
DEBT FOR NATURE SWAP PROGRAM ON ENVIRONMENTAL INVESTEMENT FOR MICRO AND SMALL BUSINESSES

(Tuesday, 03 October 2006) -

State Minister for the Environment and Limited Liability Company of Bank Syariah Mandiri signed cooperation agreement of funding distribution of debt for nature swap program from German Government through Kreditanstalt fur Wiederaufbau (KfW) on environmental investment for micro and small business.

In Jakarta, on September 28, 2006, the signing of cooperation agreement was made as a real endeavour in order to gain and optimize fund source in order to keep and improve the quality of environment that all at once was an endeavour to lessen the burden of Indonesian foreign debt.

The signing of the cooperation agreement was conducted by the Secretary of State Minister for the Environment, Mr. Arief Yuwono and President Director of Bank Syariah Mandiri, Mr. Yuslam Fauzi, witnessed by the State Minister for Environment, Mr. Rachmat Witoelar.

The agreement was made as a follow-up for the government to realize the program of Debt for Nature Swap (DNS) which has been started since October 2002. The Main Program of DNS was to increase Indonesian environment quality through funding aid for micro and small business having limited access to banking services in providing fund for technology with environmental concept. The fund allocated for the program amounted to € 6.25 million or equal to Rp. 68 billion for 5-year period (2006-2010). Ministry of the Environment has allocated a fund amounting to Rp. 5 billion for 2006 Fiscal Year.

The participation of PT Bank Syariah Mandiri as a financial institution implementing the DNS program marked a new stage in financing for environmental investment. Through a syariah financial institution hopefully the benefit distribution and group coverage of environmental soft-loan program target can be spread larger. Implementation of syariah principles, experience in environment investment funding for micro and small business and assistance for customers will be able to give a strong stimulation for success of the program.

<http://www.indonesia.go.id/index.php/content/view/2280/709/>