



IKI Brown Bag Lunch

Traceability systems against deforestation

A successful case study from Vietnam's coffee sector

IKI Office

Online, July 10th, 2024



Federal Ministry
for the Environment, Nature Conservation,
Nuclear Safety and Consumer Protection



Welcome

IKI Brown Bag Lunch: Traceability systems against deforestation



- Netiquette:
 - Please log in with full name and name of organisation
 - Please switch off all microphones
 - Chat icon for content-related questions and technical questions

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based on a decision of
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Café-REDD

Cooperation from PPPs against deforestation in Viet Nam



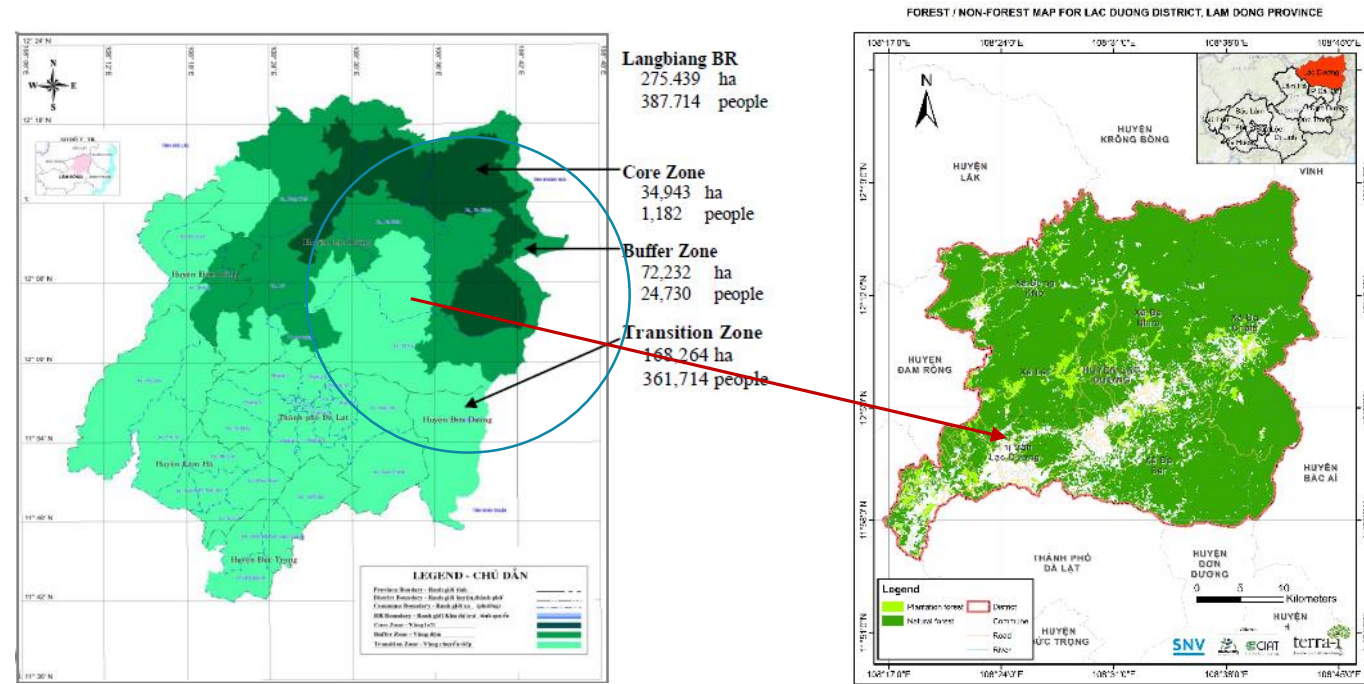
IMPACT GOALS

Aligned with SDG 2, our goal is to support a sustainable agri-food system that ensures food security and nutrition for all, safeguarding resources for future generations.



Lang Biang Landscape Context

Lam Dong province
Viet Nam



Ecosystem

In Vietnam's Central Highlands, Lang Biang Landscape spans 275,000 hectares, encompassing mountains, forests, rivers, and rich biodiversity.

People

Inhabited by ethnic groups like K'Ho, Churu, and Ma (20% of locals), residing for generations, relying on natural resources mainly farming for livelihoods.

Context

Landscape deals with deforestation, agriculture impact, and tourism issues; progress: 160,000+ ha protected.



Sustainable Development Goals and Project Work Packages



Enhancing Public Sector Capacity for Climate Smart Landscape Planning & Management

Capacity



Private Sector Engagement in Climate Smart Landscape Solutions

Engagement



Supporting Smallholders in Sustainable Agriculture, Agroforestry and Climate Smart Landscape Solutions

Solutions



Knowledge Development & Sharing

Sharing



Support inclusive and climate-smart investments in the project landscape

Finance

Small-scale coffee farmers can succeed despite challenges by using these strategies

1. **Smart Agriculture:** Use climate-smart practices like agroforestry and efficient water management.
2. **Education and Training:** Get support from extension networks for better farming practices.
3. **Financing and Incentives:** Use subsidies, tax incentives, and carbon market links for sustainable practices.
4. **Technology:** Use technology for crop management, traceability, and market access.
5. **Direct Trade:** Sell directly to buyers for better prices.
6. **Diversify Crops:** Grow other crops to reduce dependency on coffee.
7. **Join Cooperatives:** Gain bargaining power and market access.
8. **Improve Quality:** Focus on high-quality beans for specialty markets.
9. **Risk Management:** Invest in crop insurance and use climate modeling for planning.

CAFÉ-REDD

Coffee Agroforestry and Forest Enhancement for REDD+

Duration

11/2018 – 10/2024

Location

Lam Dong province
Central Highland, Vietnam.

2,853ha

Land area under sustainable coffee (agroforestry model) production.

3,355+ +

Farmers practicing sustainable coffee production and conservation.



111,493 ha forest protection

**80,000
EUR**

Successfully finance EUR 80,000 from BMUV to support 05 SMEs.

1

Climate Smart Landscape plan for Lac Duong district.

16

Co-management agreements between state forest and village communities.

**3,25
mil EUR**

Additional public and private finance are leveraged.

12

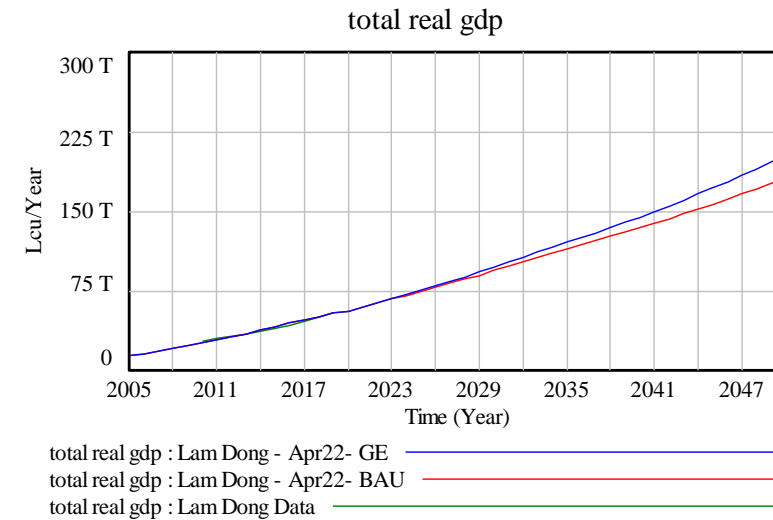
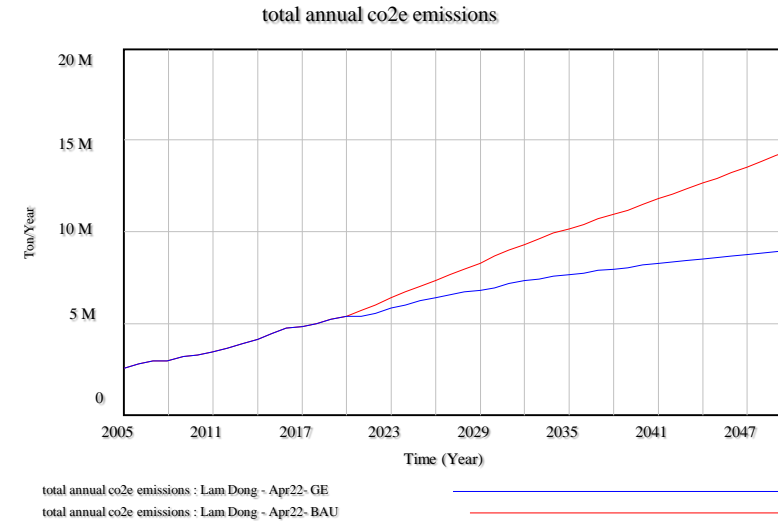
Business MoUs committed to deforestation-free production.

**250,000
STAMPS**

QR code stamps for 15 businesses participating in the digital Traceability and Monitoring systems.



Provincial planning 2030





1

Satellite-based forest monitoring

Ensures coffee farms are not close to deforestation hotspots.



2

Farm database and map

Records farm locations and farmers to help companies source deforestation-free coffee and aid policymakers in designing prompt interventions.



3

Digital Traceability Application

Allows consumers to track coffee from supplier through processing to sales and distribution.





LESSONS LEARNED

Integration into the private and public sector

Private sector



Driving industry standards and innovation.
Enhancing reputation and consumer trust.
Collaboration and stakeholder engagement.

Public sector



Enhanced regulation and oversight
Improved transparency and accountability
Long-term sustainability and development

Mandatory Due Diligence

Carried out **by operators who place the products on the EU market/export from the EU**

- Only products that are both **deforestation-free** and **legal** would be allowed on or exported from the EU market.
- The EU operator need to issue **a due diligence statement** confirming
 1. **Legality:** Products need to be legal according to the laws of country of production, including applicable human and labour rights and free, prior and informed consent.
 2. **Deforestation-free:** products not produced on land deforested after the cut-off date.
 3. **Strict traceability** linking the commodity to the plot of land where it was produced (Mandatory use of polygons above four hectares)
- Information supplied by **certification or other third-party verification systems (ISPO, MSPO, RSPO and others)** can support, but not replace, due diligence obligations of operators



Forest enhancement

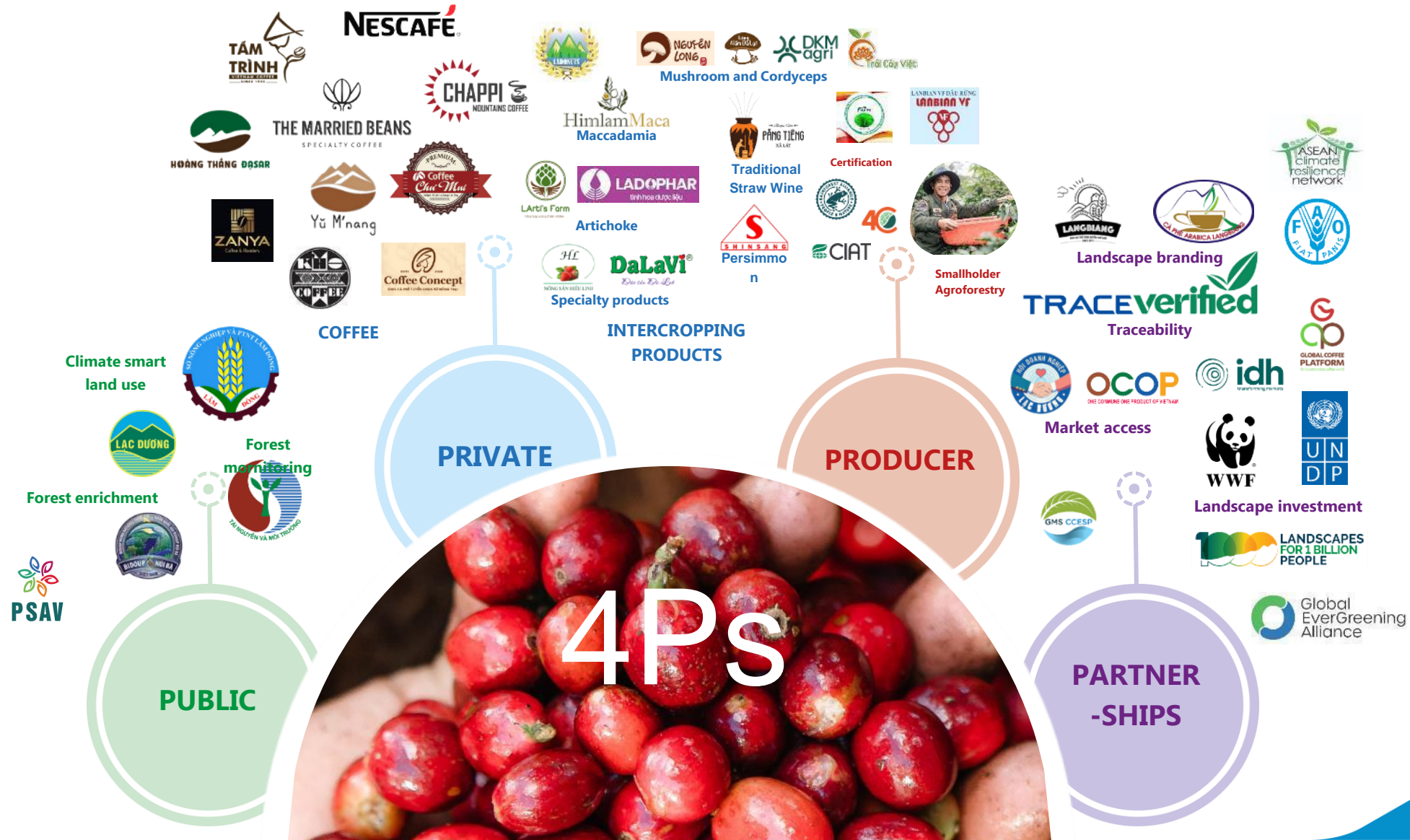


Agroforestry



BUSINESS ECOSYSTEM

Public-Private-Producer-Partnerships for Sustainable Landscape in Lam Dong



WOMEN ECONOMIC EMPOWERMENT IN DEFORESTATION-FREE VALUE CHAINS



Access to Resources

Allocate a €80,000 Accelerator fund to support 05 agricultural businesses, with 04 being women-led, aiming at creating jobs and strengthening deforestation-free value chains.

Technology Adoption

Promote traceability and digital monitoring for sustainability, in line with EUDR requirements with 16 companies (9 women-led businesses)

Value-added processing

Support businesses in adding value to their coffee products, such as roasting, grinding, and packaging.

Capacity-building

Help women-led businesses develop business plans, financial management skills, and marketing strategies.

Local-led solution

Mobilize 10 village heads (5 female leaders) and 16 collaborative management groups

Café-REDD

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Policy Brief

Lessons from Implementing Credit Scoring to
Advance Green financial inclusion for Smallholder Farmers



Mt. Mulanje Massif, Mt. Mulanje Biosphere Reserve, Malawi

Mobilizing Finance for Sustainable Landscapes:
Lessons Learned from 1000L's pilot Landscape Finance Accelerator

June 2024



Advance Green financial inclusion for Smallholder Farmers

The policy brief addresses the capital scarcity challenges faced by coffee farmers and small-scale enterprises in Vietnam, their reliance on credit sources, and their struggles in securing capital

Coffee Agroforestry and Forest Enhancement for REDD+ (CAFÉ-REDD)



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