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# Semi-Annual Report

## January 1 – June 30, 2020

### SINT MAARTEN TRUST FUND



Government  
of the  
Netherlands



THE WORLD BANK

*Prepared by*

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## Background

This report provides an overview of activities executed under the Sint Maarten Reconstruction, Recovery and Resilience Trust Fund (SXM TF) from January 1 to June 30, 2020.

The SXM TF was established to respond to the devastation caused by Hurricane Irma in Sint Maarten on September 6, 2017. The trust fund is financed by the Government of the Netherlands for up to 470 million euros (US\$553.4 million equivalent) and managed by the World Bank in accordance with the Trust Fund Administration Arrangement.

The SXM TF, through the parameters set out in its Strategic Framework, provides support across two dimensions: a) for the post-hurricane recovery and reconstruction of Sint Maarten, and b) for the longer-term development priorities to strengthen the country's resilience.

The SXM TF has received US \$305 million to date in two tranches from the Netherlands. Activities financed out of these funds are approved by the Steering Committee (SC), supported by a Technical Working Group (TWG), which are both comprised of representatives of Sint Maarten, The Netherlands, and the World Bank. Project activities are implemented through Recipient Executed Trust Fund (RETF) and Bank Executed Trust Fund (BETF) activities. The National Recovery Program Bureau (NRPB) implements and coordinates SXM TF activities on behalf of the Government of Sint Maarten.

As set out in the Administration Arrangement signed with the Government of the Netherlands on April 16, 2018<sup>1</sup>, the World Bank produces an annual report for each calendar year and a semi-annual report after the closing of the World Bank's fiscal year (30 June). The current report summarizes the SXM TF's main activities, results, and unaudited financials from January 1 to June 30, 2020.

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<sup>1</sup> *SXM TF Administration Arrangement*, April 16, 2018;

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# 1 Introduction

On September 6, 2017, Sint Maarten, an autonomous constituent country of the Kingdom of the Netherlands with a population of over 40,000<sup>2</sup> people, was severely impacted by Hurricane Irma. Damages and losses<sup>3</sup> related to Irma were estimated by the Government of Sint Maarten and the World Bank to amount to US\$2.7 billion (US\$1.4 billion and US\$1.3 billion respectively, each about 129 percent of the Gross Domestic Product). In response to the disaster, the Government of the Netherlands made immediate bilateral aid available, complemented by substantial private donations provided by the public.

On April 16, 2018, the SXM TF was established for up to 470 million euros (US\$553.4 million equivalent) at the World Bank. Financed by the Netherlands, the SXM TF finances a program for the recovery and reconstruction of Sint Maarten and the strengthening of the country's resilience to natural disasters. The SXM TF Secretariat is housed by the Caribbean Country Management Unit in the World Bank's Latin America and Caribbean Region. SXM TF-financed activities are approved by the SC of the SXM TF and implemented by the Government of Sint Maarten. Activities are chiefly implemented through the NRPB which has the mandate for the oversight of reconstruction activities in Sint Maarten under the authority of Sint Maarten's Prime Minister, while some activities will be implemented by civil society organizations and other entities designated by the Government of Sint Maarten. The SXM TF program benefits from complementary technical assistance and expertise provided by the Government of the Netherlands and the World Bank as appropriate.

This report describes the implementation progress of SXM TF activities from January 1 to June 30, 2020. Over the reporting period, the pace of implementation was significantly affected by two key events. The first was the political transition from September 2019 to March 2020, with a new government seated in mid-March 2020. The second is the Corona Virus Disease 2019 (COVID-19), a global pandemic, which resulted in a strict lockdown for the population on the island from Mid-March to early June and the complete interruption of travel from abroad which started on March 17 and remains partially in effect at the time of writing. These conservative measures to protect the population on the Dutch side of the island from the deadly COVID-19 pandemic brought the economy to a halt, causing a significant contraction in GDP and revenues, as well as high unemployment. In line with the Government's public health and safety requirements, project works funded by the SXM TF were halted during the lockdown and restarted progressively after the lifting of restrictions on construction from May 11 onwards, with appropriate COVID-19 risk mitigation measures in place. Every effort was made to advance desk work, remote project preparation, project implementation support, supervision, procurement and hands-on support. Implementation progress was also affected by structural issues such as difficulty in acquiring permits, visas and access to the island by international consultants and firms, absence of continuous World Bank presence on the island, limited implementation follow-up by some government agencies, and significant capacity limitations on the ground. At the time of reporting, travel restrictions for foreign implementation and supervision contractors were still in place, hampering progress of project implementation, however the country has opened as of early June in a phased approach.

During this reporting period, the SXM TF financed a package of equipment and medical supplies for the Sint Maarten Medical Center (SMMC), under the Hospital Resiliency Project. This support complements a broader COVID-19 package provided by the Netherlands that includes substantial aid to Sint Maarten's

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<sup>2</sup> <https://data.worldbank.org/country/SX>

<sup>3</sup> Damages refer to damages to buildings and assets. Losses due to disruption of access to goods and services are defined as changes in economic flows and higher costs in production arising from the disaster.

health sector and liquidity support. The SXM TF's focus remains on Post-Hurricane reconstruction and resilience.

Despite these external setbacks, the SXM TF is set to finance major reconstruction on the island in 2020 and 2021, such as reconstructing the airport terminal, constructing the new hospital, scaling up and completing a large part of the home repair program, and repairs of schools, shelters, the police station, and fire stations, commencing ship wreck salvaging and improving the management of the waste disposal site. The rate of progress on all these works will depend on access to the island, risks and mitigation efforts related to the COVID-19 pandemic, the impact of the pandemic on already existing implementation capacity constraints, and the ability to complete and tender related procurement processes.

With the Airport Terminal Reconstruction Project and the Enterprise Support Project coming on stream for a total of over US \$100M during this period, the portfolio has grown significantly in support of key priorities. Eight projects are under implementation for US\$245.5 million and six additional projects are under preparation for an additional US\$135.6 million.<sup>4</sup>

Prior to the lockdown in March 2020, implementation progressed under approved projects in some areas had gained momentum. Emergency repairs were nearly completed on two police stations and 146 homes (37 private homes and 109 social housing units) repaired. Critical safety and communications equipment were delivered to the Fire Department as well as heavy equipment to VROMI for the management of the waste management site. The situation on the Municipal Waste Site has evolved significantly. With subsurface fires dwindling to 2 (out of 30 in 2018), a new approach for waste management was agreed with Government at the end of January for future landfill management. However, implementation of this approach will require as a first step, reaching consensus on a clear plan on relocating households at risk living too close to the dumpsite, before activities on the landfill can begin and identification of alternative housing for these households. This includes safeguarding the population living near the municipal waste sites. About 25 percent of the early works were completed to build the new hospital but had to be suspended due to the lockdown. Works of the new hospital resumed on June 15, including mobilization activities, which were paused due to COVID-19, installation of site offices and construction of a new site. A significant reduction of referrals off island has demonstrated that better and expanded care is being provided in-country. As reported previously in the annual report, under the Emergency Income Support and Training Project, over 1,900 un- and under employed persons have benefitted from stipends and training, representing about half of Sint Maarten's unemployed in the labor market.

The new Airport Terminal Reconstruction Project (US\$72M, including liquidity support in case of an external shock, such as COVID-19) became effective, leveraging US\$50M in co-financing from EIB and facilitating the release of US\$72M in insurance proceeds held by the Airport's bondholders. Recently approved projects include an Enterprise Support Project aimed at supporting micro, small and medium enterprises (MSME) (US\$35M), a grant to the Red Cross Netherlands (RCNL) to extend its existing roof repair program (US\$3.6M) and a civil society grant making project to finance small NGO community driven projects (US\$7.2M).

Progress has been mixed in some areas. This includes reaching a clear plan to safeguard the population living near the municipal waste sites, before activities on the landfill can begin. In addition, market challenges, limited procurement capacity and challenges in hiring have affected the implementation pace of several projects. Preparation activities have advanced, however, due to the lock down work has been undertaken virtually, making the pace of activities slower than expected, due to lack of access to the island and key counterparts.

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<sup>4</sup> This includes additional financing for the hospital for COVID-19 related medical equipment and supplies.



Procurement remains a significant constraint. Local firms are ill-equipped to qualify for large infrastructure projects, while foreign firms are deterred by the small market size, limited skills and labor availability, and a challenging regulatory environment for foreign companies to work in Sint Maarten. While key gaps in NRPB staffing have been filled during 2020, the organization still faces capacity constraints to manage a large portfolio. Barriers to access to the island during the COVID-19 global pandemic further exacerbate these problems. The World Bank continues to provide substantial hands-on technical support and through staff and consultants to the NRPB and other implementing partners, as well as advice. During the lockdown and border closures, hands-on support continued virtually.

The preparation of six new projects (with an estimated value of US\$135.6 million) continues. Two projects focusing on education are being prepared. A child resilience and protection project managed by UNICEF Netherlands is being developed and in collaboration with the Ministry of Education, Culture, Youth and Sports (MECYS). A complementary project is under preparation to rebuild select schools and the library. To support government modernization and enhance access to and delivery of public services, a digital transformation project is being developed with the Ministry of General Affairs. A solid waste management project is also being considered to improve long term waste management. A road connectivity project is being planned. Progress on a budget support operation being prepared has stalled and may need to be re-assessed in light of bilateral liquidity support being provided by the Netherlands.

During the period in review, studies were completed on long term waste management, the housing sector and the tourism sector. A Public Expenditure Review is being finalized. The World Bank has offered to support Sint Maarten in carrying out its National Risk Assessment, a core elements of the country's compliance with international Anti-Money Laundering and Counter Terrorism Financing obligations.<sup>5</sup> A digital government strategy is being developed to support Sint Maarten's government in its digital modernization agenda. These studies will provide critical information to inform evidence-based decision-making. A country environmental analysis is also near completion that outlines environmental issues and opportunities for action to improve environmental management.

## 2 Strategy

SXM TF priorities for investment are laid out in the SXM TF Strategic Framework<sup>6</sup> approved by the SC in August 2019. These priorities support the objectives of Sint Maarten's National Recovery and Resilience Plan (NRRP) and are commensurate with the Guiding Principles of the Netherlands recorded in the SXM TF Administration Arrangement.<sup>7</sup>

Over the first year of implementation (2018), the NRRP itself and the guiding principles of the SXM TF provided a prioritization framework for projects. Emergency activities were prioritized by the Government of Sint Maarten and the Government of the Netherlands, with technical guidance of the World Bank. Early funding was directed mainly to Community Recovery including income support, hospital repair and resilience, and emergency repairs to critical infrastructure, such as the police stations and home repairs. Projects aimed at economic recovery and building long term resiliency were subsequently prioritized, including airport reconstruction, support to micro, small & medium enterprises (MSMEs), digital transformation, short to medium-term debris and waste management, and long-term waste management solutions and education infrastructure rehabilitation and child protection activities. These are now under implementation or their preparation is well advanced.

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<sup>5</sup> Funded partially by the SXM TF

<sup>6</sup> The World Bank, *SXM TF Strategic Framework*, August 2019.

<sup>7</sup> *SXM TF Administration Arrangement*, April 16, 2018; Annex III.

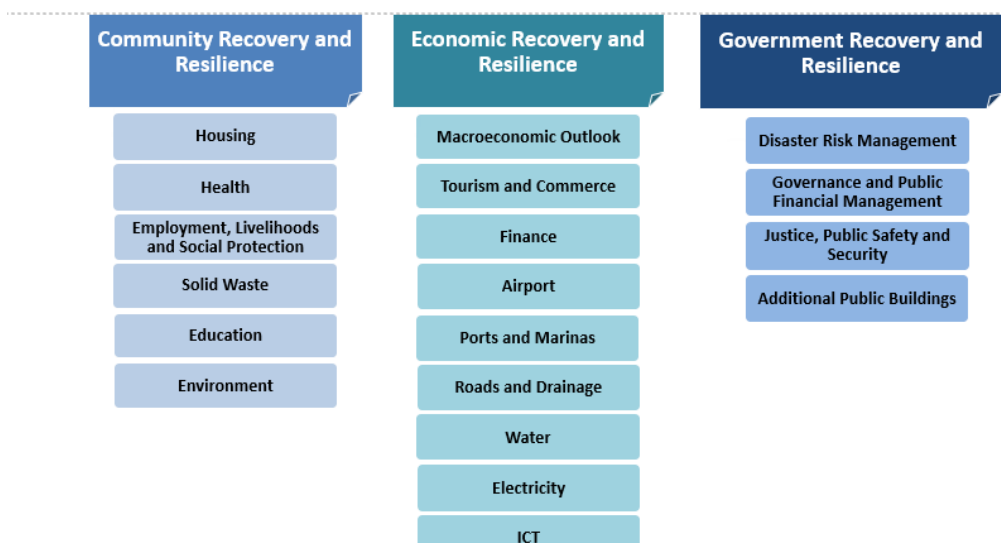
## 2.1 National Recovery and Resilience Plan (NRRP)

The SXM TF supports activities and programs aligned with the NRRP published by the Government of Sint Maarten in June 2018 and endorsed by Sint Maarten’s Parliament in August 2018. The NRRP was developed with inputs from all of Sint Maarten’s main stakeholders, the Government of The Netherlands, and other international organizations, with the technical support of the World Bank.

The NRRP foresees community, economic and government recovery through investments in priority sectors particularly affected by the 2017 hurricanes (see Figure 1 below). Its implementation is led by the National Recovery Program Bureau (NRPB), which serves as a central coordination mechanism for Sint Maarten’s reconstruction. The NRRP focuses on the **sustainable recovery of affected communities**, as well as **economic recovery and resilience**, and **government recovery and resilience**. For Sint Maarten’s **communities**, the NRRP prioritizes investments in housing; social sectors such as education, health, social protection; and environmental and infrastructure services such as waste management, environment, biodiversity and ecology. For Sint Maarten’s **economy**, the NRRP aims to rebuild key infrastructure such as the Princess Juliana International Airport, to remove shipwrecks from the ports and marinas, to restore utility networks and roads, and to promote resilience in the country’s tourism sector. Strengthening the financial sector and improving fiscal resilience, including by improving tax collection, are also central to economic recovery. The NRRP also aims to foster **resilient governance** by strengthening public financial management and adopting tools to inform, measure, and respond to disaster risk. These actions are expected to benefit investor confidence, foster public support for government initiatives, and aid in long-term recovery. Key to enhancing Public Financial Management (PFM) and Governance is modernizing the Government’s Information Communication and Technology Systems (ICT).

The NRRP assesses that US\$2.3 billion will be required under these pillars to respond to Sint Maarten’s recovery and resilience needs.

*Figure 1: Three pillars of the National Recovery and Resilience Plan*





## 2.2 Guiding Principles for Trust Fund Use

The objective of the Netherlands is to support the material and non-material reconstruction and recovery of Sint Maarten wherever necessary, to restore vital infrastructure and sustainably boost the country's resilience to the effects of possible future disasters, natural and otherwise.<sup>8</sup>

The Netherlands' guiding principles annexed to the SXM TF Administration Arrangement foresees that activities will: (i) address the damage caused by Hurricane Irma; (ii) make significant improvements to the pre-hurricane situation on the island; (iii) and restore vital infrastructure whose breakdown would threaten social peace or national security. Support aims to boost resilience by improving crisis management and disaster preparedness, promoting economic diversification and the enhancement of good governance, and strengthening civil society. A preference is expressed for projects "with a long-term vision that respect both people and the environment<sup>9</sup>."

As per above principles, projects are assessed against their **necessity** (there are no other sources of funding), **additionality** (they bring in private or other public international financing where possible), **suitability** (appropriate in scale considering capacity), **effectiveness** (will attain the objective and is consistent with Sint Maarten's long-term policy orientations), and **efficiency and legitimacy** (has safeguards in place to ensure both). **Good governance** is central to all activities undertaken by the SXM TF, in their outcomes and their methods of implementation, supported in the latter by the strict application of World Bank processes and procedures for financial management, procurement and safeguards.

## 2.3 Strategic Framework

The SXM TF Strategic Framework (SF) is grounded in the Government's NRRP<sup>10</sup>. It addresses needs for post disaster recovery and takes on selected medium-term challenges in support of Sint Maarten's sustainable resilience and prosperity. With appropriate flexibility for prioritization in the later years, the SF describes SXM TF activities until the trust fund's anticipated closing end 2025, under three focus areas: to (i) promote sustainable economic recovery, (ii) invest in citizens and resilient communities, and (iii) build the foundations to improve long term resilience and good governance. The SF identifies objectives under these areas to be achieved through currently approved projects and outlines future avenues for action (see figure 2).

The SF's principles of engagement include modalities to strengthen local capacity and partnerships with International Organizations and NGOs, and the private sector. The implementation capacity of a range of actors is needed to channel SXM TF resources and broaden the impact and reach of SXM TF activities.

The SF will be reviewed in the second quarter of 2021, to adjust areas of focus and objectives, as appropriate. While many SF priorities will be financed by the SXM TF, additional financing will be leveraged from other partners to fill sector gaps and complement current/planned activities.

Annex 1 provides an overview of the alignment per area of intervention of current SXM TF activities with the NRRP, including the current advancement against long term indicators.

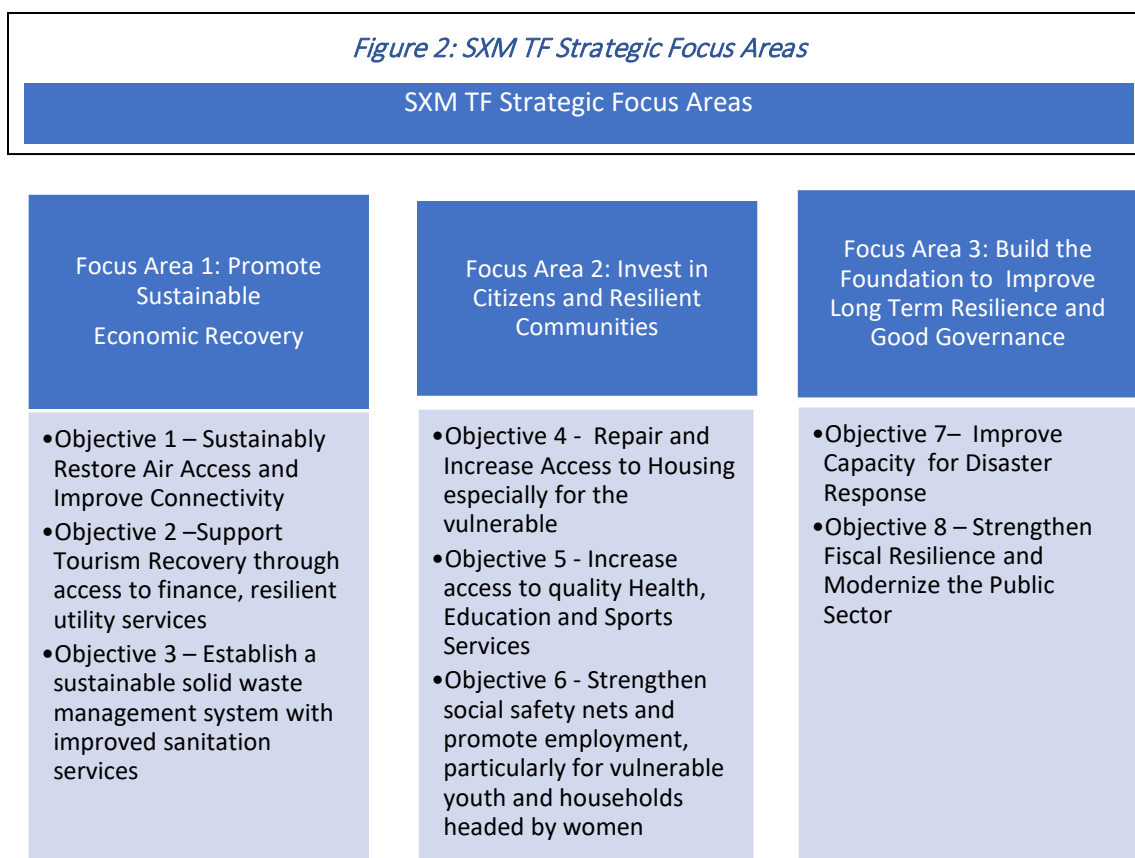
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<sup>8</sup> *SXM TF Administration Arrangement*, April 16, 2018 Appendix, "Guiding Principles of the Netherlands".

<sup>9</sup> Ibid.

<sup>10</sup> The World Bank, SXM TF Strategic Framework, August 2019.

Figure 2: SXM TF Strategic Focus Areas



### 3 Activity Summary

#### 3.1 Overview

As of June 30, 2020, the SXM TF had received US\$305.7 million from the Government of the Netherlands. An amount of US\$12.6 million in investment income was generated for the SXM TF by the World Bank’s Treasury department. Of the total of US\$318.3 million, US\$269.01 million has been committed to eight projects currently under implementation, and is used for administration, analytical work, implementation supervision/hands-on support and SXM TF management. Another US\$135.6 million has been allocated to six projects endorsed by the SXM TF SC, currently under preparation, including additional financing for the Hospital Resiliency and Preparedness Project. A US\$0.51 million preparation grant was provided to UNICEF NL to prepare the Child Protection and Development Project. A US \$0.14 million grant was provided to VNG International to prepare the Civil Society Partnership Facility for Resilience Project.

Received	US \$ millions	Use of Funds	US \$ millions
Total TF Program Committed	536.89	Administrative Fee	6.11
Total Funds Received from NL	305.7	Committed to Signed Projects *	245.5
		Analytical Work	4.6
		Preparation, Supervision and Implementation**	9.2

		TF Management	3.6
Investment income	12.6	<b>Total</b>	<b>269.01</b>
<b>Total Funds Received</b>	<b>318.3</b>	Estimated value of Projects under Preparation	135.6
Balance (from funds received)	49.29	Total Spent and Allocated	404.61

\*For disbursements against amounts committed to these projects please see table below.

\*\*includes commitments to date.

As of end June 2020, from the total of US\$245.5 million for approved projects and two preparation grants for UNICEF NL and VNG International. US\$67.8 million was disbursed and US\$177.7 million remained to be disbursed for project activities. Approved projects are endorsed for financing by the SC, have completed full preparation, appraisal and approval processes of the World Bank and the Recipient. Project objectives, activities and progress are detailed in Section 3.2.

	Projects under Implementation <sup>11</sup>	Approved	Commitments (US\$ millions)	Disbursements (US\$ millions) <sup>12</sup>
1	Emergency Recovery Project I (P167339)	7/10/2018	55.2	25.6
2	Emergency Income Support and Training Project (P167368)	8/02/2018	22.5	19.3
3	Hospital Resiliency & Preparedness (P167532)	8/16/2018	25.0	12.6
4	Emergency Debris Management Project (P167347)	12/21/2018	25.0	9.6
5	Airport Terminal Reconstruction (P176974)	12/09/2019	72.0	0
6	Red Cross Roof Repair Project (P172619)	12/30/2019	3.6	0
7	Enterprise Support Project (P168549)	12/30/2019	35.0	0.2
8	Civil Society Partnership facility for resilience project (P172339)	6/26/2020	7.2	0
	<b>TOTAL</b>		<b>245.5</b>	<b>67.8</b>

The US\$ 135.6 million for the six projects under preparation and one additional financing for the hospital project are estimates only, until the completion of appraisals. Projects under preparation are endorsed by the SC and are in the process of being prepared for appraisal and approval. Section 3.3 provides details on project objectives and content.

	RETF Projects under Preparation	Estimated amount (US\$ million)	Estimated Approval <sup>13</sup>
1	Child Protection and Development Project (P172582) (NGO)	5.0	Q3 2020
2	Sint Maarten Digital Government Transformation Project (P171978) <sup>14</sup>	12.0	Q4 2020
3	Resilient Schools Project (P172753)	30.0	Q3 2021

<sup>11</sup> Approved projects are endorsed for financing by the SC, have completed the full preparation, appraisal and approval process of the World Bank, including the signing of a legally binding Grant Agreement between the World Bank and the recipient.

<sup>12</sup> Per June 15, 2020.

<sup>13</sup> Estimated timelines are subject to change to meet operational requirements, including appropriate consultation and preparation by the recipient of appropriate safeguard instruments, in line with WB policies.

<sup>14</sup> US \$3 million will be used to support technical assistance activities to prepare for investments.

4	Transportation Connectivity and Resilience Improvement Project (P171283)	20.0	TBD
5	Solid Waste Management and Environmental Improvement Project	35.0	TBD
6	Public Finance, Social Insurance and Resilience Development Policy Operation (P171291)	30.0	Two tranches of 15 TBD
7	Hospital Resiliency & Preparedness Additional Financing Project (P174023)	3.6	
	TOTAL	135.6	

To underpin future projects and contribute to knowledge and policy improvements, a **program of analytical work** is being carried out in collaboration with the Government of Sint Maarten. Resources allocated for this work are US\$4.6 million, of which US\$2.8 million have been disbursed. Details are provided in Section 3.4.

**Resources disbursed by the World Bank for the preparation and supervision of projects have amounted to US\$6.7 million** cumulatively, since the initiation of the Trust Fund. Spending is based on standard World Bank norms for preparation and supervision of projects, taking into consideration the need for speed and complexity of preparation, and the necessary costs associated with maintaining due diligence standards for safeguards and financial management. Thirty one percent of these resources are provided for procurement, safeguards and fiduciary support and nine percent for direct Hands on Support to the implementing agency to complement limited on island and in-house Government and NPRB capacity.

A financial overview is provided in annex 3, including Program Management costs. Program costs include all support to date, including retroactive financing of the assistance and expertise provided for the development of the NRRP.

### 3.2 Project Under Implementation - Results to Date

Eight projects are currently in various stages of implementation. During this period, implementation was negatively impacted by internal country developments and the COVID-19 global pandemic from March onwards. The country-wide COVID-19 lockdown caused delays, but the SXM TF program adapted and took proactive steps amid uncertainty to advance on key activities. This adaptation included 1) an approach to emergency works that prioritized critical works to be carried out with local companies under a streamlined contract award process, 2) the use of Dutch construction protocols for COVID-19 already in existence, and 3) off-site support where needed to continue works and capacity support to NRPB (particularly in procurement and safeguards).

Activities that advanced in January and February, before the lockdown, included early works on the new hospital, repairs to the police stations and continuation of training of under and unemployed people under the Emergency Income Support and Training Project (EISTP). In mid-March, construction work and training ceased, and many activities moved to a virtual environment where possible. However, the interruption of travel and works had a significant impact on the pace of implementation. During the lockdown period, the emergency income support and training project continued to provide program stipends to active participants. On an exceptional basis, outer repairs to the police stations continued. Procurement processes, desk work and virtual meetings for preparation of activities advanced. During this period, additional financing was provided to the hospital for COVID-19 related equipment

pharmaceuticals, non-medical equipment for triage and isolation areas; and implementation of a Medical Pavilion for triage of suspected COVID-19 cases.

Strong results and good progress continue to be achieved throughout the year in the Emergency Income Support and Training Project (EISTP). Component 1 of the project achieved all its objectives. The project surpassed its target in providing training and stipends to un- and underemployed beneficiaries. This component will end in September 2020. As part of the Hospital Resiliency Project, hospital repairs and enhancements have been implemented, overseas referrals have declined, and works on the new hospital building started in early 2020. Repairs to homes have reached 146 out of a projected total of 350 under the Emergency Recovery Project I. The start of works for larger batches of repairs to private housing and additional repairs to social housing will depend on the ability to ensure a safe environment for workers. Repairs to four main shelters have been prioritized. Works started in June 2020 and will be finalized before the peak of this year's hurricane season. Repairs to school will also be prioritized, focusing on seven priority schools identified by MECYS. The Emergency Debris Management Project (EDMP) will be restructured to reflect a new approach with an adjusted approach to landfill management, following the resettlement of people at risk. The fires and hot spots on the landfills have reduced due to the application of the Alternative Daily Coverage spray (ADC), but imminent risks of potential slope instability to the nearby community remain high.

The World Bank and NRPB have taken initiatives to accelerate implementation despite COVID-19 related constraints. This includes providing offsite virtual support to all implementation activities including procurement and consultations; enabling critical works to continue with government waivers to complete repairs on the police station, adjustment and continuation of procurement processes, and support to COVID-19 related emergency needs and equipment for the hospital. The SXM TF has broadened its range of implementation partners with the approval of several projects implemented by NGOs. The Netherlands Red Cross, through its Red Cross Roof Repair Project (US\$3.6 million), approved in December 2019, repaired 19 roofs for Sint Maarten's most vulnerable households before the lock down, and resumed work mid-May. UNICEF NL has begun preparation activities to strengthen the disaster preparedness of schools and protect children from trauma and abuse. The Civil Society Partnership Facility for Resilience Project (US\$7.2 million) was approved in May 2020. VNG International, the implementing agency has begun to prepare a first call for proposals to fund community-oriented projects implemented by local civil society organizations to improve resilience and rehabilitation of communities.

A significant step forward in Sint Maarten's reconstruction was reached this year when the US\$72 million Airport Terminal Construction Project became effective on April 7, 2020, leveraging a US\$50 million loan from the European Investment Bank (EIB) and US\$7 million from PJIAE. The airport's bondholders released insurance proceeds held in escrow of US\$72 million. With these resources, the airport's terminal reconstruction can begin in 2021 and significantly contribute to the recovery of the local economy.

The Emergency Recovery Project I (ERP-I) (US\$ 55.2 million), approved on July 10, 2018,<sup>15</sup> finances the repair of critical infrastructure (including police stations, the emergency operation center, shelters and schools), social and private housing, procurement of emergency equipment, the increased resilience of the electricity and water system, and training. The project also finances the functioning of the NRPB, the project implementation unit for the bulk of SXM TF activities.

After significant uptake of activity at the end of 2019 into 2020, ERP-I was poised to deliver a critical mass of works in the first half of 2020, including repairs to homes, shelters, and plans to rehabilitate schools.

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<sup>15</sup> The project became effective July 18, 2018.

However, the launch of large-scale activities was delayed by the COVID-19 pandemic and the resulting strict lockdown, which affected the entire island for close for over three months. Efforts were made to continue progress where possible: some works were re-organized to deliver priority repairs, including the roofs of the police stations (for which an exception to permit repairs activities during the lockdown was granted by the Government). As of mid-May, the Government allowed a gradual reopening of activities, including construction. Works on four priority shelters (out of the thirteen to be repaired) started in June. However, the repair of 7 schools (out of 20) scheduled to be tendered in July 2020 was hampered by delays in the technical assessments and the discovery of asbestos on one of the sites, a problem that could arise also on other worksites. A new timeline is not yet known. The contract for the main batch of single homes repairs was poised to start in mid-March but was interrupted by the lock-down. However, the contractor has remobilized, and exceptional arrangements were made to bring the international supervisor to Sint Maarten in June. The first homeowners' agreements have been signed, and works are scheduled to start in July. All works under the COVID-19 regulations require new health and safety measures on construction sites to protect workers and the population at large from infection. These measures will apply to all upcoming works until further notice.

The NRPB has strengthened its overall capacity and continues to make progress. NRPB's capacity will be further improved with the upcoming Framework Agreement (FA) consultancy, a multidisciplinary professional service to ERP-I, in the areas of works supervision, condition assessments, technical design and bid evaluation support. Currently, several foreign staff are working remotely due to travel restrictions to enter Sint Maarten as a result of COVID-19.

Despite the flexibility and adjustments, a few bottlenecks remain, which include, limited access to the island by foreign companies needed for works supervision and conducting technical assessments, availability of imported materials and items, and implementation of COVID-19 precautions and restrictions that may slow down work and pose new challenges as the island re-opens.

## **Results:**

**Emergency measures for the recovery of disaster first responders and preparedness facilities:** Police Stations repairs phase-I were completed and phase-II roof repairs for the police station in Philipsburg were completed during the lockdown, with exceptional approval provided by the Government. Work had resumed since the reopening, and phase-II work for both exterior and interior for the two police stations are nearly complete.

The repair work for the Radiosonde Building of the Meteorological Department was completed in February 2020. Critical safety equipment was delivered to the Fire Department including fire helmets, fire suits and safety shoes, and breathing and communication equipment, and diesel water pumps. Spare parts for ambulances were delivered to the Ambulance Department. Three fire trucks have been procured (the fire trucks are custom built and are scheduled for delivery in 2021) and a company has been hired to develop multi-hazard risk maps for the entire territory and immediate coastal zone. These activities contribute to improved working conditions and capacity of first responders to provide emergency services on the island.

A new contractor was selected for shelter repairs, after the contract awarded in 2019 was abrogated for non-performance. Works on four shelters prioritized by the Government started in June and are expected to be completed prior to the peak of the 2020 hurricane season. Delays are possible considering the disruption of global supply chains and the need to import materials to the island. Construction of the remaining nine shelters will begin in the last quarter of 2020.



The project has also extended the financing of Sint Maarten's premia for insurance coverage against disaster risks under the Caribbean Catastrophe Risk Insurance Facility (CCRIF) until 2021. Moreover, the project has financed the country's membership to the Caribbean Disaster Emergency Management Agency (CDEMA)<sup>16</sup> until 2021. Membership in CDEMA and participation in regional and international events focused on Disaster Risk Management (DRM) and resilience building will help strengthen the country's knowledge and capacity for disaster prevention and response.

### **Restoring Utilities Services after Hurricane Irma**

A subsidiary agreement with GEBE was signed and will enable further restoration of electricity assets including a trenching program to advance the underground cabling of the electricity distribution network, upgrading of transformers and transformer station houses, repairs of street lighting, damaged electrical meters, and upgrading substations to improve power system performance in situations of disturbance. Through GEBE, repairs will also be undertaken to increase water storage capacity, repair and replace pump units and pump houses, replace and improve resilience of installed micrometers. GEBE requested retroactive financing for the completed rebuilding of water tanks amounting to US\$1.5 million approximately. The Financial, Environmental and Social Safeguards Audits for the requested amount have been carried out and are expected to be completed in July 2020. Upon the audits completion and results satisfactory to the World Bank, the retroactive financing will be approved and processed.

**Housing Repair and Public Buildings Repair and Reconstruction:** Of a total of 359 homes to be repaired under this project, 146 have been completed and 109 of these homes are social units in the Belvedere neighborhood that have been repaired. Technical designs have been developed to repair another 64 social housing units located in four-story apartment blocks. The repairs under the 146 single homes contract are scheduled to begin in July, with additional COVID-19 safety measures in place to mitigate the risks.

On school repairs, bidding documents are currently being finalized by the NRPB for the seven prioritized schools, with tendering expected to be launched in July 2020. Meanwhile, the newly hired NRPB Schools Activity Manager has been developing a logistics plan in collaboration with school boards and MECYS. The start of the works will depend on COVID-19 related working conditions and on the logistical arrangements for temporary relocation needs of students.

**Institutional Support for Reconstruction:** Over the reporting period, the NRPB has strengthened its overall capacity substantially in safeguards, procurement, financial management, project and contract management, engineering, monitoring and evaluation, through recent recruitments in all the above functions. NRPB's capacity is expected to be further enhanced with the upcoming Framework Agreement (FA) consultant.<sup>17</sup> Additional hiring by NRPB of procurement, safeguards and contract management expertise is ongoing and remains a critical priority.

Improvements have been made in local works execution capacity although some bottlenecks remain. Contracts startup is hampered by a small local market that faces challenges to secure insurance, bond, and financial requirements through local banks. Nevertheless, some of the main construction firms of Sint Maarten are now being awarded with the NRPB latest works contracts as these are getting larger in technical scope and financing (homes, shelters, schools). Construction firms outside Sint Maarten still find the scope of works of these contracts unappealing in addition to the cumbersome procedures for company registration, and work and residency permits. On the other hand, given the projected slow

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<sup>16</sup> CDEMA is a regional inter-governmental agency for disaster management in the Caribbean Community (CARICOM).

<sup>17</sup> A multidisciplinary professional service to ERP-I, in the areas of works supervision, condition assessments, technical design and bid evaluation support.

tourism related economic recovery, SXM TF activities may present further opportunities for local contractors to participate in reconstruction and job creation.

### Emergency Income Support and Training Project (EISTP)

The objectives of the Emergency Income Support and Training Project (US\$22.5 million)<sup>18</sup> are to provide temporary income support and improve the employability of un- and under-employed workers, initially in the hospitality industry and progressively in other sectors, and to strengthen the social protection system.

Component 1 of the project, implemented by the Sint Maarten Training Foundation (SMTF) under the supervision of the NRPB and collaboration of the Ministry of Public Health and Social Development (VSA) provides temporary income support (stipend, and transportation allowance) and health insurance to under-employed and unemployed persons in exchange for their participation in short-term skills training in selected occupational areas provided under EISTP which in return will help improve their skills. Training and certification are offered in hospitality, construction, carpentry, masonry, property maintenance, plumbing and electrical installation with the collaboration of the National Institute of Professional Advancement (NIPA). Additionally, courses on Sint Maarten's culture and history and English as a second language are being delivered in collaboration with the University of Sint Maarten at the request of the hospitality industry. Participation has been expanded to include the unemployed registered by the Department of Labor, providing access to training and certification to some of the most vulnerable people on the island, regardless of their previous employment.

Training was suspended from mid-March due to COVID-19 restrictions. Stipends to active participants continued during this time. Training has partly resumed as of June 15, in line with government guidelines.

On Monday June 15 and Tuesday June 16 all students started their classes with a two-hour training session on the basics of COVID-19 and the measures taken to keep them safe and to prevent the spread of the virus. Measures taken include fully sanitized and treated air conditioning units, significantly reduced class sizes to meet social distancing requirements, hand sanitizing stations have been installed, wearing a mandatory face mask on school premises is now mandatory and one-way walking routes have been marked.

Due to social distancing rules SMTF had to divide the original group in two. The first group of approximately 550 students resumed classes on Monday June 15. Preference was given to students who were supposed to graduate in April as they only have 3 weeks left to complete the program. The second group will restart shortly after the students of the first group have completed the program. SMTF is working hard to ensure that enrolled students can complete the program under the new guidelines outlined above and looks forward to conferring final certificates to all.

Component 2 of the EISTP aims to improve the management and coordination of public of social and emergency services to vulnerable persons in Sint Maarten, by developing a social registry and integrating the information systems of social programs within the Ministry of Public Health, Social Development and Labor (VSA).

### Results:

Component 1 of the Program has exceeded its initial end target of 1,800 participants by 10 percent and reached the most disadvantaged groups of the labor market, such as youth<sup>19</sup> and women. As of June

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<sup>18</sup> The project was approved August 2, 2018 and became effective August 9, 2018

<sup>19</sup> Youth refers to individuals between 18 and 24 years old.

2020, the Program benefitted 1,979 unemployed and underemployed individuals, of which around 69 percent are women and 76 percent (1,504) are unemployed representing about half of unemployed persons in the labor market. To date, 1,296 participants have been granted certifications in hospitality and or culinary and construction.<sup>20</sup> Currently, 856 individuals are active in the Program (receiving income support conditioned to training)<sup>21</sup> and are expected to continue in the Program until its closure, in September 2020. After then, these trainees are expected to be referred to the Labor Affairs Office for employment support services. However, current institutional capacity will limit this support to a smaller number of beneficiaries<sup>22</sup> unless additional support can be provided to strengthen the labor office through other means.

Component 1 will be completed end September 2020 and Component 2 to design and develop a modernized social registry will end by May 2022.

### Sint Maarten Hospital Resilience and Preparedness Project

Approved in August 2018<sup>23</sup>, the objective of the Sint Maarten Hospital Resiliency and Preparedness Project (US \$25M from Trust Fund; US \$75M from Sint Maarten Medical Center Foundation) is to improve the preparedness and capacity of hospital services at the Sint Maarten Medical Center (SMMC), the only hospital on the island. The project co-finances the building of the new Sint Maarten General Hospital to ensure that the new facility is resilient to category 5+ Hurricanes. The new, 110-bed hospital will substantially increase hospital capacity and enhance health services. The project also finances critical upgrades to the existing hospital. In addition, to improve resilience of the SMMC, the project will also contribute to enhancing the quality and scope of hospital services including by evaluating, updating and implementing clinical guidelines and carrying out routine clinical audits.

SMMC has been the central point of clinical response to the COVID-19 pandemic on the island. To date there have been 77 cases on the island with 15 deaths. The COVID-19 pandemic resulted in a substantial increase in demand for hospital services. In addition, the island's demand for medical goods also increased following the onset of the pandemic. During this period, SMMC was able to reprioritize its health service offerings to focus on the pandemic response. To support the SMMC, additional financing was provided to improve the existing hospital's preparedness and capacity to address the COVID-19 health needs.

#### **Results:**

To support immediate needs as a result of the COVID-19 pandemic, the Trust Fund allocated US \$3.6 million of additional financing to the SMMC to finance medical supplies and equipment, personal protective equipment, pharmaceuticals, non-medical equipment for triage and isolation areas; and implementation of a Medical Pavilion for triage of suspected cases and treatment of mild cases that can self-isolate at home (donated to SMMC by the Ministry of Public Health, Social Development and Labor). These funds have strengthened SMMC's preparedness and capacity to respond to, prevent and delay the spread of COVID-19, protect health workers, and streamline patient isolation and treatment of severe cases requiring intermediate or intensive care.

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<sup>20</sup> Note a fraction of the participants graduated from two occupancy training tracks and thus obtained more than one certification.

<sup>21</sup> Continuation of training will depend on the uplifting of COVID-19 restrictions and the ability of participants to return to a classroom setting. Stipends continue under force majeure clause established in the Project Operations Manual.

<sup>22</sup> Employment support services are activation measures aiming at conducting its users to improving employability and employment, for example through job search assistance and counseling.

<sup>23</sup> The project became effective September 6, 2018

In 2019, the SMMC's roof was reinforced to withstand a category 4 hurricane (up from category 2). A new fire detection system, backup generator for the SMMC care complex, and access control system were installed. Upgrades planned for the operating theater, dialysis posts, building and care complex, additional double patient rooms, and a new medical gas distribution system, have been delayed for now due to the hospital's necessary and urgent focus on the COVID-19 pandemic. The hospital's Emergency Disaster Preparedness Plan and Evacuation Plan was updated including the use of a scorecard to evaluate implementation performance of the plan. The scope of services provided has been expanded to include five new medical specialties (Urology, Orthopedics, Ophthalmology, Neurology, and Pulmonology) and the number of full-time equivalent emergency room doctors increased 5.5 to 7.5, and dialysis services have been expanded by adding five new positions.

At the end of 2019, SMMC's lenders released the US\$75 million co-financing for the construction of the new hospital Financing which had been held up all of 2019 due to the insolvency of the Italian contractor (INSO) for the works. With the financing in place, the site preparation began in January 2020 and twenty five percent of early sitework was completed. Due to the COVID-19 pandemic related travel restrictions and implementation of stay at home orders, this work stopped in mid-March. As of June 15, works have resumed and include mobilization activities such as cleaning up of the site, installation of site offices and construction of a new site.

The number of overseas referrals has decreased dramatically over the past two years. The total number of medical referrals abroad (Social and Health Insurances SZV patients) decreased from 5,880 in 2017, to 4,013 in 2018 to 1,254 in 2019 (79% decrease over 3 years). The largest contributor to the decrease is the addition of ophthalmology care, in addition to neurology, and orthopedics.

As part of the project's monitoring framework, SMMC is tracking patient satisfaction. According to data collected from 1,953 outpatient surveys between January 2019 - January 2020, overall patient satisfaction was rated 7.9 out of a perfect score of 10. In Q4 2019, patient satisfaction rated 70.7 percent and among female's 70.3 percent. Significant steps have been taken to improve patient safety and quality and a pilot customized course on customer service was completed in January 2020. This type of training will continue in 2020 for all SMMC staff. Additional patient satisfaction data will be analyzed focusing on care provided in Hemodialysis, Emergency Room, OB/GYN, and Chemotherapy.

#### Emergency Debris Management Project

The Emergency Debris Management Project (US\$25 million)<sup>24</sup> finances the management of debris from Hurricane Irma and reconstruction activities to facilitate recovery and reduce risks. The project activities include debris clearance, collection, removal, and disposal, fire suppression at the country's waste disposal sites and landfill management improvement, shipwreck removal and shoreline cleaning.

Since the 1990's, landfill capacity and municipal waste management are problems that have been left unaddressed for some time. The disposal site in Great Salt Pond Landfill has negatively affected environmental conditions on the island. The site lacks an efficient and sanitary waste disposal system. Waste is not separated, recycled, treated, or disposed of appropriately. According to the government, to date, most of the 100,000 cubic meters of debris that was created by Hurricane Irma and scattered in public space was cleared up and placed at a site adjacent to the existing municipal waste disposal site. However, this has intensified the long-standing challenges in landfill capacity and municipal waste management. At the outset of the project, the massive amounts of debris and municipal wastes disposed

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<sup>24</sup> The Project was approved on December 21, 2018 and became effective on January 31, 2019.

of in the landfills had caused smoldering fires and flareups and endangered the surrounding communities. Currently, the fires and hot spots on the landfills have reduced, but the imminent risks of potential slope instability and impacts to the nearby community remain high.

Considering the reduced landfill subsurface fires, an agreement was reached with Government in late January 2020 to change the originally planned large fire suppression operation and replace it with regular landfill management activities and address remaining and any upcoming fire hotspots. Considering the potential unstable slope that poses significant risks of collapse and danger to the neighboring community, landfill improvement activities will only be allowed in a designated area with applicable health and safeguards measures in place. In parallel, the community is exposed to the immediate risk of potential slope instability will be prioritized for resettlement. The project will be restructured to reflect the revised approach to fire suppression and landfill management. Currently, the World Bank is reviewing the revised approach and identifying steps needed to ensure its compliance with operational policies, including timebound resettlement milestones and safeguard measures.

To protect the lives and health of the community living too close to the disposal sites and who would be adversely affected by works in the landfills, safeguards measures must be in place in compliance with the World Bank's social and environmental safeguard policies and requirements. To this effect, an Environmental Social Impact Assessment (ESIA) is being finalized and a Resettlement Action Plan (RAP) is being prepared to identify resettlement options for the adjacent communities that are at high risk of social, environment and health adversity.

Resettlement is a complex undertaking considering space and housing constraints and a lack of experience in resettlement activities on the part of the Government and stakeholder engagement. Nevertheless, resettlement to a lower risk environment remains an essential priority for the health and safety of nearby residents and must be led and implemented by the Government of Sint Maarten. As of mid-June, the NRPB and the Government have initiated discussions on possible resettlement locations and compensation packages which are critical pre-requisites to resettle the community facing the risk of slope failure. Timely progress on this work is critical to advancement under the project.

Project implementation currently faces challenges posed by COVID-19 pandemic, including delayed equipment shipping, onboarding of technical experts, restriction on consultants' visits and safeguards consultations. In particular, the finalization of the safeguards activities is pending, and the advancement is limited due to the pandemic restrictions. Engagement with Sint Maarten's Government on project restructuring and fulfillment of next steps described above has started.

#### **Results:**

Some project activities and procurement have been progressing steadily. Application of alternative daily coverage in Municipal Solid Waste Landfill since October 2019 has resulted in a better fire control, reducing fires from 30 to two hotspots, and improvement of short-term landfill management. Additional coverage material and storage containers were procured and delivered in June.

Metal wrecks piling on the Irma Disposal Site (IDS) and car wrecks around the island will be removed. During this reporting period, the Government has identified a location for the establishment of a Temporary Debris Storage and Reduction (TDSR) facility to host waste reduction equipment. Procurement of the design and construction of the site is underway with technical inputs and hands-on support from the World Bank. The ship salvaging and shoreline cleaning activity is expected to start in August 2020. The ship salvaging approach will include creation of artificial coral reefs as proposed by the Sint Maarten Nature Foundation.

A waste handler bulldozer and a wheel front loader were delivered to Sint Maarten on January 27 and on May 29, 2020, respectively. More waste reduction equipment (such as glass crusher, woodchipper, and tire shredder), personal protection equipment, a waste compactor and a weighbridge are under procurement. To strengthen the waste and landfill management capacity, the NRPB is recruiting several technical and safeguards experts, including a second Environmental Safeguards Specialist, a Social Safeguard Specialist, and a resettlement expert (consultant) to support the project.

Development of long-term options for a sustainable waste management system for the country is advancing. A Short-Term Plan for Waste Management, a Regional Market Study for Waste Management in Caribbean, two Pre-feasibility studies (one on landfill recontouring, closing and extension and another on integrated waste management facility) are being completed. A National Waste Management Plan/Strategy is being finalized. The studies will be followed by the development of a comprehensive financial framework for the waste management sector and preparation of a bidding package for the design, build and operate contract for recontouring, closing and extension of the MSW and IDS landfills. These two tasks are planned to be completed within 2020 calendar year.

### Airport Terminal Reconstruction Project

The Airport Terminal Reconstruction Project (US\$72 million) was approved on December 9, 2019<sup>25</sup> and leveraged an additional US\$57 million from the European Investment Bank and US\$7 million from the Airport operating company to reconstruct the airport. It also supports the operational expenditure of PJIAE (US\$21 million) in case of a major external shock during the reconstruction period. The grant will also support project management and capacity building (US\$1 million). On April 4, 2020, an agreement with the airport's bondholders enabled the release of US\$72 million in insurance proceeds due to PJIAE which they had held in escrow. These proceeds were released in April 2020 once conditions for effectiveness were completed for the World Bank Airport Project. This constitutes a key milestone for Sint Maarten's economic recovery. The Airport Project will finance the rebuilding and reequipping of the terminal of the Princess Juliana International Airport (PJIA) to pre-Irma passenger capacity and improve its natural disaster resilience. PJIA is the main international airport serving Sint Maarten and Saint Martin, which carried 1.8 million passengers and 62,144 aircrafts per year, before Hurricane Irma.

#### Results:

COVID-19 restrictions have delayed mold remediation, however, to continue preparation of this activity, PJIAE re-launched a bidding of mold remediation using virtual terminal tour images to allow companies to view the scope of works and finalize the procurement process. The start of mold remediation is expected in August, to be finalized in December. Bidding documents for the main reconstruction works are being prepared and are expected to be published in August 2020, with reconstruction works estimated to start in January 2021 for a duration of 24 months.

Technical assistance to support airport corporate governance improvements is ongoing. A Corporate Governance Assessment (CGA) of the Princess Juliana Airport Operating and Holding Companies was conducted to inform investment decisions. The Government appointed a task force to implement key actions and recommendations from this assessment. The Task Force prepared a Corporate Governance Improvement Plan that is under review and is expected to be approved by the Government in July 2020. Further governance measures will be undertaken to continue to strengthen airport governance. The plan will be implemented over the following 12 months.

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<sup>25</sup> The Airport Terminal Reconstruction Project became effective on April 21, 2020.



## Sint Maarten Red Cross Roof Repair Project

The Red Cross Roof Repair Project (US\$3.64 million) was approved on December 30, 2019. The project is implemented by the RCNL and aims to repair up to 200 damaged roofs up to a safe standard for vulnerable households affected by Hurricane Irma. The project assists vulnerable households in repairing their roofs to improved safety standards. The project will also increase local capacity in the construction sector by training more people in construction and employing them in construction crews, thereby contributing to their economic recovery. NLRC-employed and supervised construction crews repair the roofs with quality controls and in accordance with World Bank safeguard requirements.

Activities were suspended due to the COVID-19 lock down, but have resumed since late May, following the lifting of restrictions on construction.

### **Results:**

NLRC conducted a roof repair and roof strengthening workshop attended by 80 households with damaged houses. To date, 19 roof repairs have been completed. Works have resumed observing enhanced COVID-19 safety regulations. The total number of roofs that can be delivered during the lifetime of the project may fall slightly due to the NLRC's due continued employment costs during the lockdown.

## Sint Maarten Enterprise Support Project

The Enterprise Support Project (estimated US\$35 million) was signed in March 2020 and aims to support eligible MSMEs in accessing financial packages for asset replacement, non-structural repairs and working capital, channeled through local participating financial institutions (PFIs). A large percentage of MSMEs have been unable to get financing from local commercial banks as they have collateral requirements they cannot meet, often because these were damaged due to the hurricane and had no insurance or were under-insured. The Enterprise Support Project will provide, subject to a business plan that is acceptable to a PFI, financial packages for eligible MSMEs in the form of a combination of grants and loans for asset and repairs, and standalone loans for working capital.

The World Bank and the NRPB will channel the financing through PFIs who will support eligible enterprises. Three PFIs have been pre-qualified for the initial roll-out of the project, other FIs have shown interest and will be able to join after effectiveness if they meet the PFI eligibility requirements.

In the context before COVID-19, the lenders in Sint Maarten were providing limited financing to MSMEs due to the prevailing high-risk environment and their lack of acceptable collateral. This reluctance is further exacerbated by the new risks and impacts emanating from the COVID-19 crisis. To mitigate this situation, a risk sharing mechanism has been introduced to incentivize lenders. The mechanism will allow the project to partially absorb potential losses on loans from lenders incentivizing them to lend to MSMEs, while enabling lenders to maintain skin in the game, meaning that they will still exercise adequate due diligence and care when underwriting and servicing MSME loans, selecting only viable MSMEs with solid business plans, given that they would suffer losses otherwise.

**Results:** Agreements with participating financial institutions are being finalized and the Project Operational Manual has been completed. A Project Manager (PM), Portfolio and Accounting Officer (PAO) and two Operation Officers (OO) have been hired.

Roll out to MSMEs is expected once agreements with financial institutions are reached, MSME financing application infrastructure is established, and outreach and information is ready for distribution.

### St Maarten Civil Society Partnership Facility for Resilience Project (CSPFRP)

In May 2019, the SXM TF SC approved the creation of the NGO facility with an indicative funding of US \$7.2 million. The objective of this project is to improve the capacity of civil society organizations established on the island to support and implement reconstruction and resilience activities. The Facility is managed by VNG International and the project was approved June 26, 2020. The project will support immediate community needs through an initial rapid roll out of small grants to CSOs. Project preparation was completed mostly virtually given the COVID-19 related lockdown.

### 3.3 Projects under Preparation<sup>26</sup>

Six projects are under preparation to address key challenges of building resilience as underlined in the NRRP, prioritized by the Government of Sint Maarten and endorsed by the SXM TF SC. Many of these projects are being prepared virtually, using available IT platforms to conduct regular meetings, project preparation missions, online tours of buildings for assessing construction needs and consultations using social media and WhatsApp, as a result of lack of access to the island due to the COVID-19 pandemic.

To complement Sint Maarten's existing project management capacity challenges, new projects are planning to use alternative implementation arrangements in complement to NRPB and other implementation partners.

Given the impact of the COVID-19 related lockdown and uncertainty around its impact on future working conditions, the estimated and projected timelines provided in this section are subject to review and changes.

#### Solid Waste Management and Environmental Improvement Project

The Solid Waste Management and Environmental Improvement Project (estimated US\$35 million) will aim to improve long-term waste management and environmental protection. Its broader objective will be to implement key elements of the government's long-term waste management strategy and its Roadmap for Sustainable Waste Management. The project will draw upon Long-Term Waste Management studies that are ongoing, to develop sound evidence-based long-term solutions. In addition to immediate actions which can be undertaken by the Government to improve current waste management practices and policy, the long-term options are being developed and could be considered for financing by late 2020 or 2021. The studies fill significant knowledge gaps on basic waste data (e.g. waste volume, composition, and origin etc.), assess the existing market for recycling and disposal of relevant types of wastes in the region, and propose institutional, technical, financial, and regulatory solutions to waste reduction, processing, and disposal.

#### Public Finance, Social Insurance and Resilience Development Policy Operation

Following a request by the Government of Sint Maarten in January 2019, the Steering Committee approved the preparation of a Development Policy Operation (DPO), the first in a series of two operations (of US\$15 million each). These operations aim to support policy actions that are necessary to Sint Maarten's sustainable and resilient financial future. The DPO is designed to support improvements in public financial management, tax reform, public sector transparency, resilience measures and improved

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<sup>26</sup> Amounts provided are estimative and will be consolidated during the appraisal stage once the exact scope, components and activities of the projects have been determined.

social insurance. The DPO program may require adjustments in the context of a liquidity facility being established by the Government of the Netherlands to the Government to support reforms to be executed by the Government of Sint Maarten.

### Digital Government Transformation Development

The Digital Government Transformation Project (estimated US\$15 million) aims to enhance the efficiency of delivery and access to selected public services for citizens and businesses, as well as the resiliency of government systems. An estimated US\$12 million will be executed by the Government under four components. The project will strengthen the policy and regulatory environment, institutional capacity, and change management in the context of the challenges of operating in a small island state. The project will introduce the enabling foundational platforms needed to develop e-services and improve back-office functioning, including digital payments, an interoperability platform, and digital single sign-on. It will also improve resilience of the Government's service delivery infrastructure by enabling cloud services and digitization of key Government records. The project also focuses on improving the citizen and business interfaces with Government services across multiple channels, both physical and digital. A Contingent Emergency Response Component, which can be activated in the event of a disaster.

The project is expected to become operational in the fall of 2020. An estimated US\$3 million in studies and technical assistance are being executed by the World Bank to finance critical project preparation and implementation studies and develop a digital transformation strategy that will guide government's future Information and Communications Technology (ICT) investments.

### Sint Maarten Road Connectivity and Resilience Improvement Project

The SXM TF SC approved the preparation of a Road Connectivity and Resilience Project in April 2019 (estimated US\$20 million). Its objectives are to improving connectivity between the western and eastern parts of the country by building a critical road link and to enhance the resilience and safety of transport infrastructure. The proposed project cost includes associated Technical Assistance. As the identified road link requires land acquisition, the NRPB and the Government of Sint Maarten will start consultations with those potentially affected and prepare necessary safeguard instruments. Connection of the road with the French side of the island also requires consultation between the Government of Sint Maarten and the French overseas collectivity of Saint Martin. Project preparation, which requires on-site, in-country presence, negotiations with landowners, on-site work by engineering firms and contractors has been halted during the COVID-19 pandemic and will resume once access to the island is possible again.

### Resilient Schools Project

In its July 2019 meeting, the SXM TF SC approved an estimated US\$35 million for the Education sector in Sint Maarten to support the Government's 2018 Education Master Plan. These resources will support (for an estimated US\$30 million) a Project for school reconstruction and to support improvements in education management to the Ministry of Education, Culture, Youth and Sports (MECYS) and (for an estimated US\$5 million) a project aimed at child protection and learning to be implemented by UNICEF NL (see below). The projects will share a common results chain to align activities. The Resilient Schools Project will focus on (1) Rebuilding safe schools, (2) Restoring a community learning and cultural environment, (3) Strengthening the Ministry Management Information System. Preparatory architectural and systems studies will be launched during the summer of 2020 and the project is expected to be approved in early 2021. Given the COVID-19 pandemic, preparation continues virtually. A close collaboration between NRPB, MECYS, and relevant school boards will support implementation.

## Child Protection and Development Project

The Child Protection and Development Project (estimated US\$5 million) is to be implemented by UNICEF NL in collaboration with MECYS. The project will support activities to strengthen (a) the resilience of students and staff to the emotional and physical impacts of natural disasters and (b) child protection systems and services to improve preparation and response to natural disasters and support protection of children against trauma and abuse. UNICEF NL's capacity developed while working with the Government of Sint Maarten on child protection and disaster preparedness and provides additional implementation capacity for the SXM TF. The project is expected to be launched in the fall of 2020. To support project preparation activities, a small project preparation grant has been provided to UNICEF NL.

### 3.4 Analytical Work

Analytical work was either completed or is underway to generate knowledge needed to inform decisions for new funding under future tranches of the SXM TF, as detailed in the table below and includes studies as well as technical assistance.

ANALYTICAL WORK		
	Studies Completed	Completion Dates <sup>27</sup>
1	Support to Develop National Recovery and Resilience Plan (Report)	COMPLETED
2	Rapid Housing Sector Assessment (Study)	COMPLETED
3	Airport Corporate Governance Assessment (Study)	COMPLETED
4	Sint Maarten Hospitality Reconstruction Financing Due Diligence (Study)	COMPLETED
5	Tourism Sector Recovery Strategy Support (Technical Assistance with Outputs)	COMPLETED
	<b>Ongoing TA</b>	
7	Low-Income and Affordable Housing Technical Assistance (Technical Assistance)	Q3 CY20
8	E-Government Strategy (Technical Assistance with Outputs)	Ongoing
9	Support to the Airport Corporate Governance Task Force (Technical Assistance)	Q2 CY21
10	National Risk Assessment (NRA) (AML/CTF) (Technical Assistance)	Q1 CY22
	<b>Studies Ongoing</b>	<b>Estimated Delivery</b>
11	Public Expenditure Review	Q3 CY20
12	Long-Term Waste Solutions (Studies)	Q2 CY20
13	Country Environmental Analysis (CEA) (Study)	Q3 CY20

## 4 Project Preparation and Implementation Issues & Solutions

<sup>27</sup>Estimated timelines are subject to change to meet operational requirements to consider government availability, potential delays due to political transition and the effects of COVID19.

#### 4.1 Program Implementation Capacity (project preparation, implementation, and overall management of resources)

NRPB's critical functions including Program and Project Management, procurement, fiduciary and safeguard functions have been strengthened through its expansion of staff. Further hiring is ongoing to fill the gaps to support safeguards, procurement, fiduciary and project management. Program and project management challenges need to be strengthened with stronger managerial capacity. The framework agreement designed to streamline contracts and procurement for ERP 1 will add to NRPB's engineering and project management capacity. However, the COVID-19 pandemic has slowed down further recruitment efforts. With 6 projects under preparation, third party support for project execution, both through direct support to the NRPB and by engaging agencies directly to implement projects, will boost implementation capacity of the Trust Fund Program.

Currently, over one third of supervision resources are being allocated to World Bank Fiduciary and Safeguard support and nine percent to Hands on Support in procurement and engineering. It is expected that with several alternative implementation arrangements in place and further strengthening of NRPB, the hands-on support can gradually be downsized over time.

The ownership and commitment to the objectives of the SXM TF and participation of the Council of Ministers and line ministries in project preparation and implementation remains central to project success. The new Government has been focused on managing the COVID-19 effects and continues to face the challenge of limited human and financial resources. Technical support to line Ministries to promote integration of the activities of the SXM TF with those of the Government is being strengthened with support from the Netherlands and the World Bank.

The SXM TF's engagement with Sint Maarten's government has continued during the recent political transition period which started in September 2019 and the COVID-19 pandemic lockdown. Engagement with the Prime Minister and the Council of Ministers has the objective of building a strong dialogue based on accurate and timely information.

#### 4.2 Project Supervision Capacity

To provide further supervision and coordination support, WB staff and consultants continue to engage virtually with NRPB and Government and other counterparts on Sint Maarten and The Netherlands, while travel routes from the US remain unavailable. Technical teams conduct virtual missions and will resume extended missions hosted by the NRPB, once the situation allows.

#### 4.2 Absorption Capacity and Regulatory Issues

SXM TF project activities have faced significant challenges in attracting qualified firms for urgent works due chiefly to the small market and small size of firms on island, as well to competition for labor with other ongoing works. Regular efforts are made to reach out to local and regional firms and encourage their participation, both by NRPB and by the World Bank and the NRPB jointly. The lack of participation of larger and better capacitated firms in tenders is a major challenge for implementation advancement. More time and experience of collaboration with local firms is needed to develop local familiarity with competitive procurement procedures and contract implementation under World Bank managed projects. Firms unfamiliar with procurement procedures often submit incomplete bids and offer inflated prices. Additional constraints impact the performance and response speed of local contractors such as difficulties in meeting insurance, bonding and financial requirements through local banks, limited labor capacity, and the time required for material deliveries.

While the effects of COVID-19 have exacerbated these problems, the government recently provided exceptional waivers for firms and personnel allowing them to continue implementing a limited number of works during the lockdown. However, lack of easy access to the island and lack of clear and streamlined administrative arrangements to facilitate access to the island and working on the island will continue to affect the pace of implementation. Safety measures related to COVID-19 (such as mandatory quarantines) will also need to be in place and will affect implementation timeline. In addition, access to the island, imports of materials and goods will be affected by COVID-19 related travel restrictions on island.

Work and residency permits, visas, and tax exemptions are needed for foreign consultants and contractors to work in the island. Labor laws that restrict the ability to hire temporary workers and contract international employees have been noted as a significant challenge by implementation partners and by NRPB.

Support from Government has been requested and is urgently needed to facilitate the participation of international contractors and consultants. Currently, the program relies on the support of international consultants to provide Hands on Assistance on behalf of the World Bank, to support procurement and safeguards activities.

Lack of resolution of these challenges may hamper the ability to attract labor resources due to the simultaneous launch of large projects such as the airport terminal, the new hospital, and several hotels in a pandemic and post pandemic environment and may cause delays in implementation.

## 5 Outreach and Communications

The Trust Fund Dashboard ([www.sintmaartenrecovery.org](http://www.sintmaartenrecovery.org)) and an NRPB website were developed to inform stakeholders including Government, private sector, NGOs, media, tourists, parliament, and general public of Trust Fund activities and advancement. Project launches are being organized and further outreach efforts will be deployed by the NRPB and the World Bank in coordination to inform all interlocutors.

Outreach activities were halted due to the pandemic crises. Meetings will resume once access to the island can be secured.

In the past six months, two radio commercials ran for four weeks on four radio stations. Three press releases were sent about NRPB activities and three about World Bank signings/events, all of which were picked up by local media. NRPB posted 11 original posts on Trust Fund activities on the NRPB Facebook (and many more reposts), and most liked was 310 times and the most shared was 18 times (about the Digital Transformation Project stakeholders' consultations). One public consultation session was held for private homeowners.

Information on the SXM TF program can be found on the NRPB and SXM TF website at: <https://nrpsxm.org/> and <https://www.worldbank.org/en/country/sintmaarten>. The SXM TF dashboard with an overview of the latest information is available at: <https://www.sintmaartenrecovery.org/home>.



## ANNEXES

## ANNEX 1: Alignment of NRRP and Trust Fund activities

Pillar 1 – Community Recovery and Resilience	
NRRP Listed Areas of Engagement	Trust Fund Projects and Analytical Work
<b>Housing</b> <ul style="list-style-type: none"> <li>• Repair assistance</li> <li>• Increase access to affordable housing</li> <li>• Strengthen housing for climate resilience</li> <li>• Facilitate ownership</li> </ul>	<b>Housing Related Activities</b> <ul style="list-style-type: none"> <li>• <b>Emergency Recovery Project I</b> (US\$55.2M): Social and private housing repairs, roof repairs, Technical Assistance for housing policy and resilience standards</li> <li>• <b>Red Cross Roof Repairs Project</b>: (US\$3.6M) to support rehabilitation of roofs of the most vulnerable households</li> <li>• Rapid Housing Sector Assessment (ASA), Low Income and Affordable Housing Reconstruction Analysis (ASA)</li> </ul>
<b>Health</b> <ul style="list-style-type: none"> <li>• Resilient hospital construction</li> <li>• Enhancing secondary healthcare services</li> <li>• Ensure sustainable continuity of insurance coverage</li> </ul>	<b>Health Related Activities</b> <ul style="list-style-type: none"> <li>• <b>Hospital Resiliency and Preparedness Project</b> (US\$25M) : repairs and upgrading of existing hospital and construction of a new hospital to Hurricane 5+ resistant standards.</li> <li>• Public Expenditure Review (ASA – analysis of health insurance cost and sustainability)</li> <li>• <b>Development Policy Operation (2 x US\$15M)</b><sup>28</sup></li> </ul>
<b>Employment, Livelihoods and Social Protection</b> <ul style="list-style-type: none"> <li>• Strengthen social assistance through trainings and programs to supplement household income</li> <li>• Build additional shelters</li> <li>• Improve social services and their targeting</li> </ul>	<b>Social Protection and Emergency Recovery Related Activities</b> <ul style="list-style-type: none"> <li>• <b>Emergency Recovery Project I</b> (US\$55.2M): rehabilitating 13 public shelters</li> <li>• <b>Emergency Income Support and Training Project</b> (US\$22.5M): Stipends, training and improvement of targeted social services</li> <li>• <b>Development Policy Operation (two operations of US\$15M)</b></li> <li>• Schools and Shelters Assessment (ASA)</li> </ul>
<b>Solid Waste:</b> <ul style="list-style-type: none"> <li>• Remove debris caused by Irma and address dump fires</li> <li>• Implement recycling program to reduce waste</li> <li>• Upgrade sewage networks</li> </ul>	<b>Solid Waste Related Activities</b> <ul style="list-style-type: none"> <li>• <b>Emergency Debris Management Project</b> (US\$25M) : Extinguishing fires, debris clearance, collection, and processing and improving landfill management</li> <li>• Long-term Waste Solutions Analysis (ASA) supporting the development of Government’s roadmap for sustainable solid waste management</li> <li>• <b>Solid Waste Management and Environmental Improvement Project</b> (US\$35M estimated) (planned) Investments in long term solutions</li> </ul>
<b>Education</b> <ul style="list-style-type: none"> <li>• Repair and rebuild resilient schools, psychosocial support, improve safety and preparedness</li> <li>• Strengthen legislation for resilience</li> <li>• Train teachers in disaster management</li> <li>• Strengthen programs for vulnerable children</li> <li>• Improve vocational and tertiary education options in St. Maarten</li> </ul>	<b>Education Related Activities</b> <ul style="list-style-type: none"> <li>• <b>Emergency Recovery Project I</b> (US\$55.2M): Repairing schools and community facilities</li> <li>• Safe schools and shelters (ASA): define repairs and resilience plans for schools</li> <li>• <b>Resilient Schools Project</b> (US\$30M) (pipeline)</li> <li>• <b>Child Protection and Development Project</b> (US\$5M) (pipeline)</li> </ul>

<sup>28</sup> This operation finances multiple objectives and therefore appears in different places in the table

<b>Environment</b> <ul style="list-style-type: none"> <li>Rehabilitate and protect natural and built environments</li> <li>Strengthen environmental protection</li> </ul>	<b>Environment Related Activities</b> <ul style="list-style-type: none"> <li><b>Solid Waste Management and Environmental Improvement Project</b> (US\$35M estimated) (planned)</li> <li>Country Environmental Analysis (ASA)</li> </ul>
<b>Community Recovery</b>	<ul style="list-style-type: none"> <li><b>St Maarten Civil Society Partnership Facility for Resilience Project</b> (US\$7.2M)</li> </ul>
<b>Pillar 2 Economic Recovery and Resilience</b>	
<b>NRRP Listed Areas of Engagement</b>	<b>Trust Fund Projects and Analytical Work</b>
<b>Macroeconomic Outlook</b> <ul style="list-style-type: none"> <li>Strengthen capacity for tax collection and fiscal policy formulation</li> </ul>	<b>Macroeconomic Related Activities</b> <ul style="list-style-type: none"> <li>Public Expenditure Review (ASA)</li> <li><b>Development Policy Operation</b> (two operations of US\$15M)</li> <li>National Risk Assessment (ASA and technical assistance)</li> </ul>
<b>Tourism and Commerce</b> <ul style="list-style-type: none"> <li>Secure and strengthen resilience of tourism sector</li> <li>Diversify the economy through supporting SMEs</li> </ul>	<b>Tourism and Commerce related activities</b> <ul style="list-style-type: none"> <li><b>Enterprise Support Project</b> (US\$35M); access to finance for MSMEs</li> <li>Tourism Sector Recovery Strategy Support (ASA)</li> <li>Sint Maarten Hospitality Reconstruction Financing Due Diligence (ASA)</li> <li>Informing SME and Tourism Recovery (ASA); analysis of tourism support needs</li> </ul>
<b>Finance</b> <ul style="list-style-type: none"> <li>Increase access to credit and affordability of investment capital</li> </ul>	<b>Finance related activities</b> <ul style="list-style-type: none"> <li><b>Enterprise Support Project</b> (US\$35M); Financial intermediaries are supported to provide greater access to finance for MSMEs</li> </ul>
<b>Pillar 2 Economic Recovery and Resilience (continued)</b>	
<b>NRRP Listed Areas of Engagement</b>	<b>Trust Fund Projects and Analytical Work</b>
<b>Airport</b> <ul style="list-style-type: none"> <li>Repair and rebuild airport for greater resilience</li> </ul>	<b>Airport related activities</b> <ul style="list-style-type: none"> <li><b>Airport Terminal Reconstruction Project</b> (US\$72M)</li> </ul>
<b>Ports and Marinas</b> <ul style="list-style-type: none"> <li>Restore ports and marinas while ensuring greater resilience</li> </ul>	<b>Ports and Marinas</b> <ul style="list-style-type: none"> <li><b>Emergency Debris Management Project</b> (US\$25M): Vessel salvaging</li> </ul>
<b>Roads and Drainage</b> <ul style="list-style-type: none"> <li>Improve the drainage network in communities with recurrent flooding</li> </ul>	<b>Roads and Drainage Related Activities</b> <ul style="list-style-type: none"> <li><b>Transport Connectivity &amp; Resilience Improvement Project</b> (US \$20M) (under preparation)</li> </ul>
<b>Utilities and ICT</b> <ul style="list-style-type: none"> <li>Improve delivery of Water, Electricity, ICT Services</li> </ul>	<b>Utilities and ICT related activities</b> <ul style="list-style-type: none"> <li><b>Emergency Recovery Project I</b> (US\$55.2M) (Water storage and distribution and Electricity repairs)</li> <li><b>Digital Government Transformation Project</b> (US\$12M) modernize public service centers and government systems</li> <li>Digital Transformation ASA to support analytical work underpinning Digital Government Transformation Project</li> </ul>
<b>Pillar 3 Government Recovery and Resilience</b>	
<b>NRRP Listed Areas of Engagement</b>	<b>Trust Fund Projects and Analytical Work</b>
<b>Disaster Risk Management</b> <ul style="list-style-type: none"> <li>Strengthen the National Meteorological Service</li> <li>Strengthen and repair communications of the fire department</li> <li>Integrate into the Caribbean Disaster Emergency Agency</li> <li>Develop a risk-financing strategy/join CCRIF</li> </ul>	<b>Disaster Risk Management Related Activities</b> <ul style="list-style-type: none"> <li><b>Emergency Recovery Project I</b> (US\$55.2M); Police station repairs, fire department communication equipment and repairs, capacity building, improvement of hydrometeorological services. Accession into the Caribbean Catastrophe Risk Insurance Facility (CCRIF)</li> <li>Knowledge-sharing about risk financing with other Caribbean countries</li> <li><b>Development Policy Operation</b> (two operations of US \$15M)</li> </ul>

<p><b>Governance and Public Financial Management</b></p> <ul style="list-style-type: none"> <li>• Implement Government Financial Management Information System</li> <li>• Modernize ICT systems</li> <li>• Implement a tax reform</li> <li>• Rebuild the tax receivers/registry building</li> </ul>	<p><b>Governance and Financial Management Related Activities</b></p> <ul style="list-style-type: none"> <li>• Public Expenditure Review (ASA) – Analysis of public expenditures and systems</li> <li>• <b>Development Policy Operation</b> (two operations of US \$15M)</li> <li>• <b>Digital Government Transformation Project</b> (US \$12M) modernize ICT back systems and services</li> <li>• <b>Corporate Governance Strengthening - Airport</b> ASA and TA</li> </ul>
<p><b>Justice, Public Safety and Security</b></p> <ul style="list-style-type: none"> <li>• Repair and Strengthen prisons and police stations</li> <li>• Relocate and equip the 911 dispatch center</li> <li>• Properly equip law enforcement staff</li> <li>• Address critical ICT needs.</li> </ul>	<p>Justice, Public Safety and Security</p> <ul style="list-style-type: none"> <li>• <b>Emergency Recovery Project</b> (US\$55.2M) – Repairing of two police stations and extension of the Emergency Operations Center</li> </ul>
<p><b>Additional Public Buildings</b></p> <ul style="list-style-type: none"> <li>• Repair additional public buildings such as the Post Office, National Library and the National Civil Aviation building</li> </ul>	<p>Additional Public Buildings</p> <ul style="list-style-type: none"> <li>• <b>Emergency Recovery Project</b> (US\$55.2M), Repairing of key Government buildings</li> </ul>

Projects under implementation in **Bold**

Projects under preparation in **Blue**

ASA: Advisory Services and Analytics

## ANNEX 2: Results Framework – Projects under implementation as of June 30, 2020

### Emergency Recovery Project

**Development Objective:** Contribute to Sint Maarten’s immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction.

- **Outcome Indicator 1:** Number of critical disaster preparedness and response facilities repaired to resilient standards.  
**Baseline:** 0; **Target:** 10, **Actuals:** 3
- **Outcome Indicator 2:** Share of households with electrical services resilient to hurricanes.  
**Baseline:** 86%; **Target:** 93%, **Actuals:** 86%
- **Outcome Indicator 3:** Water storage capacity of Sint Maarten utility (average daily demand).  
**Baseline:** 0.7 days; **Target:** 2 days; **Actuals:** 0.7 days
- **Outcome Indicator 4:** Housing units repaired to resilient standards.  
**Baseline:** 0; **Target:** 350; **Actuals:** 146
- **Outcome Indicator 5:** Number of public buildings, other than emergency preparedness and response facilities, repaired to resilient standards.  
**Baseline:** 0; **Target:** 8; **Actuals:** NYR
- **Outcome Indicator 6:** Percentage of projects of which the implementation is deemed satisfactory or moderately satisfactory as per the World Bank rating.  
**Baseline:** 0; **Target:** 75%; **Actual:** 75%

### Emergency Income Support and Training Project

**Development Objective:** To provide temporary income support, improve the employability of affected beneficiaries in targeted sectors, and strengthen the social protection system’s capacity for shock-response and protection of the poor.

- **Outcome Indicator 1:** Number of beneficiaries enrolled in the EISTP receiving income support on a monthly basis in exchange for their participation in EISTP training and achieved the minimum attendance rate.  
**Baseline:** 727 (of which 420 are female); **Target:** 1,155 (of which 670 are female). **Actuals:** 1,979, of which 1,366 are female
- **Outcome Indicator 2:** Percentage of beneficiaries who complete training in an occupational area.  
**Baseline:** 0; **Target:** 50% (of which half are female); **Actuals:** 72% of total (40% female)
- **Outcome Indicator 3:** Number of records in the Social Registry  
**Baseline:** 0; **Target:** 1,000; **Actuals:** NYR

### Hospital Resilience and Preparedness Project

**Development Objective:** Improve the preparedness and capacity of hospital services.

- **Outcome Indicator 1:** Overseas medical referrals reduced (percentage).  
**Baseline:** 0; **Target:** 45%; **Actuals:** 79%
- **Outcome Indicator 2:** Emergency Disaster Preparedness Plan and Evacuation Plan implemented according to procedures (percentage).  
**Baseline:** 60%; **Target:** 90%; **Actuals:** 60%
- **Outcome Indicator 3:** Technical audits to evaluate quality and preparedness of service delivery rated satisfactory (percentage).  
**Baseline:** 0; **Target:** 90% **Actuals:** NYR

### Emergency Debris Removal Project

**Development Objective:** To manage debris from the hurricane and reconstruction activities.

- **Outcome Indicator 1:** Volume of land-based debris is safely cleared and processed (cubic meters).  
**Baseline:** 0; **Target:** 150,000; **Actuals:** NYR
- **Outcome Indicator 2:** Number of vessels safely recovered and salvaged.  
**Baseline:** 0; **Target:** 100 **Actuals:** NYR
- **Outcome Indicator 3:** Extinguish fires at the two disposal sites (the municipal disposal site and the temporary Irma debris) (number)  
**Baseline:** 0; **Target:** 2 **Actuals:** measure to be revised due to current fire status.

## ANNEX 2 continued: Results Framework – Projects under implementation

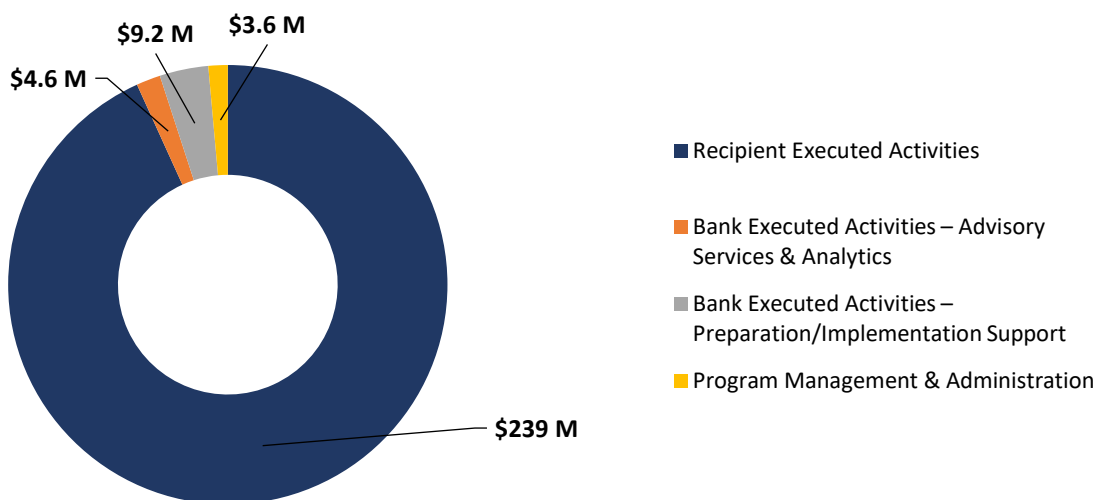
Airport Terminal Reconstruction Project	Roof Repair Project	Enterprise Support Project
<p><b>Development Objective:</b> The development objective is to restore the passenger capacity of Princess Juliana International Airport to pre-Irma levels with improved resilience to hurricanes.</p>	<p><b>Development Objective:</b> The project’s development objective is to repair roofs up to a safe standard for vulnerable households affected by Hurricane Irma.</p>	<p><b>Development Objective:</b> The development objective is to support the recovery of micro, small, and medium sized enterprises through direct financial assistance to contribute to the restoration of economic activity.</p>
<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 1:</b> Passenger handling capacity of the terminal. <b>Baseline:</b> 1 million; <b>Target:</b> 2.5 million; <b>Actuals:</b> 1 million</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 1:</b> Roofs repaired to safe standards, contributing to increased resilience to natural disasters and climate change. <b>Baseline:</b> 0; <b>Target:</b> 200; <b>Actuals</b> 19</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 1:</b> Cumulative number of MSMEs receiving packages for assets, repairs or working capital. <b>Baseline:</b> 0; <b>Target:</b> 600; <b>Actual:</b> NYR</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 2:</b> Resilience of terminal building to Irma level hurricanes. <b>Baseline:</b> no; <b>Target:</b> yes; <b>Actuals:</b> NYR</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 2:</b> Households have increased knowledge of hurricane resistant housing. <b>Baseline:</b> 0%; <b>Target:</b> 60%; <b>Actuals</b> NYR</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 2:</b> Cumulative number of women owned or managed MSMEs receiving packages for assets, repairs or working capital. <b>Baseline:</b> 0; <b>Target:</b> 240; <b>Actuals:</b> NYR</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 3:</b> completion of package 2 terminal reconstruction works. <b>Baseline:</b> 0; <b>Target:</b> 100%; <b>Actuals:</b> 0%</li> </ul>	<p>(NYR=Not yet reported)</p>	
<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 4:</b> Installation of strengthened jet bridges. <b>Baseline:</b> no; <b>Target:</b> yes; <b>Actuals:</b> NYR</li> </ul>		
<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 5:</b> installation of resilient entrance doors. <b>Baseline:</b> no; <b>Target:</b> yes; <b>Actuals:</b> NYR</li> </ul>		
<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 6:</b> Restoration of baggage handling system. <b>Baseline:</b> no; <b>Target:</b> yes; <b>Actuals:</b> NYR</li> </ul>		
<ul style="list-style-type: none"> <li>• <b>Outcome Indicator 7:</b> PIJAE submits quarterly reports describing claims received through GRM and how issues were resolved. <b>Baseline:</b> no; <b>Target:</b> yes; <b>Actuals:</b> NYR</li> </ul>		



## ANNEX 3: Financial Overview as of JUNE 2020

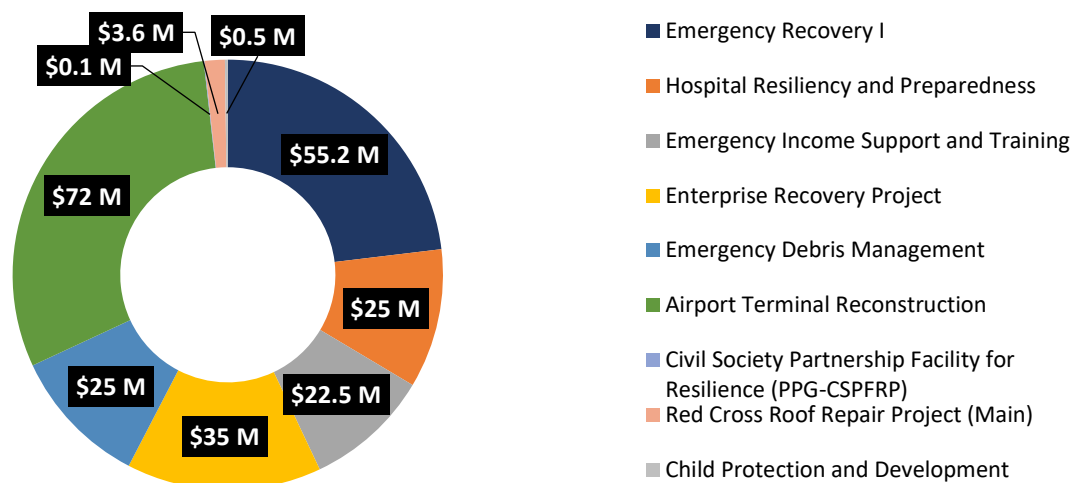
Total contributions from the donor to the Trust Fund for the period April 2018 - June 2020 amounted to \$305.7 million, paid in April and November 2018. Total disbursements (for operations and administration) reached \$80.7 million and undisbursed commitments \$172.2 million. The disbursements in January - June 2020 totaled \$38.4 million. After adjusting for investment income and the administration fee, the Trust Fund balance is \$59.4 million from contributions which will be allotted to confirmed activities.

### ALLOCATION OF FUNDS

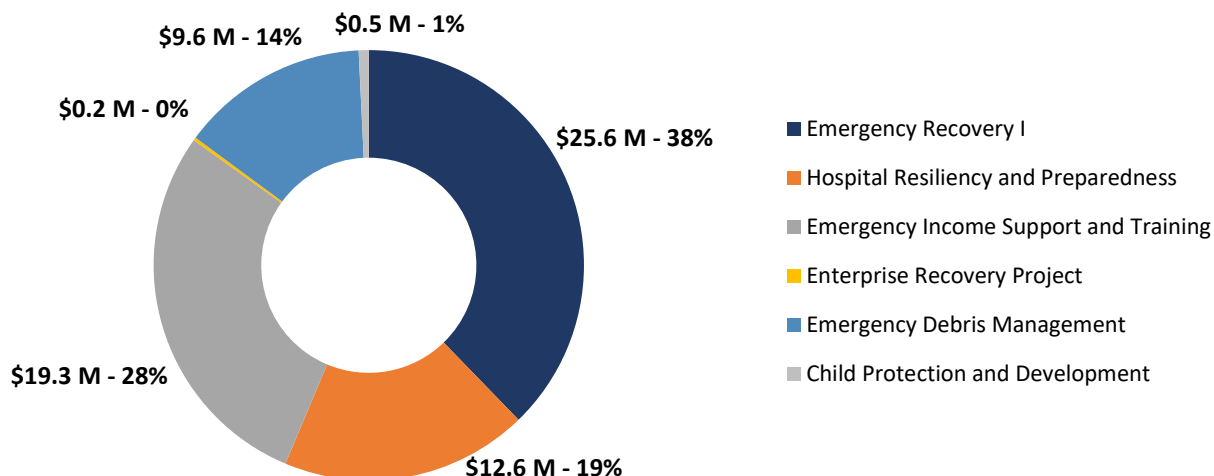


Funds allocated directly to operations, analytical work, and client support (Recipient Executed Activities, Advisory Services and Analytics and Preparation and Implementation Activities) total \$252.7 million and \$3.6 million have been allocated to Program Management and Administration to date. Of the operational allocations made, \$40.4 million were allotted in January - June 2020.

### ALLOCATION TO RECIPIENT EXECUTED ACTIVITIES



## DISBURSEMENT OF RECIPIENT EXECUTED ACTIVITIES

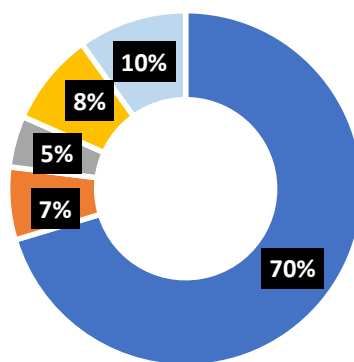


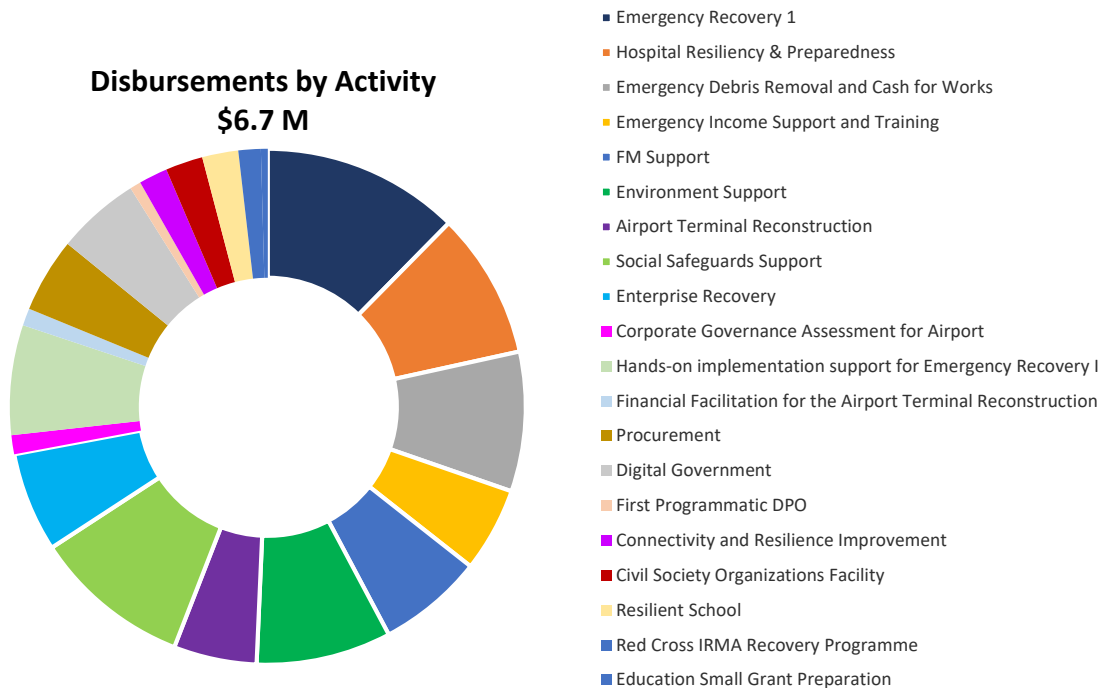
Recipient-executed activities (Investment Projects) were allotted funding in ten grants: 1) Emergency Recovery I; 2) Hospital Resiliency and Preparedness; 3) Emergency Income Support and Training; and 4) Enterprise Recovery; 5) Emergency Debris Management; 6) Airport Terminal Reconstruction Project; 7) Civil Society Partnership Facility for Resilience; 8) Red Cross Roof Repair; and 9) Child Protection and Development. Of these, nine grants for \$239 million were effective at end June 2020. Funds disbursed by these grants amounted to USD \$67.8 million, of which \$0.5 million in January-June 2020, and a further \$171.2 million remains available for disbursement under effective projects.

## DISBURSEMENT OF BANK EXECUTED PREPARATION/IMPLEMENTATION SUPPORT ACTIVITIES

### Disbursements by Category \$6.7 M

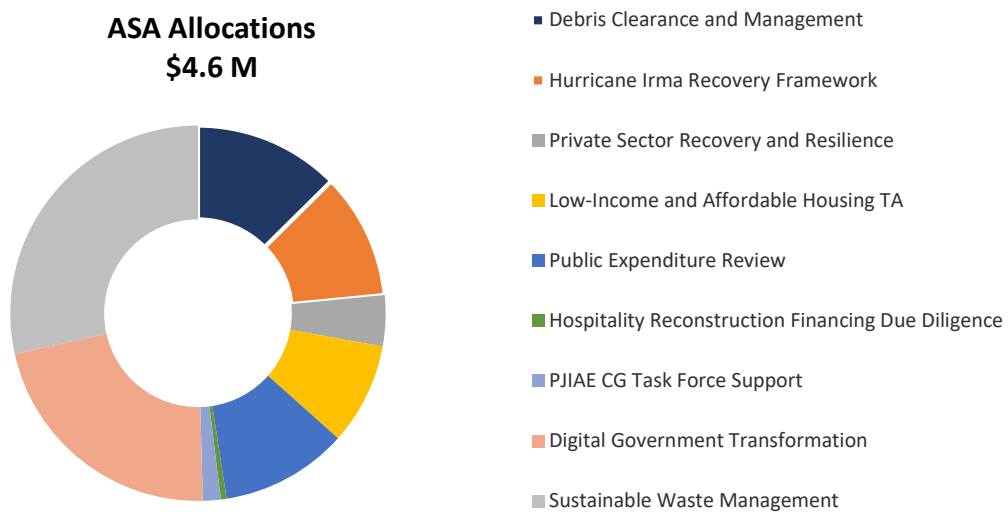
- Project supervision
- FM support
- Procurement
- Environment support
- Social Safeguards support





Bank-executed Preparation/Implementation Support funds are allotted to twenty tasks. Total disbursements were \$6.7 million, of which \$1.2 million in the period January-June 2020, with a further \$0.6 million in undisbursed commitments. Seventy percent of funds are allocated to project supervision. Together, support to safeguards, procurement, and financial management, including Hands on Support, amounts to 37% of total expenditures for preparation and supervision.

#### ALLOCATIONS FOR BANK EXECUTED ADVISORY SERVICES & ANALYTICAL ACTIVITIES



In April 2018 - June 2020, Bank-executed Advisory Services & Analytical Activities were allotted funding in nine grants: 1) Debris Clearance and Management (funding for environmental and firefighting expertise); 2) Hurricane Irma Recovery Framework (retroactive funding for the development of the NRPP); 3) Private Sector Tourism Recovery and Resilience; 4) Low-income and Affordable Housing TA; 5) Public Expenditure Review; 6) Hospitality Reconstruction Financing Due Diligence; 7) PJIAE CG Task Force Support; 8) Digital Government Transformation; and 9) Sustainable Waste Management. Funds disbursed so far under these grants amounted to \$2.8 million, of which \$0.8 million was in January - June 2020, with a further \$0.3 million in undisbursed commitments.

TABLE I: DISBURSEMENTS AS OF JUNE 2020 IN USD

	<b>REPORTING PERIOD ENDED JUNE 16, 2020 (USD)</b>
Funds Committed by Government of the Netherlands (up to)	\$541,099,800
Funds Received from Government of the Netherlands	\$305,727,000
Investment Income	\$12,613,687
Admin Fee	\$6,119,516
<b>Total Disbursements</b>	<b>\$77,281,401</b>
Operational (RETF and BETF)	\$80,726,245
Non-Operational (PM&A)	\$3,444,844
<b>Total Commitments (<i>amounts committed for planned expense but not yet disbursed</i>)</b>	<b>\$172,174,401</b>
Operational (RETF and BETF)	\$172,112,697
Non-Operational (PM&A)	\$61,703
Funds Available for Disbursement/Allocation of Confirmed Activities	\$59,395,375
Funds Outstanding from Government of the Netherlands (up to)	\$235,372,800

TABLE II: SUMMARY OF DISBURSEMENTS FOR ACTIVITIES IN USD

ACTIVITY	TOTAL BUDGET ALLOCATED**	APRIL 2018-JUNE 2020 DISBURSEMENTS	APRIL 2018-JUNE 2020 COMMITMENTS	AVAILABLE BALANCE*
<b>Total</b>	<b>\$256,376,810</b>	<b>\$80,726,245</b>	<b>\$172,174,401</b>	<b>\$3,476,164</b>
<b>Recipient Executed Activities</b>	<b>\$238,983,867</b>	<b>\$67,753,098</b>	<b>\$171,230,769</b>	
TF0A8079 Emergency Recovery I	\$55,200,000	\$25,576,455	\$29,623,545	
TF0A8176 Hospital Resiliency and Preparedness	\$25,000,000	\$12,590,710	\$12,409,290	
TF0A8265 Emergency Income Support and Training	\$22,500,000	\$19,337,125	\$3,162,875	
<b>TF0A9223 Enterprise Recovery Project</b>	<b>\$35,000,000</b>	<b>\$156,473</b>	<b>\$34,843,527</b>	
TF0A9261 Emergency Debris Management	\$25,000,000	\$9,580,335	\$15,419,665	
<b>TF0B0760 Airport Terminal Reconstruction</b>	<b>\$72,000,000</b>		<b>\$72,000,000</b>	
<b>TF0B2229 Civil Society Partnership Facility for Resilience (PPG-CSPFRP)</b>	<b>\$147,867</b>		<b>\$147,867</b>	
<b>TF0B2442 Red Cross Roof Repair Project (Main)</b>	<b>\$3,624,000</b>		<b>\$3,624,000</b>	
<b>TF0B2513 Child Protection and Development</b>	<b>\$512,000</b>	<b>\$512,000</b>		
<b>Bank Executed Activities</b>	<b>\$13,752,943</b>	<b>\$9,528,303</b>	<b>\$881,929</b>	<b>\$3,342,712</b>
<b>Advisory Services &amp; Analytics</b>	<b>\$4,563,023</b>	<b>\$2,819,455</b>	<b>\$272,355</b>	<b>\$1,471,213</b>
<b>Preparation/Implementation Support</b>	<b>\$9,189,920</b>	<b>\$6,708,848</b>	<b>\$609,574</b>	<b>\$1,871,499</b>
<b>Program Management &amp; Administration</b>	<b>\$3,640,000</b>	<b>\$3,444,844</b>	<b>\$61,703</b>	<b>\$133,452</b>

\*Available Balance means total budget minus disbursements and commitments.

\*\* Please note that in line with WB accounting systems, this allocated budget table does not yet show the approved Civil Society Partnership Facility for Resilience (CSPFRP) (\$7.2 million) as it was not yet accounted as effective as of June 30, 2020.

## ANNEX 4: SXM TF Governance Structure

The SXM TF is a tripartite partnership between the Government of Sint Maarten, the Government of The Netherlands and the World Bank.

### **Steering Committee**

The SXM TF is governed by a SC composed of representatives of the Government of Sint Maarten, the Netherlands, and the World Bank. The Steering Committee decides on Trust Fund allocations by consensus for the funding of short, medium, and long-term recovery projects and required capacity building activities.

Member of the Steering Committee are the following:

1. Sint Maarten - The Honorable Marcel Gumbs, Former Prime Minister
2. The Netherlands - Mr. Frans Weekers, Vice Secretary General, BENELUX
3. The World Bank - Ms. Tahseen Sayed Khan, Country Director for the Caribbean

Furthermore, a TWG composed of technical staff of the three parties prepares the work of the SC meetings and convenes on a regular basis to discuss results and challenges of the program, act to resolve pending issues, resolve differences or clarify information.

The World Bank's Program Manager heads up the SXM TF's Secretariat on behalf of the World Bank.

### **In Sint Maarten**

The NRPB which manages the recovery on the ground, has been created by law in Sint Maarten. Its staff consists of employees and consultants, supported by technical advisors of the World Bank and of the Netherlands as appropriate.

Further information about Trust Fund Management can be found in the Trust Fund's Administration Arrangement.