

LAW OF THE REPUBLIC OF INDONESIA
NUMBER 1 OF 2014
ON
AMENDMENT TO LAW NUMBER 27 OF 2007 ON
MANAGEMENT OF COASTAL ZONE AND SMALL ISLANDS
BY THE BLESSINGS OF ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that coastal zone and small islands are controlled by the State and are exploited for the greatest benefit of the people as mandated by the 1945 Constitution of the Republic of Indonesia;
 - b. that Law Number 27 of 2007 on Management of Coastal Zone and Small Islands has not yet provided adequately State's jurisdiction and responsibility for the management of Coastal Waters and small islands, therefore, several articles need to be brought into perfection in line with development and legal needs of the community;
 - c. that based on the considerations as referred to in point a and point b, it is necessary to establish a Law on Amendment to Law Number 27 of 2007 on Management of Coastal Zone and Small Islands;

Observing : Article 5 section (1), Article 18B section (2), Article 25A, and Article 33 section (3) and section (4) of the 1945 Constitution of the Republic of Indonesia;

With the Joint Approval of
THE HOUSE OF REPRESENTATIVES
and
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

HAS DECIDED:

To enact : LAW ON AMENDMENT TO LAW NUMBER 27 OF 2007 ON
MANAGEMENT OF COASTAL ZONE AND SMALL ISLANDS.

Article I

Several provisions of Law Number 27 of 2007 on Management of Coastal Zone and Small Islands (State Gazette of the Republic of Indonesia of 2007 Number 84, Supplement to the State Gazette Number 4739) are amended, as follows:

1. The provisions of Article 1, point 17, point 18, point 19, point 23, point 26, point 28, point 29, point 30, point 31, point 32, point 33, point 38 and point 44 are amended, and 1 (one) point, namely, point 18A is inserted between point 18 and point 19, as well as 1(one) point, namely, point 27A is inserted between point 27 and point 28, Article 1 reads as follows:

Article 1

In this Law:

1. Management of Coastal Zone and Small Islands means a coordination of planning, exploitation, surveillance, and control of Coastal and Small Island Resources among sectors, between the Government and Local Government, between the land and sea ecosystems, as well as between science and management, to promote people's welfare.
2. Coastal Zone means the transitional area between land and sea Ecosystem influenced by the changes at the land and sea.
3. Small Island means an island with an area of less or equal to 2,000 km² (two thousand square kilometers) along with its unit of Ecosystem.

4. Coastal and Small Island Resources mean living resources; non-living resources; artificial resources, and environmental services; living resources consist of fish, coral reef, sea grass beds, mangroves and other marine biota; non-living resources consists of sand, sea water and seabed minerals; artificial resources consist of sea infrastructures related to maritime affairs and fisheries; and environmental services in the form of natural scenery, the seabed surface as the place of underwater installations related to marine and fisheries as well as sea waves energy found in Coastal Zone.
5. Ecosystem means a community unit of plants, animals, organisms and other non-organism as well as the process linking them to form balance, stability and productivity.
6. Biocoregion means a landscape found in an expanse of ecological unity determined by natural borders, such as river basin area, bay, and currents.
7. Coastal Waters mean sea bordering on land covering waters as far as 12 (twelve) nautical miles measured from the coastline, waters linking coasts and islands, estuary, bay, shallow waters, salt marshes, and lagoon.
8. Area means part of the Coastal Zone and Small Islands which has particular functions determined on the criteria of its physical, biological, social and economic characteristics to maintain its existence.
9. Public Utilization Area means part of the Coastal Zone in which appropriation is determined for various sectoral activities.
10. Particular National Strategic Area means Area related to State sovereignty, environmental control, and/or world heritage sites, in which development is prioritized for national interests.
11. Zone means space in which utilization is jointly agreed between various stakeholders and whose legal status has been determined.
12. Zoning means a form of technical engineering to use space by determining functional borders according to

potential resources and carrying capacity as well as ecological processes as a unit of coastal Ecosystem.

13. Strategic Plan means a plan containing the direction of cross-sectoral policies for a Development planning Area by determining broad purposes, targets and strategies, as well as implementing targets with proper indicators to monitor national plans.
14. Zoning Plan means a plan determining direction in use of resources from each unit of plan by determining spatial structure and pattern in planning Area containing permissible and impermissible activities, and activities that may be carried out after obtaining permit.
15. Management Plan means a plan containing framework of policies, procedures, and responsibilities to coordinate decision making among various government institutions/agencies on the agreement to use resources or development activities in the determined zone.
16. Action Plan means a follow up to a management plan for Coastal and Small Island Resources which contain purposes, targets, budget, and timeline for one or several years ahead in a coordinated way to carry out various activities needed by Government institutions, Local Governments, and other stakeholders to achieve the results of the management of coastal and small islands resources in each planning Area.
17. Detailed Zoning Plan means a detailed plan in 1 (one) Zone based on managerial directives in the Zoning Plan by observing the carrying capacity of the environment and applied technology as well as the availability of facilities which in turn indicate types and number of licenses issued by the Government and Local Government.
18. Location License means a license issued for the exploitation of space of part of the Coastal Waters which include the sea level, water column down to the sea-bed within certain width and/or to utilize part of small islands.

- 18A. Management License means a license issued for exploitation activity of coastal and small island waters resources.
19. Conservation of Coastal Zone and Small Islands means efforts on the protection, preservation and utilization of Coastal Zone and Small Island including their ecosystems to guarantee the existence, supply and sustainability of Coastal and Small Islands Resources, through the preservation and improvement of its quality and diversity.
20. Conservation Area in Coastal Zone and Small Islands means the coastal zone and small islands with particular characteristics which is protected to realization of sustainable management of the Coastal Zone and Small Islands.
21. Coastal Setback means land area along the coast with a width proportional to the shape and physical condition of the coast, at a minimum of 100 (one hundred) meters from the highest tide level toward the land area.
22. Rehabilitation of Coastal and Small Islands Resources means restoration and improvement of the ecosystem or population condition which has been degraded even though the result is different from the original condition.
23. Reclamation means an activity carried out by a Person for the purpose to improve the use of the terrain viewed from the environment and socio-economic aspects, by piling, draining or drainage.
24. Carrying Capacity of Coastal Zone and Small Islands means the capacity of Coastal Zone and Small Islands to support human habitation and other living organism.
25. Disaster Mitigation means an effort to reduce risk disaster, structurally as well as physically through the natural-physical and/or artificial development, also non-structurally or non-physically by increasing the capacity to deal with disaster threat in the Coastal Zone and Small Islands.
26. Coastal Disaster means natural or Person-induced incidence which triggers a change of coastal physics

and/or living characteristics and resulted in the loss of life, property, and/or damage to the Coastal Areas and Small Islands.

27. Massive Effect means the incidence effecting negative changes in the function of the environment at large scale and long intensity that is triggered by a business undertaking and/or activity in the Coastal Zone and Small Islands.
- 27A. Important Effect and Wide Coverage with Strategic Value mean the change which has an impact on the biophysical condition such as climate change, ecosystem change, and community's socio-economic impacts to the life of the present and future generation.
28. Coastal Pollution means the introduction of living organism, substance, energy, and/or other components to the coastal environment, induced by Person's activity resulting in the reduction of coastal environment quality to a certain level, and causing the coastal environment not to function in accordance with its allocation.
29. Accreditation means a recognition procedure for an activity which has consistently meets the required standard for system of Management of Coastal Zone and Small Islands that includes appraisal, valuation, and incentive for management programs carried out voluntarily by the public.
30. Primary Stakeholders mean users of Coastal and Small Islands Resources who have a direct interest in the optimum utilization of the Coastal and Small Island Resources, such as traditional fishermen, modern fishermen, fish farmer, tourism industry, fishing industry, and Coastal Communities.
31. Public Empowerment means an effort to provide facilities, endorsement or assistance to the coastal Community and traditional fishermen to enable them to make the best option in the sustainable exploitation of Coastal Zone and Small Islands Resources.

32. Public means people consisting of Indigenous People, Local Community and Traditional Community living in the Coastal Zone and Small Islands.
33. Indigenous People means a group of people which for generations have live in particular geographic area of the Republic of Indonesia because they are bound by root ancestors, and has a strong bond with the land, the territory, natural resources, having indigenous governance institutions, and indigenous legal system within their indigenous (adat) territory, in accordance with legislation.
34. Local Community means a group of people which practice daily living based on customs which have been accepted as public values, however, not depending entirely on particular Coastal and Small Island Resources.
35. Traditional Community means traditional fishery community whose traditional rights in fishing activities or any legitimate rights are still recognized in particular areas within the archipelagic waters in accordance with international law of the sea.
36. Local Wisdom means high values that are still valid in the community living system.
37. Class Action means a claim in the form of a right of small group member of the community to bring a claim of a large amount on behalf of the public based on similar issues, legal facts, and compensation claim.
38. Person means an individual and/or a corporate/legal entity.
39. House of Representatives, hereinafter referred to as DPR, means the House of Representatives as referred to in the 1945 Constitution of the Republic of Indonesia.
40. Central Government, hereinafter referred to as the Government, means the President of the Republic of Indonesia having the power to carry out the government of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.

41. Local Government means governors, regents or mayors, and local officials being elements of the local government administration.
 42. Local Governance means the exercise of government by the Local Government and the Regional House of Representatives, in accordance with the principles of autonomy and auxiliary, with extensive principles of autonomy in a system and principles of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
 43. Marine Partnership means a network of stakeholders in the Management of Coastal Areas and Small Islands, in the empowerment of the capacity of human resources, institutions, education, extension, partnership, training, applied research, and the development of recommended policies.
 44. Minister means the Minister who is responsible for marine affairs and fisheries.
2. The provisions of Article 14 section (1) and section (7) are amended, Article 14 reads as follows:

Article 14

- (1) Proposal for the formulation of RSWP-3-K, RZWP-3-K, RPWP-3-K, and RAPWP-3-K is carried out by the Local Government, the Public and the industry.
- (2) Mechanism for the formulation of the provincial, regency/municipal governments RSWP-3-K, RZWP-3-K, RPWP-3-K, and RAPWP-3-K is carried out by including Public.
- (3) The Local Government has the obligation to disseminate the drafts for RSWP-3-K, RZWP-3-K, RPWP-3-K, and RAPWP-3-K to get feed-back, comments and suggestions for revision.
- (4) The regent/mayor brings the final draft plan for the Management of Coastal Zone and Small Islands of the regency/municipality to the knowledge of the governor and the Minister.

- (5) The Governor submits the final draft of the plan for the Management of Coastal Zone and Small Islands of the province to the Minister and regents/mayors of the provincial areas in question.
 - (6) The Governor or Minister gives a comment and/or suggestion to the final draft plan for the Management of Coastal Zone and Small Islands within 30 (thirty) work days.
 - (7) In the event that such comment and/or suggestions as referred to in section (6) is not given, the final draft plan for the Management of Coastal Zone and Small Islands will definitely enter into force.
3. The title of Part One of Chapter V is amended to read as follows:

Part One
License

4. The provisions of Article 16 are amended to read as follows:

Article 16

- (1) Every Person who exploits a space from part of the Coastal Waters and exploits part of the Small Islands permanently is obligated to have a Location License.
- (2) The Location License as referred to in section (1) forms a basis for the issuance of the Management License.

5. The provisions of Article 17 are amended to read as follows:

Article 17

- (1) The Location License as referred to in Article 16 section (1) is issued based on the zoning plan of the coastal zone and small islands.

- (2) The issuance of the Location License as referred to in section (1) takes into consideration the sustainability of the coastal and small islands Ecosystems, the Public, traditional fishermen, national interests, and right of innocent passage for foreign vessels.
 - (3) The Location License as referred to in section (1) is issued for certain extent and period.
 - (4) The Location License cannot be issued for a core zone within the conservation area, sea lanes, port area, and public beaches.
6. The provisions of Article 18 are amended to read as follows:

Article 18

In the event that the owner of a Location License as referred to in Article 16 section (1) does not put his/her activity into realization within a maximum period of 2 (two) years after the license is issued, he/she is imposed by an administrative sanction in the form of the revocation of the Location License.

7. The provisions of Article 19 are amended to read as follows:

Article 19

- (1) Every Person who exploits coastal and small island waters resources for the following activities :
 - a. salt production;
 - b. marine biopharmacology;
 - c. marine biotechnology;
 - d. exploitation of non-energy sea water ;
 - e. marine tourism;
 - f. the laying of submarine cables and pipelines; and/or
 - g. lifting of sunken ship's cargo,is obligated to has a Management License.
- (2) The Management License for other than activities as referred to in section (1) is issued in accordance with legislation.

(3) In the event that there is unregulated exploitation of coastal and small island waters resources based on the provisions as referred to in section (1) and section (2), it is regulated by a Government Regulation.

8. The provisions of Article 20 are amended to read as follows:

Article 20

(1) The Government and Local Government is obligated to facilitate the issuance of a Location License and a Management License for Local and Traditional Communities.

(2) The licenses as referred to in section (1) are issued to Local and Traditional Communities, who exploit the space and coastal and small island waters resources, for the fulfillment of their daily needs.

9. The provisions of Article 21 are amended to read as follows:

Article 21

(1) The exploitation of the space and resources of the coastal and small island waters within the area of Indigenous People by Indigenous People is within the jurisdiction of the local Indigenous People.

(2) The exploitation of the space and resources of the coastal and small island waters as referred to in section (1) is carried out, by taking into account the national interests and is in accordance with legislation.

10. The provisions of Article 22 are amended to read as follows:

Article 22

(1) The obligation to have a license as referred to in Articles 16 section (1) and Article 19 section (1) is exempted for Indigenous People.

(2) The Indigenous People's recognition as referred to in section (1) is in accordance with legislation.

11. Between Articles 22 and Article 23, 3 (three) articles, namely Article 22A, Article 22B and Article 22C are inserted to read as follows:

Article 22A

The Location License as referred to in Article 16 section (1) and Management License as referred to in Article 19 section (1) is issued to:

- a. a person of Indonesian citizenship;
- b. a corporation established under Indonesian law; or
- c. a cooperative established by the Public.

Article 22B

A person of Indonesian citizenship, or a corporation established under Indonesian Law, and a cooperative established by the Public, who apply for a Management License must meet the technical, administrative and operational requirements.

Article 22C

Further provisions regarding the requirements, method of issuance, revocation, period, area of coverage and termination of Location License and Management License are regulated by a Government Regulation.

12. The provisions of Article 23 are amended to read as follows:

Article 23

- (1) The exploitation of small islands and waters surrounding them is carried out based on an ecological and economical unity in comprehensive and integrated ways with the nearby large island.
- (2) The exploitation of small islands and waters surrounding

them takes priority for the following interests.

- a. conservation;
 - b. education and training;
 - c. research and development;
 - d. mariculture;
 - e. tourism;
 - f. sustainable marine and fishery business and fishing industry;
 - g. organic agriculture;
 - h. animal husbandry; and/or
 - i. State's defense and security
- (3) Except for the purposes of conservation, education and training, as well as research and development, the exploitation of small islands and waters surrounding them is required to:
- a. fulfill the requirements for the management of the environment;
 - b. take into account the capacity of the local water management system; and
 - c. apply environment friendly technology.

13. Between Article 26 and Article 27, 1 (one) article, namely Article 26A is inserted to read as follows:

Article 26A

- (1) The utilization of small islands and the waters surrounding them within the framework of foreign investment must obtain license from the Minister.
- (2) The foreign investment as referred to in section (1) must put national interests in priority.
- (3) The license as referred to in section (1) is issued based on the recommendation from the regent/mayor.
- (4) The license as referred to in section (1) must meet the following requirements:
 - a. a legal entity in the form of a limited corporation;
 - b. a guarantee on public access;
 - c. an unpopulated area;

- d. an unexploited area by the Local Community;
 - e. cooperation with an Indonesian participant;
 - f. a gradual transfer of stocks/shares to an Indonesian participant;
 - g. a transfer of technology; and
 - h. considerations about ecological, social and economic aspects for the coverage of the area.
- (5) The further provisions regarding the transfer of stocks/shares and coverage of the area as referred to in section (4) point f and point h are regulated with a Presidential Regulation.

14. The provisions of Article 30 are amended to read as follows:

Article 30

- (1) The change of designation and function of a core zone within the conservation area into exploitation is decided by the Minister based on an integrated research.
- (2) The Minister establishes a Team to carry out an integrated research as referred to in section (1), consists of elements of relevant ministries and institutions, prominent public figure, academicians, and fishery and marine practitioners.
- (3) The change of designation and function of a core zone as referred to in section (1), which has an Important Effect and Wide Coverage, and has a Strategic Value, is determined by the Minister with the joint approval of DPR.
- (4) The procedure for the change of designation and function of a core zone as referred to in section (1), section (2) and section (3) is regulated by a Ministerial Regulation.

15. The provisions of Article 50 are amended to read as follows:

Article 50

- (1) The Minister has the authority to issue and revoke the Location License as referred to in Article 16 section (1), and the Management License as referred to in Article 19 section (1) in Coastal and small island waters within the cross borders provincial area, National Strategic Area, Particular National Strategic Area and National Conservation Area.
 - (2) The Governor has the authority to issue and revoke the Location License as referred to in Article 16 section (1) and the Management License as referred to in Article 19 section (1) in the Coastal and small island Waters under his/her jurisdiction.
 - (3) The regent/mayor has the authority to issue and revoke the Location License as referred to in Article 16 section (1) and the Management License as referred to in Article 19 section (1) in the Coastal and small island Waters under his/her jurisdiction.
16. The provisions of Article 51 are amended to read as follows:

Article 51

- (1) The Minister has the authority to:
 - a. issue and revoke a license for the exploitation of small islands and waters surrounding them, which has an Important Effect and Wide Coverage and has a Strategic Value toward the change to the environment; and
 - b. determine the change of status of a core zone within the National Conservation Area.
 - (2) The provisions regarding the procedure for the issuance and revocation of license, and the change of status of a core zone as referred to in section (1) are regulated by a Ministerial Regulation.
17. The provisions of Article 60 are amended to read as follows:

Article 60

- (1) In the Management of Coastal Zone and Small Islands, the Public has the rights to:
 - a. obtain access to part of the Coastal Waters that have been granted a Location License and a Management License;
 - b. recommend for the inclusion of traditional fishing area into RZWP-3-K;
 - c. recommend for the inclusion of Indigenous People into the RZWP-3-K;
 - d. carry out the management of Coastal Zone and Small Islands Resources with existing a customs (adat) law in force and not contrary to provisions of legislation;
 - e. obtain benefit from the implementation of the Management of Coastal Zone and Small Islands;
 - f. obtain information with regard to the Management of Coastal Zone and Small Islands;
 - g. submit a report and claim to the authority for the loss he/she suffered related to the implementation of the Management of Coastal Zone and Small Islands;
 - h. state his/her objection to the management plan which has been announced at a particular period of time;
 - i. report to the law enforcer of a suspected pollution, actual pollution, and/or damage to the Coastal Zone and Small Islands which cause loss to his/her life;
 - j. submit a claim to the court of any problems related to the Coastal Zone and Small Islands which cause loss to his/her life;
 - k. obtain compensation; and
 - l. get a legal assistance and legal aid on the problems encountered in the Management of Coastal Zone and Small Islands in accordance with legislation.
- (2) In the Management of Coastal Zone and Small Islands, the Public is obligated to:
 - a. provide information relating to the Management of

Coastal Zone and Small Islands;

- b. guard, protect and maintain the preservation of the Coastal Zone and Small Islands;
 - c. submit report on the existence of danger, pollution, and/or environmental damage within the Coastal Zone and Small Islands;
 - d. monitor the implementation of Management plan for Coastal Zone and Small Islands;
 - e. carry out the agreed program for the Management of Coastal Zone and Small Islands at the village level.
18. The provision of section (2) of Article 63 is amended to read as follows:

Article 63

- (1) The Government and the Local Government are obligated to empower the Public in order to promote their prosperity.
- (2) The Government and the Local Government are obligated to promote the Public's business activity, through capacity building; access to technology and information, capitalization, infrastructure, market guarantee, and other productive economic assets.
- (3) In an effort to empower the Public, the Government and the Local Government materialize, develop, and improve awareness and responsibility in the:
 - a. decision making;
 - b. implementation of management;
 - c. partnership between the Public, the industry and the Government/Local Government;
 - d. development and implementation of national policy in the field of living environment;
 - e. development and implementation of preventive and proactive efforts to prevent the degeneration of the carrying and accommodating capacities of the Coastal Zone and Small Islands;
 - f. utilization and development environment friendly

- technology;
 - g. provisions and dissemination environmental information; and
 - h. reward for person who has given commendable services in the field of the Management of Coastal Zone and Small Islands.
- (4) Provisions regarding the guidelines for the Public Empowerment are regulated by a Ministerial Regulation.

19. The provisions of Article 71 are amended to read as follows:

Article 71

- (1) The exploitation of space from part of the coastal waters and exploitation of part of the small islands which are not in conformity with the Location License issued as referred to in Article 16 section (1), is imposed by administrative sanctions.
- (2) The administrative sanctions as referred to in section (1) are in the form of warning, temporary freezing, and/or revocation of the Location License.
- (3) The exploitation of coastal and small island waters resources which is contrary to the Management License issued as referred to in Article 19 section (1), is imposed by administrative sanctions.
- (4) The administrative sanctions as referred to in section (3), may be in the forms of:
 - a. a written warning;
 - b. temporary termination of the activity;
 - c. closure of location;
 - d. revocation of license;
 - e. cancellation of license; and/or
 - f. administrative fine.
- (5) Further provisions regarding the administrative sanctions as referred to in section (2) and section (4) are regulated in a Government Regulation.

20. The provisions of Article 75 are amended to read as follows:

Article 75

Every Person who exploits a space from part of the Coastal Waters and exploits part of the small islands which do not have a Location License as is referred to in Article 16 section (1), is sentenced with imprisonment for a maximum of 3 (three) years and is fined for a maximum of Rp500,000,000.00 (five hundred million rupiahs).

21. Between Article 75 and Article 76 1 (one) article, namely Article 75A, is inserted to read as follows:

Article 75A

Every Person who exploits the coastal and small island waters which do not have a Management License as referred to in Article 19 section (1), is sentenced with imprisonment for a maximum of 4 (four) years and is fined for a maximum of Rp2,000,000,000.00 (two billion rupiahs).

22. Between Article 78 and Article 79, 2 (two) articles, namely Article 78A and Article 78B are inserted to read, as follows:

Article 78A

The conservation area in the Coastal Zone and Small Islands that has been established by legislation before this Law comes into force is within the Minister's jurisdiction.

Article 78B

At the time this Law comes into force, all existing licenses for the exploitation of the resources of the Coastal and small island Waters remain to be effective and are required to be adjusted with this Law at a maximum period of 3 (three) years.

Article II

This Law comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Law by its placement in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 15 January 2014

PRESIDENT OF THE REPUBLIC OF
INDONESIA,

signed

SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta
on 15 January 2014

MINISTER OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,

signed

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2014 NUMBER 5490

Jakarta, 24 October 2018

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,



WIDODO EKATJAHJANA

ELUCIDATION
OF
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 1 OF 2014
ON
AMENDMENT TO LAW NUMBER 27 OF 2007 ON
MANAGEMENT OF COASTAL ZONE AND SMALL ISLANDS

I. GENERAL

Pancasila and the Preamble of the 1945 Constitution of the Republic of Indonesia put an obligation on the State to protect all Indonesian people and to promote public welfare and to fulfill social justice for the whole Indonesian people. The State's responsibility in protecting the Indonesian people is carried out through the control of natural resources owned by the State, including the Management of the Coastal Zone and Small Islands.

All this time the Management of the Coastal Zone and Small Islands has not prescribe adequate State's jurisdiction and responsibility in the management of coastal and small islands' waters through the mechanism of issuance of Right to Undertake Business Undertakings in the Coastal Waters (HP-3). The HP-3 mechanism has reduced the right of the State to control the Management of the Coastal Zone and Small Islands, therefore, the Constitutional Court through its Judgment Number 3/PUU-VIII/2010 has declared that the provisions on HP-3 as contrary to the 1945 Constitution of the Republic of Indonesia and do not have a legal binding force.

The existence of Law Number 27 of 2007 on Management of Coastal Zone and Small Islands is very strategic in the attainment of the sustainability of coastal zone and small islands' resources, and in the

promotion of the welfare of the Community who resides in the area of coastal zone and small islands. However, in its implementation Law Number 27 of 2007 on Management of Coastal Zone and Small Islands has not produced an optimum result, It is, therefore, within the framework of optimizing the Management of Coastal Zone and Small Islands, it is the State who is responsible for the Management of Coastal Zone and Small Islands, in the form of giving the mandate to other parties (individuals or private) through the mechanism of licensing. The issuance of license to other parties will not reduce the State's jurisdiction to establish policy (*beleid*), to regulate (*regelendaad*), to manage (*beheersdaad*), and to control (*toezichthoudensdaad*). Therefore, the State still has complete power and control the whole Management of Coastal Zone and Small Islands.

The Management of the Coastal Zone and Small Islands is also carried out by still recognizing and respecting the associations of Indigenous (Adat) Law Community and their traditional rights in conformity with the principle of The Unitary State of the Republic of Indonesia (NKRI), and by recognizing and respecting the Local and Traditional Communities who reside in the area of coastal zone and small islands.

Based on the mentioned considerations above, it is necessary to amend Law Number 27 of 2007 on Management of Coastal Zone and Small Islands based on the legal development and legal needs of the Community. In general this Law comprises provisions giving rights to the public to submit proposals for devising the Strategic Plan, Zoning Plan, Management Plan, and Action Plan for the Management of Coastal Zone and Small Islands; for regulating the issuance of Location License and Management License to Any Person and the Indigenous (Adat) Law Community, Local Community, and the Traditional Community who exploit coastal zone and small islands' resources; for regulating the exploitation of small islands and their surrounding waters, and for providing authority to the Minister, governor, and the regent/mayor in the Management of Coastal Zone and Small Islands.

II. ARTICLE BY ARTICLE

Article I

Point 1

Article 1

Sufficiently clear.

Point 2

Article 14

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Inputs, comments, suggestions, and revision from various stakeholders, Government agencies, provincial governments, and city and regency governments within their jurisdictions, are submitted effectively through available means of communication.

Section (4)

Sufficiently clear.

Section (5)

The provincial government is obligated to carry out revisions and published the final document on plan for the Management of the Coastal Zone and Small Islands based on the inputs, comments and suggestion for revisions received from the reviewers.

Section (6)

Sufficiently clear.

Section (7)

In the event that the final document on plan for the Management of the Coastal Zone and Small Islands does not receive any comments and/or suggestions up to the time limit prescribed in this Law, the document is deemed final.

Point 3

Sufficiently clear.

Point 4

Article 16

Sufficiently clear.

Point 5

Article 17

Section (1)

Sufficiently clear.

Section (2)

The term “traditional fishermen” means fishermen using unmotored vessels, as a hereditary activity, having a permanent area for fishing, and as daily subsistence.

Section (3)

Sufficiently clear.

Section (4)

Port area includes area for port facilities and area for working facility;

Public beach is part of the area for public use which has been used by the Public, among others, for religious, social, cultural, recreation, tourism, sport and economic purposes.

Point 6

Article 18

Sufficiently clear.

Point 7

Article 19

Sufficiently clear.

Point 8

Article 20

Section (1)

The term “facilitating”, among others, may be in the forms of conveniences on the conditions and expedient service.

Section (2)

Sufficiently clear.

Point 9

Article 21

Sufficiently clear.

Point 10

Article 22

Sufficiently clear.

Point 11

Article 22A

Sufficiently clear.

Article 22 B

Sufficiently clear.

Article 21

Sufficiently clear.

Point 12

Article 23

Sufficiently clear.

Point 13

Article 26A

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Point a

Sufficiently clear.

Point b

The term “public access” means the access in the form of conveniences, among others:

- a. Public access to use the shoreline in anticipation of a Coastal Disaster;
- b. Public access to the beach for the enjoyment of natural beauty/scenery;
- c. access for fishermen and fish farmers in fisheries activity, including access to obtain drinking or clean water;
- d. traditional navigational access; and
- e. Public access for religious and Indigenous (Adat) activities on the beach.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Indonesian Participants, among others, are the Government, Provincial Government, Regency/Municipal Government, government enterprise, local government enterprise, micro, small, medium enterprise, and cooperatives and national private enterprise.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

The term “ecological aspects” means all aspects which have an effect to the preservation of the environment/ecosystem of the small islands.

The term “social aspects” means all aspects which have effect on the life (socio-cultural system) of the

Community of the small islands.

The term “economic aspects” means all aspects having effect to the business/investment worthiness and the level of welfare of the Community within the small islands.

Section (5)

Sufficiently clear.

Point 14

Article 30

Section (1)

Integrated research is carried out to assure the objectivity and quality of the research outcome.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Point 15

Article 50

Section (1)

The term “National Conservation Area” means the Conservation Area in the Coastal Zone and Small Islands which is managed by the Government.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Point 16

Article 51

Sufficiently clear.

Point 17

Article 60

Section (1)

Point a

Sufficiently clear.

Point b

The term “traditional fishing area” means fishing area for fishing carried out by traditional fishermen.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Point k

Sufficiently clear.

Point l

Sufficiently clear.

Section (2)

Sufficiently clear.

Point 18

Article 63

Sufficiently clear.

Point 19

Article 75

Sufficiently clear.

Point 20

Article 75

Sufficiently clear.

Point 21

Article 75

Sufficiently clear.

Point 22

Article 78A

The term “conservation area in coastal zone and small islands” includes Nature Sanctuary Area, and Nature Preservation Area which are located in coastal zone and small islands, in the forms of National Park/ Marine National Park, Marine Sanctuary, Marine Nature Preservation, Marine Tourism Park, and Marine Reserve, among others:

- a. Kepulauan Seribu Marine National Park;
- b. Kepulauan Karimunjawa National Park ;
- c. Bunaken Marine National Park ;
- d. Kepulauan Wakatobi Marine National Park ;
- e. Taka Bonerate Marine National Park of;
- f. Teluk Cendrawasih National Park;
- g. Kepulauan Togean National Park

Article 78B

Sufficiently clear.

Article II

Sufficiently clear.