

Technical Working Group on Forestry and Environment

Minutes of the 15th Meeting on

Forest and Carbon Offset

At the Forestry Administration's Meeting Room

12th November 2007

1. Welcome by Chairman

The meeting began with a welcome from the Chairman, H.E. Ty Sokhun, and a briefing of the agenda, in fact today we have three presentations but due the time constrain the CI conterpart could not arrange the presentation on time. One presentation is from CFI, Dr. Mark Poffenberger, presenter, and other is Mr. Jean Marc Bouvard, from AFD, adviser to MAFF.

As you may aware, Climate Change is a global concern and the hot issues. Recently the General Secretary of UN, Ban Kimon just appeals the joint effort to mitigate the global warming. Today we have good opportunity to learn how Cambodia can be eligible for the CDM procedures, dealing with forest issue, avoiding deforestation and reforestation.

He also recalled that in the previous TWG-F&E meeting we also had the presentation on the carbon stock, presented by Mr. Mark Jackson, come from Carbon Conservation Company. After that he requested me to sign the engagement letter with one condition of the exclusive right for future carbon sale should be proceeded through this company. After discussion with our development partners, lead facilitator, it is not consistent with Cambodia Law that is not to have exclusive right for trading. We therefore need to explore the other alternative opportunities to engage the forest carbon project. This time we have two presentations for introduction to the TWG, discussion and looking for endorsement if it is acceptable.

Dr. Andrew shared his information; under the article 12.2 of the Kyoto Protocol, that CDM objective is going to assist the host country in achieving sustainable development. In term of resource transfer, we do now have emergent new framework reducing emission from deforestation and degradation, with the international trust fund, the forest-carbon partnership facility, formally announced by the WB, the UNFCCC Meeting in Bali, Indonesia, in December. He brought some CDs with documents of the background material, which will be presented in Bali for TWG-F&E members. He also brought some launched Green Book, which is the information about the service delivery for commune council, for the members.

2. Presentation and discussion on the Community Forestry Carbon Project in Cambodia.

Dr. Mark Poffenberger, Executive Director of CFI, presented the objective of the development of community forestry carbon project in Cambodia. The proposed project would focus on "avoided deforestation" through community protection, which is relatively a new concept being considered by the CDM, however this project would seek financing from private investors.

There are many kinds of buyers: CDM approved CER buyers, as well as private VER buyers, including voluntary buyers, non CDM offset buyers and investors. There are 3 types of forest carbon projects: Afforestation and reforestation of deforested areas; Assisted natural regeneration projects for degraded forest areas; and avoided deforestation project for closed forest areas which is selected for piloting in Cambodia because of low cost for development. He showed data on the baseline Carbon Stocks and Sequestration Rates for Northern Cambodia Forests of some forest types. The proposed CF Carbon Project Areas is in Otdar Meanchey Province, Siem Reap FA Cantonment, with total forest land of 71,625 ha and 50 villages. Risk is predicted like forest fire, illegal logging and economic land concession, however mitigation is planned to prevent the risk. The project requires a commitment from the RGC to ensure no economic land concession are made in the project area(the presentation is available in website: www.twgfe.org).

Mr. Hori said that this is introduction of new idea that is looking for more broad opportunities to move ahead as we can see in the Kyoto Protocol.

H.E Ty Sokhun said if we include tree-planting activities in the project activities. What kind of the forest that is eligible for the avoided deforestation fund, because some forests are degraded and have been established the community forestry.

Dr. Mark: Avoided deforestation projects should concentrate in areas with good remaining forest cover, but where deforestation is taking place rapidly. The “addition” of community forest protection should be capable of halting deforestation in project areas. Tree planting and gap filling can take place in project areas that have already been degraded. The degraded forest can be protected and included in Assisted Natural Regeneration (ANR) CF Carbon projects, or for Reforestation Carbon Projects. The fund can be channelled into community reforestation. We are starting to develop concept note for Kampong Thom and some of CF in the degraded forests by assisting natural regeneration. Pilot project experiences from Udar Meanchey as an initial project site could be extended to other sites.

H.E Ty Sokhun: we should have baseline of the status of the forest and simplify procedures to assess or monitor forest carbon stock.

Dr. Mark: University of California can be helped to assess the forest carbon stock level by using GIS remote sensing analysis.

Dr. Andrew recommended that the implementation of the project should build the capacity building of the government institutions at national level, GIS unit of the FA, i.e the assessment the increasing or decreasing of the carbon stock. Use as much as possible the human resource in Cambodia.

H.E Ty Sokhun: The concept of the community forest carbon project has been acceptable by the TWG-F&E, and CFI can proceed with reliable project and benefit to local community.

3. Presentation and discussion on report of institutional strengthening of MAFF/FA on the CDM Forest Issues.

Mr. Jean Marc Bouvard, Adviser to MAFF, presented proposed activities to the FA concerning capacity building on the forestry CDM issues. These activities will be carried out in the framework of a MAFF institutional capacity building project funded by AFD called "Support to the definition of agriculture sector policies", which includes a sub-component on forestry issues. The logical framework of the planned activities has been prepared in order to fit the needs expressed by the FA in terms of capacity building of its staff on the Forestry CDM issues, including mapping of the eligible land for CDM forestry projects. The planned activities include three main steps:

- To train FA staff on what Kyoto Protocol, CDM, Carbon issue is about, on what kind of procedures and mechanisms can be used in the Cambodian context, to help FA to determine a strategy on these issues (how to best use current and future mechanisms of carbon offsets to improve sustainable forest management; what kind of activities / projects to implement?)
- Carry out (pre)feasibility studies for representative pilot projects (from the inventory of identified typical projects) based on a “learning by doing approach” (the obvious complementarity of this activity with projects such as the one presented by Dr Mark has been underlined)
- Positioning of the Forestry CDM negotiators from Cambodia in the Asia regional group.

The logical framework of the planned activities still needs to be finalized between FA and ONF-I (Office National des Forêts – International) which will provide the technical support on this issue. Coordination of these activities with all stakeholders and projects related to forestry carbon issues is stressed (all forestry CDM projects proponents / DANIDA on forest mapping activities / ...).

The project is planned until end of 2008 and, at this stage of design, the estimated budget for these activities is around 170 000 € (240 000 US\$).

Mr. Hori is happy to cooperate in term of capacity building development with these projects for the sake of Cambodia.

H.E Ty Sokhun: Until now there is no any training has been conducted for FA staff, it is still in the preparation phase. He asked to intensify implementation of the activities. The steering committee requested one full-time expert to work with the FA.

Dr. Andrew: Cambodia today has three approved project, none of which is related to forestry sector. He emphasized the critical issue of the revenue sharing arrangement. The potential option is still being discussed with the MEF to put in place the category natural resource of the management grant system to support any facts complement commune-sangkat fund, which is one mechanism for transferring the resources to commune council. He also informed that Denmark will host the COP fifteen in 2009 and recently approved five million DKK additional funding to support climate proofing of development assistance in Cambodia. This may provide a mechanism to support some of these pioneer initiatives trying to develop these methodologies and keeping them as simple as possible and being very much in term of sharing benefit with the local community.

H.E Ty Sokhun expressed thank to the Royal Government of Denmark for additional fund of five million DKK granting to the climate change issue to Cambodia. We do expect that Dr. Andrew's leadership, guidance and facilitation in this working group will get some more fund for these CDM or forest based climate change mitigation projects and activities in Cambodia in next year as we already circulated the letters to all our working group members and other stakeholders to propose activities or programs for next year work plan.

4. Close of the Meeting

H.E. Ty Sokhun expressed his sincere appreciation to the presenter, Dr. Mark and Mr. Jean Marc, as well as all members of TWG-F&E for their active participation and contributions in the successful meeting, and wishes them with the best and success and looks forward to continued contributions and participation in the next forum.

Dr. Andrew also expressed his thank to Dr. Mark and Mr. Jean Marc for the presentations and all members for participation in this meeting. If there is, any feedback should be sent to the TWG-F&E Secretariat, in term of your observations, ideas, and comments on this thematic session.

Participants

1. H.E. Ty Sokhun	TWG-F&E Chairman
2. Dr. Andrew Wardell	Counsellor-Development, Danida
3. Mr. Lu Chu Chang	Chairman of CTIA
4. Mr. Jean Marc Bouvard	Adviser, MAFF
5. Mr. Hori Masahiko	Chief Advisor, CBFS-II/JICA
6. Ms. Suon Pankanika	Deputy Office, MEF
7. Mr. Daniel Costa	1 st Secretary, EC
8. Mr. Tommi Tenno	NRM Officer, FAO
9. Ms. Yoshiko Ogawa	Consultant, FAO
10. Ms. Kimberley Buss	Carbon Offset Analyst, GERES
11. Mr. Mark Poffenberger	Executive Director, CFI
12. Ms. Amanda Bradley	CFI
13. Mr. Sokkheng Novin	Vice Chief of NPWSO, DNCP/MoE
14. Mr. Mark Gately	Director, WCS
15. Dr. Tom Evans	Technical Adviser NRM, WCS
16. Mr. James Bampton	CTA, RECOFTC
17. Mr. Chea Sam Ang	Deputy Director, FA
18. H.E Tim Sipha	Head of STLIFA
19. Dr. Sokh Heng	NFP National Coordinator
20. Mr. Meas Makara	Chief of WFLMO, FA
21. Mr. Khon Saret	Chief of FMO, FA
22. Mr. Dennis McMatron	Contractor, CFI
23. Mr. Long Ratanakomal	Deputy Chief of CFO
24. Mr. Ma Soktha	Chief of Reforestation Office

25. Mr. Henry Kong Manager, GTW

TWG-F&E Secretariat

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