



The World Bank

Dominica Emergency Agricultural Livelihoods and Climate Resilience Project - Additional Financing (P174247)

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

Appraisal Stage | Date Prepared/Updated: 29-May-2020 | Report No: PIDISDSA29544

**BASIC INFORMATION****A. Basic Project Data**

Country Dominica	Project ID P174247	Project Name Dominica Emergency Agricultural Livelihoods and Climate Resilience Project - Additional Financing	Parent Project ID (if any) P166328
Parent Project Name Emergency Agricultural Livelihoods and Climate Resilience Project	Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 28-May-2020	Estimated Board Date 30-Jun-2020
Practice Area (Lead) Agriculture and Food	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Blue and Green Economy, Agriculture, and National Food Security

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.

Proposed Development Objective(s) Additional Financing

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.

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	3.60
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Total Financing	3.60
of which IBRD/IDA	3.60
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	3.60
IDA Credit	3.60

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. The Commonwealth of Dominica is a small upper-middle-income country in the Caribbean Sea, with a population of 71,625 in 2018. With a gross domestic product (GDP) of US\$550.89 million (2018), Dominica's economy is driven predominantly by agriculture and tourism, making the country very vulnerable to natural disasters and economic shocks. Poverty remains a pervasive development issue. The last Country Poverty Assessment (CPA) conducted in 2009, reported a poverty headcount of over 25.0 percent. Dominica is affected by fiscal sustainability challenges, with public debt levels over 80 percent of GDP. The recently completed DSA, April 2020, concluded that debt is considered sustainable in a forward-looking manner, but Dominica remains at a high risk of debt distress, substantially due to the country's exposure to natural disasters and external shocks.
2. The Emergency Agricultural Livelihoods and Climate Resilience Project (EALCRP, P166328) was approved by the World Bank Board on April 13, 2018, after Dominica was devastated by Hurricane Maria in September 2017. 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. The EALCRP became effective on October 9, 2018 and the project closing date is November 9, 2023. The total project cost is \$29.5 million, of which \$25 million is IDA Grant/Credit. The EALCRP is supporting the Government of Dominica in post- Hurricane Maria recovery of the agriculture and forestry sectors.



3. The COVID-19 pandemic, which has been spreading throughout the world since November 2019, is particularly devastating for small island states like Dominica due to travel restrictions and impact on tourism and remittances. As end of May 2020, Dominica has reported 16 confirmed COVID-19 with no deaths. A national state of emergency was declared in Dominica on April 1, 2020, to respond to the ongoing COVID-19 crisis. Dominica has taken actions ranging from school closures, curfews, shutdown of nonessential services, protocols on social distancing, residential confinement, and closing all ports of entry to non-citizens.
4. On April 15, 2020, at the request of the Government of Dominica (GoD), the World Bank activated the Contingent Emergency Response Component (CERC) of the EALCRP to help the GoCD address urgent COVID-19 response needs by strengthening local food security and healthcare systems.
5. Activation of the CERC created a financing gap of US\$3.6 million in the EALCRP. The budget reallocated to the CERC came from undisbursed resources originally earmarked to rehabilitate agricultural infrastructure, buildings, and facilities under the original EALCRP. These rehabilitation activities are essential for achieving the PDO and remain high on the government's agenda for priority interventions that need to be implemented urgently. On May 15, 2020, the GoD sent the World Bank a formal request for an Additional Financing (AF) in the amount of US\$3.6 million to address the financing gap.

Sectoral and Institutional Context

6. The agriculture sector plays a critical role in Dominica's economy, contributing 19 percent to the country's GDP and employing around 25–40 percent of the workforce. The sector has always been and continues to be very important for Dominica, determining food and nutritional security outcomes and representing a key driver of economic activity.
7. Although crop production dominates the agriculture sector (it contributed 86 percent to total agriculture production in 2015), diversification of produce is increasingly characterizing the sector. Main crops are plantain, coconut, grapefruit, lime, orange, mango, avocado, papaya, and hot pepper. Root crops such as tannia, dasheen, and yam have also gained in prominence, although primarily at a regional level with lower quantities exported. Livestock production contributed 7.8 percent to total agriculture production in 2015. Egg production is considered the most important livestock activity in the country, followed by raising pigs and small ruminants.
8. The extreme weather impacts in Dominica are likely to be exacerbated in the future because of continuous climate change. This assessment is primarily because of: (a) it is a small island with low-lying coastline; (b) it is in an area prone to frequent natural disasters, especially hurricanes. The major risks posed by climate change are:
 - (a) Increasing intensity of hurricanes and tropical storms. Climate models are predicting hurricanes and storms impacting the Caribbean region as becoming more intense in the future, which can significantly damage infrastructure throughout the country, because of a variety of resulting factors including high winds, storm surges, rising sea levels and inundation. This includes damages to infrastructure such as ports, storage depots, roads that facilitate the supply of input and products, as well as constrained access to critical facilities and potential land degradation and loss of land.



- (b) Future climate scenarios of increased unpredictability. More frequent heat waves and droughts, together with unpredictable rain patterns, could threaten Dominica's dominant economic sectors, including agricultural sector's production. These possible weather patterns could affect the types of crops to be grown and already unstable areas will experience a greater risk with the frequent occurrence of landslides and flooding, requiring the introduction of new land and water management tools to avoid threats to national food security.
- (c) Disaster risk management. Vulnerability assessments, hazard mapping, disaster risk management and adaptation measures, together with improvements to be introduced to the country's meteorological services, need to be better implemented to address these risks. Improved coordination and collaboration between community disaster organizations are also needed, including preparedness and response and mitigation capacity among public, private, and civil sector entities for local level management and response.

C. Proposed Development Objective(s)

Original PDO

- 9. 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.

Current PDO

- 10. 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 to an eligible crisis or emergency.

Key Results

- 11. The AF will be used to finance rehabilitation of key agriculture infrastructure and assets damaged by the hurricane and reestablish fully the essential public services for crop, livestock, and fisheries subsectors of the country. The indicator in the Results Framework being used to measure this activity is "*Extension infrastructure rehabilitated with disaster-resilient standards (Number)*".

D. Project Description

- 12. This AF provides an additional IDA credit in the amount of US\$3.6 million to the EALCRP to support the GoD in closing the financing gap created by activating the CERC. Also the following changes are being introduced in the original EALCRP: (i) change the PDO to reflect the CERC activities in EALCRP; (ii) change the Results Framework and introduce new monitoring indicators and project targets relating to CERC activities; and (c) reallocate US\$3.6 million from Category A to Category C of project expenditures (CERC) under the Credit 62310-DM.
- 13. The restoration of funding to the EALCRP through AF will provide the necessary resources to resume originally planned activities. 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. These rebuilding initiatives will include: (i) five crop Propagation Centers, (ii) a Central Livestock Farm; (iii) Ministry of Blue and Green Economy, Agriculture, and National Food Security (MBGEANFS) regional offices and training centers; (iv) the Forestry Division's sylvicultural centers and facilities; and (v) rehabilitation of a community irrigation system. 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.

E. Implementation

Institutional and Implementation Arrangements

14. Implementation arrangements for the AF will remain the same as under the EALCRP. The Ministry of Finance of Dominica will remain as the Borrower. The Ministry of Blue and Green Economy, Agriculture, and National Food Security (MBGEANFS), through the current PIU, will be responsible for project implementation. An Implementation Support Team (IST) is providing support to all World Bank-financed projects. The costs of the IST are being shared across the emergency projects.

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 km². 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

Shakil Ahmed Ferdausi, Environmental Specialist

Elizabeth Joana Graybill Do Nascimento Brito, Environmental Specialist

Christopher Mays Johnson, Social Specialist

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 Blue and Green Economy, Agriculture, and National Food Security (MBGEANFS). 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 is triggered because some project investments could have impacts that result in involuntary economic displacement (e.g., rehabilitation of farm structures sited in a different location on the same site for safety reasons could impact crops or tenant farmer's livelihoods or physical asset). A template to guide the preparation of Abbreviated Resettlement Action Plans (ARAPs) is included in the Environmental and Social Management Framework (ESMF) and operational manual to mitigate negative impacts, including compensation for any impacted asset for livelihood 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. Consultations were held with the Kalinago in September of 2018 and the PIU will continue to communicate with the Kalinago council about the AF project and how the community can access the project benefits.

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 Safeguards Advisor in the Implementation Support Team (IST).

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 Institutional Support Team (IST) housed in the Ministry of Finance (MoF), staffed with international, knowledgeable safeguards adviser that supports the PIUs of the World Bank Funded Projects, including an environmental and social Safeguards Adviser who provides quality assurance and technical advice through the review of key documents, ToRs and contracts ii) the Project Implementation Unit (PIU) based in the Ministry of Agriculture and Forestry (MAF) responsible for the coordination and implementation of all project activities; the PIU is staffed with an environmental and a social safeguards specialist to oversee the implementation of the environmental and social safeguards, including the GRM. All the roles and responsibilities of this implementation arrangement are fully specified in the ESMF.

It may noted that the environmental and social safeguards of activities of the Sub-component "Strengthening of Public Healthcare System" under the CERC will be carried out by the Safeguards specialist of the PIU located at the Ministry of Health, Wellness, and New Health Investments.

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) about 15, 000 direct beneficiaries (4,950 households) of the project, including crop and livestock farmers, fisherfolks, forestry workers, and agriculture producer organization through the rehabilitation and reconstruction of agriculture, fisheries, and forestry infrastructures; (b) Ministries of Agriculture and Fisheries, Livestock, Forestry and the Environment and the 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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