

Result based finance announcement for (biogas) masons

The biogas programme for the animal husbandry sector in Vietnam (PMU) will implement a new mechanism in six provinces in Vietnam. This mechanism is designed to assist (biogas) masons to further develop their capacity to build and expand an enterprise to provide biogas technology to small scale livestock holders in Vietnam. In this mechanism biogas enterprises that successfully provide a household with a high quality small scale biogas plant will be rewarded with a result based finance (RBF) incentive of 1.2 million VND.

RBF provinces

The RBF mechanism will be piloted in 6 provinces; only biogas plants which are constructed within these provinces are eligible for the RBF incentive.

- Hanoi
- Thai Nguyen
- Hai Duong
- Quang Binh
- Vinh Phuc
- Ha Giang

In 2015 the amount of provinces in which RBF incentives are awarded is planned to be extended to 30 provinces in Vietnam.

Eligibility for RBF incentive

Masons will need to successfully complete the new mason- and biogas enterprise RBF training to become eligible to participate in the programme and receive RBF incentives. In addition to the training the biogas enterprises will have to sign a contract with the PMU.

New mason training:

This training is free of charge, in order to join the mason has to prove that (s)he possesses basic masonry skills and is motivated to become a biogas mason.

In 2014 two new mason trainings are planned. During this six day training masons will learn to construct a high quality biogas plant. After completing the training, the new biogas mason will have to prove that (s)he is able to construct a high quality biogas plant upon which (s)he will receive a mason code. With this mason code the mason is allowed to construct biogas plants under the biogas programme for the animal husbandry sector in Vietnam.

In order to become eligible for the RBF incentive in the six pilot provinces indicated above the biogas masons will however have to follow an additional training: the biogas enterprise RBF training.

Biogas enterprise RBF training:

In this training participants will learn to do a quality control self-assessment, give end user training and improve their selling and general business skills. The training will take four days and will cost 3.5 million VND¹. After the training the biogas mason (and his enterprise) will be able to claim the RBF incentive of 1.2 million per completed biogas plant that meets the RBF requirements.

Sign a contract with the PMU:

The final requirement for the biogas enterprise to become eligible to operate under the programme in the pilot provinces is to sign a contract with the PMU. The contract will be signed after successfully completing the biogas enterprise RBF training. In the contract it is stated that they will ensure that the household or the enterprise doesn't receive any other ODA financed support. Furthermore the contract states that the biogas enterprise will make accurate self-assessments with

regard to quality and will follow the RBF requirements. In the contract the biogas enterprise will also have to indicate the bank account number on which it would like to receive the RBF incentive.

Training opportunities:

31 March – 3 April: Biogas enterprise RBF training Hanoi

14-17 April: Biogas enterprise RBF training Hai Duong

21-24 April: Biogas enterprise RBF training Thai Nguyen

5-8 May: Biogas enterprise RBF training Vinh Phuc

12-15 May: Biogas enterprise RBF training Hanoi

26 -31 May: New biogas mason training + new biogas technician training Dak Nong

9-15 June: New biogas mason training + new biogas technician training Quang Binh

This is a tentative training schedule and is therefore subject to change. For the most actual training information please visit the PMU website: <http://www.biogas.org.vn>

(biogas) masons who are interested in signing up for either the new biogas mason training or the biogas enterprise RBF training can express their interest to either their provincial biogas project division or the PMU.

Contact details PMU

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Tel: (84. 4) 3726.1771 - **Fax:** (84.4) 3726.1773

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RBF requirements

The result based finance incentive rewards biogas enterprises for additional risk taking and executing additional responsibilities in comparison to the current situation. The main requirements for receiving the RBF incentive are listed below.

- Marketing: the biogas enterprise will have to find its own customers interested in purchasing a biogas plant.
- Deliver a high quality biogas digester: only plants that meet the predefined quality criteria are eligible for the RBF incentive.
- The biogas enterprise will have to give operation and maintenance training for end users
- After constructing the biogas plant the mason will have to do a self-assessment with regard to the quality of the biogas plantⁱⁱ.
- Pay a service fee for quality control (200.000VND/plantⁱⁱⁱ)
- Provide a biogas appliance discount of 350.000 VND to the household^{iv}
- Households in these provinces will no longer receive a subsidy from the programme; they are also not allowed to receive other ODA financed subsidies either.

If all these criteria are met the biogas enterprise will receive an RBF incentive of 1.2 million VND which will be transferred to the bank account of the biogas enterprise.

ⁱ Masons can take an interest free loan with the programme to finance their training costs; the loan will have to be paid back after one year.

ⁱⁱ Plants will also be checked by external quality verifiers to ensure that the quality meets the predefined criteria.

ⁱⁱⁱ This fee is paid afterwards (after 6 months) based on the actual amount of plants installed.

^{iv} The household may choose for which kind of appliance it would like to receive the discount.