

Low-Carbon Coffee NAMA in Costa Rica



Source: ICAFE

Facts



Sector

Agriculture and forestry



NAMA Support Organisation

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



Implementing Partners

Ministry of Environment and Energy (MINAE)
Ministry of Agriculture and Livestock (MAG)
Coffee Institute (ICAFE)
Central American Bank of Economic Integration (BCIE)



NAMA Facility Funding

EUR 7 million



Duration

2015-2022



Status

Implementation

Low-Carbon Coffee NAMA in Costa Rica

Toward a New Paradigm

In order to both reach the nation's target of carbon neutrality by 2021 and support international climate protection efforts, Costa Rica has developed the world's first nationally appropriate mitigation action (NAMA) in the agricultural sector.

The Costa Rican NAMA Café promotes the sustainable production and processing of low-carbon coffee in order to effect the long-term transformation of the entire coffee sector.

The project's main objectives include reducing greenhouse gas (GHG) emissions in production and processing while maintaining a high-quality coffee output using environmentally and socially sustainable methods. With that, the NSP ensures that farmers receive an adequate income and that local natural resources are preserved. Additional public and private financing for investments in innovative technologies and practices will also be leveraged.

Costa Rica's NAMA Café is receiving support via the NAMA Support Project (NSP) "Low-Carbon Coffee Costa Rica". With support from the NAMA Facility, this project is now in implementation. The NSP is an integral part of the NAMA Café and aims to create the first low-carbon coffee in the world by reducing GHG emissions and improving resource efficiency at coffee plantations and coffee mills.

Change in the Face of Challenges

In Costa Rica, coffee production plays a key role in the economy while also accounting for nine percent of green-house gas (GHG) emissions. Costa Rica's coffee plantations cover more than 90,000 hectares, situated between 600 and 1,600 metres above sea level. Moreover, the sector comprises 45,000 producers, 239 mills, 72 exporters and 80 roasters, representing eight percent of the Costa Rican workforce.

Costa Rica is well known for its high altitude and high-quality coffee: Coffee production has historically been closely linked to Costa Rica's national identity and economic development. However, the sector is facing multiple challenges: fluctuating world coffee prices, a recent resurgence of a fungal disease affecting more than 60% of the Costa Rican coffee growing area and relatively high production costs, as coffee farms rely on manual labour. Additional pressures include high levels of soil acidity and the impact of climatic changes.

Achieving Transformational Change

The NSP seeks to induce sector-wide transformational change by not only targeting the reduction of GHG emissions, but also the production and processing of high-quality coffee in an environmentally and socially sustainable manner. At the same time, this project is designed to consider the fact that coffee production in the country needs to provide adequate income to farmers and preserve natural resources, such as soil and water, in order to ensure sustainability. Furthermore, the leveraging of additional public and private financing for investments in improved production, processing technologies and practices is a key requirement for reaching the envisaged goal. The project approach aims for the long-term transformation of the coffee sector by emphasising the importance of channelling investments and allocating resources in favour of low-emission technologies.



Source: GIZ Costa Rica

The Low-Carbon Coffee NSP delivers a combination of technical and financial support by focusing on several factors, including the strengthening of technical and institutional capacities at the national level to facilitate private sector inclusion and cooperation. An emphasis is also placed on determining the regions with a high relevance for the coffee sector to serve as models for replication in other geographical areas. Furthermore, the Low-Carbon Coffee NSP seeks to identify key actors along the value chain with the potential to reduce emissions in the coffee sector and foster essential framework

conditions that enable sustainable transformational change in the coffee sector.

In technical terms, GHG emissions on the production side are reduced through the introduction of new, more efficient fertilisers, application schemes and agroforestry. In terms of the processing side, water is reused and recycled, and milling by-products are composted and used as fertiliser or fuel for the coffee roasting process. One mill has already acquired a compost turner and several mills have invested in equipment to improve processing. Furthermore, the coffee husk is used from processing to reduce the use of firewood in ovens.

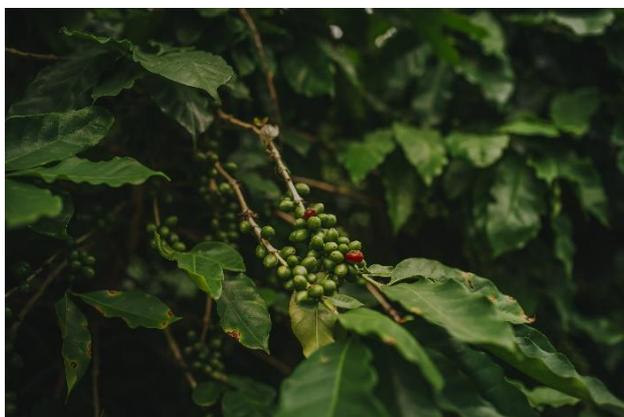
Target groups of the Low-Carbon Coffee NSP include at least 6,000 producers on 25,000 hectares and at least 50 coffee mills that – by the end of the project – apply at least two low-carbon practices or technologies.

The NSP's technical cooperation (TC) component focuses on:

- Awareness-raising and capacity-building measures to support coffee farmers and mill operators in the implementation of sustainable low-emission technologies and practices;
- Establishing a cost-efficient monitoring, reporting and verification (MRV) system at the farm, mill and national levels;
- Developing marketing strategies and business opportunities for cooperatives and coffee mills to help position themselves in the international market.

The NSP's financial cooperation (FC) component focuses on:

- Fast-tracking investment subsidies for low-emission technologies;
- Establishing a support fund in cooperation with BCIE for commercial banks financing low-emission investments in the coffee sector.



Source: GIZ Costa Rica

Expected Outcomes

The NSP will increase economic sustainability of coffee production by introducing new methods and facilitating access to differentiated markets. It will support climate resilience by using shade trees. Furthermore, the project will leverage substantial private funding for investments in low-carbon coffee processing technologies. Close collaboration between cooperatives and mills, the financial sector and with multipliers such as the national extension services will all contribute to a transformation of the coffee sector in Costa Rica.

The project will also contribute to the empowerment of farmers and millers to develop sustainable livelihoods and maintaining employment for up to 150,000 jobs during the harvest period. The aggregate emission reduction potential amounts to 1.92 MtCO₂e over 20 years, with emission reductions of 720,000 tCO₂e directly attributable to the NAMA Support Project.

Contact and Legal Notice

Project Director: Sandra Spies
(sandra.spies@giz.de) - GIZ Costa Rica
[NAMA Café \(namacafe.org\)](http://NAMA Café (namacafe.org))
www.nama-facility.org