



**The World Bank**

Second Additional Financing EALCRP (P181137)

# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

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Appraisal Stage | Date Prepared/Updated: 08-Mar-2024 | Report No: PIDISDSA37299



## BASIC INFORMATION

### A. Basic Project Data

Country Dominica	Project ID P181137	Project Name Second Additional Financing EALCRP	Parent Project ID (if any) P166328
Parent Project Name Emergency Agricultural Livelihoods and Climate Resilience Project	Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 06-Mar-2024	Estimated Board Date 30-Apr-2024
Practice Area (Lead) Agriculture and Food	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Agriculture, Fisheries, Blue and Green Economy

Proposed Development Objective(s) Parent

The Project Development Objective (PDO) is to contribute to restoring agricultural livelihoods and enhancing climate resilience of farmers and fisherfolk affected by Hurricane Maria in Dominica.

### Components

Restoration of the Productive Base for the Recovery of Agricultural Livelihoods

Restoration of Key Productive Infrastructure and Institutional Strengthening

Project Management and Coordination

Contingency Emergency Response

## PROJECT FINANCING DATA (US\$, Millions)

### SUMMARY

Total Project Cost	8.00
Total Financing	8.00
of which IBRD/IDA	8.00
Financing Gap	0.00

### DETAILS

#### World Bank Group Financing

International Development Association (IDA)	8.00
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IDA Credit	8.00
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Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate



## B. Introduction and Context

1. **An Additional Financing (AF) in the amount of US\$8 million for the Emergency Agricultural Livelihoods and Climate Resilience Project (EALCRP, P166328, Parent project) is proposed**, to replenish the financing gap created by the activation of the second Contingency Emergency Response Component (CERC). In addition, the Parent Project would also be restructured to reflect the following changes: (a) reallocation of funds between disbursement categories; (b) deletion and reformulation of certain activities in the Financing Agreement; (c) change in Subcomponent costs; (d) update of implementation arrangements; (e) extension of Project closing date; and (f) adjustment of the Results Framework to introduce monitoring indicators and project targets related to the new CERC activities.
2. **On April 13, 2018, the World Bank Executive Directors approved SDR17.4 million (US\$25 million equivalent) from the International Development Association (IDA) to finance the EALCRP**. The Financing Agreement was signed on May 9, 2018, and the Project became effective on October 9, 2018. While the project was originally foreseen to close on June 30, 2023, its closing date was extended to December 30, 2024.
3. **First CERC activation**. In March 2022, in response to the crisis caused by the COVID-19 pandemic, the Government of the Commonwealth of Dominica (GoCD) requested the activation of the first CERC under the Project, amounting to US\$3.6 million. The CERC was activated in April 2020 and implemented from May 2020 to December 2022. It encompassed the following two Subcomponents: Subcomponent A: Strengthening of National Agricultural Productive Base and Food Security Systems; and Subcomponent B: Strengthening of National Health Systems to Address COVID 19 Crisis.
4. **First Additional Financing (AF)**. In June 2020, the Bank approved an Additional Financing (AF) for SDR2.7 million (US\$3.6 million) to replenish the amount allocated to the CERC and a restructuring to reallocate funds from Category 1 to 3 (CERC). In March 2022, the GoCD requested the following: (i) extension of the implementation period of the CERC to December 2022; and (ii) reallocation of an additional US\$0.5 million to the planned CERC activities to be used for cash transfers. The World Bank approved these changes in April 2022, yet the requested reallocation between Categories is processed through the present AF/restructuring.
5. **Second CERC activation**. In December 2022, in response to the severity of the food security crisis in Dominica, the GoCD requested the second CERC activation for an amount of US\$8 million. The CERC was activated in April 2023 and is being implemented until December 2024. This activation created a financing gap of US\$8 million in the EALCRP. The budget reallocated to the CERC came from undisbursed resources originally earmarked to rehabilitate agricultural infrastructure, buildings, and facilities under Component B. These rehabilitation activities are essential for achieving the PDO and remain high on the GoCD's agenda for priority interventions that need to be implemented urgently.
6. **Second Additional Financing (AF)**. In September 2022, the Bank approved additional IDA funds in the amount of US\$8 million from the IDA CRW ERF for Dominica to respond to the food security crisis. These funds serve as AF to the EALCRP to cover the financing gap created by the second CERC activation and is processed through the present AF/restructuring.



## Country Context

7. **The increase in food, fuel, and fertilizer prices due to the global COVID-19 pandemic and Russia's invasion of Ukraine has led to a rise in food insecurity in Dominica.** According to the Caribbean COVID-19 Food Security & Livelihoods Impact Survey conducted by the UN World Food Programme (WFP) in June 2022, food insecurity remains a significant concern in the eastern Caribbean, affecting an estimated 2.8 million individuals, or nearly 40 percent of the population. Dominica, being one of the poorer islands, is not immune to this challenge. The crisis underscores the urgency of bolstering climate-resilient food production on the island. This is crucial not only to ensure a stable domestic food supply during disruptions in the value chain but also to diversify revenue streams.

## C. Proposed Development Objective(s)

### 8. Original PDO

The Project Development Objective (PDO) is to contribute to restoring agricultural livelihoods and enhancing climate resilience of farmers and fisherfolk affected by Hurricane Maria in Dominica.

### 9. Current PDO

The Project Development Objective (PDO) is to: (i) contribute to restoring agricultural livelihoods and enhancing climate resilience of farmers and fisherfolk affected by Hurricane Maria in Dominica and (ii) provide a response in the event of an eligible crisis or emergency.

### 10. Key Results

Following the processing of the additional funds for the CERC, the EALCRP is expected to benefit an estimated 6,500 farmers and fisherfolk, whose livelihoods were severely affected by Hurricane Maria as well as the COVID-19 pandemic and the recent food insecurity crisis. Around 20 percent of those beneficiaries will be rural women, who were especially affected and often head single-parent households.

## D. Project Description

11. **The parent project has four components:** Component A: Restoration of the Productive Base for Recovery of Agricultural Livelihoods; Component B: Restoration of Key Productive Infrastructure and Institutional Strengthening; Component C: Project Management; Component D: Contingency Emergency Response Component

## Additional Financing and Restructuring

### Summary of proposed changes

12. **The US\$8 million AF to the EALCRP will fill the financing gap created by the activation of the second CERC (Component D).** The proposed AF will replenish the Project funds to ensure that the originally planned emergency activities will be financed and implemented and the PDO will be achieved. The proposed closing date of the new credit will be May 30, 2025.

13. **In addition, the Project will be restructured with the following proposed changes:** (a) reallocation of funds between disbursement categories; (b) deletion and reformulation of certain activities in the Financing Agreement;



(c) change in Subcomponent costs; (d) update of implementation arrangements; (e) extension of Project closing date; and (f) adjustment of the Results Framework to introduce monitoring indicators and project targets related to the new CERC activities.

14. **The proposed replenishment of the funds in the EALCRP will provide the necessary resources to resume and carry out the activities originally envisaged under the Project.** More specifically, the resources will be used to restore and rehabilitate key agricultural infrastructure, assets, buildings, and other facilities damaged by Hurricane Maria and reestablish the essential public services for crop and livestock farmers. The building code for restoring these structures will emphasize greater climate resilience, and public infrastructure will be restored in line with improved safety standards to reduce the impact of future climate and weather risks. The funds of US\$8 million will be used for activities under the parent project as highlighted in Table 1.

Table 1: Activities to be financed in the parent project (USD million)

Activities to be financed in the parent project with the AF	IDA Total
<b>Subcomponent A.1 Restoration of Cropping Systems</b> <u>Description of activities:</u> Procurement of agricultural inputs and tools to support restoration of cropping systems	0.4
<b>Subcomponent A.2 Restoration of Livestock and Fisheries Systems</b> <u>Description of activities:</u> Procurement of building materials to support restoration of livestock systems	0.7
<b>Subcomponent A.3 Building of Climate Resilience and Agribusiness Capabilities</b>	0.0
<b>Subcomponent B.1: Restoration of Key Infrastructure in Agriculture, Livestock, and Forestry</b> <u>Description of activities:</u> Restoration of key infrastructure in agriculture	6.0
<b>Subcomponent B.2: Institutional Strengthening and Capacity Building of MAF</b>	0.1
<b>Component C: Project Management and Coordination</b>	0.8
<b>Total</b>	<b>8.0</b>

## E. Implementation

### Institutional and Implementation Arrangements

15. The GoCD has established a Central Services Unit (CSU) for all World Bank Projects, which reports to the Ministry of Finance and the PIU. The CSU provides shared fiduciary, safeguards, monitoring and evaluation and communications services to the World Bank project units, while the Project Implementation Unit (PIU) is responsible for project management, technical implementation, and reporting. An assessment of the CSU and PIU arrangement has been carried out by FM, Procurement and E&S teams and found acceptable by the World Bank. The PIU is fully staffed and functioning well, yet the M&E position under the CSU is currently vacant.

## F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project activities will be carried out in all ten districts of Dominica. Dominica is an upper middle-income country and small-island developing state (SIDS) located in the eastern part of the Caribbean Sea. It is a small open economy and a member the Caribbean Community (CARICOM) as well as the Organization of Eastern Caribbean States (OECS). It has a population of approximately 71,625 people and a land area of



approximately 750 km<sup>2</sup>. About 60% of the land is classified as a World Heritage site by UNESCO, due to its rich biodiversity. It is located near the center of a string of islands known as the Lesser Antilles, between the neighboring French territories of Martinique and Guadeloupe. The capital Roseau is located to the southwest of the island and has a population of around 15,000 people. The original project was prepared after Hurricane Maria, a category 5 storm (Saffir-Simpson scale), with winds exceeding 200 km/hour. As the storm passed over the center of the island, Dominica was exposed to extraordinary winds for more than three hours, accompanied by intense rainfall, which provoked flashfloods and landslides. An estimated 80–100 percent of root crops, vegetables, bananas, and plantains and 90 percent of tree crops were damaged. Livestock losses are estimated to be 45 percent of cattle, 50 percent of small ruminants, 65 percent of pigs, and 90 percent of chicken stocks. The fisheries sector was also heavily affected. According to the PDNA estimates, 370 vessels were damaged or destroyed. Similarly, much of the fishing gears and many engines were either lost or damaged. Hurricane Maria defoliated almost all trees and uprooted an estimated 10–20 percent. The entire infrastructure of the Forestry Department was also severely damaged, including forestry and national parks buildings, nurseries and the trail infrastructure, which is a major component of the tourism industry.

#### G. Environmental and Social Safeguards Specialists on the Team

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Svetlana Khvostova, Environmental Specialist

Kevin McCall, Environmental Specialist

Norman Russle Howard Taylor, Social Specialist

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#### SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	
Forests OP/BP 4.36	Yes	
Pest Management OP 4.09	Yes	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	Yes	



Involuntary Resettlement OP/BP 4.12	Yes
Safety of Dams OP/BP 4.37	No
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

## KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The AF will finance the same activities in the same location as in the original project. Therefore, there is no change in project environmental category (Category "B"). Similarly, the AF triggers the same operational policies as in the original project. OP 4.01 is triggered for Components A and B as they finance rehabilitation of damaged infrastructure such as irrigation schemes, propagation centers (including forestry), a livestock farm, fishery support structures and other facilities of the Ministry of Agriculture, Fisheries, Blue and Green Economy (MAFBGE). The original project also supports the livelihood recovery of farming and fishing communities through the provision of essential inputs (seeds and fertilizers), technical advisory services, repair of boats and ice machines, and boat repairing workshops. All these activities and works are relatively small in scale generating only minor and localized environmental impacts that can be easily identified, mitigated, and managed (debris management, worker's health and safety, soil stabilization and erosion control, among others) and can be easily mitigated by complying with the best construction practices and by following the General World Bank Group Environmental, Health, and Safety (WBG EHS) Guidelines and the Specific Industry WBG EHS Guidelines for the Agribusiness and Food production, as well as for Forestry sector.

The Habitats Policy OP/BP 4.04 and the Forestry Policy OP/BP 4.36 have been triggered as there are small interventions in the forestry sector and natural parks (restoration of trails). Also, the pest management policy OP/BP 4.09 has been triggered as pesticide, insecticides, fertilizers have been purchased for the crops.

Involuntary Resettlement. OP 4.12 was triggered, because the parent project anticipated economic displacement, e.g. through the rehabilitation of farm structures sited in a different location on the same site due to safety concerns. No physical displacement was envisioned. To mitigate the economic displacement, a template to guide the preparation of Abbreviated Resettlement Action Plans (ARAPs) was included as part of the project ESMF. To date one ARAP was developed based on this template, but its implementation was not required as the project activities did not result in any displacement. This AF is also not envisioned to cause any physical or economic displacement.

The presence of the Kalinago peoples in the project area triggered the Indigenous peoples policy (OP 4.10) and an Indigenous Peoples Planning Framework (IPPF) was developed and approved by the Bank under the original project. The PIU continues to communicate with the Kalinago council about the AF project and how the community can access the project benefits, based on IPPF guidelines.

Feedback and Grievance Redress Mechanism. The original project established a feedback and grievance redress mechanism (GRM), where grievances are collected at each extension office and reviewed and addressed by the Social



Safeguards officer in the PIU. The structure and processes of the GRM is described in detail in the Environmental and Social Management Framework (ESMF). The process is supported by the Social Development Specialist in the Central Services Unit (CSU).

The instruments to manage these policies are the management plans developed under OP 4.01 including the existing ESMF, that includes an Environment and Screening Template checklist, and Templates to prepare simple site specific ESMPs, ARAPs. Site specific ESMP and ARAPs are prepared prior to commencement of works. An Integrated Pest Management Plan (IPMP) was also developed.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The AF aims at closing the gap for financing the same activities in the same locations as proposed in the original project, which seeks to restore the agricultural production base, increase productivity and enhance climate resilience in Dominica. The long-term impacts will therefore be generally positive as the project will benefit farmers, fishermen, forestry workers and agriculture producers organizations with the rehabilitation, and reconstruction of agriculture, fisheries, and forestry infrastructures, adoption and dissemination of advanced technologies on modern agriculture techniques and practices, and agriculture diversification and agribusiness capacity. No negative impacts are expected in the long-term.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. Most of the project interventions for rehabilitation, and reconstruction of agriculture, fisheries, and forestry infrastructures will be rebuilt in the same footprint, so no alternatives are considered. The rebuilding initiatives aim to achieve more resilient public infrastructure and higher standards of safety, which will reduce future climate and weather risks.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

An Environmental and Social Management Framework (ESMF) was prepared to guide the identification of possible social and environmental issues; develop mechanisms to comply with relevant GoCD and World Bank's policy requirements; lay out the approach and procedures relevant during subproject planning and implementation to mitigate the potential environmental and social impacts of the proposed investments and incorporate enhancement measures where relevant and feasible; and describe the institutional and implementation arrangements, the monitoring mechanisms, and the capacity building needs for its effective implementation.

The capacity to prepare, implement and supervise the environmental and social instruments in Dominica is limited. Hence, the ESMF identified the capacity strengthening needs and approach. Consequently, the implementation arrangements currently involve: i) the Central Services Unit (CSU) reporting to the Ministry of Finance (MoF) and the Project Implementation Unit (PIU), staffed with environmental and social specialists who oversee implementation of the project safeguards, including the GRM; and ii) the PIU based in the Ministry of Agriculture, Fisheries, Blue and Green Economy (MAFBGE), which is responsible for the project management and technical implementation of all project activities. While there is an updated reporting structure for E&S safeguards, the specialists supporting the project remain the same for the AF, maintaining the high capacity established under the parent project. All the roles and responsibilities of this implementation arrangement are fully specified in the ESMF.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies,



with an emphasis on potentially affected people.

Key stakeholders include (a) crop and livestock farmers, fisherfolks, forestry workers, and agriculture producer organization through the rehabilitation and reconstruction of agriculture, fisheries, and forestry infrastructures; (b) Ministry of Agriculture, Fisheries, Blue and Green Economy and Ministry of Finance; (c) Traders and Trader Associations; (d) Related Cooperative representatives; (e) Finance Providers; Community organizations (e.g. hucksters association) and Agro processors.

**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

Environmental Assessment/Audit/Management Plan/Other

Resettlement Action Plan/Framework/Policy Process

Indigenous Peoples Development Plan/Framework

Pest Management Plan

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

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**APPROVAL**

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