THE LAWS AND REGULATION
ON LEASING FOREST AREA FOR COAL MINING

Directorate of Planning, Utilization and Formation of Forest Management Unit,
Directorate General of Forest and Environmental Planning
Ministry of Environment and Forestry Republic of Indonesia
Jakarta, 4th February 2016
JURISDICAL BASIC

1. Law number 41 of 1999 juncto Law Number 19 of 2004 regarding Forestry
2. Government Regulation Number 24 of 2010 juncto 61 of 2012 and 105 of 2015 concerning Forest Land Use
3. Government Regulation Number 33 of 2014 concerning Type and Rates of Non Tax State Revenue (PNBP) from Leasing Forest Area.
4. Presidential Regulation Number 28 of 2011 concerning Protected Forest Land Use for Underground Mining
5. Presidential Instruction Number 8 of 2015 concerning Moratorium of New License and Improving Governance of Primary Forest and Peatland
6. Minister of Forestry Regulation Number P.16/Menhut-II/2014 concerning Guideline of Leasing Forest Area for Temporary Use
Article 38  the laws number 41 year 1999 on Forestry

(1) Leasing forest area can only be made in production forest area and protection forest area (conservation forest area is forbidden)

(2) Leasing forest area can be made without changing the main function of forest area

(4) Open-pit mining is prohibited in protection forest
Scope of Leasing Forest Area

1. Religion; among other religious places of worship, cemeteries and spiritual tourism.

2. **Mining includes the mining of oil and gas, minerals, coal, and geothermal energy, including facilities and infrastructure.**

3. Generator installations, transmission, and distribution of electricity and new and renewable energy technologies.

4. Telecommunications networks, radio station, and television relay stations.

5. Public roads, highways/toll road, and railways.

6. Transportation infrastructure that is not categorized as public transport infrastructure, but for transportation of production (including construction of road, canals, port or the similar for purposes of transportation of mining production, plantations, agriculture, fisheries or others).

7. Water resources infrastructure, network construction installation of water, and canal of clean water and or wastewater.
8. Public facilities.
9. Industry other than primary forest industry.
10. Defense and security, including combat training centers, radar stations, and tower.
11. Infrastructure supporting public safety including the safety of sea traffic, air traffic and facility of meteorology, climatology, and geophysics.
13. Certain agricultural in term of food security and energy security.
INDONESIAN FOREST AREA

- Conservation forest: 21,902,407 (18.13%)
- Protection forest: 29,638,486 (24.54%)
- Limited Production forest: 26,843,748 (22.22%)
- Production forest: 29,265,410 (24.23%)
- Conversionable forest: 13,133,580 (10.87%)

SUM: 120,783,631 (100%)
Leasing Forest Area for Mining

a. Production Forest (HPT/HP/HPK): can be conducted both open pit mining activities and under ground mining activities.

b. Protection Forest (HL): **prohibited** for open pit mining activities, allowed only underground mining without any impact on:
   1. Land surface decline;
   2. Changes of principal function of forest land permanently;
NEW REGULATION (PP NO 105 YEAR 2015) → Related with Procedure

Application → requirement → Principal Approval (PA) (2 years) → IPPKH License → Obligation of IPPKH License

New regulation

Previous regulation

Application → requirement

Obligation of PA

Application
APPLICANTS of Leasing Forest Area for Mining

1. The head of Business entity/company (PT, CV etc)
2. Personal / individual
3. A group of people
## APPLICATION REQUIREMENTS

### a. Administrative requirements
1. Mining License
2. Governor recommendation
3. Deed of Incorporation, Company profile, Tax ID Number / NPWP, two last years of financial report that audited by Certified Public Accountants (CPA)
4. Statement letter

  *memenuhi semua kewajiban, keabasahan dokumen, tidak melakukan kegiatan sebelum mendapat izin dari Menteri*

### b. Technical Requirements:
1. Work plan document
2. Location map
3. The last coverage of satellite imagery within minimum resolution 5 meters.
4. Environmental Permit and Environmental Impact Assessments (EIA)
5. Technical Considerations from Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources
6. Technical Considerations from Perum Perhutani if the mining location in Java
7. Statement letter that applicant has a forester
### OBLIGATIONS

| Province with **forest area < 30 %**  
<table>
<thead>
<tr>
<th>Java, Lampung, Bali</th>
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<tbody>
<tr>
<td>1. Survey and bordering the area of leasing within 1 year</td>
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<tr>
<td>2. Serve <strong>land as compensation</strong> with ratio 1 : 2</td>
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<td>3. Conducting the compensation land’s reforestation</td>
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<td>4. PSDH (Forest Ressources Provision), DR (Reforestation Budget) and compensation for the value of uprights and other Financial obligations</td>
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<td>5. Forest protection</td>
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<td>6. Reclamation and reforestation</td>
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<td>7. Community empowerment</td>
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<td>8. Allowing forestry officials in order to monitor and evaluate forest</td>
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<td>9. Coordinating all activities with forestry officials</td>
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<td>10. Make a report every six months</td>
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<td>11. Policy advisor</td>
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| Province with **forest area > 30 %**  
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<td>2. <strong>Conducting tree planting in order to watershed rehabilitation</strong></td>
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<td>3. <strong>Paying Non-Tax State Revenue (PNBP)</strong></td>
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**Note:** number 1,2,3 and 4 are not for exploration activities
1. Quota in Regency A
   \[ = 10 \% \times \text{Area of regency B} \]

2. Quota in Regency B
   a. In the forest concession
      \[ = 10 \% \times \text{effective area of forest concession} \]
   b. Outside the forest concession = 10 \%

3. Quota in Java (Perum Perhutani area) = 10 * FMU

Note:
The forest concession that has a certificate sustainable forest management with “good predicate” is prohibited for mining.
a. Time period of Leasing Forest Area License (IPPKH) for Explorations activities is 2 years and it can be extended

b. Time period of Leasing Forest Area License (IPPKH) for Exploitation activities depends on the time period of mining license and it can be extended

The extension is based on the evaluation conducted by Provincial Forestry Service
NULLIFICATION/ABOLISHMENT OF LICENSE

- Survey and bordering area do not finish within 1 year
- Unable to fulfill the obligation
- The validity period of leasing forest area license is expired;
- The license of leasing forest area is revoked by Environment and Forestry Minister;
- The leasing forest area license is handed back;
- The validity period of mining license is expired.
- The validity period of mining license is revoked
TERIMA KASIH

Banyak pohon, banyak rizki