

**Case 1**

**Haiti**

**Agricultural Sector/ Food Security**

**Production of Fruits and Vegetables**

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# AGRICULTURAL PROJECT FOR PRODUCTION OF ORGANIC BANANAS AND VEGETABLES

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Public Organization, managing the public interest:  
Unit for the Management of Public Private Partnerships (Ministry of Economy and Finance (UCGPPP / MEF) with the support of the Ministry of Agriculture

Private Organization, developing the project:      AGRITRANS S.A.

Capital Providers, financing the project:              Private capital, Public Funds

Why is this project a Case Study for PPPs:

Association of funds from the 2 sectors, contribution to the building of infrastructure for public use (roads, irrigation, wells, etc...) in an area fit for farming but unused due to the lack of investments. A program established by the Government through the Ministry of Economy and Finance brought financial support to the private project which was also brought to support public infrastructure with newly available equipment and manpower.

The project has a significant economic and social impact on the life of the peasants and small farmers of the North and North East, and thereby on the Haitian population. In addition to the export of truly organic products, the local market gets healthy and fresh produce.

Other projects have since been submitted to replicate the model in other parts of the country.



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## Context:

1)Before: Land in the area was not irrigated and often subjected to conflicts of ownership. Small farmers used traditional, cultural methods for subsistence farming. Most farmland (government and privately owned) was unused and the rural population revenue was very low.

2)Push for improvement: Depopulation of the area due to rural-urban migration, emigration to the Dominican Republic, and increased vulnerability.

3)Improvement and Infra gap: Link stemmed from the need to increase population revenue, guarantee production and sales, and the development of infrastructure in the Northern region (roads, international port and airport...)

4)Infra solution: Have project contribute to build and to maintain small agricultural roads, to share know-how for innovative irrigation systems and packing solutions.

5)PPP solution: Bring land owners together, establish partnerships with them to consolidate available land rendering possible efficient market search, and scale up economy for agricultural inputs and equipment.

The Public sector makes land available and allocates ad hoc program funding.  
The Private company offers technology, jobs, and marketable products.



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## Strategy:

1. Design: Given the scarcity of investments in the agricultural sector, AGRITRANS SA designed this project for a plantation of bananas and vegetables. The project was submitted to and endorsed by the farmers and the Government of Haiti.

2. Main feasibility factor and PPP solution: The project was judged by the market appeal and advantages of the products. Key selection criteria includes: a) partnership with associations and federations of farmers; b) availability of agricultural equipment; c) public works in the area.

3. Closure and other contracts : The first disbursement occurred upon presentation of agreements with small farmers and agreements with international buyers.

4. Development : Product exportation and purchases by international companies makes quality standards an absolute obligation. Timely delivery was achieved. Execution of the project brought about an increase in production capacity, bringing Haiti back to the world market and as certified provider for organic produce.

5. Quality of life guarantee: The project promoted community efforts in association, entrepreneurship, and capacity building. It fostered a significant increase in revenue and capacity of small planters, thereby improving their quality of life. It also contributes to the greater access to equipment and new technology (water abstraction, irrigation, transportation rails for harvesting, etc.)



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## Project KPI's

### Main figures of the project:

- 1.The project is implemented in the North-East Department, near the town called Trou-du-Nord, on land that belongs to the government, but is traditionally occupied by small farmers.
- 2.It was financed by company equity capital and government participation through a program called FREH, jointly administered and managed by the PPP Unit of the Ministry of Economy and Finance and the Industrial Development Fund (FDI).
- 3.The initial cost was 14.5 Million US dollars, with 6.5M provided by the shareholders.
- 4.The project is in its 2<sup>nd</sup> year of operation. Products have already been shipped to the European market and sold locally.
- 5.On-going contact with local communities has kept authorities informed and supportive. Local employment has sustained the development and support for project activities.



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### Impact on People & Planet:

#### 1.Perception of improvement:

The farmers in the federation received 20% of the profit in addition to their current salary. Revenue of these farmers has thereby increased significantly, with the expected snowball effect.



2. Measure of impact: Results can be measured through the number of organic bananas exported to Europe since 2015 (trial of 120 tons).

3. Eco footprint: As an agricultural production project, it boasts positive effects on the environment with particular impact on biodiversity, illustrated in the extent of irrigated surface and recycled plant waste livestock feed. The plantation contributes to soil conservation as well as implementation of regional land policy.



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Sustainable Development Goals		No impact	Some impact	High impact	Describe impact
1	End poverty		✓		Brings revenue to small farmers and workers
2	End hunger		✓		Food in good quantity for local consumption
3	Well being-healthy lives			✓	Banana is organic and high in nutrients
4	Quality education		✓		Training, technological improvements
5	Gender equality		✓		Women are employed in most jobs
6	Water and sanitation for all		✓		Role model in technological advancement
7	Affordable and sustainable energy				
8	Economic growth & decent jobs for all			✓	Presently employs 1,000 ; has plans to reach 10,000 jobs
9	Resilient infrastructure, sustainable industrialization, foster innovation				Uses innovative equipment, has sound maintenance
10	Reduce inequalities within and among countries		✓		Revenue redistribution
11	Inclusive, safe, resilient, and sustainable cities		✓		Fosters diverse economic activities
12	Responsible consumption by all				Fair access to products by local vendors
13	Combat climate change		✓		Soil retention, organic fertilizers
14	Protect the ocean		✓		Soil retention
15	Take care of the earth				Organic fertilizers
16	Peaceful and inclusive societies, justice for all accountable institutions at all levels				
17	Mechanisms and partnerships to reach the goals		✓		Public-private partnerships



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## Scaling up the (Case Study) project:

### 1)Replicating the project:

This project can be replicated in other regions of the country, such as in the North, Western Departments, particularly in the Cul-de-Sac, Arcahaie and Leogane plains, which are appropriate for banana plantation. Furthermore, other promoters have such projects either in the beginning phase or under analysis for said areas.

### 2)Replicate globally :

Should be replicated in other countries, where smaller farmers can associate for a large production, with relevant crops, using similar financing mechanism.

### 3)Other sectors :

To stimulate investment and to support the agricultural sector. The Government has financed many projects such as the industrial transformation of corn, beans, breadfruit, tomatoes and the production of chicken.



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1. Key success factors for escalation: Agriculture is 'motor' of the Haitian economy. It contributes to improving food security and supporting 60% of the active population. This project has succeeded in:
  - ✓ Introducing new technology resulting in increased yield per acre
  - ✓ Creating a significant number of jobs, with 1000 current and up to 10,000 projected at the end of the project cycle (approx. 10,000 acres projected)
  - ✓ Increasing the revenue of farmers
  - ✓ Bringing in revenue in foreign currency
  - ✓ Increasing access to market
  - ✓ Partnering successfully with the government and local farmers.
  
2. Lessons learned: The novelty of the project made it encounter many obstacles. Much has to be imported from the beginning (technology, equipment, know-how, specialized workers, etc...). There was a high cost for adjustments due to inappropriate choices and climate hazards. Other projects can now learn from the AGRITRANS experience and make more appropriate business decisions.



## **People First is also about “those” that made it happen:**

### 1) The main public organizations :

- Ministry of Agriculture, Natural Resources and Rural Development (MARNDR)
- Ministry of Trade and Industry (MCI)
- Ministry of Economy and Finance (MEF)
- Industrial Development Fund (FDI)

### 2 ) The main private organization:

- AGRITRANS, S.A.



### 3 ) The management teams:

Administration of the company allows fluidity in decision-making. The members of the board are actively involved in operations and have extensive technical knowledge and experience in management, industrial farming and transformation. They are:

- Jovenel Moise, Founder and former President/ CEO, he was also President of the Regional Chamber of Commerce and Secretary of the Chamber of Commerce and Industry of Haiti.
  
- Pierre-Richard Joseph, President and CEO, is a CPA with over 20 years of experience.



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