



Food and Agriculture Organization
of the United Nations

October 17-20, 2023

HIH Investment Forum | Rome, Italy

Design, implementation and consolidation of the Enriquillo Norte Agroindustrial centre



Hand-in-Hand
Initiative



Dominican Republic



OVERVIEW 01.



Dominican Republic

4.9 % Gross Domestic Product (GDP) growth in 2022

The Agricultural GDP growth in 2022 was 5.0%

The agricultural sector accounted for 6.2% of exports.

9.6% of formal employment comes from agriculture.

27.7% Monetary poverty level
30,9% Rural, (MEPyD, ONE 2023)

Undernourishment prevalence of 6.3% by 2023

Source: BCRD 2023



Source: FAO, OCHA ESRU, 2023

INVESTMENT CLIMATE 02.



2.1. Why invest in the country?

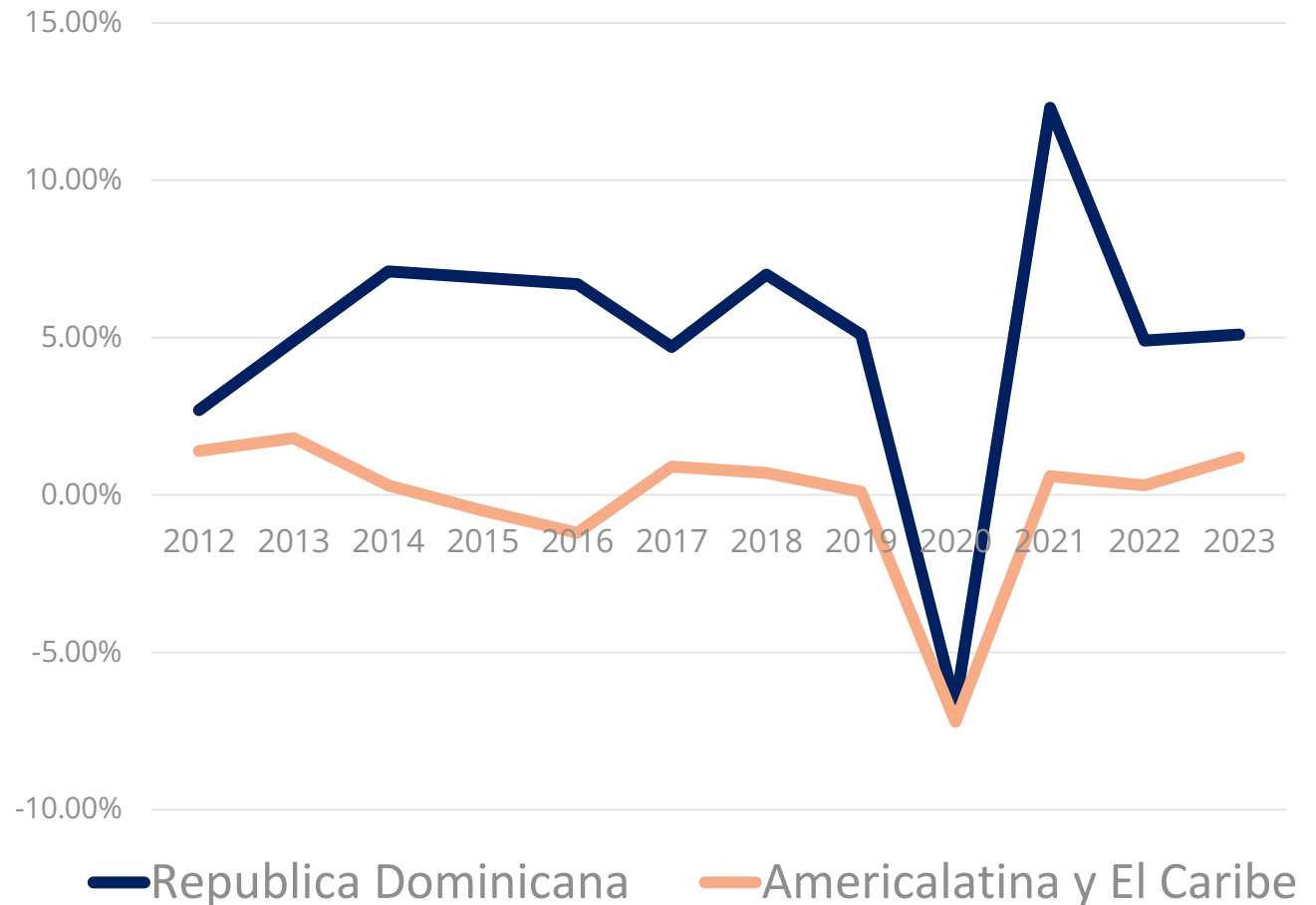
Political stability and legal security.

Foreign Direct Investment growth was **25.5%** (USD 813.6 million) in 2022.

Binational Market with Haiti which is the most important in terms of export, **14.5%** of the total.

Special fiscal regime for agricultural and agroindustrial enterprises based on the Haitian border zone

Per capita GDP growth 2012 - 2022





AGOSTO 31, 2022 | CABO ROJO, PEDERNALES

Licitan construcción del primer hotel en Cabo Rojo; será operado por Iberostar

Tendrá 580 habitaciones, de unas 4,730 que conformarán la Fase I del proyecto

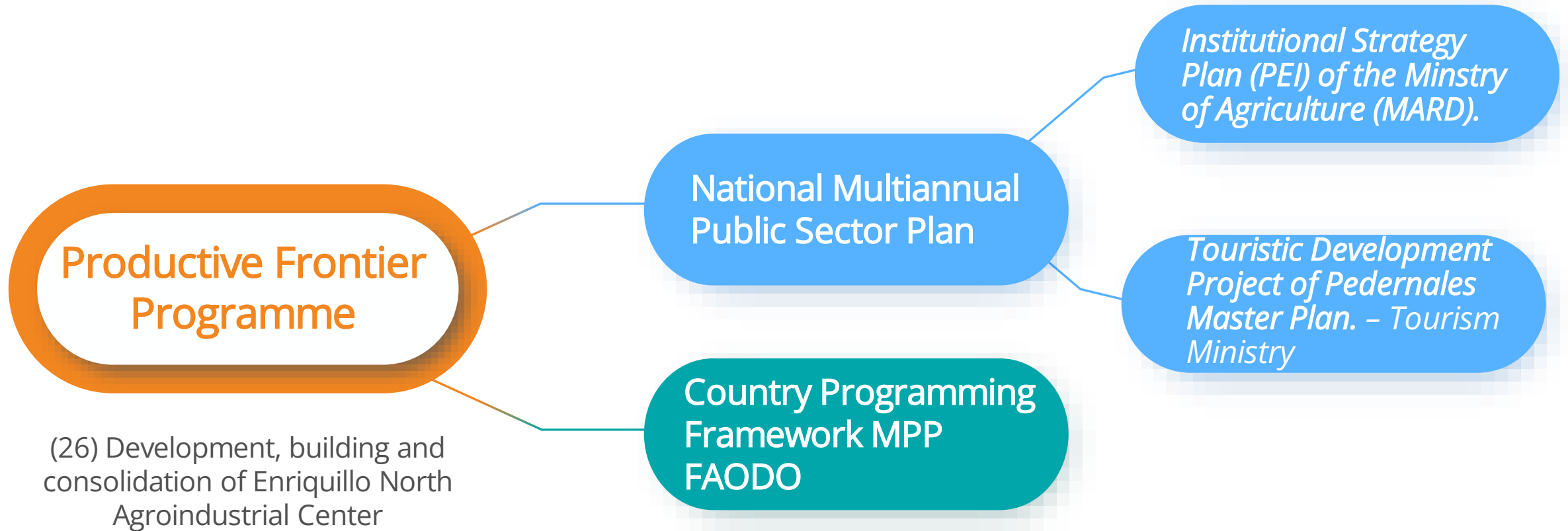


Border Area Development Strategy, Productive Border Programme "Ley 12-21 - MEPyD"



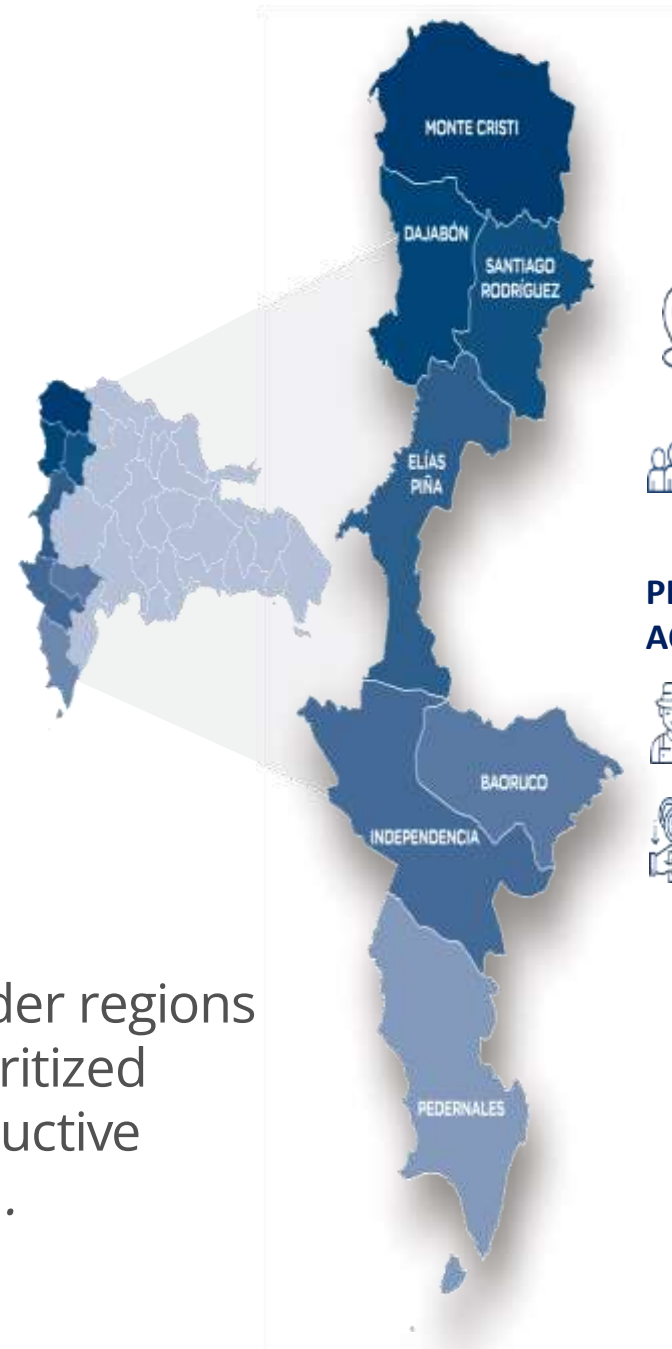
Enriquillo Agroindustrial Center Agricultural Transformation and Local Economic Development

2.2. In line with plans National priorities



Development Strategy of the Border Zone. Productive Frontier Programme

"Ley 17-21-MEP y D"



7 Provinces
33 Municipalities
33 Municipalities Districts



SUPERFICIE
10,823 Km²



POPULATION
500,460



POPULATION DENSITY
46 HAB.KM²

PREVAILING ECONOMIC ACTIVITIES



AGRICULTURAL PRODUCTION



BINATIONAL MARKET

POTENTIAL ECONOMIC ACTIVITIES



SUSTAINABLE TOURISM AND ECO-TOURISM



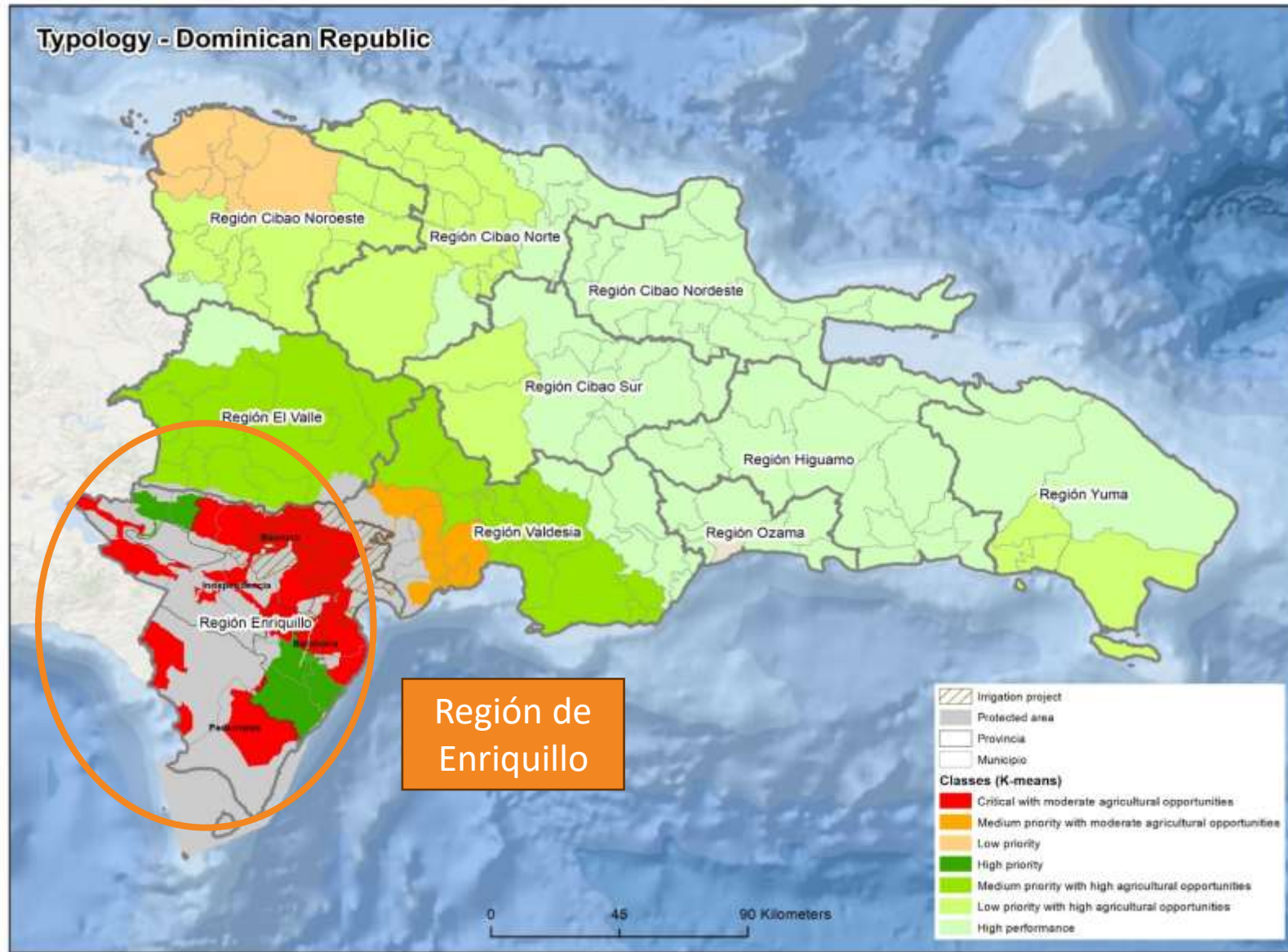
LOGISTICS SECTOR



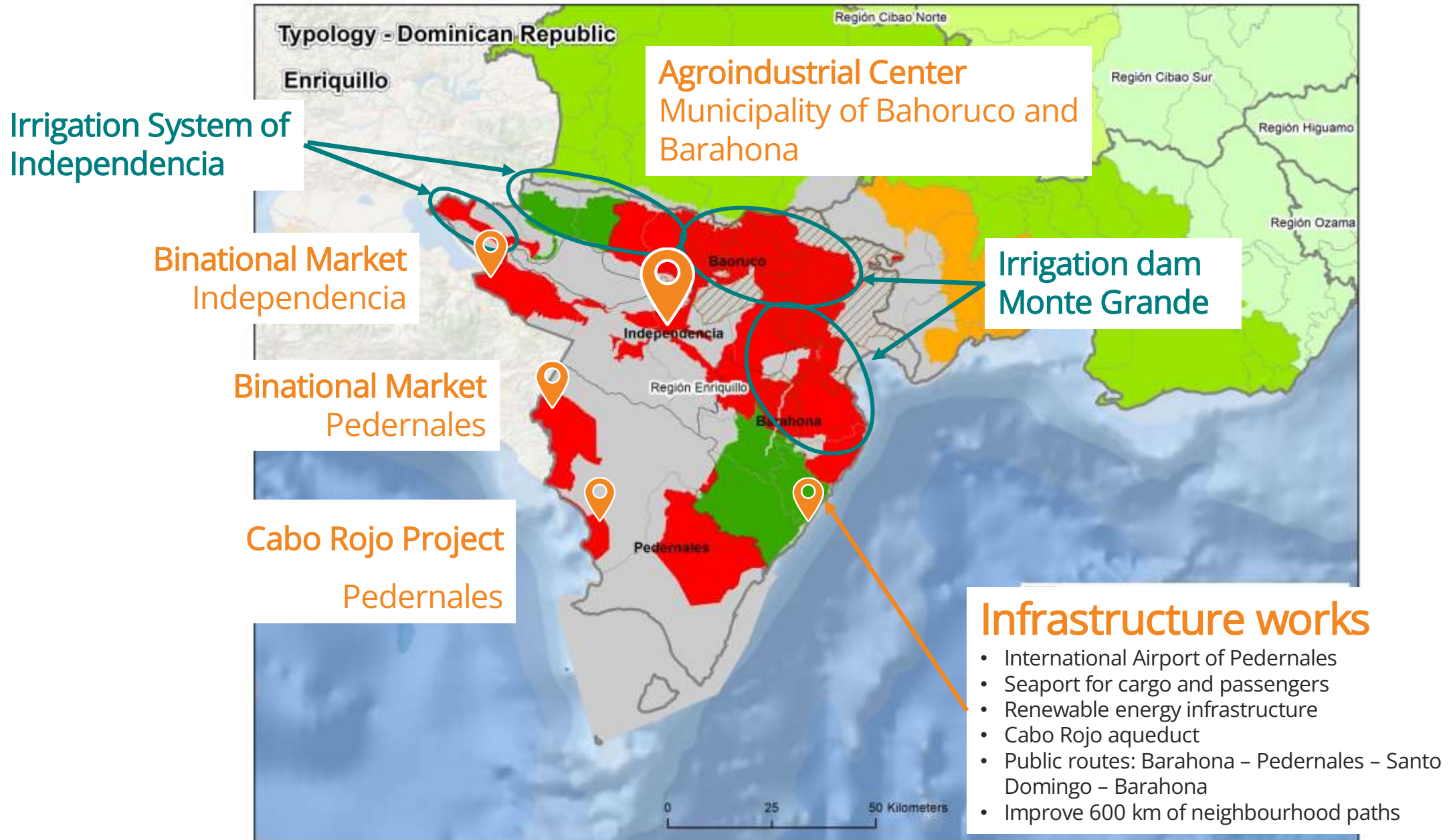
FREE TRADE ZONES

... Government tool to oriented the border regions development, based on population prioritized demands, structural gaps analysis, productive zoning considering territorial potential ...

2.3. Territorial prioritization with HiH Methodology



2.4. Complementary Projects



MARKET STUDY 03.

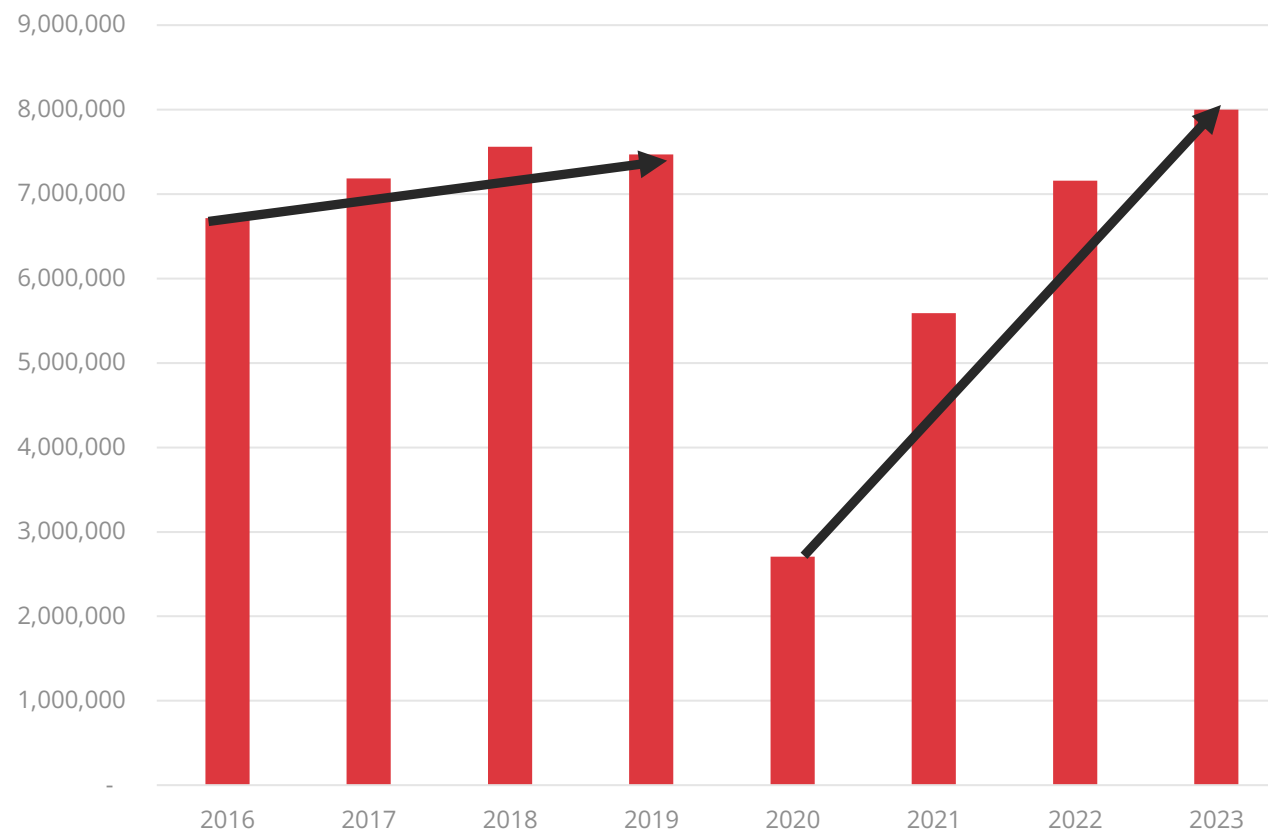
3.1 Demand analysis

1. Tourist Sector

- 24% the contribution of this sector to GDP in 2022.
- 7,2 million tourists in 2022.
- Tourists demanded 68.021 Ton of:
 - Fruits (42%), Vegetables (37%), Beverage (19%) y Legumes (2%)
- Purchase by USD\$ 86.1 million.
- That represents 20% of national production.

Forecast: 8 millon tourists for 2023
12% growth.

Total Tourists in Dominican Republic



2. Tourist Project Cabo Rojo - Pedernales

First Step - 2024

- 430.000 Tourists
- Demand of 3.010 Tonnes (Fruits, Beverage, Vegetables and Legumes).
- Purchase Forecast by USD\$ 3.8 million by year

Second Step- 2027

- 880.000 Tourists
- Demand of 6.1 mil Tonnes (Fruits, Beverage, Vegetables and Legumes).
- Purchase Forecast by USD\$ 7.7 million by year

Third Step- 2029

- 1,2 million of tourists
- Demand of 8.4 mil Tonnes (Fruits, Beverage, Vegetables y Legumes).
- Purchase Forecast USD\$ 10.6 million by year



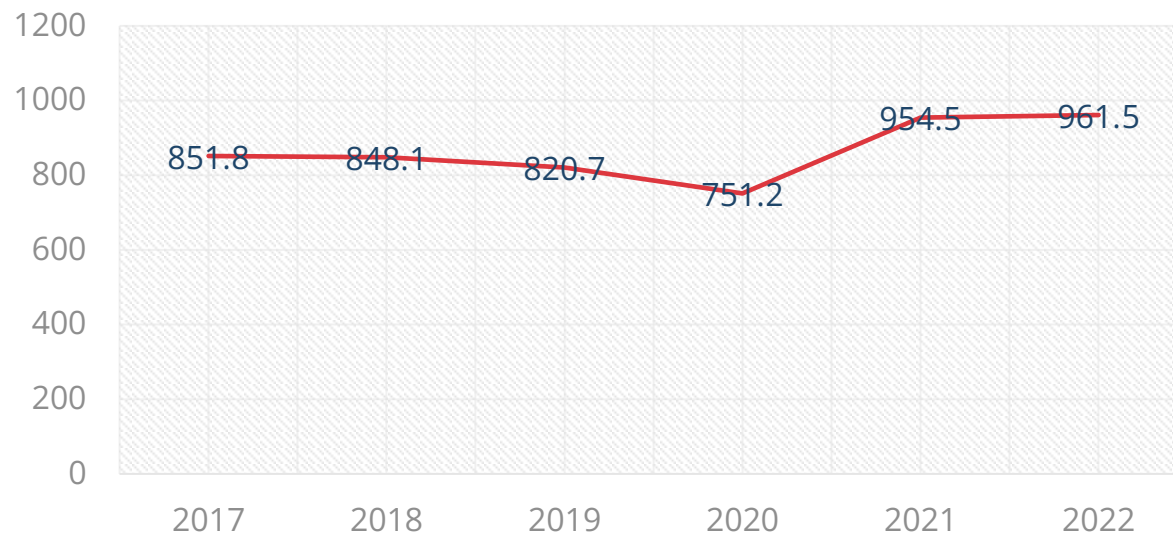
3. Binational Market

- Export by US\$961.5 millions (2022), is the second Destiny for exportations.
- The market grew 27% (2020 – 2021) y 1.7% (2021 – 2022).
- USD\$ 94.8 millones in agricultural products by year.

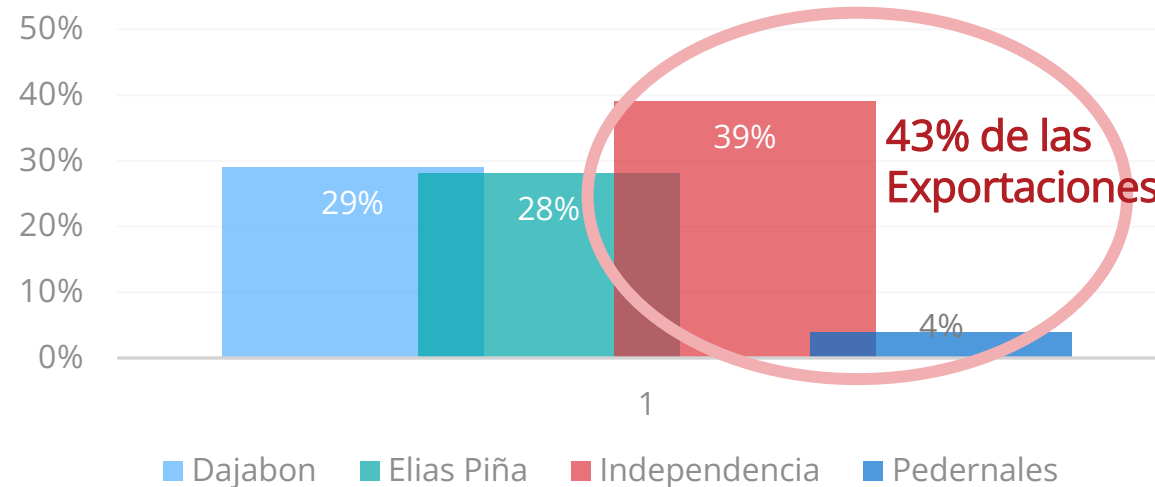
Independencia and Pedernales Markets.

- 2.8 millions haitian population, because is the nearest point to Port au Prince.
- 32.1 mil Ton (estimated) ofr agricultural products by year.
- US\$40.7 millones in agricultural products by year.

Exportaciones Mercado - Haití



Mercados Fronterizos





3.2. Supply Analysis

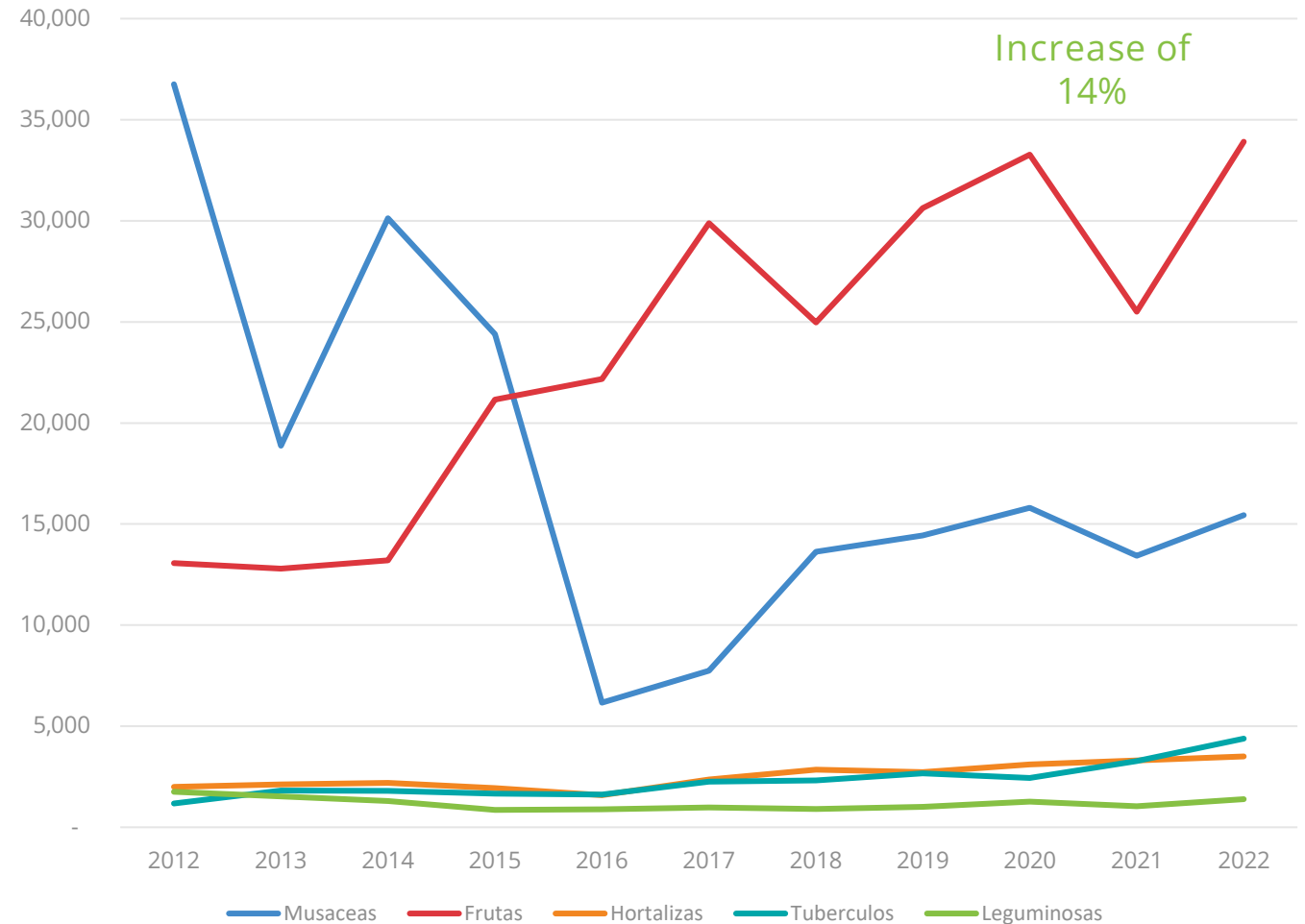
1. Enriquillo region production

Fruits, Musaceae, Vegetables,
Tubers y Legumes

- Near to 12.000 producers participate.
- 24.5 mil has in production
- 58.640 Tonnes total production in 2022
- Sales by USD\$ 74.1 millions
- Main markets:

Market	Participation
Local	42%
Binational – Haití	23%
Santo Domingo	20%
Hotels and Restaurants	15%

PRODUCTION OF ENRIQUILLO



SOURCE: Ministerio de Agricultura, Unidades Regionales de Planificación y Economía (URPE), 2021. * Preliminary data

2. Production with Irrigation Projects

- 32.2 mil Ha.
 - ✓ 18.7 mil Ha Monte Grande dam.
 - ✓ 13.5 mil Ha Irrigation Project in Independencia.
- **42% of Ha implemented with irrigation.**
- 9.800 Producers with irrigation
- 76.9 mil Tonnes of production

82% of producers with irrigation
43% increase in production

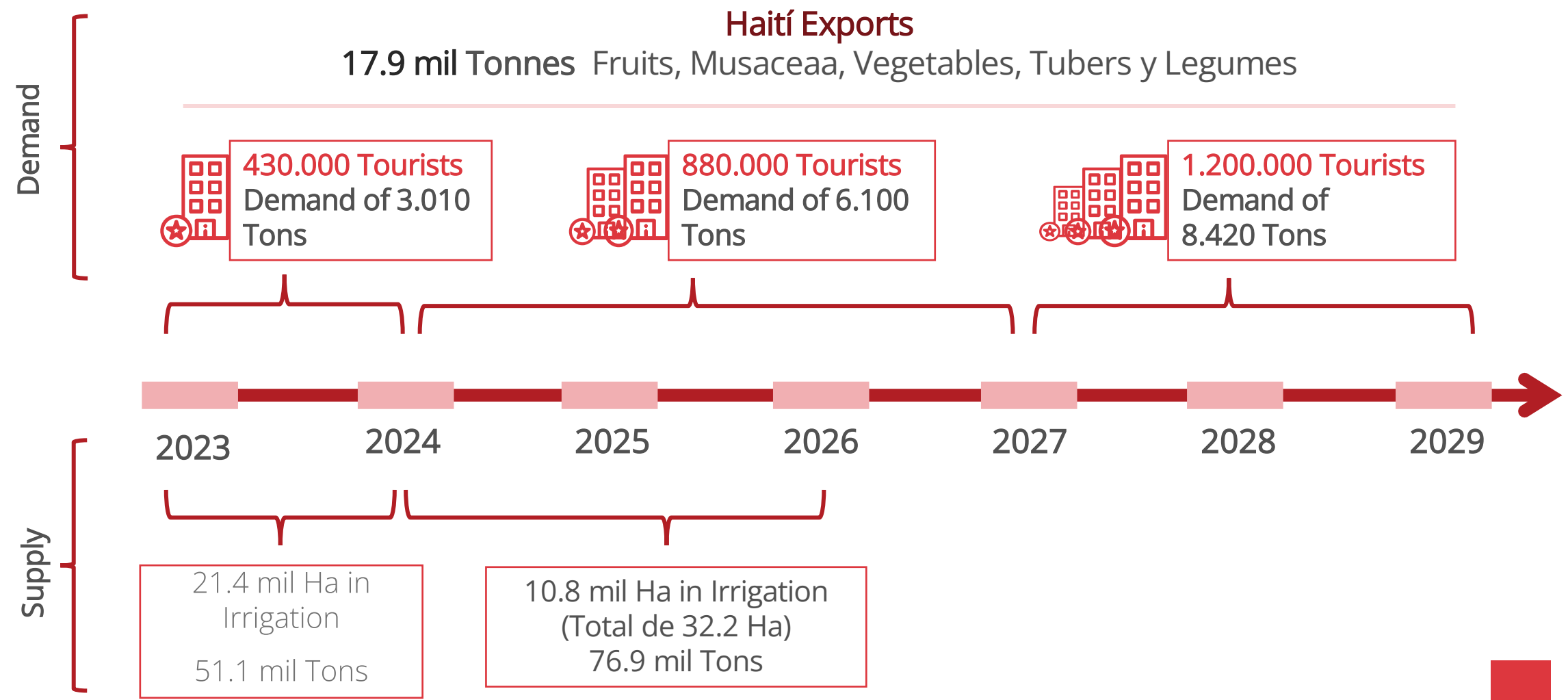
SOURCE: Ministerio de Agricultura, Unidades Regionales de Planificación y Economía (URPE), 2021. * Datos preliminares INDESUR, 2023

Gobierno supervisa avances construcción de la Presa Monte Grande; presenta avance 97 %

11 DE AGOSTO 2023 | 16:30



3. Timeline



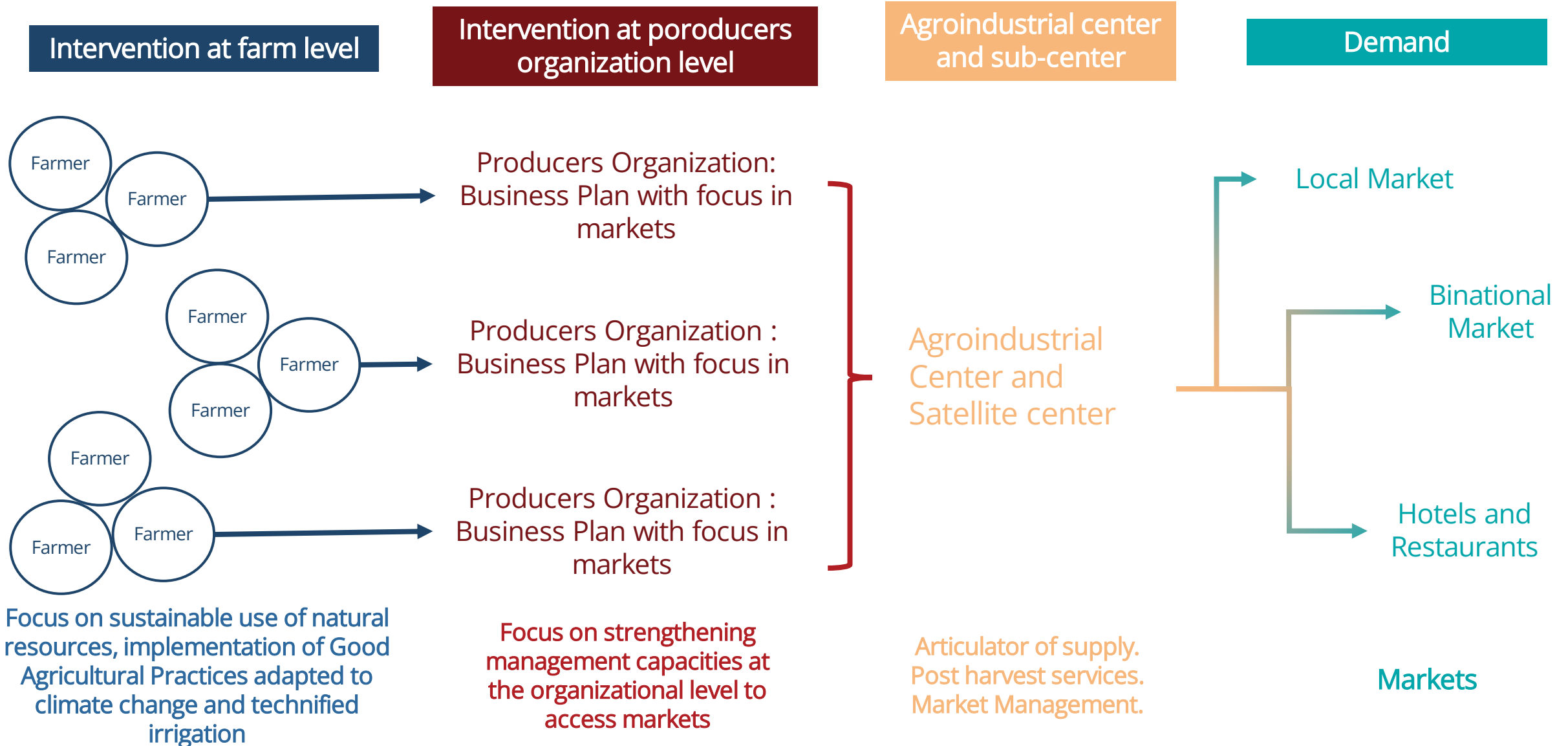
HiH Investment Note. Design, Implementation and consolidation of Agroindustrial Center in Enriquillos

04.

4.1. General Structure of Investment Note

Objective	Components	Financial Source
<p>Contribute with agrifood system transformations and strength access to market for farmers in Enriquillo Region.</p>	<p>1 Development of agroindustrial structure</p> <p>➤</p> <ul style="list-style-type: none"> 1.1. Design and construction of Agroindustrial Center and satellite centers. 1.2. Management of Agroindustrial center 1.3. Technical assistance for productive partnerships with farmers and market management 	<p>Investor</p>
	<p>2 Strengthen farmers capacities</p> <p>➤</p> <ul style="list-style-type: none"> 2.1. Technical assistance at producer and producer organization level 2.2. Design of Business Plans 	
	<p>3 Promotion of Productive Development and Market Access</p> <p>➤</p> <ul style="list-style-type: none"> 3.1. Business Plan implementation 3.2. Promotion of irrigation technology 3.3. Promotion of non-agricultural services and activities (Hospitality sector, Rural tourism and Craftwork) 	<p>Government Farmers Financial Sector</p>

4.2. General Description of the Investment Note



4.2.1. Intervention at Farmer level

Objective: Transforming the productive system towards one adapted to climate change and oriented to markets

Main Activities:

1. Promotion of irrigation technology
2. Technical assistance for the implementation of agricultural practices adapted to climate change:
 - Integrated pest management
 - Crop rotation and diversification
 - Management of water and nutrients in soil

Goal: 7.600 Producers (18,975 hectares) strengthen their capacities for the implementation of agricultural practices adapted to climate change; ii) 1,000 hectares with technified irrigation

4.2.2. Intervention at organization level

Objective: Establish Productive Alliances that facilitate Access to markets by producer organization

Main Activities:

1. **Strengthening capacities of producers organizations**, with the objective of reach Productive Alliances in which 4 kinds of actors participate: suppliers, Public Sector, Organizations, and Buyers
2. **Capacity development to achieve production in quantity, quality, timeliness and safety**
3. **Productive Business Plans for organizations of producers.**

Goals: i) 40 organizations strengthen their capabilities and implement market-oriented business plans;

4.2.3. Intervention at Agroindustrial and satellite centers

Objective; The Agro-industrial Center and the Satellite Centers will complete the value chain, through a dual function: provide post-harvest services to producer organizations, and connect them to markets

Main Activities:

1. Design, Building and O&M for 5 years of the Agroindustrial Center and 3 Satellite Centers.
2. Technical Assistance for capacity building of the Agroindustrial Center and 3 Satellite Centers.
3. Internal Management: operation, production process, documentation, etc.
4. Market Management: market research, search and establish of partnership with buyers
 - Tourism: hotels and restaurants
 - Binational Market
 - Local and Regional Market
 - Market in Santo Domingo
5. Training Blocks for producer organizations to establish productive alliances

Goals: 1 Agroindustrial Center and 3 Satellite Centers are operating sustainably over time and connect producer organizations with markets.

4.3. Opportunity for economic and social development with the Agroindustrial Center.

- Creation of new direct and indirect jobs at the border.
- Increased food production by 42%, through the use of new technologies.
- Value added to agricultural production and a 50% increase in producer income
- Growing provision of demand for food from tourism sector and binational markets Haiti, contributing to food security.
- Reduced environmental impact through irrigation and soil efficiency.
- Strengthening associations and set up cooperatives.

4.4. Design, Implementation and Consolidation of Agroindustrial Center in Enriquillo Norte

		Components	USD M
Investor	}	1. Agroindustrial Infrastructure Development <ul style="list-style-type: none"> • Design, construction and operation of agro-industrial infrastructure • Technical assistance for strengthening internal management, establishing productive alliances with producer organizations and market management 	\$18.9
		2. Strengthening the capacities of producers <ul style="list-style-type: none"> • Technical assistance for implementation of agricultural practices adapted to climate change • Technical assistance for capacity building of producer organizations • Business Plan design 	\$7.2
Farmers Government Financial Sector	}	3. Promotion of Productive Development and Market Access <ul style="list-style-type: none"> • Implementation of Business Plans • Promotion of technified irrigation 	\$9.5
		TOTAL COST	\$35.6

4.5. Investment Opportunity: Agroindustrial Center of Enriquillo

Description

Design and management of an agro-industrial and collection centre for post-harvest processing of agricultural products located in Enriquillo

Expected Results

- 7.600 Producers located in the Centre's area of influence.
- 38.000 Direct Beneficiaries
- 64.000 Indirect Beneficiaries
- 32,200 ha improved for production of legumes, tubers, vegetables and fruits.
- Connection with tourism value chain.
- Strengthening the binational market with Haiti.
- Commercialization of 14,4000 tons per year by the Agroindustrial Center

Location



Cost – profit Metrics

Agroindustrial Center: US\$ 18.9 millions

IRR: 28.2%

NPV: US\$ 11.2 millions

Return of Investment years: 6 years

Turning point

Price sale increase 37%

IRR: 12.3%

NPV: US\$0.2 millions

Investment cost by person: 1.800

US/person

Mitigation of risks

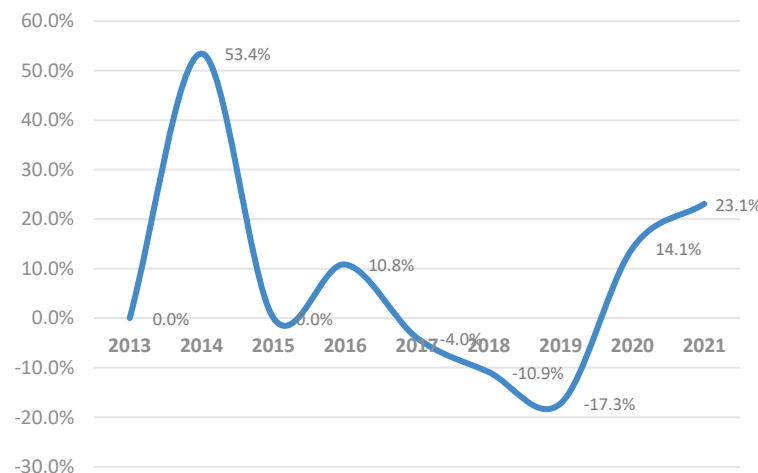
Main risks

- Change in government priorities.
- Social problems on the border with Haiti.

Mitigation

- Strong dissemination of the project and its benefits among producers
- Implementation of activities to strengthen producers and their associations under the project
- Implementation of activities to establish trade agreements

Enriquillo Agricultural Production





INVESTMENT PLAN OF DOMINICAN REPUBLIC



SUMMARY

US\$35.6 M
Total Investment

46.4%
Average IRR

102.000
Beneficiaries
38.000 direct
64.000 indirect

\$2,676
Per capita
income

43%
Production
Increase

1

COMPONENT 1: AGROINDUSTRIAL INFRASTRUCTURE DEVELOPMENT

Cost:
US\$ 18.9 M

IRR: 28.2% **NPV:** US\$ 11.2 M

Sustainability Benefits:

Direct Beneficiaries: 38.000 persons
Indirect Beneficiaries: 64.000 persons

Per capita income increase U\$2,676 per annum

2

COMPONENT 2: STRENGTHENING PRODUCERS CAPACITIES

Cost:
US\$ 16.7 M

IRR: 48.6% **NPV:** US\$ 239 M

Sustainability Benefits:

Direct Beneficiaries: 38.000 persons
Indirect Beneficiaries: 64.000 persons

Per capita income increase U\$ 2,676 per annum

3

COMPONENT 3: PROMOTION OF PRODUCTIVE DEVELOPMENT AND MARKET ACCESS