The Microfinance Revolution

Volume 1: Sustainable Finance for the Poor

Volume 2: Lessons from Indonesia

Volume 3: The Emerging Industry

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Why Did BIMAS Fail?
The program’s goals were incompatible
BIMAS credit was tied to input packets
Other agencies selected BIMAS borrowers,
but BRI had to collect the loans
BIMAS did not reach many poor rice farmers
Policies for loan forgiveness and rescheduling during crop failures were badly planned and encouraged corruption
BRI did not have the organization, human resources, or motivation to manage unit desas effectively
Successful agricultural credit programs require successful agriculture—but insecticides supplied in the BIMAS input packet caused severe crop destruction

Examples of BIMAS in Four Rice-growing Environments
Village G (East Java): BIMAS results in an ideal rice intensification environment
Village C (West Java): Most households benefit from rice intensification, but not necessarily from BIMAS
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