

## SOCIAL ENTREPRENEURSHIP PROGRAM

### PROJECT SYNTHESIS

1. **Country:** Guatemala
2. **Project Number:** GU-S1022
3. **Project Name:** Productivity and Sustainability of Small Mayan Coffee Growers in the Northern Region of Huehuetango and Quiché
4. **Executing Agency:** Asociación Barillense de Agricultores [Barillense Farmers Association] (ASOBAGRI)
5. **IDB Unit:** Multilateral Investment Fund (MIF)

**6. Financing Amount and Source:**

	IDB (US\$)	Local (US\$)	Total (US\$)
Reimbursable financing:	600,000	200,000	800,000
Nonreimbursable Financing:	100,000	207,000	307,000
Technical Cooperation:	250,000	127,009	377,009
<b>Total:</b>	<b>950,000</b>	<b>534,009</b>	<b>1,484,009</b>

**7. Goal and Purpose:**

The project's aim is to contribute to the economic growth of small coffee growers in the department of Huehuetenango. The purpose is to address international market demand by increasing the volume of coffee production and strengthening ASOBAGRI.

**8. Description:**

In order to achieve the objectives, three components will be financed: one for reimbursable financing of US\$800,000 (IDB: US\$600,000; ASOBAGRI: US\$200,000), a second for nonreimbursable financing of US\$307,000 (IDB: US\$100,000; ASOBAGRI: US\$207,000), and a third for nonreimbursable technical cooperation of US\$377,009 (IDB: US\$250,000; ASOBAGRI: US\$127,009).

- ***Reimbursable financing component***

Of the total resources of this component, US\$450,000 will be used as working capital for the sale and export of at least 1.6 million quintals of green coffee beans at harvest time. The working capital will allow ASOBAGRI to finance the purchase of coffee from its members and shorten the waiting periods in the sales process, i.e., the time between when the coffee is collected by the Association and the receipt of payment from the international buyer. ASOBAGRI will be able to pay cash to the small coffee growers for their coffee, thus increasing their liquidity and making it easier for them to finance their productive activities. The remaining US\$150,000 will be devoted to investment in the field so as to boost

productivity, specifically with regard to working with members to renew aging coffee plantations.

- ***Non-reimbursable Financing Component***

The resources of this component will be used for investment in infrastructure to rebuild a warehouse used to collect the coffee from small producers. These investments will make it possible to recover a fixed asset of the organization that was destroyed by a natural disaster.

- ***Non-reimbursable Technical Cooperation component***

This component will support the five technical assistance subcomponents for building the capacity of ASOBAGRI and its members and ensuring the success of the project: (i) strengthen technical assistance in order to boost the productivity of ASOBAGRI members; (ii) enhance socioeconomic development and partnerships between growers; (iii) provide institutional strengthening in management, construction, and productive investment; (iv) business positioning; and (v) support for project coordination, execution, and evaluation. All of these activities differ from those financed by the previous project, which provided financing primarily for contracting consulting and training services for small coffee growers in order to help them obtain certification for organic coffee.

## **9. Beneficiaries:**

The beneficiaries of this project will be at least 1,100 families of small producers of differentiated coffee, equivalent to 7,700 end beneficiaries. In all, 80% of these are indigenous persons of Mayan descent with a low level of schooling and very limited processing infrastructure. The average number of members per nuclear family is 7 people. The average area of cultivation held by each member is approximately 1 hectare. The producers are dispersed in small land plots in 96 communities, and are divided into 65 groups (63 organic and 2 in transition) within a maximum radius of 4-5 hours by road from the main municipal center of Santa Cruz Barrillas (11-12 hours by road from the capital city), where the ASOBAGRI offices are located. Not all of the communities have access roads, such as highways and, for those that do, they are usually in a poor state of repair. Project beneficiaries will include the 1,100 growers, of which 20% are women, who would have the additional benefit of becoming part of market niches for organic coffee with the value added of their own brand, “Café Femenino.”

## **10. Expected results and benefits:**

Results expected to be achieved by the end of the project include the following: (i) at least 1,100 women and men of Mayan descent will have gained the opportunity to strengthen their technical abilities with regard to coffee production, or will have gained new capacities in agricultural techniques to increase their volume of production, giving them new alternatives for generating income through access to credit for renewing or expanding their coffee plantations; (ii) ASOBAGRI's infrastructure, which was damaged by the landslide of 2011, will have been rebuilt; (iii) ASOBAGRI will have been strengthened and have grown as an institution; (iv) there will be increased income for coffee growers, and an increase in coffee prices; (v) a new knowledge product will have been created for documenting the experiences of ASOBAGRI in the area of both organic production and gender issues; and (vi) social and environmental improvements will have been achieved, since the dissemination of the growing techniques of

ASOBAGRI's members will entail an improvement in soils, through the use of organic fertilizers and environmental best practices for organic growing.