

# Country Profile: Indonesia

**Editor's Note:** This is the 16th in a series of articles summarizing various countries' government and SH&E legislative processes. It is intended to serve as a useful planning tool for SH&E professionals preparing to conduct business in profiled country. Previous profiles have included Argentina, Australia, Brazil, Chile, China, Germany, India, Ireland, Italy, Japan, Kuwait, Mexico, Singapore, Spain and the U.K. All country profiles are provided courtesy of AECOM and are available on ASSE's *International Practice Specialty (IPS) website*. Direct requests for additional country information to Halley Moriyama at [halley.moriyama@aecom.com](mailto:halley.moriyama@aecom.com); +1-978-589-3233 or to Jack Fearing, CPEA, at +1-703-462-7294; [jack.fearing@dyn-intl.com](mailto:jack.fearing@dyn-intl.com).

**O**n April 9, 2009 and July 8, 2009, Indonesia successfully organized the second direct legislative and presidential elections. Dr. H. Susilo Bambang Yudhoyono was reelected as president for a second term of office until 2014 with Dr. Boediono as his vice president.

**The Pancasila, or five principles provides a framework for the Indonesian Constitution and directs political life.**

Furthermore, 34 new ministers have been appointed and named as the Indonesia Unite Cabinet II to assist the president in establishing a peaceful, prosperous, secure and democratic nation with good corporate governance as its main principal. The Pancasila, or five principles (belief in the one and only God, just and civilized humanity, unity of Indonesia, democracy guided by consensus arising from deliberations amongst representatives and social justice for all people of Indonesia), provides a framework for the Indonesian Constitution and directs political life. Indonesia is a republic based on the 1945 Constitution, as amended, or the Constitution of the Proclamation.

The central government is located in Jakarta on the island of Java. The central government of the Republic of Indonesia cooperates with other government institutions to arrange for state affairs, including the People's Consultative Assembly (Majelis Permusyawaratan Rakyat or MPR) and the House of Representatives (Dewan Perwakilan Rakyat or DPR). The MPR meets at least once every five years to inaugurate the president and vice president. The president is advised by a Presidential Advisory Council (Dewan Pertimbangan Presiden) and chooses the ministers who will assist him/her.

MPR comprises DPR and the Regional Representative Council (Dewan Perwakilan Daerah or DPD); the president and DPR form the country's legislative power. Independent from the executive and legislative branches, the Supreme Court serves as the country's judiciary power. Indonesia's judiciary is comprised of the District Courts (also known as the Courts of First Instance) for

every district; the High Courts of Appeal, for every province; and the Supreme Court as the highest level of the court hierarchy in Jakarta and for the country as a whole. In 2003, a constitutional court was established with power to review, among other things, the constitutionality of laws.

MPR is the only authority that may change the 1945 constitution. MPR amended the 1945 constitution in October 1999, August 2000, November 2001 and August 2002.

Since the first amendment of the 1945 constitution, the government has not had monopoly power on the initiation of bills for discussion and approval in the parliament. Both parliament and government can initiate bills. After the bill is agreed to by the government and parliament, it is submitted to the president for legalization for promulgation. According to Law No. 10 of 2004 Regarding Establishment of Laws and Regulations, the types and hierarchy of legislation are as follows:

- 1945 constitution;
- law/statute/act/government regulation as a replacement of law;
- government regulation (to implement the law);
- presidential regulation;
- regional regulation (Peraturan Daerah or Perda).

Although it is not stipulated in the hierarchy of legislation, in governance practice, ministers or the heads of executive departments can also issue regulations or guidelines to implement laws, government regulations and presidential decrees. These are:

- ministerial decrees;
- ministerial instructions;
- circular letters (which do not have the weight of a regulation).

In addition to Perda, which must be approved by both local parliament and local government, local technical regulations may also be proposed by the provincial governor or regent (Bupati)/mayor (Walikota) to implement Perda as follows:

- governor/regent/mayor decisions;
- governor/regent/mayor instructions; and
- circular letters (which do not have the weight of a regulation).

These many sources of legislation result in regulations, licenses, permits, fees, inspectors and other bureaucratic requirements. Jurisdictions may overlap, resulting in duplicative efforts.

Indonesia is subdivided into 33 provinces, including three special autonomy regions (Aceh, Papua and Papua Barat), one special capital city (DKI Jakarta) and one special region (Daerah Istimewa, Jogjakarta), each of which is led by a governor in cooperation with a regional house of representatives. The sidebar, p. 7, provides a list

of Indonesian provinces, special autonomy regions, the special region and the special capital region. Each of these areas is sub-divided into regencies, headed by a regent in cooperation with a local house of representatives. Currently, a total of 397 regencies (Kabupaten) and 98 (Kotamadya) municipalities exist throughout Indonesia. Each municipality (Kotamadya) is comprised of several local administrative units/districts (Kecamatan) that coordinate the approximately 76,546 subdistricts (Kelurahan) and villages (Desa).

### SH&E AUTHORITIES

Presidential Regulation No. 7 of 2005 Regarding the National Medium Range Development Plan of 2004-2009, dated Jan. 19, 2005, identifies the issues in the environmental sector that are the basis for establishing the national environment development plan. Current environmental issues in Indonesia include a decrease in Indonesian forests, damage to coastal areas and the sea ecosystem, increases in air and water pollution and a lack of enforcement of environmental laws.

Given the environmental issues in Indonesia, the objective of the national environmental development plan is to improve natural resources and environmental management systems to establish a reasonable equilibrium between natural resource utilization as economic growth capital and environmental protection as a life support system. All activities conducted in Indonesia should confirm to the three sustainable development principles, namely: (i) economic profitability; (ii) social acceptance and (iii) environmental friendliness. The environmental development plan seeks to prioritize the sustainable principles in all development sectors, increase environmental management coordination at national and regional levels, increase environmental law development and consistent enforcement and increase environmental impact management efforts related to development activities.

Based on Presidential Regulation No. 9 of 2005 Regarding Position, Task, Function, Composition and Work of the State Minister of the Republic of Indonesia (as amended by Presidential Regulation No. 62 of 2005 Regarding the Amendment to Presidential Regulation No. 9 of 2005; Presidential Regulation No. 90 of 2006 Regarding the Second Amendment to Presidential Regulation No. 9 of 2005; Presidential Regulation No. 94 of 2006 Regarding the Third Amendment to Presidential Regulation No. 9 of 2005; and Presidential Regulation No. 20 of 2008 Regarding the Fourth Amendment to Presidential Regulation No. 9 of 2005), the minister for the environment (MOE) acts as a coordinating and policy formulating body and is responsible for preparing drafts of environmental legislation to be adopted by the executive branch.

The MOE also issues the guidelines to determine ambient air quality and effluent quality standards for industry, as well as other technical guidance, which are



adopted by sectoral (technical) agencies to implement pollution control. Sectoral departments, such as the Ministry of Industry and the Ministry of Manpower and Transmigration, are responsible for environmental management within their technical jurisdictions, while local governments are mandated by government regulations to manage environmental concerns within their regional jurisdiction as part of an integrated national environmental management program.

The national environmental impact management agency, Badan Pengendalian Dampak Lingkungan (BAPEDAL), established in 1990 by Presidential Decree No. 23 of 1990 Regarding BAPEDAL, was dissolved at the Central Government level in 2002. BAPEDAL's tasks and functions were merged into MOE. BAPEDAL offices continue to exist at the provincial, regency and municipality levels. Based on Presidential Regulation No. 9 of 2005, MOE is currently responsible and empowered to formulate national policy, coordinate the implementation of this policy and control environmental impacts.

Other SH&E institutions include the following:

- National Development Planning Board (Badan Perencanaan Pembangunan Nasional): assessment of the development plans of central and provincial government agencies.
- Ministry of Industry (Departemen Perindustrian): nuisance control, pollution from industries, among other issues.
- Ministry of Health (Departemen Kesehatan): drinking water quality, sanitation and pesticide use.
- Ministry of Energy and Mineral Resources (Departemen Energi dan Sumber Daya Mineral): issuing permits, monitoring mining activities and enforcing relevant regulations.
- Ministry of Agriculture (Departemen Pertanian): renewable resources, fisheries and the use of fertilizers.
- Ministry of Law and Human Rights (Departemen Hukum dan Hak Asasi Manusia): environmental legislation and codification.
- Ministry of Home Affairs (Departemen Dalam

Negeri): local government supervision, establishment of provincial and local environmental agencies.

- Ministry of Manpower and Transmigration (Departemen Tenaga Kerja dan Transmigrasi): working environment, occupational health.

- Ministry of Forestry (Departemen Kehutanan): forestry.

- Ministry of Maritime and Fisheries (Departemen Kelautan dan Perikanan): coral reefs safety.

- Nuclear Energy Supervisory Agency (Badan Pengawas Tenaga Nuklir): use and supervision of nuclear energy.

In addition, interministerial and interagency teams have been formed to address diverse aspects of the environment.

A private entity, State Enterprise for Oil and Gas Mining or PERTAMINA, was previously entrusted with the exploration and exploitation of oil and natural gas. With the promulgation of Government Regulation No. 31 of 2003 regarding the change of status of PERTAMINA to become a state-owned limited-liability company, PERTAMINA no longer has authority to issue regulations. The Regulatory Body for Downstream Oil and Gas (Badan Pengatur Hilir Migas or BPH Migas) and Implementation Body for Upstream Oil and Gas (Badan Pelaksana Hulu Migas or BP Migas) have been established to provide and monitor upstream and downstream activity in the field of oil and gas. BPH Migas was established on Dec. 30, 2002, and BP Migas was established on Jul. 16, 2002.

Law No. 22 of 2001 Regarding Oil and Gas also includes some provisions regarding environmental, health and safety matters by stipulating:

- Policies on oil and gas operations shall be based on, among others, environmental aspects and preservation of the living environment, the national potential and development policies.

- Companies engaged in oil and gas business operations (legal entities and permanent establishments) shall ensure occupational safety and health, management of the living environment and compliance with the prevailing law and regulations in oil and gas business operations;

- Management of the living environment shall be in the form of an obligation to prevent and overcome pollution and restore damages to the living environment, including the obligation to carry out post-exploration and production operations by way of rehabilitation of sites.

- The responsibility for controlling work and executing oil and gas business operations (including the management of the living environment) in compliance with the prevailing law and regulations shall be the authority of the department whose duties and authorities include oil and gas business operations and with other relevant departments.

The major development in the environment sector is the passing of Law No. 32 of 2009 Regarding the Environmental Protection and Management, Oct. 3, 2009 (New Environmental Law). The New Environmental

Law revoked Law No. 23 of 1997 Regarding Environmental Management. Law No. 23 of 1997 was perceived to be ineffective in reducing environmental pollution and damage, which have been increasing. The New Environmental Law sets out provisions for obtaining environmental permits for businesses and/or activities that are obligated to implement environmental impact assessments (Analisis Mengenai Dampak Lingkungan or AMDAL) and/or environmental management efforts (Upaya Pengelolaan Lingkungan or UPL) and environmental monitoring efforts (Upaya Pemantauan Lingkungan or UKL).

Such environmental permits are issued by MOE, governor or regent/mayor pursuant to each of their respective jurisdictions. In addition, an environmental permit is a prerequisite to obtain a business license for the business and/or activity; therefore, if an environmental permit is revoked, then the business license is also revoked. Under the New Environmental Law, AMDAL is required for a business and/or activity that has a significant impact on the environment.

Pursuant to Law No. 32 of 2004 Regarding Regional Autonomy as last amended by Law No. 12 of 2008 Regarding the Second Amendment to Law No. 32 of 2004, each province functions as a responsible and real autonomous region and administrative territory. Therefore, the provincial and local environmental impact management agencies (Badan Pengendalian Dampak Lingkungan Daerah or BAPEDALDA) are expected to take up more of the enforcement tasks in their specific areas, such as adherence to the monitoring requirements of industrial operating licenses, and responding to public reports of environmental damage.

#### **ENFORCEMENT OF SH&E REGULATIONS**

In practice, the multiple sources of environmental legislation have frequently resulted in duplicative and conflicting requirements, which make enforcement difficult. The provincial and local BAPEDAL agencies were expected to take the lead on enforcement within their individual jurisdictions. However, the reality has been that the regional authorities lack the clear mandate, financial support and skills to sufficiently carry out this function.

The formation of BAPEDAL in 1990 as part of the central government improved the enforcement of environmental provisions in several ways. Unlike the sectoral departments (e.g., the Ministry of Industry) which have environmental issues as only one of many concerns, BAPEDAL was charged specifically with managing environmental impact analysis and environmental impact management and with providing technical assistance.

Also, unlike the State Ministry of the Environmental Affairs, which was meant to function as a policy-forming and coordinating body and the provincial governments, who were meant to function only as coordinating bodies, BAPEDAL was specifically created to implement and

## INDONESIAN ADMINISTRATIVE DIVISIONS

### Provinces

Bali  
Bengkulu  
Banten  
Gorontalo  
Jambi  
Jawa Barat  
Jawa Tengah  
Jawa Timur  
Kalimantan Barat  
Kalimantan Selatan  
Kalimantan Tengah  
Kalimantan Timur  
Kepulauan Bangka Belitung  
Kepulauan Riau  
Lampung  
Maluku  
Maluku Utara  
Nusa Tenggara Barat  
Nusa Tenggara Timur  
Riau

Sulawesi Barat  
Sulawesi Selatan  
Sulawesi Tengah  
Sulawesi Tenggara  
Sulawesi Utara  
Sumatera Barat  
Sumatera Selatan  
Sumatera Utara

### Special Autonomy Regions

Nangroe Aceh Darussalam  
Papua  
Papua Barat

### Special Region

DI Yogyakarta

### Special Capital City

DKI Jakarta

develop measures to prevent and mitigate environmental pollution and destruction. However, with the abolishment of BAPEDAL in January 2002, environmental activists question the effectiveness of the Minister of Environment in carrying out the enforcement tasks, although almost all BAPEDAL mandates have been integrated into MOE.

The New Environmental Law names the judiciary as the guardian and supervisor for the proper execution of the law. The New Environmental Law also provides the basis for civil, criminal and strict environmental liability under Indonesian law. Articles 53 and 54 of the New Environmental Law set forth the obligations for every person polluting and/or damaging the environment to conduct remediation and to recover the environmental functions. Furthermore, Article 87 of the New Environmental Law stipulates that each person who damages or pollutes the living environment is liable for payment of compensation or restitution to victims. The New Environmental Law also provides administrative sanctions against an entity to prevent and stop any violation and to take action to repair the damage.

Strict liability in activities using hazardous and toxic materials with significant impact on the environment is established by Article 88, with strict liability resting upon those who cause the damage and/or pollution. Criminal liabilities are addressed in Articles 98 to 115. Intentional acts of damage to or pollution of the environment may be punishable by a maximum of 10 years imprisonment and/or a maximum fine of \$1,080,000 (or a maximum of 15 years imprisonment and a maximum

fine of \$1,620,000 if it causes death or severe injury). Negligent actions may be punishable by a maximum of 3 years imprisonment and/or a fine to a maximum of \$324,000 or a maximum imprisonment of 9 years and a maximum fine of \$972,000 if the negligent action causes death or severe injury.

Intentionally acting against the prevailing laws (e.g., by dumping hazardous or toxic substances, energy and/or other components into the ground, air or surface water, importing, exporting, trading, containing, storing or doing any related dangerous activities while understanding that those acts may cause environmental pollution and/or damage or endanger human health) may be punishable by up to a maximum of 15 years imprisonment and a maximum fine of \$1,620,000. Furthermore, the law introduces new criminal and fine penalties related to genetically engineered products. Under Article 101 of the New Environmental Law, any person releasing and/or circulating genetically engineered products to environmental media in contravention of regulations or an environmental license (as referred to in Article 69 of the New Environmental Law) is subject to a maximum 3 years imprisonment and a fine of up to \$324,000.

Article 5 of Law No. 1 of 1970 Regarding Work Safety delegates the control of legislation related to work safety to the Department of Manpower and Transmigration. The Minister of Manpower and Transmigration appoints safety inspectors as technical officers of the Department of Manpower and Transmigration. In addition, the Minister of Manpower and Transmigration appoints qualified people from outside the Department of Manpower and Transmigration to supervise health and safety compliance. These appointees are called safety experts. Despite the existence of these enforcement officers and Indonesia's fairly well-developed body of safety and health legislation, it appears that the enforcement of occupational safety and health is not a governmental priority, at present.

### ENFORCEMENT PRACTICES

The New Environmental Law specifically allows an individual or a group of legal standing to sue for environmental damages. In 1989, the Indonesian Forum for the Environment (WALHI), as a representative of the public interest, was granted standing to sue five national government agencies and the pulp and paper industry in the Jakarta District Court for environmental pollution, damages and noncompliance with environmental laws. Although the court rejected the substantive issues of the suit, the case has set a strong precedent for similar legal suits against polluters and has raised public awareness of legal protections against environmental pollution.

Another case occurred in 2001, when the Counsel of

## **Specific laws and regulations related to contaminated land do not exist in Indonesia.**

Judges at the South Jakarta District Court ruled against PT Freeport Indonesia (PTFI), based on WALHI's lawsuit, and decided in its verdict that PTFI was guilty of disseminating misleading information regarding an accident involving toxic overflows at their Wanagon Lake mining location in Irian Jaya. This incident allegedly claimed four lives on May 4, 2000.

In 2007, a lawsuit was filed by WALHI, which was represented by the Advocacy Team for Humanitarian Victims of the Sidoarjo Mudflow (TAKLUSI), against PT Lapindo Brantas Incorporated, Kalila Energy Limited, Pan Asia Enterprise, PT Medco Energi, Tbk, Santos Australia Ltd, and Government of the Republic of Indonesia (the president, Minister for Energy and

Mineral, Executive Agency for Upstream Oil and Gas Activity, Minister of Environment), the Governor of East Java Province and the Regent of Sidoarjo Regency. The suit, filed in the South Jakarta District Court, alleged liability for environmental destruction, including damaging the ecological function in the region affected by the mudflow since

the mudflow was of such magnitude that it altered the landscape and also allegedly damaged river flow and local ecosystem functions.

On March 28, 2007, WALHI filed another lawsuit against PT Newmont Minahasa and the Government of the Republic of Indonesia (the Minister for Mineral Resources of the Republic of Indonesia) for damaging the environment at Buyat Bay. WALHI filed a legal-standing suit following the report of the Buyat Pante village residents about environmental damage and community unrest in August 2004.

PT Newmont Minahasa was operating without a permit from MOE for waste disposal into the sea and for processing of waste (Bahan Beracun Berbahaya). The disposal of tailings caused damage to the marine ecosystem, including turbidity in the eutrophic zone, a decline in the quantity and quality of coral reefs in Buyat Bay, bioaccumulation of sediments in marine biota in the eutrophic zone, a decline in phytoplankton and zooplankton levels due to a high arsenic content in sediments in Buyat Bay and more than 100 fish deaths recorded either around the tailings disposal pipe in Buyat Bay or washed ashore. The Buyat Bay Case also alleges a decline in the health of Buyat Bay residents and infection by a range of diseases due to consumption of drinking water and fish contaminated by heavy metals (arsenic and manganese).

Although Indonesia has environmental inspectors, they are not highly trained and specialized. For example, although MOE (since taking over BAPEDAL tasks) has regulatory involvement in controlling hazardous waste management, the agency does not have enough inspectors with sufficient training to control compliance with

license requirements. Similarly, the inspection officers of Department of Industry are also assigned to tasks other than environmental compliance.

Because Indonesia lacks a defined enforcement system, police are usually involved in enforcement actions. Thus far, cases of environmental enforcement actions are rare, however, attention to environmental quality and enforcement has increased. The New Environmental Law provides the legal basis for the establishment of dedicated environmental inspectors at the national, provincial and local levels of government.

In the area of occupational health and safety, enforcement is somewhat greater, as a result of the institutionalization of health and safety inspectors. The law has assigned special inspectors or civil enforcement officers called Labor Inspection Officers (Pegawai Pengawas Ketenagakerjaan) of the Directorate of Industrial Relation Management and Manpower Supervision (Pembinaan Hubungan Industrial dan Pengawasan Ketenagakerjaan) of the Department of Manpower and Transmigration in Jakarta. At the provincial level, the officer from the provincial office of the Department of Manpower and Transmigration performs the inspection, and at the district level, district officers perform inspections.

For all of Indonesia, approximately 2,100 inspectors at the district and provincial levels oversee 200,000 regulated companies. According to the Department of Manpower and Transmigration, the number of inspectors is insufficient to effectively oversee the regulated community. If an inspector notes a violation, the district office will issue a warning letter; if the violation is not corrected, the case may be prosecuted, although, to date, prosecution has rarely occurred.

### **INFORMATION ACCESS**

A variety of provisions in Indonesian environmental law allow for public access to information. Article 62 of the New Environmental Law stipulates that the national and regional governments must develop an environmental information system to support the implementation and development of policies on environmental protection and management. This environmental information system must be formulated in an integrated and coordinated manner and be published for the public.

Law No. 26 of 2007 Regarding Spatial Planning states that proper spatial planning is based on openness, unity, justice and legal protection. Provisions in this law recognize the public's right to information about and participation in spatial planning, as well as the government's responsibility to disseminate information regarding plans. Government Regulation No. 27 of 1999 Regarding Environmental Impact Analysis EIA and Head of BAPEDAL Decree No. 8 of 2000 Concerning Public Access to Information and Participation in the EIA Process have provisions for access to information and community involvement.

Government Regulation No. 27 of 1999 established

that public involvement entails an obligation of government agencies to inform the public of planned activities, public access to EIA documents and possible involvement of the public and interest groups in the process of drafting and evaluating EIAs and in managing and monitoring environmental factors. These rights are even more strongly established in an older law, the Nuisance Ordinance of 1926. The Nuisance Ordinance of 1926 obligates the municipal or district authorities to inform the owners, people living or otherwise using premises in neighborhoods surrounding any proposed development. In addition, pursuant to Article 5 of the Nuisance Ordinance of 1926, the responsible authority must make all application letters and enclosures at their office available to any person who is interested.

Although some indirect references are found in the New Environmental Law regarding access to facility records, no specific regulations exist regarding public access to these facility records. In practice, it would be difficult for the public to obtain free access to a facility's records. The enactment of the Transparencies of Public Information Law is expected to help in accessing environmental information.

### **CONTAMINATED LAND Applicable Regulations**

Specific laws and regulations related to contaminated land do not exist in Indonesia. Related legislation includes Government Regulation No. 82 of 2001 Regarding Water Quality Management and Water Pollution Control and Government Regulation No. 18 of 1999, as amended by Government Regulation No. 85 of 1999 Regarding Hazardous and Toxic Material Waste Management. Government Regulation No. 82 of 2001 includes the obligation of the central government and the regional government (provincial, regency and/or city) pursuant to its respective jurisdictions, to eradicate water contamination and improve the recovery of water quality.

Administrative sanctions may be imposed by the MOE/regent/mayor on the manager of the business and/or activity causing the pollution or who is in violation of the requirements as set forth under Government Regulation No. 82 of 2001. Government Regulation No. 18 of 1999 includes provisions that obligate the producer, collector, user, transporter, storer and processor of waste to remediate the contaminated area or environmental damage caused as a result of their activity (Article 60). If the responsible party is unable to perform the remedial activity, or if what they have done is improper, BAPEDALDA or MOE may perform the remediation or oversee a third-party contractor at the cost of the responsible party (the violator).

### **LIABILITY FOR PREEXISTING CONTAMINATION**

Articles 53 and 54 of the New Environmental Law set forth the obligations for any person polluting and/or

damaging the environment to conduct mitigation and restoration. Article 87 of this Law provides that every party in charge of a business and/or activity committing a violation in the form of environmental pollution and/or destruction which inflicts a loss to another party or the environment is obligated to pay compensation and/or to take certain actions. Further, Article 88 requires that any person whose action, business and/or activity includes the use of hazardous and toxic materials, manages hazardous and toxic (B3) waste and/or poses a serious threat to the environment will be held strictly liable for the resulting loss without any requirement to prove fault.

### **CLEANUP STANDARDS**

To date, no laws or regulations specifically set forth cleanup standards. However, Article 54(2) of the New Environmental Law sets forth the phases to restore environmental functions by way of 1) discontinuation of the source of pollution and cleaning of pollutants, 2) remediation, 3) rehabilitation, 4) restoration and 5) other measures in accordance with scientific and technological developments. The implementing regulations of the New Environmental Law will provide further provisions regarding cleanup standards.

### **PROPERTY TRANSFER LEGISLATION**

For persons or companies engaged in the purchase or sale of a business or property, no statutory or policy requirement exists to undertake pretransaction environmental investigations. Such investigations are not common but by contract are often required in transactions involving foreign parties. There is also no legislation or policy that requires sellers of businesses or property to provide the potential buyer with any document or statement concerning the environmental condition of the property.

By law, sellers are obliged to guarantee that no hidden defects exist on the property and all risks are passed on to the buyer upon the transfer of title to the property. As such, it is not unusual for the parties involved in a property or business transaction to seek, by way of contract negotiations, warranties and indemnities and to receive environmental disclosures in respect of the same.

### **REPORTING OBLIGATIONS**

Under Article 70 of the New Environmental Law, public participation related to environmental protection and management may take the form of social monitoring, opinions/recommendations/ complaints and conveyance of information and/or reporting.

### **ACCIDENTAL SPILLS & RELEASES**

Under Government Regulation No. 18 of 1999, as amended by Government Regulation No. 85 of 1999 on

*For all of Indonesia, approximately 2,100 inspectors at the district and provincial levels oversee 200,000 regulated companies.*

the Management of Waste of Hazardous and Toxic Materials, Government Regulation No. 41 of 1999 on the Control of Air Pollution and Government Regulation No. 82 of 2001 on the Management of Water Quality and Water Pollution Control, accidents that either pollute or may pollute the environment must be reported to the competent agency (the Regional National Environmental Impact Management Agency or BAPEDALDA) in the region and/or to the governor or the agency appointed by the governor of the region, the nearest village head/head of subdistrict, district head and local police officers.

In the event of an accidental spill or release of hazardous or toxic materials, the responsible party must immediately take actions to contain the spillage or release, restore the damaged environment and notify the nearest local governmental agency, either orally or in writing. The local governmental agency must forward the report to the competent authorities within at least three working days after receipt of the notification. Notification of accidental

spills or releases of other materials should be done as soon as possible.

However, the regulations have not established quantitative thresholds below which there are no requirements to notify the authorities.

Any concerned person or party is also entitled to report to the competent authority any damage or potential damage to the environment due to any activity, accidental spill or and release of hazardous and/or toxic or other materials.

***No reporting obligation exists for soil or groundwater contamination identified during the course of a sampling program that is independent of an accident or spill incident.***

#### **CONTAMINATION IDENTIFIED DURING SAMPLING**

Generally, no reporting obligation exists for soil or groundwater contamination identified during the course of a sampling program that is independent of an accident or spill incident. The governor of the region or the agency appointed by the governor is responsible for the supervision and monitoring of business activities within his/her region.

For this purpose, the responsible officials may enter the premises and take soil or water samples for analysis. If the sample indicates that the water quality is below the required standard or the soil is contaminated, the responsible person must immediately take the necessary actions to rectify the situation. The same procedure applies when sampling is undertaken in response to a reported accident. ☺

#### **LIST OF KEY CENTRAL GOVERNMENT AGENCIES & CONTACTS**

##### **Office of the State Minister for Environmental Affairs (LH)**

Prof. Gusti Muhammad Hatta (Minister)  
Jl. D.I. Pandjaitan Gedung B, 2nd Fl., Kav.24

Jakarta 13410  
[62- 21] 858 0102, 859 04926  
Fax: [62- 21] 851 7184, 859 04926

##### **Department of Industry**

Ir. Muhammad S. Hidayat (Minister)  
Jl. Jend. Gatot Subroto Kav. 52-53  
Jakarta Selatan 12950  
[62-21] 525 2194, 527 1380, 5271387-88  
Fax: [62- 21] 526 1086

##### **Department of Trade**

Dr. Marrie Elka Pangestu (Minister)  
Jl. M.I. Ridwan rais No. 5 Jakarta Pusat 10110  
[62-21] 3841961

##### **National Development Planning Board (BAPPENAS)**

Prof. Dr. Armida S. Alisjahbana  
Jl. Taman Suropati No. 2  
Jakarta 10310  
[62-21] 390 5650

##### **The Department of Health (DEPKES)**

Dr. Endang Rahayu Sedyaningsih (Minister)  
Jl. H.R. Rasuna Said Blok X-5  
Kav. No. 4-9, Blok A, 2nd Floor, Kuningan  
[62-21] 520 1587, 520 1591, 520 1590  
Fax: [62-21] 520 1591

##### **The Department of Manpower and Transmigration (DEPNAKERTRANS)**

Dr. H.A. Muhaimin Iskandar, Msi (Minister)  
Jl. Jenderal Gatot Subroto Kav. 51  
Jakarta Selatan  
[62-21] 525 5683, 525 5688  
Fax: [62-21] 525 6559

##### **The Department of Energy and Mineral Resources**

Dr. Darwin Zahedi Saleh (Minister)  
Jl. Medan Merdeka Selatan No. 18  
Jakarta Pusat  
[62-21] 381 3232, 384 6596  
Fax: [62-21] 384 7461

#### **REGULATORY INFORMATION**

Pusat Informasi Lingkungan Hidup  
(Center for Environmental Information)  
Jl. Tumenggung Wiradireja No. 216 RT. 03/06  
Cimahpar, Bogor 16155

##### **National Information and Telecommunication Body (Badan Informasi dan Telekomunikasi Nasional-BIKN)**

Jl. Merdeka Barat 9  
Jakarta Pusat 10110  
[62-21] 385 9625, 384 1972, ext. 131  
Fax: [62-21] 344 0051  
[adjudikasi@bikn.every1.net](mailto:adjudikasi@bikn.every1.net)

**Center for Occupational Health Research (HIPERKES)—Dept. of Manpower**  
Jl. Jend. A.Yani 69-70

Jakarta Pusat  
[62-21] 424 0284

**Balai HIPERKRES and Work Safety, Bandung**

Jl. Golf No. 34,  
Ujung Berung, Bandung 40294  
Tel. & Fax: [022] 780 0995

**Balai HIPERKRES and Work Safety, Surabaya**

Jl. Dukuh Mananggal No. 122  
Surabaya 60234  
[031] 828 0440  
Fax: [031] 829 4277

**Balai HIPERKRES and Work Safety, Medan**

Jl. Medan Belawan KM. 11, 5 No. 64  
Medan 20244  
[061] 685 0262  
Fax: [061] 685 7322

**Balai HIPERKRES and Work Safety, Samarinda**

Jl. Santosa No. 9  
Samarinda 75117  
[054] 732941

**Balai HIPERKRES and Work Safety, Makassar**

Jl. Ujung Pandang Baru No. 59  
Makassar 90214  
Tel. & Fax: [0411] 452 390

**Indonesian Center for Environmental Law (ICEL)**

Jl. Dempo II No. 21, Kebayoran Baru  
Jakarta 12120  
[62-21] 726 2740, 723 3390

**Indonesian Society of Environmental Professionals  
(IPLHI)**

Secretariat  
Jl. Bekasi Timur Raya No. 146, Cipinang  
Jakarta 13410  
[62-21] 819 8010  
Fax: [62-21] 850 5050  
[iplhi@cbn.net.id](mailto:iplhi@cbn.net.id)

**Jl. Martimbang II/B**

Kebayoran Baru  
Jakarta Selatan 12120  
[62-21] 726 2654

**PDH (Pusat Dokumentasi Hukum, Center  
for Law Documentation)**

Law Faculty University of Indonesia  
Jl. Cirebon No. 5  
Jakarta Pusat  
Tel: [62-21] 335 432  
Fax: [62-21] 315 7334

**Law Faculty University of Indonesia**

Gedung F, Lantai 1  
Depok, Indonesia  
[62-21] 788 81487  
Email: [pri@makara.cso.ui.ac.id](mailto:pri@makara.cso.ui.ac.id)

**Gedung Unit Pelayanan Teknis (UPT)**

University of Indonesia  
University of Indonesia Campus, Depok

**OTHER CONTACTS**

**Embassy of Indonesia**

2020 Massachusetts Ave. NW  
Washington, DC 20036  
(202) 775-5200  
Fax: (202) 775-5365

**U.S. Department of State**

Overseas Travel Advisories  
(202) 6475225

**Indonesia Desk**

(202) 647-1221

**Visa Information**

(202) 663-1225

**U.S. Department of Commerce**

Desk Officer for Indonesia & ASEAN  
Market Access and Compliance  
U.S. Department of Commerce  
Room 2325  
14th and Constitution Ave. NW  
Washington, DC 20230  
(202) 482-3894

**American Indonesian Chamber of Commerce**

317 Madison Ave., Ste. 520  
New York, NY 10017  
(212) 6874505  
Fax: (212) 6875844

**The Embassy of the United States**

Merdeka Selatan 4-5, Box 1  
Jakarta 10110, Indonesia (APO AP 96520)  
Tel: [62-21] 3435-9000  
Fax: [62-21] 3435-9922  
Telex: 44218 AMEMB JKT

**American Chamber of Commerce in Indonesia**

World Trade Center, 11th Fl.  
Jl. Jendral Sudirman, Kav. 29-31  
Jakarta 12084, Indonesia  
[62-21] 5262860  
Fax: [62-21] 5712861  
Telex: 62822 LMARK IA