

**THE AMENDMENT TO GOVERNMENT REGULATION NO 6/2007 ON  
FOREST ARRANGEMENT AND FORMULATION OF FOREST MANAGEMENT PLAN  
AS WELL AS FOREST EXPLOITATION**

(Government Regulation No. 3 Year 2008 dated February 4, 2008)

BY GRACE OF THE ALMIGHTY GOD  
THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that in order to enhance effectiveness of forest management, it is necessary to amend provisions in regulation of forest arrangement and formulation of forest management plan as well as forest exploitation;
- b. that based on the consideration as meant in letter a, it is necessary to stipulate a government regulation on the amendment to Government Regulation No. 6/2007 regarding forest arrangement and formulation of forest management plan as well as forest exploitation;

In view of:

1. Article 5 paragraph (2) of the Constitution of 1945 (BN No. 7152 pages 14A - 23A);
2. Law No. 41/1999 (**BN No. 6412 pages 1A-6A and so on**) on Forestry Affairs (Statute Book of the Republic of Indonesia Year 1999 No. 167, Supplement to Statute Book of the Republic of Indonesia No. 3888) as already amended by Law No. 19/2004 (**BN No. 7143 pages 26A-29A**) regarding Stipulation of Government Regulation In Lieu of Law No. 1/2004 (**BN No. 7036 pages 9A-10A**) concerning the Amendment to Law No. 41/1999 on Forestry Affairs

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to .....

to Become A Law (Statute Book of the Republic of Indonesia Year 2004 No. 86, Supplement to Statute Book of the Republic of Indonesia No. 4412);

3. Government Regulation No. 6/2007 (*BN No. 7529 pages 1A-21A and so on*) regarding forest arrangement and formulation of forest management plan as well as forest exploitation Statute Book of the Republic of Indonesia Year 2007 No. 22, Supplement to Statute Book of the Republic of Indonesia No. 3695);

#### DECIDES:

To stipulate:

THE GOVERNMENT REGULATION ON THE AMENDMENT TO GOVERNMENT REGULATION NO 6/2007 ON FOREST ARRANGEMENT AND FORMULATION OF FOREST MANAGEMENT PLAN AS WELL AS FOREST EXPLOITATION

#### Article I

Several provisions in Government Regulation No. 6/2007 regarding forest arrangement and formulation of forest management plan as well as forest exploitation Statute Book of the Republic of Indonesia Year 2007 No. 22, Supplement to Statute Book of the Republic of Indonesia No. 3695) shall be amended as follows:

1. The provision of Article 6 is supplemented by a new paragraph, namely paragraph (3) so that Article 6 entirely reads as follows:

#### Article 6

- (1) KPH as meant in Article 5 shall be stipulated in one or more forest main functions and one administrative territory or inter-administrative territory of public administration.
- (2) In the case of one KPH consisting of more than one main function of forest, KPH as meant in paragraph (1) shall be stipulated on the basis of the function having the dominant size.

- (3) Provisions on procedures for stipulating KPH as meant in paragraphs (1) and (2) shall be regulated in accordance with the provisions of legislation.

2. Provisions of paragraphs (1), (2) and (3) of Article 7 are amended and a new paragraph is supplemented to become paragraph (4) so that Article 7 entirely reads as follows:

#### Article 7

- (1) The Minister shall stipulate the size of KPH territory by observing efficiency and effectiveness of forest management.
- (2) The size of KPH territory as meant in paragraph (1) shall be stipulated in forest area following the phase of appointment, border arrangement or stipulation of forest area.
- (3) The size of the stipulated KPH territory as meant in paragraph (1) may be reviewed in the case of any change in layout policy and/or the need for enhancing efficiency and effectiveness of forest management.
- (4) Further provision on procedures for stipulating the size of KPH territory as meant in paragraph (1) shall be governed by a regulation of the Minister.

3. Provisions of paragraphs (1), (2), (3) and (6) of Article 8 are amended and provisions of paragraphs (4) and (5) are abolished so that Article 8 entirely reads as follows:

#### Article 8

- (1) The Minister shall stipulate organizations of KPHK, KPHL and KPHP.
- (2) The organizations of KPHL and KPHP as meant in paragraph (1) shall be stipulated on the basis of:
  - a. recommendation of provincial government, in the case of KPHP or KPHL being located in inter-regency/city;

- b. recommendation of regental/municipal government, in the case of KPHP or KPHL being located in regency/city;
  - c. technical consideration of provincial government.
- (3) The technical consideration and recommendation about stipulation of the organization of KPH as meant in paragraphs (1) and (2) shall be based on norms, standards, procedures and criteria stipulated by the Minister.
- (4) Abolished
- (5) Abolished
- (6) Further provision on stipulation of the organizations, technical consideration and recommendation about stipulation of organization of KPH as meant in paragraphs (2) and (3) shall be governed by a regulation of the Minister.
4. Provisions of paragraph (1) of Article 23 is amended so that Article 13 entirely reads as follows:
- Article 13
- (1) Based on result of the activity as meant in Article 12 paragraph (2), forest management plant shall be formulated by:
- a. referring to national, provincial, regental/municipal forestry plan; and
  - b. observing aspirations, cultural values of local communities as well as environmental condition.
- (2) The forest management plan as meant in paragraph (1) shall cover:
- a. long-term forest management plan; and
  - b. short-term forest management plan.
- (3) The long-term forest management plan as meant in paragraph (2) letter a shall be formulated by head of KPH.
- (4) The long term forest management plan as meant in paragraph 93) shall contain the following substances:
- a. objective to be accomplished by KPH;
  - b. encountering condition; and
  - c. strategy as well as feasibility of forest management development, covering forest arrangement, forest area utilization and exploitation, forest rehabilitation and reclamation and forest protection and nature conservation.
- (5) The short-term forest management plan as meant in paragraph (2) letter b shall be formulated by official appointed by head of KPH.
- (6) The short-term forest management plan as meant in paragraph (5) shall contain the following substances:
- a. objective of sustainable forest management in the scale of the said KPH;
  - b. evaluation of result of the previous short-term plan;
  - c. target to be accomplished;
  - d. database and information;
  - e. activities to be executed;
  - f. status of balance of forest resources;
  - g. monitoring, evaluation and controlling of activities; and
  - h. participation of parties.
- (7) The short-term forest management plan shall be formulated on the basis of long-term forest management.
5. Provision of paragraph (1) of Article 14 is amended so that Article 14 entirely reads as follows:
- Article 14
- (1) The minister or appointed official shall legalize the long-term forest management plan formulated by head of KPH as meant in Article 13 paragraph (3).
- (2) The Head of KPH shall legalize the short-term forest management plan formulated by official appointed by the head of KPH as meant in Article 13 paragraph (5).
6. Provisions of paragraphs (3) and (4) of Article 25 are amended and a new paragraph is supplemented between paragraphs (3) and (4) to become paragraph (3a) so that Article 25 entirely reads as follows:

## Article 25

- (1) The utilization of environmental services in the protected forest as meant in Article 23 paragraph (1) letter b shall be done through the following business activities:
  - a. utilization of water bank;
  - b. utilization of water;
  - c. eco tourism;
  - d. protection of biological diversity;
  - e. environmental rescue and protection; or
  - f. absorption and/or storage of carbon.
- (2) Business activity of environmental service utilization in protected forest shall be executed with the provision that the activity:
  - a. does not reduce, change or eliminate the main function thereof;
  - b. does not change landscape; and
  - c. does not destroy equilibrium of environmental substances.
- (3) Licensees in undertaking business activities of water bank and water utilization in the protected forest shall pay cost in accordance with the provisions of legislation.
- (3a) License to utilize water bank and license to utilize water in protected forest may not be leased or transferred partly or wholly.
- (4) Further provision on business activity of the utilization of environmental services in the protected forest as meant in paragraphs (1) and (2) shall be governed by a regulation of the Minister.

7. Provision of paragraph (2) letter a of Article 26 is amended so that Article 26 entirely reads as follows:

## Article 26

- (1) Collection of non-timber forest products in protected forest as meant in Article 23 paragraph (1) letter c shall be in the form of, among others:
  - a. rattan;
  - b. honey;
  - c. resin;
  - d. fruit;

- e. mushroom; or
- f. swallow nest

- (2) Collection of non-timber forest products in the protected forest shall be done with the provision that:
  - a. the non-timber forest products result from reforestation and/or are available naturally;
  - b. the activity does not destroy the environment; and
  - c. the activity does not reduce, change or eliminate the main function thereof.
- (3) Collection of non-timber forest products in protected forest only can be done by communities living around the forest.
- (4) In the protected forest, anybody shall be prohibited from:
  - a. collecting non-timber forest products with the quantity exceeding the sustainable productivity thereof;
  - b. collecting several kinds of forest products protected by the law.
- (5) Further provision on the collection of non-timber forest products in the protected forest as meant in paragraphs (2), (3) and (4) shall be governed by a regulation of the Minister.

8. Provisions of paragraph (1) letters a and b of Article 29 are amended so that Article 29 entirely reads as follows:

## Article 29

- (1) The period of IUPJL in the protected forest as meant in Article 23 paragraph (1) letter b shall be granted in accordance with business activity thereof, namely business license:
  - a. to utilize river bank, maximally 10 (ten) years;
  - b. to utilize water, maximally 10 (ten) years;
  - c. to organize eco tourism, maximally 35 (thirty five) years with maximum size accounting for 10% (ten percent) of the size of utilization block;
  - d. to protect biological diversity, maximally 50 (fifty) years with the size according the need of investment;

- e. to rescue and protect the environment, the period and size according to the need; and
- f. to absorb and/or store carbon, maximally 30 (thirty) years with the size according to the need of investment.

(2) IUPJL in the protected forest as meant in paragraph (1) letter a up to letter f may be extended on the basis of evaluation executed periodically every year by licensor.

9. Provisions of paragraphs (2), (3) and (4) of Article 33 are amended and a new paragraph is supplemented to become paragraph (3a) between paragraphs (3) and (4) so that Article 33 entirely reads as follows:

#### Article 33

- (1) The utilization of environmental service in the production forest as meant in Article 31 paragraph (2) letter b shall be done through, among others, business activities of:
  - a. utilization of water bank;
  - b. utilization of water;
  - c. eco tourism;
  - d. protection of biological diversity;
  - e. environmental rescue and protection; or
  - f. absorption and/or storage of carbon.
- (2) The business activities of environmental service utilization in the production forest shall be done with the provision that the activities:
  - a. do not reduce, change or eliminate the main function thereof;
  - b. do not change landscape; and
  - c. do not destroy equilibrium of environmental substances.
- (3) Licensees in undertaking business activities of water bank and water utilization in the production forest shall pay cost in accordance with the provisions of legislation.

(3a) The license to utilize water bank and water in the production forest may not be leased or transferred partly or wholly.

(4) Further provision on business activity of the utilization of environmental services in the production forest as meant in paragraphs (1) and (2) shall be governed by a regulation of the Minister.

10. Provision of paragraph (1) letter c of Article 36 is amended and provision of letter b is abolished so that Article 36 entirely reads as follows:

#### Article 36

- (1) Utilization of timber forest products resulting from ecosystem restoration inside natural forest in the production forest as meant in Article 34 paragraph (1) letter b shall only be done with the provision as follows:
  - a. the production forest must be located inside a forest area totality;
  - b. abolished
  - c. the activity is prioritized to non-productive production forest.
- (2) In the case of biological equilibrium being not yet obtained from ecosystem restoration inside natural forest, IUPK, IUPJL or IUPHHBK may be granted in the production forest.
- (3) In the case of biological equilibrium being already obtained from ecosystem restoration inside natural forest, IUPHHKK may be granted in the production forest.
- (4) IUPK, IUPJL, IUPHHK or IUPHHBK as meant in paragraphs (2) and (3) shall be granted to private business entities (BUMS).
- (5) Further provision on the utilization of timber forest product resulting from ecosystem restoration inside natural forest as meant in paragraphs (2), (3) and (4) shall be governed by a regulation of the Minister.

11. Provisions of paragraphs (2) and (3) of Article 38 are amended so that Article 38 entirely reads as follows:

#### Article 38

- (1) In the production forest, utilization of timber forest products in HTI inside the timber estate as meant in Article 37 letter a may be done by one silviculture system or more in accordance with characteristics of forest resources and environment thereof.
- (2) The utilization of timber forest products in HTI inside timber estate shall cover activities of land clearing, seedling, planting, maintenance, harvesting, processing and marketing.
- (3) The utilization of timber forest products in HTI shall be prioritized to non-productive production forest.
- (4) Plants resulting from IUPHHK in HTI shall constitute assets of holders of business licenses and may be used as collateral as long as the business licenses remain valid.
- (5) The government, in accordance with the provisions of legislation, may set up financial institution to support the development of HTI.
- (6) Further provisions on the utilization of timber forest products in HTI inside timber estate as meant in paragraphs (1) and (2) shall be governed by a regulation of the Minister.

12. Provisions of paragraphs (1),(3) and (4) of Article 40 are amended so that Article 40 entirely reads follows:

#### Article 40

- (1) The Minister, inside timber estate in production forest, shall allocate certain area to the development of HTR on the basis of recommendation of KPH or appointed official.
- (2) In the production forest, the utilization of timber forest products in HTR inside the timber estate as meant in Article 37 letter b may be done by one silviculture system or more, in accordance with characteristics of forest resources and environment thereof.

- (3) The utilization of timber forest products in HTR inside the timber estate as meant in paragraph (2) shall cover activities of land clearing, seedling, planting, maintenance, harvesting, processing and marketing.
- (4) The utilization of timber forest products in HTR inside the timber estate as meant in paragraph (2) shall be prioritized to non-productive production forest.
- (5) Plants resulting from IUPHHK in HTR shall constitute assets of holders of business licenses and may be used as collateral as long as the business licenses remain valid.
- (6) The government, in accordance with the provisions of legislation, may set up financial institution to support the development of HTR.
- (7) Further provisions on the utilization of timber forest products in HTR inside timber estate as meant in paragraph (2) shall be governed by a regulation of the Minister.

13. Provisions of paragraph (1) letter a and b of Article 44 and paragraph (3) are amended and provision of paragraph (1) is supplemented by one new letter, namely letter c as well as a new paragraph is supplemented between paragraphs (2) and (3) to become paragraph (2a) so that Article 44 entirely reads as follows:

#### Article 44

- (1) The utilization of non-timber forest products inside timber estate in the production forest as meant in Article 31 paragraph (2) letter f shall be the utilization of among others:
  - a. rattan, sago, palm covering activities of planting, maintenance, harvesting, processing and marketing of output;
  - b. resin, bark, leaf, fruit or seed, gaharu, covering activities of planting, maintenance, harvesting, processing and marketing of output;
  - c. commodities for the development of bio fuel, which are stipulated by the minister, covering activities of planting, maintenance, harvesting, processing and marketing of output;

(2) The utilization of non-timber forest products in the timber estate as meant in paragraph (1) may also be applied to timber estate resulting from rehabilitation.

(2a) The development of raw materials of bio fuel as meant in paragraph (1) letter only may be done in non-productive production forest with the provision that:

- a. the license is granted for a maximum period of 10 (ten) years or specified period stipulated by the minister and can be extended on the basis of evaluation, which is carried out by licensor every year;
- b. following the expiration of the period as meant in letter a, the plants must be replaced forest plants.

(3) Further provision on the utilization of non-timber forest products inside the timber estate in the production forest as meant in paragraphs (1) and (2) shall be governed by a regulation of the Minister.

14. Provisions of paragraph (1) letters a and b of Article 50 are amended so that Article 50 entirely reads as follows:

#### Article 50

- (1) The validity period of IUPJL in the production forest as meant in Article 33 paragraph (1) letters a and b shall be granted in accordance with business activity thereof, namely in the case of business license:
  - a. utilize water bank service, maximally 10 (ten) years;
  - b. utilize water, maximally 10 (ten) years;
  - c. eco tourism, maximally 35 (thirty five) years with the maximum size accounting for 10% (ten percent) of the utilization block;
  - d. to protect biological diversity, maximally 50 (fifty) years with size according to the need of investment;

e. to rescue and protect the environment and size of area, according to the need; and

f. absorb carbon and carbon storage business, maximally 30 (thirty) years with size according to the need of investment.

(2) IUPJL as meant in paragraph (1) may be extended on the basis of evaluation carried out every 5 (five) years by licensor.

15. The provision of Article 52 paragraph (1) is amended so that Article 52 entirely reads as follows:

#### Article 52

- (1) IUPHHK of ecosystem restoration inside natural forest in the production forest as meant in Article 34 paragraph (1) letter b may be granted for a period of 60 (sixty) years and may be extended to another term of 35 (thirty five) years.
- (2) IUPHHK of ecosystem restoration inside natural forest shall be evaluated every 5 (five) years by the Minister as the basis for continuation of the license.
- (3) IUPHHK of ecosystem restoration inside natural forest is only granted once and may not be extended.

16. Provision of Article 53 paragraph (1) is amended so that Article 53 entirely reads as follows:

#### Article 53

- (1) IUPHHK in HTI inside timber estate in the timber estate as meant in Article 37 letter a may be granted for a period of 60 (sixty) years and may be extended to another term of 35 (thirty five) years.
- (2) IUPHHK in HTI inside the timber estate shall be evaluated every 5 (five) years by the Minister as the basis for continuation of the license.
- (3) IUPHHK in HTI inside the timber estate is only granted once and may not be extended.

17. Provision of Article 54 paragraph (1) is amended so that Article 54 entirely reads as follows:

## Article 54

- (1) IUPHHK in HTR inside timber estate in the timber estate as meant in Article 37 letter b may be granted for a period of 60 (sixty) years and may be extended to another term of 35 (thirty five) years.
- (2) IUPHHK in HTR inside the timber estate shall be evaluated every 5 (five) years by the Minister as the basis for continuation of the license.
- (3) IUPHHK in HTR inside the timber estate is only granted once and may not be extended.

18. The provision of Article 56 is amended so that Article 56 entirely reads as follows:

## Article 56

IUPHHBK inside natural forest in the production forest as meant in Article 43 paragraph (1) shall be granted for a period of 25 (twenty five) years at the maximum and may be extended on the basis of evaluation carried out every year by licensor.

19. The provision of Article 57 is amended so that Article 57 entirely reads as follows:

## Article 57

IUPHHBK inside timber estate in the production forest as meant in Article 44 paragraph (1) shall be granted for a period of 25 (twenty five) years at the maximum and may be extended on the basis of evaluation carried out every year by licensor.

20. A new paragraph is supplemented between paragraphs (1) and (2) of Article 61 to become paragraph (1a) so that Article 61 entirely reads as follows:

## Article 61

- (1) IUPJL shall be issued by:
  - a. regent/mayor, in forest area located in jurisdiction thereof with a copy made available to governor and head of KPH;

- b. governor, in inter-regental/municipal forest area located in jurisdiction thereof with a copy made available to the Minister, regent/mayor and head of KPH;
- c. the Minister, in inter-provincial forest area with a copy made available to governor, regent/mayor and head of KPH; or
- d. the Minister, in area already burdened by IUPHHK of ecosystem restoration inside forest in the production forest not yet achieving ecosystem equilibrium with a copy made available to governor, regent/mayor and head of KPH.

- (2) IUPJL for the utilization of water bank and water shall be issued in accordance with water resource legislation after securing technical recommendation from the institution in charge of forestry affairs.
- (3) IUPJL as meant in paragraph (1) shall be issued on the basis of guidelines, criteria and standards.
- (4) Further provision on guidelines, criteria and standards of the issuance of IUPJL as meant in paragraph (2) shall be governed by a regulation of the Minister.

21. Provision of paragraph (4) of Article 62 is amended so that Article 62 entirely reads as follows:

## Article 62

- (1) IUPHHK in natural forest shall be issued by the Minister on the basis of recommendation of governor after securing consideration from regent/mayor.
- (2) IUPHHK of ecosystem restoration inside natural forest shall be issued by the Minister with a copy made available to governor, regent/mayor and head of KPH.
- (3) IUPHHK in HTI inside timber estate shall be issued by the Minister on the basis of recommendation of governor already securing consideration from regent/mayor.
- (4) IUPHHK in HTR inside timber estate shall be issued by the Minister and the authority may be delegated to regent/mayor or appointed official.

- (5) IUPHHK in HTR inside timber estate shall be issued by the minister or appointed official on the basis of recommendation of governor after securing consideration from regent/mayor.

22. Provision of letter b of Article 65 is amended so that Article 65 entirely reads as follows:

#### Article 65

IPHHBK inside natural forest or timber estate shall be issued by:

- a. regent/mayor in area inside natural forest or timber estate located in jurisdiction thereof with a copy made available to the Minister, governor and head of KPH; and
- b. governor in area inside inter-regental/municipal natural forest or timber estate located in jurisdiction thereof with a copy made available to the Minister, regent/mayor and head of KPH.

23. Provisions of paragraphs (2) and (5) of Article 70 are amended and a new paragraph is supplemented between paragraphs (2) and (3) to become paragraph (2a) so that Article 70 entirely reads as follows:

#### Article 70

- (1) Every holder of business license to utilize forest shall entitle to undertake activities and obtain benefit from business outcome thereof in accordance with the obtained license.
- (2) Holders of IUPHHK inside natural forest in the production forest as meant in Article 34 or holders of IUPHHK in HTI inside timber estate as meant in Article 38 may be granted:
  - a. the expansion of working area in surrounding location as long as the area is not burdened by business license to utilize forest and is prioritized to location inside production forest management totality;
  - b. IUPK or IUPJL in working area thereof.

- (2a) The expansion as meant in paragraph (2) may not be granted to holders of IUPHHK inside natural forest or timber estate having poor performance.

- (3) The holders of IUPHHK in HTR inside timber estate as meant in Article 40 shall entitle to obtain accompanying in the framework of institution fortification by regent or appointed official.

- (4) Holders of IUPHHK in HTHR in the form of cooperative as meant in Article 42 paragraph (7) shall obtain a production sharing right in accordance with the amount of investment spent for forest rehabilitation.

- (5) Further provision on the issuance of IUPHHK as meant in paragraphs (2), (2a), (3) and (4) shall be governed by a regulation of the Minister.

24. Provision of letter a of Article 71 is amended and a new paragraph is supplemented to become paragraph (2) so that Article 71 entirely reads as follows:

#### Article 71

- (1) Every holder of business license to utilize forest shall be obliged to:
  - a. formulate action plan for all working areas;
  - b. implement concrete activities in the field, in not later than:
    - 1) 6 (six) months as from the date of issuance of business license to utilize forest area, environmental service and non-timber forest products;
    - 2) One month as from the date of issuance of license to collect forest products;
    - 3) One year, in the case of IUPHHK inside natural forest, IUPHHK of ecosystem restoration inside natural forest or timber estate; or
    - 4) 6 (six) months as from the date of issuance of license to sell upright of forest products inside forest resulting from rehabilitation.
  - c. arrange borders of working areas in not later than one year as from the date of issuance of IUPHHK inside natural forest or timber estate;

- d. protect forest in working area thereof;
- e. undertake financial management of business activity thereof in accordance with the forest accountancy standards effective for holders of business license to utilize forest;
- f. employ professionals in the forestry field and other personnel fulfilling the requirements in accordance with the need;
- g. undertake silviculture system in accordance with local condition;
- h. use forest product utilization equipment in accordance with the provisions in force; and
- i. pay contribution or funds in accordance with the provisions of legislation.

(2) Every holder of business license to utilize forest shall be prohibited from felling the protected timber.

25. Provision of letter b of Article 74 is amended so that Article 74 entirely reads as follows:

#### Article 74

Besides fulfilling the obligations as meant in Articles 71, 72 and 73 paragraph (1) up to paragraph (4), holders of IUPHHK in natural forest shall be prohibited from:

- a. felling timber exceeding the tolerable target, accounting for 5% (five percent) of the total target of volume determined in RKT;
- b. felling timber exceeding the tolerable target, accounting for 5% (five percent) of the volume by group of timber kind stipulated in RKT;
- c. felling timber before RKT is legalized;
- d. felling timber for making corridor before the license is issued or by way contravening the license to build corridor;
- e. felling timber below the limit of the permitted diameter;
- f. felling timber outside the permitted felling block;
- g. felling timber to build road for lane of timber transport outside RKT block, unless otherwise permitted by the authorized official; and/or
- h. leaving working area.

26. Provisions of letter I, letter j of paragraph (1) and paragraph (4) are amended and provisions of paragraph (1) letter d, paragraph (3) letter c and letter d are abolished and a new provision is inserted between paragraphs (1) and (2) to become paragraph (1a) and a new paragraph is supplemented to become paragraph (6) so that Article 75 entirely reads as follows:

#### Article 75

(1) Besides fulfilling the obligations as meant in Articles 71 and 72, holders of IUPHHK in HTI inside timber estate shall be obligated to:

- a. formulate long-term action plan for the utilization of timber forest product (RKUPHHK) for all working areas and complete the plan in not later than one year after the date of issuance of the license and submit it to the minister or appointed official to secure approval;
- b. formulate annual action plan (RKT) on the basis of RKUPHHK as meant in letter a for the need of legalization by head of KPH or official appointed by the Minister;
- c. submit RKT in not later than 2 (two) months before RKT works;
- d. abolished;
- e. administer forest products;
- f. measure or verify forest product;
- g. undertake silviculture system in accordance with the developed location and kinds of plant;
- h. provide and supply timber raw material to forest product-based industry;
- i. provide area in accordance with plan in RKT as a space of life plants for area in partnership with local communities;
- j. undertake planting in area of HTI in not later than one year in accordance with the planting plan in RKT as from the date of legalization of RKT; and
- k. convey performance report periodically to the Minister.

- (1a) RKUPHHK shall be formulated for a period of 10 (ten) years by observing long-term KPH management plan.
- (1b) RKUPHHK shall be formulated for a period of 10 (ten) years by observing the long-term KPH management plan.
- (2) In the case of RKT as meant in paragraph (1) letter b fulfilling the criteria and indicators stipulated by the Minister, holders of IUPHHK in HTI may be granted authority and responsibility to implement it without legalization from the authorized official (self approval).
- (3) Besides fulfilling the obligation as meant in paragraph (1) letters e, f and g, IUPHHK in HTR inside timber estate shall be obliged to:
- formulate long-term action plan for the utilization of timber forest product (RKUPHHK) for all working areas and complete the plan in not later than one year after the date of issuance of the license and submit it to the minister or appointed official to secure approval;
  - formulate annual action plan (RKT) submitted in not later than 2 (two) months before RKT of the current year;
  - abolished
  - abolished
- (4) Holders of IUPHHK in HTHR inside timber estate shall formulate RKT to be submitted in not later than 2 (two) months after the license is issued.
- (5) Besides fulfilling the obligations as meant in Articles 71, 72 and 73 paragraphs (1) and (4), holders of IUPHHK in timber estate shall be prohibited from:
- felling timber for making corridor before the license is issued or by way contravening the license to build corridor;
  - leaving working area.
- (6) Head of KPH or official appointed by the Minister may facilitate the obligations as meant in paragraph (3) letters a and b.
27. Provisions of paragraphs (1), (2) and (4) of Article 81 are amended and provision of paragraph (1) is supplemented by a new letter, namely letter d so that Article 81 entirely reads as follows:

#### Article 81

- (1) IUPHHK inside natural forest, IUPHHK in HTHR inside timber estate, IUPK, IUPJL, IUPHHBK and IPHHBK may be extended, except:
- IUPHHK of ecosystem restoration inside natural forest;
  - IUPHHK in HTI inside timber estate;
  - IUPHHK in HTR inside timber estate;
  - IPHHK inside natural forest.
- (2) The application for extension of :
- IUPHHK inside natural forest shall be submitted in not later than 2 (two) years before the license expires;
  - IUPHHK inside HTHR shall be submitted in not later than 2 (two) years before the license expires;
  - IUPK and IUPJL shall be submitted in not later than 6 (six) months before the license expires;
  - IUPHHBK shall be submitted in not later than one year before the license expires;
  - IPHHBK shall be submitted in not later than 3 (three) months before the license expires.
- (3) In the case of the license expiring and licensees not submitting the application for extension as meant in paragraph (2), licensor shall issue a decision on abolition of the license.
- (4) The extension of:
- IUPHHK inside natural forest or IUPHHK in HTHR inside timber estate as meant in paragraph (2) letters a and b shall be granted by the Minister or the appointed official on the basis of recommendation from the governor after securing consideration from regent/mayor;

b. IUPK, IUPJL, IUPHHBK and IPHHBK as meant in letters c, d and e shall be granted by:

- 1) regent/mayor, insider forest area located in jurisdiction thereof with a copy made available to the Minister, governor and head of KPH;
- 2) governor in inter-regental/municipal forest area located in jurisdiction thereof with a copy made available to the Minister, regent/mayor and head of KPH; and
- 3) the minister, in inter-provincial forest area with a copy made available to governor, regent/mayor and head of KPH.

(5) Further provision on procedures and requirements for the extension of the licenses as meant in paragraph (4) shall be governed by a regulation of the Minister.

28. Provisions of paragraph (1) letter b and paragraph (2) of Article 96 are amended so that Article 96 entirely reads as follows:

#### Article 96

(1) Based on the stipulation of working area as meant in Article 93 paragraph (1) and facilitation as meant in Article 95 paragraph (1):

- a. the Minister, shall issue IUPHHK inside social forest in working area of social forest with a copy made available to governor, regent/mayor and head of KPH;
- b. governor in working area of inter-regental/municipal social forest located in jurisdiction thereof, regent/mayor in working area of social forest located in jurisdiction thereof, which cover business activity to utilize area, plan timber forest plants, utilize environmental services, utilize non-timber forest products, and collect timber and non-timber forest production;
- c. copy of license issued by governor is made available to the Minister, regent/mayor and head of KPH and copy of license issued by regent/mayor is made available to the Minister, governor and head of KPH.

(2) In certain conditions, the issuance of IUPHHK inside the social forest as meant in paragraph (1) letter a may be delegated by the Minister to the appointed official.

(3) IUPHHK inside the social forest as meant in paragraph (1) letter a shall be issued to local community group in the form of cooperative.

(4) The business license to utilize social forest as meant in paragraph (1) letter b shall be issued to local community group.

(5) Holders of business license to utilize social forest, besides undertaking forest exploitation activities, shall manage forest in accordance with the principles of sustainable forest management.

(6) The business license to utilize social forest as meant in paragraph (1) letter b shall be granted for a period of 35 (thirty five) years and may be extended.

(7) The issuance of the business license to utilize social forest as meant in paragraph (1) letter b shall be based on guidelines, criteria and standards.

(8) Further provision on guidelines, criteria and standard of the issuance of the business license to utilize social forest as meant in paragraph (7) shall be governed by a regulation of the Minister.

29. Provision of Article 118 is amended so that Article 118 entirely reads as follows:

#### Article 118

(1) All forest products resulting from concession forest shall be subject to stipulation of kind, measuring of volume/weight and calculation of quantity as well as be equipped by certificate of origin of concession forest products.

(2) Further provision on stipulation of kind, measuring of volume/weight and calculation of quantity as well as be equipped by certificate of origin of concession forest products as meant in paragraph (1) shall be governed by a regulation of the Minister.

30. Provisions of paragraphs (2) and (3) of Article 120 are amended and supplemented by a new paragraph, namely paragraph (4) so that Article 120 entirely reads as follows:

#### Article 120

- (1) The document as meant in Article 119 shall be in accordance with physics of the carried forest products.
  - (2) The physical conformance of forest products as meant in paragraph (1) shall consider result of measuring by measuring officer and result of measuring by supervisor of measuring officer.
  - (3) In the case of result of measuring by measuring officer being different from result of measuring by supervisor of measuring officer, the difference may not exceed the tolerance stipulated by the Indonesian National Standard.
  - (4) Further provision on regulation of the measuring and verification shall be governed by a regulation of the Minister.
31. A new letter is supplemented between letter c and letter d of the provisions of Article 128 paragraph (1) to become paragraph c.1 so that Article 128 entirely reads as follows:

#### Article 128

- (1) The administrative sanction as meant in Article 127 may be in the form of:
  - a. suspension of administrative service;
  - b. suspension of activities in the field;
  - c. fine;
  - d. reduction of production quota; or
  - e. revocation of license;
- (2) The administrative sanction as meant in paragraph (1) shall be imposed by licensors in accordance with their respective scopes of authority as meant in Article 60 up to article 65 but the administrative sanction in the form of fine shall be imposed by the Minister.

- (3) The administrative sanction in the form of fine as meant in paragraph (1) letter c shall constitute non-tax state revenue (PNBP) remitted to the state cash.

32. Provisions of letters a and c of Article 129 are amended and two new letters are supplemented to become letters d and e so that Article 129 entirely reads as follows:

#### Article 129

The administrative sanction in the form of suspension of administrative service as meant in Article 128 paragraph (1) letter a shall be imposed:

- a. holders of IUPHHK inside natural forest in production forest that commit violation of the provisions as meant in Article 71 letter c, letter d, letter e, letter g, Article 73 paragraph (1) letter f or letter g;
- b. holders of IUPHHK of ecosystem restoration inside natural forest in the production forest that commit violation of the provision as meant in Article 73 paragraph (5) letter g;
- c. holders of IUPHHK in HTI inside timber estate in production forest that commit violation of the provisions as meant in Article 75 paragraph (1) letter g, letter h, letter I or letter k;
- d. holders of IUPHHK in HTR inside timber estate in production forest that commit violation of the provisions as meant in Article 71 letter a, letter b or Article 75 paragraph (3) letter a; or
- e. holders of IUPHHK committing violation of the provision as meant in Article 77 paragraph (1) letter c or letter d.

33. Provisions of letters a, b, c and f of Article 130 are amended and two new letters are supplemented between letters c and d to become letters c1 and c2 so that Article 130 entirely reads as follows:

#### Article 130

The administrative sanction in the form of suspension of activities in the field as meant in Article 128 shall be imposed on:

- a. holders of IUPK or IUPJL committing violation of the provisions as meant in Article 71 letter c, letter d, letter e, letter g or letter I;
  - b. holders of IUPHHK inside natural forest in production forest committing violation of the provision as meant in Article 71 letter h;
  - c. holders of IUPHHK of ecosystem restoration inside natural forest in production forest committing violation of the provision as meant in Article 71 letter h;
  - c1. holders of IUPHHK in HTI inside timber estate in production forest committing violation of the provision as meant in Article 71 letter h;
  - c2. holders of IUPHHK in HTR inside timber estate in production forest committing violation of the provision as meant in Article 71 letter h;
  - c.2. holders of IUPHHK in HTR inside timber estate in production forest committing violation of the provision as meant in Article 71 paragraph (1);
  - d. holders of village forest management right in protected forest or production forest committing violation of the provision as meant in Article 91 paragraph (1);
  - e. holders of village forest management right violating the provisions as meant in Article 91 paragraph (2) letter a, b or c; or
  - f. holders of IUPHHK violating the provisions as meant in Article 98 paragraph (1), paragraph (2) letter a, letter b or letter c.
34. Provision of Article 32 is amended and supplemented by two new letters, namely letters I and j so that Article 132 entirely reads as follows:
- Article 132**
- The administrative sanction in the form of fine as meant in Article 128 paragraph (1) letter c shall be imposed on:
- a. holders of IUPHHK inside natural forest in production forest that commit violation of the provisions as meant in Article 73 paragraph (1) letter d, letter e, Article 74 letter a or letter b with the obligation to pay fine amounting to ten times PSDH;
  - b. holders of IUPHHK inside natural forest in production forest that commit violation of the provisions as meant in Article 71 paragraph (2), Article 74 letter c, letter d, letter e, letter for letter g with the obligation to pay fine amounting to 15 (fifteen) times PSDH;
  - c. holders of IUPHHK of ecosystem restoration inside natural forest in the production forest that commit violation of the provision as meant in Article 73 paragraph (5) letter e or letter f with the obligation to pay fine amounting to ten times PSDH;
  - d. holders of IUPHHK of ecosystem restoration inside natural forest in the production forest that commit violation of the provision as meant in Article 71 paragraph (2) letter e or letter f with the obligation to pay fine amounting to 15 (fifteen) times PSDH;
  - e. holders of IUPHHK in HTI inside timber estate in production forest that commit violation of the provisions as meant in Article 75 paragraph (1) letter e or letter f with the obligation to pay fine amounting to ten times PSDH;
  - f. holders of IUPHHK in HTR and HTR inside timber estate in production forest that commit violation of the provisions as meant in Article 75 letter a with the obligation to pay fine amounting to 15 (fifteen) times PSDH;
  - g. holders of IUPHHBK violating the provision as meant in Article 76 letter d or letter e with the obligation to pay fine amounting to ten times PSDH;
  - h. holders of IPHHK violating the provision of Article 77 paragraph (1) letter e with the obligation to pay fine amounting to five times PSDH;
  - i. holders of IPHHK or IPHHBK violating the provision as meant in Article 71 paragraph (2) or Article 77 paragraph (2) with the obligation to pay fine amounting to ten times PSDH against the excess of forest product;
  - j. holders of IPHHBK violating the provision as meant in Article 78 with the obligation to pay fine amounting to ten times PSDH against the excess of forest product.

35. A new article is supplemented between Article 132 and Article 133 to become Article 132A, which reads as follows:

#### Article 132A

The administrative sanction in the form of reduction of production quota as meant in Article 128 paragraph (1) letter c1 shall be imposed on:

- a. holders of IUPHHK inside natural forest in production forest committing violation of the provision as meant in Article 72 paragraph (1) or Article 73 paragraph (1) letter c;
- b. holders of IUPHHK of ecosystem restoration inside natural forest in production forest committing violation of the provision as meant in Article 73 paragraph (5) letter b point 2) or letter c point 2);
- c. holders of IUPHHK in HTI inside timber estate in production forest committing violation of the provision as meant in Article 72 paragraph (1) or Article 75 paragraph (1) letter c;
- d. holders of IUPHHK in HTR inside timber estate in production forest committing violation of the provision as meant in Article 75 paragraph (3) letter b;
- e. holders of IUPHHBK committing violation of the provision as meant in Article 72 paragraph (1) or Article 76 letter b or letter c; or
- f. holders of IUPJL committing violation as meant in Article 72 paragraph (1).

36. Provisions of letter a up to letter n of Article 133 are amended but letter b, letter e and letter are abolished so that Article 133 entirely reads as follows:

#### Article 33

The administrative sanction in the form of revocation of license as meant in Article 128 paragraph (1) letter d shall be imposed on:

- a. holders of IUPK or IUPJL violating the provisions as meant in Article 20, Article 71 letter a, letter b point 1), letter f, letter I, subject to the penal sanction as meant in Article 78 of Law No.41/1999 on forestry or declared bankrupt by the district court;
- b. abolished
- c. holders of IUPHHK inside natural forest in the production forest violating the provision as meant in Article 20, Article 71 letter a, letter b point 3), letter f, letter I, Article 73 paragraph (1) letter a, Article 74 letter h, subject to the penal sanction as meant in Article 78 of Law No.41/1999 on forestry or declared bankrupt by the district court;
- d. holders of IUPHHK of ecosystem restoration inside natural forest in production forest violating the provision as meant in Article 20, Article 71 letter a, letter b point 3), letter f, letter I, Article 73 paragraph (5), letter a, letter b point 1), letter c point 1, the penal sanction as meant in Article 78 of Law No.41/1999 on forestry or declared bankrupt by the district court;
- e. abolished
- f. holders of IUPHHK in HTI inside timber estate in production forest violating the provision as meant in Article 20, Article 71 letter a, letter b point 3), letter f, letter g, letter I, Article 75 paragraph (1), letter a, letter c, paragraph (5) letter b, subject to the penal sanction as meant in Article 78 of Law No.41/1999 on forestry or declared bankrupt by the district court;
- g. holders of IUPHHK in HTR inside timber estate in production forest violating the provision as meant in Article 20, Article 71 letter b point 3), letter I, Article 75 paragraph (5) letter b, inside timber estate in production forest violating the provision as meant in Article;

- h. holders of IUPHHK in HTR violating the provision as meant in Article 71 letter a, letter b point 4) or letter I;
- i. abolished;
- j. holders of IPHHK or IPHHBK violating the provisions as meant in Article 20, Article 71 letter a, letter b point 2), letter I, Article 77 paragraph (1), letter a, letter b or subject to the penal sanction as meant in Article 78 of Law No.41/1999 on forestry;
- k. holders of IUPHHBK violating the provision as meant in Article 71 letter a, letter I or Article 76 letter a;
- l. holders of IUPHHK in social forest in conservation forest, except nature reserves or core zone of national park or protected forest or production forest violating the provision as meant in Article 97 paragraphs (1), paragraph (2) or Article 98 paragraph (2) letter d;
- m. holders of village forest management right violating the provision as meant in Article 90 paragraph (1), paragraph (2) or Article 91 paragraph (2) letter d; or
- n. holders of IUPHHK inside HKm violating the provision as meant in Article 97 paragraph (1), paragraph (2) or Article 98 paragraph (2) letter d.

37. The provision of paragraph (1) of Article 133 is amended so that Article 133 entirely reads as follows:

#### Article 133

- (1) In order to provide opportunity for holders of IUPK, IUPJL, natural IUPHHK, IUPHHK of ecosystem restoration in natural forest, IUPHHK in HTI, IUPHHK in HTR, IUPHHK in HTHR, IUPHHK in HKm, IUPHHBK, IPHHK or IPHHBK to fulfill their obligations, before the license as meant in Article 133 is revoked, written warning shall be issued three times consecutively at the maximum in a period of 30 (thirty) days for every warning, unless otherwise the revocation of license is attributable to violation of Article 20, the imposition of the forestry or decision on bankrupt by the district court.

- (2) The revocation of the license as meant in paragraph (1) shall be done following the expiration of the period of the third warning, the license holders shall not fulfill their obligations.

38. The provision of Article 141 is amended so that Article 141 entirely reads as follows:

#### Article 141

Stipulation of the size of KPH area as meant in Article 6 and Article 7 shall be settled in not later than 3 (three) years as from the date of enforcement of this government regulation.

#### Article II

This government regulation shall come into force as from the date of promulgation.

For public cognizance, the government regulation shall be promulgated by placing it in Statute Book of the Republic of Indonesia.

Stipulated in Jakarta

On February 4, 2008

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Sgd

DR.H.SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta

On February 4, 2008

THE MINISTER OF LAW AND HUMAN RIGHTS

Sgd

ANDI MATTALATTA

STATUTE BOOK OF THE REPUBLIC OF INDONESIA

YEAR 2008 NUMBER 16

ELUCIDATION.....

( To be continued )

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