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Implementation of the Indonesia Sustainable Palm Oil (ISPO) Policy on Oil Palm Plantations in West Kalimantan

Dewi Suratiningsih
Department of International Relations, Universitas Tanjungpura, Pontianak, Indonesia
dewi.suratiningsih@fisip.untan.ac.id
Hardilina
Department of Public Administration, Universitas Tanjungpura, Pontianak, Indonesia
hardilina@fisip.untan.ac.id
Akhmad Rifky Setya Anugrah
Department of Political Science, Universitas Tanjungpura, Pontianak, Indonesia
akhmad.rifky@fisip.untan.ac.id
Safira
Department of International Relations, Universitas Tanjungpura, Pontianak, Indonesia
safirafy1999@student.untan.ac.id
Dea Puspita
Department of International Relations, Universitas Tanjungpura, Pontianak, Indonesia
puspitadea068@student.untan.ac.id
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Abstrak

Indonesia merupakan negara dengan produksi kelapa sawit terbesar di dunia. Namun, kebijakan Renewable Energy Directive (RED) oleh Parlemen Uni Eropa menyebabkan industri kelapa sawit Indonesia karena mengalami hambatan ekspor ke Eropa karena dianggap tidak memenuhi prinsip berkelanjutan. Sebagai respon dari kebijakan Uni Eropa tersebut, pemerintah Indonesia menerapkan kebijakan Indonesian Sustainable Palm Oil (ISPO) pada tahun 2009. Kebijakan ini bertujuan untuk menjamin semua pihak perkebunan kelapa sawit memenuhi standar pembangunan perkebunan kelapa sawit yang berkelanjutan. Pemerintah Indonesia juga berupaya mempromosikan ISPO ke dunia internasional. Kalimantan Barat provinsi dengan luas perkebunan kelapa sawit terluas ketiga di Indonesia. Namun, dalam perjalanannya masih sedikit perusahaan kelapa sawit yang telah memiliki sertifikat ISPO. Penelitian ini menganalisis faktor-faktor yang menyebabkan implementasi kebijakan Indonesian Sustainable Palm Oil (ISPO) di Kalimantan Barat belum efektif. Peneliti menggunakan konsep Pembangunan Berkelanjutan dan Konsep Implementasi Kebijakan untuk menganalisis masalah dalam penerapan kebijakan ISPO di Kalimantan Barat. Pada penelitian ini, peneliti menggunakan pendekatan deskriptif kualitatif dengan teknik pengumpulan data penelitian kepustakaan dan penelitian lapangan melalui wawancara mendalam, observasi, dan dokumentasi. Penelitian ini menjelaskan beberapa faktor penghambat implementasi kebijakan ISPO di Kalimantan Barat, antara lain: isi kebijakan yang tidak spesifik, kendala informasi, belum ada kebijakan publik yang mendukung implementasi, dan kegagalan distribusi potensi di antara pihak-pihak yang terlibat dan implementasi.
Kata Kunci : implementasi kebijakan, kelapa sawit, Renewable Energy Directive (RED), Indonesian Sustainable Palm Oil (ISPO), pembangunan berkelanjutan.

Abstract

When it comes to palm oil, Indonesia dominates the global market. However, the European Union Parliament's Renewable Energy Directive (RED) policy created roadblocks for the Indonesian palm oil industry's European exports because the product did not adhere to sustainability principles. In 2009, Indonesia adopted the Indonesian Sustainable Palm Oil (ISPO) policy in response to the European Union's RED. This policy aims to promote sustainable practices on oil palm plantations. The government of Indonesia is likewise working to increase ISPO's visibility abroad. Regarding Indonesian provinces, West Kalimantan has the third-largest area dedicated to oil palm plantations. However, only a few palm oil producers have obtained ISPO certification. This study aims to determine why the ISPO policy was ineffective in West Kalimantan by examining the challenges of enforcing the policy through the lenses of sustainable development and policy implementation. A descriptive qualitative method was applied, with data gathered through in-depth interviews, observation, and documentation. Non-specific policy substance, information restrictions, governmental policies not supporting implementation, and probable distribution problems among the parties engaged in execution were only a few factors this study cited impeding the ISPO policy implementation in West Kalimantan.
Keywords: policy implementation, palm oil, Renewable Energy Directive (RED), Indonesia Sustainable Palm Oil (ISPO), sustainable development.

INTRODUCTION

Over 40,560,000 tonnes of palm oil were produced in Indonesia in 2018, making it the world's largest producer (Kompas, 2020). However, Indonesia's palm oil industry is facing difficulties when exporting to Europe due to the Renewable Energy Directive (RED) II policy approved by 640 members in 2019 and will be implemented in 2024. RED II is an update to RED I, which went into effect in 2009 and has a deadline of 2020—both set requirements for its participants regarding renewable energy use. Biofuel is the primary renewable energy source to accomplish this goal. As a result, some rules must be followed in the production of biofuels to ensure that it does not promote deforestation and that all raw materials are sustainable.

It is widely believed that the palm oil industry in Indonesia is directly responsible for huge deforestation, harm to the environment as animal habitat, corruption, the hiring of minors, and human rights (HAM) violations against palm oil workers. Thus, the European Union Parliament decided to cap palm oil in alternative fuels at 7% through 2030. The European Union Parliament has voted to switch to renewable energy sources. It is confirmed in the "Report on the Proposal for a Directive of the European Parliament and of the Council on the Promotion of the Use of Energy from Renewable Sources" (Sidik, 2018).

Indonesia has adopted the Indonesian Sustainable Palm Oil (ISPO) policy to address the issue determined by the European Union Parliament through the RED regarding the rejection of Indonesian palm oil. The ISPO is a policy with the primary objective to boost the international competitiveness of Indonesian palm oil and to contribute to the realization of the President of the Republic of Indonesia's pledge to lessen the country's carbon footprint and provide greater attention to environmental concerns (Pratiwi, 2016).

The ISPO was established in 2011 as a reaction to the RED I policy of the European Union by the Indonesian Government (Sidik, 2018). Its purpose was to provide assurances and firmness in the concepts and requirements for creating sustainable oil palm plantations. An option is available in the form of the ISPO accreditation, serving as a tool for evaluating and administering Indonesian oil palm plantations. With guidelines for addressing environmental damage risk and the problem of poor production credibility in foreign markets (mainly Europe), this policy is projected to be able to decrease export obstacles. It is meant to foster market expansion for both major companies and smallholders of oil palm plantations.

The market for Indonesian palm oil exports to Europe is predicted to rise if the ISPO can achieve the standards for sustainable biofuels. According to the Ministry of Plantations, Indonesia shipped 28,279,000 tonnes of crude palm oil (CPO) to Europe in 2021. The Netherlands, Italy, and Spain are the top three importers (Tandra et al., 2021). In 2021, Spain imported 992,800 tonnes, Italy 622,500 tonnes, and the Netherlands 567,000 tonnes. The previous year, Spain imported 1,130,000 tonnes, followed by Italy with 994,700 tonnes, and the Netherlands with 682,800 tonnes. While Spain purchased 1,070,000 tonnes in 2019, the Netherlands bought 914,900 tonnes, and Italy purchased 751,000 tonnes (CNN Indonesia, 2023).

Indonesia can have success selling to customers in Europe. Therefore, it is up to the Indonesian Government to persuade the European Union that Indonesian palm oil is harvested ethically under sustainable principles. Indonesia's leading partners in Europe for palm oil include Spain, Italy, and the Netherlands, and it was with their help that a good campaign was launched there. Palm oil-based biofuels are essential to Spain and Italy's automotive and transportation industries. Furthermore, Spanish, Italian, and Dutch palm oil importers and companies have joined pro-palm oil groups and associations, indicating a desire to work with the Indonesian Government. The government and local stakeholders can successfully conduct campaigns through distribution, seminars, and direct communication with stakeholders in importing countries (Badan Pengkajian dan Pengembangan Kebijakan Kementerian Laur Negeri RI, 2019).

On May 8-9, 2019, delegates from the European Union and the Food and Agriculture Organization (FAO) visited Riau to observe firsthand the implementation of palm oil governance based on the

ISPO (BPDPKS, 2019). These delegates came from Belgium, Spain, Finland, Ireland, Sweden, Hungary, the Netherlands, and the United Kingdom. Seven of the 15 ISPO certification organizations are based in countries other than their home country (BPDPKS, 2019). These countries include Germany, the United Kingdom, Italy, France, Switzerland, and Australia. ISPO's seven guiding principles are as follows (Sawit Indonesia, 2022): compliance with the legality of plantation businesses, implementation of good plantation practices, management of the environment, natural resources and biodiversity, responsibility for employment, social responsibility and community economic empowerment, implementation of transparency, and sustainable business improvement. It demonstrates Indonesia's promotional initiatives aimed at winning over the European Union.

The Indonesian Government is also quite involved in international conferences and forums devoted to sustainability and palm oil concerns. To take real action toward achieving sustainability in Indonesia's palm oil industry, the Indonesian Government promoted ISPO in 2021. Through its Ministry of Foreign Affairs and Ministry of Trade, Indonesia has launched the ISPO certification program on many platforms, including the "Indonesia-Japan Online Business Forum (ISPO)" (ASEAN-Japan Centre, 2021).

With 1,530,000 hectares, West Kalimantan Province ranks third in Indonesia in oil palm plantation area (Kompas, 2020). So that the palm oil products made from West Kalimantan oil palm plantations can compete, they must acquire ISPO accreditation, according to a 2019 statement by GAPKI (GAPKI, 2019). Implementing the ISPO is a means of meeting Indonesia's oil palm plantation governance regulations. The ISPO now has a way to address the problems of deforestation, degradation, habitat destruction, killing of protected wildlife, and rising greenhouse gas emissions, all with the full backing of the West Kalimantan Provincial Plantation Department.

In 2016, 108 palm oil companies existed in West Kalimantan, but only 18 were ISPO-certified, according to statistics from the province's Agriculture Department. Since the ISPO license is now mandatory, the Plantation Department strongly recommends that all palm oil companies have it (Dinas Perkebunan Provinsi Kalimantan Barat, 2017). Therefore, this study examined the ISPO implementation, focusing on the West Kalimantan area. This study aims to investigate the factors contributing to the failure of the ISPO policy in West Kalimantan.

LITERATURE REVIEW

SUSTAINABLE DEVELOPMENT

After much discussion at the World Summit on Sustainable Development, the concept of sustainable development was born. Following the Johannesburg Conference on the Sustainable Development Agenda in 2002, a universal comprehension of sustainable development has been developed. The Johannesburg Declaration for Sustainable Development is a document signed by heads of state and government that details the world community's issues and commitments to achieving sustainable development. The group at the Johannesburg conference settled on "sustainable development" as the new term for "sustainable value".

This dedication is described in sustainable development's three pillars: the simultaneous promotion of economic justice, social well-being, and environmental protection. Therefore, the definition of sustainable development in this context demands a relationship between place and time since it begins with a system of thought. Thus, the three pillars of sustainable development (environment, economy, and society) rely on a fundamental system approach to understand their current relationships to produce better outcomes (U.S. Environmental Protection Agency, 2011).

Indonesia's palm oil industry is working to balance the economy, society, and environment to meet the criteria for sustainable development. The Indonesian Government created the notion of sustainable palm oil, and the ISPO serves as a reference for putting it into practice. In compliance with the requirements of Article 33, paragraph 4, of the Constitution of 1945 and Article 1, paragraph 3, of Law No. 32 of 2009 on the Environment, Sustainable Palm Oil Development is included in Presidential Regulation No. 44 of 2020.

Much research has been conducted on sustainable palm oil, mostly focusing on the push to adopt the ISPO more widely. The government of Indonesia is dedicated to achieving the Sustainable Development Goals (SDGs) through implementing sustainable development policies and practices. According to Dewi's research from 2021, the Indonesian Government has worked to enhance the ISPO implementation for both industrial companies and independent smallholders by including several stakeholders in the process. Comprehensive monitoring of the ISPO implementation is made possible by the participation of numerous parties, including the government, businesses, NGOs, and community organizations. Government agencies like the Coordinating Ministry for the Economy, Ministry of Agriculture, Ministry of Finance, Ministry of Industry, Ministry of Trade, Ministry of Energy and Human Resources, Ministry of State-owned Enterprises, and the Ministry of National Development Planning are all working together to maximize the efficiency of the Oil Palm Plantation Fund Management Agency (BPDPKS) (Nurfatriani et al., 2018).

However, several challenges must be overcome before this policy can be fully implemented. Sylvia (2022) mentioned several obstacles to overcome in the government's implementation of the ISPO, such as the lack of a clear definition of sustainability, the lack of a precise organization responsible for the ISPO, and the lack of global market recognition of this certification. Rosyani (2021) argued that companies with ISPO certification are not doing enough to encourage and help plasma or independent smallholders implement their commitment to sustainable certification on oil palm plantations in Indonesia.

Moreover, Rosyani (2021) reacted to the low level of ISPO adoption by suggesting that incentives or premium pricing policies for producers holding ISPO certification might enhance growers' interest in implementing ISPO certification regulations. Growers are hesitant to carry out certification obligations for several reasons, including the considerable expenditures that must be invested at the beginning of the audit process, uncertainty over the selling price of palm oil, and the high price of fertilizer. In order to boost motivation and engagement among freelance, plasma, and in-house planters, a formal incentive strategy is required.

Some studies offer an overview of the field's dynamics regarding the application of the ISPO for corporate, commercial, and independent growers, most notably concerning technological implementation, which ran into several problems. However, there is still a need for a study that analyzes the examination of the ISPO certification policy because of the lack of explanation surrounding the difficulties of executing the policy. Using the factors contributing to the ineffectiveness of the ISPO policy in West Kalimantan as a lens, this study aims to assess the policy's execution of the ISPO certification.

POLICY IMPLEMENTATION

The term "policy implementation" refers to "the provision of means to do, influence, or cause something to occur" (Widodo et al., 2007). If this agreement is to have any effect, assistance organizations must be involved in its implementation. The definition of implementation in the policy context refers to the process through which policies are developed, codified into rules and regulations, and then implemented. However, for the policy to have its intended impact, it must be strictly implemented and spot on.

West Kalimantan's smallholders have not yet seen the full benefits of the ISPO policy at the corporate, plasma, or individual levels. From this issue, the reasons for preventing policy implementation can be explored. Sunggono (1994) identified several elements that might be roadblocks to successful policy implementation. *To begin with,* a lack of internal or external policy provisions, seriously flawed action, and the inability to execute public policies owing to a lack of aid resources are the primary causes of policy implementation failure. In *addition,* it is assumed that the actors directly involved in the execution of public policy have the essential or highly relevant knowledge to fulfill their roles. However, if issues like communication arise, access to this information will be compromised. *Moreover,* it will be exceedingly challenging to implement policy if public policy implementation does not give adequate support.

Aspects of the distribution between the parties participating in implementation also impact the distribution of probable reasons for failure in the execution of public policy, bringing us to the *fourth* and last point. In this situation, the executive organizational structure might be problematic regarding the limits of the implementing organization's tasks and authority if the distribution of capabilities and responsibilities does not correspond with the division of tasks or when there are no defined boundaries.

The circumstances contributing to the ineffectiveness of the ISPO policy's implementation in West Kalimantan were analyzed using implementation inhibiting factors.

RESEARCH METHOD

This study employed a descriptive qualitative method. Descriptive qualitative research seeks to build a holistic picture of the studied social reality. The researchers do not predetermine this overarching comprehension but rather emerge from the participant's point of view. The social realities are then analyzed and explored in greater depth, and a conclusion is reached through an overarching comprehension of these phenomena (Ruslan, 2004).

Library and field research were utilized as the data-collecting techniques. Information was gathered through library research by reading the findings of previous studies in the form of scientific publications (articles and journals in the scientific literature). Meanwhile, information was gathered from the field through interviews and in-depth interviews. To gather information, interviews were conducted directly and indirectly (through a third party, such as the media). Meanwhile, many individuals, known as key informants, were subjected to in-depth interviews. The Heads of the Environmental Department and the Agriculture Department of West Kalimantan served as this study's primary sources of information. Observation was also performed—a direct form of studying by experiencing a scenario, process, condition, activity, or behavior as it occurred (Birowo, 2004). Next came the documentation. At this point, many documents or archives in pictures, posters, and other media relating to the introduction of ISPO in West Kalimantan were amassed.

RESULT AND ANALYSIS

ISPO POLICY AS AN IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT

ISPO Implementation in Indonesia

The government recognized palm oil's potential as an economic driver and employment creator. Hence, it has actively promoted the expansion of oil palm plantations. The total area of oil palm plantations in Indonesia reached 14,850,000 hectares in 2020 (Direktorat Jenderal Perkebunan Kementerian Pertanian RI, 2020). Several different provinces in Indonesia have been home to oil palm plantations. Table 1 displays the information on oil palm acreage and provincial distribution of oil palm plantations in Indonesia in 2017-2021.

Table 1 exhibits that in 2020, oil palm plantations in Indonesia were located in 26 of the country's 33 provinces. Then, in 2021, Riau Province had the most oil palm plantations, covering 2,890,000 hectares. West Kalimantan Province, with a total land size of 2,070,000 hectares, came in at a close second. While expanding Indonesia's oil palm plantations might be good for the economy, some have worried that doing so would have negative environmental consequences by reducing the amount of forest available for regeneration. The reputation of Indonesia's palm oil sector suffered as a result.

Oil palm plantations have become controversial since they lead to deforestation and the loss of natural ecosystems, both of which have merits and downsides. Thus, Indonesia must adopt the ISPO principles and RED policy. The ISPO was created so that the European Union's demand for palm oil could be met in line with the RED 2009/28/EC, as stated by the Directorate General of International Trade Cooperation under the Ministry of Trade of the Republic of Indonesia (Hia & Kusumawardani, 2016). To further complement and strengthen the implementation of the sustainable oil palm plantation certification scheme following statutory regulations to reduce greenhouse gas emissions, the government of Indonesia issued Presidential Regulation No. 44 of 2020 concerning the Indonesian sustainable oil palm plantation certification system (Purwanto, 2020).

Table 1. Oil Palm Plantation Area by Province in Indonesia (2017-2021)

Province	2017	2018	2019	2020	2021	Growth 2019 over 2018 (%)
Aceh	543.25	494.23	487.53	488.00	495.24	-1.36
North Sumatera	1,708,135	1,551,603	1,373,273	1,325,079	1,345,783	-11.49
West Sumatera	478,317	379,601	379,662	393,309	399,023	0.02
Riau	2,703,199	2,706,092	2,741,621	2,853,941	2,895,003	1.28
Kepri	23,714	7,875	7,396	7,398	7,512	-6.08
Jambi	667,795	1,032,145	1,034,804	1,074,599	1,090,072	0.26
South Sumatera	1,164,667	1,137,642	1,191,401	1,197,964	1,215,476	4.73
Bangka Belitung Islands	263,343	224,514	225,160	239,813	243,447	0.29
Bengkulu	360,448	311,807	310,672	325,251	329,893	-0.36
Lampung	259,339	201,612	193,004	196,312	199,182	-4.27
DKI Jakarta	-	-	-	-	-	0
West Java	17,420	15,676	13,716	13,464	13,704	-12.5
Banten	20,258	19,366	19,242	19,243	19,556	-0.64
Central Java	-	-	-	-	-	-
Special Region of Yogyakarta	-	-	-	-	-	-
East Java	-	-	-	-	-	-
Bali	-	-	-	-	-	-
West Nusa Tenggara	-	-	-	-	-	-
East Nusa Tenggara	-	-	-	-	-	-
West Kalimantan	1,504,787	1,815,133	2,017,456	2,039,203	2,070,272	11.15
Central Kalimantan	1,460,900	1,640,000	1,922,083	2,018,660	2,049,790	17.14
South Kalimantan	587,799	542,420	471,264	497,261	504,919	-13.12
East Kalimantan	1.059,990	1,434,485	1,254,224	1,313,606	1,333,905	-12.57
North Kalimantan	249,952	155,154	155,379	157,677	160,089	0.14
North Sulawesi	-	-	-	-	-	-
Gorontalo	17,280	10,049	11,749	13,297	13,500	16.91
Central Sulawesi	188,594	134,856	137,539	145,873	148,057	1.99
South Sulawesi	64,498	48,766	51,767	44,737	45,412	6.15
West Sulawesi	188,640	167,518	156,070	156,179	158,398	-6.83
Souteast Sulawesi	71,129	74,872	61,721	110,301	112,055	-17.56
Maluku	12,531	11,117	10,002	10,852	11,023	-10.03
North Maluku	5,525	-	5,541	5,541	5,629	-

Papua	112,638	157,223	173,687	159,720	162,226	10.47
West Papua	85,543	50,912	50,650	51,018	51,780	-0.52
Indonesia	**14,048,722**	**14,326,350**	**14,456,611**	**14,858,300**	**15,081,021**	**0.91**

Source: Directorate General of Plantations, Ministry of Agriculture, Republic of Indonesia, 2021

The ISPO certification is likewise governed by Presidential Regulation No. 44 of 2020. *To begin with*, a company must apply to the ISPO certification authority and be examined under ISPO principles and criteria. In addition, a company must apply for certification of plantation business registration and land rights, including supporting papers such as plantation business permits, land rights, environmental permits, and plantation business evaluation judgments from the plantation business permit provider. Sanctions, such as warnings, penalties, and even the revocation of the ISPO certification, are governed by the Presidential Decree in case a corporate actor violates the ISPO certification conditions. A total of 612 ISPO certificates covering 5,450,329 hectares (38.03% of Indonesia's total oil palm plantation area) were given in 2020 (Purwanto, 2020).

ISPO Implementation on Oil Palm Plantations in West Kalimantan

The Sustainable Palm Oil Regional Action Plan (RAD-KSB) is an initiative mandated by the Presidential Instruction on the National Sustainable Palm Oil Action Plan (RAN-KSB) to implement the ISPO on oil palm plantations in West Kalimantan. The Sustainable Palm Oil Regional Action Plan (RAD-KSB) is a form of commitment to the realization of sustainable palm oil targets supported and implemented by all stakeholders in West Kalimantan, the mandate of the Presidential Instruction on the National Sustainable Palm Oil Action Plan (RAN-KSB) to the governors, namely preparing a Sustainable Oil Palm Plantation Action Plan at the provincial level and implementing it in various provincial government policies related to oil palm plantations.

According to the West Kalimantan Plantation and Livestock Department, plantations are one of the province's main sub-sectors to improve people's welfare, as seen from the agricultural sector's contribution of 23% of the Gross Regional Domestic Product (GRDP); the plantation sub-sector contributed 61% of the agricultural sector. The plantation sector's share of the national GRDP remained relatively constant at roughly 13% from 2011 to 2017 on average. Since West Kalimantan's GRDP fell throughout this time, expanding the region's oil palm plantations could not greatly boost the economy.

The palm oil industry could withstand the Covid-19 pandemic and contribute to economic expansion. The 2020 Community Plantation Farmer Exchange Rate (NTP-PR) was 114.66, with palm oil contributing to GRDP in the plantation sector and pushing economic growth to 3.5%. Meanwhile, oil palm plantations positively impacted society by providing jobs for 787,364 people, raw materials for other industries (such as food, cosmetics, and biodiesel), and connecting previously inaccessible regions.

The regional policy supports sustainable palm oil development through the 2019-2023 West Kalimantan Sustainable Development Target Regional Action Plan (RAD-TPB/SDGs) based on Governor Regulation No. 61 of 2019 contained in Goal 2 of the SDGs, aiming to end hunger, ensure that all people have sufficient food, and boost agricultural sustainability. The government asserted that palm oil has helped the environment by bolstering the BBM B30 program, promoting the use of diesel with a CPO content of 30% to reduce greenhouse gas emissions, save money on imports, and ensure the country's energy security. However, the government has disregarded the deforestation resulting from oil palm land removal. In 2019, deforestation in West Kalimantan reached 35,700 hectares, making it the second most deforested province in the country. Fires in this province's forests and grasslands scorched 151,919 hectares (Katadata Media Network, 2021).

An initiative of the government is to counteract the inevitable loss of forest cover that comes with opening additional territory. According to Governor Regulation

No. 6 of 2018, the government is giving oil palm plantation land a High Conservation Value (HCV) status. However, in 2919, only 15 companies met the goal of allocating at least 54,100 hectares of their permission area to HCV conservation land. Compared to the entire area of oil palm plantation concessions, it is still a tiny number.

Outer state forest area designated for non-forestry use, totaling 6,333,028 hectares, is the general definition of Other Use Area (APL). There were 374 companies granted permission to operate in the oil palm plantations (concession of 3,308,325.07 hectares), with an existing area of 1,908,403 hectares: the most extensive private plantations covered 1,170,904 hectares, the largest state plantations covered 30,061 hectares, and the largest community plantations covered 707,438 hectares. Only 54 of the 374 new companies held ISPO certificates for a combined area of 258,707.90 hectares. It demonstrates the slow implementation of the ISPO policy despite being in effect since 2011.

Following the General Plan for Plantation Development (Governor Regulation No. 28 of 2020), the total land reached 4,874,768 hectares, encompassing 731,324 hectares of rubber, 131,351 hectares of coconut, 3,871,085 hectares of oil palm (79.4%), 29,323 hectares of coffee, 35,953 hectares of pepper, 32,668 hectares of cocoa, and 53,044 hectares of various other farmings. Both Regional Regulation No. 10 of 2014 and the Decision of the Minister of Forestry No. 733 of 2014 serve as the legal foundation for this scheme. According to these numbers, most land has been reserved for oil palm plantations. Thus, the fact that many companies have not obtained ISPO certificates indicates that many companies and acreage still do not adhere to sustainable palm oil criteria.

Sustainable palm oil was implemented in West Kalimantan through the following policies and regulations: Sustainable Development (RAD-TPB) of West Kalimantan 2019-2023 (Governor Regulation No. 61 of 2019); HCV for Oil Palm Plantation Land (Governor Regulation No. 6 of 2018); and mandatory ISPO Certification (Presidential Regulation No. 44 of 2020). The ISPO accreditation is required for all plantations, including public, state, and private ones. There would be a 5-year grace period for small-scale plantations in particular. An impartial and open Certification Authority issued the necessary certifications.

According to the West Kalimantan Agriculture Department, 54 plantation companies had recently filed for ISPO certification out of more than 200 (Anizal, 2021). According to these numbers, many palm oil producers were still not ISPO-approved. It was not without cause; many companies lacked ISPO certification due to the rigorous application process and high price tag. Accreditation fee (IDR 60,000,000), operating fee for stages 1-3 audits, and annual survey fee were also part of the total cost of getting ISPO accreditation (Riset Perkebunan Nusantara, 2019). Most smallholder plantations lacked the internationally recognized ISPO certification. The ISPO accreditation was expensive; hence, only big companies often have it. In compliance with the rules, the company must pay its certifying organization. In addition to the numerous ISPO principles-based standards and criteria that must be met, the certification body provided step-by-step guidance, beginning with step 1 and progressing through steps 2 and 3 until certification was given. From completing paperwork to adjusting to field circumstances, the initial step often took considerable time. Therefore, only 54 companies in West Kalimantan were ISPO-certified in 2021 (Anizal, 2021). As a result, it triggered a problem and a barrier to the development of ISPO-accredited companies. In addition, ISPO-certified plantations would be appraised following the standards laid forth in Forestry Minister Regulation No. 07 of 2009, detailing the Guidelines for Plantation Appraisal. Then, plantation classes would be discovered from best to worst.

In addition, Regional Regulation of West Kalimantan No. 6 of 2018 addresses Sustainable Land-Based Business Management. At least 7% of a company's business permit area must be set aside as conservation land following regional regulations. In order to operate legally, all companies must perform this. The Regional Government of West Kalimantan has been concerned with both fostering economic growth and protecting environmental sustainability.

Regarding protecting the environment, not all of ISPO's intended benefits have been fulfilled. To slow down the alarming rate of deforestation in Indonesia, for instance. Sixty percent of the 515,9000 hectares lost by Indonesia between 2009 and 2013 were oil palm plantations on Kalimantan Island. West Kalimantan, comprising 147,000 hectares, saw the most extensive deforestation. Furthermore, the West Kalimantan area has lost 185,000 acres of forest on peatlands. The federal and regional governments' abuses of spatial planning were another pressing concern.

Moreover, according to statistics from the Civil Society Coalition for Fair and Sustainable Spatial Planning, 529 companies owned land concessions totaling 10,000,000 hectares or about 70% of West Kalimantan's total area. West Kalimantan saw 94 clashes in 2012-2013 because of palm oil. Meanwhile, according to Indonesia Corruption Watch (ICW) and Aid Environment, in 2015, 194 palm oil companies violated the Provincial Spatial Planning Plan (RTRW-P), and one of them was West Kalimantan (Forest Watch Indonesia, 2017).

According to the Provincial Environment and Forestry Department, annual forest deforestation in West Kalimantan was 64,848 hectares. Deforestation in West Kalimantan happened only once on a particular piece of land and consisted of a forest accessible to plantations, fires, and others (Saputra, 2021). Repeated instances were disregarded when calculating forest deforestation. Not only did improper waste disposal lead to deforestation, but it also significantly negatively affected the environment and, by extension, the community. Companies with a poor track record of waste management should be subject to government review and oversight. The government has taken measures to prevent further land from opening up for oil palm plantations. These included issuing a palm oil moratorium in the Suspension and Evaluation of Oil Palm Plantation Permits (Presidential Instruction No. 8 of 2018) and Improving Oil Palm Plantations. It ensured that no new land could be opened up for oil palm plantations.

The Plantation and Livestock Department of West Kalimantan reported that the ban on new oil palm plantations has helped strengthen government oversight of business licenses in the province. West Kalimantan has become home to 374 palm oil companies, all currently up and running. However, about 200 were still in the works. Thus, no more licenses would be issued in forest regions due to this embargo (Anizal, 2021).

Having a moratorium has made it more likely that license information would be managed and improve plantation management. There were reportedly 3,800,000 hectares worth of land licenses, but only 1,900,000 hectares have been planted, leaving another 1,900,000 not yet been planted. It might be a chance for the regent and other regional governments to tighten up on permits and assess whether or not investors have a company grasp on oil palm plantations.

Barriers to the ISPO Implementation in West Kalimantan

It is impossible to isolate a policy implementation from the myriad external and internal factors that might serve as roadblocks. Therefore, Bambang Sunggono's idea of inhibiting factors was employed in this study. The data came from in-depth interviews. Bambang Sunggono identified the following as causes of hindered policy implementation.

1) Policy Contents

The first reason policy implementation bombed was that the guidelines remained ambiguous. The goals lacked specificity, the means lacked precision, and the priorities for implementation were hazy at best. Companies with contrasting opinions on the dispersal of Plasma Gardens, or what is now termed Surrounding Community Gardens, were more likely to experience this phenomenon, as revealed by the interview results. Companies must set aside 20% of their cultivated land for community use, as outlined in Minister of Agriculture Regulation No. 98 of 2013 concerning Guidelines for Plantation Business Licensing. The community living around the garden has a right to perform this.

One family was allotted a piece of land of around 2 hectares under current standards, but given the growing population, it is unrealistic. As a result, the regency has to have the foresight to position prospective farmers eligible

for the Prospective Farmers and Land Candidates (CPCL) to gain land in a business. Hence, if a village has a sizable population, it is necessary to establish many companies there. Since distribution is improved if more people attain it from fewer sources, it makes sense that the local community will stop obtaining it from company B if they have received it from company A.

The company determined whether the profit-sharing pattern was usury, profit-sharing, or credit. However, the typical one was credit. A grant pattern was also provided to established companies due to the high expense of constructing a plantation. The community must also cover additional fees, although the price per hectare of land was IDR 62,000,000. Since they were substantial expenses, the parent company often shouldered them initially. When it was up and running, the new company utilized revenue from the plantation to cover the costs. Then, 30% was allocated to cover loan charges, 30% to cover operations, 30% to cover the recipients, and 10% to cover plantation management and other requirements.

However, several issues stem from divergent interpretations of the existing regulations (Minister of Forestry Regulation No. 98 of 2013). For instance, most individuals were not told the precise location of their garden and instead simply received annual estimates of its size and productivity. The company defined profit sharing as the distribution of surplus funds to stakeholders. However, it occasionally led to friction, as the amount the community received remained the same over time. If, instead, it is distributed on a per-acre or per-hectare basis, the community will have a better idea of when the credit will be repaid. If the debt is repaid, the revenue graph will rise rather than remain flat. It occurred due to ambiguous policy wording, resulting in different interpretations from the community and the company (Anizal, 2021).

Second, neither the Indonesian Government nor private palm oil companies have implemented a policy for the certification system for sustainable palm oil. The Sustainable Palm Oil Policy, manding that all companies obtain an ISPO certification, was moving slowly. The lack of a comprehensive policy implementation plan and companies' reluctance to comply with government mandates were to blame.

Third, the impact of oil palm plantations harming the environment, such as deforestation, remained a barrier to the ISPO policy as an endeavor to build sustainable oil palm plantations. According to the findings of a Google Form poll performed by researchers among the community around plantations, the average community reported an increase in floods as an adverse effect of having oil palm plantations in their region. The palm oil moratorium policy provides a remedy to reevaluate plantation property with licenses that have not been completely utilized according to the area allowed. Thus, the remaining vacant area could be set aside for ecological purposes.

Fourth, insufficient aid resources, including time, money, and human resources, made it difficult to implement public policy. Although having enough human resources to carry out a policy's objectives is essential, it is not always the case due to external reasons. For instance, the Provincial Environmental Department's duties include oversight and monitoring. It was concerning corporate degradation of the environment in West Kalimantan. Initially, it was the regency's responsibility. However, it could be transferred to the province if the situation deteriorates. As a result, surveillance failed at times during the Covid-19 pandemic.

Additionally, the availability of financial resources was critical for carrying out a public program. There were two halves to any palm oil construction factory. It could boost the economy but harm the environment if not managed properly. For instance, a lack of resources was the primary obstacle to effective environmental management in Landak Regency. Over IDR 6,000,000,000 were allocated for waste disposal, while the remaining 2,000,000,000 was employed for other purposes. The waste issue was prioritized because of its consequential effects on people's daily lives. Second, the Landak Regional Government has worked to cut emissions by reforesting key areas, including Mandor, Kuala Pipih, and Air Besar, with the help of NGOs. As a result, regional governments could not relax their grip on centrally-issued directives.

2) Information

Information on the implementation of public policy assumes that the parties directly engaged have access to all relevant information. However, in the event of complications, such as a breakdown in transmission, this information will be unavailable. The West Kalimantan area had a dearth of information for learning about and obtaining certified palm oil.

3) Support

If the procedure for executing a public policy does not give enough resources, then doing so will be challenging. Therefore, there must be a distinct and strict stance against companies not adhering to sustainable palm oil standards. In light of the interview findings, the Environmental Department of West Kalimantan established a new program, Green Collaborations, to aid in developing HCV regions. The program focuses on how the community, the private sector, and the government should cooperate to improve local communities by processing protected areas by private companies. However, issues occurred when the companies failed to manage these protected areas, and residents continued to rely on them. About four companies have signed a memorandum of understanding (MoU) committing to community management in exchange for access to the breakthrough. Only four companies had signed the new policy required by Governor Regulation No. 4 of 2020 before the idea's debut, and the 2018 Regional Regulation had four derivatives, one of the contents linked to Green Collaboration. Without the key player supplying the conservation area, the company, this breakthrough could not function correctly without implementation assistance (Yenny, 2021). As a result, it could provide a barrier to enacting the desired public policy.

4) Potential Distribution

Aspects of the allocation between the parties engaged and execution also impacted the distribution of probable reasons for failure in executing public policy. In this situation, the executive organizational structure might be problematic regarding the limits of the implementing organization's tasks and authority if the distribution of capabilities and responsibilities does not correspond with the division of tasks or when there are no defined boundaries.

Companies must document their Corporate Social Responsibility (CSR) initiatives to fulfill their legal responsibilities to the state, covering things like giving back to the community and protecting the environment. Kolaga (2021) discovered that many palm oil companies in Landak Regency still failed to meet their legal responsibilities, prompting annual investigations by the Regency Environmental Department. Remembering has been the hedgehog's duty. However, many organizations still needed to catch up regarding CSR. The Landak Regency Government developed a CSR forum. It possessed a regional regulation to facilitate communication between companies, community, and government officials in pursuit of more precise goals and the betterment of the community.

The preceding information indicates that sustainable palm oil companies in West Kalimantan had obstacles in their pursuit of success due to the ISPO implementation. West Kalimantan, one of Indonesia's central palm oil-producing regions, must thus take the ISPO seriously. The growth of oil palm plantation regions has implications for the business, the community, and the surrounding forests' conditions. West Kalimantan could keep producing high-quality palm oil while protecting the environment and improving the living standards of the surrounding community.

CONCLUSION

Indonesia has implemented the ISPO policy in response to criticism that the production and use of Indonesian palm oil have contributed to environmental harm, such as deforestation, habitat destruction, and human rights violations. The goal of this policy is to build a palm oil sector that is both sustainable and environmentally friendly. However, a more robust structure and enforceable legal force behind the ISPO have yet to be implemented. It was evidenced by businesses without an ISPO accreditation that encountered few repercussions.

The ISPO policy has not been widely implemented in West Kalimantan. Only 54 companies, with a total area of 258,707.90 hectares, held ISPO certifications as of 2020, whereas the total concession area for all 374 companies was 3,308,325.07 hectares. Despite having permission, 1,900,000 hectares of land have not been planted. Conversely, another 1,900,000 hectares of land with permits has been planted. Therefore, the government should reevaluate whether or not to remove permits for unused land due to this palm oil prohibition. Then, only 15 companies attained an area of 54,100 hectares in 2019 under government requirements on HCV, requiring palm oil companies to designate a minimum of 7% of the license area for HCV conservation land. This quantity was deemed negligible compared to the area granted for oil palm plantations. Therefore, RAD-KSB of West Kalimantan required dedication from all parties involved.

Several reasons contributed to the ineffectiveness of the ISPO certification policy's implementation. There was a shortage of resources like time, budget, and human resources, and a lack of specificity in the policy executed. Moreover, the policy substance was unclear, and the means, implementation priorities, and framework were all too vague. In addition, there was a dearth of resources for learning about and getting help with palm oil certification. Moreover, as demonstrated by the ISPO accreditation, companies not following sustainable palm oil principles were not penalized. The fourth issue was a breakdown in the sharing of profits and the actualization of those profits. In this situation, the executive organizational structure might be problematic regarding the limits of the implementing organization's tasks and authority if the distribution of capabilities and responsibilities does not correspond with the division of tasks or when there are no defined boundaries.

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