



BIDUK Indonesia: Gender and Climate Nexus for Small and Growing Business Financing

BIDUK is an impact-oriented lending platform deliberately incorporating gender and climate lenses into our investment practices and decision-making.


BIDUK is revolutionizing financing for small and growing businesses (SGBs) in Indonesia by offering bespoke, cash flow-based lending products customized to meet the specific needs of underserved and early stage SGBs, that are owned/led by women or environmentally sustainable.

Investing with a dual gender and climate lens is a powerful tool for timely climate action.

 Women play a critical role in climate change mitigation and adaptation as entrepreneurs, innovators, workers, community mobilizers, customers and more.

 Evidence shows that entrepreneurship holds great potential to unlock positive environmental impacts for climate mitigation and that women entrepreneurs demonstrate stronger environmental commitment and engagement in green issues.

BIDUK: Investing in Indonesian SGBs at the Intersection of Climate and Gender

 By operating at the intersection of climate and gender, BIDUK is helping to mitigate the future effects of climate change, encouraging economic benefits, creating jobs and ensuring women benefit from climate-smart approaches. We support SGB clients with building better businesses, looking for founders that are open to improving their gender approach and environmental impact, in ways that are tailored to their model and stage of growth.

BIDUK's Gender Lens Approach

BIDUK is designed to ensure processes, practices, and products eliminate intentional or unintentional gender and social bias, as thoroughly as possible.

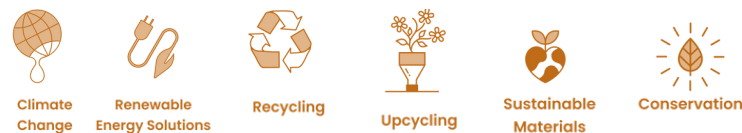
We work with women-led businesses because we are confident that our customized approach, including uncollateralized lending, tailored financial solutions and client-centred relationships, is the right fit for women entrepreneurs. We advocate for gender equitable policies with all our clients by sharing how these strategies can benefit their business.

Our priorities for gender equitable policies include:




BIDUK's Climate Approach

BIDUK is focused on the Blue Economy, investing in SGBs with positive maritime impacts, as the ocean is Indonesia's most important natural resource. BIDUK seeks to work with SGBs addressing issues such as:




While much of the discourse around the Blue Economy remains academic, BIDUK is working to put it into practice. We have developed preliminary impact metrics to test, and plan to use our experience and expertise to leverage the most significant impact possible for Indonesia's oceans.

As part of our investment process, we assess the extent to which companies are doing their part to support the environment. For a growing restaurant chain, for example, we would look at their energy sources and usage, whether they recycle, the type of takeaway packaging they use, and what they do with leftover food.

 56% of loans to women owned/led businesses

 75% of investees have a positive environmental impact

 100% investees have:

- Representative gender balance among employees
- Equal pay practices

By investing at the nexus of climate and gender, BIDUK's work captures SDGs:



Opportunity for Aligned Investors

BIDUK has a solid track record with clearly defined metrics in de-risking gender, proving that women entrepreneurs are a commercially-viable market segment. We are now working to develop rigorous metrics within our climate work, building out a model for assessing impact where gender and climate intersect. Although BIDUK has rudimentary metrics we are tracking on the Blue Economy, we seek a climate investor who, in addition to capital, can add rigor to these metrics, providing insight on what BIDUK can and should be measuring that can then be overlaid atop our gender metrics. With this guidance, BIDUK can effectively measure impact at the intersection of gender and climate.

Expansion

BIDUK is currently funded through June 2022 by Australia's Department of Foreign Affairs and Trade, Investing in Women and Sprout Enterprises. We have successfully shown proof of concept and are actively fundraising to increase our operating runway through 2028 and expand the lending platform in Jakarta and across Indonesia. Long term, we aim to expand in similar markets within Asia and Africa.

From Our Portfolio: JALA Fish

JALA Fish, a woman-led exporter of Indonesian yellowfin tuna, delivers premium quality products and safeguards marine sustainability by meticulously following traditional and sustainable methods. JALA's fishery products are sourced from Talaud Island in Sulawesi, Indonesia using 'one hook, one fish' methods of catch in small boats, known as pakura. JALA provides ongoing coaching to their fishermen on how to improve the handling process and equipment and facilitates the access that they need to premium markets, such as Australia.

BIDUK has supported JALA Fish over two loan cycles beginning in January 2021. BIDUK's support has enabled JALA to increase production, modify their processing facilities, and incorporate more gender equity practices into their business.

In the remote island communities where JALA sources its fish, fishing is predominantly a male occupation. However, part of JALA's commitment to the fishing communities with whom they work is developing good jobs for everyone, not just the fishermen. With BIDUK, Jala has been able to create good jobs for women in the processing facilities and in logistics. JALA CEO Aninda Scholten said that "BIDUK is always helpful and always gives hands-on experience when facing a problem."

In June 2021, BIDUK Indonesia disbursed its second loan to JALA Fish, after the company successfully completed the first loan term with BIDUK. JALA is using the funding to purchase raw materials and for processing facility modifications to support daily operations, actively working to increase their production and improve business opportunities.

During the pandemic, JALA continues to support the local fishermen of Talaud by buying their products directly and selling them on the international market. Funding from BIDUK also supports the export certification process for JALA which will enable them to export products to new customers, connecting local fishermen from Talaud Island with broader international markets, including the US.

JALA plays to the strength of Indonesia - its vast oceans - while utilizing sustainable sourcing and delivery methods for fishery products. BIDUK is very excited to see the business expansion of JALA and is looking forward to strengthening our relationship even more. Our partnership is about more than money. It will support sustainable fishing practices and ultimately help conserve Indonesia's ocean environment.

By operating across gender and climate, we use our support of successful, sustainable, women-led businesses, like JALA, to leverage opportunities for addressing gender and climate imbalances and work towards a more sustainable and equitable future.

