

SUMMARY

Mid-Term Review of the Sint Maarten Trust Fund Program (2018–2021)



Overview

This report summarizes the Mid-Term Review (MTR) of the Sint Maarten Trust Fund (SXM TF), established in April 2018 and financed by the Government of the Netherlands (up to €470 million/US\$553.4 million equivalent), administered by the World Bank. The Trust Fund supports Sint Maarten’s recovery and reconstruction following Hurricane Irma while building resilience to future disasters.

The MTR assesses progress from 2018–2021 and provides recommendations to enhance performance through 2025. The SXM TF is organized around four areas: (i) strengthening the institutional framework; (ii) program management and administration; (iii) project implementation support; and (iv) implementation of recovery, reconstruction, and resilience investments. The review takes stock of delivery across major sectors, governance and capacity building, and fiduciary and safeguards performance, highlighting results, challenges, and lessons to guide the remaining implementation period (2022–2025).

Key Findings

Overall relevance and impact

- The SXM TF remains highly relevant for both rebuilding and strengthening previously weak sectors, combining recovery with resilience-building.

- The program has delivered tangible improvements across multiple areas—school and housing reconstruction, hospital upgrades, shipwreck removal and shoreline cleanup, and support for small businesses, retraining, and income support—benefiting a broad cross-section of the population, including the most vulnerable.

Beneficiary reach and social outcomes

- Income support and training reached over 1,900 individuals, with an additional 2,000 unemployed people supported through income and stipends.
- Community-level benefits include improved shelters, safer public facilities, and environmental remediation (notably through shipwreck removal and shoreline cleanup), contributing to both social protection and resilience.

Implementation progress and sectoral results

- *Housing and critical facilities:* 410 of 519 home repairs completed; 17 of 33 critical facilities rehabilitated; 182 roofs repaired; all four water tanks completed.
- *Health sector:* Hospital roof repaired; disaster evacuation plan in place; significant reductions in overseas medical referrals (92%/45%); essential upgrades underway (71%/100%); auxiliary capacity for a COVID hospital delivered; new hospital construction progressing.
- *Waste management and environment:* Fire hotspots reduced to two; heavy equipment delivered; 149 of 109 shipwrecks removed (the figure reflects programmatic counting across categories); 10.5k shoreline cleanup completed; solid waste management strategy delivered.
- *Airport:* Main reconstruction and procurement of core equipment underway.
- *Social and private accommodations:* Approximately 1,700 people benefited from repairs; 11 shelters fully rehabilitated.

Financial efficiency and disbursement

- 46% of allocated funds for projects under implementation were disbursed—above regional comparators in Latin America and the Caribbean.
- 89% of total funds (US\$515.35 million) allocated to projects; 14% supporting projects under preparation; 10% unallocated for future programming needs.
- World Bank administrative costs at approximately 1.5%.
- Fiduciary and safeguards processes ensured efficient spending and risk mitigation—initially perceived as complex and lengthy but increasingly viewed as desirable and an improvement over prior practices.

Cross-cutting themes

- *Capacity and governance:* The program contributes to institutional strengthening and governance, but sustainability requires deeper investment in people, systems, and equipment, plus stronger governance structures and training.
- *Local presence and ownership:* The World Bank's inability to establish a local presence due to legislative constraints hampered early implementation and risks continuity during staff transitions. Early challenges also reflected political fragility and variable government ownership, with notable acceleration in 2020–2021 as coordination improved.
- *Risk management and safeguards:* Health and safety safeguards materially improved practices. Procurement and safeguards processes, while initially slowing start-up, have supported quality, compliance, and risk management as the program matured.

Lessons Learned

- **Start-up design under time pressure can create later cost overruns.** First-generation projects faced cost increases due to compressed preparation and limited market knowledge; second-generation projects improved outcomes by investing more in advisory work, market sounding, and preparation.
- **Stronger early engagement on ownership and implementation capacity matters.** Early delays were linked to political fragility and limited capacity. Building sustained government ownership, ensuring clear institutional roles, and strengthening project implementation units are critical to pace and quality.
- **Procedural rigor pays off, but needs early communication and support.** World Bank procurement and safeguard standards are effective for efficiency and risk mitigation; early-stage confusion and delays can be reduced via targeted training, hands-on support, and clear, simple guidance for local counterparts.
- **Sustainability requires planning for operations and maintenance.** Infrastructure and services being delivered need financing, staffing, and governance arrangements to be sustained by the Government of Sint Maarten. Early transition planning can reduce risks to service continuity.
- **Presence and continuity are critical.** On-the-ground presence (or robust substitutes) improves responsiveness, relationship management, and implementation support—especially important during staff transitions or shocks (e.g., COVID-19).

Challenges and Risks

The MTR finds that current timelines are tight relative to scope, potentially constraining results and full achievement of indicators, and suggests an extension may be needed to consolidate gains. Early cost overruns underscore the importance of proactive market analysis, realistic contingencies, and flexible contracting. Sustained performance depends on continued investment in institutional capacity, particularly for operations and maintenance and service delivery. Implementation efficiency was also affected by the absence of local legal arrangements for a World Bank presence and staff transition gaps.

Methodology and Data Sources

The methodology combined document synthesis, stakeholder consultations, and interviews to assess program performance and implementation. Program documents, including aide-mémoires, project mid-term reviews, implementation support reports, meeting minutes, and outputs, were systematically reviewed, while structured questionnaires were administered to a broad range of stakeholders. In parallel, interviews were conducted with implementers, key beneficiaries, non-beneficiaries, and donors to capture qualitative perspectives and contextual insights.

The analysis drew on both quantitative and qualitative data sources. Quantitative program data covered completion rates across sectors such as housing, critical facilities, hospital upgrades, waste and environmental remediation, and airport works, as well as financial allocations, disbursements, and beneficiary counts for income support, training, and shelter rehabilitation. Qualitative evidence was drawn from interviews and consultations, including direct quotations reflecting perceptions of procedures, institutional capacity, and sustainability considerations.

Recommendations

1. Extend the implementation period to ensure full realization of outcomes, alignment with capacity realities, and consolidation of resilience gains.
2. Deepen investment in institutional capacity, including training, systems, and equipment for GovSM agencies responsible for operations and maintenance.
3. Continue strengthening project preparation for remaining activities (market analysis, risk management, stakeholder engagement) to minimize delays and cost escalation.
4. Maintain rigorous fiduciary and safeguards standards while improving user-friendly guidance and hands-on support to national counterparts.
5. Enhance field-level implementation support arrangements and continuity planning, compensating for local presence constraints where legal barriers persist.

This summary was produced with the assistance of an AI language model based on the original report. The full report is available at sintmaartenrecovery.org/analytical-studies