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PRESS RELEASE

OJK AND ILO LAUNCH ENTERPRISE RESOURCE PLANNING, EXPANDING FINANCING ACCESS FOR DAIRY COW FARMERS

Jakarta, 9 June 2026. Indonesia Financial Services Authority (OJK) and the International Labour Organization (ILO) launched Enterprise Resource Planning (ERP) System and inclusive financing access program in East Java, expanding formal financing access for dairy cow farmers.

The program is designed to address barriers to financing caused by limited business data availability, while promoting digitalization and strengthening the dairy farming ecosystem to enhance productivity and sustainability.

The launching was held at Agrobusiness Cooperative (KAN) Jabung, Malang Regency, East Java on Thursday (11/06), as an implementation of PROMISE 2 IMPACT implementation—a collaborative program between ILO, the Coordinating Ministry of Economic Affairs, and OJK, supported by the Government of Switzerland through State Secretariat for Economic Affairs (SECO) to expand financial access, promote digitalization, enhance business value chain, and increase MSME quality and business continuity in Indonesia.

Chief Executive of Financial Sector Technology Innovation, Digital Financial Access, and Crypto Assets Supervision of OJK Adi Budiarso emphasized the program's conception was due to its initial objective to respond to real challenges faced by farmers in accessing formal financing.

“We keep receiving reports from farmers who are often restricted from formal financing access due to information imbalance such as data validity limitations, unclear or incomplete business profile, strewn production capacity, and poorly documented farmer’s financial records,” Adi said.

To address these challenges, OJK through OJK Infinity Innovation Center and ILO held a strategic collaboration, creating PROMISE 2 IMPACT. The program’s objectives included encouraging MSME development to contribute better to a more sustainable people’s economic growth.

The dairy farming ecosystem digitalization program was established on two main foundations: sustainable business ecosystem strengthening and excellent digital infrastructure development. Through the ERP system, the cooperative’s production, finances, and operation data will be systematically documented in real-time, providing a more accurate illustration on the production capacity, business quality, and farmer’s financial condition.

Adi explained that ERP integration with the Alternative Credit Scoring and Business Services Aggregators will become a milestone in bridging farmers and the formal financial services ecosystem.

“Through the generated data by ERP, alternative credit scoring will be able to objectively, accurately, and inclusively build farmer’s credit profile. Together with the Business Services Aggregators, the system will thoroughly connect farmers with formal financial services ecosystem in accordance with their necessity,” Adi said.

Director at ILO Country Office for Indonesia and Timor-Leste Simrin Singh stated that digital transformation plays a major role in fortifying business resilience and expanding economic access to the people.

“Digitalization will increase productivity, expand financing access, fortifying business resilience, and creating better work opportunities. The partnership shows how innovation, public policy, and multiparty collaborations will work together to ensure a more inclusive economic growth,” Simrin said.

Meanwhile, the Switzerland Ambassador to Indonesia, Timor-Leste and ASEAN H.E. Olivier Zehnder underlined local business actors strengthening as the key foundation to sustainable economic development.

“Switzerland believes that sustainable economic growth begins with local business actors strengthening. When farmers gain access to better information, technology, and financial services, they will have a larger capacity to invest, increase productivity, and contribute to the regional economy. We are proud to support a partnership that will create a real impact to the people,” Zehnder said.

Farmers Welfare

Meanwhile, the Regional Secretary of East Java Province Adhy Karyono in proxy of the Governor of East Java conveyed the strategic roles of dairy cow sector in supporting the national food resilience and driving the regional economy.

“Dairy sector strengthening is not only about increasing dairy production, but also about improving farmers’ welfare, enhancing cooperatives, and building a more solid rural economy. Through digitalization and financial access expansion, we are building a new foundation for a more modern, productive, and competitive growth in the farming sector,” Adhy explained.

The launching marked the successful ERP system development, integrated with the Alternative Credit Scoring in the three prioritized dairy cow cooperatives in East Java: Agrobusiness Cooperative (KAN) Jabung, Dairy Cow Farmer Cooperative (KPSP) Setia Kawan, and KPUD Tani Wilis, which accumulatively has more than 10,000 cooperative members.

Regent of Malang H. Sanusi, Deputy of People’s Economic Empowerment and Migrant Workers Protection in the Coordinating Ministry of People's Empowerment of Indonesia Leontinus Alpha Edison, Acting Head of OJK East Java Province Office Horas V.M. Tarihoran, Head of OJK Malang Office Farid Faletehan, Head of OJK Jember Office Aris Budiman, and representatives of ministries/institutions, the regional government, cooperatives, and the financial services industry attended the launching.

As a follow up of this launching program, OJK held a Focus Group Discussion (FGD) with stakeholders to support the program's implementation expansion in all parts of East Java region. The successful implementation in the three cooperatives is expected to serve as a model for replication in various sector and regions in Indonesia.

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For more information
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