



Global Compact Network Indonesia



Growing Inclusive Markets:

INDONESIA CASES

Volume 2 Part 1 - 2012

**CREATING VALUE FOR ALL:
STRATEGIS FOR DOING
BUSINESS WITH THE POOR**

**Growing Inclusive Markets
Indonesia Cases
Volume 2 Part 1 - 2012**

Published by Indonesia Global Compact Network

ISBN 978-602-98222-0-5
978-602-98222-1-2

June, 2012

© Copyright

This document is copyright-protected by IGCN. The reproduction and distribution of this document for information purpose and/or are used for any purpose are permitted by prior permission of Indonesia Global Compact Network Secretary. However, neither this document nor any extract from it are allowed to reproduced, stored, translated, or transferred in any form or by any way (electronic, mechanical, photocopied, recorded, or otherwise) for any purpose by written permission of the Indonesia Global Compact Network Secretary.

Layout Design : Satrio Anindito



Global Compact Network
Indonesia

Menara Rajawali 6th Floor
Jl. Mega Kuningan Lot#5.1
Kawasan Mega Kuningan
Jakarta, 12950
Phone: +62 21 576 1828
Fax: +62 21 576 1829
E-mail: igcn@indonesiagcn.org

FOREWORD

In 2010, Indonesia Global Compact Network (IGCN) successfully launched a report on “Growing Inclusive Markets: Indonesia Cases Volume 1, 2010, Creating Value for All: Strategies for Doing Business with the Poor”. The report covers the results of the case study on selected Indonesian businesses who have implemented inclusive business approach in their strategy. The report was submitted and distributed at the “UN Global Compact Leader Summit 2010” and the “UN Private Sector Forum on MDG 2011” and also shared at the International Conference on “Accelerating Progress Toward MDGs Through Inclusive Business” in Jakarta in 2011.

Further studied is being conducted this year, in collaboration with companies and universities, with the objective to inspire and encourage Indonesian businesses to adopt the similar strategy according to their respective industry. Three case studies are completed and published in “Growing Inclusive Markets: Indonesia Cases Volume 2, Part 1, 2012, Creating Value for All: Strategies for Doing Business with the Poor”.

Another seven case studies are currently being conducted and expected to be published as Part 2 in September 2012.

As in previous publication, the study focuses on what companies can do to involve the poor in their business supply chain, either as business partners, producers, suppliers, employees or consumers. This study does not include company’s philanthropic activities such as donation and charity that are not commercially sustainable although they are important for community development. The companies were selected from diverse industries: resort, banking, heavy equipment dealer, farming, manufacturing, food, transportation and social entrepreneur.

We hope these case studies may serve as a useful reference and will stimulate policy makers, entrepreneurs, business leaders, civil service organizations and academic institutions to initiate similar or even bigger actions.

Y.W. Junardy

President,

Indonesia Global Compact Network

Jakarta, 11 Juni 2012

CONTENTS

Foreword	vii
Contents	vi
Team of GIM Volume 2 Part 1 – Indonesia	v
Team Biography	iv
Overview	1
Case Studies	2
1. PT. Indah Kiat Pulp and Paper	2
2. PT. Trakindo Utama	21
3. PT. Bank Negara Indonesia (Persero) Tbk	49

Team of GIM Volume 2 Part 1 – Indonesia

Growing Inclusive Markets [Volume 2, Part 1] Team – Indonesia

Advisor : Chrysanti Hasibuan-Sedyono
Chief of Project : Y.W. Junardy
Team Member : Sinta Kaniawati

Reviewer

❖ Chief : Siti Adiprigandari Adiwoso Suprpto
❖ Team : Wijayanto
❖ Team : Franky Jamin

Secretariat and Administration Support

- Budi Hartono
- Satrio Anindito
- Dinar Dara Tri Puspita Purbasari

Writers

- Lina Salim, SE., MBA., MA., Ph.D., CPM (A)
- Anita Maharani, MM
- Dr. Iin Mayasari
- Dr. Iyus Wiadi
- Retno Hendrowati, MT
- Dr. Rini Sudarmanti
- Ahmad Khoirul Umam, MAGV
- Handrix Chrisharyanto, MA
- Dra. Prima Naomi, MT.

TEAM BIOGRAPHY

Chrysanti Hasibuan-Sedyono

Chrysanti Hasibuan-Sedyono is Vice Chair of Indonesia Business Links (IBL)'s Board of Management. Her business experience includes 15 years in marketing management of Unilever and later Richardson Vicks, where she has managed their market leaders brands in Indonesia.. Currently she is a senior faculty teaching in a number of leading graduate business schools.

Chrysanti formal degrees are in Economics (Airlangga State University) and International Management (American Graduate School of International Management -Thunderbird), but her interests go beyond. She has written articles and cases on "Women in Management", Corporate Social Responsibility and Good Corporate Governance for national and International publications, and represented Indonesia in APEC and ADBI projects on CSR and Business Ethics, as well as in World Movement on Democracy.

Y.W. Junardy

Junardy is currently the President Commissioner of PT Rajawali Corpora, an Indonesian holding investment Company, operating in diverse industries including Hotel and Property, Plantation, Mining, Transportation, and Infrastructure.

He also serves as the President of Indonesia Global Compact Network. In addition, he sits as board member of several non-profit organizations among others: Rajawali Foundation, Indonesia Business Links, Asia Marketing Federation, Pondok Kasih Foundation, and Bhumiksara Foundation.

Prior to his current responsibilities, Junardy has assumed key executive positions among others in IBM Indonesia, Excelcomindo, Bentoel and RCTI. He was also a Member of Indonesia National Research Council.

Sinta Kaniawati

Sinta Kaniawati was born in Bandung - Indonesia. She completed her degree in Bogor Agriculture Institute. Her professional career in corporate world started in 1990 at Unilever Indonesia - as management trainee. She has built vast experiences in Market Research, Marketing for international / national brands, Customer Development and assigned as senior level at Unilever Indonesia Foundation in 2007 which focuses in improving health-hygiene-nutrition , reduce environmental impact and improve livelihood through sustainable socio-economic program with community.

The Foundation has covered most major island in Indonesia and obtained many recognition during 2007 – 2010 both nationally as well as internationally – amongst them are the Energy Globe Award, Stevie International Business Awards for Environment Program and Women Empowerment, Indonesian MDG Award for Environment, Improve Maternal Health, Reduce Child Mortality and Combat HIV/AIDS & Other Diseases as well as Indonesian CSR Award and AFCSR Award

She is a LEAD Indonesia Fellow (cohort 15), also The Climate Reality Project presenter and former AFS students. Since 2009, she serves as Board Member of Indonesian Business Links and former in National Platform for Disaster Risk Reduction Executive Team. Recently in 2010, she was appointed as Secretary General of Indonesian Global Compact Network.

Despite her professional world, she loves music and currently active in many social organization such as Bina Antar Budaya (AFS Intercultural exchange program), Toastmasters International, also Leadership and Communication trainers.

Siti Adiprigandari Adiwoso Suprpto

Siti adiprigandari adiwoso, Msc., Ph.D. is presently a senior lecturer at Faculty of Economics, University of Indonesia, at the Department of Management. She received her undergraduate from Rijksuniversiteit Leiden, Holland, and her master and doctoral degree from Georgetown University, Washington DC. She has also attended courses at Harvard Business School. She was a visiting scholar at University of British Columbia. She has held the post of Deputy Assistant Minister at the State Ministry of Population and Environment, incharge of Social Environment and has been instrumental in establishing Social Impact Assessment requirement in Indonesia related to the Environmental Law.

She had attended the Rio Summit, the Social Summit and Women Summit of United Nations as a member of the Indonesian government delegation. Together with Emil Salim, in 1994 she has worked to lay the foundation for the Ecolabelling Institute in Indonesia. Her main field is in corporate social responsibility, business ethics and organizational design and development, and women issues in development. Her area of strength is in community development as related to corporate social responsibility, business incubator for small enterprises, and in the area of social entrepreneurship.

Franky Jamin

Franky Jamin, Indonesian citizen, was born in Pematang Siantar North Sumatera. He pursued his education in Indonesia, Singapore and United Kingdom, holds the professional qualifications with designations of FCCA (Fellow of Chartered Certified Accountant), FCMA (Fellow of Chartered Management Accountant) and CGMA (Chartered Global Management Accountant). He involves actively in a number of local organizations: Executive of AEI (Asosiasi Emiten Indonesia), Executive of NCSR (National Center for Sustainability Reporting), Vice Chairman of IAMI (Institut Akuntan Manajemen Indonesia). He is currently the General Manager Business Development of PT Unilever Indonesia Tbk, and President Director of PT Unilever Body Care Indonesia Tbk.

Wijayanto

Wijayanto is the Deputy Rector for Cooperation and Business Development at Paramadina University. At Paramadina, he also teaches Developmental Economics, Microeconomics, Investment Management, Strategic Finance and Anti-Corruption. He is also the co-founder and Managing Director of Paramadina Public Policy Institute (PPPI). Through PPPI, Wija has provided various policy recommendations for the government. He has published more than 75 articles in various media, including Kompas, The Jakarta Globe, Globe Asia, Bisnis Indonesia, Investor Daily, Esquire and The Jakarta Post. He is the editor and co-author of “Korupsi Mengorupsi Indonesia” a classic book on corruption in Indonesia; currently he works on his second book in public policy. Prior joining Paramadina in 2007, Wija has worked in Investment banking Industry for more than 9 years. He holds a Master degree in Public Policy from Georgetown University (Fulbright scholar) and Bachelor Degree in Civil Engineering from Gadjah Mada University.

OVERVIEW

The Indonesia Global Compact Network (IGCN)'s Growing Inclusive Markets - Indonesia case writing initiative has a multi sector, networked approach and a commitment to involve many partners from different backgrounds – from the academic world to the civil society organizations to business associations and corporations. In this spirit, the information, analysis and the business models generated by the initiative will be shared by IGCN with interested parties.

The three (out of 10) cases produced so far, demonstrate how the private sector can contribute to achieving the Millenium Development Goals.

The first case, the Women Empowerment with Community Strapping in Indah Kiat Pulp and Paper Mill shows the company's programs to empower women around the plant in Riau with skills to weave handicrafts from plastic strap waste. This has been conducted in partnership with Tunas Harapan Community Group, aiming at achieving the MDG goal 1 (poverty eradication), goal 2 (increasing number of children having primary education), goal 3 (promote gender equality and empower women) , and goal 7 (ensure environment sustainability, by turning waste material into usable products).

The second one, PT Trakindo Utama's Concerns about Promoting Education in Indonesia had reflected the concerns of the company in education issues in Indonesia, particularly education emphasizing character building and technical competence. The company has developed and established elementary schools, vocational high schools and Polytechnic and even community college in various parts of Indonesia. A remarkable implication of the scheme is that the graduates with the technical competence can work for Trakindo or other, hence improving their income and living standard. Therefore the "Trakindo Utama for Education" program has been in line with MDG goal 2 (achieve universal primary education) and goal 1 (poverty eradication).

The third case, Greening the Serambi Mekah in Tsunami Aftermath describes the Bank Negara Indonesia (BNI) initiative to build "BNI City Forest" in Aceh after the tsunami, in partnership with the Provincial Government of Aceh and Bustanussalatin Foundation, with the involvement of the local communities. The program has addressed the social, economy and ecology issues in the city of Banda Aceh, and the exit strategy emphasizes on transfer of responsibilities to the recipients. The program is expected to lead to the ultimate goal of providing welfare to the Acehnese. This is in line with MDG goal 1 (poverty eradication by local economic development), goal 3 (women empowerment), and goal 7 (ensuring environmental sustainability).

WOMEN EMPOWERMENT WITH COMMUNITY STRAPPING IN INDAH KIAT PULP & PAPER MILL

WOMEN EMPOWERMENT AS A PART OF RESPONSIBLE BUSINESS PRACTICES

“We want the community around us to grow because to us, the progress of the company should reflect on the community, especially the women.”

In Indonesia, the role of women in the society has always been a delicate topic, especially in rural areas in Indonesia. Women are usually subjected to the traditional stereotype of being a housewife; cooking and cleaning the house and tend to their husbands' and children's needs. Although they are very much affected by the financial problems in their life as their husbands can barely support their families' needs, it is difficult for them to get a job that allows them to still do all the function as a housewife and earn money at the same time. Their low education level is also not helping in terms of securing a job that can contribute to their family income.

Their plight caught the attention of PT Indah Kiat Pulp and Paper (IKP) Perawang, Riau. Since 2002, IKP has developed its CSR programs to address this issue. One of its community development plans was to empower these women by creating job opportunity by turning strapping plastics formerly used to strap pulp together into marketable goods. It is also one of IKP's efforts to reduce its plastic waste.

OVERVIEW OF PT INDAH KIAT PULP & PAPER, PERAWANG, RIAU PROVINCE

PT. Indah Kiat Pulp and Paper is part of the Asia Pulp and Paper Group (APP). It is established in 1976 and produces pulp and paper products. The company is listed in the Indonesian Stock Exchange (previously known as the Surabaya stock exchange) since 1990.

PT. Indah Kiat Pulp and Paper owns 3 mills located Perawang (Riau province), Tangerang and Serang (Banten province), and its biggest mill is the one in the Riau province which occupied more than 2.400 hectares of land.

Indah Kiat Perawang mill (IKP) is an integrated pulp and paper company situated near the capital city of the Riau Province. The mill started up in 1984 in a relatively isolated and heavily-logged, degraded forest area adjacent to the Siak River, as a small 205 tonne/day market pulp mill. The area was then very sparsely populated, with the few local inhabitants engaged in subsistence agriculture. The mill's location was determined by two factors; the large navigable Siak River provided process water and raw material and product transport, and the adjacent degraded forest areas designated by the Ministry of Forestry as concessions for plantation forest. These forest areas now provide most of the mill's fiber raw material.

Since it is first acquired by IKP in 1987, the operation has growth significantly. Its current annual capacity is 2.4 million ton of pulp and more than 600,000 ton of paper products consisted of wood-free printing, writing and copier papers and on-machine coated products that are predominantly exported.

By the year 2010, there were a total of 9,500 employees working for IKP and there were at least 4,000 of them from the local community around the area.

The growing business of IKP has consequently turned the once isolated Perawang into a growing small town with a total population of over 90,000 people. Most of the villagers are farmers and their livelihood depends indirectly on the growth of IKP. This clearly shows the domino effect affecting the economy of the community in Perawang. As more people from the community are employed by IKP, the more of them have steady source of income. This creates demand of goods and services. As a result, small businesses and enterprises are emerging around the mill resulting to a significant growth of the local economy.

IKP'S CORPORATE SOCIAL RESPONSIBILITY PROGRAM

Realizing the economic dependency of local community to the company, IKP strives to develop strategic CSR Programs in a way that empower the community members to unlock the economic potential in their own area, thus increase independency in terms of their own source of livelihood.

Its CSR vision is to form a society that is able to independently manage and develop local potential resources to achieve a better quality of life. This is implemented through a series of activities that aim to improve community skills and knowledge which will lead to the initiation of small business and enterprise.

IKP CSR activities focus on pockets of poverty-stricken area in two of the closest districts to its operation, Tualang and Koto Gasib, which consist of 10 villages. The main target of IKP CSR activities are approximately 1661 families or 8.3 percent of the total population in the 10 target villages. The targeted communities are those who do not have steady or sufficient income to cover their basic daily necessities, have low access or no access to adequate infrastructure, clean water, electricity, basic health care, and financial support and usually have low level of education. In these 10 villages, around 54% of its working age population are elementary school graduates or has never received any form of formal education at all. The low level of education is the main cause of high unemployment rate and extremely low economic growth.

IKP develop its CSR programs relevant with the National Goals of the Millennium Development Goals. In achieving its objectives of community empowerment, IKP develop its CSR programs based on five domains of activities which are education, social-religious, health, economy and infrastructure as shown in Table 1.

All activities carried out by IKP CSR team involve many of community members around the mill. As a part of the community itself, the society will prosper along with the growth of the company. But growing together does not mean that all community members have to be directly employed in the mill's daily operations. True development can be achieved if the community has independent source of livelihood by unlocking the potential of its surrounding resources. The company's role in it will be providing skills and knowledge to enable the community to do so.

Table 1. Highlight of IKP Perawang's CSR Activities

No	Program	Name of activity	Programme Description
1	Educational programme	Try out program and tutoring	Tutoring assistance for high school student to entering college
		Education Funding	Education funding for tutoring students which pass The exam to college
		Abdul Wahid smart House (Rumah Pintar)	Providing operational assistance and facilities for studying and Recreation
		Education facilities development	Assistance for infrastructure development of learning such as Books, sports equipment and the much needed school bus
		On the Job Training	Provide an opportunity for students and university students in Riau province for the job training field at IKP mill
2	Social - Religiousness programme	Religious social activities	Building material assistance for the development of house of Worship and public facilities such as the celebration of religious holidays of Islam
3	Community health care program	Community health services	Assistance from Perawang community health centers (puskesmas) for paramedic team and regular treatment for the Community at the Siak river edge
4	Economic empowerment program	Woven Handicrafts from plastic strap waste	Training handicraftsmen and woven bags of waste ribbon Strapping former paper mill waste
		Vocational training and support Facilities and infrastructure	Provision of an integrated agricultural and livestock training And supporting infrastructure assistance
		Cattle breeding program	Pregnant cows assistance to selected communities revolving.
5	Village infrastructure program	Supply of electricity	Supply electric current to the community
		Road repair Minas-Perawang	Maintenance and road repair Minas- Perawang (24 km)
		Provision of clean water	Improvement and development of public access to clean water And sanitation community around the mill

Source: CSR IKP Presentation (2011)

Each year, a total of 150 vocational high school students and university students from Riau province have the opportunity to do on-the-job training at the IKP mill for a 4-month period. IKP provides pocket money and facilities such as accommodation, health insurance, basic medical assistance and health & safety equipment to the trainees during the course.

Every year, IKP also provides scholarships to national universities for over 100 high school students. To support the second national goal of MDG, which is to increase the number of students receiving primary education, IKP provides the much needed school buses for the students living along the Minas – Perawang main road. Before provided with the buses, these students had to walk a long distance to school, rain or shine, and some would even hitch a ride from truck drivers passing through the road, which can be very dangerous for the children.

In 2010, IKP built the House of Education and operate the house based on the national concept for non-formal education for children. The house was supplied with books, games, craft supplies, computers and other multimedia for free for all students in the area to use. To date, the house caters to over 930 students, providing them with free access to informal education.

Picture 1: House of Education and school bus provided by Indah Kiat Perawang



As part of the economic empowerment program, IKP applied the Cattle-Rolling Program to as many as 40 selected communities. The idea of the program is to provide several pregnant cattle to the families on a “loan” basis where these pregnant cattle are to be taken care of and bred. If the breeding is successful, the families can keep the calves and the adult cows are to be returned to IKP to be loaned to the next family. These cows are sold at IDR 4 million for a local breed and IDR 6 – 7 million for a cross-breed. In addition, IKP also provides integrated training for farming for breeding, and providing infrastructure for agriculture and fisheries activities (seeds, fertilizers, equipment).

The main objective of IKP CSR program is designed to empower the communities in the area and to ensure that these activities are more than just mere funding and/or philanthropy activities. The community development activities involve both men and women ranging from children to adults. Through its programs, IKP management aim to form independent communities in hope that their livelihood do not solely depend on the existence of the mills operation and to be more independent and self-reliant. Any successful communities will then be expected to set as a role model and a source of inspiration to other community members.

In the health sector, IKP improved community health facilities and provide basic health services to communities along the Siak River. IKP paramedic team consisted of local paramedics and IKP CSR staff visits the community on every first three Sundays of the month and has helped as many as 1.700 people each year. Besides that, IKP Siak regency and PLN (the national grid) have cooperated to provide electricity to the community which otherwise have use costly generators for their electricity needs. The 24km road along Minas – Perawang has also been improved significantly and IKP has also helped repair and develop public access to clean water and sanitation around the mill.

Picture 2. IKP’s Rolling Cattle and Community Health Care Program



In the implementation of these CSR activities, the CSR team from IKP faces several challenges:

- ✓ Inadequate accurate information of the villages' conditions (assets, population, common disease, income per capita, etc) that can be used as a basis for consideration in designing the CD activities;
- ✓ The lack of coordination from other stakeholders such as local government and other private sectors in development and implementation of social activities;
- ✓ Community/communities tend to be short-term oriented; they expect to see instant changes and still think that working with the company is the only source of income they can really depend on;
- ✓ Public/community prefers charity/donations;
- ✓ Public/community prefers materialistic gains rather than knowledge and skills.

However, these challenges did not discourage the CSR team from IKP and only motivate them to continue their work for the community. To them, the progress of the society surrounding the mill is one of the indicators of the success of the company.

EMPOWERING PERAWANG COMMUNITY: THE STRAPPING PROJECT

One of IKP CSR program which aim to increase the economic development of the community is the woven handicrafts project by using used plastic straps which were previously used as pulp fastener. The project began in 2008 by an IKP employee, Mr.Mohammed Nur. He is the pioneer of the project and the founding father of Tunas Harapan Community Group which accommodate local people that interested in earning additional income through the community strapping activity.

M. Nur came up with the idea through his love for plants. Plenty of pots are required for his passion and this activity of his is not supported by his wife as it can be quite costly for him to purchase these pots. While working at the mill, he requested permission to bring home some of the waste plastic straps that were used to fastened purchased pulp to be woven into pots for different plants (see picture 4).

Picture 3. Flower pots from plastic straps



The work of M. Nur attracted attention from the surrounding communities including the Head of Tualang district. He asked M. Nur to sell his woven handicrafts at a local bazaar. Ever since then, M. Nur has created more varieties of handicrafts such as basket, hood for food, mats and shopping bags. Due to the increasing demand after his success at the local bazaar, M. Nur invited 3 interested housewives to be a part of his weaving project. Through his wise words and motivations he encouraged the housewives to continuously involve in the project that enable them in providing additional income to their family without having to leave home.

His invitation to the three housewives attracted attention of other housewives around the area and that marks the beginning of the project. M. Nur's objectives are to empower these housewives and to help improve their financial situation by making and contributing their own income to the family without having to leave the house, thus they will still be able to run the household and tend to their children's needs. In the long run, he hopes to increase the community's economy and level of education of the children in his village.

Tunas Harapan group, led by M. Nur and his wife, started off with only 3 housewives. In 2011, the community has grown to 20 housewives and 2 fathers and no fees were charged to be involved with the group. These community members come from various areas outside Perawang such as West Sumatra, Java, South Sumatra and Tempatan. Not all of the men in the community are IKP's employees. Most of them are fishermen, motorcycle taxi drivers and street vendors. This shows that IKP's CSR programs are not targeted at only IKP employees, but also to everyone in the surrounding area.

M. Nur stores all the raw materials he purchased in his backyard and the members of Tunas Harapan will pick them up to be woven at home. The gathering spot behind M.Nur's home is often called the "house of education". To encourage and optimize the community gathering, IKP assisted in providing a marquee located in M.Nur's backyard to support the activity. This is the place where mothers and housewives learn to weave from M. Nur and his wife as well as other group members. The place also serves as the place where they market some of their products. Community members or other stakeholder that interested in purchasing the craft usually come to the place and can get the craft with bargain price.

Picture 4. Shopping bags from woven plastic straps



Raw materials for the handicrafts are supplied by IKP Perawang. The company gives a special policy to M. Nur and these plastic straps are sold at a very cheap price of IDR 1,000 / kg (around USD 0.1), and not sold to anyone else as part of the CSR team's way to support the handicraft project. If sold to other party, the selling price of the plastic straps will be twice more expensive. The money collected from the sale of raw materials are maintained by the CSR department and will then be returned to the community to fund the needs of infrastructures and work capitals such as the development of M. Nur's backyard.

The handicraft community group is formed on a voluntary basis Housewives are free to join the community group whenever they want to. The technique is passed down from one housewife to another and the economic progress of each member becomes an attraction to other prospective members at Tunas Harapan Handicraft Community Group.

The basic principles of Tunas Harapan are trust, unity and improvement together towards economic independence. Members are given the trust to take home whatever raw materials required to be woven at home. The funds used to purchase the raw materials and profits are managed by the group leader. The finished products (woven handicrafts) are submitted to M. Nur and he will pay them accordingly with a fixed price for each handicraft made. He also manages the sales and marketing effort of this group thus he faces the risk of overflowing inventory if the market demand is not on par.

Picture 5. Gathering point of the Tunas Harapan community



For his efforts in empowering communities and his idea of utilizing used materials in the Tualang district, M. Nur was awarded the ADIRIYA award by the Provincial Industry and Trade Agency in Riau (see picture 7) where he was selected as the winner of the crafts category. This category considers the scrap and waste management as well as empowerment to the community in the area. His winning idea has contributed to the waste management in the area by turning what would have been considered waste into shopping bags which make a good replacement for plastic bags.

Picture 6. ADIKRIYA Award , Riau Province 2010



The biggest challenge faced by the handicraft program is to market the product. The marketing strategy is executed by the community group leader in a conventional manner where the products are sold to colleagues and relatives, especially in West Sumatra. This challenge has caused these woven handicrafts to be sold at a lower price and non-continuously, which results in excessive supplies as the demands are getting lower. In such circumstances, IKP helps the community through introducing these products to corporate guests visiting the Perawang mill by buying them to be presented as souvenirs from IKP to the visitors. IKP is also planning to use handicrafts designed specifically for IKP as the main souvenirs for all future visitors, to also promote the unique craft to external parties; customers, consultants, government officials and others. This is hoped to lead to the opening of wider market for the product. Further, IKP will also help establish relationships with supermarkets where the woven shopping bags can be introduced to shoppers, and also to hotels where woven clothes baskets can be placed as part of decoration in every room.

IMPACT ON ECONOMIC, SOCIAL AND ENVIRONMENTAL ACTIVITIES THROUGH THE WOVEN STRAP HANDICRAFT

Even though it is still a small-scaled project with 22 members, the handicraft project supported by the CSR team of IKP has created a positive impact to the social and economic situation of the surrounding community. The economic impact can be seen through the increase of household income of the family. The average household income of these members increased by IDR 400,000 to IDR 600,000 per month or around USD 40 to USD 60. The highest revenues recorded by three women were up to IDR 1 to 1.5 million in a month or USD 90 – USD 170. As the community group leader, M. Nur earns an additional income from the profit of each product after deducting the marketing costs. In accordance to the Governor Regulation of the Riau Province, Article No. 29 in 2010 on Minimum Wages 11 / Cities of the Riau Province in 2011, the minimum wage of the Siak regency was IDR 1,186,000 per month (see Appendix 1) or around USD 131. This shows that the revenue gained by the members of the handicraft group is often larger than local minimum wage and plays a significant role in improving the family's welfare and education of the children.

With the increase of economic level, improvement to the society follow suit. The future generation will receive better education and healthcare thus improving their quality of life and will eventually result in a new generation who can make a positive contribution to the country, Indonesia.

A mother's presence at home to care for the children will leave a great impact on their childhood development. On the other hand, independent and confident mothers who are contributing to the livelihood to the family set a very important role for the future of the children. The Community Strapping Project led by M. Nur and supported by IKP provides the housewives with the benefit of both worlds, to be able to take care of their children and earning income for better future.

Picture 7. Tunas Harapan members working on woven in their homes



In addition to the economic benefit, the program also brings positive environmental impact as the plastic waste that otherwise dumped into land-fill is utilized in a sustainable way.

Picture 8. Tunas Harapan members working on woven in their homes



The social and economic impact felt by the members of the handicraft activity is strengthened by the opinions of some members of Tunas Harapan. They stated that their participation has benefited them personally, especially the following (the interview):

- Understanding gender equality - women can help her husband to improve household income;
- Empowered women to be productive yet still have time for the family;
- Increased family income from weaving products at home and reduced poverty;
- Becoming a productive force besides being a housewife and fill the leisure times by producing things that can provide additional revenue to the family without having to leave home and still able to be there for the children;
- Boosted self-confidence of mothers, knowing that they can be a play a role in providing for the family and be a good role model for the children;
- Becoming a financially independent mother instead of relying solely on the husband's income;
- Increased family bonding with supportive husbands towards their wives' positive activities with the community;
- Increased level of education for the children as the household income increases.

The handicraft activities are supervised by the CSR department of IKP to ensure that the 1st, 2nd, 3rd and 7th of the 8 millennium development goals (MDG) are met. The extra income earned by the members through the handicraft activities met the 1st MDG goal, which is to reduce poverty and hunger. This extra revenue also in turn helped achieve the 2nd goal of MDG which is to increase the number of children receiving primary education.

Picture 9. Tunas Harapan Community Group Headquarter



The participation and empowerment of women through Tunas Harapan has helped realized the 3rd MDG goal of improving gender equality and the empowerment of women. Confidence and independence plays a big factor in increasing women's self-dignity.

In accordance to the 7th MDG goal to create a sustainable development in Indonesia, the handicraft activity is contributing in implementing responsible business by reducing plastic waste.

EXPECTATIONS FROM TUNAS HARAPAN

Tunas Harapan hopes that IKP will continue to support and provide guidance and assistance to the craftsmen of Tunas Harapan and to supply Tunas Harapan with raw materials and guide them with the appropriate and sustainable marketing channels.

The leader of Tunas Harapan hopes that IKP's management will continue to extend its CSR programs around the Tualang district by locating the coordination center in Tualang itself to optimize the empowerment of its local people. The group also hopes that there will be additional opportunities for the community to learn more about product development – from creativity of the designs and shapes to a whole new line of product. Such opportunities are important to keep the business running.

CONCLUSION

Corporate Social Responsibility (CSR) is a part of implementing the responsible business principles. CSR works in many ways. The department of Community Development (CD) at IKP has developed a series of programs aim to empower local community to be able to create their own sustainable income. The objective is reached through one of its livelihood program, the Community Strapping Project which utilizes plastic waste from IKP operations and turns them into various handicrafts that have high economical value.

Tunas Harapan Community Group is developed by supported by IKP to facilitate the targeted community with the plastic strap weaving business. This project has empowered women around the area and IKP plays an important role by providing financial, infrastructure and capacity building support to enhance the development of the business. In addition, the mill also assists in search of new market and promoting the products to corporate stakeholders as well as other parties.

Through this handicraft program, the four MDG targets are achieved. The handicraft program hopes to reduce poverty, increase the level of awareness for gender equality by empowering the women in the community and to develop a more sustainable program by turning waste material into usable products through developing a partnership with the surrounding communities.

Tunas Harapan's future objective is to develop an integrated marketing network that is well coordinated to enhance the distribution of the products thus optimized the growth of the business. Its long term goal then can be realized, which is a self-reliant community that can provide better health care and education for its future generations.

Photo 10. Members of the Tunas Harapan Group



LITERATURE AND RESOURCE LIST

Corporate profile of IKP and APP

Corporate Social Responsibility program of PT Indah Kiat Pulp & Paper-
Presentation by Mr. Ir. Ketut Piter F.G.

Interview with Mr. Edi (CD Coordinator)

Interview with Mr. Muhammad Nur (from Padang) -The chairman of Tunas Harapan Group with the members:

1. Mrs. Nur – Mr. Muhamad Nur wife (from Padang)
2. Mrs. Mar – from Jawa (3 months of joining)
3. Mrs. Asni Mar – from Batusangkar (3 years of joining)
4. Mrs. Nurani - from Padang (1 ½ years of joining)
5. Mrs. Mia – from Palembang (1 years of joining; also as salted fish seller)
6. Mrs. Eli – from Padang ((1 years of joining)
7. Mrs. Dewi – from Padang (1 ½ years of joining)
8. Mrs. Wati - from Padang ((1 years of joining)
9. Mrs. Sri Bardani – from Jawa (1 week of joining)

Photo 11. Minimum Wages of Riau Province 2011

Lampiran : Peraturan Gubernur Riau
Nomor : 49 TAHUN 2010
Tanggal : 30 - 11 - 2010

UPAH MINIMUM KABUPATEN/KOTA SE PROPINSI RIAU TAHUN 2011

No	Kabupaten/Kota	Upah/bulan (Rp)
1	Pekanbaru	Rp. 1.135.000,-
2	Dumai	Rp. 1.177.000,-
3	Rokan Hulu	Rp. 1.150.000,-
4	Indragiri Hulu	Rp. 1.208.000,-
5	Indragiri Hilir	Rp. 1.130.000,-
6	Kampar	Rp. 1.234.000,-
7	Bengkalis	Rp. 1.125.000,-
8	Siak ✓	Rp. 1.186.000,- ✓
9	Pelalawan	Rp. 1.128.000,-
10	Kuantan Singingi	Rp. 1.123.000,-
11	Kepulauan Meranti	Rp. 1.125.000,-



The Study Case Writers

Lina Salim, SE., MBA., MA., Ph.D., CPM (A)

Lina Salim formal degrees are in S-1 (Bachelor) from Economics Faculty majoring Management at ATMA JAYA Catholic University, Jakarta, Indonesia; MBA (Master of Business Administration) in Marketing University of Dallas, Texas, USA; MA (Master of Arts) in Business, Western Illinois University, Macomb, Illinois, USA; PhD in Business Management Northern University of Malaysia (University Utara Malaysia). She has numerous of research articles and publication.

She is a full time lecture of Marketing for Undergraduate and Master Degree students at Economics Faculty ATMA JAYA Catholic University, Jakarta, Indonesia and also a training instructor for marketing and customer service of some companies. Lina started her carrier as a Lecture since 1995 and as a training instructor since 1991.

PT TRAKINDO UTAMA'S CONCERNS ABOUT PROMOTING EDUCATION IN INDONESIA

PT Trakindo Utama (Trakindo) has a great concern about education in particular about the development of morality and character of the nation's next generation. Through its support in education both inside and outside the company, Trakindo has been contributing to making a success of *Millenium Development Goals* (MDGs) programs. The efforts of education development began in 1996. The other MDGs programs have also been conducted by Trakindo which include poverty and famine elimination, promotion of gender equality and women empowerment, decrease of child mortality rate and improvement of pregnant women's health, reduction of HIV/AIDS risks, assurance of environmental sustainability, and improvement of global partnership for development. Trakindo's concern about education, particularly education with good character, has been materialized in development and establishment of Elementary Schools, Vocational High Schools, and Polytechnic and Community College. The success of Trakindo's MDGs programs has been supported by the entire stakeholders to a great extent.

The Profile of PT Trakindo Utama

Trakindo is a world-class provider of Caterpillar heavy equipment solutions in Indonesia. The heavy equipment that has been distributed is then utilized in mining, forestry, agricultural, construction equipment, diesel and natural gas engines, industrial engines and generator sets. Trakindo became the authorized dealer for Caterpillar in 1971 and now it has more than 65 branches in Indonesia. Trakindo provides its customers in the mining, construction, forestry, agricultural, energy, marine, and other industrial sectors. Trakindo has the company vision and mission in meeting the challenge of the future. Trakindo's vision is to become the world-class provider of Caterpillar equipment solutions. Trakindo's mission is to set up an entity that creates worthwhile and challenging job opportunities to as many Indonesians as possible, while incorporating the following values:

1. Continuous development of employees
2. Consistent capital growth (financial, intellectual, brand identity) and reinvestment of capital into the business, and
3. Maintaining highly ethical business practices

As a company that upholds the best service for its customers, Trakindo applies core values that have to be possessed by the entire entities in the company such as:

- ✓ **Integrity.** We enforce the highest ethical and moral standards, demonstrating honesty and fairness in all activities.
- ✓ **Continuous Development.** We are committed to continuously developing both our companies and employees.
- ✓ **Excellence.** We continuously strive to achieve the highest standard of result.
- ✓ **Proactive.** We pursue new techniques and approaches in improving our business quality.
- ✓ **Accountability.** We assume responsibility to stakeholders for all the decisions and actions taken.
- ✓ **Teamwork.** We promote and support multicultural workforce based on trust and respect, achieving goal by communicating appropriately

Trakindo has major concern over enhancing education in Indonesia, which is considered to have an essential role in determining somebody's identity. Education is the fundamentals and foundation for the nation's character development. Through education, an individual will obtain knowledge to establish his existence and ethically better life quality.

In its journey, Trakindo prioritizes its customers' satisfaction as a rule especially in its best service in terms of competent and professional technician support in the field of heavy equipment.

Beginning from the initiative of Trakindo founder, AHK Hamami, on 23rd December 1970 his own company was established after his early resignation from his military service. Even though without any business capabilities, he was not discouraged to keep learning and striving for establishing Trakindo company as a sole distributor of world-class service provider for Caterpillar. Up until the present day, Trakindo keeps committed and determined to become “The Customer Services Company” as a reliable partner for its customers. *“Our Commitment: Customer Success”* is the slogan that is conserved in each of its business activities.

Picture 1. Trakindo Founder, AHK Hamami



“When I established the company, I conceived the idea of making it a source of quality job opportunity creator for the all Indonesian people.”

Jatiluhur dam establishment project was his initial project, which was then followed by Jagorawi toll road project, Soekarno Hatta international airport, Padalarang toll road, and more other projects both from the government and from private companies. With the abundance of business opportunities that can be developed, Trakindo has been encouraged to set up subsidiary companies to support its business activities which include PT Sanggar Sarana Baja, PT Natra Raya, Laboratorium Scheduled Oil Sampling (SOS), PT Sumberdaya Sewatama, PT Mitra Solusi Telematika, and PT Cipta Kridatama.

Trakindo provides work environment that is conducive. Work environment is a place that is used for working in the form of rooms in a building or open spaces in a company which is used for performing many activities and for producing both service and products. In a work environment context, there are essential factors such as colleagues, air quality, ergonomics issue, company management, waste management, pollution, and more. For example, each of the fellow employees is encouraged to have friendly manner, respect, and care of one another as well as of the environment.

Trakindo's concern over organization's external side started from its concern about the work environment. Trakindo pays great attention on work environment condition, by applying several policies with regard to *Safety, Health and Environment (SHE)*. In addition to meeting government policy regulation on Work Safety and Health or Kesehatan Keselamatan Kerja (K3), Trakindo regards this policy as one of various major issues that gets the company management's attention. This great attention is then realized with Trakindo's commitment to establish the culture of SHE in its work environment and bring SHE to become a part of company strategies and one of key factors.

SHE implementation indicator in Trakindo is embodied through OHSAS 18001:2007 certification. In international scope, OHSAS 18001:2007 is known as the standard related to Health and Safety of Work Management System. This certification is intended to standardize K3 aspects management and product safety. In addition, the certification also contains the effectiveness framework of K3 management and its compatibility with law and regulation applied by the company management on production activity and possible emerging danger recognition.

Trakindo, by applying SHE and achieving OHSAS 18001:2007 certification, proves how much this company is concerned about eliminating or minimizing the risks experienced by employees and other stakeholders in regard to K3 aspects. In 2008, Trakindo's accomplishment was achieving this certification for its five largest branches located in Balikpapan, Surabaya, Palembang, Makassar and Samarinda. This achievement is also an attainment for Trakindo as the first certificate holder in Indonesia, according to SAI Global. This achievement and attainment is the company management fundamental principles to run the business by having consistent commitment to K3.

❖ **Trakindo's Support towards Special Millenium Development Goal for Education**

The application of education program as an achievement pillar of *Millenium Development Goal* is an effort to support the government in improving educational force quality so that it has the capability in supporting the development in Indonesia. Trakindo brings its concerns into reality by participating in improving education and facilitating competence. These education programs have remarkable implications. With the existence of labor readiness, the trainees can work for Trakindo or in other places so they can improve their living standard. This educational background can support them to get a proper job. With a proper job, a trainee can improve their life with a better living standard. There are quite a lot of participants who were successful who were willing to share with other trainees and made contributions. Improvement in education makes it easy for trainees to get sufficient income. The goal of these programs is that at least the poverty level can be reduced. The success of the trainees will motivate the future trainees to follow the lead by the seniors so that they can learn and in the end they can get a job and proper life. Education creates a foundation to break the lengthy chain of poverty.

❖ **Trakindo's Educational Programs to Forward Skill and Character-Oriented Education**

The education that Trakindo holistically strives for starts from the level of Elementary School, Vocational High Schools to Polytechnic. Educational programs that Trakindo offers not only provides education, but also intends to create a character-oriented education. Education not only provides hardware aspects, but also creates software aspects which promotes high concerns about each other.

❖ Elementary School

The application of education program as an achievement pillar of *Millenium Development Goal* is an effort to support the government in improving educational force quality so that it has the capability in supporting the development in Indonesia. Trakindo brings its concerns into reality by participating in improving education and facilitating competence. These education programs have remarkable implications. With the existence of labor readiness, the trainees can work for Trakindo or in other places so they can improve their living standard. This educational background can support them to get a proper job. With a proper job, a trainee can improve their life with a better living standard. There are quite a lot of participants who were successful who were willing to share with other trainees and made contributions. Improvement in education makes it easy for trainees to get sufficient income. The goal of these programs is that at least the poverty level can be reduced. The success of the trainees will motivate the future trainees to follow the lead by the seniors so that they can learn and in the end they can get a job and proper life. Education creates a foundation to break the lengthy chain of poverty.

Picture 2: President Director of PT Trakindo Utama, Bari Hamami



“The emphasis of education in elementary school is education through the visualization of good character as this can be socialized in early ages. Education in elementary school is a future investment.”

The aid program in elementary schools is Trakindo's contribution to support the compulsory 9-year Basic Education Program which was compelled by the Government in 2009 as well as support for millenium development goal, that is achieving universal basic education. This program can provide opportunities for the pupils to get education from early ages. With education equally spread, Indonesian children can have basic knowledge so that they can have relatively adequate early insights. Trakindo's contribution through education facilities and building renovation, teacher capacity training, and educational aid for bright students is made in 40 different elementary schools that are located in the entire Indonesia from Aceh to Merauke.

The emphasis of elementary school educational programs as pointed out by Mr. Bari Hamami as the President Director of Trakindo is education through visualized character since this can be sosialized since early ages. Education in elementary schools is a future investment. Parents also have to be involved in education and child's character development sharing. Good character or moral, for example self-discipline, must be taught early and suggested to be embeded in the curriculum.

Picture 3: Contribution of Infrastructure and Facilities for Elementary School



❖ Vocational High Schools and Polytechnic

Besides making elementary school educational program compulsory, Trakindo has concerns about vocational high schools (SMK) and Polytechnic. Vocational high schools are Trakindo's first target in education improvement to graduate competent technicians of heavy equipment. On implementation of SMK education, Trakindo collaborates with Vocational High School Directorate in creating and applying Heavy Equipment Course Program curriculum. The curriculum that has been set is based on the Service Training curriculum that is applied to the trainee technicians in Trakindo.

The main idea to develop collaboration between SMK and Polytechnic is as follows:

First, the creation quality job opportunities must be supported by companies that have good and ethical resource of both human and finance. Trakindo realizes that the business that it runs is on the heavy equipment field which still has limited human resource and capabilities. To make it easy to get tough human resource, the company has to do such intervention as transfer of knowledge which is applicable. With this applicable system, the mastery of heavy equipment science is easy to learn by candidate students who have interest in developing self potential.

Picture 4: Trakindo's Contribution for SMK Mimika



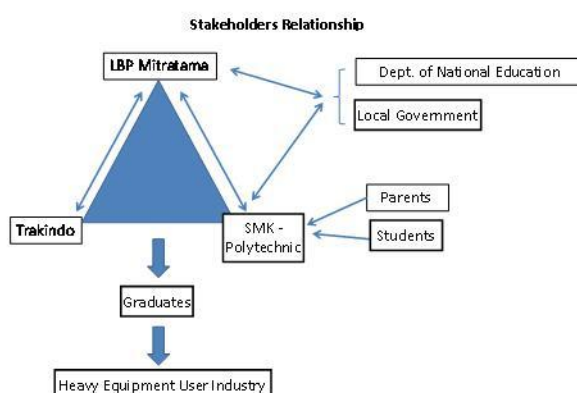
Second, educational improvement is conducted through professionalism that can be performed by constructing values and manner in getting the tasks done, so it is not merely based on education level and the high graduating achievement index. This is one of recruitment foundations in Trakindo.

Education at the level of SMK and Polytechnic provides opportunities for the participants to improve their knowledge and experience as well as special apprenticeship in heavy equipment utilization, so they can directly be employed in industry world.

The decision to collaborate with SMK is to help students at schools get knowledge in heavy equipment skills and softskill competence. With this knowledge, the participants are provided with insights and self-content to get accepted in the real sectors. This effort is continuously conducted in a systemic way. This means that the implemented programs are coordinated with the Ministry of National Education. Students in SMK are expected to become independent graduates and they can make significant contribution in improving the society's life and welfare in general.

Besides developing several SMKs nationwide all over Indonesia, Trakindo also conducts educational development in Polytechnic where this educational level is expected to be a level higher than SMK graduates. The intention is that the graduates have competence in heavy equipment maintenance and they are expected to have managerial skills for the equipment. Both SMK and Polytechnic students have no compulsory service towards Trakindo. The entire relationship of all stakeholders are illustrated in Picture 5.

Picture 5: Stakeholders Relationship



Trakindo's concerns about building good relationship with both SMK and Polytechnic are materialized through a number of activities such as:

a. A Series of Educational Collaboration

- 1) The collaboration started in 1996 with the launch of "Trakindo Peduli" or Trakindo Care that emphasized on the world of education. Educational facilities were contributed to five vocational high schools which included SMK Balikpapan in Balikpapan, SMK Negeri Lubuk Pakam in Medan; SMK Negeri Malang in Malang; SMK Negeri Makassar; SMK Sorong.
- 2) In 1997, Trakindo provided educational facilities for six Polytechnics which included Politeknik Negeri Jakarta, Politeknik Negeri Palembang, Politeknik Negeri Samarinda, Politeknik Negeri Pontianak, Politeknik Negeri Ambon, and Politeknik Negeri Makassar. Each of them received six interactive multimedia computers.
- 3) In 2001, a Heavy Equipment Course Program was established in Politeknik Negeri Jakarta, or State Polytechnic Jakarta.
- 4) In 2002, Trakindo had an educational collaboration with Bandung Technical Education Development Centre on Heavy Equipment Course Program and Community College.
- 5) In 2003, an educational collaboration was built with SMKN Dumai and SMKN Mimika.
- 6) In 2005, an educational collaboration was built with SMKN Samarinda.
- 7) In 2006, an educational collaboration was built with Politeknik Negeri Banjarmasin and Politeknik Negeri Samarinda.
- 8) In 2007, an educational collaboration was built with SMKN Sumbawa Besar and SMKN Bitung, and Politeknik Negeri Padang.

b. Heavy Equipment Course Program Establishment in Politeknik Negeri Jakarta

Heavy Equipment Course Program is a vocational education of Diploma III level. This program was established in 2001. This program was the collaboration of Trakindo and Lembaga Bantuan Pendidikan Mitratama (Miratama Educational Aid Institution) to prepare for professional human resource in Heavy Equipment. This course program was also intended to implement professional education that became world class reference in Heavy Equipment Field. The curriculum was developed based on Industry and Facility Competence and Comprehensive Learning Process. The course program was fitted with competence in Troubleshooting and Engine Performance Analysis in Heavy Equipment field. There are a number of course alumni who work for heavy equipment, mining, oil, and gas companies.

The goal of this course program establishment was in accordance with Trakindo's philosophy in developing character-based education. The goals are:

- 1) Possessing a character with a soft skill and technical skill basic habit, possessing a character with a basic habit suited with industrial partner standard, skillful in planning, organizing, actuating, controlling, monitoring and documenting jobs in the field of his responsibility, and skillful in performing social responsibility so as to be skillful in developing and utilizing technology to improve broad society life in accordance with UUD 45, Pancasila and universal humanity values.
- 2) Possessing technician competence equal to technician level, possessing problem-solving basic skills and technical analysis, possessing management problem basic skills, performing maintenance and repair of mechanical engines and heavy equipment electronic system, possessing skills of developing himself to become supervising men as well as skillful in comprehending work values and correct principles.

c. Community College

Not only has Trakindo developed high school and advanced education, but its educational programs also open Community College (CC) in its journey. Its CC is located in Technical Education Development Centre in Bandung. In this campus located in Cimahi, SMK graduates can choose to continue their studies to Heavy Equipment Course Program. This program availability is based on the demand from Trakindo branches all over Indonesia. The program is known as an acceleration program which lasts six months and it has already been opened for 4 classes (batches). For this matter, the Vocational School Department supports the implementation of Community College programs which apply double educational system. The lesson activity is divided into 30% of the classes is performed in the classroom and the rest of the portion is spent in Trakindo work station in an apprenticeship program or training practice.

Students are expected to be able to apply their skills soon in the real job upon finishing their studies. The achieved result of CC program is certain skills and specialization such as competence in performing heavy equipment unit regular prevention and maintenance. The graduates of CC are programmed to master certain skills and competence equal to Specialization Technician 1.

d. Curriculum

Educational program implementation performed by Trakindo started with the opening of collaboration with Vocational High Schools. Since 1996 up until the present day, the curriculum that is used has been based on skills that were initially needed to meet the demand/need of Trakindo alone for the heavy equipment owned by Trakindo. The curriculum was continuously developed at the Vocational High Schools (SMK) that Trakindo develops, so this curriculum has become a National Curriculum in heavy equipment skills for the intended graduates after collaborating with the Ministry of National Education.

The prepared curriculum contains character building. The characters that are expected from every human resource are forwarding ethics, not only to the customers but also to the fellow employees, having good morals that is having good manner, polite, tolerant, having integrity and having social empathy. Those characters are kept to flourish in basic competence, which SMK and Polytechnic students who are under Trakindo's education must have. The curriculum that is developed in Polytechnic has international standards, so the graduates of Polytechnic educational programs are accepted in national and international institutions.

The details of the curriculum that Trakindo and Polytechnic develop include a number of aspects such as:

- ✓ Science-based lectures are conducted in six semesters with a total of 116 credit points.
- ✓ Lectures are comprised of personality development lectures (9,45%); science and skills lectures (18,97%); creative skills lectures (52,59%); creative attitude lectures (5,17%); and social living lectures (13,79%).
- ✓ Curriculum consists of theory and group practice. Concerning theory, students are to have group discussions to improve theory understanding, improve creativity, logic; train problem solving skill; train interdependent skills; and train leadership skills. The set theories also develop vocational lessons such as Introduction Theory, Basic Principles System, Operation System. In group practice, students are to form groups and perform basic skills practice by doing job skills following plan, do, check, and act. Besides, there is also the concept of On The Job Training (OJT) in the curriculum. Students can do OJT for six months. During the first OJT, students are to master basic technical skills and engine theory and practice. With OJT, students feel and understand industrial work covering atmosphere, standard interaction, and job need. The developed curriculum features a character-based education concept.

e. Recruitment

Trakindo tries to help its students find their identity as early as possible and grow according to their opted skills. To maintain the Heavy Equipment Course Program graduates' quality, Trakindo directly gets involved in the candidate student selection. This entrance test covers several phase, such as general and academic knowledge, psychotest, English, mechanic interest and aptitude test, interview, and health check. The selection process is similar to that undergone by Trakindo Trainees. The selection series is the requirements Trakindo requires as the filtration of candidate technicians suited for market need and so that students focus on the desired course program from the beginning.

f. Teacher Training

There is also teacher training to improve competence and skills to give the best to the students. More than 100 teachers and lecturers have been trained. The training is mechanic basic and advanced training which is the same training given to Technician Development Program in Trakindo including not only heavy equipment mastery but also Technical Fundamental English and Lesson Kit Plan preparation. This training is important to broaden the teachers' horizon who later on will transfer their knowledge to their students to fulfill the target of heavy equipment competence needed by industrial job world.

g. Infrastructure and Facility Provision

Trakindo provides a number of visual aids and teaching-learning facilities to support the students' activities, such as audio visual aids, engine, tools and even computer sets. To support lesson materials, Trakindo helps complete SMK and Polytechnic with teaching materials such as software of Service Information System, Service Manual, Parts Book and Charts, Electronic Technician, Multimedia Training Material, Training Basic Mechanic and Basic Library Software. To support job training for the students both in classroom and in workshop, Trakindo provides some job training visual aids (Caterpillar Unit) such as D7G, Dozer, D6D Tractors, Mini Hex, and more. Besides, there are some main components and motor drive spare parts; special tools like tool box complete with pneumatic tools; projector; TV/VCR as well as computer desktop.

Students can also use this for heavy equipment science practice at school. Trakindo also initiates various heavy equipment skill competitions to ensure the graduate quality. The facilities are also job modules to be correctly used in understanding heavy equipment materials. Trakindo also provides facility for workshop for students which is important as facility for them to do the practice and to get to know the real job equipment.

Picture 6: Trakindo Equipment Aid for Polytechnic



Besides those facilities, Trakindo also built a library completed with heavy equipment utilization reference books, which by Politeknik Negeri Jakarta was named “Hamami Library” as an honor to the founder of Trakindo, AHK Hamami.

Picture 7: Hamami Library



In October 2008, Trakindo and LBP Mitratama signed Memorandum of Understanding (MoU) with Politeknik Negeri Jakarta while donating teaching books and teaching CDs. Having signed the MoU, Trakindo donated teaching books to LBP Mitratama, which was then passed on to Politeknik Negeri Jakarta to be used as course reference for students and civitas academica of Politeknik Negeri Jakarta. Trakindo hoped that the books could help broaden knowledge enrichment. These teaching books also came from Caterpillar so that it would be easy to master heavy equipment.

Trakindo also took action to improve heavy equipment utilization training by building Trakindo Training Centre in 1970. Trakindo Training Centre also makes ideal facilities for SMK as well as Polytechnic students and teachers to their improve competence and skills in utilizing heavy equipment professionally. This Training Center is divided into several training divisions which include Machine Training Section; EPG, Gas & Electronic Training Section; Large Engine & Fundamental Training Section; Marine Engine, Engine Rebuild, Operator & Customer Training Section Part, Soft Skill, Leadership & Business.

This training venue hopefully can be used to enrich the competence of both teachers and students to learn about the freshest knowledge on heavy equipment utilization. Trakindo realizes that heavy equipment utilization gets more complex each day because of the employment of electronic-based system, whose goals are to make it easy for the users to operate it. Trakindo has applied ACERT Technology especially for C15 equipment on Highway Truck Engine. This facility is provided to support the process of achieving competence needed for certification.

Picture 8: Training Facilities in Trakindo Training Centre Cileungsi



h. Provision of On The Job Training (OJT) Facilities

Heavy Equipment Course Program is course program that takes job training. The graduates are expected to become employees who are competent, ready, fast, and efficient in heavy equipment utilization. SMK and Polytechnic that are under the collaboration can implement on the job training for three to six months in trakindo at the end of each semester according to the prevailing curriculum. Trakindo's provision of on the job training facilities is intended for well-supporting and building good habit for every students so as to learn the real practice to become a competent technician in heavy equipment mastery. The participating students are expected to be aware that heavy equipment mastery is different from light otomotive technician. Senior employees can also provide information or sample learning to the students so that they can enrich their knowledge. Trakindo also provides scholarship to five best students in final semester or semester 5 and 6.

Picture 9: Apprenticeship Student in Trakindo



i. Validation

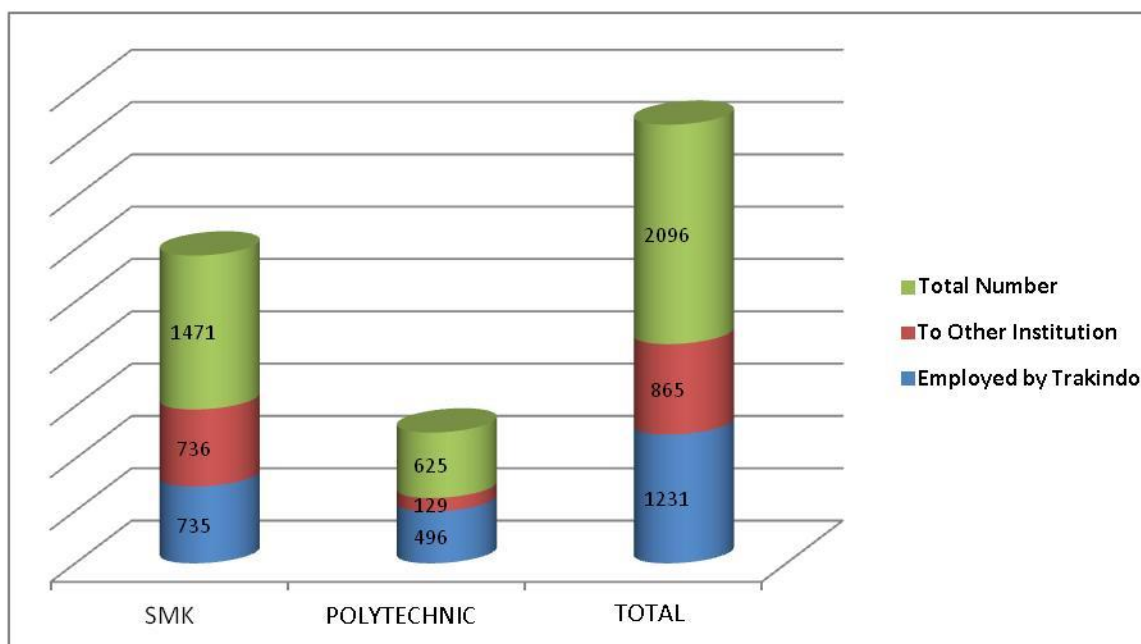
Participants who have finished their course period will take the final phase before directly work as an employee for a company, which is known as competence validation. Competence validation is the effort of Trakindo Utama not only to ensure the competence of all participants who will soon become candidate employees in a company, but also to ensure that they have competence standard according to certain competence level that refers to Technician Development Program (TDP). If the participants pass the competence validation test, they are entitled to receive technician certificate from Trakindo based on the prevailing level. The certificate will guarantee their readiness as a ready-to-use graduate.

j. Creation of Manpower

Every year since this program was first implemented in 1996 up until the present day, the need and demand of SMK and Polytechnic graduates from Trakindo's education program has been increasing for Trakindo's internal need, for Trakindo's heavy equipment customers, or for other companies as heavy equipment users. This is certainly in accordance with Trakindo's programs, vision and mission to provide job opportunities for societies in the entire Indonesia. Trakindo strives for applying the 'link and match' system between SMK and Polytechnic and business world.

The number of manpower need for heavy equipment user industry has increased greatly since 2002. This need fulfillment challenge has only been met with a small number of SMK and Polytechnic graduates who collaborate with Trakindo. Most of the graduates are employed by Trakindo while the rest are employed by other heavy equipment users. Obviously, the collaborative program between SMK and Polytechnic and Trakindo has an important role in solving the problem of job opportunity creation, which in turn will reduce unemployment.

Picture 10: The Number of Manpower Employed by Trakindo and Other Institutions



The collaborative program between SMK and Polytechnic and Trakindo has an important role in solving the problem of job opportunity creation, which in turn will reduce unemployment.

Student recruitment can be easily conducted because Trakindo has since the beginning strived for graduating manpower that meets qualification in heavy equipment field. However, not all students can be accepted, and they can apply for a job in other companies. The level of unemployment is zero up to now according to the school's Head Master.

In addition, educational programs run by Trakindo have at least repressed social upheaval in the areas where Trakindo has its branches open. Moreover, the programs also help increase society's income in particular that in remote areas. With the success of Trakindo Educational programs for SMK, Polytechnic and CC, many heavy equipment business people and others have high interest on the graduates.

Nowadays, there are 10 SMKs and 5 Polytechnics that open Heavy Equipment Course Program; and they are in Lubuk Pakam, Dumai, Singosari, Sumbawa Besar, Balikpapan, Samarinda, Makassar, Bitung, Sorong and Timika. In SMK education, the main target to achieve is increase in technician manpower education. SMK graduates of this Heavy Equipment Course Program will get not only SMK certificate but also Trakindo certificate. The participants are directly entitled to have 36 types of competent skills, equal to General Technician 1 in Trakindo.

This is what is more or less similarly given to Polytechnic graduates who are under Trakindo partners' heavy equipment course program. The Politechnics are Politeknik Negeri Jakarta, TEDC Bandung, Politeknik Negeri Padang, Banjarmasin and Samarinda. The graduates of these Polytechnics have 56 types of competent skills or equal to Trakindo technician of level General Technician 2.

Some challenges, implications, and solutions that appear in the educational collaborative relationship pattern with SMK and Polytechnic is illustrated as follows:

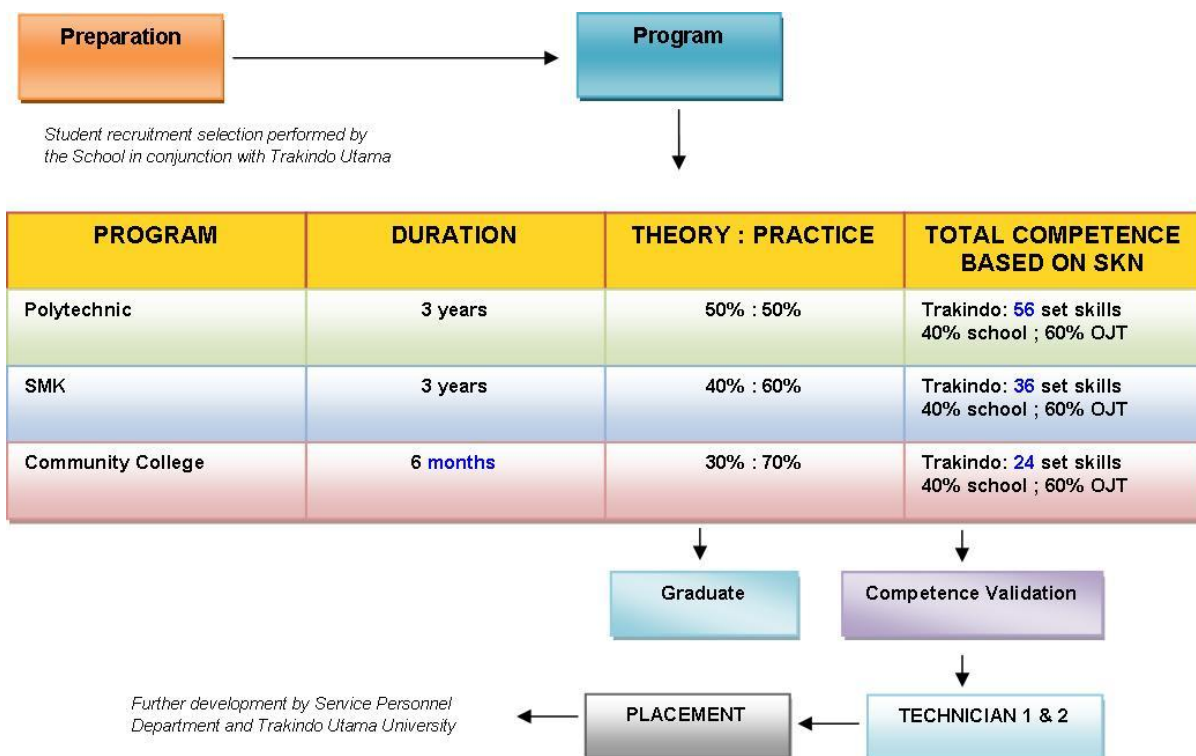
Picture 11: Challenge, Implication and Solution

Challenge	Implication	Solution
Teacher and student quality	Program achievement obstructed	Improvement of knowledge and continuous training
Stakeholders' commitment	Program continuity obstructed	Synergizing all stakeholders periodically
Supporting facility need and industrial job training opportunities	Discrepancy of facility and job training capacity	Dissemination and deployment of job training opportunity venues

k. Heavy Equipment Course Program Implementation Pattern

Picture 10 contains Trakindo's contribution description in forwarding education especially heavy equipment education. This process applies for the three existing programs: SMK, Polytechnic, and Community College. The program contains descriptions on learning duration, theory and practice composition, validation, and job placement.

Picture 12: Heavy Equipment Course Program Implementation Pattern



k. Life Welfare Improvement

The ease of job search has made remarkable implication on the life of participating students who work for Trakindo. Competence in heavy equipment science makes it easier for them to get accepted and work well. Supported with the existing employee development programs, this will certainly buttress their career in the future successfully. Referring to the interview with employees graduated from Polytechnic, they pointed out that the knowledge that they have got so far is very useful in daily work completion in Trakindo. Their monthly income helps them make their life better. Besides, Trakindo also provides opportunities for employees to take the training so as to have competence improvement in handling every new problem.

Trakindo's Other Concerns Realization

Trakindo's most essential concern is certainly in education, even though so, Trakindo's concerns are also realized in other forms, such as in setting aside its profits for continuous development of mankind and environment on the basis of appropriate and professional procedures.

Millennium Development Goals activities in Trakindo are classified into groups of education, health, environmental sustainability and improvement of society's social and economy. The targets of MDGs are [1] eliminating poverty and famine, [2] achieving universal basic education, [3] supporting gender equality and women empowerment, [4] decreasing child's mortality rate, [5] improving pregnant women's health, [6] fighting HIV/AIDS, malaria, and other contagious diseases, [7] ensuring environmental sustainability and [8] developing global partnership.

Below are the concise descriptions of Trakindo's activities regarding MDGs programs besides educational programs.

- 1) Eliminating poverty and famine.** Trakindo administered economy empowerment programs and it succeeded in improving people's economy standard in numerous disaster areas such as in Wasior, Mentawai and Merapi. In Wasior, Trakindo managed to bring the 'dead' market to live due to the natural disaster. In Mentawai, Trakindo donated some revolving funds for door-to-door vendors, grocery stores, and greengrocers. In Merapi (Merapi Slope), Trakindo succeeded in empowering the community to make fermented cattle feed and make bricks from the volcano lava.

Picture 13: Cooperation with Dompot Duafa for Economy Program in Mentawai & Wasior



- 2) **Achieving universal basic education.** The program of developing 40 elementary schools located in 40 Trakindo's branch offices all over Indonesia is intended to improve basic education quality and enhance teacher capacity, as well as donate educational aids for 360 bright students from poor families. Those are Trakindo's active participation in MDGs.
- 3) **Supporting gender equality and women empowerment.** Trakindo provides job opportunities and career for male and female employees including occupying key positions. Participants in SMK and Polytechnic are also comprised of male and female students although in reality male students take larger domination (naturally). To revive community economy and welfare in the disaster areas, Trakindo involves majorly women and social fund allocation for children's health and education.
- 4) **Decreasing child's mortality rate and improving pregnant women's health.** Concerns about family welfare make the beginning of concerns about society. As an industry that has developed for quite a long time and has employees with high mobility, Trakindo takes notice of their safety as well as their environment where they are. This was proven when the management committed to making policy on work safety and health and environment and provided access for basic need of health and education. Trakindo conducts socialization and seminars periodically for its employees about community health care, parenting, family financial plan, and others.
- 5) **Fighting hiv/aids, malaria, and other contagious diseases.** Trakindo actively participates in fighting HIV/AIDS through its membership of IBCA Papua Chapter, and through its role as the donor in Yayasan Zero Aids Indonesia, Indonesian Zero Aids Foundation. The concerns made Trakindo of Pekanbaru branch selected as the receiver of national awards for prevention and overcoming HIV/AIDS in workplaces from the Minister of Labor in December 2011.

6) Ensuring environmental sustainability. Environmental sustainability has been performed in many activities such as:

- a) Water Source Management, including:
 - ✓ Reducing ground water use. Facilities in Samarinda, residential and environmental waste water is used for heavy equipment cleaning, cleaning of houses, cooling tower, park, toilet, pantry (drinking water) through water treatment process.
 - ✓ Re-using heavy equipment cleaning water for many workshop facilities and Rebuild Center.
 - ✓ Water saving by building recycle water tank in every new facility provision.

- b) Electricity Energy Source Management, including:
 - ✓ Electricity saving in the warehouse and workshop with the provision of 'Skylight' as natural lighting on the roof and walls in every new facility provision.
 - ✓ Product design and service referring to environmental sustainability criteria. "Green/Eco-product" for engine type 527 from Tropical Forest Foundation was accepted and recognized.
 - ✓ Greening move in the vicinity and neighborhood where Trakindo is located, even in the surroundings of elementary schools under Trakindo's educational program all over Indonesia with "green school" program.
 - ✓ Investment in the form of office buildings TMT 1 where Trakindo is located refers to "Green Building" standardization.
 - ✓ Membership of Tropical Forest Foundation as a commitment in tropical forest conservation.

- a) Water Source Management, including:
 - ✓ Reducing ground water use. Facilities in Samarinda, residential and environmental waste water is used for heavy equipment cleaning, cleaning of houses, cooling tower, park, toilet, pantry (drinking water) through water treatment process.

- c) Waste Management, such as:
- ✓ Responsible waste management: applying standardized environmental management, performing regular audit.
 - ✓ OHSAS certification attainment from year to year proves the continuous commitment from the company. In 2011, Trakindo became the OHSAS achiever 18001.
 - ✓ Decreasing oil use and oil waste by increasing due time of oil use from 2000 hours to 8000 hours.
 - ✓ Trakindo as an official dealer in Indonesia achieved Caterpillar's first award "The first Five Star Contamination Control Facility in The World" in 2001, and has become the achiever of the same award continuously from year to year.

7) Expanding global partnership for development. Trakindo collaborate with many sources for its CSR activities, among others by actively participating in MDGs (Millennium Development Goals), and supporting initiatives and world convention declared in United National Global Compact through its membership in IGCN (Indonesia Global Compact Network), and actively running, campaigning, or socializing policies and global initiatives, and collaborating with Dompot Dhuafa and Putra Sampoerna Foundation in making "Trakindo Utama for Education" program a great success.

Conclusion

Trakindo's concern about developing the country and preparing the nation's generation through education is one of strategic perspective materializations over social responsibility care as a business entity. Trakindo's concern for social activities is in order to realize Millennium Development Goals. This strategic perspective has a series of meanings. Strategic perspective is a long term perspective and holistic-oriented.

First, long term means that business activities prioritize not only short term profitability but also long term profitability. Long term means that social responsibility activities not only focus on reaction towards UU No UU PT 40 year 2007 about social and environmental responsibility, but so are they based on proactive notions from the company and full awareness from the Head in the Board of Directors. Social responsibility activities become part of company vision and mission that must be implemented at the operational level in each of the company business activities.

Second, holistic orientation means that responsibility implementation should ideally apply stakeholder perspective. Stakeholder perspective assumes that the company in general cannot optimize profitability. If Trakindo maximizes its profits, Trakindo only cares about the stock holder interests. On the other hand, however, Trakindo is a business entity that has to focus on relationship approach to all aspects that support the company existence. Trakindo has moral responsibility to pay attention to relation of all aspects. Trakindo as a business company so far can be said to have applied stakeholder perspective. This means Trakindo pays attention to community, natural environment, employees, customers, suppliers, stock holders, government and non-government organization.

For the future, Trakindo's activities or social programs in materializing Millennium Development Goal are still implemented, with some considerations. First, social activities are a social contract between Trakindo and all elements that have made contribution to Trakindo's existence. Therefore, Trakindo gets supports from those elements to run its business activities. In return, Trakindo should give back what has become the company's social contract. Social contract is Trakindo's obligation and commitment to stakeholders to run.

Third, Trakindo existence cannot stand alone without other supporting resources. Other resources which include supports from the society, neighborhood, customers, employees, government and non-government organization sustain Trakindo existence in the future. Therefore, to sustain a long term Trakindo existence, social programs are supposed to be flourished. Trakindo programs are the form of company moral responsibility.

The Study Case Writers

Anita Maharani, MM

Anita Maharani, finished her undergraduate degree in Economy and Business Faculty of Paramadina University in Jakarta and completed her Master's Degree in Master Program of Gadjah Mada University in Yogyakarta. She has concern and interest in Human Resource Management. Currently, she is registered as a permanent lecturer in Management Course Program of Paramadina University in Jakarta and to develop herself, she is also a member of research team in Paramadina Islamic Management Institute. To contact her, you can send her e-mail at anita.maharani@paramadina.ac.id

Dr. Iin Mayasari

Upon the completion of her Doctoral Program in Marketing Management of Gadjah Mada University Yogyakarta in 2007, she began actively giving lectures in Management Course Program in Paramadina University. The subject that she masters is Consumer Psychology and Marketing Management Seminar. Besides teaching, she also does some research. Her interest in the research theme goes to the direction of social issues such as corporate social responsibility, social orientation, corporate social responsibility publication on website, social orientation and Millenium Development Goal. A number of research result publications on national and international levels has also been attended. To contact her, you can send her e-mail at iin.mayasari@paramadina.ac.id.

Dr. Iyus Wiadi

He is a lecturer of Management Course Program of Paramadina University with the specialization of Marketing and Management, Jakarta. He attained his Master's Degree in the University of Antwerpen Belgium and he completed his doctoral program in Padjadjaran University. His Course Program Head position started in 1998 to 2001 and from 2012 up to the present. He is active in the research according to his specialization and he also conducts community services in several companies, public and private institution. He is also active in giving lectures in Management Magister program in several universities in Jakarta and Bandung, active as a speaker and in attending national and international seminars in regard with the field of Marketing and Management study, as well as in writing articles for magazines and newspapers. To contact him, you can send him e-mail at iyus.wiadi@paramadina.ac.id.

Retno Hendrowati, MT

She is a lecturer in Information Technology Course Program of Paramadina University, Jakarta. She completed her Undergraduate and Magister Degree in Information Technology Course Study of Bandung Institute of Technology. In Paramadina University, she is active as a permanent lecturer and also active in university management with her position as Course Program Secretary and Information Technology Course Program Head in 2003 – 2010. In November 2010, she became an Academic Director in Paramadina University. Besides teaching, she is also active in writing teaching books, research, writing articles for scientific journals and as an information system analyst expert in university and companies. To contact her, you can send her e-mail at retno.hendrowati@paramadina.ac.id

Dr. Rini Sudarmanti

She is a lecturer in Communication Science Course Program of Paramadina University, Jakarta. She achieved scholarship from URGE and BPPS to complete her undergraduate until her doctoral program in Padjadjaran University with Cum Laude predicate. She was once in the position of Course Program Head in 2008 to 2011. Before deciding to become a lecturer in 2003, she worked in several private companies in Public Relation field of study. She is active in conducting researches, writing articles and becoming a speaker in several events particularly those in regard with women empowerment activities. To contact her, you can send her e-mail at rini.sudarmanti@paramadina.ac.id.

GREENING THE SERAMBI MEKAH IN TSUNAMI AFTERMATH

The magnitude power of tsunami that hit Nangro Aceh Darussalam at the end of 2004 has destructed the ecosystems and environment of Serambi Mekah (Veranda of Mecca) to the point of extreme. To restore the quality of the environment, there should be coordinated actions from all elements of stakeholders in Aceh – the local government, the society, and the business community. As a form of awareness and response to these concerns, Bank Negara Indonesia (BNI) took the initiative to build the 'BNI City Forest' - located at Gampong Tibang (Tibang Village), Banda Aceh. The City Forest as the symbol of the bank's identity as the Green Bank is expected to boost the creation of Aceh Green program, announced by the local government. Furthermore, this paper elaborates the role of BNI in the development process, optimizing the quality and conservation efforts of the Aceh City Forest. This paper also presents the testimony of efforts to empower local communities to become an integral part in the management and preservation of the City Forest so by the time the exit strategy is carried out, the City Forest will be sustained. This paper is also expected to inspire others, especially those who are in business community, to re-raise the awareness on the importance of environmental conservation for our future generations.

A. Overview of Bank Negara Indonesia (Persero) Tbk (BNI)

PT Bank Negara Indonesia (Persero) Tbk (BNI) was established by the Government of Indonesia in 1946. It is the first central bank served for this republic. As a bank, BNI is positioned by the general public as the state-owned which performs the function of financial institutions in general. As a state-owned bank, BNI put some part of its profit for the Community Development and Environmental Program (PKBL) as part of its Corporate Social Responsibility (CSR) program.

Compared to other companies, particularly in banking industry, BNI's CSR programs are quite known to the public, such as Program Mudik Gratis (Return-Home Free Program) for Muslims customers celebrating Eid al-Fitr and Pojok Wirausaha BNI (BNI Entrepreneurship Corner) partnering with 9 universities in Indonesia by providing facilities such as computers, internet access and the latest publications on business and entrepreneurship. In general through its CSR programs support sectors of education, health, religious facilities improvements, environmental conservation, public utilities and infrastructures and natural disaster aid. With the redefinition of BNI's mission to "improve socially and environmentally corporate responsibility", BNI's concrete action in supporting the conservation of the nature and the empowering the community has become legitimate. BNI's leadership commitment is to conduct the business ethically while contributing to the national development and improving the quality of life to local communities and society as a whole. In 2008, BNI launched BNI Go Green program and declared its commitment and position as a green bank.

BNI Go Green is a program to actively participate in the efforts to save the earth from the global warming. There are several reasons for the bank's commitment to the salvation of the earth through the Go Green program. **First**, BNI Go Green is not only to raise the bank's awareness regarding the importance of environment at the corporate level, but also for the sustainability of the company (sustainable business) in implementing the 3P paradigm (People, Planet, Profit). **Second**, BNI Go Green is an effort to win the business competition because in the future environmental issues will become the major issues that attract business industries, including the banking industry. **Third**, BNI creates value for its customers and other stakeholders based on its internal values. Not only generating profits but also creating sustainability.

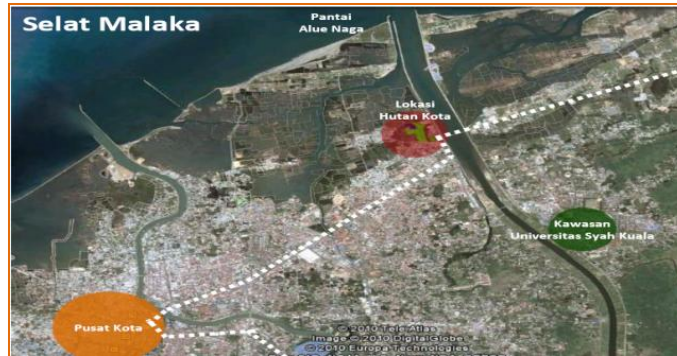
In 2005, BNI is recorded as the first national bank as a Signatory of the United Nations Environment Programs-Finance Initiative (UNEP-FI) with 177 financial institutions from around the world. UNEP-FI is an international body that becomes the voice for the environment within the United Nations (UN) systems. BNI also became the first bank in Indonesia to support the Clean Development Mechanism (CDM) projects. CDM is a clean development mechanism of post-Kyoto agreement to provide incentives for companies that can reduce its carbon emissions.

For the above purposes, BNI has developed its road map towards sustainability through 2012. The road map is divided into four stages - competency building, policy development, enhancing business processes, and value creation through the provision of banking products and services that are environmentally friendly. Until now, the BNI has supported conservation efforts, including the development of City Forest, perennial seedlings program, rehabilitation of degraded land, the utilization of renewable energy and others.

Description of Activity

The manifestation of BNI as a Green Bank through its Go Green program is implemented through real action in the community. One of the implementation of the Go Green program of BNI is through the development of Aceh City Forest. According to the etymology, the City Forest is defined as the management of tree resources in and around the cities and towns that potentially useful to control the urban environment using the plants or trees in terms of climatic amelioration, recreation, aesthetics, physiology, social and economic welfare of the city (Jorgensen, French, 1975). Picture 1 shows the location of City Forest in Banda Aceh.

Picture 1. Strategic Location of BNI City Forest in Aceh



The development of City Forest is based on the awareness and the needs of an open green space that can be used to increase the quality of the environment. This program also leads to the awareness of the socio-economic improvement for the community surrounding the City Forest in a sustainable way.

BNI's commitment to the environment through the development of City Forest was inline with Government Regulation no. 63 of 2002 which led to the preservation and balance of urban ecosystems that includes elements of environmental, social and cultural rights. Aside from that, in reality, BNI also has addressed the challenges of the One Billion Indonesia Trees (OBIT) program declared by President Susilo Bambang Yudhoyono in 28 November 2011. Based on those considerations, BNI's Aceh City Forest program will be focusing on the restoration and the enhancement of the environmental quality and the livelihood of the people after the 2004 tsunami.

Picture 2 shows the Aceh City Forest business model that aims to develop the area and open green spaces in urban areas, to improve the function of forests as the lungs of the city that leads to the improvement of the quality of urban climate, and to increase local participation in preserving the environment. The holistic dimensions of the development of Aceh City Forest are as follows:

Picture 2. City Forest Business Model



1. City Forest aims to empower the local economy and supported by UNSYIAH, BNI, The Bustanussalatin Foundation and the City of Banda Aceh. Universitas Syiah Kuala also assisted the land measurement and soil analysis.
2. To support the existence of Aceh City Forest, the provision of seeds and plant seedlings are supported by the Dinas Kebersihan & Keindahan Kota (The Hygiene & Beauty of City Services). Badan Penguatan Taman - Dinas Pertanian Kota Banda Aceh (Aceh agriculture agency) also provides counseling services as their support to the program.
3. The development of Aceh the City Forest is sustained using the construction of the circulation path model. The support is also derived from the local community especially women. These women help in cleaning the land, planting mangrove, and provide routine maintenance of the shelter. The men help in watering the trees, making embankments, pillars, and lawn chairs.
4. City Forest is also equipped with the construction of the bridge using the canopy from trees and bridge over the mangroves provided by a private contractor PT. Reka Bunga. The construction of wells and water distribution systems supported by a local contractor named CV Mujahid.

The City Forest program located in a site of 6.9 hectares in Gampong Tibang, Syah Kuala district. Gampong (Village) Tibang or is an area located on the coast on the outskirts of Banda Aceh. Looking at its location that is near to the shoreline, the village was one of the gampong that was badly affected when the tsunami hit coastal areas of the province on the western tip of Indonesia's archipelago on December 26, 2004. When the tragedy occurred, an estimated 40 percent of the total 1600 Village residents have become victims of the devastating waves. After a reconstruction process happened, now Gampong Tibang has a population of about 1,300 people with 356 households (HH). The most challenging condition of the post-tsunami tragedy was to restore the feasibility of the soils for the City Forest project.

Until now, the City Forest project has completed its construction phases of the overall two stages of the development. Table 1 shows the stages of construction and development of the Urban Forest. The First Stage consists of Phase 1 - the preparation of land and infrastructure and tree planting (February-June 2010); and Phase 2 - tree planting and maintenance, and the construction of public facilities (August 2010 - February 2011).

Social – Economy – Ecology Condition

The city of Banda Aceh is the largest city in the province of Nangro Aceh Darussalam. As the capital city, the pulse of community activities in the political, economic, social and cultural sectors can be felt in the city which was before 1962 known as Kutaraja. The City of Kings - became the center of civilization of the people of Aceh. On December 28, 1962, Kutaraja change its name to Banda Aceh.

The town is 802 years old and has a diverse social environment. Population of people come from different backgrounds, ranging from native Acehnese, Javanese, Gayo, Alas, Singkil, Simeulue, Batak, Minangkabau, and others. In 2010, the population of Banda Aceh reached 224,209 people (BPS, 2010). With an area of the city of 61.36 square kilometers, the average population density of Banda Aceh is as much as 3,654 people per square kilo meter.

Geographically, the city - that was once a haven of Admiral Cheng Ho's expeditions from Palembang, bordering with Strait Malacca on the north, Aceh Besar district on the south, the Indian Ocean in the west, and Aceh Besar district on the east. Its geographical position directly opposite the ocean makes this city is prone to disasters that come from the sea.

Tabel 1. Construction and Development Phase of City Forest

TAHAP PEMBANGUNAN CONSTRUCTION STAGE		TAHAP PENGEMBANGAN DEVELOPMENT STAGE	
TAHAP 1 PHASE 1	TAHAP 2 PHASE 2	TAHAP 1 PHASE 1	TAHAP 2 PHASE 2
<p>Februari – Juni 2010 <i>February – June 2010</i></p> <p>Sasaran Pembangunan <i>Development targets</i></p> <ul style="list-style-type: none"> • Penyediaan lahan dan tanah. (<i>Land and soil preparation</i>). • Tanam 90% pohon jadi hutan (<i>90% trees to become forest</i>) • Inisiasi partisipasi masyarakat. (<i>Community participation initiatives</i>) 	<p>Agustus–Februari 2011 <i>August 2010– February 2011</i></p> <p>Sasaran Pembangunan <i>Development targets</i></p> <ul style="list-style-type: none"> • Rawat dan besarkan pohon agar tumbuh dengan baik (<i>Trees maintenance</i>) • Bangun infrastruktur agar bisa diakses masyarakat (<i>Infrastructure development for the community</i>) 	<p>Maret 2011 – Juni 2012 <i>March 2011 – June 2012</i></p> <p>Sasaran Pembangunan <i>Development targets</i></p> <ul style="list-style-type: none"> • Pemeliharaan vegetasi (<i>Vegetation maintenance</i>). • Pembentukan organisasi pengelolaan. (<i>Development of organizational management</i>). • <i>Capacity building</i> utk berdayakan masyarakat. (<i>Capacity building for empowering local community</i>) • Penggalangan donatur untuk pembangunan (<i>Fundraising for program development</i>) 	<p>Juli – Desember 2012 <i>July – December 2012</i></p> <p>Sasaran Pembangunan <i>Development targets</i></p> <p><i>Exit program</i></p>
<p>Apa yang dibuat? <i>What to do?</i></p> <ul style="list-style-type: none"> • Analisis kualitas tanah, rekomendasi perbaikan, & perbaikan tanah (<i>Soil quality analysis, recommendation for & soil restoration</i>) • Pengalaan & tanam pohon. (<i>Provision of seeds and seedling</i>) • Infrastruktur dasar (<i>Basic infrastructure</i>). • Kegiatan-kegiatan pelibatan masyarakat lokal. (<i>Activities involving the local community</i>). 	<p>Apa yang dibuat? <i>What to do?</i></p> <ul style="list-style-type: none"> • Pemeliharaan pohon-pohon yang sudah ditanam (<i>Trees maintenance</i>) • Jalur sirkulasi jembatan, jalur pejalan kaki, ramp tajuk pohon, jembatan atas bakau (<i>Circulation path, bridges, pedestrian ramp, mangrove bridge</i>) • Penyediaan fasilitas umum untuk pengunjung (<i>Providing public facilities for visitor</i>). 	<p>Apa yang dibuat? <i>What to do?</i></p> <ul style="list-style-type: none"> • Pemupukan & penambahan tanah subur (<i>Fertilization and the addition of fertile soil</i>) • Pelatihan/workshop budidaya & pengelolaan hutan kota (<i>Training / workshops on cultivation and management of the City Forest</i>). • Pembangunan oleh donatur baru: taman-taman tematik; media informasi; fasilitas umum (<i>Construction involving new donors in providing: thematic parks; media information; public facilities</i>). 	<p>Apa yang dibuat? <i>What to do?</i></p> <ul style="list-style-type: none"> • Transfer tanggung jawab pengelolaan Hutan Kota secara bertahap pada masyarakat setempat. (<i>Gradual transfers of responsibility for the management of the City Forest to the local community</i>) • Perencanaan dari Hutan Kota dari budidaya komoditas hutan kota. (<i>Alternative Economy scheme from the City Forest through developing its unique commodities</i>)
<p>Manfaat yang diharapkan <i>Expected benefits</i></p> <ul style="list-style-type: none"> • Kualitas tanah membaik, kehidupan baru dimulai (<i>Better quality of soil, new life begins</i>). • Masyarakat lokal & luas mulai merasa (<i>Ownership to the forest increased</i>). 	<p>Manfaat yang diharapkan <i>Expected benefits</i></p> <ul style="list-style-type: none"> • Mengundang fauna (<i>Attracting animals</i>) • Masyarakat merasakan fungsi rekreasi, ekologis & edukasi (<i>Impacting Recreational function to community along with ecological and educational impacts from the forest</i>) 	<p>Manfaat yang diharapkan <i>Expected benefits</i></p> <ul style="list-style-type: none"> • Fungsi ekologis semakin terasa (<i>Ecological impacts</i>) • Masyarakat lokal mendapatkan manfaat sosial ekonomi (<i>Socio-economy impact for the local community</i>) 	<p>Manfaat yang diharapkan <i>Expected benefits</i></p> <ul style="list-style-type: none"> • Menjadi contoh dan direplikasi di kota lain. (<i>Inspire other City Forest project across Indonesia</i>) • Model pemanfaatan energi terbarukan (<i>New model of renewable energy utilization</i>)

This was proven when the tsunami hit Nangro Aceh Darussalam on December 26, 2004. On the tragedy caused by a massive earthquake measuring 9.2 on the Richter scale located at the Indonesian Ocean, the city of Banda Aceh became one of the areas that most severely damaged. The city civilization was swept away as the city of Banda Aceh hit by waves as high as tens of meters. As a result, hundreds of thousands of people became the victims and material losses are infinite. Not only that, tsunami disaster has resulted in the severe damage of the environment.

Therefore, the post-disaster development agenda was not only oriented to the job creation (pro job), the reduction of poverty (pro poor), or economic growth (pro growth), but also the efforts to improve the quality of the environment (pro-environment). The environmental scheme of development of Aceh is reflected in the Aceh Green Vision, initiated by the local governments. The Governor of Nangro Aceh Darussalam - Irawandi Yusuf – made his call to all stakeholders of Aceh, to preserve the forests of Aceh as one of the world's lungs. Therefore, a policy on logging moratorium and the movement of reforestation were encouraged to support the success of Aceh Green Vision. The greening movement is not only in forest areas in the mountains, but also focused on the coastal areas that have been hit by the tsunami.

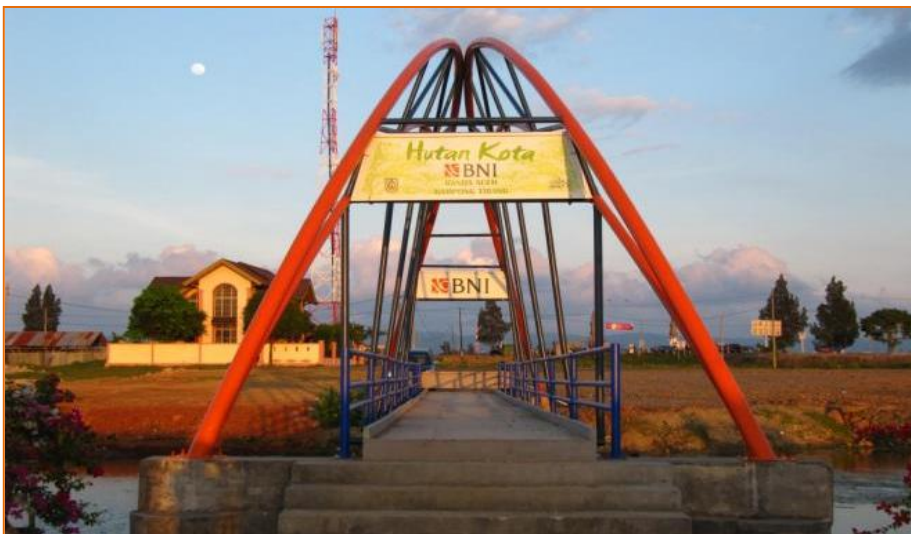
The BNI Trembesi (*Albizia saman*) Park

Not only the Urban Forest, BNI's commitment to the environment and increase the quantity and quality of open green space is also realized through the creation Trembesi (*Albizia saman*) Park. The development of BNI Trembesi Park uses the bank's CSR (Corporate Social Responsibility) programs, which is one of BNI Go Green program and evidence of BNI support to the land rehabilitation program of Banda Aceh after the tsunami. The program was implemented with the cooperation between the Government of Banda Aceh, and was originally constructed in Gampong Peulanggahan, District Kutaraja, Banda Aceh.

The Trembesi Park was built on 1.5 hectares and has a capacity of about 500 Trembesi trees - species that are considered to have a high absorption of water and carbon. It will further benefit the community as it can be used as recreational park as the park is located surrounding the community settlements and adjacent to ponds and brackish waters. The park will be completed in 2012, and in the future it will add a green open space (RTH) for Banda Aceh. Previously, the quality of soil in the garden area was very poor. And after the tsunami, the area was covered by rocks, swamps, and ponds were neglected.

The reforestation programs through the City Forest in Gampong Tibang and Trembesi City Park in Gampong Peulanggahan concentrated in the coastal area in order to improve the environmental condition surrounding the coastal. Therefore, the local government in Banda Aceh plans to conduct land acquisition from the community's pond surrounding the area in order to expand the City Forest and converted to mangrove forest. The mangroves located in that area are relatively still limited, so the intrusion of sea water is high and there are no barriers in retaining waves on the shoreline. According to the Head of the Parks Department City of Banda Aceh, the city government has scheduled to release the land in order to expand the green open space (RTH) to reach 20 percent of the total area of Banda Aceh. But in 2011, the new city government only managed to release about 9 percent. Efforts were claimed to be slow due to limited funding allocated by the city government to release the existing land. Picture 3 shows the bridge as an access into the Urban Forest.

Picture3: The Bridge as an Entrance to BNI City Forest



In the future, the Government of Banda Aceh, supported by BNI will try to maintain a commitment to the environmental improvement as the implementation of Aceh Green Vision policy. The commitment is very strong, considering the issues regarding environmental management is strongly believed by the local people and aligns with the religious principles. The greening movement is considered as a translation of Islamic Sharia that has been formalized in the land of the Serambi Mekah (Veranda of Mecca) since 2006. In the basic principle of Islam, the perfection of human life is believed to be obtained if human is able to balance the relationship of the three parties, namely to God (*hablumminallah*), to fellow human beings (*hablumminannas*), and to the surrounding natural environment (natural *hablumminal*). To balance the relationship with the natural principles, established a number of Qonun or local regulations governing environmental sustainability, namely Qonun 4 of 2009 on Spatial Planning Banda Aceh or Qonun No.10 of 2004 on the building, and so forth. Qonun or the rule is directed to provide legal guarantee for the success of Aceh Green Vision programs.

Social – Economic Condition Pre & Post Tsunami

Before the tsunami hit Banda Aceh, fishing was one of the pillars of the local economy that was able to contribute 6.5 percent of Gross Regional Income (GDP) valued at 1.59 trillion in 2004 (Department of Fisheries and Marine Aceh, 2005). It's a positive side of Aceh's strategic location directly facing at the Indian Ocean and the Malacca Strait Malacca. The total assets at the pre-tsunami fisheries sector reached around Rp 1.9 trillion, which includes the major port in Banda Aceh, 10 fish auction harbor (PPI), 18 fish auction center (TPI), research and training center in the fisheries sector.

But after the tsunami struck, the National Development Planning Department/ Bappenas (2005) estimates that 9,563 unit boats were destroyed or submerged, including 3,969 (41.5%) boat without a motor, 2,369 (24.8%) of motor boats, and 3,225 (33.7 %) large motor boats (as heavy as 5-50 tones). In addition, 38 TPI units were heavily damaged and 14,523 hectares of ponds in 11 sub districts/districts were severely damaged. Estimated total direct loss caused by the tsunami disaster reached Rp 944,492.00 (50% of the total asset value). At the same time, the environmental damage that happens to be very severe and it left a very deep trauma to the city and to the people.

After the disaster, the reconstruction process was started. Various development programs sought to restore the economy, environment, and psychological conditions of the people. In this context, the development of City Forest and City Park in Banda Aceh became a joint effort between BNI and the City of Banda Aceh in restoring the spirit life of the city. Chinese proverb says "If you think one year ahead, you only need one seed. If you think ten years ahead, plant a tree ". The phrase that has been around since 500 years BC is to raise our consciousness about the important of planting trees as our ancestor told us.

The Implementation of MDGs

The City Forest is part of our commitment to reach the Millennium Development Goals. Our targets are to include aspects of ecological, economic, gender, and cooperation.

Ecology

Ecology or the environment is one of the aspects of the Millennium Development Goals. The ecosystem of ecology consists of various components of both a-biotic and biotic factors. A-biotic factors such as temperature, soil, water, humidity, light and topography, while biotic factors are human beings, animals, plants and microbes. The development of the City Forest provides a very significant ecological change.

According to the local community and the staff of the local government of Banda Aceh, the land was actually a heap land. Initially, this area was a swamp that was exacerbated by the tsunami in December 2004. In the area of 7.15 hectare, there were only two trees, and three types of grass and vines, and nothing but soil and rocks. Figure 4 shows the condition before the land was built as city forest. The land was dry and wasted and it cannot absorb the water when it rains.

Picture 4. The condition of land



Another impact of the tsunami was the intrusion of sea water into the mainland up to 2 kilometers, so it was difficult to find fresh water that was not salty in the area. This of course affects the livelihood of the people surrounding the area as it was difficult to get clean/fresh water for drinking and for daily needs, as it was difficult to grow crops. After the land was stockpiled, it was left untreated for several years. At that time, the natural process occurs by the growing of grass and vine crops. But land was limitedly use by the public. On the grassy part it was use only cattle grazing, while in other parts it was use only as a path to access the ponds located in the area. During the rainy season, the land was filled with water.

The City Forest project is not mainly about the restoration of ecosystems (as it try to restore to its previous condition), but further, it tries to improve the quality of ecosystems in that area. Now, the area is planted by over 3000 trees of 150 species not including mangroves amounting to more than 700 trees and vegetable crops. This condition has gone beyond the required biodiversity aspects of the City Forest, which were only 25 types. Trees planted in groups. On each group there is always local species, coastal trees, and fast growing tree species. The development of the City Forest is also a mission to develop and preserve the typical plants of Aceh. Therefore, the cultivation of rare plants that are typical of Aceh is intensified. The typical plants of Aceh that have been planted include: Cawardi, Batok, Jeumpa, Glumpang, Mane / Laban, Samira, Kelayu, and Temurui as shown in Picture 5.

Picture 5. Cawardi; Batok; Jeumpa; Mane/Laban; Samira (left to right)



It is expected by planting trees in the urban forest, the habitat of flora and fauna will increase. This expectation can be seen with the presence of a number of insects (bees, various butterflies, crickets, beetles) and birds (finches, sparrows, herons, finches, quail in Picture 6), lizards (the length up to 1 ½ m and views in Picture 7) and the growth of casuarinas and coconut trees that grow without being planted. In the pond area (northwest side of the City Forest area) mangroves were planted with a higher density level and make it an ideal habitat for various fauna - where the fish lay their eggs, nests for crabs, oysters, and several species of birds. This is consistent with the ecological functions of mangroves, as Spawning Ground, Feeding Ground and the Nursery Ground. The freshwater ponds were built to support to the development of freshwater vegetation that complements the existing vegetation in the salt water mangrove ponds, namely lotus, water bamboo (*Equisetum hyemale*).

Picture 6: Eggs of quail nested in grass



Picture 7: One of lizards can be found in City Forest



Another important contribution from the City Forest is a lower down of air temperature and a reduction of air emissions that contribute to the global warming. As the area has lush vegetation, it can lower down the air temperature surround the area. This is obviously one of a way to reduce global warming. Since its development to the present (2011) the forest is able to absorb 227,487 tons of carbon per year, and is calculated to increase in line with the growing tree and is expected in 2025 will reach 907,391 tones of carbon per year. This is clearly not a small contribution to save the environment. Another good impact of the City Forest is that it can reduce dust and protect open air from heavy winds blowing in that area, which can provide a better air for the people living surround the area. For the government of the city of Banda Aceh, the presence of the City Forest has assisted in the provision of Green Open Space (RTH), which has been organized in local legislation.

The good impact of City Forest to the condition of water and soil can be seen as the regenerated soil can absorb the rainwater and it can reduce the potential flooding disaster and helps to reduce intrusion of sea water into the residential areas in Tibang by the tsunami. The City Forest has a unique location because it is near the mainland (public roads in the south and east side) and is also adjacent to the community's ponds which are now overgrown by mangroves (west and north side). Mangroves are planted as part of the rehabilitation project.

For humans, especially people living surround the City Forest is clearly a great gift. In addition to getting the physical environment and benefit from a much better environment as described above, the City Forest also provides recreational and educational benefits. In this area, information boards are built as in Figure 8 it is used as a medium of information for visitors of City Forest BNI Banda Aceh. In this pillar mounted some information relating to the City Forest and its elements. The information presented is very diverse, from the name of the City Forest BNI Banda Aceh, the types of trees that grow in the Urban Forest, about the Tibang community, fauna species, existing infrastructure, and so forth. This information is also a natural educational facility for the wider community.

Picture 8: Information Board of City Forest



For humans, especially people living surround the City Forest is clearly a great gift. In addition to getting the physical environment and benefit from a much better environment as described above, the City Forest also provides recreational and educational benefits. In this area, information boards are built as in Picture 8 it is used as a medium of information for visitors of City Forest BNI Banda Aceh. In this pillar mounted some information relating to the City Forest and its elements. The information presented is very diverse, from the name of the City Forest BNI Banda Aceh, the types of trees that grow in the Urban Forest, about the Tibang community, fauna species, existing infrastructure, and so forth. This information is also a natural educational facility for the wider community.

Another interesting area of the City Forest is the Thematic Park. There are several areas that are planted by certain types of plants such as: herbal plants, flowers and trees from all over Indonesia. Trees from all over Indonesia were brought and planted by all Mayors of Indonesia during the 8th meeting of APEKSI (Asosiasi Pemerintahan Kota Seluruh Indonesia – Association of Indonesia’s City Council) on May 28, 2011. During the event, the Mayors planted 98 different trees from all over Indonesia. The trees now are still young but we can imagine the benefits of having those trees in this area for the environmental education for young generation.

The contemplation park is a flat area that has a unique structure as it is named because of its function – to contemplate – with a peaceful serene as it is seen on Figure 9. This area is projected as a venue for several government’s occasion and BNI’s such as tree planting events. Currently, the grass and trees are planted to provide some shades for this area. 900 sq meter of grass has been planted to cover 2000 sq meter of land. Before it is officially open, its function as recreational park has been strongly felt by the local community. Every afternoon the park is visited by 50 to 100 people, and more during weekends.

Picture 9: Contemplation Park for Ceremonial Events



To local community, the needs to have a clean air can be fulfilled by walking on the main circulation path provided for pedestrians. This path is one of the “main components” of the City Forest because through this path, people can enjoy the forest. The pedestrians’ path divided into 3 surfaces:

1. Land line: this is the longest line of the circulation paths of the City Forest with a length of 661 meters

2. Air line: the ramp canopy trail is one of the interesting elements of the City Forest because it provides access to the visitor to enter the height of the tree canopy. This ramp starts at an altitude of 0 feet and climb to a height of 5 meters with a slope of 1: 10. The width of this bridge is 2.4 meters with 111 meter length of track. From this bridge we can enjoy the fauna of mangrove forests and the Weh Island from a distance as shown in Picture 10.

Picture 10. A view from Canopy Bridge facing the Weh Island



3. Waterways: this is the bridge over the water that can be accessed from the parking lot and from the bridge over the pond of mangroves. The bridge as in Figure 11 is a connection bridge from the canopy tree bridge which is also one of the interesting elements of the City Forest Banda Aceh. This bridge allows visitors to walk around to see the habitat of flora and fauna that grows in the middle of the mangroves. The width of this bridge is 2.4 meters by 176 meters long. The structure of the bridge foundation is made of concrete rings, while the surface is made of an old coconut wood.

Picture 11. Bridge over the mangroves pond in Urban Forest



The Calculation of Carbon Absorption in City Forest

Carbon trading is one of the efforts agreed by countries in the world in reducing the green house gas emissions to avoid global warming, which can be which also has the potential to generate GDP for countries that have forests. Starting from the Kyoto Protocol in 1997, followed by the countries, the current carbon trading mechanism is made possible by the Clean Development Mechanism (CDM).

CDM is a method to convert the total carbon that can be generated by tree cover in the forest area to be included in carbon trading projects. This method gives a price on carbon absorption value that can be absorbed by forests or biological activity in a country in Tons of Carbon per year. Then, the countries that spend a lot of green house gas emissions from industrial processes are required to pay an amount of gas emissions to countries that can provide a forest or biological activity to absorb these emissions.

In the mechanism, 1 Ton of Carbon absorbed within 1 year will be rewarded a \$ 15/Ton Carbon / Year. The calculation includes several components that can be found in forest such as wood biomass, litter biomass, root biomass, herbaceous biomass, soil organic biomass, and others. All components of the forest is totaled, and then converted into units of tons of carbon per year. For Urban Forest, calculations carried out at this time are merely the woody biomass because the available data in the form of data types and number of trees planted. Calculations are performed using the following formula.

$$F \times D \times \left(\frac{\pi \times d^2}{4} \right) \times t$$

Above Ground Biomass per tree = F = Multiplier factor (species of leaves)
 D = Rapat Jenis Kayu species (gr/cm³)
 d = Diameter of wood each tree (cm)
 t = height of each tree (m)

Above calculations yield the value of woody biomass (ton / year) for a single tree. This value is converted to carbon uptake by the number of units (ton / year) to produce the total carbon that can be absorbed. According to the calculations of the trees which were about 4700 trees of 112 species in Table 2, the amount of carbon (dry weight) which can be absorbed by the City Forest is as follows:

Tabel 2: Carbon Calculation

Year	Number of species / Number of trees	Amount of biomass carbon sequestration (ton / year)	Conversion of Carbon Price (US\$ /Tahun) <i>1 Ton Karbon = US\$ 15 **)</i>
2010	67 / 1670	32.311	484.662
2011	112 / 4700	227.487	3.412.310
2025 *)	112 / 4700 *)	907.391	13.610.858
2040 – 2050 *)	112/ 4700 *)	3.567.709	53.515.640

Economy

Affirmation of the economic and social welfare functions in the development of the Urban Forest

City Forest is vital and relevant in the context of the people of Banda Aceh and is one of the pillars of the Millennium Development Goal. The tsunami aftermath, left the environmental condition into its lowest quality, and also the welfare of the people in Aceh. Poverty is an important issue for the people of Aceh.

In the City Forest program, the economic aspects and public welfare supported through the provision of space indicated for development of local commodities for the local community and economic improvement. Land that has been available, plus the provision of improved seeds in the field for productive plants, made this program has economic value for the people. For example, the intercropping trial activities or planting vegetable crops among the trees was conducted to determine the level of soil quality to grow some pioneer species. In addition, the activity of intercropping was also used to improve the quality of soil nutrients.

In general, BNI tries to enrich the existing plants in the Urban Forest, both the productive and non-productive. For example in the construction phase 1, BNI was targeting 1986 trees planted. The final calculation during the Phase I Development, BNI has planted over 2000 trees of 66 species. While in Phase 2 Development the target was 575 trees. At the end of the Development Phase, there are 2772 trees of 108 species.

On the other hand, of the 112 species tested, only four types of plants that can not grow on that site, namely cloves, durian, duku (*Lansium domesticum* Corr) and rambutan (*Nephelium lappaceum*). The few trees have started to bear fruit, such as serbarasa, red pomegranate, cashew, sawo (*Manilkara zapota*), and grapefruit. Plants that can not grow in the area and die were nutmeg, rambutan (*Nephelium lappaceum*), durian, and cloves. The ratio of surviving plants is quite significant. In the beginning, with the poor soil type, it is estimated up to 40 percent of the total planted will be failed. But with an intensive care, failure can be reduced to only 10 percent. By enriching the plants with an adequate growth rate, it is expected to increase the local economies. In the end, the City Forest can be grown as a medium for increasing the economy of the community through in a sustainable economy.

Gender

Women in the Millennium Development Goals are important aspects because women are considered to have a major contribution to poverty reduction, improved family health and overall well-being. The women's role and involvement in the development of the City Forest is very significant. This program tries to involve all stakeholders of Tibang Village, and this becomes one of the key success factors for the development Urban Forest.

Since the construction of Phase I, community involvement is carried out mainly by local women - who are mostly victims of the tsunami as most of them are widows - to clear land and maintaining the plants. The first phase was conducted in April 2010. The women cleared up the land, collecting the stones and piled them up as they were not in utilized. The stones were then stacked and it became the first pedestrian street in the Urban Forest, which is 283 meters long. After the preparation of the stone by village women, the men and local contractors were engaged to create a barrier along side the road paths and extension of road in accordance with existing needs. Stone base material is taken from the land, only the remainder is purchased to complete.

Women in Figure 12 are committed to actively participate in the development of the urban forest. The effort of these women to the progress of the Tibang village was at the initial phase. With the involvement of women, at least the initial attempt to open the field for the economic progress that had suffered due to tsunami in 2006. In Phase I it is expected that the area that now becomes the City Forest can be green again with the ownership from government, local community and general public.

Picture 12: Women of Tibang Village clearing up the land for City Forest area



In the Phase II development, the opportunities for community involvement are more diverse and can cover a wider community. Aside from the women groups, at this stage men from Gampong Tibang involved. Community involvement is based also on information about the expertise of the village community. From Geutchik Gampong Tibang information about the skills profile of the village population came which was approximately 60% of male work in the construction and supply of building materials. Involvement and participation at Gampong Tibang was conducted in cooperation and close coordination with the Geutchik Gampong Tibang and other components of the villages.

Land clearing activities conducted as a continuation activities that been done in Phase I. In Phase I, the cleaning was conducted on the east side of the tread, while in Phase II, land clearing conducted on the west side of the tread. Land clearing conducted into two main activities: 1) cutting the grass and bushes that grow wild, and 2) collection of stone heaps on the surface of the land. Cutting grass and shrubs is important because the growth of grasses and shrubs that will cause the seizure of excessive nutrients in the seeds of trees that have been planted. The stones are widely spread slows the process of tilling the soil, while tilling the soil is necessary for the survival of new trees planted.

The involvement of the village women showed that women in Aceh wants to live in harmony and cares for others. This is an important concern for the family unit also depends on the ability of women to manage the family's economic life. This makes the initial participation of women as individuals who have a desire to be set together. This initial activity is a strategic way to establish the Urban Forest. The role of women is particularly important because at least these women can earn some money through clearing the land. It is also consistent with the achievement of the Millennium Development Goals of improving workers' wages. This wage earned by the women can be used to meet the needs of everyday people Tibang Aceh. Indirectly, these mothers reduce poverty in the Tibang village.

Cooperation

The Millennium Development Goals (MDGs) has one of the goals of development that is leading to a partnership and empowerment. Cooperation is part of the key success of the City Forest development as it is built from the partnerships from all stakeholders on pre-and post-construction and development of the City Forest. Basic foundation of a partnership built by BNI refers to the establishment of mutual empowerment provide benefit for both parties. BNI form the foundation of the partnership by taking the five essential components that are directed at governments, non-governmental organizations, academics, technical professionals, and local communities. The partnership is built on the basis of achieving the City Forest to provide the maximum benefit of its existence.

At the beginning of the City Forest development certain parties from the academics and other technically skilled parties were involved. Academics involved in this project were from the Faculty of Agriculture, University of Syah Kuala as the party to recommend restoration of soil function that has been damaged after the tsunami. Partnership with the academic institution was also manifested in the development of providing knowledge for women in seeds planting and composting.

Other party involved was Persatuan Sarjana Kehutanan Indonesia (PERSAKI – Indonesian Forestry Scholar Association). Their contribution was through planting 300 tree seedlings stem on May 23, 2010 with the type of trees of Trembesi (*Samanea saman*), Mahogany (*Switenia mahagani*) and Bunot.

The development of City Forest also partnering with skilled professional. Spatial development for the City Forest involves an architect. For technical issues and specific needs for clean water it involves an expert in irrigation systems and a local contractor – CV Mujahid – who is an expert on the field. The construction of the bridges involves a private contractor PT. Reka Bunga.

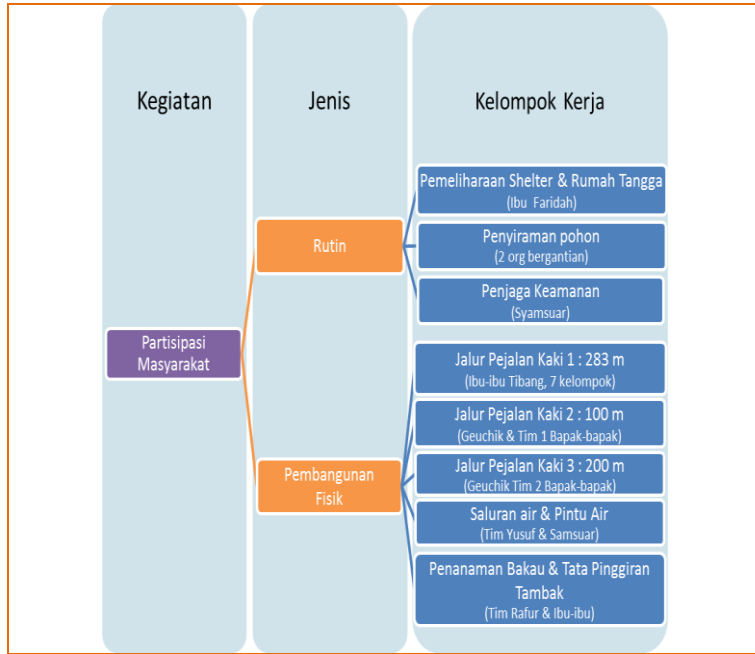
The development process of City Forest from initial stage also involved the community in the Gampong Tibang. This form of partnership is very crucial for BNI as the bank emphasized the cooperation to lead to continuity, sustainability and the preparation of the exit program. BNI pointed out that the success of the City Forest program should be returned to the community as the entity who has to sustain the City Forest as part of community empowerment particularly in Gampong Tibang and Aceh in general. The community involvement is basically a form of strengthening the ownership of the forest so that the community will understand the philosophy of the development of City Forest for the benefit of the people.

Forms of cooperation that has been done with the involvement of the community are divided in routine activities and physical development activities include:

Routine activities

Tibang Village community to participate in some routine activities in the City Forest is shown in Picture 13:

Figure 13: Type of cooperation with the local community



1. Shelter Care. To clean and provide a variety of daily necessities in the two shelters that became the base camp of activities during the construction of the City Forest is shown in Picture 14.
2. Watering Trees. On hot days, watering is done twice in one day, in the morning and in the afternoon. There is a schedule for Tibang villagers to run the activity based on shift. Two persons per shift in watering the trees for one week. The supervision is still under Bustanussalatin Foundation.
3. The security. Security is needed because the traditional fishing village of Tibang works at night to catch crabs and fish.

Figure 14: Shelter for City ForestBNI in Banda Aceh as a centre of activity and forest management



Participation during the Development Phase

Aside from the routine activities, some villagers and groups of people are involved in the construction activities. This includes the construction of the main circulation path, along 400 meters; clearing the land from rocks; construction of water main gate and secondary gate; construction of canals and levees; construction of reservoir, and development of secondary reservoirs.

Psychological and Social Dimension

Corporate Social Responsibility has a number of dimensions as a result. Dimensions of these result is not only related to the physical, health, economic, environmental, but also psychological and social aspects. Psychology is the emotional aspect related to this CSR project - the Urban Forest. After the tsunami most of the Acehnese were in tremendous shock. They felt that they have lost their future. A lot of them lost their house, their family and relatives. This condition was worsened by the fact that they also lost their livelihood. The City Forest project gives a glimpse of hope to the community to be able to settle back with their life. The area gives opportunity for the public to utilize and optimize the results that can be managed by the community. In the future, it is expected that the community can enjoy the positive impact of the existence of the Urban Forest. As it is planned, the development process is still in Phase IV. However, the expected results can be optimized from the existing around 3500 trees from more than 100 species.

There is also a nursery garden at the Urban Forest. It is expected with the provision and supply of seeds from the nursery the regeneration process of plants can be more sustainable. Almost all types of trees planted in the City Forest BNI also cultivated in this nursery garden. In addition, seedling plants can also be used to produce commodity products that the nursery itself can be one of the sources of funds for Urban Forest. The community will manage these funds by themselves. This opportunity creates a new hope for people to enjoy the benefits of the urban forest. In psychological well-being, people will feel secure in facing their future.

In addition to psychological dimension, the social dimension is also involved in the development of Urban Forest. The solidarity amongst the people in Gampong Tibang is increasing as the whole community involved in the project. This feeling of solidarity is a proof to people that if they work together, they can rebuild Aceh and that they can enjoy the result in the future. Solidarity was formed because the people of Gampong Tibang shared the same feeling of losing their livelihood to support their lives. And to rebuild the condition it can not be done alone. They must work together and build it from a scratch. The spirit of working together was seen during the Phase 1 of the development of City Forest in making a water reservoir. This reservoir was built to collect rain water that flows through the main channel and worm channels. Community involvement in the construction of a mini reservoir was started in Phase I development. The success of this mechanism was repeated in the construction of other reservoirs as in Picture 15.

Picture 15. The construction of ponds



The Future Sustainability of the Program

BNI plays a major role in the development of Urban Forest. Budget allocations were disbursed through BNI Corporate Social Responsibility (CSR) program and have been used to develop the City Forest started from the land filling, fertilizing the soils, seedlings, plantings until maintenance process. It is estimated five years from now the City Forest and its park would be optimized. At that time, all plants, trees, and a variety of vegetation which is bred in the area is expected to reach its maturity. At that point, BNI will set aside its responsibility for its management rights and subsequently return the responsibility to the city and the people of Banda Aceh in general, and the Gampong Tibang particularly.

BNI has prepares its exit strategy. In principle, when BNI releases its responsibilities as the main source of fund, the recipient is expected to be ready to execute the mandate of the embrace. To that end, self-reliance strategy becomes important and relevant to be implemented. The management of the City Forest and city park is expected to support its financial needs for operational costs of both programs.

To be financially independent, BNI plans to build facilities that could provide processes of cultivation, breeding, post-harvest processing for some productive plants until the selling process of the commodity produced from the urban forest. There will be small shops near the parking lot and the main entrance gate of the Urban Forest, shortly before the handover of management is carried out.

By making these means of cultivation, breeding, post-harvest processing, and marketing the forest commodities, it is expected that the forest management, government, society, and even Bustanussalatin that is responsible for the management of the City Forest will be able to seek other funding opportunities for the sustainability of this program in the future. Empowering the internal aspects of this program should be delivered so in the future this program can be sustained and not considered as an ad hoc program.

To further promote the “greening” tradition, local communities living surrounding the area of City Forest are also interested to restore a local tradition that has been slowly buried by contemporary culture. Based on the ancient tradition of the Acehnese that uphold the Islamic principles, the people always plant trees such as coconuts after conducting religious ceremonies such as weddings, birth of a child, etc. In their beliefs planting trees is considered as a form of Islamic expression that emphasizes harmony with the natural life around. That kind of local wisdom is needed to support the success of Aceh Green Vision in the future. Aceh is expected to be able to become the lungs of the world with a significant contribution to produce more oxygen, reduce carbon emissions, by pressing the rate of deforestation and forest degradation in the environment.

Conclusion

BNI as a Green Bank through its mission "improving socially and environmentally corporate responsibility" implements the development of City Forest in Aceh. The City Forest development program is also a form of BNI's concrete action to support environmental conservation and community empowerment in Aceh after tsunami. The City Forest Development was initiated by BNI and implemented through stages of construction and development from 2010 to 2012, and based on partnership process involving the various parties in Aceh. The partnership was initiated by BNI, the Provincial Government of Aceh and Bustanussalatin Foundation with the involvement of the local communities.

The development of City Forest is also inline with the achievements of Millennium Development Goals. This includes the ecological aspects (restore and improve the quality of ecosystems), economic (local economic development), gender (women's involvement in development to improve their welfare) and cooperation (partnership with different stakeholders for the implementation of the program). The implementation of the development of City Forest also considers the psychological and social impacts for communities in Aceh after the tsunami. The City Forest program can be seen as an appropriate recovery media for the local community by seeing its positive impacts ecologically and economically and also to the empowerment of the surrounding community.

The Study Case Writers

Ahmad Khoirul Umam, MAGV

The author is lecture on Program Study International Relation, Paramadina University, Jakarta. He received his Bachelor degree from IAIN Walisongo (Institut Agama Islam Negeri)/ Public Moslem Religion Institute, Semarang; and Master of Arts in Asian Governance (MAGV) from School of Political and International Studies, Flinders University of South Australia (2008-2010).

During his stay in Australia, he was active in several organizations. He served as general secretary and vice chairman of Perhimpunan Pelajar Indonesia Australia (PIIA) - Association of Indonesian Students Australia at the central level in 2009-2010. After finishing his study in Australia, he joined conflict resolution and Mediation training in Utrecht University, Netherland on July 2010 and later from August 2010 to January 2011 he conducted a research on Moslem minority and Ethno-Religious conflict in South East Asia in Leiden University and the Royal Netherlands for Southeast Asian and Carribean Studies (KITLV), Netherland.

You can contact him by email at ahmad.umam@paramadina.ac.id

Handrix Chrisharyanto, MA

He received his mater degree after completing his post graduate Program in Gajah Mada University, Faculty of Psychology, Yogyakarta in 2011. Currently, he works as a lecture in Psychology Courses with major interest in the field of social psychology. Social issues, society and indigenous people are some of his focus of interests.

To contact him, please send email to handrix.haryanto@paramadina.ac.id

Dr. Iin Mayasari

After completing her Doctoral Program on Marketing Management in Gajah Mada University in 2007, she started to work as lecture in Management Course, Paramadina University, Jakarta. Her interests are primary in the subject of Consumer psychology and marketing management. Besides working as a lecture, she also involves on research activities. The main theme of her research is social issues, among others, corporate social responsibility and social orientation. She also contributes in some research publications both in national and international level.

You can contact her by sending email to iin.mayasari@paramadina.ac.id

Dra. Prima Naomi, MT.

She received her Bachelor degree from faculty of Economy, Airlangga University Surabaya and Master in Industrial Engineering and Management from Bandung Institute of Technology. She is a lecture for some subjects among others financial management, operational management, and methodology of research. Besides working as a lecture in Program Management Study in Paramadina University, she also works as an expert staff in several research institutions and departments. Her fields of researches are Industrial Psychology, Financial Management in Industrial context. Some of her scientific research result have been published on scientific journal and presented in seminars.

You can contact her by sending email to prima.naomi@paramadina.ac.id



Global Compact Network
Indonesia

INDONESIA GLOBAL COMPACT NETWORK

Menara Rajawali 6th Floor

Jl. Mega Kuningan Lot#5.1

Kawasan Mega Kuningan

Jakarta, 12950

Phone: +62 21 576 1828

Fax: +62 21 576 1829

E-mail: igcn@indonesiagcn.org