



**FOR OFFICIAL USE ONLY**

Report No: PAD4323

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER  
ON A  
PROPOSED GRANT

IN THE AMOUNT OF US\$ 3,515,982

TO THE

COMMONWEALTH OF DOMINICA

FOR A

LEVERAGING ECO-TOURISM FOR BIODIVERSITY PROTECTION PROJECT (P170846)

JUNE 30, 2022

Environment, Natural Resources & The Blue Economy Global Practice  
Latin America And Caribbean Region

## CURRENCY EQUIVALENTS

(Exchange Rate Effective April 25, 2022)

Currency Unit = USD

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XCD 2.71 = US\$1

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USD 0.37= XCD 1

FISCAL YEAR

July 1 – June 30

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## ABBREVIATIONS AND ACRONYMS

CBOs	Community-Based Organizations
CG	Consultative Group
CREAD	Climate Resilience Execution Agency for Dominica
DEALCRP	Dominica Emergency Agriculture Livelihoods and Climate Resilience Project
DVRP	Disaster Vulnerability Reduction Project
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESRS	Environmental and Social Review Summary
FWPD	Forestry, Wildlife and Parks Division
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gas
GoCD	Government of the Commonwealth of Dominica
GPS	Global Positioning System
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IPP	Indigenous Peoples Plan
IST	Implementation Support Team
IUCN	International Union for the Conservation of Nature
KBAs	Key Biodiversity Areas
MBGEANFS	Ministry of Blue and Green Economy, Agriculture and National Food Security
MEAPRSDTB	Ministry of Economic Affairs, Planning, Resilience and Sustainable Development, Telecoms and Broadcasting
MERMKU	Ministry of Environment, Rural Modernisation and Kalinago Upliftment
METT	Management Effectiveness Tracking Tool
MFI	Ministry of Finance and Investment
MHUD	Ministry of Housing and Urban Development
MHWNHI	Ministry of Health, Wellness and New Health Investment
MPWDE	Ministry of Public Works and the Digital Economy
MTITMI	Ministry of Tourism, International Transport and Maritime Initiatives
MYDEGASSDWD	Ministry of Youth Development and Empowerment, Youth at Risk, Gender Affairs, Seniors' Security and Dominicans with Disabilities
MTPNP	Morne Trois Pitons National Park
M&E	Monitoring and Evaluation
NBO	National Biodiversity Objective
NBSAP	National Biodiversity Strategy and Action Plan
NGO	Non-Governmental Organization
NLUP	National Land Use Plan
NPDP	National Physical Development Plan
NRDS	National Resilient Development Strategy
PAs	Protected Areas
PAME	Protected Area Management Effectiveness
PDNA	Post Disaster Needs Assessment
PDO	Project Development Objective
POC	Project Oversight Committee
PSC	Project Steering Committee
PP	Procurement Plan
PPSD	Project Procurement Strategy for Development
SEP	Stakeholder Engagement Plan

SIDS	Small Island Development States
TC	Technical Committee
TMP	Tourism Master Plan
TOR	Terms of Reference
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Conventions to Combat Desertification
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFCCC	United Nations Framework Convention on Climate Change
WB(G)	World Bank (Group)
WNT	Waitukubuli National Trail
WWF	World Wildlife Fund



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## DATASHEET

**BASIC INFORMATION**

Country(ies)	Project Name	
Dominica	Leveraging Eco-Tourism for Biodiversity Protection in Dominica	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P170846	Investment Project Financing	Moderate
GEF Focal Area		
Biodiversity		

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input checked="" type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
30-Jun-2022	30-Jun-2027
Bank/IFC Collaboration	
No	

**Proposed Development Objective(s)**

Project Development Objective is to improve management of Dominica's three national parks and the Waitukubuli



trail

**Components**

Component Name	Cost (US\$, millions)
C1 Protected Area Planning	0.84
C2 Biodiversity and Sustainable Ecotourism Operations	1.75
C3 Sustainable Livelihoods	0.75
C4 Project Management	0.16

**Organizations**

Borrower:	Ministry of Blue and Green Economy Agriculture and National Food Security
	Ministry of Finance
Implementing Agency:	Ministry of Environment Rural Modernisation and Kalinago Upliftment

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

Total Project Cost	3.52
Total Financing	3.52
of which IBRD/IDA	0.00
Financing Gap	0.00

**DETAILS****Non-World Bank Group Financing**

Trust Funds	3.52
Global Environment Facility (GEF)	3.52

**INSTITUTIONAL DATA**

Practice Area (Lead)	Contributing Practice Areas
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Environment, Natural Resources &amp; the Blue Economy

Agriculture and Food, Urban, Resilience and Land

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Rating
1. Political and Governance	● Moderate
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Moderate
7. Environment and Social	● Moderate
8. Stakeholders	● Moderate
9. Other	● Substantial
10. Overall	● Moderate

**COMPLIANCE****Policy**

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No





## Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

**NOTE:** For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

## Legal Covenants

### Conditions

Type Effectiveness	Financing source Trust Funds	Description A social specialist shall be assigned to project no later than the Effective Date
Type Effectiveness	Financing source Trust Funds	Description Signature of Coordination Agreement between MBGEANFS and MERMKU.



## I. STRATEGIC CONTEXT

### A. Country Context

1. **The Commonwealth of Dominica (Dominica) is a small upper-middle-income country in the Caribbean Sea, with a population of 71,991, and a rich natural resource base earning it the name “the nature island”.**<sup>1</sup> Dominica had an annual gross domestic product (GDP) of US\$544 million in 2020<sup>2</sup>, with the economy driven predominantly by the tourism and agriculture sectors. The Kalinago community, the only surviving indigenous community in the Caribbean, numbers around 3,000 people, living primarily in a specially designated Kalinago Territory. Poverty remains a pervasive development issue generally, with a poverty rate of 28.8 percent at the time the last Country Poverty Assessment (CPA) was conducted in 2009 (UNCCD, 2009). Of these, the Kalinago areas are among the poorest districts in Dominica with the highest unemployment rates and income lower than the national average.
2. **Dominica’s growth is simultaneously dependent on the external international market (particularly travel and tourism) while facing high exposure and vulnerability to acute and chronic external shocks.** In terms of acute exogenous shocks, the COVID-19 pandemic has been devastating for the tourism sector, which accounts for 36.9 percent of GDP (compared to a global average of 10.4 percent) and directly or indirectly accounts for 39 percent of employment (2019, WTTC). The full magnitude of the decline in growth resulting from the pandemic is estimated at -10.0 percent in 2020 compared to a pre-COVID-19 forecast of 4.9 percent, and recovery in this sector will depend wholly on external factors, especially the duration of the crisis and the speed of recovery in the travel and tourism sector. In terms of chronic exposure and vulnerability to exogenous shocks, Dominica, like the Caribbean and Small Island Developing States more broadly, faces recurrent disaster risk from climate, weather, and geophysical hazards. Dominica is the most affected country globally in terms of average GDP loss from natural disasters<sup>3</sup>: Hurricane Maria, a Category 5 hurricane in 2017, directly affected nearly 80 percent of the population, and resulted in damages and losses estimated at around US\$1.3 billion, equating to 224 percent of Dominica’s 2016 GDP (PDNA 2017). Fiscal losses arising from these events and the ongoing chronic challenges of climate change with acute climate-related events continue to threaten, delay, or reverse development gains and economic growth.
3. **The Government of the Commonwealth of Dominica (GoCD) has a driving vision to embed resilience at the heart of its economic development.** To help overcome climate and disaster-risk related challenges, Dominica has outlined a long-term vision for sustainable development in the National Resilient Development Strategy 2030 (NRDS), setting an objective for Dominica to become the world’s first climate-resilient country. The strategic vision also emphasizes the importance of resilience-building through conservation and restoration of forests and landscapes and considering the protection and management of ecosystems, including forests, watersheds, and marine spaces as important enablers of national climate-resilient systems.
4. **Dominica’s ecosystem supports abundant biodiversity of global significance and is the basis for ensuring resilience to natural disasters.** The island’s geography and complex geology have created unique habitats and high species diversity, home to two species of highly endangered parrots the Sisserou or Imperial Parrot, *Amazona imperialis* and the Jaco or red-necked Parrot, *Amazona arausiaca* and endemic plants, *Chromolaena impatioides* and *Chromolaena macrodon*, which have only been identified at Morne Diablotin. Dominica is part of the Caribbean Islands Biodiversity Hotspot, which is defined as home to at least 1,500 endemic plant species even if

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<sup>1</sup> Nature island is a coined name or brand by the Government of Dominica, as discussed in the “Dominica National Biodiversity Strategy and Action Plan 2014-2020”, and the “National Resilience Development Strategy – Dominica 2030”

<sup>2</sup> Sources: World Bank, IMF and Ministry of Finance (MOF) estimates

<sup>3</sup> GermanWatch (2021) Global Climate Risk Index 2021



they have lost at least 70 percent of their original habitat extent (Mittermeier et al. 2004). The “Nature Island” has the most extensive natural forests in the Eastern Caribbean standing at around 43,000 hectares (ha), covering approximately 60 percent of the island’s territory.

## B. Sectoral and Institutional Context

5. **Dominica’s economy relies heavily on natural assets and nature-based sectors.** Agriculture and tourism are the mainstays of Dominica’s economy in terms of contribution to GDP and employment. These sectors are expected to continue to be the principal economic sectors in the future National Physical Development Plan (NPDP). Agriculture, traditionally the main economic sector, accounts for 16 percent of GDP (2018). Tourism has increased its relative importance as an economic sector, from about 15 percent of GDP in 2009 to nearly 40 percent in 2019 (WTTC). The sector employed an estimated 2,090 people in 2015, which is projected to increase to over 4,000 by 2030 (NPDP). This strong expected growth is predicated on Dominica’s niche as “The Nature Island”, seeking to leverage its natural landscape (mountains, forests, freshwater lakes, hot springs, waterfalls) as a premier nature-based tourism destination, positioning it apart from its neighbors in part because of its relative lack of beaches that brings a focus to inland tourism offerings. The Waitukubuli National Trail (WNT) and Dominica’s three national parks serve as the backbone of the island’s nature-based tourism potential. The WNT is the first and only Caribbean long-distance hiking trail, spanning 184 km, crossing all the major ecosystems and providing unmatched opportunities for experiencing the country’s biodiversity. It crosses the Kalinago Territory, home to the indigenous Kalinago people and overall WNT segments has drawn 100,000-130,000 international tourists annually prior to Hurricane Maria (September 2017), or about one-third of international and cruise passengers to Dominica, offering enormous potential to capture the untapped two-thirds of the tourism market segment.
6. **GoCD’s development strategy seeks to harness biodiversity and natural capital to ensure sustainable economic growth in its key economic sectors.** Dominica’s long-term vision for sustainable development is set out in two main strategies: the National Resilient Development Strategy (2030) (NRDS) and its national land-use framework, comprised of the National Land Use Plan (NLUP) and the National Physical Development Plan (NPDP). The NRDS sets out Dominica’s goal to become the world’s first climate-resilient country, emphasizing the importance of resilience- building through conservation and restoration of forests and landscapes. It also considers the protection and management of ecosystems, including forests, watersheds, and marine spaces as important enablers of national climate-resilient systems. The NLUP and NPDP seek to design land management approaches to meet a number of objectives, chief among them to leverage Dominica’s biodiversity and natural assets to ensure “The Nature Island” is recognized as one of the world’s premiere nature-based tourism destinations. An important sectoral strategy in this regard is Dominica’s Tourism Master Plan (TMP) (2013), which reinforces the importance of robust conservation efforts to preserve biodiversity, while simultaneously addressing some of the binding constraints to tourism growth.
7. **Dominica’s primary economic sectors are also the main drivers of biodiversity loss and environmental degradation.** Dominica’s National Biodiversity Strategy and Action Plan 2014-2020 (NBSAP) highlights its two most important economic sectors – agriculture and tourism – as the major threats to the island’s rich biodiversity base. These threats stem from three main areas, including (i) land-use changes and growing pressures from housing development that displaces agriculture and results in encroachment on native forests for agricultural conversion; (ii) weak environmental controls and enforcement of PAs which risks rendering PAs ineffective in stewarding natural resource management and contributing to biodiversity conservation; and (iii) unbalanced utilization of natural resource endowments and natural assets to attract tourists, whereby some sites are overdeveloped while others remain underdeveloped and under-utilized. In addition, there have been observed increases in invasive



alien species that pose a threat to Dominica's biodiversity. Although these threats have not been fully assessed or quantified, initial observations are that invasive plant species, particularly bamboo and lemon grass, have increased in the wake of Hurricane Maria and are linked to forest degradation and biodiversity loss. The presence of invasive fauna—namely the striped-tail iguana (*Iguana iguana*) and Cuban tree frog (*Osteopilus septentrionalis*)—continue to be of major concern (NBSAP 2013).

8. **These interlinked challenges highlight the need to adopt and enforce policies to limit biodiversity loss, land conversion and degradation.** Effective land-management policies are critical to biodiversity conservation, in particular to address the threats to Dominica's environment from pressures of agricultural expansion and unregulated tourism development. Pressures from agricultural expansion are currently being addressed by a suite of projects focused on investments, regulatory reform, and technical assistance in the sector. These include projects financed through GEF (Strengthening Resilience of Agricultural Lands and Forests, implemented through UNEP, Supporting Sustainable Ecosystem by strengthening the Effectiveness of Dominica's Protected Area System, implemented through United Nations Development Program (UNDP)) and the World Bank (WB) (Dominica Emergency Agricultural Livelihoods and Climate Resilience Project (DEALCRP))<sup>4</sup>.
9. **Holistic strategies to address the conservation challenges posed by unbalanced and under-regulated tourism expansion are an important missing link in Dominica's financing and regulatory enabling environment.** These challenges are two-fold in that firstly the planning and implementation capacity to manage tourism in a way that simultaneously leverages and conserves Dominica's biodiversity, while secondly providing livelihood opportunities that pivot away from practices that result in land conversion, environmental degradation and biodiversity loss.
10. **Nature-based tourism can be a strong lever for promoting biodiversity conservation while supporting countries to achieve their development goals, provided necessary safeguards are put in place.** Protected Areas (PAs) are one of the most effective planning tools for safeguarding and conserving biodiversity, and a key conduit for showcasing the benefits of nature-based tourism revenues to support conservation financing, when reinvested appropriately. PAs are the cornerstone of biodiversity conservation: they maintain key habitats, allow for species migration and regeneration, support carbon sequestration, and help support healthy landscapes including through ecosystem services. When they are well-managed, PAs generate financing streams through visitor and tourist user fees that can be reinvested in biodiversity conservation. As such, properly designed nature-based tourism strategies can support the conservation of the biodiversity assets upon which the tourism and livelihood models rely.<sup>5</sup> Effective PA enabling environments also support investments in on-the-ground activities for boundary demarcation and designation of buffer-zones to enhance PA integrity. Beyond being a tool for biodiversity conservation and finance generation, PAs offer livelihood opportunities that provide significant benefits to local communities. There is a growing body of evidence that quantifies the effect of PAs on poverty alleviation – including that households near PAs are estimated to have a 26 percent lower probability of being poor than those situated farther away<sup>6</sup>. Given the increasing share of employment expected to be generated in Dominica's nature-based tourism sector, effective PA management is a priority to ensure that a growing economic sector serves to provide meaningful livelihood opportunities that discourage unsustainable land use practices.
11. **Achieving effective PA planning and management capacity to support a tourism model centered on biodiversity conservation requires immediate attention.** Despite encouraging trends in terms of PA coverage, which has

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<sup>4</sup> Dominica Emergency Agricultural Livelihoods and Climate Resilience Project (P166328)

<sup>5</sup> World Bank (2021) Banking on Protected Areas: the economic impact of tourism in protected areas on local economies

<sup>6</sup> *ibid*



extended protected status to 22 percent of the national territory since 1975, a number of important challenges persist. The main barrier is management effectiveness, as shown by the International Union for the Conservation of Nature (IUCN) Protected Area Management Effectiveness (PAME) rating evaluation of 8.8 percent for the subset of PAs evaluated<sup>7</sup>. The Country Forest Note for Dominica (2021)<sup>8</sup> points to capacity constraints and institutional challenges as significant factors for low management effectiveness in forestry management in general, and in PA management in particular. There are additional barriers with regard to capacity: scientific forest management in PAs is almost absent. Three national parks have prepared management plans, but their implementation has been limited due to resource constraints. In addition, there is insufficient quality data to make evidence-based management decisions. Regarding institutional barriers, the policy and legal framework regulating the forest sector is dated and incomplete. PA management involves many entities with forest and land management responsibilities but limited inter-institutional coordination hampers the ability to reach all the key stakeholders (from local communities to government ministries to private sector) whose cooperation is needed to ensure effective management.

12. **Underinvestment in key supportive infrastructure for PA management further undermines conservation objectives.** An additional challenge to PA effectiveness relates to the types of upfront investments for PA operation and maintenance. The Tourism Masterplan (2013) highlights poor tourism-related infrastructure as a binding constraint to nature-based tourism playing an expanded role in Dominica's economy. This underinvestment is rooted in part in ineffective user-fee collection and reinvestment coupled with limited public investment in biodiversity conservation and PA management<sup>9</sup>. In turn, insufficient or mal-adapted infrastructure, in the PA networks limit their ability to generate user-fees for reinvestment to conserve biodiversity while supporting economic growth and may even have deleterious impacts on biodiversity resources by not adequately addressing carrying capacity constraints in individual PAs. As such, inadequate or improperly maintained infrastructure and facilities along with ineffective sector governance and financial management and planning combine to impede the achievement of the 'sustainable' and biodiversity-friendly tourism model central to Dominica's long-term growth strategy (TMP, 2013).
13. **Ineffective coordination within and among key economic sectors and stakeholders risks undermining inclusive conservation and increasing the rate of biodiversity loss.** Targeted investment in PA management is urgently required to ensure PAs fulfill their function as effective biodiversity conservation tools. In addition to investment, targeted coordination, and communication support about the ability of PAs to generate livelihood opportunities is a pre-requisite to ensure that communities living in and around PAs and forests understand and appreciate the benefits derived from the PAs. Key PA management effectiveness gaps need to be filled, particularly regarding financial and human resource constraints that diminish environmental integrity and biodiversity conservation outcomes. In addition, governance structures need to be streamlined to reduce inefficiencies resulting from institutional fragmentation and poor inter-institutional coordination, especially with regard to user-fee collection and reinvestment. PAs need to be seen as economic enablers, including by promoting livelihood opportunities in nature-based tourism activities, or else risk being undermined by local communities engaging in unsustainable extraction or land management practices in the absence of viable alternative livelihood options. Awareness raising

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<sup>7</sup> Based on an assessment of PAs globally, less than a quarter of protected areas had adequate resources in terms of staffing and budget (World Bank, 2021).

<sup>8</sup> World Bank (2021) Using effective forest management to improve the flow of ecosystem services and benefit Dominica's economy (Country Forest Note for Dominica)

<sup>9</sup> It is estimated that works and services – organized and functional user fees system supported by regular investments in visitor infrastructure (signage, trail maintenance and interpretation) and focused promotional activities – could amount to a 30 percent increase in revenue generated by user fees (V. Futac (2020) – *Dominica Revenue Generation Assessment*).



among local stakeholders is equally important to enable them to be strong partners in supporting PA effectiveness and managing biodiversity resources sustainably – as well as to ensure that any hard-won successes do not result in perverse incentives whereby increased incomes would result in a correlated increase in unsustainable practices (e.g. hunting, agricultural encroachment, etc.).

14. **To better manage tourist flow and ensure that biodiversity is conserved and not harmed by tourism operations, effective strategies for operation, maintenance, and management of PA and trail infrastructure are required.** Better PA and trail management respects and protects local biodiversity carrying capacity, promotes a safe and enriching experience for staff and users, and contributes to a more positive user experience. For any improved management system and more positive user experience to be sustained beyond project life cycle, an improved financial model for nature-based tourism needs to be put in place. These issues run to the heart of the approach for leveraging nature-based tourism to support biodiversity protection – to promote effective and efficient PA and trail operations that leverage resources from user fees to be reinvested in the PA system to contribute to sustainable conservation in the long-run.

### **C. Relevance to Higher Level Objectives**

15. **The proposed project will contribute directly toward the achievement of the World Bank Group’s Twin Goals of ending poverty and promoting shared prosperity in a sustainable manner.** The Project supports enhanced ecological livelihood opportunities, especially in areas with traditionally higher poverty rates where poverty gains are most urgently needed. At the same time, the project aims to promote biodiversity conservation that supports long-term sustainable growth in the tourism sector, fostering economy-wide gains in the services sector. In doing so, the proposed project also contributes to the WBG’s framework for Green, Resilient, Inclusive Development (GRID), principally by fostering climate mitigation and resilience outcomes through strengthened forest planning and management, including land use and watershed management. In this regard, the project is fully aligned with Dominica Low Carbon Climate Resilient Development Strategy 2012- 2020 particularly in supporting adaptation of vulnerable households dependent on forest resources or working on landscapes surrounding the PAs.
16. **The World Bank Group’s (WBG) engagement in Dominica is guided by the WBG Regional Partnership Strategy (RPS) for the Eastern Caribbean (FY 22 -25) which was discussed by the Board of Executive Directors on May 19, 2022 (Report No. 160349-LAC).** The overarching objective of the RPF is to support GRID and competitiveness. Interventions will contribute to three high-level outcomes (HLOs): (i) Strengthened Resilience to Climate Change and Other Shocks; (ii) improved Human Capital; and (iii) More and better jobs. Under the RPS, the WBG will lay the foundations for a more effective investment climate and promoting the competitiveness of industries with high potential, including tourism. The proposed project will align with these objectives by strengthening the competitiveness of the tourism sector in Dominica through an expanded nature-based activity portfolio. It will support nature-based tourism and PA investments that simultaneously address livelihood diversification, indigenous peoples, and modernization of Dominica’s forest agencies.
17. **The project responds to the objective of the Global Environment Facility’s (GEF) Biodiversity Focal Area.** GEF’s biodiversity strategy to maintain globally significant biodiversity in landscapes is supported through inclusive conservation and addressing direct drivers of habitats loss through improved financial sustainability, effective management, and ecosystem coverage of the protected area estate.<sup>10</sup> The project responds to the Biodiversity

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<sup>10</sup> GEF-7 Biodiversity Strategy available at:

[https://www.thegef.org/sites/www.thegef.org/files/publications/GEF\\_Biodiversity\\_Strategy\\_2018\\_v2.pdf](https://www.thegef.org/sites/www.thegef.org/files/publications/GEF_Biodiversity_Strategy_2018_v2.pdf)





Focal Area by meeting two objectives: (i) Objective 1-1 Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors; and (ii) Objective 2-7 Address direct drivers to protect habitats and species and improve financial sustainability, effective management, and ecosystem coverage of the global protected area estate. Elements from GEF-7 impact programs are also central in project design, especially around the complex nexus of local livelihoods, sustainable forest management, and biodiversity conservation. The project also contributes to the Aichi 2020 Targets – a multilateral effort under the UN Convention on Biological Diversity (UNCBD) to protect and conserve the biodiversity critical for human and planetary health -- specifically, Target 1 and 2 under Strategic Goal A “Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society” as the project will support the creation of a biodiversity-based value chain (Component 3) as well as through the establishment of multi-stakeholder landscape platforms that will promote integration of biodiversity values into national development and poverty reduction strategies and processes (Component 1). It will also contribute to Targets 5 and 7 under Strategic Goal B of the Aichi Targets: Reduce the direct pressures on biodiversity and promote sustainable use. Finally, the project will contribute to Target 11 and 12 under Strategic Goal C of the Aichi Targets: To improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity; and Target 14 of Strategic Goal D: Enhance the benefits to all from biodiversity and ecosystem services.

18. **Dominica plays an active role in the multilateral environmental agreement sphere, including with regard to global conventions with direct linkages to the focal areas of the proposed Project.** Dominica’s commitments under the UNCBD have been set out in the most recent National Biodiversity Strategic Action Plan 2014-2020 (NBSAP) and Aichi targets (through 2020). National Biodiversity Objectives (NBOs) enumerated in Dominica’s NBSAP include (i) ensuring Dominica’s biological resources remain rich and diverse; (ii) ensuring Dominica’s people promote and undertake the wise and sustainable use of natural resources; (iii) reducing or eliminating the potential risks from biotechnology and its by-products; (iv) reducing and minimizing the loss of terrestrial and marine biodiversity; (v) ensuring that the basis for development is through the sustainable use of terrestrial and marine biological resources; and (vi) ensuring the equitable and sustainable distribution of social and economic benefits from the use of terrestrial and marine biological resources. Targets related to Protected Areas and biodiversity conservation under Dominica’s Aichi targets related to (i) Aichi Target 7 (Sustainable agriculture, aquaculture and forestry) to achieve, by 2020, at least 15 percent of areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity; and (ii) Aichi Target 11 on increased and improved protected areas, to ensure at least 15 percent of terrestrial, inland water and 15 percent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem service, are conserved through comprehensive ecologically representative and well-connected systems of effectively managed protected areas and other means, and integrated into the wider land and seascape. Dominica’s Nationally Determined Contribution (NDC) to the UN Framework Convention on Climate Change (UNFCCC) is premised on using its rich forestry endowments for carbon sequestration - contributing for forestry management is critical for Dominica’s NDC commitments. Dominica commits to progressively reduce total gross greenhouse gas (GHG) emissions below 2014 levels with targeted reductions of 17.9% by 2020; 39.2% by 2025; and 44.7 percent by 2030. By 2030, total emission reductions per sector will be as follows: Energy industries, 98.6% (principally from harnessing of geothermal resources); Transport – 16.9 percent; Manufacturing and construction – 8.8 percent; Commercial/institutional, residential, agriculture, forestry, fishing – 8.1 percent; and Solid waste – 78.6 percent.



## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

**19. The Project Development Objective (PDO) is to improve management of Dominica's three national parks and the Waitukubuli trail.** This Objective is fully aligned with GoCD's NBOs as communicated to the UNCBD, and directly contributing to the achievement of NBOs 1, 2, 4, 5 and 6, as enumerated above. The PDO is structured to measure the direct impact that is endogenous to project control, while recognizing that other direct and indirect outcomes may be relevant but are influenced by external drivers related to tourism demand, disaster shocks, and other exogenous factors beyond direct project influence.

#### PDO Level Indicators

- i. National Parks (Protected Areas) under improved management effectiveness as a result of the project (GEF Management Effectiveness Tracking Tool (METT) score)
- ii. Area of the Waitukubuli trail under improved management as a result of the project (km)

### B. Project Components

- 20. The Project seeks to support biodiversity conservation by strengthening synergies with other GEF-funded engagements in Dominica and by enhancing Dominica's capacity to manage PAs to create sustainable nature-based livelihoods.** It firstly aims to strengthen the current institutional framework for PA management, including through awareness raising and capacity building for biodiversity monitoring. Awareness raising activities will focus on local communities with natural-resource dependent livelihoods as well as at Dominican policy makers, planners, and legislators to promote the benefits of effective PA management for Dominica's sustainable economic development. Secondly, the Project aims to enhance the quality of supportive infrastructure and management skills that underpin biodiversity conservation through nature-based tourism. This includes integrating local communities in PA management, by creating opportunities for livelihoods in trail management, and forest and PA monitoring. Thirdly, the Project aims to increase and expand opportunities for biodiversity-dependent livelihoods by providing training opportunities and capacity building to generate business opportunities from sustainable management of local ecosystems. The project will also harness existing partnerships and forge new ones with initiatives across the Caribbean (and SIDS) that seek to implement effective conservation strategies and share lessons learned generated from project-financed activities.
- 21. The project will benefit Dominica's three national parks (Morne Trois Pitons, Morne Diablotin and Cabrits) and the Kalinago Territory through support for intersectoral planning and design as well as implementation of nature-based tourism models that enhance opportunities for sustainable livelihoods.** The project includes analyses, coordination efforts, and capacity building that will improve protection and management of three national parks and the WNT and offer new livelihood opportunities for local people of the *Kalinago* territory and communities adjacent to the parks. Investments in on-the-ground activities to demarcate national parks and buffer-zones and improve sustainable nature-based tourism operations have been prioritized according to their (i) biodiversity significance and value, (ii) needs for strengthening existing governance and management frameworks, and (ii) benefit to local stakeholders in sustainable resource use, in developing livelihood





opportunities, and reviving traditional knowledge and skills. The targeted area of the project encompasses 14,129 ha or 18.85 percent of the country's territory, as presented in the following coverage of targeted areas<sup>11</sup>.

Table 1. Geographic coverage of the project

Targeted Area	Area in ha
Morne Trois Pitons National Park	6,875
Cabrits National Park ( <i>terrestrial</i> )	110
Morne Diablotin National Park	3,450
<i>Kalinago</i> territory	3,700
<b>Total</b>	<b>14,129</b>

22. **The project consists of four components designed to address key barriers to effective biodiversity conservation in Dominica.** Project components set out policy, investment, and capacity building and awareness raising interventions to promote conservation through the development opportunities provided by nature-based tourism, in pursuit of the PDO and Dominica's National Biodiversity Objective (NBO)<sup>12</sup> (see Table 2). Key barriers identified include (a) a limited integration of PA planning and management into national key development processes (land-use planning, agriculture, forestry management, etc.); (b) a lack of awareness at the decision-making level of the value of the country's biodiversity; and (c) insufficient baseline data, weak monitoring capacities, and information needed to measure threats at the ecosystem level. GEF financing will leverage significant co-financing from national and donor financing across all project components. A more detailed description of activities to be undertaken under individual components is set out in Annex 6, below.

Table 2. Alignment of project design with National Biodiversity Objectives (NBOs)

National Biodiversity Objective (NBO)	Project activities	Component
NBO 1: To ensure that the biological resource of Dominica remains rich and diverse	1.1.4. Assessment on the value of ecosystem services	C1
	1.2.3 Assessment on the impact of introduced species	C1
	1.2.2. Provision of monitoring equipment and training for the Forestry Division	C1
NBO 2: To reduce or eliminate the potential risks from the use of biotechnology and its by-products	3.1.1. Empowering <i>Kalinago</i>	C3
NBO 4: To reduce and/or minimise the loss of terrestrial and marine biodiversity	1.1.1. Demarcation and Establishment of a Buffer Zone for Morne Diablotin National Park	C1
	1.1.2. Update of Management Plans for the Morne Diablotin and Morne Trois Pitons National Parks and development the Cabrits National Park Management Plan	C1
	1.1.3 Improve management plan of the WNT	C1
	3.1.2. Demarcation and mapping program for the <i>Kalinago</i> Territory	

<sup>11</sup> <http://forestry.gov.dm/units/national-parks-section>

<sup>12</sup> Source: *Dominica NBSAP 2014-2020*



		C3
NBO 5: To ensure that the basis for development is through the sustainable use of terrestrial and marine biological resources	2.1.1. Update of the GPS trail system for the WNT and PA feeder trails	C2
	2.1.2. Improvement of eco-tourism infrastructure and interpretation	C2
	2.1.3 Establishment of an electronic user fee system (e-ticketing)	C2
	2.2.1 Capacity building for development and maintenance of eco-tourism trails	C2
	3.1.3. Investments in tourism products and services in <i>Kalinago</i> territory	C3
NBO 6: To ensure the equitable and sustainable distribution of social and economic benefits from the use terrestrial and marine biological resources	1.2.1. Provision of training program and communication plan for a co-management of the Morne Trois Pitons National Park	C1
	3.2.1. Capacity building programmes of traditional <i>Kalinago</i> knowledge	C3
	3.2.2 Investments in traditional <i>Kalinago</i> tools and practices	C3

**Component 1: Protected Area Planning (US\$846,900).** Component 1 aims to enhance national capacity and strengthen the policy and institutional framework for managing natural resources to support better biodiversity conservation outcomes. The objective of this component is to address institutional weaknesses related to PA planning and management through two main approaches: (i) the revision of existing (and creation of new) policy frameworks through a collaborative inter-sectoral and participative approach (consultation workshops on legislation and budget for PAs and awareness raising on the value of nature and PAs in Dominica), and (ii) building support, raising awareness, and disseminating information on the value and benefits of biodiversity conservation and effective PA management to national (policy maker) and local (community) level to address direct and indirect drivers of habitat and biodiversity loss.

23. **Sub-component 1.1. Strengthening the institutional framework for PA planning and management.** The objective of this sub-component is to strengthen the current national institutional and policy framework and enhance involvement and support of the local community and decision-makers and policy planners across key institutions and sectors (land-use planning, agriculture, forestry management, etc.) on the value of PAs.
24. **Sub-component 1.2. Improving national and local capacities for PA monitoring and management.** The objective of this sub-component is to strengthen awareness of, and build support for financial and human capacities for, biodiversity protection at the national and local levels, among national decision makers and local communities.
25. **Component 2: Biodiversity and Sustainable Nature-based tourism Operations (US\$1,753,800).** This component aims to improve key infrastructure in PAs to enhance their functional effectiveness to conserve biodiversity. Improved PA and trail infrastructure in turn can better enable PAs to generate economic benefits, in line with their carrying capacity, through well-managed nature-based tourism while supporting long-term biodiversity conservation through sustainable tourism models.
26. **Sub-component 2.1. Investments and technical assistance to enhance (i) trail and PA infrastructure; (ii) informational and interpretative infrastructure; and (iii) long-term financial sustainability of trail and PA operating model.**



- i. *Enhancing trail and PA management through operational efficiency and improved health and safety of visitors and staff:* project funds will be used to finance realignment and improvement of trails, trail repairs and renovations (for example to trail signage, crossing bridges, handrails, shelters, etc.) to ensure a safe staff and visitor experience in the PA and trail system, while also generating livelihood opportunities for local communities in carrying out works.
- ii. *Enhancing informational and interpretative infrastructure to promote information and knowledge of biodiversity resources for visitors and locals:* to showcase and promote the value of Dominica's biodiversity for tourists and for the local community, the project will finance the improvement of information and 'interpretation' material on PA and trail biodiversity assets. This will be achieved through investment in the repair or reconstruction of existing facilities (e.g. interpretation centers, trail biodiversity displays, gazebos, viewing platforms, etc.).
- iii. *Enhancing long-term financial sustainability of PA and trail operations through a tourism approach that relies on and contributes to biodiversity conservation:* the project will finance the introduction of a context-appropriate system for user fee collection and real-time visitor management in the PA and trail network through an e-ticketing platform while also supporting work on revision of the user fee structure in line with findings from revenue assessments under Component 1.1 to support long-term economic and financial sustainability.

27. **Sub-component 2.2. Increasing capacities and resources for nature-based tourism trail management.** Sub-component 2.2 will help ensure longer-term sustainability of project-financed interventions through the provision of targeted capacity building support to increase local capacity and resources for PA and trail management.

28. **Component 3: Sustainable Livelihoods (US\$747,854).** Component 3 aims to support the development of Kalinago community through natural resource mapping and planning, and provide capacity building and skills training for livelihood opportunities.

29. **Sub-component 3.1 Enhancing opportunities for sustainable livelihoods.** The objective of this sub-component is to provide the development framework and investment support for sustainable land use and nature-based tourism operations and to enhance opportunities for livelihoods through empowering *Kalinago* women and youth in cooperative initiatives.

30. **Sub-component 3.2 Sustainable ecological livelihoods.** This sub-component aims to increase and expand capacities within the *Kalinago* community for their traditional knowledge and skills (especially youth) to support conservation enterprises.

31. **Component 4: Project management (US\$167,428).** Component 4 will finance project management and monitoring costs.

### C. Project Cost and Financing

32. **The project is financed with US\$3.5 million from GEF through its Biodiversity focal area.** Additionally, co-financing as defined in the GEF Co-financing Policy and Guidelines in the amount of US\$16,293,029 has been identified. This includes US\$6,650,532 in-kind financing from the GoCD and US\$9,642,500 investment mobilized from within the WB portfolio in Dominica targeted at investments that are closely aligned with the PDO of the current project.

### D. Project Beneficiaries

33. **The project will have positive social and environmental benefits at local, national, regional and global levels.** Expected direct benefits of the project include: (i) improved intersectoral approach in PA planning and



management; (ii) improved national and local capacities for biodiversity monitoring and management; (iii) improved knowledge on values of nature-based system services at decision-making level; (iv) improved nature-based tourism infrastructure, visitor's safety and experience; (v) improved livelihood of local communities adjacent to national parks, WNT and *Kalinago* Territory; (vi) increased employment in local communities through more opportunities for sustainable livelihoods; and (vii) empowered indigenous people, especially women and youth, to participate in land use decisions and revive traditional *Kalinago* heritage. These benefits will be achieved through high-level participation of all relevant partners and targeted stakeholders with a view to (i) strengthening the institutional framework for PA planning and management; (ii) enhanced nature-based tourism infrastructure and support services; (iii) training and capacity building in sustainable tourism operations, monitoring and reporting on biodiversity; (iv) reviving traditional *Kalinago* knowledge; (v) improved information and knowledge sharing; and (vi) complementary support in equipment and tools for monitoring and trail management. See Annex 6, Table 3 for specific beneficiary-centric metrics to be measured during project implementation.

34. **The Private sector will be engaged in all three components of the project as a major stakeholder and beneficiary from the enhancement of nature-based tourism infrastructure.** Some of the important private sector partners involved in the project include (i) private landowners and farmers within and adjacent to the buffer zones of the protected areas who will be integral to the co-management process recommended for PAs; (ii) local tour operators whose business model revolves around day- or extended-trip visits to PAs and/or WNT; (iii) hotels, guesthouses and other tourist-related accommodation service providers; etc. With respect to the Cabrits National Park, the co-management process will include watersport operators and fishers. In addition, it is anticipated that private sector stakeholders (small guesthouses) will benefit from upgrading of tourism services and facilities through the reopening and remapping of trails and easier accessibility to less explored PA and trail sections. The collaboration of the private sector, including farmers, handicraft producers, and the existing and potential investors together with the *Kalinago* council to facilitate proper land use planning and watershed management will be critical to the successful outcome of this process.
35. **The GEF and the WB recognize the importance of promoting gender equality and the empowerment of women.** The GEF identifies three specific gender inequalities and gaps as particularly relevant to its work and programming strategy, including: (i) unequitable access to and control of natural resources; (ii) unequal opportunities in environmental decision-making and leadership; and (iii) uneven access to socio-economic benefits and services. A gender analysis has been conducted, which informed a gender action plan specific to this project (see Annex 3). However, it is recognized that to address the relationship between gender and biodiversity in Dominica, especially within the *Kalinago* Territory, it is important to consider the diversity of the population of the region and the traditional roles of women and men in the *Kalinago* culture. More systematic research is required before any generalizations can be made on how gender relations affect *Kalinago* women differently and how to address these relations, but some general aspects to consider are: the allocation of resource rights within communal lands often follows traditional "customs and practices" that may or may not support gender equality; multiple legal, cultural, structural and institutional mechanisms exclude women from land rights; women's productive work is often invisible to markets and outsiders due to its association with the home, family, and subsistence and because of limited market access; prevalence of sexual exploitation and abuse/sexual harassment; and inadequate investment and prioritization of care services, from early childhood to old age, among others.
36. **Gender considerations are mainstreamed throughout project activities.** Examples of mainstreaming include gender-sensitive budgets (taking into account the needs and interests of gender and age when designing and implementing budgets, especially under component 3); gender-sensitive indicators (taking into account the needs and interests of gender and age when designing and implementing indicators, which is reflected in the project's Results Framework); recognition of the value and use of traditional knowledge with a gender approach (promoting



dialogues where the knowledge, practices, and distinctive gender roles are valued and used to expand and interact with other types of technologies); and the empowerment of women's organization in the project area. Annex 3 presents the current Gender Analysis and Action Plan in further detail.

37. **The project also contributes to Dominica's COVID-19 recovery and long-term sustainable growth, providing benefits more broadly.** In general, COVID-19 has resulted in a reduction of income from tourism and may increase pressure on natural ecosystems. The project's activities to enhance nature-based tourism opportunities and sustainable livelihoods for *Kalinago* communities is expected to result in better control and management of natural and productive ecosystems and diversify income sources for vulnerable communities, including once the tourism sector rebounds. Strengthened capacities of institutions, communities, and other civil society members are also expected to produce long-term benefits related to increased competitiveness, better control of land resources, resilience to climate change, and overall well-being.

### III. IMPLEMENTATION

#### A. Institutional and Implementation Arrangements

38. **Implementation arrangements for the project have been set out based on principles of efficiency, effectiveness, and sustainability.** Arrangements are designed drawing on lessons learned from project implementation in Dominica as well as in other small island developing state contexts in the WB portfolio<sup>13</sup>.
39. **Efficiency.** To optimize the use of scarce financial and human resources and adapt to frequent implementation challenges in small island developing states, the project will leverage existing implementation capacity whereby the Project Implementation Unit currently implementing the Dominica Emergency Agriculture Livelihoods and Climate Resilience Project (DEALCRP) (P166328) will oversee the Proposed Project implementation in early years. The existing Project Coordinator, Procurement Specialist, Financial Management (FM) Specialist and Environmental Risk Management specialist from DEALCRP will support LETBP implementation, with Proposed Project budget set aside to finance this expertise once DEALCRP closes. The inclusion of a social specialist assigned to support project implementation is an Effectiveness Condition (see Institutional Capacity for Implementation and Sustainability, below). The PIU is housed in the Ministry of Blue and Green Economy, Agriculture and National Food Security (MBGEANFS) and will support project management and fiduciary functions for as long as the DEALCRP is active, through June 2023. MBGEANFS has committed to provide additional resources including office space and equipment beyond DEALCRP closure to ensure operational continuity throughout the entire implementation period, including the envisioned forty-two month transition time between the closing of DEALCRP and the Proposed Project, Leveraging Eco-Tourism for Biodiversity Protection (LETBP), and as noted above, project management resources from LETBP will be set aside to guarantee the functioning of the PIU from the period DEALCRP closes until LETBP's closure in June 2027. Economies of scale will be further leveraged through the capacity and expertise in the Implementation Support Team (IST), the central PIU within the Climate Resilience Execution Agency for Dominica (CREAD), which will provide its extensive expertise in implementation of WB-financed operations to support fiduciary functions during LETBP implementation. The Government has decided

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<sup>13</sup> At the time of writing there have been ongoing discussions between WB and GoCD with a view to promoting efficiency, effectiveness and sustainability across implementation arrangements for all WB-financed projects in Dominica. For the purposes of the Proposed Project, implementation arrangements have been designed and capacities assessed based on current working arrangements as set out below. Any revised implementation arrangement structure will be undertaken on a portfolio basis, considering institutional, legal, and fiduciary arrangements for project implementation in Dominica as a whole.



to transition the IST into a Central Services Unit to provide financial management, procurement, social and environment risk management, monitoring and evaluation (M&E) and communications for the entire World Bank portfolio.

40. **Effectiveness.** To help ensure effectiveness in implementation of planned activities, close coordination between the Ministry of Environment, Rural Modernisation and Kalinago Upliftment (MERMKU) (the Recipient / LETBP implementing ministry) and MBGEANFS will be critical. Institutional arrangements to help ensure smooth coordination will be fully defined in the Project Operations Manual (POM) and will include measures such as a dedicated project coordinator with strong links to implementing ministry, including through working modalities (e.g., reporting lines to MERMKU and MBGEANFS; etc.). This will help minimize the risk of disconnect between the Recipient/implementing ministry and the PIU where LETBP is housed, a risk that in turn could jeopardize project effectiveness. Operating modalities to ensure effectiveness of individual project functions (project management, procurement, financial management, environmental and social risk management, etc.) will be memorialized in a Coordination Agreement – a Memorandum of Understanding on cooperation – between the partner ministries, including areas related to: (i) coordinating and implementing all project activities as specified in the Grant Agreement; (ii) ensuring that the requirements, criteria, policies, procedures, and organizational arrangements are applied in carrying out the project; (iii) preparing all project implementation documents and reports (except for financial management and procurement); (iv) preparing all Terms of Reference and technical specifications for bidding documents required to ensure proper project implementation; (v) establishing a sectoral Monitoring and Evaluation (M&E) system for the project; and (vi) establishing and managing a Grievance Redress Mechanism (GRM). The PIU, with IST support, will be responsible for leading all procurement processes (as set out in Annex 8), and all procurement activities will be approved by MBGEANFS through June 2023, and subsequently by MERMKU through June 2027, at which stage hardware, software and technical capacity procured during project implementation would belong to MERMKU and its constituent divisions (including Kalinago affairs and Forestry, Wildlife and Parks Division (FWPD)). Key focal points within MERMKU and MBGEANFS will all be clearly set out in the POM<sup>14</sup>, with clear delineation of roles to ensure accountability in decision-making (e.g., advisory versus decision-making roles). No project-financed activities will take place before the Coordination Agreement and final POM are in place. Beyond internal project management, effectiveness will be enhanced through engagement with partner organizations (regionally or across SIDS, such as the Caribbean Biodiversity Fund, the Critical Ecosystems Partnership Fund, etc.). Such links can help provide institutional reinforcement and context-appropriate lessons to boost project effectiveness during implementation and over the longer-term.
41. **Sustainability.** A key feature of the institutional design supporting project implementation arrangements is that capacities and experience created and strengthened during project implementation is sustained beyond project closure – initially for DEALCRP and subsequently beyond LETBP project closure. DEALCRP is expected to close in June 2023 and will cover project implementation unit costs until then. LETBP project funds are being set aside to assume implementation-related costs following DEALCRP closure through to LETBP completion, planned for June 2027. In addition, expertise and capacity built in IST in previous years will be leveraged on an ongoing basis to support the PIU in meeting World Bank requirements for procurement, FM, ESF, and Monitoring and Evaluation. During project implementation, MERMKU will have overall responsibility for PA planning and management as well as engagement with Kalinago communities. MERMKU involvement and leadership in these activities, with the support of the PIU, will be integral to ensuring capacities for PA management are embedded within MERMKU and sustained beyond project closure. These arrangements will also be integral in active participation of the Kalinago community to help ensure knowledge, awareness, and capacity developed through the range of beneficiary

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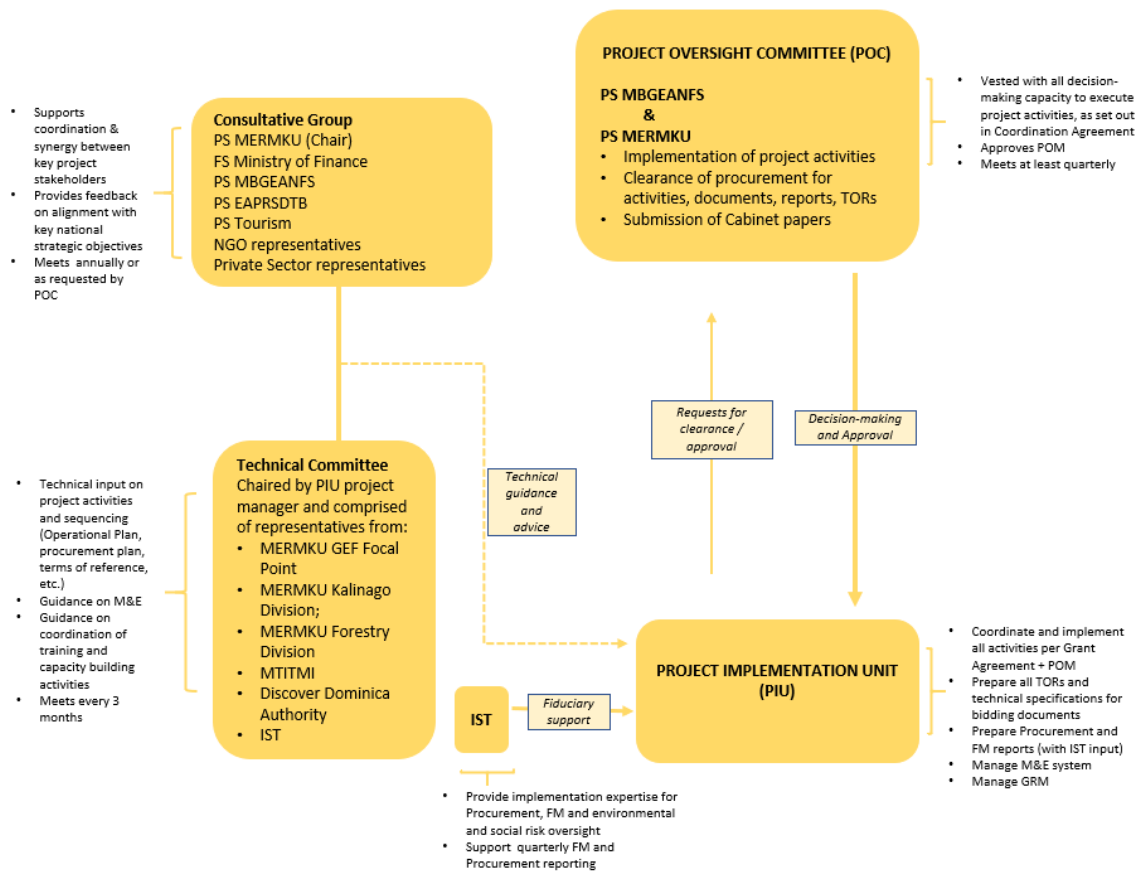
<sup>14</sup> To be prepared ninety (90) days after Effectiveness





training programs are embedded within the community and sustainable over the longer term, not just while project-financed activities occur. More generally, sustainability runs to the core of the project, beyond institutional arrangements, particularly with regard to financial sustainability of the PA and trail network beyond project closure. Project-financed investments and technical assistance in user fee revision and resource collection through e-ticketing will be reinvested in the PA system to support conservation outcomes in the long-run. More detailed information on sustainability in project design is set out below, see Section C.

*Figure 1. Institutional Arrangements for the Project*



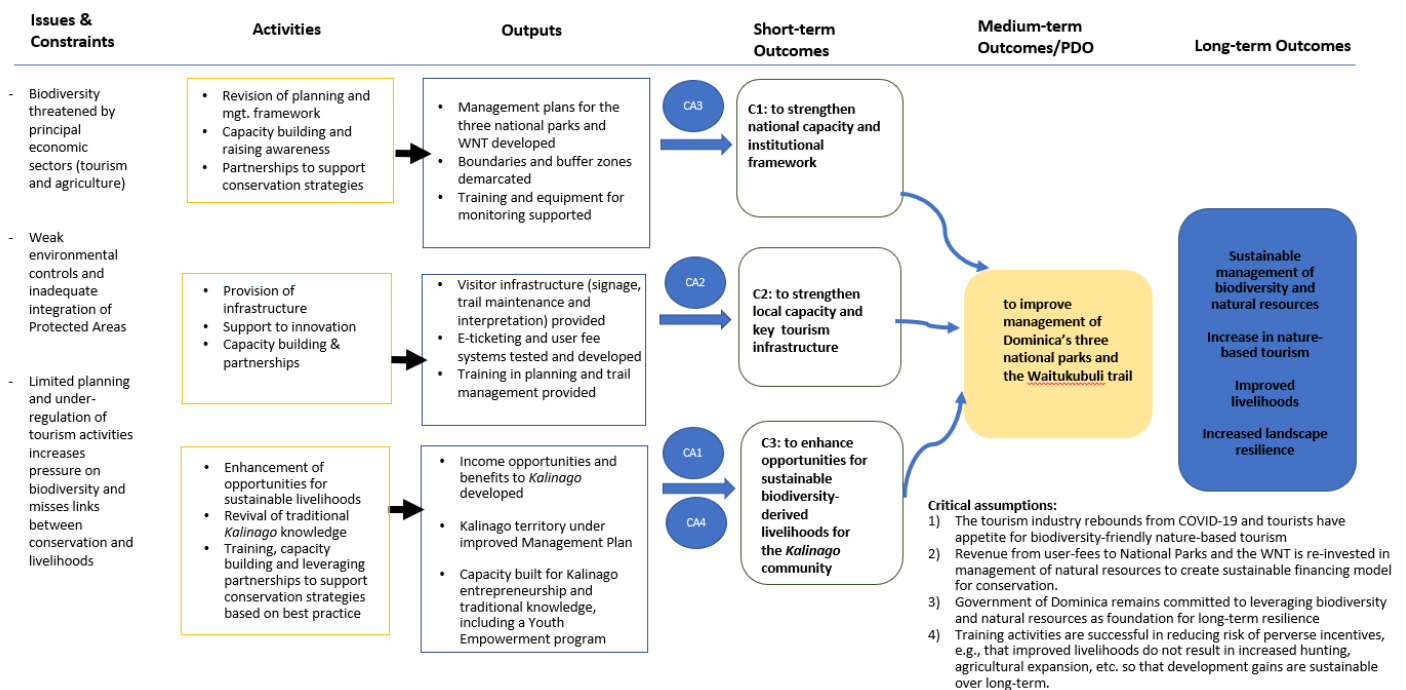
## B. Results Monitoring and Evaluation

42. **Theory of change:** The project aims to improve management of Dominica's three national parks and the Waitukubuli Nature Trail. In order to achieve this, the project will address key barriers and challenges to nature-based tourism and sustainable PA management in the country, including under-utilization of, weak enforcement and controls for, and unregulated land use change and tourism pressures in Dominica's PAs. Components 1 and 2 will improve the management of Dominica's three national parks and the WNT through targeted planning, demarcation, capacity building, and interpretation and access improvements for the benefit of locals and visitors alike. These activities, coupled with user fee revisions and a functional e-ticketing system for PAs will improve Dominica's natural resources to attract nature-based tourism, generate revenue for PA management, and improve long-term economic resilience for the sector. Component 3 will improve livelihood opportunities for



*Kalinago* communities, including women and youth, which, coupled with territorial management support, will improve ecosystem services in the *Kalinago* Territory. This will in turn further attract nature-based tourism to the country and improve equitable access to benefits for the *Kalinago* community. The efforts in all three components will reduce pressure on PAs and the *Kalinago* territory and create economic incentives for sustainable management which will improve biodiversity conservation in the medium-term. Over the long-term, these activities, coupled with complementary activities in the country, will contribute to improved management of Dominica's natural resources, increase landscape, biodiversity, and climate resilience in the country, and improve livelihoods, including for the *Kalinago* community. The achievement of envisaged long-term outcomes is premised on a number of Critical Assumptions (see Figure 2).

Figure 2. Theory of Change for the Project



**43. Results M&E arrangements.** The Results Framework consists of target outputs, indicators, relevant baseline data, a timeline for monitoring progress towards target goals, and principal assumptions. The project's M&E system flows logically from the results framework and will provide accurate information to verify progress, support experience-based learning, determine accountability for results, and facilitate informed decision-making and adaptive management. The PIU will be primarily responsible for overall project monitoring. Project progress will be measured against the PDO, PDO indicators and intermediate indicators, and the Results Framework. Technical





reports will be prepared and presented to the PSC and the World Bank every six months. A mid-term and final evaluation will be conducted, including a quantitative assessment of outcomes and analysis of achievements and difficulties encountered, compliance with environmental and social standards, and lessons learned. The final review will focus on the achievement of indicators, sustainability of results, final lessons learned, and recommendations.

44. **Accountability for results.** The project's M&E system will involve, in addition to the required M&E reporting, an accountability mechanism comprising stakeholder engagement, a mid-term review, and a final evaluation. Information-sharing and stakeholders' involvement throughout the project cycle will be a core component of the project's accountability in terms of results. The project management will ensure that stakeholders/beneficiaries have access through various channels to timely, relevant, and unambiguous information about the project's M&E findings and are also able to incorporate their views in the project's review and decision-making process. This will be accomplished through the consultation and stakeholder engagement events during project implementation, as outlined in the Stakeholder Engagement Plan (SEP). Adaptive management measures as evidenced in the Results Framework, which includes an indicator on the incorporation of stakeholder feedback in the project throughout its implementation. Accountability will also be facilitated by the publicly accessible GRM, details of which can be found below.
45. **Knowledge management and experience-based learning.** The PIU will be responsible for ensuring that there are strong links between M&E, knowledge management, and strategic communication. Information generated by the M&E system, project-financed assessments and studies, and project monitoring will be captured and made publicly accessible. The M&E evaluation system will also generate other knowledge products and services that will be disseminated among project beneficiaries and be used to advocate for enhanced institutional and financial resources to be directed to effective PA management. This knowledge and information can in turn serve the wider Caribbean and conservation communities through a wide range of communication channels, using user-friendly communication tools focused on achieving conservation outcomes through project-financed policy, investment and capacity building support. Budget to support knowledge management and dissemination activities is provided by project co-financing.

### **C. Sustainability**

46. **Sustainability considerations are at the core of project design.** These considerations are structured along the following levels, as outlined above and presented in Annex 6:
  - i. **Policy level.** Component 1 aims in part to address existing weaknesses in PA policy and planning – namely the limited integration of PA planning and management in national key development processes, and a lack of awareness at the decision-making level of the value of the country's biodiversity – by enhancing the integration of PA planning and management in key national processes to support the development of a more robust policy framework – particularly focused on intersectoral collaboration – that promotes protection and conservation of PAs and embeds sustainable forest management in cross-sectoral policies (such as land-use planning, agricultural development policies, etc.). To do this, the project will support the revision of existing policies and the development of new national policies and plans to address current regulatory gaps that will be in effect beyond the duration of the Project. Work is already underway, supported by identified co-financing, to put in place a National Forest Policy, the first such policy update since 1949.
  - ii. **Institutional level.** Similarly, the Project seeks to address some of the key institutional challenges that currently limit effective PA management. These challenges include lack of coordination among key institutions that regulate activities that have negative impacts on PAs, fragmentation around roles for



individual institutions in effective PA management, and weak institutional capacity within FWPD to fulfill its role in PA monitoring and management. Efforts at institutional strengthening, capacity building and training during the project, including through greater collaboration between the ministries of agriculture and environment, seeks to foster stronger institutional approaches to manage threats to effective PA management that would extend beyond the lifetime of the Project.

- iii. **Knowledge and information.** A significant amount of knowledge will be generated through the design and implementation of all activities across project components, undertaken with GEF project financing or with identified co-financing. In particular, the activities supported under sustainable ecological livelihoods will generate knowledge and lessons around economic activities that seek to conserve and promote biodiversity, which in turn can be scaled up within Dominica and replicated in other jurisdictions. A further important contribution on the knowledge and information agenda will be the assessment on the role and value of ecosystem services to understand the direct and indirect values of the forest on biodiversity conservation, eco-tourism, natural hazards, climate change, water and regulation services, and agriculture. The assessment will highlight opportunities foregone by under-investment in and limited resource allocation to PA and trail management, providing the knowledge and information needed to support advocacy activities for improved policies, plans, and resource allocation with national decision-makers. Additional activities such as a wildlife inventory (through co-financing) and results from PA effectiveness tracking tools (through GEF financing) will all generate valuable baseline data that will serve as a foundation for continued monitoring in the wake of the project. The systems in place within the current PIU structure will be used to track, manage, and disseminate knowledge generated, and the PIUs communications and knowledge management officer (supported through government co-financing) will be the central focal point in managing information and lessons learned so that they remain applicable and usable beyond project closure.
- iv. **Community engagement.** The project has been designed through extensive community engagement, including with the Kalinago community and women and youth groups operating in the vicinity of Dominica's PAs. Their engagement has been key to identify the series of possible activities across components and will be critical to deliver on the project objective. Communication, awareness raising, and training activities under various components will increase the potential for implementation of future co-management models. It will also enhance opportunities for sustainable natural resource management and monitoring by local communities and promote livelihood opportunities and business training and skills development for nature-based tourism value chain, particularly for women and youth.
- v. **Economic and financial sustainability.** The project aims to support Dominica to embed financial sustainability at the heart of Dominica's PA operating model. Financial resources for management of Dominica's PAs come largely from two sources – the government's recurring budget through MERMKU and MTITMI, and external donor financing – however assessments conducted to date indicate a financing gap between US\$1.6 and US\$6.4 million<sup>15</sup>. The project will leverage previous work undertaken under GEF-financed projects (particularly UNDP's assessment on revenue generation feasibility) and apply World Bank experience in project finance for permanence<sup>16</sup> from elsewhere in the Latin America and Caribbean region to further assess available data and develop options for the revision of user fees to enhance financial sustainability as a self-generating revenue stream (component 1.1). To support roll-out and

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<sup>15</sup> Futac 2020 citing GEF-UNDP: Feasibility Assessment for Sustainable Financing of Dominica's Protected Areas, 2015

<sup>16</sup> WWF, World Bank: Securing Sustainable Financing for Conservation Areas – a guide to project finance for permanence, 2021



enforcement of a revised fee structure, the project will finance the introduction of a context-appropriate system for user fee collection and real-time visitor management in the PA and trail network through an e-ticketing platform (component 2.1). What becomes public assets under the PA system in terms of infrastructure and equipment will be maintained as public assets by the government in the long run through improved revenue allocation to relevant line ministries (Environment and Tourism). Moreover, to ensure that efforts to enhance financial sustainability endure beyond project implementation, the Project will also leverage identified co-financing for technical assistance activities targeted at decision-makers, planners, and national legislators to promote and advocate for the benefits of enhanced budget allocation to the national parks and PA system.

- vi. **Ecological sustainability.** As its foundation, the Project aims to contribute to long-term ecological sustainability by putting in place policies, plans, investments, and capacities for biodiversity conservation in Dominica. Project activities are designed to address key structural weaknesses and fragmentation in how biodiversity and natural resources are leveraged in pursuit of Dominica's economic development goals. The advocacy, capacity and investments financed under the project will help embed ecological sustainability in key economic sectors to deliver results that are sustained beyond project completion and offer lessons to other jurisdictions on policies and financing that promote sustainable ecological outcomes.

47. **Innovation and Scaling-up.** The project is innovative in that it will be developing a holistic and integrated approach to PA management, nature-based tourism and forest management. It will seek not only to enhance regulatory capacity around PA demarcation, but also enhance key agencies capacities and skills to manage and enforce PA plans that support the creation of local livelihood opportunities while conserving Dominica's rich biodiversity assets. Environmental sustainability will be improved through strengthening the policy, legal, financial and regulatory framework for PAs and biodiversity conservation, and by including principles of sustainability into interventions that govern resource management practices, including its productive potential. Model areas will be used as field-based demonstration sites and will also serve as learning for post project sustainability, with best practices and adaptive techniques promoted as well as business models demonstrated for replication. Social sustainability will be promoted by the active participation of local stakeholders in the development and implementation of management interventions and planning.

#### **D. Lessons Learned and Reflected in the Project Design**

- 48. **The proposed project will further build on existing GEF engagements and will optimize the impact of two World Bank-financed investment operations in Dominica while capturing lessons learned from other projects in the GEF and the World Bank portfolios focused on biodiversity conservation and sustainable tourism development.** The proposed project provides activities that are not implemented by any other organization. First, the GEF engagement in Dominica so far has concentrated on one of the national parks and as such this proposed work would complement ongoing and historic activities, with a tailored focus on conservation to attract nature-based tourism. The GEF-6 UNEP project (9978) "Strengthening Resilience of Agricultural Lands and Forests in Dominica in the Aftermath of Hurricane Maria" works on land degradation around Morne Trois Piton National Park (MTPNP). The GEF-5 UNDP project "Supporting Sustainable Ecosystem by strengthening the Effectiveness of Dominica's Protected Area System" (SSE) aimed to develop a site-specific management plan for MTPNP, ensuring the legal establishment of a buffer zone for MTPNP and creating community atlases for local communities in and around the buffer zone. Given the similarities between the objectives of SSE and LETBP, particularly the activities to be undertaken under Components 1 and 3 in LETBP, SSE offers many useful lessons learned that can help streamline



implementation. These lessons – presented in UNDP’s project evaluation<sup>17</sup> and discussed bilaterally with team members – have been integrated in LETBP project design, particularly with regard to key insights into cost-effectiveness and to streamlining complex and technically onerous procurement processes during project implementation.

49. **Furthermore, the proposed activities will leverage two ongoing WB investment operations which advance protected area management and biodiversity protection – the DEALCRP (P166328) and the Dominica Vulnerability Reduction Project (DVRP) (P166540).** DEALCRP is making investments in the protected areas such as trail rehabilitation, fauna survey, infrastructure and livelihoods. Specific investments include reforestation and restoration activities in 500 hectares. DVRP is investing in a flora survey and park infrastructure. Both projects are addressing currently urgent needs for the PAs such as data collection, propagation centers and emergency trail reconstruction but need programming for further investments, which this proposed project will supply.
50. **Project institutional and implementation arrangements are designed primarily with lessons from previous GEF and World Bank experience in Dominica and the OECS more generally.** These lessons take into account challenges in project implementation in small island developing state contexts by setting out a project governance approach that captures synergies with ongoing projects while providing integrated project management and capacity building support throughout project implementation.

#### IV. KEY RISKS

##### A. Overall Risk Rating and Explanation of Key Risks

51. **Overall, the proposed project is rated as having a Moderate level of risk.** This rating is based on an assessment of the following risks to the achievement of the program’s objectives.

Risk Categories	Rating (H, S, M, or L)
Political and governance	Moderate
Macroeconomic	Moderate
Sector Strategies and Policy	Moderate
Technical design of Project	Moderate
Institutional Capacity for Implementation and Sustainability	Substantial
Fiduciary	Moderate
Environmental and Social	Moderate
Stakeholders	Moderate
Other	Substantial
Overall	<b>Moderate</b>

52. **Institutional capacity for implementation and sustainability risk is Substantial.** Being a small island state, Dominica’s institutional and human resource capacity is limited. Capacity to implement and sustain supported reforms relies on a small group of individuals, with decision-making and technical capacity for implementation concentrated in the hands of a few. While these individuals are capable and committed, in practical terms capacity is over-stretched given numerous competing demands and priorities, considering that time and resources to

<sup>17</sup> See Terminal Evaluation for Supporting Sustainable Ecosystems of Dominica’s Protected Area System, available at <https://erc.undp.org/evaluation/evaluations/detail/8754>



implement reforms is limited. To mitigate potential risks, hiring processes are underway, pending Cabinet approval, to help build extra capacity and develop skillsets to implement in line with World Bank and GEF fiduciary requirements, principally the recruitment of extra support for project coordination and Environmental and Social risk management. Progress in hiring for both of these positions through Project Preparation Grant (PPG) funding has been slow. To ensure adequate risk management during implementation, especially to adequately all social risks in a project that focuses on numerous aspects of social inclusion (engaging with Kalinago and other beneficiaries and stakeholders, gender aspects of the project design), the onboarding of a social specialist is an Effectiveness Condition.<sup>18</sup>

53. **‘Other’ risk from the COVID-19 pandemic and from climate and disaster impacts is substantial.** While cases remain relatively low in Dominica, the tourism sector has been especially hard hit by the COVID-19 pandemic, which has brought tourism to a halt, resulting in loss of income, employment and tax receipts, hitting the most vulnerable social sectors in the region hardest. This is anticipated to have significant implications for biodiversity conservation in the short term as people turn to natural resources for income from poaching and deforestation and over the medium to longer term as diminished revenues from tourism forces government budget cuts. The COVID-19 pandemic poses two different types of risks: i) it may cause widespread pressure on land and natural resources that could overwhelm project resources and capacities, due to loss of employment or income from the tourism sector; and ii) project planning and implementation may be compromised due to travel restrictions, increased illness, and social distancing. The first risk underscores the importance of the operation’s support for systematic and sustainable PA management, improvements in nature-based tourism to enable a robust rebound from the economic impacts of the pandemic, and improved livelihood opportunities for the *Kalinago* community. With regards to the second risk, the project has developed an assessment of COVID-19 related risks and guidelines for their mitigation in line with protocols issued by the GoCD as well as the World Health Organization (WHO); see Annex 4 for details. In addition, climate and disaster risks could impact project activities, and the project has been screened for climate and disaster risk. Dominica is highly exposed to several natural hazards, including extreme precipitation and flooding, strong winds, and landslides. It is estimated that a potential future increase in the severity and frequency of such events is likely. The impact of the most extreme risk on the project and the development outcome is mitigated through climate and disaster resilience being integrated in any infrastructure investments, to the extent technically and economically feasible, and in training and awareness raising activities to embed climate resilient behaviors in targeted project beneficiaries.

## V. PROJECT APPRAISAL SUMMARY

### A. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

<sup>18</sup> As noted above, at the time of writing there have been ongoing discussions between WB and GoCD with a view to promoting efficiency, effectiveness and sustainability across implementation arrangements for all WB-financed projects in Dominica with a view to potential risks arising from institutional capacity for implementation and sustainability. For the purposes of the Proposed Project, implementation arrangements have been designed and capacities assessed based on current working arrangements as set out below. Any revised implementation arrangement structure will be undertaken on a portfolio basis, considering institutional, legal, and fiduciary arrangements for project implementation in Dominica as a whole.



## B. Environmental and Social

54. **The Environmental and Social Risk Classification (ESRC) is Moderate.** The potential adverse environmental and social risks and impacts are expected to be limited, temporary in nature and readily mitigated through existing standard mitigation measures, considering the mitigation hierarchy. This is more fully set out in the Environmental and Social Review Summary (ESRS), which has been finalized and disclosed. To assess and mitigate any potential negative impacts, the Recipient will prepare the instruments referenced below.
55. **The environmental risk classification is moderate** under the World Bank ESF based on the location, type, sensitivity and scale of project intervention, nature and magnitude of potential E&S risks and impacts, and Recipient capacity and ownership. The project falls under the biodiversity focal area of the GEF. It is expected that the project overall will contribute towards positive environmental benefits, including: (i) improved management of protected areas; (ii) habitat protection for important flora and fauna species; (iii) effective elaboration and initial implementation of biodiversity conservation measures, including the assessment on the Invasive Alien Species (IAS); and (iv) emphasis on nature-based tourism. Works are related to trail construction and maintenance, visitor center construction and maintenance, habitat restoration, and any associated activities related to community livelihoods.
56. **The social risk classification of the Project is moderate.** While the principal objectives of the project are to provide benefits to various populations, the planned project works for trail rehabilitation may be carried out in *Kalinago* indigenous territory. The positive social impacts are: (i) improvement in the financial resources harnessed through nature-based tourism to ensure a source of sustainable funds to support the parks systems; (ii) strengthened individual and institutional capacity to generate a biodiversity-based economy; (iii) improved opportunities for *Kalinago* to engage in the nature-based tourism sector and other benefit sharing mechanisms; and (iv) funding of community livelihood activities which are to be environmentally friendly. The potential negative social risks and impacts are few, limited and localized – derived from minor works – but may require additional protection for the health and safety of communities and workers. The planned works are not expected to create significant impacts within the *Kalinago* communities. Nonetheless, care will need to be taken in how to interact and consult with this indigenous group through the design of dedicated consultation strategies that are culturally appropriate and promote participation of sub-sets of groups within the *Kalinago*, such as women and youth who may have a unique contribution and perspective to offer to the project. The promotion of social inclusion presents associated opportunities such as access to benefits for the whole beneficiary population, particularly: (i) enhanced participation of *Kalinago* women and youth in decision-making processes, and their empowerment through targeted capacity-building aimed at employing them in the nature-based tourism sector and derivative labor opportunities (Component 3); (ii) related to gender aspects and awareness of sexual exploitation and abuse and sexual harassment (SEA/SH) risks for women; (iii) carrying out inclusive and comprehensive consultations, with special focus on the *Kalinago* community, and general stakeholder engagement under Covid-19 restrictions; (iv) strengthened sustainability of nature-based tourism activities through revenue-sharing that contributes to development of *Kalinago* livelihoods (Component 2); (v) protecting the cultural heritage of the *Kalinago* community by training community members, especially youth, in traditional knowledge and skills that will also contribute to their livelihood (Subcomponent 3.2).
57. **Participatory land use mapping with indigenous communities can be a risk if not properly executed in consultation with those communities.** Culturally appropriate consultations and engagement will need to be developed in order to ensure a fair and equitable process within the community. Cultural heritage is an important feature of the project, given that the project aims to conserve globally important biodiversity by addressing some of the key biodiversity loss drivers through alternative sustainable livelihood and biodiversity-friendly tourism





approaches. A central tenet in this approach is connected with the *Kalinago* indigenous population. Land connected people often place intangible cultural heritage values on their natural resources, which needs to be understood and protected through the stakeholder engagement process and development plans that will be created. The completed environmental and social management framework (ESMF) as well as other environmental and social risk management instruments (namely the Indigenous Peoples Planning Framework (IPPF), the Process Framework (PF) and the SEP) identify the scope of where works or other planning activities that impact indigenous people and include a scope for consultation to better understand the context. The ESRS, ESMF, and SEP are disclosed on the Bank's website. All finalized instruments will be disclosed on the Bank and client websites.

58. **To assess potential environmental and social risks and impacts of the proposed project and to delineate associated management processes and mitigation measures, the Recipient has developed and consulted an Environmental and Social Management Framework (ESMF).** The ESMF is in line with the ESSs and will include pertinent World Bank requirements and guidelines. Further, and includes a screening checklist to assess whether the development of additional instruments of assessment and management of impacts (ESMPs/ESIAs) are necessary. In addition, an Indigenous Peoples Planning Plan (IPP), a Process Framework (PF), Labor Management Procedures and SEP have also been prepared and disclosed prior to appraisal. All these instruments have been consulted upon with key stakeholders, including within the *Kalinago* territory, and will be finalized before Project approval. These instruments were developed based on: (i) culturally appropriate consultation guidelines and principles for ensuring meaningful participation of all key stakeholders, including the *Kalinago* peoples, and have a differentiated approach to promote consultation of *Kalinago* women and youth, while considering available World Bank guidance to conduct meaningful consultations in a COVID context; and (ii) incorporation of all the requirements of the applicable Environmental and Social Standards (ESSs) and the WBG's Environmental Health and Safety Guidelines (EHS) (including COVID-19 measures), and the WB Interim Note on COVID-19 Considerations in Construction/Civil Works.
59. **An Environmental and Social Commitment Plan (ESCP) has been prepared by the Borrower.** The ESCP sets out the different actions that need to be implemented under the project for purposes of compliance with the ESF during preparation and implementation, as well as monitoring and reporting arrangements during project implementation. The ESCP was disclosed prior to appraisal in the Bank's website.
60. **With regards to Citizen Engagement, both project beneficiaries and the general population have been actively consulted and will be proactively involved during implementation to enhance the quality and outcomes of project activities.** The Recipient carried out consultations with key stakeholders, beneficiaries, and affected people during project preparation with a view to developing a robust strategy of community engagement, as set out in the SEP. Consultations have taken into account the limitations on public meetings due to the COVID-19 health emergency and have been and will continue to be carried out in a manner consistent with the World Bank technical guidance on "Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings, March 20, 2020".
61. **Furthermore, the project plans to identify and work through existing community level organizations that can serve as catalyzers and mobilizers** to encourage close engagement with community associations which will provide key inputs for the project design. Together with the findings of the ESMF, they will help identify project impacts and benefits, as well as proposed measures to avoid, minimize, and/or mitigate adverse impacts and maximize positive impacts.
62. **Monitoring and Evaluation of Citizen Engagement and Grievance Redress Mechanism (GRM).** The Recipient will propose and implement a Grievance Mechanism with multilevel feedback to receive and facilitate resolution of concerns and grievances. The project's intermediate result indicators will include an indicator on beneficiary



satisfaction. The efficiency of the GRM will be periodically evaluated in terms of registered grievances that have been satisfactorily responded, disaggregated by gender, and how these grievances are being used to inform project implementation and related decision making for adaptive project management. The implementation agency will designate a focal point for the territories served, who will act on project-related issues and address information requests and grievances. The structure and processes of these mechanisms will be included in the Project's Operational Manual and its SEP. The operation of the project's GRM will be periodically reported to the World Bank and monitored according to agreed performance indicators.

63. **The Grievance Redress Mechanism (GRM) of the Project shall build upon and strengthen the customary conflict resolution mechanisms of the *Kalinago* indigenous population.** The Carib (*Kalinago*) Reserve Act grants the Carib Reserve Council the responsibility to “settle disputes among persons resident in the Reserve” (art. 25.3) and, additionally, extended family networks play a key role in mediating land conflicts at the local level. Therefore, the IPP should attribute a central role to the *Kalinago* Chief or Council, complemented by extended family networks, as accesspoint to conduct preliminary assessment of the grievance, design solutions or as a second-level recourse. To ensure a culturally appropriate and effective GRM for the *Kalinago* a more in-depth analysis of existing customary conflict resolution mechanisms among the *Kalinago* will be conducted, together with consultations with key *Kalinago* stakeholders regarding their preferred structure and procedures for the GRM, and this will be reflected in the IPP for the Project. The analysis will also identify areas where customary mechanisms need to be strengthened, or where additional resources are required, in order to be effectively deployed.

### C. Fiduciary

64. **Financial Management.** The residual FM risk is low, taking into consideration the overall country's capacity, experience of the implementing agency in managing World Bank-financed operations, low risk activities of the Project, implementation arrangements in place, and mitigation measures. A Financial Management (FM) Assessment was conducted in accordance with OP/BP on Investment Project Financing (IPF) and the Financial Management Manual for World Bank IPF Operations (OPCS5.05-DIR.01 issued February 10, 2017). It concluded that the implementing agency responsible for implementation of the FM arrangements has adequate FM arrangements that should be able to provide, with reasonable assurance, accurate and timely information on the status of the funds as required by the World Bank. The proposed PIU has performed moderately satisfactorily to date on FM.
65. **The GoCD has a good public FM system and is using an Integrated Financial Management Information System (Smartstream), which is working well.** SmartStream is used to prepare Government public accounts and also donor-financed project financial statements. The project will use SmartStream to capture all project financial data and prepare quarterly financial reports as well as annual project financial statements. The PIU has adequate FM capacities including FM Officer, established Operations Manual, and has submitted Interim Financial Reports and Annual Audit Reports that have been deemed acceptable to the Bank. FM risks and compliance will be monitored during the World Bank's six-monthly implementation support missions as well as through annual external audits. With the implementation of these measures, the implementing agency will have in place a FM system that should be able to provide, with reasonable assurance, accurate and timely information on the status of the funds as required by the World Bank. Detailed financial management arrangements are presented in Annex 1.
66. **Procurement.** The overall Procurement risk rating assigned to this project is **Moderate, based on the assessment of the PIU capacity and the complexity of the project procurement activities to be undertaken.** The main procurement challenge will be the likely lack of readiness of technical inputs required for project procurement activities and its associated delays. This risk can be mitigated by a strong coordination and collaboration between the PIU and other project stakeholders that are supposed to provide such technical inputs. In addition to that, the





POM shall clearly outline the roles and responsibilities of all project stakeholders to prevent misunderstanding, lack of readiness and delays. During project implementation, the procurement risk rating will be reviewed periodically and revised as needed.

67. **Procurement capacity is assessed as adequate to undertake project-related procurement given staffing in the PIU and support from the central IST within the Ministry of Finance.** Since procurement requires technical inputs for the Procurement Plan (PP), Terms of Reference (TOR), technical specifications, qualification requirements, bid/proposal evaluation, etc., there should be a strong coordination and collaboration between the PIU and other project stakeholders that are supposed to provide such technical inputs to prevent lack of readiness and associated delays. Detailed procurement arrangements are presented in Annex 1.

#### **D. Global Environmental Benefits**

68. **Project implementation across the three national parks will contribute to various global environmental benefits including through enhanced conservation, improved PA management and reduced forest degradation.** Contributions to global environmental benefits will be achieved through improved natural resource (forest) management capacity and the enhanced role of indigenous communities and local communities in natural resource management (monitoring, operations and maintenance, environmental education). In this way, the project will serve as a model for inclusive conservation that addresses direct drivers of habitat loss by promoting effective management of biodiversity resources in a way that is financially sustainable. In terms of indirect benefits, this model can be replicated not only in other areas within the country but has potential for replicability and scalability in other contexts, especially small island developing state contexts, by demonstrating the conservation benefits of nature-based tourism – facilitating tourism revenues to support conservation of the very asset that underpins the tourism draw in the first place. The potential long-term benefits from ‘proof of concept’ of predictable financial sustainability from nature-based tourism resources being reinvested in KBAs and PAs is enormous, not just for Dominica but for other jurisdictions seeking sustainable financial operating models for their PA networks. In terms of direct benefits, these are expected to result from the improved management of approximately 20 percent of country's territory containing significant biodiversity<sup>19</sup> - three national parks covering area of 10,435 ha or approximately 14 percent of Dominica’s territory and representing more than half of the country’s PAs. This area comprises 184 km of the WNT which crosses the three PAs and the *Kalinago* community, which covers 3,700 ha. Dominica has extremely rich and diverse flora and fauna and natural resources, including the most extensive natural forests in the entire Eastern Caribbean in addition to having the most wildlife diversity among small island developing states. The vegetation types (flora) include littoral woodland, elfin woodland, semi-deciduous forest, mature rain forest, montane forest, scrub woodland and savannah. Other natural vegetation types are influenced by soil conditions including wetlands and fumarole vegetation. Dominica’s fauna includes: 179 bird species, 55 butterfly species, 20 crab species, 11 species of crayfish & shrimp, 3 species of amphibians, 17 species of reptiles (4 snakes), 18 mammal species, 11 stick insect species and approximately 45 species of inland fish. According to the 6<sup>th</sup> National Report to UNCBD (2019), protected area coverage of Key Biodiversity Areas (KBAs) remained constant at 35.41% over the period 2000 to 2018 and had changed at an annual rate equivalent to 2 percent during 1980-2018.
69. **The largest targeted area is the Morne Trois Pitons National Park (MTPNP) (6,875 ha or 9.2 percent of the country’s territory) which is the only UNESCO World Heritage Site (WHS) in Dominica inscribed on the WHS list in 1997.** The park’s status was recognized based on outstanding natural values which meet the following criteria: (i) outstanding examples representing major stages of earth's history, including the record of life, significant on-

<sup>19</sup> Source: 6<sup>th</sup> National Report to UNCBD



going geological processes in the development of landforms, or significant geomorphic or physiographic features; and (ii) containing the most important and significant natural habitats for in-situ conservation of biological diversity, including those containing threatened species of outstanding universal value from the point of view of science or conservation. The Park lies within a Conservation International - designated KBA, a WWF/IUCN Centre of Plant Diversity and a Bird Life-designated Endemic Bird Area. The MTPNP is a home of many bird species: one endangered and one vulnerable species of parrots (*Amazona imperialis* and *A. Arausiaca* respectively) and 15 restricted-range species. Many of the birds are migratory, while sixty species breed on the island. Some of the other species within the MTPNP include the Blue-headed Hummingbird (*Cyanophaia bicolor*) that is endemic only to Dominica and Martinique; the Plumbeous Warbler (*Dendroica plumbea*) that occurs only in Dominica, Guadeloupe and Marie Galante; the Forest Thrush (*Cichlherminia lherminieri*), and the Rufous-throated Solitaire (*Myadestes genibarbis*). Other endemic fauna species include: The Tree Lizard (*Anolis oculatus*) and Tink frog (*Eleutherodactylus amplinympha*). Park also hosts large highly scenic tracts of the most extensive almost undisturbed tropical forest in the Lesser Antilles and the headwaters of most of the major streams and rivers in the southern half of the country. Importance of other protected areas as targeted areas in this project, at the global level can be absolutely corroborated by the UNESCO tentative nominations for the Fort Shirley of the Cabrits National Park, the Morne Diablotin National Park and the Soufriere- Scott's Head Marine Reserve, dated 2015. Given all aforesaid, within targeted areas multiple ecosystems are present and interconnected thus hosting important biodiversity for the Caribbean region and globally.

70. **The Kalinago (Carib) Territory is the only indigenous reserve in the Caribbean.** On 3,700 acres, the Carib reserve is home to 3,000 *Kalinago* people. Although economically disadvantaged relative to the rest of the population, the *Kalinago* possess a rich cultural heritage and traditional knowledge, and are dependent on natural and biodiversity assets for livelihoods. The importance of including traditional knowledge is a priority agenda, and a key goal in the participation of indigenous peoples and local communities in the discussion and processes related to the post-2020 global biodiversity agenda.<sup>20</sup> Stakeholder engagement activities with the *Kalinago* community during the course of project preparation indicate a strong willingness to be included as a key project partner to benefit from the knowledge and skills enhancements in nature-based tourism development through sustainable natural resource management. This engagement has the potential to create key knowledge spillovers and benefits as a template for inclusive natural resource management in other regions, harnessing traditional knowledge, innovations and practices of indigenous communities in conservation and sustainability.
71. **GHG Analysis.** Over five years of implementation, the project is expected to reduce or avoid 9,843 tCO<sub>2</sub>-eq. Reduced or avoided emissions over 20 years as a result of project-financed interventions are projected to be 738,143 tCO<sub>2</sub>-eq. This assessment is based on assumptions and available data more fully outlined in Annex 5 versus a “without project” (business as usual baseline) scenario. In the absence of activities financed under this project, it is assumed that continued forest and land degradation will impact negatively the natural resources and biodiversity in project intervention areas, which will have direct impact on tourism and the livelihoods that depend on them. Through GEF-financing, GHG emission reduction benefits are expected to accrue in through (i) Component 1 which will enhance the sustainable management of the parks, resulting in: a) reduction of deforestation, b) reduction of forest and land degradation, and c) conservation of natural resources and biodiversity of the island; and (ii) Component 1 which will make clear the economic value of PAs and their linkages to economic growth through nature-based tourism. In turn, Component 2 is expected to contribute to Component

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<sup>20</sup> <https://goodmenproject.com/featured-content/indigenous-leaders-want-traditional-knowledge-to-be-centrepiece-of-new-global-biodiversity-framework/>



1 through the improvement and renovations of trails, and installation of visitor facilities. Although these activities may entail some forest disturbance, it is expected to be temporary and with no significant impact to the parks.

*Table 4: Total GHG Mitigation potential of the project*

Components of the project	<b>Gross fluxes</b>		
	(All GHG in tCO <sub>2</sub> -eq, Positive = source / negative = sink )		
	Without project	With project	Balance
Avoided Deforestation	16,690	6,847	-9,843
Sustainable Forest management	63,970	-674,604	-738,574
<b>Total</b>	<b>80,660</b>	<b>-667,757</b>	<b>-748,417</b>
Per hectare	3.9	-32.0	-35.9
Per hectare per year	0.2	-1.6	-1.8

*Table 5: GHG Average Annual Emissions & mitigation potential of the project*

Components of the project	<b>Gross fluxes</b>		
	(All GHG in tCO <sub>2</sub> -eq, Positive = source / negative = sink )		
	Without project	With project	Balance
Avoided Deforestation	835	342	-492
Sustainable Forest management	3,198	-33,730	-36,929
<b>Total</b>	<b>4,033</b>	<b>-33,388</b>	<b>-37,421</b>

## **E. Economic and Financial Analysis and Incremental Analysis**

72. **The economic analysis presents an incremental analysis of the economic (welfare) benefits generated by the project.** Four benefit streams were estimated: (i) the first related to ecosystem services benefits, (ii) the second linked with carbon storage and sequestration, (iii) the third connected to the marginal incomes from the transition from traditional user entrance fee system to electronic system in the protected areas and the strengthening of productive activities in the *Kalinago* territory, (iv) the fourth associated with the future incomes of potential beneficiaries of *Kalinago* community through the adoption of sustainable productive activities that have positive social and private returns. In direct terms, the first and second benefits are related to Component 1, while the third and fourth benefits are merely associated with Component 2 and 3, respectively. See Annex 2.
73. **For the economic and financial analysis (EFA), a “business-as-usual” (BAU) baseline case is used that assumes that future development trends follow those of the past and no changes in policies and practices will take place.** In developing countries, land-use patterns are changing quickly, so in this analysis as well, it is more relevant to use recent past trends than long-term past trends. Thus, this analysis uses the current changes that seem to be more representative of present-day evolution. In the BAU scenario, it is assumed 0.07 percent as an average deforestation rate for the Dominica’s forest lands.
74. **A 20-year period is assumed to assess the economic feasibility of the project.** It is also assumed there are no further incremental changes of project-generated benefits beyond the 20-year project evaluation period. While the project costs are only assumed to emerge for the five years of project implementation, the benefits and



opportunity costs are assumed to be generated beyond the 5-year implementation period. The distribution of benefits (areas under improved forest management plans) and distribution of project costs based on the implementation completion and results report.

75. **The incremental economic analysis shows that the net present value (NPV) is projected to reach US\$ 734 thousand (lower bound), and US\$ 8.86 million (upper bound) in the baseline scenario (20 years, carbon market price of US\$ 18/tCO<sub>2</sub>-e and carbon social price US\$60/tCO<sub>2</sub>-e, and 6 and 9 percent discount rate).** The investments evaluated for the EFA will generate a Benefit-Cost ratio between 1.29 and 4.19; and an Internal Rate of Return (IRR) between 13.45 percent and 38.48 percent. Results for 15 years, show positive impacts, assuming the same parameters of the carbon price and discount rates. The projected NPV is about reach between US\$ 233 thousand - US\$ 6.57 million and a Benefit-Cost ratio between 1.09 and 3.38.
76. **The economic analysis thus shows that if project implementation is effective and efficient, project-supported investments will bring substantial financial and economic benefits to fishers, processors, and other potential beneficiaries in the project area and to Dominican society in general.** The results of the quantitative simulations are robust in terms of sensitivity analyses. Increasing the discount rate from six to nine percent, increasing the carbon price from US\$ 18/tCO<sub>2</sub>-e to US\$ 60/tCO<sub>2</sub>-e, and using more conservative estimates regarding the value of forest ecosystem services provided, do not affect the conclusions.

## **VI. GRIEVANCE REDRESS SERVICES**

77. **Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).



## VII. RESULTS FRAMEWORK AND MONITORING

### Results Framework

COUNTRY: Dominica

Leveraging Eco-Tourism for Biodiversity Protection in Dominica

#### Project Development Objectives(s)

Project Development Objective is to improve management of Dominica's three national parks and the Waitukubuli trail

#### Project Development Objective Indicators

Indicator Name	PBC	Baseline	End Target
<b>Improve management of Dominica's three national parks and the Waitukubuli trail</b>			
National Parks (Protected Areas) under improved management effectiveness as a result of the project (score) (Number)		46.00	70.00
<b>Area of the Waitukubuli National Trail (WNT) under improved management as a result of the project (k</b>			
Area of the Waitukubuli National Trail (WNT) under improved management as a result of the project (km) (Kilometers)		0.00	184.00

#### Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
<b>Protected Area Planning</b>			



Indicator Name	PBC	Baseline	End Target
Area of terrestrial protected areas under improved management effectiveness (Hectare(Ha))		10,850.00	10,850.00
Area of the Morne Diablotin National Park demarcated as a result of the project (hectares) (Hectare(Ha))		0.00	150.00
Improved Management Plans adopted for Dominica's three National Parks and the WNT as a result of the project (Number) (Number)		0.00	4.00
Beneficiaries trained in sustainable and gender inclusive National Park Management (Number, 50% male, 50% female); reports will be disaggregated by gender) (Number)		0.00	200.00
GHG emissions mitigated in project life (20 years) (tCO2e) (Number)		0.00	748,417.00
<b>Biodiversity and sustainable ecotourism operations</b>			
Eco-tourism infrastructure and interpretation improved (Number) (Number)		0.00	70.00
National Park and WNT visitor management system is in place (Fully/ Partially/No) (Yes/No)		No	Yes
Beneficiaries trained in gender-inclusive eco-tourism and trail management (Number; 50% female, 50% male) (Number)		0.00	50.00
<b>Sustainable livelihoods</b>			
Area of Kalinago territory under improved land management as a result of the project (hectares) (Hectare(Ha))		0.00	3,700.00
Beneficiaries of livelihood opportunities through the cooperative and propagation center (Number; 50% female, 50% male; reports will be disaggregated by gender) (Number)		0.00	250.00
Beneficiaries trained in Kalinago entrepreneurship and traditional knowledge (Number, reports will be disaggregated by gender) (Number)		0.00	76.00
<b>4: Project Management and Monitoring &amp; Evaluation</b>			
Number of actions proposed by beneficiaries during consultation		0.00	9.00



Indicator Name	PBC	Baseline	End Target
and/or stakeholder engagement events that have been incorporated into project implementation (Number)			

#### Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
National Parks (Protected Areas) under improved management effectiveness as a result of the project (score)	Improved management is evidenced by an improvement in the Management Effectiveness Tracking Tool (METT) score, consistent with the GEF's BD PA tracking tool requirements. The Protected Areas include the three National Parks supported by this project, including Morne Trois Pitons National Park, Morne Diablotin National Park, and Cabrits National Park. Corresponds to GEF Core Indicator 1.2	Mid-term (year 3) and final (year 5).	GEF BD PA Tracking Tool	The MoE will update the GEF BD PA Tracking Tool in years 3 and 5 of the project, in accordance with GEF requirements. The Tracking Tool includes reference to the METT and scores from this process will be reported to the World Bank and GEF. An improvement in the METT score will be the evidence required to discern if management in these three National Parks has improved.	MoE - FWPD



Area of the Waitukubuli National Trail (WNT) under improved management as a result of the project (km)	Improved management is designed as active and participatory management of the trail in compliance with the WNT Management Plan. The WNT Management Plan will include approaches to improve biodiversity conservation. This indicator will measure the length of the Waitukubuli trail and feeder trails. Corresponds to GEF Core Indicator 4.1.	Annual	Project reports	The WNT Management Plan will include an action plan. The MoE will report to the World Bank, as well as other stakeholders, on the implementation of the WNT Management Plan. Progress on or completion of actions in the action plan, including those actions that will improve biodiversity conservation, will be evidence of improved management for the WNT.	MoE - FWPD
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#### Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Area of terrestrial protected areas under improved management effectiveness					
Area of the Morne Diablotin National Park demarcated as a result of the project (hectares)	The management Plan and the Buffer-Zone report will be prepared for the Morne Diablotin National Park and will include demarcation	Annual	Cabinet approval of Buffer-zone report	Buffer-zone report and proposal for formal establishment will be presented to Cabinet for approval, which is	MoE - FWPD





	area and social-economic analysis			formally documented.	
Improved Management Plans adopted for Dominica's three National Parks and the WNT as a result of the project (Number)	Existing Management Plans for Morne Diablotin and Morne Trois Pitons National Parks and the WNT will be revised and improved and the Management Plan will be developed for Cabrits National Park.	Annual	National Park/WNT Management Plans, Cabinet approvals	Following the development or improvement of Management Plans for the three National Parks and the WNT, they will be presented to Cabinet for approval, which is formally documented.	MoE-FWPD
Beneficiaries trained in sustainable and gender inclusive National Park Management (Number, 50% male, 50% female); reports will be disaggregated by gender)	This indicator - corresponding to GEF Core Indicator 11 - is a subset of the people trained under indicator 5. This indicator will disaggregate the number of people that receive training on gender inclusion in National Park Management. Number of people will be disaggregated by gender when reported.	Annual	Training plans; Attendance documents	Attendance at training events will be disaggregated by gender and formally documented	MoE - FWPD
GHG emissions mitigated in project life (20 years) (tCO2e)					
Eco-tourism infrastructure and interpretation improved (Number)	Improvement of National Parks and WNT eco-tourism infrastructure and interpretation will be	Annual	Project reports; site visits; small works;	MoE will provide annual reports on the establishment/improvement of interpretation	MoE - FWPD



	consistent with the management plans for three national parks and the WNT. Eco-tourism infrastructure will include basic infrastructure (benches, river bridges, shelters etc.), interpretation facilities, installation of signage, and other dissemination approaches for information on the National Parks and WNT.		signage; other interpretation goods.	functions and facilities with photos, locations, information being communicated/disseminated, and other relevant information. Site visits will be conducted, including by the World Bank.	
National Park and WNT visitor management system is in place (Fully/Partially/No)	National Park and WNT e-ticketing system will be considered fully functional when people can purchase tickets to enter National Parks or WNT electronically, through e-ticketing machines or online, and tickets can be validated by park personnel which enables the real-time reporting system.	Annual	Ticketing website and reporting system analytics.	Ability for the general public to purchase tickets electronically for National Parks and the WNT online, on-site validation by parks personnel and reporting (real-time) is fully functional	MoE - FWPD
Beneficiaries trained in gender-inclusive eco-tourism and trail management (Number; 50% female, 50% male)					
Area of Kalinago territory under improved land management as a result of the project (hectares)	Management plan for sustainable land use and watershed management for the whole territory will be	Annual	Approval of Demarcation report and Management	Management plan for sustainable land use and watershed management for the	MoE – Kalinago Division



	performed. Corresponds to GEF Core Indicator 4.1.		plans by Kalinago Council.	territory will be presented to Kalinago Council for approval, which is formally documented.	
Beneficiaries of livelihood opportunities through the cooperative and propagation center (Number; 50% female, 50% male; reports will be disaggregated by gender)	Beneficiaries include people selling products through the co-operative for Farine and crafts as well as those benefitting from the resources of the propagation center in Salybia (e.g., generating income, using plants, etc.). Beneficiaries are expected to be predominantly Kalinago women. Number of people will be disaggregated by gender when reported. Corresponds to GEF Core Indicator 11.	Annual	Project reports; co-operative and Propagation Center ledgers; site visits.	Annual reports will be provided to the World Bank on the people benefitting from the co-operative and Propagation Centre supplemented by ledgers, photos, testimonials, and other relevant information. Site visits will be conducted, including by the World Bank	MoE - Kalinago Division
Beneficiaries trained in Kalinago entrepreneurship and traditional knowledge (Number, reports will be disaggregated by gender)	People trained on various traditional Kalinago skills and knowledge under Component 3, namely: - crafts and customs (e.g., Farine, Toloman, canoe making, basket weaving, etc.), - Kalinago Youth Empowerment program	Annual	Training plans; Attendance documents	Attendance at training events will be disaggregated by gender and formally documented.	MoE – Kalinago Division



	(Kalinago language, culinary arts etc.) - Kalinago traditional agriculture practices, including the model farm.  Corresponds to GEF Core Indicator 11.				
Number of actions proposed by beneficiaries during consultation and/or stakeholder engagement events that have been incorporated into project implementation	Feedback from beneficiaries will be received through processes described in the project's Stakeholder Engagement Plan. Actions may be proposed and documented through these processes. Incorporation of actions must be formally documented.	Annual	Consultation reports; Meeting minutes; Project progress reports	Consultation reports or meeting minutes must be made public and must note how the proposed action has been incorporated in the project and how it has or will be implemented. This can also be documented in regular progress reports on the project submitted to the World Bank	MoE / PIU



## ANNEX 1: Implementation Arrangements and Support Plan

### Overview<sup>21</sup>

- 1. The project will be implemented by the same Project Implementation Unit (PIU) in place for the World Bank-financed Dominica Emergency Agriculture Livelihoods and Climate Resilience Project (DEALCRP; P166328).** The PIU is in the Ministry of Blue and Green Economy, Agriculture and National Food Security (MBGEANFS), while the Recipient of this GEF grant is the Ministry of Environment, Rural Modernisation and Kalinago Upliftment (MERMKU). Close coordination will be required between these respective ministries and the PIU to ensure smooth implementation, and a Coordination Agreement will be signed and effective before project approval, and no project financed activities will take place before Coordination Agreement is effective. This agreement shall establish a Project Oversight Committee, consisting of Permanent Secretary (PS) MERMKU and PS MBGEANFS who will directly interface with the PIU and will be responsible for decision-making and approval of project documents (incl. POM), along lines set out in the coordination agreement. They may seek guidance from the Consultative Group, as needs arise, but all decision-making authority rests with the Project Oversight Committee (POC). Clear delineation of roles and responsibilities with regard to various fiduciary and project implementation processes will be outlined in detail in the POM.
- 2. The PIU will have overall responsibility for implementation, coordination, and reporting of project activities, and will report directly to the Permanent Secretaries (PS) of MERMKU and MBGEANFS.** The PIU will: (i) coordinate and implement all project activities as specified in the Financing Agreement; (ii) ensure that the requirements, criteria, policies, procedures, and organizational arrangements are applied in carrying out the project; (iii) prepare all project implementation documents and reports (except for financial management and procurement); (iv) prepare all Terms of Reference and technical specifications for bidding documents required to ensure proper project implementation; (v) establish a sectoral M&E system for the project; and (vi) establish and manage a GRM. The main benefits of using the same PIU as the DEALCRP is to enhance efficiency by leveraging existing capacity, reducing overlaps, and minimizing the risk of implementation delays. The project will finance additional PIU staff to support incremental demands occasioned by LETBP, including for financial management (following DEALCRP closure), environmental and social risk management, project-specific coordination, and technical expertise on PAs. The DEALCRP is expected to close in June 2023, before the expected closing date of LETBP, in June 2027. The MBGEANFS has committed to provide budget support for the PIU after the DEALCRP closes, and project management funding will be set aside during implementation to fill any gaps that may arise.
- 3. The Project Operations Manual (POM) will reflect implementation modalities and cross-reference inter-ministerial cooperation (as referenced above).** To ensure sufficient capacity to implement World Bank-funded projects, the project will also receive direct support from the IST within CREAD. The IST has been established to serve as a shared resource for all World Bank-funded Projects to provide advice and assistance in procurement, financial management and safeguards support to the respective PIUs in different ministries. The IST is staffed with: (i) a Portfolio Manager; (ii) a Senior Financial Manager; (iii) a (international) Senior Procurement Specialist; and (iv) a Senior Safeguards Advisor. The Portfolio Manager will be responsible for providing policy guidance, coordination, and oversight of

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<sup>21</sup> As noted above, at the time of writing there have been ongoing discussions between WB and GoCD with a view to promoting efficiency, effectiveness and sustainability across implementation arrangements for all WB-financed projects in Dominica with a view to potential risks arising from institutional capacity for implementation and sustainability. For the purposes of the Proposed Project, implementation arrangements have been designed and capacities assessed based on current working arrangements as set out below. Any revised implementation arrangement structure will be undertaken on a portfolio basis, considering institutional, legal, and fiduciary arrangements for project implementation in Dominica as a whole.



project activities. The IST will work in close coordination with the PIU, sharing the resources and expertise available as needed during implementation. The IST will also mentor and train PIU staff to build capacity within the Ministries, which aligns with the GoCD directive of strengthening in-house capacity for Project implementation and execution. This IST model is consistent with current efforts being undertaken under the DEALCRP. The government has decided to transition the IST into a Central Services Unit with shared services for financial management, procurement, safeguards (social and environment), monitoring and evaluation and communications for the entire World Bank portfolio.

4. **To support effective governance and inform robust decision-making, a Technical Committee (TC) and Consultative Group (CG) will be convened and maintained throughout project implementation.** The TC will consist of representatives from line ministries, agencies and other partners who are direct stakeholders in supporting achievement of the Project Development Objective. Representatives will be drawn from (i) MERMKU, including (a) GEF Focal Point, (b) Forestry Division, (c) Kalinago Division; (ii) the Ministry of Tourism, International Transport and Maritime Initiatives (MTITMI); (iii) the Discover Dominica Authority; and (iv) the IST. The TC will be chaired by the PIU coordinator and will meet on a quarterly basis. The main functions of the TC will be to provide information and advice to the Project Oversight Committee in three key areas: (i) technical input on project activities and sequencing (including the Operational Plan); (ii) guidance on M&E; and (iii) guidance on coordination of training and capacity building activities. The CG will serve in an advisory capacity with the main function to help ensure coordination and synergy between key project stakeholders and provide feedback on alignment with key national strategic objectives. The CG will be chaired by the PS Environment, and its membership will comprise key Governmental and non-governmental project stakeholders, including MEAPRSDTB, MERMKU, MBGEANFS, MTITMI, NGO representatives and private sector representatives.
5. **The CG and TC borrow from the DEALCRP implementation model, and are adapted and streamlined to reflect diversity of stakeholders involved in LETBP objectives and ensure efficiency in decision-making and approval authority for LETBP project implementation.** The CG will meet on an annual basis to discuss overall strategic context around project implementation, or on an ad hoc basis as requested by the Project Oversight Committee (POC). The TC has already been constituted during project preparation to define and elaborate project-financed activities and agree on M&E methodologies for the project, including input into the Results Framework, indicator choice and indicator baseline information. The Consultative Group will be constituted during the first year of project implementation. The structure of the CG is broadly similar to the Project Steering Committee (PSC) for the DEALCRP project, which meets on a semi-annual basis. Terms of Reference for the CC will be set out in the POM and any advice or guidance sought from CG will be added to the DEALCRP PSC meeting agenda at one of its bi-annual meetings. Formal establishment of CG shall not be a prerequisite for the approval or decision-making process related to project implementation, as all decision-making capacity is vested within the POC, as set out in the POM.



**Table A1.1: Summary of procurement activities during project implementation**

Contract Title, Description and Category	Estimated Cost US\$ and Risk Rating		Bank Oversight	Procurement Approach/ Competition: National International Open Limited Direct Sole Source QCBS/QBS etc. Negotiation BAFO	Selection Method: Pre/post Qualification SPD /RFB Competitive Dialogue Framework Agreements E-Reverse Auction QCBS/QBS Negotiation BAFO	Evaluation Method Rated criteria Lowest evaluated cost
1.1.1.1 Technical consultancy for demarcation and buffer zone analysis / report	130k	2.67	Post	Open – International	CQS	CQS
1.1.1.2 Technical consultancy for social-economic analysis (participatory planning)	22k	1.83	Post	Open – National	IC	IC
1.1.2.1 Technical consultancy to update Management Plans for the MTPNP and MDNP	60k	2.50	Post	Open – National	CQS	CQS
1.1.2.2 Technical consultancy to develop overall Management Plan for	81k	2.67	Post	Open – National	CQS	CQS





<b>Cabrits NP</b>						
<b>1.1.3.1 Technical consultancy for revision of the WNT Management Plan</b>	<b>93kk</b>	<b>2.67</b>	<b>Post</b>	<b>Open – International</b>	<b>IC</b>	<b>IC</b>
<b>1.1.3.2 Technical consultancy for land tenure / legislative arrangements</b>	<b>93k</b>	<b>2.17</b>	<b>Post</b>	<b>Open – National</b>	<b>IC</b>	<b>IC</b>
<b>1.1.4.1 Technical consultancy for assessment on the value of ecosystem services</b>	<b>93k</b>	<b>2.67</b>	<b>Post</b>	<b>Open – International</b>	<b>IC</b>	<b>IC</b>
<b>1.2.1.1 Technical consultancy for development of Education module and Communication Plan</b>	<b>37k</b>	<b>2.00</b>	<b>Post</b>	<b>Open – National</b>	<b>IC</b>	<b>IC</b>
<b>1.2.1.2 Workshops and trainings</b>	<b>22k</b>	<b>2.33</b>	<b>Post</b>	<b>Open - National</b>	<b>IC</b>	<b>IC</b>
<b>1.2.1.3 Technical advisor for biodiversity planning and management</b>	<b>74k</b>	<b>2.00</b>	<b>Post</b>	<b>Open – National</b>	<b>IC</b>	<b>IC</b>
<b>1.2.2.1 Procurement of office and field tools and equipment</b>	<b>63k</b>	<b>2.00</b>	<b>Post</b>	<b>Open – National</b>	<b>Post-Qualification/SPD/Single-Stage/RFQ</b>	<b>Lowest Evaluated Cost</b>
<b>1.2.3.1 Technical consultancy to conduct the assessment and</b>	<b>74k</b>	<b>2.67</b>	<b>Post</b>	<b>Open – International</b>	<b>CQS</b>	<b>CQS</b>



<b>implementation plan</b>						
<b>SUBTOTAL C1</b>	<b>839,900</b>					
2.1.1.1 Technical consultancy for update of GPS trail system and maps for feeder trails	22k	1.67	Post	Open – National	IC	IC
2.1.2.1 Technical consultancy - audit for other eco-tourism areas + design / implementation plan	111k	2.67	Post	Open – International	CQS	CQS
2.1.2.2 Construction company for implementation of planned improvements	740k	3.33	Post	Open – National	Post- Qualification/SPD/Single- Stage/RFB	Lowest Evaluated Cost
2.1.2.3 National Project Coordinator / Tehnical Advisor Component 2	148k	2.00	Post	Open – National	IC	IC
2.1.3.1 Technical consultancy for implementation of front/back-end on-line platform (software)	148k	2.67	Post	Open – International	CQS	CQS
2.1.3.2 Equipment for the e-ticketing system control and trainings for personnel (hardware)	185k	2.17	Post	Open – National	Post- Qualification/SPD/Single- Stage/RFB	Lowest Evaluated Cost
2.1.3.3 Financial Management Specialist	148k	1,67	Post	Open – National	IC	IC
2.1.3.4 Technical	74k	2,50	Post	Open –	IC	IC



specialist for implementation, maintenance and operating e-ticketing system				International		
2.2.1.1 Consultancy for capacity building programme for National Parks personnel and Kalinago community	111k	2,67	Post	Open – International	CQS	CQS
2.2.1.2 Equipment for improvement of eco-tourism trails	66k	2.17	Post	Open – National	Post- Qualification/SPD/Single- Stage/RFQ	Lowest Evaluated Cost
<b>SUBTOTAL C2</b>	<b>1,753,800</b>					
3.1.1.1 Establishment of co-operative for Farine and craft products	92k	2.67	Post	Open – International	CQS	CQS
3.1.1.2 Improvement of the exisiting Propagation center in Salybia	185k	2.67	Post	Open – National	Post- Qualification/SPD/Single- Stage/RFQ	Lowest Evaluated Cost
3.1.1.3 Equipment for co-operative	18k	1.83	Post	Open – National	Post- Qualification/SPD/Single- Stage/RFQ	Lowest Evaluated Cost
3.1.2.1 Development of management plans for land use and watershed management	111k	2.17	Post	Open – National	IC	IC
3.1.3.1 Audit of tourism facilities and design	19k	1.83	Post	Open – National	IC	IC
3.1.3.2 Upgrade of	92k	2.67	Post	Open –	Post-	Lowest



tourism facilities				National	Qualification/SPD/Single-Stage/RFQ	Evaluated Cost
3.1.3.3 Development/upgrade of existing feeder trails linking to WNT	37k	2.50	Post	Open – National	Post- Qualification/SPD/Single-Stage/RFQ	Lowest Evaluated Cost
3.2.1.1 Training for Farine / Toloman	31k	2.33	Post	Open – International	IC	IC
3.2.1.2 Training program for canoe building, basket making and Kalinago traditional costumes	10k	1.67	Post	Open – International	CQS	CQS
3.2.1.4. Technical advisor C3 - indigenous communities / agriculture and land use	74k	2.50	Post	Open – International	IC	IC
3.2.2.1 Upgrade of equipment for Farine / Toloman	22k	2.17	Post	Open – National	Post- Qualification/SPD/Single-Stage/RFQ	Lowest Evaluated Cost
3.2.2.2 Development of a traditional agricultural model farm	37k	2.50	Post	Open – International	CQS	CQS
<b>SUBTOTAL C3</b>	<b>740,000</b>					
4.1.1 Administrative Assistant	74k	1.17	Post	Open – National	IC	IC
4.1.2.1 Social & Environmental Specialist	88k	1.17	Post	Open – National	IC	IC
4.3.1.1 Audit	19k	1.83	Post	Open – International	CQS	CQS
4.4.4.1 Mid-term and	41k	1.83	Post	Open –	IC	IC



<b>Final Review</b>				<b>International</b>		
<b>4.4.2.1 Final-term Review</b>	<b>10k</b>	<b>1.83</b>	<b>Post</b>	<b>Open – National</b>	<b>IC</b>	<b>IC</b>
<b>SUBTOTAL C4</b>	<b>181,300</b>					

Notes:	<p>RFB– Request for Bids      RFQ – Request for Quotations</p> <p>DC – Direct Contracting      QCBS – Quality and Cost Based Selection</p> <p>QBS – Quality Based Selection      FBS – Fixed Budget Selection</p> <p>LCS – Least Cost Selection</p> <p>*CQS – Consultant’s Qualifications Based Selection below \$300,000 depending on the nature of assignment</p> <p>DS – Direct Selection</p> <p>IC – Individual Consultant selection procedure</p> <p>NA – Not Applicable</p>					
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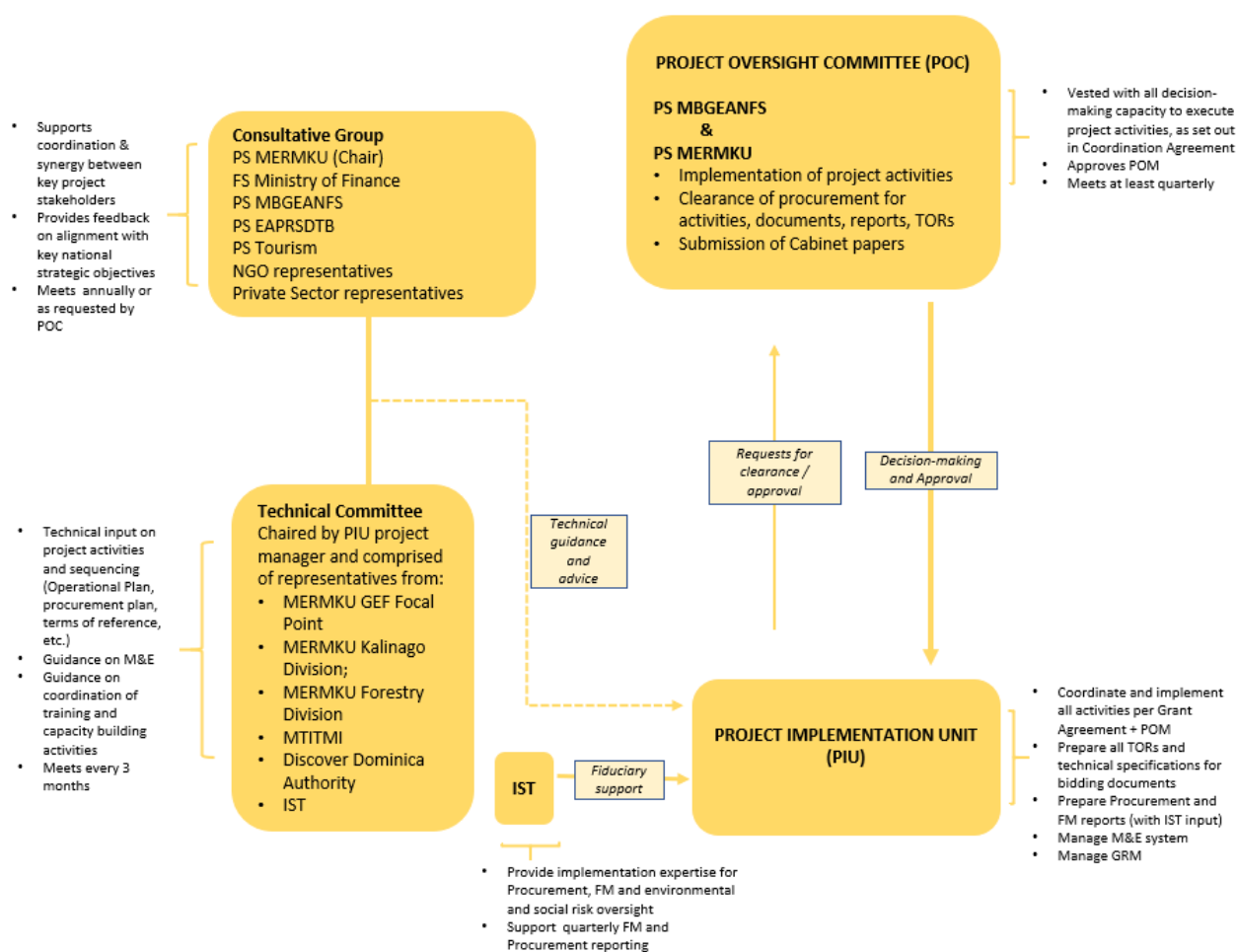


Figure A1.1. Institutional Arrangements for the Project

## Financial Management

6. **A Financial Management (FM) Assessment was conducted in accordance with OP/BP on Investment Project Financing (IPF) and the Financial Management Manual for World Bank IPF Operations (OPCS5.05-DIR.01 issued February 10, 2017).** It concluded that the implementing agency responsible for implementation of the FM arrangements has adequate FM arrangements that should be able to provide, with reasonable assurance, accurate and timely information on the status of the funds as required by the World Bank. The proposed PIU has performed moderately satisfactorily to date on FM.
7. **The GoCD has a good public FM system and is using an Integrated Financial Management Information System (Smartstream), which is working well.** SmartStream is used to prepare Government public accounts and also donor-financed project financial statements. The project will use SmartStream to capture all project financial data and prepare quarterly financial reports as well as annual project financial statements. The PIU has adequate FM capacities including



FM Officer, established Operations Manual for DEALCRP (to be updated for LETBP), and has submitted Interim Financial Reports and Annual Audit Reports that have been deemed acceptable to the Bank.

8. **The residual FM risk is low, taking into consideration the overall country's capacity, experience of the implementing agency in managing World Bank-financed operations, low risk activities of the Project, implementation arrangements in place, and mitigation measures.** FM risks and compliance will be monitored during the World Bank's six-monthly implementation support missions as well as through annual external audits. With the implementation of these measures, the implementing agency will have in place a FM system that should be able to provide, with reasonable assurance, accurate and timely information on the status of the funds as required by the World Bank.

### **Project Financial Management Arrangements**

9. **Staffing.** The Project's Financial Management arrangements will be managed by the PIU of the on-going Dominica Agriculture Livelihoods and Climate and Resilience Project (P166328). The PIU includes an FM Officer who works closely with the IST's FM Manager and the Office of the Accountant General to manage financial management and disbursement arrangements for the Project. The salary of the PIU's FM Officer will continue to be financed under the Agriculture Project, which is scheduled to close on June 30, 2023, after which, the GEF Project will finance the salary of the PIU's FM Officer. The GEF Project will also finance the cost of a FM Specialist to provide technical support for the establishment and management of the E-ticketing system under Component 2. Due to the volume of activities under the Project, the staffing arrangement is considered adequate.
10. **Budgeting.** The PIU will prepare the Project budget, which will be integrated into the national budget. The PIU and the Ministry of Finance and Investment (MFI) will monitor the implementation of the budget. The budget year for Dominica is from July 1 to June 30; the Project accounting year would follow the Government's accounting fiscal year. Project budgeting would be based on the cost tables and will be updated accordingly during Project implementation. The budget would be prepared by the PIU in collaboration with the relevant implementing ministries/agencies and submitted to the Ministry of Finance for final approval. The approved budget would be included in the budget estimates, entered into the accounting system, and used for periodic comparison with actual results as part of the interim reporting. The approved budget would be shared with the World Bank and would be used to monitor implementation progress.
11. **Accounting System.** The Project will follow cash basis accounting and all project transactions will be recorded in the Government's FM System (Smartstream). Project transactions would be recorded as incurred, and all primary supporting documentation would be maintained to facilitate post reviews and external audits. Prior to Project approval, and in coordination with the MFI, the PIU will reflect in Smartstream the Project's Chart of Accounts using the appropriate coding designed for external funds in accordance with project design (Components, sub-components and activities).
12. **Internal Controls.** The MFI is responsible for the financial control of all government receipts and expenditures. All government expenditures are pre-audited before payments are made. All payments are made based on the certification by the Permanent Secretary of the implementing ministry and checks are jointly signed by the MFI and the implementing ministry. The same practice will be followed for the project. However, the PIU will provide additional control and review the documentation of all expenditures before any payments are made. The POM would reflect the structure of the PIU, administrative arrangements, internal control procedures (including procedures for authorization of expenditures), maintenance of records, safeguarding of assets (including cash), segregation of duties to avoid





conflict of interest, regular reconciliation of bank account statements, bank accounts signing mandate (to include at least two signatories), regular reporting to ensure close monitoring of project activities, and the flow of funds to support project activities. Assets acquired by the project would be in the custody of the respective participating ministries/implementing agencies, which would also keep copies of the supporting documentation. The PIU would maintain all supporting records of the project. Annual physical inspection would be undertaken by the implementing agencies and PIU staff. The detailed accounting policies and procedures would be set forth in the POM which will be based on the existing OM for the Agriculture Project and will be submitted to the Bank for approval before Project approval. Monthly reconciliations will be carried out by the PIU. The PIU maintains proper filing and has a financial management manual in place that has been considered acceptable.

13. **Financial reporting.** The PIU would be responsible for producing and submitting the standalone LETBP Interim Financial Reports (IFRs) to the Bank on a quarterly basis. These reports would provide the required monitoring information and would be used for disbursement purposes. The format and content of the quarterly IFRs will follow the same under the existing Agriculture project. The IFRs would include a short narrative outlining the major project achievements for the quarter, the project sources and uses of funds, bank reconciliation statements and necessary procurement tables. These reports would be submitted to the Bank no later than 45 days after the end of each reporting period.
14. **External Audit.** Annual audited financial statement would be required for the Project and would include the project's sources and uses of funds, a detailed analysis of project expenditures, a schedule of withdrawal applications presented during the year, a reconciliation of the designated account and notes to the financial information. The external audit will be conducted by a private audit firm who may be procured by the PIU to conduct both DEALCRP and LETBP and issue two audit reports. The project's audit report would need to be submitted to the Bank for review no later than six months following the end of each fiscal year. In accordance with the Bank's disclosure of information, the audited financial statement would be made publicly available.
15. **Disbursement and flow of funds.** Disbursement of project funds will be processed in accordance with the World Bank procedures as stipulated in the Disbursement and Financial Information Letter (DFIL) and the Disbursement Guidelines for Investment Project Financing, dated February 2017. The main disbursement method will be Advances, as defined in the DFIL. Advances will be processed to a segregated Designated Account (DA) denominated in US Dollar (US\$), held at National Bank of Dominica and managed by the MFI. Advances to the DA would be made based on the forecast of the project's eligible expenditures for a period of six months, based on interim financial reports. Supporting documentation for expenditures made from the designated account would also be based on the IFRs. As eligible expenditures (see Table A1.2) are incurred, the PIU would withdraw the amount to be financed by the Bank from the designated account (US\$ or XCD\$) in accordance with the financing agreement. The PIU would operate a local currency account, to finance project expenditures in local currency. These accounts would operate in accordance with the procedures and guidelines set forth in the Bank's Disbursement Guidelines.



*Table A1.2: Eligible Expenditures*

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs under the Project	3,515,982	100%
<b>TOTAL AMOUNT</b>	3,515,982	

## Procurement

16. **Project Procurement will be carried out in accordance with the WB Procurement Regulations for IPF Borrowers, Fourth Edition, November 2020.** The Project will also be subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, revised on January 2011, and as of July 1, 2016.
17. **The Project will use the WB Systematic Tracking of Exchanges in Procurement (STEP).** In accordance with paragraph 5.9 of the WB Procurement Regulations, the Project is expected to use STEP to plan, clear, record and monitor all project procurement activities and their corresponding transactions.
18. **Project Procurement Strategy for Development (PPSD) and Procurement Plan (PP).** Project procurement basically consists of some low value-low risk activities for the procurement of (i) off-the-shelf goods, (ii) small works, and (iii) small consultancy assignments. The Recipient had prepared a simplified PPSD and associated PP which outline the specific procurement arrangements to be followed by the PIU to get PPG-related contracts awarded and implemented. The Recipient will update the PPSD and PP to cover all project-related procurement activities once they are clearly identified. A summary of the PPSD and PP is detailed in Annex 1.
19. **Procurement capacity assessment.** An assessment was carried out to evaluate the adequacy of the proposed project implementation arrangements from a procurement perspective. The Project Implementation Unit (PIU) in place for the WB-financed Dominica Emergency Agriculture Livelihoods and Climate Resilience Project (DEALCRP) will be also responsible for carrying out the project procurement activities to ensure synergies and cost efficiency. The PIU in the Ministry of Blue and Green Economy, Agriculture and National Food Security (MBGEANFS) has a dedicated Procurement Officer familiar with the WB Procurement Regulations and procedures, especially when it comes to less complex procurement activities. In addition to this, the IST Sr. Procurement Specialist at MFI will provide the PIU Procurement Officer with procurement-related guidance and support she might need during project implementation. The IST Sr. Procurement Specialist will also mentor the PIU Procurement Officer to build in-house capacity within the PIU. Given that the Project foresees low value/low risk procurement activities only, whose procurement arrangements and procedures are quite simple and straight forward, the existing Procurement Staffing is deemed adequate to undertake project-related procurement.
20. **However, since procurement requires technical inputs for the Procurement Plan (PP), Terms of Reference (TOR), technical specifications, qualification requirements, bid/proposal evaluation, etc., there should be a strong coordination and collaboration between the PIU and the Technical Committee to prevent lack of readiness and associated delays.** Indeed, experience to date under DEALCRP demonstrates severe implementation constraints,



which has been leading to unnecessary long procurement timeframes that can undermine the whole project implementation. This risk is being minimized in project design by streamlining implementation arrangements within the POC, whereby PS MBGEANFS will be responsible for approving all procurement of goods, services and works, which can be delegated to PS MERMKU in line with the cooperation and subsidiary agreements.

21. **The overall Procurement risk rating assigned to this project is Moderate**, based on the assessment of the PIU capacity and the complexity of the project procurement activities to be undertaken. During project implementation, the procurement risk rating will be reviewed periodically and revised as needed. The main procurement challenge will be the likely lack of readiness of technical inputs required for project procurement activities and its associated delays. This risk can be mitigated by a strong coordination and collaboration between the PIU and other project stakeholders that are supposed to provide such technical inputs. In addition to that, the POM shall clearly outline the roles and responsibilities of all project stakeholders to prevent misunderstanding, lack of readiness and delays.
22. **Operating costs.** Since Operating Costs (as defined in the Grant Agreement) are not necessarily subject to the WB Procurement Regulations, the Project might apply and follow Government's own administrative procedures for this kind of expenditures as long as they are deemed acceptable to the Bank.
23. **Training.** Likewise, since Training related expenses (as defined in the Legal Agreement) are not necessarily subject to the WB Procurement Regulations, the Project might apply and follow Government's administrative procedures for this kind of expenditures as long as they are deemed acceptable to the Bank.
24. **Supervision arrangements.** The WB Procurement Specialist assigned to the Project will be providing guidance and support to the Recipient's Procurement Team and will be monitoring the project procurement performance and risk during project implementation and mitigation measures might be recommended, if deemed necessary.
25. **Procurement Documents.** The Project will use the mandatory WB Standard Procurement Documents (SPDs) to carry out procurement activities subject to international market approach as per the Procurement Plan. Such WB SPDs should be used for national procurement as well, to the fullest extent possible, since there are no standard procurement documents under the national procurement framework that the Project could benefit from. Bespoke SPDs are to be agreed with the Bank whenever the WB SPDs do not fit the project needs.

### **Environmental and Social Risk Management**

26. **The project will be implemented by the Project Implementation Unit (PIU) housed in the Ministry of Blue and Green Economy, Agriculture and National Food Security (MBGEANFS) and will be supported by the PIU of the Dominica Emergency Agriculture Livelihoods and Climate Resilience Project (DEALCRP) (P166328).** The DEALCRP PIU will provide the infrastructure and capacity already built to carry out management, fiduciary and reporting functions. During early years of implementation of the LETBP and while the agriculture project remains active (through June 2023), additional staff will be hired to support LETBP implementation. In this vein, to strengthen their capacity to effectively manage E&S risks of this project, particularly considering the challenges of overseeing multiple simultaneous projects and engaging with a wide range of stakeholders, the PIU will include one (1) environmental and one (1) social risk management specialists. Project management resources from LETBP will be set aside to guarantee the functioning of the PIU from the period DEALCRP closes until LETBP's closure in June 2027. Additional expertise and support will be further leveraged through the IST) and the central PIU within CREAD, which will also support fiduciary functions during LETBP implementation. The environmental specialist, currently within the DEALCRP PIU and the social specialist of the IST, provided support in the preparation of the E&S instruments for the LETBP prior to appraisal. They are both familiar with WB procedures and have received training on the ESF.



27. **Training and capacity building of staff to effectively manage environmental and social issues during project implementation in particular, to carry out continuous stakeholder engagement and grievance management, will also be key to managing risks.** These capacity building measures have been incorporated in the ESMF and reflected in the ESCP. The Bank will continue to provide continuous guidance and support to MBGEANFS, DEALCRP, IST, and the PIU, for the completion of the project's E&S instruments required by the ESF, as well as provide capacity building and support during project implementation.



## ANNEX 2: Economic and Financial Analysis

### A. Overview

1. The economic analysis presents an incremental analysis of the economic (welfare) benefits generated by the proposed financing, including key benefit streams related to environmental goods and services and carbon sequestration from the improved forest management. In addition, socioeconomic benefits were assessed, such as the transition from traditional user entrance fee system to electronic system in the protected areas and the strengthening of productive activities in the *Kalinago* Territory. This incremental term is related to the additional benefit generated by carrying out the project, which creates a concept of additionality that stipulated an added value generated to the project. Forest have always played an important role in the Dominican economy and the livelihoods of many Dominicans. The vegetation within these forests provides a wide range of economic products and services, especially serving the ecotourism market by way of handicraft production.<sup>22</sup> Given the importance of forest to the planet, the strengthening of technical capacities of local communities and indigenous people on improved forest management practices is crucial to maintain and enhance forest functions for future generations.

2. The project is designed to improve management of Dominica's three national parks and the Waitukubuli National Trail (WNT) by leveraging sustainable ecotourism as tool for conservation. The island of Dominica offers a huge array of flora and fauna and approximately 60 percent of Dominica is covered by forest that provide important ecosystem services such as soil and water protection, regulation of local climate, storing biodiversity, among others.<sup>23,24</sup> Given these benefits, the Commonwealth of Dominica has come to realize that ecotourism brings an important economic prosperity to the country because of its endowed scenic natural resources and biological diversity. In this sense, ecotourism is growing in importance to the island as they lose preferential access to markets for their agricultural produce (e.g., banana) and recognize the negative effects of tourism.<sup>25</sup>

3. The project will operate in most of the targeted national parks and WNT of Dominica, which need stronger management to attract more visitors interested in ecotourism. Handicraft activities predominate in the *Kalinago* (Carib) people located along the WNT. Constraints identified are limited available budgets, the low contribution to economic growth by biodiversity, and lack of both environmental impact assessments as well as carrying capacity assessments of eco-tourism sites and management. In this regard, technical assistance of sustainable productive activities from ecotourism is crucial for the conservation of the forest ecosystems, and therefore, for the alleviation of poverty by economic activities in the regions. It is expected that the project will generate multiple and incremental benefits from local to national and up to global.

### B. Additionality of the project

4. In the absence of the project, beneficiaries would likely remain without improved park management plans that will contribute to ecotourism, infrastructure and physical rehabilitation, and technical assistance of natural resource management in the targeted areas of Dominica's Territory. The land areas would continue a decreasing track of ecosystem health and sustainability of forests that would lead to further pressure on the environment; conventional

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<sup>22</sup> Hypolite, E., Green, G., Burley, J., Alexander, A., & De Boucherville Baissac, P. (2002). Ecotourism: Its potential role in forest resource conservation in the Commonwealth of Dominica, West Indies. *The International Forestry Review*, 4(4), 298-306. Retrieved from <http://www.jstor.org/stable/43740098>

<sup>23</sup> Dominica's Forest Cover retrieved from the Global Forest Watch website, <https://www.globalforestwatch.org>.

<sup>24</sup> Centre for International Forestry Research (CIFOR). (2014). *Forests, food security and nutrition*. Fact sheet, CIFOR, Bogor, Indonesia, viewed 18 June 2014, from [http://www.cifor.org/publications/pdf\\_files/factsheet/4876-factsheet.pdf](http://www.cifor.org/publications/pdf_files/factsheet/4876-factsheet.pdf)

<sup>25</sup> Slinger-Friedman, V. (2009) Ecotourism in Dominica: Studying the Potential for Economic Development, Environmental Protection and Cultural Conservation. *Island Studies Journal*, 4, 3-24.



forest management would continue to low tree cover on productive lands and thus limited capacity to absorb carbon; a limited number of sustainable forest operations would be incorporated into the economic activities of *Kalinago* community; and therefore, land-use conversion would remain subject to overexploitation, deforestation, soil erosion, and other negative practices. Higher temperatures and more variable rainfall will further hamper productivity, increasing the risk of food and water insecurity among the most vulnerable populations.<sup>26</sup>

5. For this analysis, a “Business-as-Usual” (BAU) baseline case is used that assumes that future development trends follow those of the past and no change in policies and practices will take place. In developing countries, land-use patterns are changing quickly, so in this analysis as well, it is more relevant to use recent past trends than long-term past trends. Thus, this analysis uses the current changes that seem to be more representative of present-day evolution. In the BAU scenario, it is assumed 0.07 percent as an average deforestation rate for the Dominica’s forest lands.<sup>27</sup>

6. The project creates additionality by: (i) enhancing the social and natural capital in the project sites, (ii) conducting operation and installation of user fee and visitor management information and control system and other potential investments in ecotourism facilities, (iii) promoting sustainable forest and natural resource management for unprotected KBAs not only in Dominica but also in other areas (e.g. in the Lesser Antilles islands in the Caribbean Sea), (iv) linking local, regional, and federal actors to *Kalinago* community to derive benefits of information and knowledge on biodiversity, sustainable productive practices, and related legislation and programs to obtain incremental benefits that strengthen both environmental and *Kalinago* capacities to improve productivity, especially in women-led enterprises.

7. The GEF incremental support will assist the Government of the Commonwealth of Dominica (GoCD) in strengthening PA planning and management and forest management capacities of *Kalinago* community. The financing will generate assessments to advocate for enhanced investment in conserving Dominica’s forest systems more generally, and its PA systems more specifically, including by building the case among policymakers and legislators for enhanced and continued investments that are critical to conserving Dominica’s biodiversity. Interventions financed through GEF support will incentivize ecosystem and biodiversity conservation, by highlighting the value addition of nature-based tourism to achieve long-term economic, social, and environmental sustainability. The government budget is limited, but the project will support alternative instruments to overcome any further limitations, including by leveraging identified co-financing, to involve cross-sectoral private and international public actors to address policies related to the forest management. Without the project, the budget forecast to be allocated for conservation of protected areas by the government (baseline scenario) is limited, and subject to vast fluctuations in the face of regular external shocks (including extreme weather events and most recently from the COVID-19 pandemic). The proposed GEF investment would leverage additional resources from other partners over the same period while building the case for sustained investment over the long-term, beyond the project duration. This financing will help develop the necessary institutional capabilities, set up policies frameworks for productive areas, enhance the financial sustainability model of the PA system, and build support for forest-dependent communities to develop skill and pursue livelihoods that preserve Dominica’s biodiversity and natural resources.

### **C. Methodology, Main Assumption, and Cost Factors**

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<sup>26</sup> United States Agency for International Development (USAID). (2017). Climate Change Risk Profile Guatemala. Retrieved 27 August 2019 from: <https://www.climatelinks.org/resources/climate-change-risk-profile-guatemala>

<sup>27</sup> Global Forest Watch (2020). Tree Cover and Tree Cover Loss in Dominica from 2001 to 2016. <https://www.globalforestwatch.org/>. It is considered the average growth rate until 2016 due to the significant forest loss generated by Hurricane Maria in 2017.





8. As brief introduction, Component 1 enables support for updating and revising strategic and operational management plans for three protected natural parks and for the WNT. Also, this component includes a thorough value of ecosystem services and understand the direct and indirect values of the forest on biodiversity conservation, ecotourism, etc. Component 2 promotes biodiversity and sustainable ecotourism operations through the installation of works and programs in line with the current park and trail plans. In specific, an electronic user fee system that provides visitor management information will be installed. Component 3 is focused on creating sustainable livelihoods by improving productive practices in *Kalinago's* land. In this sense, this component will generate an incremental benefit on current local income from the improvement of forest land conservation that favors ecotourism.

9. To simplify the incremental economic analysis of the project, assumptions were used considering the possible benefits in the project sites. The project is expected to provide four economic benefit streams: (i) the first related to ecosystem services benefits, (ii) the second linked with carbon storage and sequestration, (iii) the third connected to the marginal incomes from the transition from traditional user entrance fee system to electronic system in the protected areas and the strengthening of productive activities in the *Kalinago* Territory, (iv) the fourth associated with the future incomes of potential beneficiaries of *Kalinago* community through the adoption of sustainable productive activities that have positive social and private returns. In direct terms, the first and second benefits are related to Component 1, while the third and fourth benefits are merely associated with Component 2 and 3, respectively.

### ***Economic Benefits Generated by the Project***

10. **Ecosystem Services Benefit Stream.** For this stream, improved sustainable forest practices provide many ecosystem services that are necessary for social and economic well-being. These services include water purification and storage, cleaning air, soil formation, recreation, food, and timber.<sup>28</sup> Much of the Dominica's economy depends on the natural resources, artistic handicraft produced from local products (Non-Timber Forest Products, NTFP) and canoe building from gommier trees (*Dacryodes excelsa*),<sup>29</sup> and other productive activities that create sustainable livelihoods. In order to estimate the benefits associated with this benefit stream, the total hectares (10,850) of the three national parks under improved forest management plans envisaged by the project is considered as defined in Results framework (see annual increase projections, Results Framework, Section VII).

11. Monetary values associated with ecosystem services of forest and marine areas is taken from recognized studies that assessed their incremental economic benefits in Dominica. Two meta-analyses are considered here – an upper bound and lower bound for forest areas.

12. Regards to forest areas, the upper bound is from Carrasco, Nghiem, Sunderland, and Kohn (2014)<sup>30</sup> which provide a higher-end global estimate of US\$ 1,312 per hectare based on 30 studies of ecosystem service values in tropical forests from The Economics of Ecosystems and Biodiversity (TEEB) database, while controlling for economic, environmental, and methodological variables. The lower bound is taken from Siikamäki, Santiago-Ávila, and Vail (2015) which provide global estimates based on 123 robust analytical studies and project estimates per country, including Dominica.<sup>31</sup>

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<sup>28</sup> United States Environmental Protection Agency (EPA). (2012). The Economic Benefits of Protecting Healthy Watersheds.

<sup>29</sup> Hypolite, E., Green, G., Burley, J., Alexander, A., & De Boucherville Baissac, P. (2002). Ecotourism: Its potential role in forest resource conservation in the Commonwealth of Dominica, West Indies. *The International Forestry Review*, 4(4), 298-306. Retrieved from <http://www.jstor.org/stable/43740098>

<sup>30</sup> Carrasco, L.R., T.P.L. Nghiem, T. Sunderland, and L.P. Koh. (2014), "Economic valuation of ecosystem services fails to capture biodiversity value of tropical forests." *Biological Conservation* 178 (2014): 163–170.

<sup>31</sup> Siikamäki, J., Santiago-Ávila, F., Vail, P. (2015) Global Assessment of Nonwood Forest Ecosystem Services. PROFOR.





13. Table A2.1 shows two different bounds that it is assumed as the forest ecosystem services valuation: the lower bound depicts the ecosystem services value by Siikamäki et al. (2015), such as Recreation (US\$ 30.30/ha/year), habitat (US\$ 0/ha/year), non-wood forest products (NWFPs, US\$ 103.00/ha/year), and water (US\$ 51.30/ha/year), giving a total of (US\$ 184.60/ha/year); and the upper bound represents an aggregate value of ecosystem services (US\$ 1,312) valued by Carrasco et al. (2014). Both studies are methodologically sound, focused on Dominica territory and tropical ecosystems, and relevant for the present analysis.

**Table A2.1. Overview of Study Estimates on Forest Economic Values of Ecosystems Services in Dominica (per hectare)**

Ecosystem Services (Dominica)	Lower Bound US\$	Ecosystem Services (tropical areas)	Upper Bound US\$
	Siikamäki et al. (2015)		Carrasco et al. (2014)
Recreation	30.30	<b>Total (Aggregate value)</b>	<b>1,312</b>
Habitat	0		
NWFPs	103.00		
Water	51.30		
<b>Total</b>	<b>184.60</b>		

Source: Own elaboration from Siikamäki et al. (2015, p.42) and Carrasco et al. (2014, p. 167).

14. **Carbon Storage Benefit Stream.** Improved management of forests leads to a reduction in carbon emissions, in other words, this activity develops carbon storage and sequestration function. This function helps to maintain ecosystem services provided by sustainable forest management of woodlands, and as a consequence, alleviate global climate change. The social cost of carbon (SCC) is a commonly estimated measure of the economic benefits of greenhouse gas (GHG) emissions reductions.<sup>32</sup> In this project, SCC represents the social benefits of emissions reduction by avoided deforestation and unsustainable agriculture activities in prioritized areas of Dominica's local communities.

15. Forest lands offer tremendous forest carbon services as natural scrubber systems that capture dioxide from sources of greenhouse gas emissions, such as the power, industrial, and transportation sector.<sup>33</sup> Regarding the benefits by carbon capture of forest lands, we estimated the value per hectare from the Amazon Fund's conservative parameter of 100 tCO<sub>2</sub>-eq /ha for above-ground biomass (data literature ranged up to 320 tCO<sub>2</sub>-eq /ha).<sup>34</sup> Monetary values were taken from the World Bank (2017) which estimates the carbon social price.<sup>35</sup> In this project is used US\$ 60/tCO<sub>2</sub>-eq as an upper bound and US\$ 40/tCO<sub>2</sub>-eq as a lower bound. According to the High-Level Commission on Carbon Prices, it is recommended that the project's economic analysis use a low and high estimate of the carbon price and take a value that is consistent with achieving the core objective of the Paris Agreement of keeping temperature

<sup>32</sup> United States Environmental Protection Agency (EPA). (2010). The "Social Cost of Carbon" Made Simple.

<sup>33</sup> FCWB (2015). Forest Carbon Solutions for Mitigating Climate Change: A Toolkit for State Governments created by the Forest Climate Working Group.

<sup>34</sup> FAO (2015). Technical considerations for Forest Reference Emission Level and/or Forest Reference Level Construction for REDD+ under the UNFCCC.

<sup>35</sup> World Bank (2017). Guidance notes on shadow price of carbon in economic analysis. Washington, D.C.



rise below 2 degrees. For the last reason, a higher value (US\$ 60/tCO<sub>2</sub>-eq) was taken as an objective indicator in the economic analysis.

16. The incremental carbon benefits were modeled over a period of 20 years, although it is expected that the impact would last longer. We considered a different shadow price (US\$60/tCO<sub>2</sub>-eq and US\$40/tCO<sub>2</sub>-eq) with the conservative parameter of 100 tCO<sub>2</sub>-eq/ha. The benefit for carbon sequestration is calculated as follows:

*Whereby:*

EBCS: Economic benefit for carbon sequestration

PtCO<sub>2</sub>: Price per tCO<sub>2</sub>-eq sequestered in year *i*

CO<sub>2</sub>: tCO<sub>2</sub>-eq sequestered in year *i*

17. **User Fee Control System Benefit Stream.** The application of a control system for user fees can be useful in the decision-making process and especially for the improvement of the positioning of a country in general and the improvement of the efficiency of the national tourism system in particular. The use of electronic commerce attracts international tourism and increase tourism revenue.<sup>36</sup> To calculate this benefit, first, we estimate the number of visitors of the three national parks by dividing the estimated revenue from user fees per eco-site (2017 – 2019) and the day pass to visit any segment of the WNT (US\$12).<sup>37</sup> Subsequently, we project the number of visitors, over the 20-year period, assuming an average increase rate of 2.4 percent given the increase/decrease rate of eco-site visitors from 2001 to 2016.<sup>38</sup> Besides, as the world's most-tourism-dependent region, the Caribbean has been battered by the coronavirus shock to international travel. In the worst tourism scenario of 2020, we assumed the number of visitors to the Caribbean region fall by as much as 71 percent compared with 2019, according to the World Travel and Tourism Council (WTTC).<sup>39</sup>

18. Second, it is estimated by the World Bank technical team that organized and functional user fees system supported by regular investments in visitor infrastructure (signage, trail maintenance and interpretation) and focused promotional activities, would amount to a 30 percent increase in revenue generated by user fees. In this sense, this benefit comes from the multiplication of the number of visitors, price of day pass (US\$12), and the marginal effect percentage through the transition from conventional to organized and functional user fees system (30 percent).<sup>40</sup>

19. **Kalinago Community Productive Activities Benefit Stream.** Major activities under this section are related to investments on improved/sustainable productive practices in forest related products and/or services or livelihood alternatives that reduce pressure on forest and their supporting ecosystem services. These activities supported under each component bring economic, social, environmental benefits. The benefit of *Kalinago* beneficiaries is found by

<sup>36</sup> Laura, L.B., & Aurora, R.R. (2019). The importance of online payment on Travel and Tourism incomes - A Cross-Country Panel Data Study. *Academicus: International Scientific Journal*, 20, 199-222.

<sup>37</sup> Futač, Valentina. (2020). Revenue Generation Feasibility Assessment. Supporting Sustainable Ecosystem by Strengthening the Effectiveness of Dominica's Protected Area System. GEF-UNDP. Table 3 and table 11.

<sup>38</sup> Futač, Valentina. (2020). Revenue Generation Feasibility Assessment. Supporting Sustainable Ecosystem by Strengthening the Effectiveness of Dominica's Protected Area System. GEF-UNDP. Table 28.

<sup>39</sup> WTTC and Oxford Economics (2020). Recovery Scenarios 2020 & Economic Impact from COVID-2019. Caribbean Data. All values are in constant 2019 prices & exchange rates. All data as of June 2020.

<sup>40</sup> Futač, Valentina. (2020). Revenue Generation Feasibility Assessment. Supporting Sustainable Ecosystem by Strengthening the Effectiveness of Dominica's Protected Area System. GEF-UNDP. Table 28.



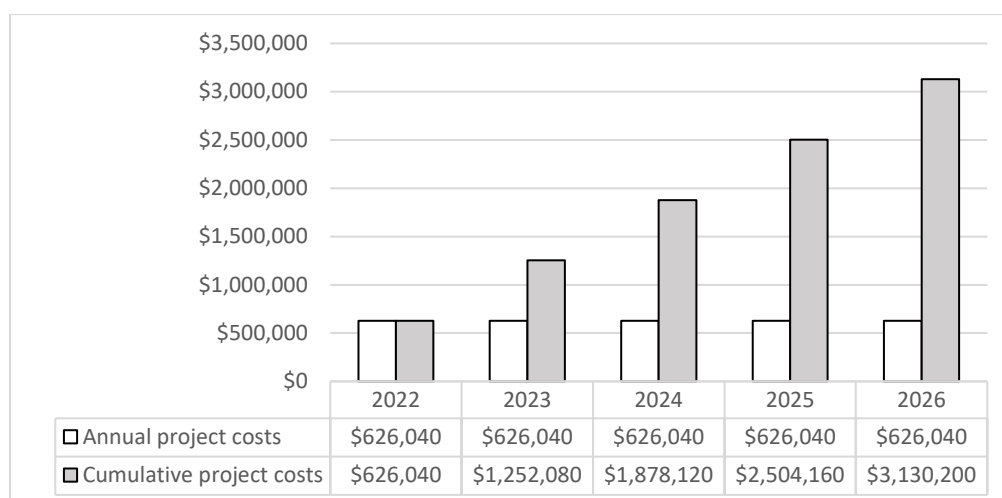
comparing the situation with and without project. In simple terms, there are two ways to assess economically this benefit stream: (i) estimating the difference of benefits between conventional (current or baseline scenario) and regenerative production practices (sustainable practice scenario), or (ii) taking a percentage that represents an improvement in benefits for adopting a sustainable forest and natural resource practices compared to conventional. In this sense, for this economic analysis, it is assumed an increase of at least 10 percent in the potential 250 beneficiaries' incomes of US\$ 3,820 per year, a value retrieved by Slinger-Friedman (2009) about Carib handicrafts workers reported earnings.<sup>41</sup> The distribution of beneficiaries also is based on the Results Framework.

### ***Distribution of Costs and Benefits Over Time***

20. A 20-year period is assumed to assess the economic feasibility of the project. It is also assumed there are no further incremental changes of project-generated benefits beyond the 20-year project evaluation period. While the project costs are only assumed to emerge for the five years of project implementation, the benefits and operational costs are assumed to generated beyond the implementation period. Project costs over the implementation period are approximated considering the project financing of US\$ 3.13 million by GEF. Also, an assumption of two percent, as an additional operating cost, were added along with the projection of 20-year project evaluation that will be added for the incremental economic analysis.

21. A sensitivity analysis is applied for the main simulation parameters, notably the discount rate and project horizon, to assess project robustness. For the discount rate, alternative rates of six and nine percent are applied. In addition to varying discount rates, simulation results are tested against changing the project horizon (10 and 20 years). This set of sensitivity assessments enables a comprehensive analysis of the economic robustness of the project in relation to the changing or differentiated value parameters. All sensitivity analyses are run for all discount rate scenarios.

**Figure A2.2. Distribution of Project Costs**



Source: Own elaboration by the World Bank Task Team.

## **D. Results**

<sup>41</sup> Slinger-Friedman, V. (2009). Ecotourism in Dominica: Studying the Potential for Economic Development, Environmental Protection and Cultural Conservation. *Island Studies Journal*, 4(1), 3-24.



22. Table A2.2 shows baseline results as well as sensitivity analysis. The first panel shows the 20-year baseline scenario. The second panel decreases the project lifetime from 20 years to 15 years. The third panel reduces further project lifetime to 10 years. All the case scenarios are positive suggesting that the project creates more benefits than costs. At the same time, increasing the discount rate from six to nine percent, reducing the carbon social price by 33 percent (from US\$ 60/tCO<sub>2</sub>-eq to US\$ 40/tCO<sub>2</sub>-eq) as well as adopting the carbon market price (US\$ 18/tCO<sub>2</sub>-eq),<sup>42</sup> and using more conservative estimates regarding the value of ecosystem services provided (upper bound and lower bound), do not substantially affect the estimates.

**Table A2.2: NPVs (US\$) and BC Ratio under Different Scenarios**

- Baseline Scenario, project lifetime 20 years and project costs included.**

Carbon Price (US\$/tCO <sub>2</sub> -eq)	Discount Rate	Upper Bound		Lower Bound	
		NPV	BC-Ratio	NPV	BC-Ratio
US\$ 60	6%	\$8,860,929	4.19	\$8,789,503	4.16
	9%	\$6,202,953	3.43	\$6,149,387	3.41
US\$ 40	6%	\$5,422,956	2.95	\$5,351,530	2.92
	9%	\$3,624,642	2.42	\$3,571,076	2.40
US\$18	6%	\$1,641,186	1.59	\$1,569,760	1.56
	9%	\$788,499	1.31	\$734,933	1.29

- Robustness Check 1, project implementation of 15 years and project costs included.**

Carbon Price (US\$/tCO <sub>2</sub> -eq)	Discount Rate	Upper Bound		Lower Bound	
		NPV	BC-Ratio	NPV	BC-Ratio
US\$ 60	6%	\$6,577,907	3.38	\$6,520,752	3.36
	9%	\$4,815,945	2.90	\$4,771,050	2.88
US\$ 40	6%	\$3,826,860	2.39	\$3,769,706	2.37
	9%	\$2,654,970	2.05	\$2,610,074	2.03
US\$ 18	6%	\$800,709	1.29	\$743,554	1.27
	9%	\$277,897	1.11	\$233,001	1.09

- Robustness Check 2, project implementation 10 years and project costs included.**

Carbon Price	Discount Rate	Upper Bound	Lower Bound
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<sup>42</sup> We took the carbon price of US\$18/tCO<sub>2</sub>-e from S&P Global Market Intelligence about California carbon allowance, reported in December 2020.



(US\$/tCO <sub>2</sub> -eq)		NPV	BC-Ratio	NPV	BC-Ratio
US\$ 60	6%	\$3,526,641	2.29	\$3,488,584	2.28
	9%	\$2,684,606	2.07	\$2,653,051	2.05
US\$ 40	6%	\$1,694,857	1.62	\$1,656,800	1.61
	9%	\$1,165,753	1.46	\$1,134,198	1.45
US\$18	6%	(\$320,106)	0.88	(\$358,162)	0.87
	9%	(\$504,985)	0.80	(\$536,540)	0.79

## E. Conclusions

23. This incremental economic analysis for a Leveraging Ecotourism for Biodiversity Protection project in Dominica shows substantial benefits for beneficiaries in areas served by the Project, as well as substantial benefits for the Dominican society. Overall, the Net Present Value (NPV) is projected to reach US\$ 734 thousand (lower bound), and US\$ 8.86 million (upper bound) in the baseline scenario (20 years, carbon social price of US\$ 18 and US\$60, and 6 and 9 percent discount rate). The investments evaluated for the economic and financial analysis will generate a Benefit-Cost ratio between 1.29 and 4.19; and an Internal Rate of Return (IRR) between 13.45 percent and 38.48 percent. The economic and financial analysis thus shows that if project implementation is effective and efficient, project-supported investments will bring substantial financial and economic benefits to *Kalinago* community in the project area and to Dominican society in general.

24. The results of the quantitative simulations are robust in terms of sensitivity analyses, assuming a 15-year project, the NPV varies between US\$233 thousand and US\$6.57 million, a benefit-cost ratio between 1.09 and 3.38, and an IRR between 10.86 percent and 37.91 percent (carbon price of US\$ 18/tCO<sub>2</sub>-e and US\$ 60/tCO<sub>2</sub>-e, and 6 and 9 percent discount rate). Throughout the analysis, the benefit assumptions were based on the values of ecosystem services and carbon sequestration in Dominica by recognized studies.

25. Estimates shown correspond to a lower bound as they represent the benefit streams derived from Components 1, 2, and 3 applying a very conservative approach. The economic value of project is likely to be higher since the analysis did not include in the calculations other non-economic global and local benefits such as the value of the resulting improvement in food security, among other benefits. Certainly, it is expected that Component 4 will have additional benefits, but they are difficult to measure due to the social and environmental qualitative approach, based on project management. Worth noting, this last component is needed to carry out the main components and the overall project activities efficiently to thus achieving the desired results through the strengthening of business skills for sustainable rural production and the project coordination, monitoring, and evaluation.

26. Additional incremental benefits can be associated with incremental economic benefits arising from better public service delivery resulting from the forest management and potential investments in ecotourism facilities to be operated by the *Kalinago* Community. In summary, this project will benefit the sustainable development of Dominica, providing long-term benefits to local communities and global public goods.



### ANNEX 3: Gender Analysis and Action Plan

#### POLICIES AND REQUIREMENTS

1. This Gender Plan of Action (GPA) is intended to fulfill the GEF's Policy on Gender equality (SD/GN/02)<sup>43</sup> as well as the World Bank Group Gender Strategy (FY16-23): Gender Equality, Poverty Reduction, and Inclusive Growth<sup>44</sup>. Both the GEF and the World Bank recognizes the importance of promoting gender equality and the empowerment of women. The GEF identifies three specific gender inequalities and gaps as particularly relevant to its work and programming strategy, including: (i) unequitable access to and control of natural resources; (ii) Unequal opportunities in environmental decision-making and leadership; (iii) Uneven access to socio-economic benefits and services.

#### OBJECTIVE OF THE GENDER PLAN OF ACTION

2. Gender is understood as the attributes, expectations, and social, behavioral, and cultural norms associated with being a man or woman<sup>45</sup>. The social definitions of what it means to be a woman or a man vary according to cultures and change over time. Men and women are not homogeneous groups but are stratified by race, ethnicity, and disability, which, together with income level, geographic location, and immigration status, can lead to multiple overlapping layers of vulnerability and discrimination (gender gaps). In this perspective, it is also important to consider different age groups, including children, youth, adolescents, and elders.

3. To address the relationship between gender and biodiversity in Dominica, especially within the Kalinago territory, it is important to consider the diversity of the population of the region and the traditional roles of women and men in the Kalinago culture. More systematic research is required before any generalizations can be made on how gender relations affect Kalinago women differently and how to address these relations, but some general aspects to consider are: the allocation of resource rights within communal lands often follows traditional "customs and practices" that may or may not support gender equality; multiple legal, cultural, structural and institutional mechanisms exclude women from land rights; women's productive work is often invisible to markets and outsiders due to its association with the home, family, and subsistence and because of limited market access; prevalence of sexual exploitation and abuse/sexual harassment; and inadequate investment and prioritization of care services, from early childhood to old age, among others.

4. Based on this reality, the objective of this GPA and the gender approach of the Project is to consider, address and contribute to the reduction of the gaps between men and women, boys and girls, adults, elders, and youth, aim to reduce them through specific project actions and avoid any action that will increase the gaps. The project will design activities to strengthen women's voice and leadership in the areas of influence. The GPA is a cross sectoral instrument that will be implemented along the preparation, implementation and supervision of the project, ensuring that all the objectives, components and activities will be delivered following the gender approach.

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<sup>43</sup> Global Environment Facility. 2017. Guidelines on Gender Equality (SD/GN/02). GEF. [http://www.thegef.org/sites/default/files/documents/Gender\\_Equality\\_Guidelines.pdf](http://www.thegef.org/sites/default/files/documents/Gender_Equality_Guidelines.pdf)

<sup>44</sup> World Bank Group. 2015. World Bank Group Gender Strategy (FY16-23): Gender Equality, Poverty Reduction and Inclusive Growth. World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/23425>

<sup>45</sup> World Bank Group. 2019. Good Practice Note: Gender; Environment & Social Framework for IPF Operations; World Bank Group. World Bank, Washington, DC. <http://pubdocs.worldbank.org/en/158041571230608289/Good-Practice-Note-Gender.pdf>



5. To reach this objective, it is first necessary to: (i) identify the current situation regarding gender gaps and the risks and impacts that the project may entail (gender analysis); and from that information, (ii) promote positive actions that seek to close these gaps and avoid any further increase. An important aspect to highlight is that implementing this approach and the Plan of Action will focus on contributing to the central objectives of the project related to the conservation and sustainable use of the territory. The latter to the extent that the identification, visibility, promotion, and strengthening of the different roles and knowledge that women, youth and the elderly have regarding the sustainable management of the territory is essential in the gender approach of the Project.

## GENDER ANALYSIS

6. This gender analysis and the Gender Plan of Action are documents that will be complemented and updated as the project progresses, incorporating the results, reflections and lessons learned from its execution, as well as the results of new research published in this regard. Especially, the results of the regional study that will be financed by the Amazon Sustainable Landscapes project will be taken into account, as well as the knowledge exchange and transfer initiatives that will be generated between the countries participating in that project.

## GENDER-SENSITIVE ACTIVITIES

7. Gender considerations will be immersed throughout the project, such as: Gender sensitive budgets (Take into account the needs and interests of gender and age when designing and implementing budgets); Gender Sensitive indicators (Take into account the needs and interests of gender and age when designing and implementing indicators); Recognition of the value and use of traditional knowledge with a gender approach (Promote dialogues where the knowledge, practices, and distinctive gender roles are valued and used to expand and interact with other types of technologies); and the empowerment of women's organization in the project area.

8. However, for each of the specific components, some of the activities and considerations as part of the Gender Strategy proposed are included in the following table:

Project Components and outputs	Gender-sensitive activities
<b>1. Protected Area Planning</b> <ul style="list-style-type: none"> <li>National Park demarcated</li> <li>Improved National Park Management Plans adopted</li> <li>Capacity built for National Park management, including gender inclusion, biodiversity conservation and financial sustainability.</li> </ul>	<ul style="list-style-type: none"> <li><b>Promoting Gender Equality in the management of protected areas:</b> The different needs, interests, perceptions, and knowledge of women and men must be addressed about the conservation of protected areas.</li> <li><b>Empowering women indigenous organizations</b> of the communities and reservoirs located in the incidence territories of protected areas.</li> <li><b>As part of the Action Plans within the Framework of the Indigenous Peoples Policy of the World Bank (PA-MPI-BM)</b> the project will impulse activities that reinforce the central role of indigenous women and elders as guardians of traditional knowledge, biodiversity, food safety and family.</li> </ul>
<b>2. Biodiversity and Sustainable Ecotourism Operations</b> <ul style="list-style-type: none"> <li>WNT and feeder trails georeferenced.</li> <li>E-ticketing system for National Parks and WNT operational.</li> <li>Interpretation functions improved.</li> </ul>	<ul style="list-style-type: none"> <li><b>Empowering women in sustainable production:</b> Increase women's capacities, particularly those of vulnerable groups, in the productive value chain.</li> <li><b>Increase women's capacities</b> in agriculture and commercial skills, as well as health, education, sustainability, and labor rights, taking advantage of their traditional knowledge.</li> </ul>





<ul style="list-style-type: none"> <li>Capacity built for eco-tourism and trail management, including gender inclusion.</li> </ul>	<ul style="list-style-type: none"> <li><b>Support for the strengthening and entrepreneurship of the selected women's and forestry organizations</b>, through alliances and other types of mechanisms that assist these organizations.</li> </ul>
<p><b>3. <u>Sustainable Livelihoods of Kalinago community</u></b></p> <ul style="list-style-type: none"> <li>Increased income opportunities and benefits delivered to Kalinago women.</li> <li>Kalinago territory under improved Management Plan.</li> <li>Capacity built for Kalinago entrepreneurship and traditional knowledge, including a Youth Empowerment program.</li> </ul>	<ul style="list-style-type: none"> <li><b>Increase women's participation in decision-making:</b> Women should be encouraged to participate in the formulation of management plans and increase their representation in decision-making spaces, including in financial and household consumption decisions.</li> <li><b>Reinforce the central role of peasant women</b> and elders as guardians of traditional knowledge, biodiversity, food safety and family.</li> <li><b>Balanced involvement of women and men, children, youth and elderly in the management of natural resources:</b> Equitable participation in groups and instances of natural resources management, as well as in consultation, socialization and community participation activities should be promoted, so that their needs, priorities, and knowledge are taken into account.</li> <li><b>Adoption of the gender approach by partner institutions:</b> Training and transfer activities directed to key officials to strengthen their capacities in relation to the gender approach. Systematization and effective communication of lessons learned and challenges on the implementation of the gender approach.</li> <li><b>Recognition of the mechanism for requests, complaints and claims to the project's gender focus.</b> Reception instruments sensitives to the perspectives and conditions of women, youth and senior citizens.</li> </ul>
<p><b>4. <u>Project Monitoring and Management</u></b></p>	<ul style="list-style-type: none"> <li><b>Gender analysis:</b> Generation of gender-sensitive information and its related gaps.</li> <li><b>Recognition of the value and use of traditional knowledge with a gender approach:</b> Promote dialogues where the knowledge, practices, and distinctive gender roles are valued and used to expand and interact with other types of technologies.</li> <li><b>Support women's organizations:</b> Support and strengthen the work of women's organizations in the areas of influence, improving their capacities to conduct and monitor project activities.</li> <li><b>Impulse regional knowledge exchange experiences between ASL countries</b> focused in gender thematic. Appropriated and learn from the studies conducted by the ASL coordination project related whit gender problematics.</li> </ul>

9. In addition, if there's an identification of a case or a suspected case of Gender-Based Violence, formulation and implementation of plans that allow prevention and protection of affected women's will be made. For these cases, grievances mechanism will have available all its virtual and face-to-face care and response channels (see Environmental and Social Management Framework), emphasizing that special spaces will be available for women's to present their grievances, clarifying that these may be anonymous, and that in any case their safety will be ensured.



This strategy should be accompanied by training and sensitization to project contractors on the protection of women's rights and inclusion of the project's gender approach, local strategies and care routes about gender-based violence (GBV) cases.

10. The monitoring of the Gender Plan of Action will be carried out in a participatory way, agreeing, from the beginning, appropriate spaces for this purpose with the women beneficiaries of the project. In addition, during the execution of the project, specific guidelines will be developed that will help gender-sensitive management among partner institutions and the organizations involved. Also, the project coordination team will apply perception surveys to project beneficiaries, where one of the central axes will be the gender focus. The partner entities in charge of executing and monitoring the actions related to the gender approach and the Gender Plan of Action shall report the results in this regard in the quarterly and semi-annual reports provided to the General Coordination of the Project. Regarding the allocation of resources, within each of the project components and within the Annual Operational Plans, specific resources will be allocated for the activities mentioned in this GPA.



## ANNEX 4: COVID-19 Impacts and Mitigation Measures

1. While cases remained relatively low in Dominica for most of the pandemic, summer 2021 saw a steep increase resulting in over 10,000 confirmed cases (nearly 15 percent of the population) and over 50 deaths (as of February 2022)<sup>46</sup>. Moreover, the COVID-19 pandemic struck Dominica as the economy was recovering from the devastation of successive natural disasters and the COVID-19 pandemic has now triggered a sudden stop in tourism. Many small economies, including those that are tourism-dependent, were maintaining a positive growth rate prior to the onset of the COVID-19 pandemic. The Caribbean has been badly impacted by the near halt in tourism. The Caribbean economy is anticipated to contract by 1.8% in 2020, and by 3.1% excluding Guyana.<sup>47</sup> Many jobs are affected, and a recent high frequency phone survey in one of the Caribbean small states suggests that poverty headcounts are rising, though the magnitude and duration of this increase will depend on the pace of economic recovery. The global recession, disruptions in international trade and travel, as well as local containment measures, have paralyzed the tourism sector and adversely affected domestic production, as business activity has been curtailed to combat the spread of the disease. More specifically, COVID-19 has affected growth through several channels, including: the sudden total stop in tourism; declining remittances, as global growth slows; lower foreign direct investment; and falling Citizenship by Investment (CBI) revenues.<sup>48</sup> Tourism receipts approximate 20 percent of Dominica's GDP in a typical year. This fell to 8 percent in 2020 and 7.5 percent in 2021, although is slowly rebounding with projected doubling (to 15 percent) in 2022 and rising closer to pre-2020 levels by 2023.

2. There are no recent official poverty data, but poverty remains a cause for concern. The official poverty data are outdated (2008) with indicated poverty rates of 28.8 percent. Estimates after Hurricane Maria projected that poverty could increase to 43 percent if consumption impacts were not addressed. Economic recovery in 2018 and 2019 are expected to have reduced poverty levels but the extent of this potential poverty reduction cannot be confirmed. With growth decelerating markedly in 2020 due to the COVID-19 pandemic, poverty rates are expected to increase in 2020. Indicative data from a rapid survey for the Caribbean<sup>49</sup> revealed that impacts of the COVID-19 pandemic seem to be taking an increasing toll on household income. As of June 2020, 70 percent of households reported a loss in employment or reduced salaries, 12 percentage points higher than in April 2020<sup>50</sup>. Additionally, 70 percent of those whose income comes from informal sources and 66 percent of those in petty trades reported livelihood disruptions, compared to 50 percent for salaried workers. Based on the 2008 Dominica Country Poverty Assessment, most of the poor work in services and agriculture, sectors that are directly linked to tourism. Given the high negative impact of COVID-19 on the tourism sector, all sectors linked directly and indirectly to tourism are expected to be heavily affected, with income losses likely substantial among the poor whose livelihoods are in these sectors. Women are over-represented in these sectors and thus, particularly vulnerable to the effects of COVID-19 and the containment measures. The active transfers programs instituted by the Government and continued reconstruction spending are unlikely to fully offset the impacts on poverty. The incidence of poverty is thus expected to remain elevated over the medium term.

### Response Strategies

<sup>46</sup> <https://coronavirus.jhu.edu/region/dominica>

<sup>47</sup> <https://www.worldbank.org/en/publication/global-economic-prospects#firstLink21640>

<sup>48</sup> Dominica's Citizenship-By-Investment (CBI) program has been highly successful and has accounted for up to 33 percent of GDP in domestic revenue generation annually in recent years. CBI revenues are expected to decline to 9.9 percent of GDP in 2020 from 13.8 percent in 2018.

<sup>49</sup> World Food Program, 2020.

<sup>50</sup> Caribbean COVID-19 Food Security & Livelihoods Impact Survey, Dominica Summary Report. World Food Programme, October 2020.



3. The project's response strategy is being defined in a changing environment, with high uncertainty regarding future impacts, vaccine timeline, and protocols to be implemented. Adaptive management will be key, and the project has and will make use of different social distancing and virtual tools available to reach its objectives. The strategy includes three main stages: the short-term, i.e., project preparation and approval; the medium-term, i.e., project start-up; and the post-COVID-19 emergency situation, i.e., the "new normal" once the acute health emergency situation has been overcome in the country.

#### **Short-term (Project preparation and approval)**

4. Interactions between World Bank staff, consultants, and government staff had been curtailed because of the consequences of COVID-19 on international travel. However, virtual meetings and preparation sessions, as well as the formulation of a Working Group in Dominica enabled the project to proceed with preparation through a participatory approach, culminating in the return to mission travel and in-country appraisal mission. In addition, the World Bank has contracted two local consultants to work directly with the government. These consultants greatly improved coordination and preparation for the project due to their physical presence.

#### **Medium term (Project Start-Up)**

5. A POM will be developed for the project and will integrate formal protocols provided by the MERMKU for social distancing measures and risk mitigation and the budget needs for personal protection equipment (PPE) to protect team members and project beneficiaries. Proposed mitigation measures during project implementation are shown in A4.1 include:

- a) Inclusion in the Labor Management Plan a specific protocol for work in environments with risk of contagion and training of all participating personnel.
- b) With regards to activities of Components 2 and 3, the following additional measures are contemplated: i) a worker database to be developed to serve to record data on outbreaks, number of suspected and confirmed cases, number of absences, and any other relevant epidemiological information; ii) before participating in activities, employees or service providers to be screened to avoid or reduce the possibility of contagion; iii) during activities, precautions similar to those mentioned above to be taken; and v) training will be provided to project beneficiaries related to COVID-19 and its prevention.
- c) Provide all personnel with the necessary PPE, cleaning, and disinfecting materials for the implementation of the protocols developed.
- d) Link/coordinate institutions, private sector businesses, and beneficiary organizations and community groups participating in the project, for the effective application and monitoring of the protocols developed.
- e) Procurement guidelines should promote local purchasing in order to inject cash flows into the local economy and promote employment where possible.

#### **Long-term (post-pandemic)**

6. The following opportunities for responding to zoonotic diseases in the long-term include:
- a) The COVID-19 pandemic has raised global awareness on the linkages between humans and nature with regards to zoonotic diseases. Opportunities may arise to build on that awareness and share evidence to make the case for investing in protecting forest ecosystems and their functioning as part of preventing similar pandemics.
  - b) Potential emerging threats to natural habitats and local communities may trigger partnerships connecting and integrating natural and human capital.
  - c) More synergies and coordination among local and national government entities, donors, and partners are expected to support countries and especially their respective networks of protected areas and sustainable



landscapes, as well as the fight against illegal wildlife poaching, trafficking, and logging.

7. Furthermore, the project contributes to Dominica's economic recovery from the COVID-19 pandemic and, more broadly, long-term sustainable growth. In general, COVID-19 has resulted in a reduction of income from tourism and may increase pressure on natural ecosystems. The project's activities to enhance eco-tourism opportunities and sustainable livelihoods for Kalinago communities may result in better control and management of natural and productive ecosystems and diversify income sources for vulnerable communities, including once the tourism sector rebounds. Strengthened capacities of institutions, communities, and other civil society members are also expected to produce long-term benefits related to increased competitiveness, better control of land resources, resilience to climate change, and overall well-being.

**Table A4.1. Summary of COVID-19 mitigation actions by project component**

Component	Stage of COVID-19	Main mitigation measures
Component 1	Country in lockdown	<ul style="list-style-type: none"> <li>Postpone all in-person training activities.</li> <li>Project launch and initial coordination and training activities are planned for virtual implementation.</li> <li>All PIU staff has access to computers and can work from home if necessary.</li> <li>PIU keeps in touch with local stakeholders providing orientation on basic protective measures through phone, WhatsApp groups, radio network and other available means.</li> <li>PIU Collaborates with broader GoCD in disseminating reliable information.</li> <li>The project teams will be particularly attentive to ensuring sufficient representation and balanced participation in meetings and other virtual events, adapting as needed event timing and providing recordings so that participants can access information at times best adapted to them.</li> <li>Partner with local media (radio, TV and others) to raise awareness about the virus and basic protective measures.</li> <li>Virtual outreach to women, youth, and vulnerable groups.</li> <li>Capacity building of local leaders will be strengthened, to implement project activities in intervention areas and have a stronger role in execution and monitoring. This will also promote even further local employment and injection of cash in the region.</li> <li>The PIU will support local economies by purchasing local supplies, goods and services required for activity implementation, thus also reducing the inflow of people from outside project areas.</li> </ul>
	Meetings and field activities are allowed with restrictive measures	<ul style="list-style-type: none"> <li>Reduce the number of in-person and field sessions to a minimum (critical activities only) and implement basic protective measures such as using masks, social distancing, and hand washing facilities.</li> <li>Increase the use of phone, free text messages and digital tools to continue learning in as much as possible.</li> <li>Use phones network, digital tools and videos to disseminate relevant information and support continued learning.</li> </ul>
	Little or no restrictions on group activities, but	<ul style="list-style-type: none"> <li>Resume in-person training and exchanges, keeping in place basic protective measures.</li> <li>Take advantage of training activities to raise awareness on safety and</li> </ul>



Component	Stage of COVID-19	Main mitigation measures
	concerns remain about how the situation may evolve	hygiene measures to prevent spread of COVID-19 and other viruses and diseases (see ESMF).
Component 2	Country in lockdown	<ul style="list-style-type: none"> <li>• Postpone all in-person and field training activities.</li> <li>• Project launch and initial coordination and training activities are planned for virtual implementation.</li> <li>• All PIU staff has access to computers and can work from home if necessary.</li> <li>• PIU to liaise with partners to devise ways of moving forward with the installation of equipment and infrastructure, without taking unnecessary risks.</li> <li>• PIU to liaise with local organizations so they can provide some of the consulting/research services planned for this component or present proposals in consortium with other organizations.</li> <li>• The project teams will be particularly attentive to ensuring sufficient representation and balanced participation in meetings and other virtual events, adapting as needed event timing and providing recordings so that participants can access information at times best adapted to them.</li> <li>• All project staff have necessary PPE.</li> </ul>
	Meetings and field activities are allowed with restrictive measures	<ul style="list-style-type: none"> <li>• Proceed with sub-component activities as planned, adhering to sanitary protocols and protective measures.</li> </ul>
	Little or no restrictions on group activities, but concerns remain about how the situation may evolve.	<ul style="list-style-type: none"> <li>• Proceed with sub-component activities as planned, adhering to sanitary protocols and protective measures.</li> </ul>
Component 3	Country in lockdown	<ul style="list-style-type: none"> <li>• Component launch and initial coordination and training activities are planned for virtual implementation.</li> <li>• All PIU staff has access to computers and can work from home if necessary.</li> <li>• Postpone all in-person and field activities.</li> <li>• The PIU is assisted by the Technical Committee to define a participatory approach strategy for project activities.</li> <li>• Training activities are planned for virtual implementation.</li> </ul>
	Meetings and field activities are allowed with restrictive measures	<ul style="list-style-type: none"> <li>• Proceed with sub-component activities as planned, adhering strictly to sanitary protocols and protective measures.</li> <li>• Training activities are planned for virtual implementation.</li> <li>• Project teams will be particularly attentive to ensuring sufficient representation and balanced participation in meetings and other virtual events, adapting as needed event timing and providing recordings so that participants can access information at times best adapted to them.</li> </ul>



Component	Stage of COVID-19	Main mitigation measures
	Little or no restrictions on group activities, but concerns remain about how the situation may evolve.	<ul style="list-style-type: none"> <li>• Proceed with sub-component activities as planned, adhering to sanitary authorities' regulations and protective measures.</li> </ul>
Component 4	Country in lockdown	<ul style="list-style-type: none"> <li>• Project launch and initial coordination activities are planned for virtual implementation.</li> <li>• All PIU staff has access to computers and can work from home if necessary.</li> <li>• Postpone all in-person and field activities.</li> <li>• All PSC and TC meetings are virtual.</li> <li>• The PIU is assisted by the PSC to define a participatory approach strategy for project activities.</li> <li>• The PIU will support local economies by purchasing local supplies, goods and services required for activity implementation, thus also reducing the inflow of people from outside project areas.</li> <li>• Budget allocation may be needed for PPE and/or information and communication technology (ICT) access for project team members and certain categories of project beneficiaries.</li> </ul>
	Meetings and field activities are allowed with restrictive measures	<ul style="list-style-type: none"> <li>• Proceed with sub-component activities as planned, adhering strictly to sanitary protocols and protective measures.</li> <li>• The project teams will be particularly attentive to ensuring sufficient representation and balanced participation in meetings and other virtual events, adapting as needed event timing and providing recordings so that participants can access information at times best adapted to them.</li> <li>• The use of remote georeferenced tools for implementation and monitoring is being considered with technical support from World Bank (i.e. Geo-Enabling initiative for Monitoring and Supervision- GEMS methodology).</li> </ul>
	Little or no restrictions on group activities, but concerns remain about how the situation may evolve.	<ul style="list-style-type: none"> <li>• Proceed with sub-component activities as planned, adhering to sanitary protocols and protective measures.</li> </ul>



## ANNEX 5: GHG Analysis

### Background and Methodology

1. In its 2012 Environment Strategy, the World Bank adopted a corporate mandate to conduct greenhouse gas (GHG) emissions accounting for investment project financing. The quantification of GHG emission is an important step in managing and ultimately reducing GHG emission and is becoming a common practice for many international financial institutions. The World Bank adopted the Ex-Ante Carbon-balance Tool (EX-ACT), which was developed by the Food and Agriculture Organization of the United Nations (FAO) in 2010 to assess the impact of agricultural investment lending on GHG emission and carbon sequestration. EX-ACT allows the assessment of a project's net carbon-balance, defined as the net balance of CO<sub>2</sub> equivalent GHG that were emitted or sequestered as a result of project implementation compared to a *without project scenario*. EX-ACT estimates the carbon stock changes (emissions or sinks), expressed in equivalent tons of CO<sub>2</sub> per hectare and year.
2. The project "Leveraging Eco-Tourism for Biodiversity Conservation" aims to improve management of Dominica's three national parks – Morne Trois Piton National Park (MTPNP), Morne Diablotin National Park (MDNP) and Cabrits National Park (CNP) – and the Waitukubuli trail. To this end, the project will coordinate and optimize the government's approach to PAs and forest systems and support the government in its efforts to conserve biodiversity as part of its pursuit to establish Dominica as an eco-tourism destination. To have a clear understanding of the impact of the project on the areas of intervention, the team created a baseline scenario assessing GHG emissions in the three parks using the EX-ACT v8.5.4 tool.

### Application of EX-ACT

1. **Basic assumptions.** For the GHG analysis, the selected soil type is High Activity Clay (HAC) soil, which is the dominant soil type in the island. The project's implementation period as well as the GHG analysis is for 5 years and the project capitalization is for 20 years. The "without project scenario" is assumed to be equal to "business as usual" or "no-project scenario" and was calculated using past trends of land uses and practices and projecting them to future trends.
2. **Inputs to the analysis.** The project interventions will directly target an estimated area of 10,435 ha of National Parks and a long-distance hiking trail spanning 184 km from North to South of the island. MTPNP and MDNP have low levels of deforestation and forest degradation. CNP has low levels of forest and land degradation. Continuing forest and land degradation will impact negatively the natural resources and biodiversity, which will have direct impact on tourism and the livelihoods depending on them. Component 1 is expected to enhance the sustainable management of the parks, which will result in: a) reduction of deforestation, b) reduction of forest and land degradation, and c) conservation of natural resources and biodiversity of the island. Component 1 will additionally make clear the economic value of PAs and its linkages to economic growth through eco-tourism. Component 2 is expected to contribute to Component 1 through the improvement and renovations of trails, and installation of visitor facilities. These activities will entail some forest disturbance that it is expected to be temporary and with no significant impact to the parks.
3. **Outcomes.** Over five years of implementation, the project is expected to reduce or avoid 9,843 tCO<sub>2</sub>-eq., and 738,143 tCO<sub>2</sub>-eq. over 20 years.





### Inputs for GHG accounting

Activities	Description
<b>Protected Area Planning – Component 1</b>	
Updating management plans. Assessments on value of ecosystem services & understanding values of forests and its relation to conservation, climate change, eco-tourism, natural hazards, amongst others.	Uncontrolled human activity within the parks will negatively increase pressures on natural resources and biodiversity. An effective and sustainable management of the PAs can reduce biodiversity loss and provide significant contributions to conservation efforts while contributing to the development of the local economy. Estimates of GHG mitigation potential are based on indirect impact of project activities, such as reduced deforestation and land degradation from improved governance and resources.
<b>Biodiversity and Sustainable Ecotourism Operations - Component 2</b>	
Operations and Installation of works and programs	Works and operations will be in line with best practices for biodiversity conservation and sustainable tourism development. This component entails some forest disturbance for the construction of visitor facilities (mobilization of human resources and equipment). However, the impact on the forests is expected to be temporary to the end of activities and then on continue with a sustainable management.

### Total GHG Mitigation potential of the project

Components of the project	Gross fluxes		
	(All GHG in tCO <sub>2</sub> -eq, Positive = source / negative = sink )		
	Without project	With project	Balance
Avoided Deforestation	16,690	6,847	-9,843
Sustainable Forest management	63,970	-674,604	-738,574
<b>Total</b>	<b>80,660</b>	<b>-667,757</b>	<b>-748,417</b>
Per hectare	3.9	-32.0	-35.9
Per hectare per year	0.2	-1.6	-1.8

### GHG Average Annual Emissions & mitigation potential of the project

Components of the project	Gross fluxes		
	(All GHG in tCO <sub>2</sub> -eq, Positive = source / negative = sink )		
	Without project	With project	Balance
Avoided Deforestation	835	342	-492
Sustainable Forest management	3,198	-33,730	-36,929
<b>Total</b>	<b>4,033</b>	<b>-33,388</b>	<b>-37,421</b>



**Share per GHG of the balance (IPCC 2019 default values).**

<b>Direct and indirect contributions from improved National Park Management - Component 1 &amp; 2</b>				
	CO <sub>2</sub> Biomass	CO <sub>2</sub> Soil	N <sub>2</sub> O	CH <sub>4</sub>
Avoided Deforestation	-8,216	-1,295	-71	-261
Sustainable Forest management	-745,159	0	1,350	5,236
<b>Total</b>	<b>-753,375</b>	<b>-1,295</b>	<b>1,279</b>	<b>4,975</b>
Per hectare	-36.1	-0.1	0.1	0.2
Per hectare per year	-1.8	0.0	0.0	0.0

**Percent uncertainty in the estimations tCO<sub>2</sub>-e/yr**

Without	4,033	26%
With	-33,388	35%
Net balance	-37,421	33%



## ANNEX 6: Detailed project description

**The Project seeks to support biodiversity conservation by capturing synergies with other GEF-funded engagements in Dominica and by enhancing Dominica's capacity to manage its PA and trail system to create economic opportunities through nature-based tourism and livelihoods that disincentivize economic activity and eliminate perverse incentives which may result in environmental degradation and biodiversity loss.** The project firstly aims to strengthen the current institutional framework for PA management, including through knowledge dissemination, awareness raising and capacity building for biodiversity monitoring. Awareness raising and knowledge dissemination activities will focus on (i) local communities, especially those with natural resource dependent livelihoods, and (ii) Dominican policy makers, planners, and legislators to promote the benefits of effective PA management for Dominica's sustainable economic development. Secondly, the Project aims to enhance the quality of supportive infrastructure and management skills that underpin biodiversity conservation through nature-based tourism, including through integrating local communities in PA management going forward through opportunities for livelihoods in trail management, and forest and PA monitoring. Thirdly, the Project aims to increase and expand opportunities for biodiversity-dependent livelihoods by providing training opportunities and capacity building to project beneficiaries to generate business opportunities from sustainable management of local ecosystems. Where relevant across all activities, the project will harness existing partnerships and forge new ones with initiatives across the Caribbean (and SIDS more broadly) that seek to implement effective conservation strategies and share lessons learned generated from project-financed activities.

**The project will benefit Dominica's three national parks (Morne Trois Pitons, Morne Diablotin and Cabrits) and the Kalinago Territory through support for intersectoral planning and design and implementation of nature-based tourism models that can enhance opportunities for sustainable livelihoods.** The project includes analytical studies, coordination efforts, and capacity building and awareness raising activities that can improve protection and management of three national parks and the WNT and offer new livelihood opportunities for local people of the *Kalinago* territory and communities adjacent to the parks. Investments in on-the-ground activities to demarcate national parks and buffer-zones and improve sustainable nature-based tourism operations have been prioritized according to their (i) biodiversity significance and value, (ii) needs for strengthening existing governance and management frameworks, and (iii) benefit to local stakeholders in sustainable resource use, in developing livelihood opportunities, and reviving traditional knowledge and skills. The targeted area of the project encompasses 14,129 ha or 18.85 percent of the country's territory, as presented in the following coverage of targeted areas<sup>51</sup>.

Table A6.1. Geographic coverage of the project

Targeted Area	Area in ha
Morne Trois Pitons National Park	6,875
Cabrits National Park ( <i>terrestrial</i> )	110
Morne Diablotin National Park	3,450
<i>Kalinago</i> territory	3,700
<b>Total</b>	<b>14,129</b>

<sup>51</sup> <http://forestry.gov.dm/units/national-parks-section>



**The project consists of four components designed to address key barriers to effective biodiversity conservation in Dominica.** Project components set out policy, investment, and capacity building and awareness raising interventions to promote conservation through the development opportunities provided by nature-based tourism, in pursuit of the Project Development Objective, each addressing key development and sustainability constraints for eco-tourism and biodiversity protection and mutually supporting the (PDO) and the Dominica's National Biodiversity Objective (NBO) (see Table A7.2). GEF financing will leverage significant co-financing and ongoing national budget deployment from national and donor financing dedicated to activities and investments related to the project components set out below across all project components.

*Table A6.2. Alignment of project design with National Biodiversity Objectives (NBOs)*

National Biodiversity Objective (NBO)	Project activities	Component
NBO 1: To ensure that the biological resource of Dominica remains reach and diverse	1.1.4. Assessment on the value of ecosystem services	C1
	1.2.3 Assessment on the impact of introduced species	C1
	1.2.2. Provision of monitoring equipment and training for the Forestry Division	C1
NBO 2: To reduce or eliminate the potential risks from the use of biotechnology and its by-products	3.1.1. Empowering Kalinago	C3
NBO 4: To reduce and/or minimise the loss of terrestrial and marine biodiversity	1.1.1. Demarcation and Establishment of a Buffer Zone for Morne Diablotin National Park	C1
	1.1.2. Update of Management Plans for the Morne Diablotin and Morne Trois Pitons National Parks and development the Cabrits National Park Management Plan	C1
	1.1.3 Improve management plan of the WNT	C1
	3.1.2. Demarcation and mapping program for the <i>Kalinago</i> Territory	C3
NBO 5: To ensure that the basis for development is through the sustainable use of terrestrial and marine biological resources	2.1.1. Update of the GPS trail system for the WNT and PA feeder trails	C2
	2.1.2. Improvement of eco-tourism infrastructure and interpretation	C2
	2.1.3 Establishment of an electronic user fee system (e-ticketing)	C2
	2.2.1 Capacity building for development and maintenance of eco-tourism trails	C2
	3.1.3. Investments in tourism products and services in <i>Kalinago</i> territory	C3
NBO 6: To ensure the equitable and sustainable distribution of social and economic benefits from the use terrestrial and marine biological resources	1.2.1. Provision of training program and communication plan for a co-management of the Morne Trois Pitons National Park	C1
	3.2.1. Capacity building programmes of traditional Kalinago knowledge	C3
	3.2.2 Investments in traditional <i>Kalinago</i> tools and practices	C3

**Component 1: Protected Area Planning (US\$846,900).** Component 1 aims to enhance national capacity and strengthen the institutional and policy framework for managing natural resources to support better biodiversity conservation outcomes. The objective of this component is to address policy and institutional barriers related to PA planning and management. These barriers include (a) a limited integration of PA planning and management into national key development processes (land-use planning, agriculture, forestry management, etc.); (b) a lack of



awareness at the decision-making level of the value of the country's biodiversity; and (c) insufficient baseline data for observed threats including invasive alien species, weak monitoring capacities, and information needed to measure threats at the ecosystem level.

**This component will support the development of an enabling environment for effective implementation management strategies for three national parks and improve knowledge and capacities for monitoring biodiversity.**

This will be achieved through two complementary and mutually reinforcing approaches:

- a) Revision of existing sectoral and inter-sectoral policy and planning frameworks through a collaborative participative approach, including consultation with local stakeholders and national policymakers through workshops that seek to raise awareness and build support for a strengthened framework for PA management, and
- b) Building support, raising awareness, and disseminating information on biodiversity values at the national (policy maker) and local (community) level to address direct and indirect drivers of habitat and biodiversity loss and showcase the long-term benefits of robust institutional and financial governance of PAs.

**Sub-component 1.1. Strengthening the institutional framework for PA planning and management.** The objective of this sub-component is to strengthen the current national institutional framework and enhance involvement and support of the local community and decision-makers and policy planners across key institutions and sectors for effective PA management. The work will include technical support for the revision and subsequent approval of management plans for the three national parks and WNT, and demarcation of boundaries and buffer zones for Morne Trois Pitons and Morne Diablotin national parks, based on an assessment of observed threats to biodiversity (agricultural and housing encroachment, invasive species).<sup>52</sup> Improving the WNT Management Plan will cover assessment of publicly owned lands, and definition of co-management arrangements among key institutions and agencies collaborating on improving nature-based tourism. This sub-component will also leverage identified co-financing for technical assistance activities targeted at decision-makers, planners, and national legislators to promote and advocate for the benefits of ongoing budget allocation to the national parks and protected areas system. All available financial data on the PA system will be assessed in greater detail, including previous work undertaken under GEF-financed projects (particularly UNDP's assessment on revenue generation feasibility<sup>53</sup>) and recent World Bank experience in project finance for permanence<sup>54</sup> from elsewhere in the Latin America and Caribbean region, to better detail gaps in financial sustainability and inform project-related work on updates to user fees and PA financial sustainability more generally. These data and assessments would in turn be a critical input to the awareness raising activities targeted at policy makers and local communities, as noted above.

**Sub-component 1.2. Improving national and local capacities for PA monitoring and management.** The objective of this sub-component is to strengthen awareness of and build support for improved financial and human capacity for biodiversity monitoring and protection at the national level. Given that the project aims to leverage financial and knowledge resources to management units at the Government level, the component would also provide limited equipment and supplies for monitoring, data collection and sampling, especially for the Forestry Division within

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<sup>52</sup> Technical support and assessments will be conducted to establish robust baseline data through the development of a national inventory (through identified project co-financing), as well as wildlife and invasive species research, revising the boundaries of PAs, and developing proposals for buffer zones around national parks. The assessment on wildlife and invasive species is expected to feed into policy-related work through the Ministry of Agriculture, notably to the development of a National Invasive Species Strategy, once adequate baseline information has been assessed.

<sup>53</sup> Futac 2020 citing GEF-UNDP: Feasibility Assessment for Sustainable Financing of Dominica's Protected Areas, 2015

<sup>54</sup> WWF, World Bank: Securing Sustainable Financing for Conservation Areas – a guide to project finance for permanence, 2021



MERMKU. This assessment will feed into previous work started (but not completed) on the elaboration of a National Invasive Species Strategy. It will present livelihood opportunities for local communities adjacent to PAs and WNT, including the Kalinago community, through participative forest monitoring following targeted capacity building in this regard.

**Component 2: Biodiversity and Sustainable Nature-based tourism Operations (US\$1,753,800).** This component aims to improve key infrastructure in PAs to enhance their functional effectiveness to conserve biodiversity. Improved PA and trail infrastructure in turn can better enable PAs to generate economic benefits, in line with their carrying capacity, through well-managed as an enabling condition for effective nature-based tourism in Dominica's PA and trail network by enhancing the tourism experience while supporting long-term biodiversity conservation through sustainable tourism models. This will be achieved through investments in infrastructure on selected nature-based sites within parks and along WNT, ensuring these natural assets are managed and exploited sustainably, in line with their natural endowments and carrying capacity. Investments will be supported by targeted technical assistance and capacity building activities to ensure investment and capacity benefits are sustained long beyond the life of the project.

**Sub-component 2.1. Investments and technical assistance to enhance (i) trail and PA infrastructure; (ii) informational and interpretative infrastructure; and (iii) long-term financial sustainability of trail and PA operating model.**

- i. *Enhancing trail and PA management through operational efficiency and improved health and safety of visitors and staff:* project funds will be used to finance realignment and improvement of trails, trail repairs and renovations (for example to trail signage, crossing bridges, handrails, shelters, etc.) to ensure a safe staff and visitor experience in the PA and trail system, while also generating livelihood opportunities for local communities in carrying out works.
- ii. *Enhancing informational and interpretative infrastructure to promote information and knowledge of biodiversity resources for locals and visitors:* to showcase and promote the value of Dominica's biodiversity for the local community for recreation, knowledge, and education, and for tourists to experience globally important biodiversity, the project will finance the improvement of information and 'interpretation' material on PA and trail biodiversity assets. This will be achieved through investment in the repair or reconstruction of existing facilities (e.g. interpretation centers, trail biodiversity displays, gazebos, viewing platforms, etc.).
- iii. *Enhancing long-term financial sustainability of PA and trail operations through a tourism approach that relies on and contributes to biodiversity conservation:* the project will finance the introduction of a context-appropriate system for user fee collection and real-time visitor management in the PA and trail network through an e-ticketing platform while also supporting work on revision of the user fee structure in line with findings from revenue assessments under Component 1.1 to support long-term economic and financial sustainability. The user fees and e-ticketing activities, which flow to the national treasury, which in turn allocates resources to Ministry of Environment (FWPD), will include technical assistance for the future system keeping in mind context-appropriate design and operation (including with regard to logistics, maintenance, training, and hardware and software). What becomes public assets under the PA system in terms of infrastructure and equipment will be maintained as public assets by the government in the long run through improved revenue allocation to relevant line ministries (Environment and Tourism). Specifically, a financial management specialist will be employed within the Project Implementation Unit to provide technical support for the establishment and management of the e-



ticketing system, including the implementation of measures to ensure financial sustainability through reinvestment of user fees within the PA and trail system for maintenance and operation (see Annex 1: Implementation Arrangements and Support Plan).

**Sub-component 2.2. Increasing capacities and resources for nature-based tourism trail management.** Sub-component 2.2 will help ensure longer-term sustainability of project-financed interventions through the provision of targeted capacity building support to increase local capacity and resources for PA and trail management. Specifically, the project will build capacity among key stakeholders (FWPD and Kalinago community) on sustainable trail management. These activities will cover all segments of Trail Management: planning, development, management and maintenance, following the best practices of forest ecology and facilitation of ecosystem services in humid tropical forests. This sub-component will also include preparation of a Division Operational Manual providing guidelines for standard operational procedures in all segments of long-term effective trail management. In coordination with technical assistance and capacity building activities financed through other project components and through identified co-financing, the investments to underpin nature-based tourism financed under this component aim to enhance knowledge and awareness of local biodiversity, to help locals and tourists better understand the regional and global significance of Dominica's biodiversity, and promote conservation efforts and biodiversity-friendly livelihoods to reduce perverse incentives that could risk jeopardizing conservation gains.

**Component 3: Sustainable Livelihoods (US\$747,854).** Component 3 aims to support the development of Kalinago community through natural resource mapping and planning, and provide capacity building and skills training for livelihood opportunities. It aims to support indigenous communities to more fully benefit from ecological livelihoods through skills training for formation and strengthening of community enterprises, including enterprise planning, value addition, and market access. Through the roll-out of these training activities, the component will address pressing social development needs in the *Kalinago* Territory, including employment and revenue generation through sustainable ecological practices (and disincentivizing economic activities that threaten local biodiversity).

**Sub-component 3.1 Enhancing opportunities for sustainable livelihoods.** The objective of this sub-component is to provide the development framework and investment support for sustainable land use and nature-based tourism operations and to enhance opportunities for livelihoods through empowering *Kalinago* women and youth in cooperative initiatives. *Kalinago's* land is mostly of poor quality, with the worst soil erosion on the island and deforestation and land degradation that has caused many streams in the area to dry up. To address key barriers to *Kalinago* community development, this sub-component will support mapping, demarcation and preparation of participatory management plans for land use and watershed management for the whole *Kalinago* territory (3,700 acres). Results of this assessment will be integrated into the revised WNT Management Plan and in consultations with *Kalinago* authorities would also examine revenue sharing options for resources from Community-run nature-based tourism ventures (e.g., propagation center). Assistance will be also provided to the *Kalinago* Council on forest management planning. In addition, the sub-component includes an initiative for 'Empowering *Kalinago* Women' which will support opportunities for entrepreneurs', especially women and youth, to support beneficiaries in marketing agricultural products, gastronomy experiences, and craft plant material. It is estimated approximately 250 locals (i.e., farmers and craft makers active in the community, majority of them women) will benefit from the program. Further livelihood creation and revenue generation opportunities are envisaged through investments in tourism operations (outlined under Component 2) which will wholly or substantially be operated by the *Kalinago* community, with training opportunities in staffing information and interpretation centers, upgrading of trail infrastructure, campground maintenance, and other ancillary services provided to users of the WNT that can result in local livelihood opportunities. Throughout these training and capacity building activities, the importance of preserving Dominica's globally significant biodiversity will be underscored in an effort to ensure that any training received or skills developed do not generate perverse incentives for stakeholders to engage in livelihoods and economic activity that may result





in ecosystem degradation and biodiversity loss (e.g. agricultural encroachment, illegal hunting and fishing within and around PA and trail system).

**Sub-component 3.2 Sustainable ecological livelihoods.** This sub-component aims to increase and expand capacities within the *Kalinago* community for their traditional knowledge and skills (especially youth) to support conservation enterprises. This will be achieved through a series of training programs that take into account lessons learned from relevant local livelihood promotion activities in other contexts from World Bank, GEF, or other development partner (e.g. USAID) financed activities in motivating and enabling local communities to engage in sustainable, biodiversity-friendly livelihoods. Conservation enterprises will be defined during early project implementation in consultation with stakeholders, along with business development training programs (e.g. marketing, accounting, etc.) to help ensure enterprise sustainability, market access and opportunities for sale of goods or services produced. Through this holistic enterprise training program, the project aims to support the preservation of *Kalinago* cultural heritage, including through uptake by young people, and link with the PA and trail tourism value chain, thereby increasing market access opportunities.

**Component 4: Project management (US\$167,428).** Component 4 will finance project management and monitoring costs. This component would expand the capacity of the Project Implementation Unit (PIU) of the ongoing Dominica Emergency Agriculture Livelihoods and Climate Resilience Project (DEALCRP). Support would include costs for administrative support, financial management expertise, monitoring and evaluation, communications and knowledge management, and annual audit cost for the project lifetime.

Table A6.3. Beneficiaries by project component and beneficiary-related targets

Component	Main Beneficiaries per Component	Key Beneficiary Targets
<b>1. Protected Areas Planning</b>	<ul style="list-style-type: none"> <li>Ministry of Environment, Rural Modernization and <i>Kalinago</i> Upliftment</li> <li>Forestry Wildlife and Parks Division</li> <li>Ministry of Economic Affairs, Planning, Resilience and Sustainable Development, Telecoms and Broadcasting</li> <li>Ministry of Blue and Green Economy, Agriculture and National Food Security</li> <li>Ministry of Health, Wellness and New Health Investment</li> <li>Ministry of Public Works and the Digital Economy</li> <li>Ministry of Tourism, International Transport and Maritime Initiatives</li> <li>Discover Dominica Authority</li> <li>Communities surrounding the national parks and WNT</li> <li>Civil Society: non-profit organizations, academia, CBOs</li> </ul>	<p>Throughout five years of implementation the project aims to</p> <ul style="list-style-type: none"> <li>train 200 beneficiaries in sustainable National Park Management, which will also encompass gender inclusion training</li> </ul>
<b>2. Biodiversity and Sustainable Ecotourism Operations</b>	<ul style="list-style-type: none"> <li>Ministry of Environment, Rural Modernization and <i>Kalinago</i> Upliftment</li> <li>Forestry Wildlife and Parks Division</li> <li>Ministry of Economic Affairs, Planning, Resilience and Sustainable Development, Telecommunications and Broadcasting</li> <li>Ministry of Blue and Green Economy, Agriculture and National Food Security</li> <li>Ministry of Public Works and the Digital Economy</li> <li>Ministry of Tourism, International Transport and Maritime Initiatives</li> <li>Discover Dominica Authority</li> <li>Communities surrounding the national parks and WNT</li> </ul>	<p>Throughout five years of implementation the project aims to</p> <ul style="list-style-type: none"> <li>train 50 beneficiaries in eco-tourism and trail management, which will also encompass gender inclusion training</li> </ul>

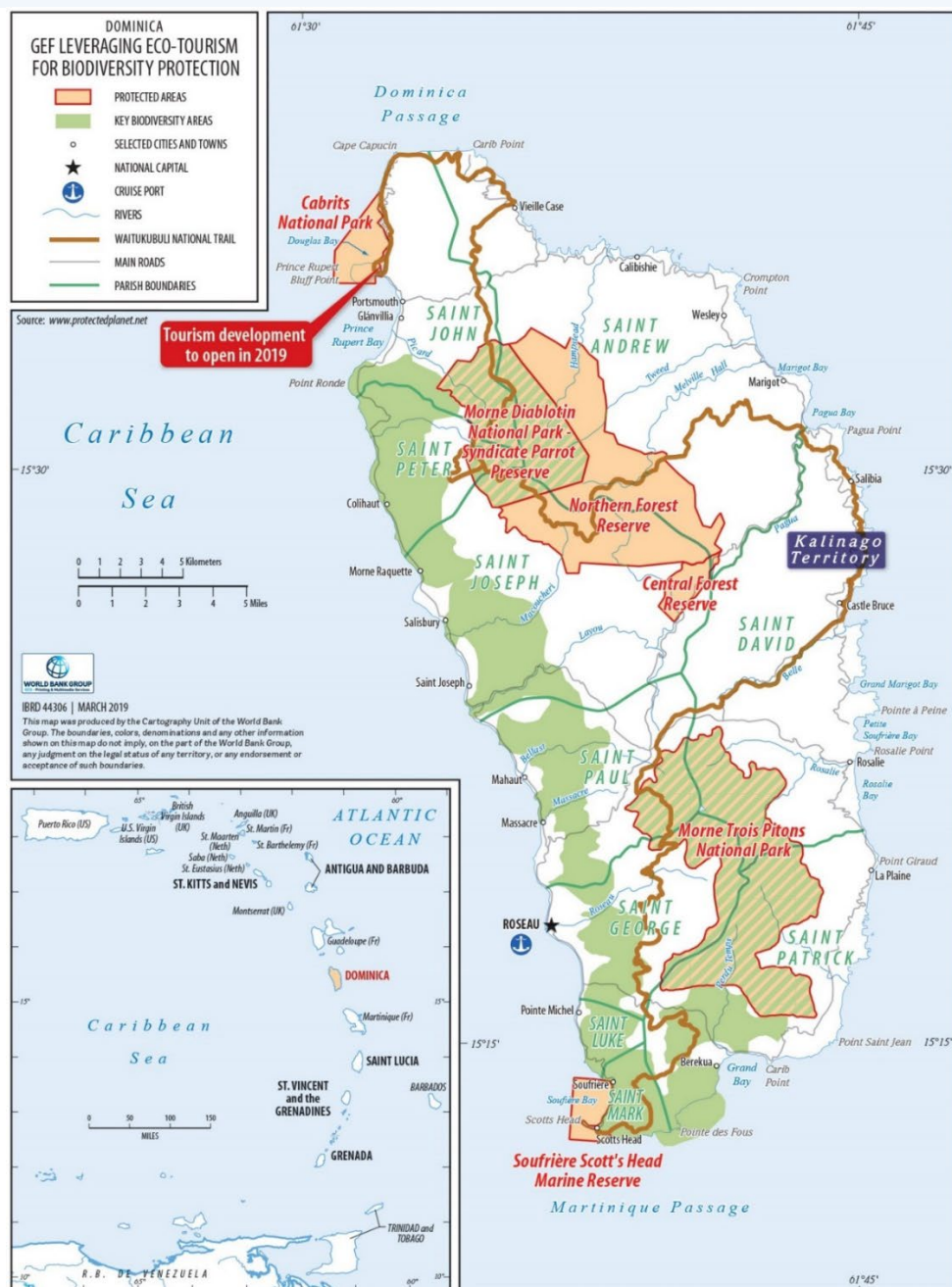




	<ul style="list-style-type: none"> <li>• Private sector (tourism and trade industry, trail contractors)</li> <li>• Civil Society: non-profit organizations, hiking groups</li> </ul>	
<b>3. Sustainable Livelihoods of <i>Kalinago</i> community</b>	<ul style="list-style-type: none"> <li>• Ministry of Environment, Rural Modernization and <i>Kalinago</i> Upliftment</li> <li>• <i>Kalinago</i> Division</li> <li>• Ministry of Economic Affairs, Planning, Resilience and Sustainable Development, Telecoms and Broadcasting</li> <li>• Ministry of Blue and Green Economy, Agriculture and National Food Security</li> <li>• Ministry of Public Works and the Digital Economy</li> <li>• Ministry of Youth Development and Empowerment, Youth at Risk, Gender Affairs, Seniors' Security and Dominicans with Disabilities</li> <li>• Ministry of Tourism, International Transport and Maritime Initiatives</li> <li>• Discover Dominica Authority</li> <li>• <i>Kalinago</i> Council</li> <li>• <i>Kalinago</i> community, particularly women and youth</li> <li>• Private sector (tourism and trade industry, trail contractors)</li> <li>• Civil Society: non-profit organizations, hiking groups, academia</li> </ul>	<p>Throughout five years of implementation the project aims to</p> <ul style="list-style-type: none"> <li>• Expand opportunities for livelihood diversification to 250 beneficiaries through the cooperative and seed propagation center</li> <li>• Extend training in <i>Kalinago</i> entrepreneurship and traditional knowledge to 76 beneficiaries, also encompassing gender inclusion training.</li> </ul>
<b>4. Project Monitoring and Management</b>	<ul style="list-style-type: none"> <li>• Government agencies</li> <li>• Private Sector</li> <li>• Academia</li> <li>• Women</li> </ul>	<ul style="list-style-type: none"> <li>• Throughout project implementation the number of actions proposed by beneficiaries during consultation and/or stakeholder engagement activities will be monitored and reported.</li> </ul>



## ANNEX 8: Dominica – Protected Areas and Waitukubuli National Trail map



Project financed interventions will occur within Dominica's listed Key Biodiversity Areas (Morne Diablotin National Park, Morne Trois Pitons National Park), the Protected Areas of the Northern Forest Reserve and Cabrits National Park, and the Kalinago Territory. These geographies are all linked by the Waitukubuli National Trail (WNT), a 184 km-long trail that spans north to south across the island linking key ecosystems. WNT will also receive targeted investments for trail management and upgrading along critical connection points with KBAs and Protected Areas.