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MARINE AND FISHERY

THE DEPARTMENT OF MARINE AND FISHERY

DECREE OF THE MINISTER OF MARINE AND FISHERY
NUMBER : KEP-33/MEN/2001 ; DATED : JUNE 8, 2001

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**TECHNICAL DIRECTIVES FOR THE UTILIZATION OF FOOD SECURITY
CREDITS IN THE MARINE AND FISHERY SECTOR**

THE MINISTER OF MARINE AND FISHERY,

- Considering** :
- a. that in the framework of enhancing the food security in the marine and fishery sector, it is deemed necessary to utilize the provision of *credits at an affordable interest rate for financing investments and/or working capital of groups of fishermen, fish breeders, fishery supporting businesses and fishery cooperatives*;
 - b. that in order to ensure the orderly, controllable, effective and effecient granting and *distribution of food security credits in the marine and fishery sector*, technical directives for the utilization of food security credits in the marine and fishery sector needs to be stipulate by a ministrial decree.

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**Bearing
in mind**

- :**
1. Act No. 9 of 1985 on fishery (State Gazette of 1985 No. 46, Supplement to State Gazette No. 3299);
 2. Act No. 7 of 1992 on the banking system (State Gazette of 1992 No. 31, Supplement to State Gazette No. 3472);
 3. Act No. 25 of 1992 on cooperative affairs (State Gazette of 1992 No. 45);
 4. Government Regulation No. 15 of 1990 on fishery businesses as already amended the latest by Government Regulation No. 141 of 2000;
 5. Presidential Decree No. 234/M/2000 as already amended the latest by Presidential Decree No. 165/M/2001;
 6. Presidential Decree No. 165/M/2000 on the status, tasks, functions, organizational structures and working arrangements of ministries as already amended the latest by Presidential Decree No. 37 of 2001;
 7. Presidential Decree No. 177 of 2000 on the organizational structures and tasks of ministries as already amended by Presidential Decree No. 38 of 2001;
 8. Decree of the Minister of Finance No. 345/KMK.017/2000 on the financing of food security credits as already amended by the Decree of the Minister of Finance No. 417/KMK.017/2000;
 9. Decree of the Minister of Marine and Fishery No. 18 of 2000 on the procedure for preparing legislation within the Ministry of Marine and Fishery;
 10. Decree of the Minister of Marine and Fishery No. KEP.01/MEN/2000 on the organization and working arrangement of the Ministry of Marine and Fishery.

HAS DECIDED :

To stipulate : **THE DECREE OF THE MINISTER OF MARINE AND FISHERY ON TECHNICAL DIRECTIVES FOR THE UTILIZATION OF FOOD SECURITY CREDITS IN THE MARINE AND FISHERY SECTOR.**

**CHAPTER I
GENERAL PROVISION
Article 1**

Referred to in this decree as :

1. Food security credits in the marine and fishery sector, hereinafter called Marine and Fishery KPP shall be credits for investments and/or working capital provided by executing banks for groups of fishermen, fish breeders, fishery supporting businessmen and fishery

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cooperatives to finance their businesses;

2. Executing banks shall be commercial banks as meant in Act No. 7 of 1992 on the banking system as already amended by Act No. 10 of 1998, which provide and channel Marine and Fishery KKP.
3. Fishermen shall be people having the main job to catch fish;
4. Fish breeders shall be people having the main job to cultivate fish;
5. Fish breeding shall be an activity to breed, enlarge and/or cultivate fish and harvest its production;
6. Fishery supporting businesses shall be activities supporting fishing businesses and fish breeding;
7. Group of fishermen, fish breeders, fishery supporting businesses shall be a group of fishermen, fish breeders and fishery supporting businessmen established on the basis of the same need which has an organizational structure and is located in a spread out area/region/location/field;
8. Fishery cooperatives shall be primary cooperatives having a fishery business unit which are established and comprise individuals as meant in Act No. 25 of 1992 on cooperative affairs;
9. Operational Fishery Counselors, hereinafter called PPL, shall be civil servants having the principal tasks of guiding and enhancing the capability of fishermen, fish breeders and fishery supporting businessmen in the application of the recommended technology;
10. Fishery service shall be a technical institution of regency/city administrations having the principal tasks and functions in the marine and fishery sector;
11. Fishing shall be an activity aimed at obtaining fish in waters, which is not in a breeding condition, by whatever tools or methods, excluding activities which use ships for loading, transportating, storing, freezing, processing or preserving;
12. Individual Definitive Plan of Fishermen, Fish breeders and Fishery Supporting Businessmen, hereinafter called RDI, shall be a plan for working activities and investment need and/or working capital for a specified period which is compiled by and contains details of activities in the operation of fishing businesses, fish or fishery supporting businesses;
13. Definitive Plan for the Individual Need of Fishermen, Fish Breeders and Fishery Supporting Businessmen, hereinafter called RDKI, shall be a plan containing details of the need for investments and/or working capital in the framework of fishing businesses, fish breeding and fishery supporting businesses for a specified period and furnished by a plan for repayment of credits to be obtained;
14. Definitive Plan for the Need of Group of Fishermen, Fish Breeders and Fishery Supporting Businessmen, hereinafter called RDKK, shall be a plan for the need for investment and/or working capital in the framework of fishing businesses, fish breeding and fishery supporting businesses for a specified period which is compiled on the basis of deliberation of members of the group and furnished by a plan for repayment of credits obtained;

15. Memorandum of Collective Agreement hereinafter called MKB shall be a letter of agreement between the government and executing banks in the framework of financing, channeling of, requirements for and administration of Marine and Fishery KKP.

**CHAPTER II
FINANCED BUSINESSES
Article 2**

- (1) Marine and Fishery KKP shall be used for financing investments and/or working capital in the following fields :
- a. fishing businesses;
 - b. fish breeding activities;
 - c. fishery supporting businesses.
- (2) Marine and Fishery KKP for the fishing businesses as meant in sub-section (1) letter a shall be used for financing investments and/or working capital in the framework of procurement/renew of equipment, machines and other fishing instruments.
- (3) Marine and Fishery KKP for the fish breeding activities as meant in sub-section (1) letter b shall be used for financing investments and/or working capital in the framework of building/procurement and/or rehabilitation of fish pools, ponds, floating nets, equipment and other fish breeding facilities.
- (4) Marine and Fishery KKP for the fishery supporting businesses as meant in sub-section (1) letter c shall be used for financing investments and/or working capital in the framework of building/procurement and/or rehabilitation of facilities of fishery supporting businesses.

**CHAPTER III
EXECUTING BANKS
Article 3**

- (1) Banks executing Marine and Fishery KKP shall be commercial bank ready to provide and channel Marine and Fishery KKP with the requirements as stipulated in the Decree of the Minister of Finance No. 345/KMK.17/2000 on the financing of food security credits as already amended by the Decree of the Minister of Finance No. 417/KMK.017/2000.
- (2) Tasks and obligations of the executing banks in the framework of the provision of Marine and Fishery KKP shall include :
- a. to provide and channel Marine and Fishery KKP in accordance with the agreements in MKB;
 - b. to help supervise the use and repayment of credits;
 - c. to foster branch offices of executing banks in regions so that they are obliged to convey a monthly report on progresses of granting and repayment of Marine and Fishery KKP to the local Fishery Service not later than the 10th in the following month;
 - d. to convey a copy of the monthly report on developments of granting and repayment of Marine and Fishery KKP that they manage to the Minister of Marine and Fishery

in this case the Director General of Coastal Areas and Isles not later than the 25th of the following month.

CHAPTER IV
REQUIREMENTS FOR APPLICATIONS FOR MARINE AND
FISHERY FOOD SECURITY CREDITS
Article 4

- (1) An application for Marine and Fishery KKP for fishermen, fish breeders and fishery supporting businesses shall be submitted in a group by accompanying the following requirements :
- a. certificate of membership of a group of fishermen, fish breeders or fishery supporting businesses acknowledged by the local Fishery Service;
 - b. evidence of ownership of ship or agreement on rent of ship;
 - c. evidence of ownership or agreement on rent of breeding land plot or pool or breeding facilities with the size of 0.5 hectare at the minimum or one unit of floating net at the minimum;
 - d. evidence of ownership or agreement on rent of land plot or facilities of household-scale breeding businesses, in the case of decorative fish breeders;
 - e. evidence of ownership or agreement of rent of land plot or facilities of household-scale businesses, in the case of fishery supporting businesses, which is accompanied by;
 - f. statement of readiness to comply with Marine and Fishery KKP;
 - g. certificate stating that members of the group at least have 18 years old or been married;
 - h. certificate stating that the number of group members is 5 (five) people at the maximum in one spread out area/location;
 - i. evidence as a customer of an executing bank;
 - j. statement of readiness to join insurance program.
- (2) In the case of a fishery cooperative, the requirements for the application shall include :
- a. being a statutory body, sound in accordance with criteria stipulated by the State Minister for Cooperatives and Small- and medium-scale businesses;
 - b. being a primary cooperative which has a business unit in the fishery sector and is registered at the local Service Office;
 - c. being ready to comply with provisions on Marine and Fishery KKP;
 - d. groups or business units in the fishery sector belonging to a primary cooperative must fulfill the following requirements :

- 1) evidence of ownership of ship or agreement on rent of ship;
- 2) evidence of ownership or agreement on rent of breeding land plot or pool or breeding facilities with the size of 0.5 hectare at the minimum or one unit of floating net at the minimum;
- 3) evidence of ownership or agreement on rent of land plot or facilities of household-scale breeding businesses, in the case of decorative fish breeders;
- 4) evidence of ownership or agreement of rent of land plot or facilities of household-scale businesses, in the case of fishery supporting businesses, which is accompanied by;
- 5) statement of readiness to comply with Marine and Fishery KKP;
- 6) evidence as a customer of an executing bank;
- 7) statement of readiness to joint insurance program.

CHAPTER V
TASKS AND OBLIGATIONS OF MARINE AND FISHERY KKP
Article 1

- (1) Tasks and obligations of fishermen, fish breeders and fishery supporting businessmen shall be as follows :
 - a. formulating Individual Definitive Plan (RDI) and Definitive Plan of Individual Need (RDKI) under the guidance of local PPL officers and/or Fishery Service;
 - b. attending deliberation for the formulation of RDI and RDKI;
 - c. signing RDI and RDKI;
 - d. signing debentures at group/primary cooperative;
 - e. using Marine and Fishery KKP in accordance with the technology recommendation;
 - f. repaying Marine and Fishery KKP in accordance with the timetable mentioned in RDKI/statement of debentures at group.
- (2) Tasks and obligations of groups of fishermen, fish breeders and fishery supporting businesses shall be as follows :
 - a. selecting prospective participants of Marine and Fishery KKP that are suitable to finance;
 - b. examining the truth of RDI and RDKI submitted by members;
 - c. preparing and signing the need of group members for credits in RDK and RDKK along with the members;

- d. submitting applications for credits to executing banks, which are accompanied by recapitulation of RDK and RDKK acknowledged by the local Fishery Service;
- e. signing credit agreements with executing banks;
- f. receiving and channeling credits to members;
- g. administering credits in accordance with guidelines and regulations stipulated by executing banks;
- h. monitoring and supervising the utilization and use of credits by members;
- i. collecting and repaying Marine and Fishery KKP;
- j. being fully responsible for the execution of tasks and settlement of credits from members to executing banks;
- k. giving up evidence of settlement of credits to members through groups;
- l. fostering and counseling members;
- m. calling on members to save their money at executing banks;
- n. calling on members to participate in insurance program.

(3) Tasks and obligations of cooperatives shall be as follows :

- a. selecting prospective participants of Marine and Fishery KKP that are suitable to finance;
- b. examining the truth of RDK and RDKK submitted by groups;
- c. preparing and signing the recapitulation of RDKK on the basis of RDKK submitted by groups;
- d. submitting applications for Marine and Fishery KKP to executing banks, which are accompanied by recapitulation of RDKK acknowledged by the local Fishery Service;
- e. signing credit agreements with executing banks;
- f. receiving and channeling credits to members through their groups;
- g. administering credits in accordance with guidelines and regulations stipulated by executing bank;
- h. monitoring and supervising the utilization and use of credits already channeled to their members;
- i. collecting and repaying Marine and Fishery KKP from members through their groups;

- j. being fully responsible for the execution of tasks and settlement of credits from members to executing banks;
- k. remitting the repayment of credits from members to executing banks;
- l. giving up evidence of settlement of credits to members through groups;
- m. fostering and counseling members;
- n. calling on members to save their money at executing banks;
- o. calling members to participate in insurance program.

CHAPTER VI
TASKS AND OBLIGATIONS OF OPERATIONAL FISHERY COUNSELORS (PPL)
Article 6

(1) PPL shall have the following tasks and obligations :

- 1. making an inventory of fishermen, fish breeders and fishery supporting businessmen by both groups and fishery cooperatives which need Marine and Fishery KPP;
- 2. counseling with regard to Marine and Fishery KPP;
- 3. guiding fishermen, fish breeders and fishery supporting businessmen properly by both groups and fishery cooperatives in formulating RDI, RDKI, RDK and RDKK;
- 4. signing and being responsible for the truth of RDI, RDKI, RDK and RDKK prepared by fishermen, fish breeders and fishery supporting businessmen by both groups and fishery cooperatives as well as assisting them to submit credits and repay credits to executing banks;
- 5. assisting to recapitulate RDI, RDKI, RDK and RDKK;
- 6. guiding and monitoring the utilization of credits by fishermen, fish breeders and fishery supporting businessmen by both groups and fishery cooperatives in accordance with RDI, RDKI, RDK and RDKK;
- 7. monitoring and assisting fishermen, fish breeders and fishery supporting businessmen by both groups and fishery cooperatives to fulfill their obligations to repay credits in accordance with RDI, RDKI, RDK and RDKK;
- 8. encouraging fishermen, fish breeders and fishery supporting businessmen to join insurance program;
- 9. encouraging fishermen, fish breeders and fishery supporting businessmen to save their money at executing banks;
- 10. conveying a monthly report on the progress of realization of Marine and Fishery KPP in their fostering areas to the Head of Regency/City Fishery Service with a copy made available to the local regent/mayor not later than the 10th of the following month.

- (2) In the case of PPL being not available for the implementation of Marine and Fishery KKP in the regency/city, the tasks and obligations as meant in sub-section 91) shall become the responsibility of the local Fishery Service.

CHAPTER VII TASKS AND OBLIGATIONS OF FISHERY SERVICE Article 7

- (1) The Fishery service shall help supervise the implementation of RDKK and assist to ensure the smooth repayment of Marine and Fishery KKP.
- (2) The Fishery Service shall be obliged to take part in monitoring the channeling, implementation and repayment of Marine and Fishery KKP.
- (3) The Fishery Service shall convey a monthly report on the monitoring of the channeling, implementation and repayment of Marine and Fishery KKP to the Minister of Marine and Fishery in this case the Director General of Coastal Areas and Isles with a copy made available to the Provincial Fishery Service not later than the 20th of the following month.

CHAPTER VIII REQUIREMENTS FOR MARINE AND FISHERY KKP Article 8

- (1) The ceiling of Marine and Fishery KKP shall be determined on the basis of the real need of fishing, fish breeding and fishery supporting businesses.
- (2) The amount of the ceiling as meant in sub-section (1) shall be as follows :
 - a. Rp 15,000,000 at the maximum, in the case of individuals with the maximum number of members in a group being 20;
 - b. Rp500,000,000 at the maximum, in the case of fishery cooperatives.
- (3) The Minister of Marine and Fishery shall determine the amount of ceiling of Marine and Fishery KKP for every province and regency after hearing recommendations from executing banks.

CHAPTER IX PROCEDURES FOR SUBMITTING AND CHANNELING MARINE AND FISHERY FOOD SECURITY CREDITS Article 9

- (1) Members of groups shall submit applications for Marine and Fishery KKP through their respective groups by accompanying the requirements as meant in Article 4 sub-section (1).
- (2) Every group shall examine applications of its members and prepare RDK and RDKK not later than 30 days.
- (3) Groups shall submit applications for Marine and Fishery KKP to local executing banks by accompanying the requirements as meant in Article 4 sub-section (1)
- (4) Executives of the groups shall sign credit agreements with executing banks.

Article 10

- (1) Members of cooperatives shall submit applications for Marine and Fishery KKP through their cooperatives.
- (2) Cooperatives shall examine the truth of RDK and RDKK submitted by their business groups/units.
- (3) Cooperations shall prepare and sign recapitulation of RDKK on the basis of RDKK submitted by their business groups/units.
- (4) Cooperatives shall submit applications for Marine and Fishermen KKP to executing banks by accompanying the requirements as meant in Article 4 sub-section (2).
- (5) Cooperatives shall sign credit agreements with executing banks.

Article 11

- (1) Executing banks shall examine the completeness of documents on applications for credits from groups/cooperatives.
- (2) Executing banks shall channel Marine and Fishery KKP to groups/fishery cooperatives on the basis of RDI, RDKI, RDK and RDKK.
- (3) Executing banks shall be entitled reject applications for credits if there are indications that documents on applications for credits are not made out truthfully and are not conveyed completely.
- (4) Groups of fishermen, fish breeders and fishery supporting businessmen shall channel Marine and Fishery KKP to their members in the whole total of funds not later than 5 (five) days as from the date of receipt of credits from executing banks.
- (5) Fishery cooperatives shall channel Marine and Fishery KKP to their members with the whole total of funds not later than 5 (five) days as from the date of receipt of credits from executing banks.

CHAPTER X REPORTING

Article 12

- (1) Marine and Fishery KKP shall be reported in levels with the procedure as follows :
 - a. chairpersons of groups/cooperatives submit a monthly/report on the progress of realization of Marine and Fishery KKP to the local Fishery Service with a copy made available to the local regent/mayor not later than the 10th of the following month;
 - b. heads of Fishery Services submit a monthly report on the progress of realization of Marine and Fishery KKP in the respective working areas to the Minister of Marine and Fishery in this case the Director General of Coastal Areas and Isles with a copy made available to the local governor not later than 2nd of the following month.

- (2) Models of the reporting forms shall be as contained in the attachment to this decree which is inseparable from this decree.

**CHAPTER XI
CONCLUSION
Article 13**

- (1) If deemed necessary, the Director general of Coastal Areas and Isles can issue technical directives for technical matters of this operational guidance.
- (2) This decree shall come into force as from the date of stipulation.

Stipulated at : J A K A R T A
On : JUNE 8, 2001

THE MINISTER OF MARINE AND FISHERY

signed

ROKHMIN DAHURI

Editor's note :

***) Forms are not published**

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