

MID TERM REVIEW OF THE SINT MAARTEN TRUST FUND FOR RECOVERY, RECONSTRUCTION, AND RESILIENCE (SXM TF).

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS



INTRODUCTION

This Report presents a Summary of the Mid-Term Review (MTR) of The Sint Maarten Trust Fund for Recovery, Reconstruction, and Resilience (SXM TF).

The SXM TF was established in April 2018, financed by the Government of the Netherlands for up to 470 million euros (US \$553.4 million equivalent) managed by the World Bank, and implemented by the National Recovery Program Bureau (NRPB) on behalf of the Government of Sint Maarten, complemented by public and private entities.

The objective of the MTR is to assess the Program's progress towards achieving objectives for the period 2018 – 2021 and make recommendations to improve performance for the remaining period 2022- 2025.

THE TRUST FUND

The SXM TF provides support for the recovery and reconstruction of Sint Maarten and longer-term development priorities to strengthen the country's resilience to disasters using the principles of building back better and sustainability.

The Program consists of the following Components:

Component 1: Strengthening of the Institutional Framework and Operational Capacity for Recovery and Reconstruction, and Mainstreaming of Resilience in Investments.

Component 2: Program Management and Administration Activities.

Component 3: Project Implementation Support.

Component 4: Implementation of a Recovery, Reconstruction and Resilience Program.



**the SXM TF is highly relevant to not only rebuilding
but also strengthening previous weak sectors**



THE MTR METHODOLOGY

The MTR assessed progress and achievements of the SXM TF activities (investment, analytical and technical assistance) measured against the Program's objectives, reviewed governance and Program management arrangements, and provides a set of recommendations for further improvement and sustainability of the Program.






The method adopted for the review involved three elements:

1. An assessment of a synthesis of relevant documents, reports, minutes of meetings, aide memoirs, project Mid Term Reviews, Implementation Support and Reporting, and outputs of the Program;
2. Stakeholder consultations via a structured questionnaire took place;
3. Interviews were held with implementers, key beneficiaries, non-beneficiaries, and donors.

FINDINGS

The Program is benefitting all the population, especially the most vulnerable.

The MTR found that funds are efficiently spent with due diligence. Initially a few challenges to implementing the Program were experienced, particularly due to political fragility, and GovSM ownership issues at the commencement of the Program.

				
RECONSTRUCTION	HOSPITAL	WASTE	AIRPORT	EMPLOYMENT, BUSINESS AND COMMUNITY
<ul style="list-style-type: none"> ✓ Home repairs - 410/519 Completed ✓ Critical Facilities - 17/33 Completed ✓ Water tanks 4/4 Completed ✓ Roofs 182/182 Completed 	<ul style="list-style-type: none"> ✓ Hospital Roof Repaired and Disaster Evacuation Plan Completed ✓ Overseas Medical referrals reduction 92%/45% Completed and Exceeded ✓ Essential upgrades existing Hospital 71%/100% Ongoing ✓ Auxiliary Capacity for COVID Hospital Completed ✓ New Hospital Construction Ongoing 	<ul style="list-style-type: none"> ✓ Fires reduced to 2 hotspots and infrequent Completed ✓ Heavy equipment 4/4 bulldozers delivered Completed ✓ Shipwrecks removed 149/109 Completed and Exceeded ✓ Shoreline cleanup 10.5K/10.5K Completed ✓ Solid Waste Management Strategy delivered to Government Completed 	<ul style="list-style-type: none"> ✓ Main Reconstruction Ongoing ✓ Procurement main equipment Ongoing 	<ul style="list-style-type: none"> ✓ Income Support 1900+ Completed and Exceeded ✓ Enterprises supported 100/600 target Ongoing ✓ NGOs supported 36/80 Ongoing ✓ Income Support and Training delivered to 69% women and 73% unemployed

The society-based support projects have enabled survival to the most vulnerable and a re-energizing of the assistance to the micro, small and medium enterprises has enabled a continuing contribution to Sint Maarten's economic health despite COVID-19. The disruption of the pandemic has been significant, however the Program managed to accelerate delivery in 2020 and 2021, and without covid, this acceleration may have been even stronger.

Critical heavy and landfill management equipment was delivered to the Ministry of Public Housing, Spatial Planning, Environment, and Infrastructure (VROMI), which enabled VROMI to improve daily landfill management activities and eliminate fires. Preparations to relocate communities at risk have been completed, as well as waste studies to underpin the development of a detailed reform agenda for the waste sector .

The Airport main terminal reconstruction works commenced in October 2021, and replacement of the passenger boarding bridges and baggage handling facilities is underway. The Program's support to the airport's operating expenditures in times of diminished passenger footfall, due to the hurricane damage, and then the COVID-19 crisis, has been helpful to keep the airport functioning. The reflow of funds from airport loan repayments to the Government is in the planning with WB technical assistance, to inform the design for a disaster risk fund that will reduce the impact of future natural disasters.

The Hospital project is progressing well and is professionally managed by the Sint Maarten Medical Center (SMMC). New hospital construction is well advanced. The Program earlier financed essential upgrades of the existing facility, including a new roof that can now withstand Category 4 hurricane winds. The SMMC is fully functional including COVID-19 emergency facility support and key services, and dialysis have been expanded. Project indicators, such as reducing overseas medical referrals, updating clinical practice guidelines, establishing an Emergency Disaster Preparedness Plan (EDP), and implementing an Evacuation Plan, are complete.

Shipwreck Removal

109 SHIPWRECKS REMOVED



POSITIVE IMPACT ON ENVIRONMENT

Social and Private Accommodation Repairs

1700 PEOPLE BENEFITTED



11 FULLY REHABILITATED SHELTERS

The Trust Fund projects contribute to capacity building and good governance, with most including principles of resilience, sustainability and building back better. However, this could be enhanced through a number of ways such as, investment more in people, building resilient communities (both public and private); strengthening governance structures associated with TF investments; investing in training and equipment upgrades, and involving the government closer to build capacity to sustain these changes.

MEASURING PROGRESS

Key:

- Achieved
- In Progress

FOCUS AREA 1 Promote sustainable economic recovery

Objective: Sustainably restore air access and improve connectivity

- Rebuild Princess Juliana International Airport to higher standards to ensure resistance to future disasters
- Improve airport governance

Objective: Support tourism recovery through access to finance, resilient utility services

- Support to the recovery and resilience of Sint Maarten's tourism sector
- Support the government's planning capacity for recovery and long-term resilience of the tourism sector
- Restoration and upgrading of energy and water infrastructure

Objective: Establish a sustainable solid waste management system with improved sanitation services

- Reform debris and waste management operations
- Long-term waste management system adopted

FOCUS AREA 2 Invest in citizens and resilient communities

Objective: Repair and increase access to housing especially for the vulnerable

- Sustainable recovery of affected people and communities
- Improve airport governance
- Greater access to public and affordable housing, and a mechanism to facilitate homeownership

Objective: Increase access to quality health, education, and sports services

- Increase access to quality health services
- Sustainable continuity of health insurance coverage to promote long-term access to health care
- Advancing the government health reform and associated management systems
- Support provision of continued psychosocial care and support services to students and schools to address the long-term effect of trauma on learning and child development
- Supports school repairs and the designs necessary to retrofit schools to hurricane-resistant standards
- Determine the scope of work needed to rehabilitate safe places for youth and children to play and congregate
- Provision of income support and training

Objective: Strengthen social safety nets and promote employment, particularly for vulnerable youth and households headed by women

- Provision of income support and training
- Youth and children increasingly vulnerable to a lack of services and support
- Conduct a socio-economic needs assessment (SENA) and develop an Integrated Social Registry System (ISRS) to strengthen the coordination and response capacity of Sint Maarten's social protection system in the face of disasters and other shocks

FOCUS AREA 3 Build the Foundation and Capacity to Improve Long Term Resilience and Good Governance

Objective: Improve capacity for disaster response

- Increased capacity of government and emergency responders for resilience measures adopted and disaster preparedness
- Designated shelters equipped and repaired
- Support repairs the national fire and ambulance station
- Restore and strengthen Sint Maarten's disaster risk management capacity

Objective: Strengthen fiscal resilience and modernize the public sector

- Strengthen Sint Maarten's long-term fiscal resilience

NB: As a result of evolving priorities, certain activities identified under the Strategic Framework did not materialize, these include: improving on-island connectivity, capacity building of utilities, an assessment of tax administration and policy, and increasing the government's public financial management capacity

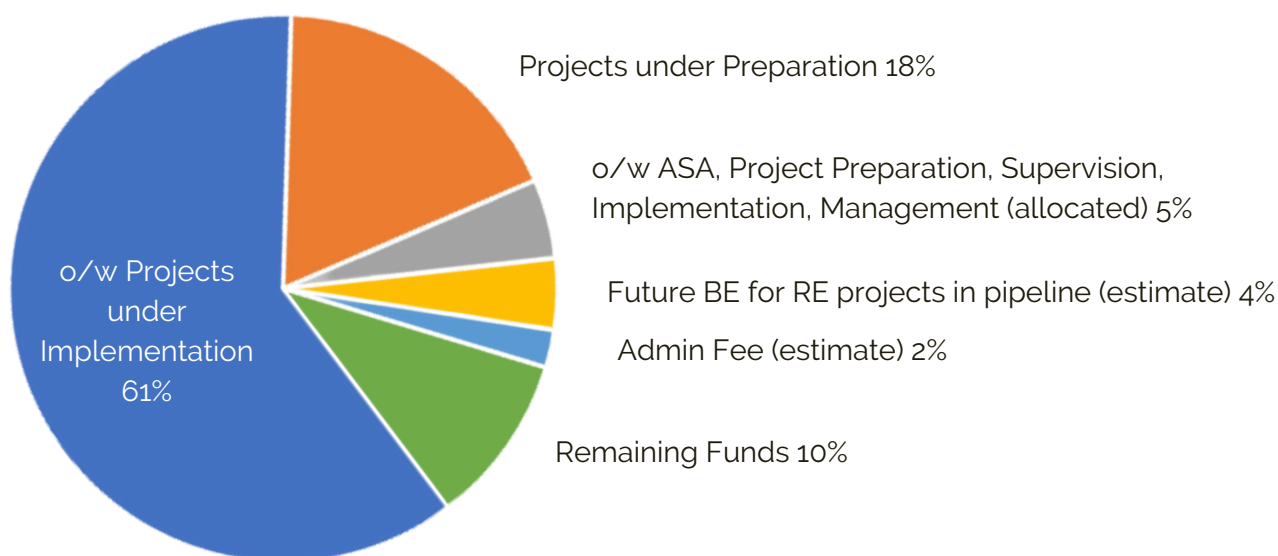
Evidence of Efficiency

- Knowledge products serve project implementation and government knowledge, There is strong evidence that time taken in project preparation creates better outcomes and the WB has utilized its global skill base to ensure good quality projects are prepared.
- Competitive procedural procurement is a capacity gain for government and firms, and despite earlier misgivings, most see the procedures as desirable for the Program, and an improvement for GovSM procedures.
- Safeguards' capacity is being built, seen in most areas as a positive contribution, health and safety especially is well received after earlier resistance. One quote in the Report is from a construction firm who initially opposed safety boots but now see them as a major step forward. However, not all respondents were initially welcoming all the safeguards and the localization of standards could be considered where appropriate and relevant.

FINANCIAL DISBURSEMENT



The SXM TF is disbursing funds well (46%) with low admin costs



The Program progress measured against disbursement shows an on schedule 46 % of the funds allocated to projects under implementation are disbursed. In comparison with similar Programs in the Latin America region, this is 15% above average and 22% above the Caribbean average.

The majority of the funds remaining are allocated to approved projects in the planning stage. This indicates that disbursement is advancing at a standard rate in line with WB practice.

The progress of the Program considering the constraints it has faced is commendable, however, there remain concerns that not all the funds will be spent by the date of the planned Program closure.

89% of US\$515.35m is now allocated

46% of funds allocated to projects under implementation

14% of the funds are allocated to investment projects under preparation,

10% remains for future allocation and is on target at this stage of the Program.

CONCLUSIONS

Context

This program underwent an evolution from an emergency operation, having to deliver under considerable time pressure with limited capacities, into a more standard long-term development program. All within a relatively short amount of time and facing continued limitations of Sint Maarten's capacity and size, market, and administrative absorptions.

First-generation projects experienced cost overruns as a result of preparation time pressures and limited market knowledge. Increases in costs of implementation in addition to other factors were also experienced, due to value chain issues related to covid restrictions. Second-generation projects learned from this, with increased advisory work and project preparation helping optimize spending.

Coherence and relevance

The MTR concluded that all investments are relevant to the attainment of the objectives that are highly likely to be reached by the completion of existing and planned projects. However, five of the indicators of the objectives will need review as there are not currently being fulfilled.



**Visible results on multiple fronts:
School reconstruction;
housing reconstruction,
improved hospital services
even before the new hospital
is built, shipwreck removal,
support to small businesses
and retraining programs, etc.**

Effectiveness: To what extent is the intervention likely to achieve its objectives?

The MTR found that all Program objectives are highly likely to be achieved, but that for some indicators to be fully completed it will take more time than is available under the Program. Overall, the Program progress is rated satisfactory with an implementation rate exceeding similar programs of the WB, which is commendable regarding the unforeseen delays encountered.

Most respondents believed that the mix between emergency response priorities, social safety nets, and longer-term development objectives contributing to the economy, was the correct balance, set in a challenging timeline for efficient delivery. One example is a high-quality airport facility and management.

The MTR found that the time to complete the program is too short, which will negatively affect the volume of results.

Efficiency : How well are the resources being used?

The MTR found that thorough project preparation was being carried out and that due diligence was being applied. High efficiency is evident from the proportion of funds allocated to projects against the low administration cost (1.5%) of the World Bank.

The proportion of funds going to technical assistance, advisory studies, and support consulting is higher than in most countries the World Bank works with, however is on par with other Small Island States (SIS), where there is a need to create capacity as the state and advisory services are limited.

Time efficiency, is in line with WB worldwide programs, with SXM 46% disbursement being 15% above Latin America, and 22% above the Caribbean average.

Impact: What difference does the intervention make?

For social and economic improvements projects have delivered impacts already as a result of the Program, despite only being half way through to completion.

For recovery - the earlier commissioned projects have already delivered contributions to Sint Maarten's economic recovery and the protection of the most vulnerable.

For resilience - over half of the questionnaire responses categorized the Program's route to resilience in the top two tiers of the rating choices.

The health and safety safeguards have made major positive changes for Sint Maarten

Sustainability: To what extent the benefits of the intervention is likely to continue after the funding ends?

The Program improved Sint Maarten's resilience by investing in infrastructure and capacities. This can only be sustained beyond the Program if capacity is there to operate government and associated institutions. The MTR found that this is an area that GovSM will need to carefully plan for.

We have helped 2000 unemployed people with income and stipends and are helping people who had their homes destroyed by the hurricane

The TF helped set the agenda and structure the response to the disaster

Implementation Capacity

Though it was necessary to develop capacity alongside the government of Sint Maarten for the implementation of the Program in the form of NRPB, the MTR concluded that government ownership and involvement in the program is critical to maximizing its long-term sustainability.

The WB has ensured procedures and safeguards are being utilized, that the portfolio remains on track and its strategic direction secured. The small team has built good working relationships with GovSM and GovNL. Implementation capacity is negatively affected by the inability of the WB to establish a local presence, as a result of the lack of local legislation, also, in case of staff transition the local relationships will need to be maintained.

Communication, and Public Awareness

Formal and informal communication systems have been gradually built up over the first part of the Program, and are now functioning well between GovNL, WB, and NRPB in comparison to their earlier difficulties.



Program Management

This was and is a small WB Management Team for a complex and growing portfolio. Issues surrounding a lack of Establishment Agreement and rigidity on tax laws led to a WB team presence being transitory which is not ideal.

Project Management

To ensure and efficient use of funds and to safeguard against social and environmental risks, WB procurement and safeguards procedures are being applied. There was a need for procurement and safeguard procedures to be followed. Respondents indicated that some were complex and lengthy and their requirement produced a learning curve that caused delays and confusion of what was required, relevant and applicable.

Investments will make significant contribution to resilience, but the Government should do more on strengthening governance structures associated with TF investments many of the activities involve training and upgrading of equipment. if taken seriously by the government this is an ideal opportunity to ensure resilience. good governance remains an elusive hope.

Introducing new standards will help on the long term in case of resilience.

RECOMMENDATIONS

Enhancing Relevance and Coherence

The MTR recommends reviewing and revising the Strategic Framework of the Program and its corresponding Results Framework in order to better reflect the decisions taken since the Program implementation to achieve maximum results and benefits.

Enhancing Effectiveness

The MTR found that some projects may not be completed by the end of the Program, especially those currently in preparation. An extension may therefore be required which would also provide an opportunity to consider additional demand driven Technical Assistance. The MTR further recommends exploring the diversification of delivery and funding mechanisms, these could include public-private partnerships, co-financing, design-build and operate options, Agency management, and cooperation with French Saint Martin.

To further enhance resilience to natural hazards and sustainability in the Program's portfolio, the MTR recommends reviewing existing and planned projects to ensure adequate resilience is included in the design for enabling appropriate project outcomes

An action plan being implemented as a result of the MTR recommendations should be in place.

Ensuring Maximum Impact and Sustainability

The MTR recommends developing a capacity-building plan which could help sustain the benefits and progress achieved from the implementation of the Program.

The MTR also recommends including training and structured advocacy aimed at the recipient into project design to sustain the investments and capacities beyond the Program.

The MTR recommends establishing a sustainability plan which would include the maintenance of infrastructure financed under the Program and sustaining the human resources and capacities, including project management capacities, while maximizing the Government of Sint Maarten's involvement.

Evidence of Impact:

- TF support incorporates resilience by building back better (high-quality resilient infrastructure), improving crisis management and disaster preparedness, promoting economic diversification
- The NRPB has developed the capacity for large project implementation, with its procedures and expertise it is performing a competent role as a PIU. The Bureau is operating well in a challenging environment and should look to future sustainability.

Enhancing Organization and Management

As the Program matures the role of the Steering Committee may change to include more monitoring content that will require Technical Advisers present at discussions. This will require reorienting the functions of the Technical Working Group accordingly.

A local WB office should be opened as soon as possible (legalities allowing), staffed with in country WB staff.

Enhance Communication, Education, and Publicity

The MTR recommends to re-examine the intensity of the communication methods with all stakeholders. For GovSM, counterparts should be regularly contacted, for which casual and informal communication channels should be used. Focused efforts to build and maintain relationships with GovSM should be strengthened for WB and NRPB staff.

The MTR recommends further strengthening of the Trust Fund's publicity strategy to maximize evidence of the Program's impact, this could include:

- Building interest from the public and especially the youth will support the sustainability of the Program benefits. To achieve this WB with GovSM should develop and implement a publicity strategy that could include a roadshow-type activity for WB and GovSM to inform the public of the results of the Program and to encourage sustainability of the outcomes.

- Schools should be involved to ensure the sustainability of the investment, through programs such as professional roadshows and sports events that emphasize the benefits to the community, as well as the environmental and sustainable achievements of the Programs' activities.
- Training should be given to all Program staff for creating a lasting impact both in terms of advocacy and capacity building.
- The website could use news alerts, training opportunities, hints, and advice, and so should be regularly updated. The Program should also strengthen its use of platforms such as LinkedIn or Twitter.

The hospital project is supporting the country to avoid higher costs of medical referrals over the long term. These savings have a ripple effect on health insurance and hospital costs and to the population

Next Steps

An Action Plan has been produced based on the MTR recommendations and is to be endorsed by the Steering Committee.

By acting on the findings of the MTR and implementing its recommendations, the Sint Maarten Trust Fund Program will further maximize its results and impact, while contributing to Sint Maarten's resilience and development.

Footnote: All quotes within the document are from interviewees.