



Global Compact Network
Indonesia

Mobilizing Collaborative Actions (Discussion Paper)

UN Global Compact ALNF Meeting
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Presented by
Y.W.Junardy
President, Indonesia Global Compact Network



INDONESIA @ Glance



Population:
 (2006) – 223.0 Millions
Population Growth (annual):
 (2005) 1.5% (2006) 1.1%

Surface Area (sq – km):
 1.9 million
GDP Current (US\$):
 (2006) 364.5 billion

	Pre-crisis	Crisis	Post-crisis		
	(93-96)	(1998)	01-06	2005	2006
GDP growth rate (%)	7.7	-13.1	4.8	5.6	5.5
o/w investment (%)	12.2	-33.0	6.7	10.8	2.9
Investment (% of GDP)	28.0	25.4	21.4	23.6	24.0
Exchange rate (average per US\$)	2,210	10,013	9,322	9,705	9,141
Exports (billions of USD)	43.0	48.8	72.1	85.7	100.7
Imports (billions of USD)	36.0	27.3	43.3	57.7	61.0
Trade balance (billions of USD)	7.0	21.5	28.7	28.0	39.6
International reserves (US\$ billion, eop)	13.8	22.9	34.3	34.7	42.6
Inflation rate (CPI, eop)	8.7	58.5	9.6	17.1	6.6
Budget balance (% of GDP)	1.2	-2.0	-1.3	-0.5	-1.0
Government debt (% of GDP)	24.3	74.1	57.8	46.8	39.1
Unemployment rate (%)	-	-	9.7	10.3	10.3
Poverty rate (%)	17.6	23.4	17.2	16.0	17.8

(source: worldbank)

Member Companies

Initial Pledge	Individual Pledge - 2002	3
1 st Pledge	UN ESCAP – Jakarta, 8 April 2006	23
2 nd Pledge	Indonesia Marketing Association (IMA) Nat'l Conference – Palembang, 23 Juni 2006	16
3 rd Pledge	IMA Seminar – Bandung, 21 Juni 2007	35
4 th Pledge	IMA Celebration – Jakarta, 13 December 2007	50
5 th Pledge	IMA Business Ethics Seminar – Semarang, 24 Mei 2008	24
6 th Pledge	IMA Business Ethics Seminar – Makasar, 3 Juli 2008	15
7 th Pledge	Growing Inclusive Market Report Launch – Jakarta, 11 Agustus 2008	10
	TOTAL YTD	176



Global Compact Network Indonesia

- **VISION:**

To be a respectable **agent of change in accelerating country transformation** towards the achievement of human rights, competitive labor, sustainable environment, and ethical business practices.

- **MISSION:**

Promote, facilitate and implement the UN Global Compact principles in Indonesia.





Role of



Global Compact Network
Indonesia

- **PR**Omote Global Compact Initiatives to wider audiences;
- To **Fac**ilitate dialogue on issues and progress of members (both local firms and subsidiaries of foreign corporations) with respect to implementation of the ten principles;
- Deepen the **L**Earning experience of all participants through sharing experience on member activities and guidance from GC Office.
- Creating opportunities for multi-stakeholder engagement and **Col**lective actions;
- Ensure the submissions of COPs by members and network **Re**port.

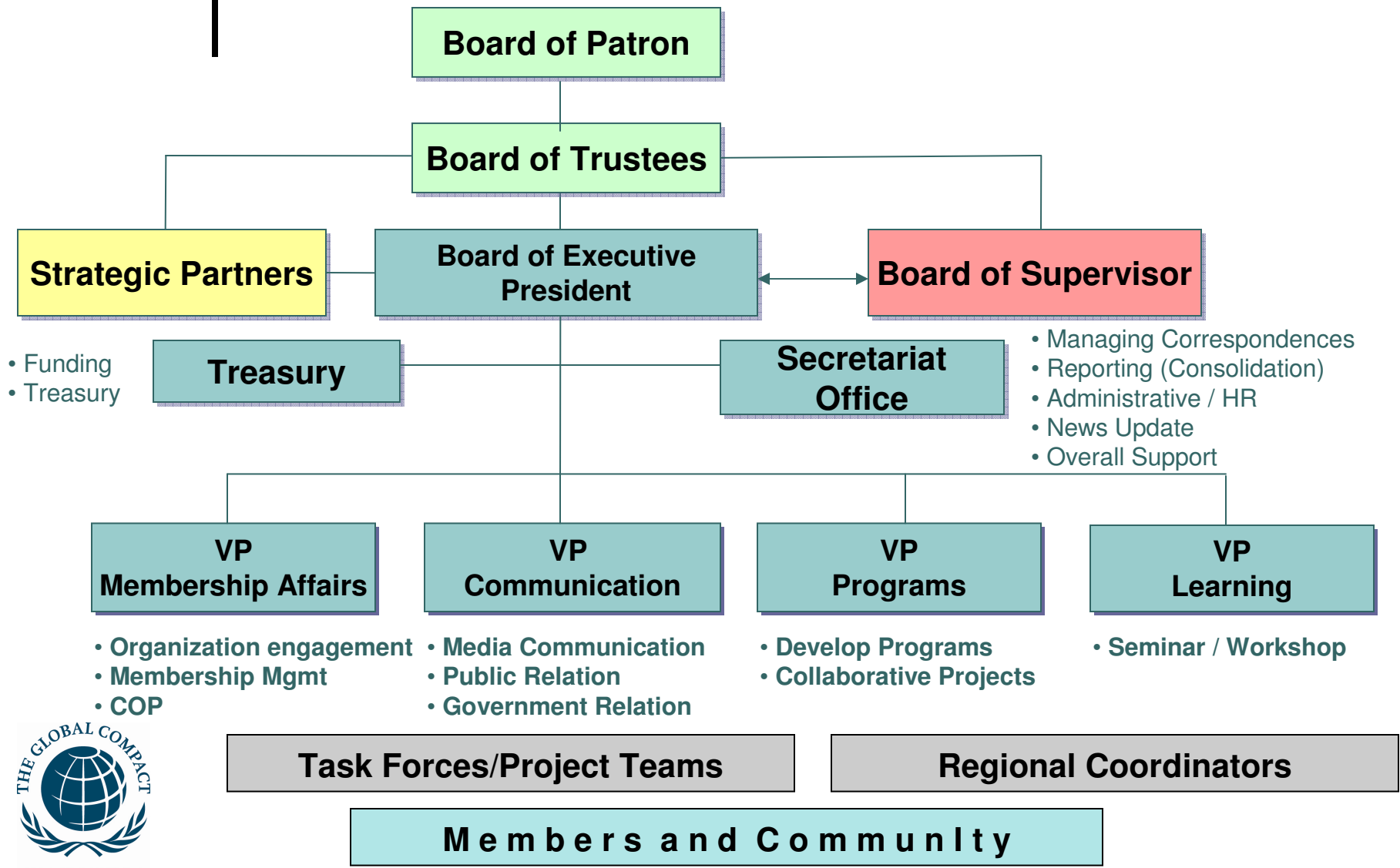


"PROFILE CR"

To Date Activities

- **Promote GC: Awareness** , 176 Members
 - Led by Indonesia Marketing Association (IMA) & Indonesia Business Links
 - Supported by UNDP and MDG Office
 - Conducted Briefings / Seminars (Jakarta, Palembang, Bandung, Semarang, Surabaya, Jogja, Makasar dan Medan)
- **Participate in - Deliverables, Understanding**
 - Development of Responsible Education Principle by GC Office NY – 2007;
 - GC Leader Summit, Geneva – 2007;
 - UN Convention against Corruption, Bali – 2008;
 - UNGC Asia Focal Point Meeting, Bangkok – 28 Mar 2008
 - UNGC Asia Focal Point Meeting, Seoul 16-17 June 2008
- **Collaboration Projects – Flood Prevention Awareness**
 - Mangrove Plantation – 2006;
 - Jogja Earthquake Relief – 2006; **Relief Support**
 - Anti Corruption Campaign in support of Corruption Eradication Commission – **Encouragement**
 - Growing Inclusive Market Report Launch, Jakarta – 11 Aug 2008
Enabling Poor
- **Individual Projects by members**

Board of Management



Sources of Funding

Proposed Annual Contribution: (1 US\$ = Apprx. Rp. 9200,-)

Category	Amount Rp.	Equiv. (US\$)
Big Companies	12,000,000	1,300
SMEs	6,000,000	650
Academics		
- Big	6,000,000	650
- Small	3,000,000	325
NGOs	3,000,000	325



Voluntary contribution

Note: IGCN Meeting Resolution but not yet implemented

Network SWOT

Internal aspects (GCLN)

External aspects (market)

Strengths

- Strong support from key members
- Joint campaigns for membership drive
- Access to Gov, NGO and regions
- CSR policy & implementation in place for key members
- Strategic partner support (UNDP, etc)

Opportunities

- Incr. pressure to fight corruption
- Incr. awareness on environment
- Gov policy “CSR is mandatory”
- Incr. green customers
- Preference/reqs. in investment dec’n
- MNC and International NGO support

Weaknesses

- Organization setup & funding capability
- Diverse industry - different priority
- Redundancy with other activities
- Selecting joint action programs
- Knowledge in CSR, how to measure?
- Communication

Threats

- Priority in disaster relief efforts
- Political will to implement
- High poverty level with low education
- Lack of job creations
- Terrorism, separatism
- Political uncertainty (2009 election)

GCLN [country]



Mobilizing Collective Actions Policy

Purpose:

- Mobilize the available resources among GC Participants to respond to national issues in a coordinated way.
- More effective deployment of resources resulting in more productive implementation and better results
- Avoid redundancy in addressing the issues

Rational:

- Individual action may not be effective especially to address national wide issues
- Increased capability which allows us to manage projects with bigger scales
- Opportunity for SME to participate



Mobilizing Collective Actions Policy

Process:

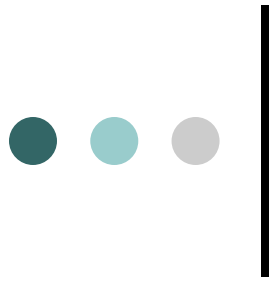
- Identification of national wide issues need to be addressed
- Identification of resource pool within the local network
- Analyze internal and external factors (SWOT, gap analysis, funding, etc)
- Identify common interest within the GC participants (policies and practice)
- Established priority based on above factor.
- Develop project scopes, implementation strategies, constrains, project team requirement, roles etc
- Obtain approval from participants and
- Establish project team and kick off



Mobilizing Collective Actions Policy

Key Policies

- The project should not favor to certain political parties.
- The project funding can be generated internally within network as well as other joint partner organizations
- The project collaborates (outsource) with individual or organization having such expertise in order to carry out the implementation (not to create from zero)
- The project should foster harmonious situation especially in the project location.
- The project should prevent conflicts between the recipients, CSO, society, private sector and government.



- **The project should provide ample opportunity for the local community to participate**
- **The project should develop an educational curriculum to increase public awareness of natural resources management, the importance of environmental protection, the extractive processes etc.**
- **The project should also equip the local people to cope in the period after the extraction, when the companies leave and the local economy is made vulnerable (mining)**



Summary

- GC in Indonesia (IGCN) is an emerging network
- IGCN can play important role in accelerating country transformation towards the achievement of the 10 principles
- In developing collaborative actions, It is critical to be able to relate effectively with:
Government – Businesses – Public/Community

