



## **FLR349 Fund: The King's Philosophy, Reforestation, Sustainable Livelihoods and Safe Food**

Forest Landscape Restoration Fund (FLRF), "Three Forests, Four Benefits" under the "Sufficiency Economy Philosophy" of His Majesty King Bhumibol Adulyadej

Thailand plays an important role in the world's agricultural and food sectors, being both a prominent regional food producer and consumer. Thailand's agricultural sector is thus an important sector in terms of the country's economic development and income generation. However, our agricultural production mode has changed with capitalism, which often does not lead to sustainable development. As a result, our food system often produces negative environmental impacts. Maize planting is a prime example. It is fast growing and in high demand, therefore it has become an important cash crop for the animal feed industry in Thailand and is very popular among farmers, particularly landless farmers with no capital. However, research has shown that maize production is usually unsustainable and produces many negative environmental impacts.

Maize plantations have expanded and encroached into watershed areas and slope areas covering more than five million rai (two million acres) causing damage to forest resources and ecosystem services. It also produces large volumes of smoke due to forest clearance and burning agricultural waste. Maize is a very significant cause of deforestation and increased CO<sub>2</sub> emissions and because it is usually grown on steep slopes, this leads to soil erosion and flooding. Intensive use of pesticides, herbicides, and fertilizer has produced water pollution and soil contamination. Maize plantation in Thailand's watershed areas has, however, failed to uplift the livelihoods of most farmers as claimed. Most maize farmers continue to get trapped in a cycle of debt and live a destitute life. It has led to the crumbling of the local economy and local food production system making people lose their ability to rely on themselves. This cannot be called "sustainable development".

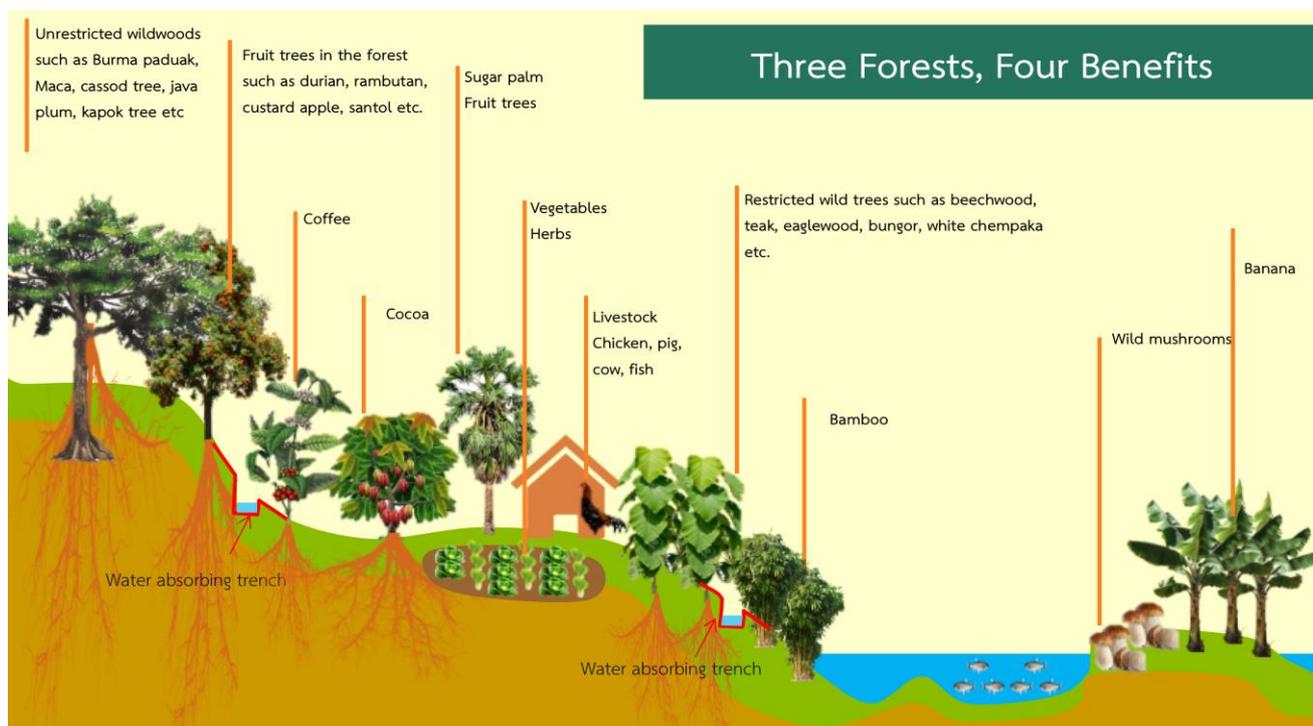


*"Given the high production cost and low selling price, farmers who grow crops on slope areas manage to earn just 1,500 baht/rai/year from maize production. This does not include other hidden costs and environmental costs which have largely been excluded from the calculation of production costs. In other words, we have destroyed our forest and watershed areas at the price of 1,500 baht/rai/year plus negative environmental impacts and health impacts as a result of the use of*



chemicals. Those who stand to gain the benefits are large corporations that dominate the food production system, not the farmers who grow the crops and the consumers who are supposed to benefit from the produce.”

**FLR349 Fund** is a fund that has been developed based on the King’s Philosophy of “Three Forests, Four Benefits” and the development of a value chain which could become a model for farmers living in watershed areas. The FLR349 Fund helps farmers turn their agricultural operation from forest-encroaching mono-agriculture with intensive use of chemicals into the “Three Forests, Four Benefits” agricultural system which helps to restore the environment by stopping destruction of top soil. Farmers learn to grow perennial trees, fruit trees, vegetables and herbs in a mixed system that is sustainable, and which replenishes the soil. Such plantations function like carbon sinks and water reservoirs which make possible the production of diverse and safe foods for consumption. It helps to empower farmers and their community, helps to reduce their living expenses, and helps to keep them healthy. As a result, they can break free from the endless cycle of debt that has trapped many farmers in in our current food system. This system is consistent with the UN Sustainable Development Goals (SDGs).



The FLR349 Fund is a model based on the collective participation of all sectors. Its funds are derived from donations by the private sector and the general public who want to financially support an enterprise for social and environmental causes. They can also help by purchasing the merchandise produced by the Fund which is part of an effort to promote sustainable consumption and production patterns. This contributes to a solution to the deterioration of natural resources due to mono-agriculture in watershed areas.

The FLR349 Fund has been initiated and established collectively by civil society organizations and the private sector, including the World Wildlife Fund (WWF), Thai Organic Agriculture Foundation (TOF), Chiang Mai Social Enterprise (CSE), Bank of Agriculture and Agricultural Co-operatives (BAAC) and alliances including the Agricultural and Food Marketing Association for Asia and the Pacific (AFMA) which includes inter-government non-profit organizations. Our alliances also include



agencies that provide technical support, including the Rajamangala University of Technology Lanna and the Center for People and Forests (RECOFTC). Further technical support has been received from The National Science and Technology Development (NECTEC) and the Ministry of Science And Technology, through the area based research on “Carbon emission and sustainability of agriculture on slope areas: The case of Mae Chaem District, Chiang Mai” and the Thailand Development Research Institute Foundation (TDRI) through the “Social Return on Investment (SROI) of the FLR349 Fund” sponsored by the Thailand Research Fund (TRF).

A traceability system will also be developed to link up producers in our project and consumers. Consumers and donors will have access to information regarding the food supply chain and can make donations to support the operation of the Fund as well as to track progress of the Fund’s reforestation efforts. In other words, FLR349 Fund’s implementation will be made traceable with clear indicators to measure progress. This will help us assess the costs and benefits of the funding in terms of its economic, social and environmental impacts. Such information will be immensely useful for the business sector and other sectors that might be interested in investing in the Fund. It can also be applied to monitor and evaluate progress made by the Fund as well.

The FLR349 Fund will commence its operation in its pilot site at Ban Song Than (Mae Khi Mook), Moo 1, Tambon Ban Thap, Mae Chaem District, Chiang Mai with participants including farmers from 26 households covering an area of 130 rai. The Fund will provide each household 5 rai of land and a subsidy of 2,000 baht/rai/year for five years consecutively. It should help with the transition to sustainable farming and increase their self-reliance even after the termination of the FLR 349Fund. We plan to expand our operation to cover all provinces of the country and it can be used as a model to address deforestation and monocropping in all parts of the country.

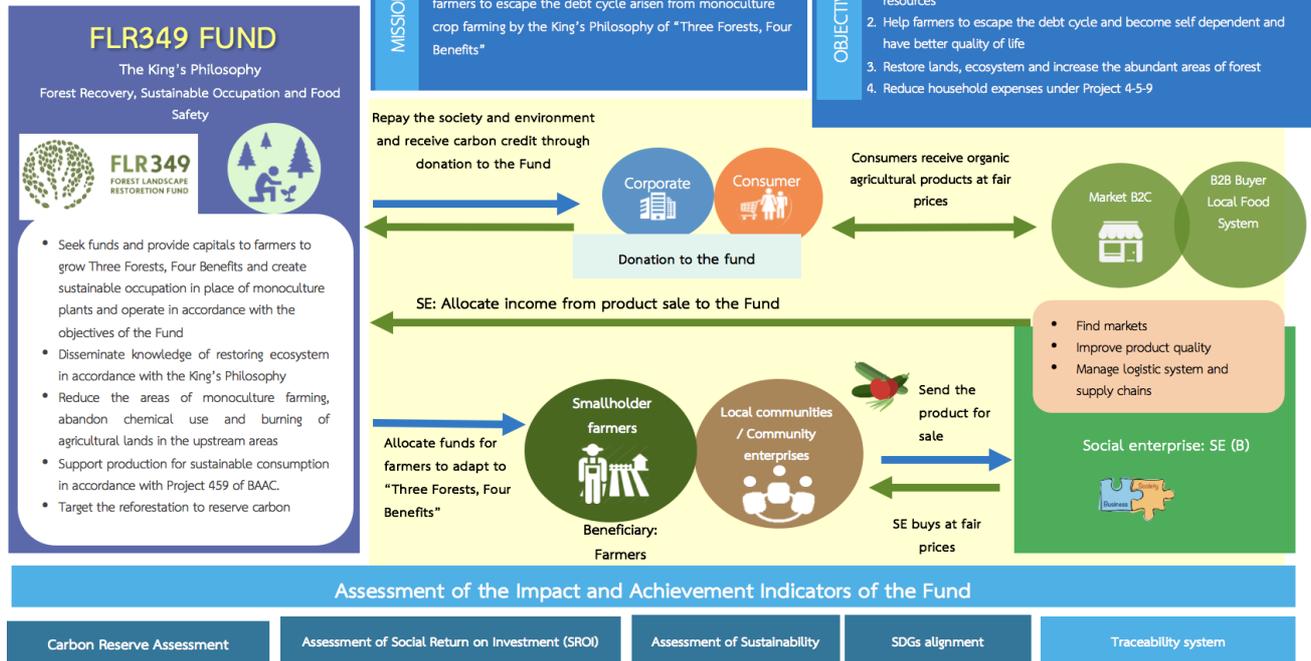
The value chain will be derived from the FLR349 model. Each producer will be given 2,000 baht to help them transform denuded land into sustainable agriculture to replace maize plantations with the ‘Khok, Nong, Na’ Model and “Three Forests, Four Benefits” by growing perennial trees along with diverse food crops using non-chemical farming methods. Part of the organic produce and processed food will be kept for consumption by the farmers. It should help to reduce their living expenses<sup>1</sup>, and the excess will be sold to generate income. Their produce will be bought by a social enterprise based on a sound marketing plan and advance production plan. It will be sold at fair prices and through local food markets, including schools, hotels, hospitals, restaurants and retail markets at the national level. This model will help to rejuvenate the local economy, boost cash flow in the community, and encourage sustainable production and consumption. It can be further developed into to attract eco-tourism.

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<sup>1</sup> In line with the 459 Project that has been implemented by BAAC



## MODEL AND FUND MECHANISM



It is expected that the FLR349 Fund model can help to generate four times more for the farmers, compared to income from monocropping. Some income will also be generated by the social enterprise, the proceeds of which will be deposited into the FLR349 Fund to be used for its operation and replication in other areas.

The FLR349 Fund's key stakeholders shall include the following four groups:

- FLR349:** The Fund will be operated by a steering and fundraising committee that will be responsible for the Fund's operation. The committee shall be initially composed of representatives from World Wildlife Fund (WWF), Thai Organic Agriculture Foundation (TOF), Chiang Mai Social Enterprise (CSE), Bank of Agriculture and Agricultural Co-operatives (BAAC) and alliances including the Agricultural and Food Marketing Association for Asia and the Pacific (AFMA) which includes inter-government non-profit organizations. Membership in the Committee will be later expanded to include other interested private agencies and non-governmental organizations.
- Farmers:** Farmers will receive support from the Fund, including financial and technical support based on the criteria set forth by the Fund. They will be required to practice sustainable agriculture based on the King's Philosophy or the "Three Forests, Four Benefits" in terms of growing and nurturing their crops and to help with reforestation and environmental restoration. Produce from their farms can be sold to the community enterprise to give them a stable income.
- Social enterprises:** Can either be incorporated or registered as not-for-profit organizations with representatives from the participating farmers or community. The social enterprise shall help to buy and sell produce at fair prices and help to develop production and marketing plans in tandem with the farmers. Any profit made, after costs, shall be deposited into the Fund to cover its operation costs.
- Supporters or donors:** The FLR349 Fund will be a public interest fund and will solicit financial support from the business sector or the general public in the form of donations for



social and environmental causes. Donors can support the Fund by purchasing agricultural produce and products made by participating producers. The Fund will develop a traceability process to ensure that all the funds will be directed to social and environmental causes and to mitigate climate change through reforestation. But such investment will not be made profit-oriented.

**The FLR349 Fund will be a flagship model to restore watershed areas and reduce social inequality and food insecurity by applying the King’s Philosophy. It will be based on participation of all sectors and aims to yield collective benefits in line with the UN Sustainable Development Goals. It is hoped that the FLR349 Fund model can be replicated in all areas throughout the country and the world. It is expected that within the first ten years, we will be able to develop food production forests covering an area of 50,000 rai and turn a denuded watershed area into a lush and green ecological system to ensure food security on a sustainable basis for our children.**

