



## PROJECT BASICS

- Feasibility study funded by P4G
- Duration: 6 months
- Implementing partners: WWF Finland, WWF Indonesia, WWF Vietnam, WWF Laos, Slow, Systemiq

# PROSPEROUS FORESTS: A PRODUCTION-PROTECTION MODEL BY WWF AND SLOW FOREST COFFEE • SEPT 2022

*The WWF-Slow partnership model aims to build sustainable, resilient, and inclusive forest communities.*

WWF supports indigenous and local communities, government partners and the private sector in restoring, managing, and conserving natural forest areas, securing their wildlife and biodiversity.

Slow Forest Coffee is an end-to-end integrated organic agroforestry coffee company that was founded in 2018 with the mission to address environmental and social concerns within the conventional coffee supply chain.

Headquartered in Denmark, Slow works directly with smallholder farmers in Laos to grow nature-positive coffee for corporate clients committed to positively impacting people and planet.

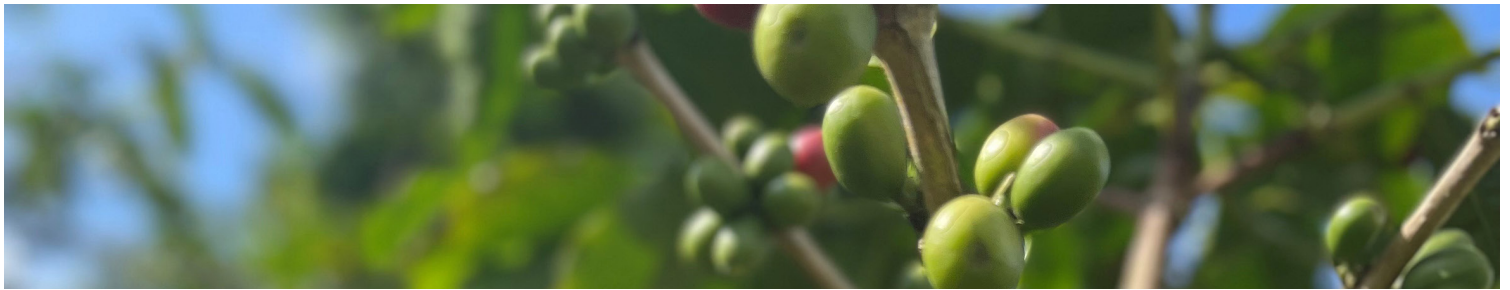


In the WWF-Slow partnership model, Slow will operate in the buffer zones of WWF priority conservation areas and enable smallholder farmers to convert to organic agroforestry, significantly improving their livelihoods in the process. A share of the revenue generated from coffee sales will provide stable and continuous funding towards WWF's conservation efforts.

With funding from P4G and support by Systemiq, WWF and Slow conducted a feasibility study to assess the potential for scale-up of the Prosperous Forests partnership in Laos, as well as expansion thereof to Vietnam, Indonesia and/or Ethiopia.

## NEXT STEPS FOR THE PARTNERSHIP

- Really exciting opportunity identified in Vietnam and the partnership to begin operations there
- Strong potential in Laos, Indonesia and Ethiopia, but further due diligence and/or additional on-the-ground partners required before implementation can begin
- Explore further funding opportunities to accelerate scale-up



## METHODOLOGY

To develop the feasibility study, a two-part approach was undertaken.

The first part consisted of a country-level analysis of the coffee markets in Vietnam, Indonesia, Ethiopia, and Laos, as well as identification and prioritization of potential target areas in these geographies, through interviews, research and geospatial analysis. The potential target areas were ranked based on key feasibility criteria (see right) as 1st priorities or “Go Now” (seeming to meet all criteria), 2nd priorities or “Go Later” (most criteria met but specific challenges identified) and “Out” for areas which did not meet one of the criteria.

The second part focused on the prioritized target areas and consisted of a detailed analysis of operational feasibility and scalability, particularly through field research (e.g., interviews with smallholder farmers, stakeholder consultations with the local government authorities, meetings with other coffee market players in the areas).

In parallel, the value proposition of the Prosperous Forests partnership in target locations was tested with potential corporate partners to ensure the financial sustainability of the project.

### PRE-FEASIBILITY

Country-level analysis and identification of potential target areas

1. Understand regional coffee markets
2. Use interviews & GIS analysis to determine potential target areas
3. Prioritize potential target areas based on research

### FEASIBILITY

Analyse operational feasibility in target areas

4. Detailed feasibility study by analysing:
  - Coffee landscape
  - Competitive landscape
  - Political landscape
  - Logistics and infrastructure

### IMPLEMENTATION

Start up new operations in viable priority areas

In parallel, find potential corporate offtakers and financial partners

## KEY FEASIBILITY CRITERIA



**EXISTING COFFEE PRODUCTION**  
ideally, Arabica coffee



**HIGH-QUALITY CONSERVATION AREA**  
nearby and with potential for a positive impact on biodiversity

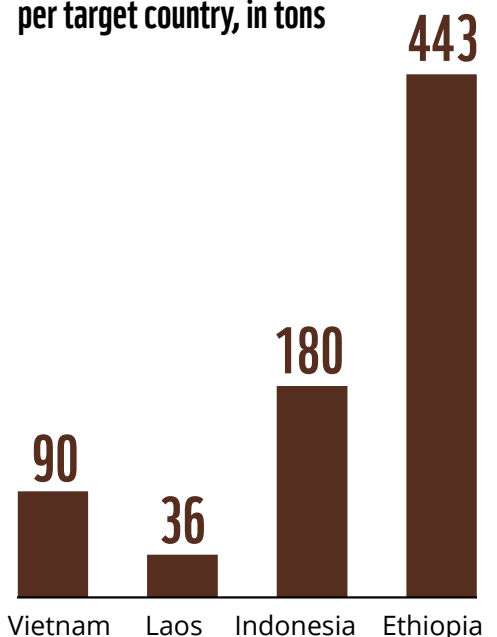


**SOCIAL IMPACT FOR FARMERS**  
tangible livelihood improvements for smallholder farmers



**COMMERCIAL INTEREST**  
for Slow and the Prosperous Forests partnership

Total production of Arabica coffee per target country, in tons





## OUTCOME

### Vietnam

Vietnam offers an exciting opportunity for the Prosperous Forests partnership. Whilst internationally known for its vast Robusta production, Arabica cultivation has been on the rise. In the province of Quang Tri, intensive monoculture practices and decreasing investments have led to diminishing yields in the past years (from around 10–12 t of cherries per hectare to 5–6 t). Current monoculture practices have been linked to land erosion, degradation of soil quality and loss in biodiversity.



Many of the 8,000 Arabica coffee farmers in the province have begun to understand the benefits of agroforestry but require technical support and lack access to funds to purchase shade tree seedlings and organic fertilizer.

WWF's strong on-the-ground presence provides the necessary trust of local communities and district authorities for a successful implementation and quick scale-up. The Prosperous Forests partnership would significantly contribute to establishing a biodiversity corridor between two Nature Reserves, which are part of the Annamites landscape, home to many endangered and rare species. This area is ranked as 1st priority/Go Now for the partnership.

### Laos

Given Slow's established presence and value chain in Laos, expanding operations to new areas where WWF is active is commercially attractive. However, field visits to the villages around the Xe Sap National Protected Area have not found sufficient Arabica production for the scale-up of the Prosperous Forests partnership in Laos as would be required in the short-term. Slow will have to explore the feasibility of a greenfield model with WWF in more detail. Implementation of the partnership to villages around Dong Hua Sao National Protected Area is dependant on WWF's future work in the area. The identified potential priority areas are assessed as 2nd priority/Go Later.

## FEASIBILITY OF QUANG TRI, VIETNAM



**ANNUAL PRODUCTION**  
~ 4,500 t per year of Arabica coffee



**NATURE RESERVES**  
~ 60,000 ha protected forests in Bac Huong Hoa and Dakrong Nature Reserve

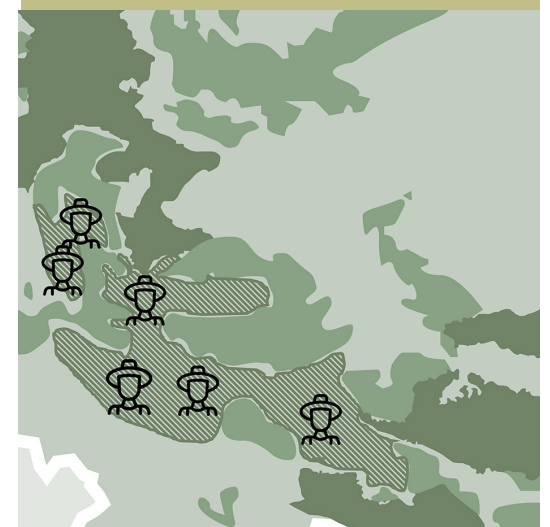


**SOCIAL IMPACT**  
~ 50% of population consists of members of ethnic minorities



**COMMERCIAL INTEREST**  
significant, also due to corporates' own value chain/presence in Vietnam

## BIODIVERSITY CORRIDOR IN QUANG TRI

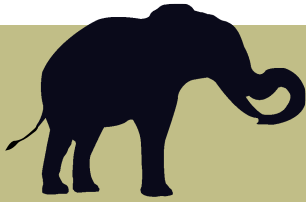


- Nature Reserves
- Forests
- Biodiversity Corridor



## Indonesia

Indonesia offers significant environmental impact potential – about 49% of its land area is covered by forests and Sumatra is the last place on Earth where orangutans, elephants, tigers and rhinos exist together.



WWF Indonesia's activities in the Peusangan Landscape include protecting the local elephant corridor, where about 50 Sumatran elephants remain.

Sumatran elephants play an important role in forest ecosystems, affecting forest composition and density, dispersing seeds and promoting tree regeneration. The area is a high biodiversity zone.

Sumatran coffee attracts great commercial interest due to its high quality. 99% of all coffee in Indonesia is grown by smallholder farmers who have been exposed to severe price and output fluctuations. Current average output per ha is low at about 800 kg/ha compared with for example Vietnam (2,500 kg/ha).

On the other hand, the Arabica coffee market in Indonesia is much more mature than in Vietnam or Laos. Higher prices limit the premium Slow would be able to offer to smallholder farmers. Furthermore, middlemen play a strong role and an expansion of the Prosperous Forests partnership to Aceh would require a more complex set-up. Thus, this potential target area is ranked as 2nd priority/Go Later.

## Ethiopia

All identified potential priority areas have been found to be promising in terms of Arabica production, as well as environmental and livelihood impact. Ethiopia is renowned for its high-quality wild forest coffee – around 45% of Ethiopia's coffee production comes from forest or semi-forest areas. However, given the lack of WWF presence in Ethiopia and lower operational synergy effects for Slow, who is currently established in Southeast Asia, all potential target areas were assessed as 2nd priority/Go Later.

## LESSONS LEARNED

- Prosperous Forests partnership model between trusted philanthropic organization and mission-driven business offers strong value proposition and amplified impact potential recognized by local communities, policy makers and customers
- Lack of blueprint due to novelty of partnership model and different organizational culture can be challenging, but worth overcoming
- Presence of on-the-ground partner with established community relations and knowledge of the coffee value chain is key to successful implementation

## FOR MORE INFORMATION

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