

## Costa Rica's Coffee NAMA – Towards a low carbon coffee sector



The Costa Rican Coffee NAMA is the worldwide first agricultural Nationally Appropriate Mitigation Action (NAMA) to be implemented. It aims to reduce greenhouse gas (GHG) emissions and improve resource use at coffee farms and mills, thus producing the world's first low carbon coffee and giving Costa Rica's coffee farmers access to differentiated markets. With a volume of US\$ 10 Mio. the project includes the entire coffee production and processing and aspires to create a foundation on which to extend the initiative on a national and international level and in different sectors.

### General objective and goal of the Coffee NAMA

The project's goal is to implement a sustainable and low-carbon coffee production and processing in Costa Rica. This objective will be achieved by strengthening technical and institutional capacities at the national level and at the same time facilitating the inclusion and coordination of the public and private sectors in national initiatives aimed at reducing GHG emissions. At the end of the initiative, coffee farmers and mill operators will have the agronomic and technological knowledge to initiate the shift towards low-carbon coffee production. To ensure the project's success, the entire value chain from farmers to exporters is included in a wide range of activities.

### The NAMA Support Project "Low Carbon Coffee Costa Rica"

The Coffee NAMA receives technical and financial assistance from the NAMA Support Project "Low Carbon Coffee Costa Rica" (NSP Café). With a volume of €7 Mio. provided by the NAMA Facility, the main project partners Ministry of Agriculture and Livestock (MAG), Ministry of Environment and Energy (MINAE) and the National Coffee Institute (ICAFFE) with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH facilitate technical and feasibility studies, capacity building measures and training activities for local actors. During its 4 years of implementation, the NSP Café aims to reach 6,000 coffee producers on 25,000 hectares that apply at least two sustainable agricultural practices and 50 coffee mills that implement at least 2 low emission technologies.

On behalf of	Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and British Department for Business, Energy and Industrial Strategy
Partners	Ministry for Environment and Energy Ministry for Agriculture and Livestock National Coffee Institute
Duration NAMA	10 years
Duration NSP	2015 – 2019
Volume NAMA	US\$ 10 Mio.
Volume NSP	EUR 7 Mio.

On behalf of:



Federal Ministry  
for the Environment, Nature Conservation  
and Nuclear Safety



Department for  
Business, Energy  
& Industrial Strategy

## Latest results of the NSP Café

### Capacity development in Good Agricultural Practices

The NSP Café promotes the implementation of 10 Good Agricultural Practices (GAPs) on coffee farms, offering workshops for coffee farmers in all of Costa Rica's coffee regions. Topics included the efficient use of fertilizers in order to reduce greenhouse gas emissions (GHG), pest and weed management, as well as the benefits of introducing shade trees on farms. Over 4.000 coffee producers and more than 300 agricultural advisors of both MAG and ICAFE as well as several coffee mills have been trained on the topics so far.

### Carbon and water footprint measuring

The 53 participating coffee mills received support on calculating their GHG emission inventories. Additionally, 34 advanced mills determined sources of water consumption throughout coffee processing. With this data, the mills are now developing sustainable practices and implementing technologies to reduce emissions and improve water consumption. For their successful efforts in measuring their Carbon footprint, 49 mills received an official acknowledgment on behalf of the Costa Rican government in December 2017. Currently, the mills are learning how to perform life-cycle analysis and getting to know the steps to follow to receive an environmental label for their product. The Costa Rican Chamber of Industries (CICR) conducted energy efficiency studies which support the 50 mills in implementing measures to improve their electricity use and reduce costs.

### Measurement, Reporting and Verification System

A system for measurement, reporting and verification (MRV) has been established to follow up on every emission source at farm and mill level. These data will allow to know the totality of GHG emissions generated in production and processing, which will then be channeled through the National Metric System on Climate Change (SINAMECC, currently under construction).

## Implementing partners



## Imprint

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### Strengthening marketing and sales skills

With the added value of a low-carbon, sustainable and high quality coffee, coffee producers will have access to a differentiated market that offers favorable prices or a preference for Costa Rica's low carbon coffee. To achieve this objective, market opportunities are being analyzed, the cooperation between Costa Rican and international actors strengthened and mills supported in developing marketing and sales strategies. At least 8 mills participating in the project have successfully positioned their low carbon coffee in Germany and the United States as a result of business tours offered between 2016 and 2018.

### Financial incentives for the implementation of low carbon technologies and practices

A portion of the international funds earmarked for the implementation of the NSP Café will be managed by the Central American Bank for Economic Integration (CABEL) and several national banks in the form of loans with special interest rates. These will be offered mainly to coffee mills for investments in technologies that reduce GHG emissions, water and energy consumption, in hopes of facilitating the acquisition of new equipment. Another incentive system will be a co-financing system (investment subsidies) that will facilitate the dissemination of low emission technologies that are currently not bankable. Up to 10% of an investment will be covered in a non-refundable way. Additionally, the project's goal is to mobilize additional public and private funding for low carbon technologies and the planting of shade trees through the foundation Fundación Banco Ambiental (FUNBAM).

