



THE BUSINESS CASE FOR AGROFORESTRY IN ASIA-PACIFIC

Agroforestry holds significant promise in addressing some of the region's most urgent development challenges—namely, climate change, land degradation, and rural poverty. However, its uptake remains limited due to persistent policy, institutional, and financing barriers. As part of a study for the Asian Development Bank (ADB), we assessed ADB-supported agroforestry initiatives in Cambodia, the Philippines, and Bangladesh to distil lessons learnt to help inform future ADB programming to scale agroforestry solutions. Some of the main findings.

- Across all three countries, agroforestry holds strong potential to deliver climate resilience, livelihood improvement, and landscape restoration, especially in degraded uplands and rural areas. However, it remains marginalized in national policies and planning frameworks, leading to fragmented implementation.
- Ministries responsible for agriculture, forestry, climate change, and finance often operate in silos, leading to policy conflicts and missed opportunities. Inter-ministerial coordination platforms are either weak or non-existent, hampering integrated land-use planning.
- Smallholders and enterprises face systemic barriers through limited access to finance, weak market linkages, and inadequate technical support. Gender and land tenure disparities further constrain the participation of women and marginalized groups in agroforestry systems.
- Policy opportunities exist, but implementation is limited. In Cambodia, Agroforestry is referenced in the National Forest Program and Climate Change Strategic Plan, but lacks operational guidance and investment pathways. In the Philippines, the Philippine Development Plan supports climate-smart agriculture and sustainable land management, yet agroforestry lacks targeted programs. In Bangladesh, the Bangladesh Delta Plan 2100 and NAPs recognize nature-based solutions but offer little concrete support for agroforestry models.
- Support for Social Forestry programs, has been shown to be a major catalyst for AF systems, especially in Cambodia and the Philippines. In these areas, it requires strengthening land tenure security for households/communities.
- Traditional credit products are misaligned with agroforestry's long-term cycles and risk profiles. Blended finance, insurance products, and digital tools like mobile banking and e-wallets show promise but remain underdeveloped in rural areas.
- Upfront costs and delayed returns make adoption difficult for poor farmers. Coordinated investments, policy alignment, and incentive mechanisms (e.g., cash transfers, food/fodder integration, environmental service payments) are tried and tested options to facilitate the transition.