

NEWSLETTER

FRIENDS OF ASIA AND ASIAN FORESTS

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Second FAAF Forum

The second Friends of Asia and Asian Forests Forum was held at Fairmont Ambassador Hotel in Seoul. Building on the outcomes of the first FAAF Forum, this event aimed to strengthen public-private cooperation, accelerate innovative financing for forest carbon projects, and scale-up climate adaptation initiatives.

The forum brought together over 100 participants, including government officials and corporate Environment, Social and Governance (ESG) officers. Mr. Kookhyun Moon, Chairperson of New Paradigm Institute, delivered the opening remarks, highlighting the importance of public-private collaboration and sharing Korea’s successful forest restoration experience. Ms. Mira Lee, Deputy Minister of the Korea Forest Service, introduced Korea’s 2030 carbon neutrality goals and forest restoration projects, emphasizing the alignment between government efforts and ESG objectives of corporates.

Keynote speakers underscored the critical role of forests in achieving the Sustainable Development Goals (SDGs) and addressing climate change, including Dr. Juliette Biao, Director of the UN Forum on Forests (UNFF); Mr. Kwang Kim, Chairman of EoM Human Flourishing Foundation; Ms. Margaret Kim, CEO of Gold Standard; and Mr. Sunpil Jin, Vice-Executive Director of AFoCO. Additionally, discussions focused on strengthening public-private partnerships, establishing a transparent carbon market, innovative financing mechanisms, and sustainable forest management through circular economic models.

In the closing session, Dr. Chongho Park, Executive Director of AFoCO, pointed out the importance of collaboration among government, corporates and communities. He also stated that FAAF will be a key platform for exploring climate change solutions based on three strategies: 1. Leading Asian climate leadership; 2. Achieving megatonnes of carbon reduction through forest carbon projects; 3. Creating shared value between corporate ESG initiatives and national climate strategies.



11th AFoCO Assembly

On October 30-31, AFoCO held its 11th annual assembly at the Secretariat. The assembly opened with congratulatory remarks from the Deputy Minister of Agriculture of Kyrgyzstan and the Director of UNFF. Delegates from 15 Member Parties discussed private-sector engagement and reviewed ongoing projects. The assembly approved the 2025 work plan and budget for the upcoming year. Additionally, Tajikistan was admitted as AFoCO’s 15th Member Party, further strengthening AFoCO’s influence in Central Asia.



Interview: UNFCCC COP29 Outcomes and Future Prospects

Dr. Raehyun Kim, Director, Forest Center on Climate Center, National Institute of Forest Science

Dr. Raehyun Kim is an expert of climate change and carbon, dedicated to developing domestic and international strategies for climate change mitigation through forestry. Since 2009, he has participated as a government delegate in climate change negotiations, is a UNFCCC national greenhouse gas (GHG) inventory expert, and also a member of the Intergovernmental Panel on Climate Change’s Emission Factor Database. Currently, he is involved in developing international forest carbon reduction mechanisms under REDD+ and Korea’s 2035 Nationally Determined Contribution (NDC) strategy. In this interview, he talked about COP29 outcomes.

Q. Key Achievements of COP29

The 29th Conference of Parties to the United Nations Framework Convention on Climate Change (COP29), held in Baku, Azerbaijan, yielded two major accomplishments: the establishment of a New Collective Quantified Goal (NCQG) for climate finance and the finalization of international carbon market mechanisms under the Paris Agreement’s Article 6. The NCQG aims to mobilize US\$1.03 trillion annually by 2035 to scale up global climate action. Of this, developed countries committed to contributing US\$300 billion per year. The carbon market framework under Article 6 was finalized after nine years of negotiations since the adoption of the Agreement in 2015. This development sets clear rules and procedures for the transfer of emissions reductions between countries, marking the official launch of the global carbon market. For South Korea, NCQG does not impose explicit contribution obligations. Therefore, Korea should prioritize leveraging Article 6 mechanisms to achieve its NDC targets by securing international emissions reductions.

Q. Major Decisions on International Carbon Crediting Mechanism and Highlights

One of the most notable decisions was the adoption of standards for methodology and removal guidance under the Article 6.4 Mechanism (Paris Agreement Crediting Mechanism or PACM). These standards define principles and requirements for emissions reduction projects and ensure complementary management of leakage and reversals. Particularly, a significant provision in the methodology standard is the explicit inclusion of the Warsaw Framework for REDD+ (WFR) activities under PACM (Paragraph 87). This decision confirms that REDD+ projects under WFR will be recognized as eligible mitigation activities. In the future, more removal-based activities, including traditional afforestation and reforestation projects, may be added to PACM. The removals standard introduces a Reversal Risk Buffer Pool Account to manage the risk of carbon reversals. Each emissions reduction project under PACM must allocate a portion of its credits (A6.4ERs) to this buffer account based on its assessed reversal risk percentage. This measure will likely impact the financial viability of mitigation projects. The use of standardized baselines¹ and (sub)national-level reversal risk assessments² suggests that PACM will prioritize large-scale mitigation projects, aligning with the Warsaw Framework’s approach to REDD+.

Q. Key Points for the Forestry Sector in the Article 6 Carbon Market

The formal inclusion of REDD+ under PACM is the most significant development for the forestry sector. This decision ends the long-standing debate over the eligibility of REDD+ projects in international carbon markets. However, implementing WFR-based REDD+ mitigation projects in the Article 6.4 mechanism is not simply a matter of scaling up beyond subnational level. It requires adherence to the conditions outlined in paragraph 71 of Decision 1/CP.16, adopted in 2010, including:

- ① Development of a National REDD+ Strategy or Action Plan
- ② Establishment of a National Forest Monitoring System
- ③ Periodic assessment and updates of Forest Reference Emission Levels (FREL) / Forest Reference Levels (FRL)
- ④ Implementation of a Safeguard Information System (SIS) and periodic reporting

Since WFR is independently managed by the UNFCCC Secretariat, participating countries must comply with the enhanced transparency framework (BTR reporting, expert reviews, etc.). As a result, only the 73 developing countries that have already joined WFR as of January 2025 will be eligible to implement REDD+ projects under PACM. While Article 6.2 (cooperative approaches) allows for bilateral agreements between countries, it is expected to benchmark the Article 6.4 framework in the implementation of REDD+ projects. However, the voluntary carbon market (VCM), including standards such as VERRA, operates independent evaluation frameworks, making it difficult to align with the UNFCCC’s WFR requirements. It is also challenging to require or support developing country governments in implementing the WFR requirements through their own evaluation systems. Consequently, VCM-based REDD+ projects may primarily target non-WFR countries in the future.

Q. Future Outlook for the Article 6 Carbon Market

Currently, PACM allows only 14 types of emission reduction projects inherited from the Kyoto Protocol’s Clean Development Mechanism (CDM). However, there is room for expansion to include additional activities. Further follow-up efforts should be undertaken to register various carbon dioxide removal (CDR) activities, including REDD+ activities under Article 5.2 of the Paris Agreement. Potential mitigation activities include various CDR efforts related to land- and ocean-based carbon sequestration, as well as engineering-based GHG removal. In particular, the forestry sector needs to promote the development and registration of various mitigation projects, including forest management, vegetation restoration, and carbon storage through the use of harvested wood products. To register new mitigation projects, it is urgent to develop specific measurement methodologies that enable the accurate and transparent accounting and reporting of GHG emissions and removals for each carbon sequestration and removal activity.

¹Standardized baseline: Baseline developed at the subnational, national or group of Parties level.
² Risk assessment categories: Political and legal risks, terrorism and war, typhoons, floods, fires, volcanic eruptions, earthquakes, etc.

AFoCO Signs a Forest Fire Management Initiative with South Korea and France

On October 30, AFoCO signed the Forest Fire Management in Asia (FFMA) initiative with the Korea Forest Service and the French Ministry for Europe and Foreign Affairs to enhance forest fire management capacities in Asia. This initiative aims to introduce ICT-based early warning systems, strengthen forest fire management capacities, engage local communities, support livelihoods and enhance policy frameworks and international cooperation. With increasing forest fire risks in Asia due to climate change and other human activities, this collaboration focuses on integrating technologies and supporting policies from both South Korea and France to mitigate forest fire damage and enhance community resilience. The initiative is expected to set a new benchmark for forest fire management and serve as a significant milestone for sustainable forest management in Asia.



AFoCO Establishes an Agreement with Kyrgyzstan's Ministry of Water Resources, Agriculture and Processing Industries



On December 4, AFoCO and the Kyrgyz Ministry of Water Resources, Agriculture and Processing Industries signed an agreement during a business investment forum hosted by the President of Kyrgyzstan. Chongho Park, Executive Director of AFoCO, and Torobaev Bakyt Ergeshevich, Minister of Kyrgyzstan, served as official signatories. The agreement focuses on implementing a US\$40 million carbon project covering agroforestry and horticulture, establishing an AFoCO office in Kyrgyzstan, capacity building, knowledge sharing, and forest pest management. This partnership is expected to strengthen sustainable forest management and environmental improvements in Kyrgyzstan.

KT&G and AFoCO Build a Foundation for Cooperation in Sustainable Forestry

On December 10, AFoCO and KT&G signed a Memorandum of Understanding (MoU) at the AFoCO Secretariat to cooperate on sustainable forest development and climate change mitigation. The partnership will focus on forest protection, restoration, public-private partnerships, and biodiversity conservation. To expand carbon sinks and support local communities, efforts will be made to restore fire-damaged areas in Abai, Kazakhstan and to reforest mangroves in East Java, Indonesia. This collaboration serves as a model for public-private partnerships and is expected to contribute to achieving the Sustainable Development Goals and address climate change through forest-based solutions. AFoCO plans to extend these efforts to its Member Parties to establish sustainable forest management models and realize carbon neutrality.



IUFRO and AFoCO Expand International Collaboration to Address Forest and Climate Crises



On December 16, AFoCO and the International Union of Forest Research Organizations (IUFRO) signed an MoU at the AFoCO Secretariat. The agreement focuses on technical exchanges, knowledge sharing, capacity building, and evidence-based decision-making. The collaboration will include joint research, publications, promotional activities, technology exchange on forest and climate change adaptation, and sustainable forest finance mechanisms. The partnership aims to pioneer innovative and practical approaches to enhancing forest sustainability.

Gold Standard Pledges Support for AFoCO's High-Quality Forest Projects

On November 12, Ms. Margaret Kim, CEO of Gold Standard, and Sunpil Jin, Vice-Executive Director of AFoCO, discussed strengthening cooperation on sustainable forest management and climate action at UNFCCC COP29. Both organizations signed an MoU to support high-quality forestry activities in Asia. Through this partnership, AFoCO and Gold Standard will provide technical assistance and resources to help AFoCO Member Parties achieve Gold Standard certification for their forestry projects. Additionally, capacity-building activities, including training and educational resources, will be conducted to enhance local stakeholders' expertise in carbon finance.



T'way Air Plants 1000 Trees in Kyrgyzstan

On October 20, AFoCO and T'way Air hosted the tree-planting event, Welcome to Forest'way, near Manas International Airport in Bishkek, Kyrgyzstan. Sukwan Kim, Vice-President of T'way Air and Supil Jin, Vice-Executive Director of AFoCO, attended the event, marking T'way Air's commitment to carbon neutrality and environmental sustainability. Around 50 employees and local stakeholders planted 1000 trees on 1 hectare. T'way Air plans to expand the forest to a total of 2 hectares next year.



SM Entertainment Implements a Carbon Footprint Campaign for Carbon Neutral Performances



On November 16, AFoCO and SM Entertainment collaborated on a carbon footprint campaign during the 2024 SMile Music Festival to promote carbon-neutral performances. AFoCO measured carbon emissions from attendees' transportation, accommodations and waste at the event. Additionally, the AFoCO Carbon Tree Calculator was promoted to help participants assess their daily carbon footprint. This campaign represents an ongoing commitment by AFoCO and SM Entertainment to sustainable event management and carbon-neutral performances.

UNFCCC COP29 Adopts Paris Agreement's Article 6³

On November 23, the international community formally adopted the implementation of carbon markets under the Paris Agreement's Article 6 at UNFCCC COP29. This included finalizing operational rules for Article 6.2 (cooperative approaches) and Article 6.4 (market mechanisms), setting clear standards for issuing and trading carbon credits. Additionally, agreements were reached to secure US\$300 billion in annual climate finance by 2035, with plans to scale up to US\$1.3 trillion through public-private cooperation. Notably, Norway announced a US\$740 million investment in Article 6 programs, serving as a foundation to support carbon market expansion in developing countries.

³ <https://www.qcintel.com/carbon/article/analysis-un-agrees-greenhouse-gas-market-rules-paving-way-for-article-6-trade-32675.html>

South Korea and UNFCCC Agree to Collaborate on Developing a Global Voluntary Carbon Mechanism⁴

On December 2, South Korea and UNFCCC signed an initial agreement to develop the Global Voluntary Carbon Mechanism (GVCM). This initiative aims to align GVCM with Paris Agreement's Article 6 and strengthen carbon-market capacity in developing countries. South Korea is currently collaborating with NGOs, developing countries and international climate funds. The possibility of developing a new carbon standard was also discussed. An MoU between South Korea and UNFCCC is expected to be signed early in 2025.

World Bank Announces a Carbon Market Insurance Mechanism⁵

At UNFCCC COP29, the World Bank's Multilateral Investment Guarantee Agency introduced a Letter of Authorization template aimed at providing insurance for private investors participating in UN-backed carbon markets. This mechanism seeks to reduce risks, enhance credibility and promote market growth. The mechanism also includes government-level dispute resolution processes and compensation plans for underperforming projects to address issues such as double-counting and insufficient corresponding adjustments. Global insurance firms are launching products, such as carbon credit invalidation insurance, positioning carbon insurance as a new growth sector.

Green Climate Fund Adopts REDD+ Results-Based Payments Policy to Enhance Forest Conservation⁶

The Green Climate Fund (GCF) adopted a results-based payment policy for REDD+ during its 40th board meeting, allowing developing countries to receive compensation for achievements in forest conservation and GHG emission reductions. The payment rate has been increased by 60%, from US\$5 to US\$8 per tonne of CO₂. The policy aligns with GCF standards, including gender equality and Indigenous Peoples' policies. This policy aims to complement the REDD+ Readiness Programme, helping countries in the preparation phase to qualify more quickly for results-based payments.

⁴ <https://www.qcintel.com/carbon/article/s-korea-un-agree-to-develop-global-voluntary-carbon-market-32855.html>

⁵ <https://carbonherald.com/cop29-world-bank-announces-insurance-mechanism-for-carbon-markets/>

⁶ <https://www.greenclimate.fund/news/forests-get-boost-new-gcf-policy-redd-results-based-payments>

UK Pledges £239 Million to Support Forest-Rich Nations⁷

On November 24, the UK government pledged £239 million (US\$390 million) to countries such as Colombia and Indonesia at the UNFCCC COP29 as part of its £11.6 billion (US\$19 billion) carbon-finance commitment by 2026. The funding aims to enhance forests' carbon absorption capacity and biodiversity conservation. Around £200 million will be allocated to the Scaling Climate Action by Lowering Emissions program, which supports the development of forest carbon markets. Ed Miliband, UK's Secretary of State for Energy Security and Net Zero, emphasized the importance of international collaboration, stating that "climate security is impossible without forest protection".

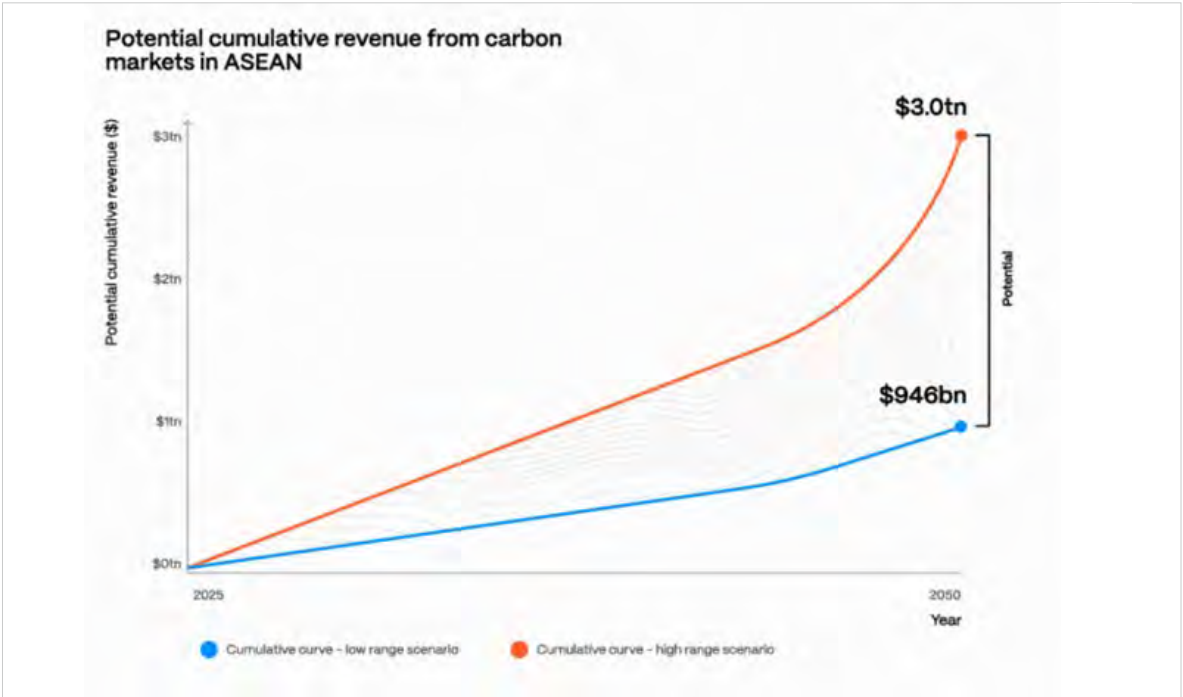
South Korea and Lao PDR Sign an MOU to Reduce GHG Emissions by Preventing Deforestation⁸

On October 10, Korea Forest Service Chief Sangseop Lim and Linkham Douangsavanh, Minister of Agriculture and Forestry of Lao PDR, signed an MOU at the Presidential Palace for a GHG reduction project (REDD+) through deforestation prevention. This agreement builds on a pilot project in the Dong Hua Sao protected area that started in 2018 and a large-scale international emissions reduction project covering 1.5 million hectares in Phongsaly Province that was initiated in 2022. A REDD+ support center was established in Vientiane and both countries plan to collaborate on forest protection, sustainable forest management, and community capacity-building initiatives. Sangseop Lim expressed his commitment to expanding large-scale mitigation projects, stating that this partnership will contribute to achieve NDCs.

⁷ <https://www.standard.co.uk/news/politics/ed-miliband-government-indonesia-colombia-baku-b1195620.html>

⁸ <https://www.korea.kr/briefing/pressReleaseView.do?newsId=156654393&pWise=main&pWiseMain=D2>

ASEAN Carbon Market Holds US\$3 Trillion Potential⁹



On December 4, Adaptable, a platform specializing in carbon business and market analysis, released a report titled, *The Opportunity for Carbon Markets in ASEAN*. According to the report, ASEAN has the potential to reduce 1.1 billion tonnes of carbon dioxide annually and establish a US\$3 trillion carbon market by 2050. Notably, REDD+ projects could grow to US\$27 billion and blue carbon initiatives could reach US\$96 billion in market size. The report highlights nature-based solutions, such as mangrove restoration and reforestation, as key strategies for successful development of the carbon market.

⁹ <https://carboncredits.com/unlocking-aseans-3-trillion-carbon-market-potential/>

Indonesia Leads International Carbon Market with 160 Million Tonnes of Emissions Reduction Surplus¹⁰

At the UNFCCC COP29, Indonesia announced that it had exceeded its NDC targets in both 2021 and 2022. In 2022 alone, Indonesia absorbed an additional 160 million tonnes of GHG in the forestry sector. These surplus reductions are expected to be transferable as carbon credits to other countries under Article 6 of the Paris Agreement. Indonesia plans to prioritize using these surplus reductions in the REDD+ program of the World Bank’s Forest Carbon Partnership Facility (FCPF).

Philippines Unveils a Roadmap for International Carbon Markets Under Paris Agreement’s Article 6¹¹

On November 13, the Philippine government announced its roadmap for operating carbon markets under the Paris Agreement’s Article 6 at UNFCCC COP29. The roadmap will proceed in three phases:

- **Phase 1 (Second Half of 2024):** Economic modeling, diagnostic studies, development of a carbon market blueprint, and drafting bilateral agreement templates.
- **Phase 2 (First Half of 2025):** Finalizing the blueprint, conducting workshops, and engaging with stakeholders.
- **Phase 3 (Second Half of 2025):** Implementing pilot projects and signing the first bilateral agreement with Singapore.

The roadmap was developed in collaboration with the Asian Development Bank and the World Bank has pledged US\$10 billion to support the roadmap.

¹⁰ <https://www.qcintel.com/carbon/article/indonesia-amasses-huge-emission-surplus-for-carbon-projects-32913.html>

¹¹ <https://www.qcintel.com/carbon/article/cop29-philippines-government-releases-article-6-roadmap-31974.html>

Other News Digest

On October 14, Forbes reported that GEOTrees, supported by Jeff Bezos, is developing technology using drones and satellites to enhance the accuracy of CO₂ absorption calculations to support carbon finance of tropical rainforest nations.¹²

On October 17, Vietnamnet Global announced that Viet Nam’s aviation industry agreed to join the International Civil Aviation Organization’s (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) in 2026, with estimated costs up to US\$37.5 million.¹³

On October 18, Anwar Ibrahim, Prime Minister of Malaysia, revealed plans to introduce a carbon tax in 2026, the revenue from which will be used for research and development.¹⁴

On October 20, Prabowo Subianto, President of Indonesia, unveiled the Red and White Cabinet lineup for the 2024–2029 term.¹⁵

On October 25, the UN Convention on Biological Diversity released, *The Forest Factor* report, highlighting forests’ critical role in achieving biodiversity targets and proposing specific policy recommendations for improving forest management and conservation.¹⁶

On October 30, Quantum reported that Bhutan submitted a draft of a carbon market policy framework as part of its efforts to implement Article 6 of the Paris Agreement.¹⁷

On October 30, ICAO approved four carbon standards (Gold Standard, Verra, Global Carbon Council, Climate Action Reserve) for the first phase of CORSIA.¹⁸

On November 10, ASEAN countries, including Thailand, Malaysia, Indonesia and Singapore, signed a Memorandum of Cooperation to develop the ASEAN Common Carbon Framework, at UNFCCC COP29.¹⁹

On November 18, Quantum announced that S&P Global will develop a carbon trading system to manage the certification and transfer of credits under Paris Agreement Article 6.2.²⁰

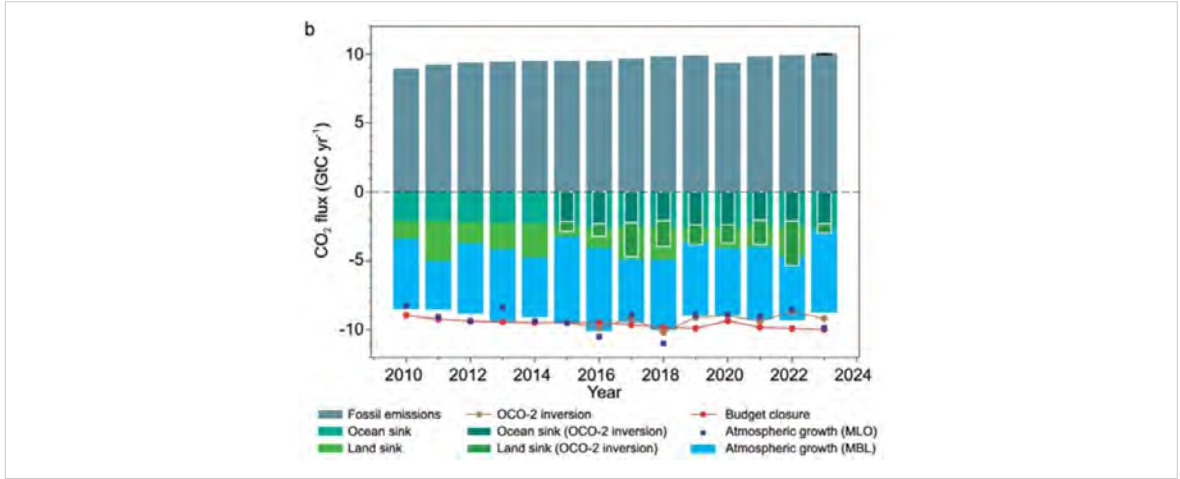
On December 11, the Symbiosis Coalition launched a Request for Proposals prioritizing projects capable of sequestering at least 500,000 tonnes of carbon by 2035.²¹

¹² <https://www.forbes.com/sites/kensilverstein/2024/10/14/bezos-backed-geotrees-will-earn-rainforest-nations-carbon-finance/>
¹³ <https://vietnamnet.vn/en/vietnam-s-airlines-face-hefty-carbon-credit-costs-amid-corsia-participation-2332510.html>
¹⁴ <https://www.qcintel.com/carbon/article/indonesia-amasses-huge-emission-surplus-for-carbon-projects-32913.html>
¹⁵ <https://setkab.go.id/en/president-prabowo-subianto-announces-red-and-white-cabinet-lineup/>
¹⁶ <https://forestsnews.cifor.org/90126/five-key-takeaways-from-uncbd-cop16-in-cali-colombia?fnl=>
¹⁷ <https://www.qcintel.com/carbon/article/bhutan-submits-draft-of-planned-carbon-markets-policy-framework-31308.html>
¹⁸ <https://carbonherald.com/icao-approves-four-programs-for-corsia-eligibility/>
¹⁹ <https://www.qcintel.com/carbon/article/asean-carbon-associations-to-cooperate-on-standards-30412.html>
²⁰ <https://www.qcintel.com/carbon/article/s-p-global-wins-tender-to-build-un-carbon-trade-registry-sources-32166.html>
²¹ <https://www.symbiosiscoalition.org/perspectives/rfp-launch>

Decline of Forest Carbon Absorption in 2023: Key Factors and Strategies²²

According to a recent study published in National Science Review, global terrestrial carbon absorption dropped to 0.44 ± 0.21 GtC in 2023, marking the lowest level since 2003. This represents only 20% of the past two-decade average, with the sharp decline attributed to Amazon droughts, wildfires in Canada, and carbon loss in tropical and northern ecosystems. Despite record-high global reforestation in 2023, carbon absorption did not increase accordingly. This was primarily due to the weakened link between forest growth and carbon sequestration, largely driven by post-fire regrowth and climate-induced stress. The weakening of carbon sinks undermines the credibility of climate change mitigation strategies. Therefore, there is an urgent need to strengthen carbon sinks through reforestation, sustainable land management, and forest conservation, alongside reducing fossil fuel emissions.

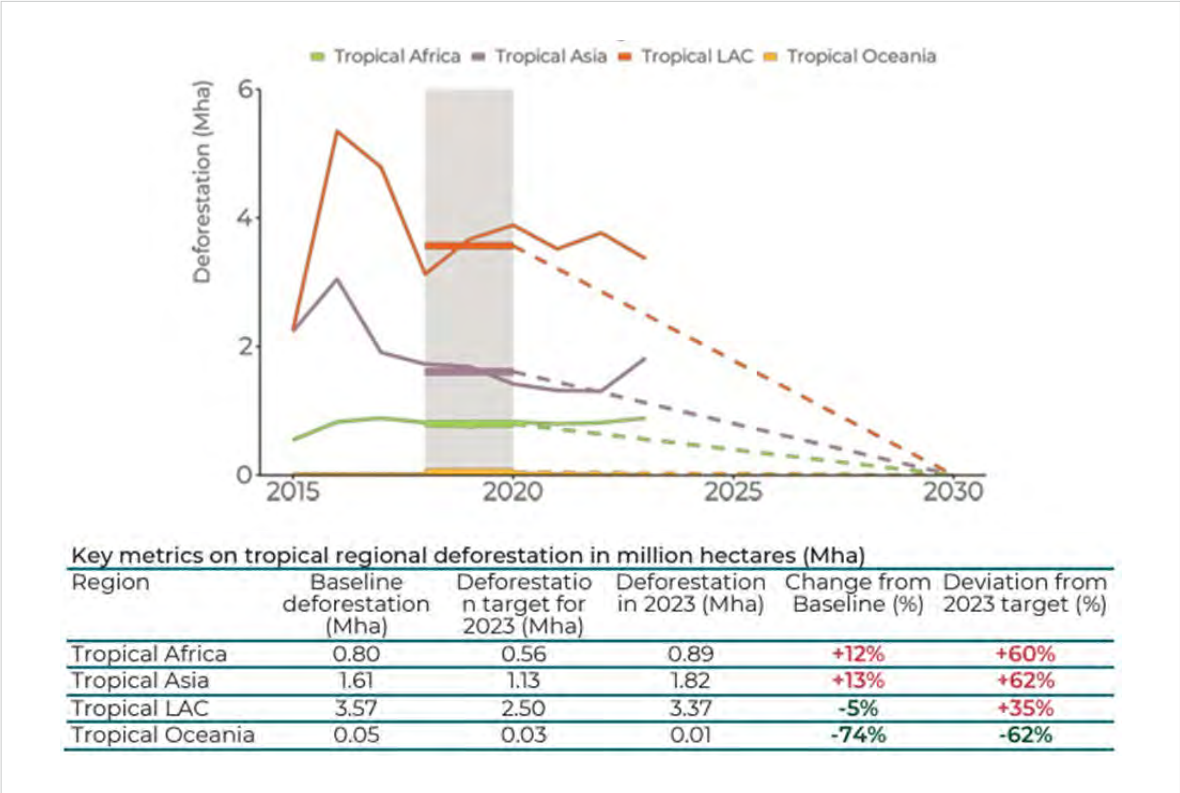
- **Amazon droughts:** Severe drought between June and November 2023 led to 0.31 ± 0.19 GtC carbon loss.
- **Wildfires in Canada:** Over 180,000 km² of forests burned, emitting 0.58 ± 0.10 GtC.
- **Tropical and northern ecosystem decline:** The El Niño phenomenon resulted in net carbon loss in tropical regions while northern hemisphere absorption fell by 50% compared to 2015.
- **Impact of record-breaking extreme heat:** Extreme temperatures worldwide caused an additional 1.73 GtC carbon loss.



This figure categorizes the 2023 CO₂ budget into fossil fuel and cement emissions, land and ocean sinks, and the atmospheric CO₂ growth rate. Land sinks were estimated using dynamic vegetation models and OCO-2 atmospheric inversion data. The difference between fossil fuel emissions (−1 × Fossil Emissions) and the cumulative bars represents the carbon budget imbalance (Ke et al., 2024)

²² <https://www.geographyrealm.com/land-carbon-storage-2023/>

2024 Forest Declaration Assessment²³



Forest degradation reached 62.6 million hectares in 2022, nearly ten times the area lost to deforestation, accelerating forest fragmentation and ecosystem decline. Wildfires have emerged as a major driver of degradation and have occurred more frequently and with greater intensity, undermining forest restoration efforts and reducing carbon sequestration capacity. Deforestation driven by agricultural supply chains has also been identified as a key contributor. Agriculture, mining and fossil fuel development are continuously exerting pressure on forests. As corporate and financial institutions fall short in fulfilling their forest-related responsibilities, policies such as the EU Deforestation Regulation present a crucial opportunity to drive systemic change and improve sustainability in global supply chains.

To address these challenges, governments must adopt a holistic approach that integrates reforestation, sustainable forest management, forest tenure strengthening, and active participation from local communities and Indigenous People. Forest protection and restoration must be recognized as essential climate strategies not only for achieving environmental goals but also for recovering ecosystems and advancing sustainable development. To meet the 2030 target, immediate and sustained global collaboration is imperative.

²³ <https://forestdeclaration.org/resources/forest-declaration-assessment-2024/>

Voluntary Carbon Market Trends in the First Half of 2024²⁴

The first half of 2024 shows the following key trends in the voluntary carbon market:

- **Stable issuance:** After a decline in 2023, issuance stabilized, with new vintage credits increasing year-over-year. Total issuance surpassed 2 billion tonnes.
- **Continued price declines:** Carbon credit prices fell across both exchange-traded and over-the-counter markets but high-quality projects continued to command premium prices.
- **Stable credit retirements:** Carbon credit retirements remained steady for the third consecutive year, demonstrating resilient demand despite cautious investor sentiment.
- **Record-high use of cookstove project credits:** Credits from clean cookstove projects saw an 80% year-over-year increase, marking the highest usage levels ever recorded.
- **Rise of nature-based removal credits:** For the first time, issuance from nature-based carbon removal projects surpassed that from avoidance projects. This reflects the growing interest in carbon sequestration initiatives and declining enthusiasm for specific REDD+ projects.



Comparison of Credit Volumes and Prices by Sector in the Voluntary Carbon Market (H1 2023 – H1 2024)

²⁴ <https://climatefocus.com/publications/voluntary-carbon-market-2024-h1-review/>

Customized Forest Restoration with Indonesian Forest Management Units



Training for Peatland Carbon Stock Assessment (Left) / Mangrove Mud Crab Farming Site (Right)

Indonesia, one of the most biodiverse countries, has forests covering 63% of its land area, serving as a significant carbon sink. However, land-use changes caused by deforestation and peatland fires have made Indonesia one of the world's largest GHG emitters. In response, the Indonesian government has set a Nationally Determined Contribution (NDC) target to reduce GHG emissions by approximately 32% relative to the Business-as-Usual scenario by 2030. To achieve this goal, the Forest and Other Land Use (FOLU) Net Sink 2030 strategy was introduced in 2022.

To support these national objectives, AFoCO and Indonesia's Ministry of Environment and Forestry have been implementing a project titled, *Innovative Solutions for Climate Change and Biodiversity Conservation to Support SDGs*. This project aims to develop forest restoration models and enhance the forest management capacity of Forest Management Units (FMUs) and local communities in three key ecosystems: peatlands (Kampar, Riau Province); mangrove forests (Sumbawa, West Nusa Tenggara Province); and karst landscapes (Maros, South Sulawesi Province).

Through this project, a total of 42 hectares of customized restoration models have been successfully established: 10 hectares in peatlands; 18.5 hectares in mangrove forests; and 13.5 hectares in karst landscapes. These models have enhanced carbon sequestration while providing empirical data for localized forest management plans. Additionally, the project has supported the development of ecotourism and non-timber forest products across all project sites, creating a foundation of sustainable income generation for local communities.

For example, in Kampar, agroforestry systems were introduced to local farmers' groups to address land tenure conflicts effectively and training sessions in agrosilvopasture and apiculture were also provided. In the mangrove restoration model of the Sumbawa region, mud crab farming was successfully introduced for the first time in collaboration with two local farmers' groups. This model has demonstrated its effectiveness in improving farmers' livelihoods and has been recognized by the provincial Forest Service as a learning center for sustainable mangrove forest management. In Maros, the karst restoration model used agroforestry-based techniques with multipurpose tree species to rehabilitate pine forests damaged by wildfires. A master plan for ecotourism was also developed, including mapping attractions within the restored forests.

A notable achievement of this project is the development of Indonesia's first climate-adapted long-term forest management plans (Rencana Pengelolaan Hutan Jangka Panjang, RPHJP), which are strategically aligned with the FOLU Net Sink 2030 initiative. FMUs, as key on-site forest management organizations under Indonesia's forest governance reforms, aim to integrate national policies and land-use plans into localized forest management while promoting the sustainable utilization of forest resources. However, FMUs have often faced challenges, such as insufficient leadership, limited authority and inadequate resources. This project developed effective long-term forest management plans aligned with national forest policies and strengthened the capacity of FMUs. These efforts have enhanced the roles of FMUs and local communities as key partners in achieving Indonesia's NDC targets, contributing to both environmental and socio-economic goals. The project implementing agency, Agency for Standardization of Environment and Forestry Instruments, enthusiastically anticipates that this project will contribute to more than 10% of Indonesia's NDC target while improving the livelihoods of local communities in project areas by 10% from the baseline, marking significant progress toward Indonesia's climate commitments.



Management of Restored Karst Pine Forest Areas Affected by Wildfires

Camellia Trees, “The Flowers That Fall Like Teardrops ♪♪”

Winter is a season where flowers are scarce, making them even more cherished. One of the most symbolic trees of this time is the camellia tree. Since its flowers are so beautiful, people commonly refer to it as the camellia flower. Its name, Dongbaek (冬柏) in Korean, literally contains the meaning of ‘winter’ in its characters. When I first started studying trees, I remember wondering whether the camellia is a tree of winter or spring. Although its name means that it is a winter flower, most camellia trees I encountered on land bloomed in early spring. Because of this, some people call it Chunbaek (春柏), meaning ‘spring camellia’. However, it was on Geomun Island where I first truly realized that camellias are indeed winter flowers. After crossing the vast blue sea, I found camellia flowers blooming modestly amidst their deep green, glossy leaves, shimmering under the sunlight. Their elegance struck a chord deep in my heart, bringing teardrops to my eyes. On the southern islands, where snow is rare, when the blazing red camellia petals appear as if touched by the sea’s salt, even the rare flakes of snow that might flutter down transform the camellia into one of the most breathtaking sights in the world. Gradually, as the flowers bloom, they push winter away and welcome the warmth of spring. The flowering of camellias moves northward. On islands, it reaches as far west as Daecheong Island, and along the eastern coast, it travels up to Seosan, making the camellia flower the most captivating protagonist of this cold season.

The scientific genus name for camellia is *Camellia*. In the 17th century, the Czech missionary Kamell (Kamel), who also had a connection to South Korea, traveled the world collecting Asian camellias and introduced them to Europe. There is a bird that catches small insects but when the camellia tree blooms, it feeds on its nectar, and when the tree bears fruit, it eats the fruit. This makes it inseparable from the camellia.



Our Beautiful Native Camellias in Their Natural Habitat



Sometimes, when camellias bloom while snowflakes fall, they create a breathtakingly rare and beautiful scene.

Camellias are beloved worldwide, with hundreds of cultivated varieties in various colors. However, what captivates our hearts the most is the natural beauty of our native camellia, with its glossy, deep green leaves, red petals, and bright yellow stamens forming a perfect harmony. When paired with its smooth, grayish-brown bark aged over time, the camellia tree presents a flawless image of beauty. In the cold central regions of Korea, some trees are mistakenly called camellias despite not being true camellias. A prime example is the spicebush, which is often referred to as mountain camellia or early-blooming camellia in these regions. The reason for this misnaming lies in their shared characteristic: oil extraction from seeds. In the past, camellia oil was highly valued for its fragrance and utility. However, since camellia trees could not withstand the harsh winters in these areas, people extracted oil from spicebush seeds instead. The yellow camellia flowers mentioned in Yoojung Kim’s novel, *Camellia*, and the ‘Early-blooming Camellia of Ssari Valley’ referenced in Jeongseon Arirang were likely referring to the spicebush rather than actual camellia trees. Similarly, the famous opera, *La Traviata*, was once introduced in Korea under the title, *Chunhui* (椿姫). In Japan, where the same Chinese character “椿” refers to camellia trees, the title made sense, as the protagonist carried a camellia flower at social gatherings. However, in Korea, the character “椿” actually refers to the Chinese toon tree, making the continued use of this translation inappropriate.

Several camellia forests across Korea have been designated Natural Monuments for their ecological and historical value. These include natural habitats marking the northernmost limits of camellia trees, such as those found on Daecheong Island, as well as camellia groves planted near temples to support local communities. These natural treasures hold national heritage significance. As the Earth is warming, the latitude where camellia can survive will gradually shift northward. Interestingly, camellia seeds are no longer used for oil extraction. In neighboring countries, many places now opt to plant dwarf camellias to enjoy the flowers earlier.

Though camellias are flowers that many people believe they know well, truly understanding their beauty, meaning and value requires deeper contemplation. This leads to many thoughts. In the song, *Seonun temple*, by Chang-sik Song, there is a lyric that says, “Have you ever seen camellia flowers? Those flowers that fall like teardrops”. Unlike many flowers, camellia flowers fall as whole blossoms. This can be seen as a symbol of melancholy but for the younger generation, these fallen flowers are often gathered to form heart shapes, conveying messages of love. Until the last vivid red camellia blossoms drop onto the southern coastal sands in spring, I hope you, too, can take a moment to immerse yourself in their beauty. As the year comes to a close, may we all take a moment to reflect on the truly precious things that surround us.



Camellia flowers, which fall whole rather than scattering their petals, symbolize both tears and love.

World Economic Forum (WEF) Davos Forum (2025.1.20–24, Davos, Switzerland)

The 2025 World Economic Forum’s Davos Forum was held from January 20 to 24, 2025, in Davos, Switzerland. Under the theme of “Global Cooperation for a Sustainable Future”, the forum brought together political leaders, corporate CEOs, academic experts and representatives from civil society to discuss cooperation strategies on global issues. Particularly, the forum covered various topics, including climate change, achieving Net Zero goals, introducing innovative financial mechanisms, and ESG management strategies.

AVPN Southeast Asia Summit 2025 (2025.2.24–25, Singapore)

Asian Venture Philanthropy Network (AVPN) will hold the AVPN Southeast Asia Summit in Singapore from February 24 to 25, 2025. AVPN is a global network that brings together various social, corporate, and public institutions to promote impact investing, Sustainable Development Goals and public-private partnerships to enhance sustainable development and maximize social impact in Asia. This summit hosted by AVPN will be held under the theme, Voices of Southeast Asia: Driving Regional Transformation and Inclusion. It will focus on innovative approaches and inclusive growth in Southeast Asia while discussing sustainable development, climate change and strategies to maximize social impact. At the AVPN Southeast Asia Summit, AFoCO plans to actively seek partnerships to expand forest carbon and forest restoration projects in the Asian region.

Registration Information

- **Registration:** Online pre-registration required via AVPN official website ([link](#))
 - **Target Audience:** Public institutions, international organizations, ESG leaders, impact investors and sustainable development experts.
 - **Program Details:** Keynote sessions, networking opportunities and partnership-building workshops.
- ※ A limited number of free registrations are available for existing AVPN members.

International Day of Forests (2025.3.21)

March 21 was designated as the International Day of Forests by the United Nations General Assembly in 2012. This day was established to raise global awareness of the importance of forests and promote forest conservation. The 2025 International Day of Forests will be held under the theme, Forests and Innovation: Sustainability Through Technology and Partnerships, and highlight the role of technological innovation and multilateral cooperation in forest protection and restoration. It will also emphasize achieving carbon neutrality through nature-based solutions and realizing sustainable development.

2nd AFoCO Colloquium

In 2025, AFoCO is organizing its second colloquium in March. This colloquium will convene experts, businesses and stakeholders from various fields to discuss and exchange views on key forest issues. Specific topics and the detailed schedule will be announced soon and we warmly invite your interest and participation.

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NEWSLETTER

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