

# SIDE EVENT AT COP14/CMP4: WHERE MARKET MECHANISMS GO? Poznan, Poland, 06 December 2008

# **CO-BENEFITS CDM PROJECTS**

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# MAIN CONTENTS

- I. GENERAL INFORMATION
- II. INSTITUTIONAL ARRANGEMENT FOR THE CDM IN VIETNAM
- III.CDM PROJECTS APPROVED IN VIETNAM
  IV.CONCLUSIONS

#### I - General Information

Viet Nam signed United Nations Framework Convention on Climate Change (UNFCCC) on 11 June 1992 and ratified it on 16 November 1994.

Viet Nam also signed Kyoto Protocol (KP) on 03 December 1998 and ratified it on 25 September 2002.

Viet Nam is not required to reduce greenhouse gases (GHG) emission



#### I - General Information

The Ministry of Natural Resources and Environment (MONRE): National Focal Agency for taking part in and implementing the UNFCCC, KP and Clean Development Mechanism (CDM);

The Department of Meteorology, Hydrology and Climate Change (DMHCC) of MONRE: the Designated National Authority for CDM in Vietnam (DNA);

Vietnam National Steering Committee for UNFCCC and KP was established on 04 July 2007 based on Primer Minister's Decision in 2007. The Committee consists 15 members from 14 related ministries and agencies

National Steering Committee for UNFCCC and KP	
MONRE	MPI
MOIT	MARD
MOST	MOET
MOFA	MOJ
MOF	MOC
Ministry of Labor, War Invalids Social Welfare	Ministry of Culture and Information
MOCT	VUSTA

### **CDM: CO-NENEFIT PROJECT**

# ARTICLE 12 of Kyoto Protocol:

- ✓ To assist non-Annex I Parties in achieving SD and in contributing to the ultimate objective of the UNFCCC
- ✓ To assist Annex I Parties in achieving compliance with their quantified emission limitation and reduction commitments under Article 3 of the KP



# BỘ TÀI NGUYÊN VÀ MÔI TRƯỜNG VIỆT NAM MINISTRY OF NATURAL RESOURCES and ENVIRONMENT





#### **Integrating CC into Dev. Stratergy**

# <u>Development</u>

- Sectors (Agriculture, Energy, Industry, Transport, Health, etc.)
- Systems (Socio-economic, ecological, etc.)
- Cross-cutting issues (Poverty, equity, etc.)

Social, Economic, Environmental

Social, Economic, Environmental



# BỘ TÀI NGUYÊN VÀ MỘI TRƯỜNG VIỆT NAM

MINISTRY of NATURAL RESOURCES and ENVIRONMENT



COMPENDIUM OF ENVIRONMENTAL PROJECTS IN VIET NAM

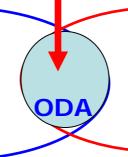
**2003** 

**ODA** 

1. Climate change and disaster management

**Ozone Protection** 

**Development Needs** (Infrastructure)



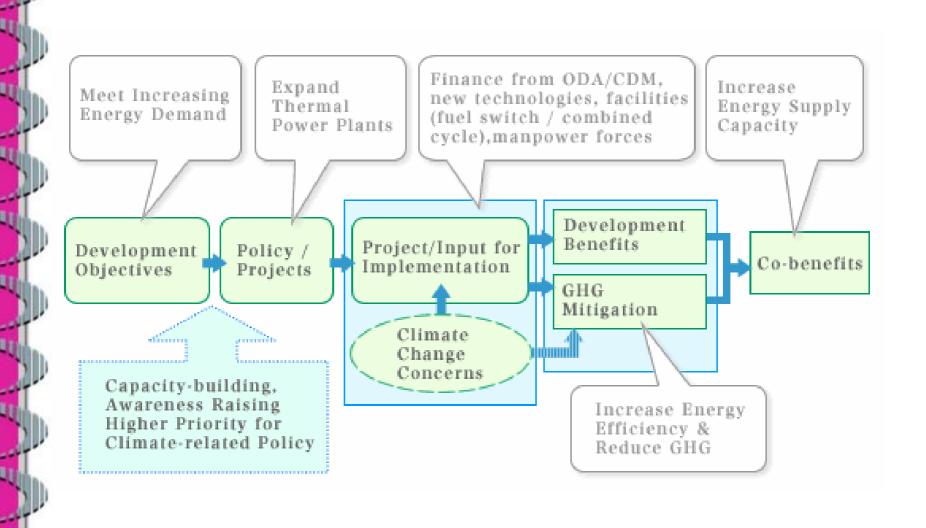
Co-benefit

Energy Efficiency ! (CDM)

Co-benefits Approach to Climate Change and CDM Co-benefits Areas of Action for Development and Climate Change

- Partnership between Development Assistance and Cooperation in Climate Change
- Good Practice Guidelines for the Co-benefits Approach

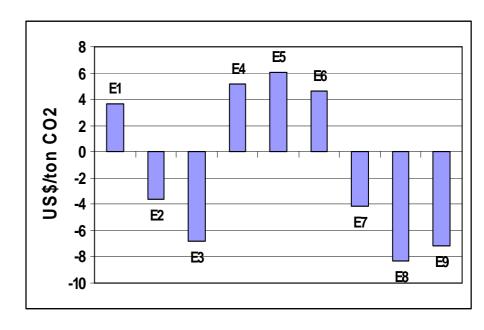
# **Process of Co-benefit Approach to Climate Change**



### Develop and assess GHG mitigation options

### A. Energy

- Use of high-efficiency coal, oil fired boilers (E1, E2)
- Lean Burn Engine in Transportation (E3)
- Use of energies: geo-thermal, solar, wind (E4, E5, E6)
- Improving coal cooking stoves (E7)
- Compact Fluorescent Lamp (E8)
- Improving efficiency of industrial motors (E9)

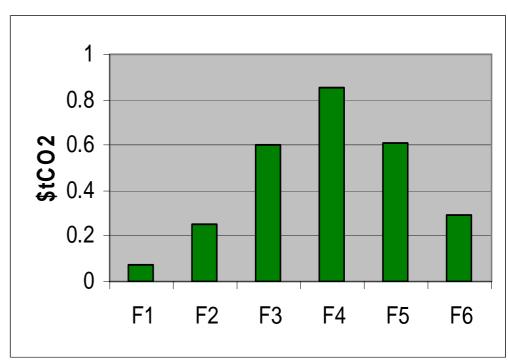


GHG mitigation costs of some options in energy

# Develop and assess GHG mitigation options

# B. Forestry and Land Use Change

- Protection of forest (F1)
- Restoration of protective, specialized forest (F2)
- Plantation of new protective forest (F3)
- Reforestation of short-term production (F4)
  - Reforestation of long-term production (F5)
    - Scattered trees plantation (F6)



GHG mitigation costs of some options in LUCF

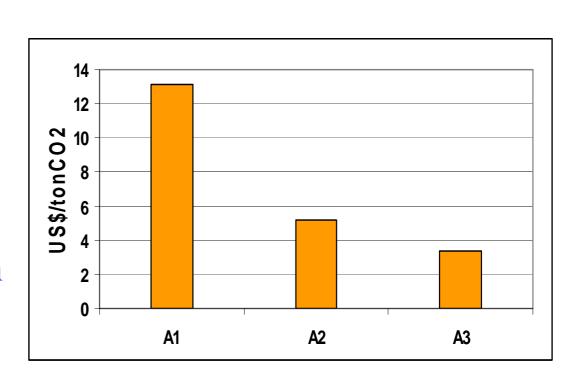
### Develop and assess GHG mitigation options

# C. Agriculture

Water management on rice fields (A1)

Processing animal food (A2)

Biogas utilization in rural areas (A3)



GHG mitigation costs of some options in Agriculture

# ENHANCEMENT OF POLICIES TO PROMOTE CO-NENEFIT PRPJECTS

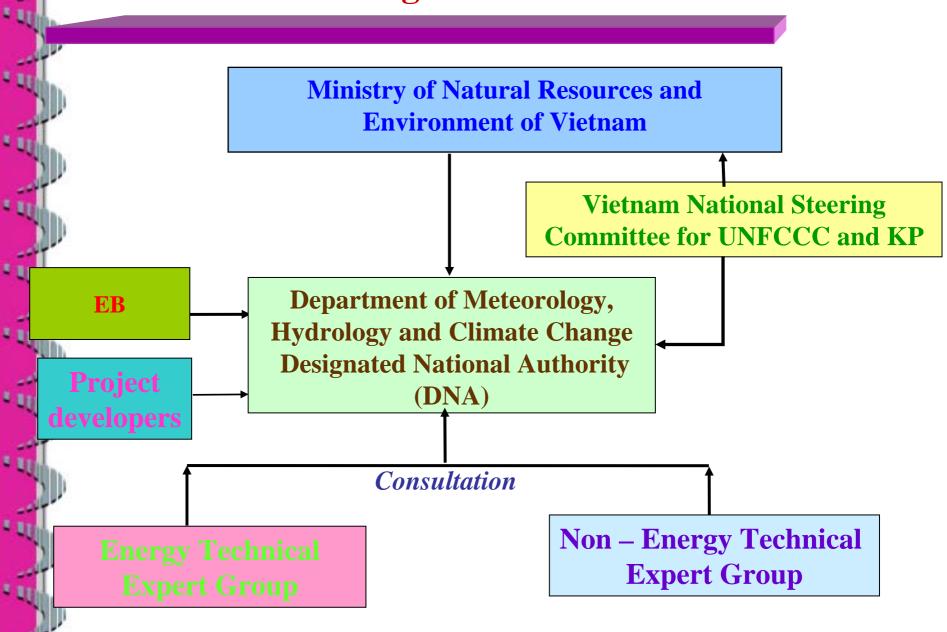
#### Prime Minister:

- ✓ *Directive No. 35/2005/CT-TTg* dated 17 October 2005 on the implementation of KP to the UNFCCC;
- ✓ **Decision No. 47/2007/QD-TTg** dated 06 April 2007 on approving KP implementing plan to the UNFCCC for the period 2007-2010;
- ✓ **Decision No. 130/2007/QD-TTg** dated 02 August 2007 on a number financial mechanisms and policies for CDM projects.

Minister of MONRE: *Circular No. 10/2006/TT-BTNMT* dated 12 December 2006 on guiding the development of CDM projects under KP in Vietnam.

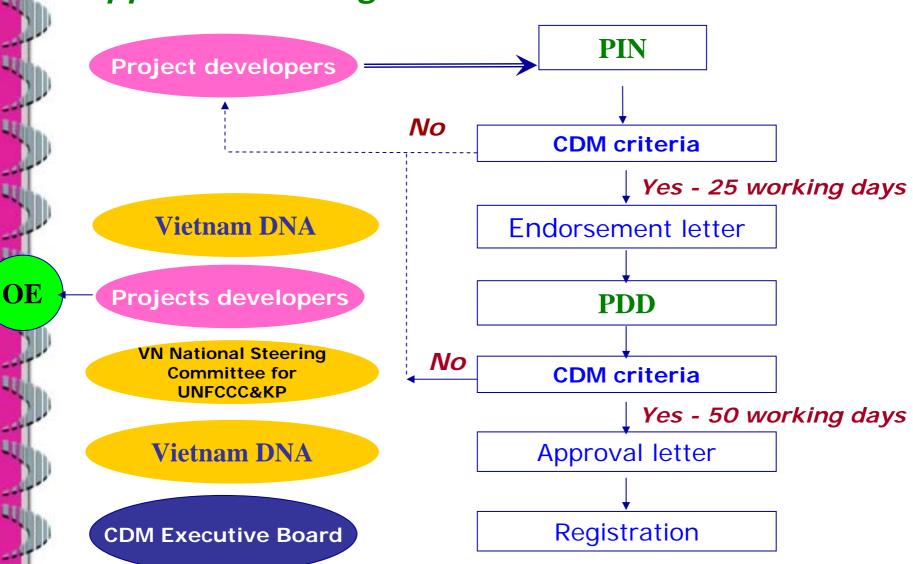
Ministers of MOF and MONRE: *Joint-Circular No. 58/2008/TTLT-BTC-BTNMT* dated 04 July 2008 for guiding the implementation of some articles in Decision 130/2007/QD-TTg dated 02 August 2007.

### II. Institutional arrangement for the CDM in Vietnam

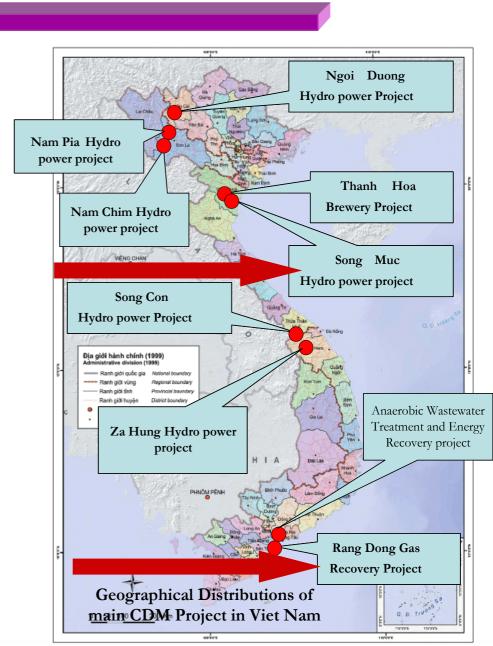


# Institutional arrangement for the CDM in Vietnam

Approval and registration for CDM in Viet Nam



Up to November 2008,
78 Project Design
Documents (PDD)
were approved and 20
Project Idea Notes
(PIN) were endorsed by
Vietnam DNA.



Project "Rang Dong Oil Field Associated Gas Recovery and Utilization" was issued 4.486 mil. CERs on March 2008 by EB.









# CDM Hydro power project

- Song Muc small hydro power station rehabilitation in Thanh Hoa province
  - Project participants:
    - Tohoku Electric power Co. of Japan
    - Agricultural Irrigation Mechanization Electrification Construction Corp. (AGRIMECO) of Viet Nam
  - Yearly electricity production of approximately 7,200 MWk
  - Estimated total emission reduction for 10 years: 42,980 tCO<sub>2</sub>
  - Approved by Viet Nam DNA on 10 March 2006
  - Registered by EB on 26 June 2006



Two machine group of Song Muc Hydro Power Project



High automatic operation



Control Cabin



Transformer station wait for mixing to national electric system

Project "Song Muc Small Hydro Power Station Rehabilitation" will considered and issued CERs by the EB in the coming time.

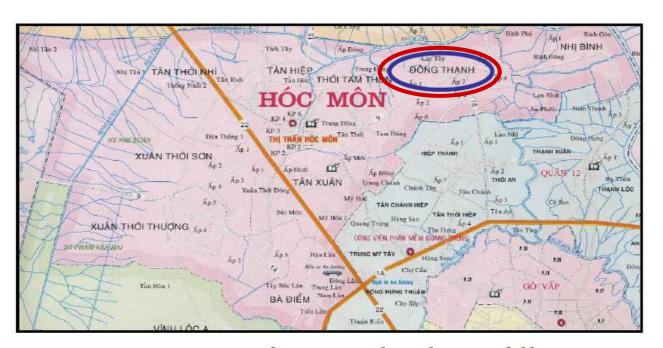


Ready to generate electricity to system



Surveying the implementation of the Song Muc Hydropower CDM Project

Project "Dong Thanh Landfill Gas CDM in Ho Chi Minh city" and "Phuoc Hiep Landfill Gas CDM in Ho Chi Minh city" will be registered as CDM projects in the coming time.



Location of Dong Thanh Lanfill

# Round-Table on Co-benefits CDM Projects through ODA Loan in Vietnam

- *Date*: 22 August 2008
- > Venue: Press Club, Hanoi, Vietnam
- Organizer: Ministry of Environment of Japan (MOEJ), Japan Bank for International Cooperation (JBIC)



➤ *Participants*: Vietnam: MPI, MONRE, MOC, EVN, MOF; Japan: MOEJ, JBIC Hanoi Office, Institute for Global Environmental Strategies (IGES), Overseas Environment Cooperation Center (OECC), Pacific Consultant (PCKK); and others

# Round-Table on Co-benefits CDM Projects through ODA Loan in Vietnam

- ➤ Background and purpose: to share the outcome of 1<sup>st</sup> on-site visit for Co-benefits CDM projects development utilizing ODA loan projects and discuss the future plans.
  - ✓ Three Co-benefits CDM project candidates through ODA loan in Vietnam in the 1<sup>st</sup> survey:
    - ❖ The Hai Phong drainage sewerage improvement project;
    - ❖ Ho Chi Minh city water environment improvement project;
    - Power transmission and distribution network development project.

# IV – Round-Table on Co-benefits CDM Projects through ODA Loan in Vietnam

- ✓ Co-benefits CDM project candidates through ODA loan in Vietnam in the 2<sup>nd</sup> survey:
  - Transmission and distribution network development in Vietnam
  - ❖ Water environment improvement (Hai Phong and Ho Chi Minh city)
  - ❖ Waste management (Hai Phong city)
  - Ceramic kiln upgrading project



# Surveys for CDM project development in Viet Nam



Thai Nguyen



Ba Ria, VungTau



Go Cat Landfill in Ho Chi Minh city

#### V – Conclusions

Vietnam is ready to cooperate with international organizations to research and develop CDM projects;
The Joint-Circular No.

58/2008/TTLT-BTC-BTN&MT is issued in July 2008 in which CDM projects can use ODA but additional cretaria should be met and CERs will belong to public ownership..





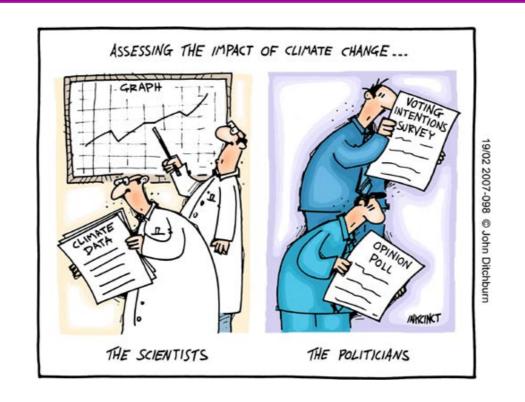
### V – Conclusions

CDM projects in Viet Nam plays an important role in the sustainable socioeconomic development, hunger eradication, poverty reduction as well as the environmental protection;

Viet Nam facilitates
participation of foreign
investors including
European investors and
welcomes them to Viet Nam



# hank you very much for your attention!



For more information, please contact:

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