

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

FORESTRY

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

Considering:

- a. Whereas forest, as the blessing and mandate of the One Almighty God for the nation of Indonesia, is an assets controlled by the State, which provides manifold benefit for human beings. Therefore, it should be acknowledged, managed and utilised in an optimal way and its sustainability should be maintained for the people's maximum welfare, both for present and future generations;
- b. Whereas forest, as one of the determinants of life supporting system and a source of people's welfare, has shown a trend of determination, so that its existence should be optimally retained, its supporting capacity should be sustainably maintained in a wise, transparent, professional and accountable manner;
- c. Whereas sustainable forest management with an international perspective should be capable of accommodating the dynamics of community aspirations and participation, customary and cultural, as well as social values in accordance with national legal norms;
- d. Whereas Law No. 5 Year 1967 on Forestry Basic Provisions (State Gazette Year 1967 No. 8) is no longer Suitable to the principles of forest control and administration and to current developments so that it needs to be replaced;
- e. Whereas based on the consideration as intended 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 Constitution;
2. Decision of People's Consultative Assembly (MPR) of the Republic of Indonesia No. XV/MPR/1998 concerning Organization of Regional Autonomy; Equitable Administration Distribution and Utilisation of National Resources; and Financial Balance between Central and Regional Government in the context of the Unitary State of Republic of Indonesia;

3. Law Number 5 Year 1960 concerning Agrarian Basic Provisions (State Gazette of the Republic of Indonesia Year 1960 Number 104, Supplement to the State Gazette of the Republic of Indonesia Number 2034);
4. Law Number 5 Year 1990 concerning Conservation of Biological Resources 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. Law Number 24 Year 1992 concerning Spatial Arrangement (State Gazette of the Republic of Indonesia Year 1992 Number 115, Supplement to the State Gazette of the Republic of Indonesia Number 3501);
6. Law Number 23 Year 1997 concerning Environmental Management (State Gazette of the Republic of Indonesia Year 1997 Number 68, Supplement to the State Gazette of the Republic of Indonesia Number 3699);
7. Law Number 22 Year 1999 concerning Regional Government (State Gazette of the Republic of Indonesia Year 1999 Number 60, Supplement to the State Gazette of the Republic of Indonesia Number 3839);

With the approval of

**THE PEOPLE'S LEGISLATIVE ASSEMBLY
OF THE REPUBLIC OF INDONESIA,
HAS DECIDED**

To stipulate: **LAW CONCERNING FORESTRY**

**CHAPTER I
GENERAL PROVISIONS**

Article 1

Referred to in this law as:

1. Forestry shall be an integrated system of management pertaining to forests, forest area, forest products.
2. Forest shall be an integral a unit of ecosystem in the form of lands containing biological resources, dominated by trees in their natural environment.
3. Forest area shall be a certain area which is designated and or stipulated by government to be preserved as permanent forest.

4. State forest shall be a forest located on land bearing no ownership rights.
5. Titled forest shall be a forest located on land bearing ownership rights.
6. Communal forest shall be state forests located in an area of a communal law community.
7. Production forest shall be a forest area having the main function of producing forest products.
8. Preserved forest means a forest area having the main function as life-supporting systems preservation for managing water resources, preventing floods, controlling erosion, preventing sea water intrusion and maintaining soil fertility.
9. Conservation forest shall be a forest area with certain specific characteristics, having the main function of preserving the diversity of flora and fauna as well as their ecosystems.
10. Natural reserve forest area shall be a forest with certain specific characteristics, having the main function of preserving the diversity of flora and fauna and their ecosystems, and also as an area of life-supporting system
11. Natural conservation forest area shall be a forest with certain specific characteristics, having the main function of perpetuating life-supporting system, preserving the diversity flora and fauna, and sustainable use of biological resources and their ecosystems.
12. Hunting park shall be a forest area stipulated as a tourist park for hunting.
13. Forest product shall be biological, non-biological objects and their derivatives as well as services obtained from forests.
14. Government shall be the Central Government
15. Minister shall be the minister assigned and responsible for forestry affairs.

Part Two Principles and Objectives

Article 2

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

Article 3

Forest administration shall be intended for people's maximum, equitable and sustainable welfare by:

- a. ensuring the existence of forests in sufficient area and proportionate distribution;
- b. optimising the variety of forest functions covering conservation, preservation and production functions in order to gain balance and sustainable environmental, social, cultural and economic benefit;
- c. improving the carrying capacity of River Basins;
- d. improving the capability to develop community potentials and empowerment through participatory, equitable and environmental-friendly ways so as to establish social and economic resilience as well as resistance against the external change; and
- e. ensuring 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 natural wealth contained therein shall be under the state's control for people's maximum welfare.
- (2) Forest control by the state as intended in paragraph (1), shall grant the authority to the government to:
 - a. regulate and organise all aspects related to forest, forest area and forest products;
 - b. stipulate the status of certain area as a forest area or a forest area as a non-forest area; and
 - c. regulate and stipulate legal relations between man and forest, and to regulate legal actions concerning forestry.
- (3) Forest control by the State shall respect the right of customary law community, insofar as they still exist and their existence is recognised and not contradictory to national interests.

CHAPTER II FOREST STATUS AND FUNCTIONS

Article 5

- (1) According to their status, forests shall be categorised as:
 - a. state forest, and
 - b. titled forest.
- (2) State forest as intended in paragraph (1) point a, can be in the form of customary forest.

- (3) Government shall determine the status of forests as intended in paragraph (1) and paragraph (2); and customary forests shall be determined insofar as they exist in reality and their existence is recognised.
- (4) If during the development thereof, the customary communities concerned are no longer existing, the management right of the aforementioned customary forests shall be returned to the Government.

Article 6

- (1) Forests shall have three functions, namely:
 - a. conservation function
 - b. preservation function, and
 - c. production function
- (2) Government shall stipulate forests based on their following main functions:
 - a. conservation forests,
 - b. preservation forests, and
 - c. production forests.

Article 7

Conservation forests as intended in Article 6 paragraph (2) point a shall consist of:

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

Article 8

- (1) Government may stipulate special purposes for a certain forest area.
- (2) Stipulation of forest area with such special purposes, as intended in paragraph (1), shall be required to pursuit such public interests as:
 - a. research and development
 - b. education and training, and
 - c. religion and culture
- (3) Forest areas having special purposes as intended in paragraph (1), shall not change the main functions of forest areas as intended in Article 6.

Article 9

- (1) For the purposes of micro-climate control, aesthetic value and water absorption, certain areas shall be designated as urban forests.
- (2) Further provisions as intended in paragraph (1), shall be provided for under a Government Regulation.

CHAPTER III FOREST ADMINISTRATION

Article 10

- (1) Forest administration as intended in Article 4 paragraph (2) point (a), shall be intended to obtain the maximum benefit, multiple use and sustain ability for people's welfare.
- (2) Forest administration as intended in paragraph (1), shall include the implementation of the following activities:
 - a. forestry planning;
 - b. forest management;
 - c. research and development, education and training, as well as counselling in forestry, and
 - d. supervision

CHAPTER IV FORESTRY PLANNING

Part One General

Article 11

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

Article 12

Forestry planning as intended in Article 10 paragraph (2) point (a), shall cover the following matters:

- a. forest inventory,
- b. forest area stipulation,
- c. forest area utilization,
- 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 comprehensive data and information on forest resources, natural wealth potentials and environment there of.

- (2) Forest inventory as intended in paragraph (1) shall be implemented through a survey on the 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 intended in paragraph (2) shall consist of:
 - a. forest inventory at national level,
 - b. forest inventory at regional level,
 - c. forest inventory at river basin area level, and
 - d. forest inventory at management unit level.
- (4) Results of forest inventory as intended in paragraph (1), paragraph (2) and paragraph (3) shall be used among others as a basis for forest area stipulation, preparation of forest resources' balance, preparation of forestry plans and forestry information systems
- (5) Further provisions as intended in paragraph (1), paragraph (2) and paragraph (3) shall be provided for in a Government Regulation.

Part Three Forest Area Stipulation

Article 14

- (1) Based on forest inventory as intended in Article 13, government shall conduct forest area stipulation.
- (2) Activities of forest area stipulation as intended in paragraph (1), shall be conducted to provide legal certainty in respect of a forest area.

Article 15

- (1) Forest area stipulation as intended in Article 14, shall be implemented through the following procedures:
 - a. Forest area designation,
 - b. Forest area boundary arrangement;
 - c. Forest area mapping, and
 - d. Forest area stipulation
- (2) Forest area stipulation as intended in paragraph (1), shall be conducted by taking into account the regional spatial planning.

Part Four Forest Area Utilization

Article 16

- (1) Based on the results of forest area stipulation as intended in Article 14 and Article 15, government shall organise forest area utilisation.
- (2) Forest area utilisation shall include activities of determination of the function and utilisation of the forest area.
- (3) Further provisions as intended in paragraph (1), and paragraph (2), shall be provided for in a Government Regulation.

Part Five
Establishment of Forest Management Area

Article 17

- (1) Forest management area shall be established at the following levels :
 - a. province
 - b. regency/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 river basin area, social community and cultural aspect, economy and regional community institutions, including customary law and Governmental administrative boundaries.
- (3) Establishment of forest management unit crossing Governmental 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 coverage for each river basin area and or island in order to optimise the environmental, social and economic benefits of regional communities.
- (2) The minimum area of forest area to be maintained as intended in paragraph (1), shall be minimum 30% (thirty percent) of the total area of river basin area and or island which having proportionate distribution.

Article 19

- (1) Changes of allocation and function of forest area shall be stipulated by the Government based on the results of an integrated research.
- (2) Changes of allocation of forest area as intended in paragraph (1), having significant and broad impact as well as strategic value, shall be stipulated by the Government with the approval of the People's of Legislative- Global Assembly.
- (3) Provisions on the procedures for changing the allocation and function of forest area as intended in paragraph (1) and paragraph (2), shall be provided for in a Government Regulation.

Part Six
Preparation of Forestry Plans

Article 20

- (1) Based on the results of inventory as intended in Article 13, and by taking the environmental and social factors into account, government shall prepare forestry plans.

- (2) Forestry plans as intended in paragraph (1), shall be prepared in accordance with planning periods, geographical scale and main functions of forest area.
- (4) Further provisions as intended in paragraph (1) and paragraph (2), shall be provided for in a Government Regulation.

CHAPTER V FOREST MANAGEMENT

Part One General

Article 21

Forest management as intended in Article 10, paragraph (2) point (b), shall include the following activities:

- a. forest administration and preparation of forest management plan,
- b. utilisation of forest and use of forest areas,
- c. forest rehabilitation and reclamation, and
- d. forest preservation and natural conservation.

Part Two Organising Forest Administration and Preparation of Management Plan

Article 22

- (1) Forest administration shall be conducted in the context of a more intensive management of forest area in order to obtain optimal and sustainable benefits.
- (2) Forest administration shall include division of forest area into blocks based on forest ecosystem, types, functions and utilisation plans.
- (3) Blocks as intended in paragraph (2), shall be divided into compartments based on management intensity and efficiency.
- (4) Forest management plans shall be prepared for certain period of time based on blocks and compartments as intended in paragraph (2) and paragraph (3).
- (5) Further provisions as intended in paragraph (2), paragraph (3) and paragraph (4) shall be provided for in a Government Regulation.

Part Three Forest Utilisation and Use of Forest Area

Article 23

Forest utilisation as intended in Article 21 point (b) shall be intended to obtain the optimal benefit for the people's welfare in equitable manner while maintaining its sustainability.

Article 24

Utilization of forest area can be conducted in all types of forest areas except in natural preservation forests and core and preservation zones of national parks.

Article 25

Utilization of natural conservation and natural preservation forest areas as well as hunting park shall be regulated in accordance with the prevailing laws and regulations.

Article 26

- (1) Utilization of preserved forest can be in the form of the utilization of its area, environmental services, and collection of non-timber forest products
- (2) Utilization of preserved 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 area utilization as intended in Article 26 paragraph (2), can be granted to:
 - a. individuals,
 - b. cooperatives.
- (2) Business license for the utilization of environmental services as intended in Article 26 paragraph (2), can be granted to:
 - a. individuals,
 - b. cooperatives,
 - c. Indonesian private companies
 - d. State or regional government-owned companies.
- (3) Business license for collecting non-timber forest products as intended in Article 26 paragraph (2), can be granted to:
 - a. individuals,
 - b. cooperatives.

Article 28

- (1) Utilisation of production forest can be in the form of the utilization of 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 utilization, 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 intended in Article 28 paragraph (2), can be granted to:

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

Article 30

In order to empower community's economy, every state-, regional government-owned company and Indonesian private company obtaining the business license for utilisation of environmental services, timber and non-timber forest products utilization shall be obligated to cooperate with regional cooperatives.

Article 31

- (1) In order to ensure the principles of justice, equitable distribution and sustainability, business license for forest utilisation shall be subject to limitation by taking forest sustainability and business certainty aspects into consideration.
- (2) Limitations as intended in paragraph (1) shall be provided for in a Government Regulation.

Article 32

Holders of licenses as stipulated in Article 27 and Article 29 shall be obligated to keep, maintain and preserve the forest areas where their businesses are located.

Article 33

- (1) Forest products utilization business shall include the activities of planting, cultivating, harvesting, processing and marketing forest products.
- (2) Harvesting and processing of forest products as intended in paragraph (1), shall not exceed the sustainable carrying capacities of forests.
- (3) Regulation, supervision and development of forest product processing as intended in paragraph (2), shall be conducted by the Minister.

Article 34

Management of forest area for special purposes as intended in Article 8 can be delegated to:

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

Article 35

- (1) Each holder of business license for forest utilisation as intended in Article 27 and Article 29 shall be subject to business license contribution, forest rent tax, reforestation funds, and performance bonds.
- (2) Each holder of business license for forest utilisation as intended in Article 27 and Article 29 shall be obligated to provide investment funds for forest conservation.
- (3) Each holder of business license for the collection of forest products as intended in Article 27 and Article 29 shall be subject to forest lease tax only.
- (4) Further provisions as intended in paragraph (1), paragraph (2) and paragraph (3) shall be provided for in Government Regulation.

Article 36

- (1) Utilisation of titled forests shall be conducted by holders of the title upon land, the concerned in accordance with the function thereof.
- (2) Utilisation of titled forest having the protection and conservation functions may be conducted as long as it does not disrupt such functions.

Article 37

- (1) Utilisation of communal forests shall be conducted by the customary law communities concerned, in accordance with the function thereof.
- (2) Utilisation of communal forests having protection and conservation functions may be conducted as long as it does not disturb those functions.

Article 38

- (1) Use of forest areas for development needs for non-forestry purposes can only be conducted in production and preserved forest area.
- (2) Use of forest area as intended in paragraph (1) may be conducted without changing the main function of the forest areas.
- (3) Use of forest areas for mining activities shall be based on a license of land-use issued by the Minister, by taking area limitations, certain time frame and environmental sustainability into account.
- (4) Open-cast mining shall be prohibited in preserved forest areas.
- (5) Land-use license as intended in paragraph (3), which have significant, broad and strategic impacts, shall be granted by the Minister upon approval of the People's Legislative Assembly.

Article 39

Implementation Provisions on forest utilisation and use of forest areas as intended 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 life- supporting system can be maintained.

Article 41

- (1) Forest and land rehabilitation shall be implemented through the following activities:
 - a. Reforestation;
 - b. tree-planting;
 - c. cultivation;
 - d. plant diversification; or
 - e. application of vegetative and technical soil conservation on critical and non-productive lands
- (2) Rehabilitation activities as intended in paragraph (1) shall be conducted in all forests and forest areas except in natural reserve and core zone of national parks.

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 context of community development and empowerment.

- (3) Further provisions as intended in paragraph (1), and paragraph (2) shall be provided for in a Government Regulation.

Article 43

- (1) Each person having, managing and or utilising critical or unproductive forests shall be obligated to rehabilitate the forests for protection and conservation purposes.
- (2) In implementing the rehabilitation as intended 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 intended in Article 21 point (c) shall include the effort to improve and recover damaged land and forest vegetation so that they can optimally function in accordance with their allotment.
- (2) Reclamation activities as intended in paragraph (1) shall include inventory of locations, stipulation of location, planning and implementation.
- (3) Further provisions as intended in paragraph (1), and paragraph (2) shall be provided for in Government Regulation.

Article 45

- (1) Use of forest areas as intended in Article 38 paragraph (1) causing forest damage, must be remedied by reclamation and/or rehabilitation in accordance with the guidelines stipulated by government.
- (2) Reclamation in forest areas previously used as mining areas must be conducted by the holders of the mining licenses in accordance with the stages of mining activities.
- (3) Parties using forest areas for non-forestry purposes causing changes to soil surface and land coverage shall be obligated to pay reclamation and rehabilitation performance bonds.
- (4) Further provisions as intended in paragraph (1), paragraph (2) and paragraph (3) shall be provided for in a Government Regulation.

Part Five Forest Preservation and Natural Conservation

Article 46

Forest protection and natural conservation shall be intended to safeguard the forests, forest areas and the environment there of so that protection, conservation and production functions can be achieved in optimal and sustainable ways.

Article 47

Protection of forests and forest areas 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 on forest, forest area, forest products, investment and instruments pertaining to forest management.

Article 48

- (1) Government shall control forest protection, both within and outside forest areas.
- (2) Government shall conduct forest protection within state forests.
- (3) Holders of forest utilisation license as intended in Article 27 and Article 29, and other parties receiving the authority to manage forests as intended in Article 34, shall be obligated to protect the forests in their working area.
- (4) The holders of rights shall conduct Forest protection within titled forests thereon.
- (5) In order to ensure the best implementation thereof, community shall be involved in efforts of forest protection.
- (6) Further provisions as intended in paragraph (1), paragraph (2), paragraph (3), paragraph (4) and paragraph (5) shall be provided for in a Government Regulation.

Article 49

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

Article 50

- (1) Any person shall be prohibited from destroying the infrastructure and facilities of forest protection.
- (2) Any person receiving business license for forest area utilization; environmental services utilization, timber and non-timber forest product utilisation, and non-timber forest product collection; shall be prohibited from conducting any activities leading to forest destruction.
- (3) No one shall be 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 of up to:
 - 1. 500 (five hundred) meters from the sides of a dam or a lake;
 - 2. 200 (two hundred) meters from the edge of water sources and river banks in a swamp area;
 - 3. 100 (hundred) meters from river banks;
 - 4. 50 (fifty) meters from the banks of streams;
 - 5. 2 (two) times the depth a ravine from the edge of the ravine;
 - 6. 130 (one hundred thirty) times the difference between the highest and the lowest tide, measured from the coastline

- d. burn forests;
 - e. cut trees or harvest or collect any forest products within the forest area without holding any rights or license issued by respective authorities;
 - f. receive, buy or sell, receive as an exchange, receive as an entrusted goods, keep or possess any forest products which are illegally harvested from a forest area.
 - g. Conducted general investigation activities, exploration or exploitation of mine materials within the forest area without the Minister's approval;
 - h. carry, possess or keep forest products without being accompanied by any legal document;
 - i. graze livestock within a forest area which is not assigned specifically by respective authorities for that purpose;
 - j. bring heavy equipment or other tools which are commonly used or will presumably be used for transporting forest products within a forest area, without any approval from the respective authorities;
 - k. bring equipment which are commonly used for felling, cutting, cracking trees, without any approval from the respective authorities;
 - l. dispose of 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 under any law, from forest area without any approval from the respective authorities.
- (4) Further provisions concerning removal, carrying or transporting protected plants and animal species, shall be regulated in accordance with the prevailing laws and regulations.

Article 51

- (1) In order to ensure the implementation of forest protection, certain police authorities shall be granted to certain forestry officials in accordance with the nature of their responsibilities.
- (2) The officials bearing the certain police authorities as intended in paragraph (1) shall have the following authorities:
 - a. to patrol within forest area of his/her jurisdiction;
 - b. to verify any papers or documents concerning the transportation of forest products within forest area of his/her jurisdiction;
 - c. to receive any report on criminal acts pertaining to forests, forest areas and forest products;
 - d. seek any information and evidence of criminal act pertaining to forests, forest areas and forest products;
 - e. in a red-handed case, to have the obligation to catch the suspects of the criminal act to be brought to respective authorities;

- f. prepare any reports and sign the reports on criminal acts pertaining to forests, forest areas and forest products.

CHAPTER VI RESEARCH AND DEVELOPMENT, EDUCATION AND TRAINING AND AS WELL AS COUNSELING ON TRAINING FORESTRY

Part One General

Article 52

- (1) Sustainable forest management shall require qualified human resources, characterised by the mastery of science and technology based on the belief in God, the Almighty, who shall be developed through forestry research and development, education and training and counselling on a continuous basis.
- (2) The implementation of research and development, education and training and counselling on forestry shall take into account science and technology, traditional wisdom and social and cultural conditions.
- (3) In implementing research and development, education and training and counselling on forestry, Government shall be obligated to safeguard Indonesian special wealth of seeds.

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 forest products added values.
- (3) Forestry research and development shall be organized by Government, who can cooperate with universities, private sectors and communities.
- (4) Government shall encourage and create conducive conditions to the improvement of capacity to master, 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 thereof.
- (2) Government shall be obligated to protect the scientific and technological findings in forestry in accordance with the prevailing laws and regulations.

- (3) Approval for conducting 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 develop human resources having the mastery of and capable to use and develop science and technology in equitable and sustainable forest management based on belief and devoutness to the One Almighty God.
- (3) Forestry education and training shall be organized by Government, private sectors and community.
- (4) Government shall promote and create conducive conditions to the implementation of forestry education and training in order to improve the quantity and quality of human resources.

Part Four Forestry Counselling Article 56

- (1) The objective of forestry counselling shall be to improve the knowledge, skill and to change the mental attitude of community to be willing and capable to support forestry development based on the belief and devoutness to the One Almighty God as well as be aware of the importance of forest resources to human life.
- (2) Forestry counselling shall be conducted by Government, private sectors and community.
- (3) Government shall promote and create conducive conditions to the implementation of forestry counselling.

Part Five Funding and Infrastructure

Article 57

- (1) Entrepreneurs in the field of forestry shall be obligated to provide investment fund for forestry research and development, education and training and forestry counselling.
- (2) Government shall allocate forest areas to be used for supporting the implementation of forestry research and development, education and training and forestry counselling.

Article 58

Further provisions on forestry research and development, education and training and forestry counselling shall be provided for in Government Regulation.

CHAPTER VII SUPERVISION

Article 59

Forestry supervision shall be intended to observe, monitor and evaluate the forest administration so that the objectives can be maximally achieved and will be used as feedback for the further improvement and/or revision of forest administration.

Article 60

- (1) Government and Regional government shall be obligated to conduct forestry supervision.
- (2) Community and/or individuals shall participate in forestry supervision.

Article 61

Government shall be obligated to conduct supervision over forest administration, conducted by Regional governments.

Article 62

Government, Regional Government and community shall supervise forest management and utilisation, conducted by third parties.

Article 63

In implementing forestry supervision as intended in Article 60 paragraph (1), Government and Regional Government shall have the authority to monitor, request necessary information and examine the implementation of forest administration.

Article 64

Government and community shall conduct supervision over the implementation of forest management having national and international impacts.

Article 65

Further provisions on forestry supervision shall be provided for in Government Regulation.

CHAPTER VIII

DELEGATION OF AUTHORITIES

Article 66

- (1) In the context of forest administration, Government shall delegate parts of authorities to Regional Government.
- (2) Delegation of authorities as intended in paragraph (1) shall be intended to improve the efficiency of forest administration in the context of regional autonomy development.
- (3) Further provisions as intended in paragraph (1) and paragraph (2), shall be provided for in Government Regulation.

CHAPTER IX CUSTOMARY LAW COMMUNITY

Article 67

- (1) Customary law community, insofar as it exist and is recognised, shall be entitled to conduct the following activities :
 - a. Collecting forest products for daily needs of concerned communities;
 - b. Conducting forest management based on prevailing customary laws which are not contradictory to laws; and
 - c. Being empowered for improving their welfare.
- (2) Confirmation of the existence and abolishment of a customary law community as intended in paragraph (1) shall be stipulated in Regional Regulation.
- (3) Further provisions as intended in paragraph (1) and paragraph (2), shall be provided for in Government Regulation.

CHAPTER X COMMUNITY PARTICIPATION

Article 68

- (1) Community shall be entitled to enjoy a the quality of environment produced by forests
- (2) In addition to the right as intended in paragraph (1), community can:
 - a. utilise forest and forest products in accordance with the prevailing laws and regulations;
 - b. have knowledge of plans of forest allocation, forest product utilisation and forestry information;
 - c. provide information, suggestions and considerations for forest development; and
 - d. conduct supervision regarding the implementation of forest development, either directly or indirectly.
- (3) Communities living within and around forests shall have the right to receive compensation for loosing access to their surrounding forests as their place of work for fulfilling their living needs due to its designation as forest area in accordance with the prevailing laws and regulations.

- (4) Every one shall be entitled to compensation for losing their ownership of land as the consequence of its designation as forest area, in accordance with the prevailing laws and regulations.

Article 69

- (1) Communities shall be obligated to participate in maintaining and preventing forest areas from any disturbance and destruction.
- (2) In implementing forest rehabilitation, community can request for assistance, services 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 obligated to encourage community participation through various effective and efficient forestry activities.
- (3) In the context of encouraging community participation, government and Regional Government can be assisted by forestry observers forum.
- (4) Further provisions as intended in paragraph (1) and paragraph (2) shall be provided for in Government Regulation.

CHAPTER XI CLASS ACTION

Article 71

- (1) Community shall be entitled to file class action to a court and/or report to the law enforcement on forest destruction harmful to community life.
- (2) The right to file lawsuit as intended in paragraph (1) shall be limited to claims against forest management which is contradictory to the prevailing laws and regulations

Article 72

If it is discovered that community suffers from pollution and/or forest damage in such way that affecting their life, Government and Regional government institutions, having the responsibility in forestry affairs, can take necessary actions in the community's interest.

Article 73

- (1) In the context of the implementation of responsibilities in forest management, organisations in the field of forestry shall be entitled to file class action for the purpose of forest functions perpetuation.
- (2) Organisations in the field of forestry having the right to file class action as intended in paragraph (1) must meet the following requirements:
 - a. Having the form of legal entity

- b. Such organisations shall clearly state in their statutes, that the objective of their establishment are for the purpose of forest functions perpetuation; and
- c. Having implemented activities in accordance with their statutes.

CHAPTER XII SETTLEMENT OF FORESTRY DISPUTES

Article 74

- (1) Disputes pertaining to forestry can be settled both in and outside the court of law based on voluntary choice of the disputing parties.
- (2) In the event that following the choice of forestry dispute settlement outside the court of law, no consensus can be achieved among the disputing parties, lawsuit can be field to the court of law.

Article 75

- (1) Settlement of forestry dispute outside the court of law shall not be valid for criminal acts as provided for in this Law.
- (2) Settlement of forestry dispute outside court of law shall be intended to reach consensus on return of a right, amount of compensation and/or the form of certain actions necessary for recovering the functions of forests.
- (3) In settling of forestry dispute outside court of law as intended in paragraph (2), a service of third party which jointly appointed by the parties concerned and or the support of non-government organisation can be used to assist in settling the dispute.

Article 76

- (1) Settlement of forestry dispute in the court of law shall be intended for obtaining legal decision on the return of a right, amount of compensation and/or certain actions to be taken by the losing party.
- (2) In addition to decision to carry out certain actions as intended in paragraph (1), the court may stipulate fine for each day of delay of the implementation of the aforementioned certain actions.

CHAPTER XIII INVESTIGATION

Article 77

- (1) In addition to the investigating officials of the Police Force of the Republic of Indonesia, certain Civil Servants whose scope of duties and responsibilities covers forest administration shall be granted special authority to act as investigating officers as intended in Criminal Code.
- (2) The Civil Service Investigators as intended in paragraph (1) shall be authorised to:

- a. Examine the validity of any report or information on criminal acts pertaining to forests, forest areas and forest products;
 - b. interrogate suspects of criminal acts pertaining to forests, forest areas and forest products;
 - c. check the identification card of any person in the forest area or his/her jurisdiction.
 - d. Search for and confiscate evidences of criminal acts pertaining to forests, forest areas and forest products;
 - e. Inquire for information or evidence from a person or a legal entity in relation to criminal acts pertaining to forests, forest areas and forest products;
 - f. Arrest and detain a suspect, under co-ordination and supervision of investigators of the Police Force of the Republic of Indonesia in accordance with the Criminal Code;
 - g. prepare and sign minutes;
 - h. terminate an investigation in case of inadequate evidence on the criminal act pertaining to forests, forest areas and forest products.
- (3) The Civil Service Investigators as intended in paragraph (1) shall notify the commencement of an investigation and report the results of the investigation to the Public Prosecutor, in accordance with the Criminal Code.

CHAPTER XIV CRIMINAL PROVISIONS

Article 78

- (1) Any person intentionally violates the provisions of Article 50, paragraph (1) or Article 50 paragraph (2), shall be subject to maximum imprisonment of 10 (ten) years and maximum fine of Rp. 5,000,000,000,- (five billion rupiah).
- (2) Any person intentionally violates the provisions of Article 50 paragraph (3) sub-paragraph a, b and c, shall be subject to maximum imprisonment of 10 (ten) years and maximum fine of Rp. 5,000,000,000,- (five billion rupiah).
- (3) Any person, due to his/her negligence, violates the provisions of Article 50 paragraph (3) sub-paragraph (d) shall be subject to maximum imprisonment of 15 (fifteen) years and maximum fine of Rp. 5,000,000,000,- (five billion rupiah).
- (4) Any person, due to his/her negligence, violates the provisions of Article 50 paragraph (3) sub-paragraph d, shall be subject to maximum imprisonment of 5 (five) years and maximum fine of Rp. 1,500,000,000,00 (one billion five hundred million rupiah)
- (5) Any person intentionally violates the provisions of Article 50 paragraph (3) sub-paragraph (e) or sub-paragraph (f), shall be subject to maximum imprisonment of 10 (ten) years and maximum fine of Rp. 5,000,000,000,- (five billion rupiah).

- (6) Any person intentionally violates the provisions of Article 38 paragraph (4) and Article 50 paragraph (3) sub-paragraph (g), shall be subject 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).
- (7) Any person intentionally violates the provisions of Article 50 paragraph (3) sub-paragraph (h), shall be subject to maximum imprisonment of 5 (five) years and maximum fine of Rp. 10,000,000,000,- (ten billion rupiah).
- (8) Any person intentionally violates the provisions of Article 50 paragraph (3) sub-paragraph (i), shall be subject to maximum imprisonment of 3 (three) months and a fine up to a maximum of Rp. 10,000,000,- (ten million rupiah).
- (9) Any person intentionally violates the provisions of Article 50 paragraph (3) sub-paragraph (j), shall be subject to maximum imprisonment of 5 (five) years and maximum fine of Rp. 5,000,000,000,- (five billion rupiah).
- (10) Any person intentionally violates the provisions as intended in Article 50 paragraph (3) sub-paragraph (k), shall be subject to maximum imprisonment of 3 (three) years and maximum fine of Rp. 1,000,000,000,- (one billion rupiah).
- (11) Any person intentionally violates the provisions of Article 50 paragraph (3) sub-paragraph (l), shall be subject to maximum imprisonment of 3 (three) years and maximum fine of Rp. 1,000,000,000,- (one billion rupiah).
- (12) Any person intentionally violates the provisions of Article 50 paragraph (3) sub-paragraph (m), shall be subject to maximum imprisonment of 1 (one) year and maximum fine of Rp. 50,000,000,- (fifty million rupiah).
- (13) Criminal actions as 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 to in paragraph (8), and paragraph (12) shall be defined as violations.
- (14) Criminal Actions as referred to in Article 50 paragraph (1), paragraph (2), and paragraph (3), if committed by and/or on behalf of a legal or business entity, the prosecution and criminal sanctions shall be imposed on the board of management thereof, either individually or jointly, who shall be subject to punishment in accordance with respective criminal sanction with an addition of 1/3 (one third) of the imposed sanctions.
- (15) All forest products obtained as the result of criminal act and violation and/or all equipment including transporting vehicles thereof used in committing the criminal act and/or the violation as intended in this article shall be confiscated for the State.

Article 79

- (1) State's properties in the form of forest products and other materials, which have been either found and/or confiscated due to criminal acts, or violations as intended in Article 78 shall be auctioned for the State.

- (2) The parties rendering good service in the efforts for saving State Properties as intended in paragraph (1) shall receive incentive which will be allocated from yields of the aforementioned auction.
- (3) Further provisions as intended in paragraph (2) shall be set forth by the Minister.

CHAPTER XV COMPENSATION AND ADMINISTRATIVE SANCTION

Article 80

- (1) Without prejudice to the criminal sanctions as intended in Article 78, any action violating the provisions set forth in this law shall incur obligation for the party responsible therefor to pay compensation to the State in accordance intensity of damages or effects thereof, with the for the costs of rehabilitation, forest recovery or other necessary actions.
- (2) Each holder of business license for forest area utilisation; utilisation of environmental services, forest products utilisation, forest products collection set forth in this law, who violates the provisions other than the criminal provisions set forth Article 78 shall be subject to administrative sanctions.
- (3) Further provisions as intended in paragraph (1) and paragraph (2) shall be provided for in Government Regulation.

CHAPTER XVI TRANSITIONAL PROVISIONS

Article 81

Forest area designated and/or stipulated under the prevailing Laws and Regulations prior to the issuance of this Law shall remain effective under this Law.

Article 82

All existing implementation regulations pertaining to forestry, insofar as they are not contradictory to this Law, shall remain effective until the issuance of the implementation Regulation based on this Law.

CHAPTER XVII CLOSING PROVISIONS

Article 83

At the time this law become effective, the following Laws shall be declared no longer applicable:

- 1. Boschordonatie Java en Madura 1927, *Staadtsblad* Year 1927 Number 221 as amende with *Staadtsblad* Year 1931 Number 168 and the last with *Staadtsblad* Year 1934 Number 63;

2. Law Number 5 Year 1967 concerning Basic Provisions on Forestry (State Gazette Year 1967 Number 8, Supplement to the State Gazette Number 2823).

Article 84

This Law shall come into effect of the date of its promulgation. For public cognisance, this Law shall be announced in the State Gazette of the Republic of Indonesia.

Ratified 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