#### Presentation given at the Southeast Asia Katoomba meeting

### Katoomba XVII Taking the Lead: Payments for Ecosystem Services in Southeast Asia

June 23-24, 2010 Hanoi, Vietnam

Hosted by:

Forest Trends, the Katoomba Group, Ministry of Agriculture and Rural Development (MARD), Ministry of Natural Resources and Environment (MONRE), United States Agency for International Development (USAID) and Winrock International



This workshop was generously supported by the American people through the United States Agency for International Development (USAID), under the terms of the TransLinks Cooperative Agreement No.EPP-A-00-06-00014-00 to the Wildlife Conservation Society (WCS). TransLinks is a partnership of WCS, The Earth Institute, Enterprise Works/VITA, Forest Trends and the Land Tenure Center. The contents are the responsibility of the authors and do not necessarily reflect the views of USAID or the United States Government.







How payments for carbon sequestration create new forests of high biodiversity and social wellfare in Vietnam

A successful project example of ForestFinance Group and a State Forest Company in the province of Kon Tum



#### About CO, OL



M CO<sub>2</sub>OL is a brand of ForestFinance Group (based in Bonn, Germany as Forest Finance Service GmbH)



- ✓ ForestFinance Group:
  - M about 5.000 customers and investors
  - ✓ Turnover in 2008 about 6 Million USD
- Business areas of the ForestFinance Group:

#### Investment

- ✓ CacaoInvest

#### Carbon Solutions

- ✓ CarbonConsult
- Carbon Footprinting
- ✓ Carbon Neutral

#### **Green Energy**

- Biomass

#### About CO, OL



- Specialized in Green Events, Green Meetings, hotels and tourism, mobility
- ✓ Founded in 1998
- Member of





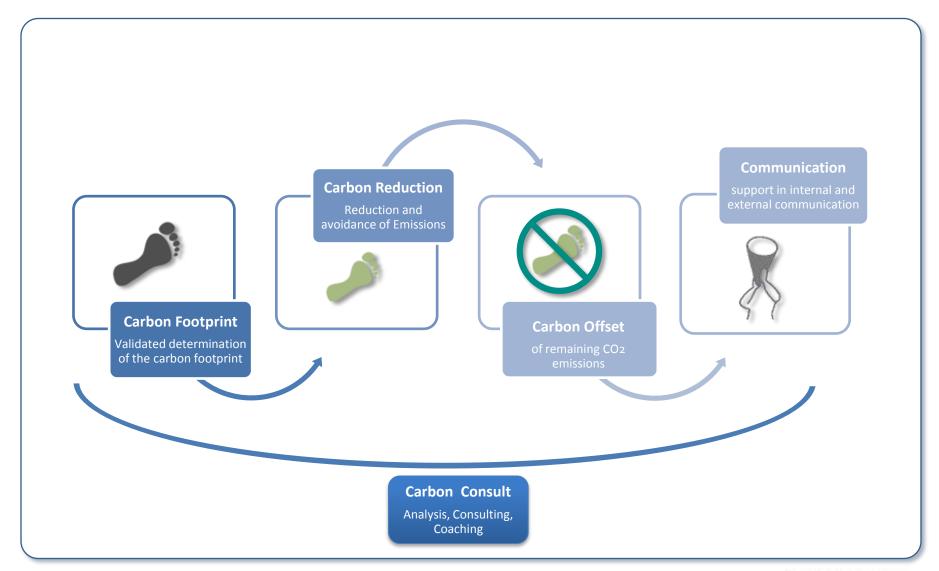






#### CO<sub>2</sub>OL Carbon Management Services





#### Carbon Footprint



M CO<sub>2</sub>OL builds and operates individual CO<sub>2</sub> calculators for an easy and comfortable carbon footprinting





#### Features:

- Permanent update of core values from scientific sources
- M Database based
- Saving and alteration of calculation possible
- M USP: Output via interface to integrate results in customized reports



#### CO<sub>2</sub> reduction



#### M E.g. mobility: CO₂OL GreenMobility platform





Features of the CO<sub>2</sub>OL GreenMobility platform

- Online based platform including links
- Integrated depiction of all arrival and departure possibilities
- M Connecting ride-sharing opportunities
- Reduction of individual traffic through arranged ride shares
- M Depiction of carbon emissions per ride
- M Online calculation of CO<sub>2</sub> emissions and voluntary CO<sub>2</sub> neutralisation
- M Significant reduction of CO<sub>2</sub> emissions

For reference, see: http://eishockeywm.co2ol.de



#### Communikation



M Online, Print, PR, Tickets, Product label,...





#### Carbon Offset



Our CO2OL approach: carbon sequestration projects of outstanding quality.



- Biodiversity and ecological benefits
- M Positive social impact and wellfare

   ■ Positive social impact and wellfare

# eliable

10 years of experience High quality carbon standards and registry like FSC and:







# ecological

Native species mixed forests, biodiversity, waterprotection, habitat





# social

permanent jobs, micro-credits, education and further training





#### **Carbon Offset**



#### CO<sub>2</sub>OL Tropical Mix Reforestation, Panama

**Type:** VER<sub>FUTURE</sub>

CO2 registry: Markit

Standards: CarbonFix Standard pre-validated

FSC-certified (Forest Stewardship Council)

CCB Standard – validation expected o6/2010

**Volume:** ca. 25.000 VERs in 06/2010, annual +20.000

**Description:** Reforestation of degraded pastureland with a mixture of native tree species plus Teak (max. 40%)

http://www.youtube.com/watch?v=aEawNKUYUP8

Additional ecological benefits: biodiversity,

Water protection, habitat for endemic species

Additional social benefits: longterm employment for local

Community, knowledge transfer, improved living conditions









More information:

http://www.carbonfix.info/Project.html http://www.climate-standards.org/projects/index.html

#### **Carbon Offset**



#### **Biodiversity Reforestation Vietnam**

**Type:** VER<sub>FUTURE</sub>

CO2 registry: Markit

Standards: CarbonFix Standard

**Status:** Undergoing Pre-Validation

Total estimated area: 1.250 hectare

Time duration: 50 years

**Description:** Reforestation of degraded pastureland with at

least 5 different native tree species

**Additional ecological benefits:** biodiversity, soil protection, habitat for endemic species

**Additional social benefits:** longterm employment for local community, knowledge transfer, improved living conditions

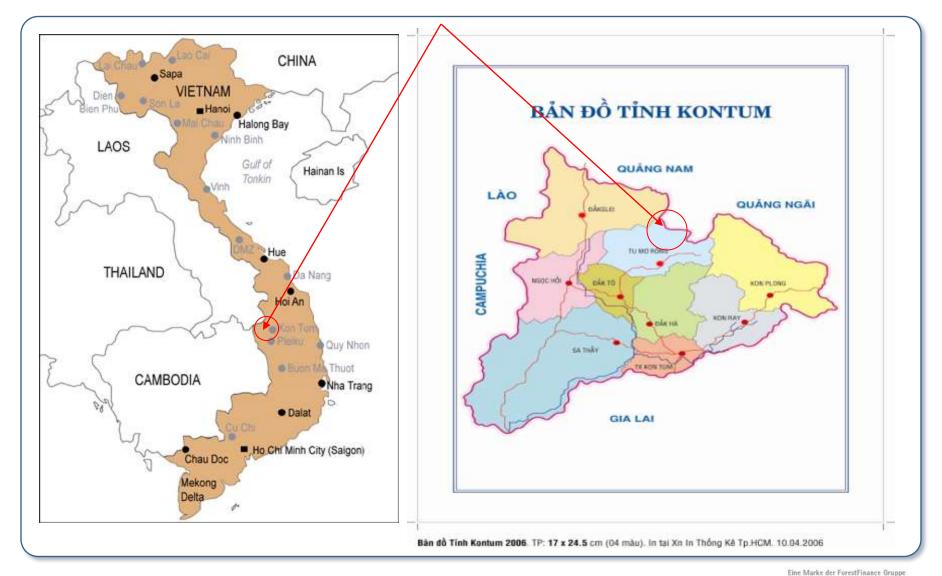




For more information: http://www.carbonfix.info/Project.html

#### Location of CO<sub>2</sub> Reforestation Area





#### Rationale for carbon sequestration based reforestation COOL cooperation



- ✓ To reduce GHG and protect the environment the countries in the world in general and Vietnam in particular are making their best contribution to carbon sequestration based reforestation.
- M Kontum province is having its trend to close its natural forests, to encourage all economic components for cooperation and joint venture in forest plantation.
- ✓ Thanks to the active support from GTZ and MARD in assisting Kontum province's linkage between Đăk Tô Company and ForestFinance Service GmbH Germany under PPP model.

#### **Cooperation Principle**



Directorate of Forestry and GTZ actively involved in the approach and linkage of PPP model between Đăk Tô Company in Kontum province and ForestFinance Service Gmbh Germanys





## Objective, scale, operational funding and interests of PPP



- ✓ Objective: Reforestation aims to maintain and recover the basic function of forests with high biology as well as fulfillment of carbon sequestration.
- Cooperation agreement: ForestFinance Service Gmbh Germany covers the entire expenses for this reforestation, care and management of forested area. Kontum province is responsible for allocation of reforested area within 50 year.
- **✓** Participating partners:
  - Representative of Kontum province: DARD Kontum, PMBs of protected forest
  - Representative of ForestFinance Service Gmbh Germany.
- Interests of all sides: In the Agreement ForestFinance Service Gmbh Germany has no land interest or ownership but only right to be entitled to carbon credits. Kontum province is piloted to receive fund for reforestation, forest care, management and protection and will be handed over these forested areas upon the term completion.



## Objective, scale, operational funding and interests of PPP



#### **Estimated impacts**:

- M Economic: development of diverse species reforested areas towards the natural forests for the purpose of carbon sequestration.
- **Social:** creation of more jobs, income increase and living condition improvement for the local communities living nearby the forest, especially the ethnic minorities, through the reforestation activities.
- Environmental: maximize the forest function, land protection, water resource protection, land erosion limit, ecological protection, endangered species and wildlife gene conservation.



#### **Activities of PPP**



Preparation of seedlings: Native species suitable for the height of over 1000m

- M Pine
- Betula alnoides (Birch)
- M Cây Vôi thuộc (Chò xót) (Schima)
- ✓ Oaks & Chestnuts
- ✓ Du sam, Thông tre, Kim giao (coniferous species)



Nursery garden of native species in Kontum



#### **Activities of PPP**



#### Source of native species seedlings:

- ✓ Taken from primary or secondary natural forests
- Seeds and seedlings bought from outside Kontum







#### Advantages and challenges PPP



#### **Advantages:**

- Pioneering PPP model on carbon sequestration based reforestation adequately given attention and supervision by the GOVT, central agencies and Kontum province
- Land available for reforestation in terms of both area and required standards
- M Native species for reforestation are diverse with fast growth to ensure the requirements on biodiversity and sustainable development
- ✓ Support from international expert CIM (GTZ)
- ForestFinance Service Gmbh Germany makes sure of forest management plan and output market



#### Advantages and challenges PPP



#### **Challenges:**

- M Knowledge and experiences on carbon sequestration based reforestation is highly limited, particularly in the field of management, monitoring and evaluation on socio-economic and environmental impact
- M Risk insurance not yet available (fire, pests . . .) and possibility of force majeure
- Plenty of areas for reforestation, but majority allocated in scattered lots, in the remote zone with high slope and difficult travel, mainly in the height of over 800 m
- Views of communities and local authorities need attention, as they are not yet familiar with the type of cooperation for carbon sequestration based reforestation.



#### **Coming plan**



- M Continue to reforest for Carbon sequestration from 2011 to 2015, at the minimum of annual 200ha
- Expand forest plantation cooperation with private enterprises and communities in Kotum province when they have sufficient conditions to participate in reforestation
- After 3 years' implementation Kontum DARD will review and report to PPC Kontum, MARD, GOVT. and related agencies



#### Thank you very much for your attention





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