



Newsletter No. 14

February 2014

From the Chair of Directors ...

I am pleased to report that operations in Indonesia are progressing well and detailed information about the three sites where we operate is provided below.

Over the last couple of months, the Directors have been working hard on developing processes and policies to ensure that Bamboo works effectively and efficiently, given its expansion. You can read about that work in this newsletter.

Funding is always an important issue, given that Bamboo relies on donations either from individuals or from the corporate sector. You will be interested to read about our plans to increase our income in this edition.

Our loan repayment performance has been incredible with a 99% repayment rate, which would be the envy of most banking institutions.

We consider that it is very important to regularly visit the Indonesian operations and in the last 3 months, Adam Peaty, Vice Chair of Directors has visited Bandung, while Peter Johnston has been to Malang and Bandung. In addition, in October, members Piers and Michael visited Bukittinggi and enjoyed their visit, which was supported by Fikar, our partner there.

Bill Johnston WA Member of Parliament led a team of ALP parliamentarians to Java in January and they visited our partners PESAT in Bandung. You can see his report later in this newsletter.

Peter Johnston, Chair, Board of Directors, Bamboo Micro Credit (Inc)

INDONESIAN OPERATIONS

Bukittinggi, West Sumatra was where Bamboo started in 2007. From small beginnings, it has grown considerably, especially because of the efforts of Fikar, our partner there. He has overseen 45 loans and currently has 16 outstanding loans.

Bandung, West Java: PESAT are our partners there and they operate in villages around Bandung. Their loan operations are still developing and they currently have 9 loans, but have an ambitious plan to rapidly increase these, involving an association of villages for which they have been involved in implementing clean water and sanitation projects across the region over the last 20 years.

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Malang, East Java: Daya Pertiwi is our latest partner and because they have already been involved in micro credit in the area for some years, they now have 27 current loans and have many eligible borrowers waiting to access loans. Their CEO Made Polak is a very experienced local community development worker and we are very privileged to have them as partners.

Parliamentary visit to Bandung

Here is the report of the visit of Bill Johnston MLA and his colleagues: (Photo of delegation and staff outside PESAT office in Bandung)

Visit to Pesat Bandung by a delegation of Western Australian Labor MPs

In January this year, a group of five WA Labor Members of Parliament made a familiarization trip to Java. The delegates were WA Labor Deputy Leader Roger Cook, Shadow Ministers Margaret Quirk and Bill Johnston, Shadow Parliamentary Secretary Janine Freeman and WA Labor Caucus President Peter Tinley.

During their 10 day trip the delegates met with the Corruption Eradication Commission, business and political leaders, union leaders and human rights activists. While the delegation was in Bandung, they were able to meet with “*Yayasan Pengembangan Swadaya Masyarakat*”, or the “*Foundation for the Development of Community Self Sufficiency*” – PESAT.

PESAT was established in 1973 by an Australian woman, Helen Lok, who lives in Bandung, the capital of West Java. PESAT is operated by a board and management of local people, and it has recently entered into an arrangement with Bamboo Microcredit.

PESAT operates to lift peoples’ capacities while at the same time working with them to deliver clean water and improved health outcomes. PESAT works with local communities to ensure that communities chose for themselves the projects that are implemented.

PESAT’s long experience demonstrates that if a community can receive clean water, then that is the catalyst for improving sanitation, raising health levels, and greater community capacities. This base then provides the circumstances for economic development to flow as well. Because PESAT works to empower local communities, its projects have been overwhelmingly successful.

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In addition to clean water, sanitation, health education and capacity building, PESAT also operates a “Library in a Cupboard” program, which provides access to reading material at no cost to communities that have little cash resources but high needs. These books allow children to improve their reading and consequently raise their education outcomes as well.

PESAT provides assistance with economic development, and that is seeing Bamboo Microcredit partner with PESAT to provide micro-lending facilities to help communities to gain even more independence.

While the delegation was not able to visit the many locations that PESAT is working to build local capacities in the communities in and around Bandung, we were able to receive a detailed presentation on the work that it is doing. We were able to see how PESAT is able to partner with businesses and development agencies to leverage its financial resource and expertise to work at the village level to provide transformational assistance to many individual communities.

We were able to see how the work of Bamboo Microcredit is able to be leveraged as part of a coordinated program to make a real difference to the lives of people and their communities.

Bill Johnston MLA
Member for Cannington
Shadow Minister for State Development;
Energy; Mines & Petroleum

Policies and Procedures

Our Director, Dr Bob Dannatt has been active in ensuring that Bamboo’s policies and procedures are current and relevant. As Bamboo Micro Credit has grown, it has been essential that these are recorded and regularly updated. We are very conscious that if we are to partner with businesses, we must be clear about how we operate and we are satisfied that we have the best practices and policies. They are available to members and anyone interested by request.

Website

We have had a website for the last 5 years and it has gradually grown as Bamboo has developed. It was originally set up by a supporter in Germany in

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2009 and when she took on full time studies, we were fortunate to find a strong supportive local person Jem Oz, who now monitors our website. We are extremely appreciative of Jem's work for us (he also supports orphanages in Indonesia through OrphanAid) and we acknowledge his positive contribution to Bamboo. We try to update the website regularly and it is now under review to make it more user friendly and accessible.

Australian Indonesia Business Council (AIBC)

Bamboo has been a member of AIBC for the last 3 years and has regularly participated in events they have hosted. These have been varied. We are now negotiating with AIBC for Bamboo (possibly in conjunction with another NGO) to make a presentation to the membership at a Sundowner in Perth at the Indonesian Consulate in the near future. This will be an exciting prospect, as we will be exposed to many representatives of businesses operating in Indonesia.

We hope this may encourage ongoing Corporate support for Bamboo. I want to acknowledge Phil Turtle (AIBC WA President) and his Vice Chair, Dan Batey for their support and encouragement.

Tax deductions of donations.

You may not be aware that we do not currently have tax deductibility for donations. We are attempting to rectify this by applying for what is known as "Deductible Gift Recipient" status (DGR) in our own right. We are hoping we may be able to get "pro bono" (free) assistance from a firm of lawyers, which could assist our case. In the meantime, we are extremely grateful to all donors who have continued to support us.

This Newsletter is provided to members and supporters of Bamboo Micro Credit (Inc)

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