

APPENDIX 1:

**FINANCING SCHEMES
FOR SMALL, MEDIUM BUSINESSES AND COOPERATIVES**

(Table of Contents and Overview)

Translated from Bahasa Indonesia by:

**I Gede Arya Sunu
Consultant 6**

**Meeting Material of
Coordinating Minister of Economic, Finance and Industry /
Head of National Development Planning Agency
Thursday, May 7, 1998**

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RECAPITULATION OF FINANCING SCHEMES FOR MICRO, SMALL, MEDIUM ENTERPRISES AND COOPERATIVES

No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
I	BANK CREDITS				
A.	Program Credit (Subsidized)				
1.	Agriculture Business Credit (Kredit Usaha Tani KUT)	Public Bank, which already made realization are BRI, Bukopin, BPD Jabar, Jateng, Jatim, NTB, Irja	Outstanding : Rp. 364,1 bil. (as per Jan. 1998) Failed Credit : Rp.	a. There are General and Special Pattern of KUT b. Low credit absorption and high failed due to : <ul style="list-style-type: none"> • Development of RDKK is not smooth • PPL assistance not optimal (600-1000 ha / man) • Weak KUD management • Bugs attack and nature disaster • Limited TIA • Low collectibility • KUT achievement only 5% of 11 mill. Ha. Due to 'money lender' posi- tion, meanwhile it should be 40%. 	a. KUD as distributor of KUT. b. Planned 1 mill. Ha funding in 1998/1999 season c. Provide incentives increment to KUD, PPL, and farmers group. d. BIMAS perform mapping to PPL officer handling the KUT. e. Accelerating the finishing of 'risk sharing' of KUT's failed loans.
No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
2.	Credit to KUD (KKUD)	BRI, Bukopin, BPD Jabar, Jatim, and Jateng	Outstanding : Rp. 122,8 bill. (as per Jan 1998)	KKUD absorption relatively steady due to : <ul style="list-style-type: none"> a. For horticulture it's low absorption b. Weak KUD management 	a. Optimizing assistance position of KUD b. Suggested to support development of soybean (Prokema 2000) and corn
3.	Credit to General Primary	State Owned Bank, except BTN, Private Owned Banks (66) and	Outstanding :	a. Cooperatives hard to get core business partner especially in hatchery and plantation	a. Better cooperative manage- ment b. Suggested to raise the KLB1 share

	Cooperatives of the Members (KKPA Umum)	Regional Development Bank (BPD, 14 banks)	Rp. 1,546.7 bill. (as per Jan 1998)	<ul style="list-style-type: none"> b. Credit management by the KUD is not professional c. Knowledge and skill of cooperative member not spreading evenly. d. Today's interest rate condition make bank's gross spread small. 	
4.	KKPA - TRI (People's Sugarcane Intensification)	BRI, Bukopin, BPD Jabar, Jateng and Jatim.	Outstanding : Rp. 193.1 bill. (as per Jan 1998)	<ul style="list-style-type: none"> a. Low productivity b. Failed credit increasing 	<ul style="list-style-type: none"> a. Improving the Sugar Factory position in distribution and return of TRI b. Smoothing Perum PPK insurance.
No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMMENDATION
5.	KKPA PIR Trans for Eastern Indonesia	Bank EXIM	Eight project covering 112000 ha, already have license from the authorities, and now it is being studied by the bank.	<ul style="list-style-type: none"> a. High bank risk due to pioneer project and new investment. Coordination with related authorities not running well : licensing, facilities and training of members / cooperatives. 	financing suggested with bank syndication.
6.	KKPA TKI (Indonesian Workers)	BNI, BBD, Bukopin, BPD Jabar, BTN, BRI	Plafond : Rp. 100.4 bill. Outstanding : Rp. 25.5 bill. (March 1998)	<ul style="list-style-type: none"> a. Credit risk relatively high due to credit payments should through 'remittance' mechanism. b. Insurance premium relatively high and only provided by one insur- 	<ul style="list-style-type: none"> a. Insurance process should be smoother. b. Suggested to lower the

7.	Profit-Loss Sharing KKPA	Bank Muamalat Indonesia (BMI)	Planned to start in 1998 / 1999	ance company. In identification step which BPR Syariah, BMT and Kopontren to be funded.	premium rate and provided by several insurance company.
8.	KPRS/RSS (Simple / Very Simple House Ownership Credit)	BNI, Bank EXIM, Private Banks (26 banks), Regional Development Banks (18 banks)	Outstanding : Rp. 4.6 trillions (February 1998)	a. Target for Pelita VI is 600,000 houses, meanwhile 700,000 already build. b. In today's interest rate, 'gross spread' for the simple house is very small, even for very simple house is negative.	a. Suggested to adjust the Pelita VI target to be 700,000. b. Recommended to provide supplemental fund of KLB1 and RDI as much as Rp. 600 billion. c. KLB1 and banks share should be adjusted.
No.	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
9.	KIK Pasca Konversi PIT Trans (PIT Trans PostConversion Small Investment Credit)	State Owned Bank	Plafond : Rp. 865.4 bill. Outstanding : Rp. 742.6 bill.		
10.	KUKESRA (People Business Credit)	BNI, PT Pos Indonesia BPD Jatim , Jateng	Outstanding : Rp. 189.3 bill. (March 1998)	a. Spreading potential customers location b. The target customer not familiar with credit. Prokesra hard to find partners due to in early stages.	Group assistance program should be increased.
11.	KPKU (Business Partnership Development Credit)	BNI, BRI	Plafond : Rp. 500 bill. Outstanding : Rp. 9.6 bill. Of BNI (30 th April 1998)		a. Assistance program should be intensified (by PLKB officers) b. Training for assistance officers. c. Suggested not to use supplemental colateral.
12.	KMK UKM Working Capital Credit for SME	State Owned Banks, National Private Banks	a. Distribution plan for 12.97 to 05.98 is Rp.	a. Banks should find new fund sources due to BUMN funds already distributed for other credit that not yet in due date.	a. Optimizing potential customer information/data owned by related institution. b. There should be a certainty of payment period rescheduled to be 2 years.

			<p>2.2 trillion</p> <p>b. Plafond Realization : Rp. 334.9 bill. (March 1998)</p> <p>c. Outstanding : Rp. 260.2 bill. (March 1998)</p>	<p>b. It is not clear, whether it is able to reschedule the credit after the 1 year payment period with the same interest rate of 14 % pa.</p>	<p>c. For credit under Rp.50 mill. Suggested not to be accompanied with supplemental collateral.</p>
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No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
13.	Revolving Credit	BPD, Bukopin, BPR	<p>a. Plafond : Rp. 50 bill.</p> <p>b. Outstanding : Rp. 24.8 bill. (March 1998)</p>	<p>a. Feasible Group is hard to find.</p> <p>b. Government fund share is only 1/3.</p>	<p>Increasing government fund share to be ¼. Principal suggestion agreed by the meeting at 30th April 1998.</p>

No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
8. 1.	Commercial Credit Small Business Credit	Public Banks, BPR	Outstanding : a. Public Banks : Rp. 65.9 trill. (March 1998) b. BPR : Rp. 2.1 trill. (Dec 1997)	From the small business side : a. The customer have not been able yet to expose the feasibility of his business b. Limitation in marketing, production, management and organization c. Not conforms to bank specifications. From the banking side : a. High transaction cost b. Hard to find eligible customer c. Too high risk d. Limited network of bank branches. Distorted loan scheme of low cost BUMN's fund .	a. It's should be provided a credit assurance scheme (supplemental loan) for the business that not yet bankable. b. Increasing business partnership pattern. c. Enlarge the distribution cooperation between Public Banks and BPRs.
2.	KUPEDES (Villages General Credit)	BRI	Outstanding : Rp. 4.7 trill. (March 1998)		BUMN's fund should be targeted to the unbankable group : (start-up business)

No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
3.	Small Scale Enterprise Project (Jexim IV,V,VI, AJDF)	State Owned Banks, BPD, National Private Owned Banks.	a. Plafond : JPY 111.5 bill. b. Realization : JPY 91 bill. (Feb 1998)	Hard to find eligible customers.	Suggested monthly meeting to monitor the problems.
4.	Industrial Pollution Control (OECD PAE I,II,KfW)	State Owned Banks, BPD, National Private Owned Banks	a. Plafond : JPY 36.6 bill. b. Realization : JPY 14.9 bill. (Feb 1998)	a. Uneven bank ability to absorb the fund b. Hard to find eligible customers. c. Credit distribution predominantly in Java.	Upgrading the loan officer knowledge on technical aspect of the industrial pollution control project.
5.	Cooperative Credit Program	Bukopin	a. Plafon : US \$ 10 mill. b. Outstanding : US \$ 5 mill. (March 1998)	Credit absorption is very slow due to very small plafond (US\$ 250) and only KUD authorized to distribute.	a. Increase the credit plafond to US\$ 500. b. Enlarge the target, not only KUD group.
6.	Business Feasibility Credit	State Owned banks	Outstanding : Rp. 675.1 bill. (Jan 1998)	a. Bank hard to measure the feasibility of business due to lack of information regarding the business. b. Some kind of business is not permanent.	Optimizing assistance program, especially to expose the business feasibility.

No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
7.	Service Center of Village Cooperative Credit (PPKXP)	Bukopin	February 1998 position : a. Outstanding : Rp. 14.1 bill. b. 259 Cooperatives c. 2096 Groups	a. Counseling supervision need to be intensive. b. High overhead cost	
8.	Small Farmers and Fishermen Improvement Counseling Project	BRI	Outstanding : Rp. 22.9 bill. (December 1997)	Goups to be funded spread further so it is harder to control. a. Lateness of project start and consultant recruitment. b. Limited number of eligible LKP to be involved c. Increasing credit risk faced by BPR/LDKP	Application of good control and identification mechanism for group or potential group candidate
9.	Micro Credit Project (Target for March 2000 : involving 741 LKP with 256 000 micro customers)	BPD, BPR	a. Prepared plafond : US\$ 42.5 mill. b. Outstanding : Rp. 8.8 bill. (Feb 1998)	a. Because of using market interest rate so it's hard to compete with other low interest rate credit scheme (BUMNs fund) b. There are still unsolid PHBK groups	a. Consultant already recruited and project began to roll on. b. Intensified selection of LKP. c. Credit insurance scheme pioneered with PT. Ask-rindo. d. Eligibility of LKP loosed down and plafond per customer increased.
10.	PHBK (Bank Community Group Relation Project)	BPD, Bukopin, BPR	Dec 1997 position : a. Outstanding : Rp. 41.9 bill. b. 12.274 groups. c. Frozen saving : Rp. 6.7 bill.		a. Should be pioneered intensive assistance program to increase the intensity of guidance for the micro business groups. b. BUMNs fund should be targeted to un-bankable business (start-up business)
No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
11	Kredit Candak Kulak (KCK - Small Merchant Credit)	a. BRI b. Saving Borrowing Service Point of Cooperatives /	a. Distribution of new pattern KCK (started in 1993) increasing	a. Limited coverage of new pattern (improved) KCK.	a. New pattern KCK scheme should be developed nationally and integrated into

No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
		KUD	<p>from Rp. 17.5 bill (up to 1996) to Rp. 21.9 bill (up to 1997).</p> <p>b. Distribution cumulative of KCK since 1976 to 1996 is Rp. 294.4 bill for 17.9 mill. Customers.</p>	<p>b. New pattern KCK scheme still an ad-hoc project, undeveloped.</p> <p>c. Hard to find and retained managing personal.</p>	<p>existing credit schemes, with bigger financial support sourced from : APBN and BUMN's profit</p> <p>b. Employment of skilled ex layoff worker to strengthen the human resources.</p>
II.	LOAN				
I.	Saving Borrowing Business	<p>a. Saving and Borrowing Cooperatives (KSP)</p> <p>b. KUD's Saving Borrowing Business Unit</p> <p>c. Saving Borrowing Business of Non-KUD</p>	In 1997 already distributed RP. 5.4 trillion loan for 13.3 millions cooperatives member.	<p>a. Lot of members not serviced due to limited fund.</p> <p>b. Weak management ability</p> <p>c. Stable business network is not established yet.</p>	<p>Increasing the utilization of offshore loan through :</p> <p>a. Strengthening the business network of USP/KSP and the ability of Induk KSP (IKSP)</p> <p>b. Employment of skilled ex layoff worker to strengthen the human resources</p> <p>a. Should be studied the</p>

2.	Loan of BUMN Profit	Guiding BUMN (142)	<ul style="list-style-type: none"> ◆ April 1997 — March 1998 : <ul style="list-style-type: none"> a. Outstanding : Rp. 210.8 bill. b. 3.141 cooperatives and 23.954 PK ◆ 1990 — 1997 : <ul style="list-style-type: none"> a. Outstanding : Rp. 1.08 trill. b. 27.253 cooperatives and 115.355 PK 	<ul style="list-style-type: none"> a. Unmatched found between technical competence of BUMN and business type of guided partner b. Due to limited fund, loan distributed evenly. 	<ul style="list-style-type: none"> possibilities of all BUMN profit united and managed by a special managing institution. b. BUMN profit should be targeted to not bankable business (start up business) c. BUMN profit suggested in the form of technical assistance and guidance program.
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No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
III.	FINANCING				
1.	Venture Capital	Venture Capital Company ◆ 31 National ◆ 27 Province	<ul style="list-style-type: none"> a. In 1993 — 1997 period distributed Rp. 255.5 billion. b. 1565 SMES and cooperatives 	<ul style="list-style-type: none"> a. Limited capital b. Limited ability on business evaluation of business partner candidates. c. Venture Capital scheme is not well known. 	<ul style="list-style-type: none"> a. Should be studied the development of capital sources to finance venture capital business. b. Increasing the utilization of business consultant institution.
2.	Profit Loss Sharing	<ul style="list-style-type: none"> a. Bank Muamalat Indonesia b. BPR Syariah c. BMT d. USP Kopontren 	<ul style="list-style-type: none"> a. BMT : Rp. 455.4 billion including Rp. 210 million from IDf b. BPRS : Rp. 29.5 billion c. BMT : Rp. 116.3 billion d. USP Kopontren Rp. 8.2 billion. 	<ul style="list-style-type: none"> a. Profit Loss Sharing is not wide spread well know b. Hard to determine the share for each side due to bad bookkeeping of the business units. c. Lot of BMT's operate illegally d. Limited and weak network. <p>Limited fund sources and the loan are short term comm-</p>	<ul style="list-style-type: none"> a. Increasing the institutional guidance to push the BMT to operate legally. b. Developing business network of profit-loss sharing finance—institution.

3.	Leasing	Koperasi Pembiayaan Indonesia (KPI -- Indonesia Financing Cooperatives)	12.2 billion in 1995 to Rp. 13.4 in 1996.	cial loan.	Searching for long term fund sources.
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No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
4	Factoring	KPI	Financing increase from Rp. 11.4 billion in 1995 to Rp. 14.7 in 1996 to Rp. 19 billion in 1997.	idem	idem
5.	Multi Purpose financing	KPI	Financing increase from Rp. 2.9 billion in 1996 to Rp. 9.9 in 1997.	idem	idem
IV.	Pegadaian	Perum Pegadaian ◆ 14 Regional Offices ◆ 622 Branch Offices	a. In 1993 - 1997 period, loan distributed Rp. 2.1 trillion. b. Loan distribution in 1997 Rp. 364.7 bill.	a. Almost half of the working capital are from obligation. The next obligation emittance should compete against high deposit interest rate b. Limited service coverage due to shortness of Human Resources.	a. Alternatives of cheap fund sources. b. Expanding service coverage by opening new branches.
V	Credit Insurance	a. Perum PKK	a. Outstanding insurance of Dec 1997 : Rp. 1.4 trillion. b. Insured cooperatives of Dec 1997 : 4.134 units. c. Cooperatives who accept direct loan in	a. Limited insurance service coverage due to limited number of branch offices. b. Limited loan capacity due to limited financing sources	a. Setting up 20 new branches b. Enlarging loan capacity c. Expanding insurance type for export purpose

			1997 are 9 cooperatives with Rp. 10.25 billion loan.	c. Credit insurance for export activity of UKM is unavailable.	
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No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
		b. PT. Askrindo	Insurance closing (1971 – 1997) : ♦ Rp. 32.7 trillion credit ♦ 5.6 million debtors.	a. Difficulties in insurance marketing due to after Pakjan 1990 there's no obligation of public bank to insure the KUK's b. New credit insurance scheme will be developed in 1998. Limited capital.	a. Insurance marketing should be supported by the government. b. Searching for new alternative fund sources (non APBN) to expand the credit insurance.

No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
VI.	CREDIT FROM APBN (SECTORAL)				
1.	IDT (Under Developed Villages Inpres)	a. BRI, Bank Muamalat Indonesia (BMI), BDN b. Pokmas IDT	Within Pelita VI distributed Rp. 1.5 trillion to 135,941 Pokmas in 28,376 under developed villages.		Development of program socialization of IDT
2.	Joint Business Group	Social Ministry		Charity images and not for business	<ul style="list-style-type: none"> a. Attitude changes that all aids are for increasing social economic productivity. b. In the early stages, fund sources is from APBN, could be distributed in the form of money. c. In the development stage it's expected the source of fund are Takesra / Kukesra, KPKU and financial institution (bank).
3.	Village Economic Business - Saving Borrowing (UED-SP)	BIMAS Direktorat General of DEPDAGRI	<ul style="list-style-type: none"> a. 619 UED-SP pioneered in 1995/1996 already have 30.000 members. b. Accumulated capital until December 1997 Rp. 3.9 billion. 	<ul style="list-style-type: none"> a. Technical guidance is not enough. b. Guidance fund related with other program. c. Limited capital as a source of limited service coverage to the members. 	<ul style="list-style-type: none"> a. Improving the technical guidance system to UED-SP b. UED-SP should be developed in all villages. c. More additional fund. d. Integrated into existing USP-KSP.

No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
4.	Export Supporting Revolving Credit	Export Supporting Council	Plafond : Rp. 300 mill. Outstanding : Rp. 300 mill.	a. Lack of fund to be distributed b. Aid taker not interested in the assistance of production management.	a. Socializing effort of production management assistance. b. Target group should be more precise accompanied with effective guidance. Developing guidance and training to increase the KUTPA understanding of debtor candidate.
5.	Nature Silk Agricultural Business Credit (KUTPA)	Forestry Ministry	Plafond : Rp. 15 billion. Outstanding : Rp. 7.2 billion	a. Debtor candidate's understanding about this program is under expected. b. KUTPA is not well known.	Socialization should be developed.
6.	People Forestry Business Credit	Forestry Ministry	Plafond : Rp. 20.2 billion. Outstanding : 50.6 % (31.3.1998)	a. Existing related institution in sub district is abundance and should be well coordinated and it will need time for adjustment (between the institution and the farmers). b. It will need time for socialization. c. Small land ownership of the farmer, and to reach sufficient area, a lot of farmers to be recruited, meanwhile the fund is scarce.	

No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
7.	KUK-DAS (River flow Area Conservation - Farming Business Credit)	Forestry Ministry	Plafond : Rp. 47 billion. Outstanding : Rp. 32.6 billion. Principal and interest return	a. Not all of BPD healthy. b. fertilizer and insecticide not available when needed, then it disturb the plantation schedule	a. Interest rate should be kept low. b. Due to its specific reason, this activity could be kept performed by Forestry Min-

			form the farmers : Rp. 7.2 billion.	<ul style="list-style-type: none"> c. and the payment of credit. c. Late credit distribution to the farmers. d. Lack of accessibility to conservation farming business technology, post harvest handling, dan marketing of farming business. e. Lack of training intensity to KUK-DAS, due to lack of training fund. 	<ul style="list-style-type: none"> c. Should be enlarged to the area that have high unemployment rate and have sufficient skill in farming business.
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No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
8.	Business Learning Group (Kelompok Belajar Usaha)	Dit. Dikmas Ditjen Diklusepora, Depdikbud.		<ul style="list-style-type: none"> a. inter institution and NGO coordination not running well. b. Lack of program operation and result report. c. Several bank not 	<ul style="list-style-type: none"> a. Perfecting the coordination between institution and NGO's in planning, operation, evaluation and follow up. b. fund distribution not by bank, and it's better through

9.	Sub District Development Program Aid (PPK), perfection of IDT and P3DT aid scheme.	Subdistrict Managing Unit (UPK)	Plafond of Step I 1998/1999 for 350 subdistrict and 1650 villages. Rp.500 million per subdistrict. 1. Institutional strengthening 2. Social economy activity.	<p>distribute the credit in time.</p> <p>d. Low business development motivation.</p> <p>e. Insufficient business and business/product diversification.</p> <p>a. Lack of partnership skill especially subdistrict and field officer.</p> <p>b. Still in socialization stage, but already have successful evidence.</p>	<p>group business.</p> <p>c. continue business training, with main emphasis on quality, marketing and business type development.</p> <p>a. Was an embryo of LKM or USP/SP</p> <p>b. Further socialization</p> <p>c. Perfecting the required step.</p> <p>d. Existing guidance should be done in good manner.</p>
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No	SCHEMES	INSTITUTION	PERFORMANCE	PROBLEMS	RECOMENDATION
10.	Students Aid Credit (KBKM)	All universities (PTN and PTS) who conform with the criteria that it's scholl fee (SPP) not more than 1,5 of fee of PTN.	120,000 students @ Rp. 350,000 per year = Rp. 42 bill.	The universities uncertain will be able to operate the scheme without management subsidy.	Universities that will operate this scheme will be given a subsidy 3 % of the loan.
11.	Job Scholarship	All universities (PTN and PTS) who conform with the criteria that it's scholl fee (SPP) not more than 1,5 of fee of PTN.	137,000 students @ Rp. 700,000 per year = Rp. 95.9 bill.	The universities uncertain will be able to operate the scheme without management subsidy.	Universities that will operate this scheme will be given a subsidy 3 % of the loan.

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**FINANCING SCHEMES
FOR SMALL, MEDIUM BUSINESSES AND COOPERATIVES**

**Meeting Material of
Coordinating Minister of Economic, Finance and Industry /
Head of National Development Planning Agency
Thursday, May 7, 1998**

FINANCING SCHEMES FOR SMALL, MEDIUM BUSINESSES AND COOPERATIVES

A. Financing Scheme

I. Credit

a. Subsidized Credit (Program Credit)

1. Farming Business Credit (KUT – Kredit Usaha Tani)

No.	Main Subjects	Farming Business Credit (Kut – Kredit Usaha Tani)
1.	Objective	<ul style="list-style-type: none"> ◆ To help farmers whom has not yet been able to self finance the business, to increase the production and income.
2.	Target	Farmers
3.	Start	1995 (as a replacement of BIMAS started at 1974)
4.	Borrowers Eligibility	Farmers group : <ul style="list-style-type: none"> ◆ Farmers group members whom had been a member of KUD ◆ Perform commodity farming which able to financed by special pattern KUT ◆ Have active organization ◆ Have rules that accepted by all members ◆ Perform regular meeting, and able to develop saving and put it in the creditor's bank ◆ At least have simple book keeping ◆ Last year late payments of special pattern KUT not more than 20% the loan. ◆ Plafond : according to farmers real requirements based on credit indicative requirement per hectare provided by Minister of Agriculture. ◆ Interest rate 14 % per year inclusive of KUD's benefit 3%, Farmers Group 2%, Farming field Officer 1%. ◆ Period : 1 year ◆ Guarantee : The business financed by the credit, according to UU No.7 / 1992. ◆ Risk sharing : Finance Ministry 52.25%, BI 42.75%, and Bank 2%.
5.	Credit Criteria	KLBI (Liquidity Credit of Bank Indonesia) 100%, 3%pa interest rate.
6.	Funding Source	
7.	Credit Performance	
	a <input type="checkbox"/> Plafond :	
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	
		Rp. 364.1 billion (January 1998)

No.	Main Subjects	Farming Business Credit (KUT – Kredit Usaha Tani)
8	Problems / Constraints	<p>1 <input type="checkbox"/> There are General and Special Pattern of KUT</p> <p>2 <input checked="" type="checkbox"/> Low credit absorption and high failed due to :</p> <ul style="list-style-type: none"> • Development of RDXX is not smooth • PPL assistance not optimal (600-1000 ha / man) • Weak KUD management • Bugs attack and nature disaster • Limited TTA • Low collectibility • KUT achievement only 5% of 11 mill. Ha. Due to 'money lender' position, meanwhile it should be 40%.
9	Institution	BRI, Bukopin, Danamon and BPD

2. Credit For KUD (KKUD)

No.	Main Subjects	Credit For KUD (KKUD)
1.	Objective	To fulfill working capital requirements of KUD for buying rice, clove, fertilizer, horticulture and investment and working capital related with agrobusiness investment.
2.	Target	KUD
3.	Start	1974
4.	Borrowers Eligibility	KUD which : <ul style="list-style-type: none"> ◆ already have legal license. ◆ Have active management ◆ Have no failed KUD credit (KKUD) ◆ If KUD have failed credit, KKUD will be provided if the assets they have able to cover the amount of the failed credit.
5.	Credit Criteria	<ul style="list-style-type: none"> ◆ Plafond : according to KUDs real requirements and the ability of the KUD to payback the credit, maximum Rp. 350 million. ◆ Interest rate 16% pa ◆ Period : 1 year for buying rice, clove, fertilizer, horticulture ; max 10 years for agribusiness investment; and max 5 years for working capital related with the investment. ◆ Guarantee : The business financed by the credit, according to UU No.7 / 1992. ◆ Risk sharing : Perum PKK 75% and Bank 25%, with premium charge 0.5% Bank and 1% KUD.
6.	Funding Source	KLBI (65%, 3% pa interest rate) Bank 35%
7.	Credit Performance	
	a <input type="checkbox"/> Plafond :	
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	
8.	Problems / Constraints	Rp. 122.8 billion (January 1998) KKUD absorption relatively steady due to : <ul style="list-style-type: none"> a <input type="checkbox"/> For horticulture it's low absorption b. Weak KUD management
9.	Institution	BRI, BEH, Bukopin, Danamon, BPD

3. Credit to General Primary Cooperatives of the Members (KKPA Umum)

No.	Main Subjects	Farming Business Credit (Kut – Kredit Usaha Tani)
1.	Objective	To fulfill working capital and investment requirements for the productive business of member of cooperatives or the cooperatives itself in all economic sectors.
2.	Target	<ul style="list-style-type: none"> ♦ Primary cooperative member ♦ Primary cooperative
3.	Start	January 1990 (as perfection of the preceding cooperative credit scheme)
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ♦ The primary cooperatives is already have legal license. ♦ Not allowed to financing employee cooperatives business.
5.	Credit Criteria	<ul style="list-style-type: none"> ♦ Plafond : Maximum Rp. 50 million. ♦ Interest rate 16% pa, including incentives for cooperatives : 2% as executing, 1% as channeling, and 1% as frozen saving. ♦ Period : 15 year max for investment ; max 5 years for working capital related with investment; and max 1 years for working capital not related with the investment. ♦ Guarantee : The business financed by the credit, according to UU No.7 / 1992. ♦ Risk sharing : Bank 100%, KLBI (65%, 3% pa interest rate) Bank 35%
6.	Funding Source	
7.	Credit Performance	
	a. Plafond :	
	a <input type="checkbox"/> Realization	
	c. Outstanding	
8.	Problems / Constraints	<p>Rp. 1,546.7 billion (January 1998)</p> <ul style="list-style-type: none"> a <input type="checkbox"/> Cooperatives hard to get core business partner especially in hatchery and plantation b <input type="checkbox"/> Credit management by the KUD is not professional c <input type="checkbox"/> Knowledge and skill of cooperative member not spreading evenly. d <input type="checkbox"/> Today's interest rate condition make bank's gross spread small.
9.	Institution	Bank

4. KKPA – TRI (People's Sugarcane Intensification)

No.	Main Subjects	Farming Business Credit (Kut – Kredit Usaha Tani)
1.	Objective	Providing working capital facility for KUD members involved in sugarcane intensification program (TRI) to increase their income and develop the business and the KUD.
2.	Target	Sugarcane Farmers
3.	Start	1996
4.	Borrowers Eligibility	<p>KUD which have :</p> <ul style="list-style-type: none"> ◆ legal license ◆ active management ◆ AD & ART <p>If the KUD act as executing agency, accumulated failed credit of last years plantation season max 5%.</p> <p>Farmer Group :</p> <ul style="list-style-type: none"> ◆ Management and group member are KUD members ◆ Registered as member of TRI program, have organization supported by active management ◆ Have rules that accepted by all members ◆ Perform regular meeting, ◆ able to develop saving and put it in the creditor's bank ◆ At least have simple book keeping ◆ Accumulated failed loan max 5% ◆ Plafond : Maximum Rp. 50 million. ◆ Interest rate 16% pa. ◆ Period : 20 year max ◆ Guarantee : The business financed by the credit, according to UU No.7 / 1992. ◆ Risk sharing : Bank 100%,
5.	Credit Criteria	<p>KLBI (65%, 3% pa interest rate)</p> <p>Bank 35%</p>
6.	Funding Source	
7.	Credit Performance	
	a <input type="checkbox"/> Plafond :	
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	
8.	Problems / Constraints	<p>Rp. 193.1 billion (January 1998)</p> <ul style="list-style-type: none"> ◆ Low productivity ◆ Increasing failed loan
9.	Institution	BRI, Bukopin, and BPD

5. KKPA PIR Trans for Eastern Indonesia

No.	Main Subjects	KKPA PIR Trans for Eastern Indonesia
1.	Objective	To provide working capital facilities to finance plantation business related with New Transmigration Housing Project in Eastern Indonesia.
2.	Target	Plasma farmers in Eastern Indonesia, that is : transmigrant, local farmers, and forest
3.	Start	1995
4.	Borrowers Eligibility	<p>Core business should have :</p> <ul style="list-style-type: none"> ◆ Agreement from Finance Minister about the set up of PIR-Trans program based on suggestion of State Minister of National Development Planning ◆ SK of Agriculture Minister about the operation plan of PIR-Trans ◆ SK of Transmigration and PPH Minister about the permission to conduct the transmigration. ◆ Able to develop plantation area in KKPA-PIR Trans Program, with minimum area of core plantation is 20% and maximum 40% of the total plantation area. ◆ Able to provide production facilities that will process the outcome of the plantation. <p>Primary Cooperatives :</p> <ul style="list-style-type: none"> ◆ Already have legal license ◆ Established at least 1 year before the transfer of the plantation rights <p>Cooperative Member :</p> <ul style="list-style-type: none"> ◆ Already stay in the location and join the primary cooperatives at least 1 year before the transfer of the plantation rights
5.	Credit Criteria	<ul style="list-style-type: none"> ◆ Plafond : Maximum Rp. 50 million. ◆ Interest rate 16% pa. ◆ Period : 20 year max ◆ Guarantee : The business financed by the credit, according to UU No.7 / 1992. ◆ Risk sharing : Bank 100%, KLBI (65%, 3% pa interest rate) Bank 35%
6.	Funding Source	
7.	Credit Performance a <input type="checkbox"/> Plafond : b <input type="checkbox"/> Realization c <input type="checkbox"/> Outstanding	
8.	Problems / Constraints	<ul style="list-style-type: none"> a <input type="checkbox"/> High bank risk due to pioneer project and new investment. b <input type="checkbox"/> Coordination with related authorities not running well : licensing, facilities and training of members / cooperatives.
9.	Institution	State Owned Bank, National Private Owned Bank, BPD

6. KKPA TKI (Indonesian Workers)

No.	Main Subjects	KKPA TKI (Indonesian Workers)
1.	Objective	To finance the preparation and departure of Indonesian Workers abroad.
2.	Target	<ul style="list-style-type: none"> ◆ TKI candidates ◆ PJTKI
3.	Start	1996
4.	Borrowers Eligibility	<p>TKI requirements :</p> <ul style="list-style-type: none"> ◆ Have job agreement with PJTKI and the employers. ◆ Conform with other criteria determined by the Work force Ministry <p>PJTKI requirements :</p> <ul style="list-style-type: none"> ◆ Already have SIUP PJTKI ◆ Actively performing the work force placement abroad and at least have 1 year experience. ◆ Registered as a member of APJATI ◆ Not registered as failed debtor ◆ Plafond : 85 % of the finance needed to depart the planned work force in 1 year, based on cost standard by Ministry of Work Force ◆ Interest rate 14% pa, if guaranteed by credit insurance institution, 16% if the bank not requesting insurance, which the 2% will be returned at the end of the period. ◆ Period : according to the job agreement plus preparation period maximum 2,5 years including 6 months grade period. ◆ Guarantee : PJTKI's frozen saving at least 10% of outstanding credit, and saving of TKI at least 25% of monthly payments. ◆ Risk : creditor bank 100%
5.	Credit Criteria	<p>KLBI (65%, 3% pa interest rate)</p> <p>Bank 35%</p>
6.	Funding Source	
7.	Credit Performance	
	a <input type="checkbox"/> Plafond :	Rp. 100.4 billion (up to 1997/1998 fiscal year)
	b <input type="checkbox"/> Realization	Rp. 25.5 billion (March 1998)
	c <input type="checkbox"/> Outstanding	
8.	Problems / Constraints	<p>a <input type="checkbox"/> Credit risk relatively y high due to credit payments should through 'remittance' mechanism.</p> <p>b <input type="checkbox"/> Insurance premium relatively high and only provided by one insurance company.</p>
9.	Institution	4 state owned banks, 1 national private owned bank, 1 BPD

7. Profit-Loss Sharing KKPA

No.	Main Subjects	Profit Loss Sharing KKPA
1.	Objective	To fulfill the working capital and investment requirements of productive small business with profit loss sharing pattern.
2.	Target	Primary Kopontren, Primary Syariah Cooperatives, BMT
3.	Start	On preparation stage (being performing identification)
4.	Borrowers Eligibility	<ul style="list-style-type: none"> a <input type="checkbox"/> Customer who have productive business in any economic sector b <input type="checkbox"/> Legal licensed Primary Kopontren and Primary Syariah Cooperatives c <input type="checkbox"/> Credit agreement undersigned by cooperative management / BMT and BMI / BPR Syariah
5.	Credit Criteria	<ul style="list-style-type: none"> d <input type="checkbox"/> Maximum Plafond : Rp. 50 million e <input type="checkbox"/> Profit Loss Ratio equal with 28% interest rate f <input type="checkbox"/> Period : working capital maximum 1 year and investment maximum 15 years. g <input type="checkbox"/> Credit risk : BMI 100%
6.	Funding Source	<ul style="list-style-type: none"> KLBI : Rp. 10 billion (32.5%) Finance Ministry : Rp. 10 billion (32.5%) BMI : Rp. 10.77 billion (35%)
7.	Credit Performance	
	a <input type="checkbox"/> Plafond :	
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	
8.	Problems / Constraints	In identification step which BPR Syariah, BMT and Kopontren to be funded.
9.	Institution	BMI

8. Simple / Very Simple House Ownership Credit (KPRS / KPRSS)

No.	Main Subjects	Simple / Very Simple House Ownership Credit (KPRS / KPRSS)
1.	Objective	To fulfill house development requirements for low income community.
2.	Target	Low income community that do not have a house
3.	Start	1978
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ◆ Do not yet have a house ◆ House that will be bought should be occupied by themselves as long as they have not finish the payments. ◆ The should not be sold to the other party without bank permission. ◆ Maximum income for RSS applicator : <ul style="list-style-type: none"> <input type="checkbox"/> Rp. 250.000 (Region 1) <input type="checkbox"/> Rp. 250.000 (Region 2) <input type="checkbox"/> Rp. 275.000 (Region 3) ◆ Maximum income for RS applicator : <ul style="list-style-type: none"> <input type="checkbox"/> Rp. 1.350.000 (Region 1) <input type="checkbox"/> Rp. 1.500.000 (Region 2) <input type="checkbox"/> Rp. 2.300.000 (Region 3)
5.	Credit Criteria	<p>Plafond : according to requirement and people's ability in each region, and th KPRSS :</p> <ul style="list-style-type: none"> - KLBI 60% (3% pa interest rate) - RDI 25% (2% administration cost) - Bank 15% <p>a <input type="checkbox"/> The determination of maximum credit for each house type based on SK of People Housing Minister (Maximum Rp. 26.7 million)</p> <p>b <input type="checkbox"/> Interest Rate :</p> <ul style="list-style-type: none"> <input type="checkbox"/> KPRSS : 8.5% pa <input type="checkbox"/> KPRS T18 and T21 : 11% pa <input type="checkbox"/> KPRS T27 and T36 : 14% pa <p>c <input type="checkbox"/> Payback period maximum 20 years</p> <p>d <input type="checkbox"/> Guarantee : the house financed by the credit</p> <p>e <input type="checkbox"/> Risk : creditor bank 100%</p>
6.	Funding Source	<p>KPRSS :</p> <ul style="list-style-type: none"> - KLBI 60% (3% pa interest rate) - RDI 25% (2% administration cost) - Bank 15% <p>KPRS T18 and T21 :</p> <ul style="list-style-type: none"> - KLBI 35% (3% pa interest rate) - RDI 20% (2.5% administration cost) - Bank 45% <p>KPRS T27 and T36 :</p> <ul style="list-style-type: none"> - KLBI 20% (9% pa interest rate) - RDI 12.5% (3% administration cost) - Bank 67.5%
7.	Credit Performance	<p>a <input type="checkbox"/> Plafond :</p> <p>b <input type="checkbox"/> Realization</p> <p>c <input type="checkbox"/> Outstanding</p> <p>Rp. 4.6 trillion (february 1998)</p>

No.	Main Subjects	KUKESRA (People Business Credit)
8	Problems / Constraints	a <input type="checkbox"/> Target for Pelita VI is 600,000 houses, meanwhile 700,000 already build. b <input type="checkbox"/> In today's interest rate, 'gross spread' for the simple house is very small, even for very simple house is negative.
9	Institution	State Owned Bank, National Private Owned Bank, BPD

9. KUKESRA (People Business Credit)

No.	Main Subjects	KUKESRA (People Business Credit)
1.	Objective	Helping Pra Sejahtera and Sejahtera I families (due to economic reason) to step to higher stage of happiness through productive economic activity.
2.	Target	Pra Sejahtera and Sejahtera I families (due to economic reason), student who joined KKU, retired field officer assigned as assistance, who joined the Prokesra Group.
3.	Start	1996
4.	Borrowers Eligibility	<p>Pra Sejahtera and Sejahtera I families (due to economic reason), that :</p> <ul style="list-style-type: none"> ◆ Have Takesra saving account ◆ Joined the Prokesra groups <p>Students who joined KKU who are :</p> <ul style="list-style-type: none"> ◆ On assignment from their universities ◆ Willing to joined the Prokesra group <p>Retired Field Officer who :</p> <ul style="list-style-type: none"> ◆ Have assignment as assistance ◆ Willing to joined the Prokesra group
5.	Credit Criteria	<p>a <input type="checkbox"/> Plafond : Rp. 20.000 -- 320.000 / family up to their circulation</p> <p>b <input type="checkbox"/> Interest rate : 6% pa</p> <p>c <input type="checkbox"/> Payment period : 4 -- 12 month up to the circulation</p> <p>d <input type="checkbox"/> Guarantee : -</p> <p>e <input type="checkbox"/> Risk sharing : AXSI (Asuransi Keluarga Sejahtera Indonesia)</p>
6.	Funding Source	<p>f <input type="checkbox"/> Tax payer donation managed by Yayasan Dana Sejahtera Mandiri</p> <p>g <input type="checkbox"/> APBN (DIPP)</p>
7.	Credit Performance	<p>a <input type="checkbox"/> Plafond :</p> <p>b <input type="checkbox"/> Realization</p> <p>c <input type="checkbox"/> Outstanding</p> <p>Rp. 395.723.000.000 per March 1998</p> <p>Rp. 189.317.712.107 per March 1998</p>

No.	Main Subjects	Business Partnership Development Credit (KPKU)
8	Problems / Constraints	a <input type="checkbox"/> Spreading potential customers location
9.	Recommendation	b <input type="checkbox"/> The target customer not familiar with credit.
		c <input type="checkbox"/> Mobility facilities support for field officer
		d <input type="checkbox"/> Business partnership development
		e <input type="checkbox"/> Training support for assistance officer and target families
		f <input type="checkbox"/> Management expenses should be provided to smoothing credit management.
10.	Institution	BKKBH, BNI, PT Pos Indonesia
11	Supervision	Takesra and Kukesra technical working group.

10. Business Partnership Development Credit (KPKU)

No.	Main Subjects	Business Partnership Development Credit (KPKU)
1.	Objective	Increasing the economic activity of small, medium enterprise, cooperatives and families joined the Prokesra Group, to develop economy network that support poverty ... effort.
2.	Target	Prokesra Group, small, medium enterprinse, cooperatives and families that performing business partnership
3.	Start	1998
4.	Borrowers Eligibility	Who have succeed the 5 th circle of Kukesra or who have business feasibility certificate, or who have business feasibility score more than 50, or who already helped by BUMH and have good records, or according to the Pokjanis KPKU have good business prospect and potential, that have cooperation agreement with small, medium enterprise or cooperatives.
5.	<p>Credit Criteria</p> <p>a <input type="checkbox"/> Platfond :</p> <p>b <input type="checkbox"/> Interest rate :</p> <p>c <input type="checkbox"/> Payment Period</p> <p>d <input type="checkbox"/> Guarantee</p>	<p>Entrepreneur or Cooperative :</p> <ul style="list-style-type: none"> ◆ Small or medium enterprise or cooperative ◆ Conform with bank technical requirements ◆ Have cooperation agreement with Prokesra Group <p><input type="checkbox"/> Famili : Rp. 2 million per family</p> <p><input type="checkbox"/> Group : Rp. 50 million per group</p> <p><input type="checkbox"/> Entrepreneur or cooperative : equal with credit amount received by business partner group.</p> <p>12% pa</p> <p>1 year</p> <p>Group :</p> <ul style="list-style-type: none"> <input type="checkbox"/> business feasibility <input type="checkbox"/> profit loss sharing <input type="checkbox"/> frozen saving 5% of the loan <p>Entrepreneur or Cooperative :</p> <p>Land, building, or commercial paper according to Banking Law UU No 7 / 1992</p>
6.	<p>e <input type="checkbox"/> Risk sharing</p> <p>Funding Source</p>	<p>Askrindo</p> <p>This credit is mixed loan to develop low mixed interest rate, from</p> <p>a <input type="checkbox"/> YDSM</p> <p>b <input type="checkbox"/> BUMH</p> <p>c <input type="checkbox"/> APBN (DIPP)</p>

No.	Main Subjects	KMK UKH Working Capital Credit for SME
7.	Credit Performance <input type="checkbox"/> a Plafond : <input type="checkbox"/> b Realization <input type="checkbox"/> c Outstanding	Rp. 500 billion Rp. 9.464.487.000 (per 30 th April 1998 from sub district reports already received)
8	Problems / Constraints	Prokesra hard to find business partner because of in early stage
9	Recommendation	<input type="checkbox"/> a Assistance program should be intensified (PLKB officer) <input type="checkbox"/> b Training for assistance officer <input type="checkbox"/> c Suggested not to use additional collateral
10	Institution	BKKBN, Depkop, BNI, BRI
11	Supervision	KPKU Prokesra technical working group

11. KMK UKM Working Capital Credit for SME

No.	Main Subjects	KMK UKM Working Capital Credit for SME
1.	Objective	Providing working capital for SME's.
2.	Target	Labor intensive business with product that have good export and domestic market, and technically feasible according to the bank.
3.	Start	1 st December 1997
4.	Borrowers Eligibility	<input type="checkbox"/> Industrial sector : total assets maximum Rp. 5 billion <input type="checkbox"/> Non industrial sector : Rp. 600 million maximum net assets not including land and business building or annual sales maximum Rp 3 billion.
5.	Credit Criteria	<input type="checkbox"/> Plafond maximum Rp. 25 million per labor, max Rp. 3 billion per SME <input type="checkbox"/> Interest rate : 17% pa <input type="checkbox"/> Payment period : 1 year <input type="checkbox"/> Guarantee : Banking Law No. 7 / 1992 <input type="checkbox"/> Risk sharing : 100% bank
6.	Funding Source	100% BUMNs fund in the form of deposits in State Owned Bank and Bukopin
7.	Credit Performance	
	a <input type="checkbox"/> Plafond	Rp. 334.9 billion (March 1998)
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	Rp. 260.2 billion (March 1998)
8.	Problems / Constraints	<input type="checkbox"/> Banks should find new fund sources due to BUMN funds already distributed for other credit that not yet in due date. <input type="checkbox"/> It is not clear, whether it is able to reschedule the credit after the 1 year payment period with the same interest rate of 14 % pa.
9.	Institution	State Owned Bank and Bukopin

12. Revolving Credit

No.	Main Subjects	Revolving Credit
1.	Objective	Helping small business capital (member of cooperative, customer of BPR & LDKP)
2.	Target	Cooperative member, KSM member, BPR customer and LDKP customer
3.	Start	1995
4.	Borrowers Eligibility	Maximum annual sales Rp. 300 million
5.	Credit Criteria	<ul style="list-style-type: none"> a <input type="checkbox"/> Plafond : Rp. 5 million b <input type="checkbox"/> Interest rate : market c <input type="checkbox"/> Payment period : 2 years
6.	Funding Source	<ul style="list-style-type: none"> d <input type="checkbox"/> Government : 1/3 (interest rate 12% pa) e <input type="checkbox"/> Banks : 2/3 (interest rate : market)
7.	Credit Performance	
	a <input type="checkbox"/> Plafond :	
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	Rp. 20.9 billion
8.	Problems / Constraints	<ul style="list-style-type: none"> a <input type="checkbox"/> Feasible Group is hard to find. b <input type="checkbox"/> Government fund share is only 1/3.
9.	Institution	Public Bank, BPR

b. Commercial Credit

1. Small Business Credit (KUK)

No.	Main Subjects	Small Business Credit (KUK)
1.	Objective	Providing fund for working capital and investment of small business and cooperatives
2.	Target	Small Business
3.	Start	January 1990 (Pakjan '90)
4.	Borrowers Eligibility	<input type="checkbox"/> Net assets maximum Rp. 200 million, not including land and building, or <input type="checkbox"/> Annual sales maximum Rp. 1 billion
5.	Credit Criteria	<input type="checkbox"/> Plafond max Rp. 350 million (working capital + investment) <input type="checkbox"/> Interest rate : market <input type="checkbox"/> Payment period : to be determined <input type="checkbox"/> Guarantee : according to Banking Law No.7/1992 <input type="checkbox"/> Risk sharing : bank 100%
6.	Funding Source	100% Bank and BPR
7.	Credit Performance	<input type="checkbox"/> Plafond : <input type="checkbox"/> Realization <input type="checkbox"/> Outstanding
8.	Problems / Constraints	<input type="checkbox"/> Banks : Rp. 65.9 trillion (March 1998) <input type="checkbox"/> BPRs : Rp. 2.1 billion (December 1997) From the small business side : <input type="checkbox"/> The customer have not been able yet to expose the feasibility of his business <input type="checkbox"/> Limitation in marketing, production, management and organization <input type="checkbox"/> Not conforms to bank specifications. From the banking side : <input type="checkbox"/> High transaction cost <input type="checkbox"/> Hard to find eligible customer <input type="checkbox"/> Too high risk <input type="checkbox"/> Limited network of bank branches.
9.	Institution	Public Banks and BPRs

2. KUPÉDES (Villages General Credit)

No.	Main Subjects	KUPEDES (Villages General Credit)
1.	Objective	Helping working capital and investment of small business in rural area
2.	Target	Small business in rural area
3.	Start	February 1994 (perfection of mini and midi credit scheme)
4.	Borrowers Eligibility	
5.	Credit Criteria	a <input type="checkbox"/> Plafond : Rp. 25.000 -- RP. 25 million (investment + working capital) b <input type="checkbox"/> Interest rate : market c <input type="checkbox"/> Payment period : investment credit 3 years, working capital credit 2 years d <input type="checkbox"/> Risk sharing : 100% bank
6.	Funding Source	BRI 100%
7.	Credit Performance	
	a <input type="checkbox"/> Plafond :	
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	RP. 4.7 billion (March 1998)
8.	Problems / Constraints	From small business side : no collateral From banking side : high transaction cost
9.	Institution	BRI

3. Small Scale Enterprise Project

No.	Main Subjects	Small Scale Enterprise Project
1.	Objective	<ul style="list-style-type: none"> ◆ Financing of export oriented private and small business investment project (JEXIM IV, V, VI, AJDF) ◆ Help funding of Venture Capital Company (JEXIM VI)
2.	Target	<ul style="list-style-type: none"> ◆ Small and Medium Business (JEXIM IV) ◆ Small Business (JEXIM V, AJDF and VI)
3.	Start	<ul style="list-style-type: none"> ◆ JEXIM IV : 25th January 1992 -- 24 December 1993 ◆ JEXIM V : 10th March 1992 -- 30th September 1994 ◆ AJDF : June 1994 -- 15th August 1998 ◆ JEXIM VI : October 1996 -- 30th September 1998
4.	Borrowers Eligibility	<p>JEXIM IV and V : Export oriented business JEXIM VI and AJDF : All small business sector conform to KUK criteria</p>
5.	Credit Criteria	<p>JEXIM IV :</p> <ul style="list-style-type: none"> ◆ Maximum Plafond : Rp. 5 billion for investment and working capital (investment >= 50%) ◆ Market Interest Rate ◆ Payment period : Minimum 3 years, Maximum 12 years ◆ Risk sharing : Bank 100% <p>JEXIM V :</p> <ul style="list-style-type: none"> ◆ Plafond : Rp. 100-200 million for investment and working capital (investment >= 50%) ◆ Market Interest Rate ◆ Payment period : Minimum 3 years ◆ Risk sharing : Bank 100% <p>JEXIM AJDF :</p> <ul style="list-style-type: none"> ◆ Maximum Plafond : Rp. 5 billion for investment and working capital (investment >= 50%) ◆ Market Interest Rate ◆ Payment period : Minimum 3 years, Maximum 15 years ◆ Risk sharing : Bank 100% <p>JEXIM IV :</p> <ul style="list-style-type: none"> ◆ Plafond : Rp. 100-350 million for investment and working capital (investment >= 50%) ◆ Market Interest Rate ◆ Payment period : Minimum 3 years, Maximum 11 years ◆ Risk sharing : Bank 100%
6.	Funding Source	EXIM Bank of Japan

No.	Main Subjects	Small Scale Enterprise Project
7.	Credit Performance	<p>JEXIM IV :</p> <ul style="list-style-type: none"> ◆ Plafond : JPY 42 billion ◆ Realization : JPY 39.9 billion <p>JEXIM V :</p> <ul style="list-style-type: none"> ◆ Plafond : JPY 28 billion ◆ Outstanding : JPY 25.2 billion <p>JEXIM AJDF :</p> <ul style="list-style-type: none"> ◆ Plafond : JPY 9.5 billion ◆ Realization : JPY 9.4 billion
8	Problems / Constraints	<p>JEXIM VI :</p> <ul style="list-style-type: none"> ◆ Plafond JPY 32 billion ◆ Realization : JPY 16.5 billion ◆ Bank ability to absorb the credit is not even ◆ Limited eligible customer ◆ Replenishment application for small business and venture capital company should be done at the same time, meanwhile absorption rate of small business much faster than that of venture capital company (JEXIM VI)
9	Institution	State Owned Bank, BPD, Private Bank

4. Industrial Pollution Control

No.	Main Subjects	Industrial Pollution Control
1.	Objective	<ul style="list-style-type: none"> ◆ financing the industrial pollution control project for upgrading and acquisition of waste treating equipment. ◆ Helping Bapedal Technical Assistance
2.	Target	Small and Medium Industries
3.	Start	
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ◆ fixed asset minus investment under Rp. 5 billion ◆ In Java industries (Garut, Pati, Sidoarjo) helped by GTZ
5.	Credit Criteria	<ul style="list-style-type: none"> ◆ Plafond Rp. 800 million ◆ Interest rate : SBI (Bank Indonesia Certificate) ◆ Payment period maximum 10 years ◆ Risk sharing : Bank 100%
6.	Funding Source	Kreditanstalt für Wiederaufbau, Germany
7.	Credit Performance	
	a <input type="checkbox"/> Plafond	DH 11.7 million
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	
8.	Problems / Constraints	
9.	Institution	State Owned Bank and Private Bank

5. Cooperative Credit Program

No.	Main Subjects	Cooperative Credit Program
1.	Objective	<ul style="list-style-type: none"> ◆ Financing business of KUD members ◆ Helping cooperatives capital and development of cooperatives institutional
2.	Target	Cooperative member
3.	Start	June 1996 (closing date 6 th December 1998)
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ◆ Active cooperative member own productive business ◆ Primary cooperative
5.	Credit Criteria	<ul style="list-style-type: none"> ◆ Plafond: cooperative member USD 500, Group USD 20.000, cooperatives USD 100.000 ◆ Market interest rate ◆ Risk sharing : Bank 100%
6.	Funding Source	The EXIM Bank of Republic of China
7.	Credit Performance	
	a <input type="checkbox"/> Plafond :	a <input type="checkbox"/> USD 10 million
	b <input type="checkbox"/> Realization	b <input type="checkbox"/> USD 3.5 million
	c <input type="checkbox"/> Outstanding	
8.	Problems / Constraints	<ul style="list-style-type: none"> ◆ Credit absorption is very slow , due to only KUD authorized to distribute the credit (very small scope) and very small plafond. That why the lender make a change in the scheme. ◆ Higher interest rate than cooperative program credit
9.	Institution	Bukopin

6. Business Feasibility Credit (KKU)

No.	Main Subjects	Business Feasibility Credit
1.	Objective	Helping working capital and investment of small business that do not have additional collateral.
2.	Target	Small business
3.	Start	October 1995
4.	Borrowers Eligibility	<input type="checkbox"/> Feasible and productive business <input type="checkbox"/> Net assets maximum Rp. 200 million, excluding of land and business building or annual sales maximum Rp. 1 billion.
5.	Credit Criteria	<input type="checkbox"/> Plafond maximum Rp. 50 million, (Investment + working capital) <input type="checkbox"/> Market interest rate <input type="checkbox"/> Payment period : 1 year <input type="checkbox"/> Guarantee : the funded project <input type="checkbox"/> Risk sharing : Bank 100%
6.	Funding Source	Bank 100%
7.	Credit Performance	
	<input type="checkbox"/> Plafond <input type="checkbox"/> Realization <input type="checkbox"/> Outstanding	
8.	Problems / Constraints	RP. 675.1 billion (January 1998) <input type="checkbox"/> Bank hard to measure the feasibility of business due to lack of information regarding the business. <input type="checkbox"/> Some kind of business is not permanent, with very simple administration.
9.	Institution	State Owned Bank

7. Service Center of Village Cooperative Credit (PPKKP)

No.	Main Subjects	Service Center of Village Cooperative Credit (PPKKP)
1.	Objective	Helping small business and cooperatives working capital through cooperative/group approach.
2.	Target	Cooperative / Group member
3.	Start	1985
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ◆ Debtor candidate already a cooperative member ◆ In group working coverage ◆ Have a saving account at least for 3 months ◆ Productive business
5.	Credit Criteria	<ul style="list-style-type: none"> a <input type="checkbox"/> Plafond : Rp 200,000 – Rp. 4 million b <input type="checkbox"/> Market interest rate c <input type="checkbox"/> Payment period : 1 year d <input type="checkbox"/> Guarantee : the funded project e <input type="checkbox"/> Risk sharing : Bank 100%
6.	Funding Source	Bank 100%
7.	Credit Performance	
	a <input type="checkbox"/> Plafond	
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	
8.	Problems / Constraints	<p>Rp. 14.1 billion (February 1998), for 259 cooperatives and 2096 groups</p> <ul style="list-style-type: none"> a <input type="checkbox"/> Training supervision should be intensified b <input type="checkbox"/> High overhead cost
9.	Institution	Bukopin

8. Small Farmers and Fishermen Improvement Counseling Project

No.	Main Subjects	Small Farmers and fishermen Improvement Counseling Project
1.	Objective	To increase the income of low income group especially in rural area
2.	Target	Small Farmers Group (KPK) that live under the poverty line, or that the income per capita per year is equal to 320 kgs of rice.
3.	Start	April 1990
4.	Borrowers Eligibility	KPK/SFG supervised by farming Filed Officer, have group business plan, 8-16 members, have saving account in BNI, etc.
5.	Credit Criteria	<input type="checkbox"/> a Plafond : First Step Loan : Rp. 150.000 / KPK member, Second Step : Rp. 200.000 dan Third Step : Rp. 250.000 <input type="checkbox"/> b Interest rate : flat 1% per month, or 22.15% pa effective <input type="checkbox"/> c Payment period 12 and 18 months <input type="checkbox"/> d Guarantee : Frozen saving and funded business object <input type="checkbox"/> e Risk sharing : 75% Askrindo, 25% BRI
6.	Funding Source	IFAD 80%, BRI 20%
7.	Credit Performance	Of february 1998
	a <input type="checkbox"/> Plafond	Rp. 22.911.397.000
	b <input type="checkbox"/> Realization	Rp. 127.117.993.000 (77.186 KPK)
	c <input type="checkbox"/> Outstanding	Rp. 22.902.616.000 (17.196 KPK)
	d <input type="checkbox"/> Late payments	Rp. 4.419.396.000 (6798 KPK) -> 19.3%
8.	Problems / Constraints	<input type="checkbox"/> a Lack of field supervision and coordination <input type="checkbox"/> b The payment use for personal purpose by village officer and farming field officer
9.	Recommendation	<input type="checkbox"/> 1 Increasing the availability of cheap and easy fund <input type="checkbox"/> 2 Farming Field Officer should not rotated too often <input type="checkbox"/> 3 Technical ministry do not be very authoritative
10.	Institution	Agricultural Ministry

9. Micro Credit Project

No.	Main Subjects	Micro Credit Project
1.	Objective	<ul style="list-style-type: none"> ◆ To provide micro credit to 300000 poverty and near poverty community through Rural Finance Institution ◆ Strengthen the Rural Finance Institution position in financing micro business ◆ Strengthen LPSM position in the forming of KSM to increase micro business income.
2.	Target	Micro business managed by poverty community and near poverty community and increasing the woman participation in the national development.
3.	Start	October 1995
4.	Borrowers Eligibility	
5.	Credit Criteria	<ul style="list-style-type: none"> a <input type="checkbox"/> Plafond : maximum RP 1 million for new customer, if the business growth, will be provided addition step by step up to Rp. 2 million. b <input type="checkbox"/> Market Interest rate c <input type="checkbox"/> Payment period <ul style="list-style-type: none"> BI — BPR : 5 years BPD — LDKP : 5 years LDKP-nsb : 18 month
6.	Funding Source	BI 40%, ADB 60%, Total USD 41.5 million
7.	Credit Performance	Of February 1998
	a <input type="checkbox"/> Plafond	
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	
8.	Problems / Constraints	<ul style="list-style-type: none"> a <input type="checkbox"/> Lateness of project start b <input type="checkbox"/> Delayed consultant recruitment. c <input type="checkbox"/> Target of 300000 and 1145 LKP reached step by step
10.	Institution	BPD and BPR

10. KSM Bank Relation Project (PHBK)

No.	Main Subjects	KSM Bank Relation Project
1.	Objective	To provide technical assistance to relate the bank with the KSM, so the KSM will have better access to the bank which will providing working capital credit.
2.	Target	Micro group and micro business in rural area through LPSM/KSM
3.	Start	1989
4.	Borrowers Eligibility	feasible business and joined into a solid group
5.	Credit Criteria	<ul style="list-style-type: none"> a <input type="checkbox"/> Plafond : according to the KSM requirements b <input type="checkbox"/> Market Interest rate c <input type="checkbox"/> Payment period 1 year d <input type="checkbox"/> Risk sharing : Bank 100%
6.	Funding Source	Bank 100%
7.	Credit Performance	Of December 1997
	<ul style="list-style-type: none"> a <input type="checkbox"/> Plafond b <input type="checkbox"/> Realization c <input type="checkbox"/> Outstanding 	Rp 41.9 billion, 12,274 groups, frozen saving : RP. 6.7 billion
8	Problems / Constraints	<ul style="list-style-type: none"> a <input type="checkbox"/> Assistance performed by the group should be on their own. b <input type="checkbox"/> There is a credit with low market interest rate distorting the market of PHBK c <input type="checkbox"/> Lack of profit loss sharing responsibility due to unsolid group.
10	Institution	Public Bank and BPR

11. Candak Kulak Credit

No.	Main Subjects	Candak Kulak Kredit
1.	Objective	<input type="checkbox"/> To provide working capital aid in the form of soft loan to the member of Saving Borrowing Service Point <input type="checkbox"/> Increasing income and strengthening community income <input type="checkbox"/> Increasing production and marketing of goods needed by the community <input type="checkbox"/> Strengthening cooperatives position in performing credit function <input type="checkbox"/> Provide service to the member of TPSP who are small business community and have no access in banking system
2.	Target	Small merchant of cooperatives member
3.	Start	1993/1994
4.	Borrowers Eligibility	<input type="checkbox"/> TPSP business feasibility <input type="checkbox"/> Debtor candidate business feasibility <input type="checkbox"/> Loan will be provided for productive business that not funded by other program <input type="checkbox"/> Ability, honesty, and seriousness of the debtor candidate <input type="checkbox"/> Giving attention to the health of debtor business including : solvability, rentability and liquidity.
5.	Credit Criteria	<input type="checkbox"/> Plafond : Rp. 250.000 <input type="checkbox"/> Interest rate : 3% per month <input type="checkbox"/> Payback period : 3 month <input type="checkbox"/> Guarantee : NA <input type="checkbox"/> Risk sharing : Cooperatives 100%
6.	Funding Source	APBN
7.	Credit Performance <input type="checkbox"/> Plafond <input type="checkbox"/> Realization <input type="checkbox"/> Outstanding	Rp. 17.501.620.000 Rp. 21.928.502.000
8.	Problems / Constraints	<input type="checkbox"/> Not strategic TPSP location <input type="checkbox"/> Lack of consideration at feasibility of members business <input type="checkbox"/> Limited plafond for each member <input type="checkbox"/> Some of trained TPSP staff resigned
10	Institution	TPSP (Executing) , BRI (channelling)

11. Small and Medium Industrial Enterprise Project (SMIEP)

No.	Main Subjects	Small and Medium Industrial Enterprise Project (SMIEP)
1.	Objective	<ul style="list-style-type: none"> ◆ Provide credit for small and medium industrial enterprise ◆ Provide middle term fund
2.	Target	Small and Medium Business
3.	Start	29 th September 1989 (closing date 30 th June 1995)
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ◆ Agribusiness, manufacturing or related business. ◆ Maximum 20-150 workforce, operating assets maximum USD 500.000 (Rp. 900 million) exclusive of land and inventory.
5.	Credit Criteria	<ul style="list-style-type: none"> a <input type="checkbox"/> Plafond : Investment Credit USD 56-300000, working capital 40% of investment credit. b <input type="checkbox"/> Market interest rate c <input type="checkbox"/> Payback period : 3 – 12 year d <input type="checkbox"/> Risk sharing : Bank 100%
6.	Funding Source	IBRD
7.	Credit Performance	
	a <input type="checkbox"/> Plafond	USD 100 million
	b <input type="checkbox"/> Realization	USD 94.3 million
	c <input type="checkbox"/> Outstanding	
8	Problems / Constraints	Bank have different abilities to absorb the credit, meanwhile it is already determined.
10	Institution	State Owned Bank (5), BPD(3), Private Owned Bank (3)

12. Agricultural Financing Project (AFP)

No.	Main Subjects	Agricultural Financing Project (AFP)
1.	Objective	<ul style="list-style-type: none"> To provide / increase middle term fund for agricultural sector Increase agricultural production
2.	Target	Small and medium business
3.	Start	27 th March 1992 (closing date 31 st December 1998)
4.	Borrowers Eligibility	Wide scope agricultural sector
5.	Credit Criteria	<ul style="list-style-type: none"> a. Plafond : Maximum Equivalent USD 500.000 b. Market interest rate c. Payback period : 3 - 12 years d. Risk sharing : Bank 100%
6.	Funding Source	IBRD, Bank, Customer
7.	Credit Performance	
	a. Plafond	IBRD (USD 105 million), Bank (USD 26.2 million), Customer (USD 56.3 million) USD 65.29 million
	b. Realization	
8	Problems / Constraints	<ul style="list-style-type: none"> Bank ability to absorb the credit is very small and not equal. Higher interest rate than interest rate of KUT Application requirements is not simple and reimburse process slow.
10	Institution	State Owned Bank (3) and Private Bank (9)

ii) BPR Syariah

No.	Main Subjects	BPR Syariah
1.	Objective	Help small businessmen investment or working capital
2.	Target	Personal businessman, cooperative, and have legal license
3.	Start	1992
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ◆ Have productive business ◆ Business feasibility ◆ Have complete legality ◆ Better if it have financial report ◆ Owner & business manager integrity
5.	Credit Criteria	<ol style="list-style-type: none"> a. Plafond : Rp. 1 – 10 million b. Profit Loss Sharing : As agreed, with expected yield IRA > 30% c. Payback period : Working capital maximum 1 year, Investment maximum 3 years d. Guarantee : The funded business prospect, collateral is not main requirements e. Risk sharing : <ul style="list-style-type: none"> - Risk of principal installment is on customer's behalf - Risk of profit loss sharing is on both side, but in case the customer unable to return the loan, at last it is on BPR's behalf
6.	Funding Source	<ol style="list-style-type: none"> 1. People's fund (saving customer) 2. Shareowner's capital 3. Cooperation with other bank
7.	Credit Performance	
	a. Plafond	
	b. Realization	
	c. Outstanding	
8.	Problems / Constraints	<p>Rp. 29.532.000.000</p> <ul style="list-style-type: none"> ◆ Profit loss sharing financing scheme is not well known in the community ◆ Small businessmen do not have book keeping or business administration (to determine profit loss portion) ◆ Lot of small businessman do not have additional collateral according to BI requirements
9.	Institution	Executing : BPR Syariah, Channeling : Baitul Mal wat Tamwil, Cooperatives

iii) BMI

No.	Main Subjects	BMI
1.	Objective	Support micro, small, medium business and cooperative activity through providing working capital or investment with profit loss sharing pattern
2.	Target	Small, medium business and cooperative in the form of personal or group business, cooperative and have legal license.
3.	Start	1992
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ◆ Have productive business ◆ Business feasibility ◆ Have complete legality ◆ Better if it have financial report ◆ Owner & business manager integrity
5.	Credit Criteria	<p>a. Plafond :</p> <ul style="list-style-type: none"> ◆ Small Business Financing Rp 10 – 350 million ◆ Pepole Economic Independence Increment Project : Rp. 50.000 – 250.000 per cooperative member ◆ International Development Fund Rp. 200.000 – 1 million per man ◆ Medium financing : over Rp. 350 million <p>b. Interest rate : As agreed, with expected yield IRR > 20%</p> <p>c. Payback period : Working Capital 1 year, Investment 5 years</p> <p>f. Guarantee : The funded business prospect, collateral is not main requirements</p> <p>g. Risk sharing :</p> <ul style="list-style-type: none"> - Risk of principal installment is on customer's behalf - Risk of profit loss sharing is on both side, but in case the customer unable to return the loan, at last it is on BPR's behalf
6.	Funding Source	<p>1. People's fund (saving customer)</p> <p>2. Shareowner's capital</p> <p>3. Cooperation with other financial institution :</p> <ul style="list-style-type: none"> ◆ IDF ◆ BUMN institutions ◆ Cooperative Department, with P2Ker program by using APBN's fund ◆ BI and finance Ministry through Subsidized Banking Credit (KKPA)
7.	Credit Performance	
	a. Plafond / Channeling Plan	<ul style="list-style-type: none"> ◆ P2KER : Rp. 8.2 billion ◆ IDF : Rp 0.4 billion
	d. Realization	<ul style="list-style-type: none"> ◆ P2KER : Rp. 8.2 billion (Realization of BMI to USP Kopontren) ◆ IDF : Rp. 240 million
	e. Outstanding	<ul style="list-style-type: none"> ◆ Syariah Profit Loss Sharing Financing by BMI : Rp. 455,2 billion : <ul style="list-style-type: none"> - KUK Non Cooperative : Rp. 67,741 million - KUK Cooperative : Rp. 25,741 million - Medium : Rp. 361,709 million - P2KER = Rp. 1,125 million (Outstanding of USP to cooperative member) - IDF: Rp. 210 million
8	Problems / Constraints	<ul style="list-style-type: none"> ◆ Profit loss sharing financing scheme is not well known in the community ◆ Small businessmen do not have book keeping or business administration (to determine profit loss portion) ◆ Lot of small businessman do not have additional collateral according to BI requirements
10	Institution	Executing : BMI, Channeling : Cooperative and Syariah Financial Institution

No.	Main Subjects	BMI
7.	Credit Performance	
	b. Plafond / Channeling Plan	<ul style="list-style-type: none"> ◆ P2KER : Rp. 8.2 billion ◆ IDF : Rp 0.4 billion
	f. Realization	<ul style="list-style-type: none"> ◆ P2KER : Rp. 8.2 billion (Realization of BMI to USP Kopontren) ◆ IDF : Rp. 240 million

	g. - Outstanding	<ul style="list-style-type: none"> ◆ Syariah Profit Loss Sharing financing by BMI : Rp. 455,2 billion : <ul style="list-style-type: none"> - KUK Non Cooperative : Rp. 67,741 million - KUK Cooperative : Rp. 25,741 million - Medium : Rp. 361,709 million - P2KER = Rp. 1,125 million (Outstanding of USP to cooperative member) - IDF : Rp. 210 million
8	Problems/Constraints	<ul style="list-style-type: none"> ◆ Profit loss sharing financing scheme is not well known in the community ◆ Small businessmen do not have book keeping or business administration (to determine profit loss portion)
10	Institution	<ul style="list-style-type: none"> ◆ Lot of small businessman do not have additional collateral according to BI requirements <p>Executing : BMI, Channeling : Cooperative and Syariah financial Institution</p>

c. Leasing

d. Factoring

4. PEGADAIAN

No.	Main Subjects	PEGADAIAN
1.	Objective	<ul style="list-style-type: none"> ◆ support execution of Government program and policy in economic sector and national development through fund channeling. ◆ Prevent of illegal financing scheme for lower level community
2.	Target	Lower level community
3.	Start	12 March 1991 (Jawatan Pegadaian) 10 April 1990 (Perum Pegadaian)
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ◆ Very eligible (failed kredit only 1%)
5.	Credit Criteria	<ul style="list-style-type: none"> a. Plafond : Rp. 20 million b. Interest rate : 1.75% per 15 days c. Payback period : 4 months d. Guarantee : Moving goods like gold or car, with credit coverage range between 50 – 90% of the collateral value e. Risk sharing : <ul style="list-style-type: none"> ◆ If the collateral is unsold due to too high expected value, the risk will be on the officer's and company's behalf. ◆ Auction cost (3%) will be on company's behalf
6.	Funding Source	<ul style="list-style-type: none"> ◆ Share capital ◆ Bank loan ◆ Obligation publishing and HTM
7.	Credit Performance	1993 – 1997
	f. Plafond	Rp. 2,121.1 billion
	g. Realization	l. Rp. 2,088.3 billion
	h. Outstanding	
8.	Problems / Constraints	◆
9.	Institution	Perum Pegadaian with 14 Regional Offices, 622 Branch Offices

5. GUARANTEE DAN INSURANCE

a. Perum PKK

a.1 Guarantee

No.	Main Subjects	Credit Guarantee
1.	Objective	To bridge cooperative and its members, small and medium business activity to the bank / other creditor, so the business will be eligible to be funded and UKMK will be bankable
2.	Target	KUD / Cooperative and its members, and since 1998 enlarge with small business and business entity which majority share owned by cooperatives in Indonesia
3.	Start	In 1970 – 1981, operational activity performed by Cooperative Credit Guarantee Institution (LJKK), and then this institution united into Perum PKK according to PP No.51/1981 and perfected with PP No.27/1985.
4.	Borrowers Eligibility	Guarantee was an additional agreement that conform with main agreement between creditor with customer / client.
5.	Credit Criteria	<p>a. Plafond : conform with BI's scheme of KUT, KKPA, KKUD, meanwhile general (commercial) credit guarantee is up to executing bank / creditor.</p> <p>b. Guarantee coverage : 75 – 90% of maximum credit / financing and the rest is on the guarantee acceptor's behalf.</p> <p>c. Guarantee fee :</p> <ul style="list-style-type: none"> ◆ Program credit scheme : 1.5% pa. ◆ Other commercial/financing credit scheme : <ul style="list-style-type: none"> - 0 – 1 year : 1.50% pa - >1 – 3 years : 2.75% pa - >3 – 5 years : 3.60% pa - >5 – 8 years : 4.00% pa - > 8 years : 6.00% pa <p>All calculated from maximum credit / financing agreed</p>
6.	Funding Source	Perum PKK 100%
7.	Credit Performance	<p>a. Credit insurance</p> <ul style="list-style-type: none"> ◆ Period 1970-1981 : Rp. 558.203.053.000 ◆ Period 1982-1991 : Rp. 1.285.102.721.762 ◆ Period 1992-1997 : Rp. 3.309.000.000.000 ◆ Total : Rp. 5.152.305.721.762 ◆ Served cooperative : 41,047 units <p>b. Guarantee performance period 1992 – 1997 :</p> <ul style="list-style-type: none"> ◆ Program credit : Rp. 2.051 billion ◆ General credit : Rp. 1.258 billion ◆ Total : Rp.3.309 billion ◆ Served cooperatives : 29,897 units <p>c. Claim 1992 – 1997</p> <ul style="list-style-type: none"> ◆ Program credit : Rp. 19.808 million ◆ General credit : Rp. 6.026 million ◆ Total : Rp. 25.834 million <p>d. Recovery / subrogated receivables withdrawal 1992 – 1997</p> <ul style="list-style-type: none"> ◆ Program credit : Rp. 2.813 million ◆ General credit : Rp. 2.807 million ◆ Total : Rp. 5.620 million

No.	Main Subjects	Credit Guarantee
8	Problems / Constraints	<ul style="list-style-type: none"> ◆ Guarantee coverage area are all Indonesia, meanwhile branch offices limited only in Java, so speed of service is not equal. ◆ Perum PKK tends to be used as collateral substitution of client eligibility, not as a credit supplementation, so only high risk credit is guaranteed. ◆ Perum PKK can not develop risk reserve fund from part of guarantee fee revenue, so net worth growth is slow and then affect the growth of guarantee ability . ◆ Service coverage of Perum PKK should be maximized ◆ Perum PKK not able to guarantee or re-guarantee of the possibilities of guarantee risk which is usually done in other countries.
9	Institution	Perum PKK with Headquarters in Jakarta, and 3 branches in Bandung, Semarang and Surabaya.

a.2 Loan Disbursement

No.	Main Subjects	Loan Disbursement
1.	Objective	Develop cooperative and it's members business that is labor intensive, export oriented, through providing loan facilities with conventional pattern (interest rate) and profit-loss sharing, completed with management and consultation assistance, that is cooperated with business consultative institution that close to the customer.
2.	Target	Cooperative and members
3.	Start	1995
4.	Borrowers Eligibility	♦ According to Cooperative Law, UU No. 25 / 1992
5.	Credit Criteria	f. Plafond : To be determined based on real requirements
		g. Interest rate : Conventional pattern with interest rate 2% over interest rate of 12 months deposit in state owned banks.
		h. Payback period
		i. Guarantee :
		j. Risk sharing : Profit loss sharing, at average, 40% for Perum PPK and 60% for customer.
6.	Fonding Source	Perum PPK 100%
7.	Credit Performance	
	i. Plafond	
	j. Realization	
	k. Outstanding	
8	Problems / Constraints	♦ Limited fund for this financing activity
		♦ Limited working network
10	Institution	

b. PT Askrindo

1. Credit Insurance

No.	Main Subjects	PT Askrindo
1.	Objective	Enlarge small business access to financial sources (bank) through closing of the risk faced by the bank in financing small business.
2.	Target	Small business and cooperative
3.	Start	1971
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ◆ Insured : Healthy State Owned Bank, National Private Bank, Foreign Private Bank, Joint Venture Private Bank, and Regional Development Bank, according to judgement of Bank Indonesia ◆ Insured Debtor (Small Business / Cooperative) : according to credit reimbursement manual and conform with Bank Indonesia criteria of small business credit.
5.	Credit Criteria	<ul style="list-style-type: none"> a. Credit : according to Bank Indonesia criteria of small business credit (XUK, XKPA, XPR) about plafond, usage of credit, and payback period. b. Guaranteed risk : Bank Loss due to unpaid credit in due time by the debtor. c. Guarantee Coverage : 70% Loss d. Premium : 1-1.5% of credit plafond
6.	Funding Source	PT. Askrindo 100%
7.	Credit Performance	<ul style="list-style-type: none"> a. Insurance Closing (1971 – 1997) <ul style="list-style-type: none"> ◆ Plafond <ul style="list-style-type: none"> - Program Credit : Rp. 13.6 trillion - KUK : Rp. 19.1 trillion - Total : Rp. 32.7 trillion ◆ Debtor <ul style="list-style-type: none"> - Program Credit : 5,300,000 - KUK : 300,000 - Total : 5,600,000 b. Claim (1973 – 1997) <ul style="list-style-type: none"> ◆ Loss claim <ul style="list-style-type: none"> - Program credit : Rp 1.4 trillion - KUK : Rp. 1.1trillion - Total : Rp. 2.5 trillion ◆ Debtor <ul style="list-style-type: none"> - Program Credit : 642,000 - KUK : 22,000 - Total : 644,000 c. Existing Liabilities per December 1997 <ul style="list-style-type: none"> - Program credit : Rp. 647.9 billion - KUK : Rp. 3.300.0 billion - Total : Rp. 3.947.9 billion

No.	Main Subjects	PT Askrindo
8	Problems / Constraints	<ul style="list-style-type: none"> ◆ External influence is so strong ◆ Difficulties in Marketing ◆ Underpriced Premium ◆ Relatively Low Exposure ◆ Unclear Government position as The Last Resort ◆ Limited Working Network ◆ Limited Range of Services
10	Institution	PT. Asuransi Kredit Indonesia, 3 Branch Offices (Medan, Ujung Pandang, Surabaya) and 2 Representative Offices (Bandung and Semarang)

2. Credit Guarantee

No.	Main Subjects	Credit Insurance (Development Plan)
1.	Objective	Enlarge small business (feasible business but lack of collateral) access to financial sources (bank)
2.	Target	Small and Micro Businessman
3.	Start	Being in development stage, planned to be implemented at 1998 / 1999
4.	Borrowers Eligibility	<ol style="list-style-type: none"> a. Public Bank that healthy and have a mission, knowledge / ability, in developing small business. b. BPR, to develop small business c. Businessman : <ul style="list-style-type: none"> ◆ Business scale conform to small scale criteria ◆ Micro businessman ◆ Have strong commitment in his business ◆ At least 2 years in the same business ◆ Lack of collateral ◆ Credit will be used for productive purpose ◆ Early stage will be for secondary and tertiary sectors. ◆ Business activity will not pollute the environment
5.	Credit Criteria	<ol style="list-style-type: none"> a. Plafond : according to Bank Indonesia criteria of small business credit (KUK, KKPA, KPR) about plafond, usage of credit, and payback period. b. Credit criteria : will be determined completely by creditor bank c. Risk sharing : PT. Askrindo 30-70%, the rest is on bank responsibility. d. Service Charge 1.5-2% of credit plafond
6.	Funding Source	PT Askrindo, (Government Expected)
7.	Credit Performance	Under Development Stage
8.	Problems / Constraints	<ul style="list-style-type: none"> ◆ Government support ◆ Institutional ◆ Capital and Financing ◆ Resources and Working Network
10.	Institution	PT. Asuransi Kredit Indonesia, 3 Branch Offices (Medan, Ujung Pandang, Surabaya) and 2 Representative Offices (Bandung and Semarang)

6. APBN FINANCING / SECTORAL

a. Under Developed Villages Inpres (IDT)

No.	Main Subjects	
1.	Objective	<ol style="list-style-type: none"> 1. Accelerating the poverty alteration 2. Develop, increase, and stabilize social and economic condition of poverty people in under developed villages
2.	Target	Poverty community in under developed villages
3.	Start	1994/1995 budget year
4.	Borrowers Eligibility	Low income community, limited capability and access to get goods and capital service to fulfill their basic needs.
5.	Credit Criteria	<ol style="list-style-type: none"> e. Plafond : RP. 120 million per villages for 3 years f. Interest rate : - g. Payback period : according to the end user agreement h. Guarantee : i. Risk sharing :
6.	Funding Source	APBN
7.	Credit Performance	
	a. Plafond	Budget Year 1994 / 1995 – 1998/1999 : Rp. 1,502.9 billion
	b. Realization	100%
	c. Outstanding	
8	Problems / Constraints	There are officer and part of community that do not understand what is IDT Program all about.
9	Institution	Executing : Community Group in Under Developed Villages, Channeling : BRI, Bank Muamalat, BDN

b. JOINT BUSINESS GROUP

No.	Main Subjects	Joint Business Group
1.	Objective	<p>Ministry of Social Affairs efforts to handle poverty problems come from the thinking that poverty alleviation is a part of the program to reach social welfare quality independently, that reachable through :</p> <ol style="list-style-type: none"> a. Social counseling, motivational counseling, and business skill. b. Provide working capital aid in group, means that everybody in the group who get the aid will be able to increase their income. <p>Objective : To increase social welfare through strengthening the business of the unlucky social community.</p>
2.	Target	<p>Unlucky and unstable community group :</p> <ol style="list-style-type: none"> a. Unstable group : <ul style="list-style-type: none"> ■ Poverty families ■ social economic unstable woman ■ lost children ■ old people ■ young families ■ Isolated community that already had been counseled for at least 5 years ■ Wife and poverty families that already had been counseled by the program for 5 years. b. Institution : <ul style="list-style-type: none"> ■ Social Organization ■ Youth Organization
3.	Start	<ol style="list-style-type: none"> a. As a pioneer activity started at Repelita III, but developed by the Ministry of Social Affairs started at Repelita IV. b. Working Capital Development start after this program eligible to growth, which at average start after 3 years of counseling.
4.	Borrowers Eligibility	<ol style="list-style-type: none"> a. For target a : After been able to make a group, which could be detected through good cooperation between its membership [JUED-SP, Directorate Gentending business skill training, and have equal business willingness between its members. b. For target b : The working capital was given to the institution to fulfill the institution needs (Youth and Social Organization). This working capital will be provided upon : <ul style="list-style-type: none"> ■ completion of business skill training ■ the social organization already have business.

No.	Main Subjects	Joint Business Group
5.	Credit Criteria	In 1998/1999 already allocated Rp. 21.27 billion, for business aid and development. For target a.8 its criteria is : a) Plafond : Rp. 1 - 3 million per family. b) Interest rate 12% per year. c) Payback period 2-3 years. d) Gurantee : business feasibility e) Risk sharing : all group members responsibility..
6.	Funding Source	a. Target a and b except a.8 is from APBN (DIP) b. Target a.8 : is a cooperation between Ministry of Social Affair and UNICEF. The cooperation is already finished, but there is fund still revolving in 8 Regional Development Bank.
7.	Credit Performance	
	a. Plafond	a. Plafond : Rp. 1-3 million per group.
	b. Realization	b. Realization : Rp. 1-3 million per group. Along the intensive training, the rate of return is over 90%.
	c. Outstanding	
8	Problems / Constraints	The aid received is too small compared to the number of group members, so its development is very slow.
9	Recommendation	1. The amount of working capital provided to the group to be increased 2. When we declare that the target is already developed, this group cannot handle the business according to the banks requirements. That why a system is needed to support this group to achieve the target. The pattern proposed is through allocation of working capital aid in APBN (DIP) that is managed together with the bank.

c. UED-SP

No.	Main Subjects	UED-SP
1.	Objective	<ul style="list-style-type: none"> a. To push communities economic activities b. To increase entrepreneurship creativity of low income rural community c. To release rural community members from high interest rate money lender d. To increase the community participation in receiving and managing of capital aid from the government. e. To keep and increase the habit of saving.
2.	Target	The community who resides in the rural area that have low income and willing to develop productive economic activity.
3.	Start	1995/1996
4.	Borrowers Eligibility	<ul style="list-style-type: none"> a. Members of UED-SP b. Personal of group members of community c. Members of community willing to develop their business.
5.	Credit Criteria	<ul style="list-style-type: none"> a. Plafond b. Interest Rate c. Payback period d. Guarantee e. Risk sharing
6.	Funding Source	<p>Maximum Rp. 300,000, which is determined through rural brainstorming and the interest rate is about 5-10% per 12 weeks.</p> <ul style="list-style-type: none"> a. Weekly : 12 payments b. Monthly : 6 payments <p>Mutual believe Responsibility of UED-SP manager</p> <ul style="list-style-type: none"> a. Inpres of Rural Development Aid b. Community Self Assessment
7.	Credit Performance	<ul style="list-style-type: none"> a. Plafond b. Realization c. Outstanding <ul style="list-style-type: none"> a. UED-SP which is established in 1995/1996 as much as 619 unit as pioneer project, at the moment already have 30,000 members, and the beginning capital is Rp. 2.45 billion, until December 1997 had been growth into Rp. 3.9 billion. b. UED-SP which is established in 1996/1997 as much as 14 thousand units have no development report yet. c. UED-SP which is established in 1997/1998 as much as 31 thousand unit, is in the development and training process.
8.	Problems / Constraints	<ul style="list-style-type: none"> a. Institutional, Human Resources, and training and supervision system b. Credit channelling : capital access for the members is limited due to limited capital c. Target group : not only group community but personal too.

No.	Main Subjects	UED-SP
9	Recommendation	UED_SP scheme already have good service for its members, but the technical training need to be perfected.
10	Institution	UED-SP, Directorate General of Rural Community Development, Ministry of Internal Affairs.

d. EXPORT SUPPORTING REVOLVING FUND

No.	Main Subjects	Export Supporting Revolving Fund
1.	Objective	To increase the capability of small and medium exporter in export marketing and production, to increase the consciousness as exporter to the small and medium producers/exporters.
2.	Target	In 1998/1999 budget year to give production/marketing technical aid and consultation/training aid to 155 small / medium exporter producers. The target for year 1997 is 630 small / medium exporter producers.
3.	Start	1 April 1992 - March 1998
4.	Borrowers Eligibility	Revolving Fund
5.	Credit Criteria	
	a. Plafond	According to the exporters requirements
	b. Interest Rate	No interest, only 3% administration charge
	c. Payback period	15 months.
	d. Guarantee	Bank Guarantee or Deposit
	e. Risk sharing	
6.	Funding Source	APBN
7.	Credit Performance	
	a. Plafond	Rp. 300.000.000 in 1997/1998 budget year
	b. Realization	Rp. 300.000.000
	c. Outstanding	
8.	Problems / Constraints	Lack of fund which will be channeled, and training in production management is Budget year not in aid receiver candidate's interest.
9.	Recommendation	Need more fund to be channelled, and socialization effort in production management training.
10.	Institution	Export Supporting Council, Ministry of Industry and Trade
11.	Channeling and Returning Mechanism	Between 1 April 1992 and 31 December 1997, technical aid to be channelled is Rp. 2.285 billion which is divided into : <ul style="list-style-type: none"> • Budget year 1992/1993 : Rp. 790 million • Budget year 1993/1994 : Rp. 350 million • Budget year 1994/1995 : Rp. 225 million • Budget year 1995/1996 : Rp. 140 million • Budget year 1996/1997 : Rp. 480 million • Budget year 1997/1998 : Rp. 300 million

e. NATURE SILK FARMING BUSINESS CREDIT (KUTPA)

No.	Main Subjects	Nature Silk Farming Business Credit
1.	Objective	To empowering the silk farmers in rural area in fulfilling capital for nature silk farming business activities.
2.	Target	The farmers who already join a group
3.	Start	25 th March 1997
4.	Borrowers Eligibility	The farmers who qualified in technical and economic requirements of the nature silk farming business.
5.	Credit Criteria	
	a. Plafond	Rp. 4.356.000 per hectare.
	b. Interest Rate	0% pa as charged by the Ministry of Forestry, 6% charged by the bank to the creditor.
	c. Payback period	5 years with 1 year grace period
	d. Guarantee	In the form of land or building already build by the farmers which is financed by the credit, and reimbursed gradually according to the physical progress.
	e. Risk sharing	If there is a failed credit not due to force majeure, the farmers have full responsibility against the credit.
6.	Funding Source	Reboisation fund of Ministry of Forestry
7.	Credit Performance	
	a. Plafond	Rp. 15 billion
	b. Realization	Rp. 7,239,672,000
	c. Outstanding	48.26%
8.	Problems / Constraints	Lack of understanding of creditor candidate, and the information about this program is not sufficient
9.	Recomendation	This program should be continued, because it helps the farmers economic strength to increase.
10.	Institution	Forestry Ministry

F. PEOPLE FORESTRY BUSINESS CREDIT

No.	Main Subjects	People Forestry Business Credit
1.	Objective	<ul style="list-style-type: none"> a. To fulfill wood requirements of the community and raw material of the wood processing industry. b. To increase the lands productivity with various people forest plants products. c. To create job opportunity and business chance that will increase peoples income d. To increase environmental quality through rehabilitation acceleration and land conservation e. Empowering people in capitalization.
2.	Target	The farmers who already join a group
3.	Start	20 th January 1997
4.	Borrowers Eligibility	The farmers who qualified in technical and economic requirements of the nature silk farming business.
5.	Credit Criteria	
	a. Plafond	Maximum Rp. 2 million per hectare
	b. Interest Rate	0% pa.
	c. Payback Period	Maximum 11 years
	d. Guarantee	<ul style="list-style-type: none"> a. The plants financed by the credit b. Corporate guarantee c. Other forms agreed by the creditor or business partner.
	e. Risk sharing	Failed credit risk is the responsibility of Ministry of Forestry if it is because of force majeure, otherwise it is on the creditor's behalf.
6.	Funding Source	Reboitation Fund
7.	Credit Performance	
	a. Plafond	Rp. 40 billion
	b. Realization	Rp. 20,231,394,600. As per 31 st March 1998
	c. Outstanding	50.58%
8.	Problems / Constraints	<ul style="list-style-type: none"> a. Institutional: Lot of institution involved in the program, so it need time to coordinate between each other. b. Because most of the farmers have low education, it need time for farmers socialization c. Land ownership of the farmers is very small, so the number of farmers to be recruited should be very large, otherwise the facilities in the sub district is very limited.

No.	Main Subjects	
9. 10	Recommendation Institution	<p style="text-align: right;">People Forestry Business Credit</p> <p>This program should be continued due to empowering the farmers capability in capital. Ministry of Forestry</p>

g. FARMERS BUSINESS CREDIT OF RIVER FLOW AREA CONSERVATION (KUK-DAS)

No.	Main Subjects	KUK-DA
1.	Objective	<ol style="list-style-type: none"> 1. To control land erosion and sedimentation 2. To increase farmers income through production increment / intensification of dry farm area. 3. To change the farmer's behavior to be able to manage nature resources, land, water ad plants. 4. To increase institutional act (Farmer Group, KUD, LKMD, etc.) 5. To increase the farmers knowledge about banking service.
2.	Target	<p>Target Location is dry area in the river flow area that specifically should conform to the requirements below :</p> <ol style="list-style-type: none"> 1. Dry area that was in one farming business block that have good farmers group. 2. The land that was belong to the RLKT/UPS/UPM program and succesfull. 3. Processed farming business land 4. The land is belong to the farmers and have a clear status. 5. Not under supervision of other project and not to be supervised by other project. 6. Already have technical plan proposed by Sub Balai Rehabilitasi Lahan dan Konservasi Tanah (Sub BRKT)
3.	Start	<ol style="list-style-type: none"> 1. In year 1988/1989 performed as Pilot Project of KUK-DAS in 2 provinces (Jabar and Jatzeng) in 126.17 ha of land 2. In year 1989/1990 performed as Pilot Project Development of KUK-DAS in 6 provinces (South Sumatera, North Sumatera, Jabar, Jateng, DI Jogjakarta, and Jatim, in 976.79 ha of land 3. In year 1993/1994 performed as KUK-DAS projects in 20 provinces overall Indonesia (except North Sumatera, Jakarta, Middle Kalimantan, East Kalimantan, East Timor, Maluku and Irian Jaya) in 3687.79 ha of land. 4. In 1995/1996 performed as KUK-DAS in 21 provinces in 5084.48 ha of land 5. in 1996/1997 performed in 17 provinces in 5066.76 ha of land. 6. In 1997/1998 performed in 17 provinces in 3873.99 ha of land (in the stage of credit channeling).
4.	Borrowers Eligibility	<p>Creditor's (farmers) criteria is :</p> <ol style="list-style-type: none"> 1. Have big interest and willingness. 2. Willing to change the farming business pattern based on the guidance of the officer in charge. 3. The owner/labor/lender farmers that stay in the KUK-DAS area. 4. Willing to intensify and diversify the farming business which is accompanied with land conservation technique. 5. Member of Farmers Group that united in one piece of business farming land . 6. Willing to join the KUK-DAS activity components and attend the training program.

No. 5.	Main Subjects	KUK-DA
	Credit Criteria a. Plafond b. Interest Rate 3. Payback period 4. Guarantee 5. Risk Sharing 6. Channeling Mechanism	<p>Maximum is Rp. 2 million per hectare. It is calculated based on real requirements analysis of each farmers to do the farming business activities for one cycle of farming business in the project location, and it is channeled through local BPD (Regional Development Bank)</p> <ol style="list-style-type: none"> 1. Interest rate charge to the farmers in year 1993/1994 and before is 12 %pa. According to the President Agreement through State Secretary's Letter No. B-362/M.SesNeg/11/1996, starting from 1st January 1997 interest rate of KUK-DAS Project Year 1993/1994 to be lowered from 12% to 6% pa. 2. According to the President Agreement through State Secretary's Letter No. B-39/M.SesNeg/02/1995, interest rate of KUK-DAS Project Year 1995/1996 to be lowered from 12% to 6% pa which is : <ol style="list-style-type: none"> a. for BPD is 4%, that is 2,9% for bank operation, 0.1% for notary fee, and 1% for bank margin. b. Province and District operational cost is 2%. c. No interest rate for Ministry of forestry deposits. <p>Credit payback period is 5 years, which is inclusive of 1 year grace period. Credit channeling is performed gradually according to the farmers requirements. Credit installment is performed every 6 months (harvest season). In the grace period, the farmers should pay the interest, but several farmers already pay the principal within this period.</p> <p>To get the credit, there is no need of guarantee or collateral from the farmers.</p> <ol style="list-style-type: none"> 1) In Pilot Project KUK-DAS Year 1988/1989, failed credit risk is on the responsibility of PT Askrindo (90%) and BPD (10%). 2) In Pilot Project Development Year 1990/1991, failed credit risk is the responsibility of PT Askrindo (23%), BPD (10%), and Ministry of forestry (67%). 3) Starting from KUK-DAS Project Year 1993/1994, failed credit risk is the responsibility of Ministry of forestry (90%) and BPD (10%). <p>After the technical proposal and the undersigned of Administration Regulation Agreement of KUK-DAS between Director General Reboisation and Land Rehabilitation with BPDs Director, the guaranteed fund transferred to each BPD. The farmer completing the RDK/RDKK and giving the credit application to the bank (BPD). After the proposal evaluated and agreed, then the credit channeled to farmer group.</p>

No.	Main Subjects	KUK-DA
6.	Funding Source	In the operation, BPD is acting as executing bank, so the credit they channeled to the farmers are their own fund. As a guarantee if there are failed credit, The Ministry of Forestry and Plantation put the credit guarantee fund in the form of deposit. The guarantee fund is come from Reboitation fund.
7.	Credit Performance	
	a. Plafond	Rp. 47 billion
	b. Realization	Rp. 32.6 billion (per March 1998)
	c. Outstanding	Interest and principal installment Rp. 7.2 billion.
8	Problems / Constraints	<ol style="list-style-type: none"> 1) Not all of the BPDs is healthy 2) Fertilizer and insecticide not available when needed, so it disturb the schedule of farming and credit principal installment. 3) Climatic change and lateness of credit channeling to the farmers. 4) Lack of farmer's access to conservation business farming technology, post harvest handling, and farming business product marketing. 5) The training given to farmers is not intensive, due to lack of training fund.
9.	Recommendation	<ol style="list-style-type: none"> 1) The main objective of KUK-DAS is providing working capital to the small farmers to perform land and water conservation in the river flow area, environmental restoration and income increment, so the interest rate should be kept low. 2) Because the credit is very specific, which is more in the conservation technical restoration, the activities should be kept performed by the Ministry of Forestry and Plantation, with sufficient fund, and allocated to the training of KUK-DAS in the provinces. 3) The operation of KUK-DAS should be developed with target location and member enlargement, especially where there are high unemployment rate and farming business skill is sufficient.
10	Institution	Ministry of Forestry and Plantation

h. BUSINESS LEARNING GROUP

No.	Main Subjects	Business Learning Group
1.	Objective	To train the member of community that belong to the poverty group, so they have skill they can use to increase their income.
2.	Target	The member of community that have low education and live in poverty.
3.	Start	1983
4.	Borrowers Eligibility	<ol style="list-style-type: none"> 1. Low education 2. Come from poverty family 3. Have no skill that could be used to do business.
5.	Credit Criteria	
	a. Plafond	Rp. 200.000 - 2 million per group (3-5 members)
	b. Interest rate	<p>According to the pattern choose :</p> <ol style="list-style-type: none"> 1. Bank Pattern, interest rate is according to the banking system 2. Cooperative Pattern, according to the AD/ART agreed. 3. Revolving fund.
	c. Payback Period	According to the agreement and regulation based on applied pattern
	d. Guarantee	<ol style="list-style-type: none"> 1. If the pattern they used in bank pattern, learning fund is in the form of deposit certificate as a guarantee, and the learning group will be allowed to take the credit maximum 80% of the deposit value. 2. If they use cooperative pattern, there is no guarantee from program operator. <p>If the business suffer loss or failed, the program operator is the responsible one.</p>
	e. Risk sharing	
6.	Funding Source	IBRD Loan, APBN, Community Self Assessment (Revolving Fund)
7.	Credit Performance	
	a. Plafond	Being consolidated
	b. Realization	
	c. Outstanding	

No.	Main Subjects	Business Learning Group
8	Problems / Constrains	<ol style="list-style-type: none"> 1. Institutional : The coordination between government institution and NGO is not running, whether it s information or program outcome. 2. Credit management : Part of the banks can not channeled the credit at the time 3. Target Group : Low business development motivation, lack of effort and business/product diversification.
9	Recommendation	<ol style="list-style-type: none"> 1. Increase the coordination between related institution and NGO's in planning, operation, evaluation and follow up. 2. fund channeling is not through bank and it is better if it is through Together Business Group 3. Structured and continue business assistance with points of view in business type, quality, and marketing expansion through recruitment of technical source of information.
10	Institution	Directorate of Community Education, Ministry of Education and Culture.

i. SUB DISTRICT DEVELOPMENT PROGRAM AID (PPK), PERFECTION OF IDT & P3DT AID SCHEME

No.	Main Subjects	Sub District Development Program Aid
1.	Objective	<ul style="list-style-type: none"> a. Nationally accelerate the poverty alteration through working capital aid providing which will be used for productive business activities. b. Development of infra structure which will support rural community social economic activities.
2.	Target	<p>Poverty community in the sub district area with the criteria :</p> <ul style="list-style-type: none"> a. The number of under developed villages relatively big. b. Percentage of poverty people relatively big. c. IKMD and regional working unit of development (UDKP) already established and running well. d. The sub district which receive supporting infra structure development fund aid of under developed villages or other aids for at least 5 villages in the respective budget year.
3.	Start	1 st April 1998
4.	Borrowers Eligibility	
5.	Credit Criteria	
6.	Funding Source	Rp. 250 - 750 million per sub district World Bank Loan 90% (USD 225 million) for 3 years, APBN 10%
7.	Credit Performance	<ul style="list-style-type: none"> a. 619 UED-SP pioneered in 1995/1996 already have 30.000 members. b. Capital/savings accumulated at December 1997 is Rp. 3.7 billion.
	<ul style="list-style-type: none"> a. Plafond b. Realization c. Outstanding 	
8.	Problems / Constraints	<ul style="list-style-type: none"> a. Technical development is insufficient b. The training fund is related with other programs c. Limited fund turn to limit the service coverage to the members
9.	Recommendation	<ul style="list-style-type: none"> a. Perfection of technical training system of UED-SP b. UED-SP should be developed in all villages / sub district c. More fund should be provided d. Could be integrated into existing USP - KSP
10.	Institution	

B. INSTITUTIONAL

1. BANK

a. Public Bank

No	Notes	Farming Business Credit (KUF)	Credit for Cooperatives (KKUD)
1	Name	BRI, Bukopin, Danamon, BPD	BRI, BEI, Bukopin, Danamon, and BPD
2	Function	Channeling	Executing
3	Financing Mechanism	Bank - KUD / Farmers Group - Farmers	Bank - KUD
4	Problems/ Constraints	High failed credit due to : <ul style="list-style-type: none"> ■ Development of RDKK in not good ■ Assistance program from field officer in not optimal ■ Weakness of KUD management ■ Nature disasters and bugs attack 	KKUD absorption relatively stable due to : <ul style="list-style-type: none"> ■ Absorption ability of KUD is low ■ Weakness of KUD management

No	Notes	General KKPA	Indonesian Work Force KKPA
1	Name	Bank	4 government Banks, 1 private bank, 1 BPD
2	Function	Executing	Executing
3	Financing Mechanism	Bank - Primary Cooperatives - Cooperative Members	Bank - PJTKI - Indonesian Work Force
4	Problems / Constrains	<ul style="list-style-type: none"> ■ cooperative hard to find core company that willing and capable of partnership ■ credit administration management by the cooperative is insufficient according to the bank, high risk due to new project pioneer, long term investment, and relatively high cost ■ the ability and skill of cooperative member is not distribute evenly ■ coordination will related institution is not running well 	<ul style="list-style-type: none"> ■ some payment responsibility is to heavy for some workers to be paid ■ mechanism and certainty of remittance from TKI is not running well.

No	Notes	KKPA TRI	KKPA Pir Trans KTI
1	Name	BRI, Bukopin, and BPD	Government Banks, Private Banks and BPD
2	Function	Executing	Executing
3	Financing Mechanism	Bank - Cooperative - Cooperative Members	Bank - Cooperative - Cooperative Members
4	Problems / Constrains	<ul style="list-style-type: none"> ■ Increasing failed credit ■ Low productivity ■ Small area 	<ul style="list-style-type: none"> ■ Infra structure in East Indonesia is not supporting ■ Land and legal process need long time due to inter department / institution procedures.

No	Notes	KPRS / RSS	
1	Name	Government Banks, Private Banks, and BPD	
2	Function	Executing	
3	Financing Mechanism	Bank - Customer	
4	Problems / Constrains	<ul style="list-style-type: none"> ■ land price especially in big city relatively very high ■ low profit margin make the developer hesitate to build RS / RSS 	

No	Notes	KMK - UKM	KPKU
1	Name	Government Bank & Bukopin	BNI and BRI
2	Function	Executing	Executing
3	Financing Mechanism	Bank - Customer	Bank - UKM - Prokesra Group
4	Problems / Constrains	<ul style="list-style-type: none"> a. Hard to find customer which conform to the criteria and feasible to be funded b. Bank should find another fund sources as a replacement of BUMN's fund which is already used for other scheme c. It is not clear whether the payback period could be stretched after due time with the same 17% interest rate d. Due to bank responsible for the risk, bank will be more selective, and it will need more time 	<ul style="list-style-type: none"> ■ Prokesra hard to find business partner

No	Notes	Revolving fund	
1	Name	Public Bank and BPD	
2	Function	Executing	
3	Financing Mechanism	Bank - Small Business Customer	
4	Problems / Constrains	Hard to find feasible group	

No	Notes	KUK	Kopedes
1	Name	Public Bank and BPR	BRI
2	Function	Channeling and Executing	Executing
3	Financing Mechanism	<ul style="list-style-type: none"> a. Public Bank - Small Business Customer b. Public Bank - BPR - Small Business Customer c. Public Bank - Cooperative - SB Customer d. Public Bank - Financing Institution - SB Customer e. Public Bank - Big Business - SB Business f. BPR - SB Customer 	BRI - Small Business Customer
4	Problems / Constrains	<ul style="list-style-type: none"> a. From Demand Side : <ul style="list-style-type: none"> ■ The customer can not expose the business feasibility ■ Limitation in marketing aspect, production technical, management and organization ■ Not conform with technical bank criteria b. From bank side : <ul style="list-style-type: none"> ■ High transaction cost ■ Hard to find feasible customer ■ High risk ■ Limited network of branch offices 	<ul style="list-style-type: none"> a. From Small Business side : not enough collateral b. From Banking side : high transaction cost

No	Notes	SMIEP	ATP
1	Name	Government Banks, BPD, Private Banks	Government Banks and Private Banks
2	Function	Executing	Executing
3	Financing Mechanism	- Lender - BI - Executing Bank - End user	27 th March 1992
4	Problems / Constrains	Banks ability to absorb the credit is different, meanwhile the plafond is already determined.	<ul style="list-style-type: none"> ■ Banks ability to absorb the credit is very small and different ■ Interest rate relatively higher than that of KUT ■ Application requirements is not simple and reimburse process is slow

No	Notes	Pollution Abatement Equipment	Small Scale Enterprise Project
1	Name	Government Banks, Private Banks and BPDs	Government Banks, Private Banks and BPDs
2	Function	Executing	Executing
3	Financing Mechanism	Lender - BI - Executing Bank - End User	Lender - BI - Executing Bank - End User
4	Problems / Constrains	<p>PAE I :</p> <ul style="list-style-type: none"> ■ Banks ability to absorb the credit is different, meanwhile the plafond is already determined, but due to there is still time for withdrawing, plafond reallocation is performed. ■ Credit absorption is dominant in Java Island. <p>PAE II :</p> <ul style="list-style-type: none"> ■ No problem found yet. 	<ul style="list-style-type: none"> ■ Bank ability to absorb the credit is different ■ Limited eligible customer ■ replenishment application for small business and venture capital company should be at the same time, meanwhile absorption rate of small business is faster than that of YCC.

No	Notes	Cooperative Credit Program	Industrial Pollution Control
1	Name	Bukopin	Government and Private Banks
2	Function	Executing	Executing
3	Financing Mechanism	Lender - BI - Executing Bank - Cooperative - Groups - Cooperative Member	Lender - BI - Executing Bank - End User
4	Problems / Constrains	<ul style="list-style-type: none"> ■ Credit absorption is rather slow due to channeled by the KUD which have very small scope and little plafond. That's why the lender change the scheme ■ Higher interest rate than that of cooperative credit program 	

No	Notes	Micro Credit Project	
1	Name	BPD and BPR	
2	Function	Executing	
3	Financing Mechanism	BI - BPD/BPR - Micro Customer	
4	Problems / Constrains	<ol style="list-style-type: none"> a. Late project start b. Delayed consultant recruitment c. Target of 300,000 customer and 1145 LXP will be reached gradually. 	

No	Notes	Business Feasibility Kredit (KKU)	Rural Cooperative Credit Service Centre
1	Name	Government Bank	Bukopin
2	Function	Executing	Executing
3	Financing Mechanism	Bank - SB Customer	Bank - Rural Cooperative
4	Problems / Constrains	<ul style="list-style-type: none"> a. Bank hard to judge the business feasibility due to limited information to measure its feasibility. b. Some business is moving around, with very simple administration, even there is no activity records, so there is difficult to judge the performance 	<ul style="list-style-type: none"> ■ Group to be financed is decreasing, due to enlargement for supervision coverage of BRI

No	Notes	Very Small Business Kredit	
1	Name	BCA	
2	Function	Executing	
3	Financing Mechanism	BCA - Micro Customer	
4	Problems / Constrains	<ul style="list-style-type: none"> ■ Due to handled individually, the administration cost is very high ■ Joint responsibility is not announced yet, and no requirements of additional collateral. 	

b. People's Credit Bank

No	Notes	Small Business Credit (KUK)	Micro Credit Project
1	Name	Public Bank & BPR	BPD and BPR
2	function	Channeling and Executing	Executing
3	Financing Mechanism	a. Bank - SB Customer b. Public Bank - BPR - SB Customer c. Public Bank - Finance Institution - SB Customer d. Public Bank - Cooperative - SB Customer e. Public Bank - Big Business - SB Customer f. BPR - SB Customer	BI - BPD/BPR - Micro Customer
4	Problems / Constrains	2. From Demand Side : <ul style="list-style-type: none"> ■ The customer can not expose the business feasibility ■ Limitation in marketing aspect, production technical, management and organization ■ Not conform with technical bank criteria b. From bank side : <ul style="list-style-type: none"> ■ High transaction cost ■ Hard to find feasible customer ■ High risk ■ Limited network of branch offices 	a. Late project start b. Delayed consultant recruitment c. Target 300,000 customers and 1145 LKP will be reached gradually.

No	Notes	Bank Relation with KSM Project (PHBK)	
1	Name	Public bank and BPR	
2	Function	Executing	
3	Financing Mechanism	Bank - KSM/LPSM - Member of KSM / LPSM	
4	Problems / Constrains	<ul style="list-style-type: none"> ■ Assistance performed by the group should be done independently. ■ Distorted market due to availability of low market interest rate ■ Lot of the group is not solid yet. 	

c. Profit Loss Sharing Bank

1. Bank Muamalat Indonesia (BMI)

No	Notes	Profit Loss Sharing Pattern
1	Name	Bank Muamalat Indonesia
2	Function	<ul style="list-style-type: none"> ■ Collecting and channeling of people's fund ■ To increase the participation of muslim businessman in the economic community and as a catalizator of development of syariah finance institution.
3	financing Mechanism	<ul style="list-style-type: none"> ■ Directly to the small and medium business, and cooperative ■ Through Syariah financial Institution to be channeled to small business and cooperative ■ Through cooperative to be channeled to the members that have productive business.
4	Problems / Constrains	<ul style="list-style-type: none"> ■ The limitation to reach financial target ■ Weak syariah financial institution network (BMI, BPRS, BMI) network

2. BPR Syariah

No	Notes	BPR Syariah	
1	Name	BPR Syariah	
2	Function	To collect and channel the people's fund	
3	Financing Mechanism		
4	Problems / Constrains		

2. Non Bank Financial Institution

a. Saving and Borrowing Cooperative / Saving and Borrowing Unit of Cooperative (USP/KSP)

No	Notes	USP / KSP
1	Name	<ul style="list-style-type: none"> ■ Saving and Borrowing Cooperative ■ Saving and Borrowing Unit of Urban Cooperative ■ Saving and Borrowing Unit of KUD
2	Function	<ul style="list-style-type: none"> ■ Executing
3.	Credit Scheme	Commercial loan
3	Financing Mechanism	<ul style="list-style-type: none"> ■ Group ■ Directly to the members
4	Problems / Constrains	Human Resources Quality of USP / KSP should be increased.

b. State Owned Companies (BUMN)

No	Identification	Explanation
1	Name	BUMN
2	Function	As a guide of small business and cooperative in : 1. Training and education, and research to increase the entrepreneurship ability, management and production technical skill. 2. Providing working capital and investment loan to increase the production and marketing. 3. Marketing and promotion of product 4. Providing loan to help getting bank credit and / or transaction with the third party. 5. Placement in venture capital company in the provinces that help capital and loan for small business and cooperatives.
3.	Credit Scheme	Channeling Target : 1. Small business at least 50% 2. Cooperatives maximum 50%, inclusive of 5% of BUMN's respective employee cooperative. Loan Scheme : 1. Loan for investment and working capital, maximum 75% of requirements 2. Charity for training and education, promotion and research : maximum 30% of fund available every year, and for each supported partner is maximum 75% of requirements. 3. Special placement for venture capital company
3	Financing Mechanism	Small Business and Cooperative forwarding an proposal application to the BUMN in each region and / or to the Cooperative Ministry Office and Province/District PPK. If the business is feasible, the BUMN will channeled the fund.
4	Problems / Constrains	For BUMN : - quantity and quality of Human Resources - quantity of operational cost - coverage of assistance area - assistance ability, especially for business partner that have no business relationship For Small Business and Cooperative, limitation of : - quantity and quality of Human Resources - Information access - Market access - Capital Access - Technology Access

c. Perum PPK

No	Identification	Explanation
1	Name	Perum PPK (Pembangunan Keuangan Koperasi – Cooperative financial Development)
2	function	a. To serve cooperative, cooperative member, cooperative member candidate, and small businessman, in the form of bank or other institution credit guarantee, loan disbursement in the form of money or goods. b. To develop cooperative and its members financial capability, to support government development program.
3.	Financing Facility	a. Credit Guarantee : - Program credit - General credit for all sector - Loan
3	Financing Mechanism	a) Guarantee <ul style="list-style-type: none"> ◆ Pattern I : Perum PPK give a guarantee to the cooperative, and then applied for a credit to the bank. ◆ Pattern II : The cooperative apply for a credit to the Bank and apply for a guarantee to Perum PPK. Credit guarantee is established if Bank and Perum PPK agree. ◆ Pattern III : Bank guarantee the realized credit to the cooperatives. b) Loan <ul style="list-style-type: none"> ◆ Client could be apply directly to Perum PPK. Meanwhile in process, the client will be prepared by a business consultant provided by Perum PPK
4	Problems / Constrains	a. Coverage area of Perum PPK is limited due to limitation of branch offices. b. Perum PPK is not authorized to form risk reserve fund from a part of premium income, so the net-worth growth is limited. c. Perum PPK did not insure against guarantee risk possibilities. d. Limited fund resources to perform loan activity.
		It is expected that Perum PPK not only guarantee the cooperative, but small and medium business also.

d. PT Askrindo

No	Identification	Explanation
1	Name	PT Asuransi Kredit Indonesia
2	Function	<ul style="list-style-type: none"> a. To enlarge small business access to the bank b. Helping bank to fulfill the requirements of credit channeling for small busines
3.	Facilities	<ul style="list-style-type: none"> a. Credit Insurance b. Credit Guarantee (being developed)
3	Financing Mechanism	<ul style="list-style-type: none"> a. Credit Insurance <ul style="list-style-type: none"> PT Askrindo and the Bank undersigned credit insurance agreement : - CAC Pattern : Bank channeled the credit, and bank forwarding a declaration of insurance amount to get insurance - CBC Pattern : Bank apply for insurance closing for the credit already channeled, PT Akrindo will give approval / denial, in case of approval the bank will channeled the credit b. Credit Guarantee <ul style="list-style-type: none"> PT Askrindo and the Bank undersigned credit insurance agreement : Direct Pattern : <ul style="list-style-type: none"> 1. UKM forwarding an application to the PT Askrindo 2. PT Askrindo give an approval / denial 3. In case of approval of PT Askrindo, then it is continued to the bank to obtain the credit Indirect Pattern : <ul style="list-style-type: none"> 1. UKM forwarding an application to the bank 2. Bank apply for a credit guarantee to PT Askrindo 3. PT Askrindo give an approval / denial 4. In case approved by PT Askrindo, Bank will channeled the credit
4	Problems / Constrains	<ul style="list-style-type: none"> a. Credit Insurance <ul style="list-style-type: none"> 1. External factor influence is dominant 2. Product marketability is relatively low 3. Premium Tariff is sold underprice 4. At themoment, exposure relative low, high interest rate 5. To ... and handle claim that is unpredictable, the function of Government as the last resort should be cleared. 6. Limited working network (3 branch offices and 3 representatives offices) b. Credit Guarantee <ul style="list-style-type: none"> 1. Government Support 2. Institutional 3. Capital and Funding 4. Resources and Working Network

e. Venture Capital Company

No	Identification	Explanation
1	Name	Venture Capital Company, which is 31 companies, that is : 1. PT Bahana Artha Ventura 2. PT Astra Mitra Ventura 3. PT Bhakti Sarana Ventura 4. PT BDN I Ventura 5. 27 Regional Venture Capital Companies
2	Function	1. To perform financing activities in the form of temporary capital placement (maximum for 10 years) to the business partner company (not go public) 2. Venture capital financing could be accompanied with business management involvement or another technical aid needed by the business partner company. 3. To perform the business activities, YCC act as a fund source that directly perform financing to the business partner companies that conform with eligibility requirements.
3.	Credit Scheme	Venture Capital Financing could be performed in the manner : - Capital placement to the business partner company which is in PT form. - Convertible obligation financing to business partner companies which is in PT form. - Profit Loss Sharing to the business partner companies which is in PT form or personal companies.
3	Financing Mechanism	Notes : Venture capital financing for small, medium business and cooperative usually performed in the form of profit loss sharing. 1. Parties involved in the venture capital financing activities are venture capital company (fund source), and business partner company (who need finance) 2. Finance application forwarded by the business partner candidate, accompanied with business plan that have financing requirements plan and have fund usage plan. 3. YCC evaluate the eligibility and prospect of the business partner candidate. 4. YC financial channeling performed directly by the venture capital company to the business partner company that conform with the requirements.
4	Problems / Constrains	1. Limited Human Resources who knows venture capital adequately. 2. Weak networking for information access and / or evaluating business activity of various business partner candidates. 3. Limited capitalization due to unclear of legal aspect to establish a fund company.

f. Balai Usaha Mandiri Terpadu (BMT – Integrated Independent Business Agency)

No	Identification	Explanation
1	Name	BMT – Balai Usaha Mandiri Terpadu
2	Function	<ul style="list-style-type: none"> - To push saving activities of lower level community with profit loss sharing pattern. - financing the micro business. - To increase productive and continues activity of micro business and lower level community. - Help BAZIS to channeled the zakat, infaq, and sedekah with charity financing scheme - Develop working network between BMT's vertically, and with other LKS horizontally. - As an economic developing institution of micro business and poor community which is independent and continue - As an NGO that based on familihood and independencies.
3.	financing Scheme	<ol style="list-style-type: none"> 1. Choosing fund acceptor candidate that is feasible. 2. Have a discussion with the candidate looking for a better way to manage the companies to be provided so it will much more profitable. 3. Reach a consensus of profit loss sharing proportion. 4. financing agreement performed contractually and sipiritually.
4	Problems / Constrains	<ul style="list-style-type: none"> - Human Resources Skill who will manage the BMT is not adequate, due to lack of more specialized advanced training. - Lack of skill of the management in interpreting BMT's financial report - fund source for BMT management training have not found. - Lack of management skill in meeting - Lack of management skill in finding and identifying strategy and healthiness of the BMT. - Hard to collect enough starting capital for BMT in the rural area.

g. Indonesian Cooperative Financing (KPI)

No	Identification	Explanation
1	Name	Koperasi Pembiayaan Indonesia
2	function	<ul style="list-style-type: none"> a. KPI as a multi finance : serve financing for cooperative, cooperative members, small, medium business and other community that business activities is in line with KPI's business b. KPI cooperation with YPP-RaboBank : Serve micro enterprise as a cooperative member in the form of saving -- borrowing activities with group system in KUD / Cooperative. c. KPI cooperation with MCBA-CBI help financing the cooperative and small and medium business which business activities are export oriented and giving some employment opportunities.
3.	financing Facilities	<ul style="list-style-type: none"> a. KPI as a multi finance in financing activities : factoring, leasing and multi purpose finance. b. KPI cooperation with YPP-RaboBank : through saving-borrowing activities with group system, serve financing to the cooperative members for productives activities up to Rp. 1million (micro enterprise that also as a cooperative member are farmers, merchant, handcrafters, etc) c. KPI cooperation with MCBA-CBI help financing for cooperative, small and medium business, for investment and working capital.
4	Problems / Constrains	<p>KPI-as multi finance :</p> <ul style="list-style-type: none"> a. Limited fund source, and never involved in government program credit channeling or foreign aid. b. Fund source is bank, so the interest rate is high for small business and cooperatives. c. The customer need assistance in management, marketing, production engineering, and financial. <p>Networking KPI in saving-borrowing</p> <ul style="list-style-type: none"> a) idem with KPI as multi finance b) long term (at least 7 years) fund source required <p>Networking KPI in export development and employment opportunities creation.</p>

3. GOVERNMENT (TECHNICAL MINISTRY)

a. Ministry of Internal Affairs

No	Identification	Explanation
1	Name	Community Independent Group IDT (Kelompok Swadaya Masyarakat)
2	Function	Managing and channeling loan fund of IDT program to poverty people that perform productive business activities.
3.	Credit Scheme	Direct Aid of IDT Program for working capital
3	financing Mechanism	<ol style="list-style-type: none"> 1. IDT Program fund provided by APBD and channeled gradually to community group (Pokmas) through bank or other financial institution assigned by the Government, according to the working plan authorized by the Village Head and Sub District Head. 2. IDT Program fund is a revolving fund that is managed by group and channeled to the members as a loan that should be returned to the group with requirements according to the local conditions and members agreement. 3. The funds revolving mechanism between the members of the group is determined by the group according to local community culture based on togetherness and cooperative principles. 4. Each funds reimbursement should be accepted and wholly accepted by the group members. Head of group should make a declaration that the members accept the fund according to the plan.
4	Problems / Constrains	

j. CREDIT AID FOR STUDENTS (KBKM)

No.	Main Subjects	Credit Aid For Students
1.	Objective	To save human resources productive assets and nation future leader. Due to monetary crisis, lot of families having difficulties to feed their members, so they are unable to finance the education of their children.
2.	Target	Students whom their parents income is less than Rp. 500,000 per month.
3.	Start	As soon as possible
4.	Borrowers Eligibility	PTN and PTS students whom their parents income is less than Rp. 500,000 per month, and the fee of the respective PTN and PTS is not higher than the highest fee of the local PTN.
5.	Credit Criteria	
	a. Plafond	Rp. 350,000 per year
	b. Realization	-
	c. Interest Rate	0%
	d. Payback period	15 years inclusive of 5 years grace period
	e. Guarantee	Guaranteed by the universities where the students are attended.
	f. Risk sharing	Universities responsible for the revolving fund.
6.	Funding Source	Special Government fund of DIP - APBN
7.	Credit Performance	
	a. Plafond	120,000 students @ Rp. 350,000 / year = Rp. 42 billion.
	b. Realization	lend to the universities, and the universities lend it to the eligible students according to national guide line, and the universities have the rights to develop technical criteria. Kept in the universities, to be used in the next budget year. The universities give the accountability of revolving fund system.
	c. Outstanding	
8.	Problems / Constraints	The universities uncertainly will execute the scheme without any incentives.
9.	Recommendation	The universities who will execute this scheme will be given operation incentives 3%.
10.	Institution	All of the Universities with eligibility.

k. JOB SCHOLARSHIP

No.	Main Subjects	Job Scholarship
1.	Objective	To save the education of the students from the poor family as future productive assets.
2.	Target	The students whom their parents income is less than Rp. 500,000 per month
3.	Start	ASAP
4.	Borrowers Eligibility	PTN and PTS students whom their parents income is less than Rp. 500,000 per month, and the fee of the respective PTN and PTS is not higher than the highest fee of the local PTN.
5.	Credit Criteria	
	a. Plafond	Rp. 700.000 per year
	b. Realization	-
	c. Interest Rate	0%
	d. Payback period	
	e. Guarantee	Guaranteed by the universities where the students are attended.
	f. Risk sharing	
6.	Funding Source	Special Government Fund of DIP - APBN
7.	Credit Performance	
	a. Plafond	137,000 students @ Rp. 700,000 / year = Rp. 95.9 billion.
	b. Realization	Lend to the universities, and the universities lend it to the eligible students according to national guide line, and the universities have the rights to develop technical criteria.
		Kept in the universities, to be used in the next budget year. The universities give the accountability of revolving fund system.
8.	Outstanding Problems / Constraints	The universities uncertainly will execute the scheme without any incentives.

I. CREDIT FOR COOPERATIVES

No.	Main Subjects	Credit for Cooperatives
1.	Objective	To fulfil working capital and investment requirements for primary and secondary cooperative to support members business.
2.	Target	All cooperative that have business in the field of production, trade service, and saving and borrowing
3.	Start	Budget Year 1998/1999
4.	Borrowers Eligibility	Healthy cooperative and in the production field (farming, industry), service and trade.
5.	Credit Criteria	
a.	Plafond	According to cooperative business feasibility requirements
b.	Interest Rate	16%pa
c.	Payback Period	1 year for working capital, and for investment, the payback period is adjusted to the ability of installments.
d.	Guarantee	Supported by Perum PKK guarantee
e.	Risk sharing	Government 25%, Executing Bank 5%, Perum PKK 70%
6.	Funding Source	BI's buffer / People's fund with interest subsidized from APBN
7.	Credit Performance	
a.	Plafond	
b.	Realization	
c.	Outstanding	
8.	Problems / Constraints	
9.	Institution	Government Banks and Saving – Borrowing Cooperatives
10.	Remarks	KKOP as a perfection of KKUD

m. FINANCE FOR THE SMALL BUSINESS AND SMALL BUSINESS OF COOPERATIVE MEMBERS (KPPK)

No.	Main Subjects	Credit for Small Business and Small Business of Cooperatives Members
1.	Objective	To fulfill working capital and investment requirements of small business and small business of cooperative members
2.	Target	Small business and small business of cooperative members, that is farmers, fishermen, handcrafters, merchants, ex layoff businessmen.
3.	Start	1998/1999 budget year
4.	Borrowers Eligibility	Small business with guaranteed marketing
5.	Credit Criteria	
	f. Plafond	According to the cooperatives business feasibility requirements.
	g. Interest Rate	16% pa
	h. Payback Period	Working capital : 1 year, investment is up to the credit installment ability.
	i. Guarantee	Supported by the guarantee of Perum PKK
	j. Risk sharing	Government 25%, Executing Bank 5%, Perum PKK 70%
6.	Funding Source	BI's buffer / Peoples Fund with interest support from APBN.
7.	Credit Performance	
	d. Plafond	
	e. Realization	
	f. Outstanding	
8.	Problems / Constraints	
9.	Institution	Government Bank and Saving and Borrowing Cooperatives
10.	Remarks	KKOP as a perfection of KKUD

14. Pollution Abatement Equipment (PAE)

No.	Main Subjects	Pollution Abatement Equipment (PAE)						
1.	Objective	<ul style="list-style-type: none"> • Helping small business funding • Financing pollution abatement equipment • Supporting Technical Assistance by Bapedal 						
2.	Target	<ul style="list-style-type: none"> • Small business (PAE I) • Medium Business (PAE I & II) 						
3.	Start	<ul style="list-style-type: none"> • PAE I: 1993 (15th August 1998) • PAE II: not starting yet 						
4.	Borrowers Eligibility	<p>PAE I:</p> <ul style="list-style-type: none"> • Export oriented small business in non-manufacturing sector <p>PAE I & II:</p> <ul style="list-style-type: none"> • Medium business that produce pollution and recommended by Bapedal 						
5.	Credit Criteria	<p>PAE I</p> <ul style="list-style-type: none"> • Plafond: SSI: Rp. 100 million PAE I: unlimited • Interest rate: SSI: SBI + 2.5% PAE I: SBI • Payback period: 20 years • Risk sharing: participating bank 100% <p>PAE II</p> <ul style="list-style-type: none"> • Unlimited plafond • Market interest rate • Payback period 15 years • Risk sharing: participating bank 100% 						
6.	Funding Source	OECF						
7.	Credit Performance	<table border="0"> <tr> <td>PAE I</td> <td>PAE II</td> </tr> <tr> <td>JPY 16.2 billion</td> <td>JPY 20.4 billion</td> </tr> <tr> <td>JPY 14.9 billion</td> <td></td> </tr> </table>	PAE I	PAE II	JPY 16.2 billion	JPY 20.4 billion	JPY 14.9 billion	
PAE I	PAE II							
JPY 16.2 billion	JPY 20.4 billion							
JPY 14.9 billion								
	a <input type="checkbox"/> Plafond							
	b <input type="checkbox"/> Realization							
	c <input type="checkbox"/> Outstanding							

No.	Main Subjects	Pollution Abatement Equipment (PAE)
8	Problems / Constraints	PAE I : <ul style="list-style-type: none"> • Different bank ability to absorb the credit, meanwhile plafon already determined, but due to enough withdrawing time, it is being performed plafond realocation • Credit absorption dominantly in Java
9	Institution	State Owned Bank, BPD and Private Bank

15. Very Small Business Credit (KUSK)

No.	Main Subjects	Very Small Business Credit
1.	Objective	Supporting micro business capital through working capital preparation.
2.	Target	Micro business
3.	Start	January 1996
4.	Borrowers Eligibility	<ol style="list-style-type: none"> a. Have merchant experience b. At least 6 months in business c. Own a permanent business site and located at strategic place
5.	Credit Criteria	<ol style="list-style-type: none"> a. Plafon Rp. 200,000 - 1 million b. Market interest rate c. Payback period : 6 - 12 months d. Guarantee : business funded e. Risk sharing : Bank 100%
6.	Funding Source	Bank 100%
7.	Credit Performance	Per September 1997
	<ol style="list-style-type: none"> a. Plafond b. Realization c. Outstanding 	
8	Problems / Constraints	<p>Rp. 12.03 billion</p> <ul style="list-style-type: none"> • High administration cost due to individual treatment • Profit loss sharing has not yet introduced • Additional collateral not required
10	Institution	BCA

2. LOAN

a. Saving Borrowing Business

No.	Main Subjects	Saving Borrowing Business
1.	Objective	Increase business capital and other needs of cooperative member
2.	Target	<ul style="list-style-type: none"> • Cooperative member 27 million • Cooperativ 52 thousand
3.	Start	The release of Cooperative Law
4.	Borrowers Eligibility	<ul style="list-style-type: none"> • cooperative movement • member of cooperative • have business feasibility
5.	Credit Criteria	<ul style="list-style-type: none"> a. Plafond determined by each cooperatives b. Interest rate 2-3% per month c. Payback period 3-10 months d. Guarantee : profit-loss sharing e. Risk sharing : Cooperative 100%
6.	Funding Source	<ul style="list-style-type: none"> • Cooperative capital • Loan of Bank • Members saving
7.	Credit Performance	
	a <input type="checkbox"/> Plafond	
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	
8	Problems / Constraints	Rp. 5.415 trillion
10	Institution	Limited fund available, a lot of cooperative member unserved by KSP / USP Executing and Channeling : KSP, USP KP, USP KUD

b. BUMN Profit Fund Loan

No.	Main Subjects	BUMN Profit Fund Loan
1.	Objective	<ul style="list-style-type: none"> • To develop strong cooperatives • improve human resources ability in technology transfer • develop partnership between BUMN, UK and cooperatives
2.	Target	personal or group small business and primary cooperatives that do not have access to the bank
3.	Start	1990 based on SK of Finance Minister No. 1232/KMK.013/1989 which renewed with No. 316/KMK.016/1994
4.	Borrowers Eligibility	<ul style="list-style-type: none"> • running business (at least for 2 years) • not bankable or have not enough collateral • annual sales maximum Rp. 50 milliom • not being supervised partner of other BUMN
5.	Credit Criteria	<ol style="list-style-type: none"> a. Plafond : undetermined b. Interest rate : average 6% per year c. Payback period : 1 - 2 years d. Guarantee : the business itself e. BUMN 100%
6.	Funding Source	1 - 3 % of BUMN's net profit
7.	Credit Performance	1997
	a. Plafond	
	b. Realization	
	c. Outstanding	Rp. 153.5 billion

No.	Main Subjects	BUMN Profit Fund Loan
8	Problems / Constraints	<ul style="list-style-type: none"> • The loan accompanied with technical assistance, but otherwise it's often found mismatch between BUMN's competence with the requirements of supervised partner • Limited fund available compared with what is needed , so BUMN using evenly approach in distribution with very small plafond (Rp. 5 million per debtor)
9	Institution	Executing : BUMN, Channeling : State Owned Bank

3. FINANCING

a. Venture Capital Financing

No.	Main Subjects	Venture Capital Financing
1.	Objective	<ul style="list-style-type: none"> to support small, medium and cooperatives activities by provide financing in the form of convertible bonds or profit loss sharing. increasing entrepreneurship dan business ability of small and medium businessman and cooperatives, with pay attention to good business manner. Ventzre capital financing could be accompanied with involvement in business management or technical assistance required by the business partner.
2.	Target	<ul style="list-style-type: none"> Small and medium business, and cooperatives In the form of personal, group or legal business In real and service sector, except finance business
3.	Start	1993
4.	Partners Eligibility	<ul style="list-style-type: none"> 1 <input type="checkbox"/> Have transparent and feasible business 2 <input type="checkbox"/> Net asset maximum Rp. 200 million or annual sales maximum Rp. 5000 million 3 <input type="checkbox"/> Good business management 4 <input type="checkbox"/> good business performance 5 <input type="checkbox"/> Good business prospect, have potential to grow 6 <input type="checkbox"/> Have profitable divest possibilities
5.	Credit Criteria	<ul style="list-style-type: none"> Plafond : Rp. 50 - 500 million Share capital placement : IRR > 21%pa <ul style="list-style-type: none"> ■ Convertible obligation : according to the agreement (usually under market interest rate ■ Profit Loss sharing : accroding to the agreement, calculated from profit earned during financing period. Payback period maxium 10 years Gurantee : business prospect of partner candidate Risk sharing : According to financing scheme provided : <ul style="list-style-type: none"> Share capital placement : proportionally divided risk sharing Convertible obligation : on business partner's hand Profit loss sharing : profit-loss risk will be on both account according to the agreement, meanwhile the return of principal will be on business partner behalf

No.	Main Subjects	Venture Capital Financing
6.	Funding Source	
7.	Credit Performance	
	a <input type="checkbox"/> Platond	
	b <input type="checkbox"/> Realization	
	c <input type="checkbox"/> Outstanding	
8	Problems / Constraints	
10	Institution	

b. Profit Loss Sharing

i) BMT

No.	Main Subjects	Balai Usaha Mandiri Terpadu (BMT)
1.	Objective	<ol style="list-style-type: none"> 1. To encourage the spirit, providing situation and ability to support saving activity of lower level community. 2. More effective channeled and utilization of profit loss financing scheme for micro business in rural or urban area. 3. Unity of financing the business activity with daily real life
2.	Target	<ol style="list-style-type: none"> 1. Micro businessman with annual sales maximum Rp. 50 million 2. Poverty community with charity financing scheme.
3.	Start	1995
4.	Borrowers Eligibility	<ul style="list-style-type: none"> ◆ Have true domicile location ◆ Have business or business plan that clear, real, have business site, business ways, and understand how to earn profit
5.	Credit Criteria	<ol style="list-style-type: none"> a. Plafond : Rp. 50.000 — 100.000 b. Interest rate : According to the agreement based on business type, and prospect c. Payback period : Maximum 1 year d. Guarantee : Personal Guarantee e. Risk sharing : Principally risk shared together, followed by business training, but in case of failure, it will be on BMT's behalf.
6.	Funding Source	<ul style="list-style-type: none"> ◆ Member : 94% ◆ BUMH : 3 % ◆ BAZIS : 1% ◆ Local Government : 1% ◆ Institution/Foundation : 1%
7.	Credit Performance	<p>Rp. 150 billion</p> <p>Rp. 116.321.550.000 :</p> <ul style="list-style-type: none"> ◆ Installment Sell-Buy Financing : Rp. 73.282.576.500 ◆ Working Capital Sell-Buy Financing : Rp. 16.285.017.000 ◆ Full Profit-Loss Sharing Financing : Rp. 9.305.724.000 ◆ Charity Loan : Rp. 11.632.155.000
	a. Plafond	
	b. Realization	
	c. Outstanding	

No.	Main Subjects	Balai Usaha Mandiri Terpadu (BMT)
8	Problems / Constraints	<ul style="list-style-type: none"> ◆ Micro businessman do not have long range business vision. ◆ Lot of micro business trap into rentenir business, the loan from BMT they used for pay the loan from rentenir. ◆ No institution take care of insufficient liquidity of BMT, especially in Idul Fitri holiday. ◆ Big fund withdrawing due to increase of interest rate in conventional banking. ◆ Hard to get loan from BUMN Profit Fund, KPKU, Kukesra, and PHBK. ◆ Lot of BMT do not have legal license (as cooperative) so it is hard to get financing facilities from government financing program.
9	Institution	BMT

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