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Agenda Item 5.1

Update on the Progress of Carbon-Focused Projects

I. Background

1. This update outlines the progress made in AFoCO's carbon-focused projects, including agroforestry carbon initiatives, afforestation and reforestation (A/R) efforts, REDD+ activities, and feasibility studies.
2. Since the last report presented at the 11th Session of the AFoCO Assembly held on 30–31 October 2024 in Seoul, Republic of Korea, the Secretariat has expanded its project development and stakeholder engagement efforts across member countries. Key developments include the generation of Carbon Removal Units (CRUs) in Kyrgyzstan, the identification of new pilot and scale-up sites in Cambodia and Lao PDR, and active collaboration with key institutions such as Acorn, Climate Asset Management, and World Bank. This update also highlights ongoing technical cooperation and preparatory studies that aim to scale up carbon mitigation efforts in the region.

II. Updates on the Progress of Carbon-focused Projects

3. A summary of each project's progress is provided below. Further technical details related to the AFoCO x Acorn Agroforestry Carbon Projects and the Climate Asset Management (CAM) A/R Carbon Projects are presented in **Annex 1**.

A. AFoCO x Acorn agroforestry carbon projects

4. Based on the MoU signed on 4 September 2023, AFoCO is implementing agroforestry carbon activities in Kyrgyzstan, while project preparation and development are underway in Cambodia, Lao PDR, and Viet Nam.. In Kyrgyzstan, over 12,000 plots have been onboarded. Documentation for pilot sites in Cambodia and Viet Nam has been submitted, and project planning is underway in Lao PDR.
5. From these experiences, several important lessons have emerged that can guide ongoing and future implementation efforts: 1) Early project alignment with the Acorn Manual and Plan Vivo standards is essential to avoid delays during validation. 2) Strong engagement with local communities and timely verification of land tenure greatly enhance onboarding success. 3) Early coordination with other donor-supported initiatives helps prevent overlaps and ensures more coherent project implementation.

B. Climate Asset Management (CAM) A/R Carbon Projects

6. Under the Strategic Investment MoU signed on 3 June 2024, AFoCO submitted two concept notes for large-scale A/R projects in Kyrgyzstan and conducted land assessments in Cambodia and Lao PDR. Site-level challenges such as leakage risk and land tenure constraints are being addressed through national consultations.

7. CAM projects require a preparatory timeline of up to two years, including feasibility studies, PDD development, and registration under Verra or the Gold Standard. Projects must demonstrate compliance with permanence, additionality, and leakage criteria. Reliable and transparent Emission Reduction (E/R) data is also essential to gaining investor confidence.

C. Mekong REDD+ project-P1 (MRP 1) in Cambodia

8. This project is being implemented under a tripartite MoU among AFoCO, the Cambodian Forestry Administration and Woori Bank. The 2025 Work and Budget Plan has been approved, and project registration under VERRA is scheduled for Q3 2025, pending the release of updated baseline data and risk maps.

9. The project's schedule is directly impacted by data releases from VERRA, highlighting the importance of anticipating third-party dependencies. The MoU framework has proven effective in clarifying roles and responsibilities across stakeholders. Early development of MRV systems and safeguards helps ensure compliance with international REDD+ protocols and improves project credibility.

D. Green Resilient Landscapes in Mongolia with World Bank

10. Since its launch in July 2024, the project has received approval for its Inception and Scoping Review Reports from the World Bank. In 2025, AFoCO will lead Component 2, developing four e-learning modules and conducting a two-week ToT program in Mongolia and Korea. Trained participants will deliver localized training to national stakeholders. The technical partner OLOLT Climate Change Carbon Market Development Center will prepare carbon finance models, investment plans, and host two workshops in Mongolia. As the project nears completion in early 2026, AFoCO will prioritize timely and successful delivery of all components.

11. Early agreement on deliverables and consistent technical coordination are essential to maintain implementation momentum. Working with multilateral partners ensures that activities align with national policy priorities. Localized training approaches such as ToT programs foster stronger national ownership and sustainability of outcomes.

E. 2025 REDD+ Feasibility Study Support Program managed by the KoFPI

12. AFoCO submitted a proposal to the 2025 REDD+ Feasibility Study Support Program, managed by the Korea Forestry Promotion Institution (KoFPI), on 21 March 2025. The project, targeting Siem Reap and Kampong Thom provinces in Cambodia, was officially selected on 1 April 2025. Implemented in collaboration with the Cambodia Forestry Administration, the project aims to establish a technical foundation for future REDD+ development in the country.

13. The next steps include signing separate agreements with KoFPI and the Cambodia Forestry Administration in April 2025. A pre-feasibility study will be conducted in June for Siem Reap and Kampong Thom, followed by a mid-term evaluation in July 2025.

III. Considerations

14. AFoCO x Rabobank Agroforestry Carbon Projects: Project design and validation under the Acorn platform and the Plan Vivo standards typically require more than one year. Therefore, Member Countries interested in developing agroforestry carbon projects are advised to initiate preparatory activities at an early stage. These preparations should include land eligibility assessments, stakeholder consultations with local communities, and the identification of appropriate project sites in accordance with the updated Acorn Manual. Strict adherence to Acorn's technical requirements will help streamline the approval process, increase the likelihood of Carbon Removal Unit (CRU) issuance, and ensure alignment with international standards for environmental and carbon integrity.

15. Climate Asset Management (CAM) A/R Carbon Projects: The development of afforestation and reforestation (A/R) carbon projects under the Verra or Gold Standard frameworks generally requires a preparation period of approximately two years. This process includes conducting feasibility studies, verifying land tenure status, developing a Project Design Document (PDD), and completing the registration process. Project sites must meet CAM's eligibility criteria, particularly in terms of permanence, additionality, and the prevention of carbon leakage. Furthermore, the reliability and transparency of Emission Reduction (E/R) data are key factors that influence investor confidence and the potential for financial mobilization. Member Countries are therefore encouraged to secure high-quality technical assessments and proactively coordinate with relevant national land and forest authorities to facilitate project development.

16. By addressing these considerations and continuing to foster collaborative partnerships, AFoCO is well-positioned to scale up high-integrity, finance-ready forest carbon projects that contribute meaningfully to global climate goals and sustainable development in Asia.

IV. Points for Consideration

17. The Assembly may wish to take note of the information on the on-going projects and provide further guidance and recommendations, as appropriate.

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