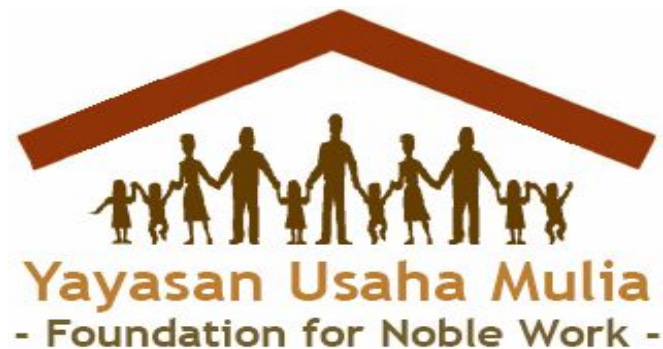


Progress Report to SD Canada

Microcredit for Women & Sewing Project Central Kalimantan

December 2011 progress report



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Project Background

YUM's Microcredit Project

Self-employment in the Bukit Batu area is high and local women are engaged in a number of different small-business activities. Access to the formal credit market remains largely unobtainable to poor women in the Bukit Batu area and projects such as the YUM cooperative will bridge an important gap in the credit market.

In 2001, the Indonesia Relief & Development Network (IRDN), now legally merged with YUM, started a small microcredit project in Kalimantan under the name of "Women to Women". SD Canada, always supportive of that project, generously provided YUM with several grants for its continuation.

In April 2009, a new law was passed in Indonesia, ruling that microcredit operations must be run by a cooperative or a rural bank, no longer by charitable foundations such as YUM. This suspended YUM's Microcredit Project as YUM had to invest a considerable amount of time into research and the redesign of the project, including the legal establishment of a cooperative. After socializing the cooperative with the local communities, 40 women expressed their interest to become cooperative members. In February 2010, the legal notary registration for *Koperasi Serba Usaha – Usaha Mulia* (KSU – Usaha Mulia) was completed, but it took several months to obtain the signature of the Governor of Central Kalimantan to be able to start operations. Unfortunately, by that time, the 40 women had given up on their idea of joining KSU – Usaha Mulia.

In August 2011, the microcredit project took a new start with the launch of the YUM Kalimantan Sewing Project. The 8 trainees expressed the need for sewing machines to start running their own business and therefore joined KSU – Usaha Mulia to obtain a loan for this purchase. Combining the sewing project with the microcredit project is a great asset for the Microcredit for Women project as it ensures that women will have the suitable skills to run their own business after having completed the training.

YUM places priority on strengthening local communities with vocational skills and knowledge required to enhance self-confidence and independence in the future. The ultimate goal of the sewing project is that it will be an ongoing virtuous circle of learning as trained women share their skills with younger generations. Combining the sewing project with microcredit consequently ensures sustainable business growth for the local communities.

This project also aims at preserving the indigenous Dayak culture of local communities by encouraging and guiding participants to produce works based on Dayak design and cultural elements. Dayak cultural sustainability will be achieved indirectly from the activities of promotion and publicity of the end products to be spread widely in tourism circles.

Activities of the project

Cooperative Progress

Administrative evolution: On October 24th 2011, Rusdi, YUM Kalimantan's project manager and Lilli, in charge of the Microcredit project, were invited by the Provincial Cooperative Department. Following the advices of the local government, YUM made changes in its Cooperative Committee. A meeting with the community was held early November to appoint new management for the cooperative. As requested by the Provincial Cooperative Department, a name plate still needs to be installed at the cooperative office. All these events allow YUM to address a project fitting the local community needs as best as possible.

Progress of the project:

On October 31st, YUM bought 8 sewing machines through the cooperative (Rp 1.200.000 per machine); Seven machines for the sewing project participants and one for a YUM staff who is part of the cooperative.



Above pictures show the handover of the sewing machines to the cooperative members.

As the cooperative is starting to run, the organization of the loan distribution has been clarified: Each member is allowed a Rp 1.200.000 loan from the KSU – Usaha Mulia cooperative, corresponding to the price of the sewing machine. It is planned that this loan should be paid back over a 10 months period, with an installment due every week. The cooperative members have started repaying the loan since the 2nd of November. (For further details, please refer to the grids below) As the sewing training is going to welcome new trainees every 4 months, it is expected that these participants may join the cooperative. Therefore, the cooperative should greet around 24 women over the next 12 months. It is planned that one leader is elected for each group of 8 women, to ensure timely return of the loans. The members of the cooperative will also have to meet monthly so as to coordinate their progress.

Credit members are asked to repay the loan on a weekly basis:

Weekly payement / 40 times	
Weekly repayment	Rp 30.000
Compulsory Deposit (saving)	Rp 1.250
Interest	Rp 7.200
TOTAL	Rp 38.450

Members loan payback after 10 months:

Total Loan per 10 months	
Total Loan	Rp 1.200.000
Interest 24%	Rp 288.000 (28.000 per month)
Admin costs 8%	Rp. 96.000
Compulsory deposit (saving)	Rp. 50.000

Sewing Project Progress

Since August 2011, YUM has been running a sewing training for 8 women from the surrounding villages with the help of Pak Ahmad as sewing teacher. Later one woman stopped the training and only 7 continued the training. After a four months training, the 7 participants are expected to:

- ✓ have the knowledge and expertise of sewing
- ✓ make a production that can be sold
- ✓ be able to open their own tailoring business
- ✓ be able to work as employees in any sewing business
- ✓ have a sewing machine in installments through cooperative

For the moment, the women are starting to sew clothes that have been ordered for rubber factory workers. One of the sewing project participants has been asked to become a tailor in Tangkiling after completing the training.

The first intake of participants will finish their training in November. There will therefore be another intake of 8 women starting the training in December.



Above pictures show the sewing training participants at work and the trainer teaching them.

The progress of the YUM sewing project is very promising: Thanks to the support of the Social Services of Central Kalimantan province, a few YUM bags were exhibited in the JCC HKSJN Exhibition organized by the Department of Social Affairs in Jakarta, from September 27th to October 30th. YUM has also started to build a network of shops interested in selling the products made by the women. Cooperative members are therefore ensured a market to sell their personal creations, not only in the province but also in Jakarta and Sumatra.

The shops willing to sell the women's products are the following:

- Souvenir Shop in Market Kahayan
- Hotel Danang in Palangkaraya
- Store Tour, Jl. Banda Palangkaraya (Borneo souvenirs, food and clothing)
- Store Diana, Jl. Palangkaraya, Sumatra (batik, fabric and clothing)
- Store Semesko Jl. Gatsu, Jakarta

YUM has also received much generous support from Subud members: Rachid Carre has provided the women with Dayak designs of his own creation, Emily Pez (a Subud member volunteering at the Bina Cita Utama school in Rungan Sari) is kindly helping YUM with product design and many pieces of beautiful fabric were donated to the sewing project. Such support is allowing the women to improve the quality and to increase the variety of their products.

Below are photos of some of the sewing project participants' creations.



Through these two combined projects (sewing workshop and microcredit), YUM is truly hoping to empower and improve the welfare of women and their families by supporting the growth of their small business leading to higher output and resulting in improved income security.

The Future

YUM is planning to improve the microcredit project by offering monthly management training to the cooperative members, so as to follow their progress and assist them in their marketing and business development. The branch in Palangkaraya of one of Indonesia's largest private bank – CIMB Niaga – will be providing funding for this project.

We sincerely thank SD Canada for the support it has given to our small microcredit project in Kalimantan these past years.

Thanks to the funding we expect to receive from CIMB Niaga for 2012, we will not need additional funding from SD Canada for this project at this time.

Financial Report

In August 2010, YUM received Rp.33,200,254 (equivalent to CAD\$4,000) from SD Canada for its Kalimantan microcredit project. Below is a table showing how the funds were utilized:

SD Canada Microcredit 2010		Budget	Agustus	September	Oktober	November	Desember	Total Spend	Balance base on budget
	Beginning balance :			33 200 355	33 200 355	33 200 355	25 225 355		
	Donasi SD C								
	Niaga General 23 Agustus 2010		33 200 355						
	Revenue :		33 200 355	33 200 355	33 200 355	33 200 355	25 225 355		
SD Canada Microcredit Kalimantan									
674-01	Loans to 30 women	15 000 000					15 000 000	15 000 000	-
674-02	Share of salary of loan officer	6 000 000						-	6 000 000
674-03	Training on Money/Business Management	5 000 000				2 475 000		2 475 000	2 525 000
674-04	Operational-Transport of loan officer, Promotion & reporting, Stationery	1 500 000				1 000 000		1 000 000	500 000
674-05	Overhead Cost (15%)	4 500 000				4 500 000		4 500 000	-
	DJJU	32 000 000						22 975 000	9 025 000
	Expenses :		-	-	-	7 975 000	15 000 000		
	Ending Balance :		33 200 355	33 200 355	33 200 355	25 225 355	10 225 355		

Banking Details

CIMB NIAGA
 Jakarta Fatmawati Branch
 Jl. RS. Fatmawati No. 20, Jakarta 12430, Indonesia
 In the name of: Yayasan Usaha Mulia
 A/C number: 917.01.00620.00.7 - General
 SWIFT code : BNI AIDJA

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