

Selected by Ministry of the Environment to Run Feasibility Study for Bilateral Offset Credit Program

— REDD+ through forest management practices and biomass power generation
using timber waste in Vietnam—

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo) announced that it was again selected to conduct a feasibility survey for the Bilateral Offset Credit Mechanism (BOCM)*¹, a program implemented by the Global Environment Centre Foundation (GEC), the operator commissioned by the Ministry of the Environment. The company was also chosen to conduct the feasibility study in 2012. Sumitomo Forestry is proposing to conduct the BOCM feasibility test in northwestern Vietnam to quantify REDD+ through forest management activities and biomass power generation using timber waste. The project goal is to contribute to the sustainable development of the region by examining the implementation of biomass power generation and activities such as expansion of the forest area via afforestation and forest conservation (REDD+).

*1: The goal is to build program infrastructure and accumulate knowledge and experience based on projects and activities that contribute to the development of the Bilateral Offset Credit Mechanism (BOCM) being proposed by the Japanese government for implementation in and after 2013. The Global Environment Centre Foundation (GEC), commissioned by the Ministry of the Environment, is in charge of enlisting projects. For reference, visit the Ministry of the Environment's website.

■ Project overview

- Name:** Bilateral Offset Credit Mechanism (BOCM) feasibility test by quantifying REDD+ through forest management activities and biomass power generation using timber waste.
- Area:** Northwestern Vietnam (provinces including Dien Bien, Son La, Lai Chau, and Hoa Binh)
- Summary:**
- (1) Examine the implementation of natural forest renewal and preservation, support for sedentary (stationary) farming as an alternative to slash-and-burn farming, and promote the timber processing industry and biomass power generation, as measures to prevent forest depletion and degradation in northwestern Vietnam.
 - (2) Aim to quantify benefits from an increase in carbon stock by reducing the burning of the existing natural forests for shifting cultivation, and through afforestation and sustainable forest management, and create emission rights using the BOCM. Also, aim to further reduce greenhouse gas emissions by using, as biomass fuel, waste produced by industries that use timber obtained as a result of afforestation.
 - (3) Develop a project that will contribute to the sustainable development of Vietnam by contributing to the improvement of diverse forest functions, including water source recharge, national land conservation, and biodiversity preservation, and creating new industries, including those related to timber, in northwestern Vietnam, one of the nation's poorest regions, while maintaining a balance between environmental protection and regional economic development.

To carry out the feasibility study in Vietnam, Sumitomo Forestry will coordinate with Japan International Cooperation Agency (JICA), which is implementing activities such as the Project for Sustainable Forest Management in the Northwest Watershed. Through this feasibility study, new knowhow will be accumulated on

methods to quantify the benefits of greenhouse gas emission reduction and for MRV (measurement, reporting, and verification) methods. It is expected that these measures will contribute to the development of a program for the new mechanisms being proposed by the Japanese government. Sumitomo Forestry, which was selected to carry out the feasibility study in 2011, will continue with its survey and work to help build a system that will contribute to the prevention of global warming, environmental protection, and sustainable regional development.

➤ REDD+: REDD is an acronym for Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, which was proposed at the 11th Conference of the Parties (COP 11) held by the United Nations Framework Convention on Climate Change (UNFCCC). At COP13, it was decided to add the “plus” to reflect the concepts of the conservation of forest carbon stocks, sustainable management of forests, and enhancement of forest carbon stocks in developing countries.

Reference: REDD Research and Development Center, Forestry and Forest Products Research Institute