

Discussion on Result

IMPACT OF COVID-19 TO MFIs IN INDONESIA: A RAPID ASSESSMENT ON BANK AND NON-BANK MFIs

As COVID-19 cases in Indonesia began to increase in mid-April 2020, and business activities were halted as a result of social distancing measures, microfinance institutions braced for impact. Government and non-government institutions who have partnered with MFIs for the development of financial service of millions of low-income households and their microbusinesses are searching for ways to provide support in the face of this unprecedented challenge.

To understand the challenges faced by MFIs as entities and their staff and management as individuals during the COVID-19 pandemic, the RISE Indonesia team took the initiative to conduct a rapid assessment. The study is expected to inform stakeholders on ways to provide support to MFIs so that they can continue their work, sustain their own business and extend financing to low-income households and microbusinesses.

The study was designed as a mixed survey (quantitative and qualitative) using a purposive sampling method. Data collection was done through self-assessment using a digital platform (KOBO Toolbox). As a microfinance specialist institution, RISE maintains networks with numerous MFIs in Indonesia. For this particular survey, the link to the questionnaire was sent to managers and staff of these institutions between April 21 and May 6, 2020.

Fifty-two respondents from 24 MFIs participated in the study, i.e. from banking (seven institutions) and Non-Banking (14 institutions). Banking institutions represented in the study are Rural Banks (Bank Perkreditan Rakyat or BPR), whose operations are limited by regions (provinces). While Non-Bank institutions are mainly represented by conventional cooperatives and Syariah cooperatives, some of which are national cooperatives (operating in at least three provinces). The institutions are head-quartered in ten provinces from the major islands of Sumatra, Java, and Nusa Tenggara, i.e. Aceh, Banten, Jakarta, West Java, East Java, Central Java, Yogyakarta, North Sumatra, West Sumatra and East Nusa Tenggara.

The microfinance institutions were well represented by those institutions providing services to the bottom of economic pyramid. Ten of the MFIs participant provide non-collateral loans in group lending; seven provide both collateralized and non-collateralized loans and three provide only non-collateral group lending.

Day & Time:

Monday - May 18, 2020
10 am - 11 am WIB
11 am - 12 pm WIB

Tuesday - May 19, 2020
10 am - 11 am WIB
11 am - 12 pm WIB

Wednesday - May 20, 2020
10 am - 11 am WIB
11 am - 12 pm WIB

To join the discussion:

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This is a limited one on one discussion, Please register soon by choosing available time