

In order for the moratorium to be legally binding from its Jan. 1 start date, it must be backed by a presidential decree, which will be issued in April, according to Cabinet Secretary Dipo Alam.

"It is still being processed, hopefully early next month," he said on Thursday.

Environment Minister Gusti Muhammad Hatta confirmed he expected the decree to be signed next week.

"It's now being finalized," he said. "The president said the decree would be issued soon. Once it's been signed, we can implement the moratorium and there will be no more permits issued for clearing primary forest."

He added that despite the lack of a decree, the moratorium had been in effect all year.

"We've banned clearing of peatland and primary forests since the start of the year," Gusti said. "We've already stopped issuing permits. The decree is only to provide legal certainty."

Deforestation is one of the primary sources greenhouse gas emissions, which cause global warming. Indonesia, the world's third-largest emitter, has one of the fastest rates of forest clearing.

Though much delayed, environmental activists have welcomed the promised signing of the decree.

Teguh Surya, head of climate justice at the Indonesian Forum for the Environment (Walhi), said it was important for the contents of the presidential instruction to be made public.

"It's not just a matter of when the decree will be signed, but also what it says," he said.

"The government should have and is supposed to make the contents publicly available first because of the implications for the people and other stakeholders."

The latest draft of the decree, obtained by the Jakarta Globe, states that the moratorium applies to forests and peatlands and calls for improving the management of these areas.

It defines the affected areas as being located in conservation forests, protected forests, production forest and other types of forests.

The decree states the moratorium will not apply for permits for strategic national development, including geothermal and oil and gas exploration, power plants and large-scale rice and sugar plantations.

Oil palm plantations are expected to be hit hardest by the moratorium.

On Thursday, industry executives met with President Susilo Bambang Yudhoyono to discuss the impact of the moratorium on their businesses.

“As businesspeople, we support the signing of the [agreement with Norway],” Joe fly J. Bachroeny, chairman of the Indonesian Palm Oil Producers Association (Gapki), said after the meeting. “But we’re concerned that the moratorium may be misunderstood by some parties,” he added.

Joe fly said the moratorium would hamper the development of oil palm plantations. Indonesia is the world’s biggest producer of crude palm oil, and is set to expand production this year.

Forestry Minister Zulkifli Hasan said the expansion was possible. “They have seven million hectares of abandoned land to use,” he said.