



## Bamboo Micro Credit

Web: - [www.bamboomicrocredit.org.au](http://www.bamboomicrocredit.org.au)  
E-Mail:-[mail@bamboomicrocredit.org.au](mailto:mail@bamboomicrocredit.org.au)

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Newsletter No. 2

July 2011

Hello members and supporters

July has been an extremely busy month for Bamboo. The article by journalist Niall McIlwaine in the "West Australian" continues to attract considerable attention. We now have over 50 members and supporters and they have donated generously. With the growth of funds, the Board of Directors has been looking at policies and procedures, to ensure that donated funds are managed carefully and that processes are in place to ensure transparency and accountability.

### Volunteers

Many people, in addition to donating money, have said they are interested in direct involvement in Bamboo activities. While the main focus of Bamboo is to raise funds for the Indonesian operation of our Yayasan, Bambo Peduli, to provide loans, there are other ways that volunteers can contribute to the development of the organization. To this end, the Board are inviting anyone interested to attend a gathering at 27 Minilya Way, White Gum Valley on 21 August 2011 at 3pm. We hope to hear suggestions and ideas about how people can contribute in ways that suit them. Already interest has been expressed by a number of people in visiting operations in West Sumatra, which we are keen to facilitate. Your invitation to this event is attached with this email and it is hope you can get there to share your ideas and meet other supporters.

### Profile

Bamboo manager in Bukittinggi W. Sumatra, Zulfikar (Fikar) has been a central figure in the establishment and development of Bamboo. In 2007, he and the present Chair of the Board, Peter Johnston, spent many hours in Bedudal Café, in Bukittinggi, trying to make sense of the ideas Peter was trying to explain. Fikar, a tour guide and well respected in the local community, in his early 30s, was greatly interested in the concept of helping people in poverty help themselves, but initially found it hard to believe that a Westerner (*bule* in Indonesian) really wanted to loan money, without any profitable return. He thought there must be a catch somewhere, for he was aware that his poor fellow country people, in whom the banks were not remotely interested, could only borrow from illegal money lenders (*tengkulak*), at

*"It's not a handout, It's a hand up"*

extortionate rates of interest. Eventually, when he realized that Peter was serious and wanted to start giving loans, using his own money, he supported the idea strongly. He was able to use his connection with the local community to identify people who could be trusted, who would understand the philosophy of micro credit, who could propose a viable business and who could be reasonably be expected to repay their loans.

To everyone's surprise, within a few months, most of the loans had been repaid and Bamboo was on its way. Fikar suggested the name "Bamboo" because of its resilience, its flexibility and the wide variety of uses to which it is put in Indonesia. He also designed the logo we use today, as well as most of the loan tracking systems in place. Now, 4 years later, he has overseen 25 loans, and is preparing to allocate a further \$2000 or 18 million Rupiah, representing an additional 10 loans. This may not seem much, but it will affect 10 families and up to 50 people.



*Fikar with the company transport!*

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### **PARTNERSHIPS**

#### **GDG**

Our partnership with Global Development Group, an Australian NGO, based in Brisbane is very important to us. Bamboo is classified as an overseas aid organization by Australian Tax Office and getting tax deductibility for a new agency (in their own right) is currently not possible. Instead the organization must partner with an organization which is already approved. We approached GDG about 6 months ago with a view to developing a partnership and after they assessed us and our “project” Yayasan Bambu Peduli, they approved it and agreed to us becoming their partner, thereby acquiring tax deductibility for donations to the project. This why donors will receive a tax receipt from DGD and not from Bamboo. GDG retain 7.5% of donations as a charge, before transferring the remaining funds to Indonesia. In addition to acquiring tax deductibility, we anticipate there will be other benefits in partnering with a large NGO, such as GDG. Anyone interested in learning more about GDG can look at their website

[www.gdg.org.au](http://www.gdg.org.au)

#### **MfM**

Another organization with which we have partnered is Mothers for Microfinance, which is based in the Netherlands and, in remarkable similarity to Bamboo, was established by a group of professional Dutch women. They initially provided micro credit funds to projects in Cambodia, but recently expanded to Indonesia. Bamboo has reached agreement with them to initially manage funding of 3500 Euros to women borrowers in Bandung, with the possibility of more funds later if our partnership is satisfactory to both parties. This will represent about 25 loans and will provide a strong boost to our activities in Bandung.

#### **Indonesia Institute (Inc)**

The Institute and its President Ian Taylor have been very supportive of Bamboo. We are currently negotiating with one of its Directors, Colin Singer, a long time resident of Bandung, to take on management of our operation there. We meet with him in Perth at the end of July to discuss this further and Peter Johnston will be in Bandung, hopefully to complete arrangements in August.

#### **Extra Edge Community Services (Inc)**

*“It’s not a handout, It’s a hand up”*



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Extra Edge has been especially supportive of Bamboo right from its inception, providing auspicing initially before we became an incorporated body and in 2008, generously donated \$10,000 to help obtain registration in Indonesia, purchase computers and printers for staff and provide loans. I acknowledge gratefully the support of Louise Grey, CEO and Charlene Tate-Loverly, the latter being responsible for the production of our brochure.

Peter Johnston  
Chairperson, Board of Directors  
Bamboo Micro Credit (Inc)  
[www.bamboomicrocredit.org.au](http://www.bamboomicrocredit.org.au)

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