

GUIDANCE FOR CALCULATING SERVICE FEE OF WATER RESOURCE MANAGEMENT FOR DRINKING- WATER, INDUSTRIAL, HYDRO POWER PLANT AND AGRICULTURAL BUSINESS ACTIVITIES

(Regulation of the Minister of Public Works Number 08/PRT/M/2014 dated August 8, 2014)

BY GRACE OF GOD THE ALMIGHTY
THE MINISTER OF PUBLIC WORKS,

Considering:

- a. in order to implement the provision of Article 118 paragraph (7) of Government Regulation Number 42 Year 2008 on Water Resources Management and in order to ensure sustainable water resources management, water resources users receiving benefit from water resource management service, besides fulfilling the daily basic need and for smallholder agriculture, are obliged to bear management cost in accordance with the obtained benefit;
- b. drinking-water, industrial, hydro power plan and agricultural business activities now constitute the main activities in the use of water resources;
- c. the government and regional governments by virtue of their authority and responsibility in the management of water resources through water resources managers have a right to collect and receive service fee of water resources management

- d. in the framework of providing a guidance for water resources managers in calculating service fee of water resources management for the business activities as meant in Letter b and Letter c, it is necessary to prepare guidance for the calculation of service fee of water resource management;
- e. having regards to Letter a, Letter b, Letter c, and Letter d, it is necessary to stipulate a regulation of the Minister of Public Works on Guidance for Calculating Service Fee of Water Resources Management for Drinking-water, Industrial Hydro Power Plant and Agricultural Business Activities;

In view of:

1. Government Regulation Number 42 Year 2008 on Water Resources Management (Statute Book of the Republic of Indonesia Year 2008 Number 82, Supplement to Statute Book of the Republic of Indonesia Number 4858);
2. Presidential Regulation Number 47 Year 2009 on the Establishment and Organization of State

Ministries as already amended several times and the latest by Presidential Regulation Number 13 Year 2014;

3. Presidential Regulation Number 24 Year 2010 on Status, Tasks and Functions of State Ministries as well as First-echelon Organizational Structures, Tasks and Functions of State Ministries as already amended several times and the latest by Presidential Regulation Number 14 Year 2014;
4. Regulation of the Minister of Public Works Number 08/PRT/M/2010 on Organization and Working Mechanism of the Ministry of Public Works;
5. Regulation of the Minister of Public Works Number 21/PRT/M/2010 on Organization and Working Mechanism of Technical Executive Unit of the Ministry of Public Works as already amended by Regulation of the Minister of Public Works Number 09/PRT/M/2011;

DECIDES :

To stipulate:

THE REGULATION OF THE MINISTER OF PUBLIC WORKS ON GUIDANCE FOR CALCULATING SERVICE FEE OF WATER RESOURCE MANAGEMENT FOR DRINKING-WATER, INDUSTRIAL, HYDRO POWER PLANT AND AGRICULTURAL BUSINESS ACTIVITIES

Article 1

Referred to in this ministerial regulation as:

1. Water Resources shall be water, water source and water energy containing therein.
2. Water shall the whole water contained in, above or below land surface, including surface water, ground water, rainwater and sea water on the mainland.
3. Water Source shall be natural and/or artificial water place or container in, above, or below land surface.
4. Water Energy shall be potential contained inside water and/or water source which may contribute benefit or loss to human life and livelihood as well as their environment.
5. Water Resources Management shall be an effort to plan, execute, monitor and evaluate the conservation of water resources, utilization of water resources and control over water destructive power.
6. Service Fee of Water Resources Management hereinafter abbreviated to BJPSDA shall be a kind of the financing of water resources management, which is imposed on users securing benefit from water in accordance with rational and accountable calculation, and exempted from the utilization of water resources for the fulfillment of daily basic need and irrigation for smallholder agriculture.
7. Volume of Water Resources Utilization shall be the quantity of the use of water resources which is counted by m³ or acreage unit of the utilized water source or unit of the produced power in kWh.

8. The Utilization of Water Resources for business activity shall be the exploitation or utilization of water resources for the need of business.
9. Water Resources Manager shall be an institution authorized to manage water resources.
10. Minister shall be the Minister of Public Works.

Article 2

- (1) The ministerial regulation shall be intended to become a reference for water resources managers in river area belonging to authority of the government, provincial government or regency/municipal government, including Public Corporation (PERUM) and Regional Administration-Owned Public Corporation (PERUMDA) operating in the management of water resources in the related river area in calculating BJPSDA.
- (2) The ministerial regulation shall aim at obtaining unit value of BJPSDA charged to users of water resources as holders of license to utilize and manage water resources.

Article 3

The scope of this ministerial regulation shall include:

- a. kind of business activity subject to BJPSDA; and
- b. procedure and example of the calculation of BJPSDA.

Article 4

- (1) Kinds of business activity subject to BJPSDA as

meant in Article 3 Letter a shall include the use of water resources for business activities:

- a. industry;
- b. drinking water;
- c. hydro power plant; and
- d. agriculture, including plantation and fishery.

- (2) The agricultural business activity subject to BJPSDA as meant in paragraph (1) Letter d shall include agricultural activities, including plantation and fishery wherein water is used by modifying natural condition with the need exceeding 2 (two) liter per second per head of family and which is executed outside the existing irrigation system.

Article 5

- (1) In the case of the hydro power plant as meant in Article 4 paragraph (1) Letter c having a capacity up to 10 Mega Watt, the unit value of BJPSDA shall be counted on the basis of the average cost of water resources management in each location or area of power plant and percentage of the value of asset in each river area as well as the value of economic benefit received by each group of water users in river area and the quantity of electricity produced by the hydro power plant.
- (2) Location or area of power plant in each river area as meant in paragraph (1) shall include islands:
 - a. Java, Bali, Madura;
 - b. Sumatra;
 - c. Kalimantan and Sulawesi;

- d. West Nusa Tenggara and East Nusa Tenggara;
- e. Maluku and North Maluku; and
- f. Papua and West Papua.

Article 6

- (1) In the case of the hydro power plant as meant in Article 4 paragraph (1) Letter c constituting new development with capacity above 10 Mega Watt in river area currently being developed for purposes, including power plant, the unit value of BJPSDA shall be counted separately on the basis of the management cost of water resources of river area, which is attributable to potential of the newly built hydro power plant as well as the value of economic benefit received by the newly built hydro power plant and divided by the potential of electricity produced by the hydro-power plant.
- (2) The calculation of the unit value of BJPSDA as meant in paragraph (1) shall be used to support the acceleration of the provision of infrastructure for new and renewable energy.
- (3) In the case of the new development of the hydro power plant increasing the management cost of water resources which is higher than the received BJPSDA, the government or regional government may provide cost assistance for PERUM or PERUMDA through the State Budget of Revenue and Expenditure or Regional Budget of Revenue and Expenditure in technical executive unit in charge of water resources affairs.

Article 7

- (1) BJPSDA as meant in Article 4 and Article 6 shall be collected and received by water resources users in relations to the utilization or management of water resources in each river area.
- (2) BJPSDA as meant in paragraph (1) shall be in exception for users of water resources for daily basic need and smallholder agriculture.

Article 8

- (1) Procedures for Calculating BJPSDA as meant in Article 3 Letter b shall be done through phases:
 - a. counting the need for management cost of water resources;
 - b. counting benefit value of the use of water from various groups of users;
 - c. counting unit value of BJPSDA for each group of water user by using basic formula;
 - d. preparing simulation of the calculation of acceptance level of BJPSDA to stakeholders;
 - e. discussing result of the simulation with stakeholders by observing impact of the application of BJPSDA on the scale of economy of products of water resources users; and
 - f. recommending the unit value of BJPSDA for stipulation.
- (2) Procedure and example of the calculation of BJPSDA shall be as contained in the attachment constituting a totality and integral part of this regulation.

Article 9

In the case of the use or management of water resources being located in forest area, holders of license to use or utilize water resources shall pay BJPSDA in accordance with the guidance for calculation contained in this regulation.

Article 10

The ministerial regulation shall come into force as from the date of promulgation.

For public cognizance, the ministerial regulation shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On August 8, 2014

THE MINISTER OF PUBLIC WORKS OF
THE REPUBLIC OF INDONESIA

sgd.

DJOKO KIRMANTO

Promulgated in Jakarta

On September 15, 2014

THE MINISTER OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA

sgd

AMIR SYAMSUDDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
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