



Bamboo Micro Credit

Web: - www.bamboomicrocredit.org.au
E-Mail:-mail@bamboomicrocredit.org.au

Newsletter No. 5

April 2012

Welcome to Bamboo Micro Credit (Inc) news.

At Bamboo we think about many things....where our funds will come from, how we manage the organization and ensure funds are spent wisely, our relationships with donors, borrowers, supporters, and many other connections. Relationships are everything and we work constantly at making sure they are all working well.

Our Board of Directors are a hard-working and dedicated group of people who give up their time to make sure that Bamboo is functioning well and meeting all fiscal requirements. The Secretary is one of the key people in keeping things going in a small NGO.

It is with sadness that I tell you that Tony Burgoyne, our Secretary, was involved in a serious accident recently and is presently in Royal Perth Hospital, with head and spinal injuries. We wish him well in making a quick and full recovery. Tony was the driving force behind the establishment of Bamboo Micro Credit in WA and already his presence has been missed.

OPERATIONS

As you know, we have been operating in Bukittinggi, W.Sumatra and Bandung in W.Java. Our volunteer manager in Bandung, Iin Hasanah, because of her work pressures (she is a senior official in a Government Department), has been unable to continue to manage our operations there and we have been very fortunate to be able to appoint as our representative in Bandung, Colin Singer. Colin has lived in Bandung for over 20 years, but divides his time between Bandung and Perth, where he has many interests, including being Social and Political Director of Indonesia Institute, member of Australia - Indonesia Business Council and a JP and Prison Visitor. We are very fortunate to have him representing us in Indonesia and look forward to his highly regarded input. We also value the support of his Indonesian wife Aat.

Indonesian economy

You may have heard that the Indonesian economy is growing rapidly, in fact at a rate faster than most other countries, with GNP expected to expand by 6.5% this year.

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On my visit there recently, I certainly noticed that there were more new cars on the roads (especially in Jakarta, adding to the traffic chaos there), but for ordinary people it may mean some more jobs, but it also means rising prices. For the poor and unskilled, especially young people, it does not mean any improvement in their conditions and a feature of the economy is the growing gap between the rich and the poor, underpinning the need for micro credit as a tool for people to escape poverty.

Chairpersons visit to Indonesia

I went to Indonesia on 16 January 2012, to attend to Bamboo business. I went directly to Bandung, for consultations with Colin Singer and his wife Aat, and to resolve the issues resulting from the resignation of Ms Hasanah, but also to explore opportunities to partner with local organizations. Fikar joined us from Sumatra also.

Our local organization Yayasan Bambu Peduli is a legally constituted charitable agency and Mr. Singer has now taken over its management.

Initially, we investigated the possibility of partnering with an organization with operations at Cipanas near Bogor (about an hour and a half from Bandung), but, although local management was strongly in favour of developing a micro credit program, their management in Jakarta declined to become involved. However, we were fortunate to be contacted by Helen Ho, who is an Australian who has been living in Bandung for nearly 40 years. She is a volunteer (and helped found) with a Bandung based organization called "Yayasan Pengembangan Swadaya Masyarakat" or Pesat. The meaning of the title is Community Self Help Development Foundation and they install clean water and sanitation in villages in West Java, with a base in Bandung. They have been doing this since 1993 and also have a small micro credit program. They work on a community development model, as agreement has to be reached with everyone in the villages where they work, before they can start. As a consequence, they have excellent relationships with the village people, who are often very poor, but who must contribute a proportion of the cost and agree to fund ongoing maintenance of the system.

Pesat are keen to expand their micro credit program and we are in the process of negotiating with their Board to partner them in this. There are significant advantages in Bamboo partnering with a local organization, in that the person managing the micro credit program (which Bamboo will fund) will be employed by Pesat and will work as part of their team, in close liaison with their community development worker. They will also be able to access the positive relationships Pesat has developed with the people they work with, a factor which is so important in managing a micro credit program.

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Coincidentally and fortunately, their small micro credit program is managed in almost exactly the same way as ours. To assist the worker who will be employed to manage the expanded micro credit program, it is planned that this person will be sent to Bukittinggi in Sumatra for training by our employee Fikar.

We have sent the Pesat Board a draft agreement and expect that negotiations will be completed soon. I will go to Indonesia again when the Partnership Agreement has been signed, to assist in its implementation.

Fundraising

All this expansion and increased activity will need to be funded and the Directors are planning ways to generate more funds. Bamboo is a member of the Australia Indonesia Business Council and we are hoping to be able to interest some of the 400 companies which are members to financially support our work. In this regard, I would like to thank Mr. Phil Turtle, the WA President of AIBC, for his unflinching support of Bamboo.

In the meantime, if you know of any organizations or groups which may be interested in Bamboo and would like to hear more about us, please tell us by email mail@bamboomicrocredit.org.au or you can contact Peter Johnston on 0431039909. We can provide a speaker and handouts.

Membership of Bamboo Micro Credit (Inc)

We have realized that according to the Rules which were originally approved by the WA Department of Commerce, to be a "member" it is necessary for each person to pay an annual fee, which is set by the Board. We have said that anyone who makes a donation automatically becomes a "member", but this is, in fact, incorrect and does not comply with the rules. We have decided accordingly that to become a member, an annual fee of \$30 will be payable from 1 July each year. Funds generated for Bamboo this way will be used to expand the program, but of course, members are free to donate more than the minimum and will be encouraged to do so. We will be writing to all supporters and donors advising them of this change before 1 July 2012. Members will be encouraged to pay by credit card through the website by monthly payments and while the amounts may be small, they create a regular cash flow for Bamboo. A regular payment of \$10 per month will generate \$120 per annum and would hardly be noticed by most people. By contributing in this way, members will pay more than the annual fee, so qualify as "members" and the full amount is tax deductible.

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In accordance with our Rules, an Annual General Meeting will be held in October 2012, but only members who have paid the annual fee will be eligible to vote on any matters at the AGM.

Global Development Group

Many of you will not be aware of our partnership with Global Development. GDG is a Brisbane based non-government humanitarian and development organization, which has been operating since 2002. Yayasan Bambu Peduli became a GDG project (Project No 683N) when it was accepted by them. In addition to providing support to in-country projects and organizations which work with them, such as Bamboo, partnership with GDG allows us to access tax deductibility in Australia, a very important assistance to our fund raising efforts. GDG maintains a very high standard of management and accountability and is a member of the Australian Council for International Development (ACFID) and a signatory to the ACFID Code of Conduct. GDG requires all its partners to adhere to the standards of governance, accountability and management in the Code. In February, two Bamboo Directors, Adam Peaty and Bernie Fisher attended a highly informative seminar run by GDG focusing primarily on implementation of the Code and we are currently looking at some of our policies and practices to ensure that we comply. You can look at the GDG website www.globaldevelopment.org.au and you can see our project under "Indonesia".

Peter Johnston
Chairperson, Board of Directors
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