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# Implementation of Sustainable Plantation Principles Through Indonesian Sustainable Palm Oil in North Aceh Regency

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Abstract: North Aceh Regency has 33,781.64 hectares of oil palm plantations granted to 11 plantation companies with the amount of land raises many issues in the social-ecological field. Therefore, the government of the North Aceh Regency developed the concept of sustainability-oriented plantation development and was guided by Regulation of the Minister of Agriculture No. 11/Permentan (the Minister of Agriculture Regulation)/Ot.140/3/2015 concerning the Indonesian Sustainable Palm Oil Certification System (ISPO). This study aims to analyze what are the obstacles, and how the role and efforts of the North Aceh Regency Government in implementing the principles of sustainable plantations through ISPO. The research method used in this research is empirical juridical research. The study employs three approaches, namely the identifying research objects approach, the statutory approach, and the vertical and horizontal synchronization approach to uncover the reality. Based on the results of this study, the Government of North Aceh Regency has encouraged only 3 companies out of 11 companies in the palm oil sector to commit to ISPO certification. This is because only these three companies which are committed to implement ISPO certification. In the implementation, there were obstacles due to the lack of awareness of palm oil plantation companies in carrying out ISPO certification. The North Aceh Government's efforts are to allocate a budget to overcome these obstacles, as well as form a team to accelerate the implementation

of ISPO. It is recommended that there is a need for synergy between the North Aceh Regency Government and businessmen in the oil palm plantation sector in the realization of sustainable oil palm plantations with the concept of ISPO certification.

**Keywords:** Implementation; Indonesian Sustainable Palm Oil; Principles of Sustainable Plantation.

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# **INTRODUCTION**

The spirit of the Indonesian state to be the welfare state is embodied in local autonomy which leads to the concept of local government in the sense that the state begins with a centralized system to a decentralized system. The theoretical dimension of local government, with Law Number 23 of 2014 concerning Regional Government, has consequences for changing the views of regional government by prioritizing the principles of decentralization.<sup>1</sup>

As referred to Law Number 23 of 2014 concerning Regional Government, it is stated that "decentralization is the handing over of government affairs by the central government to autonomous regions based on the principle of autonomy. The realization of decentralization is carried out by structuring the regions, namely a), the effectiveness of regional government administration; b), accelerating the improvement of community welfare; c), accelerating the improvement of the quality of public services; d), improving the quality of governance; e), increasing national and regional competitiveness; and f), maintaining the uniqueness of local customs, traditions, and culture.2

Regional structuring consists of regional

With its natural geographical potential, North Aceh Regency is very feasible to develop the plantation sector, because the amount of land that functioned as plantation land reached 328,686 hectares, of the total land area, 65% of which is designated for cocoa, pepper, rubber, areca nut, and oil palm, of these commodities, oil palm is the most dominant in the plantation sector, because the area of oil palm plantations in North Aceh is 33,781.64 hectares which are given to 11 plantation companies.

Oil palm plantations are a business sector that produces palm oil/CPO based on plantation commodities that have a role in national economic growth, especially for employment, including sources of state income. In addition, oil palm plantation also plays a role in encouraging regional development and agroindustry development.<sup>4</sup>

formation and regional adjustments made based on considerations of national strategic interests.<sup>3</sup> Regional formation and regional adjustments are part of the granting of government authority to regional governments as long as they do not conflict with the laws and regulations, one of which is the granting of authority by the central government to the Aceh government.

<sup>&</sup>lt;sup>1</sup> Bhenyamin Hoessein, "Kebijakan Desentralisasi," *Jurnal Administrasi Negara* 2, no. 2 (2002): 3.

<sup>&</sup>lt;sup>2</sup> For detail see Article 31 Verse (2) Law Nomor 23 Year 2014 concerning Regional Government, known as Local Government Law

<sup>&</sup>lt;sup>3</sup> For detail see Article al 31 Verse (3) and (4) Local Government Law.

<sup>&</sup>lt;sup>4</sup> Arsyad, *Pengantar Perencanaan Pembangunan Ekonomi Daerah* (Yogyakarta: BPFE Universitas Gajah Mada, 2009), 59.

The granting of permits to open oil palm plantations in the past, especially large-scale plantations, has left many problems, especially environmental issues. Therefore, if new land clearing permits are issued continuously by the central, provincial, and regional governments, it is possible that they will penetrate forest areas where biodiversity is growing and developing, with ecological functions, namely hydrology, and regulating soil fertility.

The holders of Cultivation Rights (HGU) in the oil palm plantation sector in the North Aceh Regency ignore environmental issues such as the Environmental Impact Analysis (AMDAL) in managing the land used to develop oil palm plantations. The lack of discipline of oil palm plantation business owners towards procedures has resulted in changes in forest functions which have a direct impact on changes in spatial functions, shallow riverbeds, and overflow of water in the rainy season. This kind of incident often occurs every year in North Aceh Regency, so it is necessary for sustainable development, especially in the oil palm plantation sector in North Aceh Regency.

Some companies holding HGU's rights do not yet have Environmental Management Efforts (UKL) or Environmental Monitoring Efforts (UPL) as instructed in Article 40 Paragraph (1) letter d of Permentan (the Minister of Agriculture Regulation) No. 98 of 2013 concerning Plantations. The high expansion of oil palm plantations has damaged biodiversity, flash floods damaged people's settlements, the dry season for river flows dried up, wild animals descended and disturbed community settlements, and many other disasters caused by the high expansion of oil palm plantations that occurred in North Aceh Regency.

As a result of deforestation, it has resulted

in a gradual loss of biodiversity in tropical rainforest ecosystems. In addition, the expansion of oil palm lands results in the extinction of the community culture around the forest and causes changes in forest land conversion to abandoned land or new critical lands being added. The problems in the field of oil palm plantations in the North Aceh Regency are so complex, that it is urgently needed a pattern of plantation development to improve the governance of oil palm plantations with a sustainable development scheme.

The essence of sustainable development, namely development that is by the needs of the community without denying the ability of future generations as a process of change for resource utilization, investment direction, development orientation, and institutional change in a balanced and synergistically reinforcing present and future potential to meet human needs and aspirations.<sup>5</sup> In addition, sustainable development pays attention to at least 3 very important aspects, namely economic (profit), social (people), and environmental (planet), as well as business actors.<sup>6</sup>

Based on the provisions of Law Number 39 of 2014 concerning Plantations, it is stated that plantation development is carried out sustainably by considering several aspects, namely economic, and socio-cultural aspects, as well as the environment, including that it must meet the principles and criteria as a sustain-

<sup>&</sup>lt;sup>5</sup> Budihardjo and Djoko Sujarto, *Sustainable Development: Beberapa Catatan Tambahan* (Jakarta: Asosiasi SYLFF & Universitas Indonesia, 2006), 47

<sup>&</sup>lt;sup>6</sup> Dewi Agustina, Hariyadi, and Saharuddin, "Analisis Lingkungan Sosial Ekonomi Pengelolaan Perkebunan Sawit Berkelanjutan Berdasarkan Kriteria ISPO (Studi Kasus PT. X Kalimantan Selatan)" (Sekolah Pascasarjana Institut Pertanian Bogor, 2014), 45

able plantation.<sup>7</sup> The government encourages oil palm plantation entrepreneurs to carry out their obligations under laws and regulations and protect and promote sustainable oil palm plantations.<sup>8</sup> Furthermore, in 2015 the Law Number 11/Permentan (the Regulation of the Minister of Agriculture) /Ot.140/3/2015 concerning the Indonesian Sustainable Palm Oil Certification System was stipulated.

### **METHOD**

This is empirical juridical research. The data is collected through interviews, observations, and documentation, as well as studying the law in society. Furthermore, the factors that influence the law play a role in society, namely the rule of law or the regulation itself, law enforcement, the means used by law enforcers, and public awareness.<sup>9</sup>

Sources of data used in this study are a), Primary data obtained by interviewing the participants involved in this research, <sup>10</sup> b), Secondary data is obtained through library research, namely: <sup>11</sup> books, laws and regulations, journal articles, theses, and dissertations c), Tertiary data is explanatory for the data of primary and secondary legal materials.

Legal data collection techniques are requirements that determine the success of the research. This type of research is empirical legal research that uses interviews, documentation, and field notes by looking at the role of the Government of North Aceh Regency in implementing the principles of sustainable plantations through Indonesian Sustainable Palm Oil in encouraging plantations. The data were sustainable analyzed qualitatively by describing the legal material in the form of sentences that were orderly, coherent, logical, and effective. Analysis of legal materials and interpretations will produce quality and comprehensive empirical legal research.<sup>12</sup>

The research location was carried out in North Aceh Regency with the consideration that North Aceh Regency area has the potential for implementing sustainable plantations, and the data needed by researchers was easy to access.

# ANALYSIS AND DISCUSSION Legal Basis of ISPO Certification

The legal basis for sustainable plantations is based on Law Number 39 of 2014 concerning Plantations, which focuses on the implementation of plantations based on the principles of sovereignty, independence, usefulness, sustainability of integration, togetherness, openness, efficiency - justice, local wisdom, and the preservation of environmental functions. Plantations are regulated by adopting the principle of sustainable plantations so that the direction of development in the plantation sector must be sustainable. If this principle is fulfilled by oil palm entrepreneurs as well as the involvement of local governments in a

<sup>&</sup>lt;sup>7</sup> Lihat lebih lanjut Pasal 62 Undang-Undang Nomor 39 Tahun 2014 tentang Perkebunan, selanjutnya disebut Undang-Undang Perkebunan.

<sup>&</sup>lt;sup>8</sup> Ermanto Fahamsyah and Eusebius Pantja Pramudya\*, "Sistem ISPO Untuk Menjawab Tantangan Dalam Pembangunan Kelapa Sawit Indonesia Yang Berkelanjutan," *Jurnal Masyarakat Indonesia* 43, no. 1 (2017): 66, http://jmi.ipsk.lipi.go.id/index.php/jmiipsk/article/view/718.

<sup>&</sup>lt;sup>9</sup> Zainuddin Ali, *Metode Penelitian Hukum* (Jakarta: Sinar Garfika, 2011), 31.

J. Supranto, Metode Penelitian Hukum Dan Statistik (Jakarta: Rineka Cipta, 2003), 2

<sup>&</sup>lt;sup>11</sup>Bambang Sunggono, *Metode Penelitian Hukum* (Jakarta: Raja Grafindo Persada, 2007), 113.

<sup>&</sup>lt;sup>12</sup>Abdul kadir Muhammad, Hukum Dan Penelitian Hukum (Bandung: Citra Aditya Bakti, 2004), 127.

synergistic pattern in building the plantation sector, the great expectation from the sector is to improve welfare, people's prosperity, employment opportunities, and protection for plantation entrepreneurs and the community in the management and development of the plantation sector specifically oil palm plantations.<sup>13</sup>

The concept of sustainable plantations is based on Law Number 39 of 2014 concerning Plantations with the issuance of the Minister of Agriculture Regulation No. 11/Permentan/ Ot.140/3/2015 concerning the Indonesian Sustainable Palm Oil Certification System. The position of the Regulation of the Minister of Agriculture is recognized for its existence and its binding nature and is in accordance with the hierarchy of laws and regulations. There are 3 (three) characteristics of laws and regulations, namely; first, written regulations; second, legally binding norms in general; and third, formed by state institutions or authorized officials, namely officials or institutions authorized to make written rules based on the authority of attribution or delegation by the Constitution or other laws or regulations, 14 so that the existence of the agricultural regulation is strong in legal regulations and can be adopted in the implementation of sustainable plantation certification or ISPO certification.

# ISPO Certification Principles and Criteria

ISPO certification can be given to companies that have met the ISPO require-

ments which is compliance with legal, economic, environmental and social compliances based on laws and regulations, and will be given sanctions if they violate the ISPO. There are seven principles and criteria for the ISPO for Sustainable Oil Palm Plantation as follows:<sup>15</sup>

ISPO principle and indicator Table 1

No	Principle and Criteria	Indicator
1	Plantation	Permits and certificates for
	Management	plantation managers must obtain
	and Permit	permits and land certificates from
	System	authorized officials, except for
		plantations resulting from the
		conversion of <i>eigendom</i> rights.
2	Application	Technical guidelines for
	of Technical	cultivation, land clearing comply
	Guidelines	with soil and water conservation
	for Palm Oil	principles. Superior quality seeds
	Cultivation and	refer to applicable laws and
	Processing.	regulations and seed technical
		standards.
3	Environmental	Plantation managers who own
	Management	factories are required to carry out
	and Monitoring	environmental management and
		monitoring in accordance with
		applicable regulations. These
		obligations relate to AMDAL,
		UKL and UPL. In addition,
		managers must carry out fire
		prevention and control, maintain
		and preserve biodiversity in
		accordance with their business
		licenses.

<sup>&</sup>lt;sup>13</sup> Lihat pada Pasal 32 ayat (1) dan (2) Undang-Undang Perkebunan.

<sup>&</sup>lt;sup>14</sup> Zafrullah Salim, "Legislasi Semu (Pseudowetgeving)," Kementerian Hukum Dan Hak Asasi Manusia Republik Indonesia Direktorat Jenderal Peraturan Perundang-Undangan, accessed February 18, 2020, http://ditjenpp.kemenkumham.go.id/htn-dan-puu/1299-legislasi-semu-pseudowetgeving.-html.

<sup>15 &</sup>quot;Prinsip Indonesian Sustainable Palm Oil (ISPO)," Renggaarnalisrenjani, last modified 2013, accessed February 18, 2020, https://renggaarnalisrenjani. wordpress.com/2013/04/12/prinsip-indonesiansustainable-palm-oil-ispo/.

4	Desponsibilities	Diantation managers are required
4	Responsibilities for Workers	Plantation managers are required to have an occupational safety and health management system (SMK3), pay attention to the welfare of workers and improve their abilities. In addition, it should not employ minors and discriminate. Then, they facilitate the formation of trade unions in fighting for the rights of employees or workers. The company encourages and facilitates the formation of workers' cooperatives.
5	Social and Community Responsibility	Plantation managers must have a commitment to social, community and potential development of local wisdom. There are two indicators, first, there is a commitment to social responsibility and the community environment in accordance with the norms prevailing in the local community. Second, there is a record of the realization of the commitment to social responsibility and the community environment.
6	Empowerment of Community Economic Activities	Plantation managers prioritize to provide opportunities for purchasing and procurement of goods and services to the community and the availability of local transaction partners, purchases, use of contractors, and others.
7	Sustainable Business Improvement	Managers of plantations and factories in a sustainable manner need to improve performance by developing and implementing action plans that support sustainable production increases.

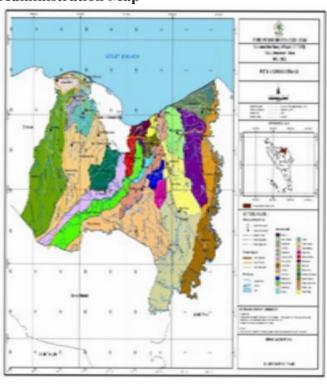
The seven principles and criteria of ISPO serve as a reference for plantation managers and entrepreneurs of oil palm plantations in carrying out their business activities. Compliance with these principles becomes the standard of compliance with the law so that the management has complied with the

principles that have become ISPO standards.

# Implementation of Sustainable Plantation Principles through Indonesian Sustainable Palm Oil in North Aceh Regency

North Aceh Regency with the capital Lhoksukon has 27 (twentyseven) sub-districts, with 70 (seventy) settlements and 852 (eight hundred and fiftytwo) villages. North Aceh Regency has a recorded area of 3,296.86 km2. Administration drawing is shown in figure1.<sup>16</sup>

Figure 1<sup>17</sup>
Oil Palm Plantation in North Aceh District
Administration Map



Oil palm is an industrial plant that produces cooking oil, industrial oil, and fuel. <sup>18</sup> Oil palm plantations in Indonesia were pioneered by

<sup>&</sup>lt;sup>16</sup> Qanun Number 7 Year 2013 concerning RTRW North Aceh, Sheet, North Aceh Year 2013 Number 7.

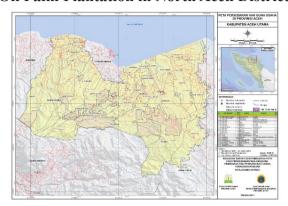
<sup>&</sup>lt;sup>17</sup> *Ibid.*,

<sup>&</sup>lt;sup>18</sup> Mubyarto, *Pengantar Ekonomi Pertanian* (Jakarta: LP3ES, 1989), 244.

Adrien Hallet (Belgium), who has experience in planting oil palm in African countries. Oil palm is a plant that produces vegetable oil, grows as a wild plant in forests and cultivated plants in tropical regions of Southeast Asia, Latin and Africa. Oil palm plants thrive and are able to provide a lot of production. Currently, oil palm has been cultivated as a plantation crop around the seven largest producing countries.<sup>19</sup>

North Aceh Regency based on Qanun Number 7 of 2013 concerning Spatial and Regional Planning, has an area of 328,686.86 Ha, more than 50% of the area is designated for Other Use Areas (APL), equivalent to 35% of APL already in plantation permit concessions. More than 65% of the permit area is for monoculture commodity crops, namely oil palm. The results of the study found in the Regency of Aceh Utara, there are 21 Business Use Rights (HGU) granted to 13 companies engaged in the plantation sector, namely; PT. Satya Agung pocketed 5 (five) HGU, PT. Dunia Perdana holds 3 (three) HGUs, and PT. Narata Indah and PT. Molimas each has 2 (two) HGUs. The rest belong to 7 companies each obtaining 1 (one) HGU, namely: PT. Bahruny Plantation (Bapco Kebun Pirah), PT. Blang Swimming Adipratama, PT. Blang Ara, PT. Bukit Nibong Palem, KSU Kawah Sejati / PT. Agro NAD, PT. Gunci Geubrina, PT. Perkebunan Nusantara I, and 2 belong to cooperatives, namely, KUD Pirak Jaya and KPN Bina Atakana.

Figure 2<sup>20</sup>
Map of Distribution of Rights to Cultivate
Oil Palm Plantation in North Aceh District



The Establishment of an Understanding between the North Aceh Regency Government and Civil Elements in Supporting the Sustainable Management of Oil Palm Plantations in North Aceh Regency

Authority in the legal aspect is essential for an organization including the government, in this case, the Government of North Aceh Regency is no exception. The government in implementing its activities must be based on the authority it has. This authority is obtained in three forms, namely, attribution authority, delegation authority, and mandate authority. Attribution authority is usually given through the division of state power by the constitution, while delegation, and mandate powers are powers that come from "delegation".<sup>21</sup>

The realization of sustainable oil palm

<sup>&</sup>lt;sup>19</sup> Djoehana Setyamodjaja, Kelapa Sawit, Teknik Budidaya, Panen Dan Pengolahan (Jakarta: Kanisius, 2006), 11

<sup>&</sup>lt;sup>20</sup> Qanun Number 7 Year 2013 concerning RTRW North Aceh, Sheet, North Aceh Year 2013 Number 7.

Philipus M. Hadjon, Pengantar Hukum Administrasi Indonesia: Introduction To The Indonesian Administrative Law (Yogyakarta: Gadjah Mada University Press, 2005), 130 Lihat Juga Philipus M. Hadjon, Fungsi Normatif Hukum Administrasi Dalam Mewujudkan Pemerintahan Yang Bersih (Surabaya: Law Faculty of Universitas Airlangga, 1994), 7

plantations in North Aceh must be carried out jointly between the Government of North Aceh Regency and its authorities together with civil elements in an effort to introduce the concept of sustainable oil palm plantation management through the ISPO certification system, and also to build understanding and commitment with oil palm plantation companies that are engaged in oil palm plantations, cultivation, and processing sectors, as well as building a basic framework of commitment with the Government of North Aceh Regency in realizing the ISPO certification concept for Oil Palm Plantation Companies in North Aceh Regency.

In realizing the concept, a focus group discussion (FGD) was carried out between the Government of North Aceh Regency and civil elements with the theme "Initial Meeting of the Government of North Aceh Regency to build understanding on the concept of sustainable oil palm plantation management by applying the ISPO certification concept".

The meeting was attended by the Head of the Plantation, Livestock and Animal Health Service, the Head of the North Aceh Land Service, the Head of the North Aceh Economic and Investment Division, plantation observers as well as the former head of the North Aceh Plantation, Livestock and Animal Health Service, which was held in the Office Hall North Aceh Land Affairs, by producing several conclusions, namely; first, an understanding with the North Aceh Regency Government in understanding the concept of sustainable plantations for oil palm plantations in North Aceh Regency, second, the establishment of a commitment from the North Aceh Government through the Plantation, Livestock and Health offices to support sustainable oil palm plantations; third, forming a joint team to encourage oil palm plantation companies and palm oil factories to implement ISPO certification.

# North Aceh Regency Government Together with Civil Elements Provides Basic Understanding Procedures of Sustainable Plantation Certification (ISPO)

Based on the provisions of the Ministry of Agriculture Number 11/OT.140/3/2015) concerning the Indonesian Sustainable Palm Oil Certification System, the amendment to the Minister of Agriculture No. 19/Permentan/OT.140/3/201, guidelines for Sustainable Oil Palm Plantation in Indonesia have been established. In Article 2 of the Ministry of Agriculture Number 11/OT.140/3/2015, the government divides the application for the ISPO certification system into mandatory or voluntary.

The mandatory implementation of the ISPO system, based on the regulation of the Ministry of Agriculture, is carried out for plantation companies that implement plantation cultivation activities that are integrated with oil palm processing businesses. However, the implementation of ISPO voluntarily is carried out in three types of business activities, namely; first, plasma plantation business activities whose land is from government land reserves, plantation companies, community plantations and land owned by planters who obtain facilities through plantation companies for the development of their plantations; second, the business activities of selfhelp plantations whose plantations are built or managed by the smallholders themselves; third, plantation companies that produce palm oil for renewable energy.

In order to understand the procedures and regulations for sustainable plantation certification, the North Aceh Government and civil elements conducted a workshop, namely, "Building a Joint Commitment for Sustainable Plantation Management in North Aceh", the activity presented 2 speakers; Azanuddin Kurnia, SP, MP (Head of Plantation Office of Aceh Province) and Tiur Rumondang (Director of RSPO Operations Indonesia). The two presenters presented the material of the ISPO and RSPO certification procedures and the regulations that govern them, as well as how they are implemented in oil palm plantation companies. The implementation commitments were reached at the meeting from the two oil palm plantations companies and 1 palm oil factories (PKS), namely PT. Satya Agung; PT. Perkebunan Nusantara I, and PT. Ika Bina Agrowisesa.

# The North Aceh Government Together with CSOs Conducted a Visit to the Implementation of the ISPO Commitment at PT. Setya Agung, PT. Perkebunan Nusantara I, and PT. Ika Bina Agrowisesa

In order to build the commitment of oil palm plantation companies and palm oil factories, the North Aceh Regency Government through the Office of Plantation, Livestock and Animal Health and Kastabuna, MP (North Aceh Plantation Observer) and CSOs visited to palm plantation companies and palm oil factories that have committed to implement ISPO certification.

In the future, for the sustainable plantation certification program in North Aceh Regency, he said that this ISPO program must be carried out by plantation companies, cultivation businesses, and oil palm processing companies.<sup>22</sup> This is in accordance with the

mandate of Article 2 Paragraphs (1), (2), and (3) of the Ministry of Agriculture Number 11/ OT.140/3/2015 concerning the Indonesian Sustainable Oil Palm Certification System, namely; <sup>23</sup> first, the implementation of the Indonesian sustainable palm oil certification system is carried out obligatory or voluntary; second, the implementation of the mandatory certification system is implemented on, 1) plantation companies that carry out plantation cultivation business integrated with processing businesses, 2) plantation companies that carry out plantation cultivation businesses, 3) plantation companies that carry out plantation product processing businesses; third, the implementation of a voluntary certification system is carried out on, 1) plasma plantation businesses whose land comes from government land reserves, plantation companies, community plantations or those of planters who obtain facilities through the Plantation Company for the development of their plantations, 2 independent plantation businesses whose plantations are built and /or self-managed by smallholders, 3) plantation companies that produce palm oil for renewable energy by plantation companies that meet the requirements.

Based on these provisions, North Aceh Regency has two (2) plantation companies engaged in cultivation, and these companies have committed ISPO such as PT. Satya Agung and PT. Perkebunan Nusantara I. Both are in the mandatory category to implement the principles of sustainable plantations through ISPO certification.

The Result of the Interview with Lilis Indriansyah (Head of Plantation, Plantation Office, Livestock and Animal Health, North Aceh), in Bappeda (Regional Development Planning, Research and Development

Agency), North Aceh, on 15.20 WIB, Thursday, 15 January 2019.

<sup>&</sup>lt;sup>23</sup> For detail, see Article 2 Verse (1), (2), and (3) Permentan Number 11/OT.140/3/2015 on the Indonesian Sustainable Palm Oil Certification System.

Furthermore, a plantation company engaged in processing, namely, PT. Ika Bina Agrowisesa (palm oil factories) is also included in the mandatory category to implement the principles of sustainable plantations through ISPO certification.

Therefore, the result of the study revealed the efforts made by the North Aceh Regency Government in sustainable plantation management through the implementation of ISPO principles, with the ultimate hope that there will be oil palm plantation companies that have ISPO certification in increasing transparency, accountability, responsibility, independence and the credibility of the ISPO system as a national palm oil standard, and the recognition of CPO at the national, regional and international levels, and reflecting the increasing demand for ISPO system, especially in the world market.

So, it aims to meet good governance in the management and development of oil palm in North Aceh Regency which is marked by increased compliance and application of all economic, socio-cultural, and ecological aspects, as well as legality. The final expectation is that all plantation companies in the North Aceh Regency have sustainable plantation certification through ISPO and contribute to regional development that is oriented towards community welfare as mandated by the constitution of the Republic of Indonesia.

### **CONCLUSION**

The discussion can be concluded as follows:

1. That the basis for implementing the ISPO principles carried out by the Government of North Aceh Regency is for improvement in the management of oil palm plan-

- tations in the North Aceh region, and based on Article 62 of Law Number 39 of 2014 concerning Plantations. It is stated that plantation development is carried out in a sustainable manner by taking into account economic, socio-cultural, and ecological aspects, and is explained more concretely through the Regulation of the Minister of Agriculture of the Republic of Indonesia Number 11/Permentan/Ot.140/3/2015 concerning the Indonesian Sustainable Palm Oil Certification System (ISPO).
- 2. The Government of North Aceh Regency, through the Department of the Plantation, Livestock and Animal Health made an effort to map how many plantation companies exist in North Aceh, and made socialization of sustainable plantations as well as the establishment of 2 oil palm plantation companies that is committed to implement ISPO certification, namely PT. Perkebunan Nusantara I and PT. Satya Agung, as well as Guha Uleu Palm Oil Factory through PT. Ika Bina Agro Wisesa that committed to implement ISPO certification.
- 3. The Government of North Aceh Regency also experienced the issues of a lack of human resources who mastered ISPO certification within the North Aceh Government, and the lack of budget availability to encourage sustainable plantations in the management and development of sustainable oil palm plantations.

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