



EXPLORING BIODIVERSITY CREDITS IN VIETNAM



Partner: Dragon Capital



Sectors: Biodiversity, Ecological Services, Forests



Service: Ecological Markets

A 'Biodiversity Credit' is an economic instrument used to finance activities that deliver net positive biodiversity gains such as protecting or restoring species, ecosystems, or natural habitats, through the creation and sale of biodiversity units. Symmetry undertook an assessment of options to introduce Biodiversity Credits in Vietnam.

Option 1: A national biodiversity payment scheme under Decree 99

Decree 99 established payments for ecological service schemes in Vietnam. Legislation allows for the collection of revenues from 'biodiversity services' which has not been activated. Given the legal precedence, it provides the opportunity to capture payments for Biodiversity services.

Option 2: Develop a fungible biodiversity credit scheme

A Biocredit scheme based on an agreed standard, could be developed at the national or project level. The benefit of introducing recognised standards is that they will be attractive to buyers who want to make a claim, with evidence that they are buying credits from a trusted source.

Option 3: Establishing a Biobank to sell biocredits

Mitigation or conservation banking occurs when either public or private entities develop and sell credits. While biobanks have been developed to offset development impacts there could be also used to supply Biocredits. It would also be possible to bundle Biocredits onto the more established carbon credit market and/or results-based payment schemes, such as the Carbon Fund in the North Central Coastal region.

Option 4: Bundle biodiversity with carbon payments

It would also be possible to bundle Biocredits onto the more established carbon credit market and/or results-based payment schemes. This would be less onerous to introduce than setting up a new market infrastructure and standard around Biocredits.

While Biocredits remain in their infancy experiences from related schemes, such as biodiversity bonds, carbon markets, biodiversity offsets and payments for ecosystem services, provide valuable lessons on the potential design of a Biocredit scheme in Vietnam and the Mekong region.