforts and thoughts were devoted to immediately saving both health and the economy. Unlike previous crises, the trigger this time was the dynamic and unpredictable COVID-19 virus, which put stakeholders in a difficult and dilemmatic situation to decide the best policy options. The high rate of spread of this outbreak has had an extraordinarily negative impact on all countries, affecting health, social welfare, and the economy. This posed a risk to macroeconomic stability and the financial system, necessitating various efforts by the government and related institutions to maintain financial sector stability. In the end, COVID-19 has taught us an important lesson: extraordinary events must indeed be responded to with equally extraordinary policies, despite the high level of uncertainty.

As part of its efforts to maintain financial sector stability, the Government of Indonesia (GoI) established regulations to provide strong authority for the government to immediately take the necessary extraordinary policies through mandatory budget refocusing and reallocating. The foundation for regulating these obligations includes:

- Law Number 2 of 2020: on the Stipulation of Government Regulation in Lieu of Law Number 1 of 2020 on State Financial Policy and Financial System Stability for Handling the Coronavirus Disease 2019 (COVID-19) Pandemic and/or in Facing Threats that Endanger the National Economy and/or Financial System Stability into Law
- Presidential Regulation Number 54 of 2020: on Amendments to the Posture and Details of the State Revenue and Expenditure Budget for the 2020 Fiscal Year (including "Transfer to Regions and Village Funds")
- Presidential Instruction Number 4 of 2020: on Refocusing Activities, Budget Reallocation, and Procurement of Goods and Services in the Context of Accelerating the Handling of Coronavirus Disease 2019 (COVID-19)

The policy of budget refocusing and reallocating significantly impacted the planning and budgeting changes that were prepared in 2019. GoI responded by adjusting the 2020 State Budget (APBN). The size of the 2020 State Budget, set in Law Number 20 of 2019, was amended twice: first by Presidential Regulation Number 54 of 2020, and then by Presidential Regulation Number 72 of 2020.

State revenue decreased from IDR 2,233.1 trillion (in the 2020 State Budget Law) to IDR 1,699.9 trillion (in Presidential Regulation Number 72 of 2020). This reduction was due to decreased economic activities among the public, indirectly leading to a drop in tax revenue, which is the main source of state income. Although state revenue decreased, state expenditure increased from IDR 2,540.4 trillion (in the 2020 State Budget Law) to IDR 2,739.2 trillion (in Presidential Regulation Number 72 of 2020). This increase in state expenditure was necessary because the government needed additional funds to address the impacts of the COVID-19 pandemic in the health, economic, and social sectors, which were not previously anticipated.

The decrease in revenue and increase in expenditure ultimately led to a significant rise in financing, more than 300 percent, from IDR 307.2 trillion (in the 2020 State Budget Law) to IDR 1,039.2 trillion (in Presidential Regulation Number 72 of 2020). This situation compelled the government to seek alternative funding sources.

The increase in financing by more than 300 percent for handling the COVID-19 pandemic meant that previously planned and budgeted development projects had to be postponed, including projects under the DAK.

Article 7 of Presidential Regulation 54/2020 states that changes to the details of the Transfer to Regions and Village Funds budget determined by the Minister of Finance, related to DAK, include "Addition/Reduction of Special Transfer Fund allocations, reallocation of allocations between fields/subfields of the Physical Special Allocation Fund, or adjustment of the use of Special Transfer Funds due to specific conditions requiring urgent funding," and "Cutting/Delaying Distribution."

The Social Sector DAK, to be launched for the first time, had to be postponed. The allocation set by the Directorate General of Fiscal Balance - Ministry of Finance was IDR 200,000,000,000, with a total approved amount in the RK (Total Approval) of IDR 199,369,151,850, or 99.68% of the total allocation ceiling. Below is a summary of the RK (Approval) Physical DAK in the social sector before the COVID-19 pandemic:

<b>Conclusion rekap DAK Reguler Bidang Sosial Tahun 2020</b>			
		<i>(Rp)</i>	
<b>Pagu Alokasi</b>		<b>200.000.000.000</b>	
18 provinsi		127.814.084.000	
245 Kabupaten/Kota		72.185.916.000	
<b>Konfirmasi Daerah</b>		<b>192.650.741.499</b>	
18 provinsi		122.743.486.894	
245 Kabupaten/Kota		69.907.254.605	
<b>Total Approval</b>		<b>199.369.151.850</b>	
<i>dak reguler</i>		<b>192.650.741.451</b>	
18 provinsi		122.743.486.846	
245 Kabupaten/Kota		69.907.254.605	
<i>penunjang reguler</i>		<b>6.718.410.399</b>	
18 provinsi		5.070.555.054	
245 Kabupaten/Kota		1.647.855.345	
<b>Selisih Approval dari Pagu Alokasi</b>		<b>630.848.150</b>	
2 provinsi	42.100	1 Provinsi DI Yogyakarta	42.000
		2 Provinsi Banten	100
14 Kabupaten/Kota	630.806.050	1 Kota Sawahlunto	17.500.000
		2 Kab. Musi Rawas	2.570.000
		3 Kab. Rejang Lebong	22.000
		4 Kab. Garut	144.000
		5 Kab. Indramayu	262.500.000 tidak RK
		6 Kab. Pati	236.213.000
		7 Kab. Jepara	23.000
		8 Kab. Pekalongan	10.570.000
		9 Kab. Flores Timur	136.050
		10 Kota Pontianak	1.800.000
		11 Kab. Tanah Bumbu	10.570.000
		12 Kab. Berau	4.413.000
		13 Kab. Takalar	84.340.000
		14 Kab. Pinrang	5.000

**Figur 8.** Summary of the RK (Approval) Physical DAK in the social sector before the COVID-19 pandemic.

The data above is a recap of the RK results, which include 18 provinces and 245 regencies/cities that successfully conducted RK at the end of the planning and budgeting process for the Physical DAK in the Social Sector in December 2019.

In March 2020, when the COVID-19 pandemic was officially announced and the policy of refocusing and reallocating the budget was issued, regions that had not signed contracts with third parties had their "RK" canceled, and regions that had signed contracts were allowed to proceed. However, those not yet under contract had to be canceled, meaning that the funds disbursed would not match the initial RK value.

The physical DAK in the social sector was subsequently adjusted in the RK. These adjustments reduced almost the entire allocation for the Physical DAK in the Social Sector,

with only 2 provinces and 18 regencies/cities successfully conducting RK because they had already signed contracts. The number of regions and the total value of the physical DAK that successfully carried out RK are:

<b>new add :</b>		
<b>RK (Approve RK + not-approve RK)</b>		<b>198.965.654.192</b>
<b>Approve RK</b>		<b>24.399.658.900</b>
<b>Approve Revisi RK (2 provinsi dan 44 kabupaten/kota)</b>		<b>9.445.056.600</b>
Fisik		9.178.098.000
Penunjang		266.958.600
Selisih Approve revisi RK		14.954.602.300
<b>Not-Approve Revisi RK (16 provinsi, 200 kabupaten/kota)</b>		<b>174.565.995.292</b>
<b>Selisih Total Approval Awal dari RK</b>		<b>403.497.658</b>

**Figur 9.** The number of regions and the total value of the physical DAK that successfully carried out RK

Explanation of the Matrix:

- There are 2 provinces and 44 regencies/cities that have signed work contracts, with a total approved RK amount of IDR 9,445,056,600. The total physical amount is IDR 9,178,098,000, and the total support amount is IDR 266,958,600.
- There are 16 provinces and 200 regencies/cities (Indramayu Regency did not confirm during the initial RK) whose RK was canceled, with a total value of IDR 174,565,995,292.
- There were changes in the approved budget amount for each region after the pandemic-related policies, based on contracts already made from January to March 2020. Therefore, the total pre-pandemic RK approval amount of IDR 199,369,151,850, when reduced by the revised approved RK and the revised unapproved RK amounting to IDR 198,965,654,192 leaves a difference of IDR 403,497,658.

The amount of the Physical DAK in the Social Sector budget drastically decreased from the initial RK approval amount of IDR 199,369,151,850 (18 provinces, 245 regencies/cities) to the revised RK approval amount of IDR 9,445,056,600 (2 provinces, 44 regencies/cities), or about 4.73% of the total previous approval value. This resulted in the cancellation of the Physical DAK in the Social Sector implementation in nearly all regions that had conducted RK.

For the regions that successfully conducted RK (the RK value was not canceled, only reduced for those not under contract), their RK values also decreased. A 61.29% decrease in RK values occurred for the 46 regions that continued to conduct RK during the COVID-19 pandemic.

**SANDINGAN NILAI RK  
UNTUK DAERAH YANG TETAP MENERIMA DAK FISIK BIDANG SOSIAL SAAT PANDEMI COVID-19**

NO	DAERAH	RK SEBELUM PANDEMI COVID-19	RK SAAT PANDEMI COVID-19 <small>(sudah masuk kontrak)</small>	PENURUNAN NILAI RK	% PENURUNAN NILAI RK
1	Kota Banda Aceh	274.126.000	234.557.000	39.569.000	14,43%
2	Kota Tebing Tinggi	59.256.000	8.900.000	50.356.000	84,98%
3	Kab. Dharmasraya	98.626.000	98.289.000	337.000	0,34%
4	Kota Sawahlunto	114.226.000	4.510.000	109.716.000	96,05%
5	Kota Prabumulih	98.626.000	98.626.000	-	0,00%
6	Kota Lubuk Linggau	98.626.000	98.626.000	-	0,00%
7	Kab. Bengkulu Selatan	98.626.000	98.626.000	-	0,00%
8	Kab. Bengkulu Utara	2.786.126.000	2.256.526.000	529.600.000	19,01%
9	Kab. Mukomuko	69.826.000	63.434.000	6.392.000	9,15%
10	Kab. Bengkulu Tengah	69.826.000	69.492.500	333.500	0,48%
11	Kab. Lampung Barat	311.256.000	226.356.000	84.900.000	27,28%
12	Kab. Lampung Selatan	645.001.000	645.001.000	-	0,00%
13	Kab. Lampung Timur	98.626.000	98.626.000	-	0,00%
14	Kab. Banjarnegara	1.098.626.000	952.000.000	146.626.000	13,35%
15	Kab. Blora	121.160.000	82.230.000	38.930.000	32,13%
16	Kab. Pekalongan	77.256.000	73.133.550	4.122.450	5,34%
17	Kab. Tegal	71.626.000	4.599.000	67.027.000	93,58%
18	Kab. Bantul	653.801.000	490.400.000	163.401.000	24,99%
19	Kab. Sleman	205.750.000	205.541.000	209.000	0,10%
20	Provinsi Banten	2.588.481.900	70.000.000	2.518.481.900	97,30%
21	Provinsi Bali	6.439.129.000	103.803.500	6.335.325.500	98,39%
22	Kab. Lombok Barat	433.626.000	119.845.550	313.780.450	72,36%
23	Kab. Sumbawa	2.021.856.000	58.650.000	1.963.206.000	97,10%
24	Kab. Dompu	370.526.000	370.526.000	-	0,00%
25	Kab. Manggarai Barat	1.986.196.000	55.968.000	1.930.228.000	97,18%
26	Kab. Sanggau	98.626.000	97.699.000	927.000	0,94%
27	Kota Singkawang	265.776.000	166.700.000	99.076.000	37,28%
28	Kab. Tabalong	146.531.000	143.161.000	3.370.000	2,30%
29	Kab. Tanah Bumbu	59.256.000	57.900.000	1.356.000	2,29%
30	Kab. Berau	303.713.000	303.713.000	-	0,00%
31	Kab. Minahasa	468.726.000	97.039.600	371.686.400	79,30%
32	Kab. Buol	98.626.000	98.626.000	-	0,00%
33	Kab. Sigi	205.876.000	53.507.200	152.368.800	74,01%
34	Kab. Sidenreng Rappang	98.626.000	98.626.000	-	0,00%
35	Kab. Konawe	98.626.000	89.826.000	8.800.000	8,92%
36	Kab. Buton Tengah	69.826.000	69.826.000	-	0,00%
37	Kab. Buton Selatan	56.327.000	56.327.000	-	0,00%
38	Kab. Bone Bolango	98.626.000	98.626.000	-	0,00%
39	Kab. Maluku Tenggara	600.946.000	600.946.000	-	0,00%
40	Kab. Halmahera Tengah	98.626.000	98.626.000	-	0,00%
41	Kab. Halmahera Selatan	98.626.000	98.626.000	-	0,00%
42	Kota Ternate	51.764.000	51.764.000	-	0,00%
43	Kota Sorong	164.126.000	149.658.000	14.468.000	8,82%
44	Kab. Paniai	83.457.000	83.457.000	-	0,00%
45	Kab. Deiyai	86.026.000	86.026.000	-	0,00%
46	Kota Jayapura	256.120.000	256.110.700	9.300	0,00%
<b>JUMLAH</b>		<b>24.399.658.900</b>	<b>9.445.056.600</b>	<b>14.954.602.300</b>	<b>61,29%</b>

Figur 10. RK values occurred for the 46 regions

The realization of the disbursement of the Physical DAK in the Social Sector, reported at the beginning of 2021 through a letter from the Director of Special Transfer Funds – DJPK - Ministry of Finance Number S-4/PK.3/2021, dated January 19, 2021, was IDR 9,181,427,100, achieving a realization percentage of 97.20% of the revised RK approval ceiling.

Here are some physical realization images from the Physical DAK in the Social Sector for the Data Service Center:

- Lubuk Linggau City



**Figur 11.** Data Service Center Lubuk Linggau City

- South Lampung Regency



**Figur 12.** Data Service Center South Lampung Regency

- Central Halmahera Regency



**Figur 13.** Data Service Center Central Halmahera Regency

#### 4. Conclusion, Policy Recommendations, And Programs for The Continuation of The Physical Dak in The Social Sector

The COVID-19 pandemic has been designated by the government as a national disaster, affecting not only social welfare but also the broader economic conditions. This impact forced the government to adopt extraordinary policies in response, significantly influencing the planning and budgeting for 2020 that had been previously prepared. Despite this, the provision of basic services still had to continue, necessitating support for the implementation of Minimum Service Standards (SPM) in the social sector, including through the allocation of the Physical Special Allocation Fund (DAK) in the social sector.

As a Regular Physical DAK, the Physical DAK in the Social Sector was initially planned to run continuously for five years from 2020-2024. However, special policies from the leadership at that time caused the implementation of the Physical DAK in the social sector to be temporarily postponed. With the end of the 2020-2024 DAK implementation period, the continuation of the physical DAK in the Social Sector can be reconsidered for several reasons:

1. **Social Sector Authority in the Regions:** The Ministry of Social Affairs of the Republic of Indonesia no longer allocates governmental affairs that fall under regional authority through central funds, deconcentration funds, or co-administration tasks, following Law No. 23 of 2014 on Regional Government, regulating the division of authority, including in the social sector.
2. **Limited APBD Allocation for the Social Sector:** The allocation of the Regional Budget (APBD) for the Social Sector is still very limited, making additional support from the Physical DAK important to strengthen social services in the regions.
3. **Post-Pandemic Recovery:** Efforts to more maximally and comprehensively recover basic services post-COVID-19 pandemic require additional support, including through the Physical DAK in the Social Sector, to ensure that basic social services can be optimally fulfilled.

The continuation of the allocation of the Physical DAK in the Social Sector in the future is very important to ensure the fulfillment of basic social services in all regions, especially for vulnerable communities and those in need of assistance.

#### **Disclaimer:**

1. All information provided in this Legal Writing is general, provided for legal information only, and does not constitute the author's opinion.
2. Author 1 is an Applicator and Approver for the Social Sector DAK at the Technical Ministry level.
3. Author 2 is an Applicator and Approver for the Social Sector DAK at the Ministry of National Development Planning/Bappenas level.

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## **Legal References Related to DAK:**

- Law Number 23 of 2014 on Regional Government, as amended several times, most recently by Law Number 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Regional Government.
- Presidential Regulation Number 5 of 2018 on the Amendment to Presidential Regulation Number 123 of 2016 on Technical Guidelines for Physical DAK.
- Minister of Finance Regulation Number 121/PMK.07/2018 on the Third Amendment to Minister of Finance Regulation Number 50/PMK.07/2017 on the Management of Transfers to Regions and Village Funds.
- Law Number 2 of 2020 on the Stipulation of Government Regulation in Lieu of Law Number 1 of 2020 on State Financial Policies and Financial System Stability for Handling the COVID-19 Pandemic and/or in the Context of Facing Threats that Endanger the National Economy and/or Financial System Stability into Law.
- Presidential Regulation Number 54 of 2020 on Amendments to the State Revenue and Expenditure Budget for Fiscal Year 2020.
- Presidential Instruction Number 4 of 2020 on Refocusing Activities, Reallocating Budgets, and Procurement of Goods and Services in the Context of Accelerating Handling of the COVID-19 Pandemic.

- Minister of Finance Regulation Number 35/PMK.07/2020 on the Management of Transfers to Regions and Village Funds for Fiscal Year 2020 in the Context of Handling the COVID-19 Pandemic and/or Facing Threats that Endanger the National Economy.
- Minister of Home Affairs Regulation Number 20 of 2020 on Accelerating the Handling of the COVID-19 Pandemic in the Regional Government Environment.
- Joint Decree of the Minister of Home Affairs and Minister of Finance Number 119/2813/SJ and 177/KMK.07/2020 on Accelerating Adjustment of Regional Revenue and Expenditure Budgets for 2020 in the Context of Handling the COVID-19 Pandemic, as well as Safeguarding People's Purchasing Power and the National Economy.