

It takes a Village: Reaping the Benefits Village-Level Rehabilitation in Lao PDR

BACKGROUND

The Lao PDR has one of Southeast Asia's most extensive and growing forest areas. These forests are vital, supporting nearly 80% of the population by providing food, water, construction materials, and livelihoods. Beyond human well-being, they serve as critical carbon sinks, protect against natural disasters like droughts and floods, and contribute to the health of the Mekong River.

Covering a total land area of 23.68 million hectares, Lao PDR is divided into three distinct regions: north, central, and south with approximately 79% of the land classified as mountainous terrain. Beyond being a vital economic asset, the forests play a pivotal role in sustaining the nutrition and income of rural communities, especially those in impoverished areas.

Forest cover in the region has sharply declined in recent decades, mirroring trends in other developing countries. This loss is largely driven by traditional livelihood practices, including fuel wood collection and slash and burn cultivation in upland areas, as well as the conversion of forests for agriculture and infrastructure. To address deforestation and forest degradation in Lao PDR, the Department of Forestry and the Asian Forest Cooperation Organization (AFoCO) launched the "Village-based Forest Rehabilitation in Lao PDR" project.

This initiative aims to showcase forest rehabilitation practices at the village level in degraded forests. The project employed various forest regeneration measures, includes establishing ex-situ conservation plantations, conducting enrichment planting in areas where natural regeneration was insufficient, and facilitating assisted natural regeneration (ANR) in degraded areas. The project also targeted to gather widespread public backing for the enactment of national forest rehabilitation policies overall, with a specific emphasis on village-based forest rehabilitation programs.

Key Messages

- 1. Empowering Local Initiatives:** This project demonstrated that encouraging local people to take action leads to their active participation in the community. Investing in a project at the village level has taken a lot of efforts, but in the long term, this builds on the initiative's success.
- 2. Community Action Drives Policy:** This bottom-up approach ensured that community voices were heard, empowering local people to take actions. The project not only encouraged collective actions on the ground but also illustrated the upward reflection of its impact, which influenced national policies and agendas.
- 3. Carbon-enhanced Agroforestry:** Building on these foundational aspects of a strong project, promising opportunities were explored to ensure the project's sustainability and impact. Adding the carbon-enhanced agroforestry will explore the benefits of the carbon removal scheme that will add incentives to the farmers for the important rehabilitation work that they are doing.



Figure 1. 9th Project Steering Committee Meeting @ AFoCO

IMPACTS

Amplifying Social Actions and Community Representation

The Government of Lao PDR empowers villages to manage natural resources by requiring them to establish Village Forestry Units and Protection Groups to monitor forests and prevent illegal activities.

Villagers gain direct benefits, such as payment for restoration work like producing seedlings sold for around USD 0.6 each, and indirect benefits from healthier ecosystems.

One initiative supported nurseries in five villages, offering income, training, and technical aid while fostering community responsibility. Building on the success of AFoCO's Landmark Project in seven Sangthong District villages, incentive models including annual payments for seedling production, firebreak construction, and patrolling were introduced and later expanded under the KfW Project.

These strategies proved effective, scaling operations to 35 villages in Phonxay District, Luang Prabang Province, under KfW Project Phase 1. Building on this success, Phase 2 of the KfW Project has significantly expanded its reach, encompasses many more villages in Luang Prabang, Vientiane, and Phongsaly Province.

This expansion reflects the transformative potential of Lao ownership, adaptive strategies, and grassroots-driven approaches in achieving sustainable development.

By integrating lessons from AFoCO's Landmark Project, the KfW initiative demonstrates how collaborative and scalable strategies can deliver significant socio-environmental outcomes.

Its focus on agroforestry systems, community engagement, and equitable benefit-sharing supports Lao PDR's forestry strategy and climate goals while establishing a replicable model for sustainable forestry management.



Figure 2. Rehabilitation Project Driven by Community Participation @ AFoCO

Influence on Policy and Legislation

The AFoCO Landmark Project significantly influenced national forestry policy, directly contributing to Article 55 in the 2019 revision of the Forestry Law, which promotes forest regeneration and income generation for local communities.

At the national level, the project supported forest policy implementation and poverty reduction. It strengthened the forestry sector by building capacity in landscape-level restoration for district offices and participating villages.

Beneficiaries, including forestry staff and villagers, gained expertise in nursery techniques, Assisted Natural Regeneration (ANR), and restoration awareness. Their active involvement accelerated forest coverage expansion nationwide.

The project had a broad, multi-level impact: regionally, it enabled information exchange among ASEAN states; for AFoCO, it advanced environmental policy goals across Asia, particularly in climate change mitigation and adaptation.

Communities Voices:

"The project has enabled us to get our neighbors together to push forward the rehabilitation of our forests. I am happy and inspired to see the collective efforts of our communities in delivering this important mission."



Figure 3. Community Participation in Village-based Forest Rehabilitation in Lao PDR @ AFoCO

FUTURE OPPORTUNITIES

Integration with Carbon-Enhanced Agroforestry for Sustainability

AFoCO's commitment to sustainable forestry and community-led initiatives is setting new benchmarks with its innovative integration of carbon-enhanced agroforestry. Building on the success of the project, this initiative exemplifies how lessons learned can drive both environmental restoration and economic resilience. It underscores the importance of Lao ownership, ensuring that local farmers and communities are central to every stage of planning and implementation.

The project established a strong foundation by demonstrating the potential of agroforestry as a dual source of environmental restoration and economic upliftment. Through public-private collaborations, it provided technical assistance, tailored training, and seedling support, significantly enhancing the capacity of local farmers to adopt and sustain agroforestry systems.

Building on these achievements, AFoCO, in collaboration with private sector and organizational partners, prepare pilot projects in selected villages within Luang Prabang Province and Salavan Province. These pilots aim to test and refine agroforestry models tailored to local ecological and socio-economic conditions, incorporating farmer feedback and preferences.

Free, Prior, and Informed Consent (FPIC) principles guide each phase, ensuring inclusivity and community participation. Local committees and village authorities will manage nurseries and oversee agroforestry activities, fostering shared responsibility and long-term sustainability.

Farmer-Centered Innovation and Incentives

Smallholder farmers are central to the success of this initiative. Through a bottom-up approach, they actively select their preferred agroforestry designs and tree species, ensuring alignment with local needs and preferences.

Farmers are involved in every stage from germinating seedlings and planting them on their lands to maintaining the trees over time. During this phase, performance-based incentives are provided to reward farmers for protecting and nurturing young trees, bridging the initial financial gap they often face. These incentives encourage responsible management and foster a sense of ownership among participants.

The incorporation of carbon-enhanced agroforestry adds a transformative layer of sustainability. The pilot

phase includes robust financial mechanisms, linking agroforestry initiatives to revenue from Carbon Removal Units (CRUs).

This dual-income approach ensures farmers benefit both from crop yields and carbon credits, creating enduring revenue streams that extend benefits for over 20 years. Over time, the combined income from fruit and timber yields, supplemented by carbon revenues, strengthens long-term resilience and provides sustainable livelihoods.

Policy Implementation

The initiative addresses critical challenges faced by local communities, including limited financial resources, climate risks, and declining productivity.

Agroforestry systems mitigate these challenges by diversifying income sources and integrating climate-resilient species. The new initiative introduces advanced agroforestry systems, integrating native species, fruit-bearing trees, and other economically viable plants. These systems address challenges like shifting cultivation and degraded pastures while enhancing biodiversity and agricultural productivity.

By aligning with national forestry goals, such as Laos' Forestry Strategy to 2035, the initiative bridges implementation gaps in policies like the governor's directive to maintain 20% tree cover on agricultural land.

Scaling for Greater Impacts

The pilot projects are designed as scalable models, with the potential to expand to other villages and regions with similar ecological and socio-economic conditions.

Transparent governance frameworks ensure equitable revenue distribution from Carbon Removal Units (CRUs), reinforcing community trust and participation. By embedding these practices into local governance structures, the initiative sets a replicable precedent for scaling sustainable agroforestry practices across Laos.

AFoCO's efforts demonstrate that combining financial incentives with ecological restoration not only revitalizes landscapes but also transforms livelihoods. This model exemplifies how sustainable development can effectively address global climate challenges while delivering measurable benefits

THE WAY FORWARD

Building on the project's foundation, the path forward focuses on scaling up community-based forestry as a core pillar of national restoration strategies.

AFoCO will continue to empower local communities by strengthening the capacity of government agencies, village authorities, and individual farmers to implement national forest policies effectively.

By promoting integrated agroforestry models such as mixing cash crops like rubber and coffee with native forest trees, the initiative aims to enhance the long-term economic value of forest land for local farmers.

Looking ahead, AFoCO is strategically positioned to lead in forest climate investment by equipping farmers and village leaders with the skills to access climate finance and implement mitigation measures.

In line with the AFoCO Strategy 2024-2030, emphasis will be placed on community empowerment through education, technical trainings, and the development of forest-based enterprises.

These efforts will ensure that local populations are not only active participants in forest rehabilitation but also primary beneficiaries of ecosystem services and sustainable livelihoods.

A Landmark Contribution to Laos Forest Law

Dr. Oupakone Alounsavath,

Deputy Director General of the Department of Forestry in Laos

*"Serving as the head of the drafting committee, I've seen the substantial impact of the AFoCO Landmark Project to the 2019 revision of the **Forestry Law**. I'm proud to have contributed and influenced in shaping Article 55, outlining forest regeneration procedures with a focus on enhancing incentives for local communities such as income generation."*



ACKNOWLEDGEMENT

AFoCO sincerely acknowledges Laos PDR's national project directors, country project directors and key stakeholders for their hard works and contributions in implementing the project. Here, we examine the project's impacts on Village-based Forest Rehabilitation in Lao PDR (AFoCO/008/2014).

<https://afocosec.org/project/008/>



Asian Forest Cooperation Organization (AFoCO)

AFoCO is a treaty-based intergovernmental organization that is committed to strengthening forest cooperation and taking concrete actions to promote sustainable forest management and address the impacts of climate change.

www.afocosec.org

A Project Impact Brief is prepared by fellowship officials serving at the AFoCO Secretariat for six months to one year under the Fellowship Program. Designed as a sustainability-focused brief, it highlights selected projects with strong potential for scale-up, communicates the expected impacts and added value of expansion, and recaps key achievements. It also serves as a platform to encourage engagement and collaboration among relevant experts and partners.