

No : 1842/QD-BNN-LN

Hanoi, June 19<sup>th</sup>, 2008

**DECISION**

**Approval of the scheme “research, development and usage products of *Jatropha Curcas L.* in Vietnam in the period 2008-2015 and with a vision to 2025”**

**MINISTER OF THE MINISTRY OF AGRICULTURE AND RURAL  
DEVELOPMENT**

Pursuant to the Government Decree No 01/2008/ND-CP of January 03, 2008 which specifies functions, duties, authorities and organization of the Ministry of Agriculture and Rural development;

Pursuant to the Prime Minister Decision No. 177/2007/QD-TTg of November 20, 2007, approved “scheme on development of biofuels up to 2015, with a vision to 2025”;

Pursuant to the writing comments of the ministries and the appraisal of the Ministry of Justice for the scheme” “research, development and usage products of *Jatropha Curcas L.* in Vietnam in the period 2008-2015 and with a vision to 2025”;

Pursuant the government announcement No. 3226/VPCP-KTN of May 20, 2008 in which the Vice Prime Minister Hoang Truing Hay directs MARD to approve the Scheme “research, development and usage products of *Atrophy Carcass L.* in Vietnam in the period 2008-2015 and with a vision to 2025”;

At the proposal of the Forestry Department,

**DECIDES:**

**Article 1:** To approve the scheme “research, development and usage products of *Atrophy Carcass L.* in Vietnam in the period 2008-2015 and with a vision to 2025” (below referred to as scheme for short) with the following principle contents:

**I. OBJECTIVE**

**1. General Objectives:**

To create new agricultural production through establishing of the material area that stitches to the development of bio-diesel processing with the high efficiency, gradually

growing scale based on the efficiency usage of uncultivated land, barren, unused land, bared mountain and forest and the cultivated area with low productivity. This is to improve people's living conditions in the poor areas, and is also to protect ecological environment.

## **2, Specific objectives for each period:**

a, From 2008 - 2010:

- To develop the comprehensive program research of seeds, planting technical measurements, processing and usage of biodiesel that made of *Jatropha* seeds.
- To do test, experimental planting and test production of different ecological areas that achieves the area of about 30,000 ha. To encourage the enterprises to invest in setting up processing lines with small capacity 3.000 – 5.000 of raw diesel tons per year.
- To establish and complete synchronous and clear mechanisms and policy to encourage all economic components to invest into planting, processing and trade of biodiesel products.
- To step by step to meet the human resources requirement for management, production and research in the biodiesel field.

b, Period 2011 – 2015, with the vision of 2025:

- To step by step improve large scale production according to market requirement, the planting area can be reached to 300.000 ha up to 2015 and can be reached to 500.000 ha up to 2025.
- To improve processing scale of biodiesel and secondary products of *Jatropha Curcas* L. in the accordance with the development of material area, the total processing capacity will be reached about 300.000 tones raw diesel/year up to 2015 and with potential direction the total processing capacity can be reached 1 million tones raw material /per year, to ensure to replace 10-15% imported diesel.
- To contribute into export turnover, creation of jobs, increasing income for laborers, hunger elimination and poverty reduction, people's life stabilization and pressure reduction of natural forests.
- To contribute into land protection, ecological environment protection and pollution protection.

## **II. MAIN TASKS:**

### **1. Experimental plantation and test production of the available breeds**

Research units: to collect origins of the domestic breeds, to import foreign good available breeds, to proceed breeds experiment on different ecological areas to determine suitable breeds for each area. Enterprises: to carry out test production with small scale to reach 30.000 hectares up to the year of 2010.

## **2. Research and application of plantation, biodiesel processing and other products of *Jatropha Curcas* L.**

To establish and carry out total, long - term and synchronous research program of economic-technical matters to ensure *Jatropha Curcas* L. biodiesel products to be new efficient trade. In the technical research, it is to pay attention to create by cross - breeding new breeds with high capacity and high oil content fruit.

## **3. To spread production, to create material area that stitches to the processing in the accordance with the market demand**

On the basic of the affirmed research results and the investors' demand, it is to proceed details plan of the concentrated planting area that stitches to bodies processing factories. Up to 2010, about 30.000 tons/per year of the crude oil can be produced. Up to 2015, step by step to spread the planting area of about 300.000 hectares, to encourage enterprises to invest in biodiesel processing with the total capacity reaches about 300.000 tons of crude oil/per year.

From 2015 to 2025, the orientation is to plant on a large scale so that the planting area can be reached to 500.000 hectares in the whole country , to increase the biodiesel processing capacity up to 1 million tons of crude oil/per year and to use biodiesel of the compulsory rate mixed with petroleum.

## **4. To establish and complete institutions, policies**

To establish institutions and policies to ensure the management and to encourage the all economic components to participate into research and production investment, biodiesel processing.

## **5. To train man power for the management, research and production in the biodiesel field**

To establish short-term, long-term training program and plan of bioenergy in general, of biodiesel in particular at different levels of university, secondary school and vocational training.

### **III. SOME MAIN MEASURES:**

#### **1. Measures on land**

- To complete allotting free land, bare hills to families, individuals;
- For those areas where there are large concentrated areas of unallotted land, the local authorities have to set up projects for leasing;
- To encourage for joint-venture, joint-corporation between investors and farmers who own land in the win-win investment;
- To simplify procedures on land transfer; to encourage for gathering land without limitation for free, bare land;

- Those enterprises who invest in establishing factories for processing biodiesel, shall get priority for land in industrial parks or in the areas proposed by the enterprises in accordance with the province's master plan.

## **2. Measure on policies**

- Investment-support policies:

To support seeds or seedlings for those families who own suitable land and voluntarily contribute in planting *Jatropha Curcas* L. in the first stage up to 2010.

To provide incentives in loan for organizations, individuals who invest in plantation and processing biological products from *Jatropha Curcas* L.

- Tax policies:

To request the Government for the exemption of income tax for the biodiesel processing enterprises in the first stage when the price of biodiesel is higher than the price of diesel oil.

## **3. Measures on science, technology and agriculture encouragement**

The Government invests in the Program on long-term research and development of biodiesel products. To strengthen research on application of bio-technology, especially of gene technology used to create suddenly changed *Jatropha* breed which provides much higher capacity and much higher oil concentration of seeds compared with the recent breeds.

In accordance with science development and production requirement, a centre (institute) can be established to carry out special study on *Jatropha* trees and bio-diesel. This centre/institute can be established by the Government or by enterprises.

The Government issues incentive policies to encourage scientists, scientific organizations, domestic and foreign private enterprises to invest in research on biological energy.

To establish agriculture-encouragement program on *Jatropha* trees in the period 2009-2015.

The Government shall invest in training of strengthening capacity for management cadres and researchers who work in the field of plantation and processing of bio-products.

## **4. Marketing measures**

The Government stipulates the compulsory percentage of bio-diesel in diesel used in the market, from B1 to B5 (e.g. 1-5 % of bio-diesel with 99-95 % oil diesel), in accordance with development of domestic production and with pressure of oil diesel in the international market.

## **IV. FINANCIAL NEED FOR THE PROJECT**

The total capital for the Project is estimated around VND 2,320 billion, in which about VND 220 billion from national budget and about VND 2,100 billion from domestic and foreign economic groups, enterprises, individuals.

### **1. The capital from the national budget**

The Government invests in science research, forestry encouragement, training and seeds supporting for the families at the first stage.

The capital resources are from recurrent scientific, training capital, forestry encouragement capital and every year the part of the national budget is reserved for this program.

### **2. The capital out of the national budget**

Enterprises, individuals invest in the projects of planting, processing of bio-products development.

The capital resources are from enterprises, commercial bank loan and sponsored fund of domestic and foreign economic groups, individuals.

## **V. IMPLEMENTATION**

### **1. Ministry of agriculture and rural development (MARD)**

MARD is the focal point to direct the implementation, examination, supervision and cooperation with ministries, concerned units and peoples' committee of the provinces in the process of implementation of this project on research, planting, processing, testing and standards announcement of *Jatropha Curcas L* that belongs to the field of agriculture, rural development and material zone development. To allot units, bodies of MARD to implement concrete tasks from 2008 as follows:

- + The Science, Technology and Environment Department establishes overall research program on *Jatropha Curcas L* and details projects for this program.

- + The Forestry Department coordinates with provincial departments of agriculture and rural developments to solve land problems of material planting, to establish policies of development of *Jatropha Curcas L* planting.

- + The Department of Processing, Trade of agricultural and fishery products and Salt industry coordinates with concerned units, ministries, branches to establish master plan of processing industry and to find index of processing technology of biodiesel.

- + The National Centre of Agriculture and Fishery encouragement establishes the program of forestry encouragement to develop *Jatropha Curcas L* on the slip and uncultivated land.

### **Other Ministries, branches:**

- The Ministry of Industry and Trade (MOIT): To Plan and direct the establishment of biodiesel consuming units, to organize experiment, announcement standards of biodiesel and Jatropha Curcas L products that belongs to the field of the management of MOIT.

- The Ministry of Science and Technology (MOST): To establish overall research program on biodiesel plants.

- The Ministry of Education and Training (MOET): To establish program and plan of human resources training at different levels for the management, research and production in the biodiesel field.

- The Ministries of Planning and Investment (MPI), Finance (MOF), Natural Resources and Environment (MONRE) coordinate, support Scheme implementation in the concerned fields that belong to the management of each Ministry, Branch.

## **2. Peoples' Committees:**

To attract enterprises and provide favorable conditions for them to implement projects of investment into material areas and biodiesel processing units in the provincial areas, to quickly solve all procedure of land in accordance with the master plan.

To direct the implementation of projects with efficiency in provincial areas. In time to discover and process difficulties, problems during the implementation at the local areas, to request the Government and concerned Ministries and branches for the solutions.

**Article 2:** The Chief of the Office Bureau, The Directors of the Forestry Department, Forestry Inspection Department, Plant Protection Department, Processing Department, Trade of Agricultural, Forestry and Fishery products and Salt industry , Directors of Planning Department, Finance Department, Science, Technology and Environment Department, the National Centre of agriculture and fishery encouragement; Directors of Provincial Agricultural and Rural Development Departments and Heads of concerned units, organizations and individuals are responsible to implement this Decision./.

To:

- As articles 2;
- Vice Prime Minister Hoang Trung Hai (for the report);
- Governmental Bureau (for the report);
- Ministries: MOIT, MOF, MPI, MONRE, MOST, MOET,
- Provincial /Municipal Committees;
- National auditor;
- Social policy bank;
- Vietnam Development Bank;
- Storage: for records, FD (Forestry Development)

**MINISTER**

**(Signed)**

**Cao Duc Phat**