

TECHNICAL COOPERATION PROFILE

I. BASIC PROJECT DATA

Country/Region:	Barbados	
Project Name and number:	Strengthening of the Service Delivery Capacity of the Ministry of Agriculture / BA-T1013	
Team Leader / Members:	Nancy Jesurun-Clements (INE/RND), and Sybille Nuenninghoff (RND/CGY), Co-Team Leaders; Rochelle Franklin (CCB/CBA); Diego Buchara (LEG/SGO); Roger Pipe (Consultant) and Rosario Gaggero (INE/RND) Project Assistant.	
Date of Request:	November 25, 2009	
Beneficiary:	Ministry of Agriculture (MA)	
Executing Agency:	Ministry of Agriculture (MA)	
Amount and Source of Funding:	IDB Food Price Crisis Response Fund (FOD) -non-reimbursable Local Counterpart: Total:	US\$350,000 <u>US\$ 20,000</u> US\$370,000
Technical Responsibility:	INE/RND	
Tentative Dates:	Execution Period: Disbursement Period:	12 months 18 months

II. BACKGROUND AND PROBLEM STATEMENT

- 2.1 Barbados agricultural sector is characterized by high cost and uncompetitive production systems and limited technical and financial capacity to respond to major challenges. Barbados has shallow and erosion-prone topsoil and is ranked the fifteenth-most water scarce countries in the world. A significant number of small farmers are dependent for irrigation, on potable water supplied by the public water system.
- 2.2 As a net food importer, the severity of the global food crisis and the concomitant surge in the price of food and agricultural inputs, exacerbated and fueled by increased international freight costs, poses severe challenges to Barbados. From January 2006 to February 2009 the retail price of food in Barbados rose by 36%. Between 2007 and 2008, the imported food bill rose by 33% to US\$347 million. In a country where the food bill represents around 34% of family consumption, these events will precipitate significant economic burden, particularly on lower income households. At the same time, it is alarming to note that Barbados has one of the highest rates of diabetes globally. The annual cost of diabetes and hypertension in Barbados is around US\$90 million or 3.3% of GDP. The lack of variety of high quality, reasonably priced produce is in part to blame.
- 2.3 Agriculture is at a crossroads in Barbados. The future of the agricultural sector itself is uncertain. Tourism and property development for golf courses and housing compete with

agriculture for scarce land; a battle that agriculture appears to be losing. Sugar production, for decades past the backbone of the Barbados economy, is now largely in decline, as world market prices plummet. With the recent end of the Sugar Protocol, Barbados must transition by 2015 away from a quota-based, guaranteed price regime to a market-based regime. The land holding structure comprises mainly small farmers, with 98% of farms under 10 acres. An adaptation strategy is required, that considers options driven by socioeconomic and environmental considerations.

- 2.4 Over the years, the MA has responded to changing needs and challenges with ad-hoc solutions, patching new tasks and functionalities onto the existing organization framework. This approach has resulted in an inefficient and ineffective structure, not well suited to identify and respond quickly to challenges and opportunities and to provide good service delivery. To be able respond to new international, regional and national challenges and opportunities facing the agricultural sector and to identify, stimulate, and support innovative technologies, production systems and agribusiness opportunities that are appropriate to Barbados, the MA must adopt a bold, fresh approach that is client-based, results-oriented and founded upon the principle of service-delivery, while achieving a more efficient allocation of its budget, currently above US\$30.0 million per year. A new organizational structure and operational model is needed, whereby all of the technical, and operational units of MA, work to provide a complete and integrated package of services geared towards the specific needs of each agricultural sub-sector. Fundamental questions must be asked, such as what the role and future of agriculture in Barbados is and what should be the role of the MA.
- 2.5 A recent Institutional Capacity Assessment (SECI)¹ of MA, performed under the framework of the Agricultural Health and Food Safety Programme (BA-L1008) identified a weak institutional development level overall, with an institutional capacity score of 57%. This low score was in large measure a reflection of the lack of a formal organizational manual and formal administrative and operational procedures. The analysis recommended that the following activities to strengthen the Ministry's delivery capability within NAHFCS: (i) revise and update the mid-term Agricultural Strategy; and (ii) undergo organizational and operational strengthening of the MA.
- 2.6 The Government of Barbados has requested support from the Bank to address the most pressing institutional issues faced by the MA that hinder its ability to provide services in support of agriculture and the country's capacity to provide a safe level of supply of quality food. The timing and need for the TC is particularly relevant in light of: (i) the vulnerability of Barbados to food price changes as an importer of most it is food supply; (ii) the Bank's support with the Agricultural Health and Food Safety Programme (BA-L1008) approved in December 2009 with MA as its Executing Agency. This TC is consistent with the criteria and provisions set forth in Bank's document GN-2486-4 for the use of resources from the Strategic Thematic Fund to Respond to the Food Price Crisis.

¹ Barbados - Institutional Capacity Evaluation of the Ministry of Agriculture. September 2009. IDBDOCS #2193344.

III. PROJECT OBJECTIVE AND DESCRIPTION

- 3.1 **Objective.** To improve the efficiency and effectiveness of the service delivery capacity of MA with regard to services that it provides to the agricultural sector as a whole and to agro-enterprises in particular, in support of increases in the quantity, quality and competitiveness of locally-produced food for domestic consumption. The program will consist of two components:
- 3.2 **Component I. Development a National Strategy for Agriculture and Fisheries.** To provide technical support for developing a national strategy for agriculture and fisheries. The strategy will define the future vision for agriculture in Barbados, highlighting its role in food security, food safety, and national health, its economic role, and the link between agriculture, water management, and land use. During the formulation of this Strategic Policy Paper and throughout the stakeholder consultations, answers will be sought to key issues: the role of agriculture in Barbados (food security and food sovereignty; the contribution of agriculture to natural resource management, to economic activity and to poverty mitigation); land and water as agricultural inputs. The strategy will consider and analyze any social and environmental impacts and risks related to what is proposed. Such impacts and risks, and a corresponding management plan, will be discussed and agreed with stakeholders using a participatory approach. The output will be a medium and long-term National Strategic Plan for Agriculture and Fisheries including a detailed five-year Strategic Business Plan.
- 3.3 **Component II. Organizational and Operational Strengthening of the MA.** Taking into account the results of the National Strategic Plan, this Component will provide technical support to MA for an institutional diagnostic and re-engineering of MA highlighting its role in food security, coherent with the National Strategy; and for the development of operational procedures, plans and systems for service delivery. MA is expected to become a client-based, service delivery and results-oriented institution in support of increases in the food supply. The component will include:
 - a. **Institutional Diagnostic and Change Management.** An institutional diagnostic, using as benchmark, the National Strategic Plan for Agriculture and Fisheries. This diagnosis will provide the baseline measure of MA's current service delivery strength. A gap analysis will follow, comparing MA's current service-provision capacity with the areas and modalities of service provision that arise from the Strategic Policy Paper. An action plan will be developed to reduce existing gaps.
 - b. **MA expenditure review.** An analysis of MA's historic cost structure and expenditure level, categories and agriculture programs and policies to evaluate the efficiency, effectiveness and equity of public expenditure in agriculture. A proposal of resource allocation based on the gap analysis and priorities set by the National Strategic Plan for Agriculture and Fisheries.
 - c. **Organizational Manual and Procedural Manuals.** An organizational manual (OM) for MA as a whole, including updated job descriptions with a client-based, service-oriented and results-oriented perspective, based on the National Strategic Plan for Agriculture and Fisheries.

- d. **Annual Plans of Operation and Work Plans.** Development of Annual Plans of Operation (APOs) for MA that will include results-oriented indicators linked to the National Strategic Plan for Agriculture and Fisheries and the Business Plan of MA.

IV. BUDGET

- 4.1 The expected cost of this operation is US\$370,000 according to the following preliminary budget (all figures are in US Dollars). This TC will be financed with resources of the IDB Food Price Crisis Response Fund on a non-reimbursable basis and by a contribution in-kind by the Ministry of Agriculture. The estimated budget by component for this program is as follows:

Table IV-1: Estimated Budget (US\$)

Component	Counterpart	IDB	Total
Component I: Development of a National Strategy for Agriculture and Fisheries		60,000	60,000
Component II: Organizational and Operational Strengthening of the MA		230,000	230,000
Project Administration	20,000	60,000	80,000
Total	20,000	350,000	370,000

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 The MA will be responsible for execution of this TC. As executing agency, MA will carry out all procurement actions in accordance with Bank procurement policies and procedures.

VI. MAJOR ISSUES.

- 6.1 The weak institutional development level of MA identified under the Bank's SECI raises concerns about its capacity to execute this TC. To mitigate this risk, the project will finance a project coordinator with responsibility for basic task management, while ensuring active involvement of MA staff in development of the outputs to be produced.

VII. ACTION PLAN

- 7.1 A Plan of Operations of the TC will be prepared by INE/RND, expected to be approved by May 28, 2010. The Plan of Operations will include: a detailed calendar of activities and costs, along with a description of the purpose and methodology, responsible actors and other stakeholders needed to ensure the success of each activity; and Terms of Reference (TOR) for the main studies and cosnultancies to be undertaken.

VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 8.1 The program has no direct negative social or environmental impacts due to the kind of activities being funded by the program: technical assistance and seminars. The program is expected to have positive social impacts because it will increase the efficiency and

effectiveness of the MA to delivery services and to support innovative solutions that will increase the quantity, quality and price competitiveness of locally-produced food for domestic consumption. The National Strategy will consider and analyze any social and environmental impacts and risks related to this initiative and will include a management plan for these risks. This operation was classified as C by the project team.

Approval: (Original signed)
Hector R. Malarin
Division Chief INE/RND

Date: Apr/30/2010