

***** OFFICIAL ANNOUNCEMENT *****

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GENERAL

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PRESIDENT OF THE REPUBLIC OF INDONESIA

A C T

NO. 41 OF 1999 ; DATED SEPTEMBER 30, 1999

R E

FORESTRY AFFAIRS

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that forests, as the blessing and mandate from God the Almighty bestowed upon the Indonesian nation constitute wealth controlled by the State and provide multi-purpose benefits to mankind, and therefore it is obligatory that we should be thank God for them, take care of them and utilize them to the maximum as well as maintaining their sustainability for the maximum benefit to the people, to the present and future generations;
 - b. that forests, as one of the factors determining a file buffer system and a source of people's welfare tend to be going down in their condition and therefore their presence must be maintained in the best possible manner, their supporting capacity preserved and taken care of in manner characterized by a noble character, justice, wisdom, openness, professionalism and responsibility;
 - c. that sustainable forest management in a manner also characterized by a world-oriented concept must accommodate the dynamic aspirations and participation of the community, customs and culture and the value system of the community based on the national legal norms;
 - d. that Act No. 5 of 1967 on basic provisions on forestry (State Gazette No. 8 of 1967) is no longer compatible with the principle of forest control and management and the demand arising from the development circumstances so that it must be replaced;
 - e. that on the basis of the considerations referred to in letters a, b, c and d it is necessary to stipulate a new act on forestry.

**Bearing
and mind**

- :
- 1. Article 5 paragraph (1), Article 20 paragraph (1), Article 27 and Article 33 of the Constitution of 1945;
 - 2. Stipulation of the People's Consultative Assembly of the Republic of Indonesia (MPR Republic of Indonesia) No. XV/MPR/1996 on the establishment of regional autonomy, regulation, distribution and utilization of national resources

characterized by justice; and the financial equilibrium between the central and regional administrations in the framework of the Unitary State of the Republic of Indonesia;

3. Act No. 5 of 1990 on the conservation of biological natural resources and their ecosystem (State Gazette No. 49 of 1990, Supplement to state Gazette No. 3419);
4. Act No. 24 of 1998 on spatial layout designing (State Gazette No. 115 of 1992, Supplement to State Gazette No. 3501);
5. Act No. 23 of 1999;
6. Act No. 23 of 1999 on environmental management (State Gazette No. 68 of 1997, Supplement to State Gazette No. 3699);
7. Act No. 22 of 1999 on regional administrations (State Gazette No. 60 of 1999, Supplement to State Gazette No. 3839);

H A S D E C I D E D :

To stipulate : THE ACT ON FORESTRY AFFAIRS.

CHAPTER I GENERAL PROVISIONS First Part Definition Article 1

Referred to in this Act as :

1. Forestry is a system of management connected with forests, forest areas and forest products and implemented in an integrated manner.
2. A forest is a unity of ecosystem in the form of an extent of land containing biological natural resources dominated by trees in a union with the environment, which cannot be separated one from another.
3. A forest area is a particular area which the government has appointed and or stipulated to be maintained as a permanent forest;
4. A state's forest is a forest located on land on which the title on land is not conveyed;
5. A titled forest is a forest located on land on which the title on land is conveyed;
6. A customs-related forest is a state's forest located in the territory of a community upholding on customary acts;
7. A production forest is a forest area whose main functions is to produce forest products;

8. A protective forest is a forest area whose chief function is to protect a life buffer system in order that the water system may be regulated, flood prevented, erosion put under control, sea water intrusion prevented and soil fertility maintained;
9. A conservation forest is a forest area with a particular characteristic and with the chief function of conserving the diversity of plants and animals and their ecosystem;
10. A nature reserve forest area is a forest with a particular characteristic with the chief function of serving as an area for the conservation of the diversity of plants and animals and their ecosystem, also serving as an area of a life buffer system;
11. A nature conservation forest area is a forest with a particular characteristic with the chief function of protecting the life buffer system, the conservation of the diversity of plants and animals and the sustainable utilization of biological natural resources and their ecosystem;
12. A hunting park is a forest area stipulated as a place for hunting tourism;
13. Forest products are biological and non-biological objects and their derivatives and services originating in a forest;
14. The government is the central government;
15. The minister is the minister assigned and assuming responsibility in the forestry sector.

Second Part
Principle and Purposes
Article 2

Forestry undertakings are based on the principles of benefits and sustainability, democracy, justice, togetherness, transparency and integratedness.

Article 3

Forestry undertakings are intended for the maximum just and sustainable prosperity of the people by means of :

- a. guaranteeing the existence of forest with sufficient extent and proportional spread;
- b. optimizing various forest functions, encompassing the functions of conservation, protection and production in order to acquire environmental, social, cultural and economic benefits in a balanced and sustainable manner;
- c. promoting the supporting capacity of river basins;
- d. promoting the capability of developing the capacity and potency of the community characterized by participation, justice and environment-oriented concept so that social and economic resilience and resilience against the impacts of external changes may be created; and
- e. guaranteeing the distribution of just and sustainable benefits.

Third Part
Forest Control
Article 4

- (1) All forests within the territory of the Republic of Indonesia, including the natural wealth contained therein, are controlled by the State for the maximum prosperity of the people.
- (2) Forest control by the State as meant in paragraph (1) authorized the government to :
 - a. regulate and take care of everything connected with forests, forest areas and forestproducts;
 - b. stipulate the status of a particular area as a forest area as a non-forest area; and
 - c. regulate and stipulate legal relations between people and forests and regulate legal acts regarding forestry.
- (3) Forest control by the State continues to take into account the rights of the communities upholding customary acts as long as they actually still exist and their existence is recognized, and does not contradict with national interests.

CHAPTER II
STATUS AND FUNCTIONS OF FORESTS
Article 5

- (1) On the basis of their status, forests comprise :
 - a. state's forests; and
 - b. titled forests.
- (2) State's forests as meant in paragraph (1) letter a may be the form of customs related forests.
- (3) The government will stipulate the status of forests as meant in paragraphs (1) and (2), and customs-related forests will be stipulated as long as in accordance with the reality the communities upholding the customary acts concerned are still in existence and their existence is recognized.
- (4) If in their development, the communities upholding customary acts concerned no longer exist, the right to manage customs-related forests will return to the government.

Article 6

- (1) Forests have three functions, namely :
 - a. the function of conservation;
 - b. the function of protection, and
 - c. the function of production.
- (2) The government stipulates forests on the basis of the chief functions as follows :
 - a. conservation forests;

- b. protective forests; and
- c. production forests.

Article 7

Conservation forests as referred to in Article 6 paragraph (2) letter a comprise :

- a. nature reserve forest areas.
- b. nature conservation forest areas, and
- c. hunting parks.

Article 8

- (1) The government may stipulate certain forest areas for specific purposes.
- (2) The stipulation of forest areas for specific purposes as meant in paragraph (1) is needed for public purposes such as :
 - a. research and development;
 - b. education and training, and
 - c. religion and culture.
- (3) Forest areas for specific purposes as meant in paragraph (1) will not change the chief functions as forest areas as meant in Article 6.

Article 9

- (1) For the purpose of regulating micro climate, aesthetic and water absorption, a certain area in every city is stipulated as a city forest.
- (2) Further provisions as meant in paragraph (1) will be regulated in a government regulation.

CHAPTER III FOREST MANAGEMENT Article 10

- (1) Forest management as meant in Article 4 paragraph (2) letter a is aimed at obtaining the maximum multi-purpose and sustainable benefit for the prosperity of the people.
- (2) Forest management as meant in paragraph (1) encompasses the activities of :
 - a. forestry planning;
 - b. forest management;
 - c. research and development, education and training and counseling connected with forestry, and
 - d. supervision.

CHAPTER IV FOREST PLANNING First Part Article 11

- (1) Forest planning is aimed at providing a guideline and direction which will guarantee the achievement of the goal of forestry undertakings as meant in Article 3.
- (2) Forest planning is implemented in ways characterized by transparency, responsibility, participation, integratedness and with account being taken of the regional uniqueness and aspirations.

Article 12

Forestry planning as meant in Article 10 paragraph (2) letter a encompasses :

- a. taking stock of forests;
- b. confirmation of forest areas;
- c. delineating the use of system of forest areas;
- d. establishing forest management areas, and
- e. drawing up forestry plans.

Second Part Taking stock of forests Article 13

- (1) Forests are taken stock of to find out and obtain data and information about resources, potentials of forest natural wealth, and their environment in a complete manner.
- (2) The act of taking stock of forests as meant in paragraph (1) is undertaken by means of surveys on the status and physical condition of forests, flora and fauna, human resources and the social condition of the community in and around forests.
- (3) The act of taking stock of forests as meant in paragraph (2) comprises :
 - a. taking stock of forests at the national level;
 - b. taking stock of forests at the regional level;
 - c. taking stock of forests at the river basin level;
 - d. taking stock of forests at the management unit level.
- (4) The result of the act of taking stock of forests as meant in paragraphs (1), (2) and (3) is used among other things as a basis for confirmation of forest areas, the drawing up of a forest resources balance sheet and the drawing up of forestry plans and a system of information on forestry.
- (5) Further provisions as meant in paragraphs (1), (2) and (3) will be regulated in a government regulation.

Third Part Confirmation of Forest Areas Article 14

- (1) On the basis of the act of taking stock of forests as meant in Article 13, the government will undertake the confirmation of forest areas.
- (2) The activity of forest area confirmation as meant in paragraph (1) is carried out to provide legal certainty on forest areas.

Article 15

- (1) Confirmation of forest areas as meant in Article 14 is undertaken through the following process :
 - a. the appointment of a forest area;
 - b. the arrangement of forest area boundaries;
 - c. the mapping of forest areas, and
 - d. the stipulation of forest areas.
- (2) Confirmation of forest areas as meant in paragraph (1) will be undertaken with account being taken of the regional spatial layout designing plan.

Fourth Part Delineation of Use System of Forest Areas Article 16

- (1) On the basis of the result of confirmation of forest areas as meant in Articles 14 and 15, the government will undertake the delineation of the use system of forest areas.
- (2) The delineation of the use system of forest areas encompasses the activities of stipulating the functions and uses of forest areas.
- (3) Further provisions as meant in paragraph (1) and paragraph (2) will be regulated in a government regulation.

Fifth Part Establishment of Forest Management Areas Article 17

- (1) The establishment of forest management areas is implemented for the levels of :
 - a. provinces;
 - b. regencies/municipalities, and
 - c. management units.
- (2) The establishment of forest management areas at the management unit level will be implemented with account being taken of the characteristics of the land, the type of the forest, the functions of the forest, the condition of river basin, and the social, cultural, economic and institutional aspects of the local community, including the community upholding the customary acts and administrative boundaries of governments.
- (3) The stipulation on the establishment of forest management units beyond the administrative boundaries of governments because of the conditions and characteristics and types of the forests will be specifically regulated by the Minister.

Article 18

- (1) The government stipulates and maintains the sufficiency of the extent of forest areas and the closing of forest for each river basin and or island in order to optimize the environmental benefit, the social benefit and the economic benefit of the local community.

- (2) The extent of a forest area which must be maintained as meant in paragraph (1) is a minimum of 30% (thirty percent) of the extent of the river basis and or the island with proportional spreading.

Article 19

- (1) Changes in the designation and functions of forest areas are stipulated by the government on the basis of the result of an integrated research.
- (2) Changes in the designation of forest areas as meant in paragraph (1) with a significant impacts, an extensive scope and a strategic value will be stipulated by the government with the approval of the House of People's Representatives.
- (3) The provisions on the procedure for the changes in the designation of forest areas and the changes in the functions of forest areas as meant in paragraphs (1) and (2) will be regulated in a government regulation.

Sixth Part Drawing up of Forestry Plans Article 20

- (1) On the basis of the result of the act of taking stock of forests as meant in Article 13 and with account being taken of the factors of environment and social condition of the community, the government will draw up forestry plans.
- (2) The forestry plans as meant in paragraph (1) will be drawn up in accordance with the period of time of planning, a geographical scale and also the chief functions of forest areas.
- (3) Further provisions as meant in paragraph (1) and paragraph (2) will be regulated in a government regulation.

CHAPTER V FOREST MANAGEMENT First Part General Article 21

Forest management as meant in Article 10 paragraph (2) letter b encompasses the activities of

- a. Forest arrangement and the drawing up of a forest management plan;
- b. forest utilization and use of forest areas;
- c. forest rehabilitation and reclamation, and
- d. forest protection and nature conservation.

Second part Forest Arrangement and Drawing Up of - Management Plan Article 22

- (1) Forest arrangement will be implemented in the framework of a more intensive management of forest areas in order to acquire a bigger and more sustainable benefit.

- (2) Forest arrangement encompasses the division of forest areas into blocks on the basis of the ecosystem, types, functions and forest utilization plans.
- (3) The blocks as meant in paragraph (2) will be divided into parcels on the basis of management intensity and efficiency.
- (4) On the basis of the blocks and parcels as meant in paragraph (2) and paragraph (3), a forest management plan will be drawn up for a specific period of time.
- (5) Further provisions as meant in paragraphs (2), (3) and (4) will be regulated in a government regulation.

Third Part
Forest Utilization and Use of Forest Areas
Article 23

Forest utilization as meant in Article 21 letter b is aimed at acquiring optimum and just benefit for the welfare of the entire community with the sustainability being maintained.

Article 24

Forest area utilization may be applied to all forest areas with the exception of natural reserve forests and the nucleus zones and jungle zones in a national park.

Article 25

The utilization of a nature conservation forest area and a nature reserve forest area as well as a hunting park will be regulated pursuant to the prevailing acts.

Article 26

The utilization of protective forests may be in the form of area utilization, environmental service utilization and collection of non-timber forest products.

Article 27

- (1) A business license for area utilization as meant in Article 26 paragraph (2) can be granted to :
 - a. individuals;
 - b. cooperatives.
- (2) A business license for environmental service utilization as meant in Article 26 paragraph (2) can be granted to :
 - a. individuals;
 - b. cooperatives;
 - c. Indonesian privately-owned enterprises;
 - d. state-owned enterprises or enterprises owned by regional administrations.
- (3) A license for the collection of non-timber forest products as meant in Article 26 paragraph

(2) can be granted to :

- a. individuals;
- b. cooperatives.

Article 28

- (1) The utilization of production forests may be in the form of utilization of areas, utilization of environmental services, utilization of timber and non-timber forest products and the collection of timber and non-timber forest products.
- (2) The utilization of production forests will be implemented through the granting of a business license for area utilization, a business license for environmental service utilization, a business license for timber forest product utilization, a business license for non-timber forest product utilization, a license for the collection of timber forest products and a license for the collection of non-timber forest products.

Article 29

- (1) A business license for area utilization as meant in Article 28 paragraph (2) can be granted to :
 - a. individuals;
 - b. cooperatives.
- (2) A business license for environmental service utilization as meant in Article 28 paragraph (2) can be granted to :
 - a. individuals;
 - b. cooperatives;
 - c. Indonesian privately-owned enterprises;
 - d. state-owned enterprises or enterprises owned by regional administrations.
- (3) A business license for non-timber forest product utilization as meant in Article 28 paragraph (2) can be granted to :
 - a. individuals;
 - b. cooperatives;
 - c. Indonesian privately-owned enterprises;
 - d. state-owned enterprises or enterprises owned by regional administrations.
- (4) A business license for timber forest product utilization as meant in Article 28 paragraph (2) can be granted to :
 - a. individuals;
 - b. cooperatives;
 - c. Indonesian privately-owned enterprises;
 - d. state-owned enterprises or enterprises owned by regional administrations.
- (5) A license for the collection of timber and non-timber forest products as meant in Article 28 paragraph (2) can be granted to :

- a. individuals;
- b. cooperatives.

Article 30

In the framework of the economic empowerment of the community, every state-owned enterprise, enterprise owned by a regional administration and Indonesian privately-owned company obtaining a business license for environmental service utilization and a business license for timber and non-timber forest product utilization will be obligated to cooperate with the cooperatives of the local community.

Article 31

- (1) To guarantee the principles of justice, equity and sustainability a business license for forest utilization is limited by with the consideration of the aspects of forest sustainability and business certainty.
- (2) The limitation as meant in paragraph (1) will be regulated in a government regulation.

Article 32

Holders of licenses as regulated in Articles 27 and 29 are obligated to maintain, take care of and conserve the forests of their business locations.

Article 33

- (1) The business of utilization of forest products encompasses the activities of planning, maintaining, harvesting, processing and marketing of forest products.
- (2) Harvesting and processing of forest products as meant in paragraph (1) cannot exceed a sustainable supporting capacity of a forest.
- (3) Regulation, fostering and development of forest product processing as meant in paragraph (2) will be regulated by the Minister.

Article 34

The management of a forest area for specific purposes as meant in Article 8 may be granted to :

- a. the community upholding customary acts;
- b. educational institutions;
- c. research institutions;
- d. social and religious institutions.

Article 35

- (1) Every holder of a business license for forest utilization as meant in Articles 27 and 29 will be subjected to the imposition of business license contribution fees, royalty, reforestation funds, and performance guarantee funds.

- (2) Every holder of a business license for forest utilization as meant in Article 27 and 29 is obligated to provide investment funds for forest conservation expenses.
- (3) Every holder of a license for forest product collection as meant in Articles 27 and 29 will be subjected only to the imposition of royalty.
- (4) Further provisions as meant in paragraph (1), paragraph (2) and Paragraph (3) will be regulated in a government regulation.

Article 36

- (1) A titled forest will be utilized by the holder of the title on the land concerned, in accordance with its function.
- (2) Titled forest functioning as protection and conservation may be utilized as far as the function is not harmed.

Article 37

- (1) The utilization of custom-related forests by the community upholding the customary acts concerned will be in keeping with their functions.
- (2) Customs-related forests with the protection and conservation functions may be utilized as far as the functions are not harmed.

Article 38

- (1) The use of forest areas for non-forestry construction purposes will be confined only to the production and protection forest areas.
- (2) The use of a forest area as meant in paragraph (1) may be undertaken without altering the chief function of a forest area.
- (3) The use of a forest area in the interest of mining activities may be undertaken through the granting of a lease use license by the Minister with account being taken of the extent of the area, the specific period and environmental sustainability.
- (4) Mining with an open mining pattern will be prohibited in a protection forest area.
- (5) The granting of a lease-use license as meant in paragraph (3) with a significant impact, a wide scope and a strategic value will be undertaken by the Minister with the approval of the House of People's Representatives.

Article 39

Implementation provisions on the utilization of forests and the use of forests areas as meant in Article 27, Article 29, Article 34, Article 36, Article 37 and Article 38 will be regulated further in a government regulation.

Fourth Part **Forest Rehabilitation and Reclamation** **Article 40**

Forest and land rehabilitation is aimed at restoring, maintaining and promoting the functions of forests and land so that their supporting capacity, productivity and role in supporting the system of life buffer will be sustained.

Article 41

- (1) Forest and land rehabilitation will be undertaken by means of the following activities :
 - a. reforestation;
 - b. re-greening (replanting);
 - c. maintenance;
 - d. plant diversification, or
 - e. the application of land conservation techniques in a manner related to vegetation and civil engineering principles on critical and non-productive land.
- (2) The rehabilitation activities as meant in paragraph (1) will be conducted in all forests and forest areas with the exception nature reserves and nucleus zones of national parks.

Article 42

- (1) Forest and land rehabilitation will be conducted on the basis of the specific biophysical conditions.
- (2) The participative approach in the context of developing potentials and empowering the community will be prioritized in the implementation of forest and land rehabilitation.
- (3) Further provisions as meant in paragraph (1) and sub-section (2) will be regulated in a government regulation.

Article 43

- (1) Everyone owning, managing and or utilizing critical and non-productive land will be obligated to undertake forest rehabilitation for protection and conservation purposes.
- (2) In implementing the rehabilitation as meant in paragraph (1), everyone may apply to non-government organizations, other parties and the government for assistance, service and support.

Article 44

- (1) Forest reclamation as meant in Article 21 letter c encompasses undertakings to improve or restore damaged forest land and vegetation so that they can perform their function to the optimum in accordance with their designation.
- (2) The reclamation activities as meant in sub-section (1) encompasses taking stock of the location, determination of the location, planning and implementation of reclamation.
- (3) Further provisions as meant in sub-section (1) and sub-section (2) will be regulated in a government regulation.

Article 45

- (1) It is compulsory that the use of forest areas as meant in Article 38 sub-section (1) which results in forest damage should entail reclamation and or rehabilitation in accordance with the pattern stipulated by the government.
- (2) It is compulsory that the reclamation of a forest area which is formerly a mining area should be implemented by the holder of a mining license in accordance with the stages of the mining activities.
- (3) Parties using forest area for purposes beyond forestry activities causing changes in land surface and resulting in land covering are obligated to pay reclamation and rehabilitation bonds.
- (4) Further provisions as meant in sub-sections (1), (2) and (3) will be regulated in a government regulation.

Fifth Part
Forest Protection and Nature Conservation
Article 46

The implementation of forest protection and nature conservation is aimed at maintaining the forests, forest areas and their environment so that their functions of protection, conservation and protection may be performed in an optimum and sustainable manner.

Article 47
To be continue

***** OFFICIAL ANNOUNCEMENT *****

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GENERAL

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PRESIDENT OF THE REPUBLIC OF INDONESIA

A C T

NO. 41 OF 1999 ; DATED SEPTEMBER 30, 1999

R E

FORESTRY AFFAIRS

(Continuation From Warta CAFI No. 16)

Article 47

The protection of forests and forest areas constitutes undertakings to :

- a. prevent and limit the damage to forests, forest areas and forest products caused by human acts, cattle, fire, natural forces, pests and diseases; and
- b. defend and maintain the rights of the state, the community and individuals over forests, forest areas, forest products, investments and sets of equipment related to forest management.

Article 48

- (1) The government regulates forest protection, both inside and outside forest areas.
- (2) Forest protection in a state's forest is implemented by the government.
- (3) Holders of forest utilization business licenses as meant in Article 27 and Article 29 and parties receiving forest management authority as meant in Article 34 will be obligated to protect the forests in their working areas.
- (4) Forest protection in a titled forest will be conducted by the title holder.
- (5) To guarantee that forest protection will be implemented in the best manner possible, the community will be involved in efforts to undertake forest protection.
- (6) Further provisions as meant in sub-sections (1), (2), (3), (4) and (5) will be regulated in a government regulation.

Article 49

Title or license holders will be responsible for forest fires in their working areas.

Article 50

- (1) Everyone is prohibited to damage forest protection infrastructure and facilities.

- (2) Everyone granted an area utilization business license, an environmental service utilization business license, a timber and non-timber forest product utilization business license will be prohibited to undertake activities causing forest damage.
- (3) Everyone is prohibited to :
- a. work on and or use and or occupy forest areas illegally;
 - b. tramp forest areas;
 - c. undertake tree felling in a forest area with a radius or a distance of up to :
 1. 500 (five hundred) meters of the edge of a dam or a lake;
 2. 200 (two hundred) meters from the edge of a spring and the right and left sides of a river in a swampy area;
 3. 100 (a hundred) meters from the right and left banks of a river;
 4. 50 (fifty) meters from the right and left of the banks of a tributary;
 5. twice the depth of a ravine from its edge;
 6. 130 (a hundred and thirty) times the difference of the highest tide and the lowest ebb from the coast.
 - d. burn a forest;
 - e. fell trees or harvest or collect forest products in a forest without a right or a license from an authorized official;
 - f. receive, purchase or sell, exchange, receive as a consignment, keep or own forest products which are known or should be suspected to originate in forest areas and to have been taken or collected illegally;
 - g. undertake the activities of general prospecting or exploration or exploitation of minerals in a forest area without a license from the Minister;
 - h. transport, control or own forest products not covered by a certificate on the legality of the forest products;
 - i. herd cattle in a forest area not specifically appointed for this purpose by an authorized official;
 - j. carry heavy-duty equipment or other equipment which is usually used or should be suspected to be used to transport forest products in a forest area without the license from an authorized official;
 - k. carry equipment which is usually used to fell, cut or split trees in a forest area without a license from an authorized official;
 - l. throw away into a forest area items which may cause a fire and damage and endanger the existence or sustainability of the function of a forest; and

- m. take out, carry and transport plants and wildlife not protected by the act and originating in a forest area with-out a license from an authorized official.
- (4) The provision on taking out, carrying and or transporting protected plants and or animals is regulated pursuant to the prevailing acts.

Article 51

- (1) To guarantee the implementation of forest protection certain forestry officials, in accordance with the nature of their jobs, will be granted specific police authority.
- (2) Officials granted specific police authority as meant in sub-section (1) are authorized to :
 - a. undertake patrol inside a forest area or their jurisdiction;
 - b. examine papers or documents related to the transportation of forest products inside a forest area or their jurisdiction;
 - c. receive reports on the criminal acts related to forests, forest areas and forest products;
 - d. look for information and evidences about criminal acts related to forests, forest areas and forest products;
 - e. arrest a suspect, who is caught in the act, in order to be handed over to the authorities; and
 - f. make a report on the occurrence of a criminal act related to forests, forest areas and forest products and sign it.

CHAPTER VI FORESTRY RESEARCH AND DEVELOPMENT, EDUCATION AND TRAINING, AND COUNSELING

First Part

General

Article 52

- (1) Sustainable forest management requires human resources with a good quality characterized by mastery of science and technology based on the faith in and devoutness to God the Almighty through the implementation of forestry research and development, education and training and counseling in a sustainable manner.
- (2) In implementing forestry research and development, education and training and counseling, it is compulsory that science and technology, traditional wisdom and the socio-cultural condition of the community should be taken into account.
- (3) In implementing forestry research and development, education and training and counseling, the government is obligated to prevent the wealth of uniquely Indonesian germ plasms from being stolen.

Second Part

Forestry Research and Development

Article 53

- (1) Forestry research and development are aimed at developing national capacity and the culture of science and technology in forest management.
- (2) Forestry research and development are aimed at promoting the capacity in forest management in translating into reality sustainable forest management and increasing the added value of forest products.
- (3) The implementation of forestry research and development will be undertaken by the government and may be conducted cooperation with universities, the business world and the community.
- (4) The government will encourage and create a condition conducive to the improvement of the capacity to control, develop and utilize the science and technology in forestry.

Article 54

- (1) The government, along with the business world and the community, will publish the result of forestry research and development and develop a system of information and services on the result of the forestry research and development.
- (2) The government is obligated to protect the discoveries made in science and technology in the forestry sector pursuant to the prevailing acts.
- (3) A license to undertake forestry researches in Indonesia may be granted to foreign researchers with reference to the prevailing acts.

Third Part Forestry Education and Training Article 55

- (1) Forestry education and training are aimed at developing and promoting the quality of human resources in forestry characterized by skill, professionalism, dedication, honesty and lofty character.
- (2) Forestry education and training are aimed at establishing human resources with a mastery and capability of utilizing and developing science and technology in just and sustainable forest management based on faith in and devoutness to God the Almighty.
- (3) The implementation of forestry education and training will be undertaken by the government, the business world and the community.
- (4) The government will encourage and create a condition conducive to the implementation of forestry education and training in the framework of promoting the quantity and quality of human resources.

Fourth Part Forestry Counseling Article 56

- (1) Forestry counseling is aimed at promoting knowledge and skills and changing the attitude and behavior of the community so that they will be willing and able to support forestry development on the basis of the faith in and devoutness to God the Almighty and the awareness of the significance of forestry resources to human life.

- (2) The implementation of forestry counselling will be undertaken by the government, the business world and the community.
- (3) The government will encourage and create a condition conducive to the implementation of forestry counseling activities.

Fifth Part
Financing and infrastructure
Article 57

- (1) The business circles in the forestry sector will be obligated to provide investment funds for research and development, education and training and counseling in forestry.
- (2) The government will allocate forest areas to be used for and support the activities of research and development, education and training and counseling in forestry.

Article 58

Further provisions on research and development, education and training and counseling in forestry will be regulated in a government regulation.

CHAPTER VII
SUPERVISION
Article 59

Forestry supervision is aimed at observing, tracing and evaluating the implementation of forest management so that its purpose may be achieved maximally and at the same time constitutes a feedback for further improvement and or betterment of forest management.

Article 60

- (1) The government and regional administration are obligated to undertake forestry supervision.
- (2) The community and or individuals will participate in forestry supervision.

Article 61

The government is obligated to undertake supervision over supervision over forest management undertaken by a regional administration.

Article 62

The government, regional administration and the community will undertake supervision over forest management and or utilization undertaken by a third party.

Article 63

In implementing forestry supervision as meant in Article 60 sub-section (1), the government and regional administrations are authorized to undertake monitoring, ask for information and undertake supervision over the implementation of forest management.

Article 64

The government and the community will undertake supervision over the implementation of

forest management with national and international impacts.

Article 65

Further provisions on forestry supervision will be regulated in a government regulation.

CHAPTER VIII DELEGATION OF AUTHORITY

Article 66

- (1) In the framework of forestry affairs operation, the government will delegate some of its authority to regional administrations.
- (2) The implementation of the delegation of some of the authority as meant in sub-section (1) is aimed at promoting the effectiveness of forest management in the framework of the development of regional autonomy.
- (3) Further provisions as meant in sub-section (1) and (2) will be regulated in a government regulation.

CHAPTER IX COMMUNITY UPHOLDING CUSTOMARY ACTS

Article 67

- (1) The community upholding customary acts, as far as in actuality they still exist and their existence is recognized, will be entitled to :
 - a. the collection of forest products to fulfill the daily needs of the community upholding customary acts concerned;
 - b. forest management activities on the basis of the prevailing customary acts and not in contravention of the act; and
 - c. empowerment in the framework of the promotion of their welfare.
- (2) Confirmation of the existence and the abolition of a community upholding customary acts as meant in sub-section (1) will be stipulated in a regional regulation.
- (3) Further provisions as meant in sub-sections (1) and (2) will be regulated in a government regulation.

CHAPTER X COMMUNITY PARTICIPATION

Article 68

- (1) The community is entitled to enjoy environmental quality produced by a forest.
- (2) Other than the rights as meant in sub-section (1) the community may :
 - a. utilize forests and forest products pursuant to the prevailing acts;
 - b. have knowledge of the plan on forest designation, forest product utilization and forestry information;

- c. provide information, suggestions and consideration in forestry development; and
 - d. undertake supervision over the implementation of forestry development, either directly or indirectly.
- (3) The community inside and around a forest will be entitled to obtain compensation because of the loss of their access to the surrounding forest as a means of livelihood to fulfill the needs in their lives as a result of the stipulation of a forest area, pursuant to the prevailing acts.
- (4) Everyone is entitled to obtain compensation because of the loss of the title over their own land as a result of the stipulation of a forest area pursuant to the prevailing acts.

Article 69

- (1) The community will be obligated to take part in looking after a forest area and preventing it from being disturbed and damaged.
- (2) In implementing forest rehabilitation, the community may apply to non-government institutions, other parties or the government for service assistance and support.

Article 70

- (1) The community will take part in forestry development.
- (2) The government is obligated to encourage the participation of the community through various efficient and effective activities in the forestry sector.
- (3) In the framework of boosting the participation of the community the government and regional administrations may be assisted by a forum of forestry observers.
- (4) Further provisions as meant in sub-sections (1) and (2) will be regulated in a government regulation.

CHAPTER XI CLASS ACTION

Article 71

- (1) The community is entitled to file a class action to the court and or report to act enforcers damage harming the life of the community.
- (2) The right to file a class action a meant in sub-section (1) will be confined to the actsuit over forest management which does not conform to the prevailing acts.

Article 72

If it is known that the community suffers from forest pollution and or damage in such a way that the life of the community is affected, government institutions or the institutions of regional administrations responsible in the forestry sector may take action in the interest of the community.

Article 73

- (1) In the framework of exercising the responsibility in forest management, the organizations

in the forestry sector will be entitled to file a class action in the interest of conserving the functions of forests.

- (2) The organizations in the forestry sector entitled to file a class action as meant in sub-section (1) must fulfill the following requirements :
 - a. in the form of a statutory body;
 - b. the said organization mentions clearly in its state that the organization is established for the purpose of conserving the functions of forests; and
 - c. already undertaking activities pursuant to the state.

CHAPTER XII

SETTLEMENT OF FORESTRY DISPUTES

Article 74

- (1) The settlement of forestry disputes may be sought through the court or out of court on the basis of voluntary choice of the disputing parties.
- (2) If an effort to settle a forestry dispute out of court is chosen, the actsuit through the court may be filed after the disputing parties fail to reach an agreement.

Article 75

- (1) The settlement of forestry disputes out of court will not apply to criminal acts as regulated in this act.
- (2) The settlement of forestry disputes out of court is aimed at reaching an agreement on the return of a particular right, the amount of compensation and or the kind of act which must be taken to restore the functions of a forest.
- (3) In settling forestry disputes out of court as meant in sub-section (2), services from a third party appointed jointly by the parties and or assistance rendered by non-government organizations may be used to help settle forestry disputes.

Article 76

- (1) The settlement of forestry disputes through the court is aimed at obtaining a ruling on the return of a right, the amount of compensation and or a particular act which must be taken by the losing party in the dispute.
- (2) In addition to the ruling on a particular act to take as meant in sub-section (1), the court may stipulate the payment of coercion money any arrears in the implementation of the said particular act every day.

CHAPTER XIII

INVESTIGATION

Article 77

- (1) Other than investigating officers of the Police Force of the State of the Republic of Indonesia, certain civilian civil servant officials whose scope of duty and responsibility encompasses forest management will be specially authorized as investigators as meant in the Criminal Procedural Code.

- (2) Civilian civil servant officials as meant in sub-section (1) will be authorized to :
- a. examine the truthfulness of reports or information related to criminal acts connected with forests, forest areas and forest products;
 - b. examine people suspected of having committed criminal acts connected with forests, forest areas and forest products;
 - c. examine the identity card of a person found in a forest area or in their jurisdiction;
 - d. undertake searches and confiscation of evidences of criminal acts connected with forest areas and forest products pursuant to the prevailing acts;
 - e. requesting information and evidences from a person or a statutory body in connection with a criminal act related to forests, forest areas and forest products;
 - f. making arrest and detention in coordination of and with the supervision from investigators of the Police Force of the State of the Republic of Indonesia pursuant to the Criminal Procedural Code;
 - g. draw up and sign official accounts;
 - h. stop an investigation if there is not enough evidence about a criminal act related to forests, forest areas and forest products.
- (3) Civilian civil servant investigating officials as meant in sub-section (1) will notify the beginning of an investigation and submit the result of their investigation to a public prosecutor, pursuant to the Criminal Procedural Code.

CHAPTER XIV
CRIMINAL PROVISIONS
Article 78

- (1) Whoever deliberately violates the provisions as meant in Article 50 sub section (1) and Article 50 sub section (2) will be threatened with the punishment of a maximum imprisonment of 10 (ten) years and a maximum fine of Rp 5,000,000,000.00 (five billion rupiah).
- (2) Whoever deliberately violates the provisions as meant in Article 50 sub section (3) letters a,b or c, will be threatened with the punishment of a maximum imprisonment of 10 (ten) years and a maximum fine of Rp 5,000,000,000.00 (five billion rupiah).
- (3) Whoever deliberately violates the provision as meant in Article 50 sub section (3) letter d will be threatened with the punishment of a maximum imprisonment of 15 (fifteen) years and a maximum fine of Rp 5,000,000,000.00 (five billion rupiah).
- (4) Whoever, owing to his negligence, violates the provision as meant in Article 50 sub section (3) letter d will be threatened with the punishment of a maximum imprisonment of 5 (five) years and a maximum fine of Rp 1,500,000,000.00 (one billion five hundred million rupiah).
- (5) Whoever deliberately violates the provision as meant in Article 50 sub section (3) letter e or letter f will be threatened with the punishment of a maximum imprisonment of 10 (ten) years and a maximum fine of Rp 5,000,000,000.00 (five billion rupiah).

- (6) Whoever deliberately violates the provisions as meant in Article 38 sub section (4) or Article 50 sub section (3) letter B, will be threatened with the punishment of a maximum imprisonment of 10 (ten) years and a maximum fine of Rp 5,000,000,000.00 (five billion rupiah).
- (7) Whoever deliberately violates the provision as meant in Article 50 sub section (3) letter h will be threatened with the punishment of a maximum imprisonment of 5 (five) years and a maximum fine of Rp 10,000,000,000.00 (ten billion rupiah).
- (8) Whoever violates the provision as meant in Article 50 sub section (3) letter i will be threatened with the punishment of a maximum imprisonment of 3 (three) months and a maximum fine of Rp 10,000,000.00 (ten million rupiah).
- (9) Whoever deliberately violates the provision as meant in Article 50 sub section (3) letter j will be threatened with the punishment of a maximum imprisonment of 5 (five) years and a maximum fine of Rp 5,000,000,000.00 (five billion rupiah).
- (10) Whoever deliberately violates the provision as meant in Article 50 sub section (3) letter k will be threatened with the punishment of a maximum of 3 (three) years in prison and a maximum fine of Rp 1,000,000,000.00 (one billion rupiah).
- (11) Whoever deliberately violates the provision as meant in Article 50 sub section (3) letter l will be threatened with the punishment of a maximum imprisonment of 3 (three) years and a maximum fine of Rp 1,000,000,000.00 (one billion rupiah).
- (12) Whoever deliberately violates the provision as meant in Article 50 sub section (3) letter m will be threatened with the punishment of a maximum imprisonment of 1 (one) year and a maximum fine of Rp 50,000,000.00 (fifty million rupiah).
- (13) Criminal acts as meant in sub sections (1), (2), (3), (5), (6), (7), (9), (10) and (11) are crimes and the criminal acts as meant in sub sections (B) and (12) are violations.
- (14) In the case of criminal acts as meant in Article 50 sub sections (1), (2), and (3), if they are committed by and or on behalf of statutory bodies or business undertakings, the charges and the criminal sanctions will be addressed to the management, either individually or jointly, while the punishment will conform to the threat of punishment of each plus 1/3 (one third) of the punishment passed.
- (15) All forest products resulting from crimes and violations and or the equipment, including the transportation equipment used to commit the crimes and or violations as meant in this article, will be seized for the State.

Article 79

- (1) State's assets in the form of forest products and other goods in the form of both discovered and or seized goods resulting from crimes or violations as meant in Article 78 will be auctioned for the State.
- (2) The parties with merit in efforts to save State's assets as meant in sub section (1) will be given an incentive, which will be set aside from the proceeds of the said auction.
- (3) Further provisions as meant in sub section (2) will be regulated by the Minister.

CHAPTER XV
COMPENSATION AND ADMINISTRATIVE SANCTIONS
Article 80

- (1) Every act in violation of the laws regulated in this law, regardless of the criminal sanctions as regulated in Article 78, obliges the party responsible for the act to pay compensation in accordance with the extent of damage or the consequence caused to the State for costs of rehabilitation, forest condition restoration or other necessary acts.
- (2) Every holder of a business license for are utilization, a business license for environmental service utilization, a business license for forest product utilization or a license for the collection of forest products regulated in this law will be subject to an administrative sanction if they violate the provisions outside the criminal provisions as regulated in Article 78.
- (3) Further provisions as meant in sub sections (1) and (2) will be regulated in a government regulation.

CHAPTER XVI
TRANSITIONAL PROVISIONS
Article 81

Forest areas already appointed and or stipulated on the basis of the prevailing Acts prior to the enforcement of this law will remain valid on the basis of this Act.

Article 82

All enforcement regulations of the existing laws in the forestry sector will remain effective until the issuance of enforcement regulations based on this law as far as they do not contradict this law.

CHAPTER XVII
CLOSING PROVISIONS
Article 83

When this law comes into effect :

1. The 1927 forest ordinance for Java and Madura, State Gazette No. 221/1927, as already amended by State Gazette No. 168/1931, and amended the latest by State Gazette No. 8/1967, Supplement to State Gazette No. 2823) will be declared null and void.
2. Act No. 5/1967 on basic provisions on forestry (State Gazette No. 8/1967, Supplement to State Gazette No. 2823) will be declared null and void.

Article 84

This law will take effect as from the date of promulgation.

For public cognizance this Act will be promulgated by publishing it in the State Gazette of the Republic of Indonesia.

Promulgated in Jakarta
On September 30, 1999
THE MINISTER/STATE SECRETARY

Ratified in Jakarta
On September 30, 1999
PRESIDENT OF THE REPUBLIC
OF INDONESIA

sgd.
M U L A D I

sgd.
BACHARUDDIN JUSUF HABIBIE

(STATE GAZETTE OF THE REPUBLIC OF INDONESIA NO. 167/1999)

E L U C I D A T I O N

ON LAW NO. 41/1999 FORESTRY AFFAIRS

GENERAL

As the gift and mandate from God the Almighty bestowed upon the Indonesian nation, forests constitute invaluable natural wealth for which gratitude must be expressed to God. This gift from Him is considered a mandate and therefore forests must be taken care of and utilized with a noble character in the context of a religious service as the manifestation of gratitude to God the Almighty.

As national development assets, forests are actually beneficial to the lives of the Indonesian nation in ecological, social, cultural and economic terms, in a balanced and dynamic manner. To this end, forests must be taken care of and managed, protected and utilized sustainably for the welfare of the Indonesian community today and in future.

In their position as one of the factors determining the system, of life support, forests have given their great benefit to mankind and therefore their sustainability must be maintained. Forests play their role to harmonize and introduce balance to global environment so that their linkage with the international world becomes significant although national interests continue to be prioritised.

In line with Article 33 of the Constitution of 1945 as the constitutional base obligating that the earth, the water and the natural wealth continued therein should be controlled by the State and used for the maximum prosperity of the people, forest management must always contain the spirit of democracy, justice and sustainability. Therefore, forest management must continue to be undertaken under the principles of benefit and sustainability, democracy, justice, togetherness, openness and integratedness with noble character and responsibility serving as the basis.

The control of forests by the State do not constitute ownership but the State grants authority to the government to regulate and take care of everything related to forests, forest areas and forest products, stipulate forest areas and or change the status of a forest areas, regulate and stipulate legal relationships between people and forests or forest areas and forest products and regulate legal acts about forestry. Further, the government is authorized to grant licenses and rights to other parties to undertake activities in the forestry sector. However, in certain very important cases of a large scale and with a broad impact and a strategic value, the government must take account of people's aspirations throught the approval of the House of People's Representatives.

To ensure the fulfillment of balance in the environmental, socio-cultural and economic benefits, the government stipulates and maintains adequacy of the extent of a forest area in river

basins and or through proportional spreading.

Forest resources play a significant role in the provision of raw materials for industries and sources of earnings and the creation of employment opportunities. Forest products constitute commodities which may be turned into processed outcome in an effort to obtain an added value and open up employment and business opportunities. Efforts to process forest products must not result in the damage to the forest as sources of raw materials for industries. To ensure that the balance between the capacity to provide raw materials and the processing industries will always be maintained, the regulation, fostering and development of the forest product upstream processing industries will be regulated by the minister in charge of forestry affairs. Forest utilization must not be limited only to the production of timber and non-timber forest products but must be expanded with other forms of utilization such as germ plasm and environmental services so that optimum forest benefits may be obtained.

Viewed from the aspect of the production function of a forest, the key to the success in forest management lies in taking sides with the people. Therefore, forest management practices which are oriented only to timber and pay less attention to rights and community participation must be changed into the kind of management which is oriented to the entire potential of forest resources and based on community empowerment.

In line with the prevailing Acts on regional administrations, the implementation of some of forest handling which is operational in nature will be left to the regional administrations at the provincial and regency/municipality levels, while in the case of forest handling which is national in nature or macro-wise the regulatory authority will be exercised by the central government.

In anticipation of the development of community aspirations, in this law forests in Indonesia are categorized into state forests and titled forests. State forests are forests located on land on which land titles pursuant to Act No. 5/1960 are not conveyed, including the forests which were previously controlled by the communities upholding customary Acts called communal forests, clan forests or other terms. The inclusion of forests controlled by the communities upholding customary Acts in the definition of state forests is the consequence of the presence of the right to control and handle on the part of the State as an organization of power of the entire people in the principle of the Unitary State of the Republic of Indonesia. Therefore, the communities upholding customary Acts, as far as they actually still exist and their existence is recognized, may undertake forest management and forest product collection activities. Titled forests, meanwhile, are the forests located on the land on which land titles are conveyed pursuant to the provision in Act No. 5/1960 on basic regulation on agrarian principles such as the proprietary rights, land titles for business purposes and the rights of use.

In the framework of obtaining optimum benefits from forests and forest areas for the prosperity of the community, in principle all forests and forest areas may be utilized with account being taken of their nature, characteristics and vulnerability while their main functions must not be changed. The utilization of forests and forest areas must be adjusted to their main functions, namely the conservation, protection and production functions. To ensure that the main functions of forests and their conditions will be sustained, efforts are also made to rehabilitate and reclaim forests and land with a view to apart from restoring the quality of forests, also promoting the empowerment and welfare of the community so that the participation of the community will serve as the main key to success. These three functions are highly dynamically in harmony and the most important thing is to ensure that there is always synergy in forest utilization. To ensure maintenance of the quality of the environment, forest utilization must, as far as possible, prevent the conversion of productive natural forests into estate forests.

Forest utilization is conducted by means of the granting of area utilization licenses,

environmental service utilization licenses, timber forest product utilization licenses and non-timber forest product utilization licenses as well as timber and non-timber forest product collection licenses. In addition to enjoying the right of utilization, a license holder must be responsible for all kinds of disturbances to forests and forest areas entrusted to him.

In the framework of developing people's economy based on justice, small-and-medium-scale enterprises and cooperatives enjoy the widest opportunities to utilize forests. State enterprises, enterprises owned by regional administrations and Indonesian private enterprises and cooperatives obtaining business licenses in the forestry sector must be obligated to cooperate with the cooperatives of the local community and empower them in stages into strong, independent and professional cooperative business units so that they may be equal to other economic agents.

Forests utilization products as already regulated in the Acts constitute part of state's revenues from natural resources in the forestry sector, with account being taken of the balance in their utilization in the interest of the central and regional governments. Apart from the obligation to pay contribution fees, royalty and reforestation funds, a license holder must also set aside an investment fund for the development of human resources, which will encompass research and development, education and training and counselling as well as the investment fund for forest conservation.

To guarantee the status, functions and the conditions of forests and forest areas, efforts are made to protect forests namely by preventing and limited forests damage caused by humans and cattle, fires, natural forces, pests and diseases. Including in the definition of forest protection will be maintaining and keeping the rights of the state, the community and individuals over forests, forest areas and forest products as well as investment and equipment related to forest management.

Sustainable forest management requires human resources with a quality, characterized by the mastery of science and technology based on faith in and devoutness to God the Almighty by undertaking research and development, education and training and counselling in the forestry sector in a sustainable manner. However, in undertaking the development of human resources through science and technology, it is compulsory that the traditional wisdom and socio-cultural condition of the community should be taken into account.

To ensure that the implementation of forests management may reach the targets and objectives set, the government and the regional administrations are obligated to exercise forestry supervision. The community and or individuals participate in the supervision over the implementation of forestry development both directly and indirectly so that the community may have knowledge

about the plans on forest designation, forest product utilization and forestry information.

This Act further sets forth criminal provisions, compensation, administrative sanctions and the settlement of disputes to be imposed on anybody violating the Acts in the forestry sector. Heavy criminal and administrative sanctions are expected to produce a daunting effect to those violating the Act in the forestry sector. Certain civilian civil servant officials whose scope of duty and responsibility encompass forest management are specially authorized to act as investigators as meant in the Procedural Criminal code.

From the description above, Act No. 5/1967 on basic provisions on forestry turns out to be insufficient to provide a legal foundation for the development of forestry building and therefore it is deemed necessary to replace the said law so that a stronger and more complete legal foundation for the development of forestry today and in future may be provided.

This Act encompasses broad regulation on forests and forestry, including, in part, the conservation of biological natural resources and their ecosystem. With the stipulation of Act No. 5/1990 on the conservation of biological natural resources and their cosystem, all provisions regulated in the said Act No. 5/1990 are no longer regulated in this Act.

ARTICLE BY ARTICLE

To be continue

***** OFFICIAL ANNOUNCEMENT *****

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GENERAL

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PRESIDENT OF THE REPUBLIC OF INDONESIA

A C T

NO. 41 OF 1999 ; DATED SEPTEMBER 30, 1999

R E

FORESTRY AFFAIRS

(Continuation From Warta CAFI No. 17)

ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Forestry affairs handling is based on the principles of benefits and sustainability to ensure that every occasion of forest handling will take into account the balance and sustainability involving the environmental, socio-cultural and economic elements.

Forestry affairs handling is based on the principles of democracy and justice to ensure that every occasion of forest handling must provide equal chances and opportunities to all citizens in accordance with their capacity so that the prosperity of the entire people can be promoted. Therefore, in the granting of management authority of forest utilization licenses practices of monopoly, monopsony, oligopoly and oligopsony must be prevented.

Forestry affairs handling is based on the principle of togetherness to ensure that forest handling will apply the pattern of joint undertakings so that there will be a synergy of mutual linkage and mutual dependence involving the local communities and state enterprises, enterprises owned by regional administrations

and Indonesian private companies in the framework of empowering small-and-medium-scale businesses and cooperatives.

Forestry affairs handling is based on the principle of transparency to ensure that every activity of forest handling will involve the community and take into account the aspirations of the community.

Forestry affairs handling is based on integratedness to ensure that every occasion of forest handling will be conducted in an integrated manner with account being taken of national interests and the interests of other sectors and the local community.

Article 3

Self-explanatory

Article 4**Sub section (1)**

Referred to as "natural wealth contained therein" will be all items of forest products as referred to in Article 1 figure 13.

These forest products may be the form of :

- a. vegetation products and their derivatives such as timber, bamboo, rattan, weeds, fungi, medicinal plants, resins, and so forth as well as parts of plants or those produced by plants in a forest;
- b. animal products and their derivatives such as wild life and the outcome of its captive breeding, new animals, fancy animals and other animals as well as their parts or those they produce;
- c. non-biological items which ecologically form a unity of ecosystem with biological objects making up a forest, among others springs, clean air and others not including mining objects;
- d. services obtained from a forest, among others, in the form of tourism services, fancy and uniqueness services, hunting services and so forth;
- e. products which are directly obtained from the processing of raw materials originating in a forest, constituting primary products, among others, logs, sawn timber, plywood and pulp.

Mining substances found in a forest are also controlled by the State but are not regulated in this Act. This utilization, however, companies with the prevailing regulation with account being taken of this Act.

The word "controlled" does not mean "owned" but a definition containing the obligations and authority in the public Act sector as regulated in Article 4 sub section (2) of this Act.

Sub section (2)

The exercise of the authority of the government concerning matters which are very important and strategic in nature and which have national and international impacts will be implemented with the approval of the House of People's Representatives.

Letter a

self-explanatory

Letter b

Referred to as a particular area is a non-forest area, which may be or may not be a forest.

Letter c

self-explanatory

Sub section (3)

Self-explanatory

Article 5**Sub section (1)**

State forests may be in the form of customary forests, namely state forest whose management is left to the community upholding a customary Act. This customary forest previously referred to as a communal forest, a clan forest, a forest with a landlord or other terms.

The forest managed by the community upholding customary Acts is included in the definition of state forests as a consequence of the presence of the right of control on the part of the State as an organization of power of the entire people at the highest level and the principle of the Unitary State of the Republic of Indonesia. The inclusion of customary forests in the definition of state forests will not abolish the rights of the community upholding customary laws, as far as the community actually exists and its presence is recognized, to manage forests.

State forests managed by villages and utilized for the prosperity of the village are referred to as village forests.

State forests whose main utilization is meant to empower the community are called community forests.

Titled forests located on land on which the proprietary right is conveyed are normally called people's forests.

Sub section (2)

Self-explanatory

Sub section (3)

Self-explanatory

Sub section (4)

Self-explanatory

Article 6**Sub section (1)**

Generally all forests have the functions of conservation, protection and production. Every forest area has a different condition in accordance with their physical condition, topography, flora and fauna as well as their biological diversity and ecosystem;

Sub section (2)

Referred to as the chief function of a forest is the main function that a forest has.

Article 7

A nature reserve forest area as meant in this act is part of a nature reserve area regulated in Act No. 5/1990 situated in a forest area.

A nature conservation forest area as meant in this act is part of a nature conservation area regulated in Act No. 5/1990 situated in a forest area.

The provisions in Act No. 5/1990 regulating nature reserve areas and nature conservation areas will apply to nature reserve forest areas and nature conservation forest areas regulated in this act.

Article 8**Sub section (1)**

Referred to as specific purpose are uses of a forest for purposes of research and development and education and training and religious and local cultural purposes.

Sub section (2)

Self-explanatory

Sub section (3)

Self-explanatory

Article 9**Sub section (1)**

A city forest may be located on state land or on titled land in an urban region with a sufficient area in an extent of land.

An urban region is a collection of residential centers playing a role in a development area and or a national area as a service node or a form characteristic of city life. Therefore, an urban region is not always the same as an administrative area of a city administration.

Sub section (2)

A government regulation on technical policies on the development of a city forest contains among other things :

- a. the type of a city forest;
- b. the form of a city forest;
- c. planning and implementation;
- d. fostering and supervision;
- e. proportional area of a city forest against the extent of a region, the size of population, the level of pollution and so forth.

This government regulation constitutes a guideline in the stipulation of a regional regulation.

Article 10

Self-explanatory

Article 11

Self-explanatory

Article 12

In implementation in the field, the activity of forest area confirmation does not always need to precede the activity of delineating the use of a forest because the confirmation of an extensive forest area will take a long time.

To obtain clarity of the functions of a forest in one particular part, the activity of delineating the use of a forest may be implemented at least after appointment has been made.

Article 13**Sub section (1)**

Self-explanatory

Sub section (2)

Self-explanatory

Sub section (3)

The act to taking stock of forest at a national level will serve as a reference for the implementation of the act of taking stock of forests at a lower level.

Act of taking stock of forests at all levels will be implemented in the case of state forests and titled forests.

Sub section (4)

Referred to as a balance sheet of forest resources is information which may illustrate the forest resource reserves and losses and use of forest resources so that at a particular time it may be found out whether there is a tendency of a surplus or a deficit in comparison with the condition in the previous time.

Sub section (5)

The act of taking stock of forests constitutes part of forestry planning so that the material of regulation will be incorporated in the government regulation regulating forestry planning.

The government regulation will contain among others :

- a. the procedure;
- b. the mechanism of implementation;
- c. supervision and control, and
- d. the system of information.

Article 14

Self-explanatory

Article 15**Sub section (1)**

The appointment of a forest area is an activity of preparing the confirmation of a forest area, among other things, in the form of :

- a. the drawing up of a map of appointment which is by nature a guideline for the outer boundaries;
- b. pegging down of temporary boundaries completed with boundary corridors;
- c. construction of boundary trenches at vulnerable locations; and
- d. announcement on a plan on forest area boundaries, particularly at locations bordering with titled land.

Sub section (2)

Self-explanatory

Article 16**Sub section (1)**

Self-explanatory

Sub section (2)

Self-explanatory

Sub section (3)

The delineation of the use of a forest constitutes part of forestry planning so that the material of the regulation is incorporated in the government regulation regulating forestry planning.

The said government regulation contains, among other things, the criteria or requirements for forests and forest areas in accordance with their chief functions.

Article 17**Sub section (1)**

Referred to as forest management areas at a provincial level are all forests in provincial territory which may be managed in a sustainable manner.

Referred to as forest management areas at the regency/city levels are all forests in a regent/city forest which may be managed in a sustainable manner.

Referred to as a management unit is the smallest forest management unit in accordance with its chief functions and designation, which may be managed efficiently and sustainably, among others, a protection forest management unit (KPHL), a production forest management unit (KPHL), a production forest management unit (KPHP), a conservation forest management unit (KPHK), a community forest management unit (KPHKM), a customary forest management unit (KPHA) and a river basin management unit (KPDAS).

Sub section (2)

In stipulating the establishment of a management area at the level of management unit, the relationship between the community and the forest, the aspiration and traditional wisdom of the community must be taken into account.

The establishment of forest management unit is based on the criteria and procedure stipulated by the Minister.

Sub section (3)

Self-explanatory

Article 18**Sub section (1)**

Referred to as forest coverage is the covering of land by vegetation with certain composition and density so that the functions of forests may be created, including among other things, the micro climate, the water system and the habitat of animal as a forest ecosystem.

Referred to as optimizing the benefit is the balance between the environmental, social and economic benefits in a sustainable manner.

Sub section (2)

Considering that Indonesia constitutes a tropical country most of which has a high level of rain fall and intensity and a configuration of undulating, hilly and mountainous land which is sensitive to disruption in the balance in the water system such as floods, erosion, sedimentation and water shortage, it is stipulated that the extent of a forest area in each river basis and or island is at least 30% (thirty percent) of the extent of the land. Further the government stipulates the extent of a forest area for each province and regency/city on the basis of the bio-physical condition, climate, population and socio-economic condition of the local community.

On the basis of the consideration above, a province and a regency/city whose forest area is above 30% (thirty percent) cannot freely reduce the extent of the forest area of the size already stipulated. Therefore, the minimum extent must not be made a pretext for the conversion of the existing forests, but as a warning of alertness over the significance of forests to the quality of social life. On the other hand, a province and a regency/city whose forest area extent is less than 30% (thirty percent) must expand the extent of its forest area.

Article 19**Sub section (1)**

An integrated research is implemented to guarantee the objectiveness and quality of the out come of the research activities are therefore carried out by a competent government institution scientific authority along with other relevant parties.

Sub section (2)

Referred to as "having a significant impact, an extensive scope and a strategic value" is a change which affects the biophysical conditions such as a change in the climate, the ecosystem and the disruption to the water system as well as the socio-economic impact on the community, particularly with regard to the lives of the present and future generations.

Sub section (3)

A government regulation contains the regulation of among other things :

- a. the criteria of the functions of forests;
- b. scope of extent;
- c. parties conducting a research, and
- d. the procedure for a change.

Article 20**Sub section (1)**

In drawing up a forestry plan, Articles 11, 14, 16, 17 and 18 must be taken into account apart from the reference to article 13 as the main reference.

Sub section (2)

Self-explanatory

Sub section (3)

The drawing up of forestry plans constitute part of forestry planning.

Government regulations on forestry planning contain, among others, the regulations on

as follows :

- a. the types of the plans;
- b. the procedure for the drawing up of a forestry plan;
- c. the planning system;
- d. a planning process;
- e. coordination, and
- f. assessment

Article 21

Forests are the mandate from God the Almighty and therefore forest management must be implemented on the basis of a noble character for the maximum prosperity of the people. Therefore, the implementation of every component of forest management must take into account the cultural values of the community, the aspirations and perception of the community and the rights of the people and must therefore involve the local community.

Forest management is basically the authority of the government and or a regional administration. In view of various kinds of regional uniqueness and the social condition as well as the environment which are closely linked with the sustainability of forests and the interest of the broad community, the implementation of forest management in particular areas may be delegated to state enterprises dealing in forestry, be they public corporations (Perum), service companies (Perjan) or state-owned limited liability companies (Persero), all being fostered by the Minister.

To realize sustainable forest management supporting institutions will be needed such as financial institutions which will support forest development, research and development institutions, education and training institutions and counseling institutions.

Article 22

Sub section (1)

Forest arrangement is the activity of construction design of a forest management unit, which in its implementation takes into account the rights of the local community, which have come into being owing to history, and the condition of the forest.

Forest arrangement encompasses the activities of grouping forest resources in accordance with the type of the ecosystem and the potential contained therein with a view to obtaining the maximum benefit for the community in a sustainable manner.

Sub section (2)

Self-explanatory

Sub section (3)

The division of block into parcels is aimed at facilitating the administration of forest management and enabling the opening up of bigger business opportunities to the local community.

The intensify of management is the level of forest management diversity in accordance with the functions and the condition of each forest area.

Management efficiently is the implementation of forest management to obtain an

optimum and economic target is a simple manner.

Sub section (4)

A forest management plan is drawn up with account being taken of the aspirations and cultural values of the community and the condition of the environment.

Sub section (5)

A government regulation will contain regulation of among other things :

- a. the regulation on the procedure on forest re-arrangement;
- b. the use of a forest;
- c. the period of time, and
- d. the consideration of the region

Article 23

Forests as a national resource must be use of for the biggest benefit of the community so they may not be concentrated in a person, a party or a particular group. Therefore, forest utilization must be distributed in a fair manner through the promotion of the participation of the community so that the community will be better empowered and their potential developed.

A maximum benefit may be derived if the activities of forest management can produce sustainable forests with a high quality.

Article 24

Nature conservation forests are nature reserve areas which, owing to their natural condition, have unique plants and or animals and ecosystem, which must be protected and whose development will take place naturally.

National park areas are for nature conservation with an original ecosystem, which is managed under zoning system and utilized for research, knowledge, education, cultivation support, tourism and nature related recreation purposes.

A national park area is arranged in the following zones :

- a. the nucleus zone, which is an absolutely protected part of a national park area and where no changes whatsoever because of human activities are allowed;
- b. the jungle zone, which is the part of a national park area serving as the buffer of the nucleus zone; and
- c. the zone utilization, which is part of a national park area which is made a center for recreation and tourist visits.

Article 25

Self-explanatory

Article 26

Sub section (1)

The utilization of an area in a protection forest refers to all forms of business, which use the area regardless of the chief functions of the area such as :

- a. mushroom cultivation;
- b. captive breeding of animals;
- c. cultivation of medicinal plants and plants for decoration.

The utilization of the environmental service in a protection forest is a form of business which will makes use of the environmental service potential without damaging the environment and obstructing their chief function, which is as follows :

- a. utilization for nature-related tourism;
- b. utilization of water; and
- c. utilization of beauty and comfort.

The collection of non-timber forest products inside a protection forest is every form of activity to collect non-timber forest products without damaging the chief functions of a region, such as :

- a. collecting rattan;
- b. collecting honey, and
- c. collecting fruits.

Efforts of utilization and collection in a protected forest is aimed at promoting the welfare of the community and building up the consciousness of the community to maintain and improve the protection function, as a mandate to translate into being the sustainability of natural resources and the environment for the present and future generations.

Sub section (2)
Self-explanatory

Article 27

Sub section (1)

An area utilization business permit, which is implemented by individuals, the local community or cooperatives may cooperate with state-owned companies, companies owned by regional owned by regional administration and Indonesia's privately owned enterprises.

Sub section (2)
Self-explanatory

Sub section (3)
Self-explanatory

Article 28

Sub section (1)

The utilization of an area in a production of forest is implemented to make use a growing space so that optimum environmental, social and economic benefits may be tapped, for example the cultivation of plants under forest trees.

The utilization of environmental services in a production forest is every business form which makes use of the potential of environmental services without damaging the

environment and reducing the chief functions.

The utilization of forest products in a production forest may be in the form of efforts to utilize natural forests and efforts to make use of estate forests.

Efforts to make use of estate forests may be in the form of estate forests with plants of the same species and or estate forests with plants of different species.

Efforts to make use of estate forests are prioritized to non-productive forests in the framework of maintaining natural forests.

The plants yielded from efforts to make use of estate forests constitute assets which may be made collateral.

A forest product collection license in a production forests is granted for the collection of forest products, whether timber or non-timber, with a certain limit of time, extent and or volume while at the same time the principles of sustainability and justice will continue to be taken into account.

Collection efforts encompass harvesting, loading into trucks, transporting, processing and marketing allowed for a certain period of time.

Sub section (2)
Self-explanatory

Article 29
Self-explanatory

Article 30

The cooperation with the cooperatives of the local community is intended so that the community dwelling inside and around a forest will enjoy and obtain the benefit from the forest directly so that they can promote their welfare and living quality and at the same time foster their foster their sense of belonging. In this cooperation the traditional wisdom and the main values contained in the culture of and already deep rooted in the community may be used as mutually agreed regulations.

The obligations of state enterprises, enterprises owned by regional administrations and Indonesian private companies to cooperate with cooperatives is aimed at empowering the cooperatives of the local community so that gradually they may become strong, independent and professional cooperatives.

The cooperatives of the local community already becoming strong, independent and professional cooperatives will be treated equally to state enterprises, enterprises owned by regional administrations and Indonesian private companies.

In the event that the cooperatives of the local community not being established, state enterprises, enterprises owned by regional administrations and Indonesian private companies will help encourage the immediate establishment of such cooperatives.

Article 31

Sub section (1)

What is referred to as the aspect of forest sustainability encompasses :

- a. environmental sustainability;
- b. production sustainability, and
- c. the operation of social and cultural functions in a fair, even and transparent manner.

What is referred to as the aspect of business certainty encompasses :

- a. certainty of area;
- b. certainty of business period; and
- c. certainty of legal guarantee in conducting a business.

To realize the principle of justice, equity and sustainability as well as business certainty, it is necessary to undertake re-arrangement of a forest utilization business license.

Sub section (2)

A government regulation contains the regulation on, among others :

- a. restriction of extent;
- b. restriction of the number of business licenses; and
- c. arrangement of business locations.

Article 32

Specially with respect to the holders of large-scale utilization business licenses, apart from being obligated to maintain, keep and conserve the forests of their place of business, they are also obligated to empower the community inside and around the forests of their place of business.

Article 33

Sub section (1)

Self-explanatory

Sub section (2)

Referred to as processing of forest products is the upstream processing of forest products.

Sub section (3)

To maintain the balance in the provision of forest product raw materials against the demand for the raw materials for the upstream industry processing forest products, the regulation, fostering and development of the upstream processing industries of forest products will be regulated by the Minister.

Article 34

The management of a forest area for specific purposes is the management with specific purposes such as research and development, education and training, and in the interest of socio-cultural aspects and the application of indigenous technology. To this end, in the implementation the history of the development of the community and the indigenous institutions as well as the sustainability and maintenance of the ecosystem should be taken into account.

Article 35**Sub section (1)**

The contribution fee of the forest utilization business license is a levy imposed on the holder of a forest utilization business license on a particular forest area, conducted once at the time when the license is given. The amount of the contribution fee is determined at a progressive tariff in proportion to the extent of the area.

Resource royalty provision is a levy imposed as the substitute for the intrinsic value of the forest product collected from state forests.

Reforestation fund is the fund collected from the holder of a business license for the collection of forest products from natural forests in the form of timber in the framework of reforestation and rehabilitation of the forest. The fund will be used only to finance the activities of reforestation and forest rehabilitation as well as their supporting activities.

The fund for performance guarantee is the fund owned by the holder of a utilization business license if his business activities are considered to be in compliance with the provisions on sustainable undertakings of forest utilization.

Sub section (2)

Forest conservation investment fund is the fund geared to finance all kinds of activities carried out in the framework of guaranteeing the conservation of forests, among others the conservation expenses, the forest protection expenses and the expenses for forest fire handling. The fund is managed by an institution set up by the business community in the forestry sector along with the Minister. The management of the fund and the operation of the institution will be under the coordination and supervision of the Minister.

Sub section (3)

Self-explanatory

Sub section (4)

A government regulation contains the regulation on, among other things :

- a. imposition procedure;
- b. payment procedure;
- c. management procedure;
- d. use procedure; and
- e. supervision and control procedure.

Article 36**Sub-section (1)**

As regards the utilization of titled forests with the function of production, activities may be carried out to produce forest products in accordance with the potential and the carrying capacity of the land.

Sub-section (2)

The utilization of titled forests with the functions of protection and conservation is conducted in accordance with the provision referred to in Articles 24, 25 and 26. The government will give compensation to holders of titled forests if the said titled forests

are changed into forest areas pursuant to the prevailing acts.

Article 37

Sub-section (1)

Customs-related forests are subject to the obligations as imposed on state forests as far as the products of the forests are traded.

Sub-section (2)

self-explanatory

Article 38

Sub-section (1)

The interests of development outside forestry which may be implemented inside areas of protection forests and production forests will be determined selectively. Activities which may result in serious damage and the loss of the functions of the forests concerned are forbidden.

Development activities outside forestry are activities for unavoidable strategic purposes, among others, activities encompassing mining, the construction of electricity, telephone and clean water networks, religious purposes and security and defense purposes.

Sub-section (2)

Self-explanatory

Sub-section (3)

In principle an open mining pattern cannot be implemented in a forest area. Open mining may be conducted in a production forest area selectively and in compliance with specific provisions.

Sub-section (4)

Self-explanatory

Sub-section (5)

Self-explanatory

Article 39

A government regulation will contain the following :

- a. the procedure for the granting of licenses;
- b. the implementation of undertakings for utilization;
- c. rights and obligations; and
- d. control and supervision.

Article 40

Forest and land rehabilitation will be conducted in stages in an effort to restore and develop the functions of forest and land capacities, in terms of the functions of production, protection and conservation.

Efforts to improve the carrying capacity and the productivity of forests and land are aimed to ensure that forests and land may be able to play a role as system for life buffer, including the conservation of land water in the framework of preventing flood and erosion,

Article 41**Sub-section (1)**

Reforestation and re-greening activities constitute parts of forest and land rehabilitation. Reforestation activities are carried out inside a forest area while re-greening activities are implemented outside a forest area.

Forest and land rehabilitation is prioritized to critical land, particularly the land in the upper reaches of a river basin, so that the function of the water use system and the prevention of flood and drought will be maintained to the maximum.

The rehabilitation of mangrove forests and swampy forests must be given attention which is equal to the attention to other forests.

Sub-section (2)

Rehabilitation activities are prohibited in nature reserves and the nucleus zones of national parks. This is aimed to ensure that the uniqueness, the originality, the distinctiveness and representativeness of the species of the flora and fauna and their ecosystem.

Article 42**Sub-section (1)**

What is referred to a specific biophysical condition is the condition of flora which specifically suits a particular area or habitat so that its presence supports the ecosystem of a forest area which will be rehabilitated.

The application of forest and land rehabilitation techniques must take into account a specific location so that the change in the ecosystem can be prevented as early as possible.

The implementation of forest and land rehabilitation must involve the community.

Sub-section (2)

Self-explanatory

Sub-section (3)

A government regulation contains among other things the following :

- a. the regulation of prioritized river basins;
- b. the drawing up of plans;
- c. inter-sectoral coordination at the central and regional levels;
- d. the role of relevant parties, and
- e. the use and choice of species of plants and technologies.

Article 43**Sub-section (1)**

Self-explanatory

Sub-section (2)

The support of the government may be in the form of technical and financial assistance, counseling, plant seedlings and so forth in accordance with the purposes and capacity of the government.

Article 44

Sub-section (1)

Self-explanatory

Sub-section (2)

Self-explanatory

Sub-section (3)

A government regulation will contain among others the following :

- a. techniques;
- b. procedure;
- c. financing;
- d. organization;
- e. assessment, and
- f. control and supervision.

Article 45

To be continue

***** OFFICIAL ANNOUNCEMENT *****

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GENERAL

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PRESIDENT OF THE REPUBLIC OF INDONESIA

A C T

NO. 41 OF 1999 ; DATED SEPTEMBER 30, 1999

R E

FORESTRY AFFAIRS

(Continuation From Warta CAFI No. 18)

Article 45

Sub-section (1)

Self-explanatory

Sub-section (2)

Self-explanatory

Sub-section (3)

What is referred to as change in land surface is the change of the extent of nature in a forest area.

What is referred to as a change in land covering is the change in the species of vegetation originally found in the forest area.

Sub-section (4)

A government regulation will contain among other things the following :

- a. patterns, techniques and methods;
- b. financing;
- c. implementation, and
- d. control and supervision.

Article 46

The function of nature conservation is linked with the conservation of biological natural resources and their ecosystem, land conservation, water conservation and air conservation, and will be regulated pursuant to the prevailing acts.

Article 47

Self-explanatory

Article 48

Sub-section (1)

Self-explanatory

Sub-section (2)

Self-explanatory

Sub-section (3)

The obligation to protect forests by holders of licenses encompasses the safeguarding of forests against damage caused by human acts, cattle and fires.

Sub-section (4)

Self-explanatory

Sub-section (5)

Self-explanatory

Sub-section (6)

A government regulation will contain among other things the following :

- a. the principles of forest protection;
- b. the authority of special police;
- c. the administration of the distribution of forest products, and
- d. the granting of operational authority to the region.

Article 49

Self-explanatory

Article 50**Sub-section (1)**

Referred to as everyone is a legal subject, either an individual person, a statutory body or a business company.

Forest protection infrastructure refers to for example boundary fences of forest areas, fire paths, control towers and inspection road.

Forest protection facilities refer to for example fire extinguishers, prohibition signs and transportation means.

Sub-section (2)

Referred to as forest damage is the occurrence of changes in the physical condition, physical nature or biological condition, causing the said forest to be disturbed or unable to play its role in accordance with its function.

Sub-section (3)**Letter a**

Referred to as working on a forest area is tilling the land within a forest area without a license from an authorized official, among other things for non-irrigation farming, for farming or for other undertakings.

Referred to as using a forest area is utilizing a forest area without a license from an authorized official, among others for tourism, shepherding, camping or using a forest area not in accordance with the license given.

Referred to as occupying a forest area is controlling a forest area without a license from an authorized official, among others for the construction of settlement sites, buildings and kinds of construction.

Letter b

Referred to as forest tramping is opening up a forest area without a license from an authorized official.

Letter c

Generally this distance is good enough to safeguard the interest of land and water conservation. Exception to this provision may be granted by the Minister with account being taken of the interest of the community.

Letter d

Forest burning is in principle prohibited.

Limited forest burning is allowed only for specific purposes or unavoidable conditions, among others, the control of a forest fire, the eradication of pests and diseases, and the cultivation of a habitat of vegetation and animals. The implementation of limited burning must obtain a license from an authorized official.

Letter e

Referred to as an authorized official is a central or regional officer authorized by the act to grant a license.

Letter f

Self-explanatory

Letter g

- a. Referred to as general prospecting is a inspection conducted on the basis of general geology or geophysics on land, waters and from the sky with a view to making a general geological map or to provide marks about the presence of minerals.
- b. Referred to as exploration is every mining geological inspection to determine in a more accurate and more detailed manner the presence of minerals and the nature of their position.
- c. Referred to as exploitation is a mining activity to generate minerals and utilize them.

Letter h

Referred to as "being completed together with" is that every transportation, control or ownership of forest products at the same time and place must be covered and completed with legal papers as evidences.

Letter i

An authorized official will determine specific places for the activities of shepherding in a forest area.

Letter j

Referred to as heavy-duty equipment for transportation is among other things tractors, bulldozers, trucks, logging trucks, trailers, cranes, barges, small motorized boats, helicopters, jeeps, tugboats and vessels.

Letter k

Not included in this provision is the community taking instruments such as machetes, Kalimantan swords, broad knives and the like in accordance with the cultural tradition and the characteristics of the local area.

Letter l
Self-explanatory

Letter m
Self-explanatory

Sub-section (4)

The act regulating the provision on releasing, taking and or transporting protected plants and or animals is Act No. 5/1990 on the conservation of biological natural resources and their ecosystem.

Article 51

Self-explanatory

Article 52

Sub-section (1)

The quality of human resources and mastery of science and technology play a very decisive role in realizing a sustainable forest.

Sub-section (2)

Traditional wisdom possessed by the Indonesian community is a cultural wealth, in the form of either arts and or technology or the values which have become the tradition or culture of the community. This wealth is a social asset for the improvement and development of the quality of human resources and mastery of science and technology in forestry.

Sub-section (3)

Germ plasm is a substance carrying a genetic character and may be in the form of a full organ or part of a plant or animal and living organisms.

Germ plasm is a natural wealth which is very valuable to the progress of science and technology to support national development.

Theft of germ plasm is referred to as taking or utilizing germ plasm illegal or without a license.

Article 53

Sub-section (1)

The culture of science and technology is an awareness of the importance of science and technology which is articulated in the attitude and the behavior of the community, who is consistently willing and able to understand, master, create, apply and develop science and technology in daily life.

Sub-section (2)

Self-explanatory

Sub-section (3)

Referred to as the government is a research and development institute of a ministry responsible in the forestry sector along with a non-ministerial research institute.

Referred to as universities are state and private universities.

Referred to as business circles are the research and development units at state enterprises, enterprises owned by regional administrations and Indonesian private enterprises.

Referred to as the community is individuals or groups among others Islamic boarding

schools, other religious institutions and non-government institutions.

Sub-section (4)

To bolster and create a conducive condition, the government takes an initiative and establish coordination for the implementation of research and development, among others through policies oriented to the creation of adequate incentives and disincentives.

Article 54

Sub-section (1)

The government will develop the results of researches in the forestry sector into an efficient technological package to be made use of, by the community in an effort to improve efficiency and productivity of undertakings in utilizing and managing forests.

Sub-section (2)

To guarantee the sustainability of innovation, discoveries and development of science and technology, legal certainty will be needed for the discoverers in order that they may benefit from their discoveries.

Referred to as protecting is protecting against theft of patent, copyrights, trademarks or other types of rights which become special rights possessed by a researcher or a research and development institution.

Sub-section (3)

Self-explanatory

Article 55

Sub-section (1)

Self-explanatory

Sub-section (2)

All efforts to utilize and develop science and technology should constitute a manifestation of gratefulness to God the Almighty geared towards the interest of man as an individual and social creature.

Sub-section (3)

Education and training may be carried out in cooperation with international institutions. Referred to as the community will be individuals or groups, among others Islamic boarding schools, other religious institutions and non-government organizations.

Sub-sections (4)

In view of the fact that the education and training in the forestry sector are carried out not only by the government, the participation of the business world and the community will be very much needed. To realize this, the government must take an initiative and establish coordination in bolstering and creating a conducive situation.

Article 56

Sub-section (1)

Self-explanatory

Sub-section (2)

Self-explanatory

Sub-section (3)

In view of the fact that counseling on forestry cannot be carried out only by the government, the participation of the business world and the community will be very much needed. To realize this, the government must take an initiative and create a conducive situation.

Article 57**Sub-section (1)**

In carrying out research and development, education and training and counseling in the forestry sector, quite huge and sustainable funds will be needed in order to speed up the development of the quality of human resources and mastery of science and technology to keep up with the backwardness sustained to date. Therefore, adequate investment funds will be needed.

To manage the funds, the business community in the forestry sector along with the Minister will set up an institution. The management of the funds and the operation of the institution will be the coordination and supervision of the Minister.

Sub-section (2)

The forest area made available is intended to be turned into a site for research and development, education and training, counseling in the forestry sector.

Article 58

A government regulation will contain among others, the following :

- a. institutionalization;
- b. procedure for cooperation;
- c. licensing;
- d. regulation of foreign researchers;
- e. financing and empowerment;
- f. regulation, management of forest areas, research and development, education and training and counseling;
- g. information system, and
- h. control and supervision.

Article 59

Referred to as forestry supervision is supervision over the compliance of operating and executing apparatuses with all prevailing acts in the forestry sector.

Article 60

Self-explanatory

Article 61

Self-explanatory

Article 62

Self-explanatory

Article 63

Self-explanatory

Article 64

Referred to as having a national impact is the activity of forest management with an impact on the national life, for example, illegal felling, timber theft, timber smuggling, forest tramping, and mining

a forest without a license.

Referred to as having an international impact is forest management with an impact on international relations, for example forest fires, labeling of forest products, research and development, deforestation and various violations against international conventions.

Article 65

A government regulation contains among other things the following :

- a. the procedure and mechanism of supervision;
- b. the institutionalization of supervision;
- c. the object of supervision, and
- d. the follow-up to supervision.

Article 66

Sub-section (1)

Self-explanatory

Sub-section (2)

The authority delegated is the implementation of forest management which is operational in nature.

Sub-section (3)

A government regulation contains among others the following :

- a. the kinds of affairs the authority of which is delegated;
- b. working procedure and relationship;
- c. the mechanism of accountability, and
- d. supervision and control.

Article 67

Sub-section (1)

The existence of a community upholding a customary act will be recognized if in actuality it fulfills among other things the following :

- a. the community is still in the form of an association;
- b. there is an institution in the form of customary ruler apparatuses;
- c. there is a clear customary-act-related territory;
- d. there are legal institutions and apparatuses, particularly customary judicature, which are still obeyed;
- e. forest products are still collected from the surrounding forest areas in order to fulfill daily needs.

Sub section (2)

A regional regulation drafted with account being taken of the outcome of the research conducted by experts on customary acts, the aspirations of the local community and the figures of customary figures in the area concerned, as well as relevant government agencies or other parties.

Sub section (3)

A regional regulation contains among others the following :

- a. the procedure for a research;
- b. the parties involved;
- c. the research materials; and
- d. the criteria for assessment of the existence of a community upholding customary acts.

Article 68**Sub section (1)**

Included in the sense of enjoying the quality of the environment will be obtaining social and cultural benefits on the part of the community living inside and around forests.

Sub section (2)

Self-explanatory

Sub section (3)

A change in the status and function of forests may lead to the breaking off the relationship between the community and the forests or even their loss of livelihood.

To ensure that the said change in the status and function of forests will not cause misery, the government along with the recipients of business licenses for forest utilization are obligated to ensure that there will be adequate compensation, among others in the form of a new means of living and involvement in undertakings to utilize the surrounding forests.

Sub section (4)

Self-explanatory

Article 69**Sub section (1)**

Referred to as looking after and maintaining will be preventing and overcoming cases of theft, forest fires, disturbance by cattle, tramping, occupation and so forth.

Sub section (2)

In the implementation of forest rehabilitation for protection and conversion purposes, the community may ask for assistance, service and support in the form of technical, training and financing aid.

Assistance is possible to obtain because of social benefits such as flood and drought control, erosion prevention and stabilization of the condition of the water system.

The presence of non-government organizations is meant to serve as partners until a strong, independent and dynamic social infrastructure has been established.

Article (1)**Sub section (1)**

Self-explanatory

Sub section (2)

Self-explanatory

Sub section (3)

A forum for forestry observers is a partner of the government and the regional administration to promote the participation of the community in forest management and serves to formulate and manage the perception, aspirations and innovations of the community as input to the government in the framework of policy formulation.

The membership of the forum comprises among other things, the forestry professional organizations, non-government organizations in the forestry sector, community figures and forestry observers.

Sub section (4)

A government regulation contains among other things the following :

- a. institutionalization;
- b. forms of participation, and
- c. the procedure for participation

Article 71

Self-explanatory

Article 72

Self-explanatory

Article 73

Self-explanatory

Article 74

Self-explanatory

Article 75

Self-explanatory

Article 76

Sub section (1)

Referred to as a particular act is an act which must be taken by the losing party in accordance with the court ruling.

Sub section (2)

Self-explanatory

Article 77

Sub section (1)

Referred to as the Criminal Procedure Code is Act No. 8/1981 on the Criminal Procedure Act.

Those referred to as particular civilian civil servant officials will encompass civilian civil servant officials at the central and regional levels with the tasks and responsibility in forest management.

Sub section (1)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Self-explanatory

Letter d

Self-explanatory

Letter e

Self-explanatory

Letter f

Arresting and detaining people who are suspected or should be suspected to have committed a criminal act related to forests, forest areas and forest products.

In the framework of maintaining the smooth running of tasks in certain working areas, the application of coordination with the National Police will be implemented with reference to the Criminal Procedure Code and adjustment to the field condition.

Letter g
Self-explanatory

Letter h
The termination of an investigation must, by way of obligation, be notified to the police investigators and the public prosecutor.

Sub section (3)

Civilian civil servant investigating officials will notify the commencement of an investigation to the police investigating officers and the result of the investigation will be handed over to the public prosecutor through the police investigating officers. This is aimed at ensuring that the result of the investigation has fulfilled the provisions and the requirements.

The mechanism of the relationship of coordination between civilian civil servant investigating officials and police investigating officers will be conducted pursuant to the prevailing acts.

Article 78

Sub section (1)
Self-explanatory

Sub section (2)
Self-explanatory

Sub section (3)
Apart from the penalties of imprisonment and fines passed on the convict, violations against Article 50 sub section (3) letter d may also be subject to additional penalties.

Sub section (4)
Self-explanatory

Sub section (5)
Self-explanatory

Sub section (6)
Self-explanatory

Sub section (7)
Self-explanatory

Sub section (8)
The criminal provision imposed in this sub section is a violation against the activities generally carried out by the people. Therefore, the criminal sanction passed is relatively light and is geared towards fostering.

Sub section (9)

Self-explanatory

Sub section (10)

Self-explanatory

Sub section (11)

Self-explanatory

Sub section (12)

Self-explanatory

Sub section (13)

Self-explanatory

Sub section (14)

Included in statutory bodies or business companies are among others limited liability companies, limited partnership, firms cooperatives and the like.

Sub section (15)

Included as transportation means are among others vessels, barges, trucks, trailers, pontoons, tugboats, sail-boats, helicopters and so forth.

Article 79

Self-explanatory

Article 80

Sub section (1)

Self-explanatory

Sub section (2)

The administrative sanctions imposed are in the form of among others fines, license revocation, termination of activities and or reduction of areas.

Sub section (3)

A government regulation will contain among other things the following :

- a. provisions on compensation and administrative sanctions.
- b. forms of sanctions, and
- c. supervision over implementation.

Article 81

Self-explanatory

Article 82

Self-explanatory

Article 83

Self-explanatory

Article 84

Self-explanatory

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