

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	Regional/CCB - Caribbean Group
▪ TC Name:	Improving Climate Resiliency in Dominica through Foreign Direct Investment
▪ TC Number:	RG-T3325
▪ Team Leader/Members:	Umana, Mario Alberto (INT/TIN) Team Leader; Arias Urones, Ana (INT/TIN) Alternate Team Leader; Pilgrim, Valarie (IFD/CTI); Franklyn, Russell Levon (IFD/CTI); GOMEZ Gonzalez, Maria Margarita (INT/INT); Cox, Shameka Tameisha (IFD/CTI); Lindsay, Courtney Oliver (IFD/CTI); Lucenti, Krista (INT/TIN); Verissimo Da Silva, Carolina (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	14 Feb 2019
▪ Beneficiary:	Dominica
▪ Executing Agency:	Inter-American Development Bank
▪ IDB funding requested:	US\$ 225,200.00
▪ Local counterpart funding:	US\$ 64,600.00 (In Kind)
▪ Disbursement period:	30 months
▪ Types of consultants:	Firms
▪ Prepared by Unit:	Integration & Trade Sector (INT/INT)
▪ Unit of Disbursement Responsibility:	Institutions for Development (FDI/FDI)
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Economic integration

### II. Objective and Justification

- 2.1 The objectives of this Technical Cooperation (TC) are to (i) sensitize local public private sector stakeholders and senior officials within Investment Promotion Agencies (IPAs) of Caribbean Community member countries on “Making the Shift to Sustainable Foreign Direct Investment”; and (ii) to strengthen the capacity of the Invest Dominica Authority (IDA) to attract sustainable foreign direct investment and contribute to the achievement of the Government of the Commonwealth of Dominica’s (GOCD’s) long-term vision to make Dominica the first Climate Resilient Country.
- 2.2 On September 18, 2017, Hurricane Maria, a category 5 hurricane hit the Commonwealth of Dominica with catastrophic impact. Many lives were lost, and immense damage was done to businesses, infrastructure and homes. Lives and livelihoods have been severely affected. According to the Post Disaster Needs Assessment (PDNA) conducted by the World Bank, Hurricane Maria resulted in over thirty deaths, damages worth US\$931 million and losses of US\$381 million, which amounts to 226 % of 2016 Gross Domestic Product (GDP).
- 2.3 The Government responded with dispatch in the provision of relief and recovery and rebuilding support. In addition, the Government has posited a long-term vision to make Dominica the first Climate Resilient Country. This involves creating an environment that is clean and green; ensuring ecosystem diversity and sustainability; and realizing a modern and prosperous Dominica through the creation of a dynamic and stable

economy driven by equity and social justice and based on renewable energy, productive enterprises and institutions that preserve the environment and is resilient to negative human and natural elements. Public sector agencies, including the country's investment promotion agency [Invest Dominica Authority (IDA)], are required to revise and align their strategies and action plans with this vision.

### III. Description of Activities and Outputs

- 3.1 **Component I: Component 1- Capacity Building of IDA.** This component will engage the services of a site selection consulting firm to (i) assist IDA with updating its investment promotion strategy to, among other things, include a clear Country Value Proposition, and to align the strategy to the country's sustainable development strategies and climate resilience commitments
- 3.3 **Component II: Component 2 – Kickstarting Implementation of the Updated Strategy.** This component will (i) support the hosting of a boutique investment 2 days forum in Dominica. CCPF resources will be used to engage a consultant to assist IDA with coordinating the event, including post-event follow-up
- 3.4 **Component III: Component 3: Awareness Raising.** This component will finance the hosting of two local sensitization meetings targeted to (i) senior policy makers and the leadership of the public sector in the Commonwealth of Dominica; and (ii) other personnel in the country's public and private sectors with key roles in implementing the recommendations for increasing the attractiveness of the country as a destination for sustainable FDI
- 3.5 **Component IV: Component 4: Coordination, Monitoring and Reporting.** IDA will appoint a member of staff to serve as Project Coordinator. He/she will work closely with CCPF to coordinate the implementation of the project. The Project Coordinator will coordinate project activities locally; contribute to the review of project outputs; collect baseline and performance data; and prepare and submit to CCPF, Quarterly Monitoring Reports and a Project Completion Report

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1- Capacity Building of IDA	\$ 171,100.00	\$ 2,000.00	\$ 173,100.00
Component 2 – Kickstarting Implementation of the Updated Strategy	\$ 48,700.00	\$ 5,000.00	\$ 53,700.00
Component 3: Awareness Raising	\$ 5,400.00	\$ 0.00	\$ 5,400.00
Component 4: Coordination, Monitoring and Reporting	\$ 0.00	\$ 57,600.00	\$ 57,600.00

### V. Executing Agency and Execution Structure

- 5.1 Inter-American Development Bank
- 5.2 CCPF, approved under GN-2851, was jointly designed with donors to be a Bank Executed Program, through the CCPF's Facility Coordination Unit (FCU) established in COF Barbados. The Bank has demonstrated its ability to coordinate and motivate action across diverse stakeholders at both the national and regional levels. The execution of this TC will be carried out by the Bank through the Trade and Investment Division (INT/TIN) in coordination with the Competitiveness, Technology and Innovation Division

(IFD/CTI). Project output indicators will be monitored following the Monitoring and Evaluation (M&E) framework of the CCPF.

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

- 6.1 Major risks to realizing significant inflows of sustainable FDI are the need for further institutional strengthening of IDA; Dominica's level of readiness to attract FDI compared to competing destinations; the rate at which recommendations made at Component I can be implemented given resource limitations; and the availability of resources to promote Dominica as a destination and more generally to implement the updated investment promotion strategy.
- 6.2 To mitigate these risks, the TC includes two sensitization meetings (see Component III). These meetings seek to build key stakeholders' commitment to supporting the shift in focus to sustainable FDI and should increase the likelihood that funding and other resources are allocated by government to implement the recommendations. CCPF will also work closely with the site selection consultants and the government to identify additional grant resources to support the implementation process. In addition, the updated investment promotion strategy will be realistic in its ambitions and will reflect the realities of a country that is still in a post-hurricane recovery mode.

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

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