"I hope we can issue the [Presidential decree] by the end of this month so we can officially implement the moratorium," he told The Jakarta Post on Monday.

Zulkifli said the moratorium was part of the government's efforts to reduce Indonesia's greenhouse gas emissions to 26 percent by 2020, as targeted by the National Action Plan on Climate Change (RAN-GRK). "With the two-year moratorium we hope we can reach our target," he said.

Emission reductions could reach 41 percent with foreign support, the government said.

Zulkifli said the moratorium would not affect local residents because they could still cultivate other areas.

"They will still be able to cultivate idle forest areas other than primary forests and peatlands," he said, adding that the moratorium aimed to save Indonesia's forests and make them more sustainable.

According to the Forestry Ministry, Indonesia still has about 40 million hectares of primary forest and eight million hectares of peatlands.

Zulkilfi said the moratorium would be carried out in three provinces — Papua, Kalimantan and Aceh — due to their vast unexploited primary forests and peatlands.

The proposed moratorium will be enacted according to the letter of intent (LoI) signed between the governments of Indonesia and Norway.

The \$1 billion in deforestation funds pledged by Oslo under the LoI signed in May is likely to be disbursed once the moratorium is implemented.

Norway is committed to providing \$200 million in the first phase, with a planned disbursement of \$30 million in 2010, followed by further disbursements of \$70 million in 2011 and \$100 million in 2012.

The remaining \$800 million of Oslo's pledge would be provided gradually after 2013 based on forestry sector emissions reductions.

Zulkifli said the moratorium had actually been prepared long before the agreement was signed with Norway, as a national program to maintain the sustainability of the country's forests and peatlands.

"With or without the LoI, the moratorium on new permits for the conversion of primary forests and peatlands is part of our national action plan to reduce greenhouse gas emissions," he said.

The Forestry Ministry's forestry production development director general Hadi Daryanto also

said Monday that the ministry had prepared the moratorium three years ago.

"We were preparing the moratorium as part of our commitment to protect the forests as mandated

by law," he told the Post over the telephone.

According to Indonesian Law, the government should manage the use of plantation forests by prioritizing the use of unproductive forests in part of its efforts to protect natural forests, he said

On the implementation of the LoI, the Forestry Ministry would soon hand a list of five pilot project candidate areas — Jambi, Riau, East Kalimantan, Central Kalimantan and Papua — to the Office of the Coordinating Minister of the Economy, he said.

"A pilot project will then be chosen based on biophysical, social, economic and cultural criteria," he said, adding that the selection of the pilot project area would also put more focus on the availability of measuring, verifying and reporting schema. (ebf)