Asian Forest Cooperation Organization

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Agenda Item 6.1

Updates on the AFoCO-Rabobank agroforestry carbon project

I. Background

1. Pursuant of the Decision 49-VIII-23S of the Assembly, the AFoCO Secretariat has developed the AFoCO Climate Action Plan (2025-2034) in line with the AFoCO Strategic Plan (2024-2030). The AFoCO 10-year Climate Action Plan will put major efforts by new projects and programs into assisting the Member Countries to enhance their contributions to achieving the Paris Agreement's goals and accelerate efforts to remove atmospheric carbon through close coordination with the Member Countries and relevant partners.

2. The AFoCO Secretariat entered into a Memorandum of Understanding (MoU) with Rabobank, a global financial institution headquartered in the Netherlands. The primary objective of this MoU is to collaborate on agroforestry projects with Rabobank's Acorn program to assist small-holder farmers in accessing the voluntary carbon market.

3. Based on the reporting on the AFoCO-Rabobank agroforestry carbon project in Kyrgyzstan, Cambodia and Viet Nam to the 9th Session of the AFoCO Assembly, the Secretariat has been developing the project in the said three (3) countries and has onboarded farmers to participate in the project in Kyrgyzstan since 2023:

- Kyrgyzstan: As of March 2024, 1,221 farmers for the existing agroforestry carbon project have been on-boarded in Jalalabad, Osh, Talas and Issuk-Kul regions in Kyrgyzstan. The first CRU has been generated in partnership with stakeholders in Kyrgyzstan. In commemoration of the first CRU revenue, the ceremony will be organized during the 10th Session of the AFoCO Assembly which will be held from 17 April to 18 April 2024 in Bishkek, Kyrgyz Republic. Furthermore, 12,271 farmers will be onboarded until May 2024 and new planting for 500 farmers will be conducted in April 2024.
- Cambodia: Project site validation and economic feasibility assessments were conducted for Kampong Thom and Kampong Cham. Priority was given to onboard farmers with existing agroforestry in five Kampong Cham communes, alongside discussions to refine eligibility documents and secure funding.
- Viet Nam: The feasibility assessments were completed in Lai Chau Province in January 2024. Based on the internal rules and regulations in Viet Nam, the legal arrangements for the project implementation is underway.

4. In order to achieve the goals of the MOU, it is necessary to extend the AFoCO-Rabobank agroforestry carbon project to include more AFoCO member countries.

II. Updates on the New and Potential Projects and Programs

5. During AFoCO's visit to Laos in January 2024, potential ACORN-eligible existing agroforestry sites were identified. Following this initial assessment, a survey was conducted in March 2024 to gather more detailed information for site identification and eligibility assessment. Based on the initial draft of survey results, the project concept note was developed and is provided in **Annex1**. The project concept note is subject to revision after the final survey results and site validation.

III. Points for consideration

6. The Assembly may wish to take note of the information and provide further guidance and recommendations, as appropriate.

Queries on the content of the document may be addressed to:

Mr. Choi Sungho, Team Leader, Project Team 2
(T: +82 2 785 8994; E: quercus1@afocosec.org)

Annex-1 (Agenda 6.1)

Project Concept Note

Project Title	Lao PDR Agroforestry Carbon Project	Partner	Rabobank Acorn
Proponent	Lao PDR	No.	

I. Project Profile

A.	Primary Target Area	: PPA1: Forest Land Restoration and Conservation
	Secondary Target Area	: PPA2: Community and Circular Bioeconomy
B.	Implementing Agency	: AFoCO, and Department of Forestry of Lao PDR
C.	Project Duration	: 20+ years (2024~2044+)
D.	Project Budget	: To be confirmed
E.	Project Site	: Over 2,000 hectares in Champasak, Salavan, Sekong, and Luang Prabang Provinces

II. Objectives:

1. To enhance carbon sequestration and biodiversity through sustainable agroforestry (AF) practices among smallholder farmers, tailored to the unique ecological and socioeconomic contexts of each province.
2. To improve livelihoods of smallholder farmers by integrating tree crops such as fruit trees, that offer additional income sources beyond traditional agricultural practices.
3. To strengthen local capacities in AF management and sustainable agricultural practices, ensuring food security and resilience to climate change across all target province.

III. Expected Outputs and Deliverables:

- Increased carbon sequestration measured in tons of CO2 equivalent, through the implementation of AF practices adapted to the specific conditions of each province.
- Enhanced income sources for farmers through carbon removal units (CRUs) generated from agroforestry practices and revenue from CRU sales, derived primarily from tree crops such as fruit trees and native species.
- Improved agricultural yields and land use efficiency among participating farmers from more systematic AF systems, promoting sustainable land management practices and maximizing carbon sequestration potential.
- Conducted training programs for farmers on AF practices, sustainable land management, and crop/tree diversification, ensuring widespread adoption of environmentally friendly and economically viable practices across all target areas.

IV. Additional Information about Agroforestry (AF) Model:

Agroforestry models will be customized to fit the distinct ecological and socioeconomic conditions of each province. In Lao PDR's southern provinces, agroforestry includes integrating coffee or durian with additional tree species like mango, durian, avocado, mulberry, dipterocarpus, dalbergia, and local species for shade, fruit, and medicinal uses, fitting into Agrisilvicultural systems. In the north, specifically Luang Prabang Province, efforts will concentrate on grassland rehabilitation through the planting of native trees and other regionally appropriate vegetation, classified under agrosilvopastoral systems. These strategies aim to harmonize economic development with environmental preservation.

- **Bachieng District and Paksong District, Champasak Province:** Transitioning from monoculture to diverse agroforestry, focusing on coffee and indigenous shade trees. This primarily involves agrisilvicultural systems through intercropping trees with crops. Here, coffee plants are grown alongside fruit trees and native species, providing shade and additional agricultural outputs. For new agroforestry areas, boundary planting will be considered due to the pre-existing dense coffee monoculture.
- **Lhaongarm District, Salavan Province:** Promoting organic farming within community-managed farms, concentrating on coffee, durian, mulberries, mangoes, avocadoes, bananas and native species like dipterocarpus and Dalbergia. Given its varied fruit tree species, this area might adopt mixed tree gardens, planting different tree species in a mixed style for household consumption and sale, for existing AF. New agroforestry projects could explore boundary planting in both agrisilvicultural and agrosilvopastoral systems.
- **Tha Teng District, Sekong Province:** The existing agroforestry here primarily features coffee, supplemented by various species, including native trees and fruits like mangoes and jackfruits, fitting within the agrisilvicultural systems through intercropping trees/shrubs.
- **Phonxay District, Luang Prabang Province:** This area employs a combination of fodder banks, boundary planting, and woody hedge rows in agrosilvopastoral systems:
    - **Fodder banks:** The cultivation of grass for cattle feeding and selling seedlings.
    - **Boundary planting:** The inclusion of diverse native tree species along the slopes to prevent soil erosion and encroachment.
    - **Woody hedge rows:** The combination of grass cultivation for cattle feeding with the planting of trees along the borders, serving as barriers between fields and ecological corridors.

V. Implementation Strategy:

The project will initiate by engaging farmers in 1-2 villages from four districts (Bachieng, Lhaongarm, Tha Teng, Phonxay) across Champasak, Salavan, Sekong provinces in Southern part, and Luang Prabang province in Northern part of Lao PDR. The initiative targets over 300 ha in each village, focusing on farmers already engaged in agroforestry practices with informal/formal land tenure without a history of deforestation in the last 5 years that meet the criteria of Acorn′s existing AF project, with an initial emphasis on areas with established AF systems. In areas lacking sufficient tree coverage, existing AF will be integrated with new AF initiatives by planting additional trees. Concurrently, efforts will be made to identify potential new AF sites within these provinces, aiding their shift from coffee or durian monoculture to diversified AF through a phased approach that ensures scalability and project alignment. As momentum builds, the project aims to broaden its scope by attracting more farmers from nearby areas, either to improve their existing agroforestry practices or to start new agroforestry projects under guidance.