



Global Compact
Network Indonesia

REPORT

Anti-Corruption Collective Action (ACCA)

“Strengthening Integrity and Advancing
Collective Action against Corruption in
Land-based Sector”

November, 2023





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Introduction

Corruption remains a significant challenge to sustainable development and equitable economic growth in Indonesia. In response to this critical issue, the Indonesia Global Compact Network (IGCN) launched the Anti-Corruption Collective Action (ACCA) initiative in 2022 as a 3-year program aimed at fostering anti-corruption collaborative efforts within the land-based sector in Indonesia. ACCA seeks to identify corruption issues, mobilize businesses, and complement government regulations to combat corruption through collective actions.

For this initiative, IGCN focused on the land-based sector, specifically the agribusiness industry (i.e. palm oil plantations) as it plays a pivotal role in Indonesia's economy. However, the sector has frequently been marred by corruption due to its complex stakeholder dynamics, large-scale operations, environmental impacts, and human resources. Recognizing the need for a coordinated response, ACCA focuses on harnessing the collective power of various stakeholders to raise awareness about corruption issues, integrate effective approaches, and identify anti-corruption strategies to promote stronger business ethics and codes of conduct.

One of the ACCA programs is by conducting a series of regional workshop coordinated by IGCN in collaboration with the United Nations Office on Drugs and Crime (UNODC), and the Indonesian Corruption Eradication Commission (KPK). The workshops aimed to drive collaboration among diverse stakeholders, enhance ethical practices within businesses, and drive regulatory improvements that foster transparency and accountability.

This report provides an overview of the workshops carried out in three key provinces in Indonesia where the agribusiness industry, specifically where the palm oil plantation is in operation: Southwest Papua, East Kalimantan, and South Sumatra. Throughout this report, a detailed account of the workshops undertaken in the three provinces will be provided, highlighting key insights obtained from these provinces. By examining these insights, the report will underscore the importance of collective actions among businesses, governments, and civil society in creating an environment that fosters fair practices, reduces corruption risks, and promotes a culture of integrity within the Indonesian land-based sector.

Executive Summary

In pursuit of fostering a culture of transparency, accountability, and ethical business practices within Indonesia's land-based sector, the Anti-Corruption Collective Action (ACCA) initiative carried out a series of regional workshop focusing on the agribusiness industries themed "Strengthening Integrity and Advancing Collective Action against Corruption in Land-based Sector" in collaboration with UNODC and KPK. These workshops—took place in Sorong, Southwest Papua Province on 16 June 2023, Balikpapan, East Kalimantan Province on 20 July 2023, and Palembang, South Sumatra Province on 29 August 2023 — sought to harness the collective power of diverse stakeholders to combat corruption which continues to face corruption challenges that hinder its prosperity and sustainability.

The agribusiness industry is crucial for the livelihoods of approximately 38.7 million workers (Statista, 2022) including the 16 million workers in the palm oil supply chain (Muttaqien, Widhyanto, et al., 2021) and contribute 3.2% of GDP or IDR 633 billion (equivalent to USD 42.2 billion) (Badan Pengelola Dana Perkebunan Kelapa Sawit / Oil Palm Plantation Fund Management Agency, 2022). Yet, the agribusiness industry has suffered from misallocation of resources and eroded public trust due to corruption. To combat this issue, a multifaceted approach is imperative, encompassing regulatory strengthening and a culture of accountability. A 2021 study by KPK revealed alarming levels of bribery potential in land permits issuance, emphasizing the urgency of comprehensive reforms. Additionally, the UNODC conducted a Corruption Risk Assessment in the three key provinces, identifying vulnerabilities and supporting interventions to align with international anti-corruption standards.

The ACCA Regional Workshops was carried out to assess company anti-corruption policies, raise awareness about corruption, integrate effective approaches, and identify strategies for promoting business ethics and codes of conduct, focused on discussing the four key topics: 1) the Ten Principles of the United Nations Global Compact (UNGC), 2) corruption risks in the agribusiness industry, 3) anti-corruption guidelines from the KPK: Corruption Prevention Guideline for the Private Sector (Panduan CEK KPK) and 4) IGCN Maturity Level Assessment on companies' anti-corruption programs.

The workshop series revealed varying levels of maturity in anti-corruption programs among the participating companies which underscores the need to further promote corruption prevention practices and integrity within the sector. The Corruption Prevention Cycle assessment revealed variations in the maturity levels of anti-corruption programs in Southwest Papua, East Kalimantan, and South Sumatra. Notably, a significant portion of companies lacked a standalone anti-corruption policy, and this indicates the need for continued efforts to promote integrity and anti-corruption best practices.

Through these workshops, 24 key ideas for potential collective actions were generated across four categories:

- | | |
|--|---|
| 1. Strengthening Collaborations | 3. Raising Awareness and Education |
| 2. Law Enforcement | 4. Strengthening Company's Institution |

The first category has the highest number of ideas from participants across the three provinces. These ideas include advocating for stricter punishments for corruptors, the establishment of an anti-corruption task force for land-based sectors, improved regulations and digitalization of permit processes, and the elimination of intermediaries in the licensing process. They also urged to strengthen company institutions through written anti-corruption commitments and policies, employee-specific anti-corruption agreements, the establishment of dedicated departments for corruption prevention, internal anti-corruption agreements, integrated anti-corruption systems, and regular communication with vendors and contractors to uphold anti-corruption commitments and identify potential corruption risks within business operations.

Background

I. The Fight against Corruption in Indonesian Land-Based Sector

Indonesia, renowned for its extensive natural resources and diverse climate, holds a prominent position as a major global agricultural producer. The agribusiness industry plays a pivotal role in the country's economy, providing livelihoods for a significant portion of the population and contributing significantly to its GDP. This sector not only ensures food security but also supports rural development, poverty reduction, and export revenues. Given its strategic importance, the prosperity and sustainability of Indonesia's agribusiness industry are crucial for the overall well-being of the nation.

However, the potential of this vital sector has been impeded by the issue of corruption. Corruption cases within the Indonesian agribusiness industry have been a persistent challenge, leading to misallocation of resources, hindrance of development projects, and erosion of public trust. To address this issue, a multi-faceted approach is essential. Strengthening regulatory frameworks, increasing transparency in licensing processes, and fostering a culture of accountability are some crucial steps. By enhancing oversight mechanisms and promoting multi-stakeholder involvement, Indonesia can effectively mitigate corruption risks within its agribusiness industry.

In 2014, KPK conducted a study focusing on Corruption Vulnerability in Forestry Business Licensing. The findings of this study revealed that the potential for bribery within the agribusiness industry amounted to a sum of around Rp 22 billion (equivalent to USD 1,4 million) per year for each permit. This staggering amount underscores the urgent need for comprehensive reforms to eliminate corrupt practices and uphold the integrity of the sector. Related to this finding, UNODC carried out Corruption Risk Assessment in South Sumatra, East Kalimantan, Papua and Southwest Papua, identifying corruption risks, areas of concern, and feasible strategies against corruption.

The assessment aimed to pinpoint specific vulnerabilities that led to corruption within the forestry and agribusiness industries, thus supporting the government and other relevant stakeholders to formulate effective interventions and make systemic improvements—which is in line with Article 12 of the UNCAC mandating member countries to prevent corruption involving the private sector through procedures and standards to uphold business integrity and ethical conduct.



Background

II. ACCA Regional Workshop: Strengthening Integrity and Advancing Collective Action Against Corruption in Land-based Sector

The UN Global Compact's 10th principle focuses on anti-corruption efforts and calls for businesses to work against corruption in all its forms, including bribery. The principle recognizes the damaging impact of corruption on economies, societies, and sustainable development, and it emphasizes the need for organizations to take proactive measures to combat this issue. The principle requires businesses to commit to operating with integrity, promoting transparency, and upholding ethical standards within their operations and in their interactions with stakeholders.

Within this context, the ACCA Regional Workshops emerged as an initiative in the fight against corruption within the land-based sector, specifically in the agribusiness. This workshop, organized by IGCN in collaboration with UNODC and KPK, and supported by various governmental and non-governmental stakeholders, brought together representatives from the private sector, civil society, and government agencies. Its overarching goal was to create a platform where key actors could collectively address corruption issues and forge partnerships to promote ethical business conduct within the agribusiness industry.

The workshops served as a catalyst for collaboration and partnerships among diverse stakeholders i.e. businesses, government agencies, and civil society organizations, to collectively address corruption. By uniting key stakeholders in promoting ethical business conduct, ACCA represents a significant step forward in combating corruption and safeguarding the integrity of Indonesian agribusiness industries. This collaborative approach was seen as essential to create lasting change and ensure the sustainable development of Indonesia's agribusiness industry.



Workshop Implementation in Southwest Papua, East Kalimantan, and South Sumatra

I. About the Workshop

ACCA Regional Workshop activities were carried out with the specific goals of conducting a general examination at the maturity level of company anti-corruption policies, increasing awareness about corruption issues, integrating effective approaches, and identifying anti-corruption strategies to promote stronger business ethics and a code of ethics. Workshop discussions were centred on four main topics; namely, 1) The Ten Principles of the UN Global Compact, 2) Corruption risks in the agribusiness industry, 3) Panduan CEK KPK, and 4) IGCN Maturity Level Assessment.

Organized in collaboration between the IGCN, UNODC, and KPK, a total of 3 (three) workshops were carried out in Southwest Papua, East Kalimantan, and South Sumatra by inviting agribusiness companies operating in the three provinces. Detailed schedules were as follow:

CITY/PROVINCE	DATE
Sorong, Southwest Papua	16 June 2023
Balikpapan, East Kalimantan	20 July 2023
Palembang, South Sumatra	29 August 2023

Table 1. ACCA Regional Workshop Implementation

Workshop Format

The workshop activities featured an interactive engaging face-to-face format designed to facilitate dynamic discussions among participants. The workshop commenced with the introduction of the objectives to be achieved and followed by a presentation from IGCN, offering insights into their background and their function as a united front in the fight against corruption.

The workshop agenda included the following:

Introduction	Introduction of the participants and presentation of the Ten Principles of the UNGC.
Session 1: Corruption Risk Assessment	Presentation and discussion on the findings of the Corruption Risk Assessment within the forestry sector across four provinces: South Sumatra (2018), East Kalimantan (2019), Papua and West Papua (2022) which were conducted by UNODC.
Session 2: Panduan CEK by KPK	Presentation and discussion on the Panduan CEK by KPK.
Session 3: IGCN Maturity Level Assessment	A survey conducted to the participants in order to assess the degree of maturity of anti-corruption policies within companies that attended the workshop. The findings from the survey served to provide insights into existing measures taken by companies to manage corruption risks in their operations, which were then elaborated in greater broader details during the discussions that followed.

Session 1: Corruption Risk Assessment

This session covered the Corruption Risk Assessment for the forestry industry conducted by UNODC. The study identified a higher risk of corruption in the forestry sector during land conversion, land management, and licensing processes. It also revealed that companies within the forestry sector had limited exposure to strategies and measures for preventing private sector corruption.

The topics covered:

- Risk Assessment and Corruption Vulnerabilities in the Forestry Sector (e.g land permit issuance, environmental permits, etc)
- Business Process of Land Acquisition at Forest Areas
- Result of Corruption Risk Assessment in Forestry Sector
- Critical Impact of Data Inconsistency
- Data Gaps on Wood Utilization for Non-Forestry Activities (PKKNK)

Based on these findings, UNODC identified several potential initiatives to be taken into considerations in anti-corruption efforts, namely:

- Building an information system that reduces reliance on physical meetings and strengthens public accountability.
- Establishing and mobilizing standards and protocols to ensure integrity of business entities.
- Evaluating and revamping public policies to discourage rent-seeking practices.

COMPLIANCE	IMPLEMENTATION	ADMINISTRATION	CORRUPTION CONTROL
<ul style="list-style-type: none"> ▪ Compliance burden ▪ Adequacy of disciplinary regulations ▪ Risks of preferential treatment 	<ul style="list-style-type: none"> ▪ Basis for decision making ▪ Transparency and accountability ▪ Risks of misallocation or misuse 	<ul style="list-style-type: none"> ▪ Accessibility ▪ Transparency ▪ Clarity of public services 	<ul style="list-style-type: none"> ▪ Conflict of interest ▪ Reliability of anti-corruption mechanisms

Table 2. 11 Criteria of Corruption Risk Assessment

The details of the Corruption Risk Assessment in each province will be described later in the next section.

Session 2: Corruption Prevention Guideline for the Private Sector (Panduan CEK KPK)

This session discussed the Panduan CEK KPK. The guideline was published especially for the private sector to encourage ongoing efforts to prevent corruption in the private sector in order to create an integrity, fair, and competitive business climate.

Data shows that almost 70%¹ of corruption cases handled by the KPK involve business actors, public officials, and legislative members, and 80%² cases are related to bribery and procurement. The issuance of Supreme Court Regulation Number 13 of 2016 concerning procedures for handling criminal cases by corporations, in which the Article 4 verse (2) point c stipulates that corporate misconduct related to criminal liability includes the lack of efforts to prevent greater impact, and ensure compliance with applicable legal provisions to avoid the occurrence of corruption. According to Transparency International, only 38% of corporations have the anti-corruption prevention program in place.

Within this context, the regulation has become a foundation for KPK to issue a guideline detailing steps for businesses to prevent corruption in their operations.

¹ <https://acch.kpk.go.id/id/statistik/tindak-pidana-korupsi/tpk-berdasarkan-profesi-jabatan>

² https://drive.google.com/open?id=1pK9tgWxez_GBEVDDhrRq0VzMK6BLYSzP&usp=drive_fs

The guideline was developed in a collaborative effort by KPK and Indonesian Chamber of Commerce (KADIN), as well as some experts and practitioners in outlining general procedures for a corporation to proactively prevent corruption. It includes steps that are straightforward and pragmatic, allowing customization based on the corporation's specific requirements, where steps are to be taken in sequence to form a cycle of Plan, Do, Check, and Action (PDCA). These steps include leaders' commitment, planning, implementation, evaluation, action for improvement, and response.



Image 1. Corruption Prevention Guideline for the Private Sector



Image 2. Corruption Prevention Cycle

Corruption Prevention Cycle

Commitment

Leadership commitment is fundamental in the successful implementation of corruption prevention efforts. Leadership commitment will determine the direction of efforts to prevent corruption in a corporation, which is reflected in corporate policies and strategies.

Planning

In order for corruption prevention efforts to be carried out effectively and comprehensively, corporations need to plan.

Do

In this stage, the corporation shall carry out the activities as identified in the plan. Each corporation can carry out these activities according to the needs and capabilities.

Evaluation

The corporation will re-check the progress that has been carried out, from planning to implementation. Evaluation is carried out to ensure that the efforts made by the corporation are in accordance with the targets and objectives that have been set. If deficiencies or discrepancies are found, they can be followed up at the next stage, namely improvement.

Action

The focus at this stage is the corrective function. If the previous stages are carried out well, the cycle can be repeated. However, if there are discrepancies, deviations or changes that affect efforts to achieve targets and objectives, then improvements or adjustments need to be made.

Response

Response is an important stage because it is a solution option for the challenges of uncompetitive business competition faced by corporations. The response stages through collective action and reporting are expected to support law enforcement in Indonesia so as to create a conducive business climate.

Session 3: IGCN Maturity Level Assessment

This session discussed the maturity level of the participating companies' anti-corruption program, raising awareness about corruption issues, combining effective approaches, and identifying anti-corruption strategies to promote stronger business ethics and codes of conduct. The instrument was developed by adopting various guidelines on how a company can plan, implement and evaluate its internal anti-corruption program. These includes Business Against Corruption: A Framework for Action published by the UN Global Compact (2011), Panduan CEK KPK (2018) and ISO 37001:2016 Anti-Bribery Management System/Sistem Manajemen Anti Penyuapan/SMAP (2016).

The participants were required to complete a survey containing 19 multiple choices and 2 open-ended questions. The questionnaire was aligned with Panduan CEK KPK's Corruption Prevention Cycle. Meanwhile, the open-ended questions gathered suggestions to strengthen the companies' internal anti-corruption programs and commitment for collective action against corruption.

II. ACCA Regional Workshop in Sorong, Southwest Papua

ACCA Workshop in Sorong, Southwest Papua was conducted on June 16, 2023 at Swiss-Bel Hotel, Sorong. The workshop received support from the Southwest Papua Provincial Department of Environment, Forestry, and Land Affairs, and several key local organizations i.e. the Indonesian Palm Oil Association (GAPKI) and the Indonesian Palm Oil Farmers Association (APKASINDO). It was attended by 42 in-person participants representing 27 companies and 1 association.

Following the predetermined rundown, the workshop began with an introduction by IGCN and followed by three sessions as defined. The workshop covered the assessment result of the study conducted by UNODC in 2022. The assessment revealed that while various policies have the potential to inhibit illegal forest use and land conversion and serve as a tool to mitigate corruption risks, the biggest challenge to ensuring these policies are effective, lies in monitoring. However, the institutional prerequisites to carry out supervision, evaluation and control themselves are in short supply.

The study also revealed that corruption risk is the highest in the establishment of integrated team analysis in the spatial planning development (5.3), followed by forest area relinquishment decision (5.2), establishment of integrated team analysis in the issuance of partial forest area relinquishment policy (5), supervision of forest area illegal use (5), settlement of overlapping forest areas (5), evaluation of forest area licensing and release (5), and the supervision mechanism of conversion timber mechanism (4.8).

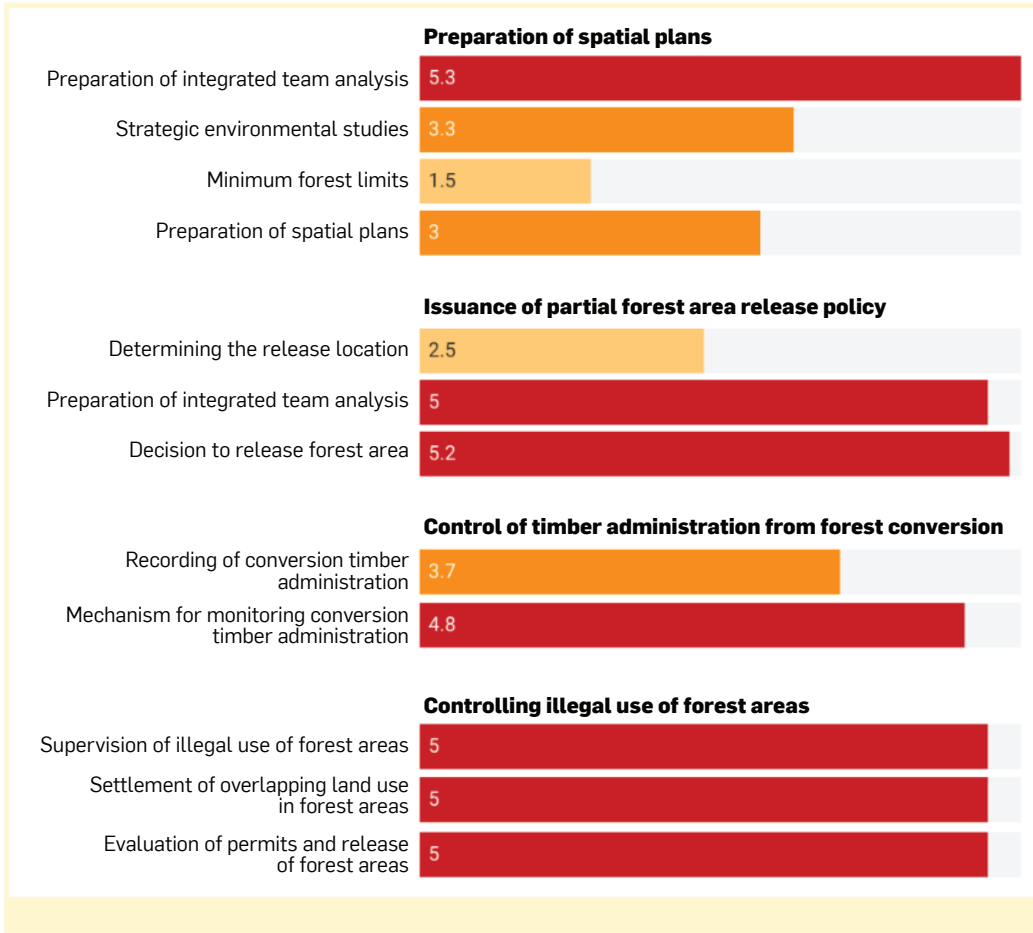


Figure 1. Corruption Risk Assessment findings in Papua and Southwest Papua
Scale: 1 (low) to 6 (high)

The Anti-Corruption Maturity Assessment

This assessment was completed by 18 respondents from 17 companies consisting of 4 C-levels, 9 managers, and 5 staff. The following graphics show only 3 out of 21 questions (a 20-page report) capturing the broad perspective.

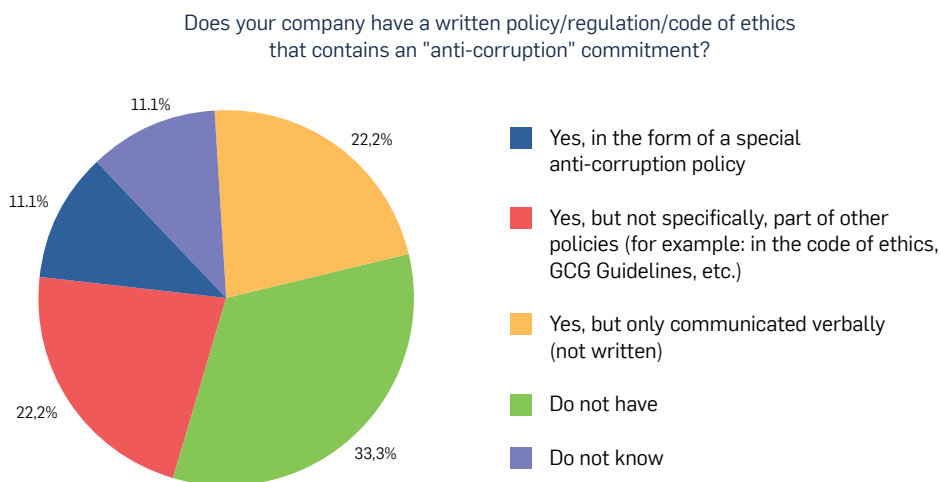


Figure 2. Anti-Corruption Policies in the Participating Companies in Southwest Papua

The survey revealed that 55% companies already have anti-corruption policies in place, but only 11% have a stand-alone anti-corruption policy document while 22% incorporate the policy as part of other policies such as GCG, and for 22% the anti-corruption policy was only communicated verbally.

The survey revealed that 55% companies already have anti-corruption policies in place, but only 11% have a stand-alone anti-corruption policy document while 22% incorporate the policy as part of other policies such as GCG, and for 22% the anti-corruption policy was only communicated verbally.

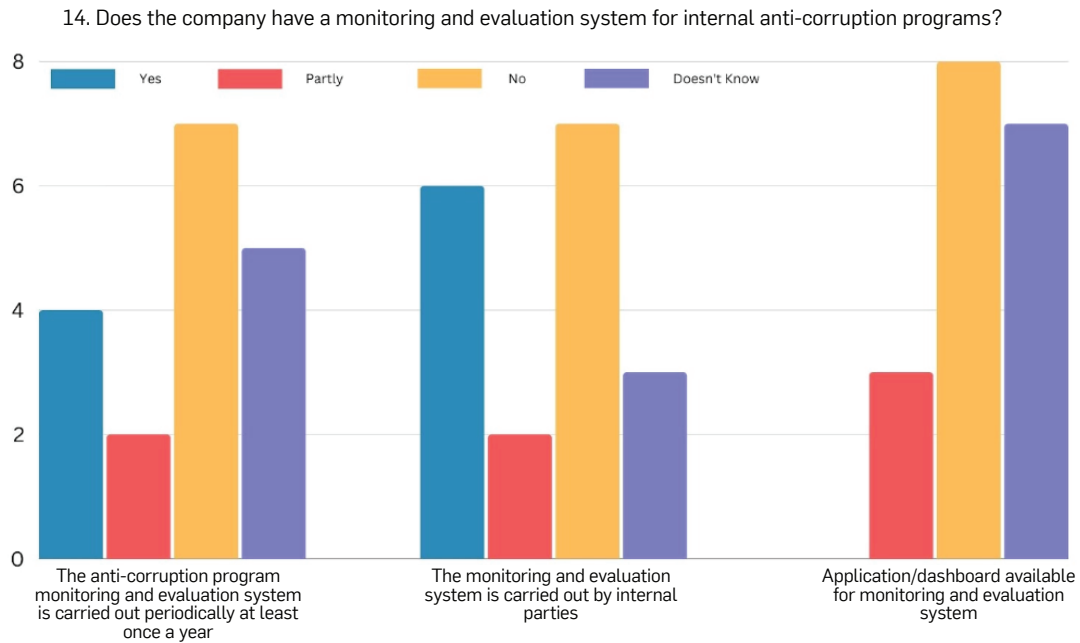


Figure 3. Monitoring and Evaluation System of Internal Anti-Corruption Programs in Companies in Southwest Papua

This chart illustrates whether within the participating companies:

- Monitoring and Evaluation (Monev) of the anti-corruption program is conducted periodically, at least once a year
- Monev is conducted by Internal Parties
- There is an application/dashboard available for monitoring and evaluation.

This chart shows that from 55.5% to 83.3% of the companies either don't have or don't know about the Monev program. Only 16.6% to 44.4% have a complete or partial Monev system.

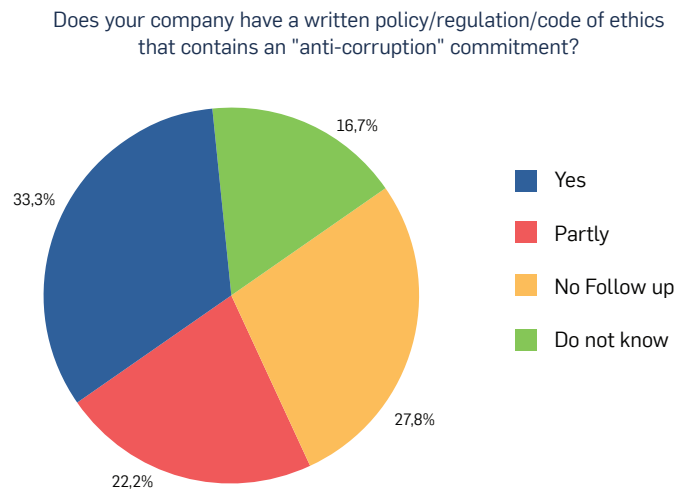


Figure 4. Follow-up Actions on The Monitoring and Evaluation Result in Southwest Papua

Out of the participating companies, 44.5 % either do not have or are uncertain about the follow-up actions within the companies. Only 33.3% claimed to have this follow-up action and 22.2% have it partially.

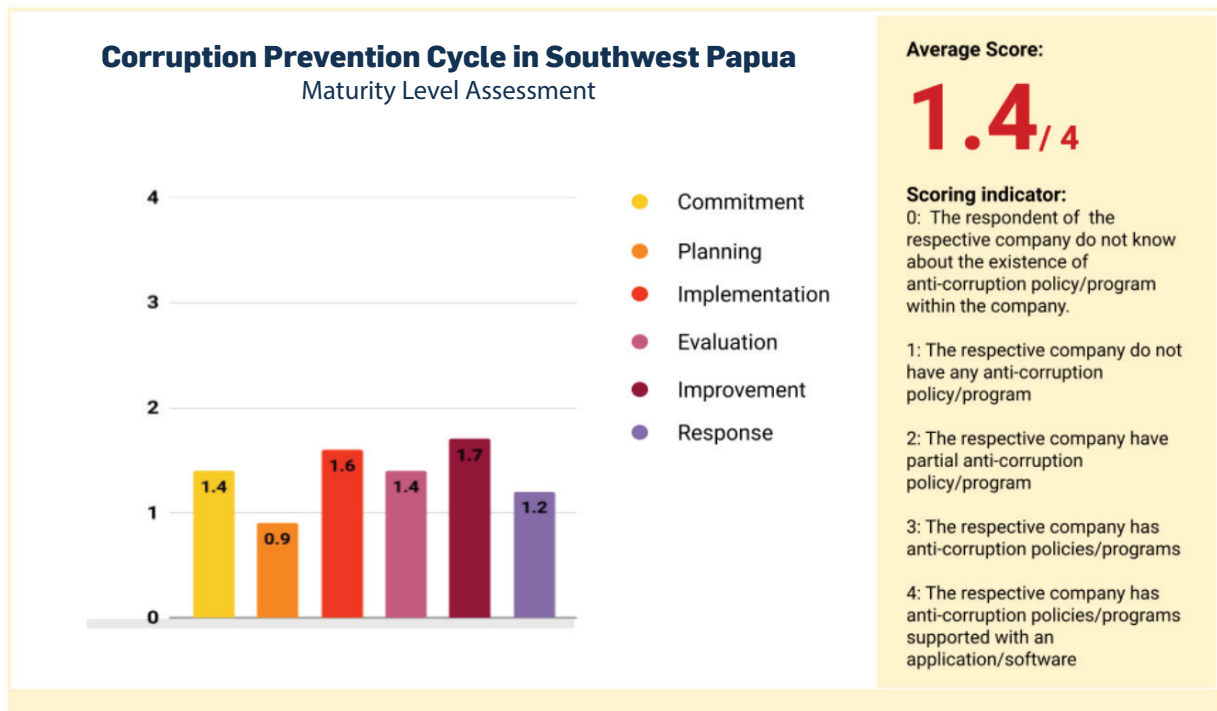


Figure 5. Average Score of Corruption Prevention Cycle Maturity Assessment in Southwest Papua

The overall result of the maturity assessment yielded an average score of 1.4 of 4 scale, suggesting that, on average, the participating companies either did not possess or had only a partial anti-corruption program. Among companies that already have anti-corruption programs in place, there appear to be notable gaps, with many other respondents indicating that they are lacking the awareness regarding their respective company's anti-corruption initiatives. The highest average score was observed in the "Improvement" category (1.7), followed by "Implementation" (1.6), "Commitment" and "Evaluation" (both at 1.4), "Anti-corruption Response" (1.2), and the lowest score in the "Planning" category (0.9).

There were five companies which achieved a score of 2, signifying that these companies have partial anti-corruption programs in place or have made progress in implementing certain anti-corruption measures. This score aligns with the responses provided by the participants to open-ended questions regarding their company's internal anti-corruption program. Many respondents expressed awareness of the necessity for policies, commitments, standard operating procedures (SOPs), guidelines, as well as the importance of promoting and implementing corrective measures internally. Similarly, a significant portion of the respondents emphasized the significance of collective actions, either in partnerships with other companies or through collaborations with relevant stakeholders to enhance anti-corruption efforts.

Concluding the workshop, participants were requested to note down suggested ideas for collective actions that suited the capabilities of their respective organizations. The ideas can be categorized as shown in the following page.

1. Raising Awareness and Education

- Education and training for the public and companies to raise awareness and build capacity to prevent corruption
- Active participation in anti-corruption activities organized by the government
- Anti-corruption discussion forums
- Raising awareness that practices that violate norms and laws should be stopped
- Raising awareness of legal timber purchase, production and trade to sustainably conserve natural resources
- Advertisement or banners for anti-corruption

2. Strengthening Collaborations

- Anti-corruption declaration by the government and companies
- Aligning vision and mission between companies that resulted in a joint anti-corruption integrity pact
- Establishing an association between business actors
- Partnership agreements
- Integrity Pacts
- Email sharing of standard operating procedures materials to prevent corruption

3. Law Enforcement

- Law enforcement against corruptors must be improved, but it is also necessary to provide guidance so that there is no prolonged corruption
- The constitution must provide a deterrent effect on corruptors, such as impoverishment
- Prosecution for corruptors
- Signing anti-corruption charters with government institutions

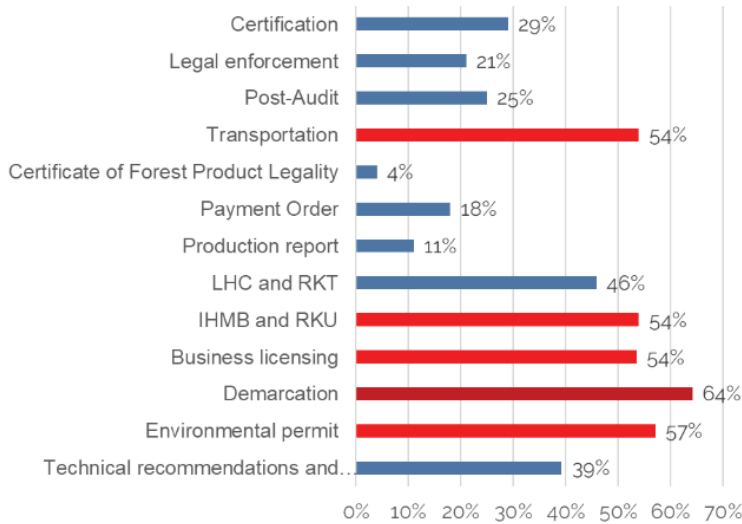
4. Strengthening Company's Institution

- Continuous efforts to strengthen integrity to build action against corruption need to be carried out to all parties
- Strengthening the integrity of the company's human resources
- Internal anti-corruption agreements in every aspect of the company's activities
- Companies must be transparent, ensure employees' well-being, and avoid corruption
- Transparent company management

Wide variety of ideas were gathered with the most proposals focusing on strengthening collaborations (7 ideas), raising awareness and education (6 ideas), strengthening the company's institution (5 ideas) and law enforcement (4 ideas).

III. ACCA Regional Workshop in Balikpapan, East Kalimantan

The ACCA Workshop in Balikpapan, East Kalimantan was conducted on July 20, 2023 at Swiss-Bel Hotel with the support from the local associations i.e. Indonesia Employers Association (APINDO) and GAPKI. The workshop successfully gathered 50 participants from 37 companies and 2 associations in the province.



In the workshop, UNODC presented their findings as a result of their study in 2020, revealing that high risks of corruption (red bars) were identified in the process of environmental permit issuance, demarcation of land, business licensing, periodic comprehensive forest inventory (IHMB) and business plan (RKU), as well as transportation process.

Figure 6. Corruption Risk Assessment in East Kalimantan

The Anti-Corruption Maturity Assessment

This assessment was completed by 23 respondents from 23 companies consisting of 2 C-levels, 14 managers, and 7 staff. The following graphics show only 3 out of 21 questions capturing the broad perspective.

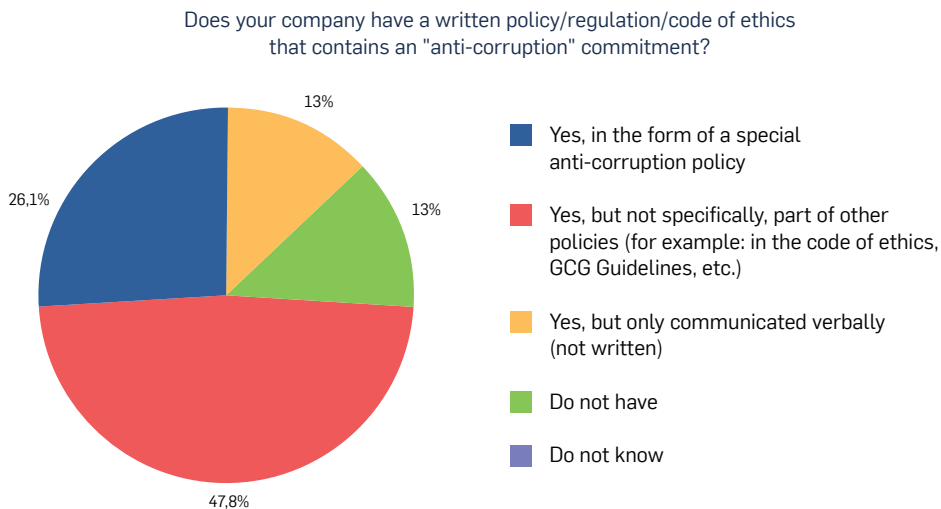


Figure 7. Anti-Corruption Policies in the Participating Companies in East Kalimantan

The assessment revealed that 86.9% already have anti-corruption policies in place, out of which 26.1% have a stand-alone anti-corruption policy document, while 47.8% incorporate it as part of other policies such as good corporate governance guidelines, and the remaining 13% is only communicated verbally. Another 13% indicated the absence of an anti-corruption policy in the company.

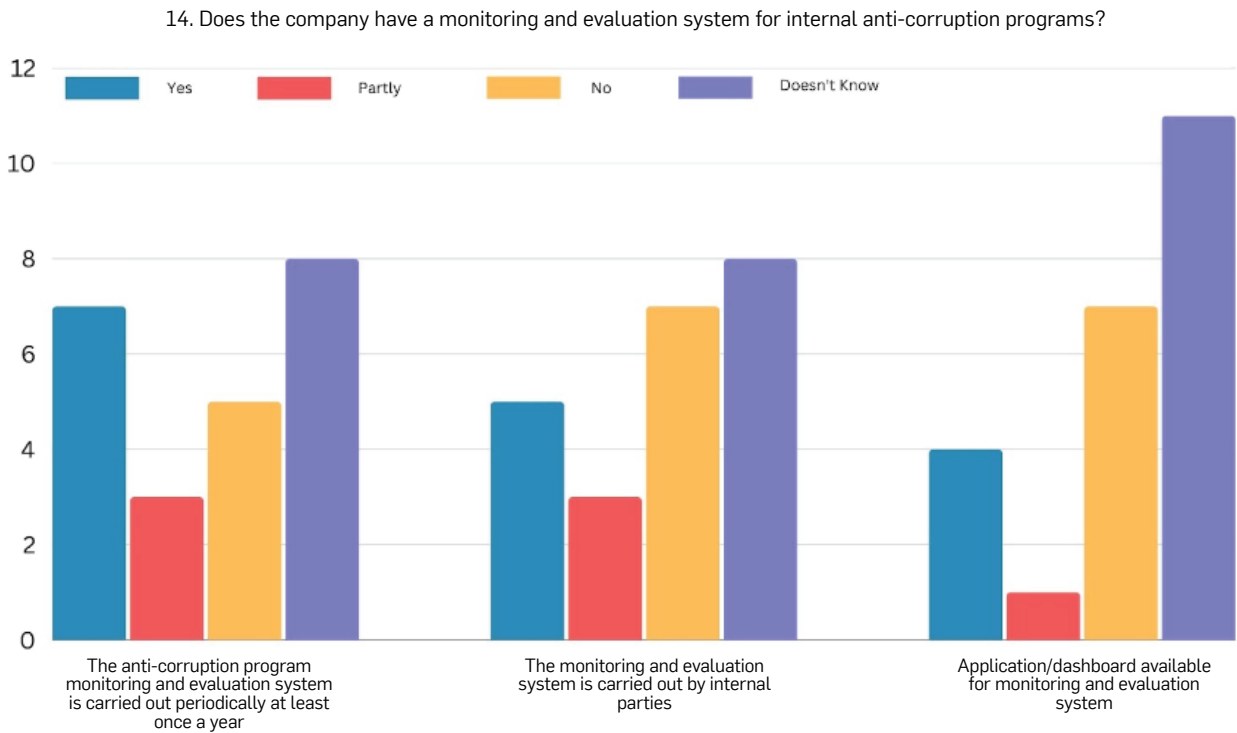


Figure 8. Monitoring and Evaluation System of Internal Anti-corruption Programs in Companies in East Kalimantan

This chart illustrates whether within the participating companies:

- Monitoring and Evaluation (Monev) of the anti-corruption program is conducted periodically, at least once a year
- Monev is conducted by Internal Parties
- There is an application/dashboard available for monitoring and evaluation.

This chart shows that 56.5% to 78.2% of the companies either don't have or are uncertain about the Monev program. Only 21.7% to 43.5% have a complete or partial Monev system.

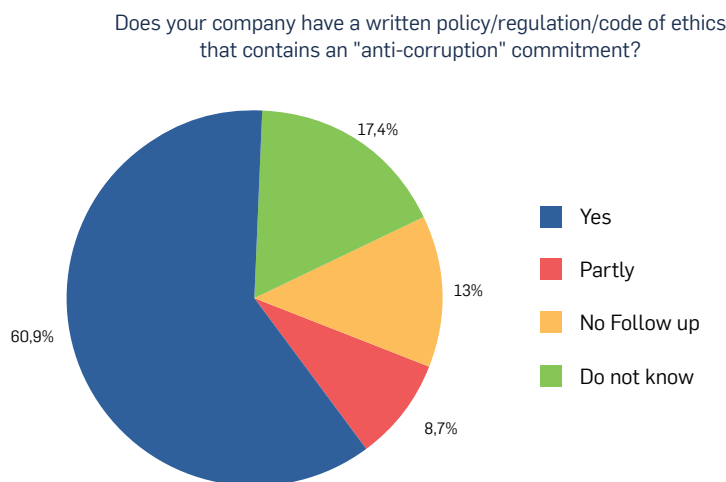


Figure 9. Follow-up Actions on The Monitoring and Evaluation Result in East Kalimantan

Among the participating companies, 60.9% have this follow-up action, 17.4% are uncertain about their status, and 13% do not have it, while the rest have it partially.

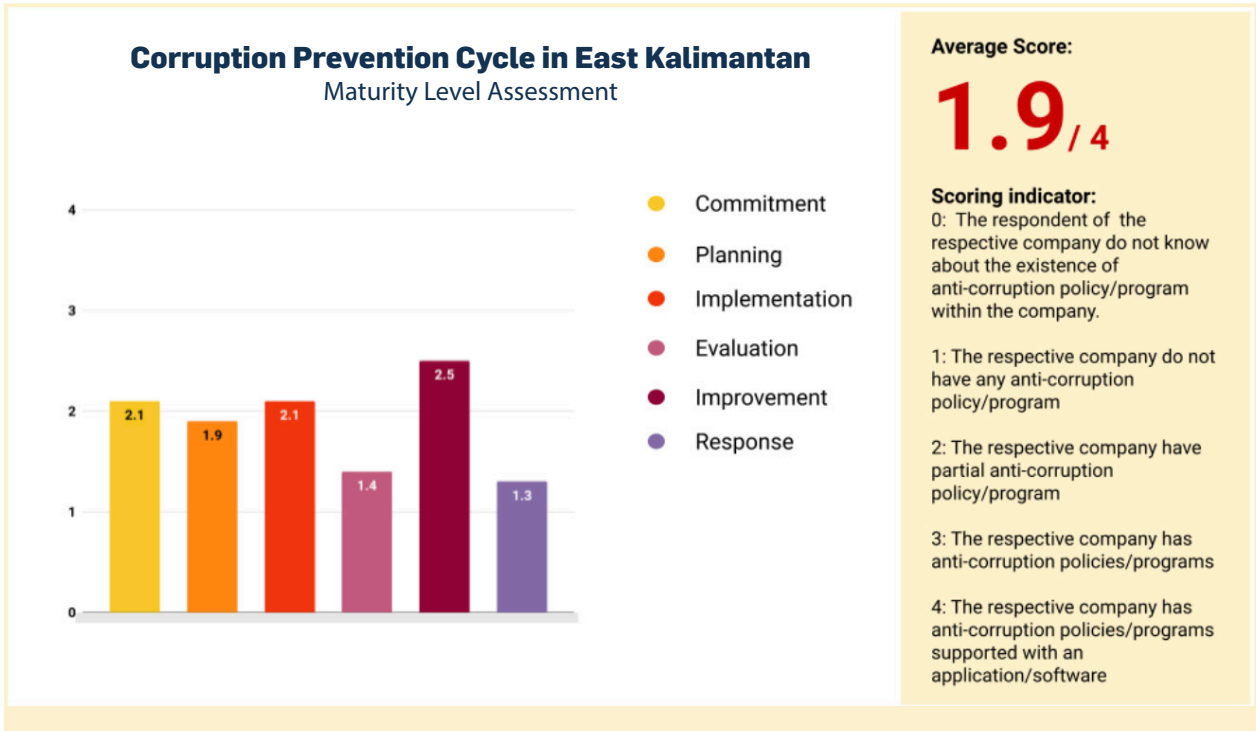


Figure 10. Average Score of Corruption Prevention Cycle Maturity Assessment in East Kalimantan

Responses from attendees indicated an average score of 1.9 of 4 scale, identifying that most companies have implemented anti-corruption programs partially. The highest average score is in the "Improvement" category (2.5), followed by "Implementation" and "Commitment" (2.1), "Planning" (1.9), and finally, "Evaluation" (1.4) and "Response" (1.3). Some companies have achieved scores of 2 or even higher, indicating that they have comprehensive anti-corruption programs in place. The scores aligned with respondents' feedback on the company's internal anti-corruption program. Most respondents acknowledged the importance of policies, commitments, SOPs/guidelines, socialization efforts, and corrective measures within the company. They also recommended improvement measures, with an emphasis on collective actions with relevant parties.

At the last session of the workshop, participants discussed various strategies to enhance business ethics and codes of conduct in the context of anti-corruption efforts where participants were also asked to write down various forms of collective actions that align with their respective companies' willingness to participate.

Proposed collective actions are shown in the following page.

1. Raising Awareness and Education

- Conducting regular workshops with plantation/forestry industry stakeholders by involving law enforcement agencies
- Listing down potential opportunities for corruption to take place

2. Strengthening Collaborations

- Associations must provide a platform for companies to support anti-corruption efforts
- A mutual agreement between bureaucrats and business actors to eliminate corruption within their respective environments
- Collective action to report and supervise corruption cases
- Regional anti-corruption forums
- Platforms for the community related to anti-corruption initiatives
- Associations to play a role as representative to the government
- Associations to protect its members that face difficulties in licensing process
- Shared forum between business actors, government institutions, and NGOs
- Anti-corruption campaign with associations
- Shared commitment
- Creating a shared commitment and declaring it at the association level

3. Law Enforcement

- Rejecting illegal fees during the permit application process in government agencies
- Establishing an anti-corruption task overseeing the plantation business sector
- Eliminating middlemen or insiders within the licensing process
- Transparency in licensing process
- Public officials' performance assessment that can be accessed by the public
- Information disclosure
- Application for reporting at government institutions
- Increasing online bureaucracy process
- One-stop online licensing management and supervision

4. Strengthening Company's Institution

- Integrated, end-to-end anti-corruption system
- Regular meetings with vendors and/or contractors to communicate anti-corruption commitment
- Individual statement signed by all employees
- Rejecting any forms of solicitation
- Companies collectively reject indications of corruption
- Written commitment by companies to reject any corruption practices
- Signed leaders' commitment placed at company lobby for everyone to see

Various collective action proposals were gathered with the most ideas focused on strengthening collaborations (11 ideas), followed by law enforcement (9 ideas), strengthening the company's institution (6 ideas), and raising awareness and education (2 ideas).

IV. ACCA Regional Workshop in Palembang, South Sumatra

ACCA workshop in Palembang, South Sumatra was conducted on August 29, 2023 at Excelton Hotel with support from the local associations such as the Employee Social Security System (BPJS Ketenagakerjaan) and GAPKI. The workshop was attended by 65 participants representing 41 companies and 2 associations operating in the province.

In the workshop, UNODC presented their pilot research about the anti-corruption in 2018, while there was no statistical data available, it revealed that there is a need to create ethics and integrity programs for businesses; strengthen the Forest Product Administration Information System (SIPUHH) with anti-corruption tools; as well as capacity building for forestry officials on fraud assessment and supervision. The workshop continued with the measurement of anti-corruption policy maturity level where participants were asked to complete an online survey.

The Anti-Corruption Maturity Assessment

The survey was completed by 28 respondents from 26 companies consisting of 4 C-level officers, 6 managers, 18 representatives from the human resources, legal division, and others. The following graphics show only 3 out of 21 questions capturing the broad perspective.

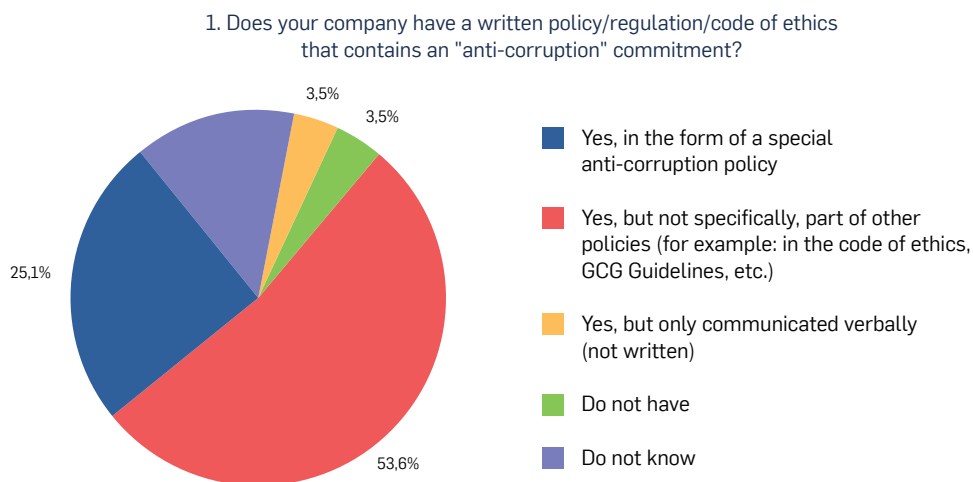


Figure 11. Anti-Corruption Policies in the Participating Companies in South Sumatra

The maturity level assessment revealed that only 25% companies have a stand-alone anti-corruption policy while the majority (53.6%) have the anti-corruption policy as part of broader company policies such as code of ethics and good corporate governance guidelines. Meanwhile, 14.3% of respondents did not know if such policy was available at their companies.



Figure 12. Monitoring and Evaluation System of Internal Anti-corruption Programs in Companies

This chart illustrates whether within the participating companies:

- Monitor and Evaluate (Monev) the anti-corruption program periodically, at least once a year
- Monev is conducted by Internal Parties
- Has an application or dashboard for Monev

This chart shows that 53.6% to 78.6% of the companies either don't have or are uncertain about the Monev program. Only 21.4% to 46.4% have a complete or partial Monev system.

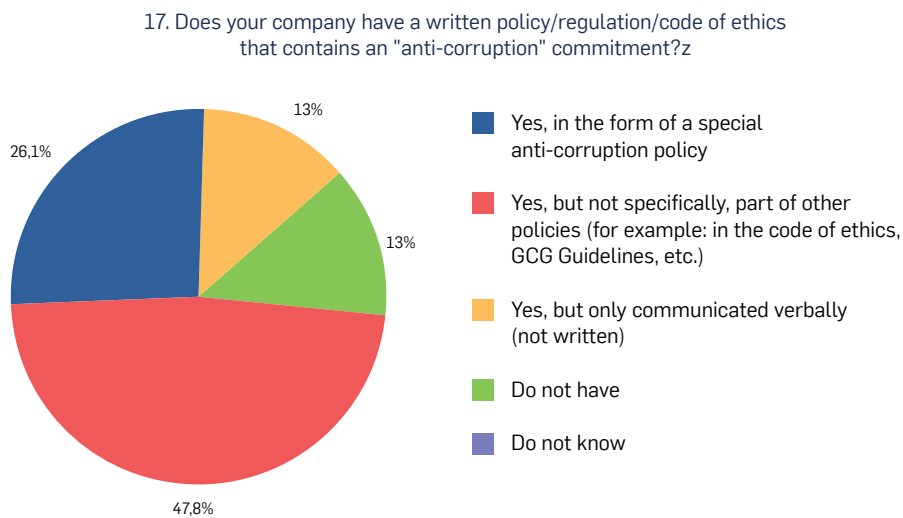


Figure 13. Follow-up on the results of monitoring, evaluation, audit, or review of the implementation of the anti-corruption prevention program in the company.

Among the participating companies, 46.4% have follow-up actions, yet 50% are uncertain, and 0.6% do have it partially.

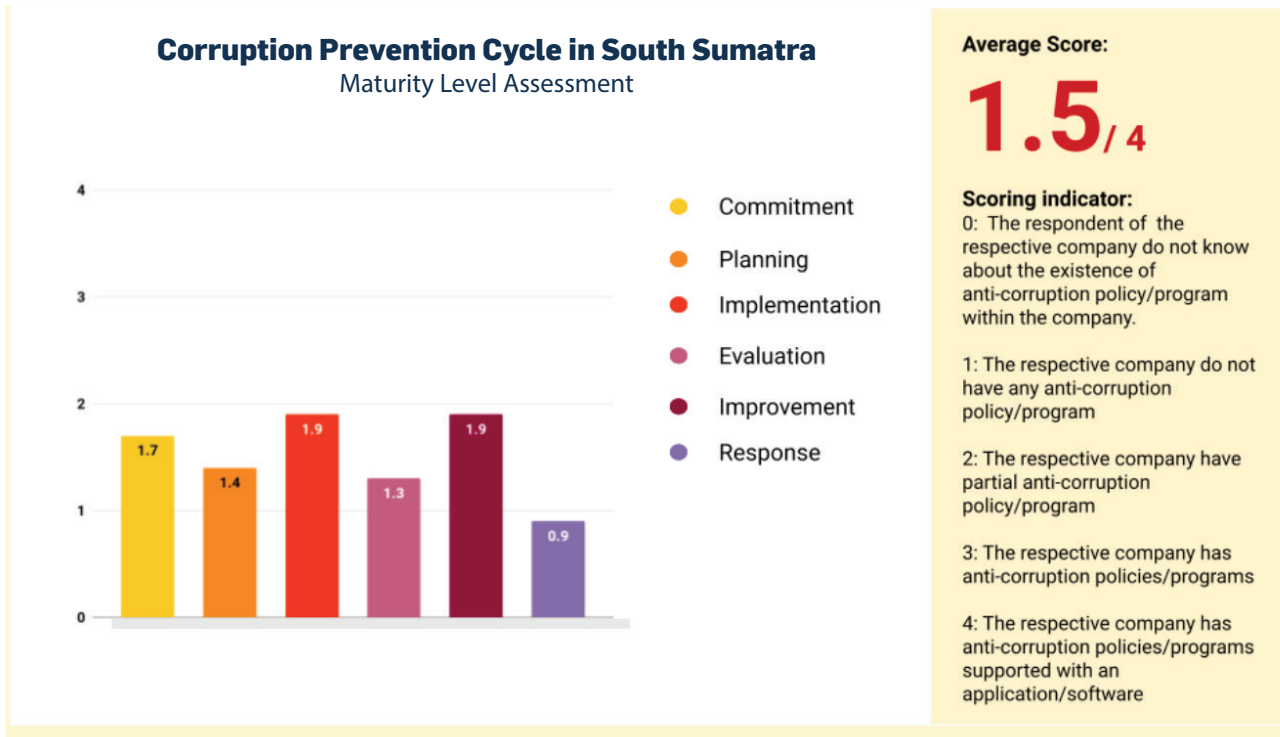


Figure 14. Average Score of Corruption Prevention Cycle Maturity Assessment in South Sumatra

Based on the overall measurement, the survey showed an average score of anti-corruption maturity level of 1.5 out of 4 scale. It suggests that, on average, companies surveyed have not yet implemented specific anti-corruption measures. When considering the average score per company, nine companies have achieved a score of 2 or higher, with some even reaching 2.4, 2.6, and 2.8, indicating that those companies have nearly fully implemented comprehensive anti-corruption programs.

Based on The Corruption Prevention Cycle, the highest average rating is in the category of Improvement and Implementation, scoring 1.9, while Commitment follows with a score of 1.7. In contrast, Planning scored 1.4, Evaluation scored 1.3, and Response scored 0.9.

This workshop found how procurement-related corruption is the most prevalent to occur thus needing urgent actions. The participants also believe how businesses, which often play dual roles as both culprits and victims of corruption, need to actively engage in collective actions against corruption.

Moreover, participants gathered ideas on anti-corruption collective actions as shown in the following page.

1. Raising Awareness and Education

- Strengthening personal integrity by building values of honesty, discipline, responsibility, courage, and fairness within respective families.
- Establishment of separate department for corruption prevention and mitigation, as well as training of trainers (ToR) for the division
- Education and training by involving relevant stakeholders to share experience, policies, and best practices
- Socialization regarding anti-corruption

2. Strengthening Collaborations

- Association to initiate anti-corruption action for its member companies
- Collaboration between the government and private sector in preventing corruption
- Conducting a joint oversight and supervision towards relevant institutions
- Agreements between business players regarding anti-corruption
- Signed commitment between local government and companies to avoid bribery, gratification, and extortion
- Discussion on anti-corruption between KPK as well as the public and private sector
- Signing a legally binding agreement for anti-corruption action by members of associations

3. Law Enforcement

- Establishing regulations and/or policies to support corruption eradication and ensuring they apply to all parties
- Heavy punishment for corruptors (imprisoning corruptors in roofless cells, shot to death, impoverishment, revocation of political rights)
- Involvement of regional government in anti-corruption efforts
- Encouraging a transparent permit application system with detail spatial planning to ensure clarity in location permit
- Digitalization of permit application process
- There must be a breakthrough from the government

4. Strengthening Company's Institution

- Standard Operating Procedure (SOP) regarding anti-corruption for employees
- Certification for human resources in the agribusiness industry
- Eliminating opportunities for corruption
- Integrity pact

A range of diverse collective action ideas were collected, with the majority of suggestions centering on strengthening collaborations (7 ideas), law enforcement (6 ideas), and an equal number for strengthening the company's institution and for raising awareness and education (4 ideas both).

CONCLUSION AND RECOMMENDATION

I. Conclusion

The ACCA Regional Workshops have served as an education and dialogue platform for companies in understanding the corruption risks associated with various aspects of the Indonesian agribusiness sector and for discussing strategies to mitigate these risks especially at site level. The workshops underscored the critical importance of collective actions and law enforcement as a necessary path to take in the fight against corruption. The participants realized the need for active participation and collaborations of public and private sectors—or as several participants coined it as “*taubat berjamaah*” or “collective repentance” from corrupt acts.

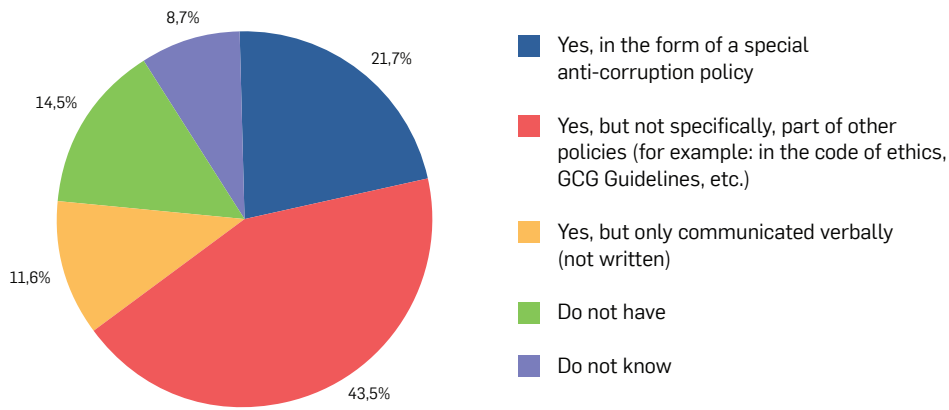


Figure 15. Companies' Anti-Corruption Policies in 3 Provinces (Consolidated)

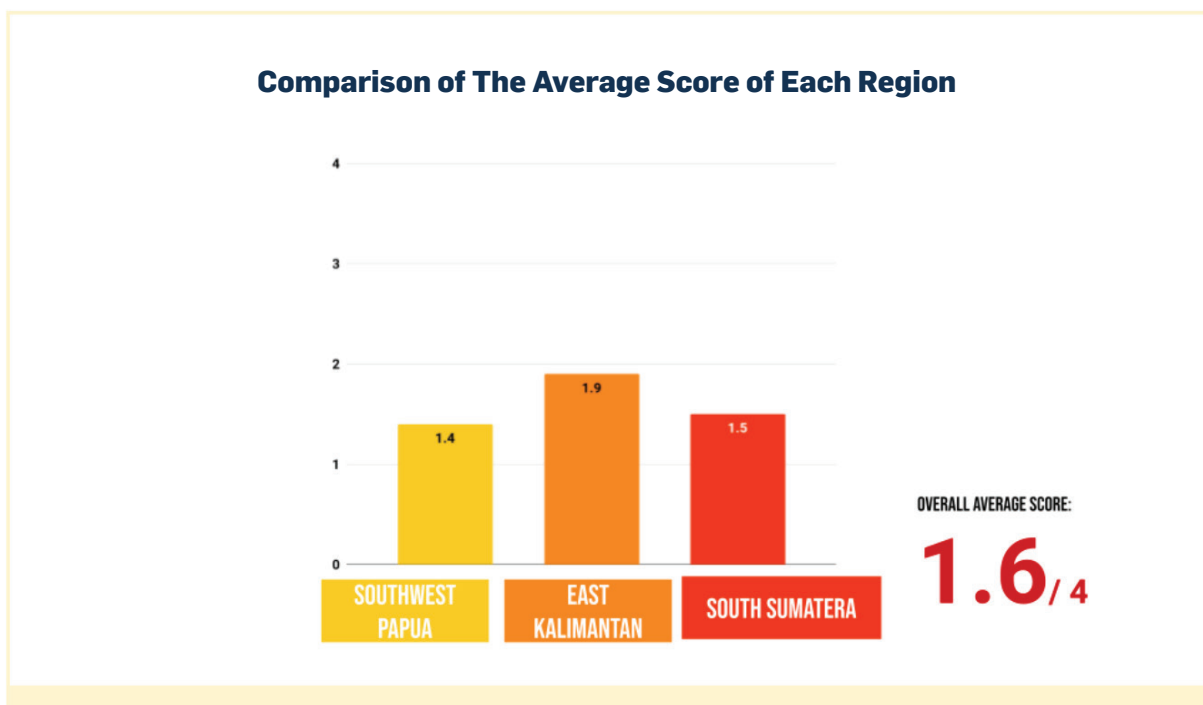


Figure 16. Comparison of The Average Score of Each Province

Based on the measurement during the workshop series, the maturity level of companies' anti-corruption programs varies between Southwest Papua, East Kalimantan and South Sumatra. Across the three provinces, only 21.7% companies have a stand-alone anti-corruption policy while 43.5% don't have any specific anti-corruption policy yet it is embedded in the company's Good Corporate Governance (GCG) and other policies, leaving the remaining 34.8% that do not have such policies. On the other hand, based on the Maturity Level Assessment, East Kalimantan has the highest average score (1.9 out of 4) when it comes to the companies' readiness in each category of the Corruption Prevention Cycle followed by South Sumatra, and Southwest Papua.

The findings signify the need for continued efforts both from the government and businesses in supervising and ensuring the adoption of corruption prevention best practices in order to build a culture of integrity within the sector. This calls for increased socialization efforts to raise awareness about the significance of collective action and anti-corruption best practices, engaging collaborations for collective actions, law enforcement, and capacity building of relevant stakeholders.

The fight against corruption within the Indonesian land-based industry, especially the agribusiness sector, requires unwavering commitment from all stakeholders, starting from the individuals involved to the stakeholders in the private and government sectors. The ACCA regional workshops have helped in illuminating a path forward through collective actions and government reforms in working together to create a more transparent, accountable, and ethical business environment. The momentum gained through these workshops should be leveraged through follow-up actions among participating companies and active supervision by the government and non-government organizations. This initiative brought potential to expand to overall land-based industries or other sectors. From the workshop, we have

II. Recommendation

The ACCA Regional Workshop series collected various insights on recommendations for collective actions and key improvement areas which can be summarized into four categories i.e. Raising Awareness and Education, Strengthening Collaborations, Law Enforcement, and Strengthening Company's Institution.

Recommendations for collective actions and improvements

Area of Interest	Recommendations
<p>Strengthening Collaborations</p>	<ol style="list-style-type: none"> 1. Integrity pacts, business agreement and shared commitment on anti-corruption among companies. 2. Associations to lead anti-corruption initiatives, declarations and campaigns 3. Associations to report and supervise corruption cases and facilitate shared commitment to reject any illegal fees and solicitation during permit application process. 4. Associations to advocate to the government in delivering aspirations and protecting companies from corruption practices. 5. Regular knowledge and practices sharing on policies and operating procedures materials to the companies in order to prevent corruption practices. 6. Joint monitoring towards government institutions in regulatory compliance, public services and transparency.

Area of Interest	Recommendations
<p>Law Enforcement and Public-Private Engagement</p>	<ol style="list-style-type: none"> 1. Improved regulation for the land-based sector, especially in land use. 2. Approving the UU Perampasan Aset (Laws of Asset Forfeiture). 3. Heavy punishment for corruptors to create deterrent effects such as death sentence, impoverishment, and revocation of political rights. 4. Digitalization of permit application process and improvement for online bureaucracy process. Eliminating middlemen or insiders within the licensing process. 5. Collectively set-up integrity pacts between government institutions and the private sector. 6. Anti-corruption declaration by the government and companies. 7. Government-led anti-corruption initiatives, involving KPK and business players. 8. Regular workshops and dialogues between industry stakeholders and law enforcement agencies. 9. Establishment of an anti-corruption task force overseeing the land-based sector. 10. Written commitment by the regional government to reject bribery.
<p>Raising Awareness and Education</p>	<ol style="list-style-type: none"> 1. Regular workshops and dialogues on corruption prevention and mitigation between industry stakeholders and law enforcement agencies e.g. training on Anti-Corruption Collective Action Playbook. 2. Regular knowledge and practices sharing on policies and operating procedures materials to the companies in order to prevent corruption practices. eg. SDG 16 Business Framework and Anti-Corruption Seminar with UNODC, TII, KPK, KAKI, and KAMI. 3. Include the education and awareness on anti-corruption to formal educational institutions from the early stages. 4. Intensive public campaign regarding anti-corruption.
<p>Strengthening Company's Institution</p>	<ol style="list-style-type: none"> 1. Written anti-corruption commitment and policies. 2. Individual anti-corruption agreement by employees. 3. Signed leaders' commitment placed at company lobby for everyone to see. 4. Encourage companies to pledge the commitment on implementing business integrities. 5. Anti-corruption standard operating procedures (SOP) for employees. 6. Identifying corruption risks throughout business operations. 7. Establishment of corruption prevention and mitigation department in the companies. 8. Rejecting any forms of solicitation. 9. Develop an online licensing monitoring dashboard. 10. Regular meetings with vendors and/or contractors to communicate anti-corruption commitment.

Glossary

ACCA	Anti-Corruption Collective Action
APINDO	Indonesian Employers Association / Asosiasi Pengusaha Indonesia
GAPKI	Indonesian Palm Oil Association / Gabungan Pengusaha Kelapa Sawit Indonesia
GCG	Good Corporate Governance
GDP	Gross Domestic Product
IGCN	Indonesia Global Compact Network
IHMB	Periodic Comprehensive Forest Inventory / Inventarisasi Hutan Menyeluruh Berkala
KAKI	Coalition Anti-Corruption Indonesia/ Koalisi Anti Korupsi Indonesia
KAMI	Citizen Coalition on Anti-Corruption / Koalisi Masyarakat Anti Korupsi
KPK	Indonesian Corruption Eradication Commission / Komisi Pemberantasan Korupsi
RKU	Business Plan / Rencana Kerja Usaha
SIPUHH	Forest Product Administration Information System / Sistem Informasi Penatausahaan Hasil Hutan
TII	Transparency International Indonesia
UNODC	United Nations Office on Drugs and Crime



Global Compact Network Indonesia



HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.



LABOUR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.




ANTI-CORRUPTION

10. Businesses should work against corruption in all forms, including extortion and bribery.


INDONESIA GLOBAL COMPACT NETWORK (IGCN)

Secretariat Office:


Centennial Tower, 20th Floor
Unit A c/o PT Trans Javagas Pipeline
Jalan Gatot Subroto Kav. 24 & 25
Jakarta, 12950, Indonesia
Phone : +6221 2295 8336 / +6221 2598 3438


 www.indonesiagcn.org
www.bisnisdanham.id

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