



Newsletter No. 10

February 2013

Hello members and supporters

From the Board Chairman:

I have just returned from a 2 1/2 week trip to Indonesia. This was almost exclusively on Bamboo business, though I was able to fit in some socializing and sight-seeing as well. I first went to Bandung, where I met with Pak Krishnan, the Executive Director of PESAT, our partner there. Fikar, who manages our operation in West Sumatra was able to spare a few days from his busy schedule and travel to Bandung, met with Krishnan also. This was very important, so they could develop a relationship and exchange ideas directly. Fikar now has 5 years of experience in managing a micro finance program and we consider him to be the expert in loan management.

Together we travelled into the hills around Bandung and arrived at the village in Sabang where PESAT had completed the installation of water and sanitation supply, with the financial assistance of Danome/Aqua, now a French owned company. In return the company accesses the local spring to bottle the water for sale in the nearby city of Bandung.

The reception was enthusiastic and it was evident that PESAT staff had a very positive relationship with the local people. We saw the rice milling plant and fish ponds, which used the water piped to the village. PESAT will build on their relationship with the villagers here and another nearby village where they are starting work, to build the micro credit program funded by Bamboo. It was good to be introduced to several potential borrowers and to hear their stories.

Funding has now been provided by Bamboo to PESAT for loans and they are actively engaged in assessing potential borrowers in the two villages.

From Bandung, I travelled to Malang in East Java. This province of Indonesia enjoys Sister State relationship with Western Australia. Malang is to the south west of the provincial capital Surabaya and enjoys an elevated position and therefore a cooler climate than most of Java.

My hosts in Malang were Duncan Graham and his wife Paulin, who live part of the year in Malang and the rest in Wellington New Zealand. Duncan is a West Australian journalist who now divides his time between Malang in Indonesia and Wellington New Zealand. I met him and Paulin in July 2011 in Perth and he had an article about Bamboo published in the "Jakarta Post", which can be read in the "Publicity" link of our website. We have kept in touch and I asked Duncan if he could see if there was a local not for profit organization in or around Malang with whom we could partner, in a similar way to PESAT in Bandung.

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



Bamboo Micro Credit

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

Late last year, they told me about Daya Pertiwi Foundation and its founder Pak Made Dharsana Polak. They had a number of meetings with Pak Made and had the opportunity to attend some cultural occasions with him. On my visit to Indonesia, I therefore travelled to Malang, where they generously arranged for me to stay at their beautifully renovated house in there and to meet Pak Made. We also travelled to see the site of one of their operations, in village called Wagir. They have a tiny office in the local market, with three staff, who assess potential borrowers, collect repayments and support the local borrowers from the local area.

I was impressed at the professionalism of Pak Made, his staff and the way they operated and on my return to Perth I proposed to the Board of Directors that we undertake negotiations to partner with Daya Pertiwi Foundation, which was agreed to. These are now underway.

While I was in Malang, apart from visiting some of Paulin's relatives in Blitar, a lovely small town about 80 kms from Malang, I gave a number of interviews to a local and widely read newspaper "Jawa Pos", through Paulin as interpreter. I had thought this was a good idea, but quickly realized that it raised many problems, as most of the readers thought that Bamboo loans were in the process of being handed out and many wanted one.... immediately! More about that story in the next newsletter.

Peter Johnston, Chair Board of Directors

Director vacancies on the Bamboo Board

For a number of reasons, there are currently Board vacancies. We have advertised for expressions of interest and have had some extremely interesting applicants. The Directors will meet with the applicants on 11 March 2013, so that they can become familiar with how we operate and any questions answered. More information about the make-up of the Board will be provided after that date.

PROBLEM !!

We have discovered that the BSB of Bamboo bank account shown on our pamphlet is incorrect. Please note that our bank account, for direct transfers, is: Westpac Cannington Branch, BSB 036-067 Account number 411511 If you have any copies of the pamphlet, can you please check and amend the details as above. Our apologies for this error.

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Some interesting facts

- Bamboo has made 38 loans in Bukittinggi, totaling 100 million Rupiah (\$Au10,000), while in Bandung we have made 25 loans, with a total of 34 million Rupiah (\$Au3400), to date.
- We currently have funds of \$8600 available for loans. We would not normally keep as much in our bank account, except that Fikar in Sumatra is at present managing 12 loans, which is close to his limit. PESAT in Bandung is gearing up its loans process, assessing its first borrowers in the villages. As these roll out, we will make more funds available. Hence the reason for negotiating an agreement with Daya Pertiwi in Malang.
- As Bamboo has income from sources other than donations, all expenses are covered by that income and so, we are able to ensure that the full amount of donations can be allocated to loans. We are proud of this fact.
- Our repayment rate is 95%, which would be the envy of any bank.

Peter Johnston
Chairperson, Board of Directors
Bamboo Micro Credit (Inc)
www.bamboomicrocredit.org.au

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