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# THE ROLE OF CSR IN THE WATER AND SANITATION SECTOR

The USAID Indonesia Urban Water, Sanitation and Hygiene *Penyehatan Lingkungan untuk Semua* (IUWASH PLUS) project is a five year-and-eight-month initiative designed to assist the Government of Indonesia in increasing access to water supply and sanitation services as well as improving key hygiene behaviors among urban poor and vulnerable populations. USAID IUWASH PLUS works with governmental and donor agencies, private sector, NGOs, communities and others to achieve the following "high level" results:

- An increase access to improved water supply service for 1,100,000 people in urban areas of which at least 500,000 are from the poorest 40% of the population (also referred to as the “bottom 40%” or “B40”); and
- An increase access to safely managed sanitation for 500,000 people in urban areas.

USAID IUWASH PLUS works with 35 Local Governments across Indonesia located in 8 provinces that include North Sumatra, West Java, Central Java, East Java, South Sulawesi, Maluku, North Maluku and Papua, and 2 special areas in DKI Jakarta and Tangerang district.

In addition, USAID IUWASH PLUS also works with private sector. The partnership with the private sector is conducted as the USAID IUWASH PLUS supports to local governments to encourage more partnership between local governments and the private sector by maximizing the potential of Corporate Social Responsibility (CSR).

## Benefits of CSR

CSR is a form of continued commitment from the private sector to act ethically, operate legally, and contribute to improving the quality of life of the community at wider scale, not limited to employees and employee families.

CSR is a beneficial solution for community, companies, and local government. Undertaking socially responsible initiatives is a win-win situation. For the company, it will appeal to socially conscious consumers and employees. Companies can show their employees and customers that they care about the communities they serve. For the community and local government, it will address emerging issues that are critical for improving quality of life in sustainable way. Moreover, companies could play key roles as development partners for local government, whereby CSR program could compliment the regional development program and bring bigger impacts for the community and environment.

## Optimizing the Role of CSR in the Water and Sanitation Sector

Efforts to involve the private sector are in line with the direction of the government policy in managing CSR as a manifestation of corporate roles and responsibilities to national development. USAID IUWASH PLUS assists



Shofyan/USAID IUWASH PLUS SSEI



Taufik/USAID IUWASH PLUS

A mason in Bendul Merisi Jaya Gang Lebar in Surabaya city testing water flow in one of the houses connected to the master meter system. This house connection was built with CSR support from PT Laneige and is useful for providing safe water for the community members who do not have access to regular PDAM services.

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Local Government in encouraging the optimization of CSR potential in the water and sanitation sector development in Indonesia by encouraging more CSR partnership focusing on the following three activities:

### (1) Capacity Building

Capacity building aims to promote the governance of CSR partnership initiated by private sector and its implementation is supported by many company's CSRs in the local cities/districts. This activity is conducted by introducing the new paradigm, namely "CSR Mutual Home", as an approach that seeks to explore and maximize partnership principles as practice, art and skills in every developed partnership communication.

### (2) Partnership Implementation

The implementation of CSR partnership is conducted in three activities, which include:

- **Intermediation**

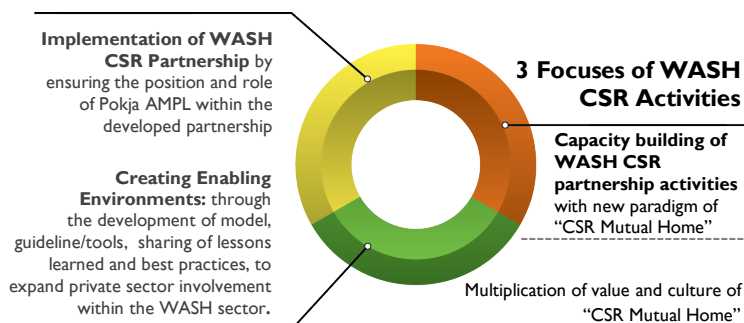
Facilitation activities that seek to link proposals of activities made by the community to be proposed to the company's CSR.

- **Collaboration**

A WASH program partnership activity is undertaken jointly by companies' CSR program, by ensuring the role of the district/city Working Group on Water Supply and Sanitation (Pokja AMPL) starting from proposal development, discussion on funding sources, implementation, monitoring and evaluation.

- **Documentation**

Encourage local governments to document company's CSR activities; this is important especially for creating a CSR distribution map in the city/district.



### (3) Creating Enabling Environments

Activities to create enabling environments include the development of model and guideline, sharing of lessons learned and best practices, and advocacy, as well as for cities/districts that specifically require supporting regulations for city/district CSR partnership governance.

## CSR Partnerships in the WASH Sector

USAID IUWASH PLUS has successfully facilitated a number of WASH CSR partnerships, as follows:

- CSR partnership between Bappeda of Ternate city and Bank Indonesia of North Maluku branch, PT Laneige, and some other local banks built 86 out of 1,000 targeted infiltration ponds. Ternate city government is also establishing CSR partnership with other business entities, such as PDAM Ternate city, to build more infiltration ponds;
- CSR partnership between Bappeda of Gresik district and PT Petrokimia built 96 house connections to a communal wastewater treatment plant in Tlogo Pojok, Kroman, and Roomo villages in Gresik district;
- CSR partnership between PDAM Surya Sembada in Surabaya city and Pundi Amal Peduli Kasih SCTV, PT Laneige, PTPN XI & PT Nusa Medika Sebelas, and Coca-Cola Foundation Indonesia (CCFI) is building house connections to master meters. As of March 2019, 1,600 people have benefitted from the program;
- CSR partnership between Tangerang district government and APERSI of Banten Regional Office built 20 house connections to a communal water supply system and two individual septic tanks in Kayu Bongkok village, Tangerang district. Around 100 low-income community members have benefitted from this partnership;
- CSR partnership between Tebing Tinggi City Health Office and Bank Sumatra Utara will build 25 individual septic tanks for 25 low-income community households in Damar Sari, Karya Jaya, Rambug, Mekar Sentosa, and Sri Padang villages.

USAID IUWASH PLUS continues to facilitate the optimization of the CSR role in the water and sanitation sector that has been developed in several districts/cities.

For further information:

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