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SUPPORTING COVID-19 MITIGATION

During the pandemic, effective and efficient health facilities and medical supply companies became more important than ever. However, in some areas, commercial credit has diminished, making it difficult for suppliers and clinics to keep medical supplies and services flowing. The United States is providing innovative financing to help address this challenge.

Indonesia's ambitious universal health care scheme, one of the largest and most complex in the world, has made significant strides in recent years to improve its efficiency so that all Indonesians can receive the health care they need. But reimbursements often take time to disburse from the central government back out to health facilities, which can result in funding gaps that delay the provision of timely and adequate services.

LOANS TO HEALTHCARE AND TRANSPORTATION PROVIDERS

To help bridge the gap, the United States Agency for International Development (USAID), the United States International Development Finance Corporation (DFC), and Australia's Department of Foreign Affairs and Trade (DFAT) partnered with Impact Credit Solution (ICS) to mobilize a US\$40 million fund to provide short-term financing to Indonesia's healthcare providers and essential goods transportation companies. These short term loans will help these companies maintain their operations during the ongoing COVID-19 pandemic, which has both made them more important than ever while plunging them into financial duress. At the same time, the partnership takes special care to invest in ways that

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advance gender equality given that Indonesia's health sector predominantly employs women.

ANTICIPATED RESULTS

Through 2023, businesses in the healthcare and essential goods delivery will have access to loans totaling up to US\$40 million this financing model. The financing will complement the Government of Indonesia's ongoing efforts to ease the strain on the healthcare sector and the economy caused by the COVID-19 pandemic.

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