

# Enhancing The Capital Access for Small Fishermen and Fish Farmers in Indonesia

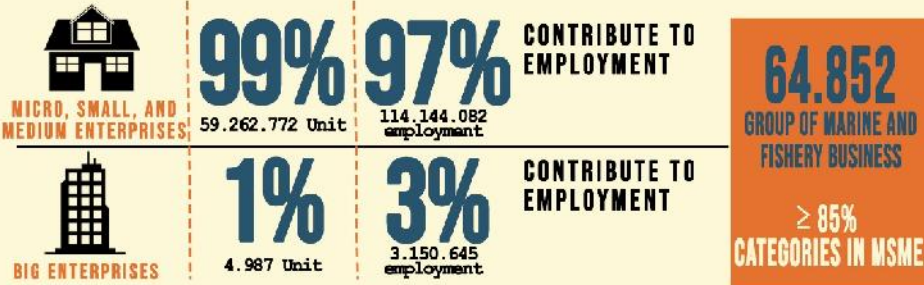
Revolving Financing Micro Credit Assisted  
by the Extension Staff  
Experience of LPMUKP ( MMAF )

# BACKGROUND



## FACTS OF MARINE AND FISHERIES SECTOR BUSINESS

### DATA OF MICRO, SMALL, AND MEDIUM ENTERPRISES (MSME) AND BIG ENTERPRISES



### THE RESULTS OF RESEARCH FROM BANK INDONESIA IN 2016

**25% - 32%** fisherman and coastal communities have access to financial institutions

whereas **THE NATIONAL AVERAGE REACHED 59%**

### STEREOTYPE OF BANKING ON THE MARINE AND FISHERIES SECTOR



**BANKER** contributed to the low inclusion rates of finance fisherman and coastal communities

## GOVERNMENT MANDATORY TO MARINE OF FISHERIES SECTOR

**LAW OF FISHERIES ARTICLE 60** realizing financial sovereignty and establishing farmers / fishermen banks and micro, small, and medium enterprises (MSME) including warehouses with post-harvest processing facilities in each farmer / fishery production center

The government shall empower small fishermen and small fish breeders through loans for small fishermen and small fish breeders, either for working capital or cost of operation with easy requirements, low interest rate and in accordance with the financial condition of small fishermen and small fish breeders;

**LAW No. 7 OF 2016 ARTICLE 61** about the protection and empowerment of fishermen, fish farmers, and salt farmers

**LAW No. 7 OF 2016 ARTICLE 61** Central Government and Local Government in accordance with their respective authorities are obliged to facilitate financing and financing assistance for Small Fishermen, Traditional Fishermen, Fisherman Workers, Farmers Cultivation, and small scale salt farmers, including Fishermen and fishermen families conducting processing and marketing.



### STRATEGICS PLAN



MINISTRI OF FINANCE



MINISTRI OF MARINE AFFAIRS AND FISHERIES



**LPMUKP**

**LPMUKP** has the duty to run a revolving fund management accompanied by assistance for micro, small and medium enterprise in marine and fisheries sector.

# LPMUKP'S SERVICE FEATURES

## MAIN COMPANISOR ROLE



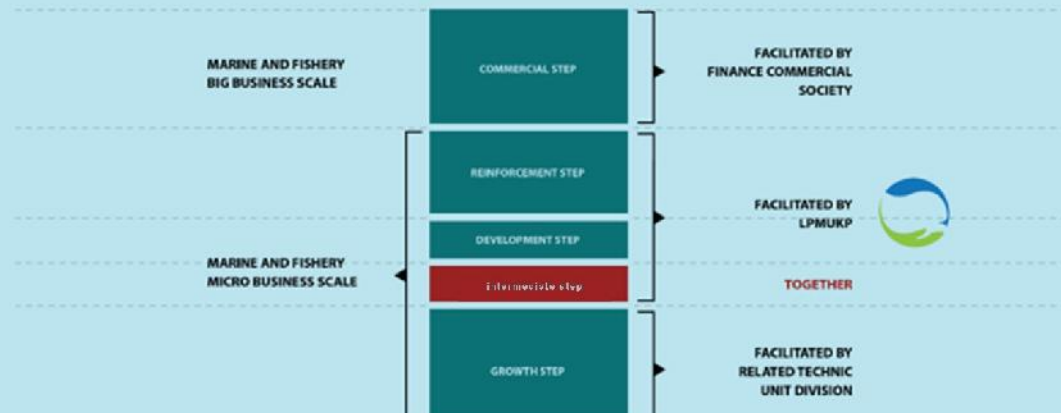
## DEVELOPMENT OF FINANCIAL INCLUSION

**%** LPMUKP COORPORATED WITH NATIONAL BANK IN DEVELOPMENT AND EXPANSION CAPITAL ACCESS

**PROMOTING THE GREEN FINANCIAL INCLUSION THROUGH THE ENVIRONMENTAL FRIENDLY ACTIVITIES FINANCING**

1. FISHING GEAR (CANTRANG)
2. BUSMETIK AQUACULTURE
3. MARINE EKOTOURISM
4. SILVOFISHERY

## LPMUKP'S FINANCE CREDIT POSITION IN GROWING UP STEP



# ACHIEVEMENTS IN 2017 AND PLANS IN 2018



## 2017

LPMUKP has disbursed revolving financing on micro and small scale marine and fishery enterprise with total amount up to \$ 2240000 billion.



**2,348**  
person As beneficiaries



Average loan value  
**\$ 940 / person**

Details of business type:

FISHERMAN	AQUACULTURE	FISHERIES PROCESSING AND TRADING	SALT FARMER	MARINE TOURISM AND OTHER COASTAL COMMUNITY BUSINESS ACTIVITIES
<b>1,606</b> total beneficiaries	<b>254</b> total beneficiaries	<b>331</b> total beneficiaries	<b>85</b> total beneficiaries	<b>72</b> total beneficiaries
<b>\$490</b> Average loan value	<b>\$1960</b> Average loan value	<b>\$1400</b> Average loan value	<b>\$2870</b> Average loan value	<b>\$3220</b> Average loan value

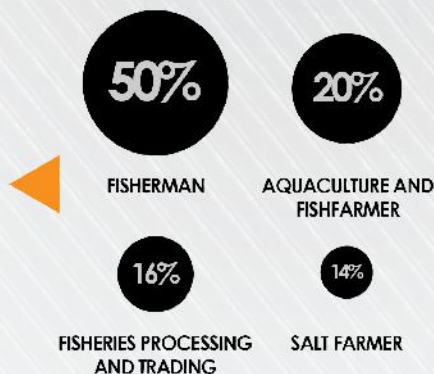
## 2018

It is planned that total lending / financing of revolving funds will be \$ 70000000

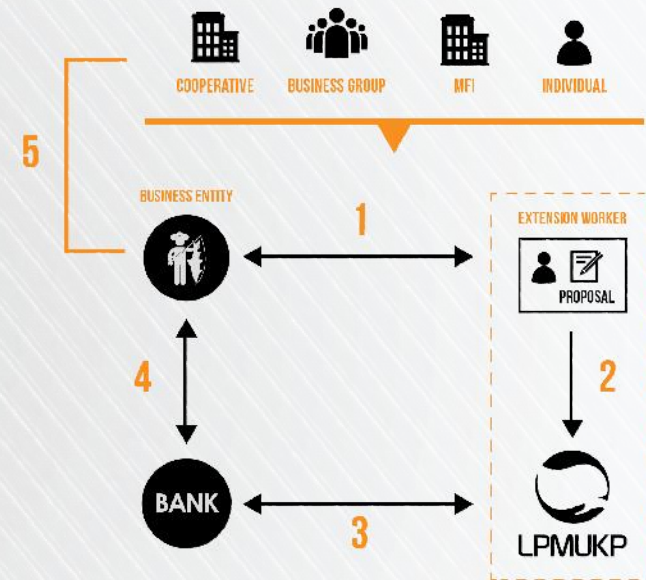
In value:

<b>FISHERMAN</b> <b>\$ 47180</b>	<b>SALT FARMER</b> <b>\$ 13090</b>
<b>AQUACULTURE AND FISHFARMER</b> <b>\$ 18830</b>	<b>FISHERIES PROCESSING AND TRADING</b> <b>\$ 15050</b>

In percentage:



## APPROVAL FLOW



Explanation:

- 1 Extension worker helps applicant to compose loan proposal
- 2 Proposals submitted to LPMUKP to be analyzed and processed
- 3 LPMUKP in collaboration with National Bank initiation on disbursement and collection administration
- 4 Loan disbursement and collection through National Bank initiation and then to be reported by CMS to LPMUKP
- 5 Typology of business targeted by the Lpmukp service

\* \$1 = Rp.13.750

# ASSISTANCE SERVICES LOCATION

2017

109

157

33

2018

210

239

34

SERVICE LOCATION ASSISTANTS

CITY/DISRICT

PROVINCE

RP. 1,3 TRILLION

REVOLVING FUND PLAN IN 2018

## LPMUKP PERFORMANCE 2017

IDR. 32,8 BILLION

REALIZATION OF DISTRIBUTION

1. FISHERMAN ( FISHING ACTIVITIES )
2. AQUACULTURE ACTIVITIES
3. FISH PROCESSING AND MARKETING
4. SALT BUSINESS COMMUNITY ( PUGAR )
5. MARINE TOURISM, COASTAL SHOP AND OTHER COMMUNITY BUSINESS

\* Distribution period of revolving fund (November - December 2017)

\* Number beneficiaries 2,348 people

\* Average Rp. 14 million/person

Under management allocation funding 2018 Rp. 1,35 trillion

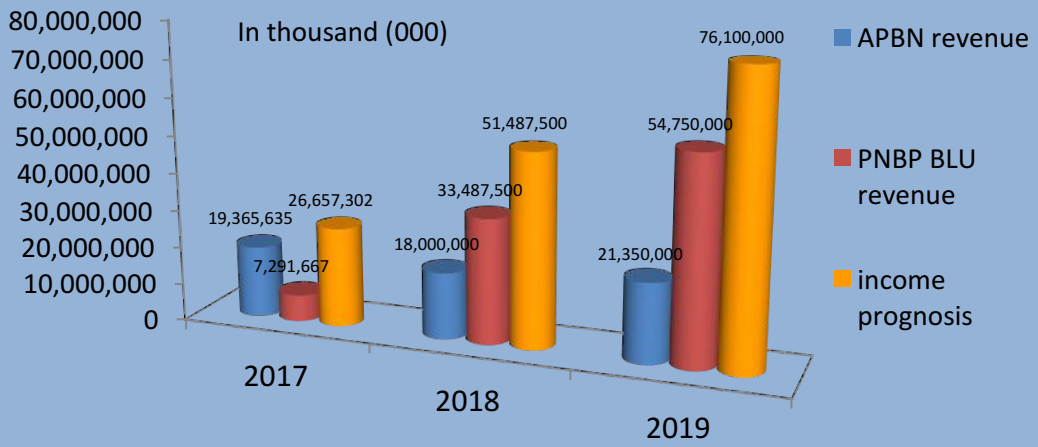
1. FISHERMAN 50% ( 4.086 KUKP )
2. AQUACULTURE 20% ( 2.114 KUKP )
3. FISH PROCESSING AND MARKETING 16% ( 1.762 KUKP )
4. SALT BUSINESS AND COASTAL COMMUNITY 14% ( 2.267 KUKP )

\*KUKP IS A BUSINESS GROUP OF MARINE AND FISHERIES



- Salt Potency
- Pelagic fish potency
- Aquaculture potency
- Coral fish potency

## FORWARD FORECAST LPMUKP INCOME



## FUNDING MANAGEMENT OF LPMUKP

