

LAW OF THE REPUBLIC OF INDONESIA NUMBER 41 of 1999

REGARDING

FORESTRY

BY MERCY OF THE ONE SUPREME GOD

- Considering:
- a. whereas forest as endowment and mandate of the One Supreme God bestowed to the Indonesian people constitutes state controlled asset which provides various benefits for human beings, thereby requiring us to be grateful, manage and utilize the same optimally and maintain the preservation thereof for maximum prosperity of the people, both present and future generations;
 - b. whereas forest, as one of determinant factors of life life buffer system and sources of people' s prosperity tends to degrade, therefore existence thereof shall be maintained optimally, its bearing capacity shall be preserved and managed by noble, fair, wise, sensible, transparent, professional, and accountable manners;
 - c. whereas sustainable global forest management shall accommodate dynamic of community's aspiration and participation, custom and culture as well as social value based on national legal norms;
 - d. whereas Law Number 5 of 1967 regarding Principles of Forestry (State Gazette of 1967 Number 8) is no longer conforming to principles of forest control and management and current demand. thereby requiring revision;
 - e. whereas in this respect, it is deemed necessary to stipulate a new Law regarding Forestry.
- In View of:
1. Article 5 paragraph (1), Article 20 paragraph (l), Article 27, and Article 33 of Constitution 1945;
 2. Stipulation of People' s Consultative Assembly of the Republic of Indonesia Number XV/MPR/ 1998 regarding Decentralization; Fair control, Distribution and Use of National Resources; as well as Revenue Sharing within the Unitary State of the Republic of Indonesia;
 3. Law Number 5 of 1960 regarding Principles of Agrarian Affairs (State Gazette of 1960 Number 104, Supplement to State Gazette Number 2034);
 4. Law Number 5 of 1990 regarding Conservation of Bio-Natural Resources and Ecosystem thereof (State Gazette of 1990 Number 49, Supplement to State Gazette Number 3419);
 5. Law Number 24 of 1992 regarding Spatial Plan (State Gazette of 1992 Number 115, Supplement to State Gazette Number 3501);
 6. Law Number 23 of 1997 regarding Environmental Management (State Gazette of 1997 Number 68, Supplement to State Gazette Number 3699);
 7. Law Number 22 of 1999 regarding Decentralization (State Gazette of 1999 Number 60, Supplement to State Gazette Number 3839);

With Approval of

**THE HOUSE OF PEOPLE'S REPRESENTATIVES
OF THE REPUBLIC OF INDONESIA**

HAS DECIDED:

To Stipulate: LAW REGARDING FORESTRY

CHAPTER I

GENERAL

Part One

Definition

Article 1

In this Law by:

1. Forestry we mean integrated management system pertaining to forest, forest area and forest produces.
2. Forest we mean an ecosystem unit in term of a plot of land containing bio-natural resources dominated by vegetation in integrated unity of environment thereof.
3. Forest area we mean any particular area determined or designated by the government to be permanent forest.
4. State forest we mean any forest on a land not charged with land title.
5. Title Forest we mean any forest situated on land charged with land title.
6. Indigenous forest we mean state's forest situated in indigenous law community area.
7. Production forest we mean forest area with main function to yield forest produces.
8. Protected forest we mean forest area with main function to protect life buffer system to arrange water management, prevent flood, erosion, prevent brine water intrusion, and maintain land fertility.
9. Conversion forest we mean forest area with typical characteristics, with main function to conserve bio-diversity and ecosystem thereof.
10. Nature reserve forest area we mean forest with typical characteristics, with main function to preserve bio-diversity and ecosystem thereof and also as life life buffer system.
11. Natural preservation forest area we mean forest with typical characteristics, with main function to protect life life buffer system, preserve bio-diversity and utilize sustainably bionatural resources and ecosystem thereof.
12. Hunting Resort we mean forest area designated for hunting.
13. Forest Produce we mean biological, non-biological materials and their derivatives as well as forest originated service.
14. Government we mean Central Government.
15. Minister we mean the minister assigned to deal with and responsible for Forestry affairs.

Part Two

Principle and Objective

Article 2

The principles of forestry management shall be benefit and conservation, democracy, justice, togetherness, transparence, and integrity.

Article 3

Forest management shall be aimed at providing maximum prosperity for the people based on justice and sustainability by:

- a. securing existence of forest at adequate extent and proportional distribution;
- b. optimizing various forest functions covering conservation, protection, and production functions to attain environmental, social, cultural and economic benefits proportionally and sustainably;
- c. increasing bearing capacity of river sheds;
- d. increasing capability to develop community's capacity and capability on participation, justice, and sustainability basis to create social and economic resilience as well as endurance against impacts of external changes; and
- e. securing distribution of benefits on just and sustainability basis.

Part Three

Forest Control

Article 4

- (1) All forests in territory of the Republic of Indonesia including natural resources contained therein shall be controlled by State for the maximum prosperity of the people.
- (2) Forest Control by the State as referred to in Paragraph (1) shall mean authority of the government to:
 - a. maintain and manage anything relating to forest, forest area, and forest produces;
 - b. stipulate certain area status as forest area or forest area and non-forest area; and
 - c. maintain and stipulate legal relations of people to forest as well as legal acts concerning forestry.
- (3) Forest control by state shall remain taking into account rights of indigenous law community if any and its existence is acknowledged and not contradictory to national interest.

CHAPTER II

FOREST STATUS AND FUNCTION

Article 5

- (1) Forest shall by status consist of:
 - a. state forest, and
 - b. title forest.
- (2) State forest as referred to in paragraph (1) item a, can be in terms of customary forest.
- (3) The Government shall stipulate status of forest as referred to paragraphs (1) and (2); and indigenous forest shall be stipulated if any and its existence acknowledged.
- (4) In case in its development indigenous law community no longer exists the management right of indigenous law shall return to the Government.

Article 6

- (1) Forest shall have three functions, namely:
 - a. conservation,
 - b. protection, and
 - c. production.
- (2) The Government shall determine forest by main function as follows:

- a. conservation forest,
- b. protected forest, and
- c. production forest.

Article 7

The conservation forest as referred to in Article 6 paragraph (2) item a shall consist of:

- a. nature preserve forest area:
- b. natural preservation forest area; and
- c. hunting resort

Article 8

- (1) The Government shall determine specially designated forest area.
- (2) Determination of specially designated forest area as referred to in paragraph (1) shall be required in public interest such as:
 - a. research and development,
 - b. training and education.
 - c. religion and culture.
- (3) Forest area for special designation as referred to in paragraph (1) shall not change major function of forest area as referred to in Article 6.

Article 9

- (1) For micro-climate, aesthetic. and water catchment designation for urban forest shall be available in each town.
- (2) Further provision as referred to in paragraph (1) shall be stipulated by virtue of Government Regulation.

CHAPTER III

FOREST MANAGEMENT

Article 10

- (1) Forest management as referred to in Article 4 paragraph (2) item a shall be aimed at obtaining maximum benefit and multifunction and preservation for people's prosperity.
- (2) Forest management as referred to in paragraph (1) shall include the following activities:
 - a. forestry planning,
 - b. forest management,
 - c. research and development, training and education as well as extension on forestry affairs, and
 - d. supervision.

CHAPTER IV

FORESTRY PLANNING

Part One

General

Article 11

- (1) Forestry planning is intended to provide guidelines and direction securing attainment of forestry management goal as referred to in Article 8.
- (2) Forestry planning shall be made transparently, accountably, participatively, and integratedly by taking into account regional characteristics and aspiration.

Article 12

Forestry planning as referred to in Article 10 paragraph (2) item a shall include:

- a. forest inventory taking,
- b. forest area affirmation,
- c. forest area use,
- d. forest management area establishment, and
- e. forestry plan preparation.

Part Two

Forest Inventory Taking

Article 13

- (1) Forest Inventory Taking is conducted to identify and obtain complete data and information on forest resources, forest natural wealth potential and environment thereof.
- (2) The forest inventory taking as referred to in Article 4 paragraph (1) shall be made by survey on status and physical condition of forest, flora and fauna, human resources as well as community social condition in and around forest.
- (3) The forest inventory taking as referred to in Article 4 paragraph (2) shall consist of:
 - a. forest inventory taking at national level,
 - b. forest inventory taking at regional level,
 - c. forest inventory taking at river shed level, and
 - d. forest inventory taking at management unit level.
- (4) Forest inventory taking finding as referred to in paragraphs (1), (2), and (3) shall be used inter alia as basis of forest area affirmation forest resources balance preparation, forestry plan preparation and forestry information system.
- (5) Further provisions as referred to in paragraphs (1), (2) and (3) shall be stipulated by virtue of a Government Regulation.

Part Three

Forest Area Affirmation

Article 14

- (1) Based on forest inventory taking as referred to in Article 13, the Government shall make forest area affirmation.
- (2) Forest area affirmation as referred to in paragraph (1) shall be to provide security of law on forest area.

Article 15

- (1) Forest Area Affirmation as referred to in Article 14 shall be made under the following process:
 - a. forest area designation,
 - b. forest area boundary management,

- c. forest area mapping, and
 - d. Forest area stipulation.
- (2) Forest Area Affirmation as referred to in paragraph (1) shall be conducted by taking into account regional spatial plan.

Part Four

Forest Area Use

Article 16

- (1) The Government shall, based on Forest Area Affirmation as referred to in Articles 14 and 15, organize forest area use
- (2) The Forest Area use shall include determination of functions and use of Forest Area.
- (3) Further provision as referred to in paragraphs (1) and (2) shall be stipulated by virtue of a Government Regulation.

Part Five

Forest Management Area Establishment

Article 17

- (1) Establishment of forest management area shall be made for:
- a. province,
 - b. district/town. and
 - c. management unit levels.
- (2) The establishment of forest management area in management unit level shall be made by taking into account soil characteristics, forest type, forest function, river shed condition, socio culture, economic condition, local community institution including indigenous law community and Government administration boundaries.
- (3) The establishment of forest management unit exceeding Government administration boundary due to condition and characteristics as well as types of forest shall be stipulated separately by the Minister.

Article 18

- (1) The Government shall determine and maintain forest area extent adequacy and forest coverage for each river shed and or island, to optimize environmental, social and economic benefits for local community.
- (2) Forest area extent which shall be maintained as referred to in paragraph (1) shall be at least 30% (thirty percent) of river shed and or island area extent at proportional distribution.

Article 19

- (1) Change of forest designation and function shall be stipulated by the Government based on integrated research findings.
- (2) Change of forest area designation as referred to in paragraph (1) generating significant impact and extensive coverage as well as strategic value shall be stipulated by the Government with approval of the House of People's Representatives.
- (3) Provisions on procedure for change of forest area designation and function as referred to in paragraphs (1) and (2) shall be stipulated by virtue of a Government Regulation.

Part Six

Forestry Planning Preparation

Article 20

- (1) Based on inventory taking findings as referred to in Article 13 and by taking into account environmental factors and social condition of local community, the government shall prepare forestry plan.
- (2) Forestry plan as referred to in paragraph (1) shall be prepared by term of planning, geographical scale and main function of forest area.
- (3) Further provisions as referred to in paragraphs (1) and (2) shall be stipulated by virtue of a Government Regulation.

CHAPTER V

FOREST MANAGEMENT

Part One

General

Article 21

Forest Management as referred to in Article 10 paragraph (2) item b shall include the following activities:

- a. forest arrangement and forest management planning,
- b. forest utilization and forest area use,
- c. forest rehabilitation and reclamation, and
- d. forest protection and natural conservation.

Part Two

Forest Arrangement and Forest Management Planning

Article 22

- (1) Forest arrangement shall be made for more intensive forest area management to obtain more optimum and sustainable benefits.
- (2) Forest arrangement shall include distribution of forest area in blocks by ecosystem, type, function and forest utilization plan.
- (3) Blocks as referred to in paragraph (2) shall be divided into plots by intensity and efficiency of handling.
- (4) Based on block and plots as referred to in paragraphs (2) and (3), forest management plan shall be prepared for a definite period.
- (5) Further provisions as referred to in paragraphs (1), (2), (3) and (4) shall be stipulated by virtue of Government Regulation.

Part Three

Forest Utilization and Forest Area Use

Article 23

Forest utilization as referred to in Article 21 item b shall be intended to obtain optimum benefit for welfare of all by maintaining preservation thereof.

Article 24

Forest area utilization can be made to all forest areas except natural conservation forest as well as core zone and forest zone in national park.

Article 25

Natural Preservation forest area utilization and nature reserve forest area as well as hunting resort shall be stipulated according to the prevailing legislation.

Article 26

- (1) Utilization of protected forest in form of area utilization, environmental service utilization and collection of non-timber forest produce.
- (2) Utilization of protected forest shall be made by issue of area utilization operation permits, environmental service utilization operation permits and non-timber forest produce collection permits.

Article 27

- (1) Area utilization operation permits of as referred to in Article 26 paragraph (2) can be issued to:
 - a. individuals,
 - b. cooperatives.
- (2) Environmental service utilization operation permits of as referred to in Article 26 paragraph (2) can be issued to:
 - a. individuals,
 - b. cooperatives.
 - c. Indonesian private corporate bodies,
 - d. State or enterprises.
- (3) Non-timber forest produce collection permits of area as referred to in Article 26 paragraph (2) can be issued to:
 - a. individuals,
 - b. cooperatives.

Article 28

- (1) Production forest utilization can be in terms of area utilization, environmental service utilization, timber and non-timber forest produce, as well as timber and non-timber forest produce collection.
- (2) Production forest utilization shall be made by issue of area utilization operation permits, environmental service utilization operation permits, timber forest produce utilization operation permits, non-timber forest produce utilization operation permits, timber forest produce collection permits, and non-timber forest produce collection permits.

Article 29

- (1) Area utilization operation permits as referred to in Article 28 paragraph (2) can be issued to:
 - a. individuals,
 - b. cooperatives.
- (2) Environmental service utilization operation permits as referred to in Article 28 paragraph (2) can be issued to:
 - a. individuals,
 - b. cooperatives,
 - c. Indonesian private corporate bodies,
 - d. State enterprises.

- (3) Non-timber forest produce utilization operation permits as referred to in Article 28 paragraph (2) can be issued to:
 - a. individuals,
 - b. cooperatives,
 - c. Indonesian private corporate bodies,
 - d. State enterprises.
- (4) Timber forest produce utilization operation permits as referred to in Article 28 paragraph (2) can be issued to:
 - a. individuals,
 - b. cooperatives,
 - c. Indonesian private corporate bodies,
 - d. State enterprises.
- (5) Timber and non-timber forest produce collection permits as referred to in Article 28 paragraph (2) can be issued to:
 - a. individuals,
 - b. cooperatives.

Article 30

To empower people's economy, each state enterprise, state regional enterprise and Indonesian private corporate body provided with environmental service utilization operation permit, timber and non-timber forest produce utilization operation permit shall cooperate with local cooperatives.

Article 31

- (1) For fairness, equal distribution and preservation, forest utilization operation permit shall be limited by taking into account forest preservation and business security aspect.
- (2) Limitation as referred to in paragraph (1) shall be stipulated by virtue of a Government Regulation.

Article 32

Permit holders as referred to in Articles 27 and 29 shall keep, maintain and preserve forests where they operate.

Article 33

- (1) Forest produce utilization operation shall include planting, maintenance, harvesting, processing, and marketing of forest produce.
- (2) Harvesting and processing of forest produce as referred to in paragraph (1) shall not exceed forest bearing capacity.
- (3) Arrangement, development and improvement of forest produce processing as referred to in paragraph (2) shall be regulated by the Minister.

Article 34

Specially designated Forest area management as referred to in Articles 8 can be issued to:

- a. indigenous law community.
- b. educational institutions,
- c. research institutions,
- d. social and religious institutions.

Article 35

- (1) Each holder of forest utilization operation permit as referred to in Articles 27 and 29 shall be charged with operation permit dues, fee, afforestation fund and performance bond.
- (2) Each holder of forest utilization operation permit as referred to in Articles 27 and 29 shall provide investment fund for forest conservation.
- (3) Each holder of forest produce collection permit as referred to in Articles 27 and 29 shall be charged with fee.
- (4) Further provisions as referred to in paragraphs (1), (2) and (3) shall be stipulated by virtue of a Government Regulation.

Article 36

- (1) Title forest utilization shall be conducted by relevant land title holder according function thereof.
- (2) Title forest with protection and conservation functions can be utilized provided not disturbing its function.

Article 37

- (1) Indigenous forest shall be utilized by the relevant indigenous law community, according to its function.
- (2) Indigenous forest with protection and conservation functions can be utilized provided not disturbing its function.

Article 38

- (1) Use of forest area use in the interest of development beyond forestry activities can only be made in production forest area and protected forest area.
- (2) Forest area use as referred to in paragraph (1) shall not change its major function.
- (3) Use of forest area for mining purpose shall be made through issue of loan use permit by the Minister by taking into account its extent and definite term as well as environmental conservation.
- (4) No open pit mining can be made in protected forest area.
- (5) Loan use permit as referred to in paragraph (3) generating significant impact and having extensive coverage as well as strategic value shall be issued by the Minister with approval of the House of People's Representatives.

Article 39

Provisions on implementation of forest utilization and forest area use as referred to in Articles 27, 29, 34, 36, 37, and 38 shall be stipulated by virtue of a Government Regulation.

Part Four

Forest Rehabilitation and Reclamation

Article 40

Forest and land rehabilitation shall be intended to recover, maintain and improve forest and land function to maintain bearing capacity, productivity and role thereof in supporting life buffer system.

Article 41

- (1) Forest and land rehabilitation shall be made through the following activities:
 - a. afforestation,
 - b. reforestation,

- c. maintenance,
 - d. vegetation enrichment, or
 - e. application of land conservation engineering on vegetative and civil engineering, basis to critical and not productive land.
- (2) Rehabilitation as referred to in paragraph (1) shall be made in all forests and forest areas except natural preserve and core zone of national park.

Article 42

- (1) Forest and land rehabilitation shall be based on specific biophysical condition.
- (2) Forest and land rehabilitation shall be chiefly implemented primarily by participatory approach to develop potential and empower community.
- (3) Further provisions as referred to in paragraphs (1) and (2) shall be stipulated by virtue of a Government Regulation.

Article 43

- (1) Any person controlling, managing, and or utilizing critical and non productive forest shall conduct forest rehabilitation for protection and conservation.
- (2) In rehabilitation as referred to in paragraph (1), each person can solicit for assistance, service and support of any non government organizations, other parties or Government.

Article 44

- (1) Forest reclamation as referred to in Article 21 item c shall include program to improve or recover optimum function of damaged land and forest vegetation according to designation thereof.
- (2) Reclamation as referred to in paragraph (1) shall include site inventory taking, site determination, planning and reclamation implementation.
- (3) Further provisions as referred to in paragraphs (1) and (2) shall be stipulated by virtue of a Government Regulation.

Article 45

- (1) Forest area use as referred to in Article 38 paragraph (1) resulting in forest damage, shall be reclaimed and or rehabilitated according to pattern stipulated by the Government.
- (2) Reclamation in forest area ex mining area shall be made by mining permit holder according to mining activities phase.
- (3) Any parties using forest area for any purposes other than forestry activities resulting in change of surface and overburden shall pay reclamation and rehabilitation deposit.
- (4) Further provisions as referred to in paragraphs (1), (2) and (3) shall be stipulated by virtue of a Government Regulation.

Part Five

Forest Protection and Nature Conservation

Article 46

Forest protection and natural conservation shall be intended to maintain forest area and environment thereof, for optimum and sustainable protection, conservation and production.

Article 47

Forest and forest area protection shall be intended to:

- a. prevent and minimize damage to forest area and forest produce due to human beings' act, animal, fire, natural power, pest, as well as diseases; and
- b. maintain and keep state's, community's and individuals' rights to forest, forest area, forest produce, investment as well as facilities relating to forest management.

Article 48

- (1) The Government shall regulate forest protection, both within and outside forest area.
- (2) Forest protection in state forest shall be implemented by the Government.
- (3) Forest utilization operation permit holders as referred to in Articles 27, and 29 as well as parties authorized to manage forest as referred to in Article 34 shall protect forests in their working areas.
- (4) Forest protection in title forests shall be made by title holders.
- (5) For proper forest protection, the community shall be involved in forest protection program.
- (6) Further provisions as referred to in paragraphs (1), (2), (3), (4) and (5) shall be stipulated by virtue of a Government Regulation.

Article 49

Title or permit holders shall be responsible for any forest fire occurring to their working areas.

Article 50

- (1) No one shall damage forest protection infrastructure and facilities.
- (2) No holder of area utilization operation permit, environmental service utilization operation permit, timber forest produce utilization operation permit, non-timber forest produce utilization operation permit, timber forest produce collection permit, and non-timber forest produce collection permit shall commit anything resulting in damage to forest.
- (3) No one shall:
 - a. exploit and or use and or occupy forest area illegally;
 - b. encroach forest area;
 - c. fell vegetation in forest area at radius or distance through:
 1. 500 (five hundred) meters from perimeter of dams or lakes;
 2. 200 (two hundred) meters from perimeter of springs and right and left sides of rivers in swampy areas;
 3. 100 (one hundred) meters from right and left sides of flyers;
 4. 50 (fifty) meters from right and left sides of tributaries;
 5. Two times of valley depth from valley edge;
 6. 130 (one hundred thirty) times of difference of the highest tide and lowest tide from beach line.
 - d. burn forest;
 - e. fell vegetation or harvest or collect forest produces In forest illegally;
 - f. f. receive, purchase or sell, exchange, receive consignment, keep or posses forest produce identified or reasonably alleged to be illegally taken or collected;
 - g. make general surveyor exploration or exploitation of minerals in forest area without consent of the Minister;
 - h. transport, control, or posses forest produces without any legal documentation;

- i. herd cattle in forest areas not specially designated for that purpose by competent authorities;
 - j. mobilize heavy and or other equipment commonly or reasonably alleged to use to transport forest produce in forest area without any consent of competent authorities;
 - k. bring in any devices commonly used to fell, cut or split trees in forest area without any consent of competent authorities;
 - l. dispose any materials which may cause fire and damage as well as endanger existence or preservation of forest function into forest area; and
 - m. bring out, bring in and transport vegetation and wildlife not protected by law from forest area without any consent of competent authorized;
- (4) Provisions on bringing out, bringing in and or transporting protected vegetation and wildlife shall be stipulated according to the prevailing legislation.

Article 51

- (1) To secure forest protection, certain forestry officials shall according to nature of their work be given of special police authority.
- (2) Officials given special police authority as referred to in paragraph (1) shall be authorized to:
- a. patrol in forest area or their jurisdiction;
 - b. inspect papers or documents relating to transportation of forest produce in forest area or their jurisdiction;
 - c. receive report on any criminal act relating to forest, forest area and forest produce;
 - d. inquire and seek for evidence of criminal acts relating to forest, forest area and forest produce;
 - e. in case of being caught red handed, capture the suspects to give to custody of the competent authorities; and
 - f. make reports and sign reports on criminal acts relating to forest, forest area and forest produce.

CHAPTER VI

RESEARCH AND DEVELOPMENT, EDUCATION AND TRAINING AS WELL AS EXTENSION ON FORESTRY

Part One

General

Article 52

- (1) Sustainable forest management, will require quality human resources is required characterized by their good command of science and technology based on faith and piety to the One Supreme God. through research and development, education and training as well as continuous extension on forestry.
- (2) Research and development, education and training as well as extension on forestry shall take into account science and technology, traditional wisdom as well as socio-cultural condition of the community.
- (3) In making research and development, education and training as well as extension on forestry, the government shall protect Indonesian's typical germ (If line from theft).

Part Two

Forestry Research and Development

Article 53

- (1) Forestry research and development shall be aimed at developing national capability as well as science and technology culture in forest management.
- (2) Forest research and development shall be aimed at improving forest capability in materializing sustainable forest management and increasing forest produce added value.
- (3) Forest research and development shall be organized by the Government and cooperation can be made with universities, business world and community.
- (4) The Government shall encourage and establish a condition conducive to improvement in capability to master, develop and use forestry science and technology.

Article 54

- (1) The Government and business world as well as community shall publicize results of forestry research and development and develop information and service system of forestry research and development.
- (2) The Government shall protect scientific discovery and technological invention in forestry pursuant to the prevailing legislation.
- (3) Permit to make forestry research in Indonesia can be given to foreign researchers with reference to the prevailing legislation.

Part Three

Forestry Education and Training

Article 55

- (1) Forestry education and training shall be aimed at developing and improving quality of skillful, professional, honest, sincere and noble human resources.
- (2) Forestry research and development shall be aimed at establishing human resources who master and are able to use and develop science and technology in fair and sustainable forest management based on faith and piety to the One Supreme God.
- (3) Forestry research and development shall be made by the Government, business world and community.
- (4) The Government shall support and create condition conducive to forestry research and development, for higher human resources quantity and quality.

Part Four

Extension on Forestry

Article 56

- (1) Extension on forestry shall be aimed at improving knowledge and skill as well as changing community's attitude and behavior in order that they are willing and able to support forestry development based on faith and piety to the One Supreme God as well as awareness of importance of forest resources for human beings' life.
- (2) Extension on forestry shall be conducted by the Government, business world and community.
- (3) The Government shall support and create condition conducive to extension on forestry.

Part Five

Financing and Infrastructure

Article 57

- (1) Business world dealing with forestry shall provide investment fund for research and development, education and training, as well as extension on forestry.

- (2) The Government shall provide forest area for use by and support to research and development, education and training as well as extension on forestry.

Article 58

Further provisions on research and development, education and training as well as extension on forestry shall be stipulated by virtue of a Government Regulation.

CHAPTER VII SUPERVISION

Article 59

Forestry supervision is intended to scrutinize, trace and assess implementation of forest management for optimum attainment of objective and simultaneously as feedback for further betterment of and or improvement in forest management.

Article 60

- (1) The government and local administrations shall exercise forest supervision.
- (2) The community and or individuals shall play their role in forest supervision.

Article 61

The Government shall exercise supervision of forest management by Regional Administration.

Article 62

The Government, Regional Administration and community shall supervise forest management and or utilization by third parties.

Article 63

In exercising forest supervision as referred to in Article 60 paragraph (1), the government and regional administrations shall be authorized to monitor, inquire and inspect implementation of forest management.

Article 64

The government and community shall supervise implementation of forest management generating impact nationally and internationally.

Article 65

Further provision on forestry supervision shall be stipulated by virtue of a Government Regulation.

CHAPTER VIII DELEGATION OF AUTHORITY

Article 66

- (1) To organize forestry, the Government shall delegate a part of its authority to Regional Administrations.
- (2) Delegation of a part of authority as referred to in paragraph (1) shall be aimed at improving effectiveness on forest management for decentralization development.
- (3) Further provisions as referred to in paragraphs (1), and (2) shall be stipulated by virtue of a Government Regulation.

CHAPTER IX INDIGENOUS LAW COMMUNITY

Article 67

- (1) Indigenous law community shall if any and still acknowledged shall be entitled to:

- a. collect forest produce to fulfill daily needs of relevant customary law community;
 - b. manage forest according to the prevailing indigenous law and not in-contravention of the law; and
 - c. obtain empowerment for welfare improvement.
- (2) Affirmation of existence and extinction of indigenous law - community as referred to in paragraph (1) shall be stipulated by Regional Regulation.
 - (3) Further provisions as referred to in paragraphs (1), and (2) shall be stipulated by virtue of a Government Regulation.

CHAPTER X COMMUNITY PARTICIPATION

Article 68

- (1) The community shall be entitled to enjoy environmental quality the forest produces.
- (2) Besides right as referred to in paragraph (1), the community can also:
 - a. utilize forest and forest produce according to the prevailing legislation;
 - b. know forest designation plan, forest produce utilization, and information on forestry;
 - c. provide information, suggestion, as well as consideration in forestry development;
 - d. supervise implementation of forestry development, both directly and indirectly.
- (3) The community in and around the forest shall be entitled to compensation against loss of access to surrounding forest as employment opportunity to fulfill their daily need due to forest area designation according to the prevailing legislation.
- (4) Each person shall be entitled to compensation against loss of their title to land they own due to forest area designation according to the prevailing legislation.

Article 69

- (1) The community shall take part and keep as well as maintain forest area from disturbance and damage.
- (2) In conducting forest rehabilitation, the community can solicit for advocacy, service and support to non-government organizations, other parties or the Government.

Article 70

- (1) The community shall take part in development in forestry sector
- (2) The Government shall support community participation through various activities in Forestry sector effectively and efficiently.
- (3) To improve community participation, the Government and Regional Administration can be assisted by Forestry Observing Forum.
- (4) Further provisions as referred to in paragraphs (1), and (2) shall be stipulated by virtue of a Government Regulation.

CHAPTER XI CLASS ACTION

Article 71

- (1) The community shall be entitled to file classaction before the court of justice and or report to law enforcer any damage to forest thereby harming the community's life.

- (2) Right to file class action as referred to in paragraph (1) shall be limited to that against forest management violating the prevailing legislation.

Article 72

If it is identified that the community suffers due to pollution and or damage to forest in such a way that affects their life, the Government or Regional Administration agency responsible for forestry affairs shall be entitled to act in the interest of the community.

Article 73

- (1) In assuming responsibility for forest management any organizations dealing with forest shall be entitled to file classaction for forest function conservation.
- (2) Each organization dealing with forest entitled to file classaction as referred to in paragraph (1) shall fulfill the following requirements;
 - a. Corporate body;
 - b. Its articles of association expressly states that it is established to conserve forest function; and
 - c. It has implemented activities according to its articles of association.

CHAPTER XII

SETTLEMENT OF FORESTRY DISPUTE

Article 74

- (1) Forestry dispute can be settled intra - or extra – judicially based on voluntary option of the disputing parties.
- (2) In case of selecting extra judicial settlement, suit filed before to court of justice can be filed in case of failure.

Article 75

- (1) Extra judicial settlement of forestry dispute shall not apply to criminal acts as provided herein.
- (2) Extra judicial forestry dispute settlement is intended to attain agreement on return of right, amount of compensation and or form of certain actions to take to receiver forest function.
- (3) Extra judicial settlement of forestry dispute as referred to in paragraph (2) can solicit service of any third party jointly appointed by the disputing parties and or advocacy by non-government organization for settlement of forestry dispute.

Article 76

- (1) Intra judicial forestry dispute settlement is intended to attain court order on return of right, amount of compensation and or form of certain actions to take by the losing party.
- (2) In addition to order to take certain actions as referred to in paragraph (1), the court of justice can decide cognizance for delay in implementing such action per day.

CHAPTER XIII

INVESTIGATION

Article 77

- (1) Besides National Police Investigators, certain Civil Servant investigators in charge of forest management can be specially authorized to act as investigators as referred to in the Indonesian Criminal Law of Procedure.
- (2) Civil Servant Investigators as referred to in paragraph (1) shall be authorized to:

- a. investigate the truth of report or statement relating to criminal acts concerning forest, forest area and forest produce;
 - b. investigate any person alleged to commit any criminal act relating to forest, forest area, and forest produce;
 - c. examine identity card of anyone in forest area or their jurisdiction;
 - d. search and confiscate evidence of crime relating to forest, forest area, and forest produce according to the prevailing legislation;
 - e. make inquiry and seek for evidence from individuals or corporate bodies in relation to criminal acts relating to forest, forest area, and forest produce;
 - f. catch and arrest in coordination with and under the supervision of National Police investigators Indonesia according to the Indonesian Criminal Law of Procedure;
 - g. draw up and sign minutes;
 - h. drop investigation in case of absence of sufficient evidence of any criminal acts relating to forest, forest area, and forest produce;
- (3) Civil Servant Investigators as referred to in paragraph (1) shall notify commencement of investigation and deliver their investigation findings to public prosecutor according to the Indonesian Criminal law of Procedure.

CHAPTER XIV

PENAL PROVISIONS

Article 78

- (1) Anyone whomsoever intentionally violating Article 50 paragraph (1) or Article 50 paragraph (2) shall be subjected to imprisonment of maximum 10 (ten) years and penalty of maximum Rp 5,000,000,000.00 (five billion rupiah);
- (2) Anyone whomsoever intentionally violating Article 50 paragraph (3) items a, b, or c shall be subjected to imprisonment of maximum 10 (ten) years and penalty of maximum Rp 5,000,000,000.00 (five billion rupiah);
- (3) Anyone whomsoever intentionally violating Article 50 paragraph (3) item d shall be subjected to imprisonment of maximum 15 (fifteen) years and penalty of maximum Rp 5,000,000,000.00 (five billion rupiah);
- (4) Anyone whomsoever intentionally violating Article 50 paragraph (3) item d shall be subjected to imprisonment of maximum 5 (five) years and penalty of maximum Rp 1,500,000,000.00 (one billion five hundred million rupiah);
- (5) Anyone whomsoever intentionally violating Article 50 paragraph (3) item e or f shall be subjected to imprisonment of maximum 10 (ten) years and penalty of maximum Rp 5,000,000,000.00 (five billion rupiah);
- (6) Anyone whomsoever intentionally violating Article 38 paragraph (4) or Article 50 paragraph (3) item g, shall be subjected to imprisonment of maximum 10 (ten) years and penalty of maximum Rp 5,000,000,000.00 (five billion rupiah);
- (7) Anyone whomsoever intentionally violating Article 50 paragraph (3) item h shall be subjected to imprisonment of maximum 5 (five) years and penalty of maximum Rp 10,000,000,000.00 (ten billion rupiah);
- (8) Anyone whomsoever intentionally violating Article 50 paragraph (3) item i shall be subjected to imprisonment of maximum 3 (three) years and penalty of maximum Rp 10,000,000.00 (ten million rupiah);

- f9) Anyone whomsoever intentionally violating Article 50 paragraph (3) item j, shall be subjected to imprisonment of maximum 3 (three) years and penalty of maximum Rp 5,000,000,000.00 (five billion rupiah);
- (10) Anyone whomsoever intentionally violating Article 50 paragraph (3) item k, shall be subjected to imprisonment of maximum 3 (three) years and penalty of maximum Rp 1,000,000,000.00 (one billion rupiah);
- (11) Anyone whomsoever intentionally violating Article 50 paragraph (3) item l, shall be subjected to imprisonment of maximum 3 (three) years and penalty of maximum Rp 1,000,000,000.00 (one billion rupiah);
- (12) Anyone whomsoever intentionally violating Article 50 paragraph (3) item m, shall be subjected to imprisonment of maximum 1 (one) year and penalty of maximum Rp 50,000,000.00 (fifty million rupiah);
- (13) Criminal act as referred to in paragraphs (1), (2), (3), (4), (5), (6), (7), (9), (10) and (11) shall be considered a crime and that as referred to in paragraphs (8) and (12) shall be misdemeanor;
- (14) In case the criminal act as referred to in Article 50 paragraphs (1), (2) and (3) is committed by and or in the name of corporate body or company, suit and criminal sanction shall be imposed upon their management, whether individually or collectively plus 1/3 (one third) of imposed imprisonment/sanction;
- (15) Any forest produce obtained from criminal act and violation and or equipment including means of transportation in use in committing crime and or violation as referred to herein shall be seized for State.

Article 79

- (1) State's wealth in terms of forest produce and other material whether in terms of invention and or seizure of result of criminal acts or violation as referred to article 78 shall be auctioned for state.
- (2) Any parties having merit for salvation of State's wealth as referred to paragraph (1) shall be provided with incentive appropriated from auction proceeds.
- (3) Further provisions as referred to in paragraph (2) shall be stipulated by the Minister.

CHAPTER XV

COMPENSATION AND ADMINISTRATIVE SANCTION

Article 80

- (1) Any illegal act stipulated herein, without prejudice to criminal sanction as referred to in Article 78, shall require the person in responsible for such act to pay compensation according to severity of damage or consequence resulting therefrom to the State, for rehabilitation and recovery of forest condition or other necessary actions.
- (2) Any holder of area utilization operation permit, environmental service utilization operation permit, forest produce utilization operation permit, or forest produce collection permit stipulated herein, if violating provisions beyond criminal provisions as referred to Article 78 shall be subjected to administrative sanction.
- (3) Further provisions as referred to in paragraphs (2) and (3) shall be stipulated by the Minister.

CHAPTER XVI

TRANSITIONAL PROVISIONS

Article 81

Forest area already designated and or stipulated based on the preceding legislation shall remain effective hereunder.

Article 82

All existing implementing regulations hereof in forestry sector provided not in-contravention hereof shall remain effective until issue of implementing regulation hereunder.

CHAPTER XVII

CLOSING

Article 83

As of the effectiveness hereof:

1. 'Boschordonnantie Java en Madoera' 1927, 'Staatsblad' 1927 Number 221 as already amended by virtue of 'Staatsblad' 1931 Number 168 recently amended by virtue of 'Staatsblad' 1934 Number 63;
2. Law Number 5 of 1967 regarding Principles of Forestry (State Gazette of 1967 Number 8, Supplement to State Gazette Number 2823).

shall be declared null and void.

Article 84

This Law shall become effective as of date of promulgation.

For public cognizance, it is instructed to promulgate this law by inserting the same in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
On September 30, 1999

PRESIDENT OF THE
REPUBLIC OF INDONESIA

signed

BACHARUDDIN JUSUF HABIBIE

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
OF 1999 NUMBER 167