

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	DOMINICAN REPUBLIC/CID - Isthmus & DR
▪ TC Name:	Support to the Execution of the Agricultural Health and Innovation Project
▪ TC Number:	DR-T1240
▪ Team Leader/Members:	JACQUET, BRUNO (CSD/RND) Team Leader; ENCARNACION ENCARNACION, YONAI DA M. (CID/CDR); KIRKAGACLI, ROMINA EMANUELA (VPC/FMP); GARZA CORTINA, MIRIAM (VPC/FMP); BARRAGAN CRESPO, ENRIQUE IGNACIO (LEG/SGO); VALLE PORRUA, YOLANDA (CSD/RND)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Agricultural Health and Innovation Project - DR-L1137
▪ Date of TC Abstract:	10 Feb 2022
▪ Beneficiary:	Ministry of Agriculture
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$200,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	CSD/RND - Env, Rural Dev & Disaster Risk
▪ Unit of Disbursement Responsibility:	CID/CDR - Country Off Dominican Republic
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Economic integration; Institutional capacity and rule of law; Environmental sustainability; Gender equality; Diversity

### II. Objective and Justification

- 2.1 The objective of the TC is to provide technical and operational assistance to the implementation of the Agricultural Health and Innovation Project.
- 2.2 The Dominican agricultural and agri-food sector represents 10.8% of the total GDP (Central Bank, 2018), generating around 19% of country's total exports, equivalent to about US\$1.9 billion in 2017 (Central Bank, 2018). The main commercial partners are the United States (USA) (45%), the European Union (EU) (34%) and Haiti (10%). In general, the sector has performed well in recent years. Primary production grew at an average rate of 4.7% per year in the last decade; agribusiness grew 144% between 2008 and 2017; and the exports and imports of the sector grew by around 25% in the same period.
- 2.3 However, it is observed that agri-food market still faces important challenges. Between 2014 and 2018, the Ministry of Agriculture (MA) reported that 1.2% of all containers of agri-food products exported to the US were rejected (for chemical and microbiological contamination). In 2018, the DR received 163 notifications for pests and other quarantine causes from the EU. In August 2021, the World Organization for Animal Health (OIE) officially declared the presence of African Swine Fever in the island, an

extremely lethal and contagious disease that could impact the swine production throughout the American continent.

- 2.4 Several studies have identified that these gaps are related to several weaknesses: (i) insufficient updating of agriculture health and food safety services in accordance with international standards; (ii) insufficient personnel, equipment, and tools to control and monitor SPS standards in value chains; (iii) low accessibility, quality, and sustainability of laboratory services; (iv) low adoption of Good Agricultural, Livestock and Manufacturing Practices at farm and other levels; (v) low generation and transfer of SPS technologies at farm and other levels; and (vi) scarce statistical information available to manage SPS services, as well as for management of agricultural public policies.
- 2.5 In this framework, the Government of DR contracted the Bank loan 4909/OC-DR for an amount of US\$50 million to finance the Agricultural Health and Innovation Project, which objective is to improve the Dominican producers' productivity and access to markets, through the strengthening of the national agricultural health, innovation and information systems. The operation was approved by the Bank's Board of Executive Directors on November 20, 2020 and became effective on August 12, 2021. It is expected to start execution during the first semester of 2022. It is executed by the Ministry of Agriculture, through an ad-hoc Execution Unit. The program includes a gender and diversity approach that includes: (i) establishment of a gender focal point within the Ministry; (ii) provision of technical assistance with a gender approach; (iii) establishment of a goal for women beneficiaries; (iv) mandatory gender training for Ministry's technicians; (v) agricultural statistics disaggregated by gender; and (vi) the laboratories upgrade will include facilities for people with motor disabilities. The project is a complex operation with various components and activities that involve different stakeholders within the Ministry and the sector. In this context the Government requested a complementary support to accompany the execution of the loan, in its different components, to ensure that the expected results are achieved. Likewise, the objective of the TC is to provide technical and operational assistance for the implementation of the Agricultural Health and Innovation Project.

### III. Description of Activities and Outputs

- 3.1 **Component I: Strengthening agricultural services.** The component aims at providing technical assistance to ensure an adequate implementation of the Agricultural Health and Innovation Project. In particular, it will finance technical assistance in specific technical issues such as animal and plant health, food safety, gender and diversity, laboratory development, agricultural extension and innovation, ag-tech, statistics and census management, IT development.
- 3.2 **Component II: Improving operational capacities.** The component aims at providing operational assistance to ensure an adequate project management with focus on project planning and reporting, procurement and environmental and safeguards standards).

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Strengthening agricultural services	US\$150,000.00	US\$0.00	US\$150,000.00
Improving operational capacities	US\$50,000.00	US\$0.00	US\$50,000.00
<b>Total</b>	<b>US\$200,000.00</b>	<b>US\$0.00</b>	<b>US\$200,000.00</b>

## **V. Executing Agency and Execution Structure**

- 5.1 At Government's request, the TC executing agency will be the Bank, and the activities will be implemented in close dialogue with the Ministry of Agriculture. The Ministry will: (i) provide the necessary information; (ii) support field trips, visits, and interviews; and (iii) support the articulation with the different stakeholders.
- 5.2 The follow-up and monitoring of TC execution will be carried out by the Bank, in coordination with the Ministry of Agriculture. The Bank will hire consulting firms in accordance with the Policy for the Selection and Contracting Firms for Bank-executed Operational Work (GN-2765-1) and the corresponding Operational Guidelines (OP-1155-4) and individual consultants in accordance with the AM-650 guidelines. The disbursement period will be 24 calendar months. There are no conditions prior to first disbursement.
- 5.3 The Bank's support was requested by the Government to execute this TC since it requires greater efficiency in the contracting processes, and the project Executing Unit will already be absorbed in project execution. The proposed activities are consistent with the Bank's country program and strategy.

## **VI. Project Risks and Issues**

- 6.1 The main risks are the following: (i) insufficient staff with adequate professional experience is recruited in the Project Executing Unit, which may hinder project implementation and therefore the TC execution itself; (ii) management turn-over at ministerial level may impact negatively on project implementation; (iii) the COVID-19 pandemic may limit or slow the execution of the TC activities, due to travel or movement restrictions.

## **VII. Environmental and Social Classification**

- 7.1 The ESG classification for this operation is "undefined".