



DFCD Project Snapshot

Scaling climate-resilient reforestation, landscape protection and carbon-linked agroforestry

April 2026

Name of client	SilviCarbon Agroforestry Sole Co., Ltd (SCALA)
Website	www.silvicarbon.com/scala-new
Region	Asia
Country	Lao PDR
Project duration	May 2026 to November 2027
Confirmed financing	€302,836 grant from the DFCD Origination Facility (OF)
Anticipated finance leveraged	~US\$12 million (equity and debt)

Who is our (prospective) client?

SilviCarbon Agroforestry (SCALA) is a forestry and carbon project developer in Laos. The company develops and manages plantation forests on degraded land, **combining sustainable timber and pulp production with high-integrity carbon credit generation.**

SCALA leases land zoned for production forests that has been degraded beyond natural regeneration due to shifting agriculture, fuelwood collection, and legacy impacts of the Vietnam war, including unexploded ordnance (UXOs). The company's operations combine commercial forestry with biodiversity restoration, landscape protection and community engagement. This includes providing access to land for agroforestry, and creating locally-managed economic development funds.

The company currently manages approximately 5,000 hectares of eucalyptus plantations and, building on more than two decades of reforestation and sustainable forestry management experience in the country, aims to scale to 10,000 hectares by 2030.

Why do we fund this project?

Communities living near these plantations are highly vulnerable to climate change - especially droughts – and environmental degradation. They rely heavily on rain-fed agriculture and forest ecosystems that are increasingly under pressure. Ongoing land degradation by shifting cultivation, mainly for cassava as a cash crop, and climate stress have reduced soil fertility, biodiversity, and income stability. As a result, households have limited income sources, low food security and few options to adapt to climate risks.

At the same time, large areas of degraded forest lands remain underutilised, while national policies promote private investment in sustainable forestry and carbon markets as a pathway to economic development and climate mitigation.

SCALA responds to this by restoring degraded forest land and developing productive and climate-resilient landscapes. Its business model **stores carbon, reduces pressure on natural forests and biodiversity hotspots, and creates new income opportunities** for local communities,

while aligning with **national climate, forestry, and green growth strategies**. Alongside the certified plantation area the company also restores, 'sets aside' and protects areas of ecologically and biodiverse natural forest and creates a buffer zone with the nearby national park.

The company has a strong track record, with over 20 years of experience and certifications including Verra Carbon Standard (VCS) and the Forestry Stewardship Council (FSC). It has demonstrated its ability to manage plantations, mitigate environmental and social risks, and develop locally adapted tree varieties through their ongoing research and development activities.

However, scaling remains challenging. Key barriers include high upfront investment costs (including clearing unexploded ordnance), adopting to the evolving carbon market requirements, and complex land-use dynamics with local communities that require careful management.

What is the intended funding objective?

The DFCD Origination Facility aims to support SCALA to scale its operations to a point where it can secure long-term investment and operate on a financially sustainable basis. The support focuses on strengthening the business model, improving environmental and social practices, and preparing the company to attract investment. This includes supporting SCALA's planned expansion to approximately 10,000 hectares of plantations and securing updated carbon credit registration. It will also strengthen the company's contribution to local livelihoods, biodiversity, and landscape restoration through participatory land use planning, access to land for agroforestry, and piloting options for smallholder tree planting.

This project is structured as a partnership with FMO's Mobilising Finance for Forests (MFF) programme. It combines DFCD funding with MFF's repayable development grant mechanism to help unlock private investment at scale.

The grant will be used for undertaking

The DFCD OF alongside co-funding partners, will support a set of activities to reduce investment risks and strengthen SCALA's ability to scale up. These include:

- **Tree planting and land preparation:** build capacity for, and accelerate, tree planting, including UXO clearance, seedling production, planting, and maintenance.
- **Carbon certifications:** re-certification in alignment with new standards and achievement of the Climate, Community and Biodiversity certification, to secure enhanced revenue streams.
- **Integrated landscape planning:** participatory land-use planning with communities and identification of natural forest protection areas to ensure continued ecosystem services to the surrounding communities.
- **Further development of the smallholder agroforestry model:** ongoing identification and promotion of sustainable agriculture models.
- **Biodiversity and impact monitoring:** development of long-term monitoring systems for biodiversity, livelihoods, and ecosystem health.
- **Socio-economic and GESI analysis:** baseline surveys and analysis to strengthen inclusion and community benefit-sharing mechanisms in land use models.
- **Investment readiness:** updated financial model, business plan, carbon sales strategy, and environmental and social risk assessments.

These activities aim to strengthen both the commercial and impact case of the business and prepare it for large-scale investment. SNV's team and local partner will support through robust tracking of project progress and impact.

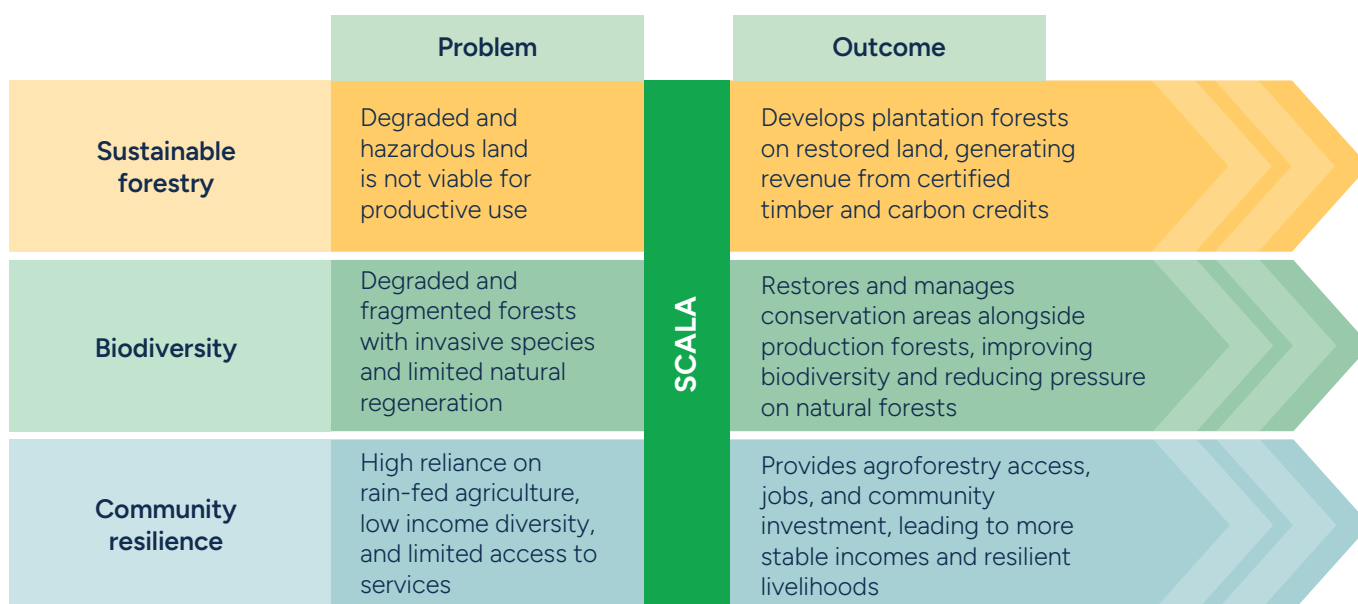


Figure 1: Linking key landscape challenges to outcomes: Scala's approach.



What are the expected impacts of the company?

The project is expected to deliver significant climate, biodiversity, and socio-economic benefits by 2030:

- **Climate mitigation:** ~41,000 tCO₂e per year removed or avoided through reforestation and conservation.
- **Restored land:** over 6,000 hectares of degraded land brought under sustainable management or protection.
- **Increased income and economic opportunities:** 1,500 households benefit immediately through improved agriculture, direct and indirect job creation, and the Village Development Funds.

Environmental and social rationale

The project is expected to deliver strong positive environmental and social outcomes while managing risks associated with large-scale forestry operations.

On the environmental side, SCALA restores degraded land, reduces drivers of deforestation such as monoculture cassava cultivation, and contributes to biodiversity conservation through set-aside areas and planned ecological corridors. The OF will support enhanced land-use planning, natural forest protection and agroforestry in collaboration with local communities and monitor the long-term impacts of the business on the wider landscape.

The project is aligned with international standards, including FSC and VCS, and aims to achieve Climate, Community and Biodiversity (CCB) certification. The company has two decades experience refining plantation management models, developing locally adapted eucalyptus varieties and monitoring and managing risks through its Environmental and Social Management System (ESMS), such as regarding hydrology.

On the social side, the project supports local communities through access to land for agroforestry and intercropping which improves productivity and income diversification; employment and income diversification; capitalising locally-managed Village Development Funds that are used to invest in community infrastructure and services; and participatory land-use planning and stakeholder engagement to protect key natural forest areas and guarantee ecosystem services.

Key risks, such as land-use conflict, biodiversity impacts, and occupational safety, will be managed through strengthened environmental and social management systems aligned with IFC Performance Standards, as well as ongoing monitoring and community engagement.

About the DFCD

The Dutch Fund for Climate and Development (DFCD) is a European flagship blended-finance initiative, with a total facility size approaching half a billion euros. It mobilises private investment for climate adaptation and mitigation in developing countries, accelerating resilient, nature-positive growth. DFCD is led by FMO, the Dutch entrepreneurial development bank, with the Origination Facility delivered by SNV and WWF-NL. The Origination Facility plays a critical role in de-risking and preparing high-potential businesses, providing tailored technical assistance and structuring support that enables them to reach bankability and attract blended and commercial capital, with over €80 million mobilised to date.

Contact us

For more information and if you want to share any confidential information you may have regarding the intended project or company, please contact: dfcd@snv.org



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