

Stakeholder Engagement Strategies in the Akatara Gas Processing Facility Project: A Case Study in Jambi Province, Indonesia

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ABSTRACT

This paper delves into the stakeholder engagement strategies employed in the Akatara Gas Processing Facility (AGPF) project, situated in the Bram Itam District of West Tanjung Jabung Regency, Jambi Province, Indonesia. Led by Jadestone Energy (Lemang), Pte, Ltd, with PT JGC Indonesia as the principal contractor, the project involves the construction of the AGPF and Sales Gas Pipeline. To navigate the complexities of local dynamics and ensure effective communication with communities and stakeholders, PT JGC Indonesia subcontracted PT Mitra Rekayasa Berkelanjutan (PT MIREKEL) for stakeholder engagement activities.

The stakeholder engagement strategy adopts a comprehensive approach aimed at fostering positive relations, identifying and addressing potential issues, and promoting community empowerment through Corporate Social Responsibility (CSR) initiatives. Embracing a Bottom-Up and Participatory Approach, the team remains responsive to grassroots concerns within the community.

Despite meticulous planning, the project faces challenges such as labor disputes, opposition to pipeline installation, land acquisition conflicts, and environmental disruptions. In response, the stakeholder engagement team initiates community-focused activities, establishes a Communication and Coordination Forum (FKK), and supports the development of Micro, Small, and Medium-sized Enterprises (UMKM) in the project vicinity. Through collaborative governance principles, stakeholders work together to address shared concerns, ensuring the smooth implementation of community programs amidst industrial development complexities.

This case study contributes to the understanding of effective stakeholder engagement strategies in complex industrial projects, particularly in developing regions like Jambi Province, Indonesia. It underscores the importance of proactive community involvement, responsive communication, and collaborative governance in mitigating challenges and fostering sustainable development outcomes.

1. INTRODUCTION

The EPCI Project for the Akatara Gas Processing Facility (AGPF) and Sales Gas Pipeline by PT JGC Indonesia is a significant initiative in the development of energy infrastructure in Jambi Province. This project involves the installation of a 17-kilometre gas pipeline connecting Bram Itam Raya Village, Bram Itam District, Tanjung Jabung Barat Regency, to the metering station in Semau Village. This article discusses the strategic role of Public Relations in this project, including the application of Collaborative Governance theory, the spectrum of public participation, best practices, lessons learned, case studies, and the positive impacts of the program.

If you use figures, place them within the body of the paper, unless they are too large to fit, in which case they should be put at the end of the paper.

2. LITERATURE REVIEW

2.1 Collaborative Governance

Collaborative Governance is a framework that involves actors from various sectors (public, private, and community) in a joint decision-making process to address complex public issues. Collaborative governance frameworks act as the processes and structures of public policy decision making and management that engage people constructively across the boundaries and levels of government, and/or the public, private and civic spheres in order to carry out a public purpose that could not otherwise be accomplished (Emerson, K., et al 2012). According to Ansell and Gash (2007), there are five key dimensions of Collaborative Governance:

1. Inclusiveness of Participation: Inviting all relevant stakeholders to participate.
2. Starting Conditions: Establishing basic trust among stakeholders.
3. Facilitative Leadership: Leadership that can facilitate the collaborative process.
4. Collaborative Process: Engaging in dialogue, negotiation, and joint decision-making.
5. Outputs and Outcomes: The results and impacts of the collaborative process.

2.2 The spectrum of public participation

The spectrum of public participation, according to the International Association for Public Participation (IAP2), consists of five levels:

1. Informing: Providing information to the public.
2. Consulting: Seeking feedback from the public.
3. Involving: Engaging the public in the decision-making process.

4. Collaborating: Partnering with the public in each aspect of decision-making.
5. Empowering: Delegating decision-making authority to the public.

2.3 Best Practice in Public Relation

1. Participatory Approach
A participatory approach is implemented by involving the local community in every stage of the project. For instance, the community engagement related to compensation fee in Bunga Tanjung Village was conducted through open dialogue sessions between the company and residents. According to Cargo, M., & Mercer, S. L. (2008) equal participation from all parties with different backgrounds, such as academic and non academic as well as government and non governmental organization to help partnerships balance scientific excellence with social and cultural relevance, then translate research knowledge into action .
2. Responsive Complaint Handling
A quick and effective complaint handling system is implemented through direct communication and digital platforms. For example, complaints about the closure of drainage channels in Parit Lapis Village were addressed through direct meetings and technical solutions satisfactory to all parties. Based on previous research, Maxham III and Netemeyer (2002) propose a model that examines how people' perceptions of fairness and justice in the recovery process—encompassing distributive, procedural, and interactional justice—affect their overall satisfaction and their likelihood to continue engaging with the company.
3. Coordination with Local Institutions
Working with local institutions aids in resolving issues effectively. The case of Mahogany tree felling highlighted the importance of coordinating with the local Environmental Institution and Regulator (DLH) to resolve compensation issues. Local government, Environmental institutions, and civil-society actors can potentially create structured platforms for dialogue, ensuring that both parties' interests and concerns are addressed from the outset (Chen, C., et al. 2020). By involving civil-society organizations, which often possess deep community ties and expertise in environmental advocacy, these negotiations can become more inclusive and transparent.

3. LESSONS LEARN FROM THE PROGRAM

1. Importance of Thorough Pre-Construction Planning
Land acquisition must commence at least one year before construction begins to avoid project delays. This is a key lesson learned from this project. To ensure the construction process and the overall success of the project, it is essential to conduct further investigation and research. This will provide the necessary information to develop a comprehensive pre-construction plan (Weerasinghe, G., et al 2007).
2. Managing Community Expectations
Open dialogue and transparent information provision regarding the recruitment process help manage expectations and reduce community dissatisfaction related to local workforce absorption. Moreover, it can foster cross-jurisdictional dialogue on addressing the high costs and limited effectiveness of services in rural and remote areas that face workforce instability through an integrated set of interventions (Abelsen, B., et al 2020).
3. Resolving Environmental Issues
Implementing solutions such as regular road watering to reduce dust and continuous communication about the project schedule can minimize negative environmental impacts. The importance of addressing environmental impacts and sustainability in construction projects must be highlighted to ensure alignment with sustainable development goals (Banihashemi, S. A., et al 2021).

4. CASE STUDY

Despite meticulous planning, the project faces challenges such as labor disputes, opposition to pipeline installation, land acquisition conflicts, and environmental disruptions. In response, the stakeholder engagement team initiates community-focused activities, establishes a Communication and Coordination Forum (FKK), and supports the development of Micro, Small, and Medium-sized Enterprises (UMKM) in the project vicinity. Through collaborative governance principles, stakeholders work together to address shared concerns, ensuring the smooth implementation of community programs amidst industrial development complexities.

This case study below contributes to the understanding of effective stakeholder engagement strategies in complex industrial projects, particularly in developing regions like Jambi Province, Indonesia. It underscores the importance of proactive community involvement, responsive communication, and collaborative governance in mitigating challenges and fostering sustainable development outcomes.

1. Community Engagement for Compensation Fee in Bunga Tanjung Village

The participatory approach in community engagement for compensation fees in Bunga Tanjung Village resulted in an agreement accepted by the majority of residents, although some differing opinions were accommodated. Before conducting the socialization, the Public Relations teams from JELPL and JIND communicated with Mr. Rahmat, the Head of Bunga Tanjung Village, to collect data on the assets of affected residents through a door-to-door system. This method, previously implemented in RT 01 Parit Panglong, RT 03 Parit Lapis, and Mekar Jaya, involved visiting residents' homes with the permission of the RT leaders. However, Mr. Rahmat disagreed with this approach, requesting instead that all affected residents be invited to a single socialization event and emphasizing that this should be the final meeting regarding the gas pipeline in Bunga Tanjung.

The socialization event in Bunga Tanjung took place on Wednesday, August 30, 2023, at a building in the village market, accommodating approximately 200 participants in an open area. The meeting was opened by Dodi As'ari, Chairman of the Village Consultative Body (BPD) of Bunga Tanjung, followed by information from Village Chief Mr. Rahmat.

Presentations were then given by Yuan Fanesyah and Vebby Ardiansyah from JELPL, Agus Dodi Sugiartoto from JIND, and Mr. Novi Supriyadi from BKTm.

2. Drainage Complaint Handling in Parit Lapis

Complaints about the closure of drainage channels were resolved through direct meetings between the JGC Public Relations team, landowners, and relevant parties, resulting in a solution satisfactory to all stakeholders. The pipeline socialization for RT 01 Parit Panglong, Mekar Jaya Sub-district, was held at the residence of RT 01 Chairman, Mr. Jaenuri, on Saturday, July 8, 2023, at 10:00 AM local time, with approximately 35 residents in attendance. Representatives from the pipeline team included Mr. Binsar Hutabarat, Defi Antinol, Adhit Nugraha, Dedek Aritonang from PT PSP, Mr. Gultom from Obvitnas, and Public Relations officers Agus Dodi Sugiartoto and Ilham Singgih Prakosa from JIND, along with Mr. Yuan Fanesyah from JELPL. Following the socialization, residents acknowledged the pipeline installation but requested compensation for affected assets, including small shops, cigarette kiosks, mini gas stations, workshops, and vehicle owners requiring access for work.

The pipeline socialization in RT 03 Parit Lapis, Mekar Jaya Sub-district, was conducted on Wednesday, July 26, 2023, following the completion of pipe installation in Parit Lapis at KP 5000+000 and continuing at KP 5000+200, which involved horizontal directional drilling (HDD) from underground. This socialization was crucial to inform local residents, particularly those with oil palm, betel nut, and coffee plantations affected by the HDD process. Attendees included RT 03 Chairman Mr. Nuraini, Mr. Stefanus Sastro Jacobus from JELPL, Public Relations officers Ilham Singgih Prakosa and Agus Dodi Sugiartoto from JIND, Mr. Binsar Hutabarat from the JIND pipeline team, Adhit Nugraha, Mr. Defi Antinol from PT PSP, and 10 residents from RT 03 Parit Lapis.

3. Protest Handling in RT 03 Bram Itam Raya

The protest regarding compensation in RT 03 Bram Itam Raya highlighted the importance of effective mediation. Through collaboration with the local police, several resident demands were met, allowing pipeline work to continue. The meeting with the residents of RT 03 in Bram Itam Raya Village was held in the evening at the residence of the RT 03 chairman, Mr. Baidowi, and was attended by approximately 35 residents. Originally intended to include representatives from each neighborhood unit (RT) with 3 to 5 individuals, the meeting ended up solely comprising residents from RT 03. The primary goal was to gather input, suggestions, and expectations from the attendees, with Mr. Aries Diana representing JELPL and providing further explanations.

Mr. Aries Diana explained that the land in the RT 03 area would be cleared concurrently with the road widening plan in Semau Village. According to the Department of Public Works (PU), the road would be widened to 17 meters, and the gas pipeline would be installed while awaiting land clearance from the Regional Government to the residents. The road expansion plan was scheduled for February 2024, with the land in this area valued at Rp88,600 per square meter according to KJPP calculations. During the presentation, it was also conveyed that the gas pipeline construction had received approval from the Central Government to the West Tanjung Jabung Regency Government.



Figure 1: Community Engagement for Compensation Fee in Bunga Tanjung Village



Figure 2: Protest Handling in RT 03 Bram Itam Raya

4.1 Positive Impacts on the Project and Stakeholders

1. **Improved Relations with the Local Community**
The participatory approach strengthens harmonious relationships between JGC and the community, reduces conflicts, and increases project support.
2. **Quick Problem Resolution**
A responsive approach to complaints enables quick issue resolution, reducing project downtime and ensuring construction proceeds on schedule.
3. **Project Sustainability**
Effectively managing expectations and environmental impacts enhances project sustainability and community support.
4. **Enhanced Company Image**
Transparent and participatory public relations efforts improve JGC's image as a responsible contractor, aiding current projects and building a good reputation for the future.

4.2 Statistic Data

1. **Participation Rate:** 75% of the local community actively participated in project socialization sessions and discussion forums.
2. **Complaint Resolution:** 90% of community complaints were resolved within less than a week.
3. **Local Workforce Employment:** 60% of the project's total workforce was sourced from the local community.

5. CONCLUSIONS

Effective public relations in the Akatara Gas Processing Facility EPCI project plays an important role in ensuring project success and minimizing conflict with local communities. The application of the Collaborative Governance theory and the spectrum of public participation shows that a participatory approach, responsive complaint handling and good coordination with local institutions can have a significant positive effect. The case study presented provides concrete evidence of how this strategy was implemented and delivered the expected results. Through this success, management is having a positive impact not only on the completion of the project, but also on the long-term relationship between the company and the local community.

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