

SOCIAL ENTREPRENEURSHIP PROGRAM

PROJECT SYNTHESIS

1. **Country:** Costa Rica
2. **Project number:** CR-T1189 / CR-L1136
3. **Project name:** Productive Transformation of Blackberry Farming in Costa Rica
4. **Executing Agency/Borrower:** Cooperativa de Productores Agrícolas y Servicios Múltiples de la Zona de los Santos R.L (APACOOOP)
5. **IDB unit:** Multilateral Investment Fund (MIF), Social Entrepreneurship Program
6. **Amount of financing**

	IDB US\$	LOCAL US\$	Cofinancing US\$	<u>Total</u> <u>US\$</u>
Reimbursable financing	1,000,000	200,000		1,200,000
Non reimbursable Technical cooperation	<u>250,000</u>	<u>220,000</u>	<u>25,000¹</u>	<u>495,000</u>
Total	1,250,000	420,000	25,000	1,695,000

7. Objective and purpose of the project

The **objective** of the proposed project is to help boost the income of families that grow blackberries and other crops in the provinces of San José and Cartago. The **purpose** of the project is to transform production by blackberry farmers in San José and Cartago provinces through access to financing and the adoption of modern production techniques in the farming of blackberries and other diversified products.

To achieve this purpose, the project will feature two components: one for reimbursable financing and the other for non-reimbursable technical cooperation. Both components will be executed by APACOOOP.

8. Components of the project

Reimbursable financing component. These resources will be used to support small-scale farmers with loans to increase and diversify their crops, with at least 50% of the total to be allocated to loans for blackberry farming and the other 50% for productive diversification using regular APACOOOP loans. This financing will enable small-scale farmers to invest in modern farming techniques by planting the low-profile or “dwarf” blackberry variety that has achieved a high level of productivity on a per-area and per-plant basis, or other varieties identified as marketable and offering optimal levels of productivity. Using the variety that has been identified, farmers are expected to be able to match the current production level of four hectares of wild blackberries on one hectare with the new techniques.

Loan proceeds will be disbursed using APACOOOP’s existing lending methodology and will finance individual loans for planting, such as the purchase of seedlings and farming inputs (fertilizers) and cutting supplies such as scissors and gloves. Labor will generally be provided by the small-scale farmers themselves, and day laborers will be hired in some cases for harvesting.

¹ Cofinancing refers to coordination with operation CR-G1006 to support the internationalization of small and medium-sized agricultural enterprises, which is financed by the Bank’s AgroLAC facility and executed by Costa Rica’s Foreign Trade Promotion Agency (PROCOMER). These resources will be requested directly with PROCOMER, which has already expressed interest in this project.

Nonreimbursable technical cooperation component. To help achieve project objectives, technical cooperation resources will be used for three main activity areas: (i) pre-planting research and development to obtain genetic material and techniques for plant reproduction using the dwarf blackberry variety and others identified as similar in terms of productivity and market demand; (ii) technical assistance for the adoption of technologies and modern farming techniques, including the use of agricultural technology tools; the strengthening of extension activity to monitor crops more efficiently; and international internships for APACOOOP members in the adoption of modern farming techniques and the sale of fresh, value-added products; and (iii) support for APACOOOP leadership, management, and sales, with a focus on training women leaders to boost their participation in governing the cooperative and to strengthen middle management, as well as to strengthen the capacities of information technology systems and business management with new strategies and automated tracking systems.

9. Beneficiaries of the Project

APACOOOP expects to serve 370 small-scale farmers through the project with information and awareness-raising on the adoption of modern farming techniques and diversification, and it will assist them throughout the process: preparation for planting, credit management and production plan, technical assistance and production monitoring, and harvesting and sales. APACOOOP also expects to serve at least 248 blackberry farmers and producers of diversified crops with support in the form of financing.

Most of the blackberry farmers who recently joined APACOOOP are located in the provinces of San José (cantons of Pérez Zeledón, Tarrazú, León Cortes, and Dota) and Cartago (canton of El Guarco). These farmers lack organizational structure, are overly dependent on wild fruits and on sales at farmers' markets and informal commerce and are of low socioeconomic status. They are generally subsistence farmers with plots ranging from 0.5 to 5 hectares available and suitable for farming, but these plots are often underutilized and are ripe for diversification. These are family-based enterprises that typically need financial support to purchase inputs, farm labor, and technical assistance. They do not use irrigation systems, and very few use organic fertilizers. They do not perform weed control, nor do they use other chemicals such as insecticides, fungicides, or pesticides.

10. Expected outcomes and capture of benefits

The Bank's resources will directly benefit (a) some 370 small-scale farmers who will begin to diversify their production, most of whom will apply modern farming techniques to their blackberry crops. These farmers will have access to (i) loans to finance their farming activity under terms and conditions suited to their needs; (ii) specialized training and technical assistance for their crops, including printed materials; and/or (iii) inputs (seedlings) and tools for adoption of modern farming techniques. Also, (b) APACOOOP will benefit from (i) an increase in its active portfolio; (ii) the expansion of its offerings to include the products of blackberry farmers; (iii) a novel technological system for monitoring crops using agricultural technology tools; (iv) an automated tracking system; and (v) international internships to learn about best practices in the production and sale of fruits and vegetables; and (c) APACOOOP's women members and officers will benefit from training workshops to promote their participation in the governing bodies and management of the cooperative.