

7. Presidential Decree No. 61/1998 jo Presidential Decree No. 192/1998 on the Positions, Tasks, Organizational Structure and Working System of Ministries;
8. Presidential Decree No. 122/M/1998 on the Establishment of the Development Reform Cabinet;
9. Decree of the Minister of Forestry No. 399/Kpts-II/1990 jo Decree of the Minister of Forestry No. 634/Kpts-II/1996 on Forest Confirmation Guidelines;
10. Decree of the Minister of Forestry No. 400/Kpts-II/1990 jo Decree of the Minister of Forestry No. 635/Kpts-II/1996 on the establishment of a committee on boundary system;
11. Decree of the Minister of Forestry No. 57/Kpts-II/1994 on guidelines on the arrangement of the boundaries of functions;
12. Decree of the Minister of Forestry and Plantations No. 677/Kpts-II/1998 on Social Forests;
13. Decree of the Minister of Forestry and Plantations No. 138/Kpts-II/1999 jo Decree of the Minister of Forestry and Plantations No. 245/Kpts-II/1999 on the organization and working system of the Ministry of Forestry and Plantations;
14. Decree of the Minister of Forestry and Plantations No. 312/Kpts-II/1999 on the Procedure for the Granting of Forest Concessions through an Application;

HAS DECIDED :

To stipulate : THE DECREE OF THE MINISTER OF FORESTRY AND PLANTATIONS CONCERNING THE PROCEDURE FOR THE IMPLEMENTATION OF SURVEYS OF THE POTENTIAL OF CONCESSIONS IN THE FORESTRY SECTOR AND MEASUREMENT AS WELL AS RE-ARRANGEMENT OF THE BOUNDARIES OF THEIR WORKING AREAS.

**CHAPTER I
GENERAL PROVISIONS
Article 1**

Referred to in this decree as :

1. a survey of potential is a survey conducted in the context of the granting of concession areas;
2. boundary measurement and re-arrangement as an activity of field work in the context of obtaining legal certainty regarding the status and boundaries of concession areas;
3. concessions are natural forest concessions, industrial estate concessions, nature tourism concessions, hunting ground concessions, social forest concessions or other concessions;

4. a Boundary System Committee is a Forest Boundary System Committee set up by the minister with the establishment being delegated to the governor;
5. a Boundary of Functions System Committee is a Boundary System Committee set up by the head of a regional office in the framework of re-arrangement of the boundaries of the functions of forests;
6. an outer boundary is the boundary between a forest area and a non-forest area, including the boundary of an enclave located within of forest area;
7. a boundary of functions is the boundary determining and or separating the functions of a forest;
8. an executive partner is a business company which has passed the pre-qualification as a capable supplier in the field of forestry and plantation services for the activities of surveys of potentials or measurement and re-arrangement of boundaries already selected by and registered at the Forestry and Plantation Planning Agency and or a regional office;
9. a type of concession area boundary is an individual boundary or a joint boundary located along and or within a forest area already stipulated or appointed as a forest area in accordance with its functions;
10. the Minister is the Minister assigned and accountable in the forestry sector;
11. a regional office is the regional office of the Ministry of Forestry and Plantations.

CHAPTER II
OBLIGATION OF CONCESSION APPLICANTS AND HOLDERS
Article 2

- (1) As for applicants for a concession area already obtaining an approval in principle from the Minister, they will be obligated to implement the activities of surveys of potentials of the said forest areas;
- (2) Concession holders are obligated to :
 - a. draw up a working plan about boundary measurement and re-arrangement;
 - b. prepare the time schedule of the implementation of boundary measurement and re-arrangement;
 - c. prepare financing in accordance with the activity plan;
 - d. implement boundary measurement and re-arrangement in the field with respect to the concession area.

Article 3

- (1) If the boundaries of a concession area constitute outer boundaries or boundaries of functions already re-arranged by using the state budget, the concession holders concerned will be obligated to reimburse the cost of boundary re-arrangement to the amount of the budget already forked out.

- (2) If the outer boundaries or the boundaries of functions as meant in paragraph (1) are no longer recognizable in the field, the concession holders concerned will be obligated to carry out and finance the reconstruction of the outer boundaries or the boundaries of functions concerned without having to reimburse the cost incurred for the boundary system originating from the state budget.

**CHAPTER III
PREPARATION
First Part
Activities of Surveys of Potentials
Article 4**

On the basis of the approval in principle from the Minister, the Forestry and Plantation Planning Agency will draw up activity plans, cost plans and the time schedule for the implementation of the activities of surveys of potentials.

**Second Part
Activities of Boundary Measurement and Re-arrangement
Article 5**

Regarding the work plans as meant in Article 2 paragraph (2) letter a, a concession holder will prepare a boundary projection map under the following provision:

- a. the boundary projection map is made with reference to the basic map already stipulated;
- b. the boundary projection map is based on the map attached to Decree of the Minister on the granting of concession areas and other information found in the concession areas, such as the land being already converted into a titled piece of land, a village, a field, a rice-field or being already occupied and titled by the community so that this particular land must be delineated in the boundary projection map;
- c. the boundary projection map describes the scope of the extent of a concession area;
- d. the preparation of a boundary projection map is made at the latest 60 (sixty) days as from the receipt by a concession holder of the decree of the Minister on the granting of a concession area.

Article 6

- (1) A boundary projection map as meant in Article 5 is jointly discussed by a concession holder and the Forestry and Plantation Planning Agency and or a regional office.
- (2) The discussion as meant in paragraph (1) will be conducted for the boundaries of a concession area located within a forest area whose chain boundaries have been re-arranged in the form of either individual boundaries or joint boundaries with one or more concessions and or the boundaries of a concession area constituting the outer boundaries or the boundaries of functions of a forest area.
- (3) The result of a discussion as meant in paragraph (1) will be expressed in the boundary projection map and the boundary guideline, which will be signed by the concession holder and approved by the Forestry and Plantation Planning Agency or a regional area.

CHAPTER IV
APPOINTMENT OF EXECUTIVE PARTNERS
First Part
Activities of Surveys of Potentials
Article 7

- (1) An applicant for a concession area will propose executive partners who will undertake the activities of surveys of potentials to the Forestry and Plantation Planning Agency.
- (2) After conducting an assessment, the Forestry and Plantation Planning Agency or a regional office may approve or reject the proposal on executive partners put forward as meant in paragraph (1).
- (3) If the executive partners put forward are approved, the Forestry and Plantation Planning Agency or a regional office will appoint the executive partners by means of a Job Order.
- (4) After the Job Order as meant in paragraph (3) is issued, the said applicant for the concession area will draw up a working agreement with the executive partners.

Second Part
Activities of Boundary Measurement
and Re-arrangement
Article 8

- (1) After the boundary projection map and the boundary guideline are approved as meant in Article 6 paragraph (3), the concession holder will appoint the executive suppliers who will undertake the activities of boundary measurement and re-arrangement in the field.
- (2) The appointment of appointed executive partners as meant in paragraph (1) will be reported to the Forestry and Plantation Planning Agency or a regional office.
- (3) After the executive partners have been appointed as meant in paragraph (1), the concession holder will draw up a working agreement with the said executive partners.
- (4) A working agreement drawn up as meant in paragraph (3) is known by the head of the Forestry and Plantation Planning Agency or an official appointed by the head of a regional office.

CHAPTER V
IMPLEMENTATION
First Part
Activities of Surveys of Potential
Article 9

- (1) The activities of surveys of potential are undertaken by the executive partners under the supervision and guidance of the Forestry and Plantation Planning Agency and or a regional office.
- (2) The implementation of surveys of potential will be undertaken pursuant to the prevailing provisions.

Second Part
Activities of Boundary Measurement and Re-arrangement
Article 10

- (1) After the working agreement is known/signed by the head of the Forestry and Plantation Planning Agency or an appointed official or the head of a regional office, a Executive Team for Boundary Measurement and Re-arrangement will be set up.
- (2) An Executive Team set up by the head of the Forestry and Plantation Planning Agency or the head of a regional office as meant in paragraph (1) must immediately be taken to the field in order to undertake the activities of measurement and re-arrangement of the boundaries of the said concession area.
- (3) The Executive Team for Measurement and Re-arrangement of the Boundaries of Concession Areas as meant in paragraph (2) will be made up of the representatives of :
 - a. the Forestry and Plantation Planning Agency as the coordinator/supervisor;
 - b. a Forestry agency in the region as the party providing technical guidance;
 - c. the regional administration and or representatives of the local community as assistants;
 - d. relevant concession holders as witnesses;
 - e. executive partners as the executing parties.

Article 11

The measurement and re-arrangement of the outer boundaries and the boundaries of functions of a forest area will be undertaken on the basis of the prevailing provisions.

CHAPTER VI
REPORTING
First Part
Activities of Surveys of Potentials
Article 12

Reports of surveys of potentials in the form of documents of primary data resulting from field activities will belong to the Ministry of Forestry and Plantations.

Second Part
Activities of Boundary Measurement and Arrangement
Article 13

- (1) After an official report on the result of the implementation of boundary measurement and arrangement has been signed by the Executing Team, a concessionaire will submit a draft to the Forestry and Plantation Planning Agency or a regional office.
- (2) After the report as meant in paragraph (1) is accepted, it will later be discusses by a Team of Assessment set up by the head of the Forestry and Plantation Planning Agency or the head of a regional office.
- (3) The result of the implementation of boundary measurement and arrangement of a concession area will be declared as being completed if the report submitted by the concessionaire fulfils the requirements stipulated.

Article 14

Documents containing primary data of the activities of boundary measurement and arrangement will belong to the Ministry of Forestry and Plantations.

SANCTION

First Part

Activities of Surveys of Potentials

Article 15

- (1) If an applicant for a concession area fails to implement the activities of surveys of potentials within 30 (thirty) days as from the issuance of an approval in principle by the Minister, the Forestry and Plantation Planning Agency will issue a warning to the applicant.
- (2) If after a warning has been given 3 (three) times with an interval of 7 (seven) working days each time, the applicant is yet to undertake the activities of surveys of potentials, the Forestry and Plantation Planning Agency may propose to the Minister that the approval in principle already issued should be canceled.

Second Part

Activities of Boundary Measurement and Arrangement

Article 16

- (1) If a concessionaire fails to implement the activities as meant in Article 2 and Article 3, the Forestry and Plantation Planning Agency or a regional office will give a warning for a maximum of 3 (three) times with an interval of 7 (seven) days each time in accordance with the stage of implementation.
- (2) After the warning as meant in paragraph (1) has been given, the concessionaire is yet to fulfill the stipulation as meant in Articles 2 and 3, the Forestry and Plantation Planning Agency or a regional office may propose to the Minister that Administrative services (URKT, URKL and so forth) to the said concessoinaire should be terminated.
- (3) If the concessionaire is yet to be able to fulfil the stipulation as meant in paragraphs (1) and (2) because the executive partner is yet be able to undertake the job in accordance with the deadline already stipulated in the working agreement as meant in Article 8 paragraph (3), the Forestry and Plantation Planning Agency or a regional office may, on the basis of a report from the concessionaire, give a warning for a maximum of 3 (three) times with an interval of 7 (seven) working days each to the executive partner.
- (4) If after the warning as meant in paragraph (3) has been given, the executive partner is yet to implement the work of boundary measurement and arrangement, the Forestry and Plantation Planning Agency or a regional office may propose to the official issuing the List of Capable Partners that the executive partner as meant in paragraph (3) should be removed from the List of Capable Partners.

CHAPTER VIII

MISCELLANEOUS PROVISIONS

Article 17

- (1) Financing for the activities of surveys of potentials and the implementation of the measurement and arrangement of the boundaries of a concession area will be based on the

cost standard prevailing in the regions.

- (2) Financing for the implementation of boundary measurement and arrangement in a common border of concession areas will be jointly borne by the concessionaires concerned.

Article 18

To implement boundary measurement and arrangement in a common border of concession areas, executive partners will be appointed by the Forestry and Plantation Planning Agency.

Article 19

The result of the boundary system arrangement in a concession area will be maintained and safeguarded by the concessionaire concerned and the result must be reported periodically to the Forestry and Plantation Planning Agency and or a regional office.

CHAPTER IX TRANSITIONAL PROVISION Article 20

The result of surveys of potentials of a forest concession and the result of measurement and arrangement of the boundaries of concession working areas already implemented prior to the issuance of this decree will remain valid and further, the activities of surveys of potentials and those of measurement and arrangement of boundaries of concession working areas which are still in the stage of implementation and which will be implemented must be adjusted to the provision in this decree.

Article 21

A technical guideline for the implementation of this decree will be regulated further by the head of the Forestry and Plantation Planning Agency.

CHAPTER X CLOSING PROVISION Article 22

With the stipulation of this decree, Decree of the Minister of Forestry No. 688/Kpts-II/1996 dated October 25, 1996 is declared null and void.

Article 23

This decree will take effect as from the date of stipulation.

Stipulated in Jakarta
On October 14, 1999

MINISTER OF FORESTRY AND PLANTATIONS

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Dr. Ir. MUSLIMIN NASUTION.
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