

CASE STUDY

Creating Shared Value Through the Integrated Community Empowerment Program in Desa Guliling, Mamuju

A Partnership between Nestlé Indonesia and Migunani Association

SUMMARY OF PARTNERSHIP

Nestlé integrates sustainable business development into daily business activities through creating shared value (CSV) approach. This approach promotes nutritional improvement, clean water access and rural development as the three main focuses surrounding their business operational area, or later referred to as integrated community empowerment in Guliling Village. Nestlé’s contributions to the quality of life of its suppliers are expected to give impacts on increasing the quality of raw materials productivity that meets the company standards. In implementing the CSV program in Guliling Village, Nestlé has partnered with Migunani Association.

The integrated community empowerment program in Guliling Village has been implemented for three years, namely since 2015 until 2017. Through this program, Nestlé not only succeeded in providing access to clean water and sanitation, but also succeeded in changing the lifestyle of the Guliling Village community to become healthier, improving health services, as well as developing the potential of local economic through the development of Village-Owned Business Unit (BUMDes). Using the community participatory approach, Nestlé believes with this integrated community empowerment program will be able to promote the sense of ownership from the local community to ensure program sustainability in the future.



Village housewives harvest vegetables in the resident’s garden. © Nestlé Indonesia, 2019.

PARTNERS



Good Food, Good Life

Nestlé Indonesia (www.nestlé.co.id) is a subsidiary of Nestlé S.A., which is headquartered in Vevey, Switzerland. Nestlé started its operation in Indonesia in 1971 and currently employs around 3,700 employees. To

date, Nestlé has three factories in Indonesia, namely in the Kejayan (East Java), Panjang (Lampung) and Karawang (West Java) that produces milk, food and beverage products.

In operating their business, Nestlé lived up to their purpose of enhancing the quality of life and contributing to a healthier future. Nestlé’s commitments will ultimately guide the achievement of the three ambitions targeted by 2030 which are in line with the ambitions of Sustainable Development Goals (SDGs), by helping 50 million children live healthier lives, improving 30 million livelihoods in communities directly connected to the business activities, and striving for zero environmental impact in the operational activities.



Migunani Association (<http://www.migunani.or.id/>)

established in 2011 as a CV (Limited Partnership), since non-profit enterprise or social enterprise was not known yet in Indonesia. In 2016, Migunani changed its status to an association so it will not perceive as a profit entity. Migunani has a mission to increase public knowledge about Indonesia and develop the intellectual life of the nation.

Migunani believes that the empowerment program implemented in Indonesia should be based on research and accurate data that reflects the culture and habits of Indonesian society. By this beliefs, Migunani advises its partners to conduct the research to get valid data, through the collaboration with donors, private sector, academics and independent research institutes as their main focus. With its high commitment from their team members, Migunani has had grown their organization on the community program through coaching and mentoring. Migunani has participated as a knowledge partner for many development initiatives from various international organizations in Indonesia including UNICEF, Save the Children, Plan International and the Australian Embassy.

INITIATING THE PARTNERSHIP

Since 2011, Nestlé, together with the Swisscontactⁱ organization, have implemented the "The Cacao Plan" program to help the cocoa farmers improve the productivity and quality of cocoa production, especially in West Sulawesi region. The program was in form of training activities on good agriculture practices, one of which is implemented in Guliling Village, Mamuju District, South Sulawesi Province.

During the program, data shown that most of Guliling villager's livelihood are cocoa farmers. Guliling Village has 329 households with population of 1,274. This collaboration has made both parties realize that most of the cocoa farmers have lacked of access to clean water due to the geographical conditions of the land. Only one out of five hamlets (sub-village) has access to clean water, this is due its proximity to the water source. Besides of the long distance in getting the water, villagers also concern with the level of water turbidity. In the past, Guliling Village once received an infrastructure from the local government on water piping facility. However this infrastructure could not cover for the use of the whole village, and none of villagers could perform maintenance due to no knowledge transfer during the development of facility.

Based on these findings, Nestlé then conducted a social mapping to look at the existing conditions and a need assessment of the Guliling Village before implementing the program. In this stage, Nestlé was assisted by Sahabat Cipta Foundation. The social mapping was carried out for approximately six months: field activities of social mapping for three months, 1½ months for report writing, and around 15-20 days to prepare presentation of findings to Nestlé. Sahabat Cipta Foundation explained the key findings on access to clean water condition, as well as the other potential that can be developed in improving the quality of life and supporting a healthier community.

Based on the social mapping, in 2014 Nestlé then began looking for the right partner to implement the empowerment program in Guliling Village. The internal team of Nestlé had experienced working with several organizations, and recommended Nestlé with two potential partner organizations. After going through a selection process based on proposal, Migunani was selected by Nestlé. The program began in January 2015 with the construction of facilities to provide access to clean water.

IMPLEMENTING THE PARTNERSHIP

After the agreement is officially signed, Migunani began the program by building the relationship with the village leader, community leader and tribal leader in the village. This opportunity was also used to explore issues related to nutrition, clean water and sanitation. This activity provides deeper insights that complement the mapping findings.

Migunani then communicated with Nestlé to request an adjustment to the work plan, which Nestlé approved. Migunani commenced the program by placing three to four facilitators to live in the village to disseminate information and provide training, as well as daily coaching on the importance of clean water and sanitation for the health of villagers

The first activity carried out was revamping clean water infrastructure. Nestlé provided new water pipes based on the requirement by calculating the water debit needed and the number of households. Migunani partnered with Surya Sejahteraⁱⁱ organization to supervise the construction and monitor the water pipes project. After going through deliberations with the village officials, Migunani and Surya Sejahtera formed a team of village community representatives to manage HIPPAM (Drinking Water

Users Association) or also referred to as the Water Conservation Group. This group is responsible for the construction of clean water infrastructure, managing the operation of clean water facilities, and maintaining infrastructure as well as the subscription collection. The HIPPAM consists of six volunteers.

HIPPAM is equipped by Migunani with training on operational management skill to manage the infrastructure in order to keep sustaining. One of the things was to conduct a discussion with the villagers to determine the water rate/tariff and ensure the villagers in participating the smooth process on monthly collection. With the ability of HIPPAM to manage the access to clean water technically and manage the administration, this group is expected to be able to maintain the sustainability of this facility in the future. This type of clean water management that is conducted with HIPPAM is new and has never been implemented by the government before.

As mentioned earlier, the process of constructing the water pipeline was carried out in stages, with training conducted in three stages within two-three months. In each stage, there were training and implementation sessions conducted with HIPPAM for four consecutive nights. HIPPAM has installed 4.2 km of pipes, from the water source in mountain the areas to villager's houses in village that took about six-seven months using households connection.

After the completion of infrastructure, **the next activity is to provide access to healthy sanitation.** At the beginning of the program, villagers used to bathe, defecate and wash clothes in the river. In the preparation step, the facilitator team of Migunani held meetings with villagers to explain the importance of personal hygiene such as hand washing with soap, defecation and nutrition for children and families. The facilitators conducted these meetings as often as possible in an informal manner so that these activities are more easily accepted by the villagers.

Nestlé received a matching fund from the Millennium Challenge Account-Indonesia (MCAI) and then built 120 household toilets and 3 public toilets.ⁱⁱⁱ MCAI covered the costs of training and management, while Nestlé was responsible for the infrastructure cost.

The toilets construction were done by villagers communally. Together with the village apparatus, Nestlé and Migunani determined the households that need the sanitation units the most. Some villagers such as village apparatus, are considered capable to construct their own household toilets and not in the priority list. In addition to the household toilets, Nestlé and Migunani also facilitated the construction of three public toilets located in several village facilities, i.e. local primary school, mosque and maternal and child health services (Posyandu).

Nestlé integrated the program by conducting **the maternal and child health activities combined with the Nestlé Healthy Kids (NHK) program**¹. This activity was done through revitalizing activities in Posyandu since there was only one unit of Posyandu and one midwife to serve the entire village. This revitalization includes capacity building of midwife and improving services to the community. One of the challenges at this stage was that traditional birth attendants were highly trusted by the pregnant women, which affected their reluctance to visit the Posyandu to check during the pregnancy and delivery. This was difficult to avoid because it was a matter of trust. Therefore Nestlé also provided training to two traditional birth attendants trusted by the community in order to be able to improve their service and use sterilized instruments.

This activity is in collaboration with Beru-Beru District Health Center and focuses on routine health services to baby and



Access to clean water from Nestlé helps villagers to not use dirty river water. © Nestlé Indonesia, 2019.

pregnant woman to get a more intensive monitoring. To build a sub-Posyandu in the upper hamlet to serve the villagers closer. During the construction, community actively participated in building this sub-Posyandu with supervision of Migunani.

Nestlé implement NHK in two primary schools in Guliling Village. This program aims to improve the knowledge, attitude and practice of primary school-aged children by promoting healthy active lifestyle to become healthy adults. This activity has four focuses namely nutrition, physical activity, personal hygiene, and environmental awareness. One of the beneficiaries, SD Rea had integrated the program activities with their teaching-learning activities such as breakfast together at school, vegetable gardening in school and handwashing activities. SD Rea is also one of clean water beneficiaries. A total of 247 students from two schools have benefited the program.

Nestlé, through teachers in schools, encouraged parents to provide healthy and nutritious breakfast box from home for the children. With this approach, it is expected to keep encouraging the parents to tend the vegetable garden at home so that they can continue to provide nutritious lunch box for their children daily. This activity is integrated with the **women empowerment program** that Nestlé also implemented in Guliling Village.

The activity of women empowerment program involves the active role of women being able to support the family health by growing vegetables at home and collective vegetable garden jointly managed by villagers as an effort to improve the family nutrition. By growing their own vegetables, housewives are no longer need to buy vegetables in the market so they can reduce the domestic expenses. Even, some households have been able to sell their vegetable to traders in the market or barter in exchange with others.

As a part of sustainability program, Nestlé also implemented a participatory environmental conservation program. The main objective of this program is to conserve the groundwater. The Water Conservation Group together with the community planted trees surrounding the water sources and around the villager' houses to help maximize water absorption as well to keep it abundant to make sure the water access facilities keep operating. A total of 2,400 trees were planted in Guliling Village since 2015 with support of Nestlé.

Nestlé also partners with villagers who own goat livestock to process the manure. This program promotes the villagers to treat the goat manure so it helps to protect the soil and river from contamination. Goat manure is processed into solid organic fertilizer while goat urine turned into liquid organic fertilizer. This activity has generated extra income for the households, and this

collective effort is one of many activities of BUMDes. Furthermore, this organic fertilizer products have been marketed outside the village.

RESULTS

- It was documented that at the end of 2017, 290 out of 329 households in Guliling Village had benefited the access to improved clean water at home. The remaining 39 households are located in the upper hamlet and have access to clean water independently.
- Access to clean water project has received full support from the village government and become one of the Village Owned Business Unit (BUMDes) program. The village government has utilized the village fund to support the daily operational activities, i.e. for piping maintenance and wider coverage if needed. Each year, approximately Rp50 million of village fund is utilized to support the sustainability of this activity.
- Migunani observes that most villagers are now getting used to bathe and defecate using bathroom facility, and no longer in the river. With this new habit, the personal hygiene of villagers is improved and the river is no longer polluted.
- Family nutrition is improving. Prior to Nestlé program, the villagers refer instant noodle as side dishes, but now children are bringing lunch complete with green vegetables from home.
- Reduce family expenses by providing vegetables for consumption right from their own garden, and some even brings the extra vegetable crops to the market for sale. Surplus vegetable is also often offered to barter with other goods from traveling traders, such as eggs.

OBSTACLES AND CHALLENGES

The main challenge faced by Nestlé and Migunani in this CSV program is to change the mindset and behavior of the villagers. Many times they received resistency from the community, not only they protest or show reluctance to participate the program, but also involves pretty rough protests. Migunani, in this case, who is coaching the villagers should continue communicating with the village officials formally and informally to promote and intensify the programs in Guliling Village. During the dialogues, Migunani must also adapt to the customs and culture of the local.

Continuous assistance is needed to ensure the program run well. During the duration of program, Migunani staff not only lived in the village but they also received support from local facilitators. There were times when Migunani staff had to leave the village for reporting purpose, and the local facilitators continue to play its role. Migunani staff kept visiting the village periodically, at least once in three months. During the absence of Migunani staff, the village officials, especially the Village Head, was cooperative on promoting and intensifying the ongoing programs.

The unavailability of basic data is also a challenge for Nestlé to measure the final results of the program. Thus the progress and changes of the program result cannot be converted into numbers and percentage. In addition to that, Nestlé was also faced with the different understanding during the social mapping, and this has resulted with a data gap by the previous partner. To overcome this, Nestlé asked Migunani to do another mapping so that the assistance could meet with needs of villagers.

Both partners often encounter obstacles in communication due to village location **with bad signal reception**. However with high

level of trust and strength of local network that Migunani has built during the program, this was not a big problem for both parties.

KEY SUCCESS FACTORS

The key to the successful Nestlé's CSV program in Guliling Village is based on the different values offered by each partner. Nestlé is not only limited to contributing funds, but has a clear framework and is open to every input and opinion. On the other hand, Migunani has strong advocacy skills on the grassroots level. This has become one of Migunani's strengths, which makes Nestlé fully trusted the program sustainability to Migunani.

Migunani's ability to involve collaboration and cooperation with other parties in fostering a sense of community ownership of this program is also one of the keys to success. The program requires commitment from all levels of community to ensure its sustainability, especially after Nestlé no longer provides assistance. The existence of non-governmental groups such as HIPPAM, women's representatives, school representatives and representatives of economic actors are essential to ensure the program sustainability.

Another key to success is the willingness of the individual from both parties to adapt and communicate. When discussing the program, the nature of communication tends to be informal wherein information is exchanged spontaneously without conforming formalities. In the end, this communication has succeeded to build trust, and all the program's technical problem could be overcome through healthy discussion.

FUTURE PLAN

This CSV program in Guliling Village was started in 2015 and ended in 2017, and the sustainability of this program is now in the hand of local village officials. During the duration of the program, not only it has received support from village officials from Guliling Village, but also some village fund from the sub-district level. Nestlé hopes that the stakeholders apply the equipped knowledge and make the best use of facilities.

Footnotes:

- i. Swisscontact is a Swiss business-oriented independent foundation to promote economic, social and environmental development in developing countries.
- ii. Surya Sejahtera is an organization based in Kediri which is engaged in rural development.
- iii. MCAI is a US - Indonesian partnership program to reduce poverty through economic growth.

Reference

1. <http://www.ccphi.org/blog/post/nestle-indonesia-dan-perhimpunan-nutrisi-indonesia-nestle-healthy-kids-mewujudkan-anak-indonesia-yang-lebih-sehat>

About This Case Study

This case study is one of a series of case studies based on presentations from partners at the Partnership Forum session. The Partnership Forum is an activity of CCPHI, a project funded by the Ford Foundation.

This case study is based on Nestlé's presentation with Migunani at the 41st Partnership Forum. Indiana Basitha prepared this study based on consultations with Nestlé and Migunani.

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