



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 26-Feb-2024 | Report No: PIDA36975



BASIC INFORMATION

A. Basic Project Data

Country OECS Countries	Project ID P181493	Project Name Unleashing the Blue Economy of the Caribbean	Parent Project ID (if any) P171833
Parent Project Name Unleashing the Blue Economy of the Caribbean (UBEC)	Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 20-Mar-2024	Estimated Board Date 30-Apr-2024
Practice Area (Lead) Environment, Natural Resources & the Blue Economy	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance, OECS Commission	Implementing Agency Saint Lucia, Saint Vincent and the Grenadines, Grenada, OECS Commission

Proposed Development Objective(s) Parent

To strengthen the enabling environment for the blue economy, economic recovery, and resilience of selected coastal assets in participating countries and provide immediate and effective response to an eligible emergency.

Components

- Component 1 – Strengthening Governance, Policies, and Capacity Building
- Component 2 – Scale up Access to Finance and Infrastructure Investment
- Component 3 – Contingent Emergency Response Component (CERC)
- Component 4 - Project management, M&E and communication

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	30.00
Total Financing	30.00
of which IBRD/IDA	30.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Development Association (IDA)	30.00
IDA Credit	30.00

Environmental and Social Risk Classification

Substantial

B. Introduction and Context

- The International Development Association (IDA) Additional Financing (AF) Credit of US\$10 million each for Grenada, Saint Lucia and Saint Vincent and the Grenadines (total AF amount of US\$30 million) is to replenish the financing gap created by activation of the Contingency Emergency Response Component (CERC) of their national Unleashing the Blue Economy of the Caribbean (UBEC) projects (within the parent project Series of Projects (SOP, P171833)) in response to the 2022 food insecurity crisis.** The Project Development Objective (PDO), implementation arrangements, environmental and social risk ratings and arrangements as well as each project’s fiduciary arrangements remain unchanged. In response to the May 2023 CERC activation, the SOP requires an AF and restructuring to enable the following changes to take effect: (i) modify the shared Results Framework (RF) to incorporate three new intermediate results indicators relevant to the food insecurity activities financed under the three country CERCs and modify the indicator target achievement date for the original set of SOP indicators to reflect the proposed new project closing date; (ii) extend the SOP closing date for all four Borrowers by 12 months to compensate for the extended time the participating countries devoted to preparing their Crisis Response Window (CRW) - Early Response Financing (ERF) requests; (iii) reallocate funds between disbursement categories to reflect CERC activation and replenishment from this AF; and, (iv) incorporate a total AF of US\$30 million in equal parts to each of the three participating countries. Note: The Organization of Eastern Caribbean States (OECS) Commission, the regional organization that is the fourth Borrower in the SOP, will not receive any AF under this restructuring nor be responsible for attaining the new indicator targets. It will only benefit from the 12-month extension of the closing date requested for all four projects in this SOP to maintain implementation synchronicity among all Borrowers.

Rationale for Additional Financing

- On September 22, 2022, given the severity of the global food insecurity crisis caused by the global polycrisis, the World Bank’s Board of Executive Directors approved an additional IDA CRW-ERF financing package in a total amount of US\$30 million (US\$10 million for each of the three UBEC countries, Grenada, Saint Lucia, and Saint Vincent and the Grenadines).** The recipient countries identified the following activities as priority investments to address their national food insecurity challenges:



Grenada	Saint Lucia	Saint Vincent and the Grenadines
<ul style="list-style-type: none"> Establishment of cold storage facilities Enhancement of agro processing systems Strengthening food crop production Support augmented livestock and poultry production Support capacity development of small-scale fishers Purchase farm infrastructure, machinery, and halt preadial larceny Provide technical and management training 	<p>Fisheries Production</p> <ul style="list-style-type: none"> Enhancement of food safety, sanitation, and hygiene Strengthening safety at sea Increasing fisheries production <p>Livestock Production</p> <ul style="list-style-type: none"> Increasing livestock reproduction and breeding Introducing new breeding stock Enhancement of the National Artificial Insemination Program Building a small laboratory for handling and processing semen Supporting stud services Investing in pasture development and improved nutrition for livestock Establishing pasture for forage at the Volet Agricultural Station Extending capacity building opportunities Augmenting animal health and diagnostics investments Strengthening water security for livestock production <p>Crop Production</p> <ul style="list-style-type: none"> Extending land preparation services (tillage) Increasing availability of planting materials and farm supplies to enhance productivity Improving agricultural Infrastructure: irrigation, drainage, and communal agricultural reservoirs, protected agricultural technology Extending training and capacity building offerings to farmers 	<p>Crop production (fruits, vegetable, and root crops)</p> <ul style="list-style-type: none"> Investing in propagation improvements Supporting field and greenhouse production Strengthening mechanization processes Investing in home garden development <p>Livestock production</p> <ul style="list-style-type: none"> Increasing domestic meat production (poultry and ruminant) Increasing backyard (lagomorph) production <p>Fish production (tuna and other large pelagic species)</p> <ul style="list-style-type: none"> Purchasing fish aggregating devices Retrofitting fishing vessels Increasing fish storage capacity

Sectoral and Institutional Context

3. **The Blue Economy promotes sustainable and integrated use of coastal and marine resources for economic growth, improved livelihoods, and job creation while preserving the health of the ocean.** It covers a range of interdependent sectors, including fisheries, tourism, and waste management. Fisheries, for example, provide the hospitality industry with quality and affordable seafood, while the tourism



sector supports fisher livelihoods and generates employment. Comprehensive waste management systems and services, meanwhile, are crucial to ensure the health of coastal fisheries and other marine resources and ecosystems which are, in turn, critical for the beaches and other natural assets that attract holiday makers. Anticipating and adapting to the impacts of climate change is an essential component of the blue economy, ensuring that low-carbon and climate-resilient measures are incorporated across sectors to ensure the long-term sustainability of living marine natural resources and the myriad ecosystem services and benefits they generate to national economies and coastal livelihoods.

C. Proposed Development Objective(s)

4. **The AF PDO remains the same as under the parent project**, i.e., to strengthen the enabling environment for the blue economy, economic recovery, and resilience of selected coastal assets in participating countries and provide immediate and effective response to an eligible emergency.

Key Results

5. **This AF introduces the following three new country-level intermediate results indicators to reflect the food insecurity activities:**
 - (i) Farmers and fisherfolk receiving production inputs and services under the food security CERC: Target 3800, of which 20% are women.
 - (ii) Key infrastructure rehabilitated or constructed with disaster-resilient standards under the food security CERC: Target 90.
 - (iii) Number of animals procured to replenish the country's available breeding stock: Target 1300.

Note, the target totals are cumulative for all three countries, with the per country target being one third of the total value indicated above. In addition, the achievement date for the entire set of original indicator targets in the parent project have been adjusted to reflect the 12-month extension of the closing date. And, the aforementioned new intermediate results indicators are not relevant to the OECS Commission.

D. Project Description

6. **The UBEC SOP is designed to be implemented in three five-year phases over a fifteen-year period involving multi-sectoral blue economy investments to support Caribbean countries to capitalize on their untapped coastal and marine natural resources, strengthen their climate resilience and accelerate economic recovery from the impacts of the global polycrisis.** The SOP provides a framework for integrating activities in the tourism, fisheries, and waste management sectors around a shared goal for regional development. The SOP includes synchronized interventions at national and regional levels to leverage economies of scale and ensure a harmonized approach. The parent project has four components: Component 1- Strengthening Governance, Policies, and Capacity Building; Component 2- Scale up Access to Finance and Infrastructure Investment; Component 3 – Contingent Emergency Response Component (CERC); and Component 4 - Project Management, Monitoring & Evaluation, and Communication.
7. **The first Phase of the SOP is financed with National IDA credits and grants, leveraging Regional IDA**



resources on a 1:2 ratio and supplemented with PROBLUE Recipient Executed Trust Fund (RETF) grants. Specifically, Phase I of the SOP involves Grenada, Saint Lucia, Saint Vincent and the Grenadines, and the OECS Commission and is being financed with a US\$56 million package of national and regional IDA credits and grants supplemented with US\$4 million of PROBLUE RETF grants. Phase I of the UBEC SOP was approved by the Board on May 2, 2022. The OECS Commission declared effectiveness (Grant E020-60) on October 11, 2022, Grenada (Credit 7087) on November 11, 2022, Saint Lucia (Credit 7088) on January 11, 2023, and Saint Vincent and the Grenadines (Credit 7089) on March 31, 2023.

Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

Assessment of Environmental and Social Risks and Impacts

- The AF will fill the financing gap and entails no new activities nor locations, requiring no changes in the Environmental and Social Risk Classification (ESRC) of the Project. As such, the relevant Environmental and Social Standards, and instruments developed under the parent project apply to the AF.** The Environmental and Social Safeguards Performance is Satisfactory. The Project's Environmental and Social standards performance and compliance rating is Satisfactory. As per the requirement of the Environmental and Social Commitment Plan (ESCP), the project has disclosed a draft Environmental and Social Management Framework (ESMF), draft Stakeholder Engagement Plan (SEP), draft Labor Management Procedure (LMP), and draft Resettlement and Process Framework (RPF). The project has developed a plan for PIU staffing, including Environmental and Social Specialists in all three countries (Grenada, Saint Lucia, St. Vincent and the Grenadines). Under Component 3, activation of the CERC required development of an Emergency Action Plan (EAP) that was approved for all three countries. The EAPs have undergone Environmental and Social Screening and based on the review, all activities of the EAP fall under the category of low to moderate risks.
- The Environmental and Social Risk rating for the parent UBEC is Substantial and will remain the same under the AF.** This is due to the potential adverse impacts of investment in sensitive areas and waste management, a dispersed geographical area of implementation, potential restriction of access to natural resources, elite capture, and harm to the livelihoods of vulnerable populations. There is also the potential for displacement of people. In general, investments spread across three countries risk environmental and social harm if there is failure of measures to coordinate activities and guard against disruption. The eight Environmental Social Standards (ESSs) remain relevant under the AF. These are ESS1, ESS2, ESS3, ESS4, ESS5, ESS6, ESS8, and ESS10.



Institutional and Implementation Arrangements

Implementation

- 10. The SOP is implemented at the national and regional level under a joint framework. The participating countries are Grenada, Saint Lucia, and Saint Vincent and the Grenadines, with the OECS Commission as the regional entity.** The implementation arrangements are designed to ensure clear ownership of SOP components, proper oversight, and strengthened regional and inter-ministerial coordination. At the national level, the Ministry of Finance (MoF) of Saint Lucia, Ministry of Infrastructure Development, Transport, and Implementation (MOIID) in Grenada, and the Ministry of Tourism (MoT) in SVG will be responsible for implementation through national Project Implementation Units, in close collaboration with the implementing line ministries for each sector. At the regional level, the OECS Commission holds primary responsibility for regional coordination, implementation of the regional MSME matching grants scheme, and regional activities.

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Ministry of Finance

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OECS Commission

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APPROVAL

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