

KNTI: Fisherfolk advocate for fuel subsidies and COVID relief in Indonesia

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Indonesia is the world's second-largest fisheries producer, and small-scale fisherfolk make up 95% of the sector. These fishers depend heavily on fuel, which represents 60% of their production costs. When President Joko Widodo came to power, he promised to prioritize assistance to the marine and fisheries sector and issued a plan calling for the central government to subsidize fuel for fishers. However, many small-scale fishers have not been able to benefit from this program due to weak implementation of fuel subsidy budgets by state governments and cumbersome administrative procedures.

We have helped *Kesatuan Nelayan Tradisional Indonesia* (KNTI) – which represents 300,000 small-scale fisherfolk – hone their budget literacy, strengthen their networks, and better influence government decisions to turn these dynamics around and gain much-needed relief for their members. As a result, in just the last two years, the union has secured access to US\$95 million in COVID-19 social assistance for 1.1 million fishers and US\$4.2 million in credit facilities to protect the livelihoods of fisherfolk impacted by the pandemic. Moreover, KNTI has convinced officials who oversee the implementation of the fuel subsidy program to simplify the registration process – a crucial reform that will allow 2.6 million traditional fisherfolk to access these subsidies.

Beyond these immediate gains, the government now sees KNTI as an influential player in informing fiscal policies for smallholder fisherfolk, which will allow KNTI to continue building community power over resources in the long term.

Background

Indonesia is the world's second-largest fisheries producer. The sector generates approximately US\$4.1 billion in annual export earnings and supports more than 7 million jobs. Small-scale fisherfolk make up 95% of the sector and depend heavily on fuel, which represents 60% of their production costs. Until 2014, the marine and fisheries sector was not a government priority, but President Joko Widodo has pledged to support this critical sector. Part of his new plan calls for the central government to subsidize fuel for all fishers.

Despite the new plan, small-scale fishers have struggled to benefit from these subsidies for various reasons. The government has consistently failed to allocate enough funds for fuel subsidies in its annual budget, and what it has allocated has not been distributed properly. In 2019, for example, authorities only distributed 25.6% of the subsidies they had allocated in the budget. Poor execution is mainly due to weak capacity among state governments to manage their fuel subsidy budgets.

Different state institutions are responsible for implementing the subsidies, which has resulted in complex and sometimes conflicting regulations. Fisherfolk must pay the local marine and fisheries office for a written recommendation that is only valid for a single purchase of subsidized fuel. Many small-scale fishers lack credentials, such as ship registration letters or business “Kusuka” cards that expedite the registration process to receive subsidies. Insufficient distribution points compound the problem. Authorities do not sufficiently monitor the distribution of fuel, so large vessels often drain existing allocations. In short, those who need the subsidy the most are least likely to receive it.



A social auditor collecting data on fishers' challenges in accessing the fuel subsidy program

Kesatuan Nelayan Tradisional Indonesia (KNTI) is a community-based organization composed of 300,000 small-scale and traditional fisherfolk across Indonesia. It was established in 2008 to better represent the community's interests and increase their access to subsidies and other assistance to keep the sector viable. KNTI had experience mobilizing its members but lacked knowledge about the budget process. Their members did not know what they were entitled to and did not understand the causes of underinvestment in their sector. The group was not impacting policy change, as it lacked the data to pinpoint the problem and propose solutions to decisionmakers.

Path to KNTI's results

Joining of technical and political power through building budget advocacy skills

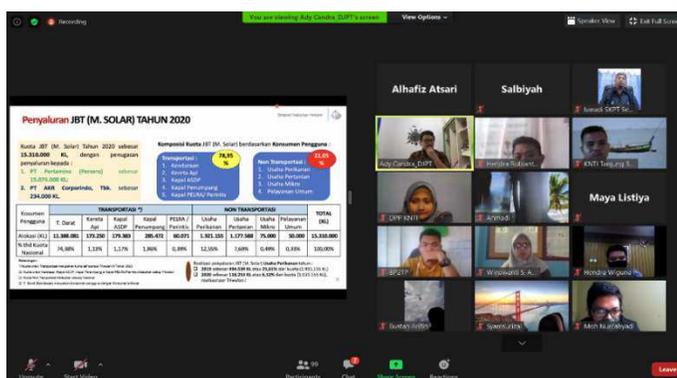
KNTI has a large membership base across the country. It also has longstanding connections with local and national decision-makers. However, the group struggled to secure much-needed relief for their members due to a lack of understanding about how budget decisions impact resource allocations. Moreover, while KNTI has a strong, competent, well-connected and dynamic national secretariat, local level chapters lacked the leadership and dynamism to keep fisherfolk members interested in advocacy campaigns and motivated to mobilize.

We worked closely with two in-country technical partners, the Indonesian Forum for Budget Transparency (FITRA) and *Perkumpulan Inisiatif* to build up KNTI's budget analysis skills and shore up their members' interest in budget advocacy through trainings (22 training sessions have been held since 2020) and ongoing budget analysis support.¹ As a result, union members understood where the government budget was falling short and who to target to seek reforms in the fuel subsidy program.

Generating and leveraging data to support demands

Generally, the Indonesian government lacks strong data on how its policies impact underserved communities. IBP seized the opportunity to help KNTI fundamentally shift its advocacy strategy and leverage data to propose policy solutions. This shift proved critical to landing key wins and gained buy-in from officials who began to recognize KNTI as a credible and knowledgeable partner in their decision-making.

In the first year of our project, KNTI set up Community Information and Complaint Centers (POSKOs) where fisher communities could discuss their difficulties in accessing the fuel subsidy program. In 2020, the first two centers established in Medan and Semarang provinces held six meetings and shared around 500 complaints with local and regional officials from fisherfolk who had experienced difficulties accessing the subsidies. In Medan, the mayor, legislators and other stakeholders visited the center, while in Semarang the center's regular *kampung* (neighborhood) discussion with fisherfolk received media attention.



Online discussion on fuel subsidy program challenges between BPH Migas and small-scale fishers' representatives

KNTI also conducted social audits in Medan and Semarang on the main impediments fisherfolk face in accessing the subsidies.² As COVID-19 set in, KNTI also assessed the impacts of the pandemic on the lives and livelihoods of the fishers. More than 3,500 fisherfolk from five cities responded to the online survey at the height of the pandemic.

¹ FITRA was founded in 1999 and focuses on performing budget analysis and advocacy to increase people's awareness of their rights regarding the budget. Inisiatif was founded in 2005 to enhance the quality of life of marginalized people. Inisiatif facilitates citizens' demands for more responsive, accountable and transparent governance.

² A social audit is a community-led process where residents compare their experiences of a government service to what official government documents such as bid specifications, contracts, and service delivery schedules say about that service. Evidence and experiences are collected, analyzed and then discussed with government officials.

Considering this was the very first activity of its kind, and those who participated represented broader communities, the response rate was promising.

While published government statistics showed very high fuel disbursement levels close to 100%, the data collected through KNTI's surveys indicated that 69% of respondents did not receive this fuel. Furthermore, the data showed that more than 95% of respondents in Medan and 82% in Semarang could not obtain recommendation letters to access fuel.

KNTI took the valuable information collected in the online survey to key government officials. The organization held a gathering with the Governor of Central Java and more than 70 fisherfolk to discuss the findings and challenges fisherfolk faced in accessing the fuel subsidies. The live meeting was broadcast on KNTI's Facebook page and viewed by approximately 800 people.

*"The social audit done by KNTI is very good. I need evidence from the field and **this social audit provided me with the portrait from the field**. We will follow up this result. The government will invite the KNTI representative (KNTI in Semarang) to discuss further about this with the line local offices."*

Ganjar Pranowo, Governor of Central Java

Multi-level engagement with government

Early in the project, we knew that helping KNTI transform its engagement with government would be critical to the organization's success. We helped it forge new ties with local and national officials that could impact the reforms it sought and take a more data-driven approach with new and existing relationships in target institutions. KNTI successfully leveraged the data collected by the POSKOs and social audits to engage the local Medan and Semarang governments, including local Marine and Fisheries Affairs offices that are now more willing to discuss issues directly with small-scale fisherfolk. By moving these engagements online during the pandemic, KNTI was able to engage even more local fisherfolk in these convenings.

KNTI also advocated for reform nationally by engaging the Ministry of Marine Affairs and Fisheries (MMAaF), the President's office and two enterprises that the government tasked with implementing the subsidized fuel program.³ KNTI offered officials concrete budget and policy recommendations to improve fuel subsidy service delivery at the national and local level based on evidence from the ground. Recognizing that KNTI had valuable and unique data to inform policy, the Minister of Marine Affairs and Fisheries reached out to the group for its findings on access and availability of subsidized fuel and the impact of the pandemic on small-scale fishers. He publicly voiced his appreciation for their work, met

³ PT Pertamina (Persero) and PT Aneka Kimia Raya (AKR) Corporindo Tbk.

with their leadership, and even hosted a ministerial hearing with their members across Indonesia to discuss the challenges they face.

We knew that improving the effectiveness of the fuel subsidy program was a priority for President Widodo, so we helped KNTI forge ties with the President's office. With our support, KNTI and an alliance of fisheries-focused civil society organizations convened a meeting with the President's office to share the challenges fisherfolk face in accessing the subsidy and the threats they faced during the pandemic. The President's office subsequently engaged with the implementing authorities to address inefficiencies in how subsidies are allocated and simplify the process to receive assistance.

“We need new initiatives to solve the existing problem in which fuel subsidy mostly benefited the mafia, not traditional fisherfolks. [The] survey done by KNTI is very useful and we will use this to discuss with other institutions and the ministry will simplify regulation and cancel the regulation that requires letters of recommendation for fisherfolks to access the fuel subsidy.”

Edhy Prabowo, former Minister, Ministry of Marine Affairs and Fisheries Affairs

Working with oversight institutions

In much of our work, IBP has found that accountability requires all-hands-on-deck. When civil society comes together with oversight actors like auditors and legislators, they can collectively check executive power and ensure governments follow through on promises. When auditors collaborate with civil society, for instance by scaling up and formalizing social audits such as the one KNTI spearheaded, they can also collect valuable information only communities have.

With our support, KNTI forged a relationship with the Audit Board of Indonesia (BPK). They met with senior officials of the audit board who committed to collaborate more strategically with civil society groups that conduct social audits on subsidized fuel and the Social Assistance scheme (PKH). We also helped KNTI forge relationships with oversight institutions like the ombudsmen in Medan and Semarang, the Corruption Eradication Commission and national parliamentary members. Regional ombudsmen play a critical role in monitoring and providing recommendations to local governments.

As a result of these engagements, the ombudsmen in Semarang and Central Java prioritized the distribution of subsidized fuel for fishers as part of their monitoring agenda. In Medan, the ombudsman, KNTI and FITRA went on a joint visit to a fisher settlement to assess the situation and hear from the fisherfolk directly.

KNTI: 90 Persen Nelayan Belum Miliki Nomor Registrasi Kapal | merdeka.com

2-3 minutes



*Headline of Indonesian news outlet merdeka.com:
"KNTI: 90 Percent of Fishermen Do Not Have a Ship"*

Amplifying KNTI's voice

Indonesia has Facebook's fourth-largest global audience and one of the world's largest media markets. KNTI leveraged Indonesia's active digital and traditional media landscape to amplify its message, engage officials and garner attention for the challenges fisherfolk face.

In the second half of 2020 alone, KNTI launched 12 publications about the challenges their members were facing in accessing fuel subsidies and the need for pandemic-related relief. National and local media outlets covered KNTI's findings and statements, as well as the online forums they held, such as the Facebook Live meeting with the Governor of Central Java.

"Coastal Fishermen in the City of Semarang Can Report Corona Social Assistance Deviations to the KNTI Post."

**Headline from the Semarang
TribunJateng.com news outlet**

In November 2020, the fisheries minister and several top officials were arrested by the Corruption Eradication Commission on charges related to lobster exports. Widespread media coverage of the scandal provided an opportunity for IBP and KNTI to direct attention to the plight of small fisherfolk and bring their issues and related accountability challenges to the forefront of the media and public's mind (IBP had related coverage in outlets with broad reach such as [Detik Finance](#) and [CNN Indonesia](#)).

Main successes to date

KNTI has increased public attention to the needs of small-scale fishers and become a trusted broker with the government. At the height of the pandemic, the government yielded to pressure from KNTI and its partners and allocated COVID assistance to 1.1 million fisherfolk (mostly in the form of fuel assistance). The government also set up credit facilities worth US\$4.2 million for two state-owned enterprises to buy fish from small-scale fishers to mitigate their losses and bolster food security.

“We had a meeting with PT Pertamina and the Ministry of Marine and Fisheries Affairs to discuss the issue of subsidized fuel for small fisherfolks based on reports from the coalition submitted to [the President’s office]. [The office] urged the government to accelerate the issuance of Kusuka cards as an instrument for the distribution of fuel subsidies. [The office] will also issue an affirmation letter, through the Ministry of Marine and Fisheries Affairs, for fisherfolk’s easier access to fuel subsidy.”

Alan Korompitan, Special Advisor, President’s office

As a result of KNTI’s activism, the government has substantially simplified the paperwork requirements to access subsidized fuel, especially for small-scale fisherfolk, by shifting responsibility from the MMaFA to the Oil and Gas Regulatory Agency (BPH Migas). More than 2.6 million traditional fisherfolk will now benefit from the simplified registration process BPH has put in place. In 2021, KNTI began monitoring the extent to which these reforms have improved subsidy access for small-scale fishers in its expanded focus areas. The government has also asked KNTI to work with it to help fisherfolk navigate the procedural requirements so that more of them can access subsidized fuel. To date, the government also distributed 1,066 Kusuka Cards (Fisherfolk Cards) to fishers and marine businessmen in Semarang so that they are now formally documented as fisherfolk and can access the fuel subsidy and other assistance. In addition, KNTI received 200 recommendation letters to access subsidized fuel in Bireun, Aceh province. One recommendation letter allows KNTI to access 100 liters of subsidized fuel for further distribution to KNTI members.

The MMaFA together with the President’s office plans to pilot a project on fuel subsidy stations in Semarang, Medan, and Padang. If successful, the pilot could pave the way for a fuel station infrastructure development project that would improve fuel access.

Conclusion

In a short period of time, KNTI has leveraged its strength in numbers, networks and newly acquired budget literacy to significantly improve access to subsidized fuel for its members. It has built a relationship with the government in which it now has a say in how budgets are distributed and who they will benefit. Moving forward, KNTI will follow up on the government’s commitments, closely monitor fuel subsidy access by small-scale fisherfolk, and engage local and national budget planning processes to further improve the fuel subsidy program’s budget allocations and execution challenges.