



Ministry  
of Forestry

MINISTER OF FORESTRY REGULATION  
No: P.61/Menhut-II/2008

**ON  
PROVISIONS AND PROCEDURES  
FOR ISSUING ECOSYSTEM RESTORATION  
FOREST TIMBER UTILISATION PERMITS FOR  
NATURAL FORESTS IN PRODUCTION FORESTS  
THROUGH APPLICATIONS**

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Please always refer to the Indonesian version.

## **With the Grace of God Almighty The Ministry of Forestry,**

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Considering:

- a. that as based on Article 35 paragraph (3), Article 36 paragraph (5), Article 62 and Article 68 of Government Regulation No. 6 Year 2007 in conjunction with Government Regulation No. 3 Year 2008 on Forest Arrangement and Formulation of Forest Management and Utilisation Plans, Ecosystem Restoration Forest Timber Utilisation Permits for Natural Forest in Production Forests are granted through applications and regulated by Ministerial Regulation;
- b. that based on the above, it is necessary to stipulate a Minister of Forestry Regulation on Provisions and Procedures for Issuing Ecosystem Restoration Forest Timber Utilisation Permits for Natural Forests in Production Forests Through Applications;

In View of:

1. Law No. 5 Year 1990 on Conservation of Natural Biological Resources and their Ecosystems (State Gazette of the Republic of Indonesia Year 1990 No. 49; State Gazette Supplement of the Republic of Indonesia No. 3419);
  2. Law No. 41 Year 1999 on Forestry (State Gazette of the Republic of Indonesia Year 1999 No. 167, State Gazette Supplement No. 3888) as amended by Law No. 19 Year 2004 on Stipulation of Government Regulation in Lieu of Law No. 1 Year 2004 on Amendments to Law No. 41 Year 1999 on Forestry becoming Law (State Gazette of the Republic of Indonesia Year 2004 No. 86, State Gazette Supplement No. 4412);
  3. Law No. 32 Year 2004 on Regional Governance (State Gazette of the Republic of Indonesia Year 2004 No. 125, State Gazette Supplement of the Republic of Indonesia No. 4437) as amended by Law No. 8 Year 2005 on Stipulation of Government Regulation in Lieu of Law No. 3 Year 2005 on Amendments to Law No. 32 Year 2004 on Regional Governance becoming Law (State Gazette of the Republic of Indonesia Year 2005 No. 108, State Gazette Supplement of the Republic of Indonesia No. 4548);
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4. Law No. 25 Year 2007 on Capital Investment (State Gazette of the Republic of Indonesia Year 2007 No. 67; State Gazette Supplement of the Republic of Indonesia No. 4724);
  5. Government Regulation No. 27 Year 1999 on Environmental Impact Analyses (State Gazette of the Republic of Indonesia Year 1999 No. 59, State Gazette Supplement of the Republic of Indonesia No. 3838);
  6. Government Regulation No. 44 Year 2004 on Forestry Planning (State Gazette of the Republic of Indonesia Year 2004 No. 146, State Gazette Supplement of the Republic of Indonesia No. 4452);
  7. Government Regulation No. 45 Year 2004 on Forest Protection (State Gazette of the Republic of Indonesia Year 2004 No. 147, State Gazette Supplement of the Republic of Indonesia No. 4453);
  8. Government Regulation No. 6 Year 2007 on Forest Arrangement and Formulation of Forest Management and Utilisation Plans (State Gazette of the Republic of Indonesia Year 2007 No. 22, State Gazette Supplement of the Republic of Indonesia No. 4696) as amended by Government Regulation No. 3 Year 2008 (State Gazette of the Republic of Indonesia Year 2008 No. 16, State Gazette Supplement of the Republic of Indonesia No. 48140);
  9. Government Regulation No. 38 Year 2007 on Distribution of Governmental Affairs between the Government, Regional Provincial Governments, and District/Municipal Governments (State Gazette of the Republic of Indonesia Year 2007 No. 82, State Gazette Supplement of the Republic of Indonesia No. 4737);
  10. President of the Republic of Indonesia Decree No. 187/M Year 2004 on Formation of the United Indonesia Cabinet, as amended several times, most recently by Presidential Decree No. 31/P Year 2007;
  11. President of the Republic of Indonesia Regulation No. 9 Year 2005 on Position, Duties, Functions, Organisational Structure and Working Procedures of Ministries of the Republic of Indonesia, as amended several times, most recently by Presidential Regulation No. 20 Year 2008;
  12. President of the Republic of Indonesia Regulation No. 10 Year 2005 on Organisational Units and Duties of Echelon I Ministries of the Republic of Indonesia as amended several times, most recently by Presidential Regulation No. 50 Year 2008;
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13. Minister of Forestry and Estate Crops Decree No. 602/Kpts-II/1998 jo. No. 622/Kpts-II/1999 on Environmental Impact Analysis of Forest Development, Environment Management Initiatives and Initiatives on Environmental Monitoring in Forest Development;
14. Minister of Forestry Regulation No. P.13/Menhut-II/2005 on Organisation and Working Procedures of the Ministry of Forestry as amended several times, most recently by P.15/Menhut-II/2008;
15. Minister of Forestry Regulation No. P.20/Menhut-II/2007 in conjunction with P.12/Menhut-II/2008 on Procedures for Issuing Forest Timber Products Utilisation Permits for Natural Forests in Production Forests through Applications;

Decides:

To stipulate : MINISTER OF FORESTRY REGULATION ON PROVISIONS AND PROCEDURES FOR ISSUING ECOSYSTEM RESTORATION FOREST TIMBER UTILISATION PERMITS FOR NATURAL FORESTS IN PRODUCTION FORESTS THROUGH APPLICATIONS.

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## SECTION I

# General Provisions

### *Article 1*

For the purposes of this Regulation:

1. Production Forest Areas are areas designated and/or established by the Government to be maintained as permanent forests with the primary function of producing forest products.
2. Unproductive production forests are forests designated/allotted by the Minister as locations for ecosystem restoration and/or plantation forest development.
3. Ecosystem Restoration Timber Forest Utilisation Permits for Natural Forest in Production Forests hereafter referred to as IUPHHK-RE are permits as described in Article 1 number 14 of Government Regulation No. 6 Year 2007 in conjunction with Government Regulation No. 3 Year 2008.
4. Ecosystem restoration means efforts to restore biotic elements (flora and fauna) and abiotic elements (soil and water) to a region with native species in order to achieve biological and ecosystem balance.
5. The Minister is the Minister entrusted with duties and responsibilities in the field of forestry.
6. The Director General is the Director General entrusted with duties and responsibilities in the field of Forestry Production Development.
7. A Provincial Office is the office in the province entrusted with duties and responsibilities in the field of forestry.
8. A District/Municipal Office is the office in the district/municipality entrusted with duties and responsibilities in the field of forestry.

## SECTION II

# Area and Applications

### Part One: Area

#### *Article 2*

1. Areas for which IUPHHK-RE permits can be applied for are:
  - a. within forest area units;
  - b. not subject to other rights/permits; and
  - c. preferably in unproductive production forest
2. An area as referred to in paragraph (1) is designated/allotted by Ministerial Decree.



## Part Two: Applicants

### *Article 3*

1. Those entitled to submit applications for IUPHHK-RE permits are:
  - a. Individuals;
  - b. Cooperatives;
  - c. State-owned enterprises (BUMN) or regional enterprises (BUMD);
  - d. Indonesian privately-owned enterprises (PT, CV, Firma).
2. Capital ownership of applicants as referred to in paragraph (1) in accordance with the provisions of prevailing laws and regulations.

## Part Three: Application Requirements

### *Article 4*

IUPHHK-RE application requirements comprise:

- a. A copy of the deed of establishment of the private PT, CV, or Firma enterprise together with any amendments preferably carrying out business activities in the field of forestry/agriculture/estate crops;
- b. A business permit from the competent authority;
- c. A taxpayer registration number (NPWP);
- d. A bank reference stating that the applicant is a responsible customer;
- e. A statement of willingness to open a branch office in the Province and/or District/Municipality;
- f. A plan of the location applied for made by the applicant submitted with a satellite image of at least 30 (thirty) metre resolution, from a clear source, supplemented by a map of at least 1:100,000 scale; and

g. A technical proposal consisting of among others:

- 1) the general condition of the intended area and the condition of the company;
  - 2) a technical proposal comprising intentions and objectives, ecosystem restoration planning and utilisation after ecosystem balance has been achieved, the silviculture system used, organisation/management, financing/cash flow, and forest protection.
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## *Article 5*

1. Applications are submitted to the Minister with copies sent to:
  - a. The Director General;
  - b. The Head of the Forestry Planning Agency;
  - c. The Governor;
  - d. The Head of the Provincial Office;
  - e. The Head of the District/Municipality Office; and
  - f. The State Forest Gazettement Agency whose working area covers the local/related Province
2. An application as referred to in paragraph (1) is accompanied by requirements as referred to in Article 4.

## **Part Four: Evaluation of Applications**

### *Article 6*

1. The Directorate General of Forestry Production Development conducts inspections of the requirements referred to in Article 4 within 10 (ten) working days of receipt of an application.
2. If an application does not meet the requirements referred to in Article 4, the Director General issues a letter of rejection on behalf of the Minister.
3. If the application does meet the requirements referred to in Article 4, the Director General requests confirmation from the Head of the Forestry Planning Agency about the area applied for in regard to forest function, forest utilisation permits and forest area usage/land use allocation in other sectors, land cover, and forest area boundaries.
4. The Head of the Forestry Planning Agency sends confirmation of the area as referred to in paragraph (3) to the Director General in the form of a map of the proposed working area, within 30 (thirty) working days of receiving the confirmation request letter.
5. After receiving confirmation from the Forestry Planning Agency, the Director General conducts an evaluation of the technical proposal within 12 (twelve) working days.

## *Article 7*

1. The evaluation as referred to in Article 6 paragraph (5) is carried out by the Technical Proposal Evaluation Team concerning the Application for Timber Utilization Permit for Natural Forests in Production Forests.
2. The outcome of the Team's evaluation is submitted to the Director General accompanied by a recommendation.
3. On the basis of the Team's evaluation as referred to in paragraph (2), the Director General submits a report to the Minister with accompanying technical considerations.
4. Based on The Director General's report as referred to in paragraph (3), the Minister may approve or reject an application.

## *Article 8*

1. In the case of the Minister rejecting an application, the Director General issues a letter of rejection on behalf of the Minister.
2. In the case of the Minister approving an application, the Director General prepares a draft letter from the Minister to the applicant requesting preparation and delivery of an Environmental Impact Analysis (AMDAL) or Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL) documents in accordance with the prevailing laws and regulations.

## *Article 9*

1. In the case of more than one applicant applying for an area, the first applicant to complete the requirements as referred to in Article 4 can continue with the process, while the Director General rejects the other applicant(s).
  2. In the case of more than one applicant applying for an area simultaneously within 5 (five) days of receipt of the first application and all meet the requirements as referred to in Article 4, the Director General requests only one confirmation of the area applied for by the applicants to the Head of the Forestry Planning agency. the area applied for by the applicants to the Head of the Forestry Planning Agency.
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## *Article 10*

1. Applications that are made at the same time as referred to in Article 9 paragraph (2) which meet the application requirements as referred to in Article 4 have their technical proposals evaluated by the Team.
2. The Team submits evaluation results as referred to in paragraph (1) to the Director General along with evaluation scores for each applicant.
3. The Director General submits the evaluations in accordance with the provisions in Article 7 paragraphs (3) and (4), and Article 8.

## *Article 11*

1. In the case of an applicant not submitting an Environmental Impact Analysis (AMDAL) or Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL) documents as referred to in Article 8 within 150 calendar days, the Minister annuls the prospective permit holder after the Director General issues 3 (three) warnings at 30 calendar day intervals.
2. An AMDAL or UKL and UPL with approval or confirmation from the competent authority is then submitted by the applicant to the Minister through the Director General.

## *Article 12*

1. Based on the submitted AMDAL or UKL and UPL documents as referred to in Article 11 paragraph (2), the Minister instructs the Head of the Forestry Planning agency to prepare a map of the IUPHHK-RE working area/WA, and submit the outcome to the Director General.
2. Based on the IUPHHK-RE working area map as referred to in paragraph (1) the Director General prepares a draft Ministerial Decree on Issuance of an IUPHHK-RE within 7 (seven) working days for the Minister through the Secretary General of the Ministry of Forestry.
3. Based on the draft Ministerial Decree as referred to in paragraph (2), the Secretary General studies the legal aspects within 5 (five) working days of receiving the draft letter and conveys the outcome to the Minister.
4. Based on the draft letter as referred to in paragraph (3), the Minister issues a Decree on IUPHHK-RE Permit Issuance.

## *Article 13*

1. The Director General issues an IUPHHK-RE fee payment decision letter in accordance with provisions of prevailing laws and regulations.
2. If a permit holder does not pay the forestry fees within the allotted period, the Decree on IUPHHK-RE Permit Issuance as referred to in Article 12 paragraph (4) is annulled by the Minister.

## *Article 14*

1. Delivery of the Director General Decision Letter as referred to in Article 13 paragraph (1) can be by postal service after the permit holder has paid owed IUPHHK-RE fees in full.
2. A permit holder reports receipt of the IUPHHK-RE Decision Letter to the Director General.

## *Article 15*

An IUPHHK-RE permit holder is obliged to fulfil both forestry and non-forestry financial obligations in accordance with prevailing laws and regulations.

## *Article 16*

An IUPHHK-RE may not be transferred to another party without prior approval of the Minister of Forestry.

## **Part Five: IUPHHK-RE Validity Period**

## *Article 17*

1. An IUPHHK-RE may be granted for a period of 60 (sixty) years and may only be extended once for a period of 35 (thirty-five) years.
  2. An IUPHHK-RE is evaluated every 5 (five) years by the Minister as the basis for continuation of the permit.
  3. The evaluation as referred to in paragraph (2) is based on technical guidelines stipulated by the Director General.
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## SECTION III

# Other Provisions

### *Article 18*

1. In the case of ecosystem restoration activities in a natural forest not yet obtaining biological balance, a private enterprise IUPHHK-RE permit holder may be given an IUPK, IUPJL or IUPHHBK.
2. In the case of ecosystem restoration in a natural forest already achieving biological balance, a private enterprise IUPHHK-RE permit holder may be given a Forest Timber Product Utilisation Permit (IUPHHK) by implementing one or more silviculture systems.
3. Further provisions concerning IUPK, IUPJL, IUPHHK, or IUPHHBK as referred to in paragraph (1) are regulated by separate Ministerial Regulations.

## SECTION IV

# Transitional Provisions

### *Article 19*

1. A production forest area already designated/allotted as a location for ecosystem restoration before ratification of this Regulation, remains valid.
  2. IUPHHK-RE applications for forest areas as referred to paragraph (1) are processed based on this Regulation.
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## SECTION V

### Closing Provisions

#### *Article 20*

With the promulgation of this Regulation, Minister of Forestry Regulation No. SK.159/Menhut-II/2004 on Ecosystem Restoration in Production Forest Areas and Minister of Forestry Regulation No. P.18/Menhut-II/2004 on Criteria concerning Production Forests which May Be Granted Utilization Permits for Timber Products in Natural Forests with Ecosystem Restoration Activities, are deemed no longer valid.

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## *Article 21*

This Minister of Forestry Regulation shall become effective from its date of enactment. In order that it becomes known to all, this Minister of Forestry Regulation is enacted by placement in the State Gazette of the Republic of Indonesia.

Enacted in: Jakarta

On: 28 October 2008

**THE MINISTER OF FORESTRY,**

**H. M. S. KABAN**

Promulgated in: Jakarta

On: 31 October 2008

**THE MINISTER OF JUSTICE AND HUMAN RIGHTS  
OF THE REPUBLIC OF INDONESIA,**

**ANDI MATTALATTA**

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2008 NO. 68

**Copy in accordance with its original**

**Head of the Law and Organisation Bureau,**

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