

Oddar Meanchey Community-based REDD Project

SUMMARY



Location: Oddar Meanchey Province, Cambodia

Gross Project Life VCUs: 7.8 million

Hectares: 63,831

Crediting Period: 30 Years

Standards: CCB Triple Gold VCS (world's only)

Project Start Date: 2008

Project Type: REDD (Mosaic)

Verified: Sept 2013

PROJECT PARTNERS

- Seller and Project Proponent:**
- *Forestry Administration of the Royal Government of Cambodia*
- Carbon Developer/ Marketing Agent**
- *Terra Global Capital*
- Implementing Organization(s):**
- *Pact*
 - *Children's Development Association, Cambodia*
 - *Monks Community Forestry Association, Oddar Meanchey*
 - *The Community Forestry Federation of Oddar Meanchey Province, Cambodia*
- Project Design:**
- *Community Forestry International, USA*
- Technical Partners:**
- *Technical Working Group on Forestry and the Environment, Cambodia*
- Legal Advisor:**
- *Dentons*
- Donors:**
- *Danish International Development Assistance*
 - *William J. Clinton Foundation Clinton Climate Initiative*
 - *UNDP*

PROJECT SUMMARY

The Oddar Meanchey REDD project protects 63,831 hectares of forest in the northwest Cambodian province of Oddar Meanchey. The project will generate an estimated 7.8 million tons of emissions reductions over 30 years. This pioneering community-led project demonstrates how developing countries can generate income from carbon markets and positively impact climate change and community livelihoods.

In the 1970s, during the height of the Khmer Rouge, Oddar Meanchey was one of the most remote and heavily forested regions of Cambodia. In recent years, the province's forests have been under constant and intense pressure from commercial and illegal logging, forest fires, economic land concessions, and unsustainable agricultural expansion. These issues, coupled with rapid economic growth, population expansion and migration have accelerated deforestation throughout the province; between 2002 and 2008, Oddar Meanchey lost 2% of its forests annually.

In response, the project has worked directly with local communities to establish Community Forest groups that implement project activities to reduce deforestation, improve livelihoods and protect biodiversity. The project directly benefits communities in a number of ways: clarifying land tenure for nearly 8,000 households, implementing sustainable farming practices that improve productivity, distributing fuel-efficient cook stoves to reduce health risks associated with indoor cooking and reduce fuelwood consumption, construction of wells and drinking water systems, providing employment through patrolling and tree planting, and developing long-term sustainable land-use plans.

The project has achieved the world's only Verified Carbon Standard (VCS), and Climate Community and Biodiversity Standard (CCB) triple gold verification. VCS verification certifies that the project has applied rigorous and innovative carbon accounting and quantification methods to generate high-quality, compliance grade carbon offsets. CCB validation recognizes the critically important social and biodiversity benefits provided by the project.

The project protects some of the last remaining intact tracts of evergreen forest in Cambodia, providing invaluable protection of watersheds and a buffer against forest fire. A number of globally threatened mammal species rely on the forests of the area, including Indochinese tigers, leopards, elephants, white-rumped falcon, sarus cranes, Asian wild buffalo and sun bears. A total of 174 bird species reside within the project area, including the endangered green peafowl.



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LAND TENURE AND CARBON RIGHTS

The Community Forestry Sub-Decree sets out the rules for the establishment, management and use of Community Forests in Cambodia, and gives the Forestry Administration rights to grant official recognition of the demarcation of each community forest boundary. The Sub-Decree further establishes the requirements of all CF communities, vis-à-vis by-laws, management plans and allowable use. The Sub-Decree has established the framework allowing for creation of CF groups which in turn may be partake in the implementation of community REDD carbon projects in Cambodia. Under this framework, the project has established clear land-tenure for 13 Community Forest groups by facilitating agreements that providing exclusive management rights and responsibilities to formal Community Forestry Management Committees (CFMCs) for a fifteen-year renewable period. This project was specifically approved by the Council of Ministers (Decision no. 699 signed May 2008), with the principle that the project ensures carbon revenues are used to: (1) improve the forest quality, (2) provide maximum benefits to local communities which participate in project activities, and (3) study the potential area for new REDD projects in Cambodia. The Royal Government of Cambodia has agreed will act as the seller of carbon offsets under the ERPA and aggregate on behalf of the CFMC groups. Within the Royal Government of Cambodia, the Forestry Administration is responsible for all carbon credit transactions.

COMMUNITY INVOLVEMENT AND BENEFITS

The Royal Government of Cambodia has identified three major project goals that will benefit forest dependent communities: improve the quality of the forests; maximize benefit flows to local communities participating in the project; develop new REDD project sites that will benefit other forest-dependent communities.

Beginning in January 2008, the project initiated an ongoing series of community dialogues to establish communication channels for project communities and other stakeholders to provide valuable input into project design. The project team worked closely with the Cambodian NGO Children's Development Association to conduct a series of village Participatory Rural Appraisals (PRAs) and community sketch maps to define project areas and activities. These discussions focused on identifying local drivers of deforestation and degradation, and defining locally-appropriate project activities to mitigate these drivers and provide livelihood benefits. Participants in the discussions included: elected CF management committee members, Buddhist monks, local farmers, commune representatives, and men and women household heads. Members of the Khmer ethnic majority and members of a small minority of ethnic Kuy people have been included in discussions.

The project directly benefits local communities in a number of ways: establishing clear, legally enforceable land tenure; providing employment opportunities; training and support to local village organizations to build capacity and knowledge for sustainable agricultural practices; provision of small grants to facilitate development of Non Timber Forest Product (NTFP) development, water supply infrastructure projects and agricultural intensification activities; maintaining the access and use rights of local communities to continue harvesting NTFPs for customary use from the project area forests.

The project will provide training to Community Forestry Groups to implement forest protection, Assisted Natural Regeneration (ANR) operations in degraded forest areas enrichment planting and project management skills such as planning, budgeting, bookkeeping and reporting. In all approximately 260 patrollers will be employed from the 13 Community Forests along with 65 local community members undertaking ANR activities and 30 local community members undertaking NTFP and agricultural intensification operations.

BIODIVERSITY PROTECTION

A detailed biodiversity survey undertaken in the project area by Birdlife International in 2010 identified a total of 174 bird species and 26 mammals. The forests protected and managed by the Community Forestry groups represent some of the last tracts of intact forest in Cambodia, which provide significant habitat to many of these species. Ongoing pressure on these forest resources, as well as hunting and poaching activities, will put these animals under increasing pressure.

Numerous globally threatened animal species are known to make their home in the Oddar Meanchey project area, including the sun bear, sunda pangolin, northern pig-tailed macaque and pleated gibbon. Two endangered species, the green peafowl and banteng (a target of hunters and poachers which sometimes operate in the area), are also present in the project area. Furthermore, the forests of Oddar Meanchey also support a population of elephants, Indochinese tigers, leopards, white rumped falcon and Asian wild buffalo.

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KEY PROJECT MILESTONES														
2007		2008			2009		2010			2011		2012		2013
Nov	Feb	May	Oct	Dec	Mar	Oct	Feb	May	Dec	Jul	Aug	Aug	Oct	Oct
Terra Global begins work with CFI to assess project feasibility	DANIDA grant supports the beginning of implementation	Gov't authorizes FA to act for Oddar Meanchey project and be project sponsor	First version of Methodology submitted to Voluntary Carbon Standard with validator TUV-Sud	PACT takes over from CFI as implementing partner	FA and Terra Global execute carbon development agreement	CCB PDD submitted with first full set of carbon calculations using first version of the methodology	Biomass samples completed by PACT	Detailed project implementation plan developed by FA and PACT	Dual validation of VCS methodology completed	Submission of VCS PD and updated CCB PD	Validation field visit	VCS validation completed	CCB validation complete	First Issuance (VCS+CCB Triple Gold)



ESTIMATED GROSS VCU _s BY VINTAGE					
YEAR	VCUs [t CO ₂ e]	YEAR	VCUs [t CO ₂ e]	YEAR	VCUs [t CO ₂ e]
2008	119,402	2018	285,288	2028	294,392
2009	121,219	2019	289,009	2029	287,756
2010	113,924	2020	295,432	2030	285,418
2011	242,665	2021	304,997	2031	289,296
2012	147,018	2022	292,954	2032	292,413
2013	174,219	2023	298,849	2033	284,296
2014	212,747	2024	298,960	2034	309,934
2015	249,904	2025	295,599	2035	311,191
2016	270,498	2026	297,035	2036	290,353
2017	281,964	2027	293,811	2037	259,209
				Total	7,789,752

KEY DOCUMENTS AND AGREEMENTS

- VCS Project Document** – Validated September 2012
- CCB Project Document** – Validated October 2012
- VCS and CCB Validation Reports** – Issued by validator TUV SUD in September/October 2012
- Financial projections**¹ – Detailed 30-year financial projections for the project which include all project-related costs and ex-ante carbon estimates
- Agreements between implementing, technical partners and communities**¹ – All agreements between project proponents and other implementing partners governing the implementation of project activities
- Government approvals**¹ – All approvals from the Forestry Administration and other relevant government agencies pertaining to the Oddar Meanchey project

- Standard Operating Procedures for ANR and field sampling**¹ – Standardized SOP for undertaking ANR activities and collection of biomass data in the project area by field teams
- Social appraisal reports**¹ – Reports compiled using the data gathered from the monitoring of social appraisal data
- Electronic shape files of project areas, leakage area, reference region**¹ – GIS boundary shape files used to delineate the project area, leakage area and reference region
- Remote Sensing imagery**¹ – Used to determine land-use classes and forest strata within the project area and reference region
- Original data from biomass inventories and social assessments**¹ – Hard copies and electronic copies of data sheets used to record field data for biomass inventories and social assessments
- Monitoring reports** – VCS Monitoring Report; CCB PIR

1. Provided upon acceptance of term sheet from buyer

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About Terra Global Capital, LLC

Terra Global Capital, LLC was founded in 2006 to facilitate market and results-based payment approaches for forest and land-use emission reductions that provide community benefits. Terra is now the leader in forest and land-use analytics and finance, providing technical expertise and investment capital to their global client base in a collaborative and innovative manner. As a group, Terra has more global experience in the land-use sector than any other entity and is committed to working with its local partners to build capacity and support local communities and governments to sustainably manage their land. Terra has extensive developing country experience and is the leading developer of protocols and aggregation services for GHG emissions reductions from a full range of agricultural activities in the United States.



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