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Author:

Binar Arco Gumilar, et al.

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Jl. Tata Bumi No. 5 Banyuraden, Gamping,

Sleman, Yogyakarta, 55293

Tlp. (0274) 587239

Fax: (0274) 587138

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Jl. Tata Bumi No. 5 Banyuraden, Gamping,

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Tlp. (0274) 587239

E-mail: stpn.press@yahoo.co.id

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THE APPLICATION OF FAIR REPLACEMENT VALUES IN LAND ACQUISITION: INDONESIA VALUATION STANDARDS 2018/2018

Asih Retno Dewi^a, Slamet Wiyono^b

Sekolah Tinggi Pertanahan Nasional

^aasihretno@stpna.ac.id, ^bwiyon.slamet@gmail.com

Abstract

The economic growth supported by infrastructure and public facilities frequently involved people's land acquisition and even relocate the residence. The Government of the Republic of Indonesia issued the regulation in the form of Law no.2 of 2012 on Land Acquisition for Public Interest to ascertain that the infrastructure and public facilities are established using the appropriate cost, at the precise location and giving the compensation. The principle of land acquisition in general perception may mean two things. Those are the releasing right and the giving of fair compensation. From the above meaning, it can be concluded that at least there is a process of releasing and the process of fair compensation giving. The releasing of right is actually related to the voluntary of the land owner in giving their rights for the sake of public interest. Yet, in one side, the state has to ascertain that the land owners obtain the same compensation or even better than the value of the previously owned lands. The determination of the sum of the compensation is done by the land value in accordance with the Indonesian Appraisal Standard (SPI) 2018 of 2018 by fair compensation. The value of the owners' interest is based on parity of market value by considering the extraordinary elements in the form of non physical loss for the release of the property. The paper is aimed at reviewing the application of appropriate compensation in land acquisition for the development in Indonesia. The method used was library research that is by comparing papers, the related regulations on fair compensation applied by several countries in the world. From the references learned, it can be concluded that the application of appropriate compensation of SPI 2018 has accommodated both material and immaterial consideration. They are the emotional loss (solatium) and other losses. Yet, the fact is that the valuation done by the appraisal actor is subjective and considers only on the physical loss. The role of appraisal activity is actually vital and therefore, for the sake of professionalism, the enactment of legal draft of valuers should be of a priority.

Key words: compensation on land acquisition, market value, appropriate compensation

A. Introduction

The development, nowadays, is focused on the infrastructure. The development becomes one of the excellences in the priority programs of Joko Widodo and Jusuf Kala's governmental system. It is hoped that the system is able to speed the economic growth and improve the connectivity of ideology to reach the nation's independence. (LBH Bandung 2017, 8 dalam Suntoro 2019). As the legal base of the acceleration of the infrastructure development, the president has already issued the Presidential Regulation No 58 of 2017 as a change of the Presidential Regulation no. 3 of 2016 on the Acceleration of National Strategic Project Implementation (PSN). The policy determined 245 projects beginning from non toll national/ strategic road, the building of toll, infrastructure on railroads, harbours, electricity which need Rp. 4.700 triliun (Suntoro 2019).

There are at least the government's priority sectors related to land acquisition. They are among others: land transportation like toll roads, and railroads, electricity and sea transportation. It is admitted that the achievement is still far from the expected result as

compared with those of other countries' achievement in building the public facilities. (Yusuf 2016). For example, the realization of building toll roads beginning from 1978 to 2015 was only 949 km (Badan Pengatur Jalan Tol 2016 in Yusuf 2016) and Pablo(2019) mentioned that the toll road built up to 2018 was as long as 782 km. Knowing the importance of toll roads for logistic transportation, the government has speeded up the building process since 2015. The target of toll roads building is 1.070 km in 2019. (data from Komite Percepatan Penyediaan Infrastruktur Prioritas 2015 and the planned target is 1000 km up to 2019). The total sum of the toll building during Joko Wi's era will be 1.852 Km.

The process of the building frequently is hindered by the long process of land acquisition itself. The main problem of land acquisition is really the balance of interest between the individual and the public interest. (Sumardjono 2015). The significance of the development using the individuals' lands is that the whole society members may get the utilization as is mentioned in Article 6 of UUPA which states that all functions land has to have a social function.

Sumardjono (2008) states that the authentic interpretation of Article 6 of UUPAs as follows: (1) the principle should be for all land rights as meant by Article 16 (paragraph 1); (2) the land rights may not be deviated and should be utilized by the holders; (3) there must be a balance between the individuals and the public interest; -- the individuals' interest should be respected and admitted. This balance is difficult to be synthesized Sumardjono (2008, 249.). The right holders have given their valuable belongings for the sake of public interest voluntarily. Their participation in the development constitutes the basic principle to be obedient in implementing the social function of land right. Moreover, Sumardjono (2008, 250) asks to what extent their right is appreciated will be another problem for discussion.

Danuza (2016) states that the main constraints in the land acquisition is the amount of the compensation. Logically those releasing their rights should receive an appropriate compensation. Frequently in the process of land acquisition, the participants are not satisfied enough as the compensation is perceived to be "certainly loss". Very often the compensation wanted by the participants is considered to be too high. The problem is not whether the society is willing to release their rights but rather on how much the compensation they will receive.

The sense of compensation is not the same as buying and selling transaction (Sumardjono 2008, 250), yet to make the compensation is regarded as fair it may not make the receivers richer or poorer as compared to the previous condition.

The regulation related to land acquisition in Indonesia is included in Law No 2. of 2012 on Land Acquisition. One of the things regulated in the law is the determination of compensation based on the independent valuers. Before the application of the law, the value of compensation has not got any basis. (Yusuf 2016). Based on the previous regulation on land acquisition – Presidential regulation No. 36 of 2005 on Land Acquisition for Development for

Public interest and its changes, that was Presidential Regulation No. 36 of 2006, the basic value being used as base of compensation was NJOP or the real value. The use of NJOP or real value arouses problems and uncertainty of compensation for the right owners.

Researches related to compensation has been done many times. Penelitian terhadap ganti kerugian dalam pembangunan untuk kepentingan umum telah beberapa kali dilakukan. Suntoro 2019 did a research on how the regulation on fair and appropriate compensation from the viewpoint of human right and how the valuation was done by Kantor Jasa Penilai Publik (KJPP) to determine the compensation. The regulation related to comensation on UU No. 2 of 2012 does not go on line with the 1945 Constitution especially Aarticle 28 paragraph 4 and Article 36 paragraph (3) UU No. 39 of 1999 on Human Rights.

Sujatmiko and Suriadi (2010), on their research on land acquisition, at Bawen-Ungaran toll road, concludes that there was a relative compensation in the form of a gap between expectation and reality. Another research was done by Rinandar 2019. He studies the impact of land acquisition on the land market, people's socio-economic changes West Java International Airport. There was also a land use change from agricultural to non agricultural lands, and the increase of land prices. Ghatak dan Mookherjee 2014 did a researchon land acquisition for industrialization and compensation of displaced farmers, the paper addresses the question of how farmers displaced by acquisition of agricultural land for the purpose of industrialization ought to be compensated. Prior to acquisition, the farmers are leasing in land from a private owner or local government with a legally mandated sharecropping contract. Compensation rules affect the decision of the landlord to sell the land ex post to an industrial developer, and incentives of tenants and landlord to make specific investments in agricultural productivity. Efficiency considerations are shown to require farmers be over-compensated in the event of conversion. Prasetyo *et al.* writes the valuation of compensation in the process of land acquisition customary land for the pulic interest through the general standard used by Royal Institution of Chartered Surveyors (RICS) adopted by MAPPI (Masyarakat Profesi Penilai Indonesia). The fators affecting the value of compensation related to land acquisition on adat land are among others: (1) the clear evidence of the right of ownership in Indonesia is the main factor to decide the value as it ascertain the legal certainty of legal ownership. The lands having no registration/ clear right was regarded under value as compared to those having clear rght of ownersip. (2) the non monetary factors attached to adat lands;-- socio-cultural values, are in general, subjectively identified; (3) the Indonesian spatial planning also affect the dertermination of values either before orafter valuation related to position of lands.

Alias and Daud did a research on payment of adequate compensation for land acquisition in Malaysia in 2015. The law in Malaysia requires the state to pay compensation adequately; however, adequate compensation is not defined in the statute. Historically, the courts seem to have succumbed to the pretense that the adequacy requirement may be

achieved by giving sufficient monetary rewards in exchange. The questions are what monetary quantum is appropriate to constitute the constitutional mandate of adequate compensation; what should be the measure of compensation; what makes compensation adequate, and what are the tests of adequacy? A questionnaire survey was conducted among practicing valuers to discern their views with regard to the above issues. This survey revealed the views that compensation attributes under the stipulated laws are not adequate to fulfill adequate compensation notion under the spirit of Article 13 of Federal Constitution 1957. There is a need to review the heads of compensation structures by incorporating other countries practices such as payment of solatium or premium as over and above total compensation. Most of the valuers believed that land acquisition need not necessarily present the best alternative for the government to secure land for development.

Based on the above explanation, the paper is aimed at studying problems on how the land compensation for land acquisition is applied in Indonesia. The library study is done by comparing the regulations and papers on fair compensation for land acquisition for the sake of public interest in several countries in the world.

B. The Concept of Fair Compensation Value for Land Acquisition

The general principle of Land acquisition has two meanings. They are land right releasing and the giving of fair compensation. The above two senses implies the process of releasing and simultaneously there is a fair compensation for the land right owners. The releasing of land right is actually related to the voluntary action of the owners to give their lands considering that the lands are the sake public interest. However, the state has to ascertain that the owners have the same or more amount when the process takes place. Thus, the process should be comprehensively understood from the very beginning till the end.

The value is an opinion of an economic use on land ownership, or the price purchased at the transaction process. So, value is not a fact. Since a value is a fact, it should be objectively measured and well understood. In relation to valuation, the basic value is fundamental as in it there is assumption used to value. For example hypothesis on transaction, the relationship and motivation of parties dealing with the asset at market price. This depends on the purpose of each valuation. The fundamental concept of a value is based on market perspective. The value should be based on market not on the existence. One of the values extensively used is market value. The market value according to Standar Penilaian Indonesia (SPI) is estimation on sum of money obtained from an asset transaction on the date of valuation between the buyer wanting to buy and the seller wanting to sell in a independent transaction in which the marketing is appropriately done, and the two parties act for the sake of their understanding, carefulness, and without any compulsion.

From the above definition on market value, it can be concluded that hypothetically the mentioned value considers the appropriateness of transaction on the open market viewpoint.

If this is related to the sompesation, it may a differen perspective. This is resulted from the land acquisition which is based on compensation, therefore, hypothetically, those involved in the transactions do not fulfill the mening of market value (Yusuf 2016).

SPI 103 on Scope of Duty has regulated the relationship between the basic value and the objective of valuation. The objective of a valuer to value the land acquisition for the public interest is Appropriate Compensation Value (NPW). NPW in SPI 306 is similar to Nilai Ganti Kerugian found in Land Acquisition Law.

The sense of the above market value is that both the buyer and the seller do the the transaction voluntarily whereas in the situation of both buyer and seller transact unwillingly, the process of transaction is only based on regulation. If seen for the owner's viewpoint there must be some possibilities. They are (1) the owner does not to sell so that he will never agree to the price offered (2) the is person wanting to take this opportunity to speculate (3) the owner want to take an advantage of offering very high prices (4) the owner wants to have a compensation of appropriately.

The decision of NPW as a basic value was inspired by UUPT. UUPT has decided he amount of compensation to be given to the land owners, and compensation. What is meant by compensation is the amount appropriate , and fair compensation given to the parties having the right to reeive. The term compensation for citizens is not something strategic and acceptable (Yusuf 2016). This right underlies Komite Penyusun Standar Penilaian Indonesia (KPSPI) MAPPI to carry out collecting opinions and doing library study to seek the terminoligal synonyms sitable for the above definition and the unrsatnding of compensation value according to UUPT.

The value of Compensation expresses two menaings of appropriate and fair comensation which represent to categories. First, the object of land acquisition is land, the space above it, buildings, and plants. Second, thingd related to land as well as everythin tha can be valued. The appropriate compensation and fair of the land comensation object require two related concepts. The sense of appropriate does not go in line with appropieaate transaction;-- buying andn selling mentioned above. The value of comensation doe not place the the buyer and seller in the perspective of selling and buying, but rather on compulsion. The market value is the highest vau of real property basd on market perception (*highest and best use/HBU*). Other compensations regulated in the stipulation of compensation is the compensation related to land right. The physical loss belongs to land, bulidingsand pants, whereas the non physical loss includes the comensation of rekasing land right and other losses counted during the transaction process.

The physical loss, according to SPI 102 dan 306 is the loss of property (land and those related to land).

The measurement of NPW is based on the concept contained in the definition. First, The opinion of value of an asset is in the form of physical fulfillment measured using the similarity of market value. This means that the asset should be related to land. The premise used should consider HBU. Using this premise, the economic value will give the highest value of land as well as buildings related to land. The valuation of asset belonging to the non physical loss uses one, two or more approaches of market, income, and cost. Those approaches can be used to measure objects like lands, space above the lands, under the lands, buildings, plants all things related to lands like utility including all things related to buildings. Second, the value of opinion for "unseen asset" belongs to the category of non physical loss. This can be divided into several forms which can be conveyed as addition to Market Value as a representative of non physical loss. UUPT explains that the term "the valuable loss" is a non physical loss similar to monetary value, like the loss of business or jobs, cost of place movement, transfer of profession, rest of properties.

C. Application of Substitution Value in Land Acquisition in Indonesia and Several Countries

One thing that needs to be understood is that the value of compensation is not the same as buying and selling, but in order to be called fair, the compensation should not make someone richer or vice versa compared to the previous situation. In the United States, a country that embraces individualistic liberalism, there are several formulas that can be chosen in finding the fair market value of a property, which are; (1) sales of similar properties; (2) capitalization of income; (3) replacement cost less depreciation; and (4) a combination of these various methods (Haman 1971, Haar 1976 in Sumardjono 2008).

Laws and regulations in Brazil contain alternative indices that can be selected as a standard to provide compensation value, including: (1) the value determined for tax collection; (2) profits derived from the property (land rights); (3) location; (4) the condition of the land (maintained or not); (5) market value obtained over the past five years from equal land rights. The speciality of Brazil is that the profit-earning capacity of land rights is taken into consideration (Kitay 1985 in Sumardjono 2008).

Whereas, the points of consideration for determining compensation in India include: (1) the market value of the land when the land acquisition was announced; (2) losses as a result of splitting up certain parcels of land; (3) losses as a result of reducing the profits from the land since the announcement of the taking of the land until concrete action is taken. The areas that are set aside to estimate the amount of compensation are: (1) an increase in land value associated with future use, and (2) improvements made after the announcement of the taking of the right (Kitay 1985 in Sumardjono 2008).

In Singapore and Taiwan, holders of land rights are asked to "offer" the land to be taken at the price of the valuation for tax collection. To be able to carry out this system requires

reliable information about land and a sophisticated taxation system. In Singapore (Article 33 verse (1) Land Acquisition Act 1970) and Malaysia (Land Acquisition Act 1960), there are similarities in matters that can be taken into consideration to determine the amount of compensation. These things are as follows:

1. market value at the time of announcement of the land rights taking;
2. losses that result in other land rights (from the right holder) or losses on the decrease in the right-holder's income;
3. the cost of moving a place or job;
4. repairs made with the notice of the competent authorities;
5. increase in land supply from other parcels of rights holders caused by its use in the future;
6. losses resulting from the splitting of the land rights of the right-holder;

Article 34 letter h of the Land Acquisition Act states that evidence of the sale price of equal land rights will not be considered unless the right-holder can prove that the sale and purchase that occurred was in good faith and not for speculative purposes.

While in Malaysia, the things that are not considered in making an assessment of compensation, include:

1. an increase in market value as a result of repairs made within a period of two years before the taking of the land rights is announced;
2. decrease in land value due to the use of land that can be detrimental to health;
3. urgency of taking the land;
4. objection of the right holder to leave his land;
5. damage to the land after the announcement of the taking of the land;
6. any increase in land value as a result of future use;
7. repair costs incurred by the rights holder after the announcement of the taking of rights, except with the permission of the authorities (Ibrahim and Sihombing 1989).

Assessment of compensation in Indonesia based on SPI 204 includes:

1. Compensation for loss of the relinquishment of rights from the land owner that will be given a premium and measured in cash based on the provisions of the applicable laws and regulations. This substitution may include matters relating to:
 - a. there is the potential for job loss or loss of business including the transfer of profession.
 - b. emotional loss (*solatium*), is an intangible loss associated with expropriation of land used as a residence from the owner.
 - c. matters not yet regulated in points a and b above can be anticipated based on applicable planning documents, so that appraisers can consider the amount of premium for related non-physical losses.
2. Transaction costs, the basic assumptions formed from a number of costs of moving, emptying, tax / BPHTB, PPAT.

3. Compensation on waiting period, i.e. the amount of funds calculated as a substitute for the time difference between the valuation date and the estimated date of compensation payment.
4. Loss of the remaining land, is a decrease in the value of land due to taking part of a parcel of land. In the event that the remaining land can no longer be used in accordance with its designation, the replacement of the entire parcels of land can be calculated, if it is based on a written agreement with the assignor and refers to the applicable laws and regulations.
5. Other physical damage, for example parts of the building which were cut off due to land acquisition, thus requiring repair costs to function properly.

But there are things that have not been regulated in SPI 204, for example, things that are related to the provision of public consultations or such, the construction of resettlement, educational programs and motivation provision, procurement of work facilities, and compensation for business facilities.

Another thing that is not included in the consideration to determine the amount of compensation in various countries is if its use does not meet the provisions on building or health standards (New York, Hong Kong, Sri Lanka). Likewise, in Nepal and the Philippines, as well as in Malaysia and Singapore, the sentimental attachment of rights holders to their land and the urgency of taking rights are not taken into consideration in determining compensation (Kitax 1985 in Sumardjono 2008). Unlike in Indonesia, which considers an emotional loss (*solatium*), which is an intangible loss associated with expropriation of land used as a residence from the owner.

Developments and problems related to compensation are also experienced by the PRC, which is seen as one of the countries with the fastest economic development. In the PRC, which has not yet been found a comprehensive law governing land acquisition, developments can be noted in relation to the criteria for compensation that generally applies to lands that are collectively owned (Ding 2005 in Sumardjono 2015). Compensation consists of 4 (four) components, which are: (1) compensation for land; (2) assistance for resettlement; (3) compensation for plants and objects related to the soil; and (4) providing employment opportunities to affected people (labour / job resettlement). Land compensation and support for resettlement are given to community groups (collective communes), while compensation for crops is given to farmers.

There are three things that can be noted related to compensation for land acquisition in the PRC. First, there are clear criteria for compensation for agricultural / rural land that have increased when compared between 1986 Land Administration Law (LAL) and 1998 LAL. However, in practice, the amount of compensation for land must be shared between community groups and farmers, and in this division farmers get a smaller share so that it impacts on their socioeconomic conditions. Second, the provision of compensation for non-

physical losses in the form of employment opportunities (labour / job resettlement) does not always work well, even it is often given in the form of money instead. Third, in the PRC, the definition of fair compensation that reflects "the value of land and is sufficient to warrant non-worse-off living standards for farmers who lose land" is not accompanied by clear criteria / benchmarks so the results are often " ad-hoc "and" arbitrarily "so that it is not achieved in accordance with the" just and fair "compensation objectives (Sumardjono 2015).

Determining the amount of compensation to land is not an easy process, because there are various factors that must be taken into account in its calculations. These factors are alternative indices that will be used according to the situation and condition of each object and subject to land rights. Because the determination of the amount of compensation is the most crucial and directly touches the sense of justice of the holders of land rights, the determination of the index of various factors that can affect land prices must be carefully prepared.

D. Role of the Assessment Institution in Determining Fair Reimbursement Values

Theoretically, giving compensation is different from buying and selling (willing seller-willing buyer) because of sacrifice / coercion, uncertainty about the sustainability of socioeconomic welfare, loss of material rights, and loss of the right to enjoy the pleasures of life in the place of origin. In summary, when talking about compensation, inevitably it must be admitted that the sense of loss is not only for objects that are physical, but also includes a sense of loss of things that are non-physical, for example the loss of social networks that have been formed since a long time ago, losing the inner bond with the place of origin of a person and his ancestors and descendants. Therefore, in modern life, for example through Article 1246 of the Civil Code, what is meant by compensation includes two things, namely the loss suffered directly and the benefits that could have been obtained. Therefore, it makes sense if the type of compensation in land acquisition consists of physical and non-physical compensation (Sumardjono 2008). Respect for land rights taken for development purposes is manifested in the provision of compensation. In reality, one of the most complicated things in any process of taking land rights is the problem of determining compensation.

In Indonesia, the matter of compensation for the first time in the national land law is stipulated in Law No. 20 of 1961 which states that adequate compensation is based on real value. Furthermore, the regulation on compensation according to Act No. 2 of 2012 Article 1 number 10 of Act No. 2 of 2012 states that "compensation is an appropriate and fair compensation to those who are entitled to the land acquisition process." In the Act or Presidential Decree, no explanation is given regarding the meaning of "proper" and "fair". "Proper" and "fair" are qualitative. Unfortunately the Law is not further elaborated on the "proper" and "fair" benchmarks (Sumardjono 2015).

The new legal mechanism in land acquisition according to Law Number 2 of 2012 is the granting of authority to the appraisal in this case represented by the Office of the Public Appraisal Service (KJPP) to conduct an assessment of the object to be subject to compensation. The results of this assessment are final, meaning that the government and / or entities that require community-owned land pay according to the results of the assessment and close the deliberations regarding the size and amount, limited to deliberations regarding the form of compensation (Article 31 paragraph 1 and Article 34). The presence of the appraisal as an institution that conducts an assessment is considered to be more professional and objective in determining compensation in accordance with Law 2 of 2012. This attributive policy is part of a new mechanism for land acquisition for development in the public interest which in previous practices was always carried out by the Land Acquisition Committee (the government itself) or limited by appraisers involved by the Land Procurement Committee as the mechanism in Presidential Decree Number 6 of 2005 and 36 of 2005 concerning Land Procurement for Implementation of Development in the Public Interest.

According to Suntoro 2019, one of the factors that most often becomes a problem in assessments is that the results of the assessment are not up to date and ignore the facts about the existence of immaterial values. Various issues in the assessment have also been identified by the Financial Professional Development Center, Secretary General of the Ministry of Finance of the Republic of Indonesia as the appraisal advisor (KJPP), which occurs because:

1. Appraisal does not yet understand the stages of preparation, planning, implementation, and submission of results due to the limited socialization and duration of land acquisition;
2. there is no planning document or Nominative List from the Land Procurement Committee so that appraisal has difficulty in determining the value of compensation and has an impact on the amount received by the community;
3. There are administrative problems with the delay in signing the location determination document so that the time needed for the appraisal is longer;
4. Manipulation of location data so that the appraisal carries out an assessment just after the infrastructure is built. As a result the assessment results are inaccurate and have an impact on legal findings;
5. Low understanding of the Indonesian Assessment Standard (SPI) which is used as the main basis in determining compensation to the public.

In the 2013 SPI, Market Value is defined as the "estimation" of the amount of money that can be obtained from the exchange of an asset or liability at the valuation date, between buyers who are interested in buying and sellers who are interested in selling, in a bond-free transaction, for which marketing is conducted properly, where both parties act on the basis of their understanding, prudence, and without coercion. "Assessment is subjective in which the value generated will depend on the knowledge and skills of the assessor.

On the other hand, due to limited data presented in the Nominative List by Task Force B of the Land Office (Suntoro 2019). The data submitted have not included the entire object information both material and immaterial as the basis for calculation / assessment. The existing practice, in general, only presents physical data only. On the other hand, the Appraisal Bill has not been ratified by the Government through the Ministry of Finance of the Republic of Indonesia to the DPR, even though it has been submitted to the DPR. In fact, this law is expected to be paying for appraisal organizations spread across various professions both government and private, assessment mechanisms and standards, performance monitoring, professional code of ethics, and improving the quality of appraisers. The impetus for accelerating the passage of this bill is expected to make an appraisal assessment of objects belonging to the public more professional, clear criteria, objective, and respect for human rights, including in the acquisition of land for public interest. In SPI No. 204 of 2018, the valuation of compensation uses the calculation of Reimbursement Value which actually can accommodate material and immaterial calculations including emotional loss (solatium) and other losses. The data presented by Suntoro 2019, in fact the results of research in South Sulawesi, West Java and Yogyakarta revealed that the assessment was very subjective by the appraisal and emphasized the calculation of physical losses. The appraisal's role in the land acquisition mechanism in Law Number 2 of 2012 is very vital, therefore, in addition to encouraging professionalism in conducting the assessment, the ratification of the Appraisal Bill becomes a priority thing to do.

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encouraging professionalism in conducting the assessment, the ratification of the Appraisal Bill becomes a priority thing to do.

E. Conclusion and suggestion

The professional appraisal organization has formulated the Indonesian Assessment Standard (SPI) Number 204 Year 2018 which is an update of SPI 306 2015. In SPI No. 204 of 2018, the valuation of compensation uses the calculation of Reimbursement Value which actually can accommodate material and immaterial calculations including emotional loss (solatium) and other losses. But the fact is the assessment conducted emphasizes the calculation of physical losses. On the other hand, valuation is an assumption that is subject to subjective and varied results where the value generated will depend on the knowledge and skills of the assessor. The appraisal's role in the land acquisition mechanism in Law No. 2 of 2012 is very vital, therefore it needs to be encouraged by the appraiser's professionalism in carrying out the appraisal. In addition, it is necessary to immediately ratify the Appraisal Bill as a basis and reference for the implementation of the appraiser's task, including valuation to compensate for land acquisition for public use.

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