



Vaccine Procurement Policy and Financing Strategies in the Framework of 2019 Coronavirus Disease (Covid-19) Pandemic

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Abstract. The spread of Covid-19 has had a huge impact. Vaccination efforts are an effective step to reduce transmission rates. The finding of the study indicates the procurement of vaccines based on Presidential Regulation Number 99 of 2020 for Covid-19 Control is carried out by providing Covid-19 vaccines, and supporting equipment and logistics are needed as well as distribution of vaccines to the delivery point set by the Minister of Health, which can be carried out by assigning tasks to state-owned enterprises, direct appointment of supplying business entities, and cooperation with the international institutions or agencies. Vaccine financing is carried out using the State Revenue and Expenditure Budget method based on the Social Security Administering Agency and self-vaccination. Reconstructing the budget is challenging especially in the midst of the pandemic. However, policies and strategies taken by the government are beneficial for the public, economic, and health sector.

Keywords: vaccine · procurement · financing

1 Introduction

Since the outbreak at the end of 2019 in Wuhan, the spread of the corona virus has increased and spread to all parts of the world. Due to the very fast and widespread transmission of the coronavirus, WHO designated the coronavirus as a pandemic on March 11, 2020. The global pandemic status shows that the spread of the corona virus is increasing in the world order from all walks of life [1]. COVID-19 can be spread through droplets from the nose or mouth when someone infected with COVID-19 coughs, sneezes, or talks. These sparks are relatively heavy, don't travel very far, and fall quickly to the ground. People get COVID-19 if they breathe in droplets from someone who is infected with the virus [2]. From this it is known that covid-19 is easy to spread. Indonesia is one of the countries with a fairly high infection rate. The first known transmission and case in Indonesia occurred on March 2, 2020, where two Indonesian citizens tested positive for Covid-19 in Depok, West Java. Covid-19 is a contagious virus, that is, a virus that spreads rapidly in certain tissues. Due to its nature, the spread of the Covid-19 virus

can easily infect someone if one of the people in the network is already infected, where infection can occur through contact and respiratory tissue [1]. Therefore, Covid-19 needs to be watched out for. It can be seen that since the announcement of the first case in March 2020, initially there were two positive cases of Covid-19, it has now increased, even on December 9, 2020 in one day there were an addition of 6,058 positive cases of Covid-19. This caused the total number of Covid-19 cases to reach 592,900 cases, of which 487,445 patients were declared cured, then 18,171 people were declared dead and 69,879 were recorded as people under surveillance. [3].

This coronavirus disease continues to grow and increase, because there is no vaccine to stop the spread of this virus. What is meant by vaccines are pharmaceutical preparations based on bacteria, viruses or viruses containing antigenic substances capable of causing active and specific immunity in humans [4]. Vaccination efforts as a fairly effective effort to reduce transmission rates began in Indonesia at the end of 2020 and into early 2021 (the period December 2020-March 2022). The vaccination process will continue to be carried out until 2022 (third and fourth periods) with a target that is widespread throughout Indonesia [5]. The legal basis for the implementation of vaccination in Indonesia is contained in Presidential Regulation (Presidential Regulation) Number 99 of 2020 concerning Vaccine Procurement and Vaccination Implementation in the Context of Combating the 2019 Coronavirus Disease Pandemic (Covid-19) [6].

From this background, researchers want to know more about the COVID-19 vaccine. Therefore, the formulation of the problem in this article includes: How is the vaccine procurement policy based on Presidential Regulation Number 99 of 2020 concerning Vaccine Procurement and Vaccination Implementation in the Context of Combating the 2019 Coronavirus Disease (Covid-19) Pandemic? and what is the financing strategy for the procurement of vaccines in the context of dealing with Covid-19?

2 Research Methods

This study is using socio-legal method which socio-legal approach is an attempt to further explore and at the same time explore a problem by not simply studying the relevant legal norms or doctrines, but also looking at the complete context of norms and their application. The data were collected by using normative methods through library research. Furthermore, the data will be processed using descriptive analysis techniques. The data and information obtained were then grouped according to sub-aspects and interpreted to find out the meaning of each sub-aspect and the correlation between them. The data analysis model that will be used is the Miles and Huberman analysis model. This data analysis model consists of four activity flows that occur simultaneously interactively, data collection, data reduction, data display, conclusion drawing/verification.

3 Vaccine Procurement Policy Based on Presidential Regulation Number 99 of 2020 Concerning Vaccine Procurement and Vaccination Implementation in the Context of Combating the 2019 Coronavirus Disease (Covid-19) Pandemic

High impact of Covid-19 pandemic has caused the government to carry out extraordinary operations, one of them by buying vaccines and vaccinating. Efforts to procure vaccines and carry out vaccinations are considered to have a significant impact on the process of preventing and curbing the spread of the virus Covid-19 in Indonesia. In addition, vaccines are in the commodity list under emergency response listed in Appendix II of LKPP regulations Number 13 of 2018 relates to Purchases of Goods or Services under Emergency Management, for the Procurement Process which is carried out based on the process of purchasing goods or services according to emergency management that emphasizes efficiency principle [7]. Regarding the Procurement of the Covid-19 vaccines in order to combat Covid-19 Pandemic, the government has issued the Presidential Regulation Number 99 of 2020 relating to the Vaccines Procurement and Domestic Vaccination. Besides, the pandemic of Covid-19 related to the amendment of the Presidential Regulation Number 14 of 2014 and the second amendment to the Presidential Regulation Number 50 of 2021 [5].

According to the Presidential Regulation of Number 99 of 2020, the implementation of the Covid-19 vaccines' procurement includes the essential support of equipment, logistics, and the provision of the vaccines as well as the distribution of the vaccine up to the delivery point set by the Ministry of Health. In order to carry out the procurement process regarding on Covid-19 vaccines, the Ministry of Health has issued Regulation Number 16 of 2021 relating to the Implementation of Vaccines Procurement to combat the Pandemic of Coronavirus Disease (Covid-19). Based on Article 4(1) of Presidential Regulation Number 99 of 2020 relating to Procurement of Vaccine and Implementation of Vaccination in the context of combating the pandemic of Coronavirus Disease (Covid-19). The implementation of the procurement of Covid-19 Vaccines are based on Article 3 which is executed through:

- a) assignment to state-owned enterprises
- b) direct appointment of the provider business entity
- c) cooperation with international institutions/agencies. [6]

3.1 Assignment to State-Owned Enterprises

Assigned to PT. Bio Farma is a public company authorized by the Minister of Health to cooperate with domestic and foreign commercial organizations and/or organizations for the purchase of Covid-19 vaccines. This allocation is strengthened by the existence of a legal provision, namely the Decree of the Minister of Health HK.01.07/MENKES/102/2021 concerning the Determination of Category and Amount of Vaccines by allocating PT Bio Farma in distributing the supply of Coronavirus disease 19 (Covid-19) vaccines, as the basis for allocation of phase 3 vaccine supply at PT Bio Farma. The doses of vaccine produced by PT Bio Farma phase 3 is 122,504,000 (one hundred twenty two million five hundred four thousand) doses.

Based on the Decree of the Minister of Health of the Republic of Indonesia with the number HK.01.07/MENKES/9860/2020, there are six types of vaccines, made by PT Bio Farma, AstraZeneca, Pharmaceutical Group Corporation. China National Products (Sinopharm), Moderna, Pfizer, BioNtech, and Sinovac Biotech Ltd. [5].

Direct Appointment of Provider Business Entities a Subsubsection In Article 59 paragraph (5) of Presidential Regulation Number 16 of 2018 concerning the Procurement of Government Goods/Services: “for handling emergencies, the Commitment Making Officer (PPK) needs to appoint the nearest provider who is able to meet the qualifications and capable to carry out the procurement of the similar goods/services. [8] based on these provisions, in the implementation stage, procurement process of the Covid-19 vaccine, which is executed through direct appointment to business entities providing goods/services, does not have to go through a tender, so that procurement can take place quickly and effectively while maintaining the principle of accountability. Article 12 paragraph (5) of the Minister of Health Number 16 of 2021 [9] stated conditions must be met in the process of direct appointment to the provider business entity. Business entities that provide Covid-19 vaccines determined by the Minister of Health must meet the following requirements:

- a) Pharmaceutical industry that produces COVID-19 Vaccine and has a pharmaceutical industry permit issued by the authority of the country of origin
- b) Pharmaceutical industry that produces COVID-19 Vaccine and has a pharmaceutical industry permit/pharmaceutical production certificate issued by the Ministry of Health
- c) Pharmaceutical industry producing vaccines that has a pharmaceutical industry permit/pharmaceutical production certificate issued by the Ministry of Health and has been appointed or cooperates with a pharmaceutical industry that produces COVID-19 vaccines that has a pharmaceutical industry permit issued by the authority of the country of origin.

Cooperation with International Agencies or Institutions Cooperation with international institutions or agencies referred to paragraph (1)c where it is only limited to providing covid-19 vaccine and does not include supporting equipment for COVID-19 Vaccination. Based on Article 14 paragraph (4) of the Regulation of the minister of health number 16 of 2021 regarding the implementation of vaccine procurement in the context of combating the coronavirus disease 19 (COVID-19) pandemic [9] that international institutions or agencies that cooperate in the procurement of covid-19 vaccines are: the global alliance for vaccines and immunizations; and/or other international institutions/agencies; The Coalition for Epidemic Preparedness Innovations. With the provisions of the process in providing the Covid-19 vaccines for emergency conditions of the Covid-19 pandemic, it is hoped that transmission and spread of the virus can be prevented from becoming more widespread in the community. The Covid-19 vaccine procurement process is executed according to the principles of effectiveness, efficiency, and simplification in the purchasing process so that the process of procurement is carried out quickly but always ensures economic and transparent principles and accountability. Thus, the principle of value for money in distributing the covid-19 vaccine supply can be applied.

4 Financing for Vaccine Procurement in the Context of Coping with Covid-19

Implementation regarding the Context in Combating the 2019 Coronavirus Pandemic (COVID19), the Government targets 1 million daily doses for health workers, civil servants and the elderly, with details 1, 48 million health workers, 17.4 million civil servants and 21.5 million 4,444 elderly people from January to April 2021. However, if you look at the supply of the second phase of vaccine, namely civil servants and the elderly, from February to April 2021, around 29.8 million vaccine doses are required with a total immediate demand of 60 million doses, because the target of phase 2 vaccination is 38.9 million people, that is, 89.47 million vaccine doses are required at the Western age rate of 15%. To implement this vaccination program, the government must use population data owned by the Directorate General of Population and Citizenship and combine it with data from the Social Security Administration and (Social Security Administering Agency) as a database for data collection on COVID-19 vaccine recipients.

With the need for a large number of COVID-19 vaccines, the Indonesian government must prepare the finance relating to procurement of the COVID-19 vaccine. According to the law, COVID-19 financing strategy follows whether there are two approaches, namely State Revenue and Expenditure Budget based on the Social Security Administering Agency and self-vaccination with the interpretation of the 2021 State Expenditure and Finance Law, and 2020 National Economic Recovery Program budget is not used, Reduction of the budget of all ministries and Independent Grant Institutions and Budgets. To be independent or mutual cooperation is carried out in a way that does not burden State Revenue and Expenditure Budget in the medium and long term [10]. State Revenue and Expenditure Budget is set as a source of funding for procurement of Vaccines. The 2020 State Budget Revenue and Expenditure Budget used Rp 35.1 trillion for the COVID-19 Vaccine procurement during 2020 (details: 3 million doses of Sinovac vaccine is 1.2 million shipped in 2020, and the remaining 1.8 million will be sent in 2021 and 100,000 doses of the CanSino vaccine) as well as for supporting equipment such as syringes, alcohol swabs, safety boxes, and others. For the next year, 2021, the Government will allocate IDR 18 trillion with a reallocation of 19.6 trillion in 2021 State Budget and IDR 36.4 trillion for the health care funds under 2020 national economic recovery program.

As a legal basis for steps and policies in The Finance Sector, State Revenue and Expenditure Budget in maintaining the national financial system. The Government of Indonesia issued the Government Regulation in Lieu of Law Number 1 of 2020. Presidential Regulation Number 99 of 2020 formulated relaxation for payments in the context of procuring COVID-19 Vaccines whose scope is outside the provisions of the Regulations. President Number 16 of 2018 relating to Government Procurement of Goods and Services, can be made in advance (advance payment) or given an advance payment to the provider higher than 15% of the value of the multi-year contract whose provisions are stated in the agreement/contract [11].

5 Discussion

Immediate response from the government of Indonesia to curb the transmission of Covid-19 is an excellent step including purchasing the vaccines. The allocation of the budget is challenging as the pandemic hits globally and no other countries have prepared for the pandemic of Covid-19. Reconstruct financing or the budget as the result of the situation of uncertainty such as pandemic [12, 13]. Various monetary and fiscal policies are needed to address depending on the situation. The decisions made by the authorities affect the whole economic sector. The Indonesian government took initiatives to recover the economy including allocating the spending on the vaccines and recovery of the economy program. Besides, the government immediately responded through Presidential Instruction Rate 4 in order to focus on tackling the effect of the pandemic such as allocation of the spending or budget, and procurement of the vaccines, goods, and services [14].

However, there are consequences when allocating the budget in unexpected situations such as Covid-19 pandemic. For instance, the budget may be unbalanced as the allocation of the budget needs to address the curbing of the pandemic. Unexpected situations create immediate strategic response from the government as they need to allocate the spending to curb the pandemic of Covid-19 [15]. Most of the countries used the countercyclical fiscal policy for lowering the effect from the pandemic of Covid-19 on the economy [16]. Increasing spending to recover the economy and health sector are the priority of the government. The expenditure increased to Rp 2739 trillion especially for the recovery program [17]. This program complements policies that were implemented by the Indonesian government to curb the impact from pandemic. This also included policies to support the community and other sectors as the impact of the pandemic hits various sectors [18].

With all the policies and expenditures approved by the Indonesian government, the Indonesian economy recorded progress. The progress of the Indonesian economy indicates an increase by 1.83 percent [19]. This has shown that the Indonesian economy has progressed amid the pandemic due to the various policies implemented by the government of Indonesia including vaccinating the citizens. The Indonesian government decided to purchase the Covid-19 vaccines for citizens to lower the impact of Covid-19, and for herd immunity [20]. The decision made to minimize the collapse of the health and economic sector. Most importantly, the citizens need to be vaccinated to lower the mortality rate in Indonesia. In addition, the government of Indonesia also took several measures such as 'lockdown' or restricting the activities in the community to lower transmission of Covid-19. Although the layoffs rate is affected due to this measure, the government of Indonesia is trying to recover and help the public through the national recovery programs. It was found that economic impact due to the pandemic and measures to control the effect of the pandemic are correlated as the policies implemented by the authorities are needed to control the transmission of the Covid-19 [21].

6 Conclusion

The procurement of the vaccines for the Covid-19 includes the provisions, supporting equipment, and logistics as well as the distribution of the vaccine up to the delivery point set by the Minister of Health. Implementation of procurement of the Covid-19 vaccines

can be executed through assignments to the state-owned enterprises, direct appointment from supplying business entities, and collaboration with the international institutions or agencies. Regarding Covid-19 financing strategy, there are two approaches, namely the State Revenue and Expenditure Budget based on the Social Security Administering Agency and self-vaccination. Vaccine procurement and financing is carried out based on the context of dealing with 2019 Coronavirus Disease (Covid-19) Pandemic. The Indonesian government's expenditure has several impacts on the economy including the health sector. Moreover, the gist of various policies implemented by the Indonesian government are for the public and to curb the spread of Covid-19.

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