



# Sustainable Financial Implementation In Supporting The National Economic Recovery Program In The Covid-19 Pandemic. Study On MSME Production Sector In Tolitoli Regency, Central Sulawesi

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## ARTICLE INFO

### Article history:

Received Sep 15, 2022

Revised Sep 24, 2022

Accepted Oct 21, 2022

### Keywords:

Sustainable financial  
Economic recovery  
MSME

## ABSTRACT

This research was conducted using a field research method that aims to determine the implementation of sustainable finance in supporting the national economic recovery program during the COVID-19 pandemic, focusing research on the environmentally friendly MSME production sector in Tolitoli Regency, Central Sulawesi. Through descriptive data analysis with a phenomenological approach, it is found that the implementation of sustainable finance in Tolitoli has been going quite well based on several sources of information. From Himbara banking financial services institutions (BRI, Mandiri and BNI), the average funding disbursed per business unit is IDR 50,000,000 to IDR 100,000,000 / business unit or in the range of less than IDR 200,000,000. -/business unit. The economic condition in Tolitoli also looks quite good through the trend of increasing aspects of employment and per capita income, then the sustainability of sustainable business sectors such as the agricultural sector. In addition, the better financial performance of the MSME production sector during the Covid-19 pandemic has an impact on accelerating the achievement of economic recovery in the regions and automatically contributing to national economic recovery. Of the 31 MSME units recorded, the average ROA and NPM values were 187.57% and 63.24%, respectively, indicating good conditions for the survival of a business, especially micro, small and medium scale. This result certainly indicates a fairly good indicator for economic conditions in the Tolitoli Regency area during the Covid-19 pandemic until the new normal era takes place.

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## INTRODUCTION

At the beginning of the Covid-19 pandemic in 2020, Indonesia experienced a decline in the rate of economic growth, which was caused by policies related to restrictions on social activities and

lockdowns (Indayani & Hartono, 2020). In force majeure conditions, the aspect that is the main concern of the government is the safety of life (Suhendro, (2021). Various countries are facing the threat of an economic recession, including ASEAN countries such as Singapore, Malaysia and Thailand (CNBC Indonesia, 2020). Nigeria responded by conducting various studies related to mitigating the handling of Covid -19 (Akpan, et all, 2020). China was also affected, which was marked by the weakening of MSMEs in the country (Dai et all, 2020).

In Indonesia, as many as 87.5% of MSMEs were affected by the Covid-19 pandemic, 93.2% had a negative impact on the sales aspect (Saputra, 2021). The need for credit guidance from banks as well as government regulatory support in order to produce a strong real economic sector (Kontan: News Data Financial Tools, 2022). In this case, the government imposes tax incentives (PPH) for SMEs whose burden is borne by the government (DTP) (Kumala and Junaidi, 2020). In addition, there is direct cash assistance (BLT) for the community including business actors to reduce layoffs (PHK). However, the weakness of this policy is the risk of abuse of authority and corruption (Iping, 2020). One alternative is sustainable finance initiated by OJK. This concept can be applied to various regions in Indonesia, including Tolitoli Regency, Central Sulawesi province. Funding for the MSME sector in each region can support aggregate demand which has a positive impact on national economic recovery (Furma et all, 2020).

In 2020, there are 17 business units in Tolitoli with a total micro credit position of IDR 20,243,000,000 (BPS Tolitoli, 2020). Then, as many as 1,250 micro-entrepreneurs volunteered to benefit from the productive assistance program of IDR 2,400,000. This shows how many SMEs are affected (Lesmana, 2020).

Complaints were received regarding a 40-50% decrease in sales turnover. Regarding BLT, a request for assistance has been submitted but has not received a response. Government conditions and policies that still have weaknesses, it is necessary to implement sustainable finance in order to consistently support the national economic recovery (Ziolo et all, 2017). Sustainable Finance is a product initiated by the Financial Services Authority (OJK) and World Wildlife Funding (WWF) with the aim of increasing economic growth (Hayati & Yulianto, (2020). The product is run through consolidation and collaboration between the government in this case the ministry of finance through the OJK and banking financial institutions including the Association of State-Owned Banks (HIMBARA) (BUMN) (Hayati & Yulianto, (2020). This product is a derivative of the sustainable development goals (SDGs) that are adapted to the direction of the development of the financial services industry and are in line with the aims and objectives of the Long Term Development Plan (RPJP 2005-2025) with the principles of supporting economic growth, job creation, poverty alleviation and pro-poor environment. The objective of Sustainable Finance is to target the resilience of financial service institutions in providing sources of funding for micro, small and medium enterprises (MSMEs) which are based on the community, besides that, they are expected to maintain environmental sustainability (OJK Roadmap 2015-2024) (Regulation Of The Otoritas Jasa Keuangan No. 51 /Pojk.03/2017).

The principles of sustainable finance are summarized in several important elements, including: (1) The principle of risk management that integrates environmental and social aspects in the risk management of Financial Services Institutions (LJK) in order to avoid, prevent and minimize negative impacts that arise as well as to encourage increased benefit of funding activities. and LJK operations; (2) The principle of developing sustainable priority economic sectors that are inclusive by increasing funding activities, especially in the industrial, energy, agricultural (in a broad sense), infrastructure and MSME sectors by balancing economic, environmental and social aspects, as well as providing financial services to communities that generally have limited or no access to financial services in the formal sector; (3) Principles of environmental and social governance and reporting by implementing strong and transparent environmental and social governance practices in LJK operational activities and on environmental and social governance practices implemented by LJK customers , as well as periodically reporting the progress of LJK in applying the principles of

sustainable finance to the public; (4) The Principle of Capacity Building and Collaborative Partnerships by developing the capacity of human resources, information technology and operational processes of each LJK related to the application of sustainable finance principles, as well as establishing cooperation between LJK, regulators, government and utilizing partnerships with institutions domestic and international in order to promote sustainable financial progress (Otoritas Jasa Keuangan, 2021).

Reviewing the progress and stages, Indonesia has experienced significant improvements regarding the implementation of sustainable finance (Otoritas Jasa Keuangan, 2018). According to the 2019 Sustainable Banking Network (SBN) Report, Indonesia is ranked as the second country that has made progress in the development and reform of Sustainable Finance (Sustainable Banking Network, 2019). This is reinforced by an explanation from Wimboh as chairman of the OJK Board of Commissioners (Commissioner, 2017-2022), in a series of events at The Organization for Economic Co-operation and Development (OECD) Conference in Boulogne France in 2020 (Olavia, 2020).

Through this description, the author plans to conduct a study with the title "Implementation of Sustainable Finance in Supporting the National Economic Recovery Program during the Covid-19 pandemic. Study on the MSME production sector in Tolitoli Regency, Central Sulawesi" with the aim of knowing the implementation of Sustainable Finance in supporting the National Economic Recovery program in the Covid-19 era in the MSME production sector in Tolitoli Regency, Central Sulawesi.

## RESEARCH METHOD

The method used is descriptive qualitative data analysis with a phenomenological approach and quantitative data support. The study begins with initial observations, related to funding and business unit data, in this case the affected MSME production sector. A feasibility study was carried out, namely a scientific study related to the implementation of sustainable finance in the recovery of the national economy in the Covid-19 era. Literature study on the strategic plan of sustainable finance: (1) increasing the supply of environmentally friendly funding; (2) increasing demand for environmentally friendly financial products; (3) increased supervision and coordination of the implementation of Sustainable Finance, then the sustainable finance roadmap stages I and II targeting the production sector of business/industrial units including MSMEs are prerequisites for the feasibility of this research being continued. Especially now in the era of the Covid-19 pandemic, so it is important to know to what extent the implementation of sustainable finance can support national economic recovery in Tolitoli Regency as a support for the Special Economic Zone of Palu City. The research stages start from the preparation of a proposal containing the results of initial observations, establishing the focus of the problem, data needs, and research objectives. Regarding data requirements, it can be seen in the following table:

**Table 1.** Research Data Needs

| Keywords                     | Indicator   | Method                                |
|------------------------------|---|---------------------------------------|
| <b>Sustainable Financial</b> | Funding by Banking (HIMBARA-BUMN) and MSME Sector Partners in sustainable finance | Interviews and documentation          |
|                              | Supervision of the implementation of sustainable finance                          | Literacy, Interview and documentation |
|                              | Understanding the basic principles of implementing sustainable finance            | Literacy, Interview and documentation |
|                              | Sustainable finance implementation strategy                                       | Interviews and documentation          |
| <b>Economic Recovery</b>     | Economic growth   | documentation                         |
|                              | Gross Domestic Product (GDP)  | documentation                         |
|                              | Income level  | documentation                         |

|             |                                       |                              |
|-------------|---------------------------------------|------------------------------|
| <b>MSME</b> | MSME financial management performance |                              |
|             | 1. <i>Return on Asset</i> (ROA)       | documentation                |
|             | 2. <i>Net Profit Margin</i> (NPM)     | documentation                |
|             | Eco-friendly product                  | Interviews and documentation |

*Source: Sustainable Finance Roadmap Adjusted Data.*

There are three keywords, namely Sustainable Finance, Economic Recovery and MSMEs. Each has achievement indicators that can be collected through literacy, observation, interviews and documentation methods. Implementation of integrated research starting from surveys, further data collection, determination of data needs and analysis of research data. Then, do the calculation of the value and interpretation of the research results.

## RESULT AND DISCUSSION

Based on the results of interviews with banks (Himbara) in Tolitoli, the financial services institution has implemented financing through sustainable finance by targeting the real sector of MSME production which basically has met the requirements through an Environmental Management Statement and/or Environmental Impact Analysis document. This is indicated by the existence of financing for the plantation sector, agriculture and other production sectors. This is in line with the central commitment of the Himbara banking which states that as a pioneer in implementing sustainable finance, the banking sector will always be ready and strive to channel sustainable funding, mainly through the environmentally friendly MSME sector. The following is data related to the implementation of sustainable finance programs in Banking:

**Table 2.** Himbara Banking Sustainable Finance Implementation Indicators and Achievements

| <i>Indicator</i>   | <i>Achievements</i>  |
|--|--|
| <i>Funding by Banking (HIMBARA-BUMN) and MSME Sector Partners in sustainable finance</i> | <p>There is a funding program that leads to the implementation of sustainable finance through "KUR" financing in the agricultural and plantation sectors as well as business sectors that meet environmental management requirements through "SPPL" and/or "AMDAL" analysis.</p> <p>The form of OJK supervision is carried out through banking reports and training activities carried out by banks related to strengthening institutions and human resources in gathering funding needs for the public/business sector.</p> <p>OJK's perception of the implementation of sustainable finance in banking LJK is given to the head office through workshops or seminars.</p> <p>Supervision is carried out by direct observation and reviewing the development of environmentally friendly MSME businesses in this case plantations, agriculture and other businesses that have / meet environmental management requirements such as "SPPL" and "AMDAL"</p> |
| <i>Supervision of the Implementation of Sustainable Finance</i>                          | <p>There is financing for the environmentally friendly MSME sector in the midst of the COVID-19 pandemic, however, in the midst of a pandemic in 2020 and 2021, the business sector will also receive other funding through government incentives.</p> <p>The amount of funds provided by banks if averaged is in the range of IDR 50,000,000 - IDR 100,000,000 / business unit per bank or in the range of less than IDR 200,000,000 / business unit.</p> <p>The requirements needed in funding the environmentally friendly business sector are environmental management documents through SPPL or AMDAL.</p> <p>The number of environmentally friendly MSME units that receive bank financing in Tolitoli district is around 15,950 units.</p> <p>The banking sector requires the fulfillment of requirements in the form of environmental management documents SPPL and/or AMDAL.</p>  |

|  |   |
|--|---|
| <p><i>Understanding the basic principles of implementing sustainable finance</i></p> <p><i>Sustainable Finance Implementation Strategy</i></p> | <p>Funding by customers is given according to the needs in the field based on the results of the review and observation of the company's condition.</p> <p>There is socialization and financial education to the public or the business sector through the formation of clusters assisted by banks, for example palm sugar clusters in the plantation sector and others.</p> <p>The elements of Himbara's banking leadership generally know about sustainable finance, which is a program initiated by the OJK.</p> <p>Banks minimize risk through analysis of environmental impacts arising from business activities, in this case related to compliance with environmental management document requirements through AMDAL/SPPL.</p> <p>The development of sustainable finance that is inclusive is carried out by the banking system through guidance and assistance with the formation of a business sector fostered cluster.</p> <p>Banks always monitor the financing disbursed to the public/business sector.</p> <p>There is a division of fostered clusters in the MSME business sector, in this case it can be seen that environmentally friendly business groups and business groups have not implemented environmental management.</p> <p>Service product innovation is carried out through the distribution of People's Business Credit (KUR) in the business sector or environmentally friendly MSMEs.</p> <p>Banking strategy in conducting environmentally friendly funding by providing education and assistance as well as fostering the business sector, including MSMEs.</p> <p>The funding mechanism for the environmentally friendly MSME business sector is carried out by providing form requirements including environmental management documents such as SPPL and AMDAL.</p> |
|--|---|

Source: HIMBARA Banking Data (BRI, Mandiri and BNI) Processed In Excel, 2022.

The data in the table shows that there is sustainable financial funding at Himbara banking. The funding is in the form of People's Business Credit (KUR) which is given to the plantation and agricultural sectors as well as other sectors that meet environmental management requirements (SPPL and AMDAL) in their implementation. The strategy carried out by the Himbara banking sector in realizing sustainable finance is to carry out socialization and education related to financial inclusion and to provide guidance through the formation of clusters assisted by the MSME sector. There are environmental management requirements that must be met by prospective debtors in this case the MSME sector when they want to make bank loans. This is the commitment of banks as financial service institutions in realizing a sustainable financial sector in the Tolitoli Regency area.

This is in line with the commitment of the Himbara banking center, based on the data collected, Bank Rakyat Indonesia (BRI) has disbursed financing loans of 588.6 trillion rupiahs with an accumulation of 379.647 trillion rupiahs of financing in the MSME sector (Tempo: Bicara Fakta, 2022). Bank Negara Indonesia (BNI) provided financing of 172.4 trillion rupiah and for financing a small segment of social economic development of the community amounted to 117 trillion rupiah (Kontan: News Data Financial Tools, 2022). Bank Mandiri financed 187.4 trillion rupiah with the allocation for the MSME sector amounting to 100.1 trillion rupiah (Kontan: News Data Financial Tools, 2021). Based on these data, Bank BRI did the most financing with an accumulation of 379.647 trillion rupiah in the MSME sector. This proves that the implementation of sustainable finance at the Himbara banking financial service institution has been carried out well, including in the Tolitoli district, the implementation of sustainable finance through banking has been carried out well as evidenced by the existence of a coaching program through the formation of a cluster of business sectors, including MSMEs.

In accordance with the principles and strategic plans contained in the implementation of sustainable finance, it is necessary to map businesses/industry or MSMEs that work and carry out their operational activities in an environmentally friendly manner. Sustainable finance initiated by

the OJK is very important for business and industry financing, especially in the environmentally friendly MSME production sector. In terms of the sustainability and success of MSMEs in the environmentally friendly production sector, support from the Financial Services Industry (IJK) is needed both through financing/funding and its implementation. One of the benchmarks for the success of MSMEs is financial performance in accordance with the Financial Accounting Standards for Micro, Small and Medium Entities (SAK-EMKM). SAK EMKM explicitly describes the idea of business substance as an important part and therefore to prepare a budget report based on SAK EMKM, several ratios that become the main concern are the calculation of Return On Assets (ROA) which is obtained through the comparison formula between operating profit and total the assets used and also the Net Profit Margin (NPM) obtained through the comparison formulation between net income divided by sales. The following is the financial performance data of the environmentally friendly MSME sector based on the ownership of environmental management documents through the Environmental Management Statement (SPPL) and/or Environmental Impact Analysis (AMDAL) documents:

**Table 3.** Financial Performance of MSMEs in the Environmentally Friendly Production Sector in Tolitoli.

| No. | Business Name         | Financial statements |                 | Sales Turnover (IDR) | Sales Turnover/ Month (IDR) | Profit / Month (IDR) | Nominal Assets Used (IDR) | Return On Asset (%) | Net Profit Margin (%) |
|-----|-----------------------|----------------------|-----------------|----------------------|-----------------------------|----------------------|---------------------------|---------------------|-----------------------|
|     |                       | Daily Income (IDR)   | Daily Fee (IDR) |                      |                             |                      |                           |                     |                       |
| 1   | Kedai Mama Tesa       | 500,000              | 50,000          | 550,000              | 16,500,000                  | 15,000,000           | 25,000,000                | 60.00               | 90.91                 |
| 2   | Ashraf Coffee         | 100,000              | 150,000         | 250,000              | 7,500,000                   | 3,000,000            | 6,000,000                 | 50.00               | 40.00                 |
| 3   | Pentol Bakar          | 400,000              | 350,000         | 750,000              | 22,500,000                  | 12,000,000           | 10,000,000                | 120.00              | 53.33                 |
| 4   | Pentol Crispy         | 500,000              | 350,000         | 850,000              | 25,500,000                  | 15,000,000           | 8,000,000                 | 187.50              | 58.82                 |
| 5   | Pentol Basah          | 800,000              | 300,000         | 1,100,000            | 33,000,000                  | 24,000,000           | 7,500,000                 | 320.00              | 72.73                 |
| 6   | Pentol Goreng         | 50,000               | 70,000          | 120,000              | 3,600,000                   | 1,500,000            | 1,000,000                 | 150.00              | 41.67                 |
| 7   | Ambal                 | 100,000              | 80,000          | 180,000              | 5,400,000                   | 3,000,000            | 5,000,000                 | 60.00               | 55.56                 |
| 8   | Jein Juice            | 150,000              | 50,000          | 200,000              | 6,000,000                   | 4,500,000            | 3,000,000                 | 150.00              | 75.00                 |
| 9   | Pentol Crispi         | 300,000              | 200,000         | 500,000              | 15,000,000                  | 9,000,000            | 2,000,000                 | 450.00              | 60.00                 |
| 10  | Pop Ice               | 200,000              | 100,000         | 300,000              | 9,000,000                   | 6,000,000            | 6,000,000                 | 100.00              | 66.67                 |
| 11  | Ambal                 | 200,000              | 200,000         | 400,000              | 12,000,000                  | 6,000,000            | 5,000,000                 | 120.00              | 50.00                 |
| 12  | Bubur Ayam            | 100,000              | 100,000         | 200,000              | 6,000,000                   | 3,000,000            | 3,000,000                 | 100.00              | 50.00                 |
| 13  | Kedai Kw              | 200,000              | 100,000         | 300,000              | 9,000,000                   | 6,000,000            | 10,000,000                | 60.00               | 66.67                 |
| 14  | Gray Cup              | 150,000              | 100,000         | 250,000              | 7,500,000                   | 4,500,000            | 3,000,000                 | 150.00              | 60.00                 |
| 15  | Aneka Gorengan Nugget | 200,000              | 100,000         | 300,000              | 9,000,000                   | 6,000,000            | 2,500,000                 | 240.00              | 66.67                 |
| 16  | Bangkok               | 250,000              | 150,000         | 400,000              | 12,000,000                  | 7,500,000            | 6,000,000                 | 125.00              | 62.50                 |
| 17  | Nakama Cofee          | 200,000              | 100,000         | 300,000              | 9,000,000                   | 6,000,000            | 5,000,000                 | 120.00              | 66.67                 |
| 18  | Capcin                | 300,000              | 150,000         | 450,000              | 13,500,000                  | 9,000,000            | 3,500,000                 | 257.14              | 66.67                 |
| 19  | Jualan Pop Ice        | 150,000              | 100,000         | 250,000              | 7,500,000                   | 4,500,000            | 2,000,000                 | 225.00              | 60.00                 |
| 20  | Pentol                | 300,000              | 200,000         | 500,000              | 15,000,000                  | 9,000,000            | 3,000,000                 | 300.00              | 60.00                 |
| 21  | Ayam Geprek           | 250,000              | 100,000         | 350,000              | 10,500,000                  | 7,500,000            | 5,000,000                 | 150.00              | 71.43                 |
| 22  | Telur Gulung          | 300,000              | 100,000         | 400,000              | 12,000,000                  | 9,000,000            | 3,000,000                 | 300.00              | 75.00                 |
| 23  | Minuman Pop Ice       | 200,000              | 100,000         | 300,000              | 9,000,000                   | 6,000,000            | 2,000,000                 | 300.00              | 66.67                 |
| 24  | Kinami Coffee         | 300,000              | 200,000         | 500,000              | 15,000,000                  | 9,000,000            | 5,000,000                 | 180.00              | 60.00                 |
| 25  | Kuliner               | 200,000              | 100,000         | 300,000              | 9,000,000                   | 6,000,000            | 3,000,000                 | 200.00              | 66.67                 |
| 26  | Gorengan              | 150,000              | 100,000         | 250,000              | 7,500,000                   | 4,500,000            | 1,500,000                 | 300.00              | 60.00                 |
| 27  | Ombe Drinks           | 200,000              | 150,000         | 350,000              | 10,500,000                  | 6,000,000            | 4,000,000                 | 150.00              | 57.14                 |
| 28  | Kedai Baper           | 300,000              | 100,000         | 400,000              | 12,000,000                  | 9,000,000            | 3,750,000                 | 240.00              | 75.00                 |
| 29  | Bensueger             | 250,000              | 100,000         | 350,000              | 10,500,000                  | 7,500,000            | 3,000,000                 | 250.00              | 71.43                 |
| 30  | Dhita Drinks          | 200,000              | 100,000         | 300,000              | 9,000,000                   | 6,000,000            | 2,000,000                 | 300.00              | 66.67                 |
| 31  | Boska Coffee          | 200,000              | 100,000         | 300,000              | 9,000,000                   | 6,000,000            | 6,000,000                 | 100.00              | 66.67                 |

|                      |                |                |                  |                   |                   |                   |               |              |
|----------------------|----------------|----------------|------------------|-------------------|-------------------|-------------------|---------------|--------------|
| <b>Maximum Value</b> | <b>800,000</b> | <b>350,000</b> | <b>1,100,000</b> | <b>33,000,000</b> | <b>24,000,000</b> | <b>25,000,000</b> | <b>450.00</b> | <b>90.91</b> |
| <b>Minimum Value</b> | <b>50,000</b>  | <b>50,000</b>  | <b>120,000</b>   | <b>3,600,000</b>  | <b>1,500,000</b>  | <b>1,000,000</b>  | <b>50.00</b>  | <b>40.00</b> |
| <b>Average value</b> | <b>248,387</b> | <b>137,097</b> | <b>385,484</b>   | <b>11,564,516</b> | <b>7,451,613</b>  | <b>4,991,935</b>  | <b>187.57</b> | <b>63.24</b> |

Source: MSME Data Processed In Excel. 2022.

Seen based on the data in the analysis table, the financial performance of the environmentally friendly MSME production sector varies from one another. The higher the ROA value, the better the rate of return/profit for the business. The highest ROA value is in the PENTOL CRISPY business with a value of 450%, while the lowest ROA value is obtained by the ASRAF COFFE business with an ROA value of 50%. In the aspect of NPM measurement, the higher the NPM value, the better the state of a company. The data shows that in very good conditions, the KEDAI MAMA TESA business has an NPM value of 90.91%, while the lowest NPM value is found in the ASRAF COFFE business with an NPM value of 40%. In general, the average ROA and NPM values are 187.57% and 63.24%, respectively, which indicate good conditions for the survival of a business, especially micro, small and medium scale. This result certainly provides a good indicator of economic conditions in the Tolitoli Regency area during the Covid-19 pandemic.

In general, based on BPS data, the economic condition in Tolitoli Regency can be seen in the following table:

**Tabel 4.** Economic Conditions in Tolitoli Regency during the Covid-19 Pandemic.

| <i>Indicator</i>   | <i>Achievements</i>   |
|--|---|
| <i>Economic growth percentage</i>                                  | Economic growth based on GDP achievement in Tolitoli Regency in the agricultural, forestry and fishery sectors has shown a fluctuating movement over the last 3 years, namely: 38.75% (2019); 39.71% (2020); 39.56% (2021).   |
| <i>Per capita income and increase in national income</i>           | National income for the last 3 years has also fluctuated, namely: IDR 11,392,174.7 (2019); IDR 11,365,144.8 (2020); IDR 12,570,786.2 (2021).  |
| <i>The number of unemployed is less than the number of workers</i> | In 2020, the working population reached 109,643 people while the unemployed amounted to 4,255 people with a comparison percentage of 25.77% and it means that the number of unemployed is smaller than the number of workers. |
| <i>Poverty level</i>   | The number of poor people in Tolitoli Regency has increased with data: 30,790 (2019); 30,510 (2020) and; 32,190 (2021).   |

Source: Tolitoli BPS Indicator Data, Processed. 2022.

Based on the data of several achievement indicators in the table, the economic condition in Tolitoli Regency for the last three years has shown a fairly good condition where in the GDP aspect there is a trend of fluctuating levels even though in 2021 it has decreased from the previous year with data of 39.71% in 2019, 2020 and 39.56% in 2021. However, there was an increase in 2020 from the previous year with data of 38.75% in 2019 and 39.75% in 2020. In the aspect of per capita income, it also shows a fluctuating trend with achievements an increase at the end of 2021 from the previous year with data of IDR 11,365,144.8 (2020) and IDR 12,570,786.2 (2021). The situation is also quite good in terms of employment and where the number of workers is greater than the number of unemployed. In this case, the working population is 109,643 people while the unemployed are 4,255 people. One important note is related to the aspect of the poverty level where the trend shows that there has been a fluctuating (up and down) poverty rate for the last 3 years to reach 32,190 people by the end of 2021.

The economic condition in Tolitoli Regency is quite good when viewed from the agricultural aspect. This is based on information obtained from the Head of the Food Crops and Horticulture District of Tolitoli Regency that entering the second quarter, March to May, did not trigger the steps of farmers to harvest rice. Thus, this harvest ensures the availability of food in this area is safe in the midst of the COVID-19 pandemic (swadayaonline.com).

Based on the data of several research indicators, the implementation of sustainable finance in the Tolitoli Regency is running quite well. Real support and contribution from banking financial services institutions (Himbara) in providing funding in the form of credit or certain loans for the sustainable MSME production sector is an important point for the successful implementation of sustainable finance in the midst of the Covid-19 pandemic. The economic condition of Tolitoli Regency is also quite good with several achievement indicators including the number of workers who are more than unemployed, per capita income which has also increased and the value of GRDP is quite good because it has increased in 2020 even though analytically in the last 3 years (2019 -2021) fluctuated. This is in accordance with the results of research from Furman, Geithner, Hubbard, and Kearney (2020), namely the four policy priorities in dealing with the Covid-19 pandemic, some of which are aspects of funding through certain credits or loans, expansion of MSME sector funding and full support by the government (Akpan et al, 2020).

The performance aspect of the MSME production sector in the midst of a pandemic is also quite good, as evidenced by some information, namely the financial performance of MSME-scale business units which are quite good through the achievement of business profitability during the Covid-19 pandemic. In addition, the sustainability of the agricultural aspect that ensures food availability during the pandemic provides evidence of harmony between the implementation of sustainable finance in supporting the national economic recovery through the MSME production sector during the Covid-19 pandemic. These results are also supported by research conducted by Ziolo, Fidanoski, Simeonovski, Filipovski, and Javanovska (2017) various challenges and opportunities for sustainable finance and economic recovery programs implemented through intra-trade strategies, green economy and public-private partnerships (Furman et al, 2020). Therefore, maximum funding for the sustainable MSME production sector in Tolitoli Regency has a real impact on economic recovery.

## CONCLUSION

The implementation of sustainable finance in Tolitoli Regency has been going quite well based on information obtained from the Himbara banking financial service institutions (BRI, Mandiri and BNI) in Tolitoli Regency. The average funding disbursed per business unit is IDR 50,000,000 to IDR 100,000,000 / business unit. The economic condition of the Tolitoli Regency area during the Covid-19 pandemic also looks quite good through an increasing trend in the aspect of employment and per capita income, then in terms of the sustainability of sustainable business sectors such as the agricultural sector. In addition, the better financial performance in the MSME production sector through several samples that were researched randomly (Non Probability Sampling) during the Covid-19 pandemic had an impact on accelerating the achievement of economic recovery in the regions and by itself contributing to national economic recovery. This is based on data on the financial performance of MSMEs in the environmentally friendly production sector with a sample of 31 MSME units reaching an average NPM value of 63.24% and ROA of 187.57%.

## ACKNOWLEDGEMENTS

Bismillah, praise and thanks be to Allah Subhanahu wata 'ala. With his permission, the author was able to complete this research article. We would like to thank those who have helped a lot, including the Ministry of Education and Culture, Research and Higher Education Technology, for their research funding assistance. Next up is the Mujahidin College of Economics campus for their support



and trust in us as lecturers/researchers. All research partners, including the HIMBARA Banking (BRI, Mandiri and BNI), the Tolitoli Regency Research and Development Agency, the Environment Agency and SMEs in the environmentally friendly production sector. Finally, I hope that this article will be useful for the breadth of science and our way or pattern of thinking towards achieving the sustainable development goals (SDGs).

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