

Case Study Summary:

Commercial Feasibility of a Large-Scale IFM Carbon Project in Vietnam

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Project Description: Feasibility assessment for Improved Forest Management (IFM) carbon project in existing Vietnamese acacia plantations. The study targeted 5K ha of private owned under-managed plantations with a target to increase growth rate by 25% and extend the rotation from 3 to 6 years.

Key Outcome: A large-scale IFM project is technically and economically viable, even with low carbon value and a high weighted average cost of capital (WACC). These assumptions led to a **380% increase in NPV, a 25% increase in timber revenue and around 0.5 million carbon credits generated.**

Client Type: Project Developer.

Location: Vietnam.

Estimated Project NPV: USD 12 million.

Scale: 5K ha.

Other Stakeholders: Small-scale farmers and community plantation owners, town and district forestry officers.



The challenge: The key challenge is to align hundreds of smallholder stakeholders around longer plantation rotations and improved management practices, while ensuring the economics remain attractive. Fragmented land ownership, operational scalability, long-term compliance and balancing timber economics with carbon requirements are all key project risks requiring active management.

Strategic & Operational Assessment:

- Existing plantation management review
- Ownership and stakeholder mapping

Carbon & Financial Modelling:

- Baseline and intervention carbon modelling
- Revenue forecasting and sensitivity analysis
- DCF and NPV modelling

Risk & Implementation Analysis:

- Participation and governance risks
- Mitigation and implementation pathways



Result: The study confirmed that a large-scale IFM carbon project in Vietnam was both technically feasible and economically attractive under conservative assumptions. Extending plantation rotations from 3 to 6 years generated significant gains in timber value while creating approximately 500,000 carbon credits over the project life. The analysis also identified practical mechanisms to manage stakeholder participation and implementation risks.