Mitigating the Social Impacts of the Caracol Industrial Park (HA-T1181)
Terms of Reference
PIC Productive Satellite (SPP) Micropark: A Multimodal Transportation Hub

I. Background

1.1 In September 2010, the Government of Haiti (GoH), the United States Government (USG) through the Department of State (USG-DOS), and the IDB agreed to explore the viability of establishing a globally competitive industrial park and manufacturing center in Northern Haiti. This resulted in an agreement to develop an industrial park in Haiti's Northeastern Corridor, with SAE-A Trading Co. Ltd., Korea's leading textile-garment manufacturer, as the anchor tenant. This marks the first major public-private partnership to bring permanent jobs to Haiti since the January 12, 2010 earthquake.

1.2 The Haiti Infrastructure Program (HA-L1055[1]) was approved on July 25, 2011 and has developed the infrastructure for the Caracol Industrial Park (PIC), located in the municipality of Caracol, at the center of the Northeastern corridor. A subsequent operation, the Productive Infrastructure Program (HA-L1076[2]) will supplement the first operation as well as finance roads, potable water, wastewater treatment and other basic services within the park; buildings for housing industrial activities; a social and environmental component and the program's administration. Two additional operations will complete the financing for this US$ 180 million operation.

1.3 The long term objective of the Program is to increase economic activity in Northern Haiti and create a Pole of Development in the North. Its purpose is to facilitate the establishment of private manufacturing firms that can create jobs and increase economic output in Northern Haiti, accomplished by providing the basic infrastructure, industrial facilities, management support and complementary investments required for the expansion and operation of the PIC. However, the development of the PIC will induce structural changes of great magnitude in the Northern Corridor of the country. More specifically, the surrounding areas of the park will undergo a major transformation as a result of what might be called "the park outside the park". The management of PIC-SONAPI by definition does not reach beyond the outer perimeter of the PIC. While the project will affect the surrounding areas, the PIC does not have implementation capacity outside its walls.

1.4 If no action is taken for formal, regulated development of this "park outside the park", the bidonvillization of the area is practically inevitable. This phenomenon will begin in the immediate vicinity of the PIC and extend progressively -- as irregular housing, trade, and services -- toward the four villages that surround the area near the PIC (Caracol, Trou du Nord, Terrier Rouge, and Limonade).

1.5 This consultancy is being developed as part of a Technical Cooperation (HA-T1181) to mitigate the potential risks of population influx caused by the PIC through measures to provide formal, regulated development opportunities for those in the immediate vicinity of the PIC, thereby limiting incentives for informal settlements outside the PIC.

1.6 The bidonvillization in the park outside the park has already begun, associated to small businesses as a result of: (i) the entry and exit of workers from the PIC to the beginning and end of their workday, and (ii) their needs for food. Whereas the second of these reasons is on track to be resolved through the initiative "the cooks of the PIC", the solution for the first reason can be achieved if a solution is given to the transport of workers. In this regard, this note is based on the following facts:

[1] http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-L1055
[2] http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-L1076

- *Regardless of the fact that PIC/SONAPI pay transport in the short term to current workers, in the medium term, workers will end up paying at least a portion of transportation costs (*the rest being subsidized by employers or SONAPI*);*
- Whenever this happens, and given their level of income, workers will always opt for the cheapest transport solution, i.e. the tap-taps, whatever their type be (motorcycles, small cars, medium or large);
- The market will select the type of tap-tap depending on the level of demand in the different routes arising with the progressive incorporation of workers;
- This traffic or tap-taps will deliver the vast majority of workers at the PIC's entrance. The consequences will be mentioned.

1.7 One potential solution is to create a buffer zone outside the park as a Productive Satellite of the PIC (SPP), which would enable the orderly management of PIC employees entry and exit which combines: (i) a multimodal transportation hub; and (ii) proper management of commerce in and around the hub. This SPP concept assumes that the PIC will: (i) provide free shuttle transport to all workers between the SPP and the PIC; (ii) Carry out checkpoint control of workers upon boarding, and (iii) completely prevent access to the park by any other means (even pedestrian access).

1.8 With the SPP: (i) costs would not be excessive for the PIC-SONAPI, provided that the SPP is placed in the right place and the buses are in the proper proportions to demand, (ii) possibly, the Haitian law to provide free transportation to workers will be fulfilled, and (iii) any negotiations that would lead to the PIC companies paying part of the transportation of workers to the SPP would be a significant labor improvement. In any case, SPP funding would be conditional on the absence of permanent housing (so that they are developed in the four major cities).

1.9 The SPP location should be in the immediate proximity of the PIC, and there should be a service of big buses (airport type) between the two poles, with appropriate regular timing corresponding to the start and finish schedule of the different shifts of workers, providing this service free of charge.

1.10 **Urban development management**: the SPP could: (i) be organized as an association area of the four municipalities mentioned (and, therefore, depend on these mayors), (ii) finance its infrastructure through an appropriate Bank operation.

1.11 **Transportation**, with appropriate public-private management: The SPP could: (i) seamlessly accommodate hundreds of tap-taps and thousands of motorbikes and bicycles arriving and leaving daily, (ii) provide appropriate parking facilities for them, (iii) organize dozens of small shops, (iv) organize breakfast and drinks stalls, and (v) allow the development of repair shops for PIC buses, the different types of tap-taps and bicycles.

1.12 **Trade and Production Management**: The SPP could be: (i) organized through a corresponding productive micropark program funded by the Bank, and (ii) supported by individual businesses selected by Accelerator programs (included in the program) and the SIF.

1.13 **Local Partnership:** The commercial and productive management of the SPP is only feasible in partnership with a local organization that capacity to manage it. The organization IDEJEN (Haiti Youth Development Initiative) could be the right strategic partner in light of the following: the organization aims to provide vocational training and employment preparation to disadvantaged youth; it has 44 training centers in 14 geographic areas and has been financed by USAID. Additionally, it has the support of MIF through co-financing totaling more than US$9 million. Therefore, it has the

financial capacity to co-finance the initial micropark management until it is sustainable. It has two centers in the northern corridor (and a third under construction) where they work with a total of 60 trainers who support more than 300 young people every 6 months. The young people who have completed training assist the organization to train the next generation of students.

1.14 The proposed micropark should:

- Start by including all of the major businesses involved, including: (i) a market (for breakfast sellers, drinks, and various shops), (ii) a repair shop area for tap-taps and motorcycles with a single, common infrastructure (for example, an elevator for car repair), and (iii) parking for motorcycles and bicycles (with their corresponding bike maintenance shops);
- Have a sustainable balance sheet. Only when absolutely required should the micro park receive support from the PIC/SONAPI, itself the result of the externalities resulting from the PSP;
- Grow according to the increase in the number of workers that go from the SPP to the PIC. In this regard, it should be endowed with enough land to eventually split to "thematic" micro parks if required (with the size and functions generated by demand). If this is the case, each micro park should have its own balance sheet and independent management (in principle, under IDEJEN).
- The basic concept would be approved by the Bank in the relevant program and, therefore, equivalent to that proposed for the cooks of the PIM and PIC.

1.15 **PIC Management.** The PIC is owned by SONAPI but at present the daily management of the PIC has been delegated to UTE, which currently maintains three full-time social and environmental staff onsite. A private management firm will manage day-to-day operations in the future, and the IDB and GOH are currently reviewing proposals. The selected PIC Management firm will be responsible for a variety of services including security, cleaning, solid waste management, gardening and landscaping, among others. A specialized environmental and social firm will monitor E+S functions within the PIC.

1.16 **Workforce.** Currently, the PIC is under both construction (by a Dominican firm, *Estrella Ingenieria*) and operation, with approximately 500-1000 construction workers on-site. Fewer workers will be needed for the expanded construction phase, whereas for the operational phase it is expected that 18,000 new workers will be employed by SAE-A in the first 4 years of operation. To date, SAE-A has employed approximately 1200 employees, 90% of which are women. Other tenants, including a paint manufacturing company, *Peintures Caraïbes*, are expected to generate 2,300 additional jobs until 2016 (see Table below).

Estimated PIC Tenant Projections

Year	SAE-A	Potential Tenant 2	Potential Tenant 3
2012	1,200	130	200
2013	4,500	460	250
2014	9,000	891	300
2015	13,000	1,619	300

2016	18,000	2,021	300
Total	**20,321**		

1.17 **Location.** The PIC has been built on a 250 ha Greenfield site in the rural community of Caracol. Caracol is located about 4 kilometers to the north of the PIC and approximately 35-40 km southeast of Cap Haitien and has about 7,015 inhabitants.[3] The municipality of Fort Liberté, to the north east, has an estimated 31,315 inhabitants. The municipality of Limonade, located to the southwest of the PIC, has an estimated population of 50,150 inhabitants. Limonade is expected to grow in the next few years because of the nearby King Henry Christophe University Campus, scheduled to have opened in March 2012, and which expects to enroll 10,000 students in the future. Trou-du-Nord is located at the mid-point between Cap-Haïtien and Ouanaminthe, approximately 5.5 km south of the PIC and has an estimated population of 44,498 inhabitants.

1.18 **Gender**. Although both women and men face poverty-induced difficulties due to limited human and financial capital, women face greater obstacles particularly in the division of labor and employment prospects in the agricultural sector, a primary occupation in Northern Haiti. The IDB is firmly committed to advancing gender equality via economic empowerment in its operations, particularly in light of the recent approval of the Operational Policy on Gender Equality in Development that became effective in May 2011, and the changes that the region will undertake in becoming a Pole of Development in the North.

1.19 The IDB is currently preparing an operation to generate a productive and sustainable development framework in order to support the Development Pole of the North (*Northern Economic Pole Business Accelerator Program*, HA-L1068[4]). Specifically, this operation is designed to support development initiatives in the agribusiness, tourism, and industry value chains so that they can become strengthened and eligible for investment and financing in the market or cluster micro-producers clustered together, and improve their profit in a sustainable fashion.

II. Objective

The objective of this consultancy is to develop a Business Plan for a productive micropark outside the PIC, which would formally regulate development and help bring down costs of living of PIC employees. If feasible, the Business Plan could be financed by one of the product's in the Bank's portfolio.

III. Characteristics of the Consultancy

Type: Individual
Date and Duration: May 2013-March 2014
Place of Work: Place of residence of the consultant, with mission travel
Requirements and Qualifications of the Consultant: At least fifteen years experience in local sourcing opportunities, value chain assessment (particularly those that include a gender equity focus), and sustainable supply chains for poverty alleviation, capacity building, and small and medium enterprise development. An advanced degree in business, economics, and experience with qualitative and quantitative methodologies is required. Fluency in English, French, Spanish, and Creole is

[3] Projections from the 2003 census; IHSI – document published in 2009 on the demographic figures and densities in Haiti.
[4] http://www.iadb.org/en/projects/project-description-title,1303.html?id=HA-L1068

desirable.

IV. Activities

1. **Literature Review** of relevant documentation regarding the project(s) HA-L1055, HA-L1076, and HA-L1068 including; Project Operations Documents, Environmental and Social Management Report, Social Impact Assessment, Regional Comprehensive Master Plan and Regional Master Plans, Compensation and Livelihoods Restoration Plan, Maps of PIC's Area of Influence, Census, Local Business Directory, and media reports.
2. **Site Visits to Haiti** (Port-Au-Prince and Northern Haiti) including interviews with key stakeholders including PIC tenants and management, UTE, IDB, and Sae-A, local organizations and potential partners, including IDEJEN. The site visit to Northern Haiti will include the participation of IDB team members.
3. **Develop Business Plan for SPP micropark with four primary segments including food vendors, miscellaneous vendors (clothing etc), bicycle stands, and auto/bicycle repair shops**. This plan will provide an overview of the products and/or services selected, criteria used to select them, feasibility, and projected business potential. The plan will include details such as: Profit/Loss, Buyer prices, Supplier costs and any investments needed for suppliers, including such as equipment, certification, and/or viable capacity building programs. Specifically, the BP will include the following elements and will be subject to approval by both IDB and IDEJEN[5]:
    - **(i)** Context
    - **(ii)** Organization of the Micropark: include key stakeholders and partners, gender based roles and responsibilities, value chains supported, phasing over time
    - **(iii)** Description of Microproducers
    - **(iv)** Financial Plan
    - **(v)** Eligibility Criteria of Microproducers
    - **(vi)** Identification and Selection of Microproducers including target percentages for women and vulnerable groups
    - **(vii)** Training of Microproducers
    - **(viii)** Equipment Costs
    - **(ix)** Inputs and Demand
    - **(x)** Competitive Advantage
    - **(xi)** Profits
    - **(xii)** Balance Sheet, Income Statements (IDEJEN and Microproducers)
    - **(xiii)** Necessary Financial Investments
    - **(xiv)** Implementation Timeline

V. METHODOLOGY

The methodologies to be used in this consultancy are both qualitative and quantitative. The qualitative portion will include interviews (structured and semi-structured), participant observation, informal consultations, and/or focus groups, when appropriate. The consultancy will include site visits to the PIC and surrounding communes. Key stakeholders to be contacted during this consultancy include select representatives from the GOH (SONAPI and UTE, among others), IDB, USG, PIC tenants and subcontractors, IDEJEN, elected officials, local associations, and local leaders. The quantitative portion will consider projections based on populations, markets, and scale for efficient production and ability to grow with the PIC.

[5] This organization is subject to change. The final format will be decided in collaborative fashion with the IDB team.

VI. REPORTING/PRODUCTS

The consultancy will prepare a draft outline following the first site visit to Haiti. Finally, the consultant will prepare an operational implementation plan for the selected goods and services to be sourced locally, including budgets for their implementation. The Business Plan will demonstrate a clear sourcing relationship between the Buyers and Suppliers, production source, and value chain. The Business Plan will provide operationally relevant information, demonstrating feasibility and costs of implementation, including any necessary capacity building. The final report and any draft reports will be in English.

VII. REMUNERATION

20% upon signing of the contract
30% upon submission of draft outline following first site visit
50% upon submission of Business Plan(s)

VIII. COORDINATION

The consultancy will be contracted by the Environmental and Social Safeguards Unit (VPS/ESG). The consultant will report directly to Suzanne Casolaro (VPS/ESG) with close coordination with Felipe Gomez-Acebo (CMF/CHA) , Joaquin Dominguez (CMF/CHA), and Priscilla Rouyer (CMF/CHA), who will provide contact with the GoH and other key stakeholders.

Mitigating the Social Impacts of the Caracol Industrial Park (HA-T1181)
Terms of Reference
Primary Agricultural Transformation Micropark

I. GENERAL APPROACH

1.1 Over a six year period, the IDB will support the development of a globally competitive industrial park in rural northern Haiti – the Caracol Industrial Park (PIC) - through four operations totaling US$180 million. The anchor tenant of PIC is SAE-A LTD, a Korean textile manufacturing firm that will employ up to 20,000 workers over the next five years. In addition, the industrial park in Ouanaminthe, CODEVI, will employ 10,000 workers. The development of the PIC, CODEVI, in addition to other development projects planned for the region, is likely to induce population influx, which if unmitigated, will lead to informal settlements that pose a series of health, security, social and developmental risks to the local population. In order to mitigate the potential risks of influx, the IDB has developed a technical cooperation (HA-T1181) to mitigate such influx through proactive private sector opportunities that will also meet the growing needs of both industrial parks in northern Haiti.

1.2 In order to meet the demands onsite for such populations, the PIC must organize a quality food service provision of quality at the lowest price for its employees. With earnings of HTG 200 per day, estimated transport costs of about HTG 35 and current food costs of about HTG 40, PIC employees are able to take home little over HTG 100 a day to support their families (equivalent 2 USD). Due to inefficiencies in the current food service production and provision system, it also necessary for CODEVI to reorganize its food service provision system

1.3 On this basis, the food services of the two parks are to be governed by a ***principle of quality with minimal cost***. The provision of this service through an optimal organization of the "Cuisinières de fortune" would allow to offer quality food for the workers (above all valuing the price and "the hand" of the cook they choose), to adapt the service to local idiosyncrasies, and from the economic point of view, to begin structuring value chains of producers and micro entrepreneurs around the park. From the latter perspective, and beyond, this implies the establishment of three value chains: (i) the provision of food services and the associated technical training of cooks, (ii) the logistics of inputs to the industrial parks, and (iii) the production of food inputs and its transformation.

1.4 The GoH could support the structuring of such value chains through the Micro-parks and the MSMEs Accelerator Programs (HA-l1068 and HA-L1050) which are managed by the Ministry of Commerce and Industry (MCI) (and, where appropriate, with agricultural programs centered in the Northern part of the Country, managed by the Ministry of Agriculture).

1.5 A strategic partner is necessary for the implementation and management of such a micropark. This strategic partner could be *Foi et Joie*, a Jesuit international popular

education movement that serves over 1.5 million youth throughout Latin America and the Caribbean. Some of its main features are:

a. It serves more than 30 schools in Haiti and a technical training center for cooks in PaP (with more than 500 cooks already formed), As a results, they are deeply familiar with local idiosyncrasies and have experience working with local resources. In the Ouanaminthe area, the organization is working with Solidarité Fwontalye, a social organization with a strong local presence, and is recognized by international (UN, MINUSTAH), academic (University of Québec-Montréal) and government institutions (as the police of the area) and has an established social presence in the area;

b. It is interested in becoming a strategic partner as a manager both of the PIC micro-park as well as of the Agricultural Transformation Micro-Park based in the area of Ouanaminthe. In both cases, the organization would work from a Social Business perspective, charging what is strictly necessary to ensure the sustainability of the micro-parks they will manage without seeking a profit.

1.6 The last point is particularly important because the workers' purchasing power will determine maximization based on the principle of serving "quality food at the lowest possible price". To do so, it is essential that the manager of both Micro-parks doesn't seek profits (that won't be the case of the individual cooks and of individual agricultural producers - *see below*)

1.7 To date: i) the Business Plan of the "PIC Cooks" is almost ready to be submitted to the PIC and MCI authorities; ii) the Business Plan of the "cooks CODEVI" has not yet been started; and iii) this note intends to describe the Agricultural Transformation Micro- Park and the corresponding ToRs for the consultancy to prepare its Business Plan.

II. FUNDAMENTALS OF THE ORGANIZATION OF THE AGRICULTURAL TRANSFORMATION MICRO-PARK

2.1 Agricultural producers in the area and in the country in general are not competitive. Indeed, despite the fact that Haiti has a fertile soil, similar to that of the Dominican Republic (the breadbasket of the Caribbean), the problems that are attached to the current paradigm are reflected in the fact that the Haitian countryside is excluded from the formal financial system due to its high associated risks. Thus, while the financial system is in good shape: i) the investment and crop credits are virtually nonexistent, ii) the ensemble of rural finance accounts for less than 5% of the balance sheet of the system, and iii) the effective rates borne by small farmers are higher than 72% annually. This stems from multiple causes associated with country risk and risk of the real sector as a whole, but also from sectoral risk arising from serious structural problems.

2.2 Among these problems are: i) a smallholder production structure based on the concept of *jardin creole*, where diversification mitigates natural hazards but negatively affects productivity, ii) high vulnerability to the aforementioned risks, iii) weak institutional sector, affecting access to new agricultural technologies; iv) a very high level of settlements in public or private lands, due to the latter's scarcity, v) non-profitable joint

ownership situations in which owners receive practically no return vi) lack of irrigation infrastructure vii) the quasi total lack of processing infrastructure near the production sites, and viii) a very limited logistical capacity resulting from insufficient secondary road network, a lack of a transportation system and a network of intermediaries with excessive intermediate levels. As a result of these problems, the sector's competitiveness is extremely low, nearly 60% of the production is lost or goes to subsistence consumption and the markets supplied by local production are also essentially local. The sector's share of gross domestic product (GDP) has fallen from 33% in the 1980s to 25%[6] in 2012, rice production has fallen from 120,000 T at the beginning of the 1980s to 100,000 T in recent years, and plantain production has been reduced from 500,000 T to 350,000 T in the same period[7]. These declines are due to losses in agricultural productivity[8] and lack of markets.

2.3 For all these reasons, investment has been virtually nonexistent for many years, the ***Haitian countryside is undercapitalized*** and poverty and unemployment in rural areas are very high. Although most Haitians are below the poverty line (55%), the impact of poverty and of extreme poverty is much higher in rural areas, where 88% of people live below the poverty line and 59% earn less than U.S. $ 1 per day.

2.4 Given these structural conditions, a number of medium and small producers in the Ouanaminthe area are being organized through Foi et Joie so their production can benefit from the existence of a possible ***Agricultural Transformation Micro-park, intended for local producers to: i) witness lower levels of lost production through primary processing of their products, and ii) have at their disposal a single point of entry to facilitate stock management, pricing, sale and logistics of production output***.

2.5 Thanks to the Micro-park, producers in the area could: (i) increase disposable income and invest in improving their cultivations (gradually putting an end to the aforementioned undercapitalization), and ii) supply wholesale demand for food inputs in both industrial parks as well as any other demand.

2.6 The main features of the Micro-park would be:

a. Governance and structure:

i. The Micro-Park will be built on public land and facilities would also be public (as they are paid using public funds). Therefore, the facilities would be included in on a separate balance sheet, specifically created for the Micro-Park activities;

ii. It would be based on the aforementioned principle of a non-profit seeking organization. Indeed, the structural situation described above shows that local producers generate little value added and are very isolated. In this situation, ***if the Micro-park would be structured as a for-profit entity, its position (acting***

[6] Banque de la République d'Haiti, séries statistiques.
[7] FAO, Statistiques de production agricole; IHSI (Institut Haitien de Statistiques et Informatique)
[8] IDB/MARNDR, Identification de créneaux potentiels dans les filières rurales haïtiennes ; rapport de synthèse, 2005

as an "Essential Facility"[9]) and its quasi-monopolistic situation in the area (derived from geography and from weak producers and distribution chains) could lead to the appropriation by its operators of almost all of the value added generated by both public investment and local producers' effort and investment;

iii. The producers of the area, grouped in the Association of Producers using the Micro-park, will be the beneficiaries of the Micro-park. The Association will be open to all, so any producer in the area can be part of it.

iv. The Producers Association will entrust the management of the Micro-Park to an entity, specifically Foi et Joie, which will: i) act as Social Business, ii) hire adequate salaried staff and iii) charge for their services as necessary to ensure sustainability, service provision (see above), salaries and appropriate amortization of Micro-Park facilities (the latter should also be included in the separate balance sheet);

v. Upon project completion, the Producers Association may: i) continue exploiting the Micro-park through Foi et Joie ii) search for a new manager, or iii) become a cooperative and manage the Micro-Park directly.

b. Organization:

i. The Micro-Park would provide the following services: threshing, sorting, primary processing and storage (including cold storage) of local products and, in this respect, would have the respective specific treatment areas;

ii. However, these services should never compete with the private sector that offers value-added services on the products of the Micro-Park (for example, and in connection with tomatoes, the Micro-Park would classify, wash and retain the production of producers in the area, but never would prepare tomato sauce);

iii. It would have the necessary equipment and facilities for processing agricultural production in the area so that it is not spoiled before reaching the market.

c. Micro-park relationships with producers and buyers:

i. The Micro-Park would complement the Bank's programs of "Smart Subsidies" as it would allow for the resulting increase in production to: i) not be lost in large proportion, and ii) potentially reach the market;

ii. The production processed by the Micro-park would be: i) differentiated and marked by producer, and ii) sold directly by them (or on their behalf), at the prices set by them.

[9] An "Essential Facility" allows for the market (in this case producers and buyers) to run smoothly due to its existence and the services it offers, but without taking position in the market, and therefore, without enduring the costs and risks of business decisions. Thus, their prices aren't determined by the market but rather they are subjected to regulated tariffs (e.g. electricity). In this case, it is suggested that the Micro-park acts as Essential Facility based on its configuration as Social Business.

iii. Thus: i) ***the Micro-park will not serve as intermediary between producers and buyers (allowing for producers to maximize their profits)*** and ii) producers will compete with each other based both on price and quality;

iv. However, ***the Micro-park itself would become a centralized point of sale*** that would reduce the ability of intermediaries to set draconian prices on smaller producers isolated from distribution channels. To achieve this for the producers, there would be a small market organizing such sales on designated days;

v. Although any buyer could purchase from the Micro-park, the main buyer would presumably be Foi et Joie itself, as manager of the PIC Cooks Micro-park and the manager of the CODEVI Cooks Micro-park manager. With this, both would be the main "Anchors" in the Agricultural Transformation Micro-Park, ensuring the channeling of the latter's production and as a result, its financial viability.

d. Catalytic role in the area: The operation of the Micro-park would allow:

i. The farmers to benefit from productivity gains and income derived from public investments (for consequent effects on investment, quality of life and poverty);

ii. The different associations of producers in the area to progressively be strengthened, structured and, where appropriate, for production cooperatives start to appear;

iii. At the time, this could lead to the creation of a technical school that will provide producers with modern production techniques, mechanical skills, machinery operation courses, cooperative training, basic accounting, basic market knowledge and other materials that will ensure that producers stay away from superstitious bases that are today at the foundation of their production.

2.7 The Micro-park activity would be supported by the *Business Accelerator* which would strengthen the private sector activity in the area in many sectors:

a. The production, by supporting new investments by producers in the area resulting from the increase in their disposable income due to the existence of the Micro-park (see ¶ 2.5).

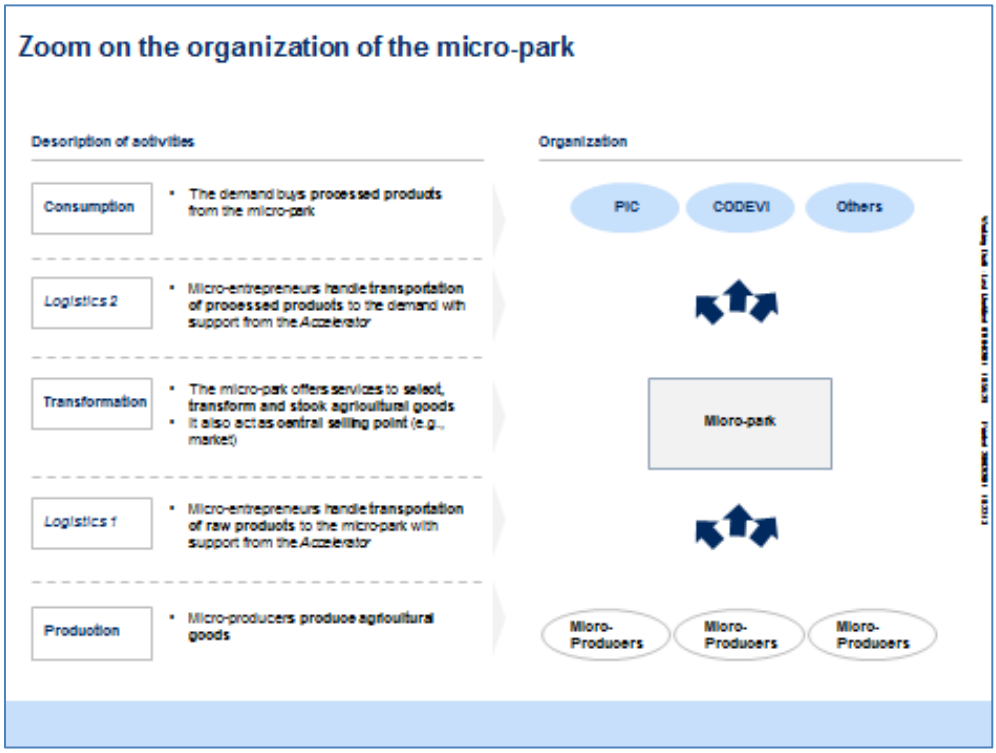
b. The transport: i) between the production and the Micro-park (gross production), commissioned by the producers, and ii) between the Micro-park and the market (processed production), commissioned by the buyers.

c. The maintenance of the machinery that will gradually be forming.

d. The manufacture of boxes, packaging and containers to send the production to the market, essentially to the Cooks Micro-Parks.

2.8 In all cases, the *Business Accelerator* would provide seed capital, technical assistance and a temporary Project Manager to those producers and entrepreneurs interested in submitting sustainable business plans.

2.9 The prioritization of this type of Agricultural Transformation Micro-Park by the MCI would have important synergies by allowing the linkage of: (i) production processing (supported by the Micro-park), (ii) the logistics and production (supported by the *Accelerator*), and (iii) the demand arising from the PIC and CODEVI cooks (supported by the respective cooks Micro-Park).



III. OBJECTIVE OF THE CONSULTANCY

Based on the business model described above, the objective of the consultancy is to develop a business plan for Foi et Joie for an agricultural transformation micro-park that will provide necessary inputs to serve food service production system at the PIC and CODEVI. The specific objectives of the consultancy include developing a business plan for the Agricultural Transformation Micro-Park and providing an action plan to ensure an effective and successful implementation.

IV. CHARACTERISTICS OF THE CONSULTANCY

Type of Consultancy: Individual

Dates: May 1, 2013-December 31, 2013

Location: Place of work of the consultant, including site visits to Northern Haiti

Qualifications:

International Value Chain Specialist: The consultant should have over 15 years of experience with value chain development, project design and management. Part of this experience should be in a developing country. Fluency in French is required, and fluency in Creole, Spanish, and English is desirable.

Agricultural Development Specialist: The consultant should have over 15 years of experience with agricultural development in Northern Haiti/Dominican Republic; possess critical understanding of local agricultural production, markets, and producer's association. Fluency in French is required, and fluency in Creole, Spanish, and English is desirable.

V. ACTIVITIES

1) **Review relevant project documentation** including the business plan of implementation for the cooks at the PIC, project documentation for the Accelerator, etc.

2) **Site visits to Haiti**. These site visits will last at least one week, and the consultant should plan on one site visit of one week long per month. This will include collaboration, interviews, and focus groups with key stakeholders including IDB, GOH, Foi et Joie, producers organizations and other relevant actors.

3) **Develop a business plan** that includes that following elements:

   a. From a technical point of view

      i. Local products that the Micro-Park would process (determined in conjunction with the producers association of Ouanaminthe and with the managers of the both Cooks Micro-parks) and the *required level of primary transformation* for every product;

      ii. The design, size and requirements of the respective areas of threshing, sorting, primary processing and storage, as well as the approximate cost of the related investments;

      iii. The equipment and facilities (including cold storage) needed to process agricultural production in the Ouanaminthe area and their approximate costs;

      iv. The scope, requirements and approximate costs of the common areas of the Micro-Park (offices, sanitary facilities, mini market, loading and unloading, etc.);

      v. The profiles of the salaried jobs needed for the Micro-Park´s management (management, technical middle managers and processing and administrative workers) and their approximate costs;

vi. Periodic inputs required by the Micro-Park, their characteristics and approximate costs.

b. From a financial standpoint, and noting that the Micro-Park must be sustainable:

i. Prices to be charged for processing and storage (until sold) of the production, distinguishing between different products to treat;

ii. Amortization policies for assets and facilities;

iii. An Investment Plan (with corresponding estimates of physical space needed) progressively accompanying growth in demand for its two main anchors;

iv. The recommended annual financial margin that allows the manager to hold Micro-Park costs in the years in which local production is affected by climatic shocks (and in which Cooks Micro-parks have to supplied with non-local markets).

c. From a design standpoint, the suggestions that alter the described design will be the product of expertise and of fieldwork conducted by the Consultancy.

VI. REPORTING AND PRODUCTS

Based on the above, consultants will deliver a seven year business plan. Consultants will work with the Bank and deliver, i) an interim Business Plan, and ii) a final Business Plan; iii) present the final results and business plan to the Bank team in a formal meeting.

VII. COORDINATION

The consultancy will report directly to Suzanne Casolaro (VPS/ESG); Joaquín Domínguez (CMF/CHA) and Bruno Jacquet (RND/CHA). All invoices for payment should be sent directly to Suzanne Casolaro.

VIII. REMUNERATION

- First payment: 10% upon signing of contract;
- Second payment: 30% upon delivery of the interim report;
- Third and last payment: 60% upon review of the Final Report and Business Plan.