

The meeting, to be held from Aug. 18 to Aug. 19, will highlight plans to set up institutions on financing, REDD (reducing emissions from deforestation and forest degradation) and MRV (measuring, verifying and reporting) systems, to implement the letter of intent (LoI) signed in May.

President Susilo Bambang Yudhoyono's special assistant on climate change, Agus Purnomo, said the talks would translate points of the LoI into a working plan to implement the deal. "It is likely the first disbursement of about US\$30 million will be agreed after the UN General Assembly meeting in September [in New York]," he said at his office Thursday.

The money would be used to prepare the establishment of independent institutions chaired by Kuntoro Mangkusubroto, the chief of the Presidential Work Unit for Development Monitoring and Control (UKP4).

In the first phase, Norway is expected to provide \$200 million, including the planned first disbursement of \$30 million.

The remaining \$800 million of Oslo's pledge of \$1 billion would be provided after 2013 based on emissions reduction from the forestry sector.

Agus said the two countries would propose candidates to organize the financing institution. "It is to share information between the two countries; we want to hear progress from Oslo regarding the LoI," he said.

Indonesia would set up an independent institution for REDD and MRV systems to take responsibility to verify emissions reductions with the LoI.

The country's largest climate deal would take effect from 2011 to 2012.

During this period, Indonesia would impose a ban on new permits for companies to exploit natural forests and peatlands.

Coordinating Economic Minister Hatta Rajasa said the government would select an area to host pilot projects to reduce deforestation. "We have to announce the pilot project on October at the latest," he told The Jakarta Post after a Cabinet meeting Tuesday.

He said the four candidate areas to host pilot projects — Riau-Jambi, West Kalimantan, East Kalimantan and Central Kalimantan — had expressed readiness to host the projects.

Bogor Agricultural University forestry expert Togu Manurung said negotiators from the two countries should use the meeting to clarify the content of the climate deal in the LoI.

"The two countries should elaborate on issues such as the moratorium [on exploiting natural forests and peatlands] and financing issues," he told The Jakarta Post.