

IDENTIFICATION AND MAPPING OF BI-NATIONAL VALUE CHAINS WITHIN HIGH-POTENTIAL SECTORS BETWEEN HAITI AND THE DOMINICAN REPUBLIC

PRELIMINARY REPORT

Submitted to



By



In cooperation with



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ABBREVIATIONS

ADOBANANO	Asociación Dominicana de Bananeros
AGD	Administration Générale des Douanes (Customs Administration)
AHPEL	Association Haïtienne pour la Promotion de l'Élevage
APAGNO	Association des Producteurs Avicoles du Nord
APROBANO	Asociación de Productores de Banano Orgánico
APROCACI	Asociación de Productores de Cacao del Cibao
ASOBANU	Asociación de Bananeros Unidos
ASOPOLLON	Asociación de Productores de Pollos del Norte
ASOPOVEGA	Asociación de Productores de Pollos de La Vega
AVSF	Agronomes et Vétérinaires sans frontières
BAGRICOLA	Banco Agrícola de la República Dominicana
BAM	Banana accompany measure
BDA	Banco de Desarrollo Agropecuario
BNV	Banco Nacional de la Vivienda y Fomento a la Producción
BRH	Bank of the Republic of Haïti
CABA	Caribbean Agribusiness Association
CAFUPBO	Coopérative Agricole des Frères Unis de Borgne
CAPB	Coopérative Agricole du Petit Bourg de Borgne
CAPUP	Coopérative des Planteurs Unis de Port-Margot
CATMN	Coopérative Agricole Travailleurs Montagne Noire
CAUD	Coopérative Agricole Union Développement
CEDAF	Centro para el Desarrollo Agropecuario y Forestal
CEI-RD	Centro de Exportación e Inversión de la República Dominicana
CEPROGPLANSE	Centro de Producción Genética de Plantas y Semillas
CHTA	Caribbean Hotel and Tourism Association
CJBC	Coopérative Jean-Baptiste Chavannes
CNC	Consejo Nacional de Competitividad
CNC	National Competitiveness Council
COAH	Coopérative Agricole Anse d'Hainault
COCAM	Coopérative Cacaoyère de Moron
CONACADO	Confederación Nacional de Cacaocultores Dominicanos
CONAO	Consejo Nacional de Agricultura Orgánica
CONAPROPE	National Council for Livestock Production
COPAL	Alliance of Cocoa Producing Countries
COPCOD	Coopérative de Production et commercialisation du Cacao
CRS	Catholic Relief Services
CSWA	Caribbean Spa and Wellness Association
CTO	Caribbean Tourism Association
CTPPB	Clúster Turístico y Productivo Provincia de Barahona
DR	Dominican Republic
EFSA	European Food Standards Agency
EU	European Union

FAO	United Nations Organization for Food and Agriculture
FDA	US Food and Drugs Administration
FDI	Fonds de Développement Industriel
FECCANO	Fédération de Coopératives de Cacaoyères du Nord
FOMIN	Multilateral Investment Fund
FONDATH	Fondation pour le développement du tourisme alternatif en Haïti
GAP	Good Agricultural Practice
GIZ	German Technical Assistance Agency
GMP	Good Manufacturing Practice
HACCP	Hazard and Critical Control Points
IAD	Instituto Agrario Dominicano
ICCO	International Cocoa Organization
IDB	Inter American Development Bank
IDIAF	Instituto Dominicano de Investigaciones Agropecuarias y Forestales
IFRA	International Fragrance Association
IICA	Inter American Institute for Cooperation on Agriculture
LWR	Lutheran World Relief
MARNDR	Ministère de l’Agriculture des Ressources Nationales et du Développement Rural
MCI	Ministry of Commerce and Industry
ODFCAGA	Organisation pour le Développement de la Filière Cacao de la Grand-Anse
OGDN	Organisation de Gestion de la Destination Nord
OIRSA	Organismo Internacional Regional de Sanidad Agropecuaria
PISA	Produits des Iles S.A.
PNUE	United Nations Environment Programme
PTTA	Projet de Transfert de Technologies aux Agriculteurs
SDAA	Sustainable Destinations Alliance for the Americas
SME	Small and Medium Enterprise
SOCOSSCOP	Société Coopérative Sere Pou Chofe
SOCRAPAL	Société
UCAT	Union Coopérative Agricole de Thibaut
UNDP	United Nations Développement Programmes
UPCAN	Union des Producteurs de Cacao du Nord
USAID	United States Agency for International Development
USDA/NOP	US Department of Agriculture – National Organic Program
WIPRO	World Intellectual Property Office
WTM	World Travel Mart
WTO	World Tourism Organization

I- CONTEXT

This bi-national project is part of the “*Private Sector Development Component*” of the Haiti-Dominican Republic Programme of Bilateral Economic and Trade Cooperation under the 10th European Development Fund (EDF) FED/2012/295-834. This component of the overall 10th European Development Fund (EDF) bi-national programme seeks to enhance the overall business and investment climate of Haiti and the Dominican Republic as well as the international perceptions and images of both countries. In addition to this project two other supporting bi-national initiatives have also been launched which are of direct or indirect relevance to this CEDA assignment.

1. In December 2015, Haiti and the Dominican Republic officially launched the Bi-national Observatory on Migration, Education, Environment and Trade (OBMEC). This entity brings together universities of the two countries. Its mission is to contribute to reconciliation and mutual understanding between the Haitian and Dominican populations in the perspective of a sustainable social and economic development for both countries.
2. CEBQ is a bi-national investment development initiative integrated by a commission of entrepreneurial leaders from the private sector of Haiti and the Dominican Republic. In April 15, 2016, CEBQ unveiled its development project for the Haitian-Dominican border at the International Finance Corporation (IFC). The initiative focus is on six sectors: manufacturing, logistics, energy, production, tourism and sustainability. It expects to take advantage of the Hope – Help legislation and create over 200,000 jobs along the border in 10 years.

II. REPORT METHODOLOGY

2.1. BACKGROUND

This contract is a joint venture between ***Caribbean Business Consulting (CBC)*** based in Haiti and ***Nex Consulting*** based in Dominican Republic. The organization of cluster meetings, communication with leading experts at a national level and the preparation of the individual value chain reports in the respective countries was undertaken by CBC’s team of experts in Haiti and Nex’s team in DR. The summary reviews which combine the key findings of the individual country value chain were jointly undertaken by both teams with external support of a panel of experts. These experts drawn from government departments and agencies, chambers of commerce, private business, NGOs and consultants were selected in both the Dominican

Republic and Haiti with a view to helping with the selection of value chains and also selection of key stakeholders. The panel included:

- Denzil Phillips, Denzil Phillips International (UK), (Panel Coordinator)
- Patrick Dessources – Root Capital (US non-profit)
- Roberte Laurent – Belzèb S.A. (Wellness and Aromatherapy)
- Edouard Clément – Expert in Finance and Investment
- Alfredo Mena – Former Haiti Country Director of IICA
- Wendy Sanchez – Expert on Sustainable Tourism and DR health & wellness tourism
- Professor Hughes Seraphim – University of Winchester UK – binational tourism
- Felipe Manteiga, Former USAID Foreign Service Officer with broad experience in Haiti and the DR

Their contribution in the way of information and advice was important to ensuring that correct information and realistic recommendations were made in the report.

2.2. VALUE CHAINS SELECTION

The selection of appropriate value chains to study was the first major task of the team and its advisors. We tried to ensure to select value chains/sectors that not only fit the objectives as laid out in the project TOR but also reflected the priorities of government and key stakeholders. The process of selection of appropriate value chains was extremely challenging. While we produced a set of fairly standard objective criteria including the following:

Institutional

- Importance of the sector in national planning and development policy. Government and donors engagement in sector
- Industry leadership and stakeholders commitment – Impact on micro and SMEs
- Amount of data and previous reports and surveys available on the sector

Economic

- Comparative advantage of production, competitiveness and growth potential
- Export market demand - Prospects for market growth – scope for import substitution
- Jobs creation opportunities - Estimated number of people employed directly or indirectly in the sector- Potential direct and indirect jobs, human capacities

Environmental

- Impact of value chain on environment and biodiversity
- Vulnerability to environment and climate change

- Green economy opportunities

Social

- Labor conditions - Respect of human rights – health and safety risks
- Inclusion of disadvantaged groups (poor, women, youth, refugees, handicapped)
- Impact on Haiti and Dominican Republic borders disadvantaged communities

The following value chains were selected then validated by Caribbean Export.

- Specialty foods with special reference to organic cocoa and banana products
- Perfumes, cosmetics and essential oils
- Poultry and eggs
- Sustainable tourism

2.3. SPECIAL CONSIDERATIONS

The project had to take into consideration a lot of other cultural and political issues.

These include such matters as

What sectors had any clear and consistent data to work with. We had neither funds nor time permitted us to undertake bi-national on ground primary survey work. In both Haiti and the Dominican Republic, while some simple traditional sectors had plentiful accurate information for many of the more interesting sectors information on the value chain had never been ever collected before particularly in Haiti.

Which entrepreneurs on either side were prepared to cooperate in such an exercise. Many could not clearly see direct or even indirect benefit to their business from participation.

The original design for the project was that consultation meetings would be organized nationally removed one of the most important benefits that stakeholders requested namely to have face to face contact with a selected set of counterparts. This situation has now been remedied and both parties will have a chance to meet up.

Lack of trust we found was the single biggest obstacle to both completing the study and finding concrete solutions to bi-national problems. Both sides appeared poorly informed about the status of their counterpart value chains. In many cases historical factors overwhelmed any rational thinking on both sides. In nearly every case where we held informal meetings those entrepreneurs that were prepared to consider some sort of joint activities all almost without exception wanted to meet a selection of counterparts working in their sector before they were prepared to even consider whether they wanted to consider working together.

The economic power and organization of the Dominican Republic industry clearly posed a threat to many Haitian business people. They were often afraid that collaboration would lead to domination, and exchange of information, ideas and skills would inevitably be to the benefit of only Dominican entrepreneurs.

The fact that Haitians speak French and Creole, Dominican's Spanish and yet most donor agencies and indeed CEDA itself required reports to be written in English meant huge problems of language and communication. Many entrepreneurs were concerned how they were going to communicate with their counterparts.

The scale of problems to be tackled in each value chain examined were of magnitude that seldom if ever have been tackled by Caribbean development agencies particularly in the case of Haiti where not only is government weak and presently in transition but the private sector is poorly organized and are focused almost exclusively on the short term.

It was vital to consider the priorities and recommendations of major donor agencies and organizations willing and able to providing funding and technical support for any bi-national project under consideration. CEDA alone is seldom in a position to alone to follow through on recommendations hence we had to take into consideration value chains where some ground work development had already begun or where prospects of significant funding were good.

The balance of trade between the two countries is very unequal. In almost all sectors, Haiti is a vast net importer of products some of which are made in Dominican Republic and others which are simply imported through this country and eventually sold in Haiti. Value chains involving trading of finished goods WITHIN the island based on ingredients and service produced OUTSIDE BOTH countries were given low priority during our further detailed investigation.

Finally we needed found that finding common positions of the stakeholders on each side of border was often really difficult. In many cases interests were either diametrically opposed or they were luke warm on both sides. In such cases partnerships with countries other than Haiti or the Dominican Republic were often what stakeholders were of far more interest.

To visually describe the situation we produced a diagram which shows how difficult getting mutuality is in the value chains examined.

CONTRASTING VIEWPOINTS

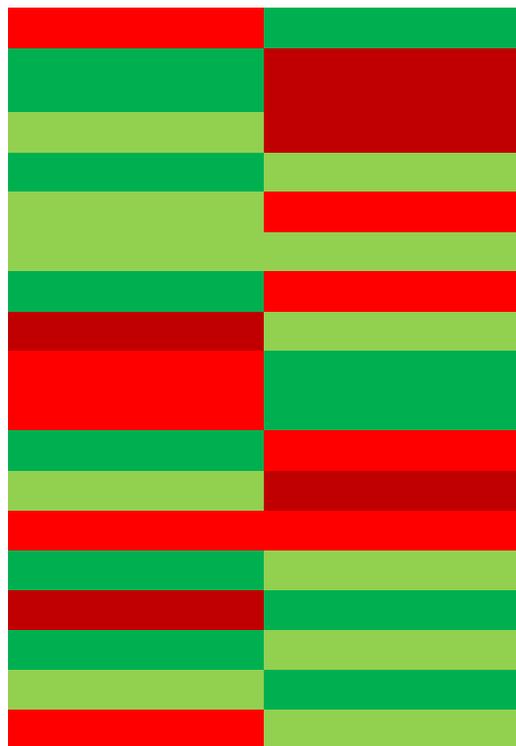
Sustainable/Responsible Tourism value Chain

- Market access to the other country
- Joint international market promotion
- Joint branding with other country
- Joint trade missions and exhibitions
- Joint access to third country markets
- Joint training and technical exchange
- Technology transfer from the other
- Basic raw materials or resources from other
- Semi- finished materials or resources from other
- finished products or services from the other
- Capital investment from the other
- Trade finance from the other
- Access to international aid resources in other
- Access to skilled labor from the other country
- Access to unskilled labor from the other country
- Formal joint central government collaboration
- Regional or local level government collaboration
- Good Informal business links with other

Haitian view DR view

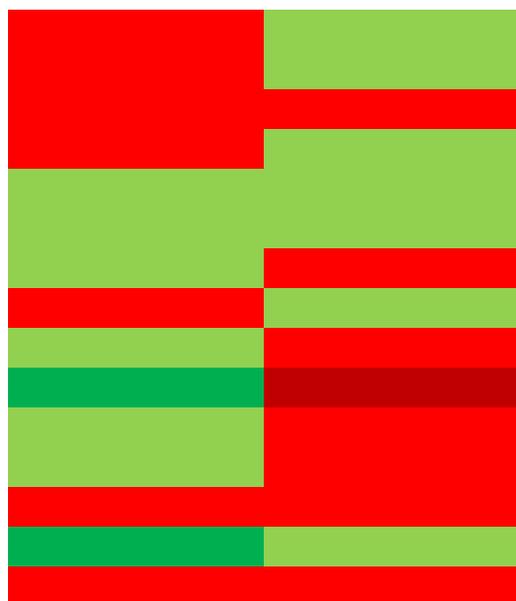
 strong demand
 weak demand

 NO interest
 LITTLE interest



Perfumery and cosmetics value chain

- Market access to the other country
- Joint international market promotion
- Joint branding with other country
- Joint trade missions and exhibitions
- Joint access to third country markets
- Joint training and technical exchange
- Technology transfer from the other
- Basic raw materials or resources from other
- Semi finished materials or resources from other
- Finished products or services from the other
- Capital investment from the other
- Trade finance from the other
- Access to international aid resources in other
- Access to skilled labor from the other country
- Access to unskilled labor from the other country

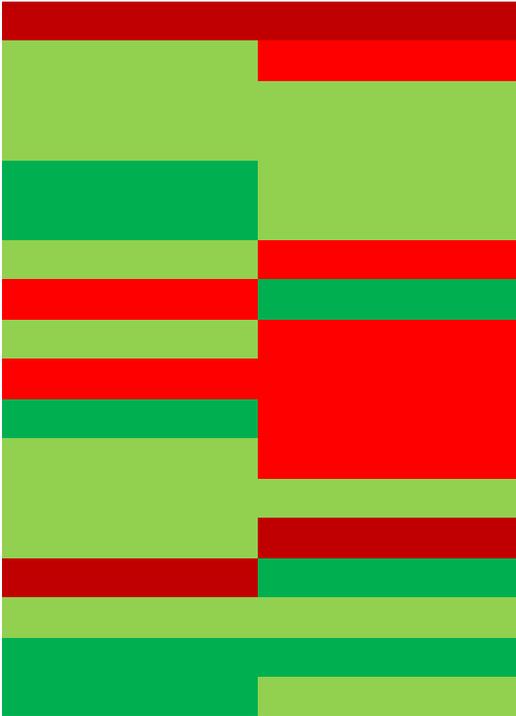


Formal joint central government collaboration
 Regional or local level government collaboration
 Good informal business links with other



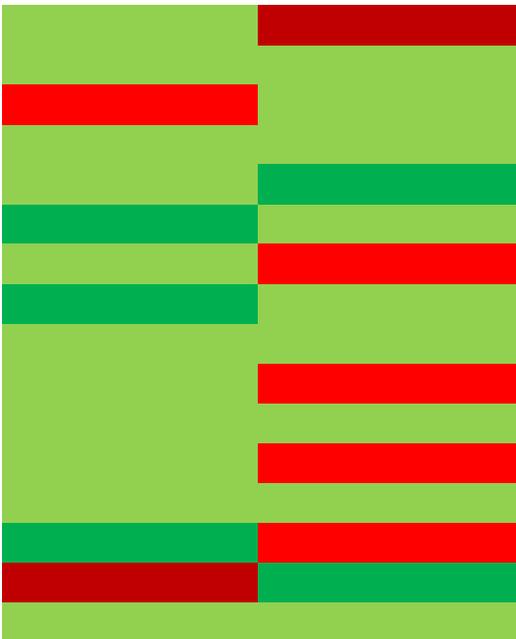
Organic cocoa and chocolate

Market access to the other country
 Joint international market promotion
 Joint branding with other country
 Joint trade missions and exhibitions
 Joint access to third country markets
 Joint training and technical exchange
 Technology transfer from the other
 Basic raw materials or resources from other
 Semi finished materials or resources from other
 Finished products or services from the other
 Capital investment from the other
 Trade finance from the other
 Access to international aid resources in other
 Access to skilled labor from the other country
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 Formal joint central government collaboration
 Regional or local level government collaboration
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Organic banana

Market access to the other country
 Joint international market promotion
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 Access to unskilled labor from the other country
 Formal joint central government collaboration

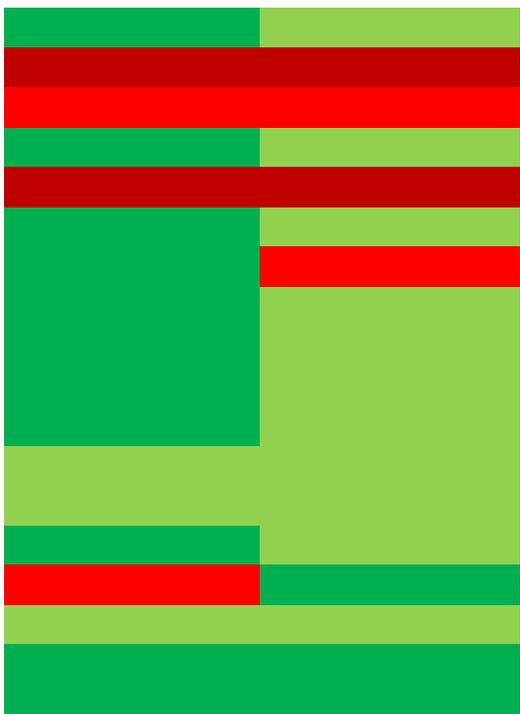


Regional or local level government collaboration
 Good informal business links with other



Poultry and eggs

Market access to the other country
 Joint international market promotion
 Joint branding with other country
 Joint trade missions and exhibitions
 Joint access to third country markets
 Joint training and technical exchange
 Technology transfer from the other
 Basic raw materials or resources from other
 Semi finished materials or resources from other
 Finished products or services from the other
 Capital investment from the other
 Trade finance from the other
 Access to international aid resources in other
 Access to skilled labor from the other country
 Access to unskilled labor from the other country
 Formal joint central government collaboration
 Regional or local level government collaboration
 Good informal business links with other



2.4. DATA COLLECTION AND REPORT STRUCTURE

Desk review

A very extensive desk review was undertaken by all members of the team and the panel of experts and more than 100+ documents (??) where uploaded to a Dropbox. This multilingual data base will provide an invaluable planning tool to those implementing bi-national projects, undertaking value chains studies in Haiti and the DR as well as validation of the information and opinions submitted in the report.

Cluster meetings and individual interviews

Our original methodology involved the organizing of a series of cluster meetings for each value chain in each country in order to ensure we got the views and recommendations of different stakeholders. While we did indeed hold a very considerable number of meetings we found it almost always difficult to get people from all over the country in one place due to costs and distances. We had very limited budgets for such informal meetings. People from southern Haiti

would not meet in northern Haiti and vice versa while similarly people from Punta Cana were not prepared to meet in Monte Cristi. Several major storms including Hurricane Matthew made matters even worse and several meetings were postponed or cancelled as a result of such floods.

In Haiti, a meeting of five entrepreneurs involved in cocoa was held in Port au Prince, another one with six members of the association of vetiver oil producers in Les Cayes and a third with six members of the northern association of poultry producers in Acul du Nord near Cap-Haitien. A focus group meeting was also held for the textile industry prior to value chain selection and a working session with the Technical Advisor for the Bureau de l'Ordonnateur National on the 11th EDF. A meeting was also held with representatives of the European Union delegation. In addition, various meetings were held with representatives of the Haitian tourism industry both in Port au Prince, Cap-Haitien Haitien/Labadie and in the representative in the Dominican Republic. In this country, meetings were held with members of the spa and wellness on several occasions, with members of the cosmetic cluster and tourism promotion agencies both in DR and at World Travel Mart. Further value chain meetings were held with the poultry and egg association, the cocoa cluster and leading organic banana producers. Meetings with the European Commission representatives working in the field of agriculture and rural development were held.

Stakeholders were interviewed in-person and on the telephone in both countries. Questionnaires were drafted in French, Creole and Spanish for surveys via internet. But most entrepreneurs preferred face to face meetings or telephone conversations.

Value chain reports

A report of value chain maps of each of the four sectors was drafted including wherever possible actors (i.e. growers, producers, service providers, exporters); enablers (Chambers of commerce, growers associations, business support organizations, etc.); drivers (public institutions, international agencies); and factors (buyers, consumers, quality/standards, certification, trade agreements, transportation/logistics, trends, trade shows etc.). The value chain maps identified stakeholders positioning including their engagement, supply capacity, relevance, and position in each of the respective value chains. It also includes ideas for enhancing the competitiveness of both countries firms in entering the value chain for each of the respective sectors in relevant markets of export interest. The draft report includes strategies and action plans to address the challenges and constraints that Dominican and Haitian firms face on entry into each of the respective value chains. As mentioned earlier Caribbean Business Consulting prepared the value chain reports for Haiti while Nex Consulting undertook the reports for the Dominican Republic. *(See appendices A, B,C,D,E,F, G, H,I)*

Value chain summaries

In addition to the main reports, we prepared four summary reports which combine the key findings of the individual country value chain. These summary reports also provided information on the international context within which each value chain operated (except in the case of poultry and eggs). Each summary has a set of general recommendations as well as a set of CEDA specific recommendations and project ideas.

III. SUMMARY: SPECIALITY FOODS WITH SPECIAL REFERENCE TO ORGANIC COCOA AND BANANA PRODUCTS (See appendices A, B, F)

3.1. INTRODUCTION

Despite the recession in overall global food trade and pressure on retail margins most major supermarket chains around the world report that speciality foods and food ingredients have experienced high growth in both the North American and EU markets. Fair trade and organic cocoa, chocolate and bananas products all of which can be produced along the border between the Dominican Republic and Haiti have correspondingly experienced rapid global growth.

With overweight and diabetes becoming a growing worldwide problem interest in the quality and nutritional value of food will continue to grow. Environmental pollution and food borne diseases will further encourage demand for organic foods of all kinds. Furthermore as global tourism travel and labour migration accelerate so the demand for ethnic and geographic foods grows.

It is for this reason we believe that speciality foods particularly those based on cocoa and banana would be a value chain worthy of further CEDA support with particular focus on projects along the border area between Haiti and the Dominican Republic. There is considerable overlap in the production zones of the two crops and small farmers often grown both crops together. The faster growing banana provides a more rapid source of cash than the slower growing but more profitable cocoa.

3.2. INTERNATIONAL CONTEXT (COCOA/CHOCOLATE)

The global market has now clearly divided itself into the mass market confectionary producers led by three or four global companies (Nestle and Montevale, previously Kraft /Cadburys) This market is supplied and will continue to be supplied by African and Asian cocoa. The other market is a premium market and includes:

- Single origin/geographical origin cocoa chocolate
- Organic cocoa and chocolate
- Fair trade cocoa and chocolate
- Celebrity cocoa and chocolate (by famous chefs and chocolatiers)
- Functional cocoa and chocolate/ health food chocolate
- Combinations of all the above

This premium market is dominated by Latin America and the Caribbean and focuses on history, geography and the special phytochemical characteristics of the raw materials to add value and a unique selling point. The epicentre of such developments has tended to be where chocolate was originally discovered and used namely the Aztec kingdoms of Mexico, Belize and adjacent areas.

In almost all cases where such cocoa is produced efforts are being made to build up a wide range of value added activities built around the geography and history of the producing area. This includes plantation or village based manufacturing of finished product for sale to tourists and to speciality outlets abroad, the sale of cocoa nibs, cocoa tea , cocoa blocks and other local traditionally products and the development of a wide range of agro-tourism tours and souvenir products including visits to plantations, work experience on plantations, museums , demonstrations, workshops and tasting sessions.

3.3. INTERNATIONAL CONTEXT (BANANA)

As with cocoa there has been a considerable change in the global banana market. In the 1980s, the market was dominated by four or five multinational companies such as Dole, Del Monte, Chiquita and Fyffe's who had a 70% share of the global market. They all produced more or less a similar product using their own production, transport and distribution chain. The global market was largely divided into the larger more efficient Latin America banana operations dominated by Ecuador and the smaller ex colonial banana producers from particularly the Caribbean. The Caribbean industry was propped up by subsidies from the European Union.

Today the share of the market controlled by the big five multinationals despite consolidation (Chiquita merged with Fyffe's and still control around 18% of the world market) has dropped to less than 36% with a host of new types of banana and banana products appearing on the market as well as many new suppliers. EU subsidies to Caribbean producers have largely disappeared and a host of new suppliers have emerged using new flexible and efficient shipping, handling and storage methods. The growth in the market for value added banana products has grown very rapidly particularly such products as smoothies and banana puree for baby food. These are both multimillion dollar businesses that help lift profit margins in the very competitive market for fresh fruit.

Whether sales are of conventional or organic bananas, the share of the overall value of trade returning to growers is seldom more than 5%. For this reason the development of value added products from both the flesh and the leaf is vital for rural development purposes.

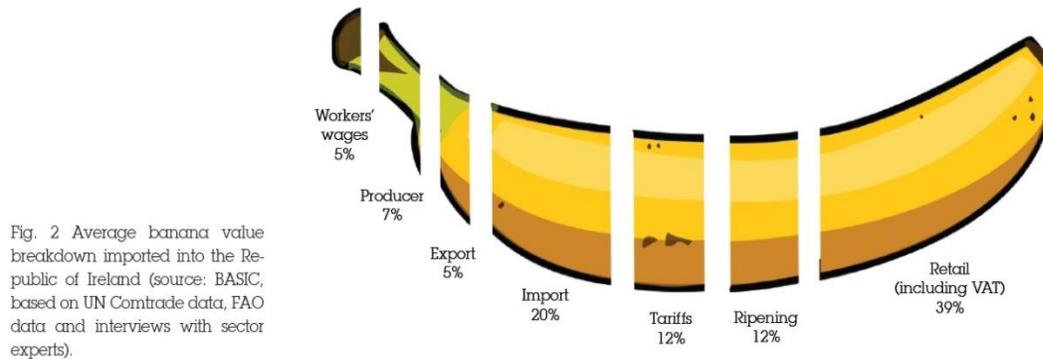


Figure 0.1. Banana value breakdown imported to Republic of Ireland

Global supermarket chains have themselves taken a much more direct involvement in the procurement of bananas and the emergence of Fair trade and organically certified bananas has given a chance to a whole new range of producers. The Dominican Republic has exploited the new market conditions fully and is now the world's largest exporter. Haiti has the potential to follow suit as they share a lot of the advantages that the Dominican Republic possess.

The conventional banana production scenario has also shifted away from South America (particularly Ecuador) to Central America (particularly Costa Rica and Honduras) and Mexico while the Philippines have emerged as one of the world's largest banana.

In the Caribbean, exports continued to be dominated by the Dominican Republic, which exported 417 000 tonnes while exports from other Caribbean countries, primarily Saint Lucia, amounted to only 14 000 tonnes. Since the introduction of the Single European Market in 1993 and the subsequent reforms of the EU banana importing regime, which led to a substantial erosion of preferences given to ACP, Dominican Republic is the only Caribbean country with significant banana exports.

Growing organic bananas requires very different environmental conditions than conventional bananas as pest and disease particularly Black Sigatoka are a real problem in traditional high rainfall producing areas. This is the reason that while there are around 5 million hectares of conventional bananas global, the estimated area planted organically is 50,000 hectares globally. Organic bananas require much drier conditions and rely on controlled irrigation. The reason why northwest Dominican Republic and northern Haiti are favoured for organic production.

Demand for organic bananas in Germany the main organic banana importer has risen from 2.8% in 2004 to more than 15% today. The price differential between conventional and organic

has continued to diminish. Most of Europe's organic bananas come from the Dominican Republic while North America obtains their supplies from Ecuador, Colombia and Peru.

Although locations for organic production may be limited, the opportunities presented by fair trade are open to almost all banana producers and hence the proportion of total bananas sold as fair trade is rising even faster than organic sales. More than 300,000 metric tonnes of Fair trade bananas are sold globally and in the United Kingdom they account for more than a quarter of all UK bananas sales.

3.4. DOMINICAN REPUBLIC AND HAITI SCENARIO

Dominican Republic and to a lesser extent Haiti are well placed to benefit from such developments although to date they have lagged behind some of their Latin American competitors in the promotion of all the value added side products. Moreover the focus of attention is not just Dominican Republic and Haiti but also countries like Jamaica, Tobago and Belize has been on plantation rehabilitation to boost production levels. There are large areas of abandoned cocoa in these places, abandoned by farmers who could not compete with Africa and Asia in the mass market. Now that a new premium speciality cocoa and chocolate market has emerged, these farms now once again look viable and international aid efforts are focused on bringing these back into production as fast as possible. Until and unless this happens, there will not be the level of output to justify the other value added developments. The Dominican Republic has gone a long way using fair trade and organic premiums to rehabilitating their cocoa. The next phase must be to do the same in adjacent cocoa growing areas of Haiti particularly in the North.

The global market for sustainable and specialty cocoa has grown significantly in recent years driven by increasing consumer awareness and the growing commitment to sustainable sourcing by the world's leading chocolate manufacturers. It is estimated that production of sustainable cocoa more than doubled from 88,000 tons in 2009 to 231,000 tons in 2010. Some of the world's largest food companies have been leading the trend, including Mars, Kraft, and Nestle, all announcing commitments to source 100% of their cocoa from sustainable sources

CEDA, French aid and several other donor agencies have been working on projects to promote value added food products and ingredients particularly in the field of three of the regions most important perennial cash crops namely sugar, banana and cocoa.

While traditional banana exports from the Eastern Caribbean have declined dramatically following the removal of EU subsidies and quotas DR has managed to develop a large scale banana exporter industry without the benefit of EU quotas and subsidies within only the last 10-15 years. They have relied on focusing on the value added fair trade and organic market

Some important new plantations have also been developed in Haiti following along the Dominican model.

The Dominican Republic is currently the world's leading exporter of organic bananas and organic cocoa and Haiti has the potential to become a very important subsidiary source of supply of both raw materials if a suitable bi-national project were to be developed. Both countries have similar varieties of product and also share much of the same pool of labour.

Dominican Republic is the ninth world producer of cocoa, but the first exporter of organic cocoa with 60% of the world Market. It has 40,000 cocoa producers and exports of \$ 250 million per year impacting 300,000 people. 16.5% is organic cocoa production

Currently the banana production is concentrated in two regions of the Dominican Republic: Province Azua, Barahona, Bahoruco & Independencia (in the South) and the provinces of Mao, Monte Cristi & Santiago (in the North). For this project we have focused attention on those regions like Barahona and Monte Cristi which lie close to the Haitian border.

CONACADO is a Dominican cocoa producers cooperative including 158 local associations with more than 8,700 producers, the majority (over 70% have less than 5 hectares only 5% have over 9.3 hectares). CONACADO has invested in state of the art processing machinery for cocoa. They produce liquor, butter and powder, but they only produce 8,000 tons, with a capacity for up to 28,000 tons, they have enough spare capacity for strategic alliances with producers in Haiti. The cooperative has already had contact with researchers in Haiti and want to widen the links.

The cocoa production is interlinked in its value chain with ecological tourism, agro tourism and cultural tourism which currently includes the "*Ruta Turística del Cacao*". This initiative was created in 2008 was originally called "Tour del Chocolate" (Chocolate tour). These are guided visits to organic cocoa plantations in the East of the Dominican Republic (communities El Rancho, Vicentillo y Yabón, on Hayo Mayor Province).

Cocoa growers in Haiti are also organised into cooperative associations. In the North, there is a prominent federation of 7 cocoa cooperatives, Fédération de Coopératives de Cacaoyères du Nord (FECCANO) comprising 3485 members and a new growing association of producers, Union des Producteurs de Cacao du Nord (UCPAN) comprising 233 groups of 10-25 members totalizing 3547 producers. FECCANO export directly fermented organic cocoa mostly to Europe. UCPAN sells their products to Etablissements Novella, Haiti largest cocoa exporter. The most important association of growers in the Southwest is Organisation pour le Développement de la Filière Cacao de la Grand-Anse (ODFCAGA) comprising 1200 growers.

The main cocoa growing areas in the north of Haiti are Grande Rivière du Nord, Acul du Nord, Port Margot, Borgne, St-Raphaël, Dondon, Milot.

There are a large number of SMEs in Haiti making traditional value added products including coco balls and sticks. One growing company De La Sol makes cocoa powder which is exported

to USA and will launch a modern chocolate factory in Plaine du Nord near Cap-Haitian in partnership with PISA, a fermented cocoa exporter. These initiatives prove that it is possible to produce a wide range of value added cocoa products which if they also use fair trade and organic raw materials have good potential for export. The Dominican Republic is a large consumer of chocolate and has the processing technology and the packaging equipment to make high quality cocoa products. The two largest exporters of conventional cocoa beans in Haiti Novella in the North (58% of Haiti's cocoa export in 2015) and Geo Wiener S.A. (32% the same year) in the southwest are not certified to do organic products.

Throughout the Caribbean companies are springing up producing world class chocolate products and some like the Grenada Chocolate Company has managed to build up a good client base in Europe and the US. Poor packaging, labelling and design are usually a bigger constraint on sales than the quality of the chocolate itself. In such cases semi finished pure organic chocolate blocks are being exported to chocolatiers in Europe and USA for use in premium products. Both Haitian and Dominican organic cocoa producers have the opportunity to greatly expand their share of this market. Currently, only one factory, Les Chocolateries Askanya, in Ouanaminthe along the Dominican Republic border produces high quality chocolate bar. This company buys its raw materials from FECCANO, the federation of northern Haiti's local producers which exports organic fermented cocoa beans.

There are no large scale producers of cocoa butter conventional or organic in either Haiti or the Dominican Republic. This is a product which is in growing demand from both the confectionary and cosmetic industry. There is a large and growing market for such products mainly available from Latin America or Asia.

In the case of banana, the development of value added products requires more capital and technology than most primary cooperatives may possess. The bigger organic exporters do have the potential to develop such products using off grades. So far there are few producers of such value added banana products in the Caribbean. Central and South America are the dominant suppliers.

A few informal micro enterprises and women associations produce banana flour in Haiti. Two formal small enterprises Les Farines Quisqueya with 30 employees and SOCRAPAL S.A. with 15 employees produce flour with carrots, potatoes, maize and banana. There is good scope to include both banana and cassava in wheat based bakery products as part of an import substitution programme.

So long as collection costs are not prohibitive use of off-grade bananas to produce flour for bakery products, puree for baby foods and chips for the snack food industry. These can all be sold on the local market in Haiti and the Dominican Republic and later if volumes increase a ready market exists in North America and Europe. Ace Iron Craft a handicraft company

supported by Caribbean Export produces home décor banana products including baskets and furniture using woven banana leaf.



Figur 0.2. Cocoa production areas in Haiti and the DR

3.5. GENERAL RECOMMENDATIONS

The most obvious need for bi-national collaboration is in the field of phyto-sanitary control to prevent pest and disease attack on both cocoa and banana. This will involve research collaboration (already underway both bi-nationally and regionally.) In the case of projects along the border there is a real opportunity to create a cordon sanitaire around the zone and monitor traffic movements to prevent cross border pests and diseases.

Another interesting project would be to widen the research work of the Dominican Republic cocoa cluster on denomination of different growing areas and types of cocoa to include Haitian cocoa growing areas. To add value to the cocoa in the entire island by classifying the flavors and

characteristics and protecting them with denomination of origin and collective marks. To classify and denominate the whole island would be of great value to chocolatiers worldwide.

A further bi-national research and development project to develop by products from banana including banana flour, banana chips and banana leaf interior design products could benefit from the engineering and craft skills of both countries.

3.6. RECOMMENDATIONS FOR CEDA

Large Dominican banana producers/exporters are willing to collaborate and invest in Haiti. They know Haitians organic and fair trade banana can generate great price in international market. They would want to receive support to guarantee investment. CEDA could consider supporting joint ventures promotion and feasibility studies and business model development.

The development of agro-tourism is closely linked to the development of fair trade and cooperative production of cocoa and banana. The Dominican Republic has already begun launching several agro tourism packages for cocoa and chocolate. We recommend that a similar bi-national tour is organized in the border region hopefully including visits to organic banana growers and exporters as well. Since Monte Cristi and the border area is also a major banana producing area, the logic of extending such tourism initiatives to organic banana is obvious.

There is considerable scope for adding more value to cocoa apart from simple fair trade and organic certification of the raw beans. Export of fermented beans is more profitable as is the production of semi finished and finished chocolate. Both the Dominican Republic and Haiti have a number of producers of such value added products but more training and technology transfer is needed which could be organized on a bi-national basis.

CEDA could organize a bi-national training workshop on chocolate manufacturing with some leading chocolatiers from Belgium, United Kingdom and France. Developing partnerships between European and local chocolatiers would be an important goal for any value added cocoa project.

CEDA could organize a project to assist existing and prospective value added cocoa and banana producers improve their packaging, labeling and presentation. Good packaging for products like chocolate bars and banana chips is critically important to successful exports. CEDA has been involved in design promotion of this kind with other products.

There are a host of products that can be made using banana as the base. (See appendix B) Moreover the economics of the plantain industry are closely linked to the use of the by products and related items. With Dominican's traditional use of tobacco paper and Haiti's worldwide expertise in papier mache we would expect that banana leaf paper production

would have a really good potential for development. CEDA could support in design and process technology. There should be plentiful supply of leaf.



Figure 0.3. Potential bi-national Northern organic banana corridor

IV. SUMMARY: COSMETICS, PERFUMES AND ESSENTIAL OILS (See appendices C and G)

4.1. INTERNATIONAL CONTEXT

The Caribbean by and large does not figure significantly on the world fragrance and flavours industry map either in terms of a source of raw materials or as a market nor has it been a center for research and development in this field. The region has by and large been supplied

from USA where many of the world's leading companies like IFF are based. The regional market for finished cosmetics and perfumes as well as fragrance ingredients and essential oils has largely been supplied by imports based in North America. Only the Dominican Republic and Trinidad are significant producers of finished perfumes and cosmetics. There is some, largely artisanal production of natural beauty care products in many island such as Jamaica, Barbados, Dominica and St Barths but exports are limited.

There are however four or five fragrance and flavours ingredients where the Caribbean has or at least had some international reknown. These were:

- West Indian Limes – for oil, peel and juice
- Bitter Orange – for peel and oil
- Ginger – for ginger beer and oleoresin
- Vetiver – for oil and extraction of natural chemical isolates
- Bay Leaf – for oil and Bay Rhum
- Pimento – For oil and spice flavouring
- Nutmeg – for oil and spice flavouring
- West Indian sandalwood (amyris)

Ever since colonial times, the Caribbean has been a global supplier of all these products and renowned for their quality and special characteristics. Unfortunately, in almost all cases production has declined and other sources of these materials have emerged and in some cases replaced

UNLESS and UNTIL the Caribbean producers of these materials can develop a range of unique value added products with unique selling points as has been done with cocoa and chocolate, it will be difficult to see how the Caribbean will have much of a future.

Outside of the Dominican Republic and Haiti the fragrance and cosmetic industry in the Caribbean has had very mixed success. Squeezed as they are between North and South America most local producers simply have not been able to compete despite quite high duties of between 30% and 60% on imported product.

Jamaica has developed one or two larger internationally approved companies who produce amenity products (shampoos, soaps, bath products) for big hotel chains while Trinidad has developed a very successful colour cosmetic business (Sasha Cosmetics being the largest). In all the other islands at least two or three companies have emerged on each island making a range of “natural “ perfumes and cosmetics – usually soaps, basic creams and after sun care products which are sold in hotel gift shops, duty free outlets and selected local supermarkets. Exports of these products are minimally largely because they do not meet international quality standards, are poorly packaged and sell at prices in their local markets which are not competitive internationally.

4.2. COSMETIC, PERFUME AND ESSENTIAL OIL VALUE CHAIN DESCRIPTION

The cosmetic, perfume and essential oil value chain is complex and very misunderstood.

Table 1. Cosmeetic, perfume and essential oil value chain complexity

Level	Activity	Location
level 1	Collection /grow aromatic plants	Haiti or DR fields and forests
level 2	Primary assembly and sourcing	Haiti or DR villages
level 3	Basic refining and processing	Ports or regional urban centres
level 4	Fragrance composition , formulation	Ports or large technology centres
level 5	Perfume contract manufacturers	large urban centres nr markets
level 6	Distribute/wholesalers brand perfumes	large urban centres nr markets
level 7	Retailing of branded perfumes	large urban market centres

The natural beauty care sector is a complicated and commonly misunderstood industry segment. Moreover the sector has undergoing many changes in recent years which makes following this value chain challenging and complex.

At the bottom of the chain are the plant, marine and sometimes animal products which provide the crude base ingredients – the palette of raw materials that the formulators of cosmetic and perfumery products generally combine with a vast range of coal and oil based synthetic ingredients to make cosmetics, toileteries and perfumes.

In the industrial mass production sector there are very few 100% natural cosmetics and perfumes and when we include bottles and packaging materials virtually no purely natural products exist.

Level 1

Even at the very bottom of the chain there are many sub categories both in terms of type of product assembled.

- a) Wild harvested plants including a vast range of non -timber forest products
- b) Cultivated aromatic, medicinal and cosmetic plants
- c) Marine and animal by products used in perfumery and cosmetics
- d) By products of fruits and vegetables

Then there are cross cutting categories such as:

- 1) Organic or biodynamic products
- 2) Fair trade or Fair wild or Fair for Life certified products
- 3) Green label or certified sustainably harvested product

Raw materials of considerable potential which can be found on both the Dominican Republic and Haiti include:

- Citrus by products - peel oils and also whole distilled fruits (lime, bitter orange) orange blossom
- Spice by products – particularly ginger and turmeric used to produce oils and oleoresins
- West Indian Sandalwood – Amyris both as incense wood and as an essential oil
- Aloe Vera – a Caribbean native plant, one of the most important cosmetic plants globally
- Vetiver to be used to produce essential oils, and also other items using grass waste
- Other aromatic grasses particularly lemongrass and citronella for essential oils
- Neem this tree grows widely throughout the drier regions of the island and can be used to produce a crude oil and a refined pesticide ingredient (azerdarachtin)
- Mango and avocado fruit kernels both to produce pressed cosmetic oils
- Coconuts to produce both hot extracted and cold pressed coconut oil

The collectors and cultivators of these raw materials often live in some of the poorest parts of the world as the returns from this base level grow/collection operation is generally very limited. Attempts to introduce fair trading schemes, Fair for Life or Fair Wild certification have tried to increase the returns at this level, but profit margins are very low at this level in the chain. It is important to try to find ways to add value at this bottom end of the chain.

Level 2

The raw materials harvested at the bottom end of this chain are usually cleaned, sorted and sold on to people who undertake the first basic level of refining and processing of such materials. This field, farm or village level processing may be a simple question drying, chopping and grading but may on the other hand include boiling, distillation, separation or some quite sophisticated processing. Unless organised into cooperatives it is not often that the growers or harvesters do this first level processing but larger farmers or agro-business firms may indeed combine the job of collection/cultivation with basic processing.

Level 2 participants may also become involved in a series of other horizontally linked business activities particular in the gift and craft field or perhaps rural tourism activities. These horizontally linked activities can often generate more income and employment than the core activity.

Most Level 2 companies in both Haiti and the Dominican Republic tend to be cooperatives, non government agencies or farmer groups that come together to share common cleaning, processing and storage facilities and in some instances more sophisticated facilities including distillation units. By products like citrus peel oil is sometimes produced by citrus cooperative packers or companies linked to European end users (Grand Marnier) who wish not to throw away their outgrade products but instead sell the peel or peel oil.

Level 3

In such cases regional level buyers bulk up these crude raw materials and make a standardised type of product such as we see in Les Cayes when considering vetiver oil . The same applies to Amyris.

The technology required at this third stage in the chain can be quite sophisticated include fractional distillation, solvent extraction, centrifuging, and a series of washing, cleaning and blending tanks. In all cases a good analytical laboratory is needed to undertake analysis and quality control of the products. Seldom are such level 3 operations undertaken nearer to the site of one single raw material as to cover the investment costs such equipment must be used for a wide range of raw materials. They are normally found at ports, major distribution centres or capital cities. Skilled labour, plentiful power and water is also needed.

In the case of perfume or cosmetic ingredients made from fruit or vegetable by products it is critical that any such facilities are located either within or alongside companies that accumulate very large and regular quantities of such by products, either juice manufacturers, fruit and vegetable canners, fresh fruit pack houses. These units will more often found close to ports and market than close by one single source of the raw material.

Developing closer links both technically and financially between Level 3 and Level 2 actors in the chain is a key aspect of developing traceable and sustainable supply chains. More and more Level 3 and Level 4 operators are being forced by governments or certification agencies to build

more transparent supply chains which results in developing better communications and technical links between Level 2 basic assemblers and processors and those higher up the chain.

Level 4

This is where the major multinational fragrance and flavours companies sit in the chain. They formulate, manufacture and sell a vast range of usually patented flavour and fragrance components which form the basis of a huge range of household products, all the formulas for the perfume and cosmetic brand owners and ingredients for the food processing and fast food industry across the world. 8 companies control around 50% of the world market for such fragrance and flavours compounds. They are not however companies that are well known to the public as they do not produce finished packaged and branded of their own yet they drive the industry. The leading vetiver distillers in Haiti and aloe vera producers in the Dominican Republic all tend to have exclusive arrangements with such giants.

These Level 4 companies all produce formulations made from a combination of three types of ingredients pure refined natural ingredients usually essential oils or absolutes, natural chemical isolates, namely chemicals like menthol and vanillin which are extracted and purified from crude level 2 plant extracts and pure synthetic chemicals produced from oil or coal based starting materials. Virtually none of such fragrance and flavours formulations are ever 100% natural

Level 5

Companies are those companies who sell branded goods or who operate as contract manufacturers for such companies. They use fragrances and flavours produced by Level 4 companies and combine them to make finished perfumes, cosmetics, toiletries and ready to eat foods packed branded and labelled. Many of these companies now sell their products on line or door to door direct to the public hence Unilever, Proctor and Gamble, Avon, Revlon etc are well known names. Most however sell through level 6 companies namely the supermarkets or specialist retail outlets that sit at the top end of the cosmetic and perfume chain. These companies own the vast majority of brands and traditional fashion and perfume houses that we have come to know like Chanel, Yves St Laurent etc.

Level 6

These are the supermarkets, pharmacy chains or large retail outlets like Yves Rocher, Body Shop, Sephora, L'Occitane, Neals Yard Remedies etc which most consumers associate with this industry. Some but very few of these companies have their own manufacturing facilities and do not use ready formulated ingredients made by Level 4 companies. But more commonly they have formulations made by Level 4 companies uniquely to meet their client's needs.

4.3. SITUATION IN HAITI AND THE DOMINICAN REPUBLIC

The perfume and cosmetic industry in the Dominican Republic has from a very different starting point to that of the Haitian industry. The former has almost exclusively developed as an import substitution operation to replace mass market finished perfumes and cosmetics imported from USA and Latin America. The majority of the products were low value items using primarily synthetic ingredients. The industry has grown rapidly in the last 10 years and the number of locally produced perfumes and cosmetics have increased dramatically. Moreover, the quality and sophistication of the product has also increased. Many are now approved by US regulatory authorities and a growing export market has developed serving both the Caribbean diaspora and the black American market in North America.

Another rapidly growing trend has been the increased use of natural ingredients in these Dominican products. As a result, most of the manufacturers were keen to develop ties with fragrance ingredient producers in Haiti and other parts of the Caribbean with a view to keep raw material costs down and developing some more truly Caribbean formulations.

Dominican Republic established in 2009 the Beauty Product Cluster with 65 manufacturers of hair care, beauty, cosmetics and personal care products. The country has about 150 firms in total of which 120 are micro enterprises, 15 medium and 15 large. These 150 enterprises create about 3,500 direct jobs. This cluster has helped promote local manufacturing of cosmetics and hair care products which now account for around 20% of supplies.

Sales of hair care products are rising at more than 20% per year with shampoo being the dominant product. Sales rose from around 1.600 million DOP in 2010 to more than 2,000 million DOP in 2015. There are an estimated 55,000 hair salons (or one salon per 93 females). These salons generate around 150,000 jobs in the country and represent 25% of all small and medium business activity. This present a real opportunity for natural ingredients' manufacturers

The Haitian industry starts from the other end of the value chain, namely from the supply of crude or semi refined raw materials. These are almost exclusively exported to big international companies to incorporate into value added formulations outside of Haiti. Haitian finished product manufacturers of either fragrances or cosmetics have found it difficult to access such raw materials and indeed the development of finished fragrances and cosmetics in Haiti is very limited compared with the Dominican Republic. Potentially, the desire for Haitian artisan producers to make better quality value added finished products and Dominican formulators desire to use more local natural raw materials should results in some more collaboration and synergies between the two groups than has so far taken place.

The Haitian industry is built around the basic refining and processing of essential oils almost all of which are sent one of the 10 or so multinational formulation companies. Essential oils extracted from vetiver and amyris are Haiti's most valuable agriculture export accounting for \$

21.1 million dollars in 2015. Exports of Vetiver oil average around 130 tonnes providing 50% of the world supply. There are approximately 15,000 ha of vetiver in the south part of Haiti yielding an average of 2 metric tons per hectare. Only Madagascar India and China are serious alternative suppliers. The three larger distillers Agri Supply Co SA/Frager, Caribbean Flavors and Fragrances S.A. and UNIKODE are equipped with laboratories, qualified staff and very knowledgeable of norms and standards. They test their vetiver oil in their laboratory and part of their production is certified Organic and Fair Trade by Ecocert. Many of the world's leading perfumes use Vetiver from Haiti including several famous perfumes by Hermes, Guerlain and Tom Ford.

Bitter orange for peel and oil is also an important product in the north. Bitter orange is processed only by two large companies, Etablissements Novella and Grand Marnier Lapostolle. Etablissements Novella operates a processing plant in Cap-Haitian and Grand Marnier Lapostolle also runs one in Limonade where it has established its new bitter oranges plantation. Workers, mostly women pick, peel and grate the oranges, to produce the dried peel.

The number of users of locally-produced essential oils is relatively small. Large factories who perform secondary processing activities export directly to international buyers. The small distillers do not export directly. They sell their oil to processing/exporting companies and traders/exporters. Five of them sell to Caribbean Flavours and Fragrances on a regular basis. 30% of this company oils are produced by small distillers. UNIKODE buys sporadically from smaller distillers. Only one trader/exporter has been identified. Haiti Essential Oils Co. S.A. owned by Bernard Champion based in New York. He has dominated US trade in Vetiver for a long time although now most of the big fragrance houses now buy directly from the big 3 distillers in Haiti. The big distillers do not work directly with the growers of the roots but through a series of collectors /intermediaries. UNIKODE the third largest exporter works with 178 intermediaries. Caribbean Flavors and Fragrances S.A. buys from 60 intermediaries

However value added products beyond the sale of organic and fair trade pure essential oils have not been well developed in Haiti. Several companies have recently successful integrated (Level 1 to 5) value added production based on moringa oil which proves that such companies can be launched in Haiti. In the Dominican Republic, there are now at least 5-10 major local brands of cosmetics and perfumes and level 5 and 6 activities are relatively well developed.

By contrast, the establishment of a formal cosmetic cluster in the Dominican Republic in 2008 has helped accelerate cooperation between stakeholders and encouraged the building of an export sector. A growing number of local manufacturers are also exporting their products to other parts of the Caribbean and Latin America. The most popular products all use natural ingredients such as coconut oil, aloe vera, almond oil. Haiti offers an important source of these ingredients and an important market for these shampoos.

4.4. GENERAL RECOMMENDATIONS

We recommend greater promotion of the use of local natural cosmetic and perfumery raw materials and products in the local spa and wellness industry. There is a growing market from the spa and wellness industry in both the main towns of Santa Domingo and Port-au-Prince as well as all the main tourist resorts in both countries. By developing stronger links between the spa and wellness industry and the local manufacturers of cosmetics, perfumes and essential oils new foreign markets can be developed based on the growing wellness tourism sector.

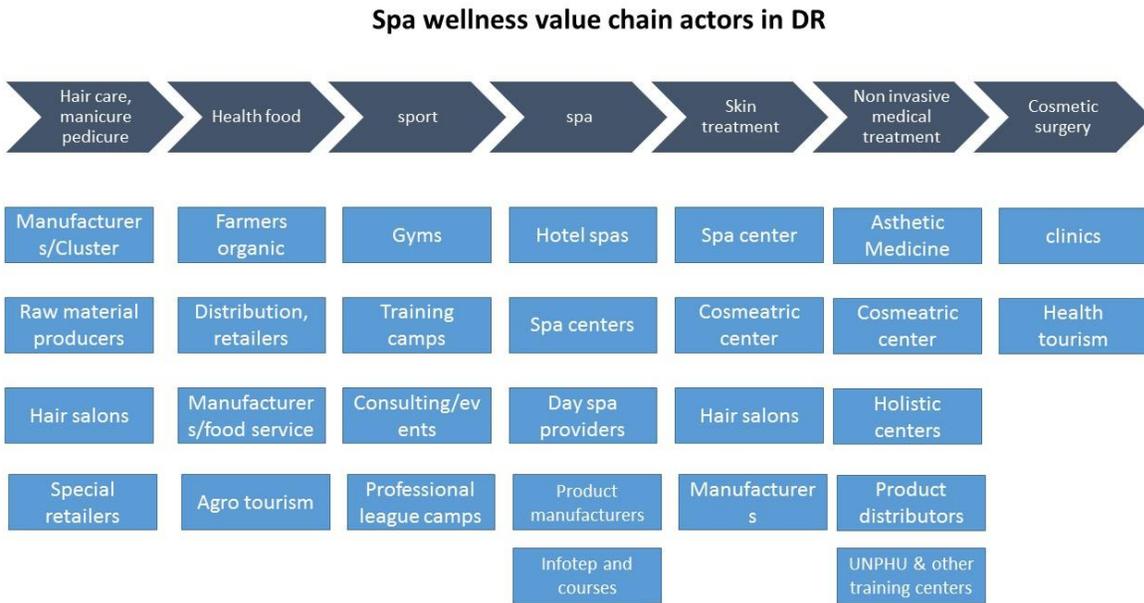


Figure 4. Spa wellness value chain actors in DR

The possible extension of the Dominican Republic cosmetic cluster to include some representation of Haitian companies involved in the cosmetics and beauty care industry could be considered. The cluster also needs to include service providers including spa and wellness services and aromatherapists to broaden its market outlets.

We also recommend the development of a cosmetic ingredients project to serve the cosmetic and wellness industry in both the Dominican Republic and Haiti. The project should focus on the following products which can all be found relatively close to the frontier: aloe vera, neem, bitter orange, moringa, cocoa butter.

A cross border duty free manufacturing area could also be considered. Both Haiti and the Dominican Republic have relatively high duties on perfume and cosmetics and speciality ingredients. Also the duties on boxes, bottles, manufacturing and analytical equipment are high. This discourages exports in both countries. The promotion of a duty free production zone

could encourage more export orientated production facilities. At present companies like Forever Living ship out most of their produce to USA for further processing. This border area is also close to the producing areas for bitter orange, aloe vera, neem cocoa and amyris.

Bitter orange grows well in the North and could be expanded considerably. Grand Marnier produce for their own use exclusively but many other flavour houses and distillers require both peel and oil which is in short supply. Only Morocco, Cote d'Ivoire and Ghana produce this in significant quantities. Opportunities for joint ventures exist.

A Haitian distiller moved its plant from Jacmel, southeast Haiti to Barahona where he established in 2002, a new company Domarome to better access amyris wood. This raw material is smuggled across the border to two Haitian distilleries. One of them, Caribbean Flavors and Fragrances is exploring the opportunity to invest in an amyris distillery in Barahona. Both countries should consider a long term public private partnership including local exporters and international buyers to revive amyris plantations along the border in Pedernales and Anse à Pitres.

4.5. RECOMMENDATIONS FOR CEDA

The growing Dominican cosmetic and hair care market needs natural raw materials and essential oils. Haiti offers a possible source for a range of these products. CEDA should organise a bi national trade fair/ buyer –sellers meeting to bring together suppliers of a range of natural products including coconut and acadamia oil, vetiver, amaryis oil, neem, moringa and aloe vera.

Haiti just focuses on the export of bulk vetiver oil. Nobody is fractionating the oil into its different chemical fractions nor are there many by products or value added products. Vetiver grass can be used for a number of craft and design products while aromatherapy oils soaps and hydrosols (waters) should also be more easily available. Some Diaspora entrepreneurs make some of these products in North America using mainly local oils. CEDA could sponsor a creative workshop for SME companies focused on how to develop more value added vetiver products. Reconnaissance missions to India and/or Indonesia would help local firms in both the Dominican Republic and Haiti how better to use this world class product.

Organic certification of both suppliers of essential oils and the manufacturers of cosmetics, perfumes and hair care products is an important source of value addition as well as helps open up new markets; CEDA could help train local suppliers in organic methods and facilitate international certification.

Aromatherapists training and development programme. Increasingly essential oils are being used in massage therapy and other menus. With more than 70+ spas in Punta Cana alone and many others all over the Dominican Republic and Haiti, a bi-national aromatherapy training

many middle class people in cities throughout the Caribbean. Poultry can also provide local people particularly women with an additional source of income, cheap protein for children and a source of organic manure.

Traditionally, free range village poultry was the only way poultry meat and eggs were produced in the region. In the 1980s, when swine fever killed off much of the pig population locally produced (Creole) chickens provided nearly 90% of the poultry consumed. While this tradition still continues especially in Haiti where the slaughtering of chickens is part of a range of religious and spiritual ceremonies, village level poultry rearing is no longer widely practised and Creole poultry production provides less than 35% of local needs.

The 1991, US trade embargo did much to spur production of poultry and eggs in both Haiti and the Dominican Republic. Haiti became a very large importer of both eggs and poultry from the Dominican Republic. Before the embargo, there were only two large farms producing around 40,000 birds.

Today the vast majority of all the eggs and poultry meat consumed in the Dominican Republic and Haiti is either produced in larger integrated facilities using especially formulated feed rations or is imported. Imports are of eggs, frozen or cooked whole chicken or chicken pieces.

From 2011 to 2014, domestic production of eggs in Haiti has increased from 1 million per month to 6.3 million per month, stressing that at this rate; domestic needs will be covered 75% by 3 to 5 years. The present production level covers around 25% of total needs!! The remainder is imported from the Dominican Republic or USA.

Both Haiti and the Dominican Republic pursued policy to expand local poultry production to reduce imports. In the case of Haiti, the US three year trade embargo made this even more essential. Both the Dominican Republic and Haiti boosted local production to meet local demand and in the case of the Dominican Republic, the huge export market in Haiti which could no longer be served from the US. When the embargo ended with duties falling from 40% to around 5% encouraged, a wave of imports resulted while informal trade and smuggling across the Haiti-DR border has continued for more than 20 years.

5.2. STATUS OF THE INDUSTRY

The Dominican Poultry industry is the most important livestock industry in the country. It is well developed, often vertically integrated and soundly managed. At the same time it is protected through a system of import permits and relatively high tariff protection (20%- 99%). Prices are also controlled to some extent by government pressure and a mixture of production subsidies.

Total production is more than 190 million. About 35-40 % is ready-to-cook (RTC) and the rest is marketed live at the farm level, as well as in the cities.

Key players in DR's egg production sector (layers) who produce nearly 50% of total output include

- Pollo Cibao Group (Includes Incubadora del Norte with 12.6% market share
- Huevos Endy with 9.2% market share
- Pollos Veganos 8.0%
- Industrias Joselyn 5.4%
- SuperAlba Group 4.5%
- Corp Avicola Dominicana 4.2%
- Agropecuaria del Cibao 3.8%
- Agroindustrial Wilse 3.8%

Source GAIN report to USDA 2008

Practically all the feed used in the country is imported from the United States for its quality, proximity and price. In 2007, corn imports were estimated to exceed 1.1 million tons and soybean meal imports almost reached 450,000 MT for a total value exceeding US\$300 million. This imported material is mixed with local ingredients to produce the most cost effective rations.

Although poultry farming does extend throughout the Dominican Republic, egg production is concentrated in the Cibao Central (North central) region and chicken in the zones around Santo Domingo. In the urban zones of Cibao region there are the feed manufacturer units which facilitate the feeding process of the birds, the main component in the chain of chicken or egg production.

Almost half of the poultry production and marketing is vertically integrated. Some produce their own poultry for processing and distribution to wholesalers or for further processing and retailing as a finished food product in their food outlets. Some others have poultry available fresh, refrigerated, frozen (whole or in parts) or processed.

Value added refrigerated poultry products include ham-style turkey breast, chicken sausages, chicken bologna, whole-smoked chicken, and chicken ham are also produced. No such products are made in Haiti.

In late December 2007, animal health officials in the Dominican Republic reported an incident of low-pathogenic H5N2 avian influenza (AI). Haiti's as a result placed an official embargo on Dominican poultry and eggs. Although this was never really fully implemented, it did give Haiti Broilers S.A., a joint venture between a Jamaican company, Jamaican Broilers and Haitian

entrepreneurs a chance to build a large scale farm near Port-au-Prince to partially replace imports. By January 2014, the Haiti and DR Ministers of Agriculture jointly announced that since phytosanitary controls had improved and a certification scheme introduced for farms wishing to export to Haiti normal trade would resume. This seems only partially to have taken place.

Unlike the Dominican Republic where tariffs and price subsidies have protected producers from overseas competition, in Haiti the duty level on all forms of chicken and eggs is less than 5%. Local producers can hence almost never compete with the huge US or heavily protected Dominican industry.

In 2015, the US poultry industry suffered catastrophic losses due to an Avian Flu epidemic (H5NI). 50 million birds died or were culled. Having faced countrywide bans of U.S. poultry products by 18 countries and state or regional bans at the state level by 43 countries both Haiti and Dominican Republic producers have had a window of opportunity to expand local production both sides of the border. This caused both severe problems and an opportunity as more than 90% of the hatching eggs and day-old chicks required in the Caribbean for the production of table eggs and broiler meat is normally imported from the US.

5.3. GENERAL RECOMMENDATIONS

The most obvious bi-national programme concerns protection of the poultry industry in both countries against H5N2 avian flu which could destroy the whole sector. So far this type of avian flu has not entered the Caribbean. Haiti and the Dominican Republic need to strengthen bi-national vigilance programmes.

The Government of Haiti through its *micro park program* funded by the European Union could consider a public private partnership for the creation of poultry and other livestock micro park in Acul du Nord where SAPEN S.A. has invested in a large scale slaughter facility. This company is interested in facilitating a joint venture between Haitian investors and Dominican companies for eggs production and eggs fertilization in Northern Haiti.

The development of a cassava plant to produce cassava pellets and chopped cassava leaf for the poultry feed would be of great value to both countries. Haiti is the largest producer of cassava in the Caribbean and while most of the production is for food products its use as animal feed is widespread in Brazil, Colombia and Asia.



Figure 6. Poultry and eggs production areas in Haiti and the DR

5.4. RECOMMENDATIONS FOR CEDA

Helping both the Dominican Republic and Haiti to become a member of the well-established and dynamic Caribbean Poultry Association and furthering of three way links between the Dominican Republic, Haiti and other countries in the Caribbean through this association. AHPEL and APAGNO are both Haitian associations who could benefit from such technical links.

Another project could be to developing a hybrid incubator/accelerator for the development and expansion of start ups and SMEs in the poultry industry providing training and technical assistance for management capacity building, norms and standards adoption and developing business linkages with anchor firms as suppliers or/and distributors. This project would also

assist with building technical links between producers in both countries as well as joint investments both sides of the border.

VI. SUMMARY: SUSTAINABLE TOURISM SECTOR (See appendixes E and I)

6.1. WHY SELECT THE SUSTAINABLE TOURISM VALUE CHAIN?

Although tourism per se is not normally included within the mandate of Caribbean Export for the purposes of this study we believe it very important that **bi national sustainable tourism** is included as one of the sectors for value chain analysis for the following reasons.

1. We have selected sustainable tourism including agro tourism, inclusive tourism and cultural tourism as it places special emphasis on community participation and community business linkages which are key to CEDAs mandate.
2. In neither country is sustainable tourism well developed by International standards. Both countries operating together we believe could build a global sustainable tourism sector more rapidly and more successfully if they worked together than if each began independently.
3. Various tourism surveys have shown in countries such a Croatia, Vietnam, and Israel that sustainable tourism initiatives can yield “a peace dividend” in regions that have undergone political and social instability. Our research has indicated that tourism operators and experts in Haiti and the Dominican Republic believe that bi- national sustainable tourism projects could themselves help improve relations between the two countries.
4. The national tourist infrastructure in Haiti has been very badly damaged not just by natural phenomena such as hurricanes and earthquakes but also by external economic and social factors which have seen a dramatic decline in the tourism sector something that has not occurred anywhere else in the Caribbean.
5. While tourism and room numbers has suffered a dramatic decline in the last 30 years in Haiti. In the Dominican Republic in contrast, growth has been so rapid that there is a significant physical limit as to the capacity for this country to absorb more tourists without seriously affecting the environment, and quality of existing tourist offer. More

natural resources, more space and more attractions are needed. Haiti offers the obvious spill over location for DR tourism to expand.

6. Sustainable tourism unlike beachside mass tourism requires relatively limited infrastructure and amounts of public investment. It is essentially an SME private sector initiative and hence very suitable for CEDA support services.
7. Haiti's design, craft and creative industries, one of its greatest domestic assets is inextricably linked to the tourism industry. Without the Diaspora visitors, tourist visitors from the Dominican Republic and cruise tourist come to the Labadie terminal, the local art, music and cultural scene would wither for lack of customers. A bi-lateral sustainable tourism initiative will have substantial benefits to the creative industries sector in both countries. CEDA has been supporting creative industries on both side of the border for some time.
8. Both the Dominican and Haitian cultures have an extremely rich culinary heritage .The combination of French, Spanish and Creole food could result in the development of a major bi-national specialty food industry base on the based dishes and raw materials of both countries. CEDA supports the specialty food sector.
9. The Dominican Republic and Haiti's rich history and cultural heritage is in stark contrast to many Caribbean islands that have to rely on beautiful beaches and blue seas to attract visitors. The rapid growth of heritage tourism worldwide move to creating tourist packages that include more and more local cultural elements give both the Dominican Republic and Haiti special advantages which they could well exploit together especially along their adjoining borderlands.

N.B Please note that CEDA supported a study¹ on the prospect of private sector development of cross border tourism as long ago as 200. This report indicated considerable scope for development if the necessary institutional structures could be put in place.

¹ IDEO Consulting sub-contractor of CIECA. Etude de Diagnostic Perspectives et Stratégie de Coopération entre les Secteurs Privés Haïtien et Dominicain. Caribbean Export Development Agency Décembre 2003

6.2. TOURISM GLOBAL TRENDS

Tourism, as the largest global service industry and one of the top industries for developing countries, has an important role to play in the response to climate change. The tourism sector today accounts for 5% of global CO2 emissions. By 2035 and if no action is taken, the CO2 emission generated by tourism will be more than three times higher than today. Tourism is growing most rapidly in developing countries: between 2010 and 2030, arrivals in emerging destinations are expected to increase at twice the rate (+4.4% a year) of those in advanced economies (+2.2% a year). Dominican Republic is a very good example.

Sustainability is becoming much more mainstream within the tourism industry, with increasing numbers of businesses creating environmental departments, adopting environmental and social 'good practices', seeking certification, mitigating and adapting to climate change realities, and looking at ways to 'green' their supply chain.

Responsible tourism businesses continue to receive accolades for best-practices within the industry. Annual internationally recognized awards programs include: World Responsible Tourism Awards at World Travel Market, Skål International Sustainable Tourism Awards by Diversey Care, and World Travel & Tourism Council's Tourism for Tomorrow Awards. 'Green' tourism businesses continue to receive differentiation in popular online travel search and booking engines, including TripAdvisor GreenLeaders, Travelocity, and Expedia. Travel bloggers focused on ecotourism, cultural-heritage tourism, and unique vacation experiences continue to gain traction.

Definitions

There are many overlapping definitions of a new global approach to tourism which places ethical and environmental issues centre stage. These include

- **Ecotourism:** Responsible travel to natural areas that conserves the environment and improves the welfare of local people.
- **Geotourism:** Tourism that sustains or enhances the geographical character of a place – its environment, heritage, aesthetic, culture and well-being of its residents.
- **Pro-Poor Tourism:** Tourism that results in increased net benefit for the poor people in a destination.
- **Ethical Tourism:** Tourism in a destination where ethical issues are the key driver, e.g. social injustice, human rights, animal welfare, or the environment.
- **Responsible Tourism:** Tourism that maximizes the benefits to local communities, minimizes negative social or environmental impacts, and helps local people conserve fragile cultures and habitats or species.

- ***Sustainable Tourism:*** Tourism that leads to the management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems.

6.3. REGIONAL ISSUES

Tourism is an important economic sector in the Caribbean and the region is highly dependent on tourism for national income. Yet poverty reduction remains a pressing challenge. While tourism contributes to growth, it is also criticised for making an insufficient contribution to poverty reduction, particularly due to lack of linkages to the local economy (e.g. small farmers).

On March 27, 2014 the Sustainable Destinations Alliance for the Americas (SDAA) launched an initiative created to help tourism destinations in Latin America and the Caribbean to safeguard their natural and cultural assets, while enhancing the life of communities and securing a vibrant regional economy. SDAA partners (public and private institutions) include: the Organization of American States, Caribbean Tourism Organization, Central American Tourism Integration Secretariat, global NGO Sustainable Travel International, leading cruise vacation company Royal Caribbean Cruises Ltd., and the United States Government through the United States Permanent Mission to the Organization of American States. SDAA first seven destination partners: Antigua and Barbuda, The Bahamas, Barbados, Dominica, Honduras, Jamaica, and Nicaragua.

CEDA has traditionally steered away from supporting tourism or tourism related products since these were already served well by other agencies such as CTO and CHTA. However the specialist niche sectors like agro-tourism, wellness tourism and heritage tourism are not well supported by the main tourism promotion agencies and require involvement and support especially in terms of strengthening the linkages between the tourist operators and other SMEs, artisans and farmers as suppliers for the industry.

Globally agro-tourism, wellness tourism and heritage tourism and all those other specialist niche sectors that come under the banner of “sustainable tourism” are growing at a far faster pace than the overall sector which is largely stagnating. This is particularly the case in the Caribbean.

These niche tourism sub sectors were largely developed in Europe (and to a lesser extent in Japan and some parts of North America) in response to two important trends – the problems of supporting agriculture and rural employment and the growing number of retired people who had the resources and the mobility to travel.

- Agro-tourism in Italy and Spain particularly centered around wine and fruit farming
- Heritage tourism particularly in United Kingdom and France centred around castles, country houses and history
- Wellness tourism particularly in Germany, Austria, Switzerland and Czech Republic centred around spas, ski resorts and health retreats
- Art, Music and Design led tourism centred on city art galleries in London, Amsterdam, Paris, and Rome, music centres like Salzburg, Verona, Vienna, Budapest and Mardi gras, music festivals like in New Orleans.

A further issue concerned the growing realisation that conservation of the national heritage was an important source of income and employment. Agro-tourism, wellness tourism and heritage tourism hence became the most important driver in the revival of income and employment on rural areas. These niche tourism products which included everything from farm shops, rural design studios, wild life treks, archaeology digs, cave (speleology), wine and food trails etc. created a whole new type of tourism in the last 30 years and a whole new type of tourist operators and owner.

The Caribbean and particularly tourism in the Dominican Republic, Jamaica, Cuba and Puerto Rica followed the old mass tourism approach and it has taken it a long time to realise the potential of value added niche tourism.

The revival of the rum, cocoa and coffee industry in the last 25 years with the development of origin rums and chocolate and the restoration of some of the great old plantations in Barbados, Martinique, Tobago and the Dominican Republic has presented good opportunities for agro tourism products developed around SUGAR and COCOA and to a lesser extent COFFEE. While there is a BANANA museum in Martinique this has not be developed as a heritage tourism product as much as it could neither has NUTMEG in Grenada, BREADFRUIT, SORREL and SOURSOP in the other islands.

Slavery and the story of freed slaves particularly the maroons has become politically more acceptable as a tourism product pioneered by the Kula Hulanda centre in Curacao and the Slave House in St Kitts. The Charlestown Maroon Village festival was also an early heritage tourism product as was the Citadel tours in Haiti and the renovation of the colonial quarter in Santa Domingo (DR) and San Juan (Puerto Rico)

While tourism in Cuba has until recently been segregated with beachside developments well apart from the main population, this will change rapidly and Cuba' will become probably THE heritage destination of the region. Haiti certainly has much to offer in agro-tourism, heritage tourism sector but much of its heritage has been damaged and destroyed and its poor communication infrastructure makes it very difficult to reach the rich heritage and farm

community sites. Even Jacmel, once the favourite of the French tourism elite is now more than 3 hours ride from the capital and a shadow of its former glory after the January 12th earthquake which destroyed its old city.

In terms of wellness tourism, the region is not competitive with the rest of the world. While there are more than 80+ spa and wellness facilities in the Dominican Republic, even here there is as yet no national wellness tourism strategy and no coordinated development plan. The same can be said for the second largest wellness tour destination Jamaica which has 60+ facilities but no actual plan.

When compared with countries like Seychelles, Mauritius, Austria, Morocco, Mexico, Costa Rica and United Arab Emirates the efforts to promote this form of tourism are small in the Caribbean.

6.4. DOMINICAN REPUBLIC AND HAITI TOURISM INDUSTRY

The history of the Dominican Republic tourism in the last 25 years has been one of successful growth and expansion with heavy government investment in airports, harbours and roads and increasing foreign investment in large often self-sufficient beach side resort complexes. The vast majority of tourist visitors are based on the coast and a large proportion of hotel and tourism complexes are foreign owned. The Dominican Republic is now the leading tourism destination in the Caribbean. Tourist visitors are mainly from overseas. Numbers have more than doubled between 1999 to 2015. In 1999, there were 3.01 million tourists. By 2015 it reached 6.15 million. Tourism has had a huge impact on all aspects and all sectors of the economy. The “all inclusive” tourism strategy applied in the Dominican Republic is considered by many of the main reasons for its growth and success. Most of the tourism is based in large self-contained resorts particularly in Punta Cana in DR and Labadie in Haiti. Sustainable or community tourism has only recently begun to develop particularly in some of the less accessible regions of the island.

Despite the impressive run that the Dominican Republic’s tourism sector has had over the past few decades there are indications that growth is slowing down relative to core competitors. During the second half of the past decade arrivals have grown at about 1%, whereas during the same period arrivals have grown at a rate of 3%, 5% and 4% in Jamaica, Costa Rica and Cuba respectively. As a result DR is looking at ways to boost their tourist numbers and revenues. Sustainable tourism offers one such opportunity.

By contrast Haiti’s tourism sector has suffered near continuous decline. Between 1987 and 2004, the number of tourist arrivals went down from 239,200 to 108,868. Haiti was once the

favourite Caribbean location for tourists particular from France and French Canada. The favourite destinations were Port au Prince and Jacmel. Political turmoil, lack of infrastructural investment, AIDS and then the earthquake have all but crippled Haiti's tourism industry. Its history however proves that there is much of interest and value and with the Dominican Republic now almost "bursting at the seams" bi-national development of sustainable tourism in the so far underdeveloped border region has been recognised by regional authorities in both countries as offering a new tourism path which both countries could benefit from.

Most tourist facilities in the Dominican Republic have been established as all inclusive resorts. Many are foreign owned. Critics maintain that such tourism does little to reduce tourism. As a result, recently the Dominican Republic began looking more and more at sustainable tourism options. A project was started in collaboration with ASONAHORES, the Caribbean Tourism Organisation and two big tour operators First Choice and TUI. It has gathered examples of different types of pro poor linkages that can be developed around tourism. It provided training workshops on pro poor tourism and local linkages in Dominican Republic, and produced written guidelines on good practice for the Caribbean. Some of the lessons learnt here can be applied to a bi-national programme with Haiti.

The sustainable tourism model focusing on agro-tourism, eco-tourism, cultural tourism and community participation is recommended as the best approach for this region by experts both sides of the border. The development of successful duty free-visa free safe tourism parks or corridors is also something that experts feel could also bring a "peace dividend" providing not just jobs and income in this less developed region but also improved diplomatic relations in what has been a politically unstable area for more than 20 years (UN peace keeping forces are still based in Cap Haitien and along the frontier)

The sustainable tourism value chain in both the Dominican Republic and Haiti looks something like this.

Dominican Republic sustainable tourism value chain



Figure 7. Dominican Republic sustainable tourism value chain

Major assets in northern Haiti are the National Historic Park including the Citadelle Laferrière, the Sans Souci royal palace, the old historic city of Cap-Haitien, Taino Amerindians archaeology, the Labadie Royal Caribbean cruise ship port with 600,000 visitors per year, the annual Patron Saint festivals, which attract 1 million domestic and international visitors each year especially from the Diaspora.

The northwest and southwest of the Dominican Republic are also places rich in history and also wilderness areas (68, 14% of Pedernales is a conservation area) which allow for trekking and adventure tourism as well other forms of sustainable tourism. Barahona along with Pedernales, has been chosen as the new priority area for Development by the Dominican Government during the period 2016-2020. Although it has a natural port and excellent beaches, Monte Cristi is still underdeveloped as a tourist destination with a few small hotels. Opportunities for joint development with neighbouring areas in Haiti appear considerable.

There are only limited statistics on tourism in this region of the Dominican Republic. The Barahona Tourism and Productive Cluster (Clúster Turístico y Productivo Provincia de Barahona -CTPPB-) estimates that the south region receives 3,000 to 4,000 visitors monthly, of which 70% are DR nationals, the greater period of tourism flow is Easter or Holy Week.

Religious festivals (Christian and Voodoo) and the associated churches and religious sites are one of the main tourist attractions of the region. Bi national festival packages or religious package tours to holy sites both sides of the border would seem an important aspect of any new tourism promotion in this region. In addition many religious orientated art and craft products can be offered for sale to visitors attending these festivals and others visiting the region.

The historical centre of Dajabon near to Haiti has set up a tourism cluster with the slogan “bridge between two nations” and their objective is to promote rural tourism, health and wellness tourism and adventure and nature tourism. They will also encourage links with local organic producers of products such as honey, peanut, fruits, cheese, yogurt, cassava, Wood, fine arts and handicraft. The Dajabon cluster could become a model for bi-national tourism.

The well-established tourism region of Puerto Plata after declining for some years has undergone many improvements including the development of a new cruise port developed by Carnival similar to that at Labadie in northern Haiti. There are a number of private initiatives to develop both land and sea based bi-national tourism tours based on Puerto Plata

Our value chain analysis has shown that the rehabilitation of the tourism sector in Jacmel, Port au Prince and the South will take much longer than in the border region as the physical infrastructure has been very badly damaged by both the earthquake and hurricanes making travel to and from these regions difficult. Moreover while some cross border bi- national efforts have already begun centred on the rich history of the region there is little sign of other bi-national efforts in any form of tourism elsewhere.

Jacmel once a leading creative centre in the Caribbean has lost the majority of its artists, writers and long term visitors and its airport is now closed.

The Les Cayes and southern region already suffering from lack of investment in roads, telecommunications and other infrastructural facilities has been further hit by the recent hurricane Matthew. We hence feel that of the three regions that we reviewed in Haiti, the focus should be on Cap Haitian and the north.

There is some potential for novel forms of tourism in the south of Haiti including volunteer tourism either corporate volunteers or charity volunteers coming. In addition there are at least 100,000 plus Diaspora visitors who come to visit family but also travel to tourist destinations in the Port au Prince, Jacmel and Cayes region.

Haiti holds the largest biodiversity in the Antilles, with 24% of the national territory protected (14 national parks and 7 natural reserves). It has the highest number of visiting whales in the

Caribbean as well as other exotic animals and plants (crocodiles, iguanas, 250 different species of birds and over 5,600 plants documented including 300 species of orchids).

Ruta del Jengibre, a successful bi-national tourism initiative

A good example of a successful bi-national tourism initiative is the “*Ruta del Jengibre*” (*Ginger Route*) which has been implemented in the Dominican republic as a model for managing and valorising natural resources locally, while sustainable tourism has been promoted in Haiti as a tool for valorising natural resources and biodiversity, and creating new employment opportunities, notably for local youths, and favouring exchanges of experience between the Dominican Republic and Haiti.

At Las Galeras, the direct beneficiaries were 120 farmer households in the communities of Manuel Chiquito, Colmenas, Los Tocones, La Sangría, El Rincón and Loma Atravesada (nearly 800 people), plus 100 youths who attended vocational training courses and 10 households who converted their house to B&B. The renewed tourist offer resulted in increased tourist inflow and related revenues (direct and indirect) generated by these activities, with indirect benefits for nearly 1450 people involved in tourism.

In Haiti, the local partner FONDTAH strengthened its institutional capacity following the project implementation, gaining the skills required to promote and develop alternative tourism. Local government bodies also, in particular the municipalities of Dondon and Milot, have been enabled to promote sustainable tourism as a tool for local development.

6.5. GENERAL RECOMMENDATIONS

We believe that the most cost effective and rapid way to develop bi-national tourism in the two countries is to focus on developing the human and physical assets near to the border of both countries. This area has already seen the beginnings of cross border tourism both in terms of day trips and some longer visits associated with cultural or religious festivals

Both Governments have recognised that these regions have a rich cultural history and more physical contact between individuals and companies takes place along this border area than anywhere else in the two countries. The Northern region of Haiti has already seen a series of major infrastructure investments in agro- business and a free zone industrial park. The newly elected Haitian President Jovel Moise was previously running one such agribusiness operation.

For quite different reasons the Dominican Republic has also chosen the border regions of Barahona and Pedernales for development particularly for sustainable community based

tourism. To date almost all the tourism investment was focused on Puerto Plata and more recently Punta Cana. The northwest and southwest are the only areas that have yet to be developed for tourism. These two zones have a lot of economic and historical links with their neighbouring communities in Haiti. Moreover Haitian labour, despite considerable controversy, still plays a central role in the development of these border areas.

The ideal scenario would be the creation of one or more duty free, visa free zones or corridors where accommodation, shops and other tourism services could be focused and managed jointly. Both countries have a shortage of tourist accommodation in this region.

Such zones could be an extension of some of the existing duty free industrial parks that have been set up along the border. These parks already have extensive infrastructure good roads, multinational staffing and effective security services.

The setting up of such special cross border corridors and /or duty free zones obviously involves agreement by both governments as well as support from some of the major donor agencies such as Inter-American Development Bank (IADB), the World Bank, European Union, etc.

The Dominican Republic Tourism Ministry has promoted the concept of clusters around the tourism zones as well as new areas such as Dajabon. The National Competitiveness Council (CNC) has established a tourism cluster model which they have followed in all the organizations of the existing clusters. By bringing together everyone in the value chain in respective geographical areas, tourism linkages can be enhanced and regional tourism promotion much more effective. In Haiti, no such clusters exist. The Dominican Republic could assist Haiti in the development of such clusters and indeed perhaps a bi-national tourism cluster could be developed as part of the border corridor /border zone concept discussed above.

6.6. RECOMMENDATIONS SPECIFIC TO CEDA

While the actual organisation of such a special zone is well beyond the resources and mandate of CEDA, the agency could however help with the planning and design of such special sustainable tourism zones by supporting the necessary surveys, supporting the preparation of plans and drawings and organising community consultation workshops required prior to the launch of such projects.

CEDA could also provide focused assistance to SMEs serving such centres or corridors especially in the field of craft and design, interior design and furniture making, speciality foods and drink manufacture, IT and promotion services.

Our surveys indicated that there are travel companies and travel experts in both countries who are keen to meet up with their counterparts across the border to try to develop a series of cross border tourism packages. To date most such packages have been planned and organised largely unilaterally. CEDA can facilitate in this much needed consultation process placing special emphasis on encouraging contact between women run, SME and community based sustainable tourism business both sides of the border.

We are also recommending support for a high value speciality food value chain project initiative in the northern region of Haiti and adjacent border areas of the Dominican Republic. This will concentrate on value added cocoa, banana and other local natural products such as aloe vera. CEDA can help develop linkages between SME producers and the sustainable tourism sector. They could also organise (possibly in association with IICA) an agro- tourism training and development workshop to help local companies design attractive bi-national agro-tourism projects and train the necessary local staff to run such projects.

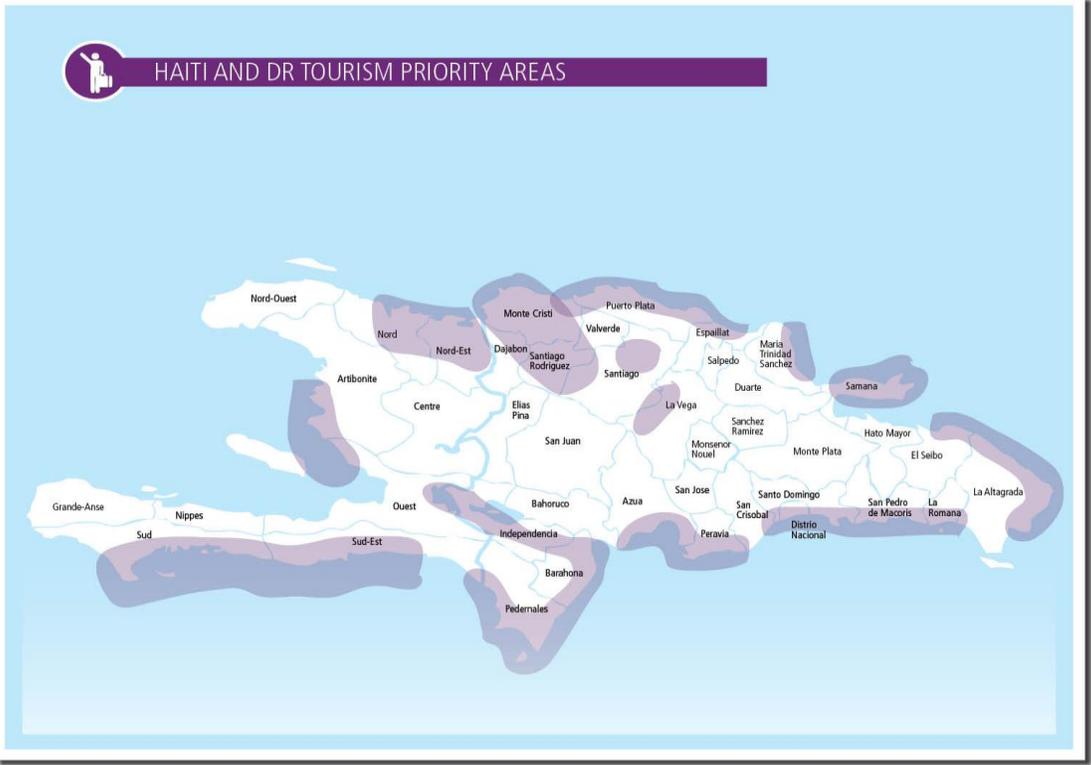
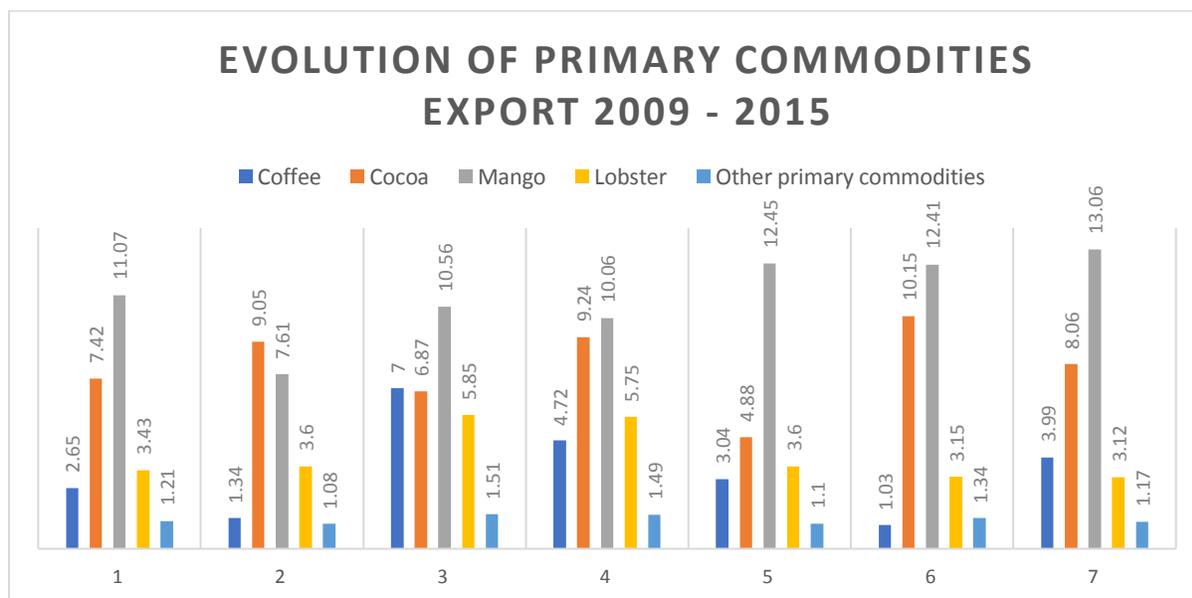


Figure 8. Tourism priority areas in Haiti and the DR

APPENDIX A. HAITI'S COCOA VALUE CHAIN

A.1. HAITI COCOA INDUSTRY OVERVIEW

Haiti's has a long tradition of cocoa production and export. This crop was introduced during the Spanish colonization and was one of the trade commodities of the Saint Domingue colony. Cocoa was grown on almost all humid mountains around the country accounting 20,000 MT in the 60's. The bulk of Haitian cocoa was exported to Germany. In the 70s, cocoa production was affected by extreme international price volatility and most of the cocoa farms were replaced by more profitable annual crops such as beans, corn and peanuts. FAO estimation shows an annual average production of 9,885 metric tons during the period from 2009 to 2012. Cocoa is a primary source of income for approximately 20,000 smallholder producers mostly concentrated in the northern and southwestern rural communities. Haiti's cocoa consists mainly of the Criollo and Trinitario varieties. Trinitario originated in Trinidad is a hybrid between the common Forastero and the nobler Criollo which is in high demand on the global market. Over the last five years, cocoa has been Haiti's second largest primary commodities, after mango accounting US\$ 8.06 million export revenue in 2015.



Source: Bank of the Republic of Haiti (BRH)

Figure A.1 Evolution of Haiti primary commodities export (2009-2015)

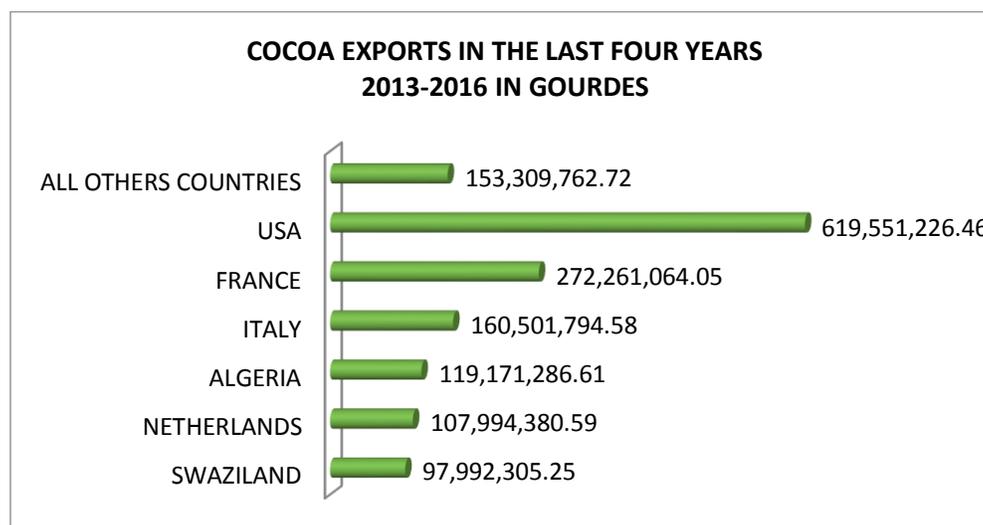
Haiti exports 4,000 metric tons of cocoa per year accounting for 0.01% of world supply. Its primary market is the US importing 75% of Haiti's cocoa followed by Europe 20%. The following

Table A.1 depicts the distribution of Haitian cocoa on the international market from 2013 to 2016.

Table A.0.1 Haiti cocoa exports in gourdes (2013-2016)

IMPORTING COUNTRY	2013	2014	2015	2016 (Jan-Sept 2016)	TOTAL
SWAZILAND	76,078,573.25	21,913,732.00			97,992,305.25
NETHERLANDS	37,635,930.48	19,158,237.16	42,145,748.53	9,054,464.42	107,994,380.59
ALGERIA		71,126,160.10	48,045,126.51		119,171,286.61
ITALY	6,426,438.72	60,059,575.22	19,613,959.78	74,401,820.86	160,501,794.58
FRANCE		25,637,658.88	25,696,037.16	220,927,368.01	272,261,064.05
USA	28,203,795.98	181,007,702.08	176,113,376.29	234,226,352.11	619,551,226.46
ALL OTHERS COUNTRIES	5,460,631.83	30,434,608.52	105,111,460.87	12,303,061.50	153,309,762.72
TOTAL	153,805,370.26	409,337,673.96	416,725,709.14	550,913,066.90	1,530,781,820.26

Source: Administration Générale des Douanes (Customs Administration)



Source: Administration Générale des Douanes (Customs Administration)

Figure A. 2 Cocoa exports in the last four years (2013-2016)

A.2- COCOA VALUE CHAIN MAPPING AND ANALYSIS

A.2.1. Cocoa supply chain and actors

A.2.1.1. Cocoa production/growers

Cocoa is grown mostly in the North and Southwest/Grande Anse departments by an estimated of 20,000 smallholder farmers. The average cocoa farmer is 50 years old, lives at or below poverty line and usually owns a ½ ha plot planted of cocoa associated with other crops and trees for shade. Some farmers cultivate two or three plots. The majority of existing cocoa plants are more than fifty years old resulting in low yields. Yields for the average producer range 200-250kg/ha, compared to 400kg-800/ha in the Dominican Republic. Cocoa production integrates an agroforestry system where cocoa is associated with annual crops and other trees which provide shade. Cocoa protects and binds the soils especially on hillsides.

Table A. 2 Cocoa production in Haiti (2010-2014)

Data	2010	2011	2012	2013	2014
Area harvested in ha	18593	20558	22860	25984	29862
Production TM	9117	10054	11188	12724	14633

Source : FAO STAT

Table A. 3 Cocoa production zones in the North and Southwest

Department	Municipalities
North	Grande Rivière du Nord, Acul du Nord, Port Margot, Borgne, St-Raphaël, Dondon, Milot
Southwest/Grand Anse	Dame- Marie, Les Irois, Ande d’Hainault, Chambellan, Beaumont Moron, Marfranc

There are two cocoa harvest seasons in northern Haiti. The main one is in April-June and another less important one from September to November. In the Northwest, it is the other way round with main harvest season from September – December and other less important from April to June. Harvesting involves removing ripe pods from the trees, opening them to

extract the wet beans within a week to 10 days after harvesting and dry them on domestic surfaces and roadsides. Post harvest losses are estimated at 20-25%.

In the mid 1980s' the Mennonite Economic Development Association (MEDA) played a major role in organizing cocoa farmers in cooperatives in the Southwest and the North. Today, there are federation of cocoa growers in the North comprising 7 cooperatives and 3000 members including 1893 with organic certification and seven cooperatives in the Southwest.

Table A. 4 Cocoa cooperatives in the Southwest

COOPERATIVES	ABREVIATION	LOCATION
Coopérative Agricole	CACOMA	Abricots
Coopérative Agricole Tèt Ansanm Peyiza Sica	CAPETS	Anse d'Hainault
Coopérative Agricole Union Développement	CAUD	Dame Marie
Coopérative de Production et commercialisation du Cacao	COPCOD	Chambellan
Coopérative Agricole Anse d'Hainault	COAH	Anse d'Hainault
Coopérative Cacaoyère de Moron	COCAM	Moron
Coopérative Cacaoyère de Dame Marie	CACAODAM	Dame Marie

Table A.5 Cocoa cooperatives in the North, members of FECCANO

Fédération de Coopératives Cacaoyères du Nord (FECCANO)					
Name of Coopérative	Abbreviation	Location	Date of Creation	# of members	# MT 2015
Coopérative Agricole des Frères Unis de Borgne	CAFUPBO	Borgne	1985	721	40 MT
Coopérative Agricole du	CAPB	Petit Bourg	1989	421	30 MT

Petit Bourg de Borgne		Borgne			
Coopérative Agricole Travailleurs Montagne Noire	CATMN	Bahon	1987	634	35 MT
Coopérative des Planteurs Unis de Port-Margot	CAPUP	Port Margot	1964	642	36 MT
Coopérative Jean-Baptiste Chavannes	CJBC	Grande Rivière du Nord	1983	371	8 MT
Société Coopérative Sere Pou Chofe	SOCOSSCOP	Acul du Nord	1985	228	10 MT
Union Coopérative Agricole de Thibaut	UCAT	Milot	1987	468	8 MT

Cocoa growers often work cooperatively. There is a prominent association of growers in the North, Union des Producteurs de Cacao du Nord comprising 233 groups of 10-25 members totalling 3547 producers. They sell their products to Etablissements Novella, Haiti largest cocoa exporter. The most important association of growers in the Southwest is Organisation pour le Développement de la Filière Cacao dans la Grande-Anse (ODFCAGA) comprising 1200 growers. Major constraints at this stage of the value chains are:

- Vulnerability to natural disasters and lack of resilience to climate changes
- Poor production and post harvest techniques and aged trees resulting in low yields
- Lack of facilities for proper post-harvest handling
- Limited access of growers to land resulting in small and dispersed plots
- Lack of appropriate financial products for individual growers and cooperatives
- Poor management of some cooperatives and weak capacities of cooperatives to sell directly to international buyers and dependency on international NGOs and social/charity international buyers
- No investment of two old largest exporters in plantation

A.2.1.2. Cocoa collection/Middlemen-Speculators

There is no reliable estimate of the number of middlemen which collect cocoa beans from scattered cocoa growers and sell them mostly to two leading export companies Etablissements Novella in the North and Geo Wiener in the Southwest. They have a strong and long standing relationship with exporters based on trust. Exporters give cash advances to middlemen to

facilitate the purchase of beans, and then send a truck to collect beans from several different middlemen and bring them to their own drying center. Middlemen are traditionally male and are influential in their communities. In remote areas, a second level of intermediaries can be found. They buy from farmers to sell to intermediaries who in turn sell to exporters. Main constraints at this stage of the value chain are:

- Difficulties to access to production zones for beans collection
- Lack of information on markets norms and standards
- High levels of competition among them and with cooperatives
- Lack of access to affordable credit to collect beans

A.2.1.3. Cocoa processing/processors

a. Micro processors

There is in the cocoa production zones and Port-au-Prince an unknown number of informal micro processors organized in micro enterprises and women associations engaged in transforming raw cocoa beans into artisanal value-added products such as cocoa balls, bars, butter, grease and liquor. Three legally registered and expanding micro enterprises Choko Lele, Caroly & Co. and Chocomax, in Port-au-Prince are producing cocoa balls, butter, grease and liquor. Choko Lele is targeting the Diaspora market. De La Sol, a company owned by two American women in Limbé, near Cap-Haitian produces cocoa butter and powder. The cocoa butter is sold locally and large part of the cocoa powder is sold to an ice cream business in the US.

b. Fermentation facilities

FECCANO in the North and CAUD in the Southwest and two medium size enterprises PISA and Kaleos produced certified fermented organic cocoa, meaning that it goes under a special process to bring out its aroma and flavor, key elements for high value specialty cocoa. The length of fermentation varies from 2 to 5 days depending on the bean type.

c. Chocolate factories

About 300 to 600 beans are processed to make 1kg of chocolate. Currently, only one factory, Les Chocolateries Askanya, in Ouanaminthe along the border with the Dominican Republic produces high quality chocolate bars. This company buys its raw materials from FECCANO. Its products are organic, fair trade and SPP (Small producers' products) certified. This company is investing in a 38 hectare plantation and a fermentation unit to export organic fermented cocoa

beans. Another chocolate factory, Origine S.A. a partnership between PISA and De La Sol owners will be in operation early 2017 in Plaine du Nord near Cap-Haitian. Contact for one of its major equipment purchase in Italy was established by PISA during a mission in the Dominican Republic organized by Caribbean Export. Origine S.A. chocolate bar will be sold locally under Rebo brand. Major constraints at this stage of the value chain are:

- Poor management and technical skills, technologies and quality of micro processors and women associations
- Limited buying power of local market for quality chocolate or other cocoa by products
- Poor branding and marketing capacities of micro and small processors
- Lack of information on international market norms and standards of micro and small processors
- Lack of growth capital for investment in large scale processing plant
- No investment of old largest exporters in large scale processing plant

A.2.1.4. Distribution/exporters

More than 90% of Haiti’s cocoa beans are sold to exporters by intermediaries, associations and cooperatives of growers. Export companies sell conventional dried cocoa beans to international brokers, cocoa houses and direct users. 96% of cocoa exported by Haiti is unfermented and shipped by maritime cargo as bulk beans from Port-au-Prince and Cap-Haitian port. Les Chocolateries Askanya exports 40% of its chocolate bars to the US via DHL Express. Haiti cocoa industry has a network of cooperatives and small and large exporters with a strong desire to expand their business and access new markets. Major constraints at this stage of the value chain are:

- Low and inconsistent production volumes of cocoa
- Lack of access of new exporters to consistent markets
- Access of exporters to growth capital

Table A.6 Cocoa export cooperatives and companies

COOPERATIVE/COMPANY	MAIN SOURCING AREA	TYPE OF PRODUCTS	EXPORT CAPACITY
Etablissements Novella	North	Conventional	2400
FECANNO	North	Fair trade, organic Fermented	160

Geo-Wiener	Southwest	Conventional	1850
Kaleos	Southwest	Bio, Fair trade	60
J L Industries	North	Conventional	25
Produits des Iles (PISA)	North	Organic fermented	100
Société Générale de Production Agro-industrielle S.A. (SOGEPA S.A.)	Southwest	Conventional	240
Tropical Trading S.A.	Southwest, North	Conventional	200

Table A.7 Cocoa beans exports by destination in metric tons

Cocoa beans, whole or broken, raw or roasted exported in Ton				
	2013	2014	2015	Jan-Sept 2016
UNITED STATES	378.03	1,711.74	1,463.75	244.82
ITALY	163.00	532.40	359.94	347.01
FRANCE		213.66	175.71	1,010.51
ALGERIA		622.50	448.20	
SWAZILAND	820.00	205.00		
NETHERLANDS	405.57	174.48	343.82	63
OTHER COUNTRIES	88.20	436.82	1,017.83	106.28
TOTAL	1,854.80	3,896.60	3,809.26	1,771.63

Source: Administration Générale des Douanes (Customs Office)

Table A.8 Percentage of cocoa beans export by destination

Cocoa beans, whole or broken, raw or roasted exported				
	2013	2014	2015	2016
UNITED STATES	20%	44%	38%	14%
ITALY	9%	14%	9%	20%
FRANCE	0%	5%	5%	57%
ALGERIA	0%	16%	12%	0%
SWAZILAND	44%	5%	0%	0%
NETHERLANDS	22%	4%	9%	4%
OTHER COUNTRIES	5%	11%	27%	6%
TOTAL	100%	100%	100%	100%

Source: Administration Générale des Douanes (Customs Office)

NB The figures for Swaziland are probably a reexport.

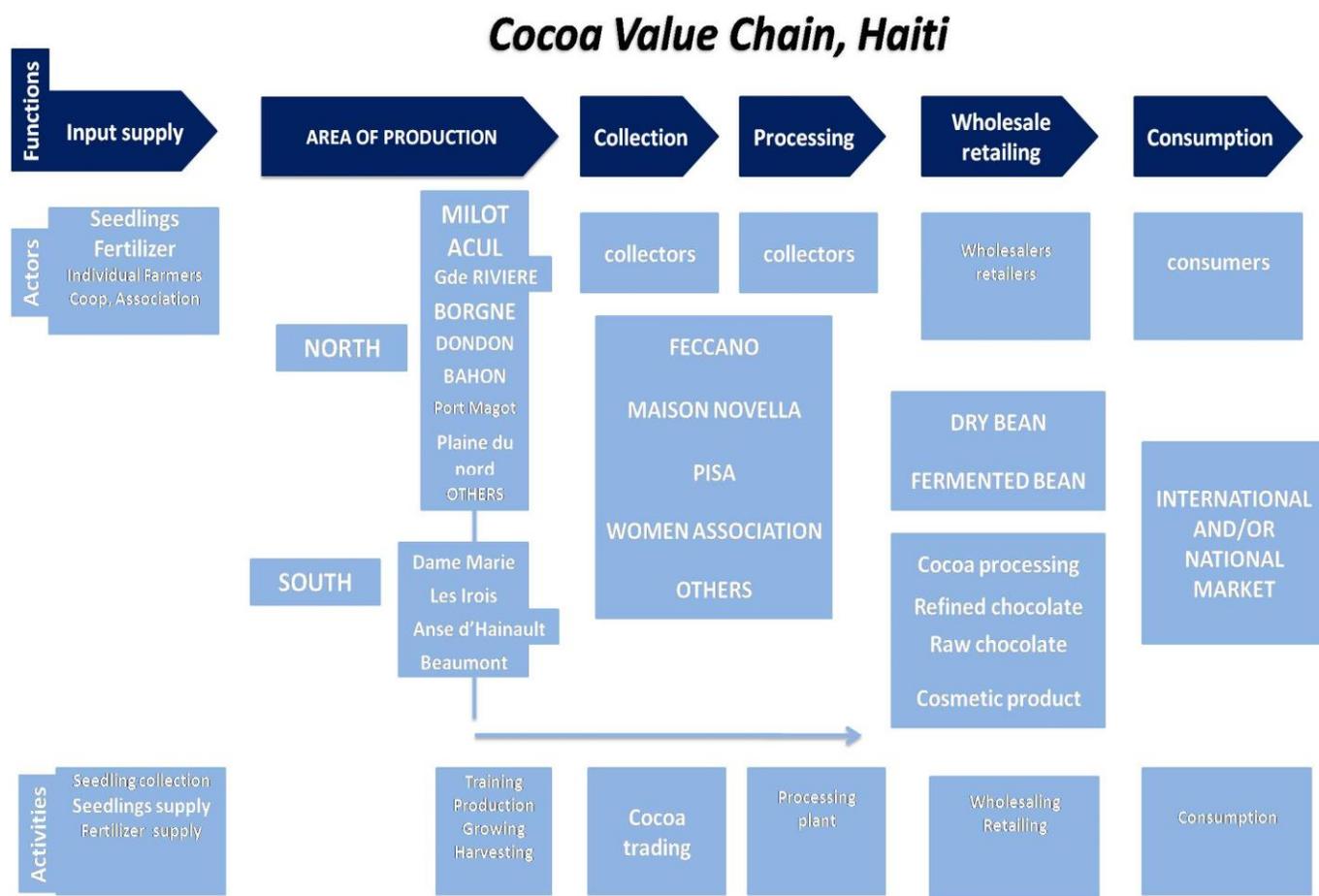


Figure A.3 Haiti cocoa value chain

A.2.3. SWOT analysis of the cocoa value chain

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ Product quality due to varieties, terroir and organic production by default ✓ Increase demand for Haiti's cocoa and good perception of international market ✓ New generation of skilled entrepreneurs ✓ Long standing experience of large exporters ✓ Country insularity preventing diseases and infestation ✓ Intercropping possibility with valued crops and trees for reforestation ✓ Emergence and strengthening of cooperatives, associations of producers and processing SMEs 	<ul style="list-style-type: none"> ✓ Lack of national strategy, policy and action plan resulting in inappropriate interventions of Government, some NGOs and international cooperation agencies ✓ Poor organization and innovation capacities, lack of inter-firm cooperation and trust among actors ✓ Low yields per ha, low quality and quantity of beans due to aged cocoa trees, poor production techniques and harvest processing ✓ Lack of appropriate financial products ✓ Difficulties to access to land and land issues resulting in small size and scattering of cocoa plots ✓ Vulnerability to natural disasters and climate change ✓ Poor access of growers and small processors to modern technologies and information on international markets resulting in poor quality and lack of interest of children farmers ✓ Poor or lack of infrastructure to access production zones ✓ Illegal export of cocoa to the Dominican Republic
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Institutionalization of sector with the creation of GENKAKAO – (Enterprises and cooperatives association) ✓ Valued organic and fair trade markets, strong potential for these markets and success stories ✓ Export current prices ✓ Decrease of world supply ✓ Technology for traceability ✓ Haiti working to be a member of ICCO ✓ Agriculture top priority of Haiti Government 	<ul style="list-style-type: none"> ✓ Natural disasters destroying cocoa trees and creating rural exodus ✓ Tendency to use chemical products ✓ Premature harvest due to economic precarity of growers ✓ Fluctuations of prices on the international market ✓ Political instability and insecurity ✓ Entry of new exporters from other countries in the global market ✓ Unfair competition of cocoa informal trade with the Dominican Republic

✓ More interest of international donors and cooperation agencies in the sector	
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A.2.4. Enablers and drivers

According to Haiti’s Government National Strategy of Agricultural Development (2010-2025), the cocoa value chain is considered of national interest and included as a priority sector in national policy for agriculture products. There is however, there is no national strategy and policy for the cocoa sector. Different public institutions have major role to play in the sector revitalization:

- Ministry of Agriculture, of Natural Resources and Rural Development (Production, rural infrastructure, rural credit, research and development (R & D), quality control)
- Ministry of Commerce and Industry (Promotion, Export, SMEs development, norms and standards)
- Ministry of Environment (Reforestation, natural disasters risks mitigation)
- Ministry of Tourism (Agri-tourism, cocoa trail)
- National Council for Cooperatives (Cooperatives promotion, registration, regulation and capacity building)
- Investment Facilitation Center (Facilitation of local and international direct investments and investments of the Diaspora)
- Local authorities of production zones (Access to land facilitation, rural roads, natural disasters risks mitigation)

At the request of Haiti’s Ministry of Agriculture, the main multilateral and bilateral donors such as the Inter-American Development Bank, the World Bank and USAID are supporting a range of programs to support the cocoa industry. Some NGOs are also running programs to strengthen the cocoa sector. The key projects are listed below:

DONORS AND/OR EXECUTING AGENCIES	PROJECT DESCRIPTION
Agronomes & Vétérinaires Sans Frontières (AVSF) with support of the Ethiquable cooperative; the Doen, Progresso, and Solidaridad foundations (from the Netherlands); the French	The project goal is to increase smallholder farmers’ families income by strengthening cocoa organization capacity to market their products. Project main focuses are: improving production quality; building commercialization capacities of FECCANO and its members/cooperative; structuring FECCANO and its members. Through FECCANO, AVSF supports 2,000 cocoa producers from eight different cooperatives members of

<p>Development Agency; and the General Council of the Hauts-de-Seine department</p>	<p>the Federation. It has helped open four cocoa-fermentation facilities as well as a center for collecting and conditioning the cocoa. AVSF has trained the producers in production techniques and cocoa beans fermentation and has helped them obtain "fair-trade" and "organic" certification and ensure that they adhere to the standards set forth by these certifications. AVSF has contributed to build the Federation's technical and commercial capacities and provide permanent managerial and administrative training for leaders and managers.</p> <p>http://www.avsf.org/en/posts/1037/full/High-quality fair-trade cocoa in Haiti's Nord department</p>
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<p>Inter-American Development Bank (IDB)</p> <p><i>HA-M1049: Creating Alliances in Cocoa for Improved Access and Organization in Haiti</i></p>	<p>The project, a 3-year, \$5 million grant is executed by Catholic Relief Services in the Southwest and Lutheran World Relief in the North. Its goal is to improve the competitiveness of small scale cocoa producers in Haiti and promote their sustainable inclusion in high value agricultural value chains. It tackles some of the toughest challenges in the cocoa market: low production volumes, poor quality due to inadequate post-harvest processing, and fragile farmer cooperatives. It directly targets 7,000 small farmers and cooperatives, – 4,000 farmers and six cooperatives in Grand’Anse and 3,000 farmers and one federation of cooperatives in the North department – strengthening their link to the value chain. The project supports nearly 35% of all Haitian cocoa producers.</p> <p>http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-M10499</p>
<p>World Bank and the Global Agriculture and Food Security Program (GAFSP)</p>	<p>This project Transferring Technology to Farmers Project (PTTA) is executed by CECI, a Canadian NGO and its partners SOCODEVI et UPA-DI. Its goal is to improve agriculture revenues and food security for small-scale farmers in the Nord and Nord-Est Departments. It includes two (2) major components: Promoting the adoption of better, sustainable agriculture technology; strengthening the National Seedbank Service. This project supports 1532 cocoa farmers working on 657 ha in Milot and Acul du Nord inby issuing them direct financial incentives in the form of vouchers to purchase goods and services needed to adopt the technical packages.</p> <p>http://www.gafspfund.org/sites/gafspfund.org/files/Documents/PTTA%20IE%20Concept%20Note_final.pdf</p>
<p>USAID / DAI – Feed the Future AVANSE</p>	<p>This five-year (April 2013 - March 2018) USAID project, provides farmers groups training in agricultural methods and soil conservation, technical assistance in trading and marketing their products and also facilitate their access to high-quality seeds and seedlings. The project developed a partnership with Etablissements Novella and facilitates business linkages improvement between the companies and farmers organized in sellers’ groups. As of October 2016, 3547 farmers were organized in 233 sellers groups. Project goal is to reach 10,000 cocoa growers and double their incomes.</p> <p>https://www.usaid.gov/results-data/success-stories/granny-</p>

	power-elderly-female-cacao-farmers-band-together-improve-incomes
USAID/PADF - LEAD	The Leveraging Effective Application of Direct Investments (LEAD) project aims to attract investment in Haitian commercial enterprises, particularly those with potential for growth, income generation, and job creation, as well as to increase the development impact of remittances invested in community-level social enterprises. This program has provided matching grants to PISA and SODEPA.

A.3. STRATEGY AND POLICY TO UPGRADE THE VALUE CHAIN

There is great potential for positioning Haiti as a supplier of organic and fine flavor cocoa for niche markets. There is a need for public private partnerships including international donors and leading global cocoa and chocolate companies for significant investments to upgrade Haiti's cocoa industry. Learning from best practices and lessons of past and current projects and from other countries particularly Dominican Republic and Ecuador, the following programmatic focus areas could be considered: institutional capacity building, increased productivity, improved quality and increased opportunities for local value addition.

PRIORITIES	ILLUSTRATIVE STRATEGIES AND ACTIVITIES
1- Institutional Capacities Building	
Value chain coordination and strengthening	<ul style="list-style-type: none"> • Establishment of a public private entity led by the Ministry of Agriculture and Ministry of Commerce and Industry • Construction of a share vision for the Haitian cocoa sector • Revision of national cocoa strategic plan and formulation of action plans including a 10 year budget to organize and revive industry • Integration of Haiti to the International Cocoa Organization (ICCO). • Promotion and negotiation of 10 year budget with 2-3 world's leading suppliers of high quality chocolate and

	cocoa products
Capacity building of Government to support sector	<ul style="list-style-type: none"> • Establishment of a cocoa research center at the University of Limonade in the North • Creation of cocoa desks with qualified staff in Government bodies involved in cocoa industry
Institutional capacity building industry private actors	<ul style="list-style-type: none"> • Strengthening of cooperative movement <ul style="list-style-type: none"> ○ Creation of a federation of cocoa cooperatives in the Southwest ○ Creation of a national confederation of cocoa cooperatives ○ Creation of new cooperatives in production zones • Strengthening and establishment of producers associations gathering small groups of 15-20 farmers to sell directly to exporters • Organizational development of GENKAKAWO
2- Increased productivity	
Regeneration and expansion of cocoa plantations	<ul style="list-style-type: none"> • Researches for best higher yielding Criollo varieties (Technical cooperation of Dominican Republic, Trinidad and Venezuela) • Primary focus restoration and increase of Southwest growers supplies • Regeneration of Northern's aging cocoa trees, expansion and intensification of AVFS, USAID, IDB funded programs best practices in production • Intensification of yam, banana and ginger production in cocoa production zones • Mapping of new potential production zones and facilitation of access to land • Infrastructure to access existing production zones and potential production zones in Northwest, Northeast, South and Southeast • Development of cocoa plantation in the Citadelle National Park in partnership with local authorities and smallholder farmers
Provision of training and technical assistance in improved cultural	<ul style="list-style-type: none"> • Capitalization on current projects best practices • Uses of community radios and mobile phone for training and technical assistance • Facilitation of access to land and resources to a network of young agronomists and agriculture technicians to develop large scale cocoa nurseries businesses, clonage centers and experimental plantation – In return they will provide

	training and technical assistance to farmers
Access to affordable credit	<ul style="list-style-type: none"> • Creation by Government of a guarantee fund and specific financial products adapted to smallholder farmers and large scale plantations including pre-harvest financing • Facilitation of business plan development and access to credit to women and young entrepreneurs particularly those related to speculators to professionalize and modernize industry and develop production SMEs in the sector
3. Improved quality	
Improvement of harvest and post harvest handling	<ul style="list-style-type: none"> • Training in efficient post harvest handling and provision of harvest tool • Creation of collection and/or buying centers for cooperatives and associations of producers for large supplies to exporters and processors • Investment in roads to access production zones • Facilitation of access to affordable credit to speculators and cooperatives
Provision of formal and informal enforcement mechanisms to ensure compliance with quality norms and standards for cocoa exports	<ul style="list-style-type: none"> • Build Ministry of Agriculture and Ministry of Commerce and Industry capacities to establish national quality standards for cocoa beans exports • Build customs administration capacities to adopt international nomenclature for organic products
4. Increased Opportunities for Local Value Addition	
Human resources development	<ul style="list-style-type: none"> • Scholarship programs competition for children of cocoa farmers and speculators for agronomy, biology and entrepreneurship studies • Special programs for job placement and business start up for youth graduated from universities in Haiti, Dominican Republic and Cuba in the cocoa industry
Improved raw materials, equipment and technology	<ul style="list-style-type: none"> • Affordable and improved planting materials for smallholder farmers • Organic certification capacities of members of associations and cooperatives of producers • Facilitation of fermentation facilities for cooperatives, association of producers and SMEs • Affordable credit to micro and small processors to improve equipment and technology • Training of growers and processors in industry norms and

	<p>standards</p> <ul style="list-style-type: none"> • Access to large companies to financing to invest in large scale processing plant to meet international market demand and requirements
Access to valued markets	<ul style="list-style-type: none"> • Improving market linkages for processed cocoa for micro- and small processors to reach larger markets • Development of a branding and marketing to position Haiti's cocoa on the global market • Integration of Haitian exporters to regional and international networks • Promotion of investment of 1-2 leading suppliers of high quality chocolate and cocoa products in processing plant

APPENDIX B. HAITI ORGANIC BANANA VALUE CHAIN

B.1. HISTORY OF HAITI'S BANANA EXPORTS

Seventy years ago, Haiti was a large banana exporter. In 1935, Haiti's Government granted an exclusive concession to the US based Standard Fruit and Steamship Company to grow and purchase bananas for export. The company promoted banana production and established centralized plantation systems mostly in Artibonite. The company exported 2,000,000 stems of bananas in 1938-1939 primarily to the United States. In 1946 the company withdrew from Haiti because of problems of quality control and the withdrawal of the monopoly concession. This was Haiti's only experience of foreign ownership in the banana industry.

70 years later in 2013, Agri-Success, SA, a majority owned Haitian subsidiary of Florida-based Haiti Originale LLC, set up a sustainable high-quality banana production in Leogane. This is a private public partnership between Haiti Originale, the Haitian Ministry of Agriculture (MARNDR), and the Inter-American Development Bank (IDB). Dole Food Company, Inc. has also acted as a technical adviser to the project.

<http://www.fruitnet.com/eurofruit/article/159186/dole-helps-revive-haiti-banana-business>

In September 2015, Agritrans S.A. another large scale banana project was launched exporting its organic bananas to Germany. Agritrans is an agricultural « free zone » and according to the Haiti legislation on free zones will export 70% of its production and sell 30% on the local market. The company based in Trou du Nord, Northeastern Haiti has planted 2 million seedlings on a thousand hectares of land and projects to produce 60,000 tons annually.

Table B.1 *Haiti's banana exports*

BANANA, EXPORTED IN KG			
DESTINATION	2015	2016	TOTAL
GERMANY		169,720	169,720
UNITED STATES	18,000		18,000
TOTAL	18,000	169,720	187,720

Source: *Administration Générale des Douanes (Customs Office)*

B.2- MAPPING AND ANALYSIS OF THE BANANA VALUE CHAIN

B.2.1. Supply chain and actors

There are four categories of actors involved in the conventional banana supply chain in Haiti:

- Growers/planters

- Traders
- Services providers
- Processors

B.2.1.1. Production process and growers

- Production areas and systems

Plantain and banana production in Haiti is widespread. Production in the 90’s was 600,000 TM, dropping to 300,000 in the early 200s’ because of the world-wide epidemic of a fungal disease called Black Sigatoka. It has expanded again to around 500,000 in 2014.

Table B.2 Banana production in Haiti (2010-2014)

Data	2010	2011	2012	2013	2014
Area harvested in ha	55466	59853	64597	69335	76279
Production TM	365843	394729	425957	457145	502860

Source : FAO STAT

Three varieties of banana are cultivated in Haiti:

- Plantain (French plantain) – cooking banana - 60%
- Banana (Cavendish) – dessert banana – 35%
- Bluggoe banana known as Poban banana – 5%

The main production area is Archahaie near Port-au-Prince with 3,800 ha producing 60,000 metric tons. Yield is 7 to 18 TM per hectare depending on production zones and varieties. In Archahaie, banana is grown in crop rotation with plantain. Banana/plantain is grown in monoculture plantations or associated with other crops. Banana is cultivated as a commercial shade crop for coffee and cocoa. Banana plantations are also intercropped with yams, sweet potatoes, cassava, maize, beans and other vegetables to exploit maximum income per plot. Intercropping of bananas with other crops is also a soil fertility improvement effort. The following table presents main production areas where banana is the dominant culture in crop rotation or intercropping.

Table B.3 Main banana and plantain production areas

Municipalities	Department
Archahaie	West
Grande Rivière du Nord	North
Jean-Rabel – Trois Rivières	Northwest
Léogane	West
Petit Goave	West

- Activities/Functions

Major activities in traditional banana and plantain production are:

- Land preparation
- Planting
- Irrigation
- Cultivation
- Scouting
- Pesticides application
- Harvest

- Categories of growers

A large percentage of the Haitian population is involved in plantain and banana production, which are major staples of the population diet. More than 200,000 farmers grow banana on more than 100,000 ha. Farmers are often organized in associations and develop partnerships with the Ministry of Agriculture for irrigation system management. They are divided into seven categories.

Table B.4 Categories of banana producers

Category	Land Size	Land tenure
Large Enterprise	1000	Leasing of State
Medium Enterprise	100 – 500	Tenant farming, leasing of State
Small Enterprise	25 – 50	Tenant farming, share farming, leasing of State
Large scale farmer	10-15	Tenant farming, share farming, leasing of State
Medium scale farmer	5- 9	Tenant farming, share farming, leasing of State
Small Scale farmer	1-4	Inheritance, usufruct, share farming
Micro	¼ - 1	Inheritance, usufruct

Other actors in the production process actors in the production process are workers/laborers, agricultural machines operators, members of associations or individuals selling their services and landowners residing in major cities or abroad.

B.2.1.2. Commercialization/Traders

- Vendors, mostly women divided in three groups: Wives of producers, local vendors and urban vendors
- Urban wholesalers
- Retailers

B.2.1.3. Services providers

- Collectors
- Transporters
- Owners of public markets stalls

B.2.1.4. Value added production items

- Fried banana processors

Street vendors, restaurants and hotels sell fried plantain bananas to their clients. Fried plantain is part of Haiti national dishes.

- Banana craft and furniture

Ace Iron Craft a handicraft company supported by Caribbean Export bi-national program produces home décor banana products. This company before the international trade embargo used to be large exporter of banana baskets sourcing from over 1000 artisans in Archahaie. More recently a renowned banana master artisan from Port-au-Prince has moved to Trou du Nord to produce banana craft products for the Dominican market. A non-profit organization, in Cabaret near Port-au-Prince and an artisan who passed away used to produce banana paper.

- Banana flour

A few informal micro enterprises and women associations produce banana flour. Two formal small enterprises Les Farines Quisqueya with 30 employees and SOCRAPAL S.A. with 15 employees produce flour with carrots, potatoes, maize and banana. Les Farines Quisqueya sells its packaged products in supermarkets and in bulk to the National Program for School Canteens (PNCS). Another micro enterprise Loralus Production Locale also sells banana and other crops flour to supermarkets. SOCRAPAL S.A. sells bags of flour to humanitarian organizations. Banana flour is prepared from mature green bananas, which have high starch content. It can be used as nutritious adjuvant in several food preparations like bread, cakes, biscuits, health drink and baby food formulations. It is commonly used as porridge for children and elders.

- Banana chips

Banana chips are produced by informal micro entrepreneurs and sold by street and school vendors. A few formal micro enterprises produce well packaged banana chips sold in supermarkets.

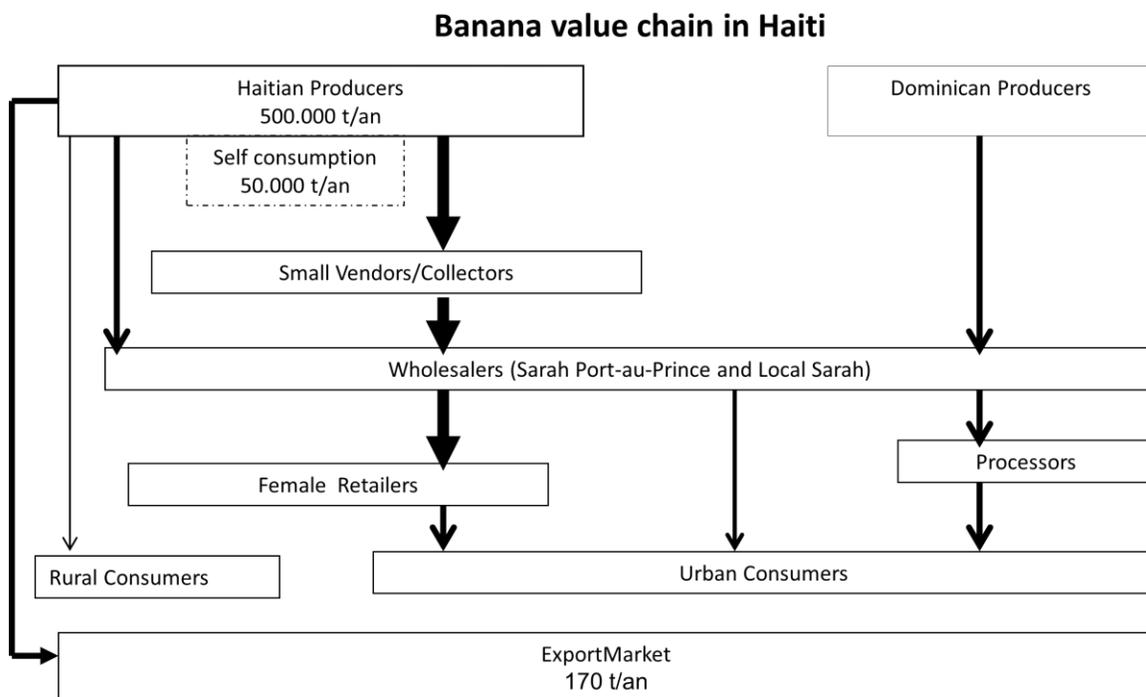


Figure B.1 Banana/plantain value chain in Haiti

B.3. POLICIES AND STRATEGIES TO DEVELOP THE ORGANIC BANANA VALUE CHAIN IN HAITI

B.3.1. Organic banana value chain opportunities and challenges

OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> ✓ Priority sector for Haitian Government and new political leadership ✓ Tradition of cultivation of banana and plantain ✓ New investments and drivers in the value chain in Leogane and Northern region ✓ Interest of Northern youth educated in the DR ✓ Growing international market ✓ Preferential trade agreement with Europe, Canada and USA ✓ Land and labor availability ✓ Intercropping with cocoa, hot pepper and other valued crops 	<ul style="list-style-type: none"> ✓ Access to tailored financing ✓ Access to land and land security ✓ Vulnerability to diseases particularly Sigatora and ✓ Small scale of widespread plantations ✓ Lack of knowledge of international market norms, standards and regulations ✓ High demand and prices on local market ✓ Vulnerability to natural disasters and climate change ✓ Lack of regional shipping facilities for refrigerated products ✓ Political instability and insecurity

<ul style="list-style-type: none"> ✓ Technology transfer available in the DR ✓ Current negotiations for joint venture between Haiti producers and DR exporters ✓ Increase number of byproducts out of banana and banana organic waste 	
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B.3.2. Development of a Northern organic banana cluster

B.3.2.1. Opportunities for Northern organic banana cluster development

There is great potential for positioning Haiti as a supplier of organic banana for niche markets. Northern Haiti should be selected as a priority zones for the development of an organic banana cluster because of a first public private partnership for organic banana export in Trou du Nord near the border, the proximity with the Dominican Republic, first world exporter of organic banana and availability of land, labor and qualified young professionals which higher education in entrepreneurship, agriculture and others discipline from Dominican Republic universities. 40,000 TM of banana is produced in the Northern region. Major production areas are:

Table B.5 Banana production areas in the Northern region

Department	Municipalities
North	Acul du nord, Plaine du Nord, Limbe, Bas limbe, Port margot, Quartier Morin, St Raphael
Northeast	Limonade, Mont Organise, Carice, St Suzanne, Vallières, Mombrun crochu
Northwest	Jean-Rabel, Chansolme

B.3.2.2. Enablers and drivers

- Public institutions and international partners

Ministry of Agriculture, Natural Resources and Rural Development (MARNDR)

The Ministry of Agriculture efforts to strengthen the banana industry in Northern Haiti are supported by international partners particularly USAID and the World Bank. Programs

supported by these international partners focus on increasing production capacity and productivity of banana smallholder farmers and small and medium bananas producers.

Fonds de Développement Industriel (FDI)

The Fonds de Développement Industriel (FDI) has provided a \$ 6 million loan to Agritrans S.A. The Bank of the Republic of Haiti (BRH) has signed a Memorandum of Understanding with FDI and SOFIHDES to facilitate investment in the agricultural sectors, in free zones and export-oriented production activities.

USAID/DAI – Feed the Future AVANSE

AVANSE , a five year (April 2013- March 2018) USAID funded program contributing to the development of the banana supply chain in northern Haiti, with the objective of increasing sustainable employment opportunities, food security and export revenues for small and medium size farmers. AVANSE provides technical assistance to banana/plantains farmers for two years and focuses on:

- Support to banana farmers associations to set up good practices, before planting, notably trimming suckers.
- Introduction and application of organic matter (manure and compost) and chemical fertilizer to have healthy, stronger and more productive plants Use of biological produce to control nematodes.
- Promotion of “Plantes Issues de Fragments” (PIF) propagation technique in microenterprises.

AVANSE is looking at the feasibility of setting up a tissue culture lab in the North Corridor. It provides support to the Union des Producteurs de Bananes d’Haiti (UPBH), an association of banana producer including a prominent Haitian entrepreneur through an in-kind grant to enable the establishment of a 50 hectare demonstration banana farm in Limonade.

1 World Bank and the Global Agriculture and Food Security Program (GAFSP)

The PTTA project support banana farmers in the Northern region. It uses an innovative system of “smart subsidies” (for fertilizer, seeds, labor, etc.) to assist farmers in adopting new agricultural technologies. Under this scheme, a farmer is eligible to receive subsidies for only a single season;

- Drivers and potential investors

Agritrans S.A.

Only one large scale company Agritrans S.A. produces organic banana for export on 1000 ha certified farm cultivated by 3000 farmers gathered in eight associations organized in a federation Peasant Federation of Pizans (FEPAP). Investors are 80% of shareholders, and the farmers' associations make up 20%. Farmers are involved in this company both as shareholders entitled to dividends and as employees. Agritrans S.A. is the result of a public private partnership between Haiti's Government and local investors. The Government provided the land through a leasing agreement and a \$ 6 million loan through the Industrial Development Fund (IDF) for this project, whose total cost is \$27 million. Other funding was provided by stakeholders. Agritrans S.A. seeds are sourced from Costa Rica. Technical assistance and technology transfer was provided by Dominican experts. <https://www.youtube.com/watch?v=c-326SvOjME>

Union des Producteurs de Banane d'Haiti (UPBH)/ Santa Maria

A Haitian prominent entrepreneur from Port-au-Prince is investing in a banana production company on 165 ha in Limonade near Cap-Haitian. This company, Santa Maria will be developing a business partnership with Union des Producteurs de Bananes d'Haiti (UPBH). Currently, AVANSE/USAID program through an in-kind grant is supporting this partnership and has provided with the appropriate infrastructure and equipment to grow, harvest, clean, sort and pack bananas. Union des Producteurs de Bananes d'Haiti (UPBH) will sell its banana production to Grupo Banamiel S.A, a large scale Dominican banana export company. Banamiel export banana to United Kingdom through a partnership with *WIBDECO*, a company from the Windward Islands. With the decline of banana production in these islands including Dominica, Sainte Lucie and Saint Vincent, *WIBDECO* buy its banana from the Dominican Republic.

Another new Haitian company REPLADA with a State leasing of 300 ha in Trou du Nord is exploring business linkages development with Plantation del Norte, a Dominican large scale banana exporter.

B.4. RECOMMENDATIONS FOR BI-NATIONAL COOPERATION IN THE ORGANIC BANANA INDUSTRY

Learning from best practices and lessons of Agritrans S.A. and Union des Producteurs de Bananes d'Haiti (UPBH)/Santa Maria and capitalizing on the interest of both Haitian investors and Dominican exporters to develop joint ventures for organic banana export, a bi-national market drive approach could accelerate the development of an organic banana industry in Haiti. The following programmatic focus areas could be considered:

- Cooperative agreement between Haiti and Dominican Republic Governments to develop a Northern organic banana cluster consisting of the major actors in the banana industries, including producer groups, current and potential new exporters, input suppliers, and buyers in the US and Europe.
- Promotion and facilitation of investments in Haiti in banana plantations through public private partnerships and alliances between large producers and smallholder farmers associations and cooperatives.
- Possible farming contracts between Haitian producers and Dominican exporting companies to produce and pack banana coming from the Haitian production border areas such as the North, Northeast and Central Plateau.
- Trial shipments and eventually expansion of the trade of Haitian Banana to Europe through joint ventures with the Dominican agribusiness and transport sectors.
- Establishment of a uniform system of grades and standards governing the harvesting and marketing of banana, with a view toward maintaining high quality and avoiding rejections of banana shipments due to under and over-ripening issues.
- Development of an island-wide fair trade and/or organic banana “brand” with joint marketing in the US and Europe with supplies coming in from both Haiti and the DR.
- Joint collaboration on research & development, post harvest improvement and diseases control in the banana sector to improve productivity, reduce post harvest losses, and expand markets locally and internationally.
- Development of a bi-national export readiness initiative to support innovation of SMEs in banana by products:
 - Training and technical assistance to artisans, designers and SMEs involved in production of banana craft, paper and furniture for the Caribbean hotel and tourism market and other niche markets in products refinement, innovation, branding and marketing.
 - Assistance to SMEs and start ups for innovation of valued added banana products for local market and exports such as:

Banana flour – a gluten free alternative to wheat which can be used in bread and bakery products made with off grade bananas



Banana Puree – This is the item which is least known about but which is of possibly largest growth potential. Banana puree and particularly organic banana puree is one of the most important components of the infant food industry and all the world’s largest baby food manufacturers including Nestle, Gerbers, Heinz, Danone etc.. Infant foods are a \$ 50 billion industry and the banana puree market is a multi-billion dollar component of this industry. Germany and Switzerland are the leading importers of particularly organic banana puree. It is likely that many of the lower grade organic bananas sold in Germany are going to produce baby food.



Banana puree is also the key component to the manufacture of smoothies. Indeed Jamaica Banana’s transformed their business model more than 25 years ago when they began to invest in the manufacture of smoothies in the United Kingdom.

Other plantains – Green bananas, red bananas and other speciality products are increasingly finding their way into European and North America cuisine. They are high value health food items

Banana chips and dried banana – A range of dehydrated banana products are found in health food stores and health sections of regular supermarkets. Many small producers exist in the Caribbean and also Central America.



Other speciality Banana products – sauces and ketchups and liqueurs. One of the most successful products produced by Baron Foods of St Lucia is banana ketchup which has multi-million regional sales.



Banana concentrate essence and flavouring – this is used in ice cream and other food flavourings although there is a large quantity of synthetic banana essence also on the market.



Banana fibre products: This is widely produced in the Philippines and Thailand and other Asian banana producing countries. A whole host of banana fibre gift items and clothing is produced from the fibres. It is very popular in Japan.



Banana Paper

The banana fibre can be processed into paper which is a very attractive tourist item



Banana furniture

Ace Iron Craft, an enterprise supported by CEDA bi-national program has designed a line of banana furniture for the local and export market.



APPENDIX C. HAITI ESSENTIAL OILS AND NATURAL COSMETICS VALUE CHAIN

C.1. INDUSTRY BACKGROUND

In Haiti, essential oils is the dominant product of this value chain also known as Fragrances & Flavors. Over the last fifteen years a tiny number of micro and small enterprises mostly women owned have invested in natural cosmetics production and aromatherapy products using local and imported essential oils and other vegetal oils. The essential oils industry was introduced in Haiti in the 30s' by a French entrepreneur. Petitgrain² oil extracted from the leaves and green twigs of the bitter orange trees was the only essential oil exported during the 30'. In the early 40s', Haiti started exporting neroli, lime, basilica, lemon, vetiver³ and amyris oils. Haitian agronomist, Louis Déjoie and his family pioneered in the fragrances and flavors industry creating sixteen distilleries throughout Haiti processing a large range of essentials oils. Louis Déjoie ran for presidency in 1957, lost and was exiled with his family. Most distilleries were destroyed or taken over by new political leadership allies. Twenty years after, in 1975, under the Duvalier administration, to better regulate and mostly control the industry including prices and foreign currencies inflow and facilitate access to the international market, a Government body was created *Office de Commercialisation des Essences Aromatiques* (Office of trading of Aromatic Essences). This Office, with an export monopoly, bought essentials oils from distillers at a fixed price, then sold them to brokers in New York and kept the profit. There were a heavy concentration of export sales to the American market through a New-York based firm Polarome, a brokerage house.

Fluctuations of prices on world market and the State monopoly contributed to the collapse of this industry. Many distilleries closed reduced the number from over 50 scattered all over the country to around 14-17 in the 2000s', concentrated almost all in Les Cayes region and focusing on only vetiver oil.

For over 40 years, Haiti's essential oils industry has been negatively impacted by national and international policies. The international trade embargo on Haiti (1991-1994) which devastated Haiti's export capacities seriously affected the essential oils industry. Haiti was one of the most important producers of lime essential oils with the US as the largest importer. The embargo decimated Haiti's lime oil industry. Amyris oils exports also declined due to material shortages in 1992, prices fluctuations and the trade embargo on Haiti. Today Haiti still exports vetiver, amyris and bitter orange oils to the USA and Europe but at a greatly reduced level. Bitter

² (*fr. Little grain*), *Citrus aurantium ssp. Amara*

³ Vetiver (*Vetiveria zizanioides* L.) is a high value essential oil crop, used as fixative in perfumery and cosmetic industries.

orange peels are also exported. Haiti was also a large exporter of honey, beeswax and turmeric all ingredients widely used in the cosmetics and herbal industry.

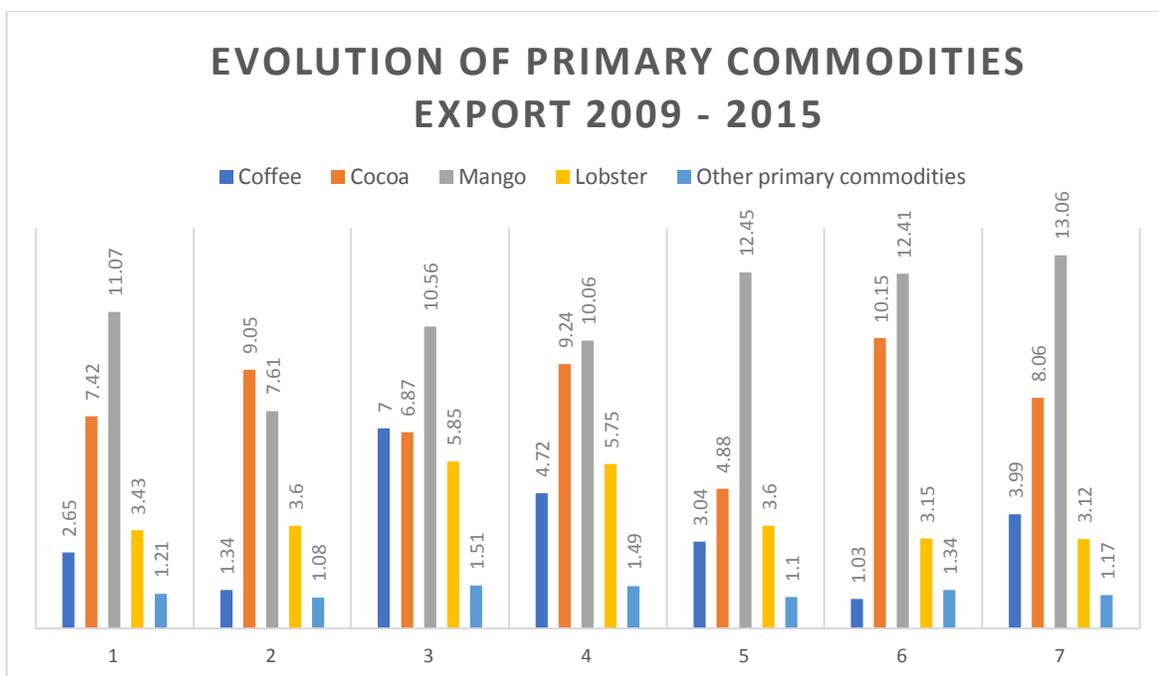
C.2. ESSENTIAL OILS IN THE HAITIAN ECONOMY

C.2.1. Driver of southern local economy

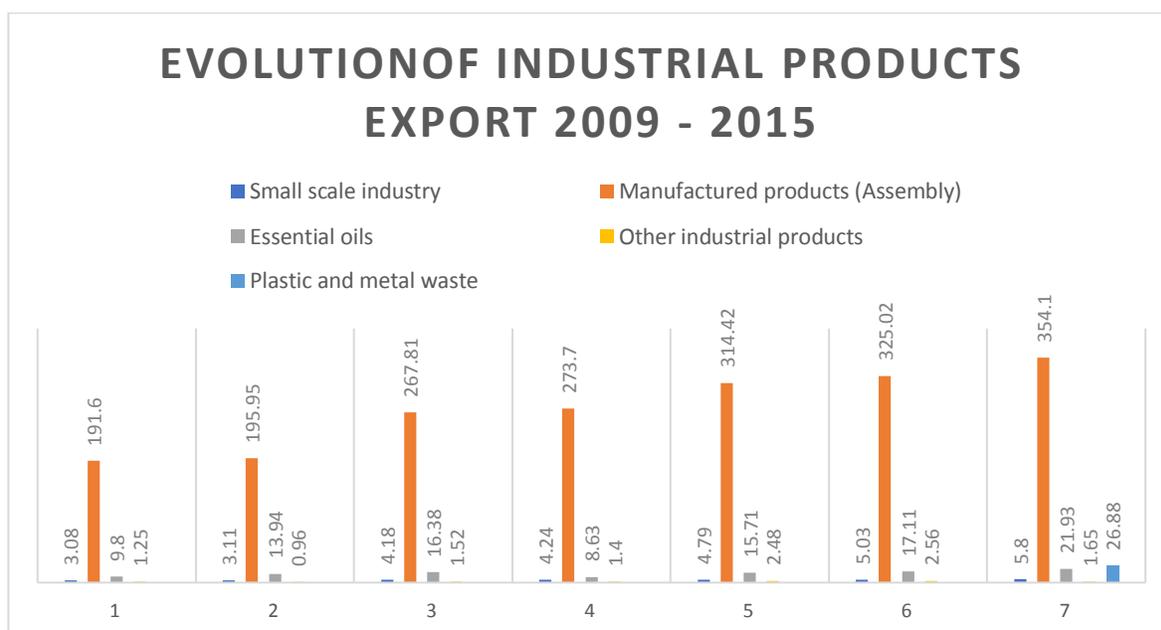
Vetiver accounts for the majority of Haiti's essential oils production and exports and is the only essential oil with a significant impact on the economy. Essential oils from bitter orange and amyris remain very small. The important concentration of vetiver crop production, sales and processing in and around Les Cayes has a significant regional impact given the lack of other economic alternatives. Vetiver is the most valuable crop in the region and this industry represents the only integrated but informal cluster in Haiti. It is the major source of employments in the southern peninsula providing a viable livelihood for more than 60,000 smallholder farmers growing and harvesting vetiver roots. In addition, several hundred workers are engaged in preparing, processing roots in collecting stations and distilleries and transportation to exporters.

C.2.2. Haiti's most valuable agro-industrial export

Essential oils extracted from vetiver and amyris are Haiti's most valuable agriculture export accounting for \$ 21,1 million dollars in 2015. Over the last sixty years, while traditional agricultural exports such as coffee, cocoa, cotton and sugar have stagnated or disappeared, the revival of essential oils exports particularly vetiver oil has been remarkable. Haiti exports 130 MT of vetiver essential oils annually about 50% of the world's supply. According to exporters, the current international price for Haiti vetiver oil ranges from \$200-\$215 per kg. The current price of 1 drum of 200 kg on the international market would be between (\$40,000 - \$43,000 Per 200 liter drum). China, Madagascar, Brazil, Paraguay and India are the other producers of vetiver, but the trade predicts that Haiti will dominate the export market for some time to come.



Source: International Economic Service of Bank of the Republic of Haiti (BRH)
 Figure C.1 Evolution of primary commodities export 2009-2015



Source: International Economic Service of Bank of the Republic of Haiti (BRH)
 Figure C.2 Evolution of primary commodities export 2009-2015

C.3- VALUE CHAIN MAPPING AND ANALYSIS

C.3.1. Essential oils supply chain and actors

C.3.1.1. Vetiver essential oil

a. Vetiver production/farmers

Majority of vetiver suppliers are concentrated in the south department particularly in rural communities of Les Cayes and Port-Salut. There are approximately 15,000 ha of vetiver in the south department yielding an average of 2 metric tons per ha. It is generally accepted that 60,000 smallholder farmers depend from vetiver for their primary income source, cultivating and harvesting small plots of land of 2-4 ha. Vetiver farmers make \$ 6 a day and when they are in cooperatives \$ 10 compared to \$ 2 a day earned by most families in Haiti's rural areas. Vetiver work is very laborious and time consuming. It involves cutting off the tall grass, digging up and removing the 2-4 meter roots. Harvesting Vetiver harvest is performed manually by planters and paid laborers between 15-18 months. But, often vetiver planters are forced to harvest earlier because of their economic needs. This results in lower cost for products and lower yield of oil for distillers. Farmers are getting organized in cooperatives. Two of the two largest exporters, Agri-Supply S.A./Frager and UNIKODE are buying vetiver roots from local cooperatives.

b. Intermediaries/Speculators

Intermediaries link the small scale farmer with the oil production factories. They can also be planters. They usually own more land than smallholders upwards of 50 hectares. They purchase vetiver upfront from planters and amass a quantity that warrants a trip by the distillers' truck. Some intermediaries have long lasting relationships with specific distillers but many simply search for the best price. If the intermediary does not have enough crops to fill a truck, he may sell vetiver collected to another intermediary. Sometimes, distillers which have dependable long lasting relationships with intermediaries lend them money to purchase vetiver roots from planters.

c. Oil extraction/processors

Vetiver oil is used in the perfume and cosmetic industry as a fixative. It is extracted from the roots steam distillation. Vetiver roots are brought to the distillery by truck then packed in large alembics to distill the roots. There are around 15 distilleries in Les Cayes region and 3 in the Port-au-Prince area. A distillery might have from 8-20 alembics producing between 0.75-4 gallons of oil. Their size and capacities vary from distillery to distillery. There is a huge gap between three leading processors/exporters and other small and growing processors. Technologies, market information, innovation and diversification of essential oils formulas,

management skills, access to financing and negotiations capacities are the key factors which position the three leading companies. Large companies are equipped with laboratories. Their oils pass an ultimate stage after extraction before exportation. When the oil contains impurities, it is purified by re-distillation, a purification process referred as rectification. To meet their clients' requirements and standards, these companies also separate or manipulate a wide range of chemical components of the essential oil through a process known as fractionation. These large companies usually develop formulations around their clients' specifications.

Hurricane Matthew effects on processors

All vetiver processing plants including large processors have been damaged by hurricane Matthew. Large enterprises are insured and repairing their facilities using more hurricane resistant construction materials. Small processors did not have any insurance coverage. The hurricane ripped off their sheet-metal roof and their equipment and materials were damaged. Hurricane damaged are estimated at \$ 30,000- \$ 50,000 by small processors.

d. Distribution/Exporters (Factories and traders)

The number of local users of Haitian essential oils is relatively small. Large factories who perform secondary processing activities export directly to international buyers. The small distillers do not export directly. They sell their oil to the bigger processing/exporting companies or traders/exporters. Only one trader/exporter has been identified, Haiti Essential Oils Co. S.A., owned by Bernard Champon. Steel drums of 55 gallons are used to ship vetiver essential oil by plane. There is no marketing and branding strategy for the industry. There is no exclusive business relationship between exporters and their clients. Three major distillers export 90% of Haiti's essential oils (Agri-Supply S.A/Frager, Caribbean Fragrances and Flavors and UNIKODE). Agri Supply S.A. / Frager is the largest vetiver essential oil exporter with a 60% share of Haiti's vetiver oil export market. France, USA and Spain are there largest markets.

Table C.1 Essential oils exports in gourdes (2013-2016)

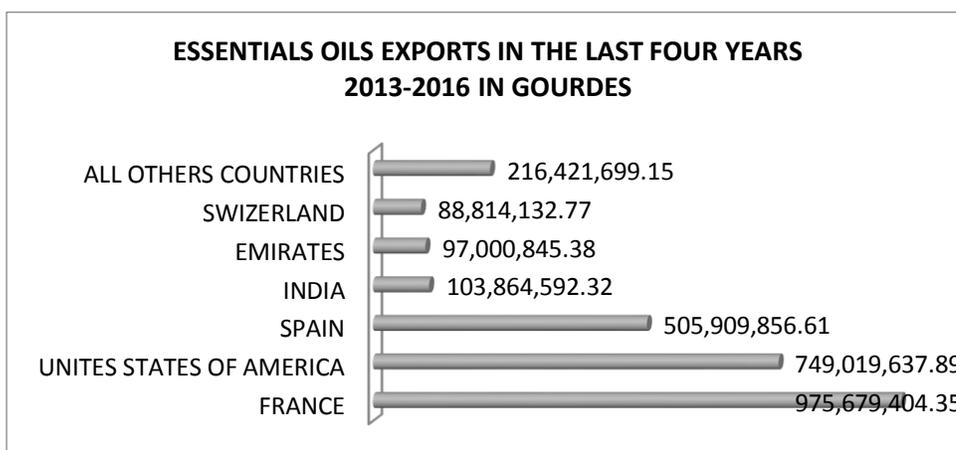
IMPORTING COUNTRY	2013	2014	2015	2016 (Jan-Sept)	TOTAL
FRANCE	36,399,007.70	326,835,459.53	385,247,409.05	227,197,528.07	975,679,404.35
UNITES STATES OF AMERICA	19,670,629.30	193,716,405.83	214,314,502.13	321,318,100.63	749,019,637.89
SPAIN	1,393,082.73	118,432,794.24	150,689,356.25	235,394,623.39	505,909,856.61
INDIA	40,005.92	16,791,179.44	26,420,621.68	60,612,785.28	103,864,592.32
EMIRATES	6,924,835.30	37,801,180.54	28,772,133.76	23,502,695.78	97,000,845.38
SWIZERLAND		88,814,132.77			88,814,132.77
ALL OTHERS COUNTRIES	5,468,280.56	74,700,750.82	85,075,691.36	51,176,976.41	216,421,699.15
TOTAL	69,895,841.51	857,091,903.17	890,519,714.23	919,202,709.56	2,736,710,168.47

Source: Administration Générale des Douanes (Customs Administration)

Table C.2 Importing countries of essential oils

IMPORTING COUNTRY	2013	2014	2015	2016 Jan-Sept
FRANCE	52%	38%	43%	25%
ETATS UNIS	28%	22%	24%	35%
ESPAGNE	1%	13%	17%	26%
INDE		1%	3%	7%
EMIRATES	9%	4%	3%	2%
SUISSE		10%		
AUTRES PAYS	10%	12%	10%	5%
TOTAL	100%	100%	100%	100%

Source: Administration Générale des Douanes (Customs Administration)

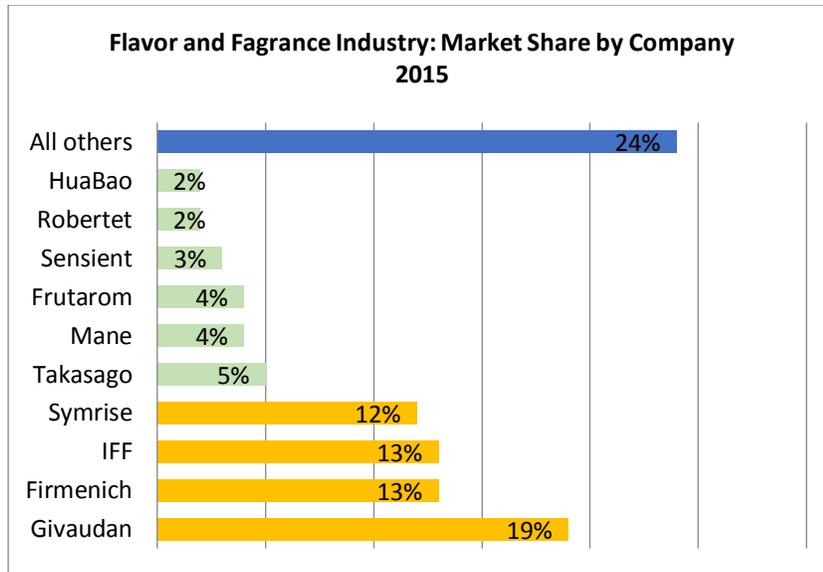


Source: Administration Générale des Douanes (Customs Administration)

Figure C. 3 Essential oils exports 2013-2016

e. Importers

The leading fragrances houses dominate import of vetiver essential oil from Haiti. Information about their respective imports is not available because of the secretive aspect of this industry. In 2016, the global flavor and fragrance market reached \$26.5 billion, and is expected to grow to over \$35 billion by 2019. This industry is concentrated in the hands of four multinational firms: Firmenich, International Flavours and Fragrance (IFF), Givaudan, and Symrise long standing buyers of Haitian vetiver. These four companies control 57% of the global F & F market.



Source: *Perfumer & Flavorist 2016*⁴

Figure C. 4 Market share by leading essential oils importers

C.3.1.2. *Amyris oil*

a. Amyris production/farmers

Amyris occurred naturally in Haiti but was over-exploited with no reproduction strategy and plan. Due to over-exploitation, difficulties of cultivation and slow growth, amyris forests and trees have disappeared over the past decades. The tree takes up to 20 years to reach maturity and the regeneration process is a spontaneous one. The collection and cutting of amyris wood was done by farmers from southeastern and northwestern regions taking a great deal of physical effort. The harvested branches and trunks were then routed to the distilleries in Gonaives, Les Cayes and Port-au-Prince. Nowadays, amyris wood is smuggled from the Dominican Republic.

b. Amyris oil extraction/processor

Amyris essential oil is often used as a substitute to the scarce and expensive sandalwood essential oil. It is extracted by two companies, Caribbean Flavors and Fragrances S.A. (CFF) and Essence Nido using the steam distillation process. Caribbean Flavors and Fragrances produce 60 tons of amyris oil per year. Before distillation, the amyris wood is dried for at least a year, ideally for two or three years. Only the main branches and the trunk are used. They are, first chipped by hand and then it is mechanically pulverized into saw dust. The distillation time for

⁴ Source: ETC Group, Haiti, essential oils & synthetic biology. October 2016

amyris is very long. It can take 48 hours and even 7 days in semi-industrial factories. Caribbean Flavours and Fragrances S.A. (CFF) has innovated a 12 hours distillation process. <https://www.youtube.com/watch?v=eVfMwvwqjjc>

c. Amyris oil distribution/Exporters

Caribbean Flavors and Fragrances S.A. (CFF) and Essence Nido are the only exporters of amyris oil in Haiti. Like vetiver essentials oil, amyris oil is shipped by plane. Caribbean Flavors and Fragrances has long standing business relationships with its clients. This company cannot fulfill their demand and does not need to have any marketing and branding strategy to attract new clients.

C.3.1.3. Bitter oranges peels and oil

a. Bitter oranges production/growers

Bitter orange also known as bigarades trees are mostly grown in the North Department in the municipalities of Ranquitte, Bahun, Grande Rivière du Nord, Pignon and St-Raphael by smallholder farmers. There are no data available on number of bitter orange trees growers. Two large companies, Guacimal S.A. and Exploitation Agricole de la Société des Produits Marnier Lapostolle Haiti⁵ grow bitter orange trees in large plantations. Guacimal S.A. owns an old abandoned plantation of 270 ha with 135 ha of limette and 135 of bitter orange in a remote rural area of Saint-Raphael in the North. Grand Marnier Lapostolle has established a bitter orange plantation of 176 ha in Cap-Haitien in 1973. This old plantation has been infested by fungal diseases and has been abandoned. It is now in a restoration process. In 2009, Grand Marnier Lapostolle has signed a long-term lease contract of 50 years with Haiti Government for a 130 ha land in Limonade and has invested in a new plantation to secure its supply chain. 23,000 of bitter orange trees will be in production by 2017-2018 creating jobs for 300 temporary workers and producing 2,000 tons of bigarades.

b. Bitter orange processing/Processors and exporters

Bitter orange is processed and exported by only two large companies, Etablissements Novella led by owners of Guacimal S.A. and Grand Marnier Lapostolle. Etablissements Novella has been a processor and exporter of bitter orange peels since 1930 and bitter orange essential oils since 1971. This company has been supplying oranges peels to Grand Marnier for three generations. It purchases, dries, cleans, grades and exports orange peels. Peels are removed in quarters to facilitate the process. The company also supplies Marie Brizard and other liquors manufacturers. It had a long-standing relationship with Rémy Cointreau until this company

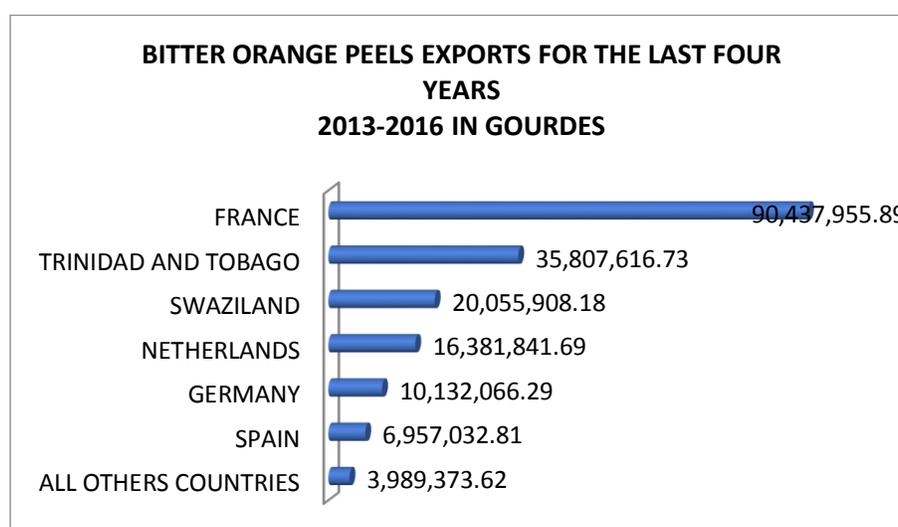
⁵ Haitian company owned by the French renowned Société des produits Marnier *Lapostolle* producer of the Grand Marnier Liqueur

stopped buying from Haiti in 2002. Grand Marnier Lapostolle is the only foreign company in the Fragrances & Flavors industry with direct investment in Haiti. The company operation in Limonade, Northern Haiti produces orange essence by refining dried peels through grating, mixing with water, and centrifuging. The final processing is done in France.

Table C.3 Bitter orange peels exports in gourdes (2013-2016)

IMPORTING COUNTRY	2013	2014	2015	2016	TOTAL
ALL OTHERS COUNTRIES	43.77	2,602,965.33	1,319,046.13	67,318.39	3,989,373.62
SPAIN		6,957,032.81			6,957,032.81
GERMANY			5,299,680.46	4,832,385.83	10,132,066.29
NETHERLANDS	14,419,123.00	1,355,616.80		607,101.89	16,381,841.69
SWAZILAND	20,055,908.18				20,055,908.18
TRINIDAD AND TOBAGO	83,400.00	19,274,355.52	4,145,481.06	12,304,380.15	35,807,616.73
FRANCE		18,458,983.71	32,671,975.10	39,306,997.08	90,437,955.89
TOTAL	34,558,474.95	48,648,954.17	43,436,182.75	57,118,183.34	183,761,795.21

Source: Administration Générale des Douanes (Customs Administration)



Source: Administration Générale des Douanes (Customs Administration)

Figure C.5 Bitter orange peels exports in gourdes (2013-2016)

Vetiver essential oil Value Chains, Haiti.

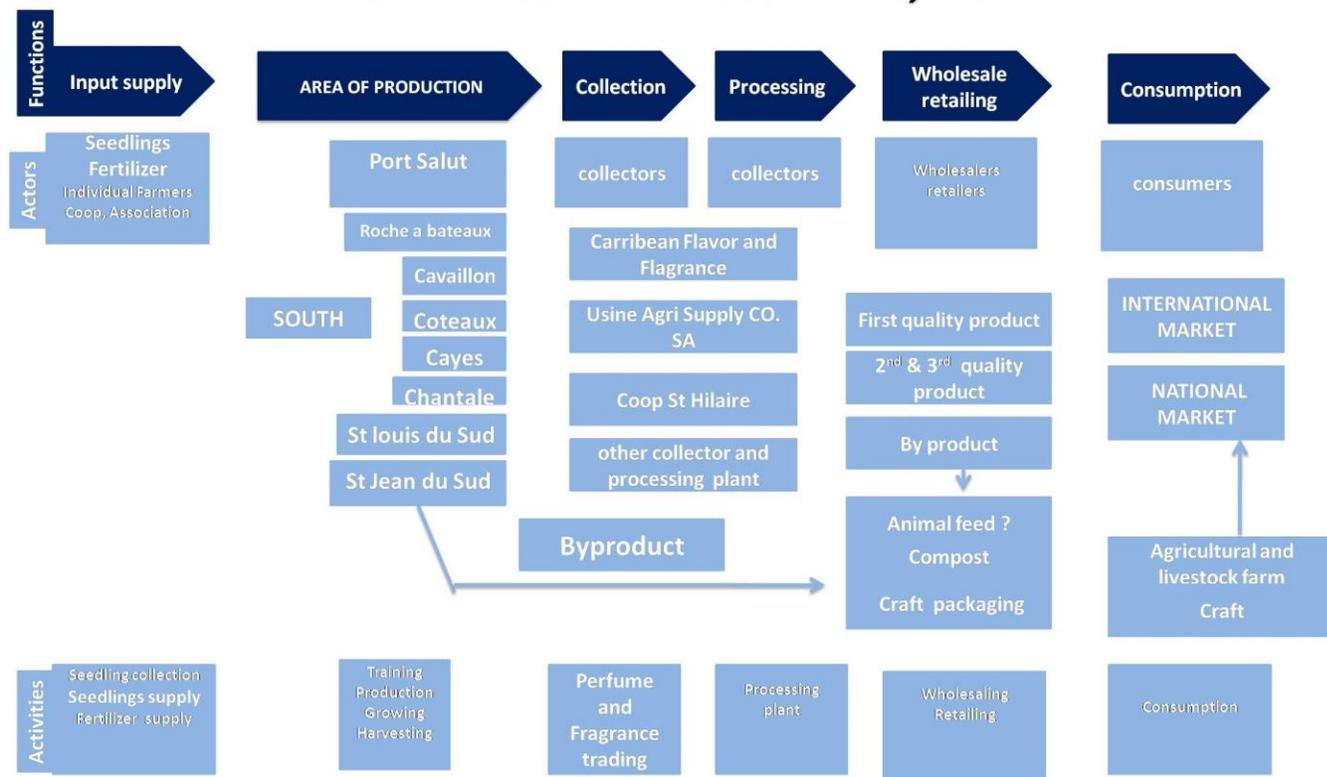


Figure C. 6 Vetiver essential oil value chain

C.3.2. Aromatherapy, natural cosmetics and food producers

There are over 10 micro and small enterprises producing herbal teas and hair and body products with medicinal and aromatic plants, essential and vegetal oils. In 2012, Haiti Government launched a moringa plantation campaign. Three small companies are manufacturing a large range of moringa food (powder, tea, honey) and cosmetics (hair oils and treatments and body oils, lotion and soap) products. These micro and small companies do not grow any plants. Some produce vegetal oils and others buy essential oils locally and import other vegetal and essential oils. Most of them have poor production and marketing capacities and difficulties to access to credit and market to expand their business. Their major strengths are access to quality raw materials and ingredients, knowledge of traditional savoir faire coupled with modern technology and growing markets for natural cosmetics and food in Haiti, in the Diaspora and globally.

Four other growing companies owned by women of the Diaspora based in Miami buy and process their raw materials and ingredients in Haiti and also distribute their products locally

and on the global market. These companies have strong management, marketing and innovation capacities.

C.3.3. SWOT analysis of the essential oils and cosmetics value chain

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ Strong local drivers in vetiver oil ✓ High quality of essential oils ✓ Biological production ✓ Raw material availability ✓ Unique quality of terroir ✓ Labor availability ✓ Oils production capacity ✓ Vetiver oil has no synthetic substitute ✓ Resistance of vetiver to pests and diseases ✓ Savoir faire and innovation capacity of small enterprises in aromatherapy and natural cosmetic ✓ Social investments of major international buyers ✓ New generation with modern management skills taking over family businesses 	<ul style="list-style-type: none"> ✓ Lack of integration and coordination of the value chain ✓ Lack of national policy and strategy for the value chain ✓ Lack of research and development R & D ✓ Poor inter-firms cooperation ✓ Poor access of growers and small processors to information international markets ✓ Insufficient knowledge of farmers of the agronomy of vetiver, appropriate production and <i>postharvest</i> handling ✓ Poor use of standard units of measurement ✓ Lack of organization of growers and processors ✓ Poor technology and management capacities of small companies ✓ Difficult access to production areas ✓ Unfair competition between distillers ✓ Dependency of distillers on growers ✓ Lack of public policies and support of government ✓ Lack of qualified human resources
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Growing international market ✓ Organic and fair trade certification ✓ Agriculture a major priority for Government ✓ Technical assistance from international partners ✓ Diversification of oils uses ✓ Expertise of two local NGOs in the south: Organisation pour la Réhabilitation de l'Environnement (ORE) and Ateliers École 	<ul style="list-style-type: none"> ✓ Soil erosion ✓ Natural disasters and climate changes ✓ Insecurity ✓ 2018 deadline for industry formalization particularly traceability requirements ✓ Political instability ✓ Land use issues ✓ Aging of growers ✓ Fluctuations of prices on global market ✓ Fluctuations of Haiti's currency

de Camp-Perrin ✓ Strong interest of global industry drivers ✓ Vetiver oil is an indispensable product the fragrance industry ✓ Premium for organic and fair trade certified products	✓ Unsecured / unpredictable prices of raw materials ✓ Control or prohibition of amyris wood trade by Dominican authorities
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C. 3.4. Enablers and Drivers

C.3.4.1. Ministries and other Public institutions

a. Governmental policies

There are no Government national policy and strategy neither to develop an essentials oils and cosmetics industry in Haiti nor to upgrade the essential oils value chain. The Ministry of Agriculture has signed an agreement with Agri-Supply S.A. to revive the citrus industry. The Services d'Aide aux Entreprises (SAE) of the departmental offices of the Ministry of Commerce and Industry in the south through the Haiti Business Development and Investment program funded by the World Bank have conducted studies and proposed strategies for the creation of a vetiver cluster in the south. The only concrete public assistance to the vetiver oil industry is the provision of \$3,355,000 in loans to seven distilleries in Les Cayes by the Fonds de Développement Industriel (FDI).

The Bank of the Republic of Haiti (BRH) has taken in November 2016 a series of measures aiming at facilitating credit for the agricultural sector. BRH has signed Memorandum of Understanding with the Industrial Development Fund (FDI) and the Société Financière Haïtienne de Développement S.A (SOFIHDES) on the establishment of a program to facilitate the financing of export enterprises and on the setting up of a window for the refinancing of accounts receivable related to exports of goods and services. BRH also authorizes banks not to establish compulsory reserves on gourde resources used for agricultural credit to reduce credit costs related to this sector.

C.3.4.2. Business support organizations

a. Chambers of Commerce and Industry

Departmental Chambers of Commerce and Industry affiliated to Haiti Chamber of Commerce and Industry are the only business support organizations in the North and the South where

essentials oils are produced. These institutions are weak and do not have any program supporting agriculture and agro-industrial value chains. The Haiti's Chamber of Commerce and Industry (CCIH) have organized from March 10-13, 2015 with the support of Caribbean Export a mission of experts from the International Fragrance Association (IFRA) in Haiti. IFRA is the official self-regulatory representative body of the fragrance industry worldwide.

b. Vetiver distillers' association

Seven vetiver oil distillers are members of the Association Agro-Industrielle des Producteurs d'Huiles Essentielles du Sud d'Haïti (AAIPHESH) created in 2013. In the past, there have been a few tentative steps to gather vetiver distillers under an umbrella organization including the creation of Association des Producteurs d'Huiles Essentielles du Sud (APHES) in 2004.

C.3.4.3. International Institutions

a. International and multilateral cooperation agencies

Despite the important impact of essential oils on Haiti balance of payments and important investments of international donors in the agriculture sector, there haven't been any important international donors' programs supporting this industry. The Swiss Development and Cooperation Agency (SDC) had developed a public private partnership with Firmenich to support vetiver growers in southern Haiti. French Agency for Development is planning to support the vetiver value chain in the south.

b. Global industry support organizations

Two non-profit organizations affiliated to industry's drivers have been involved in Haiti in the vetiver industry:

- i. *Natural Resources Stewardship Circle (NRSC)*, a non-profit organization based in France that promotes "responsible sourcing" of natural ingredients, including vetiver. The NRSC is composed of presidents, CEOs, and chairpersons of companies in the beauty, fragrance, and flavors industries. The organization supports six cooperatives in Haiti with the objective of increasing the production capacity of traced vetiver oil to 15-20 tons. <http://nrsc.fr/video-nrsc-in-haiti/>
- ii. *International Fragrance Association (IFRA)* is an international, non-profit association with scientific objectives established under Swiss law created in 1973. Its members are *Regular Fragrance Houses* and *Regular Fragrance Ingredient Manufacturers*. This association invests

in community projects and initiatives to improve sourcing sustainability of raw materials and processing of essential oils. Caribbean Export Development Agency has facilitated a mission of IFRA in Haiti in March 2016. IFRA has also facilitated Givaudan social investment in southern Haiti. https://www.youtube.com/watch?v=xoDvh_r9ZD4

c. Corporate engagement

The 2010 earthquake brought attention of leading companies in the F & F industry on the devastation in Haiti. Some are investing in sustainable sourcing of vetiver essential oil and community development in southern Haiti.

- i. *Firmenich* a world leading flavor and fragrance Swiss company, through a public private partnership with the Swiss Development and Cooperation Agency (SDC) and its supplier Agri-Supply S.A./Frager, has invested in Les Cayes region by enabling small farmers to adopt socially and ecologically responsible production of vetiver oil. Firmenich in partnership with Agri-Supply and a few NGOs is also contributing to the revitalization of lime production in Haiti in distributing lime seedlings to smallholder farmers. See link to *Vetiver – Firmenich Naturals Together* on vimeo below: <https://vimeo.com/128589761>
- ii. *International Flavors and Fragrances and Unilever* announced, in July 2016, “*Vetiver Together*”, a “new partnership with leading nongovernmental organizations to enhance the livelihoods of smallholder vetiver farmers in Haiti.” This project implemented by Heifer International is supported by the [Enhancing Livelihoods Fund](#) – a partnership between Unilever, Oxfam Great Britain, and the Ford Foundation which backs innovative models to improve agricultural practices and have a positive social impact, particularly for women. <https://www.heifer.org/about-heifer/press/press-releases/2016/iff-and-unilever-launch-partnership-to-improve-the-lives-of-vetiver-farming-communities-in-haiti.html>
- iii. *Givaudan in partnership with Agri-Supply S.A./Frager* led its own "ethical sourcing" initiative supporting a cooperative of 160 vetiver growers from three villages that produces certified vetiver oil for Givaudan perfumers. Givaudan has also invested in improved distillation equipment. This company also helped build a road linking the three farming villages where the root is harvested by cooperative members. <https://www.givaudan.com/sustainability/sourcing/working-together/vetiver>

C.4. STRATEGY AND POLICIES FOR INDUSTRY UPGRADE

There is great potential for positioning more Haitian large companies among world leading essential oils and other natural extracts manufacturers. An emphasis should be put on local SMEs as key suppliers of flavour and fragrance containing goods, such as packaged foods, cosmetics and toiletries for the local and regional tourism market and other international niche markets including the Diaspora. There is a need for public private partnerships including international donors and leading fragrances, foods and beverages and cleaners companies for significant investments to upgrade Haiti's essential oils supply and develop other valued manufactured ingredients exports. Learning from best practices and lessons of past and current projects and from other countries particularly India, Madagascar and XX the following programmatic focus areas could be considered: Institutional capacities building, increased productivity and quality and increased opportunities for export SMEs.

PRIORITIES	ILLUSTRATIVE STRATEGIES AND ACTIVITIES
1- Institutional Capacities Building	
Value chain coordination and strengthening	<ul style="list-style-type: none"> • Development of a strategic plan including all sectors of value chain • Development of strategic and actions plans for each category of products
Capacity building to support sector	<ul style="list-style-type: none"> • Establishment of a essentials oils research center in the south • Strengthening Ministry of Commerce and Industry and Ministry of Agriculture capacities to support the essential oils value chain
Institutional capacity building industry private actors	<ul style="list-style-type: none"> • Strengthening of cooperative movement by strengthening existing cooperatives and creating new one in the vetiver value chain • Creation of producers groups of 15-20 farmers to sell directly to processors and exporters and facilitate vetiver traceability • Creation of an association of vetiver farmers comprising farmers groups • Creation of a vetiver speculators association • Capacity building of Association Agro-Industrielle des Producteurs d'Huiles Essentielles du Sud d'Haïti (AAIPHESH)
2- Increased productivity and quality	
Improved vetiver growers	<ul style="list-style-type: none"> • Training and technical assistance in improved cultural practices to vetiver growers by Ministry of Agriculture

production capacity	<ul style="list-style-type: none"> • Capitalization on current projects best practices in vetiver organic production and training of Ministry of Agriculture extensionists to assist farmers • Uses of community radios and mobile phone for training and technical assistance • Facilitation of access to land and resources to a network of young agronomists and agriculture technicians to develop vetiver 20-40 ha plantation – In return they will provide training and technical assistance to farmers
Improvement of harvest	<ul style="list-style-type: none"> • Support to vetiver growers to grow other short cycle valued crops for immediate revenues in order to wait proper time for vetiver harvest • Training in efficient vetiver harvest techniques and provision of tools • Creation of collection and/or buying centers for cooperatives and associations of producers for large supplies to processors and exporters
Establishment of mechanisms to ensure compliance with quality norms and standards for essential oils exports	<ul style="list-style-type: none"> • Build Ministry of Agriculture and Ministry of Commerce and Industry capacities to establish national quality standards for essential oils exports • Build customs administration capacities to adopt international nomenclature for organic products
4. Increased opportunities for export SMEs	
Managerial and entrepreneurial capacity building	<ul style="list-style-type: none"> • Training and technical assistance to improve SMEs managerial and entrepreneurial capacities • Technical assistance to SMEs for strategic and business plans formulation
Improved products quality	<ul style="list-style-type: none"> • Affordable credit to SMEs to improve equipment and technology • Training of SMEs in industry norms and standards
Access to valued markets	<ul style="list-style-type: none"> • Technical assistance for SMEs international certification • Participation of SMEs to international trade shows for a better understanding of global market • Development of a branding and marketing strategy to position Haiti's for natural cosmetics and ingredients manufacturing • Integration of Haitian SMEs and exporters to regional and international networks

APPENDIX D. HAITI POULTRY AND EGGS INDUSTRY

D.1. HAITI'S POULTRY INDUSTRY BACKGROUND

In the early 80s', intensive chicken production was important in Haiti. The growth of this industry was influenced by the eradication of the Haitian pig population, a result of African swine fever outbreak in 1979. Haitian consumers turned increasingly to chicken for animal protein creating new market opportunities for investors. Three large companies and over 15 micro and small and medium businesses had set up industrial production plants. Prinsa, the largest company received a \$ 5 million loan from the World Bank and was producing around six million chickens a year. The other two other largest companies, Armory and Poulet Mayard were producing 600,000 and one million a year. These companies invested in the infrastructure to support and expand the industry including four hatcheries, three abattoirs, four animal feed units and one million square feet of property for chicken-raising. Most of the chicks, fertilized eggs and a lot of the animal feed were imported. 25-30% of animal feed came from maize that was purchased from local farmers. In the mid 90s', the chicken industry was negatively affected by two major trade policies: a) the trade embargo from 1991-1994 preventing import of animal feed, chicks and fertilized eggs. b) trade liberalization encouraged by the US Government, the International Monetary Fund (IMF) and the World Bank. Haiti's Government opened its economy lowering dramatically most agricultural products tariffs from 45-50% to as low as 3%. Chicken import tariffs were reduced from 40 to 5% leading to increased imports of cheap pork, turkey and chicken pieces wiping out the chicken industry and leaving most poultry businesses repaying unproductive loans. The following table presents the evolution of the chicken industry market from 1960 to 2000.

Table D.1 Market share of chicken 1960-2000

Source of Chicken	1960	1970	1980	1990	2000
Creole chicken	99%	90%	65%	40%	35%
National intensive chicken production	<1%	5%	30%	45%	5%
Imported chicken	<1%	5%	5%	15%	60%

Source: AHPEL, cited in report by Veterimed (a Haitian NGO which specialized in supporting small farmers gain access to markets)

D.1.2- Poultry industry market

D.1.2.1. Eggs market

Haitian consumes between 30 and 40 million eggs per month estimated at \$ 500 million per year. From 2010 to 2015, its production of eggs has increased from 50,000 to 250,000 layers or approximately 1 million to over 6.3 million eggs per month representing over 15% of local consumption. Local production increased when the Government banned imports of eggs from the Dominican Republic in 2008 during an Avian flu outbreak resulting in 600% growth in four years. At this rate of growth, 75% of domestic needs would have been covered in 3 to 5 years with an increase of layers from 250,000 to one million by 2017-2018. A major factor of this increase was the entry of a new company, Haiti Broilers S.A. on the Haitian market. In 2010, Jamaica Broilers Group Ltd, a Jamaican over 50 year old agro-processing company started out on a joint venture arrangement with Haiti sending down feed from Jamaica and chicks from the US. In 2012, the company invested in a world-class poultry plant and currently produces around 20-22 % of local Haitian eggs consumption.

It is estimated that 75 % of eggs consumed in Haiti are imported from the United States and the Dominican Republic. Eggs imported from the US account for 6% and are sold almost exclusively in supermarkets because of they need to be chilled. Over 65% of all eggs consumed in Haiti are now imported illegally from the Dominican Republic.

Importations of eggs from the Dominican Republic started in 1991 with the international trade embargo on Haiti. From this period to 2004, Dominican truck drivers conveyed eggs from Cibao, Northern Dominican Republic to Ouanaminthe, Northeast Haiti. The Cibao region accounts for 73% of Dominican Republic eggs production. Products were distributed from Ouanaminthe to wholesalers who stored them in warehouses near public markets around the country. In Port-au-Prince, there was a major central point of distribution of eggs. The following figure shows the distribution circuit for imported eggs from the Dominican Republic prior to the ban in 2008.

D.1.2.2. Chicken market

There are three types of chicken supplied to costumers in Haiti.

a) Creole/rustic chicken which is produced in domestic premises with simple shelters mostly in rural areas. They are sold alive directly to the consumer or in public markets. This type of chicken is not accessible to poor households because of its higher price. But it is still preferred for some particular uses including voodoo ceremonies.

b) Local flesh chicken which is produced in semi industrialized and industrialized farms and sold whole or in pieces in urban supermarkets. Higher income households consume Creole and local fresh chicken from supermarkets.

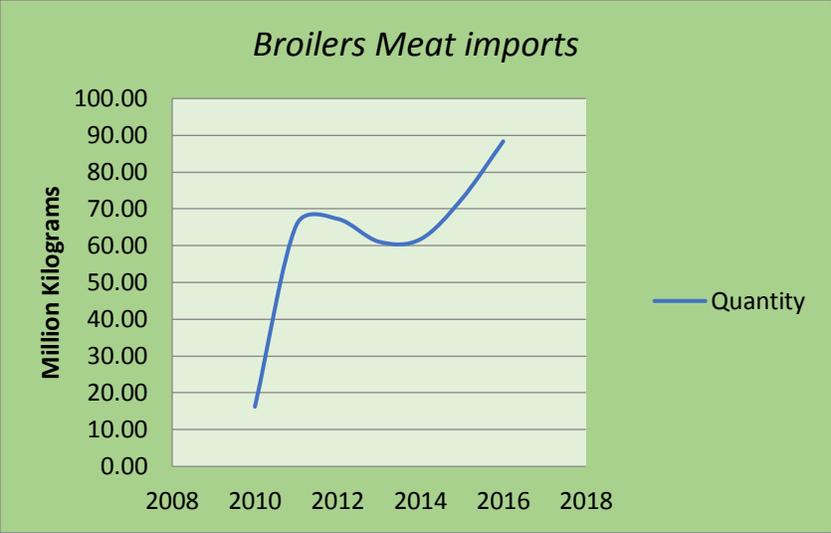
c) Chicken cuts imported in refrigerated containers which are sold in supermarkets in cold stall and in stores, public markets and streets with no respect of sanitary norms. FROZEN chicken sold on the street?

A new popular form of individual fast food has been developed at urban level, imported hot chicken pieces served in polystyrene boxes. Increasing urbanization and the growing availability of low cost chicken pieces are changing consumers eating patterns and creating opportunities for the increased import of subsidized American chicken meat. Haiti in 2016 imports nearly 70,900 metric tons of poultry per year, the majority being chicken parts from the United States. Most of these chicken parts including wings, legs, thighs, necks and legs are shipped frozen and sold in supermarkets, public markets and on the street much cheaper than local whole chicken sold by supermarkets and stores. Haitian farmers and poultry companies cannot compete with US chicken farmers producing more and bigger chicken more rapidly.

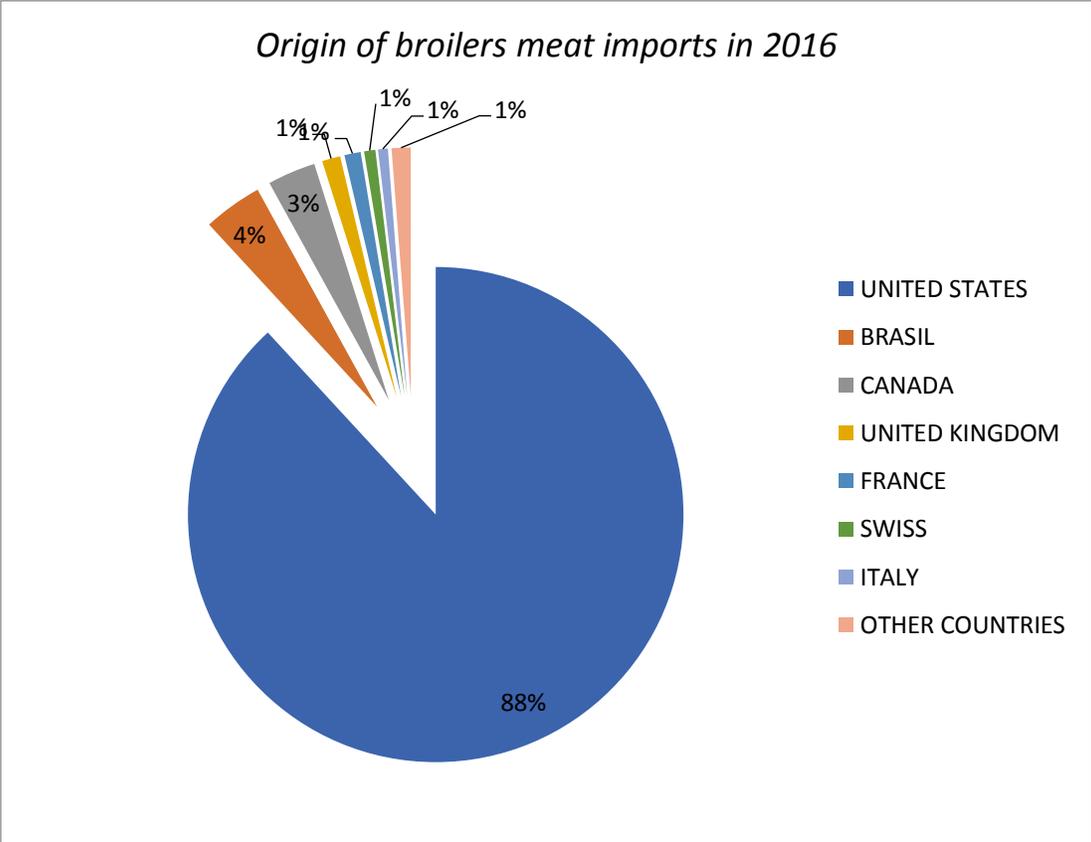


Source: Administration Générale des Douanes (Customs Office)

Figure D.1 Value of broilers meat imports



Source: Administration Générale des Douanes (Customs Office)
 Figure D.2 Quantity of broilers meat imports



Source: Administration Générale des Douanes (Customs Office)
 Figure D.3 Origin of broilers meat imports in 2016

D.2. MAPPING AND ANALYSIS OF THE POULTRY AND EGGS VALUE CHAIN

D.2.1. Production actors and distribution circuits

D.2.1.1. Inputs providers

Industry's inputs consist in chicks, animal feed and fertilized eggs.

a. Chick production and import

Two companies, Haiti Broilers and Javec in the West department close to Port-au-Prince, and a federation of coffee producers (FACN) are equipped to produce around 558,000 chicks per month.

- *Haiti Broilers*, in Lafitteau, Cabaret operates at 25% of its production capacity estimated at 400,000 chicks month. This company imports fertilized eggs from Jamaica under COBB brand and controls 75% of chicks market around the country.
- *Javec* in Gressier and Petit Goave operates at 37% of its production capacity estimated at 108,000 per month. This company also produces fertilized eggs. Products are sold in Gressier and Léogane.
- FACN in Cayes Jacmel in the Southeast has a poultry production facility financed by the Government of Taiwan with a production capacity of 50,000 chicks per month. FACN poultry facilities are rented to Happy Farms.

Table D.2 Chicks production

Companies	Location/Communes	Department	Production Capacity/Month
Haiti Broilers	Cabaret	West	400,000
FACN ⁶	Cayes Jacmel	Southeast	50,000
Javec	Gressier	West	108,000

Since the ban on poultry products from the Dominican Republic, most imported chicks come from Morris Hatchery, a Florida company.

⁶ FACN poultry facility is rented to a Happy Farms

b. Animal feed

There are two types of feed producers, two industrial companies IMBA with a 85 MT/day production capacity and Haiti Broilers S.A. with 120 MT/day. IMBA produced animal feed with imported inputs. Haiti Broilers use imported inputs and also local sorghum and maize. Javec is equipped with mixers and also produce animal feed with maize and soya imported from the Dominican Republic.

D.2.1.2. Profile of producers

a. Producers of flesh chicken/ broilers

Industry estimates that the production of broilers have increased from 100,000 chickens per month in 2011 to over 400,000. There are no official data available. Four categories of producers are involved in broilers production:

- Three large companies, Haiti Broilers, in Cabaret and Thomazeau, near Port-au-Prince, Ferme des Antilles in Cavaillon, near Les Cayes in the South and SAPEN S.A., in l'Acul du Nord and Limonade, near Cap-Haitian, a new company which will be fully operational with a production capacity of 100,000 broilers in 2017.
- 5 - 7 family businesses with a production capacity of 20,000 – 30,000 each which sell live chicken in Port-au-Prince and Cap-Haitian to retailers in public markets.

In 2012, a study of Haiti Broilers S.A. estimated:

- Around 100-125 farmers with a production capacity of 5,000 – 10,000 chicken each. They are poorly equipped and rely on intermediaries to sell their live chicken.
- Over 600 small farmers mostly in rural areas supported by NGOs.

Table D.3 Major producers of broilers

Production Capacity	Company Name	Location	Department
> 30,000	Ferme des Antilles	Cavaillon	South
	Haiti Broilers	Cabaret - Thomazeau	West
	SAPEN S.A.	Acul du Nord	North

b. Producers of layers

Chickens raised for eggs are usually called layers. Haiti Broilers and Javec produce layers. Haïti Broilers has a large layer farm in Thomazeau and sell layers fully vaccinated to a network of small enterprises, farmers and NGOs. The Ministry of Agriculture projects layer production to reach 1 million by 2017

c. Producers of eggs

Haiti Broilers is the largest local producer of eggs. In 2015, the Ministry of Agriculture was projecting an increase of eggs production from 6.3 to 7.5 million per month. There is no official data on current egg production. It is estimated that Haiti Broilers produces 20-22% of total eggs production. Many NGOs are producing eggs or supporting eggs production.

Table D.4 Large and medium size producers of eggs

Production Capacity	Company Name	Location	Department
> 30,000	Agrisol	Gressier	West
	Agritrans	Trou du Nord	Northeast
	Ferme des Antilles	Cavaillon	South
	Haiti Broilers	Cabaret - Thomazeau	West

D.2.1.3. Intermediaries/Distributors

Ninety-five percent (95%) of chicken produced in Haiti are distributed to the market through intermediaries/distributors. 90% of these intermediaries are women. They are well informed about the seasonality of production of the various producers and ensure the connection between producers and consumers. Intermediaries buy eggs imported illegally from the Dominican Republic from Dominican traders or Haitian wholesalers buying from the Dominican Republic. Many intermediaries also buy eggs at Haiti Broilers selling points to sell to stores and retailers in public markets. They sell to retailers in public markets, to stores, bakeries and restaurants. Their main constraints are regularity of egg supply, access to financing and inadequate forms of transport for large quantities of eggs.

D.2.1.4. Retailers

Retailers buy eggs imported from the Dominican Republic and locally produced from intermediaries or at Haiti Broilers sell points. They sell their eggs door-to-door, in public markets, in stores in urban and suburban neighborhoods and on the street.

D.2.1.5. Supermarkets

Chickens: Supermarkets buy Creole chickens from small farmers and sell them packed as whole chicken. They distribute frozen and dressed chickens packed whole or in pieces produced by large and small processing plants. Two dressed chicken brands are sold by supermarkets: Le Chic Poulet produced by Haiti Broilers and a new brand, Poulet Flamboyant produced by Ferme Flamboyant.

Eggs: Supermarkets require a standard egg quality and a constant supply from local producers. A few supermarkets import chicken and eggs from the United States. Others buy these products from importers. Eggs imported from the Dominican Republic are not sold in supermarkets. Imported eggs are sold 10-12% more expensive than eggs produced by local farms. The following brands are found in local supermarkets.

Table D.5 Eggs brands sold in supermarkets

Local brand	Imported brand
Chon Bon Ze Mon	Country Daybreak
Jaune d'Oeufs	Esbenshade Farms
Mouvman Soda	Sunny Morning
Ze Lakay	
Ze Peyi	

D.2.1.6. Processors

Producers and intermediaries sell to institutional consumers such as hotels, restaurants, bakeries, schools, hospitals.

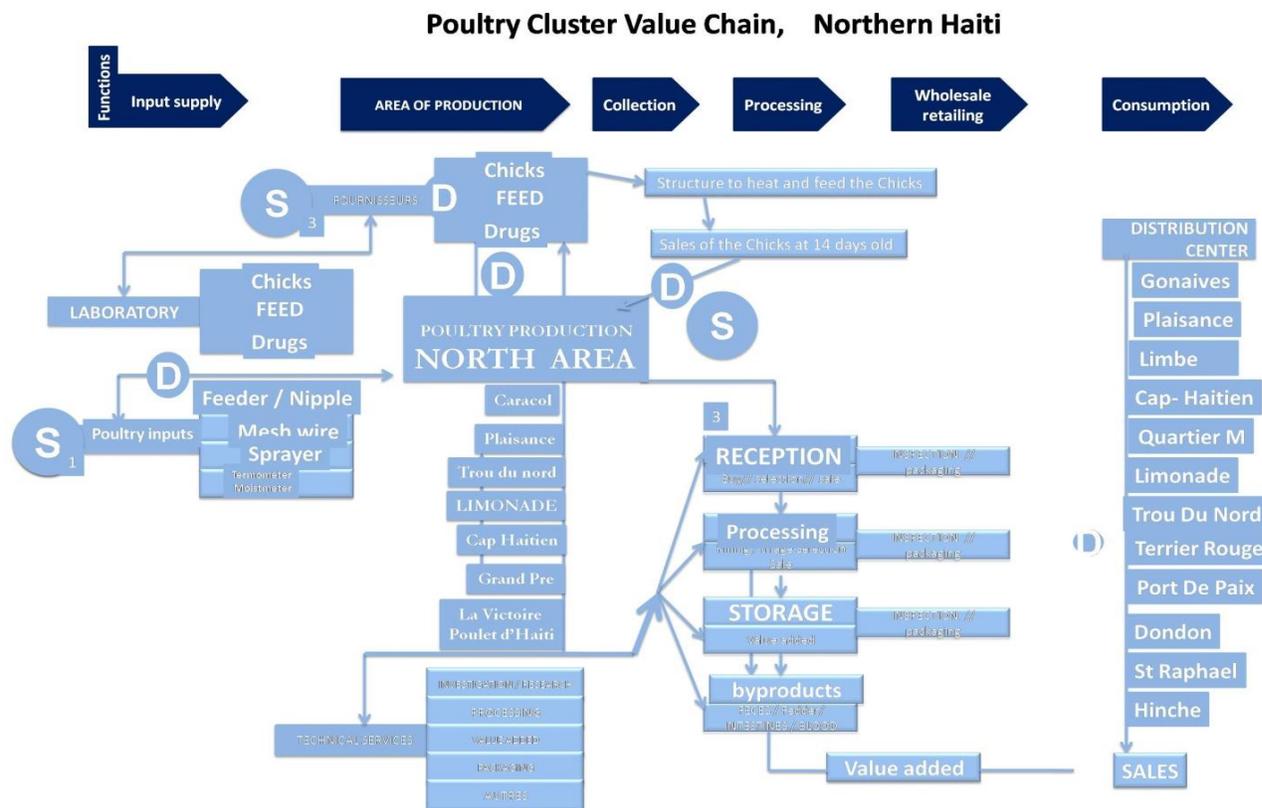


Figure D.4 Poultry value chain in Northern Haiti

D.2.2. SWOT analysis of the poultry and eggs value chain

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ High demand and growing local market ✓ High growth rate of the industry ✓ Quality of chicken and eggs ✓ Inputs and animal feed manufacturers resulting in products availability ✓ Experienced poultry producers ✓ Haiti Broilers, an important investment of a Jamaican poultry company with local partners ✓ Network of broiler producers ✓ Availability of qualified veterinaries ✓ High number of distributors 	<ul style="list-style-type: none"> ✓ Lack of proper public strategy and policy to upgrade the industry ✓ Small size of farmers resulting in high production costs ✓ Poor quality or inadequate infrastructure and equipment of small farmers ✓ Lack of financial products tailored to the industry ✓ Limited amount of locally produced eggs ✓ Illegal competition of imported eggs from the Dominican Republic ✓ Lack of research and development

<ul style="list-style-type: none"> ✓ Hatcheries located in strategic location ✓ Business linkages between processing plants and farmers and Haiti Broilers for inputs ✓ Contract between farmers and Haiti Broilers for eggs production which provide inputs, medication and technical advises 	<ul style="list-style-type: none"> ✓ Lack of public strategy and policies to develop the sector ✓ Low tariffs imports on poultry products ✓ Poor quality of finished products (e.g. packaging, standards) of small producers and farmers ✓ Chicks are expensive and they die quickly
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Association of poultry producers in the North interested in developing a cluster ✓ New fully equipped hatchery in Acul du Nord, SAPEN S.A. ✓ Big production capacity of Haiti Broilers in the West and SAPEN S.A. in the North ✓ Expansion capacity of Haiti Broilers ✓ Potential for integrated vertical production in the North with SAPEN S.A. and the association of poultry producers in the North ✓ Ban on import of Dominican poultry products ✓ Large processing plant generate revenue for the economy and impact balance of payment ✓ Strong interest of women and youth in investing in the sector 	<ul style="list-style-type: none"> ✓ Vulnerability to natural disasters and climate change ✓ Vulnerability to parasites and diseases ✓ Smuggling of eggs from the border with the Dominican Republic ✓ Dumping of chicken parts imported from the United States ✓ Lack of public investment for the development of the industry ✓ Strong influence of poultry products importers on public decision makers and legislators ✓ No interest and will of decision makers and legislators in increasing imports tariffs ✓ Lack of control of borders customs

D.2.3. Enablers and drivers

D.2.3.1. Public institutions

The Ministry of Agriculture has supported efforts of AHPEL, an association of livestock producers. An agreement was reached between AHPEL and this Ministry for the import of animal feed without paying administrative taxes applied by customs. The Bank of the Republic d’Haiti has financed a study on the poultry industry at the request of the Ministry of Agriculture to explore opportunities for the development of financial products for the sector. The Ministry

of Agriculture with the support of the Canadian cooperation through a Canadian NGO, International Desjardin Development, Agriculture Finance of Quebec and the Inter-American Institute for Cooperation on Agriculture have established a program “Agricultural Financing System and Agricultural Insurance in Haiti (SYFAAH) to provide agricultural credit and insurance to small farmers and micro entrepreneurs including poultry producers. This program has conducted a study on the poultry industry to allow the financial sector to better understand the industry and to encourage it to invest more in this sector. The Industrial Fund for Development has provided loans to SAPEN S.A. and JAVEC with no preferential conditions. No concrete action has been taken to tailor financial products for this industry.

D.2.3.2. Business support organizations

a. Association Haitienne pour la Promotion de l’Elevage (AHPEL)

AHPEL, a livestock’s producers’ associations was funded in 2000 by a group of enterprises, NGOs, cooperatives and associations involved in this sector. This association serves as a voices speaking out on behalf of its members and advocating for the development of the sector and of national production. It promotes the creation of farmers associations and provides technical assistance to theses associations and their members. Its efforts are supported by the Ministry of Agriculture. Through an agreement with the Government, this association is authorized to import inputs for poultry production without any duty.

b. Association des Producteurs Agricoles du Nord (APAGNO)

Created in 2013, this association comprises 15 members including micro, small and medium size poultry and eggs businesses. Members of this association are currently producing around 150,000 chickens per month. SAPEN S.A., leading enterprise of this association is increasing its production capacity from currently 25,000 chickens to 100,000 in early 2017. All enterprises members of APAGNO will sell their products to SAPEN S.A. for slaughtering and marketing. The following table presents APAGNO production objective by 2020.

Table D.6 APAGNO broilers production objective by 2020

Company Category	Number of Company	Production Capacity per month
Large	1	100,000
Medium	5	20,000- 30,000

Small	40	5,000- 10,000
Micro	60	500
Total	106	> 500,000

D.2.3.3. Non-Governmental Organizations (NGO's)

Many NGOs are supporting poultry farmers providing them micro loans, training and administrative support. A German non-profit organization with an NGO status in Haiti, Yunus Social Business led by renowned Nobel Prize winner, Muhammad Yunus has financed a poultry social business and was working on an investment with Brazil Foods, Brazil largest poultry company in Haiti. Unfortunately, after diverse fact finding missions and a study, the company decided to not invest in Haiti. They were exploring the opportunity to produce broiler for the local market and for exports.

D.3- STRATEGY AND POLICIES FOR BETTER DEVELOPMENT OF THE INDUSTRY

Projection of population's growth for Haiti is 12,385,306 in 2030. The development of the local poultry industry can play a major role in poverty eradication in Haiti. It can be a strategic tool to combat malnutrition as a cheap source of animal protein, unemployment particularly for women and youth both at urban and rural level, provide opportunities for micro, small and medium enterprises at local level and boost agriculture by investing in raw materials for animal feed. This industry also has an important impact on the environment with the production of organic manure. Public partnerships should be established to accelerate this industry growth. Learning from past experiences in Haiti and also from best practices of other countries particularly the Dominican Republic, the following programmatic focus areas could be considered: Policy and legislative framework, increased investment and productivity, national preparedness and contingency plans.

PRIORITIES	ILLUSTRATIVE STRATEGIES AND ACTIVITIES
1- Establishment of policy and legislative framework	
Strategy and planning	<ul style="list-style-type: none"> • Formulation of a comprehensive strategy plan detailing the vision, realistic goal and objectives, plan of action, budgets and monetary framework for over the next ten years

	<ul style="list-style-type: none"> • Ensuring that the annual national plans for the agriculture sector include budget allocations for the poultry industry
Quality control, norms and standards and disease control	<ul style="list-style-type: none"> • Creation of a public entity for research and disease control for the poultry industry • Regulation and infrastructure for cross borders trade, for disease control purposes. • Regulation for the construction of markets and slaughter facilities • Issuing of licenses and sanitary permits for trade, slaughter and movement of birds or meat to slaughter areas and public markets • Development of policy for veterinary services for the industry
Trade and sales facilitation	<ul style="list-style-type: none"> • Formulation and implementation of a plan for gradual establishment of tariff and non-tariff barriers to limit import of poultry products to improve local production competitiveness. • Creation of a core group of customs and police agents to control entry of eggs along the border • Regulation on procurement for local poultry products for public institutions and programs such as school feeding programs, community restaurants, hospitals etc.
Financing	<ul style="list-style-type: none"> • Creation of mechanisms and financial products tailored for financing of each category of poultry enterprises and cooperatives • Negotiation for multilateral financial institutions such as the European Bank for Investments for financing of joint ventures between Haitian large scale companies and international partners from ACP or European countries
2. Increased investment and productivity	
Value chain integration and coordination	<ul style="list-style-type: none"> • Development of public private partnerships for the creation of 2-3 regional poultry micro parks including incubators, hatcheries, feed mills, slaughterhouses, by-products (Sausage, salami, etc.) and other livestock facilities • Creation of regional clusters including all actors and stakeholders involved in the industry and facilitating: <ul style="list-style-type: none"> ○ Business linkages between large firms and micro and SMEs and associations and cooperatives of producers ○ Creation of networks of satellite farms suppliers of anchor enterprises and empowerment of their members, smallholders so that they can provide high-quality and sustainable products

	<ul style="list-style-type: none"> ○ Creation of networks of regional wholesalers equipped with cold room and local micro distributors linked to anchor firms ● Facilitation of access to land and financing to large and medium size producers and cooperatives and associations of producers of maize and sorghum for animal feed production by large scale companies
Development and expansion of poultry SMEs	<ul style="list-style-type: none"> ● Establishing business incubator and accelerator providing training and technical assistance to poultry micro and SMEs
Branding and marketing	<ul style="list-style-type: none"> ● Integration of local poultry products in all public school feeding programs, hospitals and community restaurants' menu ● Development and implementation of joint branding and marketing strategy and plans for local poultry products
3. Establish national preparedness and contingency plans	
Disease control	<ul style="list-style-type: none"> ● Evaluation of the impact of the National Avian Influenza Control and Pandemic Preparedness Plan of the Government ● Establishment of a public entity to supply assistance and support the poultry industry and to prevent, monitor and control the virus H5N1 and other diseases ● Development of contingency plans in case of Avian Influenza or other diseases outbreak addressing the core areas of response including surveillance and early warning, risks communication and curative care ● Improvement of veterinary extension services capacities and availability for small farmers
Natural disasters	<ul style="list-style-type: none"> ● Establishment of contingency plans including shelters and inputs to mitigate risks of natural disasters particularly hurricane and flood ● Promotion of new investment in poultry micro and SMEs in areas less vulnerable to natural disasters

D.4- POTENTIAL BUSINESS PARTNERSHIPS WITH THE DOMINICAN REPUBLIC SUPPORTED BY THE EUROPEAN UNION

D.4.1. Creation of poultry micro parks and clusters in Northern and Southern Haiti

Haiti Broilers and two growing enterprises SAPEN S.A and Ferme Agricole Javec have the capacity to play a key role in the development of the poultry industry as anchors and integrators firms.

Haiti Broilers S.A. is a joint venture between the Jamaica Broilers Group Limited (JBG) and Haitian business partners, Tropic S.A. . Established in 2012, Haiti Broilers S.A. has boosted the poultry and farming industry in Haiti through the supply of baby broiler chicks, started layer pullets, animal feeds, medication and supplies to Haitian farmers so they can launch profitable farming ventures. Haiti Broilers has established a feed mill and hatchery and hired a team of Haitian technical sales representatives to help farmers utilize modern scientific techniques to obtain profitable production.

Ferme Agricole Javec has been doing business over 20 years with Dominican companies based in Santo Domingo. This company has invested in production facilities for baby broiler chicks, layers pullets, fertilized eggs and animal feeds. It works with a network of 200 vendors and supplies many farmers in inputs. Its facilities are built in Petit Goave and Gressier where the company owns 13 ha in each commune. Javec is interested in expanding its market to increase its production. The Government of Haiti through its *micro park program* funded by the European Union could consider a public private partnership with Javec to bring this company to the next level and facilitate a joint venture with a Dominican poultry company. The Dominican company could bring capital, know how, technology, packaging and marketing skills and contribute to the development of a Southern cluster covering Gressier and the Palmes region including Léogane, Petit-Goave and Grand Goave, the Nippes and the Southern departments.

Société Agricole de Production Agricole du Nord (SAPEN S.A.), based in Acul du Nord and Limonade with a grant of USAID/LEAD program, a loan from the Industrial Development Fund, a public financial institution and investments of partners from the Diaspora has invested in the first large scale slaughter in Haiti. This facility has a slaughtering capacity for 30,000 chickens per day. SAPEN S.A. is already producing 25, 000 broilers per month in Limonade and is investing in equipment to produce 100,000 broilers per month in 2017. SAPEN S.A. is a leading company of the Association de Producteurs Avicoles du Nord (APAGNO), the only poultry producers association of Haiti. APAGNO envisions producing 450,000-500,000 broilers per month by 2020. 80% of this production will be sold to SAPEN S.A. This company owns over 6 ha in Acul du Nord where its slaughter is established and 2.58 ha in Limonade. The Government of Haiti through its *micro park program* funded by the European Union could consider a public private partnership for the creation of poultry and other livestock micro park

in Acul du Nord. SAPEN S.A. is interested in facilitating a joint venture between Haitian investors and Dominican companies for eggs production and eggs fertilization in Northern Haiti. Dominican companies would provide technical cooperation to SAPEN S.A. for animal feed and broiler production, processing and marketing. They will also contribute to the creation of a poultry cluster in the North.

4.2. Poultry industry development for food security in Northwest Haiti

Through the 11th EDF food security program in Northwest Haiti, the Haiti Government and the European Union could also support:

- Creation and strengthening of micro and SMEs in the poultry industry in the Northwest
- Support to maize and sorghum production in Northwest Haiti for animal feed production by large scale Northern poultry firms
- Introduction of poultry and eggs in nutrition programs through school canteens, community restaurants and food vouchers for underserved population

4.3. Support to both Governments for preparedness and contingency plans

4.4. Support of Caribbean Export bi-national program to the poultry industry

Caribbean Export could play a major role in facilitating:

- Joint ventures between Haitian and Dominican companies for investment in the poultry industry in the Northern and Southern regions of Haiti.
- Developing a hybrid incubator/accelerator for the development and expansion of start ups and SMEs in the poultry industry providing training and technical assistance for management capacity building, norms and standards adoption and developing business linkages with anchor firms as suppliers or/and distributors.
- Technical cooperation of the Dominican Republic for the creation of poultry clusters in Haiti.
- Branding and marketing campaign for local poultry products in Haiti
- Study to explore exports opportunities in the long term to the Bahamas, Turks and Caicos, other Caricom countries and international niche markets (Kosher, Halal poultry meat, organic eggs etc.)
- Study on tariff and non tariff barriers to develop Haiti poultry industry competitiveness

APPENDIX E. HAITI TOURISM VALUE CHAIN

E.1. HAITI TOURISM INDUSTRY

E.1.1. Haiti tourism industry background

Haiti was a thriving tourism destination in the 50s' with Government financing luxurious hotel investment including casinos and night clubs and oceanfront resorts. The Association of Hotel and Tourism Professionals of Haiti (AHTH) was created in 1951 reinforcing the tourism sector. Back in this time, cruise ship passengers flocked the waterfront area of Port-au-Prince and Cap-Haitian walking from the docks to the famous cultural attractions including the Iron Market in Port-au-Prince and the street craft market in Cap Haitian where fine Haitian art and mahogany handicraft were sold. A new international airport in 1965 helped Haiti's tourism industry to flourish attracting the international jet set. Haiti was for many decades a hotspot for the wealthy and celebrities such as Marlon Brando enjoying French cuisine and finding their ways to casino gambling, a good show in night clubs tour or a voodoo show. It was one of the most popular destinations in the Caribbean, an island getaway for American and Canadian tourists. Hillary and Bill Clinton spent part of their honeymoon in Haiti in 1975.

The decline of Haiti's tourism sector started in the early 80s' with the economic recession in the US and the stigma when American health authorities linked Haiti and the acquired immune deficiency syndrome (AIDS). The Center for Diseases Control (CDC) stated that the largest group of AIDS victims consisted of male homosexuals, and the second largest group consisted of Haitians. The whole country and its Diaspora were stigmatized by AIDS. Charter flights and cruise ships stopped landing and docking in Port-au-Prince and Cap-Haitian. The declining number of tourists forced many hotels to close and the total number of rooms registered in the industry dropped from 3,000 in 1981 to 1,500 in 1987.

Political turmoil and street violence after president Duvalier left for exile in 1986 exacerbated the decline of the industry. Between 1987 and 2004, the number of tourists went from 239,200 in 1987 to 108,868 in 2004 representing a decrease of more than 54% of the number of visitors in 17 years. The tourism industry was also affected by the international trade embargo on Haiti (1991-1994). Haiti's tourism industry collapse confirmed Dr Hughes Séraphin, professor of Tourism studies at University of Winchester statement that in the "tourism industry exogenous factors like political instability, natural disasters, economic crisis, and the outbreak of diseases can cause destinations decline and sometimes even totally erase them from the tourism map"⁷.

⁷Séraphin Hugues, Ambaye Michele, Gowreesunkar Vanessa, Bonnardel Valéry. A marketing research tool for destination marketing organizations' logo design. Journal of Business Research. England. 2016

E.1.2. Haiti tourism trends

Since 1995, the Government of Haiti's has identified tourism as one of the pillars for economic development and designed a master plan for tourism development (PDT). A ministry of tourism was created in 2001 sending a signal of the importance of the industry for Haiti' Government. The country gained a reputation of unsafe tourist destination due to political instability and its negative image acted as a deterrent to foreign investors and discouraged any form of economic development (S raphin, 2012). International funding agencies hence kept away.

The January 12, 2010 earthquake further damaged what remained of Haiti's tourism infrastructure and facilities in Port-au-Prince and Jacmel, the main tourism zones. Tourism shrank to nearly zero although the hospitality sector quickly recovered from the disaster thanks to national and foreign direct investments. The Haitian Diaspora, missionaries and aid workers, artists and celebrities all flocked to Haiti to try to help after the earthquake increasing the number of international visitors. All required accommodation, transport and food.

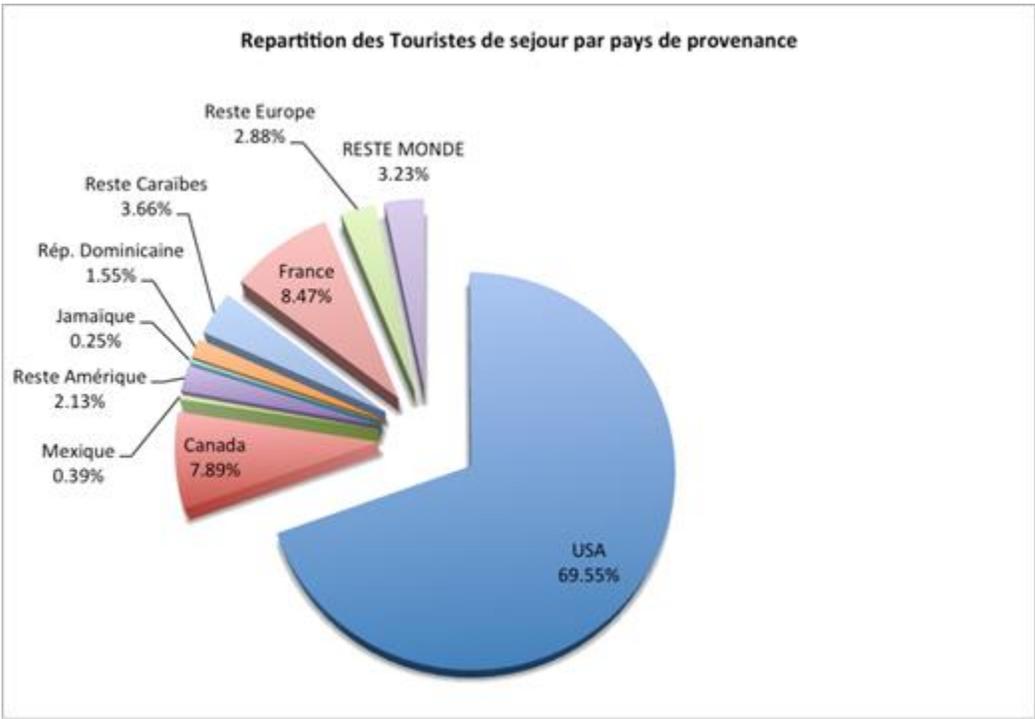
In 2011, the new Haiti Government made tourism one of the top priorities of its development agenda. The Minister of Tourism confirmed public funding of a series of investment projects along with international partners that amounted to over \$ 345 million. New hotels have been established including those under Marriott International and Best Western brands. Despite important investment in hotels, its geographic proximity to North America and strategic position in the Caribbean, increase of international and Diaspora visitors and efforts in Government tourism promotion, few tourists visit Haiti for leisure or recreational purposes. Even with an important tourism growth rate over the three past years accounting 11% in 2015, Haiti still trails behind its neighbours.

Table E.1 Caribbean: International tourism arrivals and receipts 2010-2015.

Destinations	International Tourist Arrivals			International Tourism Receipts		
	(1000)			(\$ Million)		
	2010	2014	2015	2010	2014	2015
Dominican Rep.	4125	5141	5600	4163	5630	6118
Puerto Rico	3186	3246	3542	3211	3439	3825
Cuba	2507	2970	3491	2187	2367	...
Jamaica	1922	2080	2123	2001	2255	2379
Bahamas	1370	1427	1472	2163	2308	2379
Aruba	825	1072	1225	1251	1605	1652
Barbados	532	520	592	1038	888	922
Haiti	255	465	516	383	578	609
Other Countries	4817	5361	5380	6412	7631	10216
Caribbean	19539	22282	23941	22809	26701	28100

Source: Data from WTO 2016 Highlights

Seven years after the devastating earthquake and in the face of so many tragedies including cholera outbreak and recent Hurricane Matthew, Haiti is not likely to be an holiday destination. Frequent foreign countries travel warning Haiti is enduring a continued prejudice despite the joint efforts of the Haitian Government and the Caribbean Tourism Organization to restore the country’s image as a tourism destination. Figure shows that 69.55% of stay over tourists come from the USA. The US Diaspora, American missionaries and aid workers are the more accessible market and will account for the majority of stay over tourists until Haiti’s image as a tourism destination improves significantly.



Source: Ministry of Tourism and Creative Industries 2014
 Figure E. 1 Stay over tourists market share by sending countries

E.1.3. Impact of tourism on Haiti economy

According to the Bank of the Republic of Haiti, Haiti generated in 2014 a value of 1.6 billion dollar of export of goods and services, including 917 million dollars of goods and 701 million dollars of services. Tourism accounts for 83% of exports of services, being 582 million US dollars and representing 20.5 times primary commodities exports; 1.7 times exports of industrial products; 122 times exports of craft; approximately 2 times industrial exports products; and 50 times essential oils.

The total contribution of Travel & Tourism to GDP was HTG 38,520.2 mn (9.5% of GDP) in 2014, and is forecast to rise by 4.8% pa to HTG 64,422.3mn (10.7% of GDP) in 2025. In 2014 Travel & Tourism directly supported 104,500 jobs (2.7% of total employment). This is expected to rise by 2.9% pa to 142,000 jobs (3.1% of total employment) in 2025. This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists. In 2014, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 8.2% of total employment (319,000 jobs). This is expected to rise by 2.8% pa to 427,000 jobs in 2025 (9.3% of total). Visitor exports generated HTG 26,500.5mn (33.2% of total exports) in 2014. This is forecast to grow by 4.9% pa, from 2015-2025, to HTG 44,920.0mn in 2025 (33.2% of total). Travel & Tourism investment in 2014 was HTG 4,991.5 mn, or 4.2% of total investment. It should rise by 2.2% pa over the next ten years to HTG 6,401.8mn in 2025 (3.7% of total).⁸

E.1.4. Haiti tourism competitiveness

Haiti ranks overall 133 out of 141 countries in the 2015 Travel & Tourism Competitiveness Index (TTCI). Published biennially, the TTCI measures “the set of factors and policies that enable the sustainable development of the Travel & Tourism (T&T) sector, which in turn, contributes to the development and competitiveness of a country.” It benchmarks the T&T competitiveness of 141 economies and comprises four sub-indexes, 14 pillars, and 90 individual indicators, distributed among the different pillars. See below four sub-indexes and 14 pillars for Haiti. Individual indicators are available on TTCI website. <http://reports.weforum.org/travel-and-tourism-competitiveness-report-2015/economies/#economy=HTI>

Table E.2 Travel and Tourism Competitiveness Index (TTCI)

	RANK 141	SCORE
TRAVEL & TOURISM COMPETITIVENESS INDEX 1-7 (BEST)	133	2.7
Sub-index: Enabling environment 1-7 (best)	132	3.4
Business environment 1-7 (best)	137	3.0
Safety and security 1-7 (best)	102	4.7
Health and hygiene 1-7 (best)	116	3.7

⁸ Source: World Travel & Tourism Council. Travel & Tourism Economic Impact 2015 Haiti. London, UK

Human resources and labor market 1-7 (best)	123	3.8
ITC Readiness 1-7 (best)	138	1.8
Sub-index: T&T policy and enabling conditions 1-7 (best)	84	4.0
Prioritization of Travel & Tourism 1-7 (best)	107	4.0
International Openness 1-7 (best)	44	3.9
Price competitiveness 1-7 (best)	31	5.2
Environmental sustainability 1-7 (best)	140	2.9
Sub-index: Infrastructure 1-7 (best)	130	2.3
Air transport infrastructure 1-7 (best)	130	1.8
Ground and port infrastructure 1-7 (best)	136	2.1
Tourist service infrastructure 1-7 (best)	104	3.0
Sub-index: Natural and cultural resources 1-7 (best)	141	1.3
Natural resources 1-7 (best)	141	1.5
Cultural resources and business travel 1-7 (best)	131	1.1

E.2. MAPPING AND ANALYSIS OF TOURISM VALUE CHAIN IN NORTHERN AND SOUTHERN HAITI

In 2011, the government of Haiti has requested the support of multilateral donors for the development of two of the priority development zones within an updated Tourism Master Plan: the North with its world-class cultural and natural heritage assets and the Southern coast. The study focuses on mapping and analysis tourism value chain in these three priority zones.

1. Cap Haitian region
2. Jacmel region
3. Les Cayes region

E.2.1. Destination resources

E.2.1.1. Northern region – Historic Haiti resources

Numerous studies including Haiti’s Master Plan for Tourism Development, products identified by OGDN, interviews and site visits confirm Northern Haiti potential as a world class tourist destination. The northern region has high-potential tourism assets including unique natural, cultural and historical resources. Major assets are the National Historic Park including the Citadelle Laferrière, a mountain fortress which is a UNESCO world heritage site and the Sans Souci royal palace, the old historic city of Cap-Haitian, Taino Amerindians archaeology, the Labadie Royal Caribbean cruise ship port with 600,000 visitors per year, the annual Patron Saint festivals, which attract 1 million domestic and international visitors each year with a large number from the Diaspora.

Table E.3 Northern region – Historic Haiti natural, cultural and historical resources

Natural Resources	Cultural Resources	Historical Resources
National Historic Park in Milot	Cap Haitian Cathedral	National Historic Park in Milot
Labadie beach in Cap-Haitian	Catholic Church of Acul du Nord	Citadelle Laferrière in Milot
Chouchou Bay Beach in Port Margot	Limbé Museum in Limbé	Sans Souci Palace in Milot
Saint Michel Beach, Camp Louise in Acul du Nord	Traditional factories (Distilleries, cassava etc.)	Historic city of Cap-Haitian
Coffee and cocoa plantations	Lory pottery village in Cap-Haitian	Joseph, Saint Michel, aux Dames, Nativité, Etienne Magny and Picolet Forts in Cap-Haitian and Leclerc and Capois Fort in Grande Rivière du Nord
Fort Liberté Bay	Sainte Suzanne Petroglyphe (Taino Civilization)	Labouque, Labone, Frédéric, Dauphin or Royal/Saint-Joseph Forts in Fort Liberté, Northeast
Amiga Island	Voodoo temples	Sainte Suzanne Petroglyphe (Taino Civilization), Northeast
Cadastre,	Sacred Bois Caiman site	Limbé Museum in Limbé

Bassin Mambo water fall	Bassin Diamand in Plaine du Nord	Historic site (Bois Caiman,
Dondon Caves (La Voute à Minguet and other caves)	Festivals, saint patron festivities, music, night clubs	Money Museum in Cap-Haitian
	Sacred voodoo sites/lakous Dereyal, Buttler, Trop-Plein-Diminy and Mystique	Ameridian sanctuaries in Roche à l'Inde in Limbé and Gorges de Foulon in Grande Rivière du Nord
	Cuisine and specialty sweets	
	Art and crafts	

E.2.1.2. Southern coast resources

The Ministry of Tourism had developed in 2013 a tourism master plan for the southern coast focusing on a tourism corridor from Jacmel to Port-Salut. Focus was more on major resort development in Côtes de Fer and Ile à Vache. <https://www.youtube.com/watch?v=xilcJqBrkk> Current Government is focusing more on inclusive tourism focusing more on small hotels and businesses services improvement.

a. Jacmel region (Southeast) resources

Jacmel has been designated by UNESCO creative city in 2014. This city of craft and folk art is also renowned for its rich cultural heritage including its annual three day carnival with the first day officially declared Haiti national day of carnival and the historic old city with its New-Orleans style houses. The cultural richness of Jacmel is also marked by many artistic personalities, including internationally painter, writers and poets. A nascent film and music industry is also growing in Jacmel supported by international celebrities.

Table E.4 Jacmel region (Southeast) natural, cultural and historical resources

Natural Resources	Cultural Resources	Historical Resources
Congo Plage (Beach) in Jacmel	Old city with New Orleans style French colonial architecture	Centre historique de Jacmel (Old city)
Raymond Les Bains beach in Cayes Jacmel	Special annual national Carnival day and Mardigras	Petite Batterie fortress cannon in Jacmel
Ti Mouillage beach in Cayes Jacmel	Festival and Saint Patron festivities	Fort Ogé (fortification) in Cayes Jacmel
Kabik beach in Cayes Jacmel	Voodoo temples and rituals	Fort Chenet and Fort Blocoste in Baint
Etang Bossier in Cayes Jacmel	Sacred site of Amba Figuier, Cyvadier, Jacmel	
Mango plantation in Cayes Jacmel	Sacred site of Marbial, Jacmel	
Bassin Bleu waterfall and caves	Folk art and craft including papier mâché in Jacmel, basketry in Baint, Côtes de Fer and Cayes Jacmel, fine embroidery in La Vallée de Jacmel	
Pichon fall in Belle Anse		
La Montagne Cave in Jamal	Film and music record school	

b. Les Cayes region (South) resources

Haiti's southern coast with a concentration of bays, a few islands and beautiful beaches has a strong potential for beach tourism. In the 80's, European tourists large groups used to spend a week in Port-Salut flying from Geneva.

Table E.5 Les Cayes region natural, cultural and historical resources

Natural Resources	Cultural Resources	Historical Resources
Gelée beach in Les Cayes	Art and craft including pottery in Camp-Perrin and fine basketry and textiles embroideries in Port-Salut	Fort Saint-Louis, fortification in Saint Louis du Sud
Morisseau beach in Aquin	Creole rural habitat	Cannons « place d'armes » Saint-Louis-du-Sud
Pointe Sable beach in Port Salut	Cuisine and artisans specialty sweets with guava and cashew nuts in Cavaillon	Citadelle des Platons in Les Cayes
Ile à Vache island – beaches	Carnival	Anglais, Oliviers, Allard, Platons, Islet, Cobe, Chenet, Blocoste and Ogé Forts in Les Cayes and surrounding municipalities
Saut Mathurine waterfall in Camp Perrin	Festival and Saint Patron festivities	Centre historique des Cayes
Tuyac waterfall in Chardonnières	Voodoo temples and rituals	
Marie Jeanne Cave in Port-à-Piment and Kounoubwa Caves in Camp Perrin	Sacred site of Saint Grégoire in Aquin	
Sugar cane distillery in Cavaillon		
Vetiver plantations and essential oils distilleries in les Cayes, Port-Salut, Camp-Perrin		

services. They tend to be family-owned and sell one day products and 1 to 2 night’s tour packages. They act as intermediaries, selling the tourism product to the visitors and linking them to other actors of the industry. They mostly play a receptive role and partner with international and Diaspora tour operators and travel agencies, churches organizations and NGOs.

Table E.6 National and regional tour operators

Port au Prince Metropolitan area
Agence Citadelle
Châtelain Tours and Travel Services
Explore Haiti
Tour Haiti
Voyages Lumière
Northern Région
Amiga Island Tour
Destination North
Cormier Plage
Gaïa tours
Guide Touristique Aventure du Nord
Snorklel Safari

b. Accommodation providers

Accommodations include hotels, guest houses and private bed and breakfast locations. (E.g. Air B&B) There is only one hotel resort complex in the North, Cormier Plage and no resort complex on the southern coast. Most hotels and guest houses are family owned with local management. Almost all the larger hotels targeted by this study are located in urban areas of major cities Cap-Haitian, Jacmel and Les Cayes.

In March 2013 – June 2014, the Ministry of Tourism undertook a study from March 2013 to June 2014 to assess the status of 525 hotels and guest house establishments. 117 were classified by rank from 1-5 hibiscus (stars) 5 expressing the highest rank of quality.

All 5 hibiscus/star hotels were located in the Port-au-Prince Metropolitan area. Two new hotels currently under construction in Cap-Haitian which should be operational by end of 2017 should also be classified as 5 hibiscus. One, a 100 room hotel is part of Marriott International's Autograph Collection an exclusive portfolio of hotels in partnership with Habitation Jouissant – a 100 room boutique hotel located in Cap-Haitian. This property will be Autograph Collection's third hotel in the Caribbean.

Table E.7 Accommodation establishments in the North, Southeast and South

Region	Hibiscus	# Establishment	Location	# room
North				
	4 	1	Cap-Haitian will be upgraded with 100 rooms under the Marriott Autograph Collection Hotels brand end of 2017	13
	3 	5	4 Cap-Haitian city – 1 beach rural Cap Haitian Labadie road	122
	2 	12	11 city – 1 beach Cap-Haitian Labadie village	180
	1 	1	1 Cap-Haitian city	11
Total		19		326
Southeast				
	3 	5	1 Jacmel city – 4 beach	96
	2 	11	7 Jacmel city – 1 La Vallée de Jacmel – 3 beach Côtes de Fer,	156
	1 	5		87
Total		21		339
South				

	4 🌺	2	1 Ile à Vache no beach - 1 Ile à Vache beach	49
	3 🌺	3	1 Cayes city, 1 rural Torbeck, 1 beach Port-Salut	61
	2 🌺	15	12 Cayes city, 1 Camp Perrin, 2 beach Port Salut	407
	1 🌺	2	2 Cayes city	49
Total		22		566

c. Food and beverage/Restaurants

Most restaurants appropriate for tourists are concentrated in the urban areas of each region major city, Cap-Haitian in the North, Jacmel in the Southeast and Les Cayes in the South. In Congo Plage by the Jacmel bay, Raymond Les Bains, in Cayes Jacmel and Gelée beach in Les Cayes around 20-25 micro enterprises/restaurants in each area regulated by local authorities. There are no sanitary regulations and classification of restaurants. Most 4 and 3 hibiscus hotels have their restaurant with breakfast included in hotel room price. Cap-Haitian has two restaurants where tour operators could bring visitors, Les Cayes one and Jacmel two snack bars.

d. Local distribution /Transport and excursions providers

National and northern tour operators have their own fleets of buses and 4 x 4 vehicles. Two tour operators in the North have their own boat for maritime excursions. Most of the excursion services are provided by tour operators and revolve around city tours, historic sites, cultural events, waterfalls and beaches experiences. There are some independent tour guides who are at the Cap-Haitian airport and others who cooperate with hotels. Ground transportation services for tourists are usually provided by tour operators. In the North an association of taxis and independent taxis also provide visitors ground transportation from airport to hotels. Cap-Haitian airport receives regular international flights from the Bahamas and Turk and Caicos and daily American Airlines flights from Florida. Sunrise, a Haitian airlines have daily regular flight from Port-au-Prince to Cap-Haitian. There are no regular flights between Cap-Haïtien and the Dominican Republic. Jacmel and Les Cayes airport although relatively well equipped do not receive regular flights. Tour operators and individual visitors have to travel by charter flights to these cities.

e. Arts, crafts and cultural events

The art and craft sector is only organized in the Jacmel region. Northern artisans lack creativity. Craft vendors in the North buy their products from Port-au-Prince and Jacmel. There are more than 150 craft vendors in the Labadie cruise ship port, over 25 in the craft market of the city of Cap-Haitian and in Citadelle and Sans Souci parks. There are also craft kiosks at the Cap-Haitian airport. There are a few craft boutiques in Les Cayes with poor quality products. A few hotels in Cap-Haitian have a gift shop with artisans’ craft. Some craft and paintings vendors also sell their products around major hotels in Cap-Haitian. In Cap-Haitian and Jacmel, a few voodoo temples receive tourists. They rely on tour operators to bring in tourists. Some hotels also allow small groups of musicians to perform for their clients. Dancing and musicians groups from Cap-Haitian perform weekly at the Labadie cruise ship port.

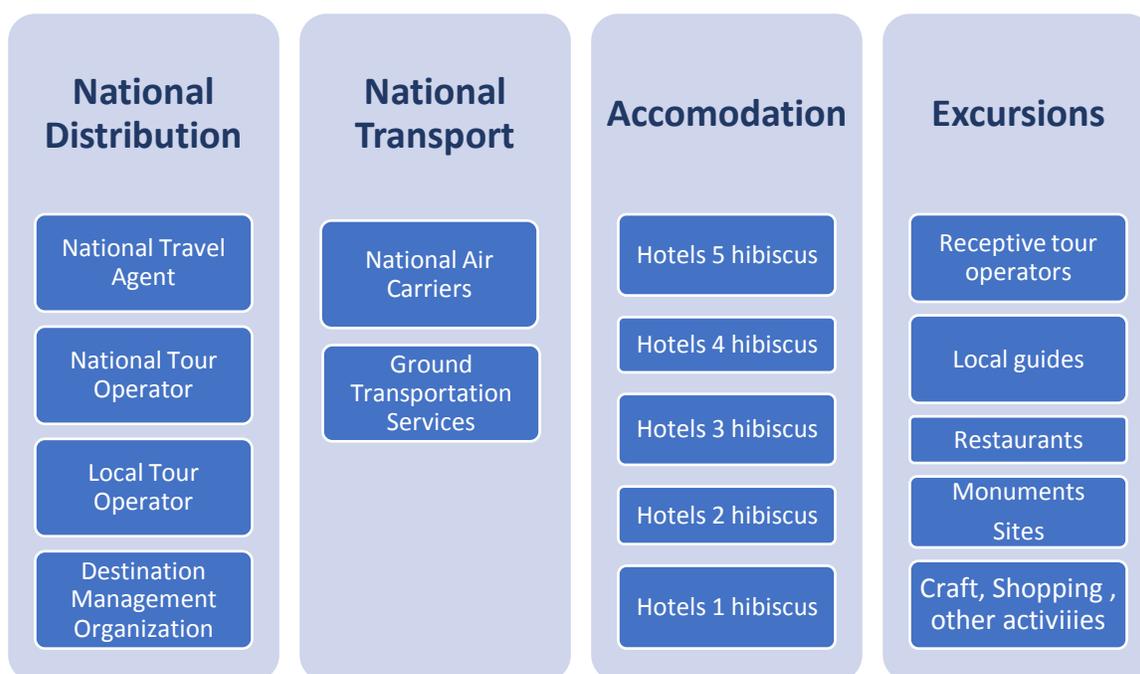


Figure E.3 Tourism value chain – Inbound country

E.2.3. SWOT analysis of Haiti tourism value chain in targeted zones

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ Strong commitment of Government and favorable government policies ✓ Public private partnership and 	<ul style="list-style-type: none"> ✓ Industry fragmented ✓ Most actors globally disconnected ✓ Poor management capacity, limited

<ul style="list-style-type: none"> ✓ complementary nature of both sectors ✓ Local ownership and management ✓ Increased hotel facilities ✓ Public financial products availability ✓ Appropriate legal framework and incentives for investment in the sector ✓ Natural, cultural and historical assets ✓ Increase of international airlines and number of flights ✓ Rich cultural heritage including creativity of artisans and artists ✓ Recent local and foreign investment in international hotels chains ✓ Management of hotels by international hotels chains ✓ New generation of leaders of tourism enterprises with strong entrepreneurial spirit and good knowledge of the industry 	<ul style="list-style-type: none"> qualified human resources and poor service level ✓ Limited ITC capabilities ✓ Poor image of Haiti as a unstable, unsafe and violent country ✓ Lack of adequate branding and marketing ✓ Lack of medical facilities ✓ High transport costs ✓ Lack of rooms availability in the North and small establishments in the Southern region which limit tour operators capacities to organize travel package for large tourists groups – destruction of hotels in the South by hurricane Matthew (\$ 8 million damage) ✓ Inadequate funding for tourism development
<i>OPPORTUNITIES</i>	<i>THREATS</i>
<ul style="list-style-type: none"> ✓ Foreign Exchange rate ✓ Increasing role of ITC facilitating marketing and online booking ✓ Geographical position in the Caribbean, proximity with the Dominican Republic, a very popular tourism destination and the important North America’s market ✓ Potential to differentiate from regional competitors and develop bi-national Haiti/DR and regional multi-destination packages ✓ Aid workers and missionaries could come back as leisure tourists 	<ul style="list-style-type: none"> ✓ Political instability and unrest ✓ Insecurity ✓ Official travel warning of foreign countries ✓ Infectious diseases outbreak ✓ Land use issues preventing large scale tourism investment ✓ Increase of urban insalubrities and poor waste management

E.2.4. Enablers and drivers

Three main sectors are involved in northern and southern tourism development: private sector, Government and non- non-governmental organizations (NGOs). The private sector includes a number of enterprises providing a number of tourism facilities and services and business

support organizations. The governmental sector comprises a number of ministries and authorities. NGOs initiatives are funded by international partners.

Table E.8 Stakeholders in Haiti's tourism supply chain

	<i>Private</i>	<i>Public</i>
Services providers	Travel agents, tours operators, domestic and international airlines, taxis, hotels, restaurants, car rental, craft boutiques, art galleries, guides, security services, sport services, spas	National and international airports, airports operators and ground handlers, travel information offices, public museums monuments and cultural centers
Key Institutions	Industry associations (Haiti Tourism Association, Association of Travel Agencies, Association of Guides Drivers of Haiti, Organization for the Management of the North Destination –(OGDN), Fondation pour le Développement du Tourisme Alternatif en Haiti (FONDATH), Réseau national de promoteurs du tourisme solidaire (RENAPROTS)	Ministry of Tourism, National Airport Authority, Airports and borders immigration offices Ministry of Culture, Ministry of Public Works, Ministry of Environment, Local authorities, Institut de Sauvegarde du Patrimoine National (ISPAN-Institute to Preserve National Heritage)

Current tourism development programs implemented by Government institutions and NGOs are funded by the Inter-American Development Bank and the World Bank in the North and the South.

Donor and Program Title	Program Description
<u>Inter-American Development Bank (IDB)</u> <u>- \$ 36 million</u> HA-L1095: Sustainable Coastal Tourism Program	The Program aims at supporting productive economic development in the southern coastal zone and consists in: (a) fisheries development aimed at increasing the productivity and sustainability of the sector through fisheries management and improved multi-purpose fishing facilities and; and (b) tourism development aimed at increasing the productivity and sustainability of tourism through improved governance,

<p>Contract signed in February 2015</p>	<p>destination management, public services and facilities.</p> <p>http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-L1095</p>
<p><u>Inter-American Development Bank (IDB)</u>- USD 2,431,416 and USD 711,250 counterpart fund</p> <p>HA-M1037: Developing the North Department as a Tourism Destination</p>	<p>The Project is implemented by CECI, a Canadian NGO. Its goal is to contribute to the economic recovery of Haiti positioning the North Department as Haiti’s prime tourism destination. The purpose is to organize and facilitate private-public management of the tourism destination with the participation of local economic initiatives (community and individual, rural and urban MSMEs), promoting a competitive tourism supply based on historical and cultural attractions that are unique in the Caribbean.</p> <p>http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-M1037</p>
<p><u>World Bank – 45 million</u></p> <p>Implementing agency: Unite Technique d’Execution (UTE) at the Ministry of Economy and Finance.</p> <p>Duration 2014-2020. Project will require a 12-18 months extension</p>	<p>The objectives of the Project are to: (a) increase the attractiveness of the cultural heritage sites in North of Haiti for tourists; (b) improve the living environment for the residents living in North of Haiti; and (c) support the Recipient’s capacity to respond promptly and effectively to an Eligible Emergency, as needed. Project main component are: 1- Developing touristic sites and circuits through selected investments in the National Historic Park (PNH) and Cap Haitian. 2- Support to inclusive local investments in the micro-region and Cap Haitian. 3- Support to development of touristic activities and services. Technical assistance to the Destination Management Organization and matching grants to local organizations, individuals and small entrepreneurs. 4 – Risk and emergency response contingency reserve.</p> <p>http://documents.worldbank.org/curated/en/881941468035429690/pdf/ISDS-Print-P144614-05-22-2013-1369280409107.pdf</p>

E.3. STRATEGY AND POLICY TO UPGRADE THE VALUE CHAIN IN TARGETED ZONES

E.3.1. Northern destination development

There is great potential for positioning Northern Haiti as a world class Heritage Tourism Destination. The northern destination with around 200 new five hibiscus hotel rooms added to existing 326 classified rooms, if Cap-Haitian city waste management and public monuments and sites management issues are addressed, could be ready export in the next two-three years. A marketing strategy has been developed for the OGDN. However specific market studies should be conducted to adapt the Northern heritage product and brand to specific market segments such as millennial Diaspora, African descents, French speaking tourists, international visitors in the Dominican Republic (Bi-national product) and other niche markets.

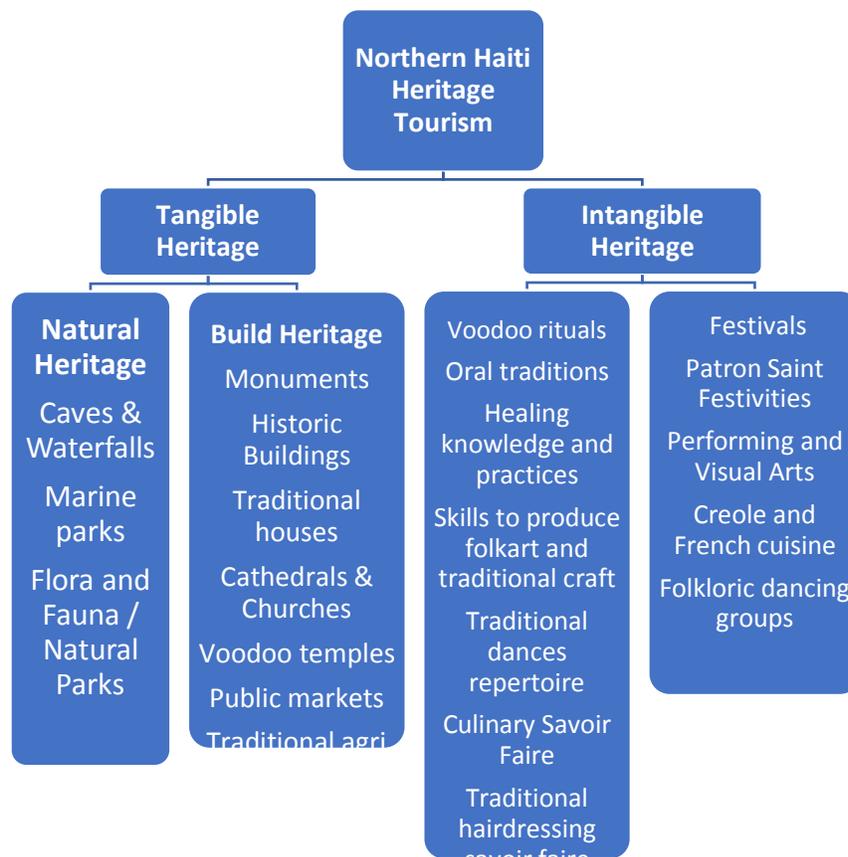


Figure E.4 Northern heritage tourism assets

E.3.2. Southern destination development

The South and Southern regions severely affected respectively by the January 12, 2010 earthquake and recently by hurricane Matthew could be developed as Responsible Tourism Destinations focusing on cultural and volunteer tourism. With its cultural, natural and historical assets, the southern coast should avoid “dark” tourism which is used to describe a fascination for travelling to places where death or tragedy has occurred⁹. It should target non-traditional tourism market segments and products which can increase the numbers of international tourists, their lengths of stay and the amount spent per head

- Charity – aid - volunteer tourism referring to trips taken to destinations for the purpose of assisting host communities by providing services that help in everyday life, or aid to disaster areas. The growth of the tourism market segment is being driven by post-career travelers (over 55 age group – baby boomer). “Gap year” student (i.e. students taking a year off to travel either before or after studying at university) is also a major contributor to charity tourism. Exchange student schemes also fit into a similar category NGO’s working in Haiti and Haitian students associations in foreign universities could be drivers of charity tourism.
- Millennial including the Haitian Diaspora looking for cultural pursuits when travelling. In a survey of [Topdeck Travel](#), popular provider of group travel for 18-30, experiencing a new culture (86%) and eating local foods (69%) were listed as common determining factors for motivating people aged 18 to 24 to travel -- ahead of partying (44%) and shopping (28%).
- Gays and lesbians turning into one of the most influencing trendsetters in the tourism industry. LGBT travelers spend a lot on travel. And according to a study by [Out Now Business Class](#), a travel networking association, the market is now valued at more than \$200 billion in annual spending. Southern Haiti particularly Jacmel tends to be more open to LGBT visitors than the North and other part of the country.
- Corporate volunteer vacations targeting particularly leading fragrances and flavors houses buying essential oils from the south. This type of tourism creates opportunities for corporate staff to give back in a significant way and also serves as meaningful team building experiences. The sponsoring corporation enjoys higher employee retention, easier recruitment and enhances his brand imaging. It can also target industry customers. Whole Foods has developed such a program to provide its customers an introduction to its suppliers, supply chains and philanthropic activities overseas. It also

⁹ Séraphin Hugues. Assessing dark tourism as a sustainable economic activity for emerging destinations using a multi criteria approach. The University of Winchester (England). 2016

brings awareness to company commitment to social responsibility and sustainable sourcing.

- Motor – driving sport tourism capitalizing on Haiti-Dominican Republic current experience with successful annual motocross competition in Jacmel and past experience Festival de la Mer including a car rally from Port-au-Prince to Pestel in the Southwest sponsored by Shell Petroleum Company. Motor sports activities along the island southern coast could attract visitors from the Caribbean and globally and
- Art and design workshop programs for tourist to acquire some of the skills of local artists and craftsmen is another interesting area that could be developed particularly in the Jacmel area

E.3.3. Priorities and illustrative strategies and activities for destinations improvement

Learning from best practices and lessons of past and current projects and from other countries experiences, the following programmatic focus areas could be considered: building institutional capacities, upgrading the quality of tourism product, branding and marketing.

PRIORITIES	ILLUSTRATIVE STRATEGIES AND ACTIVITIES
1- Building Institutional Capacities	
Strengthening of the Institutional framework for tourism development in targeted zones	<ul style="list-style-type: none"> • Reinforcing local authorities' participation, developing local legislation and tourism development plan and human resources' development. • Support to the implementation of OGDN strategic and marketing plans • Establishment of Organizations for Destination Management in the South and Southeast learning from the North best practices and lessons. • Construction of a share vision and formulation of strategic and action plans for the South and Southeast • Inscription of specific budget lines within national budget for the development of targeted zones
2- Upgrading the quality of tourism product	
Development of tourism products	<ul style="list-style-type: none"> • Identification of destination assets and potential products • Research of specific market segments for potential products

	<ul style="list-style-type: none"> • Tourism products development for specific niche markets
Business development and export readiness	<ul style="list-style-type: none"> • Immediate assistance to hotels and other tourism related enterprises affected by hurricane Matthew • Training, technical assistance and access to financing to develop successful micro, small and medium enterprises to increase number of tourists and their lengths of stay, spending on craft, sight-seeing and entertainment • Supporting local farmers to access the agricultural supply chain for tourism • Development of business linkages with international tour operators and travel agencies
Product diversification and quality	<ul style="list-style-type: none"> • Development and improvement of tourism sites and circuits to diversity tour packages • Innovation of lines of quality craft products, dancing groups costumes and choreographies, special events adapted to destination cultural and historic sites • Development of public private partnership for the improvement and management of public monuments and sites (Ex: development of the Bassin Zim waterfalls and caves tourism destination funded by the European community) • Introduction of awards to raise quality at all stages of the value chain (accommodation, food and beverage, transport, excursion, craft, cultural events and sightseeing)
3. Branding and marketing	
Brand identity	<ul style="list-style-type: none"> • Positioning Northern Haiti as “natural, authentic, welcoming destination with strong and stable historical background and landmarks untouched by globalization (Bancel 2005)”¹⁰ • Professional development of a logo and slogan capturing the essence of the Northern heritage destination • Benchmarking of other responsible tourism destinations

¹⁰ Séraphin Hugues, Gowreesunkar Vanessa, Capatina Alexandru, Yalopp Anca, Heritage in tourism organisations branding strategy: The case of a postcolonial, post-conflict and post-disaster destination. Journal of Travel & Tourism Marketing

	branding strategy for the Southern coast
Promotion and marketing	<ul style="list-style-type: none">• Market studies and marketing strategies for specific tourism market segments for the Northern destination• Development of marketing strategies in partnership with NGOs, the F & F industry and celebrities/philanthropists engaged in Haiti for the Southern destination

APPENDIX F. DOMINICAN REPUBLIC SPECIALTY FOOD VALUE CHAIN

F.1. ORGANIC COCOA VALUE CHAIN

F.1.1. COCOA INDUSTRY

Dominican Republic is the ninth world producer of cocoa, but the first exporter of organic cocoa with 60% of the world Market. It has 40,000 cocoa producers and export of 250 million tons per year impacting 300,000 people. 16.5% is organic cocoa production. DR has two varieties of cocoa: Hispaniola (Fermented) and Sánchez (without fermentation).¹¹

Main organic cocoa producers and exporters are: Confederación Nacional de Cacaocultores Dominicanos (Conacado), with 49.8% of total production; Nazario Rizek, with 15.8%; Comercial Roig with 13.2%. There are currently 6.000 producers of organic cocoa distributed in 150 communities (7 Regions).

The cocoa production is interlinked in its value chain with ecological tourism, agritourism and cultural tourism which currently includes the *“Ruta Turística del Cacao”*. This initiative was created in 2008, with an approx. investment of RD\$3 million, through the area called Bloque Este de Asociaciones de Productores de Cacao, and was originally called *“Tour del Chocolate”* (Chocolate tour). These are guided visits to organic cocoa plantations in the East of the Dominican Republic (communities El Rancho, Vicentillo y Yabón, on Hayo Mayor Province). In this tour, they explain the entire production process, that is from plantation, crop, fermentation and also step for the preparation of wine, marmalade, chocolate and other sub-products of the cocoa bean.

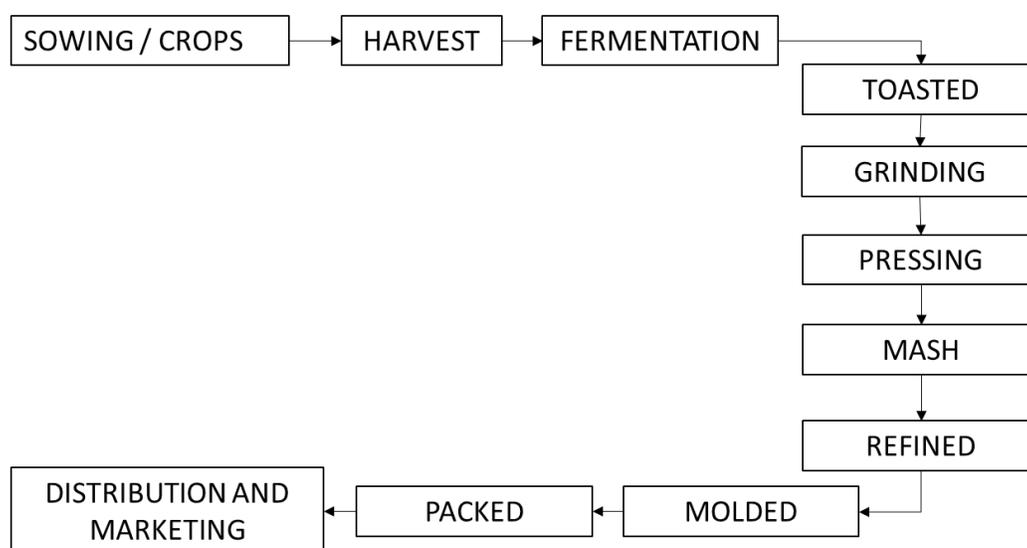
There are two significant international organizations which have the major international representation related to cocoa which are: ICCO (International Cocoa Organization.); and COPAL (Alliance of Cocoa Producing Countries).¹²

Organic agricultural production is a system that uses to the maximum the resources of the land to protect the environment and human health, the fertility of the soil and the biological activity at the same time it minimizes the use of the nonrenewable resources and it does not uses fertilizers or pesticides.

Cocoa production can be summarized in the following phases:

¹¹ http://www.dominicanaonline.org/portal/espanol/cpo_cacao.asp

¹² Batista, L. 2009. Guía Técnica. El Cultivo de Cacao. Centro para el Desarrollo Agropecuario y Forestal, Inc (CEDAF)



Source: NEX

Figure F.1 Organic cocoa production process.

According to the DR Ministry of Agriculture in the last years the land area sown and harvested has increased considerable as well as the yield.

Table F.1 Area sown, harvested, production and yield of cocoa in the Dominican Republic (Period 2002 – 2015).¹³

Year	Area sown		Area harvested		Production	Yield
	Tareas	Ha	Tareas	Ha	Quinales *	Quintal/tarea
2002	N.D.		2,000,000	125,786	1,002,391	0.50
2003	N.D.		2,000,000	125,786	1,029,497	0.51
2004	N.D.		2,000,000	125,786	1,043,163	0.52
2005	N.D.		2,436,185	153,219	691,097	0.28
2006	N.D.		2,436,185	153,219	1,012,181	0.42
2007	N.D.		2,436,185	153,219	929,334	0.38
2008	N.D.		2,436,185	153,219	998,492	0.41
2009	N.D.		2,436,185	153,219	1,212,407	0.50
2010	N.D.		2,436,185	153,219	1,286,032	0.53
2011	N.D.		2,436,185	153,219	1,196,627	0.49
2012	32,520	2,045.28	2,400,000	150,943	1,592,271	0.66
2013	51,634	3,247.42	2,400,000	150,943	1,499,581	0.62

¹³ <http://www.agricultura.gob.do/estadisticas/siembra-cosecha-produccion-y-rendimientos>

2014	57,331	3,605.72	2,400,000	150,943	1,541,309	0.64
2015	ND		2,400,000	150,943	1,664,473	0.69

Tareas Dominicanas = unit of Surface measure equivalent to 0.06289 ha

N.D. = No Disponible **Quintal** = 100 pounds

Source: Prepared based on information from DR Ministry of Agriculture base 2016 published data

According to CEI-RD, related to the trade pattern of organic cocoa “in the cocoa production zones there were about 6,738 producers dedicated to the organic production of the fruit that has been incremented to about 10,000, of which the Confederación Nacional de Cacaocultores (CONACADO) has about 49.8%. Followed by Nazario Rizek with 15.8% and then Comercial Roig, con un 13.2%. The rest is shared between Munné and Compañía, J. Paiwwonsky e Hijos, Cortés Hermanos, García y Mejía, Yacao and la Asociación de Productores de Cacao del Cibao (APROCACI)”.¹⁴

This document points out that “Dominican Republic has 60% of the world organic cocoa market, with 401,553 tareas, which represents 16.5% of the total 2, 436,185 tareas sown of the bean which are distributed in 40 thousand farms large, medium and small, which are located in five production zones”.

According to the DR Ministry of Agriculture the organic cocoa production (aromatic bean) is distributed by region as follows: Northeast, 61 %; East, 13%; Central, 10%; North, 9% y Northcentral, 7%.¹⁵

In that document the Ministry also indicates that the organic cocoa productions have 40 thousand productive units which are harvested by 36 thousand farmers and benefits indirectly about 300 thousand people. Additionally, this agricultural sector is associated to support of the environment and ecological balance of the DR which includes about 13% of cover forest, generating environmental services such as water generation, consumption of Carbone dioxide, habitat for fauna, among others.

Certification associated to the Dominican Organic Cocoa: ISO 22000, USDA Organic, EU Market Organic Certification, Rain Forest, UTZ, Fair Trade Labelling Organization, Hand in Hand Organic Rapunzel Fairtrade, Biosuise y Kosher.

¹⁴ CEI-RD. Market intelligence Office. Undated. COMPORTAMIENTO COMERCIAL DEL CACAO ORGANICO. Consultado en: http://www.cei-rd.gov.do/estudios_economicos/estudios_productos/perfiles/cacao_organico.pdf (9 Sep, 2016)

¹⁵ <http://www.agricultura.gob.do/noticias/2014/10/republica-dominicana-exporta-en-cacao-214-millones-de-dolares/>

Legal and Institutional Development:

- Creation of the National Programme for Organic Agricultural and the Office of Control of Organic Agriculture, both technical functions define in the following resolutions: Nos. 08/2005, 014/2005.
- Decrees Nos. 223/08 y 224/08, and Res. No. 015/08 are the framework decree for the production of Dominican organic production creating the National Council of Organic Agriculture or Consejo Nacional de Agricultura Orgánica (CONAO)
- International Agreement on Cocoa, 2010 (Conferencia de las Naciones Unidas sobre el Cacao, 2010 Ginebra, 21 a 25 de junio de 2010. TD/COCOA.10/3)¹⁶
- Currently there is a Regional Guidelines which is being developed to include Central America, Panamá and DR, with financial support from FAO/UNCTAD/IFOAM,

Public support Institutions

Ministry of Agriculture

Ministry of Economy, Planning and Development

Ministry of Environment and Natural Resources

Ministry of Industry and Commerce

Instituto Agrario Dominicano (IAD)

Banco Agrícola de la República Dominicana (BAGRICOLA)

Banco de Desarrollo Agropecuario (BDA)

Banco Nacional de la Vivienda y Fomento a la Producción (BNV)

Centro para el Desarrollo Agropecuario y Forestal (CEDAF)

Centro de Exportación e Inversión de la República Dominicana (CEI-RD)

Consejo Nacional de Competitividad (CNC)

Instituto Dominicano de Investigaciones Agropecuarias y Forestales (IDIAF)

Instituto Interamericano de Cooperación para la Agricultura (IICA)

Organismo Internacional Regional de Sanidad Agropecuaria (OIRSA)

F.1.1.1. Cocoa Export

Dominican Republic produces and export two type of cocoa: Hispaniola (Fermented) and Sánchez (without fermentation).

The Sánchez type is produced under natural conditions, since it is picked up on the ground and it makes up 70% of the annual exports of Dominican cocoa. Due to its nature, its high content of fat and low price is preferred in the US market.

¹⁶ http://www.dominicanaonline.org/portal/documentos/Convenio_Internacional_Cacao_2010.pdf

The Hispaniola cocoa, after harvest goes through a process of fermentation. This is highly demanded in the European market.

For export, the organic cocoa has many certifications from different organizations in charge of verify and award the seal of guarantee of the organic characteristics and the level of quality. The most important market have their own certification: For example: BCSÖKO-Garantie (Germany), BioSuisse (Switzerland), Demeter (Germany), IMO-Control (Germany-Switzerland), Japanese Agricultural Standard-JAS (Japan) y National Organic Program-NOP (USA).

With the objective to take advantage of economic opening of DR economy, the DR Manufacturers Association (AIRD), along with the National Competitiveness Council (CNC) and the Centre for Export and Investment Promotion of DR, CEI-RD established the Cocoa Cluster. The Group hired the firm OTF (lead by Michael Fairbanks), to prepare a “Strategic Map of the Dominican Industrial Sector”. For its implementation, the AIRD and CNC developed a project to support the formation of 3 clusters: -(i) plastics, (ii) beauty products; (iii) cocoa and derivate- IDB through Multilateral Investment Fund (FOMIN) agreed to finance the Programme for Industrial Innovation: competing with speed and flexibility in January 2008.¹⁷

The main objective of the programme is to promote and improve the competitiveness of the DR exporting Manufacturing sectors, promoting associativity under the cluster scheme.

The Cocoa Cluster strengthen the different elements of the value chain, allowing other actors to integrate to the circle of enterprises around the clusters.

Dominican Republic entered the list of exporting countries of fine cocoa or aromatic coco since January 18th, 2008.

Currently there is a private institution in DR dedicated to the trade of cocoa plants and seeds of high genetic quality which is called Centro de Producción Genética de Plantas y Semillas (CEPROGPLANSE). This Centre is developing a project to rescue the native genetic material that are still found in traditional plantations through the selection of individual trees in situ.¹⁸

According to data from the Ministry of Agriculture from 2012 in its document called “*Reseña del estado actual de la agricultura organica en la República Dominicana*”, organic cocoa exports increased from 130 MM dollars in 2005 to 168 MM dollars in 2009.¹⁹

¹⁷http://camaracomercioarauca.com/data/archivos/galerias/3/presentacion_cluster_cacao_y_biocafcao_colombia.pdf

¹⁸ Villanueva, A. (BIOCAFAO). 2015. Caso de Éxito Clúster Dominicano de Cacao y sus Derivados. 2do Foro Regional Cacaotero Arauca.

¹⁹ Ministerio de Agricultura. Oficina de Control Agricultura Orgánica. 2012. Breve reseña del estado actual de la agricultura organica en la República Dominicana.

Table F.2 Export of cocoa and its derivate (Agricultural Products, 2012-2015*)

Chapter	Products	2012		2013		2014		2015 *	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
National Agricultural Total		1,497,101	1,772,845,117	1,355,459	1,779,392,538	1,466,357	1,926,097,582	1,423,130	2,022,519,350
18	Cocoa and Preparations	65,868	168,105,627	65,936	171,478,339	71,147	227,072,430	82,676	264,186,498

* Preliminary data, subject to rectification

Source: DR Customs Office

Statistical data after that year do not segregate between organic and non-organic cocoa, but show a substantial increase in its participation of the GDP. In the chart 3 you can see the DR exported in 2015 more than 85 thousand metric tons of cocoa with a value of over US\$264 thousand millions.

According to data from the Ministry of Agriculture, Dominican Republic is the only country in the Central America and Caribbean region that are among the top 10 world cocoa exporter and it is recognized as the no. 1 organic exporter in the world (lower to No. 2 recently).²⁰

²⁰ <http://www.agricultura.gob.do/noticias/2014/10/republica-dominicana-exporta-en-cacao-214-millones-de-dolares-/>

Table F.3 Export of DR cocoa according to type of product. Period 2010-2015 * (Volume in metric tons and Value in FOB US \$)

Tariff Code	PRODUCTS	2010		2011		2012		2013		2014		2015*	
		Volume	Value										
	Traditional products. Cocoa and Cocoa Preparations	56,378.86	178,797,843	53,667.57	183,860,509	65,867.68	168,105,627	65,935.69	171,478,339	66,222.39	227,072,330	82,676.07	264,186,498
1801	Cocoa in Grain, whole or split, raw or roasted. (Crude Cacao in Grain)	52,286.53	164,790,033	51,017.02	175,711,849	65,867.68	168,105,627	63,628.92	162,288,883	63,265.26	212,116,274	79,597.36	250,786,750
1802	Cocoa shells, waste and scrap	439.75	703,771	158.37	102,627			223.04	253,490	361.36	843,769	200.17	306,679
1803	Cocoa Paste	171.49	803,792	40.64	174,601			12.96	56,108	211.76	943,076	116.64	499,003
1804	Butter, cocoa fat and oil.	1,789.13	8,617,516	1,358.91	5,025,540			1,002.17	4,488,197	1,239.12	8,926,253	1,224.06	7,065,007
1805	Cocoa powder, not containing added sugar or other sweetening matter.	281.58	1,115,207	172.65	941,862			118.80	1,059,391	218.28	1,053,936	197.01	1,035,137
1806	Chocolate and other food preparations containing cocoa	1,410.37	2,767,524	919.98	1,904,030			949.80	3,332,270	926.61	3,189,022	1,340.84	4,493,923

* Data subject to revision.

Source: Ministry of Agriculture of the Dominican Republic. Department of Agricultural Economics.

Table F.4 Cocoa exports by country of destination, 2002-2015
(Volume in metric tons and Value in FOB US \$)

PRODUCTS	2002		2003		2004		2005	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total ^a	39,875	59,887,015	39,171	65,092,357	34,354	45,720,077	21,981	32,013,647
-USA	24,465	34,007,376	28,797	47,198,904	21,671	27,617,571	14,462	19,569,870
-Canada	4,411	6,899,154	1,068	1,361,222	3,350	4,195,799	1,304	1,845,900
-Italy	2,974	4,773,447	3,211	6,091,555	3,465	5,682,433	2,525	4,779,715
-Belgium	3,306	5,890,470	982	1,602,686	422	553,380	339	527,010
-Mexico	1,781	2,998,111	1,170	1,835,141	1,922	2,848,845	346	475,140
-Holland	1,001	1,820,667	1,684	3,323,618	818	1,071,882	750	1,350,447
-Costa Rica	243	403,509	506	965,587	828	985,331	327	526,598
-Germany	102	628,740	300	528,345	331	469,050	153	283,248
-Other Countries	1,592	2,465,542	1,453	2,185,300	1,546	2,295,786	1,776	2,655,719
PRODUCTS	2006		2007		2008		2009	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total	23,929	36,933,584	38,953	85,743,876	31,472	92,166,379	37,619	95,308,127
-USA	16,550	23,135,083	12,406	20,414,142	9,433	23,415,927	24,808	60,691,147
-Italy	3,453	6,565,274	5,935	13,951,746	5,304	17,128,083	643	1,460,420
-Belgium	1,608	2,994,958	12,508	32,733,465	8,502	26,376,213	1,177	3,865,166
-Holland	654	1,517,821	3,339	9,149,938	3,920	13,292,580	3,036	8,609,655
-Costa Rica	347	547,401	1,329	2,096,640	N.D.	N.D.	N.D.	N.D.
-Germany	128	255,780	1,606	3,878,499	1,487	4,144,547	2,109	5,712,456
-Other Countries	1,191	1,917,266	1,830	3,519,446	2,826	7,809,029	5,846	14,969,282
PRODUCTS	2010		2011		2012		2013	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total	31,341	98,923,981	51,017	17,571,189	34,982	84,157,593	63,629	162,288,883
-USA	8,144	25,223,590	17,451	58,364,429	18,214	42,650,539	21,304.26	51,740,197
-Mexico	5,210	16,065,968	3,659	12,897,131	5,544	13,117,651	5,207.68	12,851,768
-Germany	3,301	9,146,569	4,959	16,756,891	1,952	5,236,132	3,641.82	10,245,281
-Belgium	2,569	8,826,794	4,856	17,350,418	1,343	3,194,930	8,972.28	21,540,119
-Italy	2,175	7,246,084	2,918	9,788,305	2,556	5,763,120	4,268.74	11,700,682
-Netherlands	N.D.	N.D.	1,474	5,216,247	1,489	4,396,889	9,933.54	27,331,277
-Spain	859	2,781,616	925	3,134,355	983	2,468,189	5,147.72	12,909,428
-Switzerland	50	166,118	641	2,309,804	2,197	5,545,356	342.35	1,057,834
-Other Countries	9,033	29,467,242	14,109	49,803,330	705	1,784,787	4,811	12,912,297
PRODUCTS	2014*		2015*					
	Volume	Value	Volume	Value				
Total	66,990	213,507,524	81,332	259,692,576				
-USA	23,186	76,089,543	26,469	82,617,011				
-Netherlands	14,015	44,598,577	17,299	57,749,535				
-Belgium	7,993	25,019,354	6,830	21,299,098				
-Mexico	6,367	19,620,884	4,499	13,706,284				
-Spain	4,975	14,764,031	5,462	16,112,563				
-Italy	3,231	10,375,884	2,543	8,438,523				
-Germany	2,723	8,750,140	3,297	10,414,047				
-Switzerland	1,575	4,711,689	2,003	6,797,864				
-France	2,464	8,083,290	1,636	5,482,432				
-Other Countries	461	1,494,132	11,294	37,075,220				

NOTE: Cocoa exports include cocoa Sanchez, Hispaniola and Organic.

Source: Minister of Agriculture. Department of Agricultural Economics.

Market Opportunities:

The world demand of cocoa is 4 million tons a year, therefore there is a lot of space to grow the Market. Demand for more natural products for cosmetics increases also the world demand of byproducts. There is more demand for specialty products in Europe and US. Huge markets like China, India and Russia offer great potential for the Caribbean and for DR in particular.

F.1.1.2. Cocoa Value Chain

DR Cocoa Value chain

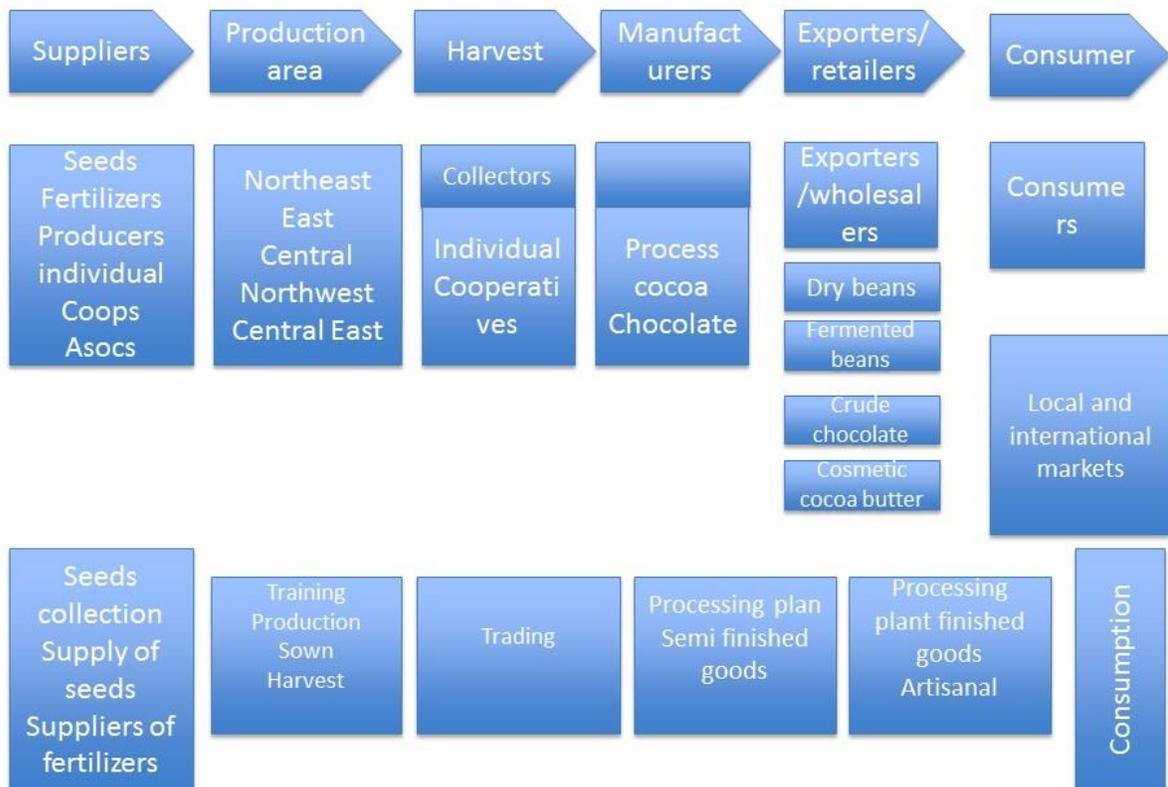


Figure F.2 Dominican Republic cocoa value chain

F.1.1.3. SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ DR recognize as a tourism destination and leader of tourist visitors in the Caribbean ✓ Increase in % of hotel rooms and # of tourist per year ✓ Shift from “all-inclusive model” to other type of tourism ✓ International recognition as cocoa exporter ✓ High demand in Europe ✓ Established exporters ✓ Fair trade and organic branding established ✓ CONACADO as a cooperative model to help small farmers become world class exporter ✓ Investment in value added machineries ✓ Links with tourism industry ✓ Cluster functioning ✓ Research and geographical markers being developed ✓ Investment by DR government with smaller farmers 	<ul style="list-style-type: none"> ✓ Lack of sustain efforts in several clusters/regions to sustain quality and increase yield ✓ Not all producers are working together or member of clusters ✓ Low yield is not profitable ✓ Limited of research on new varieties ✓ Lack of collaboration between Haiti and DR authorities to avoid diseases from entering the island ✓ Still low quality of manufactured goods ✓ High volume, state of the art machineries not operational for lack of raw material
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Increase number of sustainable/responsible tourists targeting DR ✓ Organic farming in both side of the island ✓ Tax incentives for investment in border provinces ✓ New development along the border ✓ Interest of DR cluster of collaboration with Haiti ✓ Recognition of protection of plantation is an island wide effort ✓ High demand in international market 	<ul style="list-style-type: none"> ✓ Natural disasters could affect infrastructure and planning ✓ Amonillya disease already in other neighboring islands can affect products ✓ Need to improve quality and yield to guarantee profitability ✓ Recuperation of African producers like Ivory Coast could lower the price internationally

- ✓ Demand for fair trade and artisanal high quality chocolate still high in international markets including Asia and Europe
- ✓ Preferential access to EU and US markets



Figure F.3 Cocoa regions in the DR

F.1.2. AREAS OF POTENTIAL COLLABORATION HAITI-DR PER DR

The consultants met with most of the representative of the DR Cocoa cluster which represent most the producers, exporters and manufacturers of cocoa in the DR. The governmental institutions are also invited to participate in cluster’s meetings. The major findings are as follows:

- a) DR is already participating in limited joint activities through the 10th EDF binational programme managed by Caribbean Export. This includes attendance to international trade show and the sponsored of Haitian participants to the World Cocoa meeting held in May in Punta Cana.
- b) Initial conversation between producers on both countries have been positive, but there has been no follow up
- c) There is some knowledge from the DR part of productions in Haiti. A few have visited some plantations
- d) There is serious concern from the DR producers of the threat of “amonillya” a disease that kills plantation. It has already been detected in Jamaica and Cuba. An island wide action plan is needed

- e) DR producers indicate that the devastation of the plantations in the Southwest of Haiti, the area around Jeremie, could be an opportunity to plant new species which are more resistance to the disease and also improve production yield. DR is willing to collaborate in this.
- f) There are initiatives to grow more cocoa along the DR border area which is deforested and the same could be done in Haiti. There are some studies done regarding certain regions which could be good for growing organic cocoa also in the Haitian side
- g) CONACADO, DR Cocoa producers Cooperative is an interesting grouping. They are a holding of 158 associations with more than 8,700 producers, the majority (over 70% have less than 80 tareas of land and only 5% have over 150 tareas. So they are mostly very small producers that receive technical assistance to improve production, increase yield and Export their crops under international certification including fair trade and organic.
- h) CONACADO has indicated they have collaborated already in Haiti with Walner Joseph that Works with the Jean Price Mars University in área of training. They have also worked with Moloche Dolier on Research.
- i) CONACADO has a project assisting small producers in the border as a new area for cocoa productions. They want to continue collaboration with Haiti and they can work supporting also small producer's associations. Increasing yield is essential as production under 50 pounds per tarea is not profitable. Potential for production is 300 under the right condition.
- j) CONACADO has invested in state of the art processing machinery for cocoa. They produce liquor, butter and powder, but they only produce 8,000 tons, with a capacity for up to 28,000 tons, they have enough spare capacity to for strategic alliances with producers in Haiti. Although they currently do not manufacture chocolate (others in DR Munne, Cortes Hermanos and Rizek do as well as artisanal small producers)
- k) Organic cocoa prices are about US\$3,000 per tons, if cocoa is sold organic and fermented, the price per ton increases by US\$1,000. Therefore there are plenty of opportunities to reap benefits from organic plantations with the right approach and right market.
- l) Cocoa plantations are great for reforestation, but also allow for smaller crops to be planted and harvested while the cocoa plants are growing, this could also include chicken farming.
- m) Cocoa is also good for employment. CONACADO alone employs 580 people directly and 70,000 indirectly.
- n) Collective association model like CONACADO offer an interesting model for Haiti. It is owned by the small producers, it means the benefit will go to them as well and they share the costs of technical assistance, research, trading and marketing.
- o) CONACADO is keen on collaboration with Haiti at different level including research and development, training, technical assistance and commercialization.
- p) There are also opportunity to develop small manufacturing of products to support groups including women.

- q) DR Cocoa cluster is currently working in a denomination of origin for DR cocoa. They indicate a potential new project could be to distinguish the flavors and characteristics of the different types of cocoa beans from different geographical areas in the islands and protect them as well.

F.1.3. PROJECTS TO BE SUPPORTED. CHALLENGES AND POTENTIAL IMPACT

The following projects ideas have been presented by the DR cocoa producers and exporters. They recognized that there is a lack of knowledge and dialogue to generate a good working relationship and there is clearly a need to work together if there is willingness from the Haitian side. It is clear that other organizations need to be part of some of these projects, but in agribusiness if primary agriculture issues are not well taken care of, the rest will suffer as well.

Project: Development of strong and competitive plantations	
Main objective:	To develop and protect cocoa and especially organic cocoa as a strong export for both DR and Haiti
Other objectives:	To protect the environment and promote reforestation with a viable, profitable crop that could also allow for additional short term crops and farming
Key activities:	<ul style="list-style-type: none"> -Inventory of areas on both countries and selection of group of farmers -Obtain support for new type of plants for Haiti's Southwest region -Actions to combat diseases and protect the island of treats -R&D to grow stronger disease resistant plants -Organic treatment of soils and crops
Actors needed:	-Ministries of Agriculture, Ministries of Environment, Farmers Associations, plantation owners, exporters

Project: Development of research and development and IP protection for cocoa	
Main objective:	To add value to the cocoa in the entire island by classifying the flavors and characteristics and protecting them with denomination of origin and collective marks

Other objectives:	Research will also improve the quality of the products and determine future innovation
Key activities:	<ul style="list-style-type: none"> -Inventory of types of cocoa and characteristics -Research and lab testing: establish facilities for this in one or both countries -Description and preparation of request to IP authorities
Actors needed:	Private firms, trade associations, Ministries of Agriculture, IP Authorities, WIPO, etc

Project: Development of export ready cocoa products	
Main objective:	-To develop cocoa by product both at artisanal and industrial level
Other objectives:	-To support new rural communities with small manufacturing facilities
Key activities:	<ul style="list-style-type: none"> -To develop small production of cocoa butter for cosmetic industry -To develop small chocolate productions (artisanal, high quality) - Strategic alliances to produce high quality organic semi process cocoa products: butter, liquor, powder, etc -To develop new joint high quality products -To develop agritourism also for Haiti and other zones in DR - To develop new brands based on origin and quality

F.2. ORGANIC BANANA VALUE CHAIN

F.2.1. BANANA INDUSTRY

The banana has its origin in East Asia, it has been known since 650 before Christ. The banana specie that we know arrived from Canary Island in the XV century and since then was brought to America in the year 1516.

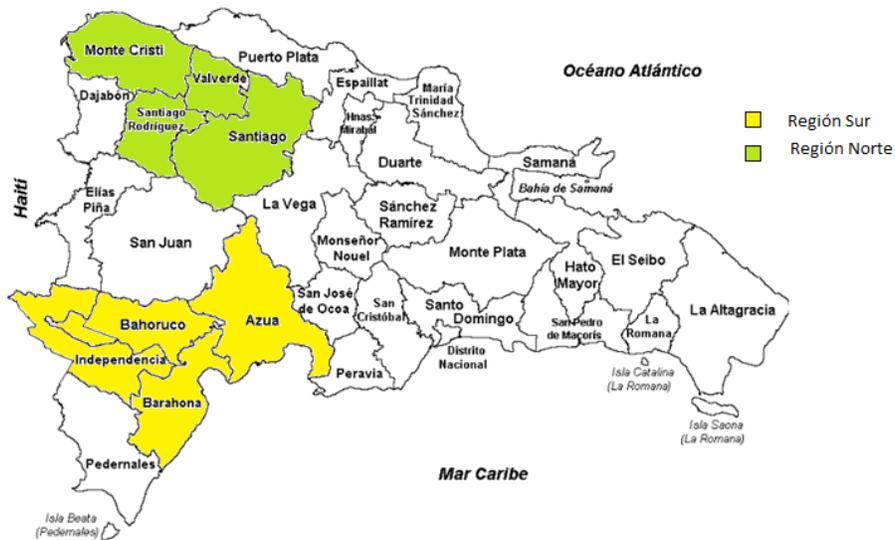
Banana is part of the musaceae family and it is consumed as a fruit in different state of maturity. Dominican Republic is one of the main exporter of banana to Europe and the US in different varieties: traditional banana, organic and biodynamic banana. Organic and biodynamic banana accounts for about 70% of productions and exports of banana in DR.

Banana has been produced in the Dominican Republic since Colonial time (XVI century). In 1943 Dominican Government and the Grenada Company signed the first agreement for banana production. In 1951 the Dominican Fruit Steamship Company is established in Azua. In 1959 the first export of bananas was recorded from Manzanillo Port to Europe and USA.

In 1966 the Grenada Company and the Dominican Fruit and Steamship company decided to depart the DR for South America. In 1972 the State-owned Project Cruz de Manzanillo, took control over the old plantations of the Grenada Company, and start exports to Europe and United States. In 1979, the Export business ends due to a trade dispute between COMUNBANA and the Dominican Agrarian Institute. From the period 1988 – 1992 the project Cruz de Manzanillo is re started in collaboration with the Irish based multinational company named Fyffes. Around the same time United Brands was set up in Mao as a trading company. They bought their supplies of the banana from independent local producers through a local company Frudoca. When these two companies exit the market in 1997, the country faced another crisis in the banana export sector until new companies come into the market such as Savid Dominicana, Plantaciones del Norte, Camelia Agroindustrial, Horizontes Orgánicos, Bananos Maeños y Grupo Banamiel, entre otros.²¹

Currently the banana production is concentrated in two regions of the Dominican Republic: Province Azua, Barahona, Bahoruco & Independencia (in the South) and the provinces of Mao, Montecristi & Santiago (in the North).

²¹ Ekoban. History of the DR banana



The organic banana is produced mainly to Export to the European Union Market.

Figure F.4 Main banana producing región in DR



Figure F.5 Structure of the organic banana value chain

There are 1800 producers for Export in the DR organized in 18 associations. There are National Association (ADOBANANO, Asociación de Productores de Banano Orgánico APROBANO, Banelino, Asociación de Bananeros Unidos (ASOBANU) and others and 1 cluster.

High rural employment in areas of extreme poverty (Montecristi, Azua, Valverde).

According to official statistics of the Ministry of Agriculture, the banana sector generates about 27,000 direct and indirect jobs and more than 30,000 families depend on this crop. The estimated number of producers was about 1,985 in 2014.²²

In table F.5, you can see increase in production in the Dominican Republic and increase in area sown as well as production rate.

Table F.5 Area sown, harvested, production and yield of banana in the Dominican Republic (Período 2002 – 2015).²³

Years	Planted Area		Harvested Area		Production	Performance	
	Tareas	Ha	Tareas	Ha	Quinales *	Quintal/tarea	Quintal/ha
2002	36,678	2,307	252,159	15,858	20,530,436	81.42	1294.62
2003	36,503	2,296	258,126	16,234	21,023,354	81.45	1295.06
2004	47,879	3,011	238,229	14,982	19,119,697	80.26	1276.16
2005	59,644	3,751	282,239	17,750	22,200,593	78.66	1250.74
2006	34,963	2,199	306,891	19,300	20,446,774	66.63	1059.40
2007	38,893	2,446	310,116	19,503	21,159,712	68.23	1084.94
2008	79,392	4,993	292,709	18,408	18,231,271	62.28	990.37
2009	54,288	3,414	287,200	18,062	24,070,508	83.81	1332.66
2010	61,898	3,893	323,322	20,334	30,279,431	93.65	1489.13
2011	64,282	4,043	346,946	21,819	33,878,456	97.65	1552.67
2012	69,318	4,359	361,871	22,758	35,587,863	98.34	1563.75
2013	70,368	4,425	376,199	23,659	39,685,046	105.49	1677.37
2014	68,985	4,338	410,982	25,847	40,999,592	99.76	1586.26
2015	68,619	4,315	416,660	26,204	41,523,198	99.66	1584.63

Tareas = Dominican unit of surface measurement equivalent to 0.06289 ha

Quintal = 100 pounds

Source: Prepared based on information from the Ministry of Agriculture, 2016

(Data published on its website)

In the table above from the period 2002-2015 you can see an increase in sown area of 87%, an increase of 65% of the area harvested and 102% in the production volume, which shows the improvement in sowing and harvesting techniques.

²² El Caribe. Mar, 2014. <http://www.elcaribe.com.do/2014/03/08/banano-sustento-300-mil-familias> . Consultado 20 Agosto 2016.

²³ <http://www.agricultura.gob.do/estadisticas/siembra-cosecha-produccion-y-rendimientos>

ORGANIC BANANAS

Production of organic banana is long, complicated, and costly in relations with the conventional banana. The process is divided in the following phases:

- Phase 1: Sown. When the cluster start to grow, they need to be covered with plastic bags to protect them from bugs, sun rays, leaves and wind. Between hands within the cluster you need to put plastic to avoid the touching between the fruits. That way you have perfect individual fruits.
- Phase 2: Harvest. The harvest of the banana is also a delicate process as well as the transport to avoid damaging the fruit. As the fruit is exported green, to avoid ripen during transport, the product is harvest 20 to 30 days prior to maturing.
- Phase 3: Treatment. The banana is immersed in clean water tanks and open table in areas to avoid contact with animals and fungus which are located in closed environment. Once cut, the banana hand, is given a time to leak the fluid so the stain is left in the water. Staff select the fruits with no cuts, stain, punch, or scratch. The top and the individual fruit are sprayed with organic pesticides prepared with citrus so it does not rot while packaged.
- Phase 4: Packaging. The bananas are packaged in boxes, following the client specifications, hands, bags or loose. Each box is codified as to be able to ensure traceability, date of packaging and producer.
- Phase 5: Export. Export is done mostly through the Manzanillo Port and has greater volume in the summer as the metabolism of the plants are quicker, but it could also be lower due to drought or rain excess.

This process means a support to all involved in the value chain through training and workshops and usually involve the different stakeholders of the chain such as producers, exporters, certifying bodies, etc

Current Project of support to banana industry:

- Banana Accompany Measure (BAM). Donor EU. Implemented by JAD. 2014-2018.

Project: Accompanying measures of the banana sector

Donors: European Union and JAD

Cost: 5.700.000 EUR (UE 5.500.000 EUR and JAD 200.000 EUR)

Time: Feb 2014 to Feb 2018

Objects: Prevent, reduce, control the effects and damages of climate change on banana cultivation and production in the Dominican Republic. Support the efforts of banana producers to improve the quality of fruit, increase competitiveness in international markets and increase their exports.

In 2013, the European Union and DIGECOOM agreed to support through the BAM (Banana Accompanying Measure) to support the banana industry in DR with €16.34 million with a counterpart from local producers of €2 million. The initiative has 3 component or pillars: credit, technical assistance and improvement of labor conditions. It also seeks to improve the Access to finance to the banana producers to improve the Development of more efficient practices, more environment friendly and oriented to the sustainable economic Development of the plantation.

Certifications related to the DR organic banana: ISO 22000, USDA Organic Certification, EU Organic Certification, Rain Forest, UTZ, Fair Trade Labelling Organization, Hand in Hand Organic Rapunzel Fairtrade, Biosuisse y Kosher.

Institutional and legal Framework

- Establishment of the National Programme for Organic Agriculture and the Office of Control of Organic Agriculture. Resolutions Nos. 08/2005, 014/2005.
- Decrees Nos. 223/08 y 224/08, and Res. No. 015/08 that established the National Council on Organic Agriculture (Consejo Nacional de Agricultura Orgánica CONAO)

Institutional and legal development:

- Law No. 84-99 of Reactivation and Promotion of Exports
- Generalized System of Preferences (GSP)
- Trade Association Agreement between the European Union and the ACP countries (Cotonou Agreement)
- Free Trade Agreement between the Dominican Republic, the United States and Central America (DR-CAFTA)
- Dominican Republic-Central America Free Trade Agreement
- Free Trade Agreement between the Dominican Republic and the Caribbean Community (CARICOM)
- Partial Scope Agreement between the Dominican Republic and the Republic of Panama

Banana producers organization

- Dominican Association of Banana Producers (ADOBANANO)

Exporters / Importers

Table F.6 Banana exporters in the Dominican Republic

FELIX EMILIO PEÑA SOLOMON	FENIX TRADING C.POR A.
BANANOS FRESCOS (GUINEO)	BANANOS ORGANICOS FRESCO (GUINEOS)
HORIZONTES HORGANICOS, C.POR.A	INVERSIONES POZO BLANCO, S.A.
BANANOS FRESCOS BIODINAMICOS (GUINEOS)	BANANO FRESCOS ORGANICOS
BANANOS ORGANICOS FRESCOS (GUINEOS)	
JOSE RAFAEL VILLAR GALAN (EMPRESAS VILLAR)	PLANTACIONES DEL NORTE, S.A.
PLATANOS (BANANAS) FRESCOS	BANANOS ORGANICOS FRESCOS (GUINEOS)
-	BANANOS FRESCOS (GUINEOS)
KASSAN EXPORT C.X.A.	SAVID DOMINICANA, S.A.
PLATANOS (BANANAS) FRESCOS	BANANOS FRESCO (GUINEOS)
	BANANOS ORGANICOS FRESCO (GUINEOS)
JOSE LANTIGUA EXPORT C.X A.	DOM ASIAN EXPORT
PLATANOS (BANANAS) FRESCOS	PLATANOS (BANANAS) FRESCOS
SCARLET, BRITO EXPORTADORA	JARABA EXPORT
PLATANOS (BANANAS) FRESCOS	PLATANOS (BANANAS) FRESCOS
OCCIDENTAL EXPORT C.POR A	EXPORTADORA ISIDRO, S.A.
PLATANOS (BANANAS) FRESCOS	PLATANOS (BANANAS) FRESCOS
BANANOS FRESCOS (GUINEOS)	
BANAMA, S. A.	D & R CARIBBEAN TRADERS, S.A.
BANANOS FRESCOS (GUINEOS)	BANANOS FRESCOS (GUINEOS)
EXPORTADORA JOSE CRUZ, C.POR A.	GOUGH E HIJOS S.A.
BANANOS FRESCOS (GUINEOS)	BANANOS FRESCOS (GUINEOS)
	PLATANOS (BANANAS) FRESCOS
GRUPO BANAMIEL, S. A.	COOPERATIVA AGRICOLA LOS TAINOS
BANANOS FRESCO (GUINEOS)	BANANOS ORGANICOS FRESCOS (GUINEOS)
BANANOS ORGANICOS FRESCO (GUINEOS)	PLATANOS (BANANAS) FRESCOS
PLATANOS (BANANAS) FRESCOS	

Source: CEI-RD (Sin Fecha). Perfil Económico del Banano. Market Intelligence Unit. Dominicana Exporta.

Other related stakeholders

Manufacturers of gourmet products and the gourmet market

Inputs suppliers (machinery, organic fertilizers, organic certification, packaging materials etc)

Research and Training Centers in DR (IIBI, IDIAF, CEDAF, ISA< USAD, UNPHU)

Transportation companies

Small craft producers (some as part of the organizations like Banelino)

Public entities of support

Ministry of Agriculture

Ministry of Economy

Ministry of Environment and Natural Resources

Ministry of Industry and Commerce

Dominican Agrarian Institute- Instituto Agrario Dominicano (IAD)

Agricultural Bank -Banco Agrícola de la República Dominicana (BAGRICOLA)

Exporter's Bank (BANDEX)

Center for the Development of Agricultural and Forrest -Centro para el Desarrollo

Agropecuario y Forestal (CEDAF)

Export Investment Promotion Center- Centro de Exportación e Inversión de la República

Dominicana (CEI-RD)

National Competitiveness Center-Consejo Nacional de Competitividad (CNC)

Research Institute for Agriculture and Forrest- Instituto Dominicano de Investigaciones

Agropecuarias y Forestales (IDIAF)

F.2.1.1 Exports

Dominican Republic Export a total of 447,399 ton of edible fruits (Chapter 8), of which 83% is banana (371,598 ton). Of the total banana produce in the DR 89.49% is exported. Out of that total, 64,95% is organic banana and 32.39% is conventional banana. The share of organic bananas within the country's total banana exports rose from 32 to 58 percent between 1999 and 2007.

According to data from the DR Ministry of Agriculture in 2015, about 77% of the DR banana was exported to Europe, where the main markets are: United Kingdom (50.54%), Belgium (10.81%), Spain (6.09%) and the Netherlands (4.2%).²⁴

Dominican Republic Export about 80 per cent of the world organic banana, according to the specialist from the Ministry of Agriculture, Luis Minier. According to his statement in March 2016 currently DR has about 1,900 banana producers for Export and about 24 thousand hectares" available for that product.²⁵

Asexbam, the Dominican Association of Producers of Bananas for Export, currently cultivates both conventional and organic, fair trade bananas, although it is more focused on the latter. The project was started in the 1940's by what currently is Chiquita Banana and currently has 5500 hectares under production.

²⁴ Calculated values based on statistical data published by the Ministry of Agriculture on its website

²⁵ Diario Libre. 22 Abril 2016. <http://www.diariolibre.com/economia/republica-dominicana-exporta-cerca-del-80-del-banano-organico-del-mercado-mundial-KM3428396>

Table F.7 Exports by Chapter of Agricultural Products, 2012-2015*
(Volume in metric tons and value in FOB US\$)

Chapter	PRODUCTS	2012		2013		2014		2015*	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
	Total Agriculture	1,497,101	1,722,845,117	1,355,459	1,779,392,538	1,466,357	1,926,097,582	1,423,130	2,022,519,350
08	Fruits and Fruit Groceries; Citrus Bark	379,439	196,691,267	428,233	233,875,854	471,983	299,046,064	447,399	290,613,342

* Preliminary data, subject to rectification.

Source: Ministry of Agriculture of the Dominican Republic. Department of Agricultural Economics.

Table F.8 Main exports of , Musaceae. 2011-2015*
(Volume in metric tons and value in FOB US\$)

Tariff Code	PRODUCTS	2011		2012		2013		2014		2015*	
		Volume	Value								
0803	Bananos (total)	366,320.70	156,558,581	294,420.70	138,150,522	353,388.26	166,680,174	377,709.07	219,902,782	371,597.88	229,378,367
0803.10.11 0803.90.12	- Bananas (Guineos)	366,320.70	156,558,581	213,388.39	90,157,568	284,307.89	119,537,598	153,326.50	81,816,983	120,363.59	68,221,512
0803.00.11-190 803.90.12	- Bananos Frescos Orgánicos			81,032.31	47,992,954	69,080.38	47,142,576	224,382.57	138,085,799	241,360.94	155,487,616
0803.00.12-190 803.10.11	Plantain	10,467.96	4,796,004.15	5,056.42	2,903,463.30	3,347.59	2,219,459.00	14,496.91	7,380,856.85	9,295.42	5,325,171.93
0803.00.09 0803.1019	Other			582.17	310,690.41	577.93	259,708.16	713.10	289,461.44	577.92	344,067.16

* Preliminary data, subject to rectification

Source: Ministry of Agriculture of the Dominican Republic. Department of Agricultural Economics.

The main exporters are: SAVID, Plantaciones del Norte, Banamiel, BANAMA, ASEXBAM and Horizontes Organicos. Small producers like Banalino use these exporters.

Table F.9 Main DR exporters and Market share %

	Sales	Production
SAVID	58%	67%
Plantaciones del Norte	23%	14%
BANAMIEL	5%	3%
BANAMA	5%	1%
Horizontes Orgánicos	3%	12%
Otros	3%	3%

Source: UNIDO, 2011.

Organic and fair trade banana is highly demanded in international market, especially Europe. Local demand for non-certified banana is also high. The main overseas markets are UK, Belgium, Spain, Holland which make up 70% of the market for conventional bananas.

FAIRTRADE

Fairtrade certified bananas account for approximately 0.5 per cent of global banana production, with 550,000 metric tons of production certified in 2012. Almost all (94 per cent) of Fairtrade banana sales occurred in four countries: Colombia (28%), the Dominican Republic, (35%) Ecuador (17%) and Peru (17%)

DR has also become the world's largest producer of FAIRTRADE Bananas with exports of more 120,000 tons per year on around 7,500 hectares of land. Much is fairtrade and organically certified. The fairtrade Premium is placed into special accounts which have been used to provide a wide range of social and educational facilities to banana growing communities. These include ambulance services, preschools and other social facilities

**Table F.10 Export of Musaceae according to type and destination 2002-2015
(Volume in metric tons and value in FOB US\$)**

Products/Country	2002		2003		2004		2005		2006		2007	
	Volume	Value										
Banana	115,173,019	35,544,393	127,119,158	34,144,259	102,045,917	21,861,923	167,070,373	45,310,977	199,473,892	52,904,162	210,218,721	71,638,733
Haití	2,279,387	338,813	861,535	151,523	2,091,551	299,680	4,071,604	1,080,811	7,601,482	2,215,513	4,074,139	737,099
USA	3,474,942	594,323	2,604,620	368,850	4,086,904	556,776	3,250,181	600,104	7,163,854	1,396,031	1,735,237	437,291
UNITED KINGDOM	56,158,404	20,206,778	60,642,817	17,307,841	62,690,189	13,381,140	127,052,673	37,489,250	127,383,628	36,770,772	160,044,526	56,287,779
SPAIN			145,095	62,785	80,676	20,726	16,764	4,322	798,450	267,596		
BELGIUM	29,360,263	8,209,153	47,314,270	12,760,312	21,543,373	5,378,845	21,295,721	3,916,719	26,241,399	4,478,091	30,342,939	9,247,653
NETHERLANDS	575,104	244,659	888,352	148,110	201,801	61,281	140,908	44,938	1,104,734	302,293	1,447,745	406,228
GERMANY	8,385,410	2,500,920	4,771,380	1,241,854	726,770	222,813	209	241	13,124,692	4,356,776	1,232,690	502,075
ITALY	7,919,530	1,034,997	5,338,797	683,264	6,192,443	780,302	7,065,674	891,671	10,723,362	1,333,200	5,651,326	1,901,344
CANADA	805	405	22,923	3,302	5,754	513	1,217	686	240,057	88,757	1,380	1,213
SAINT MARTEEN	263,093	84,278	545,693	178,253	633,984	131,468	734,320	199,818	367,276	92,273	520,403	142,305
Other countries	6,756,081	2,330,068	3,983,677	1,238,165	3,792,472	1,028,381	3,441,102	1,082,417	4,724,959	1,602,860	5,168,336	1,975,745
Plantain	5,450,775	2,820,183	4,339,593	1,257,431	4,352,228	1,141,561	3,862,891	1,686,138	4,591,706	3,066,887	3,634,893	2,277,043
Haití	4,253,248	2,558,799	3,266,459	942,717	3,259,106	930,111	3,152,824	1,506,716	2,799,978	2,406,740	2,490,949	1,739,612
USA	34,695	21,617	24,814	4,861	42,238	9,270	60,114	9,109	146,643	47,035	100,289	60,513
UNITED KINGDOM	22,850	5,904	74,410	26,613	472,306	62,188	207	210	1,374,810	507,280	994	678
SPAIN	13	5			1,329	126	45,944	10,738			40	50
NETHERLANDS	47	15	71	32	11,124	3,090	75	13	945	1,130	141,050	60,077
GERMANY	1,026	270	112,238	24,762	1,498	487	32	21	70	34	581	146
CANADA	39	90	1,817	445	580	138			129	117	2,782	2,282
SAINT MARTEEN	106,138	31,094	66,925	18,231	61,356	17,338	58,884	20,005	26,887	14,877	124,453	79,834
FRANCE	-	-	6,718	1,896	5,345	3,388	7	10	324	1,165	124,077	70,040
ST. THOMAS	49,968	8,033	178,017	42,617	109,677	29,652	84,574	26,528	49,906	18,136	44,239	21,742
TURK AND CAICOS	5,450	5,601	5,635	7,444	23,547	8,233	10,886	8,103	59,762	16,368	125,793	31,003
Other countries	977,300	188,756	602,489	187,814	364,122	77,540	449,345	104,688	132,251	54,005	479,645	211,066

Products/Country	2008		2009		2010		2011		2012		2013	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Banana	191,885,000	72,090,897	281,822,914	106,041,566	340,361,717	149,377,189	366,320,713	156,558,588	284,981,659	135,360,415	353,388,263	166,680,174
Haití	1,465,929	916,527	8,844,847	1,896,178	15,814,261	5,524,106	25,199,126	7,289,066	3,626,956	1,195,742	6,118,516	2,731,657
USA	38,901	11,363	1,640,737	507,101	153,390	90,278	712,624	253,702	2,747,856	1,706,583	6,452,548	3,766,997
UNITED KINGDOM	131,584,359	50,622,945	166,784,347	62,665,889	205,120,083	86,292,994	215,492,753	94,716,978	159,648,909	79,169,020	166,792,909	76,191,103
SPAIN	18	22	3,021,725	1,446,861	5,944,691	2,636,983	16,083,678	6,760,630	38,131,483	15,496,747	46,883,289	19,625,657
BELGIUM	37,627,589	12,667,059	61,854,194	21,766,346	73,060,658	33,445,748	61,634,301	23,885,539	26,669,365	11,510,832	45,977,790	16,990,558
NETHERLANDS	13,221,081	4,654,346	28,320,184	12,763,997	20,854,161	10,942,541	5,233,730	3,285,197			11,614,556	5,405,826
GERMANY	47,740	20,011	1,838,294	710,114	7,226,235	3,771,435	8,334,781	5,392,260	9,582,670	6,211,198	16,095,697	11,597,502
ITALY	1,393,470	656,424	357,870	108,782	254,251	104,304	7,405,583	2,641,132	5,234,366	1,761,342	5,349,728	2,702,781
CANADA	2,320	1,623	20,290	16,572	3,465	620	9,876	2,688	100,826	56,256	194	85
SAINT MARTEEN	972,552	278,875	927,922	255,024	1,097,818	438,257	710,241	421,136	740,532	488,894	-	-
Other countries	5,531,042	2,261,702	8,212,504	3,904,704	10,832,704	6,129,923	25,504,020	11,910,261	38,498,694	17,763,801	48,103,035	27,668,008
Plantain	2,420,274	1,464,952	5,199,691	2,646,893	8,703,890	4,324,586	10,359,925	4,746,750	5,260,242	3,203,424	3,348,349	2,219,648
Haití	1,714,320	1,000,209	4,440,267	2,269,847	7,156,986	3,464,494	6,721,583	2,984,888	3,643,552	2,091,686	2,838,952	1,725,481
USA	58,003	12,668	77,685	40,909	30,763	11,795	180,934	52,159	31,850	295,994	13,864	17,724
UNITED KINGDOM	26,749	134,133	29,464	9,267	15,956	4,519			1,093,058	424,861	242	637
SPAIN			21,610	5,408	439,515	179,048	765,512	354,949	1,381	1,827		
NETHERLANDS	171,258	47,783	183,333	114,143	347	116	19,685	14,149			89,772	21,540
GERMANY	200	52	885	279	3,252	1,085	48,511	29,637	695	670	145	150
CANADA	1,316	342	20,959	6,219	332	70	3,128	413			19	31
SAINT MARTEEN	115,555	104,790	109,889	74,968	188,894	126,341	180,685	135,675	156,504	133,299		
FRANCE	9,061	10,551	2,288	864	523,536	300,799	1,232,979	595,579			64	11
ST. THOMAS			18,599	8,025	20,701	14,355	5,606	5,050				
TURK AND CAICOS	174,576	73,524	140,943	58,725	115,561	78,408	194,949	110,923	120,300	80,400	72,350	55,940
Other countries	149,235	80,899	153,769	58,240	208,048	143,555	1,006,352	463,329	212,903	174,689	332,941	398,133

Products/Country	2014		2015	
	Volume	Value	Volume	Value
BANANA	377,709,069	219,902,782	361,724,536	223,709,128
Haití	9,994,773	2,480,143	7,989,533	2,795,747
USA	7,292,036	4,096,488	8,415,704	4,437,402
UNITED KINGDOM	159,041,332	90,590,530	182,804,756	106,453,540
SPAIN	36,546,354	18,045,288	22,030,671	14,875,855
BELGIUM	39,157,597	15,218,715	39,105,191	15,911,584
NETHERLANDS	24,532,624	14,778,880	15,197,496	10,332,904
GERMANY	18,059,387	15,142,684	12,972,541	11,210,474
ITALY	8,572,469	4,965,328	5,539,883	4,169,619
CANADA	425	88	1,933	418
SAINT MARTEEN	1,448,012	934,442	1,508,774	958,519
Other countries	73,064,060	53,650,198	66,158,055	52,563,066
Plantain	14,496,907	7,380,857	9,295,425	5,325,172
Haití	11,730,441	5,329,931	8,679,825	4,699,007
USA	46,598	364,674	12,468	23,233
United Kingdom	325,717	242,496	1,743	1,807
Spain	6,094	3,624	20	8
Netherlands	68,813	18,838	59,610	24,295
Germany	30	30	-	-
CANADA	787	159	848	203
SAINT MARTEEN	224,970	192,137	288,255	233,626
France	195	45	108	131
ST. THOMAS	-	-	-	-
Turk and Caicos	104,625	67,520	73,541	52,832
Other countries	1,988,637	1,161,403	179,007	290,030

NOTE:

1: The Export data contain fresh produce in different type of Export. To convert from KG to TM you divide between 1000.

Source: Centro de Exportación e Inversión de República Dominicana (CEI-RD).

F.2.1.2 SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ DR recognize as an organic banana exporter in the EU market (UK, NL, Germany, Belgium) ✓ DR has a large plantations both owned by big capital as well as small producers using land given by DR Gov. ✓ European investment and know how ✓ Willingness to expand to other countries and other crops (mango, for example) 	<ul style="list-style-type: none"> ✓ Vulnerability to natural disaster. Zone severely affected by the recent floods ✓ Vulnerability to diseases such as cigatoga ✓ Large exporters control of refrigerated containers out of key ports ✓ Lack of market knowledge and contact of small producers
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Increase number of sustainable/responsible consumer in US, Canada, EU and other markets ✓ EU funds to support banana industry ✓ EPA still provides preferential access (although eroding by number of other agreement signed by EU, including Central America) ✓ Increase number of byproducts out of banana and banana organic waste 	<ul style="list-style-type: none"> ✓ Natural disasters could affect infrastructure and planning ✓ Brexit and other protectionist actions ✓ Port capacity for refrigerated containers

F.2.2. AREAS OF POTENTIAL COLLABORATION HAITI-DR ACCORDING TO DR

Large plantation producers such as Savid Dominicana (owned by Dutch investor Jetta van der Berg) are willing to collaborate and invest in Haiti. They know Haitians organic and fair trade banana can generate great price in international market. They would want to receive support to guarantee investment. Facilities to transport via Manzanillo Port.

Collaboration in branding and in phytosanitary control to protect plantations on both side of the island.

Banelino, which is a cooperative model, has already collaborated with Haitian NGOs to train and support small farmers and they are willing to continue and enhance that collaboration.

F.2.3. PROJECTS TO BE SUPPORTED. CHALLENGES AND POTENTIAL IMPACT

Project: Development of strong and competitive joint plantations	
Main objective:	To develop joint plantations on both side of the island
Other objectives:	To promote joint investment, especially in Haiti to develop its industry
Key activities:	<ul style="list-style-type: none"> - Inventory of areas and groups (small and larger farmers) - Identify areas for joint investment and support - Design a programme to protect against diseases - To train workers
Actors needed:	-Ministries of Agriculture, Ministries of Environment, Farmers Associations, plantation owners, exporters

Project: Development a manufacturing industry with byproducts from organic banana	
Main objective:	To develop small industries to take advantage of all by products
Other objectives:	To promote sustainable plantation with better use of water and waste
Key activities:	<ul style="list-style-type: none"> - To undertake study of the different by products to be developed out of the organic banana waste and reject - To develop puree, extracts, sweets, flour, etc out of the rejects - To use waste for craft development, paper, etc - To use waste for bio-digestors
Actors needed:	-Ministries of Agriculture, Ministries of Commerce, Ministries of Energy, IIBI, Farmers Associations, plantation owners, exporters, craft producers, agro-processors

Project: Development joint branding of organic banana	
Main objective:	To develop promotion of banana from the island in international markets
Other objectives:	To promote different national brand, but with distinctive island characteristics (geographical indicators)

Key activities:	<ul style="list-style-type: none">- Inventory of types and characteristics of bananas in the island to see if they qualify to have geographical indicators- To develop joint branding strategy- To participate in international trade fairs and events
Actors needed:	Ministries of Trade, Export Promotion Agencies, exporters, IP Agencies, quality control agencies, etc.

APPENDIX G. DOMINICAN REPUBLIC ESSENCE, FRAGRANCE AND COSMETICS VALUE CHAIN

G.1. DOMINICAN REPUBLIC ESSENCE, FRAGRANCE AND COSMETICS INDUSTRY

The value chain of essence, fragrance, beauty and cosmetics in the Dominican Republic is developed from the agriculture producers of raw material, small artisans and manufacturers to the consumers through direct sales of finished products for spa and hair salons as well as for export.

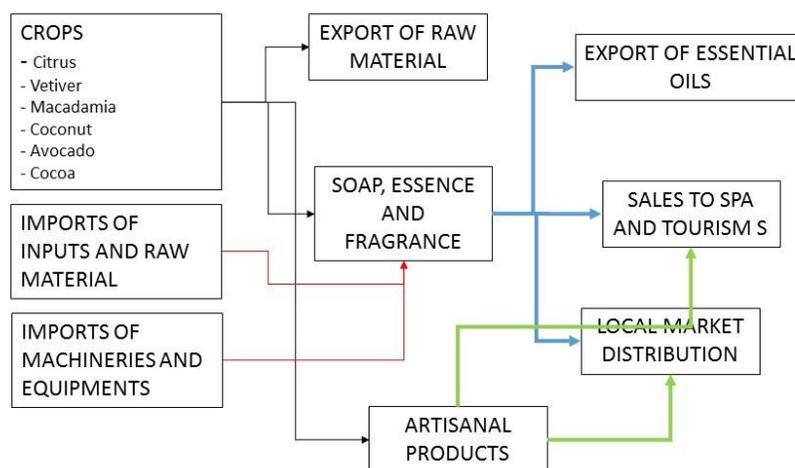


Figure G.1 Value chain, essence, fragrance and cosmetics

The producers of raw material used in the country are diverse and some of them are organized in Associations or Clusters such as cocoa, avocados, coconut, etc.

Macadamia, is usually utilized in food and bakeries, lately it has increasingly been used in creams, essence, and oils. This nontraditional crop, present successful cases in the DR due to local consumption and small exports in the last decades when the initial plantation had a reforestation objectives to protect degraded soil zones.

Nowadays, recognized brands worldwide have developed successfully a variety of shampoos, body cream, hydrants and many organic cosmetics based on macadamia which contain high quantities of omega 3 and 6.

Cocoa producers have an important participation in the production of cocoa butter and essence, but cosmetics manufacturers complain about the quality of such products which are excellent for Export, but not for the industry. A few of them have resorted to plant and manufacture their own cocoa.

All national cosmetic companies import most of their raw material and are willing to import from Haiti provided the quality and pricing is adequate. They mention besides cocoa, vetiver, citrus, coconut and other fragrance, oils and essential oils.

DR established in 2009 the Beauty Product Cluster with 65 manufacturers of hair care, beauty, cosmetics and personal care products. The country has about 150 firms in total of which 120 are micro enterprises, 15 medium and 15 large. These 150 enterprises create about 3,500 direct jobs.²⁶

The multilateral Investment Fund (FOMIN) of the Interamerican Development Bank (IDB), has channeled through the Manufacturers Association of DR (AIRD), support to the Beauty Cluster with the Programme for Industrial Innovation which offer technical assistance and training to Access International Market and Export. It also has established a quality seal for hair care products which meets international standards. This seal has been awarded to 20 companies so far.

A survey of 2013.²⁷ Showed that the 150 enterprises sales about It RD\$2,600 millions (US\$56 million) per year, several of them Export and generate about US\$40 millions in their Export sales.

Main companies: Laboratorios MK, Laboratorio Capillo, Nouel Industrial, Laboratorio Miss Key, Caribbean Labs & Traders, INESA, Laboratorio Rivas, Royste, Star Products, Laboratorio Union, Halka Industrial, Laboratorio JM Rodriguez, Laboratorios Noruel, Boe, etc.

²⁶ <http://ensegundos.do/2014/09/08/industria-de-la-belleza-en-republica-dominicana-registra-193-mil-empleos/>

²⁷ <http://www.eldinero.com.do/19305/la-industria-de-productos-de-belleza-e-higiene-personal-en-republica-dominicana/>

Spa wellness value chain actors in DR



Figure G.2 Spa wellness vlaue chain actors in DR

Desarrollo institucional y legal:

This sector is controlled by the Ministry of Health through the sanitary registration and the Bureau of Standards (INDOCAL).

Several governmental organizations are giving support to the sector and the EU has approved a €3 million support Project within its Private Sector Development Programme and SME support in DR to the beauty and cosmetic value chain and agribusiness. This project is being implemented by the Ministry of Industry and Commerce.

Instituciones públicas de apoyo

- Ministry of Industry and Commerce
- Ministry of Agriculture
- Ministry of Health
- Ministry of Environment and Natural Resources
- National Competitiveness Council
- National Quality Institute (INDOCAL)
- Centre of Export and Investment of Dominican Republic (CEI-RD)

G.1.1. Export

Although there are limited export and sales data from the industry of essence, fragrance and cosmetics, the president of the SMEs Cosmetic Manufacturers, (Asociación de Pequeños y Medianos Fabricantes de Cosméticos -Apymefac), Dinorah Subero de Quezada, indicated that DR Exports are about US\$57 million in cosmetics of which 63% goes to the US, 11% to Cuba, 7.7% to Puerto Rico, 7% to Haiti and 4% to Panamá. She indicated that the majority of the companies' members of Apymefac, most of them are exporting.

The important tourist infrastructure in the DR and some existing standalone Spas are users of the local production of creams, oils, salts, artisan soaps and other products made in the DR.

Some small exports to the other Caribbean islands are taking place, but the potential has not been exploited fully by local products.

The Spa and Wellness sector is organizing a cluster where all members of the industries can participate. The different areas identified so far includes: day spa, holistic centers, cosmetologists, cosmetic medicine, manufacturers of cosmetic products, beauty care products, hair spa, natural healers, etc. Impact of this subsector in the DR is still limited due to lack of trained staff, standards, investment and marketing.

DR: market of high demand for hair care products

A Euromonitor report commissioned by the AIRD/Beauty Cluster²⁸ on the hair care market in DR indicates there are more than 55,000 hair salons (or one salon per 93 females). These salons generate around 150,000 jobs in the country and represent 25% of all small and medium business activity. Sales of Haircare products are rising at more than 20% per year with shampoo being the dominant product. Sales rose from around 1.600 million DOP in 2010 to more than 2,000 million DOP in 2015

Local consumption is very high. 67% of women in the country use some local hair care products and 96% go to the hair salon at least once a week.

Although International brands continue to dominate hair care, local brands now hold 22% of retail value sales in 2015. The growing number of local manufacturers is also exporting their products to other parts of the Caribbean and Latin America. The most popular products all use natural ingredients such as coconut oil, aloe vera, almond oil. Haiti offers an important source of these ingredients and an important market for these shampoos and special products. The

²⁸ Hair Care in the Dominican Republic. Euromonitor International. May 2016

cluster has established a quality seal to promote the quality of the local products vs, imported goods. Ten companies were awarded the seal in the first round. The seal and its products have been promoted through the cluster as well as in national and international trade fair sponsored by Caribbean Export, CEIRD and others.

Euromonitor report also points out to a local trend consistent with international trend of increase consumption of products with more natural ingredient as well as treatment products which are leave-in-treatments which requires less time to use. As local manufacturers comply with these requirements while maintaining the pricing to still compete with main market products, it is seeing an increase in their local market share as well as exports.

G.1.2. SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ DR recognize as a tourism destination and leader of tourist visitors in the Caribbean ✓ Already some spa are beginning to get some recognition nationally ✓ Local consumers of spa products and services ✓ Diversity of offers ✓ Manufacturers base of cosmetic and hair care products ✓ Raw material availability like cocoa and aloe Vera of international quality ✓ New projects like Ocoa Bay being built where wellness and agritourism will be at center ✓ Strong recognition of DR hairstylists as good quality across Caribbean and Diaspora, especially for texturized hair 	<ul style="list-style-type: none"> ✓ Lack of sustain efforts in several clusters/regions ✓ Sector not organized (except hair care products) ✓ Lack of national standards ✓ Spa in hotel do not have international high end quality ✓ Lack of attractive offer for wellness tourism ✓ Hair salon are not organized, franchised or ready for export. Usually the women move and then a hair salon is established formally or informally (inside their houses) ✓ Limited availability of high quality raw material ready for cosmetics manufacturing ✓ Limited R&D, high dependence on imported materials
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Increase number of sustainable/responsible tourists targeting DR ✓ New areas to develop alternative tourism offers and wellness including natural spring fall in Barahona ✓ Cluster quality seal has contributed to improve quality of products ✓ Clusters as institutions are a good base to work together 	<ul style="list-style-type: none"> ✓ Natural disasters could affect infrastructure and planning ✓ Strong competition from international brand ✓ Lack of knowledge outside Diaspora ✓ Low quality brands in markets damage country image ✓ Strong competition on wellness from OCTs and other countries will world class spa products

✓ Funding from EU and IDB allocated for beauty products and clusters	such as St. Lucia
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G.2. AREAS OF POTENTIAL COLLABORATION HAITI-DR PER DR

There is almost total lack of knowledge from DR side on the availability of products from Haiti, especially essential oils and fragrances. They did know about vetiver, but there were doubts about quality. However, they are keen to know more, especially about pricing. They are also hopeful that with support there is other type of products which could also be manufactured in Haiti such as mango and cocoa butter, coconut oil, etc.

Some companies are open to do joint research and development and are also open to have a broader line of products (for spa for example). They could also be open to manufacture joint new line of products, but more work needs to be done.

Based on cluster experience, they indicate it has taken a long time for the companies to come together and to develop enough trust to do joint projects. They recognize that between Haiti and DR that will take longer, but their experience could help. They suggest the validation workshop could be a visit to Haiti where they can meet the suppliers of products and engage on the technical and business discussions which can really inform if the synergies to work on a bi-national value chain could be there. One of the downside of bi-national initiatives so far has been the lack of continuity.

G.3. PROJECTS TO BE SUPPORTED. CHALLENGES AND POTENTIAL IMPACT

Project: Development of line of products with more indigenous raw material	
Main objective:	To develop new line of products where there are more raw material from both countries
Other objectives:	Increase know how and research on local raw material Increase production of cosmetic ready natural products
Key activities:	-Establish a joint R&D on both side of the island -Visits to plants on both countries and business rounds

	<ul style="list-style-type: none"> -Support cluster building in Haiti -Links between clusters/grouping -Target international market with the different brand -Agree on quality standards - Target wellness as part of specialty tourism projects - Interlink with other sectors such as cocoa, mango and coconut.
<p>Actors needed:</p>	<p>-Ministries of Agriculture, Manufacturers of essential oils and spa and beauty products, Farmers Associations, plantation owners, exporters, Ministry of Tourism.</p>

APPENDIX H. DOMINICAN REPUBLIC POULTRY AND EGGS VALUE CHAIN

H.1. DOMINICAN REPUBLIC POULTRY SECTOR INDUSTRY

DR current capacity is 24 million chickens per month with about 11 million available for export. There are highly technical farms which integrates different elements of the production chains. National production of eggs is 160 million units per month (1,920 million of unit of eggs per year), according to official data of 2012.²⁹

In 2012-14, DR exported an annual average of 9.759 tons of chicken meats and parts. Haiti was the main importer with more than 95% of all registered exports.³⁰

There are 40 enterprises and 700 producers in DR which includes vertical integration of productions including two parents' chicken production. Per data from interviews there are currently 35 breeding chicken farms and 40 incubators.

In data from the Agricultural Pre Census of 2015 or Precenso Nacional Agropecuario 2015³¹, of a total of 115,578 productive units that make the total of livestock activity in the country, 26,269 units are dedicated mainly to poultry which makes them the second ranking with a 22.7% of the total livestock population, most poultry production units have an area of between 1.32 and 4.40 hectares (21 & 70 tareas)³².

Although poultry farming is located throughout the country's geography, for climate and market reasons the production of eggs is concentrated in the Cibao Central (North central) region and chicken in the zones around Santo Domingo. In the urban zones of Cibao region (Santiago and La Vega) there are the feed manufacturers which facilitate the feeding process of the birds, the main component in the chain of chicken or egg production.³³

In the last few years the main farms of fertile eggs and parent chickens has been moved to the middle zones in the mountains such as Jarabacoa, due to lower temperature and dry climate. Temperature is one of the main factors that affect the chicken production and its food conversion.

²⁹ CEI-RD. (2013) Diagnostica on the trade of chicken and eggs in the DR: *Diagnóstico situacional sobre el comercio de pollos y huevos entre República Dominicana-Haití*

³⁰ Idem

³¹ ONE, 2016. Report on the Results of the Precensus of Agriculture and Lifestock 2015 *Informe de resultados del Precenso Nacional Agropecuario 2015*

³² Tarea: unit of agriculture in DR equivalent to 628.8 m²

³³ Asaderos chicken and parent chicken. <http://agrord.blogspot.com/2011/05/gallinas-ponedoras.html>

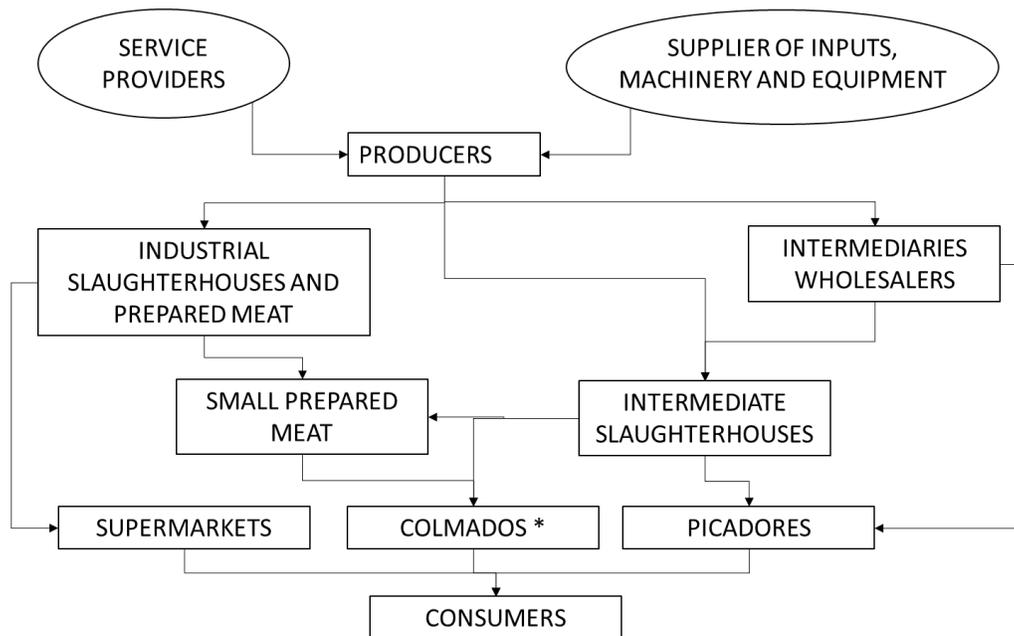
The breed and most common lines known in Dominican Republic are:

Light: Leghorn, Minorca, Catalana, Gatinais, Hy Line, Hisex, Arbor acres, Shaver, Badcock, etc.

Medium: Plymouth Rock, Rhode Island, Sex Link, Wyandotte, New Hampshire, Hy Line Brown, Golden Comet, Hisex Brown, Shaver, Delkalb, etc.

Heavy: Cornish, Orpington, Brahman, Vantress, Cobb Ross, Shaver, Starbro, Hoobard, Arbor acres Peels, etc.

Many of the enterprises produce their own commercial line and in this case they are known with a number and the name of the Company.



* Colmados are Mom & Pop's stores which are in all neighborhoods in DR.

Figure H.1 Poultry Sector Value Chain

Chicken and egg production has increased substantially in the country, going from 129 million chicken and 1.4 million eggs in 2002 to more than 193 million chicken and more than 1.7 million eggs in 2015. Prohibition of imports from Haiti due to suspected case of H1N1 caused a decreased in production. While prohibition is still in place, informal trade has continued and companies have made adjustments.

Table H.1 Production of chicken and eggs in Dominican Republic (Period 2002-2015)

Years	Chickens (Units)	Eggs (Thousands of Unit)
2002	129,171,081	1,456,387
2003	118,245,785	1,237,000
2004	137,894,037	1,169,074
2005	171,740,606	1,473,755
2006	181,672,519	1,582,462
2007	186,259,074	1,581,486
2008	167,187,702	1,520,000
2009	173,588,202	1,740,000
2010	178,433,201	1,922,400
2011	174,590,664	1,771,350
2012	161,108,119	1,784,100
2013	174,066,650	1,687,000
2014	188,114,636	1,721,000
2015*	193,750,808	1,746,325

Source: Based on information from the Ministry of Agriculture, 2016 (Data published in its website from CONAPROPE)

Main producers (egg, incubators, parents, meats and sub products):

Corporación Avícola Y Ganadera Jarabacoa Pollo Cibao
 Corporación Agropecuaria Del Cibao, SRL (CAC)
 Corporación Avícola Del Norte, S A
 Agroindustria Wilse, SRL
 Huevos Don Papito
 Asociación de Productores de Pollos de La Vega (ASOPOVEGA)
 Asociación de Productores de Pollos del Norte (ASOPOLLON).
 Asociación De Pequeños Productores Avícolas
 Asociación De Pequeños Productores Avícolas Moca-Licey (Approamoli)
 Pollo Cibao
 Pollo Vegano
 Don Pollo
 Corp. Avícola Dominicana
 Agrop. Del Cibao –COAVE
 Suarez y Olivo
 Agro-Miki Incubadora
 Avitécnica
 Agro. Don Julio

Pro-A-Uni
Endy Agroindustrial
Incubadora Central
Agrocesa
Manuel Molina y Becalin
Avícola EL Mogote
Granja La Puente
Agromigue-P. Polanco
Mario Blanco
Manuel Santos
Agropecuaria Taveras
Avícola Hernández /R. Alba
Darío Hernández
Parador Cruce de Ocoa
Coop. Criadores del Cibao
Cob Caribe

Suppliers of inputs, machinery and equipment (drinkers, feeders, incubators, backpack, fumigation equipment, power plants, bulbs, ventilators, food mixers, among others)

Avícola Veterinaria Tonalex, SRL (Veterinary equipment, vaccines)

R&R Agrícola, S A S (Equipment)

Granja Avícola R & R (Foods)

Exporters / Importers

Avícola López Rodríguez, C por A

Agron Virgilio Rodríguez & Asociados, C X A

Local consumers

Markets, Supermarkets, Colmados (Mom & Pop Stores)

International consumers (markets)

Haiti- formal and informal trade

Public support institutions

Minister of Agriculture
Ministry of Economy, Planning and Development
Ministry of Public Health
Ministry of Environment and Natural Resources

Ministry of Industry and Commerce
National Council for Livestock Production (CONAPROPE)
Instituto Agrario Dominicano (IAD)
Agricultural Bank of the Dominican Republic (BAGRICOLA)
Agricultural Development Bank (BDA)
Center for Agricultural and Forestry Development (CEDAF)
Center of Exportation and Investment of the Dominican Republic (CEI-RD)
National Council of Competitiveness (CNC)
Dominican Institute of Agricultural and Forest Research (IDIAF)
Inter-American Institute for Cooperation on Agriculture (IICA)
Regional International Organization for Agricultural Health (OIRSA)

H.1.1. Exports

The main agricultural exports of the Dominican Republic are traditional agricultural products such as sugar, coffee, cocoa and tobacco. Among the agricultural products, the poultry has a value under 1%, nonetheless its strategic relevance and its growing trends have favored private investment in this sector.

In table H.2., we summarize the total value of exports in volume and value for the period 2012-2015 for all total agricultural (including livestock) products which show a slight increase of 1.17 in the period indicated.

Table H.2 Exports by chapter of the agricultural including livestock, 2012-2015*
(Volume in metric tons and value in FOB US\$)

Chapter	PRODUCTS	2012		2013		2014		2015*	
		Volume	Value	Volume	Value	Volume	Value	Volume	Valor
Total Agriculture		1,497,101	1,722,845,117	1,355,459	1,779,392,538	1,466,357	1,926,097,582	1,423,130	2,022,519,350

* Preliminary data

Source: Ministry of Agriculture of the Dominican Republic. Department of Agricultural Economics.

In direct relations to the poultry value chain, the exports related to them are chicken meat, live animals, and eggs mainly to Haiti.

In table H.2., the data from the Ministry of Agriculture shows an increase of 74% in the total value during the period 2010-2015, were chicken meat presented the main Export in 2010

while losing its leadership in 2013 to income generated by the sales of rosters and live parent chicken.

Table H.3 Exports of livestock in the poultry sector, 2010-2015*
(Volume in metric tons and value in FOB US\$)

PRODUCTS	2011		2012		2013		2014		2015*	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Chicken meat	10,239.74	5,792,072	10,235.19	5,523,553	8,942.15	4,579,038	9,247.40	5,441,904	9,422.79	5,745,352
Live rooster and chicken	0.00	-	0.00		1,823,751.11	5,398,744	2,313.81	8,333,745	2,505.24	7,586,744
Fresh Eggs	N.D	N.D	17,674.22	13,087,987	1,880.25	2,205,617	4,302.23	3,964,870	4,025.56	4,091,918
	5,792,072	18,611,541		12,183,398	17,740,518		17,424,014			

* Preliminary data

Source: Ministry of Agriculture of the Dominican Republic. Department of Agricultural Economics.

This information is reaffirmed in table H.4 when we can observed that of the total poultry exports, Haiti is the main importer of the Dominican products increasing its purchase of live animals for two reasons: facility in the transport and maintenance of the product in areas that lacks refrigeration as well as the fact that Haiti is developing its own industry.³⁴

³⁴ Information provided in a personal interview with Ing. Polo Matías

Table H.4 Exports of Poultry according to type and main destination markets, 2002-2015
(Volume in Kilograms and value in FOB US\$)

Products /Country	2002		2003		2004		2005		2006		2007	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Frozen chicken	10,436	12,537	6,795	10,168	5,543	13,098	10,727	14,944	620,190	362,884	548,749	370,754
HAITI	10,436	12,537	6,795	10,168	5,537	13,086	10,727	14,944	620,190	362,884	548,017	369,403
TURK AND CAICOS ISLANDS	-	-	-	-	6	12	-	-	-	-	45	93
UNITED STATES	-	-	-	-	-	-	-	-	-	-	-	-
PROVIDENTIALES	-	-	-	-	-	-	-	-	-	-	681	1,227
NEUTRAL ZONE	-	-	-	-	-	-	-	-	-	-	6	31
OTHER COUNTRIES	-	-	-	-	-	-	-	-	-	-	-	-
Live chicken	76,486	87,359	343,438	536,710	354,669	576,084	655,440	1,299,447	714,034	1,382,632	641,089	801,722
HAITI	76,486	87,359	343,296	535,790	354,627	575,814	650,765	1,296,737	713,833	1,381,420	641,018	796,222
SAINT MARTEEN	-	-	-	-	-	-	4,590	1,970	-	-	-	-
PANAMA	-	-	129	840	-	-	-	-	-	-	-	-
ARUBA	-	-	-	-	42	270	-	-	81	1,080	52	4,600
ECUADOR	-	-	-	-	-	-	85	740	-	-	-	-
COSTA RICA	-	-	13	80	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-	120	132	18	900
Eggs	19,545,328	10,072,949	21,009,837	9,981,375	6,497,774	5,249,508	7,290,595	7,784,187	7,588,652	8,650,621	2,405,794	4,658,087
HAITI	19,544,815	10,071,149	21,002,582	9,967,798	6,492,179	5,245,281	7,288,162	7,782,618	7,572,759	8,646,447	2,399,564	4,653,131
TURK AND CAICOS ISLANDS	400	1,200	5,250	10,750	3,654	2,709	682	1,212	15,534	2,318	3,965	3,477
PROVIDENTIALES	13	300	505	577	1,730	1,343	340	109	137	668	1,633	1,167
ICELAND	50	150	800	2,000	-	-	-	-	-	-	-	-
CONGO DEMOCRATIC REPUBLIC	50	150	-	-	-	-	-	-	-	-	-	-
TURKEY	-	-	400	200	121	110	381	20	39	1,040	-	-
UNITED STATES	-	-	300	50	90	65	-	-	-	-	400	227
Other countries	-	-	-	-	-	-	1,030	229	184	148	232	85

Products /País	2008		2009		2010		2011		2012		2013	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Frozen chicken)	2,242,830	1,396,058	3,857,981	2,352,736	9,673,588	5,168,310	7,210,163	4,456,613	8,524,735	4,440,741	8,942,153	4,579,038
HAITI	2,242,830	1,396,058	3,857,641	2,352,396	9,673,588	5,168,310	7,188,105	4,366,997	8,524,735	4,440,741	8,887,777	4,501,899
TURK AND CAICOS ISLANDS	-	-	-	-	-	-	-	-	-	-	-	-
UNITED STATES	-	-	340	340	-	-	-	-	-	-	51,778	56,125
PROVIDENTIALES	-	-	-	-	-	-	-	-	-	-	-	-
NEUTRAL ZONE	-	-	-	-	-	-	22,058	89,617	-	-	-	-
OTHER COUNTRIES	-	-	-	-	-	-	-	-	-	-	2,597	21,013
Live chcken	28,865	81,185	578,369	1,119,462	1,107,476	2,134,506	1,215,579	3,405,300	1,432,615	4,143,042	1,823,998	5,418,824
HAITI	28,608	73,685	578,246	1,118,164	1,107,443	2,132,526	1,215,182	3,402,744	1,431,940	4,135,087	1,820,751	5,295,006
SAINT MARTEEN	-	-	8	1,080	-	-	7	350	54	5,040	1,263	60,240
PANAMA	-	-	-	-	-	-	-	-	-	-	-	-
ARUBA	257	7,500	-	-	-	-	-	-	-	-	1,550	46,865
ECUADOR	-	-	-	-	-	-	-	-	-	-	-	-
COSTA RICA	-	-	-	-	-	-	-	-	-	-	-	-
OTHER COUNTRIES	-	-	115	218	33	1,980	390	2,206	621	2,915	434	16,713
Egss	995,785	1,842,148	1,461,204	715,083	1,664,357	1,886,493	7,925,493	8,289,316	18,655,658	14,119,809	1,880,253	2,205,617
HAITI	995,325	1,841,034	1,460,628	713,186	1,663,717	1,885,633	7,368,666	7,647,710	18,643,984	14,091,764	1,831,430	2,125,675
TURK AND CAICOS ISLANDS	200	725	175	142	360	700	-	-	60	90	-	-
PROVIDENTIALES	260	390	360	320	280	160	-	-	-	-	-	-
ICELAND	-	-	-	-	-	-	-	-	-	-	-	-
DEMOCRATIC REPUBLIC CONGO	-	-	-	-	-	-	-	-	-	-	-	-
TURKEY	-	-	-	-	-	-	-	-	-	-	-	-
UNITED STATES	-	-	-	-	-	-	-	-	7,029	7,581	9,602	36,750
Other countries	-	-	41	1,435	-	-	556,827	641,606	4,586	20,375	39,221	43,192

Products /Country	2014		2015	
	Volume	Value	Volume	Value
**Chicken meat (fresh and refrigerated¹	9,247,379	5,441,767	9,397,392	5,718,003
HAITI	9,215,066	5,300,142	9,331,363	5,477,892
UNITED STATES	29,391	130,268	63,916	219,075
FRANCE	521	2,339	792	4,042
OTHER COUNTRIES	2,401	9,018	1,320	16,994
Live chicken	2,314,184	8,365,509	2,104,505	6,563,506
HAITI	2,309,788	8,142,928	2,099,789	6,344,433
SAINT MARTEEN	2,348	159,330	1,820	122,230
PANAMA	1	325	-	-
ARUBA	1,920	49,690	2,779	92,970
Other countries	127	13,237	117	3,873
Eggs	4,302,231	3,964,870	4,025,418	4,091,075
HAITI	4,235,592	3,889,857	3,895,282	3,926,596
TURK AND CAICOS ISLAND	225	120	-	-
JAMAICA	24,350	36,985	73,320	88,986
ARUBA	2,610	106	17,560	49,583
NETHERLANDS	5,291	8,842	-	-
UNITED STATES	32,390	13,831	36,230	20,652
Other countries	1,774	15,129	3,026	5,259

NOTE:

1: From 2014 the fresh and frozen chicken meat are considered one (1) category. Export figures includes all types of fresh products. To convert KG to TM you divide by 1000.

Source: Centro de Exportación e Inversión de República Dominicana (CEI-RD). Prepared by Ministry of Agriculture of DR

H.2. AREAS OF POTENTIAL COLLABORATION HAITI-DR ACCORDING TO DR

These are the main findings in interviews and visit in the DR:

- DR companies recognized the need for Haiti to develop their own farms
- Companies indicate their interest in collaboration with Haiti, but also have the perception that there is no interest on the Haitian side on collaboration with DR
- Despite these, we found that a few companies are already in contact with Haitian firms
- Cobb Caribe interested in investing in egg farming. Willingness to support or co invest in chicken farms.
- Others may be interested also, provided the conditions for investment as it is perceived as a high risk in Haiti.
- Challenges identified in sending inputs to the industry (especially live chicken like parents or small chicken) due to bad roads, heat, and the fact most transport means are not air conditioned.
- DR has all the elements of the value chain except the medicines and equipment. In some cases, there are joint investments (feed manufacturers, parent chickens) others large companies have their own investment.
- Some challenges are transport of small chicken in non-air conditioned trucks, need for area with good climate and access to water

H.3. PROJECTS TO BE SUPPORTED. CHALLENGES AND POTENTIAL IMPACT

Project: Development of chicken farms in Haiti	
Main objective:	To develop the chicken farm in Haiti with inputs and support from DR
Other objectives:	To establish collaboration and possible vertical integration between poultry industries in DR and Haiti
Key activities:	-Identify the potential areas on the North of Haiti with right conditions for investment -Identify the inputs needed -Facilitate logistics for transport of parent chicken and/or small chicken across the border
Actors needed:	-Ministries of Agriculture, Ministries of Environment, Farmers Associations, potential small and big farm owners

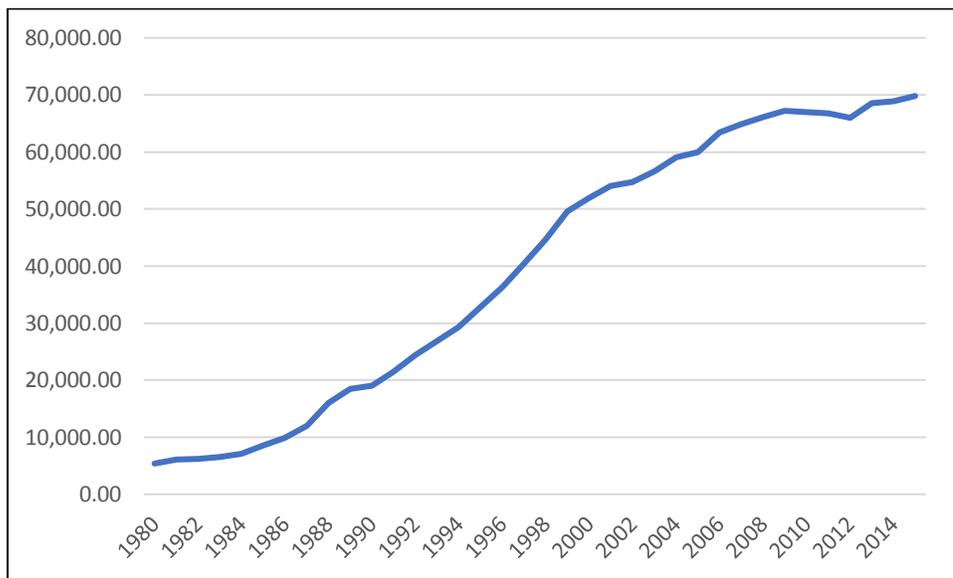
Project: Development inputs for the industry (feed)	
Main objective:	To develop products for the poultry industries including feeds
Other objectives:	To improve investment process in Haiti
Key activities:	<ul style="list-style-type: none"> -Inventory of areas for potential location of industry - Feeds manufacturers with Haitian capital or joint venture with DR and others -Integration of this inputs industries to other poultry farms
Actors needed:	-Ministries of Agriculture, Ministries of Environment, Farmers Associations, plantation owners, exporters

Project: Investment or Joint investment on farms in Haiti	
Main objective:	To facilitate the investment or joint investment in farms in Haiti, especially the Northern region
Other objectives:	To ensure good investment climate in Haiti with greater value added and mutual benefits
Key activities:	<ul style="list-style-type: none"> - Ensure appropriate conditions for investment in poultry and other industries in Haiti - Facilities from donors and others to support investment in Haiti - Regulations to facilitate movement of inputs for the industries across border - Study on best areas for location/investment - Marketing plan in place
Actors needed:	-Ministries of Agriculture, Ministries of Trade, firms, lending banks, Customs, etc

APPENDIX I. DOMINICAN REPUBLIC SPECIALTY TOURISM VALUE CHAIN

I.1. DOMINICAN REPUBLIC TOURISM INDUSTRY

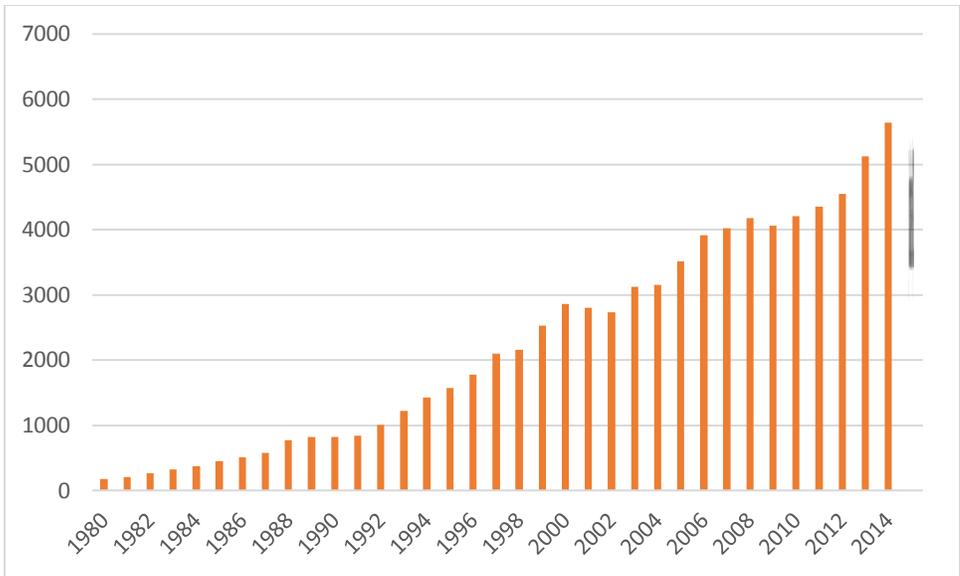
Tourism in the Dominican Republic is the 7.9% sector per GDP income. In the period between 1980 and 2015, this sector presented a dramatic increase. It went from 5,394 hotel rooms and an occupation rate of 58.5% and direct employment of 6.796 in 1980, to 86.816 rooms, 75.5% occupation rate and a total of 71.686 direct employments in 2015.³⁵



Source: Data base on the National Bureau of Statistics (Oficina Nacional de Estadística) (2016)

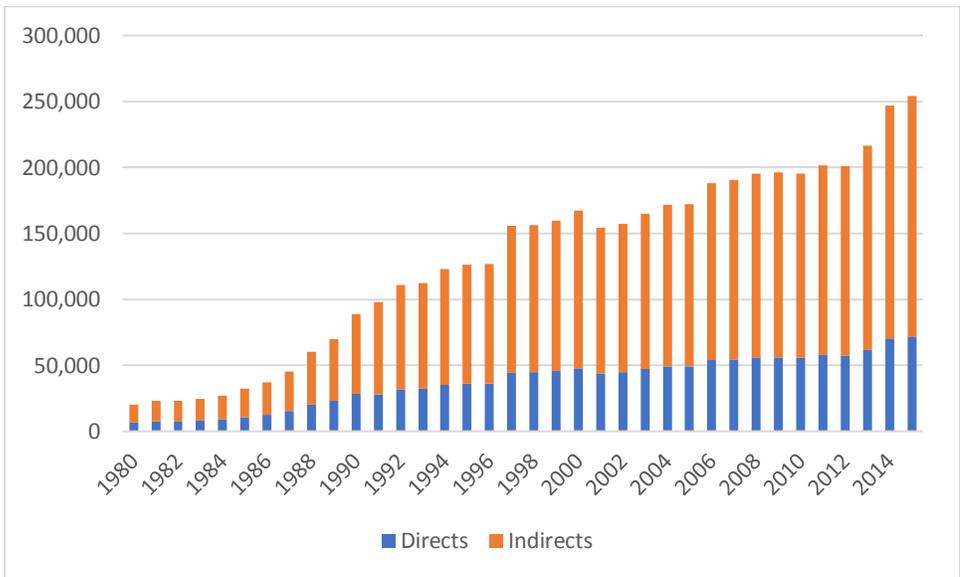
Figure I.1 Number of hotel rooms in DR (Period 1980-2015)

³⁵ Oficina Nacional de Estadística ONE (2016). Evolución del sector turismo por año, según principales indicadores, 1980 - 2015.



Source: Data base don DR the National Bureau of Statistics (2016)

Figure I.2 Income in DR per million US\$ (Period 1980-2015)



Source: Data based on the DR National Bureau of Statistics (2016)

Figure I.3 Employment generated by DR tourism industry (Period 1980-2015)

Tourism occupation has come mostly from abroad and it was duplicated in volume term from the period 1999 to 2015, the first such year was 3.01 MM tourists and in 2015 it reached 6.15 MM. The main Market where the tourists come from is USA with 530.350 in 1999 and it reached 2.05 MM in 2015).

The sustained growth of this economic sector in the country and the high influence in the national GDP has had a tremendous impact in the economic and social growth of the Dominican Republic in the last decades. The main contribution has been the high employment rates, with better salaries and with high participation of women in the labor force.

The “all inclusive” strategy applied to the Dominican Republic has been one of the key aspect to propel the industry and the successful result, although the model has proven to be less profitable and difficult to remain competitive.

At present, different regions of the country add to alternative tourism option which promotes sustainability, preservation, appreciation for nature and environment (both natural and cultural) that shows tourists and increase their sensibilitation towards natural beauty, biodiversity and cultural aspects with added value in the sustainability of natural resources and greater economic and environmental impact in the gress communities.



Figure I.4 Tourist regions

1. Santo Domingo: is mostly cultural (Colonial Zone) and business visitors
2. Puerto Plata was the first tourism zone to be developed in the 1980s. It had a declined once Punta Cana area started attracting most investment and tourists, but it has been redesigned and now the area has increased its number of visitors. New cruise port has also contributed to this Development with an exclusive Carnival port. This zone also has the Cabarete beach which is world renkown windsurfing area and attracts a more adventurous type of tourists.
3. Punta Cana/Macao is the largest tourist area in the country. It has many all-inclusive as well as high end residences and boutique hotels. Punta Cana is the largest airport in terms of annual visitors.
4. Barahona although has been selected as an important tourist area and has an international airport (Maria Montez) has limited infrastructure Development, beaches and it is surrounded by national parks. It is, along with Pedernales, the new priority sector for Development for the DR Government in the period 2016-2020.
5. Montecristi: it has a natural port and excellent beaches, but it is still underdeveloped as a tourist destination with a few small hotels.
6. Samana- Las Terrenas: is a developed area which is growing. Although it has a few all-inclusive hotels, it is characterized by small hotels (mostly owned by foreigners) and residential projects. Samana has an international airport and cruise port which are currently being used in limited number
7. Constanza-Jarabacoa: It is the only one with pure mountain options. It offers cooler climate, adventure, and ecological tourism. It is used mostly by local and some additional tourism coming from other zones.
8. Azua-Bani has had the Palmar de Ocoa area with private vacation housing. Two new projects are promising the Development of this area to a new level: Ocoa Bay project with vineyards, wine making, and boutique hotels and a new investment by the Punta Cana Group in the Cortecito area.
9. Nagua Cabrera: this is an area with limited Development mostly local and small hotels
10. Santiago: it is an urban zone. It has some cultural activities, tobacco and cigars making tours.

Pedernales province with its nature conservation's characteristics (68,14% of its territory is protected area) needs a commercialization strategy according to its destination and products. Given the growing interest in the ecotourism destinations, Pedernales is in a key strategic moment for the marketing of its touristic products through a value chain which can receive investment from public and private sector that do not damage the environment of the region and at the same time offer possibilities of employment and business for the local population. ³⁶

³⁶ Cepal (2015). La cadena de Valor de Turismo en Pedernales, República Dominicana.

Table I.1 World: International Tourist arrival, 2010, 2014 y 2015

Region	International tourist arrival (millions)			Growth rate (percentage)	Income from international tourism (million dollars)			Growth rate (percentage)
	2010	2014	2015	2014/2015	2010	2014	2015	2014/2015
World	950.2	1 133.7	1 183.8	4.4	986 211	1 294 705	1 232 018	3.6
Europe	489.4	580.2	607.6	4.7	412 262	512 925	448 126	2.6
Northern Europe	62.8	70.8	75.6	6.8	59 931	82 574	75 391	3.6
Western Europe	154.4	174.4	179.7	3.0	142 318	172 952	146 387	0.2
Eastern Europe	98.9	120.2	127.1	5.7	48 314	58 233	50 337	-0.2
Mediterranean Europe	173.3	214.8	225.1	4.8	161 699	199 166	176 011	5.2
Asia/Pacific	205.5	264.3	278.6	5.4	275 682	420 074	418 909	4.0
Northeast Asia	111.5	136.3	142.1	4.3	148 338	237 965	236 328	0.4
Southeast Asia	70.5	97.3	104.2	7.1	685 47	108 099	108 826	8.2
Oceanía	11.4	13.2	14.2	7.6	38 725	44 618	42 251	10.4
Middle Asia	12.1	17.5	18.1	3.4	20 073	29 392	31 503	7.4
Américas	150.2	181.9	191.0	5.0	214 934	274 014	277 237	3.7
North America	99.5	120.9	126.2	4.4	164 831	210 894	211 768	2.7
Caribbean	19.5	22.3	23.9	7.2	22 805	26 787	28 437	6.7
Central America	7.9	9.6	10.3	7.3	6 699	10 623	11 468	6.9
South America	23.2	29.1	30.7	5.5	20 599	25 710	25 564	6.9
África	50.4	54.9	53.3	-2.9	31 183	36 169	33 183	2.4
North Africa	19.7	20.4	18.9	-7.4	9 662	10 640	8 553	-9.8
Subsahara Africa	30.8	34.5	34.4	-0.3	21 521	25 529	24 629	7.5
Middle East	54.7	52.4	53.3	1.7	52 150	51 523	54 563	4.3

Fuente: Cepal (2015).

Note: * Growth rate of income per international tourism is due to Exchange rate base don local currency at constant prices.

According to the International Tourism Organization, OIT (2016)³⁷, tourist arrival to the Caribbean region increased by 7,2%, headed by the Dominican Republic as the main destination with a growth rate of 8,9% from the previous year.

The Dominican Republic has position itself as a favorite international tourist destination because of several factors such as quality of the beaches, climate, hospitality, Price, security perception, hotel capacity and infrastructure to destination (BCRD, 2016b; Cruz Sánchez-Toledo, 2009).

In relation to alternative tourism, Dominican Republic presents diverse competitors in the region. In Chart 5 we present the key characteristics.

Table 1.2 Dominican Republic, Puerto Rico, Cuba & Jamaica: Main tourism attraction offered

Country	Sun & beaches	Ecotourism	Adventure	Culture	Sports	Other elements highlighted
<i>DR</i>	XXX	XX	XXX	XX	XX	
<i>Puerto Rico</i>	XXX	XX	XXX	XX	XXX	XX (Weddings)
<i>Cuba</i>	XXX	X	X	XXX	XX	XX (Health)
<i>Jamaica</i>	XXX	X	XX	XX	XX	

Note: High: XXX, Media: XX, Low: X, Not significant: blank.

Source: ECLAC (2015) based on official Ministry of Tourism site

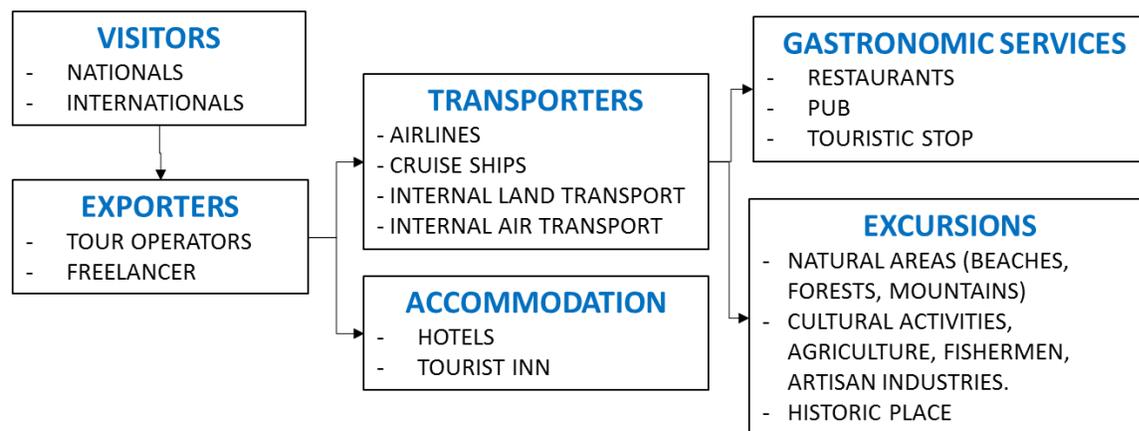


Figure 1.5 Value chain of alternative tourism

³⁷ Organización Mundial del Turismo (OMT) (2016), *Barómetro OMT del turismo mundial*, mayo.

The main alternative tourism pointed out as such is in the binational value chain of the South Coast (Province of Barahona and Pedernales). This is a relatively new touristic zone and therefore there is not enough statistics about tourism flow, objectives and services offered.

The Barahona Tourism and Productive Cluster (Clúster Turístico y Productivo Provincia de Barahona -CTPPB-) estimates that the south region receives 3.000 to 4.000 visitors monthly, of which 70% are DR nationals, the greater period of tourism flow is Eastern or Holly Week. More than 50% of the tourist visit the main attractions (beaches and national parks) through excursions of one or two days offered by national tour operators.³⁸

Main Tour Operators: Vacation Tours, Baldwin Agencia de Viajes, Agencia de Viajes Ureña, Agencia de Viajes Latina, Colonial Tours, Mr. Tours, Best Vacation Tour, Rancho Platón, Ecotour Barahona, De Chepa Travel, Cosmo Tour y Reality Tours. These operators main offer are one day tour to Bahía de las Águilas.

Main attractions: Bahía de la Águilas, el Hoyo de Pelempito and the Oviedo Lagoon which are usually offered along with Jaragua National Park y la Sierra de Bahoruco. National Parks have a 100 pesos' fee to enter. In the Bahoruco Mountain and Jaragua Park they also offer guided tour services. The Ministry of Environment and Natural Resources also offers its rangers services free of charge. Grupo Jaragua (an ecological NGO offers guided tour to Jaragua National Park. The Hispaniola Ornithology Society (SOH) offers *birdwatching* tours to Bahoruco and Jaragua. It is important to point out that indistinctively if the attraction is in Barahona or Pedernales, usually the tour includes overnight in Barahona that has more lodging facilities.

Table I.3 DR: Travel Agencies offer in the Pedernales/Barahona Zone

Travel Agency	Localization	Telephone	Trip location	Days	Price per Person	Type of Capital
<i>Vacation Tours</i>	Santiago	809 825 1996	Bahía de las Águilas	4 days y 3 nights	Variable	National
<i>Baldwin Agencia de Viajes</i>	Santiago	809 581 7228	Bahía de las Águilas	1 day	RD\$2.900	National
<i>Agencia de Viajes Ureña</i>	Santiago	809 626 8867	Bahía de las Águilas	2 days (TI) ³⁹	RD\$5.000	National
<i>Agencia de Viajes</i>	Santo Domingo	809 587 4445	Bahía de las Águilas	3 days (TI)	RD\$ 7.000-	National

³⁸ CEPAL (2015) Based on the official pages of the Ministries of Tourism.

³⁹ All inclusive, with a service of at least 25 people.

<i>Latina</i>					9.000	
<i>Colonial Tours</i>	Santo Domingo	809 688 5285	Bahía de las Águilas	2 days	RD\$6.460	National
<i>Mr. Tours</i>	Santo Domingo	809 435 1071	Bahía de las Águilas	2 days	RD\$5,495	National
<i>Best Vacation Tour</i>	Santo Domingo	809 598 5553	Bahía de las Águilas	1 day	RD\$2.700	National
<i>Rancho Platón</i>	Barahona	809 383 1836	Bahía de las Águilas y Laguna Oviedo	Individual excursion (1 day)	RD\$5.720	National
<i>Ecotour Barahona</i>	Barahona	809 682 2454	Bahía de las Águilas	1 day	RD\$5.236	Mixed (National y European)
<i>De Chepa Travel</i>	Santo Domingo	829 905 1234	Bahía de las Águilas	1 day	RD\$3.300	International
<i>Cosmo Tour</i>	Santo Domingo	809 683 9032	Bahía de las Águilas, Laguna Oviedo y Haitian Border	2 days y 1 night	RD\$7.200	National
<i>Reality Tours</i>	Santo Domingo	809 975 5716	Bahía de las Águilas y Pedernales	2 days y 1 night	RD\$6.500	Mixed (National, USA, Europe and Puerto Rico)

Source: CEPADE, 2015

Transport utilized is private vehicle, rented or public transportation (Autobus Caribe Tours), average duration of the trip is from 5 to 7 hours due to road conditions.

The zone does not have an official statistical census, but the field study undertaken by (2015) offer the most updated data. In the mentioned study, of the total lodging available in the Dominican Republic only 4,6% is in the regions of Barahona, Bahoruco, Independencia and Pedernales (28 lodging places with a total 652 rooms and 2,005 beds.

Several of the tourists that visit the region opt out for camping in the beaches and protected areas.

Legal Framework:

The Pedernales zone is one of the main regions preserved for the alternative tourism and with higher relevance for the binational value chain. In that regards, the DR Government has defined different strategies of support and stimulus to this type of tourism, with laws, decrees and resolutions which supports it.

Table 1.4 Dominican Republic: Relevant legislation to the Development of the Pedernales region

Laws	Description
Law 153 of 1971.	Promotion and incentives for Tourism Development
Law 212 of 2004.	Declaration of the Barahona Province as an Ecotourism Province
Law 266 of 2004.	Establishes Southeast región as a priority Tourist Pole or area with including the provinces of Barahona, Independencia y Pedernales.
Law 195 of 2013.	Modify various articles of law 158-01 of October 9th of 2001, about the Promotion of the Tourism Development of Zones with limited Development or new provinces.
Decree	Description
Decree 0322 of 1991.	Designate as Greater Tourism Pole of the South region
Decree 0335 of 2005.	Establishes the Executive Committee of the Infrastructure of Tourist Zones (CEIZTUR)
Decree 0186 of 2015.	Establishes a escrow for the Tourist Development of Pedernales.
Decree 0212 of 2015.	Establishes the Tourist Cabinet for the provinces of the Enriquillo region
Resolutions	Description
Nº 99 of 2005.	Gives the Cooperation for the Promotion of the Hotel Industry (CORPHOTELS), control and supervisión of hostels
Nº 003 of 2015	Establishes the criteria and duties for the emisión o f certificatiion of geographical área and land that can be used in tourism áreas for renewable energy projects.

Source: CEPADE, 2015

Public Institutions of support

Ministry of Tourism
 Ministry of Environment and Natural Resources
 Ministry of Economy, Planning and Development

Ministry of Industry and Commerce
Ministry of Energy and Mines
Tourism Cluster of Pedernales
Center for the Export and Investment of the Dominican Republic (CEI-RD)
National Competitiveness Council (CNC)
Institution of Technical and Vocational Training (INFOTEP)

Main limitation for development of binational value chain

- No air connectivity in these regions of the countries.
- Difficulties with land transportation (bad state of the roads)
- Lack of knowledge of the functioning of the tourism sector and the value chain by the local actors.
- Requirement of training of human resources of the tourism related enterprises
- Lack of tourism culture
- Low promotion of the destination and regional offers
- Difficulties with Access to water for use on the tourism activities
- High energy cost
- Contamination issues of natural spaces due to inadequate management of waste
- Uncertainty with land titling

Cluster model

DR Tourism has been pushing the organization of clusters around the tourism zones as well as new areas such as Dajabon. The National Competitiveness Center (CNC) has established a tourism cluster model which they have followed in all the organizations of the existing clusters. They work with more or less degree of success depending on the stakeholders involved.



Figure 1.6 Dominican Republic sustainable tourism value chain

DR other Tourism Clusters in the North



Montecristi is closer to the passage of the border between Haiti and DR. Since 2011 has a Tourism Cluster as part of its Development plan. In 2015 it had a total of 9 hotels and 227 rooms. It has natural resources, natural port, and incentive law which except 100% all taxes of investment in the zone (it is the same for all border towns). Most tourists are local tourist with Eastern being the peak season. In 2016 it registered a 50% increase in arrivals during Eastern.



Dajabon is another of the one closer area to Haiti. Its slogan is “bridge between two nations. Their objective is to build touristic products and services including rural tourism, trade, health, adventure, nature, history, and culture. Agroecological and Forrest tours and organic products such as honey, peanut, fruits, cheese, yogurt, cassava, Wood, fine arts and handicraft”



Puerto Plata is the most developed cluster in the North region. This region has been severely affected by the heavy rains of past weeks which caused damage to property, agriculture and even the airport itself. Puerto Plata had started to developed as a cruise line destination. There are tours already from Puerto Plata to Cap Haitian and there is interest of exploring more possibilities



Santiago Tourism Cluster aim at exploiting Santiago's cultural background as well as industries such as tobacco and handicraft.

I.2. AREAS OF POTENTIAL COLLABORATION HAITI-DR ACCORDING TO DR

Until now the only area of collaboration and binational touristic activities is the north of DR and Cap Haitian since is the area closer to the border with enough infrastructure to facilitate tourism. Current activities are:

- a. Ferry Mayaguez – San Pedro de Macorís. Is expected to include the route Mayaguez – San Pedro de Macorís – Cap Haitian.
- b. Colonial Tours and other Tour operators are taking tourist from the North (mostly Puerto Plata to Cap Haitian in a one day tour. The offer has been included in the OPETUR guide to be distributed in the tourism fair in 2017.
- c. The areas most involved in promotion of binational tourism are: Puerto Plata, Barahona and Pedernales.

There is interest in developing collaboration with Haiti, especially in the North region, Cap Haitian. More infrastructures in both sides are needed to facilitate transit and security.

In spite of its development, tourism in DR is pretty conventional, diversification implies development of different offers and subsectors such as creative hubs, wellness areas (natural and built), craft centers (Barahona, Jacmel, for example), Juan Dolio for films, etc.

I.3. SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ DR recognize as a tourism destination and leader of tourist visitors in the Caribbean ✓ Increase in % of hotel rooms and # of tourist per year ✓ Shift from “all-inclusive model” to other type of tourism ✓ Investment in new geographical area including Bani, Ocoa, Pedernales, Montecristi, Puerto Plata ✓ 8 international airports. 3 airports within distance of Haiti border in the North (Puerto Plata and Santiago) ✓ Clusters development project ✓ Already tour operators doing one day tours to Cap Haitian ✓ Border crossing in the north is already facilitated ✓ Responsible tourism cruise docking in Puerto Plata 	<ul style="list-style-type: none"> ✓ Lack of sustain efforts in several clusters/regions ✓ Recent rains flood damaged infrastructure in the North of DR ✓ “All inclusive” tourist invest little outside hotel ✓ High prices (taxes in both side of the border) affects tours cost ✓ Limited number of actors in both sides ✓ Limited infrastructure in the Haitian side ✓ Border closing due to political issues bring uncertainty to market that usually sells in advance
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Increase number of sustainable/responsible tourists targeting DR ✓ Organic farming in both side of the island ✓ Tax incentives for investment in border provinces ✓ Increase tourist traveling for alternative tourism ✓ Idea of one trip two country started to be sold at international trade fair in 2017 by OPETUR ✓ DR Tourism incentive law ✓ New investment for groups like Punta Cana Group ✓ Priority of government for sustainable tourism development in Pedernales 	<ul style="list-style-type: none"> ✓ Natural disasters could affect infrastructure and planning ✓ ASONAHORES does not believe in bin-ational promotion ✓ Insecurity perception on both countries ✓ Bi-national political issues could affect border crossing or tourist welfare ✓ Political instability and insecurity ✓ Lack of infrastructure investment on both sides ✓ Uncertain markets that could slow down (US for example) ✓ Cuba potential tourism investment and development

I.4. PROPOSED PROJECTS TO BE SUPPORTED

Project: Development of joint tourism efforts for Northern island	
Main objective:	To develop tours that could benefit both country in attracting a more sustainable lifestyle tourism
Other objectives:	To improve infrastructure facilities in both countries, especially in Haiti
Key activities:	<ul style="list-style-type: none"> -Identify the potential areas on the North of Haiti with right conditions for investment and to build infrastructure such as hotels, restaurants, sightseeing facilities, etc -Identify facilities to put in place in tourism zones in DR to facilitate tours and joint tours such as Montecristi, Puerto Plata, Dajabon -Facilitate logistics for transport including border and visa issues
Actors needed:	-Ministries of Tourism, Tour Operators, small hotels owners, tourism clusters, investment promotion agencies, development banks

Project: Organization of stakeholders through clusters and other forms	
Main objective:	To facilitate the formation or strengthening of tourism clusters
Other objectives:	To facilitate links between clusters in Haiti and DR to improve binational value added
Key activities:	<ul style="list-style-type: none"> -Identify the potential areas on the North of Haiti, starting with Cap Haitian to facilitate the formation of a tourism cluster -Strengthen existing clusters in Montecristi, Dajabon, Puerto Plata and Santiago -Offer long term technical assistance and promotional support
Actors needed:	-Ministries of Tourism, Tour Operators, small hotels owners, restaurant owners, tour guides, handicraft, small farmers and manufacturers, municipality authorities, etc.

Project: Development of possible areas of collaboration/clusters in the South	
Main objective:	To develop tourism, offer in the south including Les Cayes and Pedernales
Other objectives:	To improve infrastructure on this area of the island
Key activities:	-Identify the potential areas on the South on both sides of the island to

	<p>develop and promote with sustainable tourism</p> <ul style="list-style-type: none"> -Identify facilities to put in place and infrastructure to be developed -Facilitate logistics for transport including border and visa issues
Actors needed:	-Ministries of Tourism, Tour Operators, small hotels owners, tourism clusters

Project: Development of joint subsectors for tourists and branding	
Main objective:	To develop industries such as wellness, cultural, creative industries to attract other type of tourism
Other objectives:	To develop different subsectors of the economy with support of tourism success
Key activities:	<ul style="list-style-type: none"> -Identify towns with potential for creative industries hub (Jacmel, Santo Domingo or Puerto Plata) to develop those subsectors - To identify areas for wellness and responsible tourism activities -To undertake niche promotions to those market segments international to attract different types of visitors to both countries
Actors needed:	-Ministries of Tourism, Tour Operators, Ministry of Culture, Ministry of Trade , tourism clusters

ANNEX. LIST OF PERSONS CONTACTED

ORGANIZATION OR COMPANY	NAME	POSITION	SECTOR
DOMINICAN REPUBLIC			
AIRD	Carlos Rodríguez Amable Padilla	Project Director Beauty Cluster Manager	Cosmetics
FEDOCAMARAS	Carlos Espinal	Executive Director	
FEDOCAMARAS	Presentation Board of Directors		
ADOEXPO	Álvaro Sousa Sevilla	President	
Laboratorio Capilo Español	Daniel Lomba	General Manager	Cosmetics
Cámara de Comercio y Producción Santiago	Fernando Puig	Executive Director	
Junta Agroempresarial Dominicana (JAD)	Osmar Benitez	President	
	Board of Director JAD		
	Claudia Chez	Market Manager	
	Juan José Espinal	Consultant	
Asociación Dominicana de Industrias Textiles (ADITEX)	Diogenes Méndez	Vice President	Textile
Blue Country	Diogenes Méndez	President	Textile
SAVID	Jetta Van der Berg	President	Banana
Ministere Du Tourisme et des	Denise Reyes Estrella	Director of the Office of Tourism of Haiti in	Tourisme

Industries Creatives		Dominican Republic	
Ministerio de Turismo	Wendy Sánchez Imbert	Director Health Tourism	Tourisme
ODCI Observatorio Dominicano de Comercio Internacional	Pavel Isa	Director	
Cámara de Comercio La Vega	Claudio Fernandez	President	
Cámara Comercio San Juan	Domingo Aquino	President	
Cobb Caribe	Wilfredo Cabrera	President	Poultry and Eggs
Caribbean Labs & Traders	Belarminio Rodriguez	President	Cosmetics
CONACADO	Isidoro De la Rosa Abel Fernandez	President Market Director	Cocoa
Cluster Mango	Rafael Leger	President	Mango
La Loma	Luis Hernández Karina de Pool		Macademia
Bolsa Turística del Caribe (BTC)	Luisa María de Aquino	General Director	Tourisme
Bananos Ecológicos de la Línea Noroeste (Banelino)	Susana Rodríguez	Department responsible. Social Projects	Banana
Laboratorio Capilo Español	Daniel Lomba	General Manager	Cosmetics
Labatoria Dr Collardo	Dr Collardo	ED	Cosmetics
Coral Hospitality	Tomas Hungria	Ex CSWA Chairman	Tourism

CIEF	Giselle Camacho	Legal advisor	
Casa mobel	Mauricio Perello	MD	
Centro Nutricionales	Dr Humberto Arias	Director	
Cluster Turismo Samana	Fabeth Martinez	ED	Tourism
MK Cosmetics	Noel Urena	MD (head cosmetic cluster)	Cosmetics
Caribbean Labs & Traders	Belarminio Rodriguez	President	Cosmetics
Sixth Senses Spa Punta Cana	Elaine Okeke Martin	Former Manager	Wellness
Coral Hospitality	Tomas Hungria	Ex CSWA Chairman	Tourism
CIEF	Giselle Camacho	Legal advisor	
Casa mobel	Mauricio Perello	MD	
Poultry Cooperative	Polo Matias	Coordinator	Poultry
ADOPRON (Ron)	Mario Pujols	Executive Director	
Xeliter (Coral Hospitality)	Carolyn Farias	Sales Director	Tourism/Hospitality

ORGANIZATION OR COMPANY	NAME	POSITION	SECTOR
HAITI			
Agritrans S.A.	Pierre Richard Joseph	Chief Executive Officer	Banana
Enos Charles	Enos Charles	Farmer (10 ha.)	Banana
Santa Maria	Reynold Bonnefil	President	Banana
REPLADA	Fritz Jean-Louis	President	Banana
SOCRAPAL S.A.	Gilbert Kénol	President	Banana flour
Askanya	Corine Joachim	President	Chocolate, cocoa
Coopérative Agricole des Frères Unis de Borgne (CAFUPBO)	Yolette Exama	President Vice President FECCANO	Cocoa
Coopérative Agricole du Petit Bourg de Borgne (CAPB)	Augustin Charles	President	Cocoa
Coopérative des Planteurs Unis de Port-Margot (CAPUP)	Joseph Josué Serjuste	President	Cocoa
Coopérative Jean-Baptiste Chavannes	Alexis Lafleur	President	Cocoa
Choko Lele	Marie Agnès Laurent Chantal Fleurissaint	President	Chocolate
Etablissements Novella	Daniel Zéphyr	President	Cocoa – Bitter orange
FECCANO	Alfred Wisamson Guito Gilot	President Commercialization	Cocoa

	Alexis Lafleur	Director Coordinator	
Geo Wiener S.A.	Théo Wiener Douglas Wiener	Director of Cocoa section Director of Coffee section Department	Cocoa
Kaleos	Feederson Jean-Baptiste	Manager	Cocoa
Produits des Iles S.A. (PISA)	Aline Etlicher	Cocoa research and development manager	Cocoa
Origine S.A.	Stéphanie Reynolds	President	Chocolate
Rébo S.A.	Gilbert Gonzales	Vice President	Coffee, Cocoa
SODEPA	Yves Laurent Clifford Saint Lot	President	Cocoa
Union Coopérative Agricole de Thibaut (UCAT)	Jacqueson Nelson	President	Cocoa
Belzèb S.A.	Marie Roberte Laurent	President	Cosmetics
Fondation Sel	Cary Fils Aime	President	Cosmetics
Agri-Supply S.A./Frager	Pierre Léger	President	Vetiver essential oil
Caribbean Flavors and Fragrances	Jean-Pierre Blanchard	President	Vetiver and amyris essential oils
ETHUESSD	Kurtch M. Jeune	President	Vetiver essential oil
Fragrance Tropicale	Jean Ricot Bataille Edlyne Jordanot Bataille	President Co-owner	Vetiver essential oil
Les Entreprises Espange Elysée	Ronald Elysée Anderlin Cassagnol	Co-owner Co-owner	Vetiver essential oil
Max Oil Distillerie	Max M. Mathieu	President	Vetiver essential oil

MC Oil	Serge Joseph Pierre	President	Vetiver essential oil
UNIKODE S.A.	Michel Appollon Georges Edouard Elie	President Co-owner	Vetiver essential oil
Assocaiton des Producteurs Avicoles du Grand Nord (APAGNO)	Illianise Fenelus Florcie Zéphirin Coqmar Louisly Fritzmane Alcimbert	President Board members	Poultry and Eggs
Eco Bio Haiti	Carl Déjoie	President and also expert in Poultry and Eggs	Essential Oils Poultry and Eggs
JAVEC	Jean Jacques Bontemps	President	Poultry and Eggs
Jaunes d'Or		President	Eggs
	Henry Chatelain	Expert/Consultant poultry and eggs	Poultry and Eggs
SAPENSA	Steve Mathieu Gabrielle Aurel Vincent	President CEO	Poultry
Makouti Production	Bénito Jasmin	President	Poultry and Eggs
Conseil Economique Bi-national Quisqueya	Paolo Chiloso	Executive Director	
Agacorp	Clifford Apaid	Owner	Textile
CODEVI/Grupo M	Nathalie Hermantin	Haiti Representative	Textile
Collection Mode	Wastson Saint Louis	President	Fashion-Textile
David André Collection	David André	President	Fashion-Textile
GADESA	Hans Garoute	President	Textile

Michel Design	Michel Chataigne	President	Fashion-Textile
Haitian Designers Network	Maelle David	President	Fashion-Textile
Paula Coles S.A.	Paula Coles	President	Fashion-Textile – Craft
Ralph Leroy	Ralph Leroy	President	Fashion – Textile
Rapadou	Marie Thérèse Hilaire	Owner	Fashion-Textile
Sandilou	Sandra Russo	Owner	Fashion-Textile
	Fred Russo	Owner	
Simbi	Lorry Manuel	Owner	Fashion-Textile
Vêvê Collection	Phélicia Dell	President	Fashion-Textile
Ralph Perry Import Export	Ursula Perry		Mango
ADAVIT (Tourist agency Assoc)	Dioni Michel		Tourism
Association Touristique d’Haiti (ATH)	Valérie Louis	Executive Director	Tourism
Auberge du Picolet	Dupuy	Owner	Tourism
Hotel Mimosa	Mimose Félix	Owner	Tourism
Hotel Le Plaza	Agrnès Pierre Louis	Owner	Tourism
Explore Haiti	Raina Forbin	Owner	Tourism
	Farah Almajor Leo	Labadie craft vendor	Tourism
	Stéphanie Villedrouin	Former Minister of Tourism	Tourism
Organisation de Gestion de la Destination Nord (OGDN)	Nicolas Bussénius	President	Tourism
	Fanny Léon	Executive Director	
Tour Haiti	Cyrille Pressoir	Chief Executive Officer	Tourism
	Lionle Pressoir	Commercial Director	

Association des Industries d’Haïti (ADIH)	Clément Beyda David Coles Wilhem Lemke Tom Adamson Nathalie Hermantin	Vice President Board members	
AGRIDEV	Junior Paul	Partner	Agribusiness
AVANSE/DAI/USAID	Jonathan Greenham Jean Raoul Dominique	Chief of Party Cocoa Program Officer	Cocoa, Banana
Chambre de Commerce et d’Industrie du Nord	Patrick Almonor	General Secretary	
Chambre de Commerce et d’Industrie d’Haïti	Carline Joseph	President	
Chambre de Commerce et d’Industrie du Sud	René Gattereau	President	
Bureau de l’Ordonnateur National du FED	Henri Philippe	Technical Advisor	
CECI	Guypsy Michel	Directeur	
Embassy of Haiti UK	Bocchit Edmond	Ambassador	
European Union Delegation	Vincent Durruty Spencer Louis Steven Rault	Attaché de Cooperation Chargé de Programme Chargé de Programme	
Inter-American Development Bank	Ralph Denizé	Principal Private Sector Development	
Inter-American Development Bank	Pierre Clavens Jean Marie	Environment Specialist	
LEVE/USAID	Philippe Bellerive Marie Louise Baker	Agribusiness Expert Textile Expert	Agribusiness Textile

Ministère du Tourisme	Ulrick Emmanuel Noel Eddy Lubin	Directeur des investissements Chargé de Mission	Tourism
Unité Technique d'Exécution (UTE)	Michael de Landsheer	General Director	World Bank Project in the North
World Bank	Maria Deborah Kim	Private Sector Development Specialist	
CREGED	Benedique Paul	Director	

ORGANIZATION OR COMPANY	NAME	POSITION	SECTOR
CARICOM			
IICA Barbados	Ena Harvey	Head Agro Tourism Project	
Carib Agribusiness (CABA)	Vassel Stewart	Director	
EU-Trinidad Chamber	Marie Louise Norton	Founder	
Le Sport, St Lucia	Andrew Barnard		Tourism

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