A/R CDM PROJECTS IN VIETNAM: EXPERIENCES, LESSONS LEARNED AND RECOMMENDATIONS

—To Realize Sustainable Forest Management in Forest Carbon Project—

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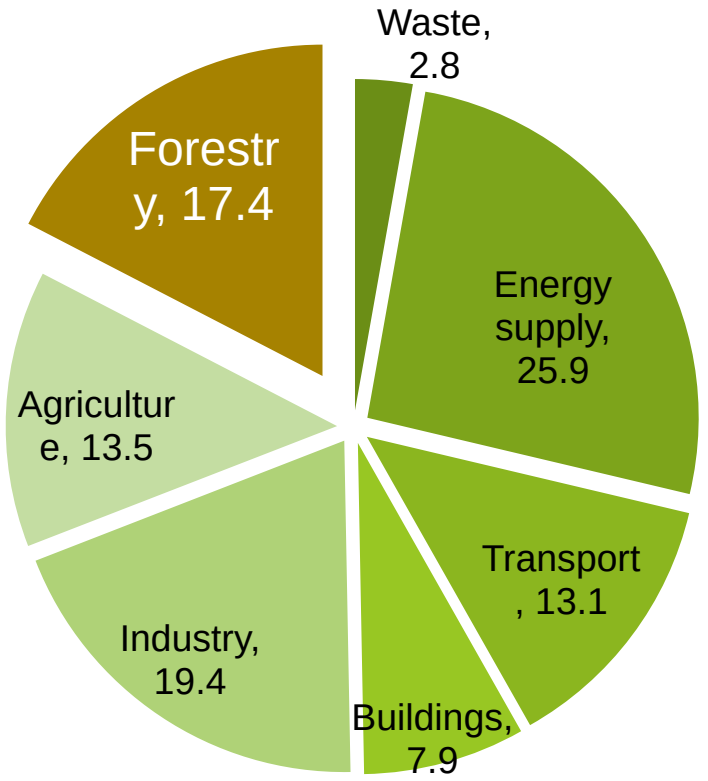
Important role of forest sector in climate mitigation

- Emission from deforestation in tropical regions: 3 billion tCO2/yr
  - Total emission from Japan = 1.3 billion tCO2/yr
- Reducing emission from deforestation in tropics is essential for the climate mitigation



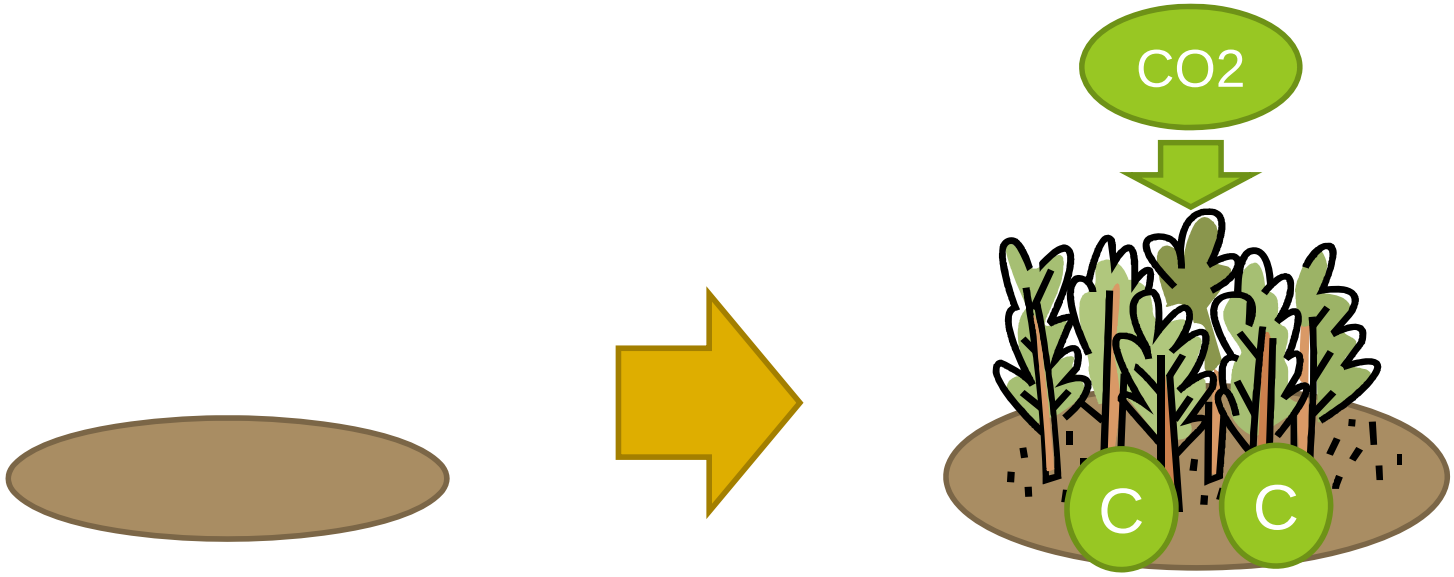
Sources of global GHG emission by sector (IPCC 2007)

Role of the forest in Climate Change

- Forest provides a variety of services
  - biodiversity
  - providing timber, food, medicine
  - regulating water cycle, purification of water
  - Carbon sequestration
- Afforestation, reforestation (A/R) & forest conservation projects in D-ing countiries have long been implemented in the context of development & environment protection and supported by the ODA
- Recently, the function of Carbon sequestration is focused
- Those activities are implemented in the context of climate change mitigation as forest carbon projects

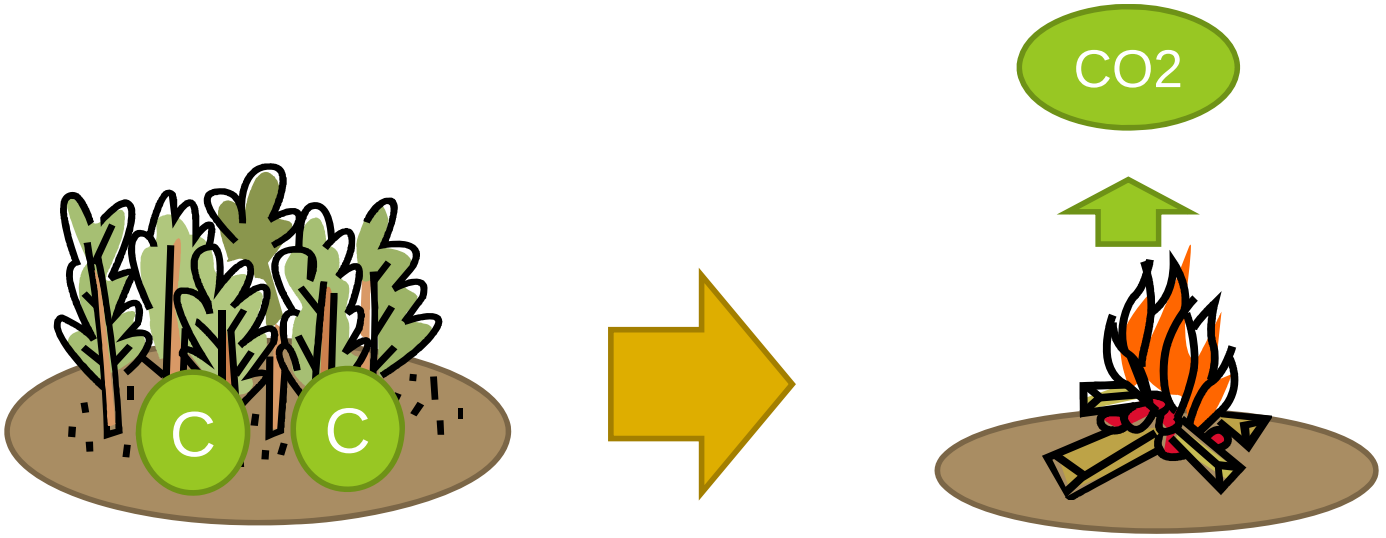
Afforestation and Reforestation

- Expansion of the forest area by planting trees = expansion of Carbon sink
- Contributing to reduce CO2 in the atmosphere and store Carbon as long as the plantation exists

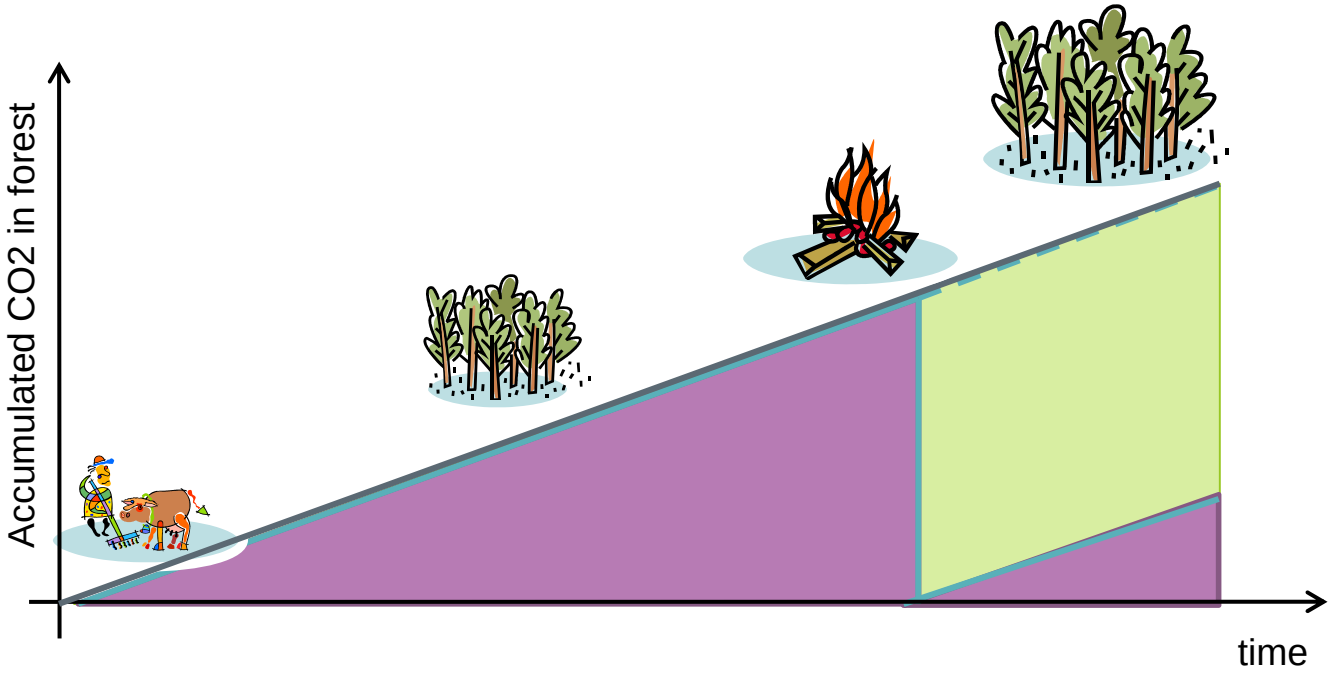


Deforestation and forest degradation

- Clearing the existing natural forests = loss of Carbon sink and emitting Carbon in the forest to the atmosphere
- Reducing deforestation and forest degradation contributes to the climate mitigation



The longer the forest sustains, the larger it contributes to the climate mitigation

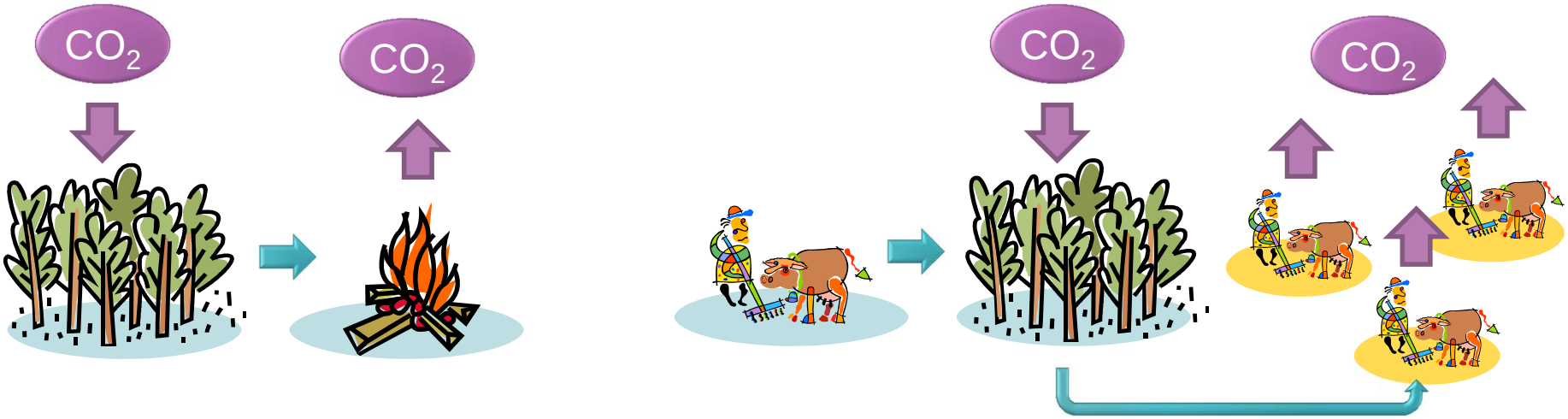


- We need forests which is managed & accumulates Carbon for long time for the climate mitigation

Risks to be avoided for climate mitigation

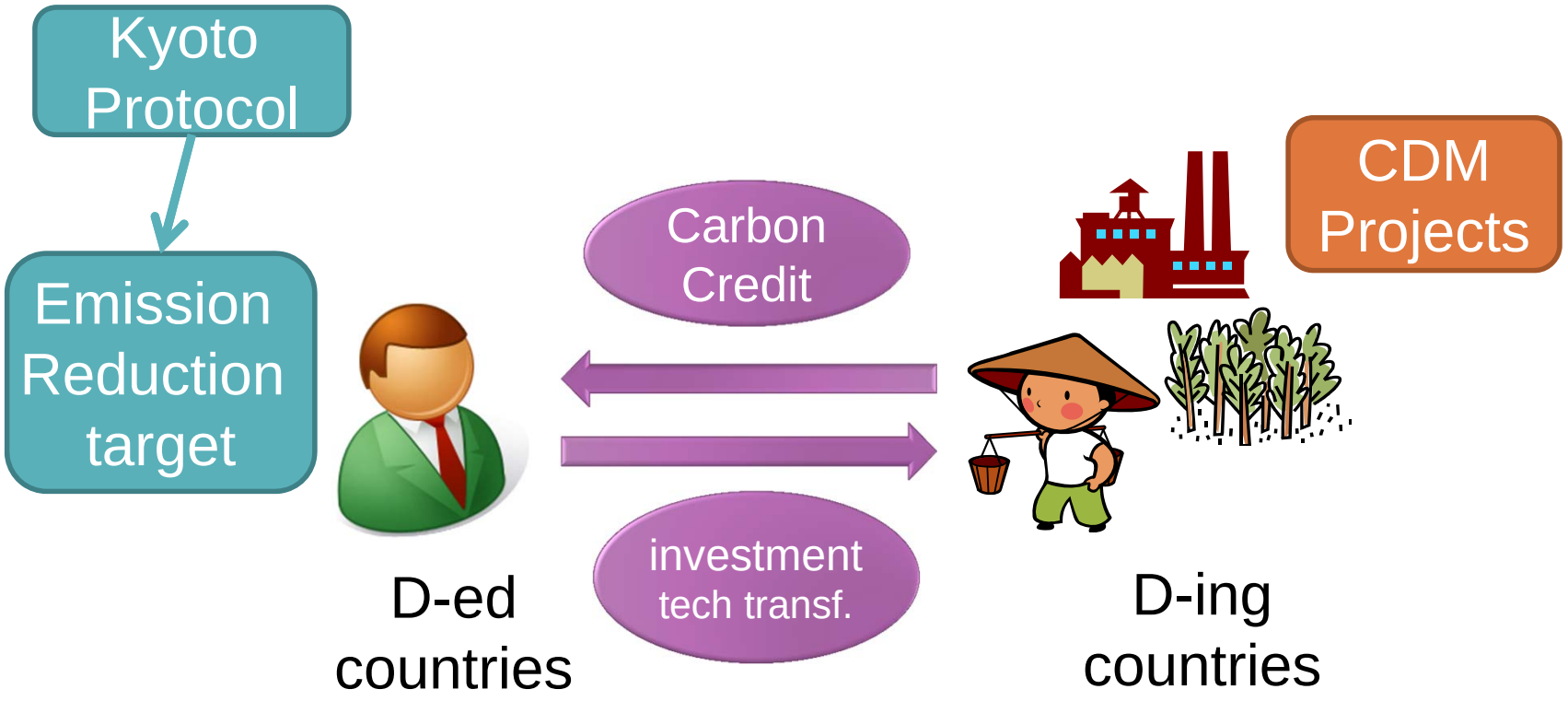
In the forest carbon project mechanism, the issue was identified as RISK.

- Non permanence risk
  - The CO2 accumulated in forest would be released later
  - by fires, by land use conversion
- Leakage risk
  - Another new emission would be caused by the project implementation
  - by displacement of activities (grazing, slash and burn)



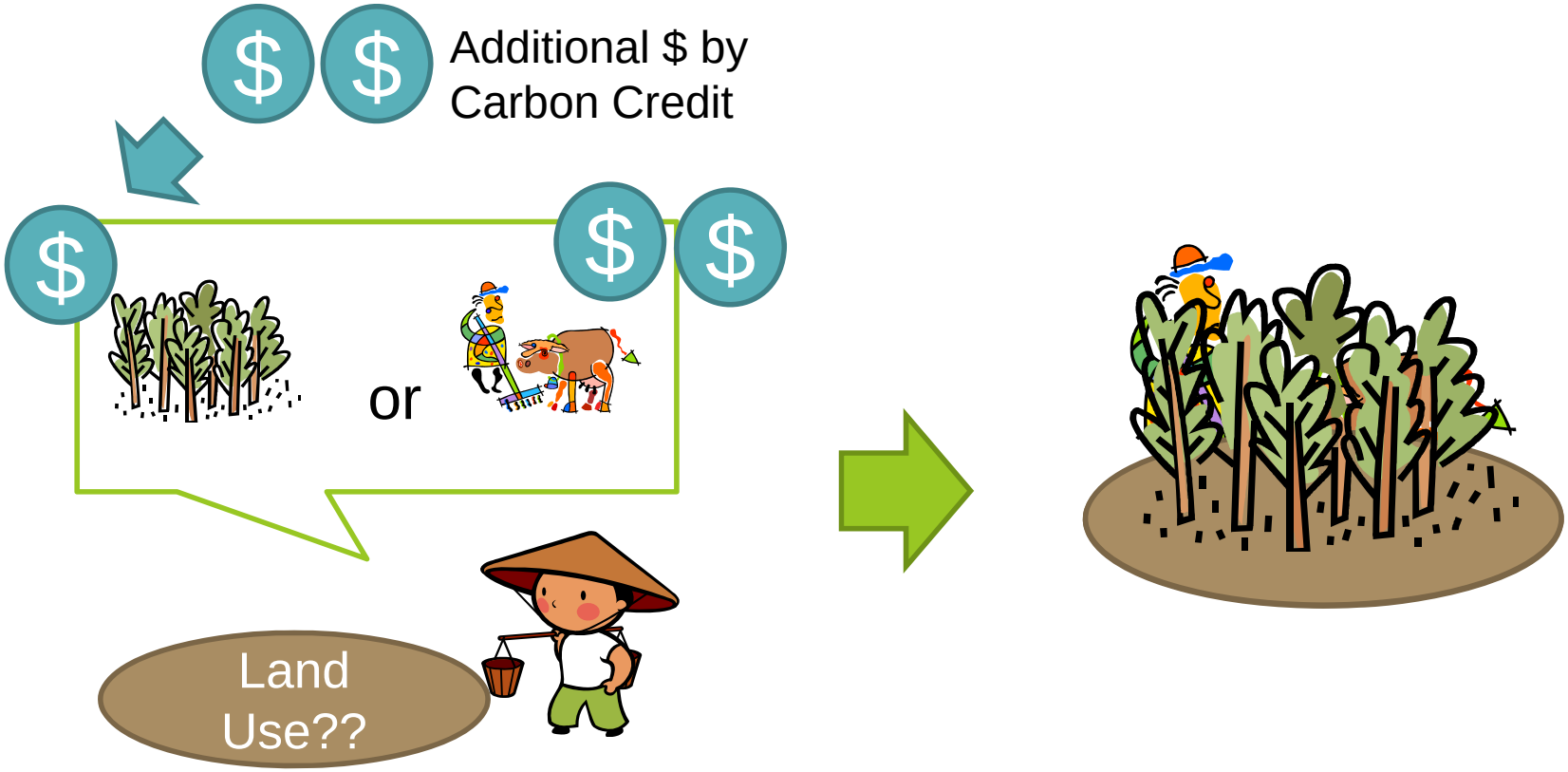
CDM based on market mechanism

- The Kyoto Protocol of the UNFCCC allows to include A/R activities in the Clean Development Mechanism (CDM)



Economic incentive for A/R activities

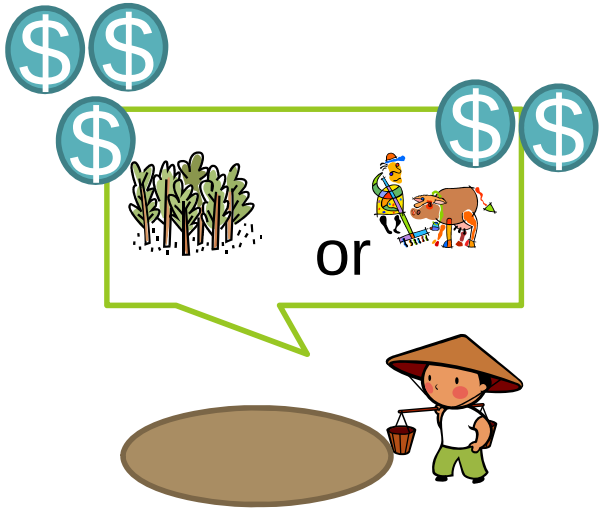
- Economic incentives may change the behavior of the people
- The benefit from Carbon attracts people to plant trees
  - Changing the decision on land use



Assumption in the A/R CDM

- We believe that the local people plants trees and manage the forest when enough economic incentive from the carbon credit is provided

But… Is it true??



Case study in a small scale A/R CDM project in Vietnam

A registered small scale A/R CDM project in Cao Phong, Hoa Binh, Vietnam

- JICA supported the project from development to registration
- An NPO manages the project
- A private company supported the project financially for their social responsibility

Cao Phong A/R CDM Project

Project participants	Forest Development Fund (NPO) (established by Cao Phong DPC and Vietnam Forest University in April 2008)
Registration	28 April 2009
Methodology	AR-AMS0001 / Version 04.1
Credit and credit period	tCER, 16 years
Planting area	308.5 ha.
Land use before project	Degraded production forest land allocated to local farmers
Households participated	310 households
Brief history	◆ Formulated under JICA Development Study "Capacity Building for AR-CDM Promotion in Vietnam" (Oct. 2006 – March 2009) ◆ JICA also provided fund for project validation by DOE ◆ Honda Vietnam donates fund for project implementation (VND 3.5 bil. = US$200,000)
Present status	◆ Planting activities started in 2009 and achieved 135ha ◆ Remaining area (173.5 ha) will be planted in 2010

Brief History of Cao Phong Project

2007	• JICA Project started
2008	• Project design completed
2009	• Project registered to UN & JICA PJT ended • Honda Vietnam's support & tree planting start
2010	• Tree planting
2011	• Tending
2012	• Tending

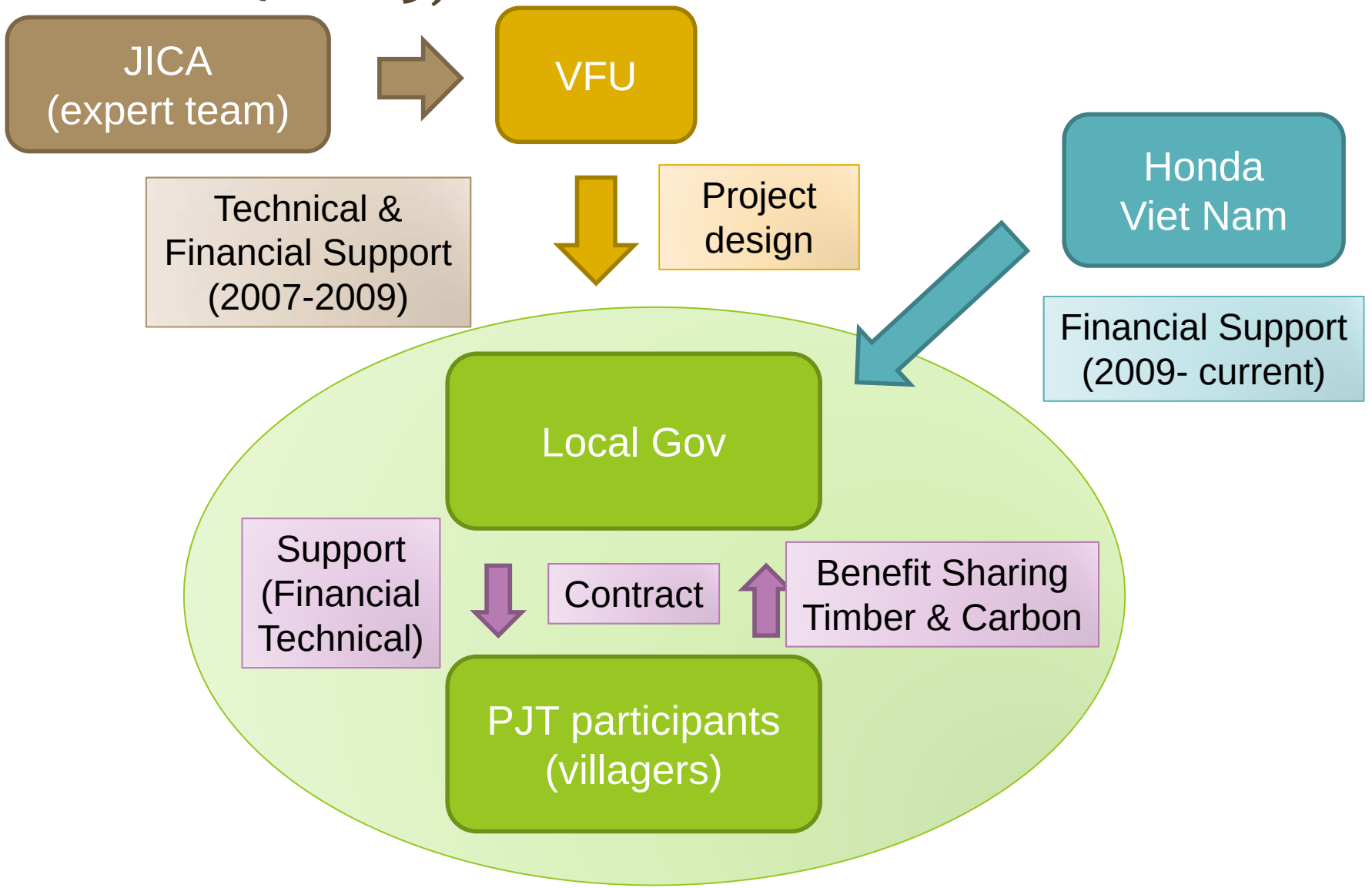
Project Area before planting (2008)

Current situation (2012)

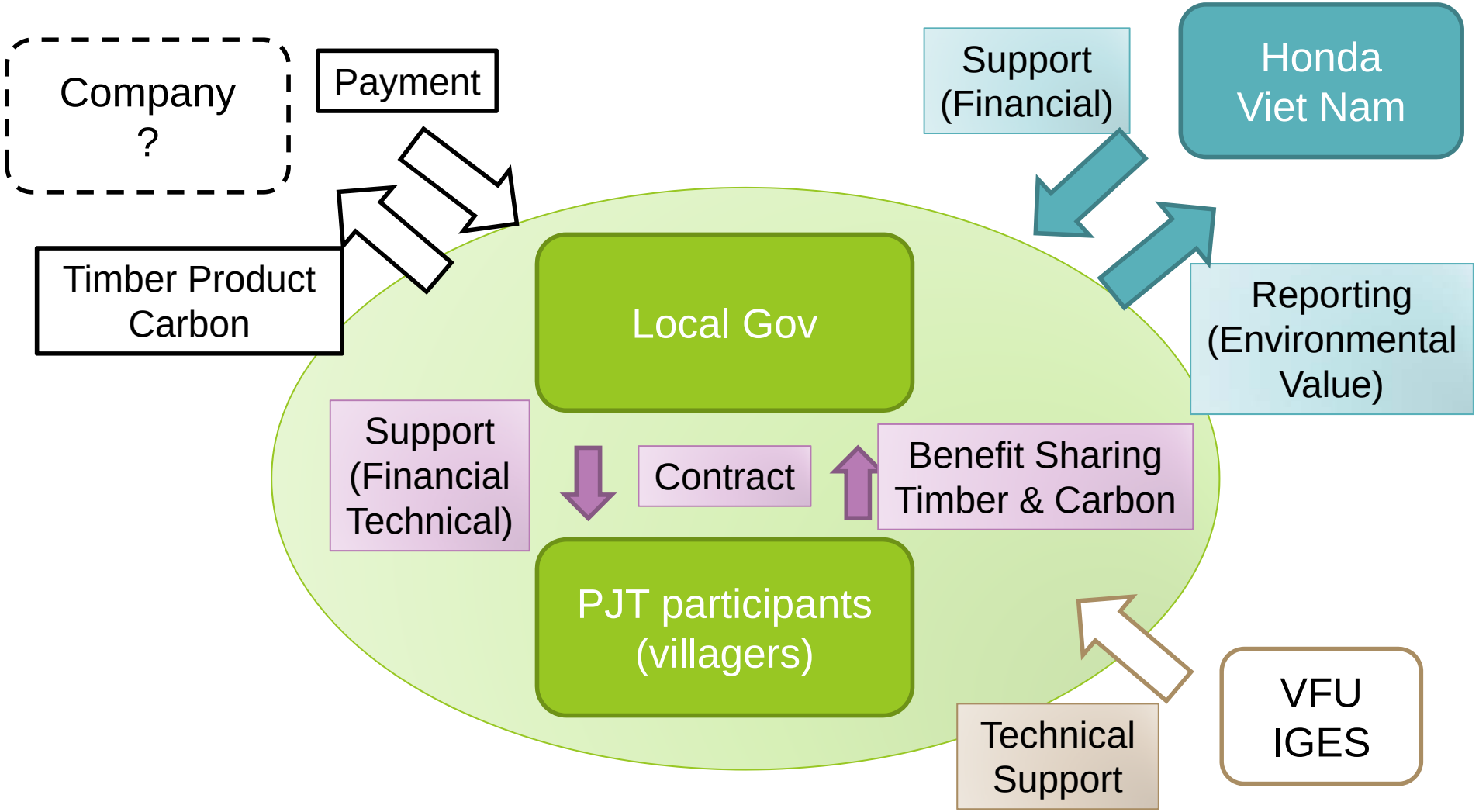
Current project status
- Planted area -

	Area (ha)
Planed planted area	309.0
Actual planted area	217.0 (70 %)
Unplanted area	92.0
Topographical difficulty	27.7 (30%)
Unsuitable species to the site condition	28.1 (31%)
Villagers did not agree	36.2 (39%)

Institutional arrangement of the project (initial: 2007-2009)



Institutional arrangement of the project (current: 2012)



Purpose & method of the survey

Is the risk of non permanence and leakage reduced in this A/R CDM project?

What is the root cause of the risk and how can we reduce?

- The project was developed following the current A/R CDM rule which excludes the local community

Method

- Workshops and group discussion using PRA tools
- Household interviews



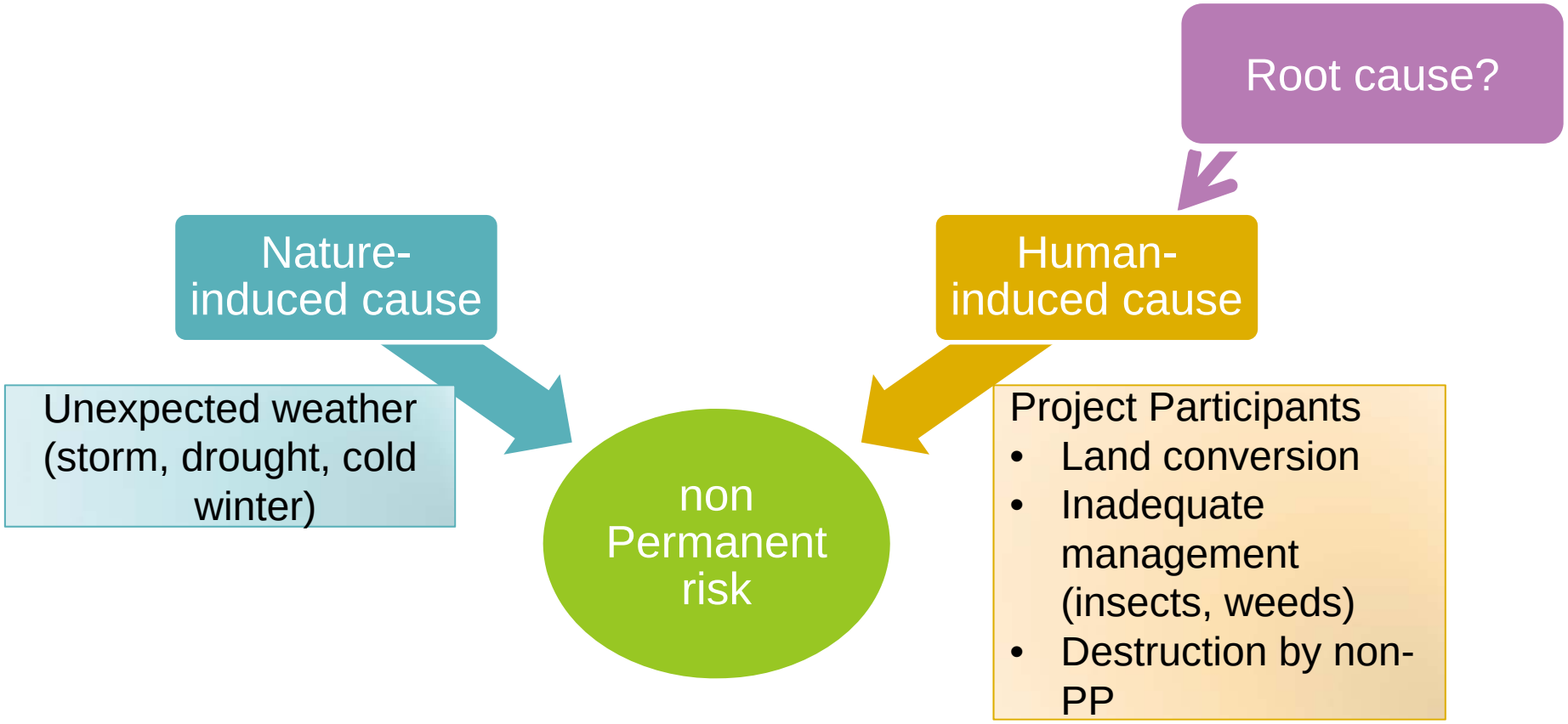

The surveyed village

A village joining the A/R CDM project

Activities in the Project Area before the A/R CDM starting

- The land use right was allocated to households
- All villagers could use the land
- Only land use right holders became A/R CDM project participants following the official land title

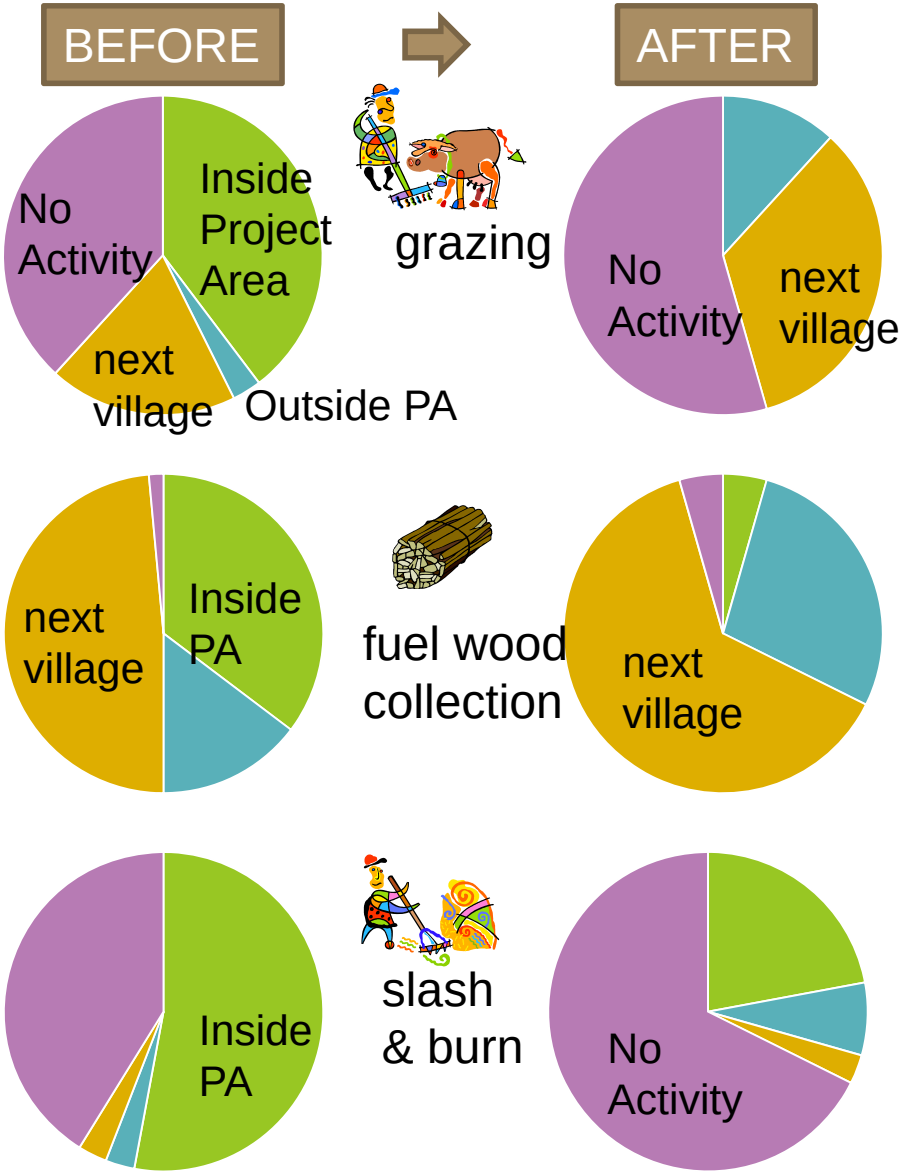
Cause of the non-P risk



- Problems of the A/R CDM project was discussed in a workshop
- Project participants identified the risk of non permanence
- Human-induced causes can be prevented
  - root cause should be identified

Project caused land use change in the village

- The displacement of the activities was caused by the project implementation
  - = risk of leakage
- Livelihood of the villager was influenced by the land restriction
- Villager owed the cost of project implementation
  - Going further for grazing and fuel wood collection
  - Income reduction by giving up grazing, S&B



Cassava slash and burn cultivation


Under rotation

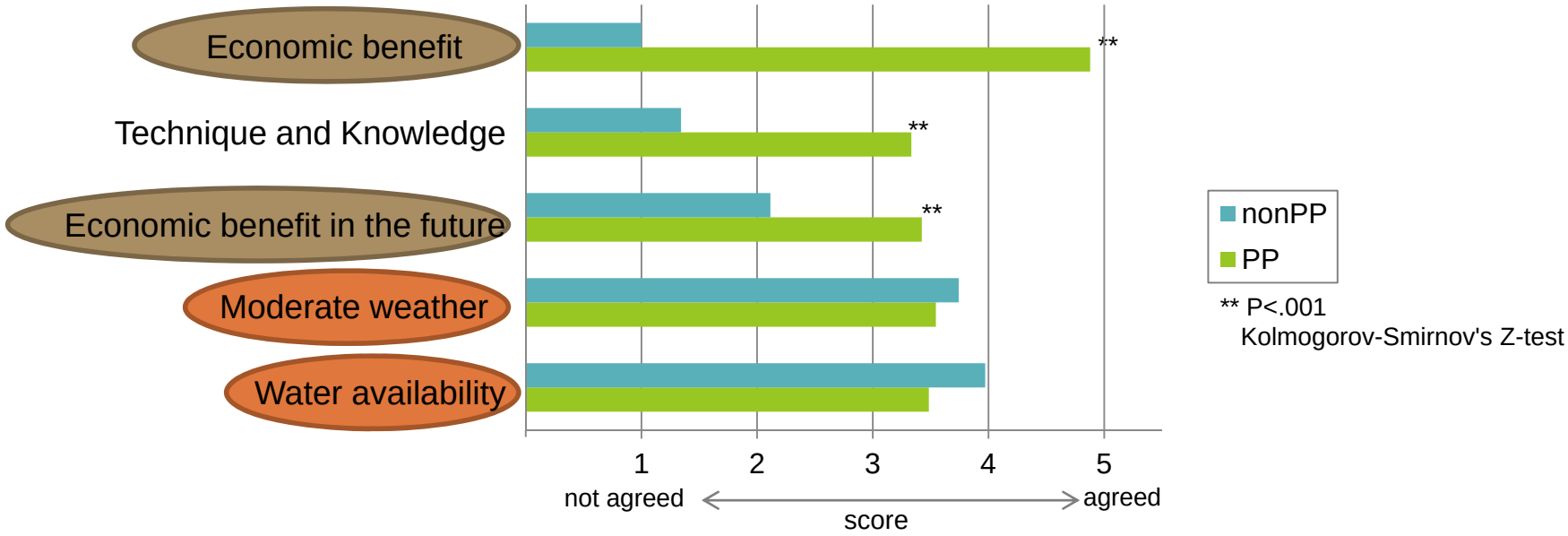

High yield and dry-preservative

Market Price is very cheap but important for local community's life


Traditional Liquar


Food for Pig, main cash income

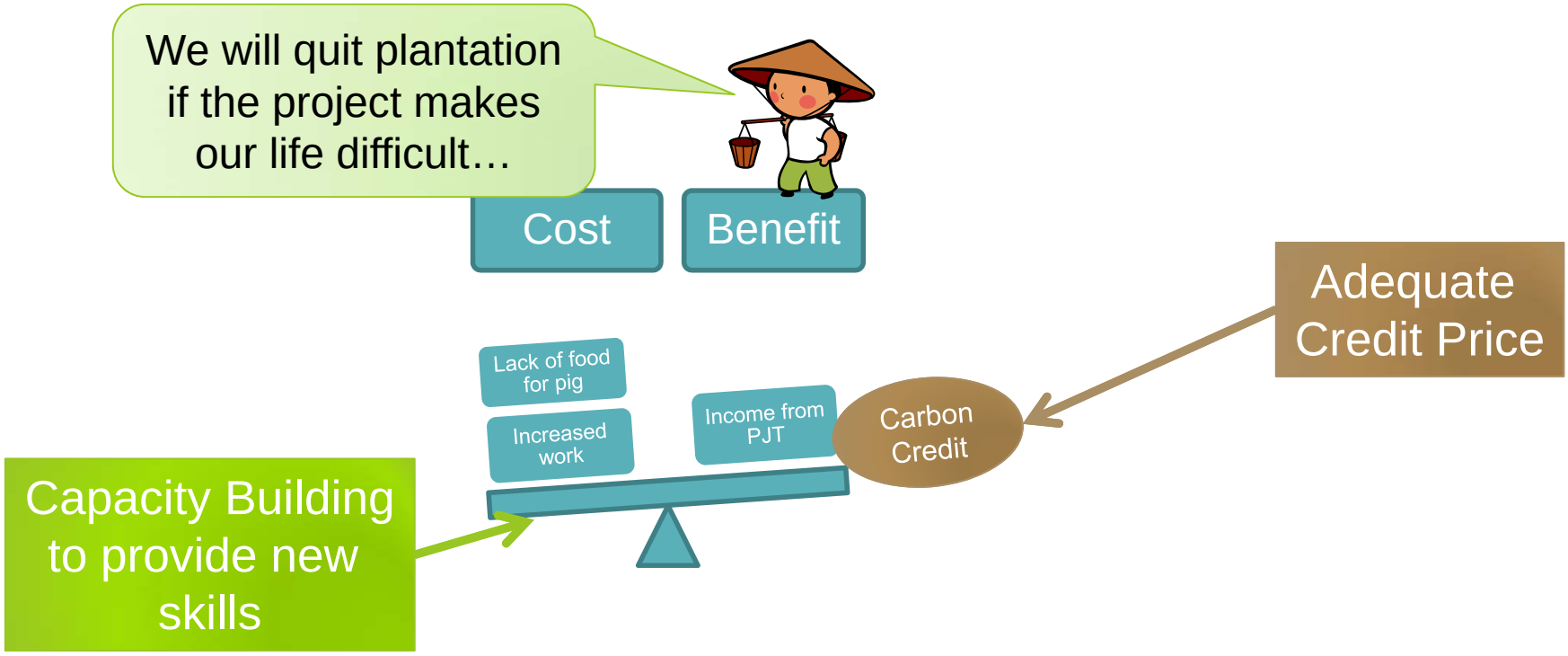
Benefit from the project



interview (n=68)
PP: project participants
nonPP: project non participants

- Ecological benefit from forest are shared in community
- Only PP receives economic benefit
- No incentive for NonPP's for Forest Management = no ownership

Needs of capacity building



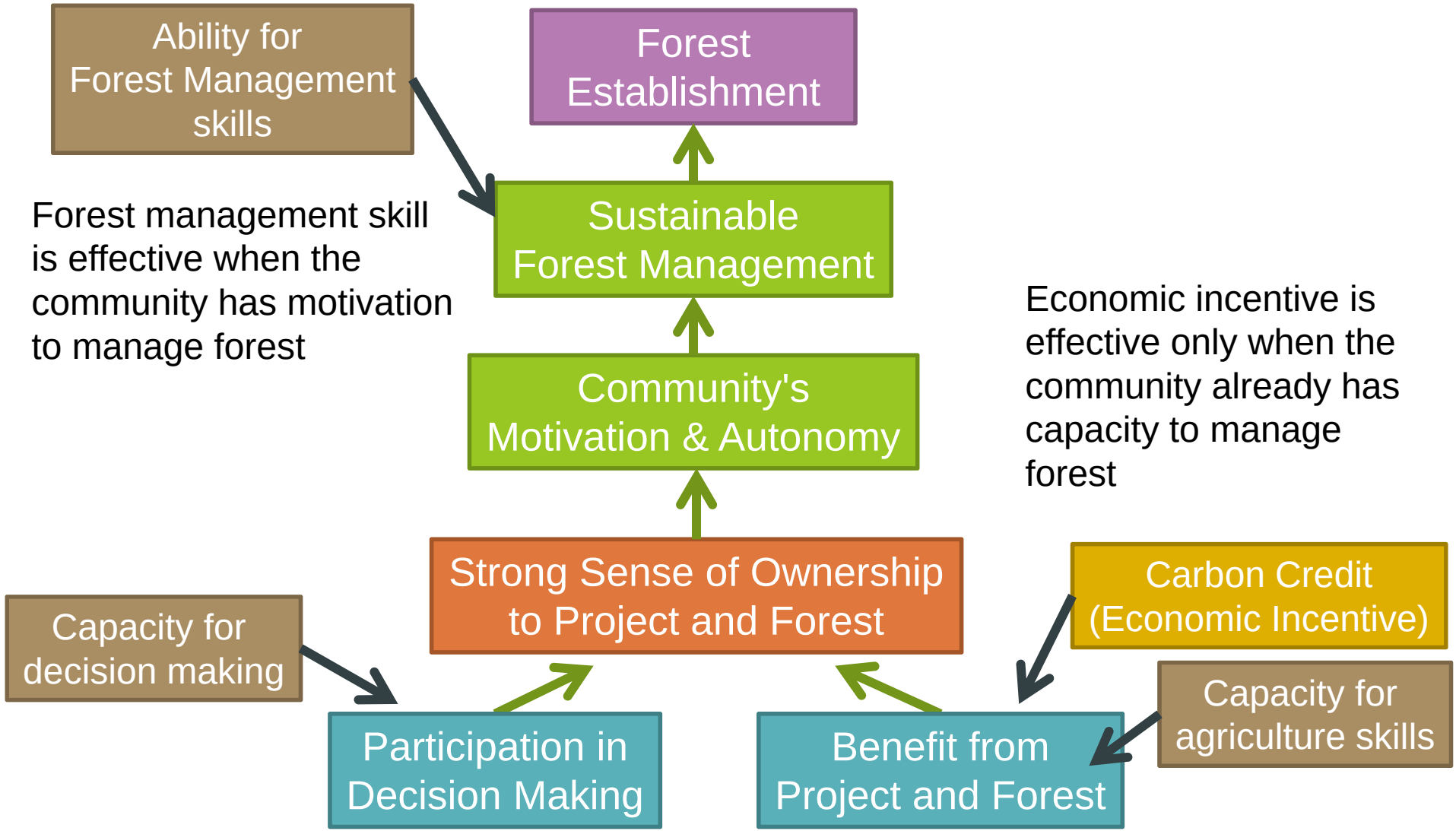
- To ensure the sustainability, capacity building is important
- Not only the capacity building for forest management skills
- Also agriculture skills are necessary to compensate the cost they owed.

Capacity building for decision making

- The project development was lead by the project developer and community just followed the developer (=no ownership)
- In Vietnam, it is common that the community follows the higher authority's decision.
  - Land-use plan was developed by gov.
  - No experience in decision making among community members
- The basic ability for decision making and consensus building was lacking in the community

Capacity building for decision making is also important and necessary

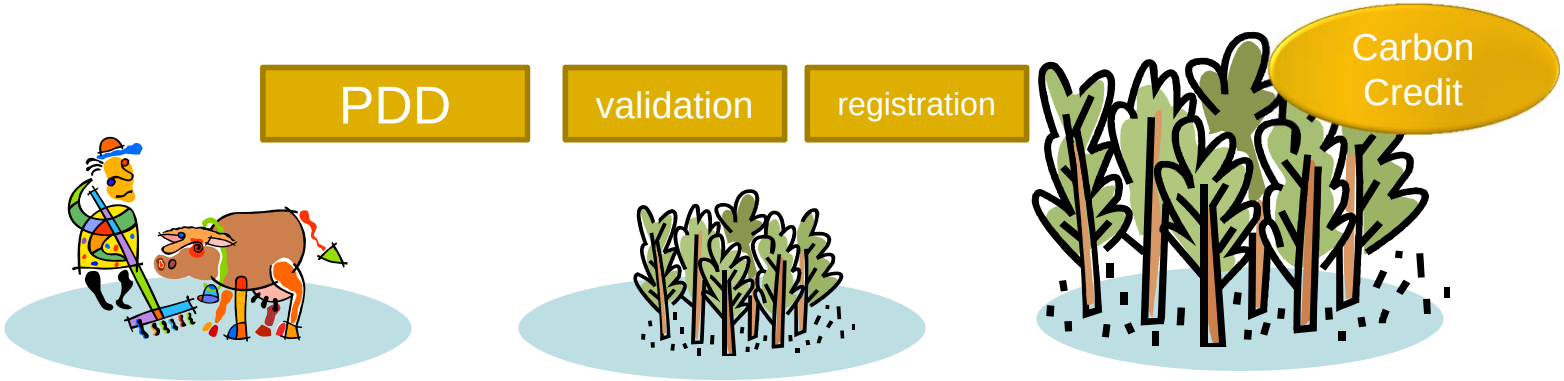
Economic Incentive + Capacity!!



LESSONS LEARNED & RECOMMENDATIONS

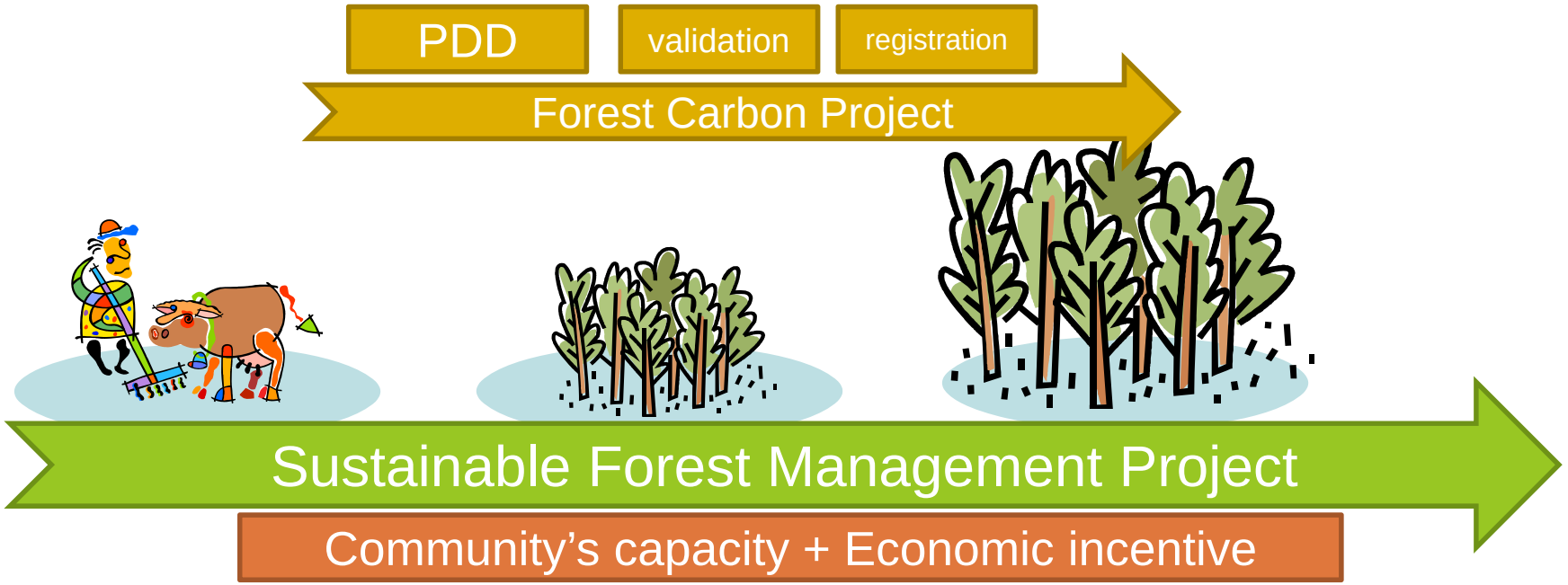
Problems in A/R CDM project development

- The complex methodology pulls the intention of the project developer to solve the methodological issues to get carbon credit rather than the issues in sustainable forest management.
  - How to write a good Project Design Document
  - How to reduce the project cost
  - How to generate credits in the economically effective way



But the most important part of the A/R CDM project is…

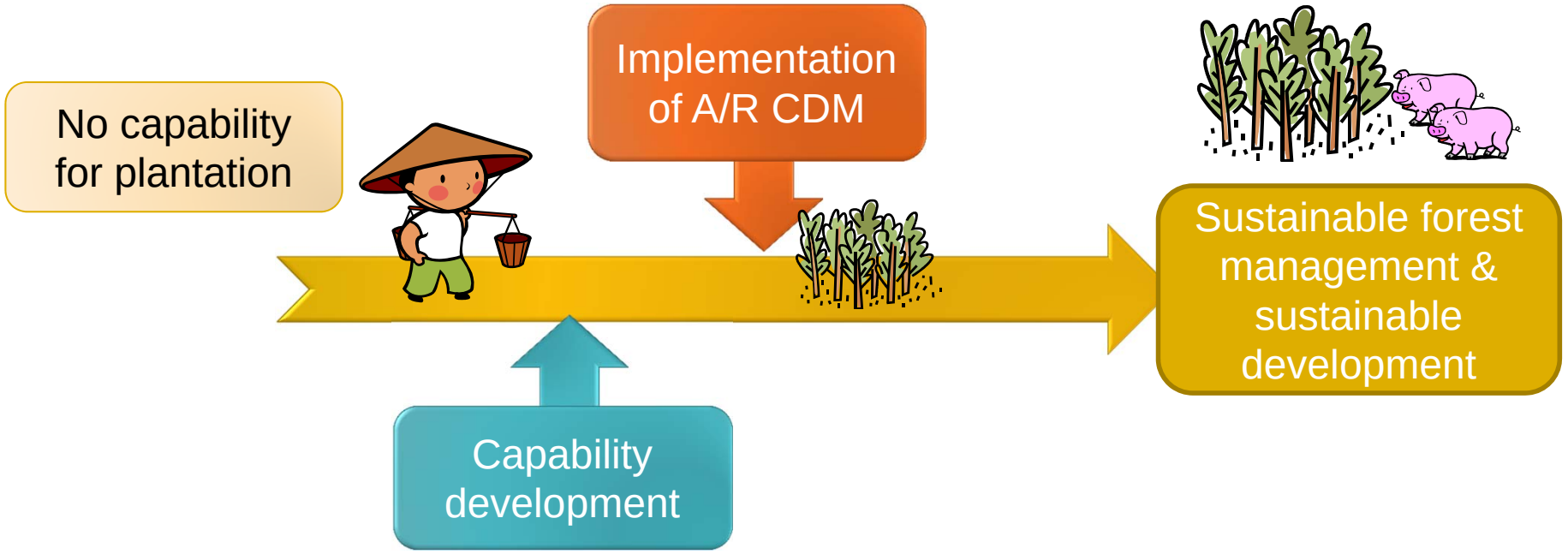
- A/R CDM is only a part (or an "add-on") of the Sustainable Forest Management Project
- Capacity building of the community is essential for the sustainable forest management
  - But A/R CDM doesn't consider about the capacity building of the community



Not only forest management skills, but also capabilities to be improved in a forest carbon project

For the sustainable forest management in A/R CDM project;

- Capacity development phase should be introduced before the forest carbon project implementation phase
- Then, implementing A/R CDM with stronger economic incentive
- The capacity developed in the project will be applied to solve other problems in the future = contribution to the sustainable development



IGES
Community Carbon Accounting (CCA) project

- To develop and test approaches to engage local communities in monitoring their forest carbon stocks

Laos (Sangthong District)
Partner: National University of Laos

Vietnam (Cao Phong District)
Partner: Vietnam Forestry University

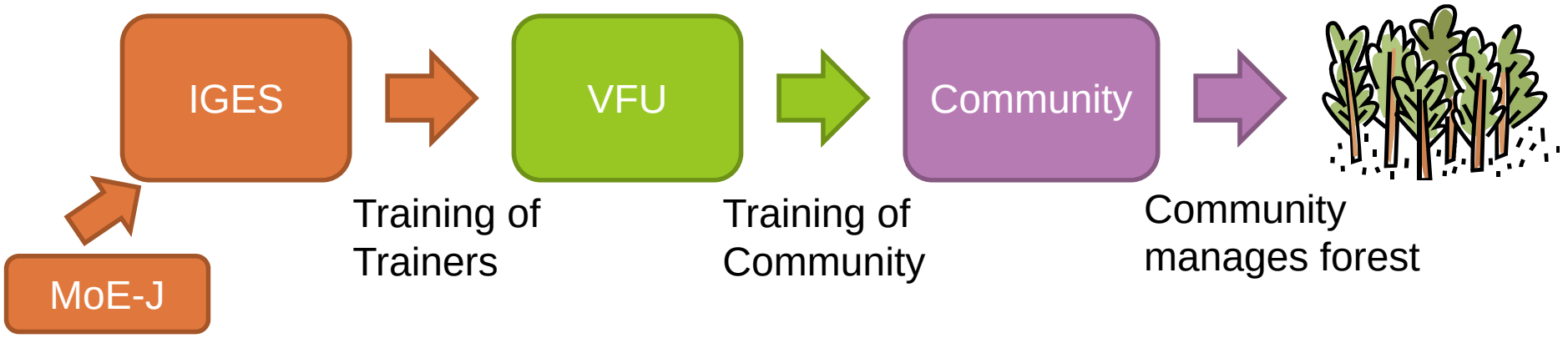
Cambodia (Mondol Kiri)
Partners: RECOFTC, WCS, Forestry Administration

PNG (Madang)
Partner: FPCD

Indonesia (Central Java)
Partners DKN, ARuPA

Purpose of CCA project

- The community should manage the planted forest sustainably by themselves independently
- To build capacity of local community to manage their forest
- As the first step, forest (carbon) monitoring is conducting
  - Carbon monitoring is required in the A/R CDM
  - Information on the monitoring is important for the forest management for tending, harvesting etc.



Training of trainers at VFU

Training of community

Measuring diameter of trees

Measuring tree height

Learning how to use the tool

Data recording

THANK YOU

Institute for Global Environmental Strategies (IGES)

- Forest Conservation Team, Natural Resources Management Group
- Main focus; REDD+, community forest management, illegal logging issues
  - REDD+ database
  - Community Carbon Accounting
  - Training manual for FPIC trainer

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