

**INDONESIAN GOVERNMENT REGULATION
NUMBER 104 Year 2015
ABOUT
PROCEDURE TO CHANGE THE DESIGNATION
AND FUNCTION OF AREA OF FOREST**

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

Considering

- a. that in order to implement the provisions of Article 19 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 was enacted government regulation (PP) Number 10 Year 2012 on Procedure to Change the Designation and Function of Area of Forest, as having been amended by government regulation (PP) Number 60 Year 2012 on Amendment of government regulation (PP) Number 10 Year 2010 on Procedure to Change the Designation and Function of Area of Forest;
- b. that in order to accelerate the development excluding the activity of forestry, it shall be necessary to simplify the process of changing the designation and function of area of forest and to solve the problems that cannot be resolved under the provisions of government regulation (PP) Number 10 Year 2010 on Procedure to Change the Designation and Function of Area of Forest, as having been amended by government regulation (PP) Number 60 Year 2012 on Amendment of government regulation (PP) Number 10 Year 2010 on Procedure to Change the Designation and Function of Area of Forest;
- c. that based on the consideration as cited in letters a and b it shall be necessary to enact a new government regulation (PP) on Procedure to Change the Designation and Function 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 PROCEDURE TO CHANGE
THE DESIGNATION AND FUNCTION OF AREA OF FOREST

CHAPTER I
GENERAL PROVISION

Article 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 in its existence as a permanent forest.
3. Conservation Forest is an area of forest that has specific characteristics with principal function as preservation of biodiversity of flora and fauna and ecosystem.
4. Area of Preserve Forest is an area of forest that has specific characteristics with principal function as an area of preservation for the biodiversity of flora and fauna and ecosystem, which is also functioning as an area of supporting the system of life.
5. Area of Forest for Nature Preservation is an area of forest that has specific characteristics with principal function as protection of system of life support, preservation for biodiversity of flora and fauna, and utilization on a sustainable basis of natural and bio resources and ecosystem.
6. Hunting Park is an area of forest designated as an area of tourism for hunting.
7. Protected Forest is an area of forest that has principal function as protection of system of life support that can control water flows, prevent floods and erosion, prevent intrusion of sea water, and maintain soil fertility.
8. Production Forest is an area of Forest that has principal function to yield produces of forest.
9. Permanent Production Forest is an area of forest with factors in categories or classes in term of elevation, soil type, and rain intensity and after having been multiplied by a weighted number the result is less than 125 (one hundred twenty five) outside the area of protected forest, conservation forest, nature preserve forest, and hunting park.
10. Limited Production Forest is an area of forest with factors in categories or classes in term of elevation, soil type, and rain intensity and after having been multiplied by a weighted number the result is between 125 (one hundred twenty five) and 174 (one hundred seventy four) outside the area of protected forest, conservation forest, nature preserve forest, and hunting park.
11. Production Forest that can be converted is an area of production forest that is both non-productive and productive and the space can be reserved for the sake of development excluding the activities of forestry or it can be used for land area of compensation for the sake of exchange of areas of forests.
12. Permanent Forest is an area of forest whose existence is maintained as an area of forest such as those of Conservation Forest, Protected Forest, Limited Production Forest, and Permanent Production Forest.
13. Change of designation of area of forest is a change of area of forest to become an area of non-forest.
14. Change of Function of area of forest is a change of part or all of the functions of forest within one or several groups of forests, of which will become the function of other forests.
15. Exchange of areas of forests is a change of area of permanent production forest and/ or limited production forest to become an area of non-forest, of which is exchanged with an area of replacement deriving from an area

of non-forest and/ or production forest that can be converted to become Permanent Forest.

16. Release of area of forest is the change of designation of area of production forest that can be converted to become an area of non-forest.
17. River watershed (DAS) hereinafter referring to DAS is a land area that is part of river and brooks (streams) with the function to hold, store, and flow the water of rainfall into lake or sea on a natural basis, whereas the land border becomes a topographic divider and the sea border is a space up to an area of watershed that is still affected by activities on land.
18. Integrated research is a research conducted by government agency that has competence and scientific authority, of which is conducted together with other related parties.
19. Minister is the Minister who is in charge of governmental affairs in environment and forestry.

Article 2

Change of designation of area of forest and change of function of area of forest are aimed to meet a dynamic requirement on national development based on the aspiration of people but it is still for the optimizing of function of distribution and utilization of area of forest on a basis of preservation and sustainability whereas the existence of area of forest shall remain in a sufficient size and proportional stretch.

Article 3

Scope of control under this government regulation (PP) shall include:

- a. the change of designation of area of forest; and
- b. the change of function of area of forest.

Article 4

(1) Area of Forest as cited in Article 3 shall include Area of Forest that has principal function as Conservation Forest, Protected Forest, and Production Forest.

(2) Area of Conservation Forest as cited in paragraph (1) shall include:

- a. Area of Nature Preservation, including:
 1. Nature Preserve; and
 2. Fauna Preserve.
- b. Area of Nature Preservation includes:
 1. national park;
 2. nature tourism park; and
 3. forest grand park
- c. Hunting Park

(3) Area of Production Forest as cited in paragraph (1) comprises:

- a. Limited Production Forest;
- b. Permanent Production Forest; and
- c. Production Forest that can be converted.

Article 5

The change of designation of area of forest and the change of function of area of forest as cited in Article 2 shall be determined by Minister by taking into account the result of Integrated Research.

CHAPTER II Change of Designation of Area of Forest

Part One General

Article 6

The change of designation of area of forest shall be allowed as follows:

- a. partially;
- b. within the territory of Province

Part Two Change of Designation of Area of Forest Partially

Section 1 General

Article 7

The change of designation of area of forest partially as cited in Article 6 letter a shall be conducted by a means of:

- a. exchanging the areas of forests; or
- b. releasing an area of forest.

Article 8

- (1) The change of designation of area of forest partially as cited in Article 7 shall be conducted based on a request or application.
- (2) The request or application as cited in paragraph (1) shall be submitted by:
 - a. Minister or Ministerial-level official;
 - b. Provincial Governor or Regent/ Mayor;
 - d. Management of business entity; or
 - e. Individual, group of individuals, and/or the community.

Article 9

- (1) The application as cited in Article 8 shall meet administrative and technical requirements.
- (2) Further provisions on administrative and technical requirements as cited in paragraph (1) shall be regulated under a Ministerial Decree.

Section 2 Exchange of areas of forests

Article 10

- (1) The change of designation of area of forest by a means of exchanging the areas of forests as cited in Article 7 letter a shall be allowed only in:

- a. permanent productive forest; and/ or
- b. limited production forest.

Article 11

- (1) The exchange of areas of forests as cited in Article 10 letter a shall be conducted for purposes as follows:
 - a. development excluding the activity of forestry on a permanent basis;
 - b. removal of enclave in order to simplify the management of area of forest; or
 - c. improvement of boundaries of area of forest.
- (2) The type of development excluding the activity of forestry on a permanent basis as cited in paragraph (1) letter a shall be determined by Minister.

Article 12

- (1) The exchange of areas of forests as cited in Article 11 paragraph (1) shall be conducted based on the requirements as follows:
 - a. it is to make sure that the size of area of forest shall be at least 30 (thirty) percent of the area of watershed (DAS), island, and/or Province on a proportional basis; and
 - b. it is to maintain the carrying capacity of the area of forest so that it can be appropriately managed.
- (2) In regard of the exchange of areas of forests as cited in paragraph (1), the land area of compensation or area of replacement can be:
 - a. an area of non-forest; and/ or
 - b. an area of production forest that can be converted.
- (3) The land area of compensation as replacement as cited in paragraph (2) shall meet requirements as follows:
 - a. the location, size of area, and boundaries of land area of replacement have to be comprehensibly obvious;
 - b. it is located in the same watershed (DAS), Province, or island;
 - c. it can be converted into area of forest on a conventional basis except the area deriving from production forest that can be converted, of which shall still be productive;
 - d. the area is not in dispute and free from any claim and collateral or mortgage; and
 - e. it is recommended by Provincial Governor concerning the information of land area of compensation as the replacement.

- (4) The recommendation from Provincial Governor as cited in paragraph (3) letter e shall be issued in a period of no later than 30 (thirty) days as of the date of receiving the application or request for the recommendation of land area as replacement.
- (5) In case that the Provincial Governor has yet to give recommendation in a period of time as cited in paragraph (4), the Provincial Governor is considered to have given the recommendation for the sake of the exchange of areas of forests and the application for the exchange of areas of forests can be further processed.
- (6) Further provision concerning the mechanism, ratio, and obligations of the exchange of areas of forests shall be regulated under a Ministerial Decree.

Article 13

- (1) The application or request for the exchange of areas of forests as cited in **Article 8 paragraph (1)** shall be submitted by the applicant to Minister.
- (2) In regard that the application has met the administrative and technical requirements as cited in Article 9, Minister shall create an integrated team or a joint team.
- (3) The joint team as cited in paragraph (2) shall submit the result of evaluation and the recommendation to Minister.
- (4) In regard of the exchange of areas of forests for the size of area of maximal 2 (two) hectares, of which is for the purpose of certain public interest as conducted by the Central Government or Local Government, Minister shall create a team comprising members from Ministry in charge of governmental affairs of environment and forestry.
- (5) Based on the evaluation and recommendation by the joint team as cited in paragraph (3) or by the team as cited in paragraph (4), Minister shall issue a principle permit for the exchange of areas of forests or a letter of refusal.
- (6) The provision concerning the membership and duties of the joint team as cited in paragraph (2) shall be regulated under a Ministerial Decree.

Article 14

In case that the recommendation on the exchange of areas of forests as submitted by the joint team as cited in Article 13 paragraph (3) stating that the exchange of areas of forests will have significant impact, extensive scope and strategic value, before issuing the principle permit for the exchange of areas of forests Minister shall previously request for an approval from People's House of Representatives (DPR) of the Republic of Indonesia.

Article 15

- (1) The principle permit for the exchange of areas of forests as cited in Article 13 paragraph (15) shall be granted for a period of time of no longer than 2 (two) years as of the issuance of the principle permit by Minister and it shall be extendable for 2 (two) times for a period of no later than 1 (one) year for each.
- (2) The principle permit granted by Minister as cited in paragraph (1) shall include the obligations of the holder of the principle permit to do as follows:

- a. to conclude the clear and clean status of the area of replacement;
 - b. to sign an Official Report on the exchange of areas of forests;
 - c. to identify and determine the boundaries of area of forest as per application or request; and
 - d. to bear the costs for the activity of identifying and determining the boundaries and the activity of reforestation in the area of replacement.
- (3) The holder of principle permit for the exchange of areas of forests shall be prohibited to handover the principle permit for the exchange of areas of forests to another party without an approval from Minister.
- (4) Further provision concerning the determination of period of time of the principle permit as cited in paragraph (1) and the obligations of the holder of the principle permit for the exchange of areas of forests as cited in paragraph (2) shall be regulated under a Ministerial Decree.

Article 16

- (1) In case that the holder of the principle permit for the exchange of areas of forests has conducted the activity to identify and determine the boundaries of area of forest as cited in Article 15 paragraph (2) letter c, Minister and the holder of the principle permit for the exchange of areas shall sign an Official Report on the exchange of areas of forests.
- (2) Based on the Official Report on the exchange of areas of forests as cited in paragraph (1), Minister shall make or issue:
- a. decision on the release of area of forest as per request;
 - b. decision on the designation of the area of replacement to become an area of forest; and/ or
 - c. decision on the change of function of the area of replacement deriving from Production Forest that can be converted.
- (3) After making or issuing the decisions as cited in paragraph (2), Minister shall conduct as follows:
- a. to determine the boundaries of the area of replacement as designated to become an area of forest based on the decision as cited in paragraph (2) letter b and the area of replacement deriving from the Production Forest that can be converted based on the decision as cited in paragraph (2) letter c; and
 - b. to determine the area of replacement as cited in letter a as an area of forest.
- (4) In case that the holder of the principle permit for the exchange of areas of forests as cited in paragraph (1) has yet (has been unable) to meet the obligations as cited in Article 5 paragraph (2) the principle permit for the exchange of areas of forests shall be declared null and void (no longer effective).
- (5) Further provision on the boundaries and determination of area of replacement to become an area of forest as cited in paragraph (3) shall be regulated under a Ministerial Decree.

Article 17

- (1) Based on the determination of the area of replacement to become an area of forest as cited in Article 16 paragraph (3) letter b, the holder of the decision for the release of area of forest as cited in Article 16 paragraph (2) letter a in a period of time of no later than 1 (one) year shall be obliged to conduct the planting of vegetation in the area of replacement.
- (2) Further provision on the implementation of the planting in the area of replacement as cited in paragraph (1) shall be regulated under a Ministerial Decree.

Article 18

- (1) Prior to the issuance of the decision on the release of area of forest as cited in Article 16 paragraph (2) letter a, the holder of the principle permit for the exchange of areas of forests shall be prohibited to carry out any activity in the area of forest as requested.
- (2) The activity in the area of forest as requested shall be allowed to be carried out after having obtained a dispensation from Minister.
- (3) Dispensation as cited in paragraph (2) shall be restrictedly granted only for activity of preparation in the area of forest as requested.
- (4) Further provision concerning the grant of dispensation as cited in paragraph (2) shall be regulated under a Ministerial Decree.

Section 3 Release of Area of Forest

Article 19

- (1) Area of Production Forest that can be released shall be an area of production forest that can be converted, of which is no longer productive, except of Province in which there is no longer unproductive area of production forest that can be converted.
- (2) Area of production forest that can be converted as cited in paragraph (1) shall not be processed for the sake of releasing the area in Province in case that the size of area of Production Forest is equal to or less than 30 (thirty) percent, except by a means of exchanging the areas of forests.
- (3) The area of forest as cited in paragraph (1) shall be released after having conducted an evaluation by the joint team that has been created by Minister.
- (4) Based on the evaluation as cited in paragraph (3), the joint team shall recommend as follows:
 - a. to release the area of production forest that can be converted, partly or totally; and/ or
 - b. to change the function to become an area of Permanent Forest.

Article 20

- (1) The request or application for the release of area of forest as cited in Article 7 letter b shall be submitted to Minister.
- (2) The request as cited in paragraph (1) shall meet administrative and

technical requirements as cited in Article 9.

- (3) Further provision concerning the procedure on the application for the release of area of forest as cited in paragraph (1) shall be regulated under a Ministerial Decree.

Article 21

Minister after having received the application or request and evaluated the fulfillment of the administrative and technical requirements as cited in Article 20, shall make or issue as follows:

- a. decision on the release of area of forest partly or wholly as per request; or
- b. letter of refusal and/ or decision on the change of function of the area to become an area of Permanent Forest based on the evaluation as cited in Article 19 paragraph (4) letter b.

Article 22

- (1) The holder of the decision on the release of area of forest as cited in Article 21 letter a shall be obliged to do as follows:

- a. to conclude the activity of identifying and determining the boundaries of the area of forest that will be released; and
- b. to secure or safeguard the area of forest that will be released.

- (2) The result of the completion of the activity of identifying and determining the boundaries as cited in paragraph (1) letter a shall be stated in an Official Report, in which is included a map of boundaries signed by the committee on the boundaries of forest areas as in compliance with the prevailing laws and regulations of the Republic of Indonesia.

- (3) The boundaries as cited in paragraph (1) letter a shall be completed in a period of time of no later than 1 (one) year as of the issuance of the decision on the release of area of forest and it cannot be extended.

- (4) In regard that the holder of the decision on the release of area of forest is a governmental agency, the period of time for the completion of the boundaries as cited in paragraph (1) letter a shall be extendable for no later than 1 (one) year.

- (5) In case than the holder of the decision on the release of area of forest is unable to complete the determination of boundaries as cited in paragraphs (3) and (4), the decision on the release of area of forest shall be declared null and void (no longer affective).

Article 23

The holder of the decision on the release of area of forest who has yet to meet the obligations as cited in Article 22 paragraph (1) letter a shall be prohibited to handover the already-released area of forest to another party.

Article 24

Further provision on the implementation on the boundaries of area of forest that will be released as cited in Article 22 paragraph (1) letter a shall be regulated under a Ministerial Decree.

Article 25

- (1) Prior to the completion of the determination of boundaries of the area of forest that will be released as cited in Article 22 paragraph (1) letter a, the holder of the decision on the release of area of forest shall be prohibited to carry out any activity in the area of forest, except the activity of preparation such as the construction of directory kits, measurement of facilities and infrastructures, and seedling.
- (2) The activity of preparation as cited in paragraph (1) shall be allowed after having received a dispensation from Minister.
- (3) Further provision on the grant of dispensation as cited in paragraph (2) shall be regulated under a Ministerial Decree.

Article 26

Based on the Official Report and the map of boundaries as cited in Article 22 paragraph (2), Minister shall issue a decision on the determination of boundaries of the area of forest that will be released as per request.

Article 27

Based on the decision made by Minister concerning the boundaries of the area of forest that will be released as cited in Article 26, the status of land area shall be processed as in compliance with the laws and regulations of the Republic of Indonesia in the sector of agrarian (land affairs).

Section 4 Wood Utilization

Article 28

Wood utilization in:

- a. the location of the area of forest, of which is released based on the procedure of exchange of areas of forests as cited in Article 26 paragraph (2) letter a;
- b. the location of the area of forest, of which shall be equipped with a dispensation as cited in Article 18 paragraph (3) and Article 25 paragraph (2); and
- c. the location of the area of forest, which is released as cited in Article 26,

shall be further regulated under this Ministerial Decree.

Part Three Change of Designation of Area of Forest in Territory of Province

Section 1 General

Article 29

The change of designation of area of forest in the territory of Province as cited in Article 6 letter be shall be conducted in areas as follows:

- a. Conservation Forest;

- b. Protected Forest; or
- c. Production Forest.

Article 30

- (1) The change of designation of area of forest in the territory of Province shall be conducted based on the recommendation from Provincial Governor to Minister.
- (2) The recommendation for the change of designation of the area of forest in the territory of Province as cited in paragraph (1) shall be integrated by the Provincial Governor to the revision of land spatial plan in the territory of Province.
- (3) Provincial Governor in submitting the recommendation for the change of designation of area of forest shall be obliged to consult technically with Minister.
- (4) Further provision on the procedure of technical consultation as cited in paragraph (3) shall be regulated under a Ministerial Decree.

Section 2

Procedure on Change of Designation of Area of Forest in Territory of Province

Article 31

- (1) Minister after having received the recommendation on the change of designation of area of forest in the territory of Province from Provincial Governor, shall conduct a technical review.
- (2) Based on the technical review as cited in paragraph (1), Minister shall create an integrated team or a joint team.
- (3) The membership and duties of the joint team as cited in paragraph (2) shall be determined by Minister after having coordinated with other Ministers concerned.
- (4) The joint team as cited in paragraph (2) shall submit the result of evaluation and recommendation on the change of designation of area of forest to Minister.
- (5) Minister based on the evaluation and recommendation from the joint team as cited in paragraph (4) shall make and issue a decision on the change of designation of area of forest partially or wholly in the area of forest as per recommendation.
- (6) In case that based on the result of evaluation by the joint team as cited in paragraph (4) that the recommendation on the change of designation of the area of forest is potential to generate impact and/ or risk to the environment, Provincial Governor shall be obliged to submit a strategic review of environment to Minister via the joint team.
- (7) In case that the result of strategic review of environment as cited in paragraph (6) indicates the appropriateness of carrying capacity and loading capacity of environment, Minister shall make and issue a decision on the change of designation of area of forest based on the evaluation and recommendation from the joint team.
- (8) In case that the result of strategic review of environment as cited in paragraph (5) indicates the inappropriateness of carrying capacity and

loading capacity of environment, Minister shall refuse the recommendation for the change of designation of area of forest based on the evaluation and recommendation from the joint team.

Article 32

In case that based on the result of evaluation by the joint team as cited in Article 31 paragraph (4) the change of designation of the area of forest shall generate significant impacts in an extensive scope with strategic values. Minister shall submit the result of evaluation by the joint team to People's House of Representatives (DPR) of the Republic of Indonesia for approval.

Article 33

The decision or Ministerial Decree on the change of designation of area of forest in the territory of Province as cited in Article 31 paragraphs (5) and (7) shall be integrated by Provincial Governor to the revision of the provincial land spatial plan.

CHAPTER III CHANGE OF FUNCTION OF AREA OF FOREST

Part One General

Article 34

- (1) The change of function of area of forest as cited in Article 3 letter b shall be aimed to enhance and optimize the function of area of forest.
- (2) The change of function of area of forest as cited in paragraph (1) shall be conducted in the area of forest with the principle functions as:
 - a. Conservation Forest;
 - b. Protected Forest; and
 - c. Production Forest.
- (3) The change of function of area of forest as cited in paragraph (1) shall be conducted:
 - a. partially; or
 - b. wholly within the territory of Province.

Article 35

The change of function of area of forest to become Production Forest that can be converted shall not be allowed in a Province whose area of forest is only or less than 30 (thirty) percent.

Part Two Change of Function of Area of Forest Partially

Section 1 General

Article 36

The change of function of area of forest partially as cited in Article 34 paragraph (3) letter a shall be conducted by changing the function as

follows:

- a. between the principle functions of the area of forest; or
- b. within the principle function of the area of forest.

Section 2
Change between Principle Functions
of Area of Forest

Article 37

The change between the principle functions of area of forest as cited in Article 36 letter a shall include the change of function of:

- a. area of Conservation Forest to become area of Protected Forest and/ or area of Production Forest;
- b. area of Protected Forest to become area of Conservation Forest and/ or area of Production Forest; and
- c. area of Production Forest to become area of Conservation Forest and/ or area of Protected Forest.

Article 38

The change of function of area of Conservation Forest to become area of Protected Forest and/ or area of Production Forest as cited in Article 37 letter a shall be conducted in conditions as follows:

- a. in case that all the criteria of the area of Conservation Forest are not met, it shall be made as in compliance with the prevailing laws and regulations of the Republic of Indonesia; and
- b. in case that the criteria of the area of Protected Forest or area of Production Forest are met, it shall also be made as in compliance with the prevailing laws and regulations of the Republic of Indonesia

Article 39

The change of function of area of Protected Forest to become area of Conservation Forest and/ or area of Production Forest as cited in Article 37 letter b shall be conducted in conditions as follows:

- a. in case that all the criteria of the area of Protected Forest are not met, it shall be made as in compliance with the prevailing laws and regulations of the Republic of Indonesia in regard that the area will be changed to become an area of Production Forest;
- b. in case that the criteria of the area of Conservation Forest or area of Production Forest are met, it shall also be made as in compliance with the prevailing laws and regulations of the Republic of Indonesia.

Article 40

In changing the function of area of Production Forest to become an area of Conservation Forest and/ or area of Protected Forest as cited in Article 37 letter c, it shall be obliged to meet the criteria of area of Conservation Forest or of area of Protected Forest as in compliance with the prevailing laws and regulations of the Republic of Indonesia.

Section 3
Change of Function within the Principle Function
of Area of Forest

Article 41

The change of function within the principle function of the area of forest as cited in Article 36 letter b shall be conducted within:

- a. the area of Conservation Forest; or
- b. the area of Production Forest.

Article 42

(1) The change of function within the principle function of the area of Conservation Forest as cited in Article 41 letter a shall include the change of:

- a. area of nature preserve to become area of fauna preserve, national park, forest grand park, nature tourism park, or Hunting Park;
- b. area of fauna preserve to become area of nature preserve, national park, forest grand park, nature tourism park, or Hunting Park;
- c. area of national park to become area of nature preserve, area of fauna preserve, forest grand park, nature tourism park, or Hunting Park;
- d. area of forest grand park to become area of nature preserve, area of fauna preserve, national park, nature tourism park, or Hunting Park.
- e. area of nature tourism park to become area of nature preserve, area of fauna preserve, national park, forest grand park, or Hunting Park; or
- f. area of Hunting Park to become area of nature preserve, area of fauna preserve, national park, forest grand park, or nature tourism park.

(2) The change of function within the principle function of the area of Conservation Forest as cited in paragraph (1) shall be conducted in case that:

- a. there has been a change of bio-physical condition of the area of forest caused by phenomena of nature, environment, or humans;
- b. it takes time for improvement for optimizing the function and utilizing the area of forest; or
- c. the size of coverage is quite insignificant and it is surrounded by social and economic environments caused by the development excluding the activity of forestry, of which is not in support to a natural process of ecology.

Article 43

- (1) The change of function within the principle function of the area of Production Forest as cited in Article 41 letter b shall include the changes as follows:
 - a. the area of Limited Production Forest to become area of Permanent Production Forest and/ or area of Production Forest that can be converted;
 - b. the area of permanent Production Forest to become area of Limited Production Forest and/ or area of Production Forest that can be converted; and
 - c. the area of Production Forest that can be converted to become area of Limited Production Forest and/ or area of Permanent Production Forest.
- (2) The change of function within the principle function of the area of Production Forest as cited in paragraph (1), besides no longer fulfilling the criteria of function of area of forest as in compliance with the laws and regulations of the Republic of Indonesia, shall be conducted by considering as follows:
 - a. in order to meet the need of the size of optimal area of Production Forest in support to the stability and availability of raw materials for wood-processing industry; or
 - b. it takes time for the improvement of the function of area of forest.

Section 4
Procedure of Changing the Function
of Area of Forest Partially

Article 44

- (1) The change of area of forest partially as cited in Article 34 paragraph (3) letter a shall be conducted based on a Ministerial Decree.
- (2) Ministerial Decree as cited in paragraph (1) shall be issued based on the recommendation as submitted by:
 - a. Provincial Governor, for area of Protected Forest and area of Production Forest; or
 - b. the operator for the area of Conservation Forest.
- (3) Provision on the requirements for the recommendation of the changes of the function of the area of forest as cited in paragraph (2) shall be regulated under a Ministerial Decree.

Article 45

- (1) Minister after having received the recommendation for the change of the function of area of forest as cited in Article 44 paragraph (2) shall create an integrated team or a joint team.
- (2) The membership and duties of the joint team as cited in paragraph (1) shall be regulated under a Ministerial Decree.
- (3) The joint team as cited in paragraph (2) shall submit the result of evaluation to Minister.
- (4) Minister based on the result of evaluation by the joint team as cited in

paragraph (3) shall make a decision on the change of function of area of forest or issue a letter of refusal.

- (5) Any change of the function of area of forest partially as equipped with a decision on the change of function of area of forest from Minister as cited in paragraph (4) shall be subject to the management and/ or the activity based on the function of the area of forest as in compliance with the prevailing laws and regulations of the Republic of Indonesia.

Part Three
Change of Function of Area of Forest
In Territory of Province

Article 46

The change of function of area of forest in the territory of Province as cited in Article 34 paragraph (3) letter b shall be conducted in area of forest with the principle functions as follows:

- a. Conservation Forest;
- b. Protected Forest; and
- c. Production Forest.

Article 47

- (1) The criteria of the change of function of area of forest in the territory of Province shall be subject to “mutatis mutandis” of provisions of Articles 38, 39, 40, 42 and 43.
- (2) Procedure of the change of function of the area of forest in the territory of Province shall be subject to “mutatis mutandis” of provisions from Articles 31 through 33.
- (3) Any change of the function of the area of forest in the territory of Province that is equipped with a Ministerial decision on the change of the function of the area of forest, shall be subject to the management and/ or activity based on the function of the area of forest as in compliance with the laws and regulations of the Republic of Indonesia.

CHAPTER IV
CHANGE OF DESIGNATION OF AREA OF FOREST THAT HAS
SIGNIFICANT IMPACT AND EXTENSIVE SCOPE WITH
STRATEGIC VALUES

Article 48

- (1) The change of designation of the area of forest that has significant impact and extensive scope with strategic values shall be the change of designation of area of forest that can generate impacts to:
 - a. bio-physic conditions; or
 - b. social and economic conditions of people.
- (2) The change that can generate the impact to the bio-physic conditions as cited in paragraph (1) letter a shall be the change that causes the deterioration or improvement of the quality of climate or ecosystem and/ or water management.
- (3) The change that can generate the impact to the social and economic

conditions as cited in paragraph (1) letter b shall be the change that causes the deterioration or improvement of the social and economic qualities of people and it is for the sake of current and future generations.

- (4) The change that can generate the impact to bio-physic condition or social and economic condition as cited in paragraph (1) shall include 2 (two) categories of being:
 - a. effectual; or
 - b. in-effectual
- (5) The change that can generate the impact to bio-physic condition or social and economic condition of people shall be based on guideline and criteria.
- (6) Further provision concerning the guideline on and criteria of the categories as cited in paragraphs (4) and (5) shall be regulated under a Ministerial Decree.

CHAPTER V ADMINISTRATIVE SANCTION

Article 49

- (1) The holder of principle permit for the exchange of areas of forests as cited in Article 15 paragraph (1) who violates the provisions of Article 15 paragraph (3) and/ or Article 18 paragraphs (1) and (3), or the holder of the decision on the release of area of forest as cited in Article 21 letter a who violates the provisions of Article 22 paragraph (1) letter b, Article 23, and/ or Article 25 paragraph (2), shall be administratively sanctioned in form of written warnings from Minister.
- (2) Written warning as cited in paragraph (1) shall be given for as many as 3 (three) written warnings.
- (3) The holder of principle permit for the exchange of areas of forests or the holder of the decision on the release of area of forest shall be obliged to follow up the written warnings as cited in paragraph (2) in a period of 30 (thirty) working days each as of the date of giving the written warning(s).
- (4) In case that the holder of principle permit for the exchange of areas of forests or the holder of the decision on the release of area of forest fails to follow up any of the written warnings as cited in paragraph (3), Minister shall annul or revoke the decision on the release of the area of forest.

CHAPTER VI TRANSITIONAL PROVISION

Article 50

With the effectiveness of this Government Regulation, as a consequence:

- a. the request or application for the exchange of the areas of permanent production forest and limited production forest that has yet to be granted with a principle permit, the further process for completion shall refer to in this Government Regulation.
- b. the request for the release of area of forest that has been granted with a principle permit, the decision on the release of area of forest can be issued by imposing obligations under this

government regulation (PP).

- c. the request for the release of area of forest that had been submitted prior to the effectiveness of this government regulation (PP) and has yet to be granted with a principle permit for the release of the area of forest, shall be subject to re-submission of application or request as in compliance with this government regulation (PP).
- d. the request for the change of designation of the area of forest in the territory of Province or the change of function of area of forest in the territory of Province that has yet to be granted by a decision from Minister, shall be further processed as in compliance with this government regulation (PP).
- e. the holder of the principle permit for the exchange of areas of forests for the sake of development of water dam and embankments, shall be further processed based on the permit of borrow-to-use area of forest and the land area of compensation that has been made available shall be handed over to Minister.

Article 51

(1) The activity of plantation whose permit had been issued by the local government based on the land spatial plan of Province or Regency/ Municipality as regulated under local regulation (by-law) prior to the enactment of Law Number 26 Year 2007 on Land Spatial Plan, and based on the prevailing land spatial plan, shall remain referring to the previous land spatial plan but still under Law number 41 year 1999 on Forestry, as having been amended by Law Number 19 Year 2004 on Enactment of government regulation (PP) in lieu of Law Number 1 Year 2004 on Amendment of Law Number 41 Year 1999 on Forestry, of which is to become a law; the area based on the latest map of Area of Forest shall be as follows:

- a. an area of Production Forest that can be converted, it shall be processed by a means of the Release of Area of Forest; or
- b. an area of Permanent Production Forest and Limited Production Forest, it shall be processed by a means of the exchange of areas of forests,

and in a period of time of no later than 1 (one) year as of the effectiveness of this government regulation (PP) the holder shall be allowed to submit a request for the release of area of forest or for the exchange of areas of forests to Minister.

(2) In regard of the activity of plantation whose permit had been issued by the local government based on the land spatial plan of Province or Regency/ Municipality as regulated under local regulation (by-law) prior to the enactment of Law Number 26 Year 2007 on Land Spatial Plan, and based on the prevailing land spatial plan, shall remain referring to the previous land spatial plan but still under Law number 41 year 1999 on Forestry, as having been amended by Law Number 19 Year 2004 on Enactment of government regulation (PP) in lieu of Law Number 1 Year 2004 on Amendment of Law Number 41 Year 1999 on Forestry, of which is to become a law; the area based on the latest map of Area of Forest shall be an area of forest with the function of conservation and/ or protection, and there will be given an opportunity to continue the activity for 1 (one) period of growth cycle of main species of plants.

CHAPTER VII CLOSING PROVISION

Article 52

At the time of the effectiveness of this government regulation (PP), all the implementing regulations of government regulation (PP) Number 10 Year 2010 on Procedure of Changes of Designation and Function of Area of Forest (State Gazette of the Republic of Indonesia Year 2010 Number 15, Supplement to State Gazette of the Republic of Indonesia Number 5097) as having been amended by government regulation (PP) number 60 Year 2012 on Amendment of government regulation (PP) Number 10 Year 2010 on Procedure of Changes of Designation and Function of Area of Forest (State Gazette of the Republic of Indonesia Year 2010 Number 139, Supplement to State Gazette of the Republic of Indonesia Number 5324), shall remain effective as long as they are not contradictory to this government regulation (PP).

Article 53

At the time of the effectiveness of this government regulation (PP), government regulation (PP) Number 10 Year 2010 on Procedure of Changes of Designation and Function of Area of Forest (State Gazette of the Republic of Indonesia Year 2010 Number 15, Supplement to State Gazette of the Republic of Indonesia Number 5097) as having been amended by government regulation (PP) number 60 Year 2012 on Amendment of government regulation (PP) Number 10 Year 2010 on Procedure of Changes of Designation and Function of Area of Forest (State Gazette of the Republic of Indonesia Year 2010 Number 139, Supplement to State Gazette of the Republic of Indonesia Number 5324), shall be revoked and declared no longer effective.

Article 54

This government regulation (PP) shall be effective as of the date of enactment.

That everybody shall be aware of and the enactment of this government regulation (PP) shall be published in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
Dated December 22, 2015
PRESIDENT OF THE REPUBLIC OF INDONESIA.

Signed

JOKO WIDODO

Legislated in Jakarta
on December 28, 2015
MINISTER OF LAWS AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA.

Signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2015
NUMBER 326

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MINISTRY OF STATE SECRETARIAT
OF THE REPUBLIC OF INDONESIA
Head Of Bureau Of Laws And Regulations

Signed

Muhammad Sapta Murti