

# **EUDR & Vietnam Coffee sector: Challenges, Opportunities and Solutions**

29 June 2023

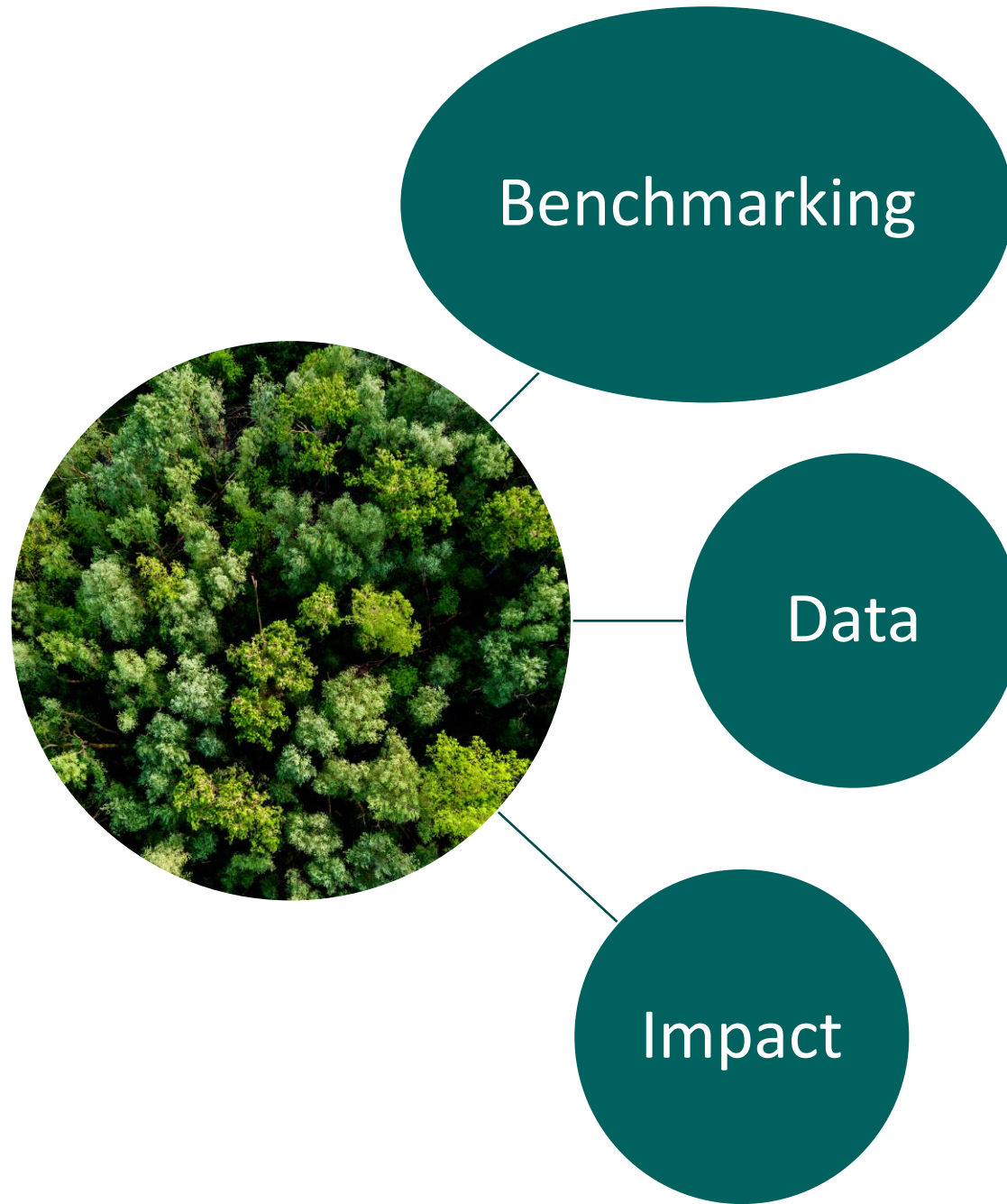


# Challenges

- ❖ Reference forest data at 31 Dec 2020
  - ❖ Farm management – esp. geolocation data
  - ❖ Supply chain traceability
- Country risk Benchmark methodology & results?

# Opportunities

1. Opportunities for transforming sector towards transparency and sustainability
2. Low possibility of deforestation
3. Strong public-private partnership & comprehensive engagement with EU



Benchmarking

Data

Impact



# Solution 1: Country Benchmarking methodology

## EUDR guidance for country benchmarks:

1. Consider information provided by country
2. Country or country-parts
3. Assessment criteria:
  - (a) deforestation, forest degradation rate,
  - (b) agriculture land expansion rate
  - (c) relevant commodities production trends,
  - (d) NDC scope on forest-related emissions/removals
  - (e) agreements with EU to facilitate compliance
  - (f) relevant national or subnational laws

→ **Benchmarking methodology to be introduced in Mar 2024**

**LOW**

### Supply chain information (Art.9)

- Products data
- Geolocation
- Suppliers & buyers (Traceability)
- Legality & HR

### Risk assessment (Art.10):

- Supply chain data verified & analysed
- Forest-related risks assessment, covering **14** criteria

If risks are non-negligible

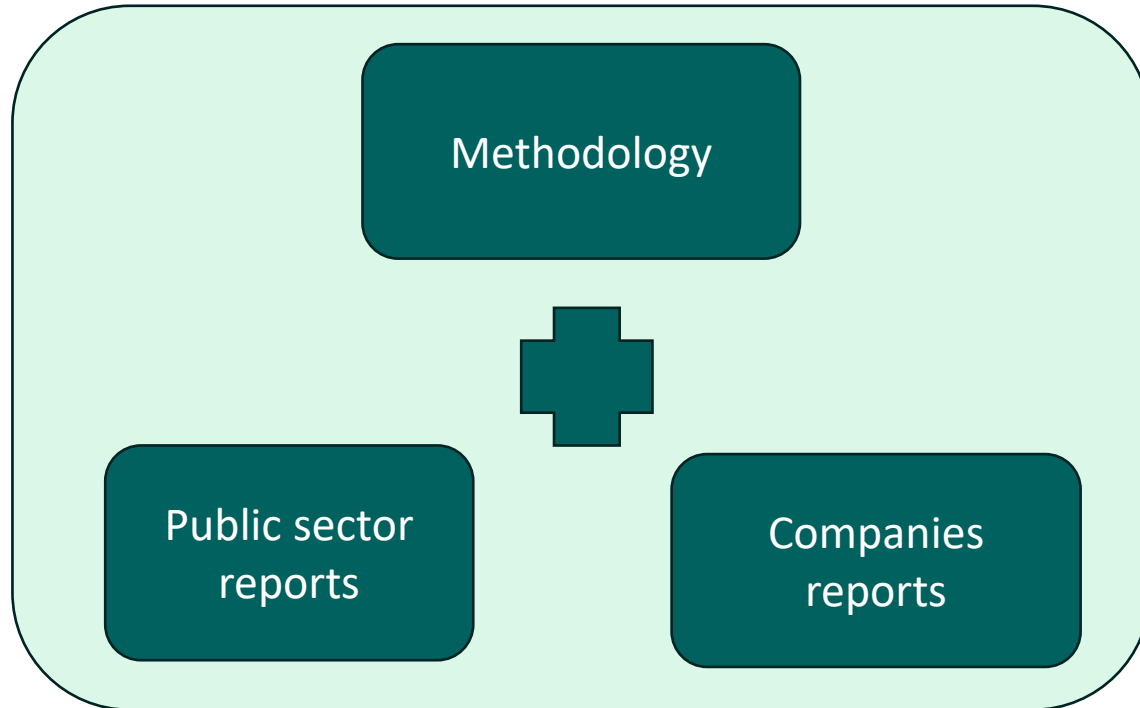
### → Risk mitigation (Art.11):

- Risk mitigation measures
- Non-compliance risks mechanism
- Annual review

**STANDARD**

**HIGH**

# Solution 1: Benchmarking



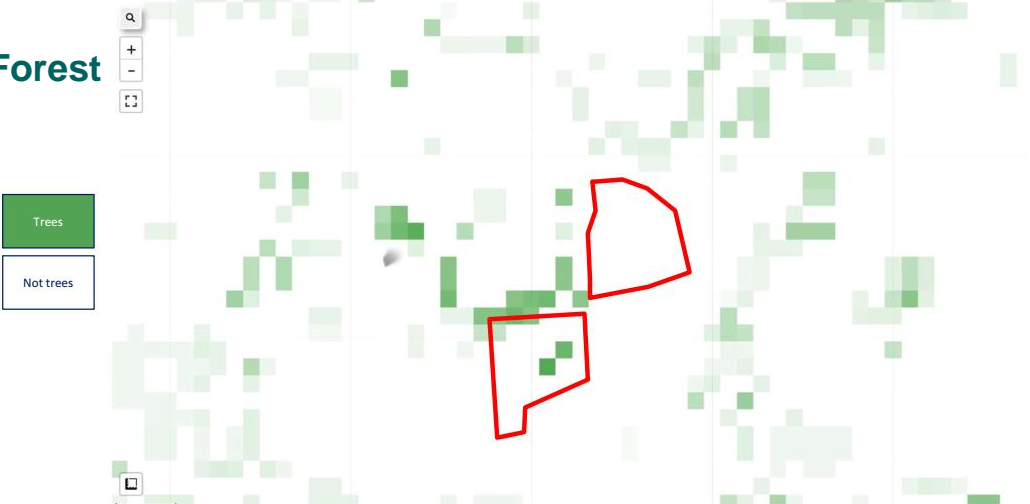


# Solution 1: Detect deforestation for Benchmarking

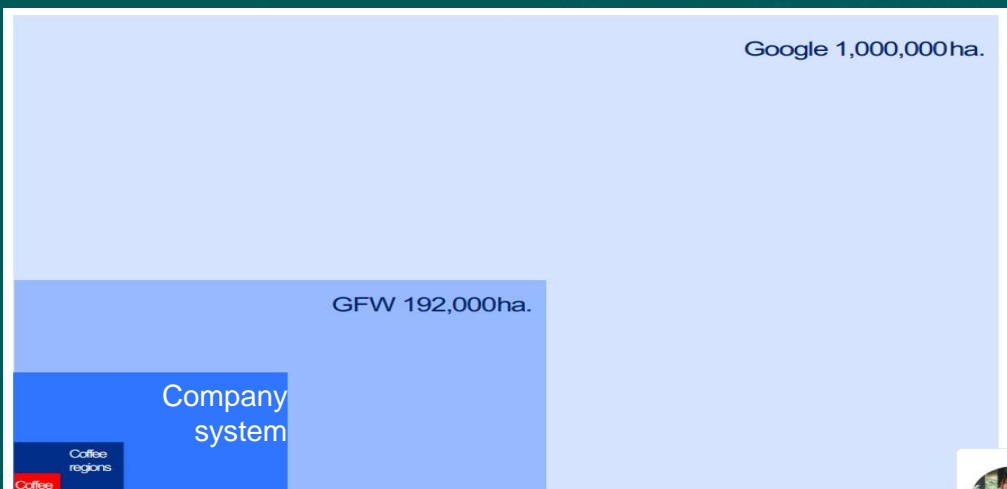
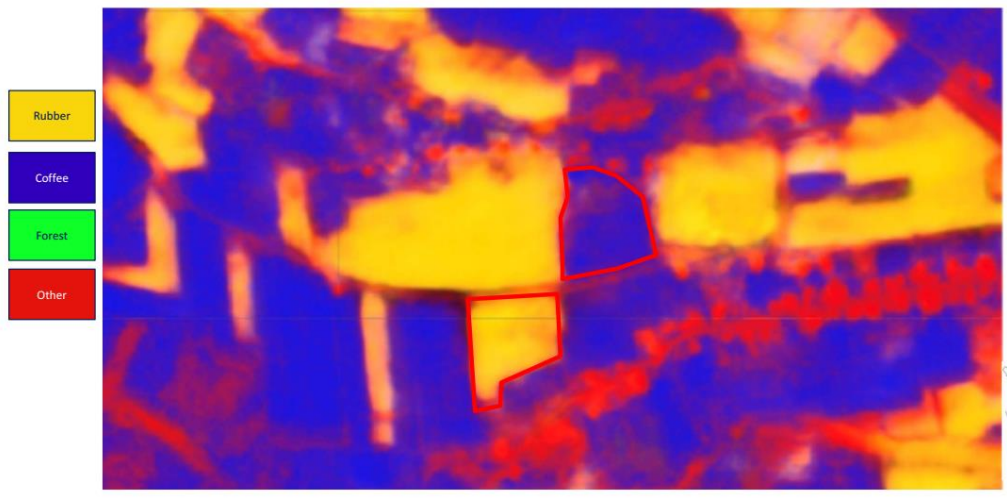
Land use classification



Global Forest watch



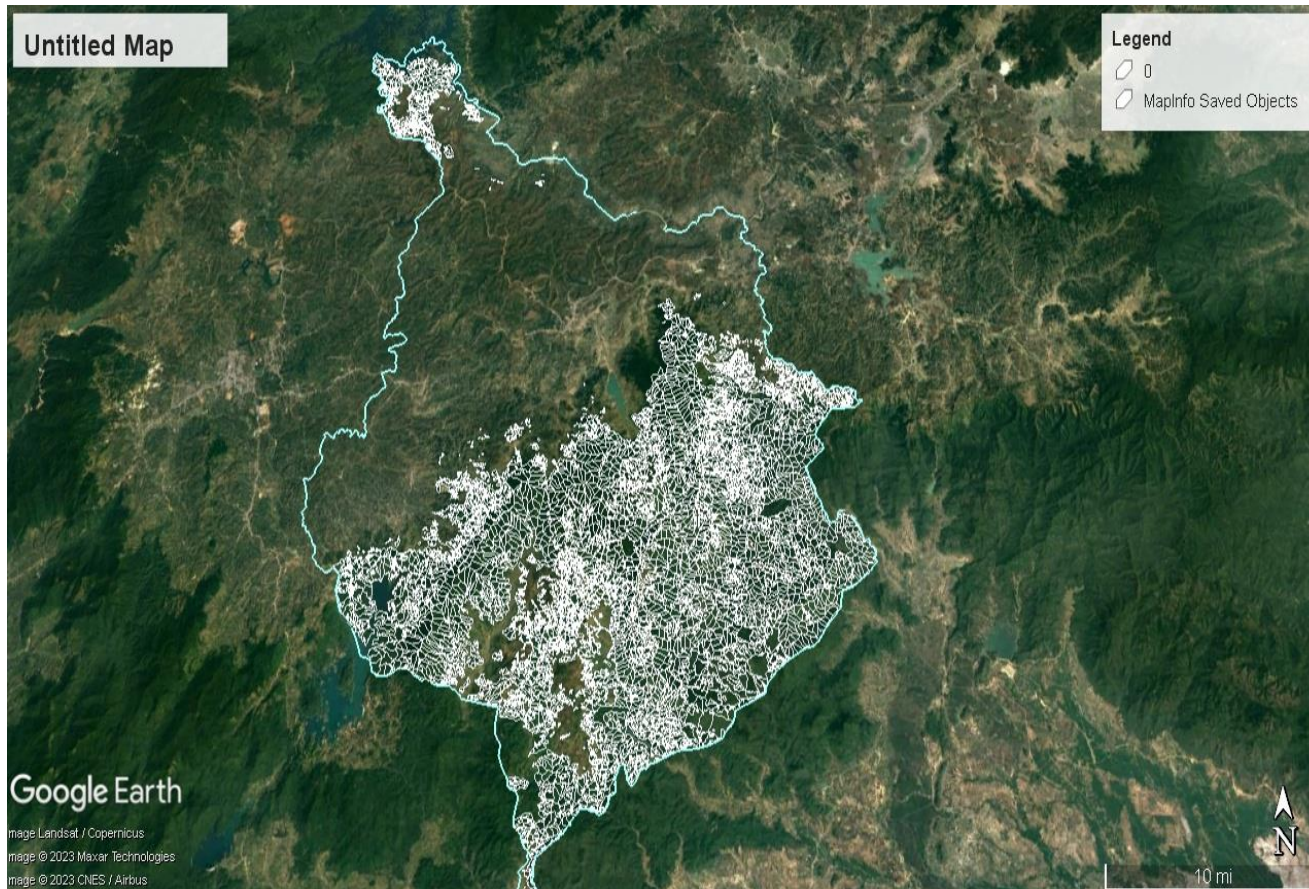
# Private-led methodology: Adoption of AI technology



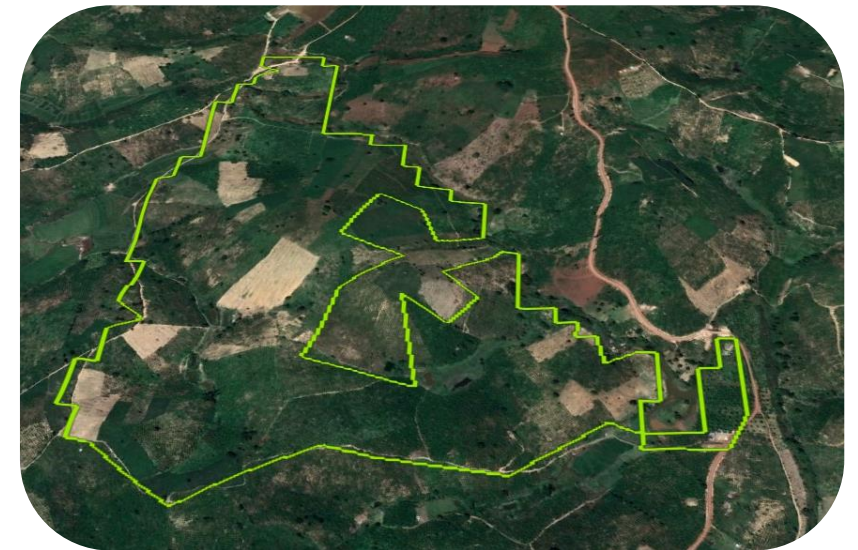


# Solution 2: Database development roadmap

## Step 1: Natural forest



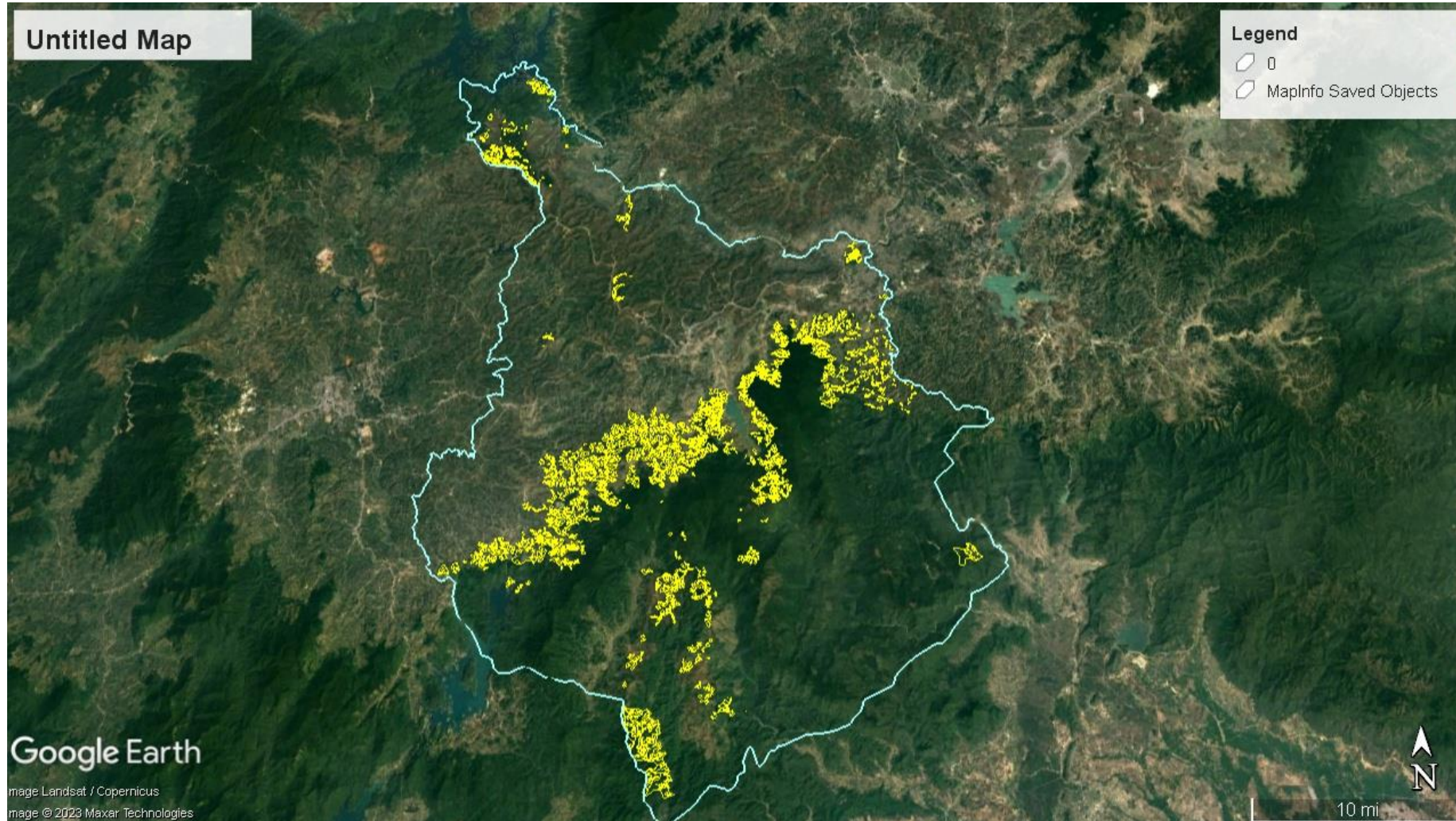
Update accurate reference forest map  
at 31 Dec 2020



**FRMS National Forest Database + Satellite Image + Company Database**



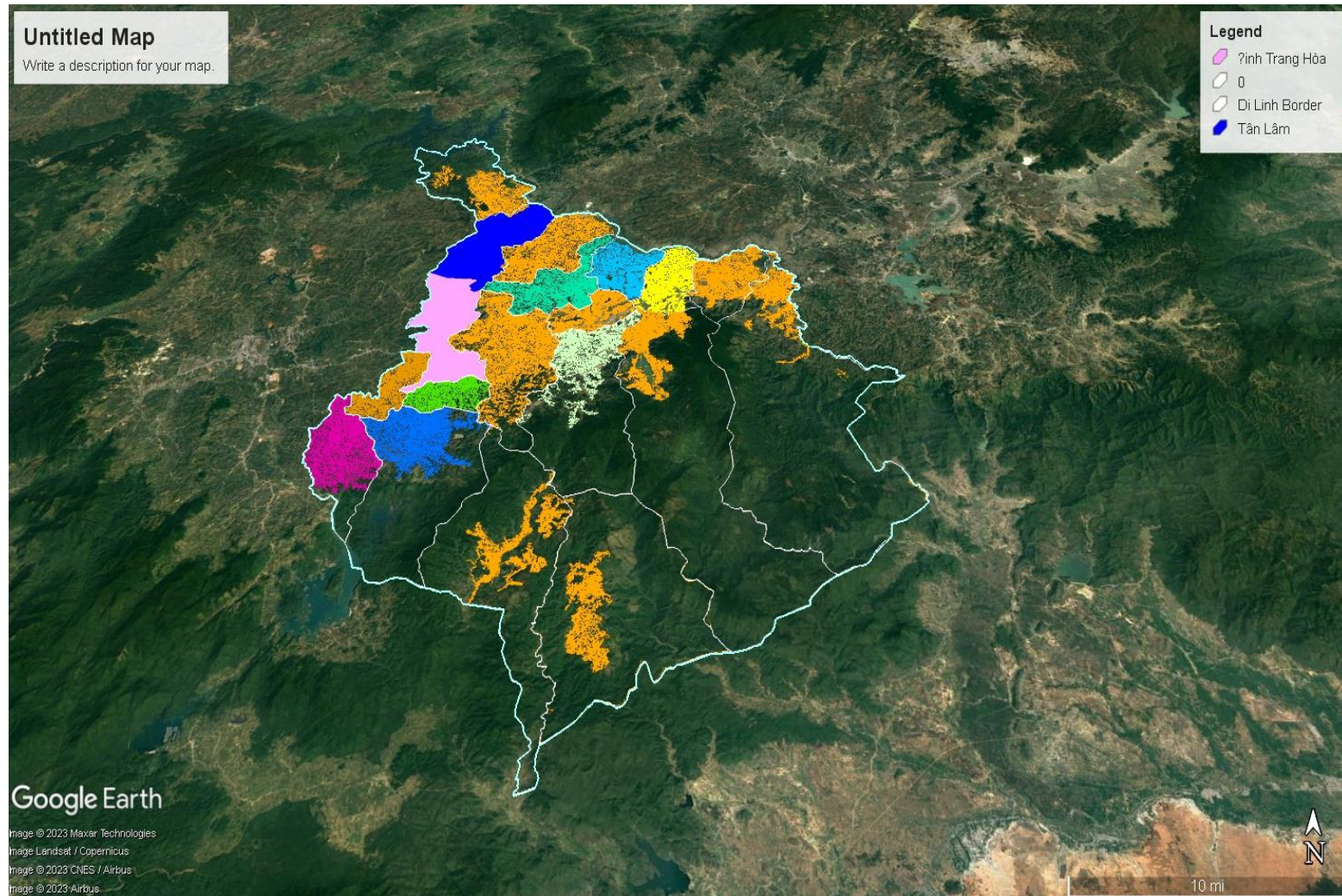
# Step 2: Determination of production forest (Timber)







# Step 3: Coffee farm data and other crops (cocoa, rubber, etc.)

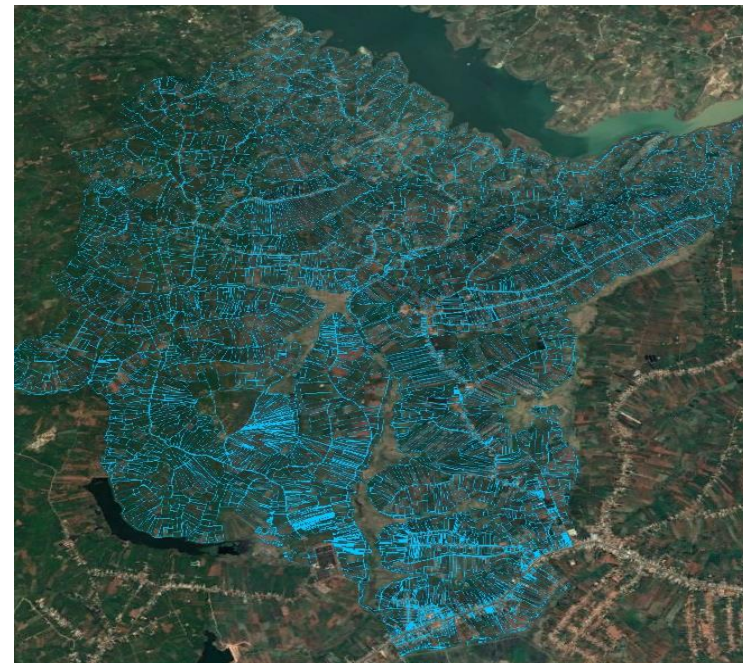




# Solution 2: Plot-level data

Plots with land use rights

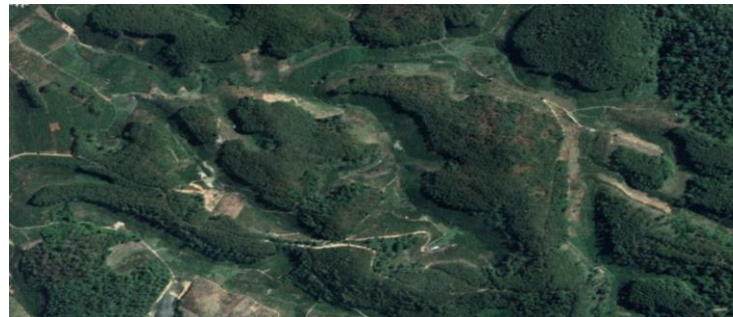
*Cadastral data + sampled field verification*



*Illustrative figure: Plot map in Tan Nghia commune, Di Linh district*

Plots without land use rights (but started to cultivate before 31 Dec 2020)

*Field-level GPS/polygon locating and regular monitor*



**Uncooperative cost: 5.5 €/ha**

**PPP solutions: 4.1 €/ha**

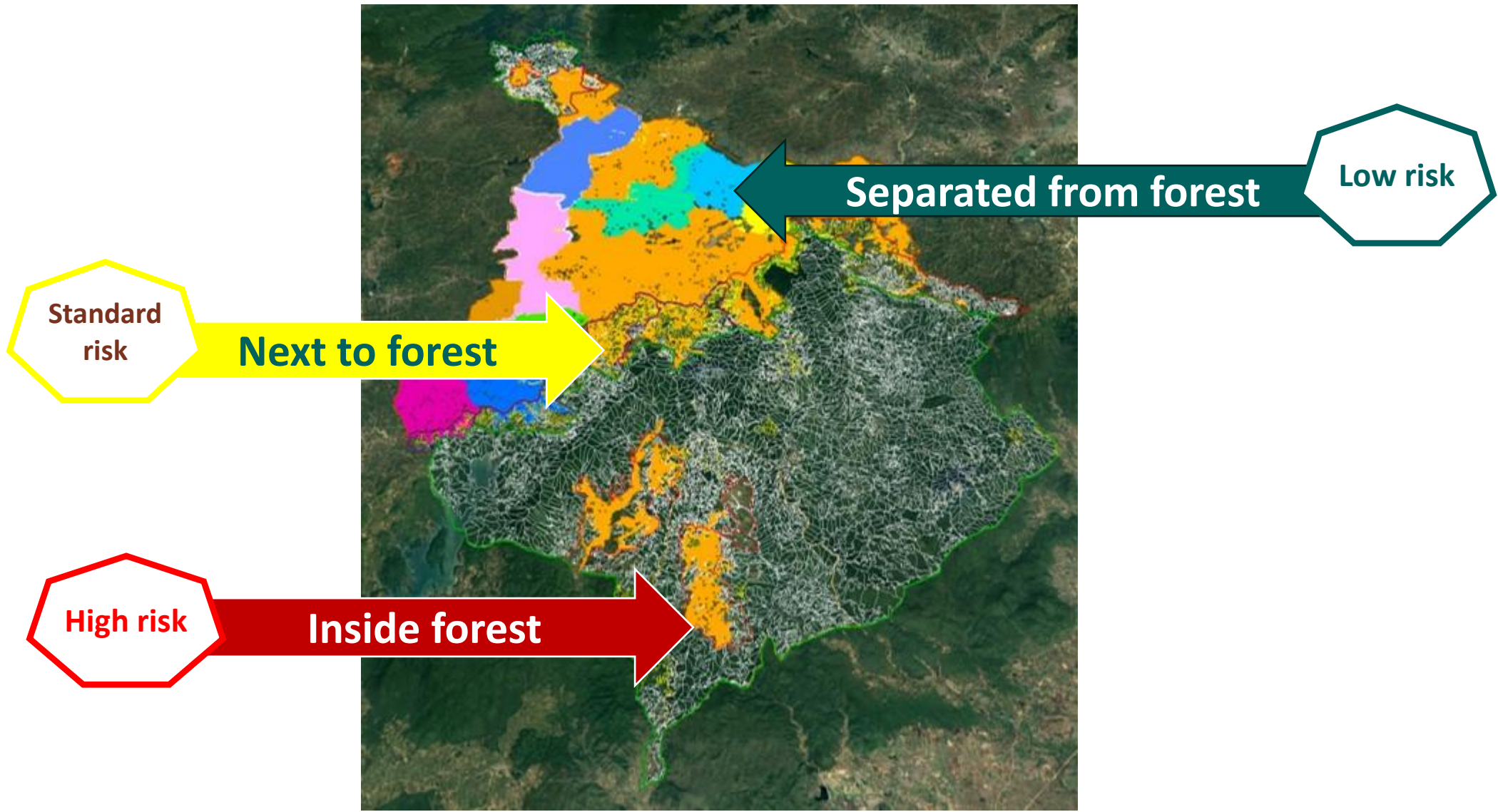
*Di Linh District pilot estimation*



**Plot-level database & Plot/farm code**  
(managed by District People Committee)

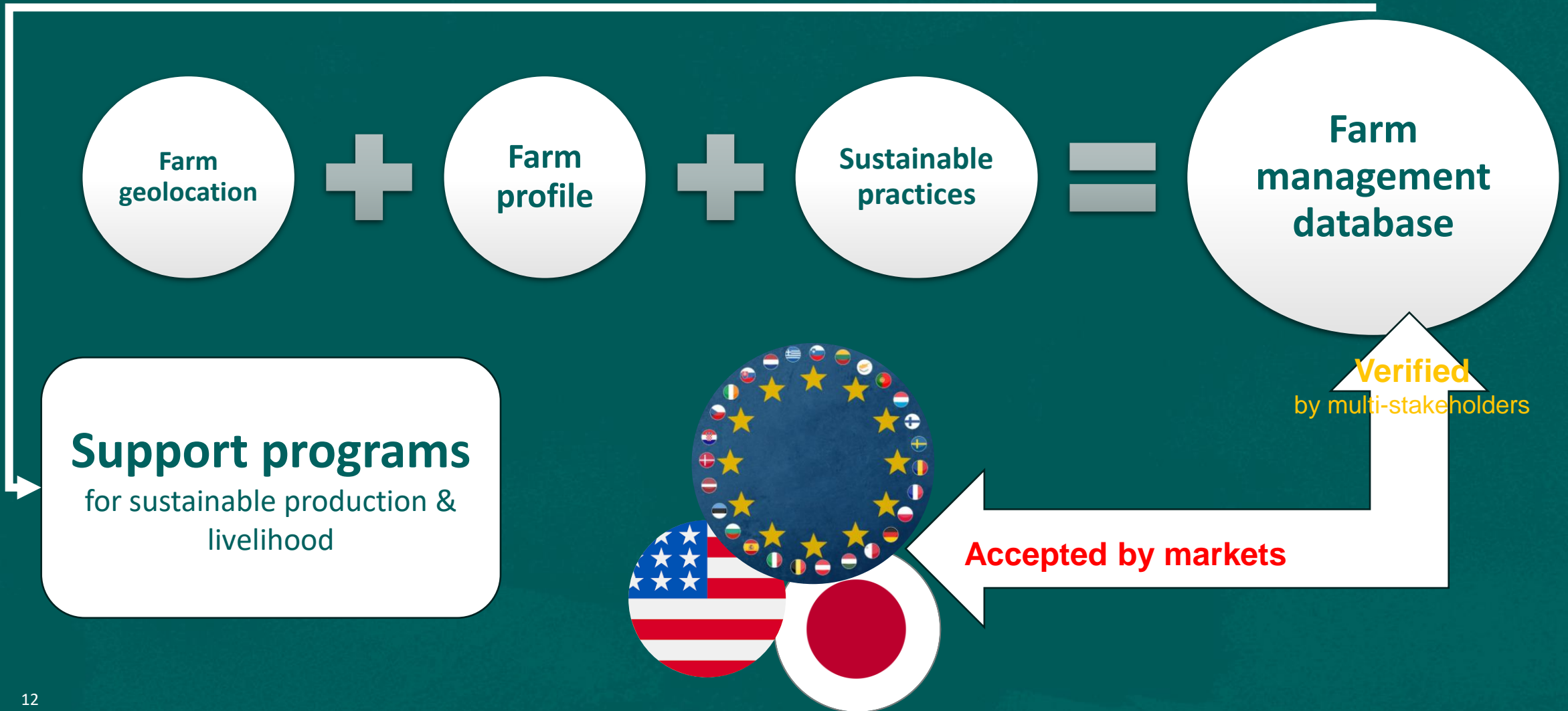


# ➔ Basic database (meet EU requirements)



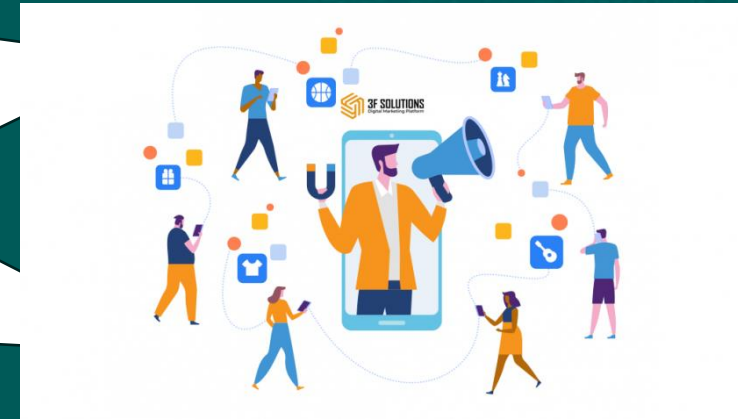


# ➔ Comprehensive Farm database

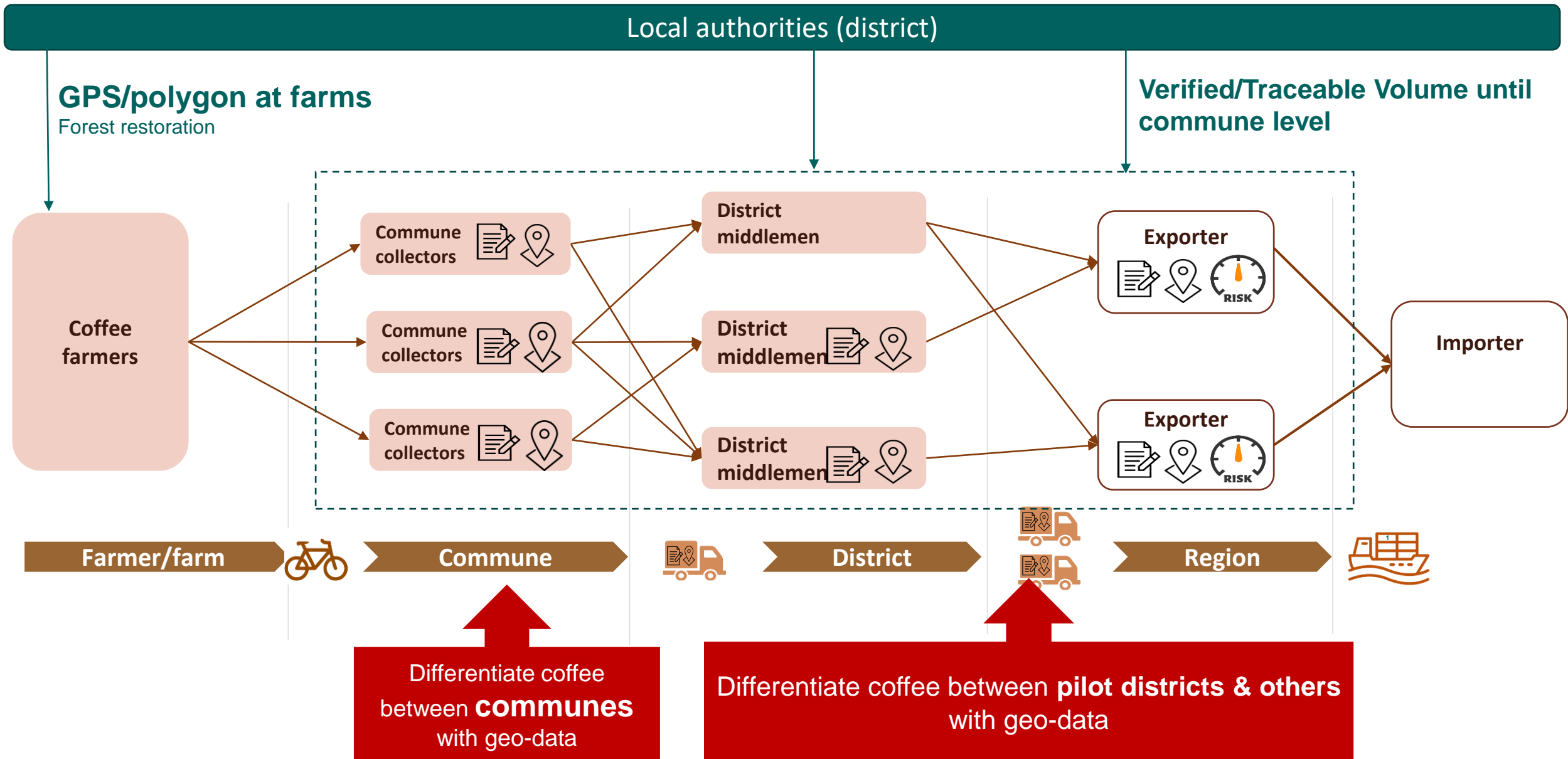




# Information sharing and **feedback** mechanism: Company and State

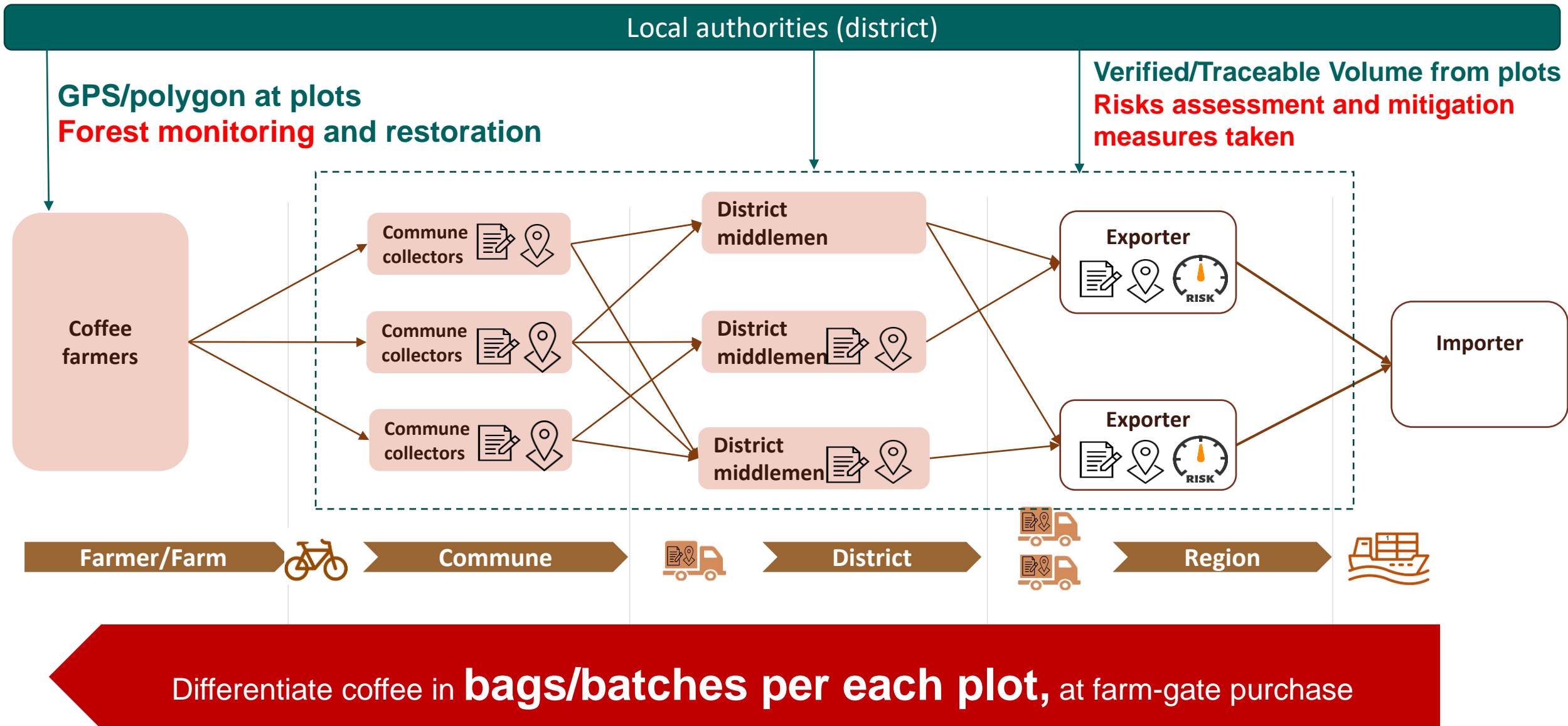


# Solution 3: Traceability – Mass Balance Model for Low & Standard risk





# Solution 3: Traceability – Segregation Model for High risk



# Solution 4: Landscape approach for IMPACT on the ground

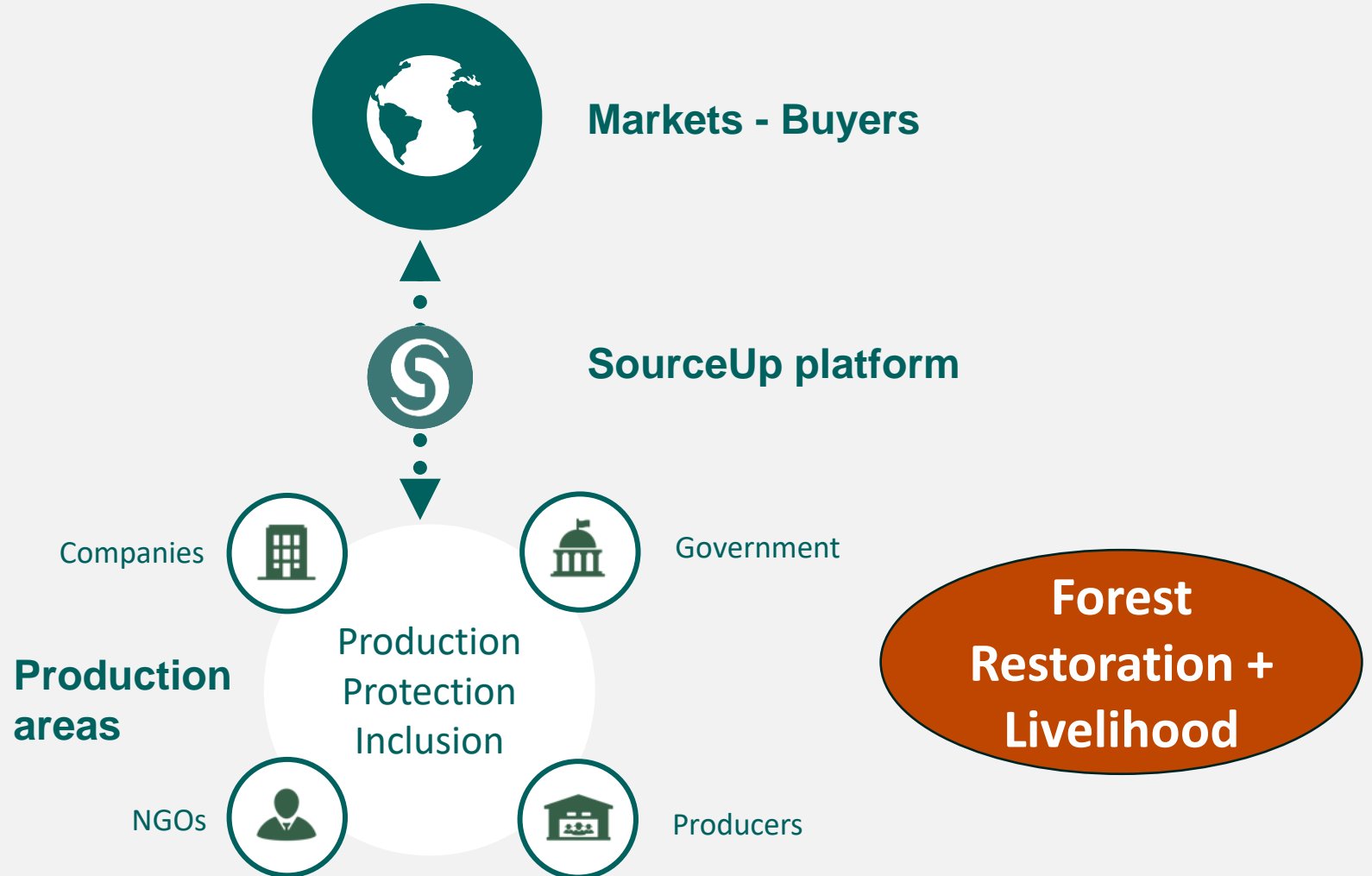
## 1. No farmer is left behind



Cu M'gar,  
Dak Lak  
province

- DPC, Chánh Thu
- Dakman
- Sucden, Nedspice
- Simexco
- Intimex

## 2. PPI interventions conducted by public-private sector





# Thank you for your attention

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