

## SOCIAL ENTREPRENEURSHIP PROGRAM

### PROJECT SUMMARY

1. **País:** Argentina
2. **Nº Proyecto:** AR-L1315 & AR-T1233
3. **Name of Project:** WAYRA: DIFFERENTIATED HONEY AND TECHNOLOGY IN THE ARGENTINE GRAN CHACO
4. **Executing Agency:** Cooperativa de Trabajo COOPSOL
5. **Borrower:** Cooperativa de Trabajo COOPSOL
6. **IDB División:** Multilateral Investment Fund (MIF) – IDB Lab

#### 7. Financing amounts

	<u>IDB US\$</u>	<u>LOCAL US\$</u>	<u>Total US\$</u>
Reimbursable Financing:	500.000	500.000	1.000.000
Technical Cooperation:	<u>200.000</u>	<u>233.400</u>	<u>433.400</u>
Total:	700.000	733.400	1.433.400

#### 8. Objective and purpose of the project:

The project's expected impact is to improve the economic activity and inclusion of honey-producer families in the Gran Chaco region. Its outcome is to expand and consolidate the WAYRA Consortium by bolstering its productive capacity and the use of technology to increase sales of organic, differentiated honey from the Gran Chaco region.

#### 9. Project Components:

- *Reimbursable Financing*

The **reimbursable financing component** will be used for a series of investments to help WAYRA producer members increase their capacity to produce organic and differentiated honey for export. The Bank's resources will be used to purchase and set up 4,000 new beehives for consortium members' organic honey production (US\$314,000), a pickup truck for COOPSOL technical specialists to use in their extension work in the field and to collect the product (US\$22,000), and working capital that COOPSOL needs to increase the purchase and sale of honey and its byproducts with the consortium's producers (US\$164,000). Over the life of the project, COOPSOL and APONA will also invest a total of US\$500,000 of their own and other resources in 4,900 additional beehives, two pickup trucks, homogenization and packaging equipment, climate control for their storage facility, and the construction and improvement of honey extraction facilities at different strategic points throughout the Argentine Chaco. Hives purchased by COOPSOL are owned by the cooperative and are provided to WAYRA producers on loan. With the increased production generated by these organic beehives, WAYRA, acting through COOPSOL, will be able to increase its exports of organic honey and generate significant additional income both for honey producers and to repay the IDB Lab loan.

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

Through the **technical cooperation component**, COOPSOL, as the consortium's founding entity, will carry out a series of activities that are part of its innovation strategy to enhance the differentiation and identity of WAYRA honey, with a view to benefit beekeeping families and strengthen the consortium's marketing and export capacities. The technical cooperation component seeks to, inter alia, strengthen the production of monofloral and organic honeys, improve honeybee reproduction and genetics, develop and implement blockchain-based tracking systems, use apps to monitor beehives and flowering cycles, and expand the consortium's trade. This component is expected to yield significant results for honey producers in terms of their implementation of productive and technological innovations and access to higher-value markets, which will in turn lead to greater incomes as well as sales continuity and stability. The technical-cooperation component will include the following lines of action:

- (i) *Productive innovation* of Gran Chaco beekeeping families, with the aim of strengthening apiaries' productive capabilities, refining techniques and processes for obtaining multiflora honeys, and improving honeybee genetics. These activities include hiring two additional field technicians and installing two queen breeding boxes with their respective beehives and genetic inputs.
- (ii) *Technological innovation*, which seeks to promote significant change in the region by connecting many WAYRA producers to the Internet, enabling them to monitor and rectify factors such as the status of production, differentiation, technical needs, and honey harvests. It will also facilitate full traceability of products and assurance of their origin by incorporating an innovative blockchain-based tracking system. Activities include the development of a blockchain-based traceability and management system, the implementation of an app to facilitate real-time monitoring of flowering and apiaries, an analysis of apiary technology with the aim of facilitating the inclusion of women and young people; and the installation of two communication towers to ensure the connectivity of groups of honey producers located in remote areas.
- (iii) *Business and management innovation*, which will support WAYRA's efforts to boost sales through COOPSOL by strengthening communication, marketing, and development strategies, and actions for new high-value products. Activities include the design of new honey products, a study of the nutraceutical properties<sup>6</sup> of monofloral honey made from the atamisqui flower (a native tree of the Argentine Chaco), hiring a communication and marketing specialist, the design of brand positioning strategies, support for financial/operational and management modelling, and a visit to New Zealand to learn about the differentiation of manuka honey which, due to its unique properties, fetches a per-kilo price of nearly 10 times that of conventional honey.
- (iv) *Social innovation* seeks to increase the participation and visibility of the role of women and young people in honey production. Activities include workshops to define and implement the participation strategy for these groups in the project and training meetings for women and youth honey producers.

This component will also finance a series of the project's coordination and monitoring activities, including the project Coordinator (under COOPSOL), a final evaluation, and ex post review of technical cooperation processes. The technical cooperation component's plan of operations (included

in the project technical files) describes this support in greater detail and includes the itemized budget and execution schedule.

10. **Project Beneficiaries:** The direct beneficiaries will be approximately 800 honey producers from the Argentine Gran Chaco: 300 from the WAYRA Consortium (increasing from 200 to 400 at the end of the project) and 400 conventional honey producers who are the consortium's suppliers. WAYRA is currently comprised of small-scale honey producers who are working to overcome their condition of vulnerability, owing to limited or no access to water or electricity, and incomes below the minimum wage in the provinces of Santiago del Estero, Chaco, and Jujuy. They have very low levels of educational attainment, with primary school being the highest level completed. Most families raise sheep and goats, as well as other land-based extractive activities to produce fuelwood, charcoal, and posts. Each household has an average of five members.
11. **Expected results and capture of benefits:** The direct benefits of the Bank's resources will accrue to approximately 800 low-income honey producers of the Argentine Gran Chaco (400 members of the WAYRA Consortium and another 400 conventional honey suppliers) living in isolated and very vulnerable conditions, who will have access to: (i) 4,000 new beehives to boost production of differentiated honeys (e.g. organic, fair-trade, and monofloral); and (ii) specialized technical support and training in the sustainable management of their apiaries, enabling them to implement best productive practices, as well as new production, business, traceability, and management technologies, and market their differentiated products as a cooperative with the objective of securing better prices and conditions of sale. The anticipated quantitative outcomes include: (i) honey producers with at least 36 beehives (the consortium's average) will have increased their net income from honey by 15% in 36 months; (ii) WAYRA will have increased the number of organic beehives from 6,800 to 14,000; (iii) organic honey exports will have increased from three containers in 2018 to 12 containers in 2021; (iv) the percentage of organic honey with respect to WAYRA's total production will have increased from 26% to 45%; and (v) the consortium's number of export clients will have increased from 5 to 10.

By the end of the three-year execution period, WAYRA will have consolidated its honey traceability system by incorporating the use of blockchain and other technologies, and it will have diversified the range of honey products it sells to the domestic and international markets.