

# THE PROCEDURE OF ALTERING THE APPROPRIATION AND FUNCTION OF FOREST AREAS

(Government Regulation No. 10/2010 dated January 22, 2010)

BY THE GRACE OF GOD ALMIGHTY

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

CHAPTER I

GENERAL PROVISIONS

Article 1

Referred to in this Government Regulation

Considering:

That to implement provisions in Article 19 of Law No. 41/1999 on Forestry Affairs as has been amended by Law No. 19/2004 on the Passage of Government Regulation in lieu of Law No. 1/2004 on Amendment to Law No. 41/1999 on Forestry Affairs into Law, it is necessary to stipulate Government Regulation on the Procedure of Altering the Appropriation and Function of Forest Areas;

In view of :

1. Article 5 paragraph (2) of the 1945 Constitution;
2. Law No. 41/1999 (*BN No. 6412 pages 1A-6A and so on*) on Forestry Affairs (Statute Book of 1999 No. 167, Supplement to Statute Book No. 3888) as has been amended by Law No. 19/2004 (*BN No. 7143 pages 26A-9A*) on the Passage of Government Regulation in lieu of Law No. 1/2004 on Amendment to Law No. 41/1999 on Forestry Affairs into Law (Statute Book of 2004 No. 86, Supplement to Statute Book No. 4412);

DECIDES:

To stipulate :

THE GOVERNMENT REGULATION ON THE PROCEDURE OF ALTERING THE APPROPRIATION AND FUNCTION OF FOREST AREAS.

as :

1. Forest is an integrated whole ecosystem in the form of an expanse of land containing bio natural resources dominated by trees in a natural environmental unit which can not be separated one from another.
2. Forest area is a certain area designated and/or declared by the Government as permanent forest.
3. Conservation forest is a forest area with certain typical characteristics whose main function is to conserve the diversity of plants and animals as well as their ecosystem.
4. Wildlife reserve is a forest with certain typical characteristics whose main function is to conserve the diversity of plants and animals and their ecosystem as well as to serve as a life-supporting system.
5. Nature conservation forest is a forest with certain typical characteristics whose main function is to protect a life-supporting system, conserve the diversity of plants and animals, and use bio natural resources and their ecosystem in a sustainable way.
6. Hunting ground is a forest area designated as a hunting ground.
7. Protected forest is a forest area whose main function is to protect a life-supporting system to regulate water sources, prevent floods, control erosion, avoid sea water intrusion, and maintain land fertility.

8. Production forest is a forest area whose main function is to produce forest products.
9. Permanent production forest is a forest area with the class of slope, type of soil, and rainfall intensity which, after each of the factors is multiplied by a weighing factor, scores below 125, exclusive of protected forest, wildlife reserve, natural conservation forest and hunting ground.
10. Limited production forest is a forest area with the class of slope, type of soil, and rainfall intensity which, after each of the factors is multiplied by a weighing factor, scores 125-174, exclusive of protected forest, wildlife reserve, natural conservation forest and hunting ground.
11. Convertible production forest is a forest area which by space is reserved for development other than forestry activities.
12. Permanent forest is a forest area which is maintained as a forest area, consisting of conservation forest, protected forest, limited production forest, and permanent production forest.
13. Change in the appropriation of forest area is a change in forest area into non-forest area.
14. Change in the function of forest area is a change in the partial or whole function of forest in one or several groups of forest into other function of forest area.
15. The swap of forest areas is a change in permanent production forest and/or limited production forest into non-forest area accompanied by incorporating substitute land from non-forest area into forest area.
16. The release of forest area is a change in the appropriation of convertible production forest area into non-forest area.
17. River basin area is a land area which is integrated with a river and its tributary whose function is to accommodate, store and channel water from rainfalls to lake or sea naturally whose boundary on the land constitutes a topographic divider and at sea stretches up to the territorial waters still affected by activities on the land.
18. Change that has a significant impact, wide scope and strategic value is a change that has an impact on biophysical conditions such as climate change, ecosystem, and water sources, as well as socio-economic impact on the present and future generations.
19. Integrated research is a research conducted by a competent government agency that has scientific authority, along with other relevant parties.
20. Minister is the minister carrying out the government affairs in the forestry sector.

#### Article 2

A change in the appropriation and function of forest areas shall be made to meet demand of national development dynamics and public aspirations by constantly observing the need to optimize distribution function, use forest areas in a conservable and sustainable way, and maintain forest areas with adequate area and expanse in a proportional way.

#### Article 3

The scope of this government regulation covers:

- a. a change in the appropriation of forest areas; and
- b. a change in the function of forest area.

#### Article 4

- (1) The forest areas as referred to in Article 3 cover forest areas which mainly function as conservation forest, protected forest, and production forest.
- (2) The conservation forest as referred to in paragraph (1) covers:
- a. wildlife reserve consisting of :
    1. nature reserve; and
    2. wildlife reserve.
  - b. nature conservation area consisting of :
    1. national park;
    2. nature tourist park; and
    3. grand forest park.
  - c. hunting ground.
- (3) The production forest as referred to in paragraph (1) consists of :
- a. limited production forest;
  - b. permanent production forest; and
  - c. convertible production forest.

#### Article 5

The change in the appropriation and function of forest areas as referred to in Article 2 shall be stipulated by the Minister based on the results of an integrated research.

### CHAPTER II

#### A CHANGE IN THE APPROPRIATION OF FOREST AREAS

##### Part One

##### General

#### Article 6

- A change in the appropriation of forest areas can be made:
- a. on a partial basis; or
  - b. for provincial areas.

#### Part Two

#### A Change in the Appropriation of Forest Areas on a Partial Basis

##### Paragraph 1

##### General

#### Article 7

- A change in the appropriation of forest areas on a partial basis as referred to in Article 6 letter a is made by means of :
- a. the swap of forest areas; or
  - b. the release of forest areas.

#### Article 8

- (1) A change in the appropriation of forest areas on a partial basis as referred to in Article 7 shall be made based on applications.
- (2) The applications as referred to in paragraph (1) can be filed by :
- a. ministers or officials equivalent to minister;
  - b. *governors or regents/mayors*;
  - c. heads of corporate bodies; or
  - d. chiefs of foundations.

#### Article 9

- (1) The applications as referred to in Article 8 shall meet administrative and technical requirements.
- (2) Provisions on the administrative and technical requirements as referred to in paragraph (1) are to be provided for in a regulation of the Minister.

##### Paragraph 2

#### The Swap of Forest Areas

#### Article 10

- A change in the appropriation of forest areas through the swap of forest areas as referred to in Article 7 letter a can only be made to :

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

#### Article 11

- (1) The swap of forest areas as referred to in Article 10 shall be made to :
- a. carry out permanent development outside forestry activities;
  - b. eliminate enclaves to facilitate the management of forest areas; or
  - c. improve the borders of forest areas.
- (2) The types of permanent development outside forestry activities as referred to in paragraph (1) letter a are to be stipulated by the Minister after coordinating with relevant ministers.

#### Article 12

- (1) The swap of forest areas as referred to in Article 11 paragraph (1) shall be done on condition it:
- a. constantly ensures that the area of forest areas will cover at least 30% (thirty percent) of the area of the river basin area, island and/or province with proportional expanse; and
  - b. maintain the supporting capacity of forest areas so that they will remain worth managing.
- (2) If the area of forest areas as referred to in paragraph (1) letter a is less than 30% (thirty percent) of the area of the river basin area, island, and/or province with proportional expanse, the swap of forest area with substitute land other than forest area shall be made with a ratio of at least 1 to 2, except if the swap of forest areas is designed to accommodate victims of natural disasters and serve limited public interests it can be done with a ratio of at least 1 to 1.

- (3) If the area of forest areas as referred to in paragraph (1) letter a exceeds 30% (thirty percent) of the area of the river basin area, island, and/or province with proportional expanse, the swap of forest area with substitute land other than forest area shall be made with a ratio of at least 1 to 1.
- (4) The substitute land as referred to in paragraphs (2) and (3) shall meet the following requirements:
- a. it has clear location, area, and borders;
  - b. it borders the forest area;
  - c. it is located in the same river basin area, island, and/or province;
  - d. it can be reforested in a conventional way;
  - e. it is not disputed and is free from all kinds of charges and insurance rights; and
  - f. there are recommendations from the governor and regent/mayor.
- (5) The limited public interests as referred to in paragraph (2) and the ratio for the swap of forest areas as referred to in paragraphs (2) and (3) are to be stipulated by the Minister.

#### Article 13

- (1) Applications for the swap of forest areas as referred to in Article 8 paragraph (1) shall be filed by the applicants to the Minister.
- (2) If the applications have met administrative and technical requirements as referred to in Article 9 the Minister shall form an integrated team.
- (3) The integrated team as referred to in paragraph (2) shall submit the results of a research and give recommendations to the Minister.
- (4) The lineup and task of the integrated team as referred to in paragraph (2) are to be provided for in the regulation of the Minister after coordinating with the relevant ministers.

- (5) If the swap of forest area with a maximum area of 2 (two) hectares for limited public interest is carried out by the Government or regional government, the Minister shall form a team made up of officials from the ministry overseeing forestry affairs.
- (6) Based on the results of a research conducted by and recommendations from the integrated team as referred to in paragraph (3) or the team as referred to in paragraph (5), the Minister shall issue a permit in principle to the applicants for the swap of forest area or a letter of rejection.

#### Article 14

If based on the results of a research conducted by and recommendations from the integrated team as referred to in Article 13 paragraph (3), the planned change in the appropriation of forest area is to have a significant impact, wider scope and strategic value, the Minister shall secure prior approval from the House of Representatives before issuing a permit in principle for the swap of forest areas.

#### Article 15

- (1) A permit in principle for the swap of forest areas is valid for 2 (two) years since the permit in principle is issued by the Minister and can be extended twice with the validity period covering a maximum of 1 (one) year each.
- (2) The permit in principle as referred to in paragraph (1) shall at least contain obligations for the applicants to:
- a. clear and clean would-be substitute land;
  - b. sign an official report on the swap of forest area;

- c. bear the cost arising from the delineation of forest areas sought and of substitute land proposed; and
- d. bear the cost arising from the reforestation of substitute land.

- (3) Provisions on the obligations for the applicants as referred to in paragraph (2) are to be provided for in the regulation of the Minister.
- (4) Applicants are banned from transferring a permit in principle for the swap of forest areas to other parties without prior approval from the Minister.

#### Article 16

- (1) If the holders of permits in principle for the swap of forest areas have completed the obligations as referred to in Article 15 paragraph (2) the Minister and the applicants shall sign official reports on the swap of forest areas.
- (2) Based on the official reports on the swap of forest areas as referred to in paragraph (1) the Minister shall issue a decree declaring substitute land as forest area.

#### Article 17

- (1) After the decree declaring substitute land as forest area has been issued as referred to in Article 16 paragraph (2) the applicants shall within a period of no later than 1 (one) year :
- a. reforest substitute land; and
  - b. delineate the substitute land and forest areas sought.
- 2) The results of delineation as referred to in paragraph (1) letter b shall respectively be put in an official report and delineation map signed by the committee of forest area delineation in accordance with the law.

- (3) Based on the official report and delineation map as referred to in paragraph (2), the Minister shall issue a decree declaring substitute land as forest area and a decree releasing forest area sought.
- (4) Provisions on reforestation and delineation as referred to in paragraph (1) are to be provided for in the regulation of the Minister.

#### Article 18

- (1) Before a decree declaring substitute land as forest area and a decree releasing forest area as referred to in Article 17 paragraph (3) have been issued, the applicants are banned from carrying out activities inside the forest area sought.
- (2) Activities inside the forest area sought can only be carried out after receiving dispensation from the Minister.
- (3) The dispensation as referred to in paragraph (2) can only be issued in limited numbers as part of efforts to make preparations for the swap of forest areas.
- (4) Provisions on the issuance of dispensation as referred to in paragraph (2) are to be provided for in the regulation of the Minister.

#### Paragraph Three

##### The Release of Forest Areas

#### Article 19

- (1) The release of forest areas as referred to in Article 7 letter b can only be done to convertible production forest as referred to in Article 4 paragraph (3) letter c.
- (2) The release of convertible production forest as referred to in paragraph (1) cannot be processed in provinces whose forest areas cover

less than 30% (thirty percent), except through the swap of forest areas.

- (3) The convertible production forest as referred to in paragraph (1), is either in a state of being forested or non forested.
- (4) The release of forest areas as referred to in paragraph (1) shall be done in the interests of development outside forestry activities.
- (5) The types of development interests outside forestry activities as referred to in paragraph (4) are to be stipulated by the Minister.

#### Article 20

- (1) Applications for the release of forest areas as referred to in Article 8 paragraph (1) shall be filed by the applicants to the Minister.
- (2) The applications as referred to in paragraph (1) shall meet requirements as referred to in Article 9.

#### Article 21

The Minister can issue a letter of rejection or a permit in principle over the release of forest areas after receiving applications and examining requirements as referred to in Article 20.

#### Article 22

- (1) The permit in principle for the release of forest areas as referred to in Article 21 is valid for a maximum of 1 (one) year after the issuance of the permit in principle by the Minister and can be extended twice with each covering a maximum period of 6 (six) months.
- (2) The holders of a permit in principle for the release of forest areas shall :
- a. settle the delineation of forest areas sought;
  - and
  - b. secure forest areas sought.

- (3) The results of delineation as referred to in paragraph (2) letter a shall be put in an official report and delineation map signed by the committee for forest area delineation according to the law.
- (4) Applicants are banned from transferring a permit in principle for the release of forest area to other parties without approval from the Minister.
- (5) Provisions on the delineation of forest areas to be released as referred to in paragraph (3) are to be provided for in the regulation of the Minister.

**Article 23**

- (1) During the validity period of permit in principle as referred to in Article 22 paragraph (1), applicants are banned from carrying out activities in forest areas, except if they have received dispensation from the Minister.
- (2) The dispensation as referred to in paragraph (1) can only be given to applicants within the framework of making preparations in the form of seedling and/or infrastructure with very limited area.
- (3) Provisions on the granting of dispensation are to be provided for in the regulation of the Minister.

**Article 24**

Based on the official report and delineation map as referred to in Article 22 paragraph (3) the Minister shall issue a decree on the release of forest areas sought.

**Article 25**

Based on the decree of the Minister on the release of forest areas and the fulfillment of other

requirements according to the law, the agency which has the authority in the land sector shall issue land certificates.

**Article 26**

The use of wood from forest areas given dispensation as referred to in Article 23 paragraph (2) and released as referred to in Article 24 is to be provided for in the regulation of the Minister.

**Article 27**

Any change in the appropriation of forest areas on a partial basis which receives a decree on the release of forest areas from the Minister as referred to in Article 17 paragraph (3) and Article 24 can carry out activities according to the law and regulation.

**Article 28**

Provisions on the procedure of applying for the release of convertible production forest as referred to in Article 20 are to be provided for in the regulation of the Minister.

**Part Three**

**A Change in the Appropriation of Forest Areas for Provincial Territory**

**Paragraph 1**

**General**

**Article 29**

A change in the appropriation of forest areas for provincial territory as referred to in Article 6 letter b can be made to :

- a. conservation forest;
- b. protected forest; or
- c. production forest.

**Article 30.....**

### Article 30

- (1) A change in the appropriation of forest areas for provincial territory shall be made based on proposals from governors to the Minister.
- (2) Proposals for a change in the appropriation of forest areas for provincial territory as referred to in paragraph (1) shall be integrated by governors into the revised provincial spatial layout plans.
- (3) Governors shall hold technical consultations with the Minister in proposing a change in the appropriation of forest areas.
- (4) Provisions on the procedure of holding technical consultations as referred to in paragraph (3) are to be provided for in the regulation of the Minister.

### Paragraph 2

#### The Procedure of Altering the Appropriation of Forest Areas for Provincial Territory

### Article 31

- (1) The Minister shall conduct a technical study after receiving proposals from governors for a change in the appropriation of forest areas for provincial territory.
- (2) Based on the results of a technical study as referred to in paragraph (1) the Minister shall form an integrated team.
- (3) The lineup and task of the integrated team as referred to in paragraph (2) shall be stipulated by the Minister after coordinating with the relevant ministers.
- (4) The integrated team as referred to in paragraph (2) shall submit the results of researches and recommendations on a change in the appropriation of forest areas to the Minister.

- (5) If based on the results of researches as referred to in paragraph (4) proposals for a change in the appropriation of forest areas have the potential to cause environmental impact and/or risk, strategic environmental studies shall be conducted.
- (6) The Minister shall submit the results of researches conducted by the integrated team to the House of Representatives for approval of the part or whole of forest areas proposed.
- (7) If the House of Representatives approves the results of researches conducted by the integrated team, the Minister shall issue a decree on a change in the appropriation of forest areas for provincial territory.
- (8) If the House of Representatives rejects the results of researches conducted by the integrated team, the Minister shall issue a decree rejecting proposals for a change in the appropriation of forest areas for provincial territory.

### Article 32

The decree of the Minister on a change in the appropriation of forest areas for provincial territory as referred to in Article 31 paragraph (7) shall be integrated by governors into the revised provincial spatial layout plan to be provided for in the provincial government.

## CHAPTER III

### A CHANGE IN THE FUNCTION OF FOREST AREAS

#### Part One

#### General

### Article 33

- (1) A change in the function of forest areas as referred to in Article 3 letter b is made to stabilize and optimize the function of forest areas.

(2) A change .....

(2) A change in the function of forest areas as referred to in paragraph (1) is made to forests which mainly function as:

- a. conservation forest;
- b. protected forest; and
- c. production forest.

(3) A change in the function of forest areas as referred to in paragraph (1) is made:

- a. on a partial basis; or
- b. for provincial territory.

#### Article 34

A change in the function of forest areas into convertible production forest cannot be made in provinces whose forest areas are less than 30% (thirty percent).

#### Part Two

#### A Change in the Function of Forest Areas on a Partial Basis

##### Paragraph 1

##### General

#### Article 35

A change in the function of forest areas on a partial basis as referred to in Article 33 paragraph (3) letter a is made through a change in function, namely:

- a. among the main functions of forest areas; or
- b. within the main functions of forest areas.

##### Paragraph 2

**A Change in Function among the Main Functions of Forest Areas**  
The Main Functions of Forest Areas

#### Article 36

*A change in function among the main functions*

of forest areas as referred to in Article 35 letter a covers a change in the function of:

- a. conservation forest into protected forest and/or production forest;
- b. protected forest into conservation forest and/or production forest; and
- c. production forest into conservation forest and/or protected forest.

#### Article 37

A change in conservation forest into protected forest and/or production forest as referred to in Article 36 letter a shall meet requirements as follows:

- a. not meeting all criteria as conservation forest according to the law; and
- b. meeting criteria as protected forest or production forest according to the law.

#### Article 38

A change in the function of protected forest into conservation forest and/or production forest as referred to in Article 36 letter b shall meet requirements as follows:

- a. not meeting criteria as protected forest according to the law if it is to be changed into production forest;
- b. meeting criteria as conservation forest or production forest according to the law.

#### Article 39

A change in the function of production forest into conservation forest and/or protected forest as referred to in Article 36 letter c shall meet criteria as conservation forest or protected forest according to the law.

**Paragraph 3**

**A Change in Function within  
the Main Function of Forest Areas**

**Article 40**

A change in function within the main function of forest areas as referred to in Article 35 letter b is made within :

- a. conservation forest; or
- b. production forest.

**Article 41**

**(1) A change in function within the main function of conservation forest as referred to in Article 40 letter a covers a change in :**

- a. nature reserve into wildlife reserve, national park, grand forest park, nature tourist park or hunting ground;
- b. wildlife reserve into nature reserve, national park, grand forest park, nature tourist park or hunting ground;
- c. national park into nature reserve, wildlife reserve, grand forest park, nature tourist park or hunting ground;
- d. grand forest park into nature reserve, wildlife reserve, national park, nature tourist park or hunting ground;
- e. nature tourist park into nature reserve, wildlife reserve, national park, grand forest park or hunting ground; or
- f. hunting ground into nature reserve, wildlife reserve, national park, grand forest park or nature tourist park.

**(2) A change in function within the main function of conservation forest as referred to in paragraph 40 (1), can only be made if :**

- a. there has been a change in the biophysical condition of forest areas as a result of natural phenomenon, environmental impact or human activity;
- b. an improvement period is needed to optimize the function and utility of forest areas; or
- c. the scope of areas is very small and surrounded by the socio-economic environment as a result of development outside forestry activity that does not support the continuation of ecological process naturally.

**Article 42**

**(1) A change in function within the main function of production forest as referred to in Article 40 letter b covers a change in:**

- a. limited production forest into permanent production forest and/or convertible production forest;
- b. permanent production forest into limited production forest and/or convertible production forest; and
- c. convertible production forest into limited production forest and/or permanent production forest.

**(2) A change in function within the main function of production forest as referred to in paragraph (1), which does not meet criteria of the function of forest areas according to the law, can be made only if it is designed:**

- a. to meet the need for the optimum area of production forest to support the stable supply of raw materials to the wood processing industry; or
- b. as a period of time for upgrading the function of forest areas.

#### Paragraph Four

### The Procedure of Altering the Function of Forest Areas on a Partial Basis

#### Article 43

- (1) A change in the function of forest areas on a partial basis as referred to in Article 33 paragraph (3) letter a is to be provided for in the decree of the Minister.
- (2) The decree of the Minister as referred to in paragraph (1) shall be issued based on proposals from :
  - a. regent/mayor, for forest areas located in one regency/municipality; or
  - b. governor, for forest areas located in more than one regencies/municipalities.
- (3) Requirements of the proposals for a change in the function of forest areas as referred to in paragraph (2) are to be provided for in the regulation of the Minister.

#### Article 44

- (1) The Minister shall form an integrated team after receiving proposals for a change in the function of forest areas as referred to in Article 43 paragraph (2).
- (2) The lineup and task of the integrated team as referred to in paragraph (1) are to be provided for in the regulation of the Minister after coordinating with the relevant minister.
- (3) The integrated team as referred to in paragraph (2) shall submit the results of researches and give recommendations to the Minister.
- (4) Based on the results of researches and recommendations from the integrated team as referred to in paragraph (3) the Minister shall issue a decision on a change in the function of forest areas or a letter of rejection.

#### Part Three

### A Change in the Function of Forest Areas for Provincial Territory

#### Article 45

A change in the function of forest areas for provincial territory as referred to in Article 33 paragraph (3) letter b shall be made to forest areas which mainly function as :

- a. conservation forest;
- b. protected forest; and
- c. production forest.

#### Article 46

- (1) Criteria of a change in the function of forest areas for provincial territory shall *mutatis mutandis* be subject to provisions in Articles 37, 38, 39, 41, and 42.
- (2) The procedure of making a change in the function of forest areas for provincial territory shall *mutatis mutandis* be subject to provisions in Articles 31 and 32.

#### Article 47

If a change in the function of forest areas on a partial basis has received a decree of the Minister on a change in the function of forest areas as referred to in Article 44 paragraph (4) management and/or activity can be carried out according to the law.

#### CHAPTER IV

### A CHANGE IN THE APPROPRIATION OF FOREST AREAS THAT HAS A SIGNIFICANT IMPACT, WIDE SCOPE AND STRATEGIC VALUE

#### Article 48

- (1) A change in the appropriation of forest areas that has a significant impact, wide scope and

strategic value is a change in the appropriation of forest areas that has an impact on :

- a. biophysical condition; or
- b. socio-economic condition of the community.

- (2) A change that has an impact on biophysical condition as referred to in paragraph (1) letter a is a change that leads to a decrease or increase in the quality of the climate or ecosystem and/ or water resource management.
- (3) A change that has an impact on the socio-economic condition of the community as referred to in paragraph (1) letter b is a change that leads to a decrease or increase in the socio-economic condition of the community for the life of the present and future generations.
- (4) A change that has an impact on biophysical condition and the socio-economic condition of the community as referred to in paragraph (1) consists of 2 (two) categories, namely:
- a. influential; or
  - b. not influential.
- (5) A change that has an impact on biophysical condition and the socio-economic condition of the community is based on guidance and criteria.
- (6) Provisions on guidance and criteria for the classification of categories as referred to in paragraphs (4) and (5) are to be provided for in the regulation of the Minister.

**CHAPTER V  
SANCTIONS  
Article 49**

- (1) A permit in principle for the swap of forest areas may be cancelled by the Minister if :
- a. it does not meet the given deadline as referred to in Article 15 paragraphs (1), (2) and (3); and/or

b. it violates provisions in Article 15 paragraph (4).

- (2) The cancellation of a permit in principle for the swap of forest areas as referred to in paragraph (1) is imposed after the Minister has three times issued written warnings each of which is issued within a period of 30 (thirty) work days for each warning.

**Article 50**

- (1) A permit in principle for the release of forest areas may be cancelled by the Minister if :
- a. it does not meet obligations within the specified period of time as referred to in Article 22 paragraphs (1) and (2);
  - b. it violates provisions in Article 22 paragraph (4); or
  - c. the holder of a permit in principle for the release of forest areas opens forest areas before obtaining dispensation from the Minister as referred to in Article 23 paragraph (1).
- (2) The cancellation of a permit in principle for the release of forest areas as referred to in paragraph (1) is imposed after the Minister has three times issued written warnings each of which is issued within a period of 30 (thirty) work days for each warning.

**CHAPTER VI  
TRANSITIONAL PROVISIONS  
Article 51**

When this Government Regulation takes effect, applications for :

- a. the swap of permanent production forest and limited production forest that have not received a permit in principle shall be processed according to this Government Regulation;

- b. the swap of forest areas that have received decrees of the Minister on the release of forest areas and decrees of the Minister on the designation of substitute land as forest areas stipulated before the stipulation date of this Government Regulation shall remain valid;
- c. the release of forest areas that have not received a permit in principle shall be processed according to this Government Regulation;
- d. the swap of forest areas or the release of forest areas that have received a permit in principle but have not obtained a decree of the Minister on the release of forest areas, shall adjust to this Government Regulation;
- e. the release of forest areas that have received a decree of the Minister on the release of forest areas before the stipulation date of this Government Regulation shall remain valid;
- f. a change in the function of forest areas that have not received a decree of the Minister shall be processed according to this Government Regulation;
- g. a change in the function of forest areas that have received a decree of the Minister on a change in the function of forest areas before the issuance date of this Government Regulation shall remain valid;
- h. a change in the appropriation of forest areas for provincial territory or a change in the function of forest areas for provincial territory that have not received a decree of the Minister shall be processed according to this Government Regulation;
- i. a change in the appropriation of forest areas for provincial territory or a change in the function of forest areas for provincial territory that have received a decree of the Minister before the stipulation date of this Government Regulation shall remain valid.

#### Article 52

- (1) Production forest that has been given a permit in principle for the release of forest areas for plantation business to corporate bodies before the coming into force of Law No. 41/1999 on Forestry Affairs,

- a. the corporate bodies shall hand over substitute land with a ratio of 1 to 1 and meet provisions in Article 12 paragraph (4) except letter c;
- b. the handover of substitute land as referred to in letter a shall be done no later than 12 (twelve) years after this Government Regulation begins to take effect.

(2) The substitute land as referred to in paragraph (1) shall be located in the same river basin area, other river basin area in the same province or other province in the same island.

(3) The handover of substitute land as referred to in paragraph (1) serves as the basis for the release of forest areas from the Minister.

#### Article 53

All the existing implementation regulations of the law and regulation in the forestry field shall remain valid until the issuance of implementation regulations based on this Government Regulation.

#### CHAPTER VII

#### CONCLUSION

#### Article 54

This Government Regulation shall come into force as from the date of promulgation.

For public cognizance, this Government Regulation shall be promulgated by placing it in the Statute Book of the Republic of Indonesia.

Stipulated in Jakarta

on January 22, 2010

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,  
sgd.

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THE MINISTER OF LAW AND HUMAN RIGHTS,  
sgd.

PATRIALIS AKBAR

STATUTE BOOK OF THE REPUBLIC OF INDONESIA OF  
2010 NO. 15

**ELUCIDATION  
OF GOVERNMENT REGULATION  
NO. 10/2010  
ON  
THE PROCEDURE OF ALTERING  
THE APPROPRIATION AND FUNCTION OF  
FOREST AREAS**

**I. GENERAL**

Forests as a gift and mandate from the God Almighty are natural resources which hold a variety of natural wealth deposits useful for human beings in terms of ecological, socio-cultural and economic benefits. As a manifestation of thank to God for the gift, forests must be managed and taken advantage of optimally by observing the adequate area of forests in river basin areas, islands, and/or provinces, as well as harmonious benefit in a proportional way according to their nature, characteristics, and susceptible role in harmonizing the balance of the local, national and global environment.

In line with their nature, characteristics and susceptible role in harmonizing the balance of the environment, forests are divided into 3 (three) types according to their main function, namely conservation forest, protected forest and production forest.

The main function of each type of the forests is managed to realize the principles of sustainable forest management.

To optimize the function and benefit of forests and forest areas pursuant to the mandate of Article 19 of Law No. 41/1999 on Forestry Affairs as has been amended by Law No. 19/2004

on the Passage of Government Regulation in lieu of Law No.1/2004 on Amendment to Law No. 41/1999 on Forestry Affairs into Law, and according to the dynamics of national development and public aspirations, the appropriation and function of forest areas can in principle be altered. To ensure that the balance of environmental benefit, socio-cultural benefit and economic benefit is met, a change in the appropriation and function of forest areas must be based on the optimum distribution of their function and the benefit of forest areas in a conservable and sustainable way by observing the presence of forest areas with adequate area and proportional expanse.

Since Indonesia is a tropical country which most of its areas have high rainfalls and intensity, consists of large, medium and small islands and has corrugated, hilly and mountainous land configuration, the Minister stipulates that the area of forests in river basin areas or islands must be at least 30% (thirty percent) of the land. By setting the area of forests and the minimum area of forests for each river basin area or island, the Minister sets the area of forests for each province based on biophysical condition, climate, population, and the socio-economic condition of the local community.

A change in the appropriation and function of forest areas is made through the mechanism of partial change or change for provincial territory.

A change in the appropriation of forest areas on a partial basis is made through the swap or release of convertible production forest. The swap of forest areas is made to limited production forest and permanent production forest.

The swap of forest areas is made in the interests of permanent development projects outside forestry activities that must use forest areas, eliminate enclaves to facilitate the management of forest areas, and improve forest borders. The swap of forest areas is made through the obligation to hand over substitute land.

Forest areas are an integral part which cannot be separated from spatial layout so that a periodic change in spatial layout as the mandate of Law No. 26/2007 on Spatial Layout, a change in the appropriation and function of forest areas or a change in the appropriation of forest areas in revising the provincial spatial layout plan are made with the aim of stabilizing and optimizing the function of forest areas.

Any change in the appropriation or function of forest areas shall be preceded by an integrated research made by a competent government institute which has scientific authority, along with other relevant parties.

Where certain matters that have significant impact, wide scope and strategic value are concerned, a change in the appropriation of forest areas made by the government must take into account the public aspirations through the approval by the House of Representatives of the Republic of Indonesia.

A change in the function of forest areas is made through a change in function among the main functions of forest areas or a change in function within the main function of forest areas.

To optimize the function of forest areas, in view of lack of data and information at the time of designating forest areas, dynamics of development, natural factors, social factor, an evaluation of the function of forest areas is needed.

## II. ARTICLE BY ARTICLE

### Article 1 up to Article 7

Sufficiently clear.

### Article 8

#### Paragraph (1)

Sufficiently clear.

#### Paragraph (2)

#### Letter a and Letter b

Sufficiently clear.

#### Letter c

Referred to as "corporate bodies" are :

- 1) state-owned companies;
- 2) regional government-owned companies;
- 3) privately-run companies with Indonesian legal entity; and
- 4) cooperatives.

#### Letter d

Foundations referred to herein are foundations with Indonesian legal entity.

### Article 9 and Article 10

Sufficiently clear.

### Article 11

#### Paragraph (1)

#### Letter a

Referred to as "permanent development outside forestry activities" are among others reservoirs, dams, funeral facilities, government offices, educational facilities, public safety facilities, resettlement of natural disaster victims, resettlement, industrial buildings, seaports and airports.

**Letter b**

Referred to as "enclave" is land owned by individuals or corporate bodies in forest areas based on legal evidence according to the law.

**Letter c**

Referred to as "improving the borders of forest areas" is an effort made to create solid forest areas.

**Paragraph (2)**

Referred to as "relevant ministers" are ministers overseeing internal affairs, development planning, spatial layout, the environment, agriculture, and/or transmigration, among others.

**Article 12****Paragraph (1)**

Sufficiently clear.

**Paragraph (2)**

Referred to as "ratio of 1 to 2" is the area of substitute land is twice as wide as the forest area swapped, so that the forest area covering an area of less than 30% (thirty percent) of the area of river basin area, island, and/or province with proportional expanse will increase to up to 30% (thirty percent) or more of the area of the existing forest area.

**Paragraph (3) and Paragraph (4)**

Sufficiently clear.

**Paragraph (5)**

The Minister shall among others set the minimum ratio of forest areas swapped, either to the forest areas covering an area of more than 30%

(thirty percent) or the forest areas covering an area of less than 30% (thirty percent) of the area of river basin area, island, and/or province with proportional expanse.

**Article 13****Paragraph (1) and Paragraph (2)**

Sufficiently clear.

**Paragraph (3)**

A research is conducted by the Integrated team on the forest area sought and substitute land proposed.

**Paragraph (4) up to Paragraph (6)**

Sufficiently clear.

**Article 14**

Referred to as "having a significant impact, wide scope and strategic value" is a change that has an impact on biophysical conditions, such as climate change, ecosystem, and water resource disturbance, as well as social and economic impact on the life of present and future generations.

**Article 15****Paragraph (1)**

Sufficiently clear.

**Paragraph (2)****Letter a**

Referred to as "clear and clean" is :

1. in case of titled land for would-be substitute land, either registered or unregistered, the release of land titles is made by giving compensation;
2. in case of titled land for would-be substitute land that has been registered, it shall be scrapped from the land titles and certificates; and

3. In case of titled land for would-be substitute land that has not been registered (letter c/girik), it shall be scrapped from the book and village map, and there must be report from the regency/ municipal land agency stating that the land has not been registered.

Letter b up to Letter d  
Sufficiently clear.

Paragraph (3) and Paragraph (4)  
Sufficiently clear.

Article 16  
Sufficiently clear.

Article 17  
Paragraph (1)

Letter a  
In carrying out the reforestation of substitute land, applicants can cooperate with corporate bodies that have competence in the reforestation field including state-owned companies engaged in the forestry field.

Letter b  
The delineation of substitute land and forest areas sought is carried out by the delineation committee.

Paragraph (2) up to Paragraph (4)  
Sufficiently clear.

Article 18  
Sufficiently clear.

Article 19  
Paragraph (1)

The release of convertible production forest is done without a research conducted by an integrated team because convertible production forest is reserved for development outside forestry activities set based on the results of a research conducted by a team of officers from the central and regional governments involving sectoral agencies at the time of harmonizing forest areas with provincial spatial layout plans.

Paragraph (2)  
The procedure of swapping forest areas inconvertible production forest is the same as the procedure of swapping production forest.

Paragraph (3) up to Paragraph (5)  
Sufficiently clear.

Article 20 up to Article 26  
Sufficiently clear.

Article 27  
The law referred to herein is the law in the forestry field.

Article 28 up to Article 40  
Sufficiently clear.

Article 41  
Paragraph (1)  
Sufficiently clear.

Paragraph (2)  
Letter a  
A change in biophysical condition due to natural phenomenon is among others because of natural disasters.

**A change in biophysical condition due to the environment or human beings is among others because of development and population growth pressures.**

**Letter b**

**Referred to as "improvement period" is a period of time needed to restore the direction of the specified main function.**

**Letter c**

**The setting of very small scope of areas is based on the results of a study made by the integrated team.**

**Article 42**

**Paragraph (1)**

**Letter a and Letter b**

**Sufficiently clear.**

**Letter c**

**A change in the function of convertible production forest into limited production forest and/or permanent production forest is made within the framework of issuing Business Permits for the Use of Wood Forest Products (IUPHHK) from Nature or Plantation after recommendations have been received from the regent/mayor and governor concerned and a research has been conducted by the internal team made up of officers from the ministry carrying out the affairs of the government in the forestry sector.**

**Paragraph (2)**

**Letter a**

**The setting of the optimum area of production forest is based on the results of analysis of the national, regional or local needs for wood.**

**Letter b**

**Sufficiently clear.**

**Article 43 up to Article 46**

**Sufficiently clear.**

**Article 47**

**The law referred to herein is the law in the forestry field.**

**Article 48**

**paragraph (1)**

**Referred to as "having significant impact, wide scope and strategic value" is either negative or positive significant impact (externality).**

**Letter a**

**Sufficiently clear.**

**Letter b**

**The socio-economic condition of the community includes local wisdom and social capital from the local community in managing the environment.**

**Paragraph (2)**

**Referred to as "a decrease or increase in the quality of climate" is a decrease or increase in the quality of micro climate elements including temperature, relative air humidity, radiance intensity, and wind speed.**

**Referred to as "a decrease or increase in the quality of ecosystem" is among others a decrease or increase in the quality of biodiversity and flora and fauna habitat as well as beautiful landscape.**

**Referred to as "a decrease or increase in the quality of water sources" is among others a**