DOMINICA EMERGENCY AGRICULTURE LIVELIHOODS AND CLIMATE RESILIENCE PROJECT (DEALCRP)

I. STRATEGIC CONTEXT

A. Country Context

1. The Commonwealth of Dominica is an upper-middle-income country and small island developing state located in the eastern part of the Caribbean Sea with an area of 750 km^2. It is a small open economy and a member of the Caribbean Community (CARICOM)[1] and the Organization of Eastern Caribbean States (OECS).[2] The country is also part of the Caribbean Basin Initiative that allows several duty-free exports from Dominica to enter the United States.

2. In 2016, Dominica's per capita gross domestic product (GDP) was US$7,906.7 (current U.S. dollar). Between 1990 and 2015, GDP growth rate in Dominica averaged 1.8 percent annually. In the last seven years (2010–2016), although spikes of higher average annual growth were observed (rates between 4-7 percent in 2007, 2008 and 2014), the economy has slowed down and the average growth rate has averaged only 0.5 percent annually over this period. Its small size limits the opportunities for diversification, resulting in greater exposure to market shocks, as well as opportunities for economies of scale and agglomeration that could generate sustained and high rates of growth.

3. Dominica's population is 73,543 people with 11.3 percent unemployed (2011). Poverty levels[3] in Dominica have declined, falling from 38 percent of the population in 2003 to 28.8 percent in 2009 (around 21,000 people are considered poor). Rural poverty continues to represent a major challenge, with 75 percent of the poor living in rural areas. Poverty rates were similar among men (28.8 percent) and women (28.9 percent). The indigenous Carib (*Kalinago*) people, representing 5 percent of the total population, have a particularly high incidence of poverty with a rate of 49.8 percent (approximately 1,600 individuals).

4. Dominica is particularly vulnerable to natural disasters from meteorological and geophysical events. Due to its location within the Atlantic hurricane belt, high-intensity weather events continue to have adverse effects on vulnerable populations and the productive sectors of the country's economy. The topographic conditions mean that human settlements and physical development are concentrated along narrow coastal areas (particularly in the south and west), with almost 62 percent of the island's population living along the coast.

5. Recurrent meteorological events have significantly affected the country's economic and fiscal stability as well as the population's socioeconomic well-being and poverty levels. Average annual losses

[1] CARICOM is an organization of 15 Caribbean states that rests on four main pillars: economic integration, foreign policy coordination, human and social development, and security.

[2] Established in 1981, this intergovernmental organization promotes economic harmonization and integration, human and legal rights, and good governance. It has seven founding and full members (Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines) and two associate members (Anguilla and the British Virgin Islands [United Kingdom]). Martinique (France) joined in 2015, but is not represented by the OECS diplomatic mission.

[3] The latest figures on poverty in Dominica are from 2009. The national poverty line in Dominica was estimated at EC$6,230 per year per adult.

from weather-related events, between 1996 and 2015, are estimated at 7.9 percent of GDP, making Dominica the second most affected country globally in terms of average GDP loss during this period. Tropical Storm Erika (2015) severely damaged the country's transportation, housing, and agriculture sectors and the recovery has been slower than anticipated, dragged down by a storm-related decline in manufacturing,[4] reaching a GDP growth of 1 percent in 2016.

B. Situation in Urgent Need of Assistance

6. Hurricane Maria hit the island of Dominica on September 18, 2017, with catastrophic effects. Hurricane Maria made landfall as a Category 5 storm (Saffir-Simpson scale), with winds exceeding 170 miles per hour (mph). Hurricane Maria was one of the most rapidly intensifying storms in recent memory, strengthening from a Category 2 to Category 5 hurricane in less than 12 hours. According to official sources, 30 persons lost their lives and 34 persons were declared missing.[5] The Prime Minister declared a State of Emergency on September 20, 2017.

7. The Post-Disaster Needs Assessment (PDNA) estimated total damages at EC$2.51 billion (US$931 million) and losses of EC$1.03 billion (US$382 million), which amounts to 226 percent of 2016 GDP. The housing sector (38 percent), the transport sector (20 percent), and the education sector (7 percent) sustained most damages. The agriculture sector (33 percent), tourism (19 percent), and the transport sector (14 percent) saw the largest losses as defined by changes in economic flow. The hurricane also caused widespread damage to the power grid. Electricity services failed with at least 75 percent of the network down due to the widespread damages to transmission and distribution networks. Most of the gains from recovery efforts after Hurricane Erika (2015) have been reversed and the identified recovery needs incorporating the principle of 'building back better' are estimated at US$1.37 billion.

8. The agriculture and fisheries sectors were among the most affected sectors and suffered high damages and losses, severely affecting the livelihoods of the predominantly small-scale farming community. An estimated 80–100 percent of root crops, vegetables, bananas, and plantains and 90 percent of tree crops were damaged. Livestock losses are estimated to be 45 percent of cattle, 50 percent of small ruminants, 65 percent of pigs, and 90 percent of chicken stocks. Together with damages to farm buildings and equipment, the crop and livestock sectors suffered a total loss estimated at US$179.6 million. The fisheries sector was also heavily affected, where it is estimated that about 370 vessels were damaged or destroyed, as well as much of the fishing gear and engines. Overall, the situation is expected to dramatically affect crop and livestock production in 2018 and beyond, particularly vegetable, tree crop, poultry, and pork production, which would seriously threaten people's livelihoods as well as food and nutrition security. The hurricane defoliated almost all trees and totally uprooted an estimated 10-20 percent of tress, and severely damaged the entire infrastructure of the Forestry Department (forestry and national parks buildings, nurseries, trail infrastructure). See estimated losses in table 1.

[4] International Monetary Fund Country Report No. 17/391.
[5] Information as of November 8, 2017.

Table 1. Estimates of Damages and Needs

Productive Sector	Damages and Losses (US$, millions)	Urgent Needs (US$, millions)
Crops and Livestock	179.6	88.5
Fisheries	5.3	2.5
Forestry	29.7	14.9
Total	**214.6**	**105.9**

Source: PDNA.

9. The proposed project builds on World Bank immediate response activities and post-disaster support following Hurricane Maria. Shortly after Hurricane Maria, the Contingency Emergency Response Component (CERC) of the ongoing World Bank-supported (US$38 million) Disaster Vulnerability Reduction Project (DVRP) was triggered, channeling US$10 million to unconditional cash transfer programs to provide immediate support to commercial and small farmers and aid in the recovery of small and microenterprises. The proposed Emergency Agricultural Livelihoods and Climate Resilience Project complements the role of partners in addressing the first phase of agricultural sector's recovery and leverages the World Bank's global experiences in post-disaster recovery and reconstruction in the Caribbean (for example, Haiti, Grenada), as well as post-hurricane emergency recovery loans in small island states.

10. This proposed Emergency Agricultural Livelihoods and Climate Resilience Project is being prepared as part of an overall development partner initiative to support medium- and long-term recovery in Dominica and is part of a broader World Bank recovery portfolio, comprising also a Housing Recovery Project (P166537). The World Bank's investments in agriculture, housing, and infrastructure were informed by the outcomes of the PDNA led by the World Bank. This overall program of support complements and aligns with other development partner initiatives and fills critical gaps. The Caribbean Development Bank has pledged

11. to contribute US$90 million for infrastructure and water, complemented by the United Kingdom that has provided US$25 million for hurricane shelters, smart health centers, and the development of water infrastructure. China has provided US$15 million for making schools safer and the European Union has provided about US$14 million for investments in Energy and Social infrastructure. Other parallel efforts are being implemented by specialized United Nations agencies (that is, World Food Programme, Food and Agriculture Organization, and so on).

12. Based on the urgent need for assistance, the proposed operation meets the requirements of the World Bank Operations Manual, as stated in paragraph 12 of Operational Policy 10.00 (referred as OP 10.00) on "Projects in Situations of Urgent Need of Assistance or Capacity Constraints". The additional flexibility as defined in paragraph 12 and condensed procedures for preparation will help contribute to the timely restoration of agricultural livelihoods.

B. Sectoral and Institutional Context

13. The agriculture sector plays a critical role in Dominica's economy, contributing 19 percent to the country's GDP and employing around 25–40 percent of the workforce. The sector has always been and continues to be very important for Dominica, determining food and nutritional security outcomes and representing a key driver of economic activity.

14. Although, crop production dominates the agriculture sector (it contributed 86 percent to total agriculture production in 2015), diversification of produce is increasingly characterizing the sector. Main crops are plantain, coconut, grapefruit, lime, orange, mango, avocado, papaya, and hot pepper. Root crops such as tannia,[6] dasheen, and yam have also gained in prominence, although primarily at a regional level with lower quantities exported. Livestock production contributed 7.8 percent to total agriculture production in 2015. Egg production is considered the most important livestock activity in the country, followed by raising pigs and small ruminants.

15. The fisheries sector also plays a crucial social and cultural role in Dominica. At present, although characterized as artisanal, the fisheries sector comprises around 440 small fishing vessels. Overall, the fisheries sector employs approximately 2,200 people, and a total of 7,100 persons depend on the sector for their livelihoods. The total forest area on the island is 47,580 ha, of which 80 percent is controlled by the Government and only around 9,552 ha are classified as usable forest estate. The main value of the forest in Dominica lies in ecotourism and environmental services for the provision of water and erosion control.

16. Agricultural production continues to be severely constrained in Dominica due to small farm sizes and limited arable land. In addition, a continuous concern is the low level of farm productivity, primarily caused by a lack of mechanization, limited technical knowledge, and poor irrigation. Labor availability is another increasing constraint for small-scale farmers, mostly due to urban migration and the low level of incomes associated with farming. Overall, the sector lacks adequate financing and adequate farm infrastructure and is characterized by a very fragmented and unorganized private sector. Women represent about 20 percent of total farmers and are primarily engaged in producing tuber and root crops and vegetables for both food self-sufficiency and local markets. Most of them head single-parent households and, hence, are highly vulnerable.

17. Immediate recovery requires extensive involvement of the Government, which entitles significant strengthening of institutional capacity of the public sector (mainly in the Ministry of Agriculture and Fisheries [MAF]) over the medium term. The longer-term rehabilitation efforts should have strong market-based elements to ensure the sustainability of efforts. Public-private partnerships in new agricultural investments should be promoted to stimulate the local economy and create employment while building greater resilience against market, production, and climate change variability into the system. Also, there are emerging new agricultural technologies and practices available regionally and globally considered essential to enhancing climate resilience and productivity, which need to be gradually introduced by additional investments and with the help of regional and global agriculture research organizations.

18. Current weather patterns give an idea of the type of climate and disaster risks to be expected in the future, implying future climate scenarios of warming and drying and thus more frequent heat waves and droughts, which would threaten Dominica's dominant economic sectors, including agricultural production. These possible weather patterns could affect the types of crops to be grown and already unstable areas will experience a greater risk and the frequent occurrence of landslides and flooding, requiring the introduction of new land and water management tools to avoid threats to national food security. The increasing risk of rising sea levels can also result in accelerated coastal erosion, higher flood risk, damage to coastal infrastructure and permanent loss of land. Vulnerability assessments, hazard mapping, and disaster risk management and adaptation measures need to be better researched

[6] *Xanthosoma Sagittifolium,* also known in the region as taro or malanga.

and implemented to address these discrepancies and improvements are required to be introduced to the country's meteorological services. There is little evidence of integration of climate change adaptation or awareness into current disaster risk management plans. Therefore, improved coordination and collaboration between community disaster organizations are needed, including preparedness and response and mitigation capacity among public, private, and civil sector entities for local level management and response.

19. The Prime Minister of Dominica declared that reviving and rebuilding the agriculture and food sector is a key priority of the Government of Dominica (GoCD), given its essential roles in food and nutrition security, employment, and income generation, especially for the poor and vulnerable rural population. While the consequences of the hurricane are devastating, they also create an opportunity to rebuild a more climate-resilient and competitive agriculture and food system.

C. Higher Level Objectives to which the Project Contributes

20. The proposed project contributes directly to Dominica's National Agricultural Policy and Action Plan 2016–2025 that identified several key needs for agricultural development, including a more modernized agriculture sector, increased farm productivity, and overall climate resilience of the country's agriculture and food systems. By enhancing the climate-resilience feature of agriculture, the project contributes to the country's Low-Carbon Climate-Resilient Development Strategy 2012–2020 that serves as the programmatic nexus for capturing conventional and innovative sources of financing and facilitates Dominica's transition to a climate-resilient economy.

21. On March 9, 2018 the Government established the Climate Resilient Execution Agency for Dominica (CREAD), which will help rebuild Dominica as the first climate-resilient nation. The mission of the agency is to coordinate all reconstruction work to avoid duplication, maximize economies of scale, spot and fill critical gaps, and ensure that all reconstruction activities are focused on a single Climate Resilient Recovery Plan developed by Dominica and its partners. The current implementation arrangements to be supported by the World Bank-financed projects, using Project Implementation Units (PIUs) and the Implementation Support Team (IST) for the two World Bank Post-Hurricane Maria projects have been designed to be flexible and in harmony with the CREAD, while mobilizing a combination of national and international staff to advance implementation while the CREAD recruitment and operationalization is being finalized. The IST support will be cost shared across the World Bank portfolio of investment programs and will work closely with CREAD on the coordination of reconstruction efforts.

22. The project is well positioned to contribute to Dominica's Nationally Determined Contribution, which includes the promotion of food security through climate-resilient agricultural and fisheries development, among its key priorities for building climate resilience. The project also contributes to the attainment of 3 of the 17 Sustainable Development Goals (SDGs): (a) SDG1 on ending poverty in all its forms; (b) SDG2 on ending hunger, achieving food security and improving nutrition, and promoting sustainable agriculture; and (c) SDG13 combating climate change and its impacts.

23. Furthermore, the project is aligned with the World Bank Group's FY2015–19 OECS Regional Partnership Strategy (RPS)[7]. The RPS aims at fostering sustainable and inclusive growth in three key areas: (a) competitiveness, (b) public sector modernization, and (c) resilience. The project directly

[7] Document ID No. P085474 discussed by the Board on Nov. 13, 2014.

contributes to areas (a) and (c) by supporting the immediate recovery of the crop, livestock, and fisheries sectors and by promoting climate-resilient agriculture and strengthening agribusiness capabilities.

24. The proposed project will contribute directly toward the achievement of the World Bank Group's Twin Goals of ending poverty and promoting shared prosperity. The project will support the restoration of agricultural livelihoods especially of the vulnerable smallholder farmers and fisherfolks, as well as toward enhancing climate resilience in the agriculture sector that can sustain developmental achievements over time. Finally, the project is also aligned with the World Bank Group's Climate Change Action Plan's top-level priority of Scaling Up Climate Action, with its focus on the high-impact area of climate-smart land use and food security.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

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

B. Project Beneficiaries

26. The direct beneficiaries of the project are crop and livestock farmers, fisherfolks, and producer organizations affected by Hurricane Maria in all ten parishes of Dominica. An estimated 4,900 individual farmers and fisherfolks are expected to benefit directly from the project. At least 20 percent of the beneficiaries will be rural women, most of whom head single-parent households and are one of the population groups[8] that have been most affected by the hurricane. Technical and managerial staff of the MAF and other participating organizations will benefit from the project through training and capacity-building activities in climate resilience and agribusiness.

C. PDO-Level Results Indicators

27. The key results indicators to assess project outcomes are the following:

(a) Farmers and fisherfolk reached with productive assets and services (of which female beneficiaries)
(b) Crop area restored (including high-value crops)
Farmers adopting improved agricultural technologies (including climate resilience) (i

III. PROJECT DESCRIPTION

A. Project Components

Component A: Restoration of Productive Base for Recovery of Agricultural Livelihoods (Total cost: US$16.5 million)

Subcomponent A.1: Restoration of Cropping Systems (Total cost: US$9.3 million)

[8] According to the PDNA, women represent 39 percent of the heads of households in Dominica and about 20 percent of the total number of farmers. Nearly 76 percent of the women farmers interviewed reported that they were significantly affected by the severe loss of tools and crops. The report underscores the recovery needs of single-parent families headed by women.

28. This subcomponent will provide support in recovery of the production capacity of small- and medium-size crop farmers,[9] as well as commercially oriented farmers[10] integrated in value chains and help in the gradual restoration of their livelihoods and in retaining their market shares, through provision of (a) an essential package of inputs (mainly improved quality seeds and fertilizers), tools, and materials for the replanting or restoration of crops and (b) technical and advisory services and training to support the adoption of technology and use of climate-smart practices for increasing diversification and climate resilience at the landscape level. The subcomponent will primarily focus on different support intervention lines to cover the direct assistance to the main types of beneficiaries: (a) small- and medium-size crop farmers (most of them currently growing annual crops)[11] and (b) medium-size commercial farmers (mostly producing high-value perennial/tree crops already inserted in value chains).[12]

29. In addition to the provision of support (key inputs), the beneficiaries will receive technical assistance through the MAF's extension services (to be strengthened in parallel by the project through training, institutional strengthening, and increased mobility), as well training through participation in farmer field schools (FFSs), demonstration/dissemination events of technical practices and technologies in field days, and other extension/technology dissemination activities organized by the MAF under the project. This training and technical assistance will be particularly focused in the adoption of new and effective technologies and modern inputs to gradually increase climate resilience in the agricultural sector.

30. The overall intervention will reach around 4,600 farmers and will enable the restoration of about 2,470 ha (6,100 acres) of cropping area in the following cropping seasons. These beneficiaries will be selected by the PIU/MAF based on transparent criteria to be made public and detailed in the Project Operations Manual (POM) and with transparent sharing of information pertaining to the outcome of the selection process (see annex 1). Under this subcomponent, the project will finance procurement of key inputs such as seeds/seedlings, fertilizers, tools, and other materials in accordance to the technical recommendations by the MAF and as agreed between the beneficiary and the extension agent (annex 1), as well as technical advisory services and training. The project will also finance incremental operational expenses for the MAF needed for the storage and distribution of inputs and mobility expenses for the MAF's field extension agents involved in these activities.

Subcomponent A.2: Restoration of Livestock and Fisheries Systems (Total cost: US$5.0 million)

31. This component aims to help in restoring production capacity and livelihoods of livestock farmers and fisherfolk, enhancing climate resilience and efficiency of production systems, and promoting agribusiness capabilities. Under this subcomponent, the project will finance procurement of inputs and materials needed by the livestock farmers and the fisherfolk and boat builders, any necessary consultant and technical advisory services and beneficiaries training, and incremental operational expenses for the MAF's field extension agents assisting these beneficiaries and for the distribution of inputs.

[9] For simplicity, the farm size is defined in the total land occupied (either owned or rented). Small farmers: up to 0.8 ha (2 acres); medium-size farmers: up to 2.02 ha (5 acres).

[10] Mostly commercial farmers have an area between 2 ha and 10 ha (5 to 25 acres), are competitive in producing higher-value crops, and inserted into developed value chains (generally producing perennial crops and fruits).

[11] Such as dasheen, tannia, yam, sweet potato, banana, and vegetables.

[12] Such as coconuts, cocoa, citrus, ginger, avocado, and coffee.

32. **Support to medium-scale commercial livestock farmers.** The livestock interventions under this subcomponent aim to reestablish the livestock production base that was severely damaged by Hurricane Maria and build a more sustainable and climate-resilient sector. The support scheme will support about 200 livestock producers (where an estimated 20 percent will be women). The project will assist these producers through investment support to restore the damaged animal shelter/housing and other infrastructures for production of poultry (layers and broilers), goats, sheep, rabbits, and pigs, and beekeeping. A set of simple mechanisms will be put in place to ensure that the beneficiaries follow climate-resilient specifications and effectively co-finance the activities approved in the investment plans (see annex 1; and further details to be incorporated into the POM).

33. **Support to fisherfolk.** The fishery subsector interventions are aimed at restoring fish supply and contributing to livelihoods restoration and revenue streams in the local economy. This project will support about 150 individual eligible fishers who are already members of the local seafood value chain operating within voluntary guidelines. Specific interventions to be supported by the project include (a) repairing/construction of about 150 boats for fisherfolk (up to 50 percent of the total cost of the boat subject to a maximum of US$5,500 per beneficiary) and (b) reconstructing/rehabilitating about 5 boat-building facilities (up to a maximum of US$5,500 per beneficiary).

Subcomponent A.3: Building of Climate Resilience and Agribusiness Capabilities (Total cost: US$2.2 million)

34. **Climate resilience.** To adequately support the investments at the farm level under Subcomponent A.1, the project will provide technical assistance for development of more productive and climate-resilient systems, through recruitment of international experts to prepare development strategies specifically needed in Dominica's context (based on the current situation, vulnerability conditions, relative competitiveness constraints, and development strategy) for key agricultural products (either presently being grown or to be introduced) that will inform investment directions with regard to changing weather patterns, natural disasters, and market opportunities, as well as providing long-term development directions for each crop industry. These experts will also train extension agents, rural workers, and farmers in crop production; introduction of new crops varieties; and other topics such as climate-smart agricultural practices, water management and harvesting, marketing, business management, and improved postharvest handling techniques. Therefore, the subcomponent will finance consulting services (firms and/or individuals), non-consulting services including advisory and training services, and capacity-building inputs and events.

35. **Agribusiness.** This subcomponent will also contribute to building agribusiness capabilities among small- to medium-size crop and livestock farmers and fisherfolks who would have benefited under Subcomponents A.1 and A.2. Customized training under the subcomponent will target small farmers and fisherfolks who are members of cooperatives or formal agriculture producers' organizations (APOs). Channeling the specialized training through cooperatives and APOs is essential to maximize results, including greenhouse gas (GHG) mitigation outcomes from climate-smart design elements. These legally recognized organizations have the potential to act as aggregators to (a) serve as a formal channel to marketing and add value to produce from small-scale farmers and fisherfolks; (b) deliver technical assistance to small-scale farmers, including GHG mitigation outcomes from climate-smart design elements; and (c) serve as the country's platform to boost its agricultural regional and international market share. The subcomponent will also train the MAF's public extension agents in climate-smart agricultural practices and will undertake market and value chain studies required to support the country's medium-term agribusiness development strategy.

Component B: Restoration of Key Productive Infrastructure and Institutional Strengthening (Total cost: US$10.6 million)

Subcomponent B.1: Restoration of Key Infrastructure in Agriculture, Livestock, and Forestry (Total cost: US$8.3 million)

36. This subcomponent will help in restoring key public sector's infrastructure and assets damaged by the hurricane and reestablish the essential public services for up to 4,800 crop and livestock farmers. The key areas where reconstruction or rehabilitation of public infrastructure is needed include (a) five crop propagation centers (including forestry), (b) a Central Livestock Farm (CLF), (c) MAF regional offices and training centers, (d) Forestry Division's sylvicultural centers and facilities, (e) building reconstruction and rehabilitation of eco-trails, and (e) rehabilitation of a community irrigation system.[13] The rebuilding initiatives will be undertaken with a more resilient construction code and the public infrastructure will be restored in line with improved standards of safety to reduce the impact of future climate and weather risks. Therefore, this subcomponent will finance (a) consulting services for engineering design and supervision of works, (b) civil works; (c) equipment, including construction equipment, office and communication, electronic equipment, vehicles, and water storage tanks and water distribution; (d) other goods needed for the restoration of eco-trails; and (e) incremental operating costs for the installation of equipment and for the restoration of services by the relevant division of the MAF.

Subcomponent B.2: Institutional Strengthening and Capacity Building of MAF (Total cost: US$2.3 million)

37. The project will provide capacity-building assistance to the MAF in the core areas of (a) project management (establishment of Management Information Systems, management of social and environmental issues, public-private partnerships, efficient use of private financial services, agribusiness, etc.); (b) conducting analytical studies to support the revision of policies and regulatory frameworks (risk transfer mechanisms, national certification systems, agricultural information systems, and revision of the Fisheries Act); (c) building capacity for carrying out agricultural census/survey, assessment of the MAF's readiness for conducting such a census/survey; (d) conducting several analytical studies on key areas to support ongoing efforts to strengthen the institutional structure of the MAF; (e) contributing to developing an e-agriculture strategy for the agriculture, fisheries, and forestry sectors; (f) contributing to developing an integrated management information system (MIS) for the agriculture sector; and (g) supporting the efforts to develop a fisheries community insurance model (building resilience and reducing the potential risks). Items to be procured by the project include specialized consulting services (individuals and firms), non-consulting services including advisory and training services, training events, related inputs, and incremental operating costs.

[13] Before proceeding with rehabilitation of community irrigation system, a feasibility study will be carried out to establish technical, economic, and financial viability.

Component C: Project Management and Coordination (Total cost: US$2.4 million)

38. This component will support the establishment of the PIU within the MAF, to serve as the unit responsible for the overall implementation and coordination of the project activities, as well as the setting up of the IST to be established within the Ministry of Finance (MoF) (see annexes 1 and 2 for detailed implementation arrangements). The overall implementation responsibilities of the project will rest with the PIU within the MAF. The overall safeguards advisory and fiduciary (procurement and FM) responsibilities of the project will rest within the PIU, which will benefit from close, hands-on procurement support from the shared services of the IST, in support of post-Maria recovery efforts.

39. The project will finance (a) incremental dedicated staff for the establishment and operations of the IST (to be shared with other projects, in proportions to be determined) and for the PIU; (b) goods and services for setting up the offices and for establishing an M&E system; (c) contracting international technical experts (firms and individuals)/consultants in critical project management areas; (d) preparation of environmental and social safeguards studies and instruments, including development of a grievance redress mechanisms (GRMs); (e) non-consulting services, for example, verification services, advisory, capacity building and training inputs and events; (f) incremental operating costs; and (g) impact evaluation and technical and financial audits; and (h) development of a communication strategy for the Project to increase awareness and transparency.

Component Z: Contingency Emergency Response-CER (US$0 million)

40. The objective of this component is to support the Government's emergency response and reconstruction in the event of an eligible emergency. An eligible emergency is an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact associated with natural or man-made crises or disasters. At the request of the Government, the World Bank will reallocate uncommitted funds from other components into this component. The mechanism for declaration of emergency would be in accordance with current local legislation in Dominica. At the moment, the Declaration of the State of Emergency is done by the President of the Commonwealth of Dominica, in accordance with the Emergency Powers (Disaster) Act No. 20 of December 17, 1987, Chapter 15:03 of the revised laws of the country.

B. Project Cost and Financing

41. The project will be financed through Investment Project Financing (IPF) over a period of five years. As shown in table 2, the total project cost is expected to be US$29.5 million, comprising financing from the World Bank for US$25.0 million (84.7 percent of total project cost), through IDA credit and Crisis Response Window (CRW) grant, and a GoCD financing of US$2.9 million (9.8 percent), while beneficiary contribution will amount to US$1.6 million (5.4 percent). The project will also allow financing, on retroactive basis, the restoration of selected high-priority infrastructures damaged by Hurricane Maria, project consultancies, operating cost (including staff), and other key activities associated with the project.

Table 2. Summary of Project Costs (US$, millions)

Components/Subcomponents	IDA			Beneficiaries	Government	Total
	CRW	IDA	Subtotal			
Component A: Restoration of Productive Base for Recovery of Agriculture Livelihood						
A.1: Restoration of Cropping Systems	8.0	0	8.0	0.6	0.7	9.3
A.2: Restoration of Livestock and Fisheries Systems	3.3	0	3.3	1.0	0.7	5.0
A.3: Building of Climate Resilience and Agribusiness Capabilities	1.4	0	1.4	0.0	0.8	2.2
Subtotal Component A	**12.7**	**0**	**12.7**	**1.6**	**2.2**	**16.5**
Component B: Restoration of Key Productive Infrastructure and Institutional Strengthening						
B.1: Restoration of Key Infrastructure in Agriculture, Livestock, and Forestry	2.9	5.0	7.9	0.0	0.4	8.3
B.2: Institutional Strengthening and Capacity Building of MAF	2.3	0	2.3	0.0	0.0	2.3
Subtotal Component B	**5.2**	**5.0**	**10.2**	**0.0**	**0.4**	**10.6**
Component C: Project Management and Coordination						
Subtotal Component C	**2.1**	**0**	**2.1**	**0.0**	**0.3**	**2.4**
Component Z: Contingency Emergency Response						
Subtotal Component Z	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total	**20.0**	**5.0**	**25.0**	**1.6**	**2.9**	**29.5**