



**Asia-Pacific
Economic Cooperation**

**Public-Private Dialogue on Investment -
Corporate Social Responsibility for Local
Communities
SUMMARY AND PRESENTATIONS**

**APEC Investments Experts' Group
APEC Committee on Trade and Investment**

January 2013

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**APEC INVESTMENT EXPERTS' GROUP
PUBLIC-PRIVATE DIALOGUE ON INVESTMENT
Jakarta, 30 January 2013**

**CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR LOCAL COMMUNITIES
How to bring sustainable economic for the society, improve their
socioeconomic aspect and well-being, and promote inclusive growth**

Summary of Discussion and Recommendation

Session 1 –“Concept of CSR and Possible Policy Options of CSR in Community Development”

Specifically, Corporate Social Responsibility (CSR) can be defined as an assistance from the corporation or enterprise as a manifestation of social's attention and responsibilities to solve the problems faced by the society, and also to increase the society's understanding toward the implementation of task and the achievement of the corporation or enterprise objectives. However, CSR concept is a wide and complex web of stakeholders, practices, society, environment, sustainable development, strategy, applicability, and accountability. CSR could be enhanced through effective communication and improvement of business practices, respect of diversity and strategy, and develop, assess, and implement international standards and practice.

Some of the speakers, talked about the importance of investment climate as a deciding factor for an investor to invest. With a conducive investment climate, political risks such as force cancellations and withdrawal from investment could be minimized. Good investment climate also helped government in term of efficacy of policy and wider local community in term of job creation, economic opportunity, etc. In the end, good CSR practices were always built from successful investment.

Other speakers also share their experiences in dealing with CSR issues, such as domestic CSR framework in their respective countries. Some of the regulation regarding CSR were encouraging private sector in creating CSR program, while others were specific CSR obligation which need to be fulfilled by business sectors.

Key Insights :

- There are various understanding with regard to CSR, some viewed that CSR should be on a voluntary basis , while others may need to regulate CSR in form of obligations which need to be fulfilled by investor.
- Different sectors may need different kind of CSR approach.
- There is a same urgency of CSR with regard to the domestic and foreign investors.
- Various internationally acknowledged framework for CSR is already available.
- Successful investment is more likely to be socially responsible

Session 2 – “Current CSR Practices on Community Development”

This session is filled with experience sharing by speakers which come from the business sectors. Most of them have been a very successful CSR players. Each speaker have a different kind of experience in dealing with CSR programs. The approach to CSR is vary, ranging from community development, partnership with smallholders, up until participatory approach model.

While utilizing slightly different kind of CSR approaches, these CSR players acknowledge that in order to be successful in managing CSR program, a company need to organize a wide range of stakeholder, ranging from internal shareholder, local community, central government, and local government. Each stakeholder bring its own unique problem and need to be resolved carefully.

Another interesting aspect is the question of sustainability. Some experiences in plantation-production system is discussed to ilustrate the quest to tackle the problem of supply chain, while at the same time infusing CSR program. The key to a succesful CSR program is being able to maintain and improve the well-being of local community.

Key Insight :

- CSR Concept is not universal and is no longer appropriate to be conducted in top-down approach. CSR program should take into account the aspirations from the “bottom” such as local community and local government.
- CSR is no longer a burden for an enterprise. Some enterprise even viewed that CSR should be embedded and become a regular the enterprise program.
- CSR was started with moral background and the need to sustain the long term operation of the enterprise.

Session 3 – “Improvement of Business Environment”

This session highlighted the key messages on Investment Liberalization by Mr. Tony Nowell as the representative of ABAC. The speaker delivered ABAC’s core messages to APEC to reinvigorate the IFAP as it is the esential tool to identify critical FDI barriers and priority actions to invite greater FDI inflows. It is also noted that ABAC is disappointed by the delays of the implementation of IFAP.

To develop technical issues related to infrastructure investment, ABAC has prepared some Investment Work Plans through FDI research and PPP.

ABAC also give recommendation to APEC to adopt strong investment principles and protections as outlined in ABAC’s Investing for Growth Report and ABAC also emphasizes the need for predictable and transparent government procurement processes and more collaboration with the Asia-Pacific Infrastructure Partnership (APIP) dialogues with the private sector and multilateral agencies.

On the closing remarks delivered by Mr. Joseph Battat, it is stated that each shareholders has own perspective toward CSR practices. Regarding the implementation of the CSR regulation applied to company by the government, there must be a clear lines that differentiate the policy of CSR and investment.

Key Insight :

- Good CSR policy is supportive to empower the economic growth
- CSR program needs to be regularly evaluated and monitored and should involve the participatory of the government as a policy maker
- CSR policy should not be seen as a restriction to investor
- CSR sustainability depends on business sustainability

Recommendation

The Corporate Social Responsibility (CSR) program has evolved over time. From a concept which is first initiated by corporations, CSR now have become a program with wide range of stakeholders. Recent practice of CSR have shown various kind practice, from Community Development up to Supply-Chain Management. The key point from CSR program is the synergy between the improvement of local community’s well-being and the sustainable operation of the corporation. Therefore, it is recommended that CSR program can be further encouraged by governments, corporations, and other stakeholders, and continue to maintain a successful investment.

For the presentations files, please visit <http://bit.ly/11V2RaF> - the APEC Meeting Document Database - to download or browse the papers.

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How to bring sustainable economic for the society, improve their socioeconomic
aspect and well-being, and promote inclusive growth (tbc)**

**Tentative Agenda
Venue: Ballroom 3 & 5, Ritz Carlton Hotel, Mega Kuningan
30 January 2013**

No.	Time	Agenda
1	09.00 – 09.10	OPENING Mr. Yuji Yamamoto Director, APEC Division, Economic Affairs Bureau, Ministry of Foreign Affairs Japan and Chair of the Investment Experts' Group
2	09.10 – 10.25	Session 1 – “Concept of CSR and Possible Policy Options of CSR in Community Development” Moderator : Mr. Didiék Hadjar Goenadi, PhD, President Director of PT. Riset Perkebunan Nusantara Speakers : 1. Prof. Dr. Roel Nieuwenkamp, Chair of the Negotiations on the OECD Guidelines for Multinational Enterprises, Ministry of Economic Affairs, Agriculture and Innovation, Netherland (tbc) 2. Mr. Joseph Battat, Senior Consultant at World Bank, Investing Across Borders Group 3. Mr. Bahrullah Akbar, Board Member of Supreme Audit Board of Republic Indonesia 4. Ms. Miyuki Hayashi, Non-financial disclosure and CSR Chief Corporate Accounting, Disclosure and CSR Policy Office, Economic and Industrial Policy Bureau, METI Japan 5. Mr. Herdradjat Natawidjaja, Director of Post Harvest and Plantation Business Guidance, Ministry of Agriculture, Indonesia
	10.25 – 11.00	Questions and Answers
3	11.00 – 11.15	Coffee break
4	11.15 – 12.00	Session 2 – “Current CSR Practices on Community Development” Moderator : Ms. Yanti Triwadiantini, Executive Director of Indonesia Business Links Speakers : 1. Mr. Rozik Boedioro Soetjipto, President Director of PT. Freeport Indonesia Tbk 2. Mr. Anthony Yeow, President Director of PT. Hindoli – Cargill Tropical Palm 3. Mr. Rudi Sarwono, Director of PT. Bakrie Sumatera Plantation Tbk
	12.00 – 12.30	Questions and Answers
5	12.30 – 14.30	Lunch break
6	14.30 – 15.15	Session 2 (continued) Moderator : Ms. Yanti Triwadiantini, Executive Director of Indonesia Business Links Speakers : 4. Mr. Gatot Mudiantoro Suwondo, President Director of PT. Bank Negara Indonesia (Persero) Tbk 5. Mr. F.X. Sri Martono, Vice President, Chief Corporate Human Capital Development of PT Astra International, Tbk 6. Mr. Adolfo Heeren, CEO of Calidda, Peru
	15.15 – 15.45	Questions and Answers
7	15.45 – 16.00	Coffee break
8	16.00 – 16.30	Session 3 – “Improvement of Business Environment” Moderator : Mr. Amin Subekti, Chief Financial Officer Power and Gas of PT. Indika Energy Tbk Speaker : Mr. Tony Nowell, ABAC Members, Chair 2011-2012 REIWG
	16.30 – 17.00	Questions and Answers
9	17.00 – 17.15	CLOSING