

**THE LAW OF THE
REPUBLIC OF INDONESIA
NUMBER 41 YEAR 1999**

ON

**FORESTRY
(UNOFFICIAL TRANSLATION)**

**IN THE NAME OF GOD THE ALL MIGHTY
PRESIDENT OF THE REPUBLIC OF INDONESIA**

Considers:

- a. that forest, as the blessing of the one and only God for the nation of Indonesia, is rich, which to be controlled by the State, which provides multiple use for human beings. Therefore, it should be acknowledged, managed and utilised in an optimal way and its sustainability should be maintained for people's maximum welfare, both for present and future generation;
- b. that forest, as one of the determinants of life supporting system and a source of people's welfare, has tended to deteriorate, so that its existence should optimally be retained, its carrying capacity should be sustainably maintained and be managed in a good manner, fair, wise, transparent, professional and accountable way.
- c. that sustainable forest management with an international perspective should be able to accommodate the dynamic of community aspirations and participation, customary and cultural, and social values in accordance with national norms.
- d. that Act No. 5 Year 1967 on Forestry Basic Law (State Gazette Year 1967 No. 8) is no longer compatible with the principles of forest control and administration and with current development so that it is necessary to be replaced;
- e. that based on the consideration as referred to in letters a, b, c and d, it is necessary to stipulate a new Law concerning Forestry.

In view of:

1. Article 5 paragraph (1), Article 20 paragraph (1), Article 27 and Article 33 of the 1945 Basic Constitution;
2. Decision of People's Consultative Council (MPR) of the Republic of Indonesia No. XV/MPR/1998 concerning Implementation of Local Autonomy; Regulation, Sharing and Fair Utilisation of National Resources; and Sharing of Revenues between Central and Local Government under the framework of Unitary State of Republic of Indonesia.
3. Act Number 5 Year 1960 on Agrarian Law (State Gazette of the Republic of Indonesia Year 1960 Number 104, Supplement to State Gazette of the Republic of Indonesia Number 2034)
4. Act Number 5 Year 1990 on Biological Resources Conservation and their Ecosystem (State Gazette of the Republic of Indonesia Year 1990 Number 49, Supplement to State Gazette of the Republic of Indonesia Number 3419)
5. Act Number 24 Year 1992 on Spatial System (State Gazette of the Republic of Indonesia Year 1967 Number 115, Supplement to State Gazette of the Republic of Indonesia Number 3501)
6. Act Number 23 Year 1997 on Ecology (State Gazette of the Republic of Indonesia Year 1967 Number 68, Supplement to State Gazette of the Republic of Indonesia Number 3699).
7. Act Number 22 Year 1999 on Local Government (State Gazette of the Republic of Indonesia Year 1999 Number 60, Supplement to State Gazette of the Republic of Indonesia Number 3839).

With the approval of
HOUSE OF REPRESENTATIVES
REPUBLIC OF INDONESIA,

DECIDED

to stipulate: **ACT ON FORESTRY**

**CHAPTER I
GENERAL PROVISIONS**

**Part One
Definition**

Article 1

As defined under this Act:

1. Forestry means a system of management pertaining to forests, forest area, forest products to be undertaken in an integrated way.
2. Forest means a unit of ecosystem in the form of lands comprising biological resources, dominated by trees in their natural forms and environment, which can not be separated each other.
3. Forest area means a certain area which is designated and or stipulated by government to be retained as permanent forest.
4. State forest means a forest located on lands bearing no ownership rights.
5. Right forest means a forest located on lands bearing ownership rights.
6. "Adat" forest means state forests located in the traditional jurisdiction areas
7. Production forest means a forest area having the main function of producing forest products.
8. Protection forest means a forest area having the main function of protecting life-supporting systems for hydrology, preventing floods, controlling erosion, preventing sea water intrusion and maintaining soil fertility.
9. Conservation forest means a forest area with specific characteristics, having the main function of preserving plant and animal diversity and its ecosystem.
10. Nature reserve forest area means a forest with specific characteristics, having the main function of preserving plant and animal diversity and its ecosystem, and also as the place for life-supporting system
11. Nature conservation forest area means a forest with specific characteristics, having the main function of protecting life-supporting system, preserving species diversity of plants and animals, and sustainable use of biological resources and its ecosystem.
12. Hunting park means a forest area determined as a park area for hunting.
13. Forest product means biological, non-biological elements and their derivatives and also services provided by the forest.
14. Government means the central government
15. Minister means the minister who is charged and responsible for forestry affairs.

Part Two Principles and Objectives

Article 2

Forestry administration shall be based on benefit and sustainability, democracy, equity, togetherness, transparency and integration.

Article 3

Forest administration shall be oriented for people's maximum welfare based on equity and sustainability principles, through:

- a. ensuring that forests are sufficient in area and evenly distributed;
- b. optimising the variety of forest functions which cover conservation, protection and production functions in order to gain balance and sustainable benefits of environment, social, culture and economy;
- c. improving the carrying capacity of watershed;
- d. improving the capacity to develop community potentials and empowerment through participatory, equal and environmental-friendly ways so as to establish an endurance against the external change; and
- e. securing equal and sustainable distribution of benefits.

Part Three Forest Control

Article 4

- (1) All forests within the territory of the Republic of Indonesia including all the richness contained therein are under the state's control for people's maximum welfare.
- (2) Forest control by the state as referred to in paragraph (1), gives the authority to the government to:
 - a. regulate and organise all aspects related to forest, forest area and forest products;
 - b. assign the status of certain area as a forest area or a non-forest area; and
 - c. regulate and determine legal relations between man and forest, and regulate legal actions concerning forestry.
- (3) Forest control by the state shall respect customary laws, as long as it exists and its existence is recognised and not contradicting national interests.

CHAPTER II FOREST STATUS AND FUNCTIONS

Article 5

- (1) According to its status, two forests are determined:
 - a. state forest, and
 - b. right forest.
- (2) State forest as referred to in paragraph (1) point a, can be in the form of "adat" forest.
- (3) Government shall determine the status of forest as referred to in paragraph (1) and paragraph (2); and adat forest shall be determined as long as it exists in reality and its existence is recognised.
- (4) If during its development, concerned customary communities are no longer existing, the management right of those "adat" forests shall be returned to government.

Article 6

- (1) Forest has three functions, *i.e.*:
 - a. conservation function
 - b. protection forest, and
 - c. production forest
- (2) Government determines forests according to its main function as follows:
 - a. conservation forest,
 - b. protection forest, and
 - c. production forest.

Article 7

Conservation forest as referred to in Article 6 paragraph (2) point a consists of:

- a. nature reserve forest area
- b. nature conservation forest area, and
- c. hunting park

Article 8

- (1) Government can designate special purposes to a certain forest area.
- (2) Designation of forest area with special purpose, as referred to in paragraph (1), is required to pursue such public interests as:
 - a. research and development
 - b. education and training, and
 - c. religion and culture
- (3) Forest area with special purposes as referred to in paragraph (1), shall not change the main function of forest area as defined under Article 6.

Article 9

- (1) For the purposes of micro-climate regulation, aesthetic value and water absorption, certain area shall be designated as urban forest.
- (2) Further provisions as referred to in paragraph (1), shall be regulated under a Government Regulation.

CHAPTER III FOREST ADMINISTRATION

Article 10

- (1) Forest administration as referred to in Article 4 paragraph (2) point (a), shall be aimed at obtaining the greatest, multiple and sustained benefits for people's welfare.
- (2) Forest administration as referred to in paragraph (1), covers the implementation of the following activities:
 - a. forestry planning;
 - b. forest management;
 - c. forestry research and development, education and training, and extension, and
 - d. supervision

CHAPTER IV FORESTRY PLANNING

Part One General

Article 11

- (1) Forestry planning is intended to provide a guideline and orientation in ensuring the achievement of objectives of forestry administration as referred to in Article 3.
- (2) Forestry planning shall be prepared in a transparent, accountable, participatory, integrated way and taking local specifics and aspirations into account.

Article 12

Forestry planning as referred to in Article 10 paragraph (2) point (a), shall cover:

- a. forest inventory,
- b. forest area gazettment,
- c. forest area land use,
- d. establishment of forest management area, and
- e. preparation of forestry plans

Part Two Forest Inventory

Article 13

- (1) Forest inventory shall be implemented to know and obtain data and information on resources, forest natural richness and its environment in a comprehensive way.
- (2) Forest inventory as referred to in paragraph (1) shall be implemented through a survey on status and physical conditions of forests, flora and fauna, human resources, and social condition of communities living within and around the forest.
- (3) Forest inventory as referred to in paragraph (2) shall consist of:
 - a. forest inventory at national level,
 - b. forest inventory at regional level,
 - c. forest inventory at watershed level, and
 - d. forest inventory at management unit level.
- (4) Results of forest inventory as referred to in paragraph (1), paragraph (2) and paragraph (3) shall be used among others as a basis for forest area gazettment, preparation of forest resources' balance, preparation of forestry plans and forestry information systems
- (5) Further provisions as referred to in paragraph (1), paragraph (2) and paragraph (3) shall be regulated under a Government Regulation.

Part Three Forest Area Gazettment

Article 14

- (1) Based on forest inventory as referred to in Article 13, government shall undertake forest area gazettment.
- (2) Activities of forest area gazettment as referred to in paragraph (1), shall be conducted to provide the legality of a forest area.

Article 15

- (1) Forest area gazettment as referred to in Article 14, shall be implemented through the following procedures:
 - a. Forest area designation,
 - b. Forest area boundary demarcation;
 - c. Forest area mapping, and
 - d. Forest area stipulation
- (2) Forest area gazettment as referred to in paragraph (1), shall be undertaken by taking into account the provincial spatial planning.

Part Four Forest Area Land Use

Article 16

- (1) Based on the results of forest area gazettment as referred to in Article 14 and Article 15, government shall implement forest area land use.
- (2) Forest area land use shall cover activities of determination of the function and use of the forest area
- (3) Further provisions as referred to in paragraph (1), and paragraph (2), shall be regulated by a Government Regulation.

Part Five Establishment of Forest Management Area

Article 17

- (1) Forest management area shall be established for the level of:
 - a. province
 - b. district/municipality, and
 - c. management unit.
- (2) Establishment of forest management area at management unit level shall be implemented by taking into account: land characteristics, forest types, forest functions, conditions of watershed, social and culture, economy and local community institutions, including customary laws and administrative boundaries.
- (3) Establishment of forest management unit that crosses administrative boundaries due to forest conditions, characteristics and types shall be stipulated specifically by the Minister.

Article 18

- (1) Government shall stipulate and maintain the adequacy of forest area and forest cover for each watershed and or island in order to optimise the environmental, social and economic benefits of local communities.
- (2) The extent of forest area to be retained as referred to in paragraph (1), is at minimum 30% (thirty percent) of the total area of watershed and or island which should be evenly (or proportionally) distributed.

Article 19

- (1) Changes to allocation and function of forest area shall be stipulated by Government in accordance with the results of an integrated research.

- (2) Changes in allocation of forest area as referred to in paragraph (1), which have significant, wide and strategic impacts, shall be stipulated by Government with the approval of the House of Representatives.
- (3) Provisions on the procedures of changing the allocation and function on forest area as referred to in paragraph (1) and paragraph (2), shall be regulated by a Government Regulation.

**Part Six
Preparation of Forestry Plans**

Article 20

- (1) Based on the results of inventory as referred to in Article 13, and by taking environment and social factors into account, government shall prepare forestry plans.
- (2) Forestry plans as referred to in paragraph (1), shall be prepared in accordance with planning periods, geographical scale and main functions of forest area.
- (4) Further provisions as referred to in paragraph (1) and paragraph (2), shall be regulated by a Government Regulation.

**CHAPTER V
FOREST MANAGEMENT**

**Part One
General**

Article 21

Forest management as referred to in Article 10, paragraph (2) point (b), includes the following activities:

- a. organising forest and preparation of forest management plan
- b. utilisation of forest and use of forest areas
- c. forest rehabilitation and reclamation, and
- d. forest protection and nature conservation.

**Part Two
Organising Forest and Preparation of Management Plan**

Article 22

- (1) Organising forest shall be undertaken in the framework of a more intensive management of forest area in pursuance of optimal and sustainable benefits.
- (2) Organising forest shall involve division of forest area into blocks based on forest ecosystem, types, functions and utilisation plans.
- (3) Blocks as referred to in paragraph (2), shall be divided into compartments based on management intensity and efficiency.
- (4) Based on blocks and compartments as referred to in paragraph (2) and paragraph (3), forest management plans shall be prepared for certain period of time.
- (5) Further provisions as referred to in paragraph (2), paragraph (3) and paragraph (4) shall be regulated by a Government Regulation.

Part Three
Forest Utilisation and Use of Forest Area

Article 23

Forest utilisation as referred to in Article 21 point (b), shall be aimed at obtaining an optimal and fair benefits for people's welfare while maintaining its sustainability.

Article 24

Use of forest area can be implemented in all types of forest areas except in nature reserve forests and core and preservation zones of national parks.

Article 25

Use of nature conservation and nature preserve forest areas and hunting park shall be regulated in accordance with prevailing laws and regulations.

Article 26

- (1) Use of protection forest can be in the form of utilising its area, environmental services, and collection of non-timber forest products
- (2) Use of protection forest shall be implemented through granting of business licenses for area utilisation, environmental services and collection of non-timber forest products.

Article 27

- (1) Business license for utilising an area as referred to in Article 26 paragraph (2), can be given to:
 - a. individuals,
 - b. cooperatives
- (2) Business license for utilising environmental services as referred to in Article 26 paragraph (2), can be given to:
 - a. individuals,
 - b. cooperatives,
 - c. Indonesian private companies
 - d. State or local-owned companies
- (3) Business license for collecting non-timber forest products as referred to in Article 26 paragraph (2), can be given to:
 - a. individuals,
 - b. cooperatives

Article 28

- (1) Utilisation of production forest can be in the form of utilising its area, environmental services, utilisation of timber and non-timber forest products, and collection of timber and non-timber forest products.
- (2) Utilisation of production forest shall be implemented through granting of business licenses for area utilisation, environmental services, utilisation of timber forest products, utilisation of non-timber forest products, collection of timber and non-timber forest products.

Article 29

- (1) Business license for area utilisation as referred to in Article 28 paragraph (2), can be granted to:
 - a. individuals,
 - b. cooperatives
- (2) Business license for utilisation of environmental services as referred to in Article 28 paragraph (2) can be granted to:
 - a. individuals,
 - b. cooperatives,
 - c. Indonesian private companies
 - d. state or local-owned companies
- (3) Business license for utilisation of non-timber forest products as referred to in Article 28 paragraph (2) can be granted to:
 - e. individuals,
 - f. cooperatives,
 - g. Indonesian private companies
 - h. state or local-owned companies
- (4) Business license for utilisation of timber forest products as referred to in Article 28 paragraph (2) can be granted to:
 - i. individuals,
 - j. cooperatives,
 - k. Indonesian private companies
 - l. state or local-owned companies
- (5) License for the collection of timber and non-timber forest products as referred to in Article 28 paragraph (2) can be granted to:
 - a. individuals,
 - b. cooperatives,

Article 30

In order to empower community's economy, every state-, local-owned company and private company who are granted the license of utilisation of environmental services, timber and non-timber forest products are obliged to cooperate with local cooperatives.

Article 31

- (1) to ensure a fairness, equal and sustainable principles, business license for forest utilisation shall be subject to limitation by taking forest sustainability and business certainty aspects into consideration.
- (2) Limitations as referred to in paragraph (1) shall be regulated in a Government Regulation.

Article 32

Holders of licenses as stipulated in Article 27 and Article 29 shall be obliged to keep, maintain and sustain their forest areas.

Article 33

- (1) Utilisation business of forest products shall include the activities of planting, tending/maintaining, harvesting, processing and marketing of forest products.
- (2) Harvesting and processing of forest products as referred to in paragraph (1), might not exceed the sustainable carrying capacities of forests.
- (3) Regulation, supervision, development of forest product processing as referred to in paragraph (2), shall be made by the Minister.

Article 34

Management of forest area for special purposes as referred to in Article 8 can be given to:

- a. customary community
- b. education agencies
- c. research agencies
- d. social and religious agencies

Article 35

- (1) Each holder of business license for forest utilisation as referred to in Article 27 and Article 29 shall be subject to license fee, forest rent tax, reforestation funds, and performance bonds.
- (2) Each holder of business license for forest utilisation as referred to in Article 27 and Article 29 shall be obliged to allocate investment funds for forest conservation.
- (3) Each holder of business license for the collection of forest products as referred to in Article 27 and Article 29 shall be subject to forest rent tax only.
- (4) Further provisions as referred to in paragraph (1), (2) and paragraph (3) shall be regulated by a Government Regulation.

Article 36

- (1) Utilisation of right forest shall be undertaken by the concerned holders of the land, in accordance with the forest's function.
- (2) Utilisation of right forest with protection and conservation functions shall be undertaken as long as it does not disturb those functions.

Article 37

- (1) Utilisation of "adat" forest shall be undertaken by concerned customary communities, in accordance with the forest's function.
- (2) Utilisation of "adat" forest with protection and conservation functions shall be undertaken as long as it does not disturb those functions.

Article 38

- (1) Use of forest area for development needs for non-forestry purposes can only be made in production and protection forest areas.
- (2) Use of forest area as referred to in paragraph (1) can be made without changing the main function of forest area.
- (3) Use of forest area for mining activities shall be based on a license of lend-use issued by the Minister, taking area limitations, timeframe and environmental sustainability into account.
- (4) Open-cast mining is prohibited in protection forest.
- (5) Lend-use license as referred to in paragraph (3), which have significant, wide and strategic impacts, shall be granted by the Minister upon approval of the House of Representation.

Article 39

Provisions on the implementation of forest utilisation and use of forest area as referred to in Article 27, Article 29, Article 34, Article 36, Article 37 and Article 38 shall be further regulated in a Government Regulation.

Part Four
Forest Rehabilitation and Reclamation

Article 40

Forest and land rehabilitation shall be intended to recover, maintain and improve the forest and land functions so that its carrying capacity, productivity and role as the supporting life system can be maintained.

Article 41

- (1) Forest and land rehabilitation shall be implemented through the following activities:
 - a. reforestation,
 - b. regreening
 - c. tending,
 - d. enrichment planting, or
 - e. application of soil conservation through vegetative and mechanical means on critical and non-productive lands
- (2) Rehabilitation activities as referred to in paragraph (1) shall be undertaken in all forests and forest areas except in nature reserve and core zone of national park.

Article 42

- (1) Forest and land rehabilitation shall be implemented based on specific biophysics conditions.
- (2) Forest and land rehabilitation shall be implemented, primarily through participatory approach, in the framework of community development and empowerment.
- (3) Further provisions as referred to in paragraph (1), and paragraph (2) shall be regulated by a Government Regulation.

Article 43

- (1) Each person having, managing and or utilising critical or unproductive forests shall be obliged to rehabilitate the forests for protection and conservation purposes.
- (2) In implementing the rehabilitation as referred to in paragraph (1), every person can require assistance, service and support of non-governmental organisations, other parties or government.

Article 44

- (1) Forest reclamation as referred to in Article 21 point (c) is an effort to improve and recover damaged land and forest vegetation to restore it to its origin to function in an optimal way.
- (2) Reclamation activities as referred to in paragraph (1) include inventory of locations, designation of location, planning and implementation.
- (3) Further provisions as referred to in paragraph (1), and paragraph (2) shall be regulated by a Government Regulation.

Article 45

- (1) Use of forest area as referred to in Article 38 paragraph (1) which causes forest damage, shall be followed by reclamation and/or rehabilitation with regard to guidelines stipulated by government.

- (2) Reclamation in ex-mining areas must be undertaken by holders of mining licenses in accordance with the stages of mining activities.
- (3) Parties who use forest areas for non-forestry purposes and caused changes to soil surface and vegetation cover shall be obliged to pay reclamation and rehabilitation performance bonds.
- (4) Further provisions as referred to in paragraph (1), paragraph (2) and paragraph (3) shall be regulated by a Government Regulation.

Part Five Forest Protection and Nature Conservation

Article 46

Forest protection and nature conservation shall be aimed at keeping the forests, forest area and its environment so that protection, conservation and production functions can be secured in optimal and sustainable ways.

Article 47

Protection of forest and forest area shall be an effort to:

- a. prevent and limit the destruction of forests, forest area and forest products as a result of human and animal conducts, fires, natural hazards, pest and diseases; and
- b. maintain and keep the state, community and individual's rights over forest, forest area, forest products, investment and instruments pertaining to forest management.

Article 48

- (1) Government control the forest protection, undertaken either within or outside forest area.
- (2) Forest protection within state forest shall be undertaken by government.
- (3) Holders of forest utilisation license as referred to in Article 27 and Article 29, and other parties who are granted the authority to manage the forest as referred to in Article 34, shall be obliged to protect the forests in their working area.
- (4) Forest protection within right forest shall be undertaken by the holder of rights.
- (5) To secure its sound implementation, community shall be involved in efforts of forest protection.
- (6) Further provisions as referred to in paragraph (1), paragraph (2), paragraph (3), paragraph (4) and paragraph (5) shall be regulated by a Government Regulation.

Article 49

Holders of rights or licenses shall be responsible for forest fires occurring in their working area.

Article 50

- (1) Any person is prohibited to destroy the infrastructure and facilities of forest protection.
- (2) Anybody who has received the license of forest area use; the license of utilising environmental services, the right of timber and non-timber forest product utilisation, the license of timber and non-timber forest product collection; is not allowed to undertake any activities leading to forest damage.
- (3) No one is allowed to:
 - a. cultivate and/or use and/or occupy illegally a forest area;
 - b. encroach a forest area;
 - c. cut trees within a radius or distance up to:
 1. 500 (five hundred) meters from the edge of a lake;

2. 200 (two hundred) meters from the edge of water sources and along side rivers in a swamp area;
 3. 100 (hundred) meters alongside of rivers;
 4. 50 (fifty) meters along sides of streams
 5. 2 (two) times the depth of ravine from the edge of ravine;
 6. 130 (one hundred thirty) times the difference between the highest and the lowest tide, measured from the coastline
- d. burn the forests;
 - e. cut trees or harvest or collect any forest products within the forest area without holding any rights or license issued by authorised officials;
 - f. receive, buy or sell, receive as an exchange, receive as an entrusted goods, keep or possess any forest products which were allegedly harvested from a forest area through an illegal way.
 - g. undertake general investigation, activities, exploration or exploitation of mine materials within the forest area without Minister's approval;
 - h. carry, possess or keep forest products without being accompanied by any legal document;
 - i. graze livestock within the forest area which is not assigned specifically by authorised officials for that purpose;
 - j. bring heavy equipment or other tools which are commonly used or will presumably be used for loading forest products within forest area, without any legal authorisation;
 - k. bring equipment which are commonly used for felling, cutting, cracking the trees, without any legal authorisation;
 - l. throw any inflammable material into the forest area which may cause forest fires and threat the existence and sustainability of forest functions; and
 - m. remove, carry, transport plants and wildlife species which are not protected by the law, from forest area without any legal authorisation.
- (4) Further provisions concerning removal, carrying or loading actions of protected plants and animal species, shall be regulated by the prevailing laws and regulations.

Article 51

- (1) To ensure the implementation of forest protection, a special police authorisation shall be extended to certain forestry officials according to the nature of their responsibilities.
- (2) The officials bearing the special police authorisation as referred to in paragraph (1) shall be authorised to:
 - a. execute a patrol activity within forest area of his/her legal territory;
 - b. verify any papers or documents concerning the transportation of forest products within forest area of his/her legal territory;
 - c. receive any information on criminal acts pertaining to forests, forest areas and forest products;
 - d. seek any information and evidences of criminal act pertaining to forests, forest areas and forest products;
 - e. in a red-handed case, have the obligation to catch the suspects of the criminal act to be brought to authorised officials;
 - f. prepare any reports and sign the reports of the criminal act pertaining to forests, forest areas and forest products.

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

Part One
General

Article 52

- (1) For the sustainable forest management, qualified human resources, characterised by the mastery of science and technology and by their beliefs in God, the Almighty, shall be developed through research and development, education and training and forestry extension in a continuous way.
- (2) The implementation of research and development, education and training and forestry extension shall respect science and technology, traditional wisdom and social and cultural conditions.
- (3) In the implementation of research and development, education and training and forestry extension, government must be obliged to maintain and prevent from stealing the rich germ plasm which is specific to Indonesia.

Part Two
Forestry Research and Development

Article 53

- (1) Forestry research and development shall be aimed at enhancing the national capacity, culture, science and technology in forest administration.
- (2) Forestry research and development shall be aimed at improving the capacity to administer forests in order to realise sustainable forest management and improve added values of forest products.
- (3) Forestry research and development shall be implemented by government, who can cooperate with universities, private sectors and communities.
- (4) Government shall encourage and create conditions which are supportive to improved capacity to control, develop and utilise forest science and technology.

Article 54

- (1) Government, in cooperation with private sectors and communities shall publish results of forestry research and development and develop an information and service system for the results.
- (2) Government shall be obliged to protect the findings in forestry science and technology in accordance with the prevailing laws and regulations.
- (3) Licenses to conduct a research in Indonesia can be granted to expatriate researchers by referring to the prevailing laws and regulations.

Part Three
Forestry Education and Training

Article 55

- (1) Forestry education and training shall be intended to develop and improve human resources' quality to become skilled, professional, dedicated, honest, committed and well-behaved.
- (2) Forestry education and training shall be intended to build up human resources who can control and capable to use and develop science and technology in forest management through equal and sustainable way, who has beliefs and devout to the God.

- (3) Forestry education and training shall be implemented by government, private sectors and communities.
- (4) Government shall encourage and create the conditions which are supportive to the improved capacity to control, develop and utilise forest science and technology.

**Part Four
Forestry Extension**

Article 56

- (1) The aim of forestry extension is to improve knowledge, skill and change the mental attitude of community to be capable of supporting forestry development and be aware of the importance of forest resources to human life.
- (2) Forestry extension shall be implemented by government, private sectors and communities.
- (3) Government shall encourage and create conditions which are supportive to the implementation of forestry extension.

**Part Five
Funding and Infrastructure**

Article 57

- (1) Private forest sector shall be obliged to provide investment cost for forestry research and development, education and training and forestry extension.
- (2) Government shall allocate forest area to be used for supporting the implementation of forestry research and development, education and training and forestry extension.

Article 58

- (3) Further provisions on forestry research and development, education and training and forestry extension shall be regulated by a Government Regulation.

**C
SUPERVISION**

Article 59

Forestry supervision shall be intended to observe, monitor and evaluate the forest administration to achieve the maximum objectives and this will be used as feedback for improvement and/or revision of further regulations concerning forest administration.

Article 60

- (1) Central and local government shall be obliged to undertake forestry supervision.
- (2) Communities and/or individuals shall participate in forestry supervision.

Article 61

Government shall be obliged to undertake a supervision to forest administration, conducted by local government.

Article 62

Government, local government and communities shall undertake a supervision to forest management and utilisation, conducted by third parties.

Article 63

In implementing forestry supervision as referred to in Article 60 paragraph (1), Government and Local Government shall examine the implementation of forest administration.

Article 64

Government and communities shall undertake supervision regarding implementation of forest management which have national and international impacts.

Article 65

Further provisions on forestry supervision shall be regulated by a Government Regulation.

CHAPTER VIII DELEGATION OF AUTHORITIES

Article 66

- (1) In implementing forest administration, Government shall delegate parts of authorities to local government.
- (2) Delegation of part of authorities as referred to in paragraph (1) shall be intended to improve the efficiency of forest administration in the framework of local autonomy.
- (3) Further provisions as referred to in paragraph (1) and paragraph (2), shall be regulated by a Government Regulation.

CHAPTER IX CUSTOMARY LAW COMMUNITY

Article 67

- (1) Customary law community, as long as it exist and recognised shall have the rights to:
 - a. collect forest products for daily needs of concerned communities;
 - b. undertake forest management in accordance with prevailing customary laws which is not contradicting the laws; and
 - c. be empowered for improving their welfare.
- (2) Confirmation of existence and abolishment of customary law community as referred to in paragraph (1) shall be stipulated in Local Regulation.
- (3) Further provisions as referred to in paragraph (1) and paragraph (2), shall be regulated by a Government Regulation.

CHAPTER X COMMUNITY PARTICIPATION

Article 68

- (1) Community has the right to enjoy a healthy forest environment produced by forests
- (2) Apart from the right as referred to in paragraph (1), community can:
 - a. utilise forest and forest products in accordance with prevailing laws and regulations;
 - b. be informed about plans of forest allocation, forest product utilisation and forestry information;
 - c. provide information, suggestions and considerations for forest development; and
 - d. undertake supervision regarding the implementation of forest development, either directly or indirectly.
- (3) Communities within and around the forests shall have the right to receive a compensation for losing access to their surrounding forests due to its designation as forest area, in accordance with prevailing laws and regulations.
- (4) Every one has the right to get compensation for losing their ownership of land due to its designation as forest area, in accordance with prevailing laws and regulations.

Article 69

- (1) Communities shall be obliged to participate in maintaining and preventing forest areas from disturbance and damage.
- (2) In implementing forest rehabilitation, community can request assistance, guidance and support from non-governmental organisations, other parties or government.

Article 70

- (1) Community shall take part in the forestry development.
- (2) Government shall be obliged to encourage people participation through various effective and efficient forestry activities.
- (3) To encourage people's participation, government and local government can be assisted by forestry stakeholders forum.
- (4) Further provisions as referred to in paragraph (1) and paragraph (2) shall be regulated by a Government Regulation.

CHAPTER XI CLASS ACTION

Article 71

- (1) Community has the right to render class action to a court and/or report to the law upholder on forest damage which inflicts a loss on livelihood of community.
- (2) The right to sue as referred to in paragraph (1) is limited to claims on forest management which is contradicting prevailing laws and regulations

Article 72

If it is discovered that community suffers from pollution and/or forest damage which affects their life, then central and local government institutions, who are responsible for forestry affairs, can take necessary actions in the community's interest.

Article 73

- (1) For holding a responsibility in forest management, organisation in forestry affairs has a right to render a class action in the interest of sustainability of forest functions.
- (2) Organisations in forestry affairs who has the right to render a class action as referred to in paragraph (1) should meet the following requirements:
 - a. legal entity
 - b. the organisation should clearly state in their statutes, that objectives of the establishment are for the interests of sustainability of forest functions;
 - c. have already implemented activities in accordance with their statutes.

CHAPTER XII RESOLUTION OF FORESTRY CONFLICTS

Article 74

- (1) Conflicts pertaining to forestry can be resolved in a court or outside a court, depending on the options that are voluntarily selected by the parties involved.
- (2) When conflict resolution is selected to be outside a court, claims can then be made in a court if consensus is not achieved among parties involved.

Article 75

- (1) Resolution of forestry conflicts outside a court shall not be valid for criminal acts as regulated in this Law.
- (2) Resolution of forestry conflicts outside a court is intended to reach consensus on return of a right, magnitude of compensation and/or specific actions necessary for recovering the functions of forests.
- (3) In resolution of forestry conflicts outside a court as referred to in paragraph (2), a third party can be used and assigned jointly by involved parties or other non-government organisation to assist in resolving the conflicts.

Article 76

- (1) Resolution of forestry conflicts in a court is intended for a legal decision on return of a right, magnitude of compensation and/or specific actions to be taken by the losing party.
- (2) Besides a decision to carry out certain actions as referred to in paragraph (1), and if these action are not carried out on time, the court can punish the guilty party to cash payment on a daily basis.
- (3)

CHAPTER XIII INVESTIGATION

Article 77

- (1) Apart from the investigating officials of the Police Department of the Republic of Indonesia, the Civil Servant Official whose scope of tasks and responsibilities cover forestry affairs shall be granted a special authority as investigating officers as referred to in Law of Criminal Procedure.
- (2) The investigation officer as referred to in paragraph (1) shall be authorised to:
 - a. investigate into report and information on criminal acts pertaining to forest, forest areas and forest products;
 - b. interrogate suspect of criminal acts pertaining to forests, forest areas and forest products;
 - c. check identity card of a person in the forest area or his/her legal territory.
 - d. confiscate evidences of criminal acts pertaining to forests, forest areas and forest products;
 - e. request information or evidence from a person or a body regarding the criminal act pertaining to forests, forest areas and forest products;
 - f. catch and arrest a suspect, under coordination and supervision of investigating officials of the Police Department of the Republic of Indonesia in accordance with Law of Criminal Procedure
 - g. prepare and sign an official report.
 - h. terminate an investigation in case of inadequate evidence on the criminal act pertaining to forests, forest areas and forest products.
- (3) The investigating officer as referred to in paragraph (1) shall inform the commencement of the investigation and report the results of the investigation to the Prosecutor General, in accordance with Law of Criminal Procedure.

CHAPTER XIV PROVISIONS OF CRIMINAL CONDUCTS

Article 78

- (1) Whoever intentionally violates the provisions of Article 50, paragraph (1) or Article 50 paragraph (2), shall be liable to punishment by imprisonment up to a maximum of 10 (ten) years and a fine up to a maximum of Rp. 5,000,000,000,- (five billion rupiah).
- (2) Whoever intentionally violates the provisions of Article 50 paragraph (3) letter (d), shall be liable to punishment by imprisonment up to a maximum of 15 (fifteen) years and a fine up to a maximum of Rp. 5,000,000,000,- (five billion rupiah).
- (3) Whoever, due to negligence, violates the provisions of Article 50 paragraph (3) letter (d) shall be liable to punishment by imprisonment up to a maximum of 5 (five) years and a fine up to a maximum of Rp. 1,500,000,000,- (one billion five hundred million rupiah).
- (4) Whoever intentionally violates the provisions of Article 50 paragraph (3) letter (e) or letter (f), shall be liable to punishment by imprisonment up to a maximum of 10 (ten) years and a fine up to a maximum of Rp. 5,000,000,000,- (five billion rupiah).
- (5) Whoever intentionally violates the provisions of Article 38 paragraph (4) and Article 50 paragraph (3) letter (g), shall be liable to punishment by imprisonment up to a maximum of 10 (ten) years and a fine up to a maximum of Rp. 5,000.000.000,- (five billion rupiah).

- (6) Whoever intentionally violates the provisions of Article 50 paragraph (3) letter (h), shall be liable to punishment by imprisonment up to a maximum of 5 (five) years and a fine up to a maximum of Rp. 10,000,000,000,- (ten billion rupiah).
- (7) Whoever intentionally violates the provisions of Article 50 paragraph (3) letter (i), shall be liable to punishment by imprisonment up to a maximum of 3 (three) months and a fine up to a maximum of Rp. 10,000,000,- (ten million rupiah).
- (8) Whoever intentionally violates the provisions of Article 50 paragraph (3) letter (j), shall be liable to punishment by imprisonment up to a maximum of 5 (five) years and a fine up to a maximum of Rp. 5,000,000,000,- (five billion rupiah).
- (9) Whoever intentionally violates the provisions as referred to in Article 50 paragraph (3) letter (k), shall be liable to punishment by imprisonment up to a maximum of 3 (three) years and a fine up to a maximum of Rp. 1,000,000,000,- (one billion rupiah).
- (10) Whoever intentionally violates the provisions of Article 50 paragraph (3) letter (l), shall be liable to punishment by imprisonment up to a maximum of 3 (three) years and a fine up to a maximum of Rp. 1,000,000,000,- (one billion rupiah).
- (11) Whoever intentionally violates the provisions of Article 50 paragraph (3) letter (m), shall be liable to punishment by imprisonment up to a maximum of 1 (one) year and a fine up to a maximum of Rp. 50,000,000,- (fifty million rupiah).
- (12) Actions referred to in paragraph (1), paragraph (2), paragraph (3), paragraph (4), paragraph (5), paragraph (6), paragraph (7), paragraph (9), paragraph (10), and paragraph (11) shall be defined as criminal conducts, while actions as referred in paragraph (8), and paragraph (12) shall be defined as violations.
- (13) Actions referred to in Article 50 paragraph (1), paragraph (2), and paragraph (3), if made by and/or one behalf of a legal business entity, the legal actions and criminal sanctions should be imposed on the board of management, either individually or jointly, who shall be liable to punishment in accordance with respective sanction with an addition of 1/3 (one third) of the decided sanctions.
- (14) All forest products harvested as a result of criminal act and violation and/or all equipment including transport means used in the criminal act and/or the violation as referred to in this article shall be confiscated for the state.

Article 79

- (1) State's property such as forest products and others which have been either found and/or confiscated due to criminal acts or violations as referred to in Article 78 shall be auctioned for the State.
- (2) Those officials who deserve because of their efforts to save State Properties as referred to in paragraph (1) shall be given an incentive which will be allocated from proceedings of the auction.
- (3) Further provision as referred to in paragraph (2) shall be regulated by the Minister.

CHAPTER XV COMPENSATION AND ADMINISTRATIVE SANCTION

Article 80

- (1) Without abridging the criminal sanction (s) as referred to in Article 78, the responsible parties violating the Law regulated in this Act shall be obliged to pay due compensation to the state according to intensity of damages or effects thereof, for the costs of rehabilitation, forest recovery or other necessary actions.

- (2) Each holder of a business license for forest area utilisation; utilisation of environmental services, forest products utilisation, forest product collection, and violates the stipulations of criminal conducts as referred to in Article 78 shall be subject to administrative sanctions.
- (3) Further provisions as referred to in paragraph (1) and paragraph (2) shall be regulated by Government Regulation.

CHAPTER XIV TRANSITIONAL PROVISIONS

Article 81

The designated and/or stipulated forest area based on prevailing Laws and Regulations prior to the issuance of this Act shall remain effective based on this Act.

Article 82

All existing rules of implementation pertaining to forestry shall remain in effect, insofar they do not conflict with this Act, until the issuance of the rules of implementation based on this Act.

CHAPTER XV CONCLUDING PROVISIONS

Article 83

At the time this Act takes effect, the following Acts shall be declared void:

1. Bos Ordinance for Java and Madura 1927, State Gazette (*Staadsblad*) Year 1927 Number 221 as modified into *Staadsblad* Year 1931 Number 168 and State Gazette *Staadsblad* Year 1934 Number 63;
2. Act Number 5 Year 1967 on Basic Provisions on Forestry (State Gazette Year 1967 Number 8, Supplement to the State Gazette Number 2823).

Article 84

This Act shall come into effect at the date of its promulgation. In order that the public is informed thereof, it is hereby ordered that this Act be published in the State Gazette of the Republic of Indonesia.

Approved in Jakarta
On 30 September 1999

**THE PRESIDENT OF THE
REPUBLIC OF INDONESIA**

Signed

BACHARUDDIN JUSUF HABIBIE

Promulgated in Jakarta

On 30 September 1999

**THE STATE MINISTER OF STATE SECRETARY
OF THE REPUBLIC OF INDONESIA**

Signed

MULADI

STATE GAZETTE OF THE REPUBLIC OF INDONESIA. Year 1999 Number 167

This copy is declared to comply with the original
STATE SECRETARIAT OF THE REPUBLIC OF INDONESIA
Head of Bureau of Laws and Regulations I.

LAMBOCK V. NAHATTANDS