
LEGAL ASPECTS OF BUSINESS DEVELOPMENT OF SOCIAL FORESTRY BUSINESS GROUP (SFBGS) FOREST FARMERS GROUP (FFGS) TIRTE URIP CENTRAL LOMBOK NTB

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ABSTRACT

This research examines the legal aspects of SFBGs business development at FFGs Tirte Urip. Increasing institutional capacity is needed to develop the SFBGs business at FFGs Tirte Urip. The method is that the SFBGs at FFGs Tirte Urip must prepare and ratify the SFBGs management plan document and SFBGs internal regulations. Implementation must be carried out towards integrated efforts by various parties to assist SFBGs business development. Villages must include SFBGs business development efforts in the VMTDPs (Village Medium Term Development Plan), VGWPs (Village Government Work Plan), Village Regulations and Rambitan Village APBDes so, the Rambitan village government has a legal basis for taking a position as the leading actor driving efforts to develop the SFBGs business. The specificity of SFBGs business development at FFGs Tirte Urip is the inclusion of FFGs Tirte Urip in the Mandalika Agroforestry IAD; this is an integrated and collaborative program between ministries/agencies, provincial, district/city governments, and related parties as stated in Presidential Decree 28/2023. So, the SFBGs at FFG Tirte Urip must take a lot of initiative to implement Article 12 and the social forestry acceleration action plan listed in the attachment to Presidential Decree 28/2023.

Key Words: Business Development, Legal Aspects, FFGs, SFBGs

INTRODUCTION

As a country with the world's 8th most significant forest area and the third largest in the tropics, Indonesia's forests and people are two things that cannot be separated. Around 25,800 villages (34.1% of total villages) are directly adjacent to forest areas, so most people live around or in forest area, and indigenous communities still depend on forest areas. They utilize various natural resources as a source of food, shelter, energy, protein supply, expression of dominant culture, and economic and livelihood opportunities.¹

¹Hunggul Yudono Setio, H. N., Indrajaya, Y., Astana, S., Murniati, Suharti, S., Tyas, M. B., . . . Rahmila, Y. I. (2023). A chronicle of Indonesia's forest management: A long step towards environmental sustainability and community welfare. *Land*, 12(6), 1238. doi:<https://doi.org/10.3390/land12061238>

The use of forests, as mentioned above, is carried out in various ways depending on the social conditions of the community and the condition of the surrounding forest area. It is something that is done responsibly while maintaining forest sustainability; there is also something that is done irresponsibly by destroying forest sustainability. It is done with the proper understanding or something done incorrectly due to limited knowledge or even pressure of need. Misusing forest resources includes encroachment/illegal cultivation for seasonal crops (such as rice, corn, bananas, etc.), illegal logging, occupation/control of forest areas, forest burning, illegal grazing, and limited human resources, it is tasked with protecting the forest. The wrong use of forest resources is part of the rural conflict in the forest sector.

On a national scale, based on the Agrarian Reform Consortium (ARCs) report, conflicts in the forest sector occur vertically and horizontally. Vertical tenure conflicts occur between local communities and regional government, local communities and companies, companies and government, regional government, and central government. Horizontal tenure conflicts occur between local communities, companies and enterprises, local governments, and regional governments. The main factor causing this conflict is agrarian management policies that pay little attention to justice and community welfare.²

There needs to be an effort or approach as a solution option to overcome the conflict that occurs. So, there is legal certainty for local communities, regional governments, central government, and the private sector (companies) to utilize forest areas. There is a Strengthening of Social Forestry (CSF) program or social forestry improvement project; CSF is a collaboration between the Indonesian government (Ministry of Environment and Forestry) and the Global Environmental Facility (GEF) through the World Bank. The CSF program aims to increase community legal access to forest land use and strengthen capacity in forest management in several priority locations allocated for social forestry. Social Forestry *ius constitutum* refers to the Regulation of the Minister of Environment and Forestry Number 9 of 2021 concerning Social Forestry. The development of social forestry is a national priority. The target area for social forestry was expanded drastically from the initial target, from less than 1% (1.1 million hectares) to more than 10% (12.74 million hectares) of forest area, to improve community welfare, environmental balance, and socio-cultural dynamics.³

In September 2021, the Province of West Nusa Tenggara (NTB), together with the Ministry of Environment and Forestry and the Global Environment Facility (GEFs), held a Kick-off Meeting for the Launch of the Social Forestry Strengthening Project in Indonesia (the Strengthening of Social Forestry (SSFs) *in Indonesia Project*) in NTB. This project is NTB's effort to realize Green NTB and Industrialization by increasing community capacity in managing Forest Resources. Furthermore, it is also a form of investment in community assistance in developing social forestry businesses through commodity cluster development.⁴

I was referring to the indicative map of social forestry areas (IMSFA) revision VII contained in the Decree of the Minister of Environment and Forestry Number: SK.8878/MENLHK-PKTL/LPA.0/12/2021, NTB has an allocation of 285,841 Ha of social forestry land. In September 2022, NTB's social forestry achievements will be 43,267.12 Ha of the allocated land area. Parts that are attached to social forestry are the Social Forestry Business Group (SFBG) and the Forest Farmer Groups (FFGs), which are members of the Social Forestry Business Groups

²Subarudi. (2021). Community livelihood improvement through social forestry and agraria reform in indonesia: A critical thought. *IOP Conference Series.Earth and Environmental Science*, 917(1) doi:<https://doi.org/10.1088/1755-1315/917/1/012015>

³Hunggul Yudono Setio, H. N., Indrajaya, Y., Astana, S., Murniati, Suharti, S., Tyas, M. B., . . . Rahmila, Y. I. (2023). A chronicle of Indonesia's forest management: A long step towards environmental sustainability and community welfare. *Land*, 12(6), 1238. doi:<https://doi.org/10.3390/land12061238>

⁴Peran Perhutanan Sosial Dalam Mensukseskan Program NTB Hijau - Bappeda Provinsi NTB (ntbprov.go.id) , diakses 2 November 2022

(SFGs). SFBGs in NTB as of September 2022, have a total of 270 groups. The composition of the 270 SFBG consists of 217 blue class, 29 silver class, 23 gold class, and one platinum class. Specifically for Central Lombok, have already 38 SFGs as legal access media for communities in managing forests. There are four intermediate classes and 34 beginner classes.⁵

SFGs Tirté Urip is one of the middle SFGs. Forest Management Unit (FMUs) Tirté Urip is administratively located in the Pujut sub-district, Central Lombok district, and is a forest area around Mandalika. Based on the potential that exists in the area, an economic business empowerment plan has been prepared, which will be carried out by SFGs Tirté Urip, namely:⁶

1. The *Agroforestry* plans in the form of planting vegetables;
2. The *Silvopasture* plan is to raise cattle and goats;
3. The *Silvofishery* plans in the form of catfish, cormorant, tilapia;
4. The *Ecotourism* plans in the form of glamping camping ground, rock climbing, flying fox;
5. Selvi point and library and tourist information center;
6. Water management services;
7. Cultivation of forage for livestock;
8. Cultivation of trigona bees and oyster mushrooms;
9. Processing cashew, eucalyptus, and patchouli;
10. Cultivation of medicinal and ornamental plants;
11. Nursery, planting, maintenance, harvesting, fruit processing, and marketing of forest farmers' business products.

Looking at the number and variety of activities and business plans that will be managed by SFGs Tirté Urip above, there will be many planned activities that will be carried out, and there are various laws and regulations that will be guided by. What is the portrait of the implementation of the SFG agreement in terms of business development carried out at SFBGs SFGs Tirté Urip, bearing in mind that forest farmers who deal with SFBGs managers cannot be guaranteed competence and literacy regarding forest management and business management but are appropriate in maintaining forest sustainability? In short, it is essential to examine how the development of the SFBGs business is seen from a legal aspect. The research team then carried out research with the title "*Legal Aspects of Business Development of Social Forestry Business Groups (SFBGs) in the Tirté Urip Forest Farmers Group (FFGs), Central Lombok Regency, NTB*".

METHODS

The type of research used is normative juridical research or what is usually called doctrinal legal research. The primary legal material in this research is Minister of Environment and Forestry Regulation No. 9 of 2021 concerning the Acceleration of Social Forestry. Secondary legal materials include scientific articles, and secondary legal materials in the form of the Big Indonesian Dictionary (KBBI), which complement primary legal materials and support explanations of the main discussion points. Apart from that, this research also uses primary data obtained from interviews with the chairman of FFGs Tirté Urip, Social Forestry Assistants who work at FFGs Tirté Urip, and forestry instructors who work at the Pelangan Tasura Forest Management Unit (FMUs). The results of the interviews become supporting data in analyzing research data.

The approaches used are the Legislative Regulations approach and the Conceptual Approach. The Statute Approach involves reviewing all laws and regulations relating to the legal issue

⁵Materi Rapat Kerja Kelompok Kerja (Pokja) Percepatan Capaian Perhutanan Sosial di NTB, Kepala Dinas LHK NTB

⁶Ibid.,

being researched. The conceptual approach departs from the views and doctrines that develop in legal science and is used by researchers to build a legal argument to solve the studied issue.⁷

ANALYSIS AND DISCUSSION

Overview of FFGs Tirte Urip

Based on the decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK.343/MENLHK-PSKL/PKPS/PSL.0/1/2022, FFGs Tirte Urip obtained legal access to Community Forest Management (CFMs) to 66 (sixty-six) land areas hectares in a protected forest area in Rambitan Village, Pujut Subdistrict, Central Lombok, West Nusa Tenggara Province. It 85 heads of families are members of FFGs Tirte Urip, consisting of 76 men and 18 women. In the decision to grant legal access, the scope of legal access provided, ownership status, rights and obligations, prohibitions, period, sanctions, and the role of the local FMUs (Forest Management Unit) as an element of government that carries out technical forest management activities are also determined.

The legal health insurance for CFM management provided to FFGs Tirte Urip covers 3 (three) things; area utilization, utilization of environmental services, utilization, and collection of non-timber forest products. These three things were carried out by 85 heads of families who were members of FFG sTirte Urip individually in the areas they had the right to work on and were carried out in groups on 66 (sixty-six) hectares of CFMs areas which were given legal access to social forestry.

FFGs Tirte Urip utilizes CFMs primarily to empower the FFG member community. FFG can be seen in the Tirte Urip Social Forestry Management Plan (SMFPs) from 2022 to 2031, including:

- a. Forest conservation and protection activity plans, in the form of conservation, protection, and security activities;
- b. Forest utilization plan. Types of activities for utilization and collection of timber forest products and non-timber forest products in the form of nursery, planting, maintenance, harvesting, processing and marketing activities;
- c. Forest area utilization plan. Utilization of forest areas in the form of medicinal plants, ornamental plants, mushrooms, bees, forage cultivation, agroforestry, silvofishery, and crafts;
- d. Environmental services utilization plan. Environmental services in the form of ecotourism;
- e. Institutional strengthening plans, in the form of establishing SFBGs (Social Forestry Business Group) and strengthening SFBGs through training, study tours, internships, cross-school training, and preparation of group administration;
- f. Business Development Plan. The types and forms of products/services produced include eucalyptus oil, fruits such as longan, avocado, crystal guava, dragon fruit, and melon. Rhizomes such as ginger, turmeric, and galangal. Trigona honey, and woven cloth fungus. Environmental services include bicycle tracks, eucalyptus oil spas, horse riding tours. Business development activities carried out include product certification, product packaging, and product promotion.

In implementing the Social Forestry Companion (SFMPs) that has been prepared, the SFBGs are an element in the Tirte Urip FFGs, which focuses on improving community welfare by developing social forestry businesses. Based on the decision of the Head of the KHP Customer Taštura Center, Number: 188/02/BKPH/PENTAS/2022, concerning the Formation of the FFGs

⁷Amiruddin dan Zainal Asikin, 2016, Pengantar Metode Penelitian Hukum, PT Raja Grafindo Persada, Kota Depok, lhm. 164

Tirte Urip Social Forestry Business Group (SFBGs), FFGs Tirte Urip has a SFBGs as in the following table:

Numb.	SFBGs Name	Type of Business	Commodity
1.	Eucalyptus Tirte Urip	Agroforestry	Eucalyptus
2.	HHBK Tirte Urip	Agroforestry	Cashew, HHBK
3.	Honey Tirte Urip	HHBK	Honey
4.	Ecotourism Tirte Urip	Environmental Services	Bicycle Tracking, Horse Riding Services, Eucalyptus Oil Spa

The membership of each SFBGs consists of 15 people, a chairman, sectarian, treasurer, and the rest are members. Referring to the Tirte Urip SFMPs document, 2022–2023, business development activities will be carried out focusing on developing the Tirte Urip Eucalyptus SFBGs business. The target volume for eucalyptus oil in 2022 is 80 liters; in 2023, it is 169.6 liters. The planned business development activities are packaging, product certification, and product marketing. Non-Timber Forest Products (NTFPs) Tirte Urip SFBGs are still at the seeding, planting, and pendangiran stages. The development of the SFBGs business is in line with the agroforestry planting pattern carried out in 2021, where there are 200 longan stems, 150 crystal guava stems, 150 sweet orange stems, 500 avocado stems, and 250 candlenut stems.⁸ SFBGs Madu Tirte Urip is planned to begin development in 2025. SFBGs Ecotourism NTFPs and Environmental Services is planned to begin implementation in 2024.

Portrait of SFBGs Business Development at FFGs Tirte Urip

1. Institutional Capacity

SFBGs have 4 (four) classifications, including blue, silver, gold, and platinum. Each classification has its own, and tiered criteria. Referring to the Gokups website menlhk.go.id, SFBGs Tirte Urip is classified as Silver.⁹ The criteria are that it has been designated as a SFBGs, has business potential has been identified, has a SFWPs, and has a business unit. This is under the results of interviews conducted with FFGs Tirte Urip assistants.

Regarding institutional capacity, SFBGs Tirte Urip already has commodity-based SFBGs consisting of 4 (four) types of SFBGs, as stated above. Referring to Article 118 of Regulation of the Minister of Environment and Forestry Number 9 of 2021, strengthening the institutional capacity of SFBGs can be done through 6 (six) things, including: 1). Establishment of commodity-based KUPS, 2). SFBGs membership and making SFBGs internal rules, 3). Field school, 4). Comparative study, 5). Institutional strengthening training, and 6). Increasing the status of SFBGs business entities can take the form of forming cooperatives or village-owned business entities. According to the FFGs Tirte Urip assistant, as of the time, the approval for social forestry was received by FFGs Tirte Urip, apart from the formation of commodity-based SFBGs and the formation of SFBGs membership. These 5 (five) efforts still need to be implemented, for example the absence of internal regulations, which will directly affect the sustainability of SFBGs business development.

Regarding this institutional strengthening, the SFBGs membership that has been formed will, of course, carry out business activities; there will be a division of rights, obligations, duties,

⁸<https://dislhk.mtbprov.go.id/2021/11/14/libatkan-masyarakat-presiden-jokowi-melakukan-penanaman-pohon-bersama-di-kawasan-hutan-gunung-pepe/>

⁹<https://gokups.menlhk.go.id/public/community>

and functions of each member. The absence of internal rules that serve as guidelines causes the operations of the SFBGs organization not to run well because there are no clear guidelines for organizational governance. This impacts legal certainty in efforts to develop business activities carried out by SFBGs at FFGs Tirte Urip. Things like Field Schools, comparative studies, and institutional strengthening training are forms of activities whose implementation cannot be carried out by SFBGs or FFGs Tirte Urip alone.

For activities that cannot be carried out by SFBGs themselves, identification and involvement of authorized stakeholders are a must. The initiative must come from FFG Tirte Urip and SFBGs; the role of FFGs companion is needed. For example, as stated in the RKPS, the Eucalyptus Oil SFBGs in business development have mapped the relevant agencies, namely BPOM, MUI, Health Service, Industry Service, and Trade Service as stakeholders. When this research was conducted, SFBGs still needed to have a work plan document and only referred to the SFWPs. SFWPs is a work plan owned by FFGs Tirte Urip, while SFBGs Tirte Urip in terms of organizational structure is under FFGs Tirte Urip. SFBGs should have its work plan.

2. Forest Utilization;

Forest utilization for SFBGs business development at FFGs Tirte Urip is based on land characteristics. FFGs Tirte Urip is in a protected forest area, technical verification report number: BA.13/X-2/BPSKL-2/PSL.0/1/2022. Based on Article 120 Regulation of the Minister of Environment and Forestry Number 9 of 2021, the use of protected forests includes the use of environmental services, collection of non-timber forest products, and use of the area. Forest utilization for the development of the SFBGs FFGs Tirte Urip business is carried out in line with the agroforestry pattern implemented on Mount Pepe (located in the FFGs Tirte Urip permit area) in 2021. The types and number of plants planted are 1500 eucalyptus, 200 longan, guava, 150 crystals, 150 sweet oranges, 500 avocados and 250 camisis.¹⁰ This agroforestry activity was then included in the FFGs Tirte Urip SFWPs document. In the RKPS, it is planned that the collection of non-timber forest products (NTFPs) in the form of fruit from these trees will be carried out in 2025 and managed by NTFPs Tirte Urip SFBGs.

Based on information from FFGs Tirte Urip supervisors, forest utilization through an agroforestry pattern that supports SFBGs business development is only Eucalyptus trees. The leaves of the eucalyptus oil tree are refined into eucalyptus oil and processed by SFBGs Kayu Putih Tirte Urip. The other trees failed to support SFBGs business development because:

- a. Plants are uprooted by the community to be planted elsewhere, whether in their yard or outside the forest area;
- b. Agroforestry plants die due to pesticides used by people who encroach on forests in preparation for planting corn;
- c. The community feels that the harvest time for agroforestry crops, which takes several years, does not support current needs, in contrast to corn, which can be harvested within a few months;
- d. The number of forest security personnel is not balanced with the size of the forest area being guarded, resulting in the unoptimal performance of forest security duties.

The failure of agroforestry impacts the loss of resources for the development of the NTFPs Tirte Urip SFBGs business. The failure of the agroforestry pattern not only occurs at FFGs Tirte Urip, but also in other places in Indonesia. In Budiman Achmad's research on Traditional Subsistence Farming of Smallholder Agroforestry Systems in Indonesia: A Review, he concluded that agroforestry failure occurs due to a combination of limited land ownership,

¹⁰<https://dislhk.ntbprov.go.id/2021/11/14/libatkan-masyarakat-presiden-jokowi-melakukan-penanaman-pohon-bersama-di-kawasan-hutan-gunung-pepe/>

low literacy levels, and limited financial capital, which are the main factors that cause small farmers to be unable to increase their income. from agroforestry practices. A feasible strategic effort is to intensify forest management using an agroforestry pattern by optimizing the use of growing space and maintaining plants by applying cultivation technology. However, in reality, this technology failed to be adopted by farmers due to limited capital and low knowledge due to low average literacy levels. Government policies oriented towards providing other incentives aimed at encouraging an increase in the number and diversity of income sources need to be stimulated.¹¹ So nutmeg agroforestry, which supports the development of the SFBGs business at FFGs Tirta Urip must continue to be pursued while finding the right strategy.

Based on interviews conducted with forestry instructors at the Taštura Forest Management Unit (FMUs) and social forestry assistants, strategies for dealing with obstacles to the success of the agroforestry pattern at FFGs Tirta Urip continue to be pursued, especially through approaches to forest farmer groups by emphasizing the economic benefits of eucalyptus trees while provide understanding and search for strategies for agroforestry patterns for other types of trees.¹²

This research found that FFGs Tirta Urip still needs innovation in its agroforestry efforts, because increasing agroforestry innovation at FFGs Tirta Urip is much more complex than simply transferring information and technology (Franzel et al. 2001). It is widely recognized that an enabling environment is necessary to encourage innovation and broader, long-term adoption of new practices in society (Makate 2019; Thomas et al. 2018). Conducive policies and institutional frameworks should ideally support environmentally and socially desirable practices.¹³ SFBGs business development at FFGs Tirta Urip through agroforestry also needs to explore good practices from patterns of forest conservation and utilization that have been carried out for generations. It is also necessary to guide the values that live in the surrounding community considering that FFGs Tirta Urip is located in the vicinity of the Sade Traditional Village.

Referring to the Tirta Urip SFWPs document, the use of environmental services is carried out by the Tirta Urip Ecotourism SFBGs. Commodities include bicycle tracking, horse riding services and eucalyptus oil spa. The bicycle tracking commodity will start operating in 2024, while the equestrian tourism commodity will start operating in 2025. When this research was conducted, there were no preparations for implementing the tourism service business. The use of environmental services at FFGs Tirta Urip is also included in the Mandalika Agroforestry Master Plan Integrated Area Development (IAD) document. FFGs Tirta Urip is one of the main objects of the IAD program. The IAD Agroforestry Mandalika program has not yet been realized at FFGs Tirta Urip, the objectives of this program include:

- a. Increasing the productivity of forest areas, as well as increasing forest cover;
- b. Increasing the value of social forestry products/commodities as well as other local superior commodity products that are connected and integrated;
- c. Increasing regional economic scale. In particular, increasing the business scale of social forestry groups and;
- d. Building production centers and industrial clusters based on social forestry commodities.

¹¹Achmad, B., Sanudin, Siarudin, M., Widiyanto, A., Diniyati, D., Sudomo, A., . . . Ruswandi, A. (2022). Traditional subsistence farming of smallholder agroforestry systems in indonesia: A review. *Sustainability*, 14(14), 8631. doi:<https://doi.org/10.3390/su14148631>

¹²Wawancara terhadap penyuluh kehutanan pada Kesatuan Pengelolaan Hutan Pelangan Tatura dan Pendamping Perhutanan Sosial yang bertugas di KPS Tirta Urip

¹³Kathmir Meinhold., Dietrich Darr., Using a multi-stakeholder approach to increase value for traditional agroforestry systems: the case of baobab (*Adansonia digitata* L.) in Kilifi, Kenya | *Agroforestry Systems* (springer.com), <https://doi.org/10.1007/s10457-020-00562-x>

Regarding the Mandalika Agroforestry IAD, Presidential Decree 28/2023 also mentions the existence of IAD as an integrated regional development based on social forestry. In this Presidential Decree, IAD is the government's strategy to achieve the target of developing social forestry businesses. SFBGs at FFGs Tirta Urip is in the same landscape as IAD Agroforestry Mandalika, so the development of the SFBGs business at FFGs Tirta Urip will be carried out guided by President Regulation 28/2023.

3. Entrepreneurship Development

SFBGs entrepreneurial development is regulated in Article 137 of Regulation of the Minister of Environment and Forestry Number 9 of 2021. Entrepreneurship development includes activities to increase production, increase added value, product promotion and marketing and access to capital. At FFG Tirta Urip, SFBGs Kayu Putih has received assistance with productive economic tools in the form of a eucalyptus oil refining machine. The machine is assistance from the Social Forestry and Environmental Partnership Center (SFPEPCs) in 2022.

According to information from FFGs Tirta Urip's companion, SFBGs has used a distillation machine, the distillation is carried out on 1 quintal of eucalyptus oil leaves. The eucalyptus oil produced is 0.5 liters. After calculating these results and comparing them with selling kilos of eucalyptus oil leaves, distilling the leaves using a distillation machine is actually detrimental to farmers. Because the proceeds from selling eucalyptus oil are much less than the proceeds from selling kilos of eucalyptus oil leaves. This situation was acknowledged by the Tirta Urip SFBGs assistant to be caused by several things, including:¹⁴

- a. The capacity of SFBGs assistants is limited because they do not have the expertise to operate the machine, based only on the training they received when they first received the machine. There are technical aspects of machine operation that are not completely understood;
- b. The quality of the machine assembly is not correct because there are certain components in the machine that are not in the right size and position, thus affecting machine performance which results in minimal refining results;
- c. Lack of specific assistance regarding procedures for operating eucalyptus oil distilling machines.

The conditions above illustrate that SFBGs at FFGs Tirta Urip requires assistance with productive economic tools in the form of machines to support business development, however monitoring and evaluation of assistance with productive economic tools is very necessary. In reality, productive economic tools are only sometimes successfully support SFBGs business development. This is in line with Achmad B's opinion, that technology failed to be adopted by farmers due to limited capital and low knowledge due to low average literacy levels.¹⁵

The above portrait of FFGs Tirta Urip SFBGs business development activities was carried out with mentorship or mentoring by social forestry assistants (SFAs). SFA officers are appointed based on the decision of the Social Forestry and Environmental Partnership Center (SFPEPCs) head for the Bali Nusa Tenggara Region. Based on his appointment decision letter, SFA in terms of business development SFAs duties include:

- a. Assist and accompany Community Farming Institutions/Groups/Cooperatives;
- b. Assisting in developing the capabilities of social forestry groups in managing group organizations;
- c. Helping to increase the capacity of social forestry groups to carry out forest cultivation through the use of appropriate technology to increase the added value of forest products;

¹⁴Wawancara terhadap Pendamping Perhutanan Sosial pada KPS Tirta Urip

¹⁵Achmad, B., Sanudin, Siarudin, M., Widiyanto, A., Diniyati, D., Sudomo, A., . . . Ruswandi, A. (2022). Traditional subsistence farming of smallholder agroforestry systems in indonesia: A review. *Sustainability*, 14(14), 8631. doi:<https://doi.org/10.3390/su14148631>

- d. Helping to find and provide market and capital access to increase the competitiveness and productivity of social forestry groups;
- e. Helping to increase the capacity of social forestry groups in developing forest and forest product utilization businesses;
- f. Assist/accompany officers from Center for Social Forestry and Social Partnership (CSFSPs) or district/city government, or other related agencies in carrying out tasks in the field related to the implementation of social forestry;
- g. Accompany and assist with all administrative processes required in the preparation of social forestry management plans (PSFMPa) and annual work plans (AWPs) for social forestry managers.

SFBGs business development at FFGs Tirte Urip should be carried out

Referring to Article 113 of the Minister of Environment and Forestry Regulation No. 9 of 2021 concerning Social Forestry Management, the development of social forestry businesses includes:

- a. Institutional strengthening efforts;
- b. Forest utilization;
- c. Entrepreneurship development;
- d. Business development cooperation.

As a guide in developing the SFBGs business, these four things and their details should be carried out to develop the SFBGs business at FFGs Tirte Urip. As stated in the portrait of SFBGs business development, some business development efforts were not carried out. However, from a legal perspective, institutional strengthening efforts are vital in the current development of the SFBGs business at FFG Tirte Urip. Regarding institutional strengthening, the KUPS at KTH Tirte Urip still refers to the SFWPs at FFG Tirte Urip. The Tirte Urip SFWPs still contains a general management plan regarding FFGs Tirte Urip. SFBGs at FFGs Tirte Urip should immediately prepare a work plan/management plan for each SFBGs in the form of a SFBGs Management Plan (SFBGs MP) document. SFBGs need to determine the timeline of activities, stakeholders, output and outcomes of precisely planned SFBGs activities. The existence of the SFBGs MP document means that SFBGs business development efforts from the aspect of institutional strengthening have more explicit business development target guidelines.

Apart from the SFBGs MP, it is also mandatory to form a work guide for SFBGs business development in the form of SFBGs internal regulations. The existence of SFBGs internal regulations is an effort to guarantee legal certainty, justice and benefits in the management of SFBGs. The formation of these internal regulations must look at SFBGs from two aspects. External aspects of SFBGs as a group-based business entity and internal aspects of SFBGs as an organization. The details are explained as follows:

- a. Internal aspect, SFBGs as an organization consisting of a chairman, secretary and several members, there is a structural division of tasks, functions, rights and obligations which must be carried out together for the running of the organization. The internal regulations for SFBGs membership that were formed are rules that clearly regulate governance, division of duties, rights and obligations of SFBGs members as a strategy to maintain the professionalism of SFBGs membership;
- b. External aspect, SFBGs is an element that is structurally under FFGs Tirte Urip, SFBGs deals with stakeholders related to business development as well as consumers and SFBGs business partners. The internal regulations of SFBGs as a group-based business entity are

rules that regulate SFBGs business governance so that it is carried out well by regulating relationships between forest farmer groups, SFBGs, stakeholders, cooperation partners and consumers.

SFBGs internal regulations are essential to realize and maintain the commitment of SFBGs members in developing the SFBGs organization. The commitment of SFBGs members is essential because, as explained by Mardiana Yusuf & Syarif (2018) organizational commitment is an attitude of employee loyalty to the organization by remaining in the organization, helping to achieve organizational goals, and having no desire to leave the organization for any reason. Therefore, organizational commitment is an employee's loyalty towards the company and the desire to work hard to support the organization, produce positive results and stay in the organization for whatever reason.¹⁶ Mardiana Yusuf and Syarif's views have a perspective on the importance of organizational commitment to the Company. However, this view is relevant to SFBGs business development because SFBGs is an organization that carries out business activities.

SFBGs internal regulations also include SOPs (Standard Operational Procedures) that apply and are enforced in SFBGs. The existence of SFBGs internal regulations that are valid and enforced is one of the determining factors in efforts to develop the SFBGs business, because it will create legal certainty for every element and every aspect of SFBGs, how it works and what it does. The provisions regulated in the SFBGs internal rules are further details of the activities and processes that have been determined in the SFWPs for each type of SFBGs at FFG Tirte Urip.

Apart from internal regulations or SOPs, SFBGs business development also needs to pay attention to the principles of good corporate governance (GCGs) in group operations. Even though the business capacity of SFBGs is still relatively small, in its management it must emulate the management perspective of a Limited Liability Company. GCGs is a principle used in managing limited liability companies. Referring to Coopers (2000, P. 37), Corporate Governance is related to effective decision making. Built through organizational culture, values, process systems, policies and organizational structure, which aims to achieve a business that is profitable, efficient and effective in managing risks and is responsible for paying attention to the interests of stakeholders." GCG is basically a question of "who" should control corporate activities and "why" corporate activities should be controlled.¹⁷ In the SFBGs context, there needs to be a local figure as an intellectual actor who has a perspective on utilizing forests but still maintains forest sustainability, has power and is trusted. to have their opinions heard by SFBGs members, members of the Social Forestry Group and the village community in general. This figure can be a village head official, head of village community empowerment affairs, head of a forest farmer group, head of SFBGs, or community leaders in Rambitan village.

The SFBGs management plan and SFBGs internal regulations that are prepared must be implemented. Of course, it is the SFBGs membership that implements it, but this research found that SFBGs has limitations in preparing and implementing management plans and internal regulations. This implementation must be carried out towards integrated efforts to assist SFBGs business development by various parties, assistance from Social Forestry Companion (SFCs) is not enough. In Presidential Regulation Number 28 of 2023 concerning Integrated Planning

¹⁶Setiyawati, H., Rahayu, P., & Nugroho, L. (2023). Determinants of accountability for the management of funds vis-à-vis village governments in Indonesia (empirical case in Sukabumi, West Java). [Hesap Verebilirliğin Belirleyenleri: Endonezya'da Köy İdarelerinin Fon Yönetimi (Bati Java'daki Sukabumi'den Deneysel Bir Örnek)] *Sosyoekonomi*, 31(56), 191-204. doi:<https://doi.org/10.17233/sosyoekonomi.2023.02.09>

¹⁷Basri, H., Ulfah, A. K., & Majid, M. S. (2017). The implementation of good corporate governance (GCG) to improve service quality: The case of state-owned electricity company in Indonesia. *Journal of Accounting, Finance and Auditing Studies*, 3(2), 44-63. Retrieved from <https://www.proquest.com/scholarly-journals/implementation-good-corporate-governance-gcg/docview/1892114731/se-2>

for the Acceleration of Social Forestry Management (President Regulation 28/2023) there is a social forestry management working group (SFMWGs/Pokja PS). The SFMs Working Group is a working group that supports the implementation of integrated social forestry management plans, consisting of the SFMWGs (national level), Provincial SF Working Group (provincial level), Regency/City SF Working Group (regency/city level). At the provincial level, Article 9 of Minister of Environment and Forestry Regulation No. 9 of 2021 concerning Social Forestry Management also determines that there are 10 (ten) elements involved in the SFMWG SFCs, including government, civil society, business actors, conservation cadres, and environmental and forestry volunteers.

These two regulations do not mention the existence of village-level FS Working Groups, even though the work targets of regional Pokjanas-Pokjas boil down to social forestry approval areas located in villages/sub-districts. At the village level, it is possible to have a village-level FSM Working Group as a companion to the SFBGs in implementing work plans and internal regulations. Elements who are members of this working group can come from SFG (social forestry groups), forest farmer groups, Village Government, Village Consultative Body (VCB), FMU (Forest Management Unit), Social Forestry Assistance Officers, and related parties.

The existence of the FSM Working Group at the Rambitan village level is a form of the village's attitude in optimizing the social forestry approval received by FFG Tirté Urip. Before forming a FSM Working Group, villages must include social forestry in the Village Medium Term Development Plan (VMTDPs). The VMTDPs will then form village regulations regarding social forestry-based forest management in Rambitan village, including village-level planning and budgeting documents. The documents in question include the Village Revenue and Expenditure Budget (VREBs) and Village Government Work Plan (VGWPs). So, the implementation of village government has a legal basis for taking a position as the leading actor driving efforts to develop the SFBGs business. On the other hand, indirectly, village funds are used to develop the SFBGs business.

Regarding the existence of IAD Agroforestry Mandalika, this is a specialty that FFGs Tirté Urip has in developing the SFBGs business. SFBGs business development at FFGs Tirté Urip must implement Presidential Decree 28/2023 concerning integrated planning to accelerate social forestry management. FFGs Tirté Urip members and SFBGs members must take the initiative to implement this Presidential Decree to maximize SFBGs business development efforts. The details of the provisions that must be implemented are:

- a. Article 12 paragraph (2), SFBGs business development at FFGs Tirté Urip must be carried out in an integrated manner and in collaboration between ministries/institutions, provincial, district/city governments and related parties;
- b. Article 12 paragraph (3), IAD development activities related to SFBGs businesses include business development, provision of facilities and infrastructure, mentoring, training, and research and development;
- c. Attachment/Action Plan for the Acceleration of Social Forestry Management focuses on strategies for increasing business capacity and accelerating thematic business development.

CONCLUSION

The portrait of SFBGs business development can be described below, the SFBGs classification at FFGs Tirté Urip is currently in the silver class. A business development strategy must encourage upgrading the SFBGs class to gold or platinum. The specificity of SFBGs business development at FFGs Tirté Urip is the inclusion of FFGs Tirté Urip in the Mandalika Agroforestry IAD, this is an integrated and collaborative program between ministries/agencies,

provincial, district/city governments and related parties. So the SFBGs at FFGs Tirte Urip must implement Article 12 and the attachment to Presidential Decree 29/2023.

Increasing institutional capacity is needed to develop the SFBGs business at FFGs Tirte Urip. The method is that the SFBGs at FFGs Tirte Urip must prepare and ratify the SFBGs management plan document and SFBGs internal regulations. Implementation must be carried out towards integrated efforts to assist SFBGs business development by various parties. Villages must include SFBGs business development efforts in the VMTDPs, VGWPs Village Regulations, and Rambitan Village VREBs.

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