



Disaster Management Funding in Regions

Ellectrananda Anugerah Ash-shidiqqi^{1,2(✉)}, Aidul Fitriciada Azhari²,
Kelik Wardiono², and Wardah Yuspin²

¹ Universitas Slamet Riyadi Surakarta, Surakarta, Indonesia
ellectra_aa@yahoo.co.id

² Universitas Muhammadiyah Surakarta, Surakarta, Indonesia

Abstract. The funds used in an emergency reaction situation are ready-to-use monies budgeted in the State Revenue and Expenditure Budget (APBN) and the Revenue Budget and Regional Expenditures (RBRE) (APBD). One of the issues that arises with ready-to-use money budgeted in the APBD is the accountability that passes the end-of-year walk. Another issue is that if the regions' ready-to-use funds are insufficient to finance the disaster emergency response, the usage of the budget beyond the ready-to-use funds must be disbursed quickly, which includes an abstract.

Keywords: Disaster · Management · Indonesia

1 Introduction

A disaster is an occurrence or a sequence of occurrences that endangers and disrupts people's lives and livelihoods and is brought on by either natural or non-natural elements as well as human factors, causing fatalities among people, environmental harm, property loss, and psychological effects [1]. A disaster is an occurrence that (1) results in damage, (2) disrupts people's lives, livelihoods, and functions, (3) results in more casualties and damage than the local community can reasonably expect to handle with its available resources.

Disaster risk or impact arises due to two conditions. First, the destructiveness of an event, second, the vulnerability of society. If a destructive event occurs, but the community can cope with the impact of the event on their own, then a disaster does not occur [2].

Every disaster that occurs must be managed to reduce loss, damage, and fatalities. As stated in the Preamble's fourth paragraph, disaster management is a crucial component of national development in the context of carrying out the 1945 Constitution's mandate. The government, local governments, and the larger society all have a role to play in disaster management's implementation. Taking care of the community's needs after disasters, which is a kind of state protection for citizens, is an example of responsibility [3].

The government is required to always be ready and responsive in disaster management. The speed and accuracy in providing assistance in the form of logistics for medicines, food and temporary shelter are urgently needed by disaster victims. Disaster

management is not only the responsibility of the central government, but also the local government where the disaster occurred. The synergy between the central government and local governments in funding, procurement of goods and distribution of aid greatly helps the burden of suffering for the victims and ensures that the needs for clothing, food, health and temporary shelter for the victims are met and evenly distributed until the recovery process returns to its original condition.

Since the Government and regional governments are in charge of implementing disaster management, it is hoped that the execution of disaster management will improve with the adoption of Number 24 of 2007 concerning Disaster Management. Pre-disaster, during the emergency response, and post-disaster phases of disaster management are all targeted. Good disaster management must be supported by good, transparent and accountable budgeting, disbursement and use of funds, both from central government budgets, regional governments and the community [4].

In emergency response conditions, the funds used are ready-to-use funds that are budgeted in the State Revenue and Expenditure Budget (APBN) and Regional Revenue and Expenditure Budget (APBD). Some of the problems that arise regarding ready-to-use funds budgeted in the APBD are related to accountability that passes the end of the current year. Another problem is if the ready-to-use funds owned by the regions are not sufficient to finance the disaster emergency response, so that the use of the budget outside the ready-to-use funds needs to be disbursed immediately.

In addition to issues with funding, the executive must also be concerned with determining the status of a disaster situation in a region that is under the control of the regional head. This is necessary so that the determination of the emergency status of a disaster can be made proportionately and logically, as it has an impact on how existing resources are processed.

2 Research Problem

- a. What the mechanisms, types of funding and accountability of funds in disaster management in the regions?
- b. Who has the authority to determine emergency response conditions in the region and what are the benchmarks in determining a disaster emergency response situation?

3 Discussion

3.1 Mechanisms, Types of Funding and Accountability of Regional Disaster Management Funds Funding

The pre-disaster, emergency response, and post-disaster stages of disaster management must be implemented, and this requires adjusting the procedures from both the federal government and local governments. The government uses other money through the APBN or APBD budgets as well as contingency funds that are budgeted in the APBN during the pre-disaster stage.

The federal government and local governments use ready-to-use funds during the disaster response. Local governments may also offer ready-to-use money in the APBD,

which are included in the budget of the Regional Disaster Management Agency. Ready-to-use funds are provided in the APBN, which is included in the budget of the National Disaster Management Agency (BNPB) (BPBD). In the meantime, the government offers grants and emergency money for social assistance throughout the post-disaster phase. The two grants come from the APBN, which is used for repair and rehabilitation efforts following disasters.

1) *Pre Disaster Step*

Pre-disaster funding for disaster management is provided by an average budget from the APBN or APBD and emergency funds from the APBN. Financing for the pre-disaster period is split into two categories: situations in which a disaster is not imminent and situations in which one is. Except for preparedness efforts, all pre-disaster activities employ monies budgeted through the typical APBN or APBD budgets, which are allotted to the BNPB or BPBD budgets. In the meantime, the use of contingency funds is limited to readiness operations in the event that a disaster is possible.

Money set aside for dealing with the potential occurrence of specific [5] events, specifically in the form of preparatory measures, are known as contingency funds. In situations where there is a risk of disaster, preparedness activities are a series of actions taken to anticipate disasters through planning and effective action [6]. These actions include evacuating residents, meeting basic needs by providing temporary shelter, providing food and non-food assistance, providing health services, and others. Because the calamity has not yet occurred, this stage is known as the pre-disaster stage.

The pre-disaster planning, budgeting, implementing, reporting, and accountability processes strictly adhere to the accounting, auditing, and accountability systems outlined in the rules governing state finances. The guidelines outlined in the Regulation of the Minister of Home Affairs Number 13 of 2006 concerning Guidelines for Regional Financial Management and the modified regulations must still be followed for money coming from the APBD.

2) *Emergency Response Disaster Step*

The emergency response is a set of actions taken as soon as a disaster strikes to address its negative impacts. These actions include the management of refugees, the rescue and evacuation of victims, the provision of basic needs, protection, and infrastructure and facility repair [7].

At the emergency response stage, funding sources can come from three sources: first, disaster management funds that have been allocated in the APBN or APBD for each agency, second, ready-to-use funds in the APBN that have been located in the BNPB budget, and third, funds ready for use in the APBD that has been allocated in the BPBD budget.

In the APBD, local governments are in charge of properly allocating funding for disaster management. The emergency response stage of disaster management involves the following uses of funds: (1) a quick and accurate assessment of the location, damage, and resources; (2) rescue and evacuation operations for disaster-affected communities; (3) assistance to meet the basic needs of disaster victims; (4) implementation of protection for vulnerable groups; and (5) emergency recovery operations for infrastructure and facilities [8].

Ready-to-use funds are those that the government has set aside and are always available for use in emergency situations related to disasters, such as emergency alert, emergency response, and emergency transition to recovery. The government provides ready-to-use funds to local governments in accordance with the terms of a disaster emergency (which includes emergency alert status, emergency response, and emergency transition to recovery), along with regional proposals regarding requests for assistance support, reports from Team BNPB Rapid Response, or BNPB initiatives [9].

Ready-to-use funds are used by institutions that have the main tasks and functions of disaster management (BNPB, Provincial/City/Regency BPBDs and related agencies/institutions/organizations). The use of ready-to-use funds is given special treatment, regarding the procurement of goods it can be done by direct purchase/procurement. This special treatment also means, even though the evidence of liability is not in accordance with applicable regulations, the evidence of liability is treated as a legal financial liability document. The use of ready-to-use funds, both from the APBN and from the APBD, is only limited to the procurement of goods and or services for: (1) search and rescue of disaster victims; (2) emergency assistance; (3) evacuation of disaster victims; (4) the need for clean water and sanitation; (5) food; (6) clothing; (7) health services; and shelters and temporary shelters [10].

For ready-to-use funds sourced from the APBN, the distribution procedure begins with the submission of a proposal for financial assistance by the regional government to the Head of BNPB by including a report on the outcome/information on disaster threat conditions from the relevant institutions, the number of victims/estimates of the number of refugees, damage, losses and necessary assistance. After receiving proposals from the relevant regions/agencies/institutions, reports from team, and the results of coordination meetings or BNPB initiatives, the amount of assistance (cash, goods and services) is determined.

After the amount of aid is determined, the assistance from ready-to-use funds is handed over directly to areas that are threatened by disasters and affected by disasters. The party authorized to manage assistance from ready-to-use funds in the regions is the head of the provincial/district/city BPBD. Provincial/city/district governments that receive ready-to-use funds are required to be responsible for the use of ready-to-use funds.

Financial accountability and performance are reported no later than 3 (three) months after the status of a disaster emergency ends [11]. Meanwhile, ready-to-use funds that are not used until the end of the disaster emergency status period, must be deposited back into the state treasury along with the delivery of accountability for ready-to-use funds.

3) *Post-Disaster Step*

The two activities that make up the Post-Disaster Stage are rehabilitation and reconstruction activities. In post-disaster settings, rehabilitation entails repairing and restoring all public or community services to a sufficient level with the primary goal of restoring normalcy or smooth operation to all facets of government and community life [12]. With the main goals of expanding and developing economic, social, and cultural activities, maintaining law and order, and increasing community participation in all aspects of community life in post-disaster areas, reconstruction is the rebuilding of

all infrastructure and facilities, institutions, both at the government and community levels.

Physical and non-physical function recovery repair activities are included in rehabilitation. In disaster-affected areas and other locations that can end up becoming the focus of rehabilitation efforts, rehabilitation activities are carried out. Physical and non-physical function recovery repair activities are included in rehabilitation. Disaster-affected areas and other locations that could end up as the target areas for rehabilitation activities are where rehabilitation activities are carried out.

Rehabilitation activities are carried out by BNPB if the disaster status is at the national level or at the initiative of BNPB and/or BPBD for regional disaster status. It is also possible for rehabilitation activities to involve many stakeholders and the community [14].

Physical and non-physical reconstruction activities both fall under the category of reconstruction. Physical reconstruction is the process of permanently repairing damage to settlements, government and community services (such as health and education), economic infrastructure and facilities (such as transportation networks, clean water, sanitation and drainage, irrigation, electricity, and telecommunications), and social infrastructure and facilities (such as places of worship and cultural institutions) in order to return the affected area to its pre-disaster state. Non-physical reconstruction is the process of repairing or resuming public service functions, socioeconomic activities, and human lives, as well as the services provided by government offices, places of worship, and the mental and social conditions of the community that were impacted by the disaster. Maybe even better than the earlier circumstance.

Rehabilitation and reconstruction activities can be financed with disaster management funds sourced from APBD in the budget allocations of each agency. If the disaster management funds from the APBD are insufficient, then the regional government can apply for post-disaster financing to the government using social assistance funds with a grant pattern sourced from the APBN. These funds are funds provided by the government to local governments as post-disaster relief assistance.

Grant-patterned social assistance funds are funds provided by the government to local governments as assistance for post-disaster management. In this case, it comes from the budget section of 999.08 (other expenditures), which implements and manages it through the applicable mechanism in the management of the State Budget. Grant-patterned social assistance funds are not included in transfer funds, therefore they are not included in the APBD. The amount of funds that have been received is sufficient to be reported in the Notes to Financial Statements (CaLK accountability APBD) [15].

The mechanism for submitting and using grant-based social assistance funds is more clearly regulated in Regulation of the Head of BNPB Number 11 of 2011 concerning Guidelines for Post-Disaster Rehabilitation and Reconstruction and Regulation of the Minister of Finance Number 105/PMK.05/2013 concerning Mechanisms for Implementation of the Disaster Management Budget.

Recipients of grant-patterned social assistance funds are required to take responsibility for their management in accordance with the procedures and mechanisms for managing the State Budget with several adjustments. Grant-patterned social assistance funds that have not been used at the end of the period must be deposited back into the state treasury. If after depositing the funds back into the state treasury there is work

that has not been paid for, then the work must be financed from APBD funds or other legitimate sources.

For activities at the post-disaster stage, in addition to grant-patterned social assistance funds given to local governments, the Government also prepares Emergency Funds from the State Revenue and Expenditure Budget allocated to regions experiencing national disasters and/or extraordinary events. Emergency Funds are provided within the framework of the financial relationship between the government and local governments and are managed using the APBD mechanism.

The main requirement for granting emergency funds to regions is the existence of a national disaster or extraordinary event that cannot be handled with funding from the APBD. The classification of national disasters or extraordinary events and the time limit for their rehabilitation and reconstruction must be determined by the president in accordance with the provisions of laws and regulations.

Provision of emergency funds is recognized by the government as transfer spending to the regions, and by the regions it is implemented through the APBD as regional income in the other section of income. The use of emergency funds is to fund rehabilitation and reconstruction activities at the post-disaster stage which are the authority of the regions, and must not overlap with activities that have been financed by the APBN.

Regional governments are required to administer the receipt and use of emergency funds. If at the end of the current fiscal year there are remaining emergency funds in the regional treasury, the emergency funds can still be used as long as: (1) activities in which there is work for which there is a contractual agreement in the relevant fiscal year; and, (2) delays in the completion of work caused by force majeure.

In addition to this, local governments are also required to compile and submit reports on the realization of the use of emergency funds to the State General Treasurer's Budget User Proxy no later than February 28 of the following fiscal year. If until the end of February of the following fiscal year there is still a remaining Emergency Fund budget in the regional treasury, then the remaining budget is calculated as an additional APBD adequacy in the following fiscal year.

3.2 Determination of Disaster Emergency Response Status

At the emergency response stage, the government or local government immediately determines the status of a disaster emergency which is determined based on the level/scale of the disaster. In accordance with the provisions in Article 51 paragraph (2) of Law Number 24 of 2007 concerning Disaster Management, for disasters on a national scale the status of an emergency is determined by the president, for a provincial scale it is determined by the Governor and for districts/cities it is determined by the Regent./Mayor. Disaster Emergency Status is a condition determined by the government for a certain period of time on the basis of recommendations from institutions tasked with tackling disasters (in this case BNPB or BPBD) starting from the status of Emergency Alert, Emergency Response, and Emergency Transition to Recovery.

Determination of disaster status and disaster level contains indicators that include the number of victims, loss of property, damage to infrastructure and facilities, the wide coverage of the area affected by the disaster and the resulting socio-economic impacts. Article 7 paragraph (3) of Law Number 24 of 2007 concerning Disaster Management

mandates further regulation regarding the determination of the status and level of disaster in a presidential regulation. However, to date, these regulations have not been drafted and published, so there are concerns that if there is no clear measure (for example, an ordinary event but designated as a disaster), the apparatus may arbitrarily use a budget that should not be issued. On the other hand, if there is a disaster but it is not declared a disaster, then the use of the ready-to-use budget cannot be issued, and results in an increase in the number of victims and other property losses.

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