

**INDONESIAN GOVERNMENT REGULATION
NUMBER 24 Year 2010
ABOUT
UTILIZATION OF AREA OF FOREST**

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

Considering that in order to implement the provisions of Article 38 of Law Number 41 Year 1999 on Forestry, as having been amended by Law Number 19 Year 2004 on Enactment of Government Regulation in lieu of Law (Perpu) Number 1 Year 2004 on Amendment of Law Number 41 Year 1999 on Forestry, of which is to become a law, it shall be necessary to enact a government regulation (PP) on Utilization of Area of Forest;

Referring to in

1. Article 5 paragraph (2) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 41 Year 1999 on Forestry (State Gazette of the Republic of Indonesia Year 1999 Number 167, Supplement to State Gazette of the Republic of Indonesia Number 3888) as having been amended by Law Number 19 Year 2004 on Enactment of Government Regulation in Lieu of Law (Perpu) Number 1 Year 2004 on Amendment of Law Number 41 Year 1999 on Forestry, of which is to become a Law ((State Gazette of the Republic of Indonesia Year 2004 Number 86, Supplement to State Gazette of the Republic of Indonesia Number 4412);

DECIDES

To Enact GOVERNMENT REGULATION (PP) ON UTILIZATION OF AREA OF FOREST

CHAPTER I
GENERAL STIPULATIONS

Chapter 1

In this government regulation (PP) what is meant by:

1. Forest is a unity of ecosystem in form of landscape comprises natural bio resources dominated by trees in their natural environment, of which one with another is inseparable.
2. Area of forest is a certain area or territory designated and/ or determined by the Government to remain its existence as a permanent forest www.djpp.depkumham.go.id
3. Production forest is an area of forest that has a principal function as a source of forest produces.
4. Protected forest is an area of forest that has a principal function as the protection and support of the system of life in order to control the watersheds, prevent the floods, control the erosion, prevent the intrusion of sea water and maintain the fertility of soil.
5. Utilization (use) of area of forest is the use of part of the area of forest for the sake of development excluding forestry activities without changing the function and designation of the area of forest.
6. Utilization of forest for non-commercial purpose is the use of area of forest aimed not to make profit.

7. Utilization of forest for commercial purpose is the use of area of forest aimed to make profit.
8. Reforestation is an effort to plant species of forest trees in damaged area of forest such as bare land and area of shrubs or bushes in order to restore the function of forest.
9. Forest reclamation is an effort to repair or restore the forest or land area and the vegetation in the area of forest that has been damaged because of having been utilized and it is in order to regain its optimal function as having been intended.
10. Minister is the Minister who is in charge of governmental affairs in the sector of forestry.

Article 2

Utilization or use of forest is aimed to regulate the use of some areas of forests for the sake of development excluding the activity of forestry.

Article 3

- (1) Utilization of area of forest as cited in Article 2 shall be allowed only within:
 - a. area of production forest; and / or
 - b. area of protected forest.
- (2) Utilization of area of forest as cited in paragraph (1) shall be conducted without changing the main function of area of forest by considering the size of area, certain period of time and environmental preservation.
- (3) Further provisions concerning the size of area, certain period of time and environmental preservation as cited in paragraph (2) shall be regulated under a Ministerial Decree.

Article 4

- (1) Utilization or use of area of forest for the sake or the purpose of development excluding the activity of forestry shall be allowed for the activity that has strategic goal, of which cannot be disregarded.
- (2) The purpose of development excluding the activity of forestry as cited in paragraph (1) shall include the activity of:
 - a. religion;
 - b. mining;
 - c. installation of power generation, transmission and distribution of electricity or power supplies, and application of technology of new and renewable energy sources;
 - d. development of telecommunications networks, radio stations, and relay stations of television; www.djpp.depkumham.go.id
 - e. development of public roads, toll roads, and railways;
 - f. development of transportation that is not categorized as public transportation, of which is for the purpose of delivering production;
 - g. development of facilities and infrastructure of water resources, water installation network, passageways or drains of clean water and/or wastewater;
 - h. development of public facilities;
 - i. forestry-related industries;
 - j. defense and security;
 - k. development of infrastructures to support public safety; or
 - l. temporary shelter for victims of natural disaster.

Article 5

- (1) Utilization or use of area of forest for the activity of mining as cited in Article 4 paragraph (2) letter b shall be conducted as follows:
 - a. within area of production forest:
 1. mining activity with open-pit method; and
 2. mining activity with underground method;
 - b. within area of protected forest the mining activity is carried out using underground method with requirements as follows:
 1. prohibited to make the fall of land surface;
 2. prohibited to change the basic function of area of forest permanently; and
 3. prohibited to damage the aquiver of groundwater.
- (2) Further provisions regarding underground mining in protected forest shall be regulated under a Presidential Decree.

CHAPTER II PERMIT FOR UTILIZATION OF AREA OF FOREST

Part One General

Article 6

- (1) Utilization of area of forest shall be equipped with a permit of borrow-to-use area of forest.
- (2) The permit of borrow-to-use area of forest as cited in paragraph 1 shall be subject to requirements as follows:
 - a. for the permit of borrow-to-use area of forest with land area of compensation, the area of forest in a province whose area of forest is less than 30 (thirty) percent of the area of watershed, island, and/ or province, the land area of compensation shall be at ratio of at least 1: 1 for non-commercial purpose and 1: 2 for commercial purpose;
 - b. for the permit of borrow-to-use area of forest with the payment of State's nontax revenue as compensation for the utilization of area of forest and the obligation to plant vegetation for the sake of rehabilitation of watersheds, the area of forest in a province whose area of forest is greater than 30 (thirty) percent of the area of watershed, island, and/ or province, the requirements are as follows:
 1. for non-commercial purpose there is imposition of payment of State's non-tax revenue for the utilization of area of forest and the obligation to plant vegetation for the sake of rehabilitation of river watersheds at ratio of 1: 1; www.djpp.depkumham.go.id
 2. for commercial purpose there is imposition of payment of State's non-tax revenue for the utilization of area of forest and the obligation to plant vegetation for the sake of rehabilitation of river watersheds at ratio of at least 1: 1;
 - c. for the permit of borrow-to-use area of forest without land area of compensation or without the payment of State's non-tax revenue for

the utilization of area of forest as compensation and without the obligation to plant vegetation for the sake of rehabilitation of river watersheds, the requirements are as follows:

1. the activity shall be only for national defense, traffic safety of sea traffic or air traffic, check of dam, reservoir, “sabo”, and the means of meteorology, climatology, and geophysics;
 2. the activity of survey and exploration.
- 3) In case that of the exploration activity as cited in paragraph (2) letter c point 2 there is sampling for the test of mining in regard of economic feasibility, it shall be subject to requirements as cited in paragraph (2) letter a or letter b point 2.
- (4) Further requirements concerning the ratio of land area of compensation as cited in paragraph (2) letter a and the ratio of planting the vegetation for the sake of rehabilitation of watersheds as cited in paragraph (2) letter b point 2, shall be regulated under a Ministerial Decree.

Article 7

- (1) The permit of borrow-to-use area of forest as cited in Article 6 shall be issued by Minister as per request.
- (2) Minister shall be allowed to delegate the authority to Provincial Governor for the issuance of permit of borrow-to-use area of forest of certain size of area for the sake of development of non-commercial public facilities.
- (3) Further provisions on the delegation of authority as cited in paragraph (2) shall be regulated under a Ministerial Decree.

Article 8

- (1) The utilization of area of forest for mining activity that has significant implication in a huge coverage with strategic value, the permit of borrow-to-use area of forest shall be issued with the approval from People's House of Representatives (DPR).
- (2) Further provisions on criteria of significant implication in a huge coverage with strategic value as cited in paragraph (1) shall be regulated under a Ministerial Decree after receiving recommendation from Ministry in charge of governmental affairs of environment and Ministry in charge of governmental affairs of mining.

Part Two

Procedure and Requirement of Application for Utilization of Area of Forest

Article 9

- (1) The application as cited in Article 7 paragraph (1) shall be submitted by:
 - a. Minister or Ministerial-level official;
 - b. Provincial Governor;
 - c. Regent/ Mayor;
 - d. Management of business entity; or
 - e. Head of foundation.
- (2) The application as cited in paragraph (1) shall meet the following:
 - a. administrative; and (www.djpp.dep.kumham.go.id)

b. technical requirements.

- (3) Further provisions on administrative and technical requirements as cited in paragraph (2) shall be regulated under a Ministerial Decree.

Article 10

- (1) Based on the application as cited in Article 9 paragraph (1), Minister shall make an evaluation or appraisal.
- (2) In case that based on the result of evaluation or appraisal as cited in paragraph (1) the application has yet to meet the requirements, Minister shall issue a notice (letter) of refusal.
- (3) In case that based on the result of evaluation or appraisal as cited in paragraph (1) the application has already met the requirements, Minister shall issue a principle permit prior to the issuance of a permit of borrow-to-use area of forests.
- (4) In case that the application has already met the requirements as cited in paragraph (3) for the activity of survey or exploration, Minister shall issue a permit of borrow-to-use area of forest without a prior issuance of principle permit.

Article 11

- (1) Principle permit for the utilization of area of forest as cited in Article 10 paragraph (3) shall be issued for a maximum period of 2 (two) years since its issuance and be subject to extension based on the result of evaluation.
- (2) Principle permit as cited in paragraph (1) shall include the obligations that have to be fulfilled by the applicant.
- (3) The obligations as cited in paragraph (2) shall include:
- a. the identification and determination of boundaries of area of forest as approved and the land area of compensation as well as the process of implementation;
 - b. inventorying of erecting vegetation (trees or plants);
 - c. making a statement about the ability to pay State's non-tax revenue for the utilization of area of forest and to do the planting of vegetation for the sake of rehabilitation of river watersheds, in case that the compensation is in form of a payment of State's non-tax revenue for the utilization of area of forest and the planting of vegetation for the sake of rehabilitation of river watersheds;
 - d. the handover and the reforestation of the land area of compensation that will be converted into an area of forest, in regard that the compensation is in form of land area; and
 - e. the fulfillment of other obligations as decided by Minister.

Article 12

- (1) The holder of principle permit for the utilization of area of forest shall be allowed to request for dispensation to Minister.
- (2) Dispensation as cited in paragraph (1) shall be granted for any urgent

activity by considering that if such an activity is delayed the State will definitely suffer from a loss.

- (3) Dispensation as cited in paragraph (1) shall be granted for a maximum period of no longer than the term of time of the principle permit for the utilization of area of forest.

Article 13

In case that the holder of the principle permit for the utilization of area of forest has fulfilled all the obligations as cited in Article 11 paragraph (3), Minister shall issue a permit of borrow-to-use area of forest.

Article 14

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Further provisions on the procedure of application or request for the utilization of area of forest shall be regulated under a Ministerial Decree.

Part Three

Obligations of the Holder of Permit of Borrow-to-use Area of Forest

Article 15

The holder of permit of borrow-to-use Area of Forest shall be obliged:

- a. to pay for the State's non-tax revenue for the utilization of area of forest;
- b. to plant vegetation for the sake of rehabilitation of river watersheds;
- c. to do reforestation on the land area of compensation;
- d. to do forest protection;
- e. to do reclamation and/or reforestation of the borrow-to-use area of forest that is no longer occupied; and
- f. to fulfill other obligations as decided by Minister.

Article 16

Based on the permit of borrow-to-use area of forest, the holder of permit shall be allowed to fell or cut the trees for the sake of land clearing but subject to payments of compensation for the value of erecting vegetation (trees or plants), provision of forest resources, and/or fund of reforestation as in compliance with the prevailing laws and regulations.

Article 17

The holder of permit of borrow-to-use area of forest shall be prohibited:

- a. to handover the permit of borrow-to-use area of forest to another party without the consent or approval of Minister;
- b. to make as collateral or mortgage the borrow-to-use area of forest to another party.

Part Four

Term of Time of Permit

Article 18

- (1) The period (term) of time of the permit of borrow-to-use area of forest shall be granted for as long as the period of permit as per activity as in compliance with the prevailing laws and regulations.
- (2) The period (term) of time of the permit of borrow-to-use area of forest for any activity that is not equipped with certain permit based on the sector, the permit of borrow-to-use area of forest shall be given a period of time of no longer than 20 (twenty) years and subject to extension based on the result of evaluation.
- (3) The period (term) of time of the permit of borrow-to-use area of forest for the sake of national defense and safety of sea traffic or air traffic, public road, railways, check of dam, reservoir, “Sabo”, and the means of meteorology, climatology, and geophysics as well as religious activity shall be as long as the life (existence) of activity concerned.
- (4) The permit for the utilization of area of forest as cited in paragraphs (1), (2), and (3) shall be evaluated by Minister once in 5 (five) years or at any time when necessary.
- (5) In case that based on the result of evaluation the holder of permit of borrow-to-use area of forest no longer occupies the area of forest as in accordance with the permit of borrow-to-use area of forest, consequently the permit of borrow-to-use area of forest shall be revoked.
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CHAPTER III MONITORING AND EVALUATION

Article 19

- (1) Minister shall conduct the monitoring and evaluation of:
 - a. the holder of principle permit for the utilization of area of forest;
 - b. the grantee of dispensation of the borrow-to-use area of forest; and
 - c. the holder of permit of borrow-to-use area of forest.
- (2) In conducting the monitoring and evaluation as cited in paragraph (1), Minister shall be allowed to delegate the authority to an assigned official or Provincial Governor.
- (3) Further provisions on the monitoring and evaluation shall be regulated under a Ministerial Decree.

CHAPTER IV NULL AND VOID (ABOLITION) OF PRINCIPLE PERMIT OR PERMIT

Article 20

- (1) Principle permit for the utilization of area of forest as cited in Article 10 paragraph (3) or permit of borrow-to-use area of forest as cited in Article 13 shall be null and void (abolished), if:
 - a. the term (period) of time of the principle permit for the utilization of area of forest or the permit of borrow-to-use area of forest has expired;

- b. it is revoked by Minister;
 - c. it is relinquished voluntarily by the holder of principle permit for the utilization of area of forest or the holder of permit of borrow-to-use area of forest to Minister in a written statement; or
 - d. the purpose of the borrow-to-use area of forest has been changed or the function has been changed to become the function of forest whose purpose is prohibited under the prevailing laws and regulations.
- (2) The revoke as cited in paragraph (1) letter b shall be allowed in case that the holder of the principle permit for the utilization of area of forest is sanctioned under this Government Regulation.
- (3) As per voluntary relinquishment by the holder as cited in paragraph (1) letter c, Minister shall issue a letter of revoke of the principle permit for the utilization of area of forest or the permit of borrow-to-use area of forest.

Article 21

- (1) The revoke of the permit of borrow-to-use area of forest as cited in Article 20 shall not exempt the holder of permit of borrow-to-use area of forest from fulfilling the obligations such as:
- a. the payment of State's non-tax revenue for the utilization of area of forest;
 - b. the planting of vegetation for the sake of rehabilitation of watersheds or the reforestation of land area of compensation;
 - c. the reclamation and/or reforestation in the borrow-to-use area of forest that is no longer occupied;
 - d. the payment of compensation for the value of erecting vegetation (trees or plants), and provision of forest resources, and/or reforestation fund as in compliance with the prevailing laws and regulations;
 - e. the fulfillment of other obligations as stated in the permit of borrow-to-use area of forest. www.djpp.depkumham.go.id
- (2) At the time of the abolishment (being null and void) of the permit of borrow-to-use area of forest as cited in paragraph (1), the immovable goods or equipment including all kinds of vegetation (trees or plants) that have been planted in the borrow-to-use area of forest and the movable goods, the ownership shall be determined as in compliance with the prevailing laws and regulations.
- (3) The movable goods as in compliance with the prevailing laws and regulations as cited in paragraph (2) shall belong to the holder of the permit, and in a maximal period of 6 (six) months as of the abolishment of the permit or at the time the activity of reclamation has been considered or declared successful, all the movable goods shall be removed from the area of forest by the holder of permit.
- (4) In case that after the deadline as cited in paragraph (3) the holder whose permit has been declared null and void (abolished) has yet to remove the movable goods from the area of forest, the goods shall later on be auctioned as in compliance with the prevailing laws and regulations.

Article 22

Further provisions concerning the abolition of permits shall be regulated under a Ministerial Decree.

CHAPTER V SANCTION

Article 23

Every holder of the permit of borrow-to-use area of forest who fails to meet the obligations as cited in Article 15, or committed any offense or violence as cited in Article 17, shall be subject to sanction in form of a revoke of the permit of borrow-to-use area of forest by Minister.

Article 24

Further provisions on the procedure for the imposition of sanction as cited in Article 23 shall be regulated under a Ministerial Decree.

CHAPTER VI TRANSITIONAL PROVISIONS

Article 25

With the enactment of this Government Regulation:

- a. The principle permit for the utilization of area of forest that had been granted by Minister prior to the enactment of this Government Regulation and the holder has also fulfilled all the obligations as stated under the principle permit, shall be allowed for further process to become a permit of borrow-to-use area of forest with the imposition of obligations as in compliance with this Government Regulation.
- b. Agreement or permit of borrow-to-use area of forest that was issued prior to the enactment of this government regulation shall remain valid or effective until the expiration of the agreement or the permit of borrow-to-use area of forest, except there is a change of purpose or a change of function of forest.

Article 26

With the enactment of this Government Regulation, the implementing regulations that regulate the borrow-to-use area of forest shall remain valid as long as not contradictory to this government regulation (PP).
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CHAPTER VII CLOSING

Article 27

This government regulation (PP) shall be effective as of the date of enactment. That every one shall be made aware of, and this government regulation (PP) shall be published in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
Dated February 1, 2010
PRESIDENT OF THE REPUBLIC OF INDONESIA.

Signed

DR. H. SUSILO BAMBANG YUDHOYONO

Legislated in Jakarta
on February 1, 2010
MINISTER OF LAWS AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA.

Signed

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2010
NUMBER 30

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MINISTRY OF STATE SECRETARIAT
OF THE REPUBLIC OF INDONESIA
Head Of Bureau Of Laws And Regulations
Division of Economy and Industry

Signed

Setio Sapto Nugroho
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