



***Promoting social and environmental  
business opportunities  
in Central America and Dominican  
Republic***

**SUCCESS CASE**

**Enterprise:** Grupo Banamiel, S.R.L.  
**Country:** Dominican Republic  
**Year:** 2011



**THE ENTERPRISE**

Grupo Banamiel is a SME enterprise founded in 2005, which is dedicated to exporting bananas, mainly to Europe. This is a marketing enterprise, and its strength is to provide logistic services, the search for markets and clients, fruit transport and export.

Grupo Banamiel's supplies come from independent plantations. The enterprise puts the fruit of approximately 435 small and medium farmers on the market. The enterprise is not directly involved in the productive process; instead, it provides consultancy and follow up services to agribusiness entrepreneurs. This guarantees the quality standards and innocuousness required in Europe for the product. At the moment, Banamiel has not ventured into exporting other products; nevertheless, the option of exporting pineapple, mango, coconut and other fruits is under consideration.

**DESCRIPTION OF THE PROJECT**

Through the Oikocredit – ICCO – CEGESTI partnership, SME's in Central America and Dominican Republic have access to credit and capacity building with the purpose of promoting social and environmental business opportunities, through the access to innovative financial resources and technical assistance. The SCHOKLAND-SME CA&DR Fund provides these funds through the Netherlands Ministry of Foreign Affairs.



**MAIN OUTCOMES**

The following are the main results of the project developed in our enterprise. The information details the initial state at the moment of providing the diagnosis and the final results obtained. In some cases, the initial state cannot be provided due as a result of the change to the new facilities in August, 2011.

## Strategic Framework

When this consultancy began, Grupo Banamiel had recently developed a strategic proposal which had not been approved by the Managers Council. Due to this situation, the consultancy was used to revise and orient the proposal towards the concept of sustainability. The proposals were as follows:

### MISSION

*“To market bananas and other high-quality fruits under conditions of equity and sustainability”.*

### VISION

*“Become the leading agricultural marketing enterprise in the Caribbean in quality and volume at a global scale, while satisfying our clients, producers and employees with profitability, professionalism and socio-environmental responsibility”.*

### STAKEHOLDERS

The actors that have some kind of relationship with the enterprise were defined, whether it be out of affectation or need, with the purpose of better understanding the roles between one another. For Grupo Banamiel, the main actors are the following:

**Internal actors:** Refers to those over which the enterprise has some degree of control, such as:

- Shareholders or partners.
- Managers Council.
- Banana producers.
- Employees.

**External actors:** Refers to those over which the enterprise has no control, such as the following:

- Material and raw material suppliers (cardboard, blades, cardboard corner protectors, agrochemicals, plastics, among others).
- Board of Directors.
- Ministry of Agriculture.
- Community, particularly Hatillo Palma.
- Cold Chain service.
- Customs Administration.
- Container carriers
- Carriers labor unions.
- Sea transport.
- Shipping agency.
- Aerial fumigation services.
- Importers (supermarket chains, ripeners, distributors).
- Banana buyers and clients.
- Media.
- Research centers
- Certifiers.

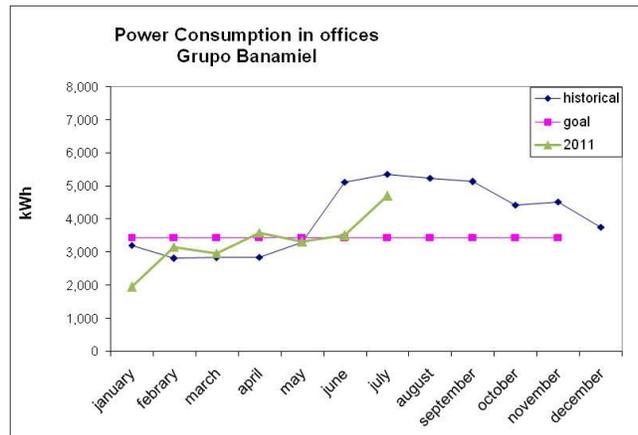
## ENVIRONMENTAL DIMENSION

To obtain greater efficiency in the use of the organization's resources, different actions were taken to strengthen the area of production and in offices. The company conducted workshops to prioritize environmental impacts for mitigation purposes and to establish action plans in the enterprise and to provide consultancy services to several producers associated to Grupo Banamiel.

Initial Diagnosis	Achieved improvements
<p><b>WATER CONSUMPTION</b></p> <p>There is little water-saving culture in Dominican Republic. This situation is aggravated by the fact that in most towns, there is a fixed tariff.</p> <p>Another problem is that the water from the aqueduct is not considered drinking water. The entire country experiences serious water quality problems. Water is customarily purchased in demijohns or bottles, which, besides being expensive, adds to the waste problem, due to the amount of plastic associated to water consumption. Dominicans have little awareness of the need to save water as a result of these realities.</p>	 <p>In view of the scarce continuity of the water supply service in the Hatillo Palma community, it became necessary to construct a water reservoir tank with a stopcock and a float valve to prevent leakages once the tank is completely full.</p>
	
<p>A water meter was installed at the entrance of the public piping to keep a consumption record; however, initially, it was not adequately installed, so it was rectified upon request at the end of September.</p>	<p>The first information obtained about water consumption in the enterprise was from September, with a volume of consumed water of <b>347 m<sup>3</sup></b>. For October, the consumption record was of <b>327m<sup>3</sup></b>.</p> <p>An internal awareness campaign was launched encouraging the employees to save water and other utilities. To this end, allusive signs were posted all around the new facilities.</p> 

## ELECTRICITY CONSUMPTION

The energy consumption statistics were obtained based on the measurements that appear in the electric bills of the enterprise's old facilities. For this reason, there are records up to the month of July, 2011.



When the enterprise moved to the new facilities, it had to connect to a branch line with poor service quality and very low power; consequently, the equipment cannot be used frequently. The new facilities (industrial complex and ramp) require their own diesel-electric (gasoil) power plants which operate 5 days per week during 12 hours a day.

Awareness-raising campaigns were developed to encourage saving habits and to search for options for a better connectivity to the national system.



## SEWAGE

The main impact caused by sewage is produced in the packing units due to the cleaning process and fruit packaging.

As part of the technical assistance provided by the enterprise to member producers, there was an initiative to start a project aimed at improving the treatment of sewage in the packing units; however, the project had not begun. At the time of CEGESTI's assistance, the opportunity to work on the topic regained interest.

In Grupo Banamiel's facilities, the sewage generated is ordinary, a product of the toilets, wash basins and kitchen. CEGESTI tried to incorporate cleaner production principles to help reduce the generation of sewage in the facilities; nevertheless, it was not possible to establish concrete actions due to the change to the new building, and then, begin monitoring water consumption. In spite of this, a water-saving awareness campaign was developed and signs were posted near the fountains calling for responsible consumption.

The enterprise established a pilot plan to work on the treatment of the sewage generated in the wash sinks of 10 packing units. Filtering systems were installed in 8 of them and lab tests were conducted to measure their effectiveness. It was verified that these filters improved the quality of water; for the COD (chemical oxygen demand), the value dropped from 80 mg/l (above normal values) to 40 mg/l (within the range of normal lab values). In the case of BOD (biochemical oxygen demand), even though the value dropped (from 3.1 to 2.4), both values are within the range of the normal values.



## ORGANIC SOLID WASTE

Production waste is generated in the associates' farms and packing units, which are not owned directly by Grupo Banamiel, and therefore, the enterprise barely interferes in this matter. However,

In some cases, the separation of these wastes is not carried out correctly. Pieces of plastic were found in the organic waste. CEGESTI pointed out the need to take up again the

Grupo Banamiel's managers are aware of this subject's importance, so they are willing to cooperate through training events and technical guidance on good agricultural and manufacturing practices.



management of organic waste generated by the production at a later date.



**INORGANIC SOLID WASTE**

Banana production is associated to a great amount of plastics that are discarded and left in the farms or packing plants.

The plastic from the bags used to protect the bananas in the farm generate many problems. Huge volumes of these plastics are produced with no marketing possibilities as a result of their contamination with agrochemical products.



Since this is one of the most significantly negative impacts of the sector, Grupo Banamiel worked on a pilot plan aimed at improving the collection of production wastes in 10 packing plants. The objective was to ensure their timely collection and their classification for valuation purposes. In spite of the problems encountered to recycle these wastes, they were separated and collected appropriately and are on hold for future disposal. Not leaving these plastics abandoned in the farms constitutes a significant contribution.

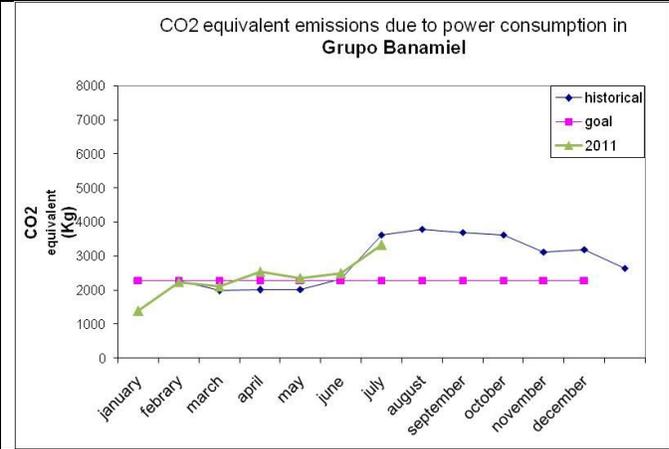
Grupo Banamiel forms part of the Environment Committee, and as such, it participates in the "Lets Clean Up Our Streets" ("Limpiemos Nuestras Calles") campaigns. More than 70 employees have participated in the four plastic waste collection activities carried out along the region's main roads.



**AIR EMISSIONS**

The main air emission produced by Grupo Banamiel due to its actions is caused by the gas emissions from the enterprise's (or rented) vehicle fleet.

Among the achievements of this project carried out together with CEGESTI is the enterprise's internalization regarding the negative environmental impact. There was no previous control over the emissions or on how the daily tasks could be affecting the zone's air quality. The first step was to make an inventory of the automobiles, their status (owned



by the enterprise or rented), the person responsible for each one and the general characteristics, such as year of car make, model and type of fuel used.

The total CO<sub>2</sub> equivalent emissions generated during 2011 was estimated, with a projection between **29,5 y 33,5 TON** of emitted CO<sub>2</sub>. This represents a potential reduction in comparison to 2010, in which 34,3 TON of CO<sub>2</sub> were estimated. To calculate this amount, the national conversion factor of Dominican Republic was used as a reference, which relates consumed kilowatts with tons of CO<sub>2</sub> released into the air.

**FUEL CONSUMPTION**

The enterprise consumes fuels basically in three points: diesel in the electric plants, diesel or gas in the vehicles and gas in the inspectors' motorcycles.

On CEGESTI' part, several proposals were made regarding general actions aimed at encouraging fuel saving, including more efficient driving practices to contribute in that aspect.

It is important to mention that after analyzing the case more deeply with the enterprise, and due to internal procedures, Grupo Banamiel has decided not to consider said consumption as part of its environmental performance indicators. It did, however, accept to establish guidelines on efficient fuel consumption through the implementation of preventive vehicle maintenance programs, and training events on efficient driving and route logistics. Another measure is to evaluate the connection to a stable power supply system (no voltage spikes) with EDENORTE, an electricity distribution enterprise, in order to reduce the use of generating plants. It is expected that the implementation of these improvements will translate into a decrease in consumption.

**SOCIAL DIMENSION**

The contribution of the project to improvements in the social dimension focused on the workers in the first place, then on the associates (producers and partners). The main outcomes are the following:

Initial Diagnosis	Achieved Improvements
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**COMFORT AT THE WORKPLACE**

One of the main problems that the enterprise faced was the lack of physical spaces to work comfortably. Grupo Banamiel has grown considerably during the last years, the number of employees has increased at a very fast pace, and gradually, the facilities became too small for the large amount of workers.



The former offices were already too small for the number of employees and this situation generated overcrowded spaces.

The new facilities are very large and have space for a projected growth over the next decade.



The storage facilities were very dangerous and were in very poor conditions, with poor lighting and ventilation. These facilities were rented; therefore, the enterprise was not able to invest in improvements.



The new storehouse is very spacious, safe, and has better lighting; yet, there are still issues to be solved, such as natural ventilation and the temperature inside the facilities.

**OCCUPATIONAL HEALTH AND SAFETY**

The occupational safety area required to be addressed in Grupo Banamiel. In spite of the fact that the enterprise was aware of this area's importance, it lacked the necessary technical knowledge to evaluate the needs and suggest solutions. The enterprise does not have a professional in this area. Several isolated consultancy services were contracted but without achieving an integrated approach; therefore, the need for assistance was very evident. CEGESTI helped in preparing diagnoses, hazard evaluations, developing internal regulations, among others.



The access points to the storage facility lacked the necessary height to load the containers, making it necessary to improvise using the available materials to perform this task.



The new ramps have the necessary height; in addition, they have been designed for loading and unloading the containers.

Previously, there were only a few fire extinguishers and the employees did not know how to use them.



Several other fire extinguishers were placed in different areas of the Grupo Banamiel facilities and a practice was held to learn how to use them.

## IDENTIFYING HAZARDS

As part of the assistance provided, process leaders were taught to conduct hazard identification in the plant and its surroundings. The most important points were the demarcation of danger areas, evacuation routes, safety zones, and in general, placing the required signs in the entire industrial complex. The conclusion reached was that the former facilities were lacking the necessary signaling almost in its entirety and the few existing signs were in bad shape. A group of collaborators from the enterprise participated in an overall facility inspection and drew up a list of the necessary signs.



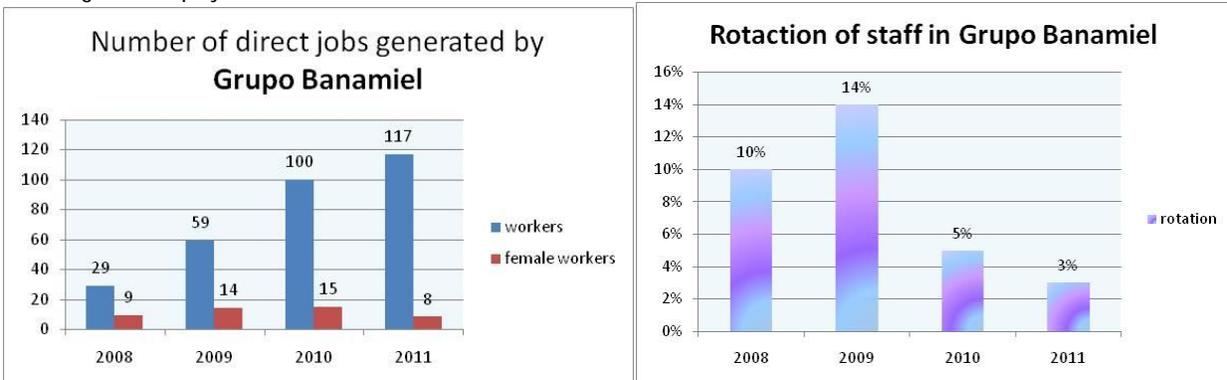
The existing signs were highly improvised. This initial effort was made as a suggestion after the first inspection starting this consultancy.



The new buildings have more appropriate and visible signs.

## GENERATION OF EMPLOYMENT

Grupo Banamiel is one of the main sources of employment in the region. The number of employees has been constantly increasing every year, parallel to its production. There is a low turnover rate, which confirms that the enterprise is concerned about the wellbeing of its employees.



Furthermore, Grupo Banamiel is concerned about training its collaborators so they can internalize the socio-environmental and safety practices that the enterprise wants to promote. During the implementation period of the project, an awareness-building lecture and a course on the correct use of fire extinguishers were delivered.



### **CORPORATE GOVERNANCE**

The enterprise's first Corporate Governance code was developed. Its approval by the Council of Managers is currently pending. As well, the legal revision by an attorney-at-law in Dominican Republic and the ratification of the enterprise's articles of incorporation are also pending. Both scopes are beyond CEGESTI's endeavors; however, the enterprise was urged to have their approval in order to implement the aforementioned code.

It is expected that once the code is approved, Grupo Banamiel will begin its implementation, for which there is a stipulated action plan, ready and approved.

### **REMARKS BY THE ENTREPRENEUR**

"CEGESTI's consultancy has enabled us to provide content and methodical rigor to social and environmental responsibility. A former mission statement has transformed into a set of policies and initiatives with a clear effect on our daily tasks and on the results of our work. This consultancy has generated the capacities and facilitated the mobilization of internal resources to engage in initiatives with a positive environmental impact and that promote our employees' and neighboring communities' development".

**José Horacio López**  
**General Manager**  
**Grupo Banamiel**



**Grupo  
Banamiel**



**The Netherlands Ministry of  
Foreign Affairs**

