



PERMANENT MISSION TO HAÏTI  
TO THE WTO TO GENEVA

Statement by Mr. Jean-Claude PIERRE  
Round Table on the world food crisis and its impact on the least developed countries.

Geneva, July 17, 2008.

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Thank you, Mr. President, for giving me the floor.

It is an honour and a pleasure for me to thank the Coordinator of the Group of LDCs at the WTO and the Centre for Socio-economic development to have taken the initiative to hold a roundtable on the impacts of the global food crisis on the least developed countries and on the possible solutions to solve the crisis.

Before talking about the alarming situation of Haiti's food safety, let me present you my country.

The Republic of Haiti covers an area of approximately 27,750 km<sup>2</sup> and is located in the Caribbean region. It occupies the western part of the island that it shares with the Dominican Republic. Its coasts extend from the North Atlantic Ocean and in the South by the Caribbean Sea. In the West, it is separated from Cuba by the Canal du Vent and from Jamaica by the Straits of Jamaica. Six adjacent islands areas are part of Haiti which varies between 4 and 700 km<sup>2</sup>. It is a predominantly mountainous country crisscrossed by many rivers with a length of the ten largest that varies between 35 and 280 km. The highest point of the territory culminates in the massive de la Selle at 2680m. More than half of the land has slopes above 50% while only 21% of the territory has a slope of less than 19%.

The population of Haiti is currently estimated at some 9.6 million inhabitants, of whom about 5 million live in rural areas. The population grows at an average rate of 2% and life expectancy at birth is around 61 years. It is a very young population with approximately 39% of the people being equal or below 14 years of age.

The Republic of Haiti has a democratic bicameral political system with an Executive headed by the President of the Republic and a government led by a Prime Minister. The official languages are Creole and French.

The situation of the Haitian economy has visibly deteriorated between the years 2000 and 2007. The Gross Domestic Product (GDP) has seen an average decline corresponding to a fall of more than 5% of GDP per capita and more than 7% of consumption per capita. Unemployment and underemployment increased and the unemployment rate amounts to an effective rate of unemployment of about 70% of the workforce.

The movement of illegal emigration has intensified which is a clear sign of a worsening economic situation of households.

Mr. President,

It is striking to note that Haiti, which had played an active role in different regional and global meetings held between 2003 and 2006, with a view to improving the food security situation in the world, is among the 37 countries hit today by soaring food prices, according to the latest report of the United Nations for Agriculture (FAO).

In early April 2008, thousands of people had demonstrated, often violently, in the capital city and in the provinces denouncing the sharp rise in prices of basic foodstuffs.

The food riots left at least five dead, 200 wounded and led to the overthrow of the Prime Minister, in office since 2006, Mr. Jacques Edouard Alexis, by a motion no-confidence vote which was passed unanimously by 16 senators present.

Shortly before the impeachment, the President of the Republic, HE Mr. Rene Garcia PREVAL, had announced a decrease of 8 dollars, or 15% of the price of a bag of 50 kilos of rice, opting for the relaunch and subsidizing of food production.

The food prices have sky rocketed within a week in Haiti where a bag of 50 kilos of rice increased from 35 to 70 U.S. dollars, while gasoline went through a third increase in less than two months in a country where over 80 % Of the population live on less than U.S. \$ 2 per person per day and are unable to satisfy their basic food needs.

To understand the situation in Haiti, we must remember that for more than twenty years, Haiti has not been able to feed its population. Between 2003 and 2005, for example, local production, estimated at 852.6 miles TEC (Tonnes of wheat) on average amounted to nearly 43% of national food supply estimated at 1.97 million tons of grain annually. Food imports with nearly one million tons of grain per year on average represent more than half. Food aid (6% of the local supply net) is in decline: it rose from 144000 TEC in 2000 / 2001 to 121,000 in 2003/2005. The USA is the main contributor of food aid.

The causes of food shortages in Haiti are diverse. Among others:

- 1) The constraints related to the agricultural sector, namely:
- Continuous and deepening fragmentation of land
  - The precarious situation between the landowner and the tenant farmer who cultivates the land
  - The absence of a system of agricultural credit on the basis of a minimum income guarantee for farmers
  - Poor management of farmland
  - Flooding of the market with imported products
  - The complete lack of marketing policy on the basis of a guaranteed minimum income for agriculture
  - The complete lack of agricultural training and rural animation
  - The non-integration of farmers.

### Main Observations

The agricultural sector employs nearly 45% of the workforce. However, it contributes only about 29% of real GDP given the low yields. Given a certain stagnation / regression observed at the Haitian agriculture, the national development plan should focus on achieving food security through increased production of basic foodstuffs and animal protein. Food security means permanent access to food needed for an active life. The development of the agricultural sector is one of the main ways to achieve food security. It can only be achieved by rising incomes i.e. by increasing employment and productivity. It is important to distinguish between food securities, which refer to the ability to obtain food, from food self-sufficiency, which is the capacity to produce them locally.

One should give special attention to traditional products and non-traditional exports. This should include:

- The food widely consumed, including rice, maize, millet, beans, so as to minimize the national imports of food products.
- The agro-industrial crops, including tomatoes, fruit and vegetables to be preserved in cans for the supply of local industry.
- The traditional agricultural commodities exported with special attention to the cultivation of coffee (Haitian Blue), cocoa, mango, essential oils, food and non-traditional exportable, fruits, vegetables, sugar and other environmentally friendly products in large asks the USA, Europe and Asia... etc, so as to promote the entry of foreign exchange into the country.
- The pig and poultry, aquaculture and coastal fisheries, bee-keeping.

Meanwhile, related actions will be pursued simultaneously in order to adequately support and sustain the national effort of investment in agriculture namely:

- Irrigation
- Watershed management, soil conservation and reforestation to curb land degradation of the national territory.
- The strengthening of agricultural credit to small and medium-sized producers to obtain the minimum reasonable means of production.
- The provision of well designed and well understood technical assistance.

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In the immediate future, the World Bank has provided assistance to Haiti in the amount of \$ 10 million. This donation will support the efforts of Haitian authorities to increase the minimum social programmes including meals in schools, while pursuing long-term measures to create jobs.

The United Nations has also begun discussions with the President to alleviate the suffering of the most vulnerable Haitians.

The United Nations Development Programme is currently helping to finalize an action plan in six months.

The international community (USA, France, Canada, Brazil, Venezuela, IMF, WFP, FAO) has taken emergency measures.

## 2) Natural disasters

The acceleration of the pace of destructive natural phenomena (hurricanes, floods and drought) and the continuing degradation of the environment in rural and urban, are also serious threats. In 2004 and 2005, more than 300,000 people were directly affected by cyclones and floods that hit different parts of the country, and the losses amounted to over 250 million U.S. dollars.

## Corrective actions

Actions have been conducted in 2004/2005 by the Ministry of Environment to prepare and to be adopted by the Council of Ministers Decree on the management of the Environment. The contribution of certain national institutions and international risk management and disaster in Haiti has been remarkable. This is the case for instance with the Directorate of Civil Protection (DPC) through its programme of emergency interventions, UNDP launched a programme for the development of a national system of risk and disaster management and a system for the support of Civil Society Actors (Care, World Vision, CRS, Save the Children, GTZ, OXFAM, GB etc) which are setting up early warning systems or bring their contribution to the understanding of these issues.

Desired Outcomes: (cf. DSNCRP)

to position risk management as part of the strategic priorities of development.

Strategic orientation

Investment in risk reduction to save on costs of rehabilitation and reconstruction.

Significant reduction of poverty in areas with a high probability of natural hazards and risks

Orientation of activities based on management of causes rather than managing

Symptoms.

Strengthening decentralization.

### 3) External factors

the food situation of Haitians was also weakened by external factors. The country depends on a growing import of food (commercial and donations), whose volumes and prices are not immune from economic decisions and external policies, decisions on which country authorities have little control. The trade imports weigh increasingly heavily on the macroeconomic balance and our ability to finance these imports is not keeping up with the increasing demand. Also, prices of staple foods in international markets have experienced significant increases because of the increased demand from emerging countries and rising production costs. Rising oil prices could also result in an increase of import prices due to the growing pressure on the value of the national currency. The domestic production of rice, beans and vegetables has been seriously affected by the parallel increase of prices of fertilizer.

Actions planned

Through the acquisition of agricultural inputs, 4 million have been mobilized to assist small farmers. And 50,000 families will benefit (FAO). "It is for these farmers to have seeds of beans, peas, tubers and cuttings of sweet potato, cassava. But also agricultural tools. All for the month of July. "

For the month of November, the Government agreed to schedule ten million dollars for the purchase of agricultural inputs. Fish farming, hog, egg production, will also be taken into account, without neglecting the work of rehabilitation of irrigation systems "work-intensive workforce will create jobs.

### 4) Decrease in Food Aid

After peaking at 178,000 tonnes of food in 2000, volumes of food aid recorded in 2005 amounted to 114,794 MT, representing a drop of over 35%. The USA remains

the main supplier of food aid in 2004, with over 70% of volumes received. The World Food Programme ranks second with 13%, the rest being provided by the European Community, Japan, France and other European donors. The aid consists mainly of cereals but also peas and lentils, oil and small quantities of milk, meat products and fish.

Expressed in money, food aid shows a trend towards stagnation, from 2000 to 2003, she suffered a slight decline to go back to its original value in 2004 and reach only in 2005 worth more than those of 2000.

Actions to offset the likely reduction of volumes of food aid in the future.

The decrease of food aid in the future will particularly affect schoolchildren and institutions providing social services to populations most vulnerable.

#### Guidelines

The food security policies and poverty reduction should move towards:

- An increase of agricultural production for the local market and export
- An increase in income and preservation of purchasing power of households
- Improved marketing systems and storage
- An improved communication system by improving the necessary infrastructure (water, energy, transport... ..)
- Improved supply and access to basic services, especially for vulnerable groups
- The establishment of an integrated nutrition policy.

Other causes cited are the distorting agricultural subsidies, stronger demand for bio-fuels and the role of speculation, which has led to sky rocketing prices of wheat and rice.

After all, the food situation of most households remains very precarious. The levels of food consumption and quality of the diet of low-income households are increasingly affected by the fluctuations of food prices. In a context of stagnation of the economy and employment, growing imports may exacerbate the situation to the extent where it exerts upward pressure on the exchange rate and price of food.

Thank you for your attention.

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