

Kampoeng BNI

PT. Bank Negara Indonesia (Persero), Tbk

“Kampoeng BNI” (“BNI Village”) - CSR programs of the Bank Negara Indonesia, a smart example of a corporate initiative in order to empower the communities suffering from a low development in Indonesia. Moreover, the case study introduced has been choosing for its simple framework required but produces a large scope of results.



The Business Case

The Bank Negara Indonesia is established as one of the leading banking company in Indonesia since its foundation in 1946. BNI is the fourth largest banking Indonesia according to the assets. As a major national banking and financial operation institution, BNI claims its long term view on growth thanks to environmental and social development linked with business. In this purpose, a separate organization has been created to focus on environmental and social sustainability and community development; it refers to the Partnership and Community Development Program (PKBL). PKBL meets the provision of the Minister of State Owned Enterprises (SOE) which obligates SOE to allocate PKBL Fund as operational cost, where is effectively applied in 2013. From 2011, the focus has been made on the areas of creative industries and food resilience.



Throughout the last decade, the concern about sustainable development has become more and more present in the company strategy. BNI takes seriously the challenges of this century and therefore the operations and the lending of the bank ensure a positive impact on the society and leads to sustainable benefits. BNI aims to enrich lives, ensure value growth and sustain development.

Low quality of life for some Indonesian is a great challenge ahead for economic performers. One of the most efficient solutions is to support the development of the community through their own traditions and work craft in order to empower them with their own capability.



BNI is particularly active in driving economic growth and supporting the development of the lowest part of the population. An emphasis has been made on enhancing the welfare for communities.

The Issue

Indonesia hosts 32 millions of inhabitants who live below poverty line. In other words, approximately half of all households remain clustered around poverty line set at 200,262 rupiahs per month.

The Indonesian government encourages the programs launched for Indonesian sustainable development to better reach poor and vulnerable households, to enhance the design and performance of the Government's community development programs, to the promotion of agricultural revitalization, and to the improvement of health and nutrition outcomes, particularly of the poor, by supporting improved access to quality health care, including maternal and child health services. Because the task is huge, the cooperation among the different actors interfering is a priority. This explains why the governmental decisions about sustainable development affect the BNI programs.

The Response

The project has been design under the name of "Kampoeng BNI" and started since 2007 - 2008. What BNI did for this project is to implement infrastructures to empower the villages, thanks to soft loans and also skill teaching. The idea is to avoid the classic financial circuit that is not fit for



individual business makers. The focus is made on the tradition work craft and the ancestral activities, such as fishing. The point is to bring the first input and let the community develop and organize small businesses. The future of the chosen communities is to be part of a network of villages and promote their product with exhibition at national events.

The expression 'give a man a fish and you fed him for a day, teach a man how to fish and you fed him for lifetime' is a perfect illustration for the "Kampoeng BNI" program. Indeed, it is smart to conjugate both soft loans and teaching skills in order to create sustainable incomes that will eventually produce development.

The "Kampoeng BNI" is a teaching experience for any company that wants to enhance the communities' development but doesn't have an activity that directly links them with the villages. The conclusions about this program should be used as a reference for other initiatives. Indeed the fight against the extreme poverty is one of the top priorities in Indonesia development.

Activities

The program is about regional community empowerment program with a cluster concept to optimize effectiveness. At micro and small businesses as well as cooperative the aim is to create business that could present sound and strong economic strength and thus finally access larger scale of market. More concretely, BNI provides soft loans through partnership programs. The distribution and the assistance are minimalized through two loans institutions Small loans center called SKC and a second one which is national named Stand Alone STA branches. Also allocation of effective funds distributions of partnership program was made with cooperation with partnered SOE SYNERGY disbursements

Also “Kampoeng BNI” is responsible for developing a particular field of economy in a village such as fishery, silk worn etc. For this purpose, they install training groups, in order to increase the already existing skills. More concretely, what BNI has done can be measured with the communities that benefit from the “Kampoeng BNI” program. After 6 years of existence there are 14 villages helped with by the program (last data for 2013).



They also helped creative entrepreneurs through Creative Business Partner development program; for craft and apparel industries 2012 more than 22 partners in craft and 48 in fashion. In this program, BNI not only give the funding, but also capacity building or training, such as weaving pattern (tenun) training based on international market demand, accounting, effective marketing, and other necessary training for the trained partners.

Besides, BNI also give facilities in Kampoeng BNI (KBNI) such as showroom, packing house, meeting hall, and community facilities. BNI also give education support to the facility of the trained partners in the form of scholarship and other form of support. They also helped creative entrepreneurs through Creative Business Partner development program; for craft and apparel industries 2012 more than 22 partners in craft and 48 in fashion.

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In 2012 after 5 years of programs implemented, there are;

1. Kampoeng BNI Corn – Tasikmalaya
2. Kampoeng BNI Silkworm- Imogiri Yogyakarta
3. Kampoeng BNI Cows – Subang
4. Kampoeng BNI Weaving Songket – Ogan ilir South Sumatra
5. Kampoeng BNI Corn Products – Solok West Sumatra
6. Kampoeng BNI Cultivating Bananas – Lumajang East Java
7. Kampoeng BNI Marine Products Processing – Lamongan east Java
8. Kampoeng BNI Traditional Arts – Kamasan Klungkung bali

New in 2012 :

1. Kampoeng BNI Traditional Arts in the village of Kamasan, Bali
2. Kampoeng BNI Traditional Fishery Products Processing – Muara Angke in North Jakarta

4 new “Kampoeng BNI” in 2013 ;

1. KBNI tenun Silungkang—Weaving in Silungkang West Sumatra
2. KBNI tenun Pandai sikek bukittinggi—Handy Craft in Pandai Singkek West Sumatra
3. KBNI kain Ulos Samosir—Ulos weaving in Samosir Island North Sumatra
4. KBNI kain Tapis south lampung—Tapis weaving in South Lampung

The results

Currently BNI has established 27 Kampoeng BNI throughout Indonesia with total business financing of Rp 31,49 billion for 1.654 funded partners. Kampoeng BNI aimed to improve economic and social livelihood of their Small Medium Enterprise (SME) partners. By giving the soft loan, the beneficiary is expected to improve their working capital and gain profits in the long run by growing up in business volume and even possibly change from SME into middle business entities.



The “Kampoeng BNI” Partnership Program is indeed a proper program for the community or small business owners. For example: a weaver in Sumba Island East Nusa Tenggara confessed that after having soft loan from BNI , initially he didn’t have savings, now he can save around Rp 2 million a month on average, either in cash or in raw materials. BNI also helps the marketing of his products through the exhibition such in “Kampoeng BNI Nusantara” annual event. They also help them improve or increase their quality of live, for instance: the machinery, gallery room, workshop center, Village Street, and so on.

Further information

General Information for The Company	
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