

## **International workshop**

### **Forest carbon market: Post COP27 and transformative pathway for Vietnam**

#### **1. Background and rationale**

Acknowledging the important role of forests in climate change mitigation and adaptation, Vietnam and more than 140 countries signed the Glasgow Leaders' Declaration on Forests and Land Use to halt and reverse forest loss and land degradation by 2030 in COP26 and Forest and Climate Leaders' Partnership in COP27. Vietnam has also strengthened its Nationally Determined Contributions (NDCs) targets in reducing deforestation and forest degradation.

Carbon market has been promoted by international communities as one of effective financing mechanism to reduce emission from deforestation and forest degradation, protecting forests and other carbon sinks, such as peatlands and wetlands. There are positive signs for forest carbon market development, with almost USD 400 million generated in global voluntary carbon market transactions between 2017 and 2019. At least USD 5.9 billion flowed to forest carbon offset projects around the world, with an additional USD 1.3 billion disbursed or contracted to support developing countries in protecting their forests. However, these transactions have yet to match forestry's full potential.

Vietnam forestry sector is now preparing and implementing several forest carbon projects to mobilize additional finance for long term sustainable forest management. These projects also aim to provide practical lessons learnt for future domestic carbon market and prepares Vietnam to join global carbon market in the future. However, the implementation of these projects has been impeded by unclear global institutional architecture of carbon market (e.g., Article 6 of Paris Agreement, international financial institutions) and national policy framework.

What has been recently agreed amongst countries on Article 6 at COP27 in November 2022 which regulates the operationalization of carbon market brings both opportunities and challenges for countries, including Vietnam to design and implement forest carbon market in effective, efficient, and equitable manner. What pathway the national Vietnam should adopt for its forest carbon market to achieve national sustainable socio-economic development goals and climate change adaptation and mitigation pledges is critical yet remains unanswered question for many policy makers and practitioners in Vietnam.

#### **2. Objectives and expected outcomes.**

This workshop brings policy makers, practitioners, academia, private sector, civil society organisations and local communities to discuss: (i) current status and future trends of forest carbon market; (ii) updates from COP27 and its implication for global carbon market and Vietnam; (iii) lessons learnt from other forest rich countries (e.g. Peru, Indonesia) on how they set up and operationalize forest carbon market; and (iv) opportunities and challenges for Vietnam to design and operate forest carbon market. The workshop aims to provide policy makers and practitioners with updated and comprehensive analysis and information on carbon market for their future decision making. The workshop is co-organised by the Ministry of Agriculture and Rural Development (MARD), Center for International Forestry Research (CIFOR) and IUCN.

#### **3. Time, venue, modality**

- **Time:** ½ day, 20/12/2022
- **Venue:** Melia Hotel, Hanoi
- **Meeting modality:** Hybrid, online and offline

#### 4. Agenda

Time	Content	Responsible person
8.00- 8.30	Registration	Organizer
8.30 – 8.40	Opening remarks	HE Nguyen Quoc Tri - Ministry of Agriculture and Rural Development (MARD) Vice Minister
8.40 – 8.50	Opening remarks	Ms Mette Møglestue, Deputy Head of Mission Norwegian Embassy
9.50 – 9.00	National vision on carbon market roadmap and pathway	Ministry of Finance/ Ministry of Natural Resources and Environment
9.00 – 9.15	Forest carbon market: legal framework and pathway	Vietnam Forest protection and Development Fund/MARD
9.15 – 9.30	Current status of forest carbon market in Vietnam: opportunities	Mr. Vu Tan Phuong, Vietnam Forest Certification Office
9.30 – 9.45	Global forest carbon market: current status, future trend, Post COP27 and implication for Vietnam	Ms. Pham Thu Thuy, CIFOR-ICRAF
9.45- 10.00	Carbon market policies in forest rich countries- Lessons learnt from Indonesia and Peru	Mr. Dwisatrio Bimo and Mr. Sandy Nofyanza CIFOR - ICRAF
10.00- 10.20	Tea break	
10.20- 11.45	Plenary discussion	
11.45 – 12.00	Closing remarks	HE Nguyen Quoc Tri - MARD Vice Minister and Ms Mette Møglestue, Deputy Head of Mission Norwegian Embassy