International Development Committee

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From Sarah Champion MP, Chair

The Rt Hon Andrew Mitchell MP Minister of State for Development and Africa Foreign, Commonwealth and Development Office By email

8 March 2024

Dear Andrew,

Committee visit to Dominica and SIDS Conference

I am writing in connection with the Committee's recent visit to Dominica, which formed part of our inquiry into the UK's Small Island Developing States (SIDS) Strategy. The report for that inquiry is in preparation. In the meantime, I would like to draw your attention to some of the development issues that the Committee observed in Dominica specifically.

As you will be aware, Dominica faces significant risks from hurricanes and tropical storms. Tropical Storm Erika (2015) and Hurricane Maria (2017) inflicted damage equivalent to 90% and 226% of the country's GDP, respectively. The priority for the Government of Dominica is understandably on increasing the country's resilience to future storms, hurricanes, and other natural disasters, which are likely to only increase in frequency and intensity due to climate change. Members of the Committee visited several climate resilient infrastructure projects that have been supported by the UK, including a new geothermal power plant and healthcare centre.

A key concern raised with us by Dominican stakeholders was that the funding conditions set by grantgiving bodies, such as the Caribbean Development Bank (CDB), are overly rigid and do not give enough priority to local knowledge. Illustrative of this was the Loubiere to Grand Bay Road and Bridge Rehabilitation Project, funded through a UKCIF grant via the CDB. First approved in 2016, the project remains incomplete, and construction has faced setbacks after several failed tender exercises. Dominican interlocutors suggested that a less rigid tendering process that allowed for more input from local experts could have helped to prevent these delays. It was pointed out that the UK holds a seat on the Board of the CDB and could use its influence there accordingly.

Another concern raised was regarding loans from the World Bank. It was argued that the process for securing these is too slow, particularly for when the financing is being sought rapidly in response to natural disasters. In addition, it was noted the effective interest rate on loans from the World Bank can be much higher than what is given 'on paper'. This was contrasted with the far more favourable terms on loans and other financing available from China. These concerns regarding access to multilateral finance are of course not isolated to Dominica and are the key impetus behind the Bridgetown initiative. Dominican stakeholders with were clear that the UK can play a key role in supporting the Bridgetown Initiative and showing moral leadership on resilience to climate change.

Whilst in Dominica the Committee also met with local groups supported by UK aid. These included members of the indigenous Kalinago community, who are aiming to develop their local economy through a programme of tourist homestays. The UK has given them training in tour-guiding and business skills via the Kalinago Territory Cluster Project. Although grateful for the training, members of the community told the Committee that they lacked the funding and materials to upgrade their homes to make them suitable for tourists. "It's like teaching us to drive without a car" said one. While we understand that there are separate UK funding schemes for which they may be eligible, such as the OCEAN Grants Programme, it is unclear as to how accessible these are to communities like the Kalinago. The grants they need would be extremely small in relative terms, but they need to be aware of and able to apply for them.

As you know, ensuring aid is responsive to the needs of partner countries and local people on the ground is a priority for this Committee. We were glad to see the importance of partnerships and localism in development acknowledged in the International Development White Paper. Our findings in Dominica underline the importance of translating its words into action.

The Committee's inquiry into the UK SIDS Strategy coincides with the 4th UN International Conference on SIDS, taking place from 27-30 May in Antigua and Barbuda. Given our ongoing work on this subject, the Committee would like to attend the Conference. I would be very grateful if you could facilitate us having access.

Yours sincerely,

Sarah Champion MP Chair of the Committee