

How to realize the A/R CDM project

Vietnam National policy on A/R CDM

10 March 2008

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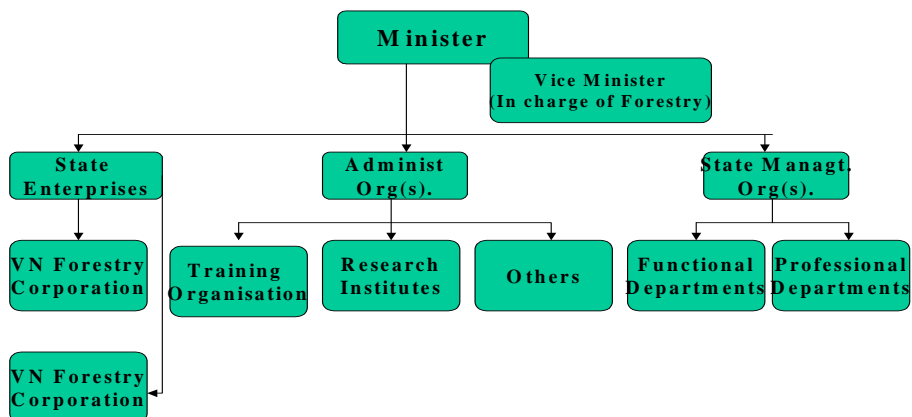
1. General basic information (1/1)

- Total forest land is around 16,247 mil ha.
 - Forest is classified into three type:
 - Protection forest: 5.5 million ha;
 - Special-use forest: 2.1mil ha; and
 - Production forest: 8.4 mil ha.
- Of which forested areas is 12,036,779 ha
- Nature forested: 9,979,899 ha
 - Forest for timber 7,821,437 ha
 - Mix forest 711,604 ha
 - Bamboo 807,457 ha
 - Mangrove 68,276 ha
 - Other 571,124 ha
 - Plantation forested: 2,056,879 ha

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1. General basic information (1/2)

Hierarchy of Forestry sector



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2. A/R CDM information (2/1)

Establishment of Viet Nam CDM National Executive and Consultative Board (CNECB)

- Members of CNECB
- MONRE (one chairperson, one permanent representative and one secretary)
- Ministry of Foreign Affairs (MOFA)
- Ministry of Finance (MOF)
- Ministry of Planning and Investment (MPI)
- Ministry of Trade (MOT)
- Ministry of Science and Technology (MOST)
- Ministry of Agriculture and Rural Development (MARD)
- Ministry of Industry (MOI)
- Ministry of Education and Training (MOET)
- Viet Nam Union of Science and Technology Associations (VUSTA)

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2. A/R CDM information (2/2)

• **Functions and tasks**

- Providing consultation to MONRE on policies related to development, implementation, management of CDM activities in the country.
- Providing consultation on guidance and assessment for CDM projects in Viet Nam under the Kyoto Protocol and UNFCCC.
- Annual meetings of CNECB: 3 times a year (January, April and August)

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2. A/R CDM information (2/3)

Physical potential of AR-CDM development in VN

Area and proportion of bare land (IA+IB) in 3 categories of forest lands

Regions	Special-use Forest	Protection Forest	Production Forest
1. Northwest	93,765ha 31%	745,991 ha 32%	148,838 ha 56%
2. Northeast	24,638 ha 6%	290,551 ha 13%	370,316 ha 19%
3. Red river basin	6,285 ha 13%	24,295 ha 30%	3,394 ha 31%
4. North Central	27,365 ha 4%	246,488 ha 16%	232,890 ha 18%
5. South central coastal	24,758 ha 9%	329,346 ha 19%	159,383 ha 20%
6. Central highland	14,089 ha 3%	115,107 ha 12%	268,207 ha 13%
7. Southeast	10,070 ha 6%	12,192 ha 4%	2,893 ha 1%
8. Mekong delta	9,377 ha 12%	5,998 ha 6%	9,329 ha 4%
TOTAL	210,348 ha 9%	1,769,967 ha 19%	1,195,249 ha 17%

Source: Tentative/ unofficial figures of 3 forest categories of forest lands after reclassification, DOF, August 2007

- ◆ In Vietnam, there are still much bare land suitable for AR-CDM as well as regular forestry projects.
- ◆ It is difficult to estimate the area where AR-CDM projects could be implemented due to lack of data and information on (a) land eligibility, (b) additionality, (c) accessibility to sites, etc.

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3. Government policies for AR-CDM development

Vietnam Forestry Development Strategy 2006-2020

(Prime Minister Decision No. 18/2007/QĐ-TTg dated on 5/2/2007)

- ◆ Aims at expansion of forest plantations, improvement of productivity, forest protection, and processing of timber.
- ◆ Aims at livelihood improvement of forest dependent people.
- ◆ Encourages to develop payment mechanism of forest (such as AR-CDM).

Production Forest Development Policy for the period of 2007-2015

(Prime Minister Decision No. 147/2007/QĐ-TTg dated on 10/9/2007)

- ◆ Proclaims budgetary support for reforestation and extension by the State.

Financial Mechanism and Policies Applied to CDM Projects

(Prime Minister Decision No. 130/2007/QĐ-TTg dated 2/8/2007)

- ◆ Defines support for CDM investment projects by the State in terms of exemption or reduction of business income tax, import duties, and fee of land use and land lease.
- ◆ Defines rights and duties of CDM project investors.
- ◆ Defines management and utilization of CERs including CER selling fees and the utilization and responsibilities of Vietnam Environment Protection Fund (VEPF)

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4. Constraints for AR-CDM development in VN

Constraints	Countermeasures
<p>1. Constraints common to forestry projects:</p> <ul style="list-style-type: none"> ◆ Large investment and long gestation period ◆ Risks of natural and man-made disasters (forest fire, typhoon, etc.) ◆ Poor accessibility to sites (leading to higher cost) 	<ul style="list-style-type: none"> □ Financial support of the State (including ODA) □ State support for prevention and recovering from the disasters □ State's financial support
<p>2. Unclear value of additional benefits (CERs) obtained in far future</p>	<ul style="list-style-type: none"> □ Study on the market price of CERs □ Study application of VER
<p>3. Lack of AR-CDM experiences</p> <ul style="list-style-type: none"> ◆ Ambiguity of AR-CDM methodology. ◆ Lack of experiences on implementation of AR-CDM project and marketing of t-CER & I-CER ◆ Lack of local AR-CDM consultant 	<ul style="list-style-type: none"> □ Implementation of the pilot project. □ Accumulation and dissemination of experiences through the implementation of the pilot project □ Capacity building of local consultant
<p>4. Lack of information on the location of lands suitable for SSC AR-CDM</p>	<ul style="list-style-type: none"> □ Identification of the suitable lands □ Dissemination of the information

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5. AR-CDM Website in Vietnam (5/1)

The screenshot shows a web browser window titled "VIETNAM AR-CDM - Introduction - Microsoft Internet Explorer". The website has a green and yellow color scheme. The main header reads "VIETNAM AR-CDM" and "Afforestation/Reforestation Clean Development Mechanism". A navigation menu on the left includes links for HOME, BACKGROUND OF CDM, BASICS OF AR-CDM, AR-CDM DEVELOPMENT IN VIETNAM, TECHNICAL RESOURCES, LINKS, PAGE, AR-CDM Helpdesk, CONTACT US, and SITE MAP. A search bar is located below the menu. The main content area features an "Introduction" section with the following text:

Vietnamese Government has worked actively for preventing global warming because Vietnam is one of the countries vulnerable to climate change. It ratified Kyoto Protocol in September 2002 and then set up Clean Development Mechanism National Authority (CNA) under Ministry of Natural Resources and Environment (MONRE) as Designated National Authority (DNA). As a result of efforts by the government and private sectors, two CDM projects are registered, eight projects are at validation, and more projects are under preparation as of September 2007. They are all energy sector CDM projects.

Afforestation and reforestation Clean Development Mechanism (AR-CDM) is another type of CDM Vietnamese government has tried to promote because there are about 5.6 million hectares of bare land for reforestation in the whole country and AR-CDM could provide more benefits to poor communities in rural area of the country. However, AR-CDM is quite a new area of development scheme and lacks experience internationally. It was urgently required to develop the capacity of agencies concerned on development and promotion of AR-CDM in Vietnam.

In response to the request of Vietnamese government, Japan International Cooperation Agency (JICA) has implemented a development study named "Capacity Development for AR-CDM Promotion in Vietnam" since October 2006. The study has focused on three (3) major modules (i) AR-CDM awareness raising, (ii) preparation of draft FDD of an AR-CDM project and (iii) establishment of AR-CDM Helpdesk and website. This website is one of the outputs of the Study and intends to provide useful information and data on AR-CDM to potential project developers and investors to facilitate development of AR-CDM projects in Vietnam.

URL: <http://www.vfu.edu.vn/ar-cdm/>

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5. AR-CDM Website (5/2)

Downloadable Vietnamese documents in the website:	<u>Source</u>
1. Simplified baseline and monitoring methodologies for small-scale AR-CDM (AR-AMS0001 version 4)	UNFCCC
2. Guidelines for completing simplified PDD for small-scale AR-CDM (version 4)	UNFCCC
3. Simplified modalities and procedures for small-scale AR-CDM	UNFCCC
4. PDD form	UNFCCC
5. PIN form	MONRE
6. AR-CDM booklet	JICA
7. AR-CDM guidebook	JICA
8. Decisions and regulations related to CDM in Vietnam	VN Gov.
◆ MONRE Circular No: 10/2006/TT-BTNMT (12/12/2006)	
◆ Prime Minister Decision No.130/2007/QĐ-TTg (2/8/2007) regarding Financial mechanism and policies for CDM projects	

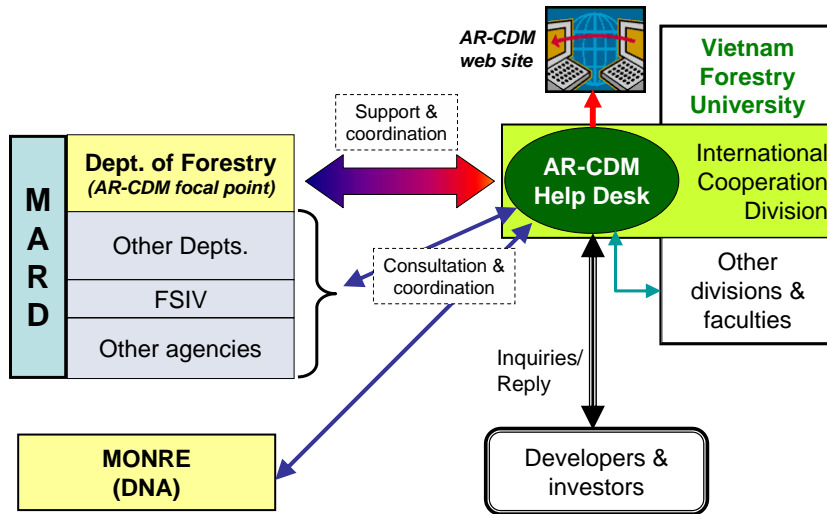
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6. AR-CDM Help Desk (1): *Functions*

1. General function: **a navigator of AR-CDM development in Vietnam**
2. Specific functions:
 - ◆ To assist developers and investors in terms of provision of data and information (including introduction of AR-CDM consultants)
 - ◆ To coordinate with agencies concerned for implementing activities related to AR-CDM promotion (such as workshops, trainings, missions, etc.) as an organizer or a supporter
 - ◆ To manage and update AR-CDM website
 - ◆ To prepare and publish AR-CDM leaflet and guidebook when necessary
3. Responsible agency : **VFU** (under guidance and support of DOF)
4. Annual budget: to be estimated (VFU shall request MARD)
5. MARD Decision: MARD shall issue a decision regarding establishment of AR-CDM Help desk and the responsibilities of each agency concerned.

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6. AR-CDM Help Desk (2): Organization



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Thank you very much for your attention!

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