

RELEASE IN PART B6

MEMO

Subject: Private Sector Opportunities for WJC

REVIEW AUTHORITY:
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Reviewer

Tetra Pak

Tetra Pak is a Swedish company that produces that packaging for milk that allows you to not have to refrigerate it. They are heavily involved in CSR activities, especially pertaining to school feeding and nutrition.

Tetra Pak has a plant in Haiti, outside of Port au Prince, but because of a lack of dairy supply about 80% of the plant goes unused. It is fully electrified and has a functioning cold chain. The company is interested in discussing ways that they could help the economy and make efficient use of their facility. The point person for the factory now lives in Panama City, but was born in Haiti and lived there for 35 years.

The company has been involved in a school milk program in Haiti since 2008 and are a part of the group HaitiOne which is working to provide nutrition, job training, education, and extension programs to the country. About the school milk program: "The new school milk programme in Haiti, funded by the World Bank and managed by the Catholic Relief Services, was launched in May 2008 and will initially cover 10,000 children, predominantly in the Cité de Soleil district of the capital Port-au-Prince. It is expected to expand in 2009. Tetra Pak is working with its customer VIVA S.A. to deliver flavoured milk in Tetra Classic® Aseptic packages. Tetra Pak is also investigating locally grown products to provide alternative nutritional formulations. As part of the long-term development plan for school milk in Haiti, Tetra Pak will work with sister company DeLaval to develop the local milk collection and milk production infrastructure."

Seaboard

We just found out today that Seaboard is discussing the construction of a new plant in Haiti to produce both commercial and humanitarian products. Several members of the Seaboard team are scheduled to travel to Haiti in September to do their due diligence including meeting with potential partners, schools, and government officials. I am not sure if we want to offer help or guidance or perhaps point them to Paul or Ami. They are also looking to expand their school milk and feeding program, which is currently in Ecuador to Haiti.

Cemex

WJC should reach out to Cemex and bring them into his private sector fold. Cemex, a Mexican-owned multinational cement company, has three cement import terminals--two in Port Au Prince and another up north. They import cement in bulk to the terminals and bag for sale in the local economy. Cemex currently employs about 200 workers and office staff. The big news is that Cemex has been exploring Haiti, particularly in Mole St Nicolas in Northwest Province, as a location for setting up an aggregate mine and export facility. According to George Williamson, the head of the off-shoring unit of Cemex, the company believes that there

is high quality limestone to mine in Haiti. In order to scale up such a mining operation, however, they would need to build a deep water port. Total start-up costs of the operation, including the deepwater dock facility, would be roughly 200M. Cemex has held back because of political instability. Nevertheless, Cemex execs reiterated to me that they are "invested" in Haiti and "perhaps with some additional support from our government we could reconsider our investment options."

Note: I'm not crazy about the idea of helping extractive operations scale up in Haiti, but I do like that they do cement. Perhaps we could work something out where we help them with the port and they commit to environmentally friendly mining and to paving Haiti's roads at cost.

Contact:

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CGI Commitment: Tony Blair

Per the previous memo outlining how to build capacity of GOH, one idea I had would be to have Tony Blair expand his governance program (currently in Sierra Leone and Rwanda) to Haiti. While his Initiative targets Africa (the Africa Growth Initiative), I think that Haiti's political climate and government needs are in-line with Blair's goals.

My thought was to see if WJC would ask him to make this expansion to Haiti his commitment to CGI this year. Given WJC's relationship with Blair and Blair's involvement in CGI, it seems plausible. This also allows us an opportunity to see how the model would work in Haiti before moving forward with an alternative structure or would give GOH baseline assistance that could be supplemented. I floated this idea with Ami just to get a read and he seemed to really like and thought WJC would be into it.

Switching to Liquefied Petroleum Gas (LPG)

WJC could help with identifying LPG wholesalers and retailers to scale up the use of LPG as substitute for charcoal. Given the urgency of decreasing the use of charcoal, large-scale LPG adoption in urban and rural areas is one of the most promising strategies. LPG and LPG stoves are readily available in the major urban centers of Haiti, but they are still considered to be too expensive by many households. To encourage the sale of these stoves (and /or parts), a subsidy program which provides vouchers to LPG stove retailers, coupled with a system of favorable taxation for LPG imports, is advised. The program could be implemented in partnership with the LPG wholesalers and retailers to ensure that there is adequate capacity and a sufficient distribution network in place to meet a surge in demand for LPG stoves and fuel. Program costs are estimated to be \$30 million, and will depend on the final program scope and the amount of subsidy required to make LPG stoves attractive to a significant portion of the household market.

Promoting More Efficient Cookstoves and Kilns

WJC could also look into the ways to scale up the production of fuel efficient cookstoves. The widespread distribution of improved cook stoves such as the Mirak, with a focus at the small town and rural community level presents another opportunity. Mirak stoves save 40% to 50%

of the energy used in traditional stoves and can be up to 75% cleaner. The activities of CARE International in the mid 1990s have demonstrated how to market the stoves successfully. However, the lack of widespread adoption of improved cook stove technology in Haiti should be studied before specific designs are recommended for promotion. An investment of \$15 million over five years is estimated to have a charcoal savings of over \$50 million in five years.

High-efficiency kilns used to produce charcoal are another important component to reducing the amount of wood for charcoal production and should be implemented in conjunction with an education campaign, focused on urban centers, which promotes the use of alternative fuels (i.e. LPG) in order to prevent the increased production of charcoal which might result.