



**Asia-Pacific
Economic Cooperation**

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Session 4

Corruption Prevention Initiatives for Private Sector in Indonesia

Submitted by: Indonesia



**Best Fit Practices and Experience Sharing
Workshop on Corruption Prevention
Mechanisms in APEC Economies
Port Moresby, Papua New Guinea
24 February 2018**



CORRUPTION PREVENTION INITIATIVES FOR PRIVATE SECTOR IN INDONESIA

APEC Best-fit Practices and Experiences Sharing Workshop on
Corruption Prevention Mechanisms

24 February 2018

private
sector **dkym**



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OUTLINE

Introduction to PROFIT (Professional with Integrity)

Main Programs

Challenges

Indonesia in Global Ranks



Introduction to PROFIT

Professional with Integrity

KPK's Statistics based on Profession

Position / Profession	YEAR														TOTAL
	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	
Members of (National & Local) Parliament	0	0	0	2	7	8	27	5	16	8	9	19	23	20	144
Head of Ministries/Agencies	0	1	1	0	1	1	2	0	1	4	9	3	2	0	25
Ambassadors	0	0	0	2	1	0	1	0	0	0	0	0	0	0	4
Commissioners	0	3	2	1	1	0	0	0	0	0	0	0	0	0	7
Governors	1	0	2	1	1	2	1	0	0	2	3	3	1	1	18
Mayors/Regents & Vice Mayors/Regents	0	0	3	6	6	5	4	3	3	3	12	4	9	11	69
Echelon I / II / III	2	9	15	10	22	14	12	15	8	7	2	7	10	43	175
Judges	0	0	0	0	0	0	1	2	2	3	2	3	1	3	17
Private	1	4	5	3	12	11	8	10	16	24	16	18	28	27	183
Others	0	4	1	2	3	4	8	1	2	8	8	3	21	13	78
Corporation	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
TOTAL	4	23	29	27	55	45	65	38	49	59	61	62	99	54	736

LAUNCHING OF PROFIT MOVEMENT



17 October 2016



A pointing hand symbolizes the phrase “**Count me in**” that informally was used as the tagline for the movement. It also represents a gesture of voluntary participation.

Professional with Integrity



BLUE PRINT OF CORRUPTION PREVENTION IN BUSINESS SECTOR (PROFIT)

FOR IMPROVING INTEGRITY IN BUSINESS SECTOR

KEY ACTIVITIES

Anti Corruption Working Group (ACWG)

Drafting of Government Regulation on Gratuity Control

Drafting of Corruption Prevention Guidelines for Business Sector

Certified Integrity Officer

Formulation of Communication Strategy for Stakeholders

Desk review on governance of chamber of commerce, business association



OUTPUT

Establishment of National and Regional Advisory Committee

Corruption Prevention Guidelines for Business Sector and Government Regulation on Gratuity Control

Establishment of Certified Integrity Officer

Communication Strategy for Stakeholders on Corruption Prevention

Result of Desk Review on Governance



MAIN PROGRAMS

Professional with Integrity

1 Anti-Corruption Advisory Committee



A public-private forum that gathers regulators and business sector to discuss and find solution over strategic issues on corruption prevention, especially on licensing process and good/services procurement



Some Action Plans



- Simplification and Transparency on Explosive Materials Licensing



- Data Integration among regulators



- Transparency in licensing process

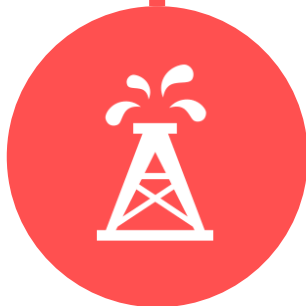
OIL & GAS

HEALTH

FOOD

INFRASTRUCTURE

FORESTRY



- Improvement of Drugs Licensing & Procurement
- Sponsorship Regulation



- Association Strengthening in certification process



2 Indonesian National Working Competency Standard for *Certified Integrity Officer (Ahli Pembangun Integritas)*



- To ensure that corporation comply with regulations and policies on anti-corruption, especially bribery
- To be a single point of contact in organization on anti-corruption and anti-bribery regulations

BASIC FUNCTIONS
Formulating organization's integrity policies
Implementing organization's integrity program
Assessing the risk of corruption
Monitoring implementation of corruption risk mitigation plan
Investigating violation toward organization's integrity policies
Following up of corrective action recommendation toward organization's integrity policies
Monitoring organization's integrity system
Evaluating organization's integrity system

10 PARTS

Business Integrity Module



Certified Integrity Officer

Legalized by the Decree of the Ministry of Manpower of the Republic of Indonesia No. 338 of 2017

It was signed by the Minister in the International Business Integrity Conference, 12 Dec 2017



3 Guidelines of Adequate Procedure for Corruption Prevention

- Regulation of the Supreme Court No.13/2016

Article 4 verse 2(c) on adequate procedure that should be undertaken to prevent the corporate crime

- Guidelines of Adequate Procedure for Corruption Prevention

Formulation process involves experts, judges and business sector

- Implementation

Together with Chamber of Commerce and Industry to socialize and implement the guidelines into business sector



Guidelines on Corruption Prevention

for micro, small and medium enterprises

1. Profile of SME
2. Corruption and Money-Laundering
3. Mapping of SME's Circumstances
4. Prevention System
5. Incentive for Anti-Corruption and Anti Money Laundering
6. References on Laws





4 International Business Integrity Conference (IBIC)



Annual event since 2016



International Business Integrity Conference (IBIC)



2017



- Attended by ministers related to business regulation, hi-level representative from chamber of commerce & industry and business association
- **1 Declaration** to Fight Against Corruption in Business Sector
- **10 Recommendations** for each topic presented in the Conference

How to Leverage the Movement?



Communication Strategy in Engaging Strategic Partners & Stakeholders



MoU with Indonesia Chamber of Commerce & Industry on Partnership in Corruption Eradication Efforts

2016

73

Partners



2017

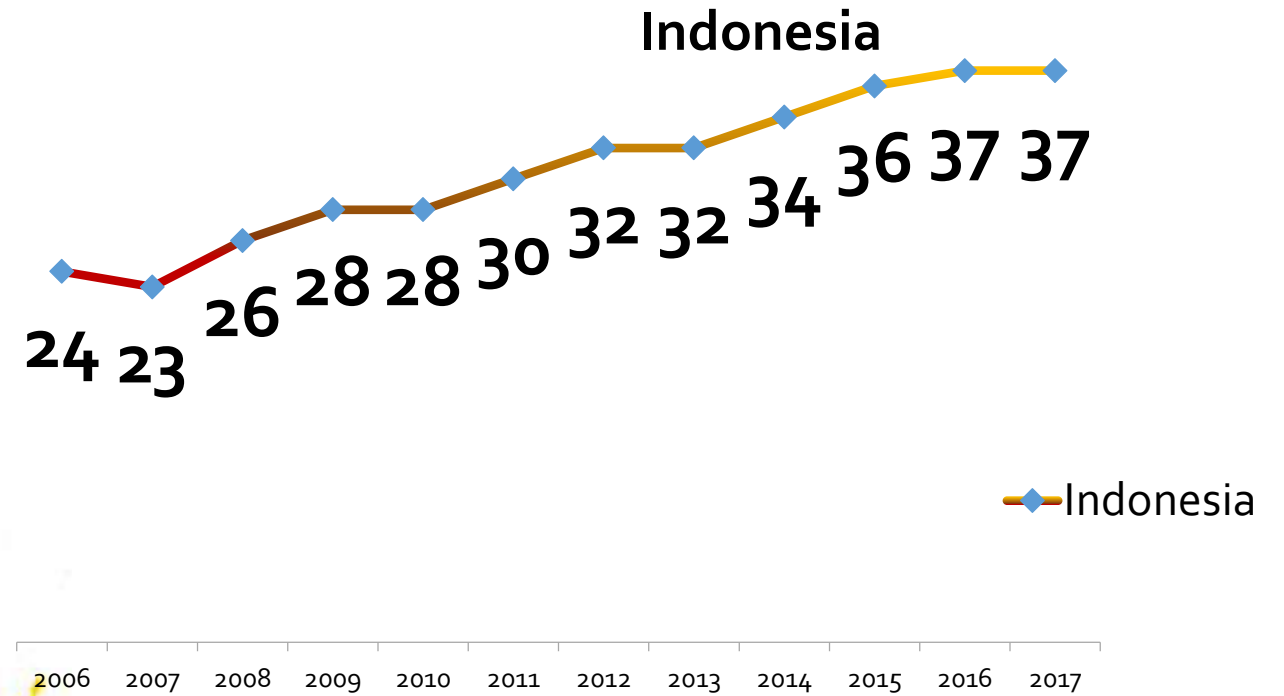
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Partners



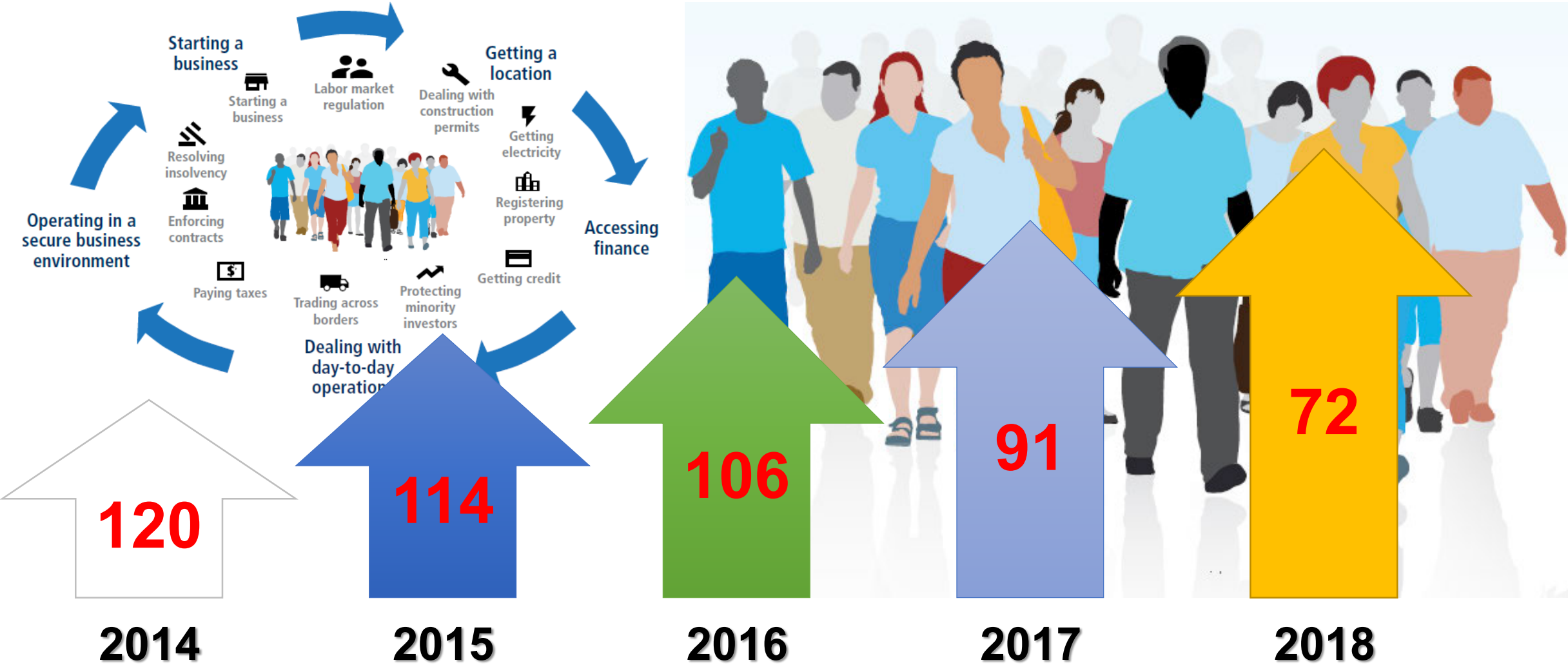
INDONESIA IN GLOBAL RANKS

Indonesia in Corruption Perception Index



Indonesia in Ease of Doing Business Rank

What is measured in *Doing Business*?



PLACES WHERE GOVERNMENTS ARE PERCEIVED TO BE DOING THE WORST % SAYING **BADLY**

Yemen – 91%
Madagascar – 90%
Ukraine – 87%
Gabon – 86%
Bosnia and Herz. – 84%
Moldova – 84%

PLACES WHERE GOVERNMENTS ARE PERCEIVED TO BE DOING THE BEST % SAYING **WELL**

Thailand – 72%
Indonesia – 64%
Honduras – 55%
Guatemala – 54%
Botswana – 54%
Ecuador – 54%

Q. How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say? "Fighting corruption in government". Base: all respondents, excluding missing responses. Response categories "Very badly" and "Fairly badly" are combined into "Badly"; and response categories "Very well" and "Fairly well" are combined into "Well".



CHALLENGES

The Remaining Challenges

- Very various **SIZE**, **SCOPE**, **MATURITY IN COMPLIANCE**, including **GEOGRAPHICAL** characteristics of the corporations in Indonesia
- The limitation of regulation for KPK in handling corruption among private sector
- Cultural aspect on giving facilitation payment, entertainment fee, tipping, etc.



THANK YOU

