

## **A Speech by Secretary General of Gema PKM**

### **Workshop of “Various Knowledge and Microfinance Resources in Indonesia”**

**Bank Indonesia, 27 August 2004**

Poverty is a daunting world problem at the moment. Hence, the main focus in the Millennium Development Goals is on the effort invested in coping with and reducing poverty. The world has set an ambitious target of reducing the proportion of world poverty by half by 2015. Till this day, one third of the world population has been living under the poverty line(categorized poor). One of the ways to achieve the ambitious target in poverty reduction include developing micro-finance credit. In developing a focused micro finance program, the Micro-credit Summit 1997 requires four principal requirements to be met, namely: (i). it should reach the poorest people, (ii). it should reach and empower women, (iii) be financially sustainable, (iv). Be aware of the predicted impact.

Due to the significant effort in poverty reduction, micro finance gains a respectable site internationally. This is the reason why 2005 has been named the International Microfinance year by the UNO. This is also related to the Micro-credit Summit II that will be carried out by 2005. The meeting will decide whether the commitment agreed on previously has been fulfilled. This commitment is mainly about overcoming the problem of poverty by providing micro finance services to as many as 100 millions families or about 600 millions people. Using this opportunity, Gema PKM accounts for 10 percent of the world target (10 million families or 50 millions people).

Based on the global spirit of poverty reduction through micro finance, BWTP (*Banking With the Poor Network*) in cooperation with Gema PKM carry out today's workshop. The Indonesian Bank as well as the Governor of Indonesian Bank (Mr. Burhannudin Abdullah) welcomed the idea. This allows today's workshop "Various Knowledge and Micro Finance Resources in Indonesia" to be carried out.

Aligned with the workshop's theme, various knowledge and experiences from working with microfinance can be shared not only at formal sessions but on an informal interactive basis as well. This will help expand the microfinance network. Hopefully I wish this workshop will not solely become *a burning issue* at the International, regional as well as national level, but more importantly is that all will not stand still after the workshop ends.

At present, Gema PKM also arranges the National Strategy of Micro Finance Development and forward this concept to the presidential candidates. We realize that with the completely limited national budget, a more expansive participation from many parties is needed. The approach needs to be innovative as well in order to be able to cope with two very critical problems: the poverty and underdevelopment. We completely realize that micro finance is not only *a development instrument* but it is also *a profitable business all at once*.

At the same time, Gema PKM is also initiating to form an *apex institution* for micro finance. Under these circumstances, we are attempting to involve as many parties as needed to make this institute possible. This will help cope with the big problem of MFI namely lacking capital. If this institute can be realized, MFI will be able to function more to its maximum limits.

Ladies and gentlemen, of course whatever you have done regarding with micro finance is very significant. Accordingly, we can also signify this meeting as promoting our commitment collectively and developing the more extensive network. This will allow what we discuss today be snowballed and be operationally applicable to all parties.

Thus, this introduction we address in the name of Gema PKM. Finally, I wish you have a nice workshop and hopefully it will be meaningful and useful for all of you. Once more, I would like to thank you very much to the Indonesian Bank that provides an endless support to us, both moral support and facility so that this meeting can be undertaken. Thank you very much!

Bambang Ismawan.