

OPTIMIZED ALLOCATION FOR CONVERTIBLE PRODUCING FOREST (HPK)

(Regulation of the Minister of Forestry No. P.53/Menhut-II/2008, dated September 15, 2008)

WITH THE BLESSING OF THE ONE AND ONLY GOD
MINISTER OF FORESTRY,

Considering:

- a. that based on Article 24 paragraph (3) letter c of Government Regulation No. 44 Year 2004 concerning Forestry Planning, Convertible Producing Forest (HPK) are forest zone area are reserved for use for the development of transmigration, residential area, agriculture and plantation;
- b. that based on the fact in the field there exists holder of authority for reserve or release of forest zone untuk for development of transmigration, residential area, agriculture, plantation and HPH - HPH TC/TP that has abandoned their area;
- c. that based on the fact there exists Convertible Producing Forest (HPK) within the working area that holds Business License for Utilization of Forest Timber Crop in Natural Forest or Cultivated Forest;
- d. that based on the consideration in letters a, b and c, it is necessary to stipulate Regulation of the Minister of Forestry on Optimum Allocation of Convertible Producing Forest (HPK);

In view of:

1. Law No. 41 Year 1999 (*BN No. 6412 pages 1A-6A and so forth*) concerning Forestry (Statute Book of

RI Year 1999 No. 167, Supplement to Statute Book of RI No. 3888), as amended by Law No. 19 Year 2004 (*BN No. 7143 pages 26A-29A*) concerning Stipulation of Government Regulation in Lieu of Law No. 1 Year 2004 (*BN No. 7036 pages 9A-10A*) concerning Amendment to Law No. 41 Year 1999 concerning Forestry to become Law (SB of RI Year 2004 No. 86, SSB of RI No. 4412);

2. Law No. 26 Year 2007 (*SB of RI No. 7599 pages 10A-30A and so forth*) concerning Space Layout (SB of RI Year 2007 No. 68, SSB of RI No. 4725);
3. Law No. 32 Year 2004 (*BN No. 7183 pages 1A-11A and so forth*) concerning Regional Government (SB of RI Year 2008 No. 125, SSB of RI No. 4437), as amended several times and lately amended by Law No. 12 Year 2008 (SB No. 7661 pages 11B-18B and so forth) (SB of RI Year 2008 No. 59, SSB of RI No. 4844);
4. Government Regulation No. 44 Year 2004 concerning Forestry Planning (SB of RI Year 2004 No. 146, SSB of RI No. 4452);
5. Government Regulation No. 6 Year 2007 (*BN No. 7529 pages 1A-21A and so forth*) concerning Forest Layout and dan Compilation of Forestry Management Plan, and Forest Utilization (SB of RI Year 2007 No. 22, SSB of RI No. 4696), as amended by Government Regulation No. 3 Year 2008 (SB of RI Year 2008 No. 16, SSB of RI No. 4814);

6. Government Regulation No. 38 Year 2007 concerning Distribution of Governmental Affairs Between the Central Government, Regional Government of Province, and Regional Government of Regency/Municipality (SB of RI Year 2007 No. 82, SSB of RI No. 4737);
7. Government Regulation No. 26 Year 2008 (*BN No. 7743 pages 1A-9A*) concerning Space Layout Planning of National Regions (RTRWN) (SB of RI Year 2008 No. 48, SSB of RI No. 4833);
8. Presidential Decree No. 187/M Year 2004 (*BN No. 7128 pages 30A-31A*) concerning Establishment of Indonesia Bersatu Cabinet, as amended several times and lately amended by Presidential Decree No. 31/P Year 2007;
9. Joint Decision of the Minister of Forestry, Minister of Agriculture and Head of National Land Agency No. 364/Kpts-II/1990, No. 519/Kpts/HK.050/90, No. 23-VIII-1990 concerning Provision for Release for Release of Forest Zone and Grant of Right for Business Use for Development of Agriculture Business;
10. Decision of the Minister of Forestry No. 146/Kpts-II/2003 concerning Guideline for Evaluating Use of Forest Zone Former Forest Zone for Development of Plantation Cultivation Business;
11. Regulation of Minister of Forestry No. P. 13/Menhut-II/2005 concerning Organization and Working Procedure of the Department of Forestry, as amended several times and lately amended by Regulation of the Minister of Forestry No. P. 15/Menhut-II/2008;
12. Regulation of the Minister of Forestry No. P.19/Menhut-II/2007 (*BN No. 7734 pages 20A-25A*) concerning Procedure for Provision of Permit and Expansion of Business Working Area for Utilization of Forest timber Crop in Industrial Cultivated Forest in Producing Forest as amended by Regulation of the Minister of Forestry No. P.11/Menhut-II/2008;
13. Regulation of the Minister of Forestry No. P.20/Menhut-II/2007 concerning Procedure for Grant of Business License for Utilization of Forest Timber Crop in Producing Forest in Natural Forest in Producing Forest by means of Application as amended by Regulation of the Minister of Forestry No. P.12/Menhut-II/2008 ;

DECIDES:

To stipulate:

REGULATION OF THE MINISTER OF FORESTRY ON OPTIMIZED ALLOCATION OF CONVERTIBLE PRODUCING FOREST AREA YANG (HPK).

Article 1

What is meant in this Regulation by:

1. Convertible Producing Forest (HPK) is producing forest zone which area is reserved for use for development of transmigration, agriculture, and plantation.
2. Release of Forest Zone is to change allocation of Convertible Producing Forest Zone (HPK) to non-forest zone for use for development of transmigration, residential area, agriculture, and plantation.

3. Business License for Utilization of Timber Forest Crop in Natural Forest (IUPHHK-HA) which previously referred to as Forest Exploitation Right (HPH) is license to utilized producing forest which activities consist of logging, transportation, cultivation, maintenance, safeguarding, processing and marketing of timber forest crop.

4. Business License for Utilization of Timber Forest Crop in Cultivated Forest (IUPHHK-HT) previously referred to as Industrial Cultivated Forest Exploitation Right (HPHTI) is license for development of cultivated forest in producing forest developed by group of industries for improvement of potential quality of production in the context of complying with the need for industrial basic material.

5. Forest Exploitation Right for Mixed Cultivation/ Plantation Plants (HPHTC/TP) is right for forest exploitation in forest zone bearing type of forest cultivation and particular plantation in producing forest zone, which activities consist of pre-plant, planting, maintenance, safeguarding, harvesting, processing, and marketing the crops.

6. Provisional Approval for Reserve is approval for reserve for release of forest zone for development of transmigration, residential area, agriculture, and plantation granted by the Minister of Forestry.

7. Decision Letter for Release of Forest Zone is Decision Letter for release of forest zone to be used for development of transmigration, residential area, agriculture

and plantation as stipulated by the Minister of Forestry based on Minutes of Bordering System implemented by the Committee for Bordering System.

8. Minister is minister assigned the duty and responsibility in forestry.

Article 2

(1) Convertible Producing Forest (HPK) reserved for use for development of transmigration, residential area, agriculture and plantation is HPK bearing forest or non-forest.

(2) If in the reserved area referred to in paragraph (1) there are squatters, then the party that will implement development for transmigration, or residential area or agriculture or plantation shall be obliged to settle such land clearing based on the applicable provision.

Article 3

(1) The HPK area being abandoned shall be utilized according to the allocation thereof, evaluation shall be needed administratively and or technically in the field in order to optimize the HPK allocation.

(2) Optimization referred to paragraph (1), shall be conducted on allocated or utilized HPK for:

- a. development of transmigration, residential area, agriculture, or plantation;
- b. HPH-TC/TP.

(3) The evaluation referred to in paragraph (1) shall be conducted by:

- a. the Head of Forestry Planning Agency for evaluation of activities referred to in paragraph (2) letter a.
- b. the Head of Forestry Planning Agency together with the Director General of Forest Produce Management under the coordination of the Secretary General for evaluation of the activities referred to in paragraph (2) letter b.

Article 4

- (1) If based on the evaluation referred to in Article 3 paragraphs (1) and (2) letter a, the holder of provisional approval for development of transmigration, residential area, agriculture, or plantation fails to comply with the obligation referred to in the stipulated provision, the Minister shall revoke the provisional approval for reservation forest zone.
- (2) If based on the evaluation referred to in Article 3 paragraphs (1) and (2) letter a, the holder of decision of the on Release of Forest Zone fails to comply with the obligation according to the stipulated provision, the Minister shall revoke the Decision for the Release of Forest Zone.

Article 5

Prior to cancellation or revocation referred to in Article 4, the holder of provisional approval for reservation or holder of Decision of the Minister for Release of Forest Zone, reminders shall be issued three (3) times in sequence with deadline period minimum 30 (thirty) working days.

Article 6

The revoked or cancelled provisional approval for reservation Decision of the Minister on revoked Release of Forest Zone as referred to in Article 4, the Minister may allocate the HPK area to new applicant.

Article 7

- (1) If based on the evaluation referred to in Article 3 paragraphs (1) and (2) letter b, the HPK area allocated for HPH TC/TP that has obtained provisional approval for reservation from the Minister :
 - a. that has been conducting planting of plantation commodity, the Minister may issue provisional approval for forest zone for plantation cultivation as replacement to the provisional approval for HPH-TC/TP based on application;
 - b. that has been conducting planting forestry commodity, the Minister may issue provisional approval for IUPHHK-HT as replacement for the HPH-TC/TP based on the request of the party concerned by first amending the function to permanent producing forest.

- (2) Further provision for release of forest zone for plantation cultivation business and for utilization of forest zone for IUPHHK-HT shall be governed in accordance with the statutory regulation.

Article 8

If there is any HPK in the IUPHHK-HA/IUPHHK-HT working area, then utilization of HPK by the holder of IUPHHK-HA/IUPHHK-HT shall be granted up to expiry of the license.

Article 9

If in the HPK area for which Decision Letter for Release of Forest Zone is issued there still exist forest stands, then application for license for Timber Utilization (IPK) may be submitted in phases consistent with development plan and utilization plan of transmigration, residential area, agriculture, or plantation, in accordance with statutory regulation.

Article 10

With this Regulation of the Minister of Forestry is stipulated, then:

- a. Decision Letter of the Minister of Forestry No. 146/Kpts-II/2003 concerning Guideline for Evaluation for Utilization of Forest Zone/ former Forest Zone for Plantation Cultivation Business which contravenes this Regulation is hereby declared revoked;
- b. Letter of the Minister of Forestry No. S.112/Menhut-VII/2005 dated March 8, 2005 concerning termination/ postponement of release of forest zone, Letter of the Minister of Forestry No. S.599/Menhut-VII/2005 dated October 12, 2005 concerning termination/ postponement of release of forest zone and Letter from the Minister of Forestry No. S.403/Menhut-II/2006 concerning Recommendation for Release of Forest Zone for Plantation Cultivation Business, are hereby declared revoked.

Article 11

This Regulation of the Minister of Forestry takes effect on the date it is stipulated.

For public cognizance, this Regulation shall be announced by placing it in the State Gazette for the Republic of Indonesia.

Stipulated in Jakarta

On September 15, 2008

MINISTER OF FORESTRY,

sgd

H. M.S. KABAN

Enacted in Jakarta

On September 24, 2008

MINISTER OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA,

sgd

ANDI MATTALATTA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA

YEAR 2008 NUMBER 46

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