

## **KADIN CSR Committee Final Report for ACN**

### **Background**

In Indonesia there are misperceptions about CSR. Relevant stakeholders, such as government (national as well as regional); corporates; civil society organisations (CSO); as well as society at large, perceive CSR as merely philanthropic activities and only aimed at the community. As such, CSR is not holistic, strategic nor integrated into corporates' business operations.

There are many negative consequences, such as: many local governments force corporates to fund their programs, and threaten not to issue the business license if the corporate refuses to support them. CSO and society at large treat corporates as an ATM where they submit proposals asking corporates to donate/fund social activities. This situation does not create conducive investment and business climates.

The Committee of CSR at the Indonesia Chamber of Commerce (KADIN) composed a concise CSR Guidance book based on ISO 26000.

### **The Project Objective**

The main project objective was to disseminate this guidance to relevant stakeholders to provide knowledge about CSR, based on ISO 26000, in order to achieve the same perception about CSR as well as creating a conducive climate for investment and business operation.

The expected outcomes were:

1. A raised awareness of what CSR actually is; and
2. Inform all relevant stakeholders to ensure they have a same perception about CSR based on ISO 26000. Those stakeholders included: corporates, government (national and regional), civil society organisations.

### **Project Delivery Process**

As stated in the proposal, KADIN CSR Committee collaborated with MM-CSR/CECT Trisakti University ([www.mmcsrtrisakti.com](http://www.mmcsrtrisakti.com)), where Dr. Maria R Nindita Radyati is the Founding Director of MM-CSR and Executive Director of CECT Univ Trisakti.

CECT is a research center at Trisakti University with specialisation in CSR and Social Entrepreneurship. CECT founded MM-CSR, managing its curriculum

development, creating CSR case studies for teaching and learning processes at MM-CSR Univ Trisakti. Therefore, CECT is the think-tank of MM-CSR.

MM-CSR/CECT team members organised the project on **pro-bono** basis, that included the trips, the Socialisation/Dissemination programs in collaboration with Regional KADIN, the printing, obtaining sponsorship for book printing, etc. All the sponsors funds were transferred directly to the KADIN Bank Account.

Regular reports were submitted by Dr. Maria R Nindita Radyati, as the Leader of MMCSR/CECT and in her role as Deputy Head of CSR Committee at KADIN, to the Head of CSR Committee, Dr. Suryani Sidik Motik.

The dissemination process was undertaken through presentations and Focus Group Discussions in five large cities namely: Yogyakarta, Surabaya, Denpasar, Medan and Jakarta. The dissemination process culminated in a National Congress.

The dates of the dissemination and distribution of KADIN CSR Guidance were as follows:

1. Yogyakarta on 5 September 2015
2. Surabaya on 5 October 2015
3. Denpasar on 28 October 2015
4. Medan on 9 November 2015
5. Jakarta on 11 November 2015
6. National Congress on 22 – 24 November 2015 in Bandung (more than 1000 participants attended)

### **Profiles of the participants**

Most of the participants were Regional KADIN Members (Companies and Associations) and some participants were NGOs and Universities, that had collaboration agreements with KADIN members in their CSR programs. In addition, some government agencies such as Bappeda (Badan Perencanaan dan Pembangunan Daerah/Regional government agency for development planning) and the Office of Coordinating Ministry of Economy.

The aforementioned stakeholders will now all collaborate to support companies undertaking their CSR. Governments will synergise their local development agenda

with Corporate's CSR Agendas, and CSOs will support these corporates as partners and will no longer treat them as an ATM.

### **Highlights of the Responses from the participants**

There were similar responses from the participants during Q&A session in every location.

The highlights of discussions were:

1. Participants are still worried with the local relevant stakeholders who have been intervening CSR activities, such as:
2. Local governments are creating many Regional Laws for CSR. They want to control CSR activities such as: impose the companies to conduct CSR programs based on their interests, for example in the area of philanthropy (donations), education, infrastructure, religion (building or renovating mosques), etc. It becomes problematic because the local government agendas are not matched with companies' CSR plans. In addition, companies have limited resources and already have their own agenda/planning for CSR, which are related to their core business or based on their needs. If the companies refused to follow the local government's agenda, some of corrupt local government people would threaten them by saying they would not provide permission/licence to operate.
3. Local governments also insist on monitoring the CSR activities and require information about CSR budgets (the amount and allocations). If the companies are not willing to disclose all of their data because of some reasons, the local government will force them to spend more on CSR by asking donations to them.
4. Based on the aforementioned experiences, they want KADIN INDONESIA to help them provide a framework to make CSR report just for the local government to prevent them from asking CSR budget amount and allocation. They want to have the same 'voice' in communicating their CSR to the government.
5. The participants in Denpasar and Medan want to monitor the CSR activities to their members. They conveyed that it would be better if they conduct monitoring by themselves instead of having the government monitor, because there is always a risk that government will make more demands based on their monitoring result and based on their own criteria.

6. There were also many requests to have collaborations for CSR activities. Some participants asked KADIN to provide advice on how to collaborate effectively.
7. There was a similar recommendation made by several participants in Jakarta for KADIN to organise regular fora to discuss CSR activities with the hope that each member can learn from others and be inspired by other members' CSR activities.

**KADIN responses:**

1. KADIN CSR Committee plan to improve the content of the Guidance by including a framework for a CSR Report contextualised with Indonesia's local government needs.
2. KADIN CSR Committee agreed to conduct a CSR KADIN Forum on a regular basis to discuss and share lessons learned from CSR activities done by KADIN members.
3. KADIN CSR Committee will organise a “CSR Governance Award” with the main objective to disseminate knowledge about organisational Governance based on ISO 26000.

**Unexpected Conditions and Future Plans**

When the Socialisation activities were completed in November 2015, KADIN Indonesia had a National Congress where there was an election for a new Chairman. After that some of the Board members changed. The names of the new board members were not published until the end of January 2016. One of the results of the “change of guard” was that the old CSR Committee has now become the “CSR and Business Competition Committee”.

Therefore, some of the proposed activities remain incomplete including:

1. Establishment of the Social Media platforms. After the socialisation process, we could not continue activities until the new Chairman had been elected and the new Committee had been announced. Therefore, we had not known whether we would still be in the Committee or replaced by other people.
2. The new Committee has three divisions: Good Corporate Governance; Community Development; and CSR. Therefore, the new committee has more members. Thankfully the previous CSR Committee members are still elected as the current CSR Division members. Therefore, it is now our priority to educate the new members from other divisions (Good Corporate Governance

and Community Development) to build the same understanding about CSR. After this is achieved, we will continue our plan to create a LinkedIn page.

The future agenda for the KADIN CSR Committee based on the feedback from the socialisation includes:

1. KADIN CSR Committee plan to improve the content of the Guidance by including a framework for CSR Report contextualised with Indonesia's local government needs.
2. KADIN CSR Committee will form a "KADIN CSR Forum" which will organise regular fora to discuss and share lessons learned from CSR activities done by KADIN members.
3. KADIN CSR Committee will organise a "CSR Governance Award" with the main objective to disseminate knowledge about organisational Governance based on ISO 26000.

### **The Achievement Table**

The following page presents the Achievement Table for this project. It includes a comparison between the planned activities and the actual activities. This comparison is supported with explanations where there were variances.

**Achievement Table: Planned vs. Actual**

Expected Contributions (outcome)	Method	Indicator of Success	Achieved	Explanation
1. Provide a knowledge baseline for CSR.	Seminars in 6 big cities (Jakarta, Tangerang, Bandung, Yogyakarta, Surabaya, Medan, Denpasar)	Conducting Pre and Post Questionnaire on their understanding about CSR	<ul style="list-style-type: none"> <li>• Socialisation programs with this ACN project were conducted in Jakarta, Bandung, Yogyakarta, Surabaya, Medan and Denpasar Bali</li> <li>• Through the ACN program, CSR Guidance books were also distributed in the KADIN National Congress in Bandung where the number of participants was more than 1000.</li> </ul>	<ul style="list-style-type: none"> <li>• Socialisation programs were also conducted in Tangerang using KADIN funding.</li> </ul>
2. Provide a stimulus for all stakeholders to work together, using the baseline, for the betterment of individuals, groups and society at large.	<ul style="list-style-type: none"> <li>- Forming “Special Interest Groups” from participants in the Seminars</li> <li>- Conducting FGD (Focus Group Discussions) in the Seminars and after the Seminars if needed</li> </ul>	<ul style="list-style-type: none"> <li>- Make database of the members of “Special Interest Groups”</li> <li>- Create website/blog with the information about the Guidance and FAQ</li> <li>- Encourage each Special Interest Group to create Social Media platforms for discussions and news update, such as:                             <ul style="list-style-type: none"> <li>o LinkedIn Group</li> <li>o Facebook</li> <li>o WhatsApp Group</li> <li>o BBM Group</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Special Interest Group is established through KADIN CSR Forum</li> <li>- WhatsApp groups have been created in each city</li> <li>- The LinkedIn is still in the process to be created</li> </ul>	<ul style="list-style-type: none"> <li>- Facebook has not been created due to the change of composition of the Board members and the forming of new Committee, namely: CSR and Business Competition Committee.</li> <li>- BBM Group was not created due to the limited number of participants who used BBM</li> </ul>

<b>Expected Contributions (outcome)</b>	<b>Method</b>	<b>Indicator of Success</b>	<b>Achieved</b>	<b>Explanation</b>
3. Provide a platform to develop/revise/update current policy and regulations that pertain to CSR for each stakeholder group.	- Conducting informal routine discussions through Social Media platforms	- Active discussions in the aforementioned Social Media platforms	- This is done through emails to us.	- We have received a number of emails from Yogyakarta, Medan and other cities, asking our inputs for the drafting of Regional Government Laws regarding CSR (Medan) and a research on creating database of CSR Activities in Yogyakarta, as well as other questions related to CSR
4. Provide a mechanism to have a robust conversation between the key stakeholders on the future directions for CSR in Indonesia using KADIN as the facilitating organisation	- Conducting CSR forum discussions for update of the issues and challenges in CSR related activities	- Forums of discussion bimonthly in Local Kadin and once a year in Central Kadin (Jakarta)	- KADIN CSR Forum is created and the agenda for regular discussions are being developed.	- The participants of Socialisation programs in all cities agreed on the needs of forming KADIN CSR Forum to provide balanced information to the local government and prevent the corrupt government from asking CSR budget or making license issuance difficult just based on the monitoring report done by them.
5. Provide a “one stop shop” and centre for excellence for key CSR stakeholder groups.	Creating CSR Helpdesk	- CSR Helpdesk in the website - Each Local Kadin is encouraged to have a special email address and	- The helpdesk has been created, at this moment is still through email to the members of CSR Committee, especially to Maria Radyati, Maria Dian,	

Expected Contributions (outcome)	Method	Indicator of Success	Achieved	Explanation
		Persons In Charge (PIC) and his/her contact number to accommodate inputs and questions from their members. - The inputs and questions can be handled by each Regional Kadin, or by consulting with Central Kadin	and Siddharta Mursyid	

**Project Lessons Learned:**

1. The Socialisation/Dissemination programs were very useful for the KADIN members to have the same understanding and perception about CSR, hence raised awareness of the importance in creating good CSR programs that will create business benefit and sustain the society as well as environment.
2. It is important to have a collective action amongst KADIN members to provide inputs to the government and other stakeholders in relation to CSR. Therefore, the formation of KADIN CSR Forum is very strategic to organise regular discussions and sharing on issues related to CSR.
3. This Dissemination programs were perceived as very good program by Regional KADIN members, because they felt that National KADIN cared about them and opened dialogue to them. They expected that this 'visitation' programs would be continued in the future on regular basis.

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Prepared by: Dr. Maria R. Nindita Radyati

Acknowledged by: Dr. Suryani Sidik Motik