

**Annex-1 (A-25-12-2)**

**Draft Document**

# **AFoCO Climate-Forest Cooperation Framework**

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**DRAFT**

## Executive Summary

Since its establishment in 2018, the Asian Forest Cooperation Organization (AFoCO) has served as a regional platform for promoting forest-based solutions to climate change and sustainable development. Building on its first Strategic Plan (2019–2023) and the successful implementation of 34 projects, AFoCO has transitioned to a more structured, programmatic, and investment-aligned approach under its new Strategic Plan (2024–2030) and Climate Action Plan (2025–2034).

The AFoCO Climate-Forest Cooperation Framework guides this transition. It proposes a flexible yet unified approach to align national and regional actions with global goals, including the Paris Agreement and the Sustainable Development Goals (SDGs). At its core is a three-phase cooperation model—Readiness, On-site/In-forest Action, and Valuation & Marketization—which allows Member Countries to implement tailored, phased, and scalable interventions based on their capacities and needs.

Importantly, the Framework emphasizes the generation of measurable, reportable, and verifiable (MRV) results that can be recognized in national and international climate reporting. It encourages a shift from isolated projects to jurisdictional or nationally significant programs, supported through blended finance strategies that mobilize both public and private capital. To enable this, it promotes stronger data systems, safeguards, and programmatic linkage among Member Countries, donors, and investors.

A central innovation is an approach to designate sub-national jurisdictions as cooperation platforms where multi-partner, multi-phase initiatives can be layered to deliver aggregated and internationally visible results.

To operate the Framework, a dedicated Implementation Protocol is under development. This practical guide will provide step-by-step procedures across the project cycle—from concept design to feasibility assessment, phase alignment, and monitoring—ensuring consistent application of safeguards, MRV, and financing criteria.

The Framework will remain a living document, supported by regular technical workshops and peer-learning sessions to exchange experiences, refine tools, and maintain alignment with evolving national and global priorities.

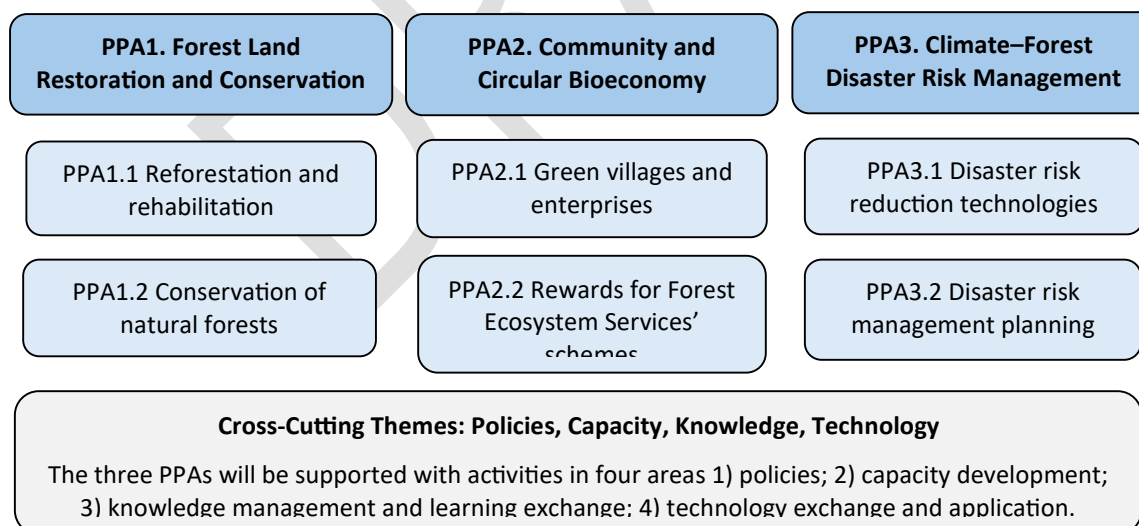
Ultimately, this Framework positions AFoCO as a regional catalyst for climate-aligned, results-driven, and investment-ready forest cooperation, contributing meaningfully to global climate and development agendas through measurable action on the ground.

## 1. Rationale and Background

The increasing frequency and intensity of climate-related disasters, including wildfires, floods, and droughts, are significantly impacting forest ecosystems and the communities that depend on them. Simultaneously, forests continue to serve as one of the most effective and scalable nature-based solutions for both mitigation and adaptation. They absorb carbon, regulate hydrological cycles, conserve biodiversity, and provide sustainable livelihoods for millions.

As the only intergovernmental organization in Asia exclusively focused on forest cooperation, AFoCO plays a critical role in translating global forest and climate agendas into local action. Since its inception in 2018, AFoCO has supported Member Countries in enhancing their technical capacities, restoring degraded lands, and piloting innovative approaches to sustainable forest management. Through 34 projects implemented under the Strategic Plan (2019–2023), AFoCO rehabilitated vast forest areas, facilitated 91 training programs, and engaged more than 25 partner organizations.

Yet the next chapter in forest-climate cooperation demands more than pilot projects—it requires strategic coherence, long-term planning, and scalable impact. The adoption of the AFoCO Strategic Plan (2024–2030) and the Climate Action Plan (2025–2034) signals this paradigm shift. These plans emphasize not only operational excellence but also climate accountability, carbon integrity, and meaningful multi-level partnerships.



**Figure 1. Program Priority Areas and Cross-Cutting Themes of AFoCO Strategic Plan (2024-2030)**

Despite AFoCO's tangible achievements, several structural challenges persist. Projects were often designed and implemented in isolation, lacking programmatic linkage or long-term continuity. Many interventions remained small-scale, constrained by funding or institutional capacity, and insufficient for jurisdictional or national-level transformation. While public ODA supported initial implementation, limited engagement with private capital and carbon finance hindered project scalability. Additionally, varied technical and governance capacities across Member Countries posed difficulties in harmonizing approaches and measuring outcomes.

In this context, the Climate-Forest Cooperation Framework was conceived as a policy and operational guideline to address these gaps. It provides a shared platform to define priorities, align resources, and implement integrated, measurable, and replicable forest-based climate actions.

The Framework is grounded in two key policy documents: the AFoCO Strategic Plan (2024–2030), which outlines a vision of “A Greener Asia with climate-resilient and sustainable forests, landscapes, and communities,” and the AFoCO Climate Action Plan (2025–2034), which proposes measurable targets such as restoring 10,000 ha of forest, establishing 100 community forestry businesses, and digitizing risk monitoring systems. Together, they ensure strategic alignment with the Paris Agreement and SDGs.

This evolution from standalone projects to structured programs under the Framework is not merely administrative, it is transformational. AFoCO aims to provide clarity on sequencing, facilitate scale-up, support jurisdictional approaches, and ensure MRV of results. The Framework also anticipates the development of a dedicated Protocol to guide stepwise project development and scaling, which will be refined through participatory consultation with AFoCO Member Countries.

The Framework introduces a three-phased cooperation model—Readiness, On-site/In-forest Action, and Valuation & Marketization—designed to enable tailored project sequencing and support long-term scalability across national contexts.

More importantly, it aspires to establish a platform through which AFoCO Member Countries can generate and report verifiable results that are internationally recognized and aggregated, contributing to global climate action with clear, accountable outcomes.

## 2. Current Landscape and Key Challenges

Across Asia, forest-based climate initiatives are receiving renewed urgency and attention. Many countries are enhancing their Nationally Determined Contributions (NDCs) under the Paris Agreement, with increasing focus on the land use, land-use change, and forestry (LULUCF) sectors. In parallel, evolving mechanisms—such as international carbon markets, and jurisdictional approaches in the LULUCF Sector—are reshaping how forest resources are managed, valued, and integrated into national climate strategies.

AFoCO Member Countries reflect a rich diversity of ecological, governance, and developmental contexts. Some countries are advancing jurisdictional climate programs and forest carbon initiatives, while others are prioritizing foundational efforts such as forest policy development, institutional strengthening, or restoration of degraded lands. Many have already introduced national forest strategies and climate action plans, yet the implementation of these ambitions remains an ongoing challenge. Key systems—such as forest inventories, MRV frameworks, and safeguard information systems—are progressing at different paces, while inter-sectoral coordination and financing mechanisms are still evolving.

AFoCO's portfolio of 34 projects (2019–2023), spanning reforestation, agroforestry, disaster risk reduction, and community-based management, has demonstrated the potential of site-based interventions to deliver meaningful results. These experiences have also revealed persistent structural barriers: fragmented project implementation, limited continuity, and insufficient integration with long-term national or jurisdictional programs. Many countries are navigating complex administrative and technical environments, which can hinder the formulation of investment-ready pipelines and cross-sectoral cooperation.

One of the region's most pressing challenges lies in translating ambition into scalable, bankable action. Although Member Countries are committed to accelerating forest-climate solutions, many face limitations in accessing sufficient data, frameworks, and financing tools. Often, the enabling conditions required to attract investments such as robust policies, institutional clarity, and performance monitoring—must themselves be developed through the very cooperation and investment they are meant to attract. This dynamic creates a circular dependency that can slow momentum.

Additionally, while Official Development Assistance (ODA) continues to be a critical resource,

it is not sufficient on its own to meet the scale of action envisioned in AFoCO's Strategic and Climate Action Plans. There is growing consensus on the need for blended finance approaches that combine public and private resources. However, the bridge to private capital is not yet fully built—many Member Countries seek support in generating the data, models, and safeguards required to engage private investors with confidence.

From evolving institutional arrangements to uneven data infrastructure and underdeveloped financing pathways, AFoCO Member Countries encounter a shared but diverse set of challenges. In particular, the absence of mechanisms for programmatic alignment, jurisdictional structuring, and aggregation of results hampers both national planning and international visibility.

Nonetheless, the region holds significant opportunities. The adoption of AFoCO's updated strategic plans, its trusted track record in Member Countries, rising global demand for nature-based carbon solutions, and the development of new tools—such as the Implementation Protocol and jurisdictional model—together create a robust enabling environment. These instruments offer Member Countries a pathway toward more integrated, scalable, and internationally reportable forest-climate cooperation, aligned with both national priorities and global expectations.

### **3. Strategic Approaches and Design of the Framework**

The AFoCO Climate-Forest Cooperation Framework adopts a phased and adaptive strategy to accommodate the wide diversity in institutional readiness and national circumstances among its Member Countries. At the core of this strategic design lies a three-phase model that structures cooperation activities along a continuum of readiness, implementation, and valuation. This model enables a stepwise but flexible progression, allowing countries to enter and move through the cooperation cycle based on their current capacity and development trajectory, while ensuring scalability and long-term alignment with national and global goals.

#### **▪ Readiness Phase**

The Readiness Phase lays the foundation for effective and scalable forest-climate action. It emphasizes the strengthening of institutional capacity, legal and policy frameworks, inter-agency coordination, and technical competencies. Activities in this phase may include the formulation or refinement of national REDD+ strategies, development of governance and safeguard systems, and preparation of national forest monitoring or MRV frameworks.

Countries also receive support in conducting feasibility assessments, mapping restoration potential, establishing baseline data, and enhancing competencies in carbon accounting and benefit-sharing design. This phase acknowledges that many Member Countries currently lack the policy and institutional infrastructure needed to access or manage large-scale finance and thus serves as a critical first step to break the cycle of under-preparedness and under-investment.

#### **▪ On-site/In-forest Action Phase**

The On-site/In-forest Action Phase focuses on tangible, field-based interventions such as reforestation, agroforestry, sustainable forest management, and community-based conservation. These actions are directly tied to livelihood enhancement, ecosystem restoration, and climate adaptation outcomes.

This phase integrates real-time monitoring mechanisms for tracking environmental, economic, and social performance, feeding into national MRV systems and supporting adaptive management. It also allows for demonstration of tangible results that can attract further investment or policy support.

Importantly, this phase often serves as a transition point from public grant-financed initiatives to blended or results-based financing, depending on the maturity of safeguards, governance,

and data infrastructure.

▪ **Valuation & Marketization Phase**

The Valuation and Marketization Phase enables countries to leverage forest-based outcomes for financial, political, and institutional gains. This phase includes the development and operation of MRV systems, forest carbon project registration under voluntary or compliance carbon markets, and support for submissions to platforms such as REDD+ Technical Annexes, Biennial Transparency Reports (BTRs), and Nationally Determined Contributions (NDCs).

Additionally, this phase supports the valuation of broader ecosystem services, such as water regulation, biodiversity, and cultural services, and promotes their integration into national financial strategies, budget planning, and investment pipelines.

This final phase is essential to break the loop in which countries lack sufficient data and documentation to mobilize private sector financing. By generating credible, internationally recognized data, countries can increase investor confidence and transition from dependence on public grants to blended finance models.

**Table 1. Phases of the Climate-Forest Cooperation activities**

Readiness	On-site/In-forest actions	Valuation & Marketization
<ul style="list-style-type: none"> <li>• <b>Support development of policies, institutions and plans</b> to implement national and sub-national REDD+, or forest activities, which includes PPAs and CCT</li> <li>• <b>Capacity building and research and development</b> to support the development of policies, institutions, and plans</li> <li>• <b>Partnerships</b> with relevant stakeholders and partners</li> </ul>	<ul style="list-style-type: none"> <li>• <b>On-site/in-forest actions of the PPAs</b>, including <b>measurement and monitoring</b> of the actions</li> <li>• <b>Capacity building and technology transfer</b> for the on-site/in-forest actions</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancing <b>knowledge management</b> including management of <b>data and information</b></li> <li>• Support national and international <b>reporting and publication</b> of the accomplishments</li> <li>• <b>Increase access to finance</b> from public and private sector, including <b>marketization of ecosystem services</b></li> </ul>

## Strategic Coherence with Global Goals

This phased approach is embedded within AFoCO's broader strategic alignment with global agendas. The Framework reinforces Member Countries' commitments under the UNFCCC, and contributes directly to the achievement of the Paris Agreement, particularly Article 5 (on REDD+) and Article 6 (on cooperative approaches and carbon markets).

It also aligns with the Sustainable Development Goals, with primary contributions to:

- SDG 13 (Climate Action),
- SDG 15 (Life on Land), and
- SDG 17 (Partnerships for the Goals),

with additional relevance to:

- SDG 1 (No Poverty),
- SDG 2 (Zero Hunger), and
- SDG 7 (Clean Energy Access).

By explicitly supporting measurable, reportable, and aggregatable results, the Framework positions AFoCO as a regional platform whose cooperation efforts can be counted and showcased within international climate reporting systems.

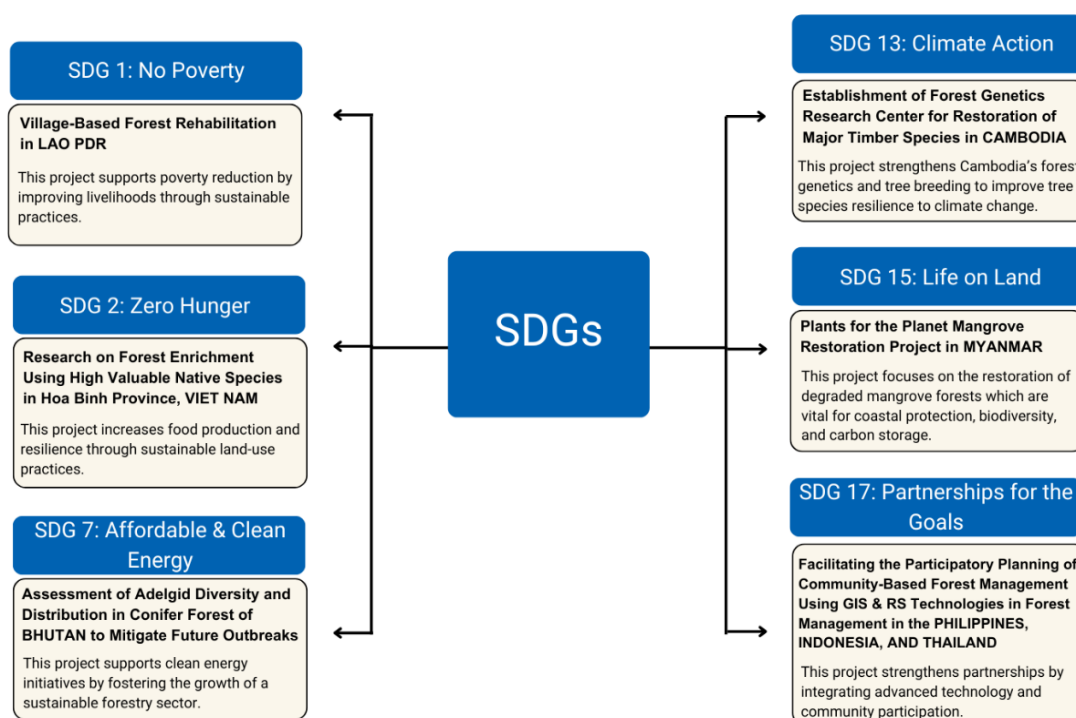


Figure 2. AFoCO's Projects that Align with SDGs

## Programmatic Integration and Scaling

To overcome fragmentation and short project cycles, the Framework promotes a shift toward integrated, programmatic cooperation. This includes:

- Geographic scaling: e.g., expanding from pilot sites to entire provinces or landscapes,
- Financial scaling: e.g., linking grants with private and results-based finance,
- Thematic integration: e.g., combining climate mitigation with livelihood and biodiversity objectives.

For example, a community reforestation project initiated under Phase II may evolve into a jurisdictional forest carbon program supported by Article 6 cooperation mechanisms in Phase III. Similarly, a post-disaster restoration activity can be linked with ecotourism, PES (payment for ecosystem services), or biodiversity credits to generate longer-term sustainability and co-benefits.

The jurisdictional approach embodies this ambition. It envisions the strategic designation of sub-national jurisdictions as implementation hubs for multi-phase cooperation, integrating MRV systems, blended finance pipelines, and public-private partnerships to demonstrate impact at scale.

The concept of the jurisdictional approach represents a strategic shift from fragmented, small-scale projects to a more integrated and scalable approach to forest-based climate cooperation. Anchored in the Framework's phased model, a jurisdictional approach serves as a platform where public and private resources—such as ODA and climate investment—can be coordinated to deliver measurable results. These results are intended to contribute not only to local development, but also to nationally recognized statistics and international reporting.

Rather than a single project, a jurisdictional approach may develop a program with multiple sub-projects, aligned under a common vision and monitored through enhanced systems. In some cases, it may take the form of a mosaic model, combining existing carbon activities with livelihood-centered interventions and performance-based management. In others, a broader landscape initiative may begin with ODA-supported activities and progressively layer climate finance instruments as institutional readiness improves.

Such provinces can also be established through climate action match-making processes, connecting local opportunities with aligned funding and technical partners. Ultimately, the jurisdictional approach enables AFoCO Member Countries to demonstrate cohesive, accountable, and internationally visible forest-climate action at a jurisdictional level.

## Enabling Market-based Approaches and Blended Finance

A critical component of this strategic direction is the proactive engagement of the private sector. The Framework supports Member Countries in designing forest carbon and ecosystem service projects that meet international standards and investor expectations. It encourages the generation and management of credible data, application of appropriate valuation methodologies, and transparent risk-sharing mechanisms.

This market-based approach is not only essential for unlocking new sources of finance, but also for ensuring long-term sustainability, moving beyond traditional ODA toward blended or results-based funding that links payments to verified outcomes.

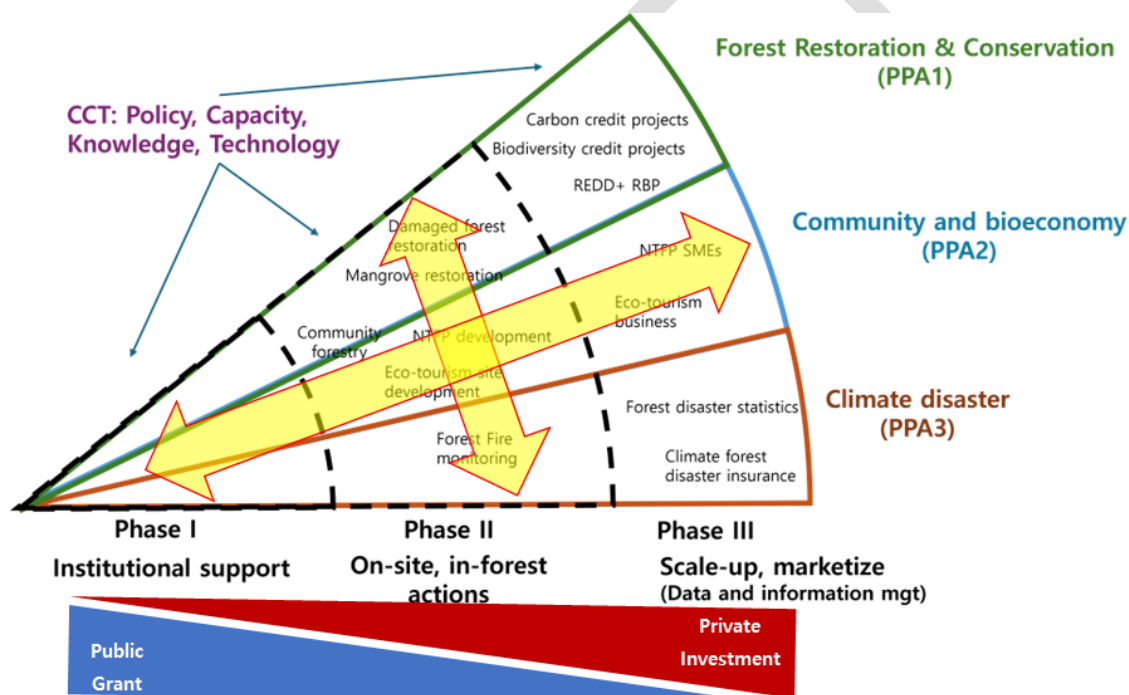


Figure 3. Scale-up and integration of provisional projects under the Framework

#### 4. Implementation Pathways and Next Steps

The successful implementation of the AFoCO Climate-Forest Cooperation Framework requires not only technical soundness, but also institutional integration and long-term commitment across the AFoCO Secretariat, Member Countries, and partner networks. Operationalizing the Framework entails embedding its principles and structure into AFoCO's core programming, budgeting, project appraisal, and monitoring systems. To this end, AFoCO will revise key operational tools—such as the AFoCO Project Manual—to incorporate the three-phase approach, MRV integration, safeguard requirements, and eligibility criteria for blended finance structuring.

To guide the day-to-day application of the Framework, AFoCO is developing a dedicated Implementation Protocol. This Protocol will serve as a practical instrument to support all stages of the project cycle—from opportunity identification to proposal preparation, phase classification, and monitoring. It will provide step-by-step guidance for:

- aligning activities with the appropriate phase,
- applying safeguards and MRV requirements,
- assessing eligibility for public and private finance,
- and ensuring that results can be aggregated and reported at the national and international levels.

The Protocol will offer standardized templates for concept notes, appraisal forms, and progress reports, while also setting minimum standards for data management and institutional responsibilities. Importantly, the Protocol is not static—it will be designed as a flexible and evolving tool, updated regularly based on practical feedback and changing national and global contexts.

In line with AFoCO's commitment to inclusive and responsive governance, the draft Protocol will be introduced and reviewed through regular technical consultations, including the upcoming technical workshop. Structured around pre-shared questions, these consultations will serve to refine the Protocol's operational viability and relevance. Feedback from Member Countries will inform its finalization, with formal endorsement targeted for the 13th Session of the Assembly.

## **What is AFoCO Climate Forest Cooperation Protocol?**

AFoCO is currently developing an Implementation Protocol to operate the Climate-Forest Cooperation Framework. This Protocol will guide all stages of the project cycle—from initial identification to monitoring—ensuring alignment with safeguards, MRV systems, and financing pathways.

### Proposed Six Key Stages of the Operational Process

- 1. Preliminary Analysis & Concept Note Drafting**  
The Secretariat drafts Program & Project Concept Notes (PCNs) based on desk research to identify cooperation priorities and entry points.
- 2. Member Country Engagement**  
Draft PCNs are reviewed with Member Countries to validate needs and align with national plans.
- 3. Joint Finalization & Partner Identification**  
PCNs are refined collaboratively, while potential donors and investors are identified.
- 4. Feasibility Study & Project Document Preparation**  
Technical, legal, financial, and operational feasibility is analyzed to develop full project documents (PDs).
- 5. Term Sheet Negotiation & Agreement Signing**  
Roles, responsibilities, and funding terms are formalized through signed agreements with stakeholders.
- 6. Implementation, Monitoring & Evaluation**  
Projects are carried out per the AFoCO Project Manual, with results tracked and reported under a unified framework.

The Protocol will apply standard criteria for:

- Legal/Policy Feasibility (e.g., UNFCCC, SDGs, national alignment)
- Technical Feasibility (e.g., carbon potential, risk)
- Financial Feasibility (e.g., cost-benefit, investment readiness)
- Operational Feasibility (e.g., governance, capacity)

As a living tool, the Protocol is being refined through Member feedback and will be updated based on field experience and evolving needs.

A central innovation in the Framework's implementation strategy is the jurisdictional approach. This model aims to move beyond isolated, small-scale projects toward jurisdictional programs that can deliver measurable, multi-layered, and internationally visible results. A jurisdictional approach is not a single intervention, but a jurisdictionally defined cooperation platform, composed of a programmatic structure and multiple sub-projects, aligned under a common strategy and monitored in an integrated manner.

Such provinces will serve as focal areas where ODA-supported activities, community development programs, and carbon finance initiatives can be sequenced and layered over time. Depending on the context, they may follow a mosaic model—combining existing carbon projects with community-focused components—or evolve from landscape-based ODA activities into carbon-integrated programs as readiness improves. Through strategic match-making of local opportunities with global partners, these provinces can serve as living laboratories of cooperation that produce scalable models, credible data, and jurisdictional reports.

To support the implementation of both the Framework and its Protocol, AFoCO will expand its capacity-building and knowledge-sharing systems. New training modules will be developed on topics such as jurisdictional forest carbon, digital MRV tools, environmental and social safeguards, results-based financing, and adaptive project management. A regional learning platform will be launched to facilitate peer exchange, documentation of best practices, and cross-country collaboration. These initiatives will institutionalize knowledge and foster long-term cooperation across Member Countries.

In line with the Framework’s positioning as a “living document,” implementation will follow an adaptive management approach. A biennial review mechanism will be established to evaluate progress, identify challenges, and revise strategies as needed. Quantitative and qualitative data from ongoing projects will feed into regional dashboards, technical briefs, and donor engagement reports. Independent evaluations will assess the cost-effectiveness, impact, and replicability of interventions, ensuring transparency and accountability.

Through this iterative process, AFoCO will not only enhance the implementation of its own cooperation programs but also support Member Countries in generating nationally owned and internationally recognized results. By integrating planning, delivery, and learning across all levels of operation, the Framework and its Protocol will position AFoCO as a regional driver of transformational, climate-aligned, and investment-ready forest cooperation.