



ANNUAL REPORT 2019

Sint Maarten Recovery, Reconstruction and Resilience Trust Fund

SINT MAARTEN TRUST FUND



Government of the Netherlands



THE WORLD BANK



Photos: Emily Bartels-Bland.

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January 1 – December 31, 2019

Prepared by
Sint Maarten Trust Fund Secretariat
Caribbean Country Management Unit
Latin America and the Caribbean Region
World Bank

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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) during calendar year 2019.

The SXM TF was established on April 16, 2018 to respond to the devastation caused by Hurricane Irma in Sint Maarten on September 6, 2017. The SXM TF is financed by the government of the Netherlands for up to 470 million euros (US\$553,4 million) and managed by the World Bank in accordance with the Trust Fund Administration Arrangement.

The SXM TF, through the parameters set out in the 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 Netherlands¹, the World Bank will produce 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 Fund's main activities, results, and unaudited financials for the calendar year 2019.



1 <http://documents.worldbank.org/curated/en/701801524242841278/pdf/ITK425962-201803201244.pdf>



1. Introduction

On September 6, 2017, Sint Maarten, an autonomous constituent country of the Kingdom of the Netherlands with a population of just over 40,000 people, was severely impacted by Hurricane Irma. Damages and losses² 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 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 Steering Committee of the SXM TF and implemented by the Government of Sint Maarten through the National Recovery Program Bureau (NRPB), which has the mandate for the oversight of reconstruction activities in Sint Maarten under the authority of Sint Maarten's Prime Minister. Some new activities will be implemented by civil society organizations. The SXM TF program also benefits from complementary technical assistance and expertise provided by the Government of the Netherlands as appropriate.

This report describes the implementation progress of SXM TF activities from January 1 to December 31, 2019. Over the reporting period, SXM TF activities have continued to support recovery, while moving to the next phase of investing in longer term development priorities of the country. A dashboard was developed during this reporting period with updated information available of all aspects of the SXM TF (www.sintmaartenrecovery.org).

Six projects are under implementation with a portfolio of US\$203.3 million. Implementation progress under approved projects has gained significant momentum with emergency repairs completed on two police stations and 125 of 350 roofs, and key equipment delivered for the Fire Department. No fires have arisen on the landfill since the spring of 2019, in great part due to the Alternative Daily Cover (a cement spray) machinery and materials provided under the program. Ground has recently been broken for the construction of the new hospital building, and upgrades aimed at quality and safety as well as expansion of services in the existing building have been completed. Referrals off island are already coming down, providing better care closer to home and generating considerable savings by lowering overseas referral costs. On time and on target, the program has provided 1800 un- and under-employed persons with stipends and training, benefitting about one quarter of Sint Maarten's unemployed and many more whose hotel jobs cannot yet provide a return to full time employment.



² 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.

A key step toward the recovery of Sint Maarten's economy and tourism industry was reached with the approval of the US\$72 million Airport Terminal Reconstruction Project in December 2019, which leveraged US\$50 million from the European Investment Bank (EIB) and will cause the Airport's bondholders to release US\$67 million in insurance proceeds held in escrow for the airport's operation, of which the first US\$5 million have been received by Princess Juliana International Airport Operating Company N.V. (PJIAE).

Despite this progress, overall implementation has been slower than expected for home repairs due to significant capacity and market constraints. Constraints include small market size, limited skills and labor availability, and a regulatory environment that presents challenges for outside companies despite efforts to attract companies, including in Curaçao and Aruba. The NRPB staffing has grown substantially over this year, building capacity to manage incoming funding projects. The World Bank has provided substantial hands-on technical advice and support through staff and consultants to the NRPB and other implementing partners, such as the Sint Maarten Medical Center (SMMC) and the Princess Juliana International Airport.

Eight projects are under preparation for an estimated US\$177 million. These focus on longer-term issues of resilient reconstruction, supporting the recovery of the private sector, and on channeling financing for reconstruction directly into communities through Grants to Civil Society Organizations (CSO). Non-governmental Organizations (NGOs) will manage the recently approved Red Cross Roof Repair Project, a UNICEF Netherlands (NL) project for disaster preparedness and child protection being developed in collaboration with the Ministry of Education, Culture, Youth and Sports (MECYS), and a Civil Society Organizations Facility for Reconstruction and Resilience which will finance projects proposed by island-based NGOs and CSOs.

Analytical work has also been advanced. An assessment of the Housing Sector has been completed. Studies on Long Term Waste Management, and Tourism Sector Support are being finalized. A Public Expenditure Review is well advanced. These studies will provide critical information to the Government of Sint Maarten to inform evidence-based decision-making on future funding from the SXM TF.

Sint Maarten's political transition during the last quarter of 2019 diverted attention and slowed the preparation of new activities. However, implementation of activities under already approved projects continued during the transition period. Activities requiring Government commitment and long-term policy decisions are expected to resume in the spring of 2020, once the newly elected Government of Sint Maarten is seated.

2. Strategy

SXM TF priorities for investment are laid out in the SXM TF Strategic Framework³ approved by the SC in August of 2019. These priorities support the objectives of Sint Maarten's NRRP and are commensurate with the Guiding Principles of the Netherlands recorded in the SXM TF Administration Arrangement⁴.

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. Projects aimed at economic recovery, including airport reconstruction, enterprise support, short to medium-term debris and waste management, and long-term waste management solutions were also prioritized. These are now under implementation or their preparation is well advanced. A Development Policy Operation (budget support) is also under preparation.

2.1. National Recovery and Resilience Plan

The SXM TF supports activities and programs aligned with the National Recovery and Resilience Plan (NRRP), which was 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 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. These actions are expected to benefit



³ The World Bank, *SXM TF Strategic Framework*, August 2019.

⁴ *SXM TF Administration Arrangement*, April 16, 2018; Annex III.

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

Community Recovery and Resilience	Economic Recovery and Resilience	Government Recovery and Resilience
Housing	Macroeconomic Outlook	Disaster Risk Management
Health	Tourism and Commerce	Governance and Public Financial Management
Employment, Livelihoods and Social Protection	Finance	Justice, Public Safety and Security
Solid Waste	Airport	Additional Public Buildings
Education	Ports and Marinas	
Environment	Roads and Drainage	
	Water	
	Electricity	
	ICT	

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.⁵

The Netherlands’ guiding principles annexed to the SXM TF Administration Agreement foresee 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 environment⁶.”

As per above principles, projects are assessed against their **necessity** (there are no other sources of funding), **additionality** (they include 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.



5 Sint Maarten Irma Recovery, Reconstruction, and Resilience Trust Fund, Administration Agreement, April 27, 2018, Appendix, “Guiding Principles of the Netherlands”.

6 Ibid.

2.3. Strategic Framework

The SXM TF Strategic Framework (SF) is grounded in the Government's NRRP. 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 below).

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.

Figure 2: SXM TF Strategic Focus Areas

Focus Area 1: Promote Sustainable Economic Recovery	Focus Area 2: Invest in Citizens and Resilient Communities	Focus Area 3: Build the Foundation to Improve Long Term Resilience and Good Governance
<p>Objective 1 : Sustainably Restore Air Access and Improve Connectivity</p> <p>Objective 2: Support Tourism Recovery through access to finance, resilient utility services</p> <p>Objective 3: Establish a sustainable solid waste management system with improved sanitation services</p>	<p>Objective 4: Repair and Increase Access to Housing especially for the vulnerable</p> <p>Objective 5: Increase access to quality Health, Education and Sports Services</p> <p>Objective 6: Strengthen social safety nets and promote employment, particularly for vulnerable youth and households headed by women</p>	<p>Objective 7: Improve Capacity for Disaster Response</p> <p>Objective 8 : Strengthen Fiscal Resilience and Modernize the Public Sector</p>



3. Activity Summary

3.1. Overview

As of December 31, 2019, the SXM TF had received US\$305.7 million from the Government of the Netherlands. An amount of US\$10.9 million in investment income was generated for the SXM TF by the World Bank's treasury department. A total of US\$203.3 million for six projects has been approved by the World Bank and currently under implementation. Preparation by the World Bank is underway for another eight projects endorsed by the Steering committee for an estimated US\$177 million.

Received		Use of Funds	
Received from NL	\$305.7	Administrative Fee	\$3.8
Investment income	\$10.9	Committed to Signed Projects *	\$203.3
		Analytical Work	\$2.3
		Preparation and Supervision	\$5.1
		TF Management	\$2.8
Total Received	\$316.6	Total	\$217.3
		Estimated value of Projects under Preparation	\$177.0

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

Investment Projects executed and prepared by the Government of Sint Maarten with support of the World Bank

As of end December 2019, US\$203.3 million has been approved in the form of six projects. Of this amount, a total of US\$32 million had been disbursed and US\$172 million remained to be disbursed for project activities. Project objectives and advancement are detailed below under Section 3.2.

	Projects under Implementation ⁷	Approved	Commitments (US\$ millions)	Disbursements (US\$ millions) ⁸
1	Emergency Recovery Project I (P167339)	7/10/2018	55.2	11.46
2	Emergency Income Support and Training Project (P167368)	8/02/2018	22.5	14.10
3	SXM Hospital Resiliency & Preparedness (P167532)	8/16/2018	25.0	2.84
4	Emergency Debris Management Project (P167347)	12/21/2018	25.0	3.64
5	Airport Terminal Reconstruction (P176974)	12/09/2019	72.0	0
6	Red Cross Roof Repair Project	12/30/2019	3.6	0
TOTAL			203.3	32.04

Another eight projects are under preparation for an estimated US\$177 million (amounts are estimative until the completion of appraisals. Section 3.3 provides details on project content and objectives.

	Sint Maarten RETF Projects under Preparation	Estimated amount (US\$ millions)	Estimated Approval ⁹
1	Sint Maarten Enterprise Support Project (P168549)	35	Q1 2020
2	St Maarten Civil Society Partnership Facility for Resilience Project (P172339) (NGO)	7	Q1 2020
3	Child Protection and Development Project (P172582) (NGO)	5	Q1 2020
4	Sint Maarten Digital Government Transformation Project (P171978) ¹⁰	15	Q3 2020
5	Resilient Schools Project	30	Q3 2020
6	Sint Maarten Road Connectivity and Resilience Improvement Project (P171283)	20	Q4 2020
7	Solid Waste Management and Environmental Improvement Project	35	TBD
8	Public Finance, Social Insurance and Resilience Development Policy Operation (P171291)	30	Two tranches of 15 TBD
TOTAL		177	

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 and local stakeholders. Resources allocated for this work are US\$2 million. Details are provided in Section 3.4.

Resources disbursed by the World Bank for the preparation and supervision of projects have amounted to US\$5.1 million. 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.



7 Approved projects are endorsed for financing by the Steering Committee, 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.

8 Per December 31, 2019

9 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.

10 \$5 million will be used to support technical assistance activities to prepare for investments

Thirty six percent of these resources are provided for direct Hands-on Support to the implementing agency in engineering and procurement to complement limited on island and in-house Government and NPRB capacity.

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

3.2. Projects under Implementation

A significant step forward in Sint Maarten's reconstruction was reached this year with the approval by the World Bank of the US\$72 million Airport Terminal Construction Project on September 18, 2019 and its signing on December 9, 2019, leveraging a US\$50 million loan from EIB and US\$7 million from PJIAE itself and complemented by an agreement with the airport's bondholders to release insurance proceeds held in escrow of over US\$67 million. With these resources, the airport's reconstruction can be launched and a major bottleneck for economic recovery lifted.

Implementation results for projects approved in 2018 are differentiated across the portfolio. Strong results and good progress were achieved in the areas of Health and in Social Protection where local Sint Maarten capacity was already in place. Stipends and Training for the un- and underemployed reached the projected number of beneficiaries on time and quality of training is estimated to be strong. Hospital repairs and enhancements have been implemented, overseas referrals have begun to decline, and works on the new hospital building are being launched. On the other hand, significant challenges were encountered in infrastructure projects involving repairs and reconstruction due to weak capacity for technical assessments, limited procurement experience in the market, timid market response, and slow completion of works by (mostly small) local contractors, who face strong competition for labor and resources. Repairs to homes have reached 125 out of 350 (total objective) under the SXM TF-financed Government program. However, contracts for larger batches of repairs to private housing are poised to start and additional repairs to social housing are under design. Works on shelters have been awarded and basic school repairs are expected in the course of 2020. With the application of the Alternative Daily Cover (ADC), provided under the EDMP project, and intensified day to day management by VROMI of the landfills, no major fires have been experienced since the spring of 2019 and flare ups have been considerably reduced.

In addition to the six projects being implemented on behalf of the Government of Sint Maarten by the NRPB and the SMMC, the SXM TF has begun to broaden its range of implementation partners with the approval of the first project to be implemented by an NGO. The Red Cross Roof Repair Project (US\$3.6 million) signed in December aims to repair roofs for around 200 of Sint Maarten's most vulnerable households. Further details on the advancement of each project are provided in the section below.

Emergency Recovery Project I

The Emergency Recovery Project (US\$55.2 million), approved on July 10, 2018,¹¹ contributes to Sint Maarten's emergency recovery needs. The project finances the repair of critical infrastructure (including police stations, the emergency operation center, shelters and schools), the increased resilience of the electricity and water system, repairs of social and private housing, emergency equipment and training. The project also finances the functioning of the NRPB, the project implementation unit for the bulk of SXM TF investments.



¹¹ The project became effective July 18, 2018.

Results: Through this project, Sint Maarten bought insurance against the impact of tropical cyclones, earthquakes, and excess rainfall under the Caribbean Catastrophe Risk Insurance Facility (CCRIF) in 2018 and 2019. In 2019, the membership to the CCRIF was extended for a period of two years with project funds.

First phase (emergency) repairs for two police stations in Philipsburg and Simpson Bay were completed. The second phase of structural repairs started in the third quarter of 2019. First responders have received a first batch of communication and breathing equipment and the contract for the delivery of three fire trucks and additional equipment is under negotiation. Works started for repairs to the radiosonde building of the Meteorological Department. These activities contribute to improved working conditions and enable first responders to provide emergency services in times of need.

Out of a total of 350 homes to be repaired under this project, 125 have been completed. Repairs to 109 houses in the Belvedere neighborhood, managed by the Sint Maarten Housing Development Foundation (SMHDF) were finalized before the 2019 hurricane season. A technical and financial audit is being completed to retroactively finance 160 additional units repaired by the SMHDF shortly after Hurricane Irma. Of the 213 households deemed eligible for private home repairs under this project after social screening by the Ministry of Health, Social Affairs and Labor (VSA), repairs are completed on 16 and underway on another 24 houses. Investments per house average to around US\$50,000. A contract to repair 141 homes was awarded in December 2019, with works expected to start early in the second quarter of 2020. Technical designs were completed for 100 out of 173 homes. The technical assessment for the repair of 17 schools has been completed and a tender is scheduled to be launched in 2020. A subsidiary agreement with GEBE was signed in 2019 and will enable further restoration of electricity services and upgrade the water system.

Contracts startup times have been long due to insurance, bonding and financial requirements to be met by contractors through local banks (which have no prior experience with guarantees). The pace of implementation is also affected by the small size and capacity of local contractors, the limited appetite of larger external firms to undertake relatively small contracts in Sint Maarten, time needed for material deliveries, and the difficulties experienced by external contractors and individuals selected to undertake the SXM TF activities and projects in obtaining work permits and access to the island. The latter have hampered contract startup and implementation causing delays.

The NRPB opened its doors in January 2019 and has expanded to 24 staff in the areas of management, technical expertise, and support. Though this strengthens implementation capacity on the side of the Government of Sint Maarten, further hiring by NRPB of procurement, safeguards and contract management expertise remains a priority.

Unqualified Audit reports submitted for the periods of August 1 to December 31, 2018 and January 1 to June 30, 2019 for this project are satisfactory to the World Bank.

Emergency Income Support and Training Project (EISTP)

The objectives of the EISTP (US\$22.5 million)¹² 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 was designed provide 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. While damaged hotels could not offer their employees work or salary, this Program has helped prevent layoffs and supported the income of staff while providing them with training. Initially targeted to the hospitality industry, the project has expanded its offerings to include training and certification in construction, carpentry, masonry, property maintenance, plumbing and electrical installation. Additionally, courses on Sint Maarten's culture and history and English as a second language are offered in collaboration with the University of Sint Maarten at the request of the hospitality industry. Participation has been expanded to include the unemployed as 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.

Component 2 of the EISTP is intended to help improve the management of public resources and coordination of publicly funded programs and services to strengthen delivery of social and emergency services to persons in Sint Maarten.

Results: Since its launch in August 2018, the Program reached 99.5 percent of its end targets (1,792 participants of the 1,800 targeted) as of end December 2019. The Program serves half of the unemployed people in the country (based on the 2018 Labor Force Survey). About 20 percent have returned to their previous jobs, others found new jobs, or remained in the program to continue training. The program disburses against verification of eligibility and attendance: 1,331 beneficiaries were verified by Stichting Overheids Accountants Bureau (SOAB) at end September and 461 new beneficiaries who entered the Program between October and November 2019 are pending verification. Of the 1,792 participants, 67 percent are women and 73 percent are unemployed, of which 24 percent are youth.

In September 2019, the Project closing date was extended by 18 months to close in May 2022, to allow for the completion of institutional capacity activities to strengthen the management of the Social Protection System.

The Government has requested the extension of the training and stipend benefits beyond the June 2020 closing date of this component, to enable continued support to employment gaps in the recovering economy, to strengthen the labor office's capacity to provide employment services to the unemployed, and to develop options for the continuation of the program under a more effective and targeted social protection system, once Trust Fund support has ended.

Audit reports submitted to the World Bank for the periods of August 1 to December 31, 2018 and of January 1 to June 30, 2019 for this project are under review.

Sint Maarten Hospital Resilience and Preparedness Project

Approved on August 10, 2018,¹³ the objective of the Sint Maarten Hospital Resilience and Preparedness Project (US\$25 million from SXM TF resources to complement US\$75 million from other sources) is to improve the preparedness and capacity of hospital services in the Sint Maarten Medical Center (SMMC), the only hospital on the island. The project co-finances the building for 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 to the people of Sint Maarten. Furthermore, the project finances critical upgrades to the existing hospital during the construction of the new hospital. The project is implemented by the SMMC.

Results: The SMMC is now fully functional. The roof has been reinforced to withstand a category 4 hurricane (up from category 2) and a new fire detection system has been installed. Ongoing projects



¹³ The project became effective September 6, 2018.

include upgrades to the operating complex, support services building and care complex, additional patient rooms, installation of an access control system, designs for a new medical gas distribution system, and procurement of backup generators. The hospital's Emergency Disaster Preparedness Plan and Evacuation Plan for Hurricanes was updated including development of scorecard criteria 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 has increased 5.5 to 7.5, and dialysis services have been expanded by adding five new positions.

In November and December 2019, following a lengthy administrative procedure, SMMC's lenders approved and released the co-financing required to build a new Hurricane resilient Hospital under the project (US\$75 million). Financing had been held up for almost a year due to the insolvency of the Italian contractor for the works, who had been placed into receivership in Italy. This issue now resolved, early works for the new Hospital (e.g. trenches, retaining walls, and a waste water treatment plant) began in January 2020.

Emergency Debris Management Project

The Emergency Debris Management Project (US\$25 million) finances the management of debris from the hurricane and reconstruction activities to facilitate recovery and reduce risks. The project includes debris clearance, collection, removal, and disposal, shipwreck removal, and fire suppression at the country's waste disposal sites. The Project was approved on December 21, 2018 and became effective on January 31, 2019.

Problems at the municipal waste disposal site, Great Salt Pond Landfill, have lingered for decades without being addressed and were exacerbated by Hurricane Irma. The site lacks an efficient and sanitary waste disposal system. The hurricane caused extensive property damage, producing debris both from the damage itself, and the subsequent demolition and reconstruction activities in Sint Maarten. It was estimated that 100,000 cubic meters of debris have been cleared and cumulated at a site adjacent to the existing municipal waste disposal site. Another 100,000 cubic meters remain in public spaces or are expected to be produced by ongoing demolition and reconstruction activities. The large amounts of debris being disposed and flareups caused by smoldering fires (chiefly the result of poor landfill management) have endangered the surrounding communities. In addition, more than 50 shipwrecks remain in the main lagoon in Simpson Bay.

To ensure the health and safety of adjacent households, preliminary fire suppression exclusion and notification zones were identified. In these zones, households and businesses would need to be resettled temporarily and/or permanently to allow for firefighting to proceed safely and effectively.

Limited landfill capacity has been an issue since the 1990s. The current dumpsite is running out of capacity and a long-term solution is needed. Following fire suppression and recontouring of the landfill area, landfill capacity will further decline.

Results: To protect the lives and health of the people who would be affected by fire suppression activities and who are living too close to the disposal site, safeguards measures must be in place. To this effect NRPB is preparing an Environmental Social Impact Assessment (ESIA) for fire suppression and a Resettlement Action Plan (RAP) to identify resettlement options for communities that live near the waste disposal sites. Resettlement is a complex undertaking considering space and housing constraints and lack of experience on the part of the Government in resettlement activities and stakeholder engagement. Nevertheless, resettlement to a lower risk environment remains an essential priority for the health and safety of nearby residents.

During the last quarter of 2019, the NRPB, the Government of Sint Maarten, and the World Bank assessed the landfill situation. The presence of fires may lead to adjustments in the project's approach to fire suppression and to the landfill recontouring and management until extension and partial closure of the landfill sites. Full compliance with the World Bank's social and environmental safeguard requirements will be a key focus of the project teams as such adjustments are being considered, including a revision of the ESIA and RAP. Work will continue to resettle the community, which remains a top priority in the context of this project. Resettlement of the community needs to be implemented by the Government of Sint Maarten. Work is also advancing to develop long-term options for a sustainable waste management system for the country. The bidding documents and safeguard instruments for car wreck and metal wreck handling are under preparation to be tendered. The work and supervision tenders for ship salvaging are under procurement, and the contracts are expected to be awarded before June 2020.

To suppress surface fires and improve the management of the landfill in the short term, ADC materials and an applicator were procured and have been in use since the end of September, after VROMI staff received training in late August. The application of the ADC has contributed to significantly reduce fire flare-ups on the dumpsites. To improve daily waste management, additional equipment in the form of a bulldozer has been delivered (January 2020) and a compactor and front loader are being procured. The procurement of a tire shredder, a wood chipper, a glass shredder and a weighbridge will initiate soon to reduce waste streams ending at the landfill.

An unqualified audit report submitted for the period of December 1, 2018 to June 30, 2019 for this project is considered satisfactory to the World Bank.

Airport Terminal Reconstruction Project

Approval of the Airport Terminal Reconstruction Project (US\$72 million) and the leveraging of an additional US\$57 million to support the project constitutes a key milestone for Sint Maarten's economic recovery. The Project aims to support the reconstruction of the terminal of the PJIA to the pre-Irma passenger capacity with increased 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.

The project includes the internal reconstruction of the terminal facilities, project management and capacity building for PJIAE and the Government of Sint Maarten and support for PJIAE operations. Current projections estimate the terminal reconstruction to cost approximately US\$107 million, of which US\$50 million are provided by the SXM TF and US\$50 million through an EIB loan; US\$7 million is contributed by the PJIAE. The remainder of the SXM TF grant will support for project implementation (US\$1 million) and accessible funds for PJIAE's operations in case of a major financial shock during the reconstruction period. In addition, an agreement with the airport's bondholders will cause the latter to release US\$67 million in insurance proceeds due to PJIAE which they have held in escrow, reached with active support of the Netherlands,

Reconstruction of Sint Maarten airport terminal with improved resilience to hurricanes is a high priority for the Government to promote a swift recovery process and the sustainability of the airport operation. Restoring airport capacity is vital to economic recovery considering high economic dependency of the tourism sector on tourists' arrivals through the airport. The terminal reconstruction will promote more tourists to come back to the islands and improve financial situation of PJIAE through receiving more revenues from passengers as well as terminal vendors most of which are currently closed. A more resilient airport will ensure sustainable airport operation as well as disaster relief and emergency activities during the future natural disaster events. In the long-term, the reconstruction will contribute to sustainable economic growth of Sint Maarten.

Results: A Corporate Governance Assessment (CGA) of the PJIAE and Holding Companies was conducted to inform investment decisions. The Government has appointed a task force to implement key actions and recommendations from this assessment.

The project was approved on September 18, 2019 and signed on December 9, 2019. Prior to signature, part of the measures to strengthen the governance of the airport operating and holding companies (PJIAE and PJIAH respectively) were implemented, including the establishment of a corporate governance task-force for PJIAE, the appointment of a new Chief Financial Officer (CFO) of PJIAE, and the initiation of screening processes for supervisory and managing board members of PJIAE and PJIAH. Further governance measures will be undertaken to continue to strengthen airport governance. Mold remediation of the terminal is under preparation by PJIAE (under PJIAE financing) and the bidding documents of the main civil works for the terminal reconstruction, including the detailed design, are also under preparation.

Sint Maarten Red Cross Roof Repair Project

The first small grant to be implemented by an NGO under the SXM TF, the Red Cross Roof Repair Project (US\$3.64 million) was approved on December 30, 2019. It aims to repair roofs up to a safe standard for vulnerable households affected by Hurricane Irma. The project will assist vulnerable households in repairing their roofs, contribute significantly to their recovery, and allow them to be better prepared for future disasters. It 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. The Red Cross Netherlands (RCNL) will implement the project and aims to repair an estimated 200 damaged roofs. RCNL-employed and supervised construction crews will repair the roofs with quality controls and appropriate safeguards provisions.

3.3. Projects under Preparation

Eight projects are under preparation to address key challenges of building resilience as underlined in the NRRP and prioritized by the Government of Sint Maarten and the SXM TF Steering Committee.

As part of a diversification strategy to complement existing capacity for implementation, the Steering Committee has approved new projects to be managed by non-governmental partner organizations.

Sint Maarten Enterprise Support Project

This Enterprise Support Project (estimated US\$35 million) aims to support eligible MSMEs in accessing financial packages for asset replacement and working capital, through local financial institutions. A large percentage of MSMEs have been unable to get financing from local commercial banks as they have collateral requirements they cannot meet. The Enterprise Support Project will provide, subject to a business plan that is acceptable to a local financial institution, financial packages for MSMEs in the form of a combination of grants and loans.

The World Bank and the NRPB will work through local Financial Institutions (FIs) who will support eligible enterprises. Three FIs have been pre-qualified for the initial roll-out of the project, other FIs will be able to join once the project is effective. The project was approved by the World Bank in April 2019. However, it is being restructured to amend implementation arrangements, based on changes requested by the Government of Sint Maarten related to the role of the Central Bank of Curaçao and Sint Maarten. The project is expected to be signed in early 2020.

Solid Waste Management and Environmental Improvement Project

This Solid Waste Management and Environmental Improvement Project (estimated US\$35 million) aims 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 an ongoing analytical exercise, the Long-Term Waste Management Advisory Service and Analytics (ASA), to develop sound evidence-based solutions for the island's long-term waste management. In addition to immediate actions which can be undertaken by the Government to improve current waste management practices and policy, long term solution elements and options are being developed and could be considered for financing by late 2020 or 2021. The studies being conducted will fill knowledge gaps on basic waste data (e.g. waste volume, composition, and origin), 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. They will underpin a potential site selection and construction of a future sanitary landfill, as the current dumpsite is reaching its capacity in the coming few years.

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 Public Finance, Social Insurance and Resilience DPO, the first in a series of two operations (of US\$15 million each). These operations aim to support a comprehensive plan for Sint Maarten's sustainable and resilient financial future. The DPO will support improved public financial management, tax reform, public sector transparency, resilience measures and improved social insurance. A set of policy actions needs to be completed by the Government of Sint Maarten, before the project can become operational.

Digital Government Transformation Project

The Digital Government Transformation Project 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. The total project cost is estimated at US\$15 million. Based on initial consultations, the following components have been identified: Component 1 aims to enhance public service delivery in Sint Maarten by transforming and scaling up the existing Public Service Centers to become more customer-centric; Component 2 will build common digital platforms across government and; Component 3 will create the enabling environment for digital transformation, including the standards, protocols, and policies that are needed to enable a sustained digital transformation. As part of the preparation of the project work an E-government strategy is being developed. The project is expected to become operational in the second half of 2020. US\$5 million of the total allocated will finance critical technical assistance and prepare the ground work for ICT investments. These include inputs for the development of a digital strategy for Sint Maarten, an assessment of current ICT infrastructure and systems, and an assessment of citizen services that can be modernized.

Sint Maarten Civil Society Partnership Facility for Resilience Project

In May 2019, the Steering Committee approved the creation of the NGO facility with an indicative funding of \$7 million. The objective of this project is to increase civil society organizations' capacity in reconstruction and resilience activities and to finance reconstruction and resilience activities implemented by CSOs on the island. The Facility will be managed by VNG International and the grant is expected to be finalized in the spring of 2020. VNG International, the International Cooperation Agency of the Association of Netherlands Municipalities will work in partnership with local civil society partners in Sint Maarten.

Sint Maarten Road Connectivity and Resilience Improvement Project

The Steering Committee approved a new Road Connectivity and Resilience Improvement Project in April 2019. Its objectives are to improve connectivity in Sint Maarten with increased resilience, sustainability, and safety of transport infrastructure. The project supports the NRRP by improving connectivity between the western and eastern parts of the country and by enhancing resilience and safety in the road sector. The proposed project is preliminarily estimated as US\$20 million. Full compliance with the World Bank's environmental and social framework policies for all activities will be ensured. As the identified road link is connected to the French territory, the NRPB and the Government of Sint Maarten will also coordinate with the Government of Saint Martin as necessary.

Resilient Schools Project

This Project supports the Government's 2019 Education Master Plan. In its July 2019 meeting the Steering Committee allocated US\$35 million to the Education sector in Sint Maarten of which a US\$30 million Project will be implemented by the Government of Sint Maarten through the NRBP and a US\$5 million Child Protection and Development Project will be implemented by UNICEF NL. Both projects will share a common results chain to facilitate alignment of activities. The Resilient Schools project will be implemented in collaboration with the MECYS and will focus on: (1) Building safer education and cultural infrastructure; and (2) Strengthening the management and resilience of the education system. The project is expected to be approved in the fall of 2020.

Child Protection and Development Project

To complement the project above, the Steering Committee allocated resources to a Child Protection and Development Project implemented by UNICEF NL in collaboration with MECYS. The project will focus on strengthening the capacity of school communities to prepare for and respond to physical damages and emotional impacts, as well as addressing child protection needs caused by natural disasters. UNICEF NL has a track record working with the Government on the issues of child protection and disaster preparedness and provides additional implementation capacity for the SXM TF. The small grant of US\$5 million is expected to be signed during the first quarter of 2020.

3.4. Analytical Work

Analytical work is undertaken to generate knowledge needed to make informed decisions on new funding under future tranches of the SXM TF. The table below lists these studies as well as technical assistance.

Analytical Work	
Activities	Expected Completion Dates ¹⁴
1 Support National Recovery and Resilience Plan (Study)	COMPLETED
2 Airport Corporate Governance Assessment (Study)	COMPLETED
3 Rapid Housing Sector Assessment (Study)	COMPLETED
4 Long-Term Waste Solutions (Studies)	February 2020
5 Country Environmental Analysis (Study)	March 2020
6 Public Expenditure Review (Study)	March 2020
7 Sint Maarten Hospitality Reconstruction Financing Due Diligence (Study)	March 2020
8 Low-Income and Affordable Housing (Technical Assistance)	March 2020 (ongoing)
9 Tourism Sector Recovery Strategy Support (Technical Assistance)	March 2020 (ongoing)
10 National Risk Assessment (Technical Assistance)	2020-2021 continuous (ongoing)
11 Emergency Preparedness and Response (shelters policy and management) and Technical Assistance	June 2020 (ongoing)
12 E-Government Strategy (Technical Assistance)	June 2020 (ongoing)
13 Support to the Airport Corporate Governance Task Force (Technical Assistance)	December 2020 (ongoing)



¹⁴ Estimated timelines are subject to change to meet operational requirements and to consider government availability and potential delays due to political transition.



4. Project Preparation and Implementation Issues & Solutions

4.1. Project Preparation Implementation Capacity

During 2019, the tasks of the Interim Recovery Committee were transferred to the NRPB. Key NRPB staff were hired and the organization now comprises 24 persons, including Director, Deputy Director, Program Managers, Project Managers, Procurement consultants, Financial Management Staff, Safeguards Specialists, Social Outreach Officers, Communications Staff and support Staff. Substantial improvements have been seen in the NRPB's capacity to manage projects. Efforts are underway to install robust internal processes for decision-making, procurement, financial management, and safeguards. However, critical issues remain in specific areas: results-oriented management and contract management needs to be strengthened, procurement staffing challenges must be decisively resolved, and social safeguard capacity needs to be secured for the long-term.

During 2020 a framework agreement with a design and supervision consultancy will bolster project management capacity and planning. The strengthening of procurement capacity will also require external support as the portfolio is expected to grow rapidly in 2020. With 8 projects under preparation, strengthening capacity will entail complementary implementation by third parties, both through direct support to the NRPB and by engaging third parties to implement projects such as the RCNL (ongoing), UNICEF NL and VNG International and other international and local CSOs. Over one third of supervision resources (36%) are being allocated to World Bank Fiduciary and Safeguards support and to Hands-on Support in procurement and engineering. It is expected that with the growth of the portfolio such support will need to increase, while NRPB will also continue to absorb significant resources to complement locally available skills.

In addition to the NRPB's full engagement, the ownership and participation of the Council of Ministers and of relevant line ministries in project preparation and implementation remains central to project success. Government capacity is constrained by limited number of staff. Consideration is also given to providing technical support at the level of line Ministries to further promote the integration of the activities of the SXM TF with those of the Government. Such understanding is also promoted through regular engagement, briefings and workshops.

The SXM TF's engagement with the government of Sint Maarten has continued during the recent political transition period which started in September 2019. A broad engagement is anticipated with newly

lected Parliamentarians and the newly appointed Government in 2020, with the objective of building a strong dialogue based on accurate and timely information and exchanges with all stakeholders in Sint Maarten. Tools for such an engagement have been developed, including a SXM TF dashboard which is updated monthly and available online (see chapter 5).

4.2. Project Supervision Capacity

To provide further supervision and coordination support, World Bank oversight of the SXM TF will be fully decentralized. A team headed by senior staff and supported by technical and expertise is expected to be established in Sint Maarten, once an establishment agreement is signed by the Government of Sint Maarten and, where relevant, the Kingdom Council of Ministers. In the meantime, WB staff and consultants continue to conduct extended missions hosted by the NRPB.

4.3. Absorption Capacity and Regulatory Issues

SXM TF activities have faced significant challenges in attracting firms for urgent works due chiefly to the small market and small size of firms on island, as well as competition for labor with other ongoing post-Irma 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. However, more time and experience of collaboration with local firms is needed to develop local familiarity with competitive procurement procedures and contract implementation. 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. Competition for labor resources will likely further rise in 2020 due to the simultaneous launch of large projects such as the airport terminal, the new hospital, and several hotels.

Support from the Government of Sint Maarten has been requested and is urgently needed to facilitate the participation of international contractors and consultants, including consultants providing Hands on Assistance on behalf of the World Bank, by readily providing visas and work permits and clarifying taxation and work permit requirements. Labor laws that restrict the ability to hire temporary workers and contract international employees have also been noted as a significant challenge by implementation partners and by NRPB.

5. Outreach and Communications

During 2019, a Dashboard (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 during 2019 included meetings organized by the Chambers of Commerce of Sint Maarten, Curacao and Aruba, with support of the NRPB, the Dutch representation and the World Bank including a virtual Webinar on “doing business with the World Bank”¹⁵, followed by interactive sessions in each of the countries in June. At these sessions, companies and consultants discussed and interacted with representatives of the NRPB, World Bank and the Dutch Rijksdienst voor Ondernemend Nederland (RVO)¹⁶ and participated in procurement workshops.

Further engagement with the media in Sint Maarten has been undertaken with interviews on radio and with news outlets, explanatory videos, project billboards, active social media campaigns and infographic ads.

Information on the SXM TF program can be found on the NRPB and SXM TF website at: <https://nrpbxsm.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.sintmaarten-recovery.org/home>



¹⁵ The lecture can be viewed at: https://1930181.mediaspace.kaltura.com/media/Info+sessions+CuracaoArubaSXM+May+9,+2019/1_vibon943/29528271

¹⁶ More information and presentations made during the info-sessions can be found at: <https://arubachamber.com/pages/sint-maarten/>



Annex I: Alignment of NRRP and SXM TF activities

Pillar 1 – Community Recovery and Resilience

NRRP Listed Areas of Engagement	Trust Fund Projects and Analytical Work
<p>Housing</p> <ul style="list-style-type: none"> • Repair assistance • Increase access to affordable housing • Strengthen housing for climate resilience • Facilitate ownership 	<p>Housing Related Activities</p> <ul style="list-style-type: none"> • Emergency Recovery Project I (US\$55.2 M): Social and private housing repairs, roof repairs, Technical Assistance for housing policy and resilience standards • Red Cross Roof Repairs Project (US\$3.6 M) to support rehabilitation of roofs of the most vulnerable households • Rapid Housing Sector Assessment, Low Income and Affordable Housing Reconstruction Analysis (ASA)
<p>Health</p> <ul style="list-style-type: none"> • Resilient hospital construction • Enhancing secondary healthcare services • Ensure sustainable continuity of insurance coverage 	<p>Health Related Activities</p> <ul style="list-style-type: none"> • Hospital Resiliency and Preparedness Project (UUS\$25 M): repairs and upgrading of existing hospital and construction of a new hospital to Hurricane 5+ resistant standards. • Public Expenditure Review (ASA – analysis of health insurance cost and sustainability) • Development Policy Operation (US\$30 M)¹⁷
<p>Employment, Livelihoods and Social Protection</p> <ul style="list-style-type: none"> • Strengthen social assistance through trainings and programs to supplement household income • Build additional shelters • Improve social services and their targeting 	<p>Social Protection and Emergency Recovery Related Activities</p> <ul style="list-style-type: none"> • Emergency Recovery Project I (US\$55.2 M): rehabilitating 13 public shelters • Emergency Income Support and Training Project (US\$22.5 M): Stipends, training and improvement of targeted social services Safe • Development Policy Operation (US\$30 M) • Schools and Shelters Assessment (ASA)
<p>Solid Waste:</p> <ul style="list-style-type: none"> • Remove debris caused by Irma and address dump fires • Implement recycling program to reduce waste • Upgrade sewage networks 	<p>Solid Waste Related Activities</p> <ul style="list-style-type: none"> • Emergency Debris Management Project (US\$25 M) : Extinguishing fires, debris clearance, collection, and processing and improving landfill management • Long-term Waste Solutions Analysis (ASA) supporting the development of Government’s roadmap for sustainable solid waste management • Solid Waste Management and Environmental Improvement Project (US\$35M estimated)(planned) Investments in long term solutions



17 This operation finances multiple objectives and therefore appears in different places in the table

Pillar 1 – Community Recovery and Resilience

NRRP Listed Areas of Engagement	Trust Fund Projects and Analytical Work
<p>Education</p> <ul style="list-style-type: none"> • Repair and rebuild resilient schools, psychosocial support, improve safety and preparedness • Strengthen legislation for resilience • Train teachers in disaster management • Strengthen programs for vulnerable children • Improve vocational and tertiary education options in St. Maarten 	<p>Education Related Activities</p> <ul style="list-style-type: none"> • Emergency Recovery Project I (US\$55.2 M): Repairing schools and community facilities • Safe schools and shelters (ASA): define repairs and resilience plans for schools • Resilient Schools Project (US\$30 M) (pipeline) • Child Protection and Development Project (US\$5 M) (pipeline)
<p>Environment</p> <ul style="list-style-type: none"> • Rehabilitate and protect natural and built environments • Strengthen environmental protection 	<p>Environment Related Activities</p> <ul style="list-style-type: none"> • Solid Waste Management and Environmental Improvement Project (US\$35 M estimated) (planned) • Country Environmental Analysis (ASA)
<p>Community Recovery</p>	<ul style="list-style-type: none"> • Sint Maarten Civil Society Partnership Facility for Resilience Project (US\$7 M) (preparation)

Pillar 2 Economic Recovery and Resilience

NRRP Listed Areas of Engagement	Trust Fund Projects and Analytical Work
Macroeconomic Outlook <ul style="list-style-type: none"> Strengthen capacity for tax collection and fiscal policy formulation 	Macroeconomic Related Activities <ul style="list-style-type: none"> Public Expenditure Review (ASA) Development Policy Operation (two operations of US\$15 M) National Risk Assessment (ASA and technical assistance)
Tourism and Commerce <ul style="list-style-type: none"> Secure and strengthen resilience of tourism sector Diversify the economy through supporting SMEs 	Tourism and Commerce related activities <ul style="list-style-type: none"> Enterprise Support Project (US\$35 M, under preparation); access to finance for Micro, Small and Medium enterprises (MSME) Tourism Sector Recovery Strategy Support (ASA) Sint Maarten Hospitality Reconstruction Financing Due Diligence (ASA) Informing MSME and Tourism Recovery (ASA); analysis of tourism support needs
Finance <ul style="list-style-type: none"> Increase access to credit and affordability of investment capital 	Finance related activities <ul style="list-style-type: none"> Enterprise Support Project (US\$35 M, under preparation); Financial intermediaries are supported to provide greater access to finance for MSMEs.
Airport <ul style="list-style-type: none"> Repair and rebuild airport for greater resilience 	Airport related activities <ul style="list-style-type: none"> Airport Terminal Reconstruction Project (US\$72 M)
Ports and Marinas <ul style="list-style-type: none"> Restore ports and marinas while ensuring greater resilience 	Ports and Marinas <ul style="list-style-type: none"> Emergency Debris Management Project (US\$25 M): Vessel Salvaging
Roads and Drainage <ul style="list-style-type: none"> Improve the drainage network in communities with recurrent flooding 	Roads and Drainage Related Activities <ul style="list-style-type: none"> Transport Connectivity & Resilience Improvement Project (US \$20 M) (under preparation)
Utilities and ICT <ul style="list-style-type: none"> Improve delivery of Water, Electricity, ICT Services 	Utilities and ICT related activities <ul style="list-style-type: none"> Emergency Recovery Project I (US\$55.2 M) (Water storage and distribution and Electricity repairs) Digital Development Project (US \$15M) modernize public service centers and government systems

Pillar 3 Government Recovery and Resilience

NRRP Listed Areas of Engagement	Trust Fund Projects and Analytical Work
Disaster Risk Management <ul style="list-style-type: none"> Strengthen the National Meteorological Service Strengthen and repair communications of the fire department Integrate into the Caribbean Disaster Emergency Agency Develop a risk-financing Strategy 	Disaster Risk Management Related Activities <ul style="list-style-type: none"> Emergency Recovery Project I (US\$55.2 M); Police station repairs, fire department communication equipment and repairs, capacity building, improvement of hydrometeorological services. Accession into the CCRIF Knowledge-sharing about risk financing with other Caribbean countries Development Policy Operation (US\$30 M)

Pillar 3 Government Recovery and Resilience

NRRP Listed Areas of Engagement	Trust Fund Projects and Analytical Work
<p>Governance and Public Financial Management</p> <ul style="list-style-type: none"> • Implement Government Financial Management Information System • Modernize ICT systems • Implement a tax reform • Rebuild the Tax Receivers/Registry building 	<p>Governance and Financial Management Related Activities</p> <ul style="list-style-type: none"> • Public Expenditure Review (ASA) – Analysis of public expenditures and systems • Development Policy Operation (two operations of US \$15 M) • Digital Development Project (US \$15 M) modernize ICT back systems and services • Corporate Governance Strengthening – Airport ASA and TA
<p>Justice, Public Safety and Security</p> <ul style="list-style-type: none"> • Repair and Strengthen prisons and police Stations • Relocate and equip the 911 dispatch center • Properly equip law enforcement Staff • Address critical ICT needs. 	<p>Justice, Public Safety and Security</p> <ul style="list-style-type: none"> • Emergency Recovery Project (US\$55.2 M) – Repairing of two police stations and extension of the Emergency Operations Center
<p>Additional Public Buildings</p> <ul style="list-style-type: none"> • Repair additional public buildings such as the Post Office, National Library and the National Civil Aviation building 	<p>Additional Public Buildings</p> <ul style="list-style-type: none"> • Emergency Recovery Project (US\$55 M), Repairing of key Government buildings

Projects under implementation in **Bold**

Projects under preparation in **Blue**

ASA: Advisory Services and Analytics

Annex 2: Results Framework – Projects under implementation as of December 31, 2019

Emergency Recovery Project	Emergency Income Support and Training Project	Hospital Resilience and Preparedness Project	Emergency Debris Removal Project
<p>Development Objective: To contribute to Sint Maarten's immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction.</p>	<p>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.</p>	<p>Development Objective: To improve the preparedness and capacity of hospital services.</p>	<p>Development Objective: To manage debris from the hurricane and reconstruction activities.</p>
<ul style="list-style-type: none"> • Outcome Indicator 1: Number of critical disaster preparedness and response facilities repaired to resilient standards. Baseline: 0; Target: 10; Actuals: 2 	<ul style="list-style-type: none"> • 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: 1792, of which 1,206 are female 	<ul style="list-style-type: none"> • Outcome Indicator 1: Overseas medical referrals reduced (percentage) Baseline: 0; Target: 45%; Actuals: 79% 	<ul style="list-style-type: none"> • Outcome Indicator 1: Volume of land-based debris is safely cleared and processed (Cubic Meters). Baseline: 0; Target: 150,000; Actuals: 0
<ul style="list-style-type: none"> • Outcome Indicator 2: Share of households with electrical services resilient to hurricanes Baseline: 86%; Target: 93%; Actuals: NYR 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Outcome Indicator 2: Emergency Disaster Preparedness Plan and Evacuation Plan implemented according to procedures (percentage) Baseline: 60%; Target: 90%; Actuals: NYR 	<ul style="list-style-type: none"> • Outcome Indicator 2: Number of vessels safely recovered and salvaged. Baseline: 0; Target: 100 Actuals: 0
<ul style="list-style-type: none"> • Outcome Indicator 3: Water storage capacity of Sint Maarten utility (average daily demand) Baseline: 0.7 days; Target: 2 days; Actuals: NYR 	<ul style="list-style-type: none"> • Outcome Indicator 3: Number of records in the Social Registry Baseline: 0; Target: 1,000; Actuals: NYR 	<ul style="list-style-type: none"> • Outcome Indicator 3: Technical audits to evaluate quality and preparedness of service delivery rated satisfactory (percentage) Baseline: 0; Target: 90%; Actuals: NYR 	<ul style="list-style-type: none"> • 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.

NYR = Not yet reported

Emergency Recovery Project	Emergency Income Support and Training Project	Hospital Resilience and Preparedness Project	Emergency Debris Removal Project
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- Outcome Indicator 4:**
Housing units repaired to resilient standards

Baseline: 0; **Target:** 350;
Actuals: 125
- 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%; **Actuals:** 75%

NYR = Not yet reported

Annex 2 continued: Results Framework – Projects under implementation

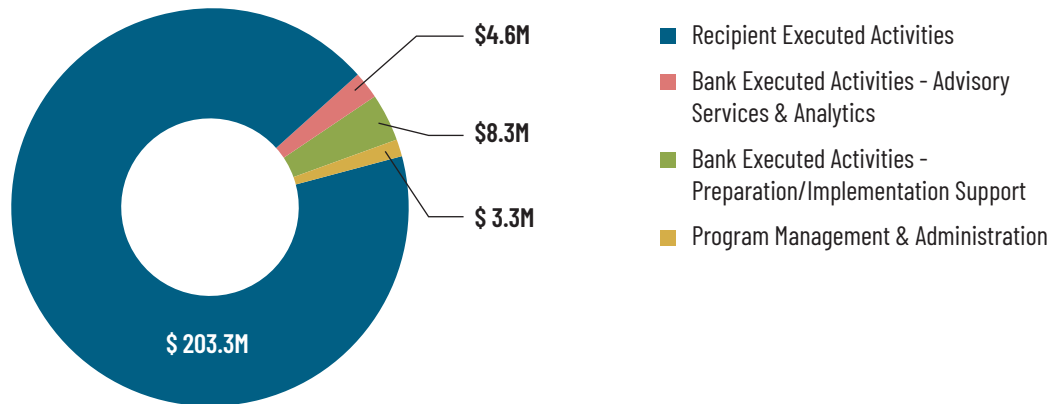
Airport Terminal Reconstruction Project	Roof Repair Project
<p>Development Objective: The development objective is to restore the passenger capacity of Princess Juliana International Airport to pre-Irma levels with improved resilience to hurricanes.</p>	<p>Development Objective: The project's development objective is to repair roofs up to a safe standard for vulnerable households affected by Hurricane Irma.</p>
<ul style="list-style-type: none"> • Outcome Indicator 1: Passenger handling capacity of the terminal Baseline: 1 million; Target: 2.5 million; Actuals: 2 	<ul style="list-style-type: none"> • 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: NYR
<ul style="list-style-type: none"> • Outcome Indicator 2: Resilience of terminal building to Irma level hurricanes Baseline: no; Target: yes; Actuals: NYR 	<ul style="list-style-type: none"> • Outcome Indicator 2: Households have increased knowledge of hurricane resistant housing Baseline: 0%; Target: 60%; Actuals NYR
<ul style="list-style-type: none"> • Outcome Indicator 3: Resilience of terminal building to Irma level hurricanes Baseline: no; Target: yes; Actuals: NYR 	
<ul style="list-style-type: none"> • Outcome Indicator 4: Installation of strengthened jet bridges Baseline: no; Target: yes; Actuals: NYR 	
<ul style="list-style-type: none"> • Outcome Indicator 5: Installation of resilient entrance doors Baseline: no; Target: yes; Actuals: NYR 	
<ul style="list-style-type: none"> • Outcome Indicator 6: Restoration of baggage handling system Baseline: no; Target: yes; Actuals: NYR 	
<ul style="list-style-type: none"> • Outcome Indicator 7: PIJAE submits quarterly reports describing claims received through GRM and how issues were resolved Baseline: no; Target: yes; Actuals: NYR 	

NYR = Not yet reported

Annex 3: Financial Overview as of December 2019

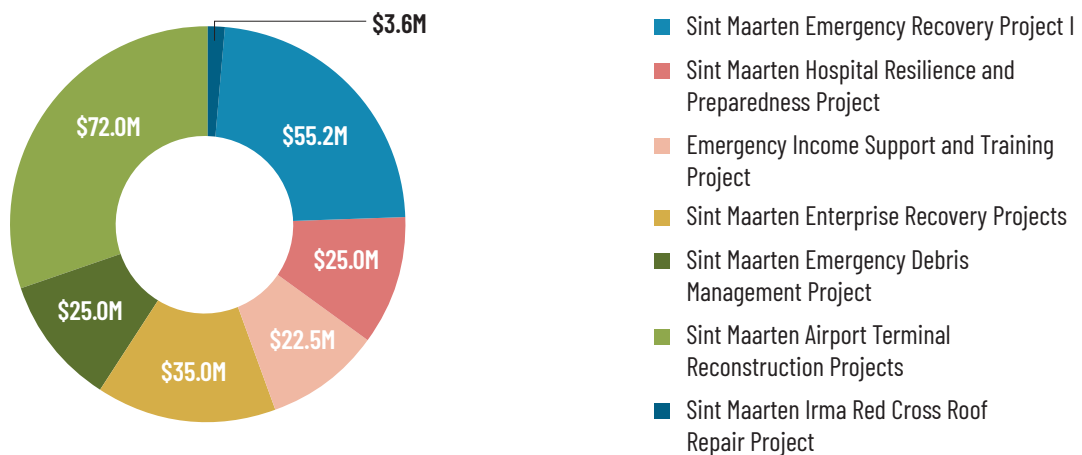
Total contributions from the donor to the Trust Fund for the period April 2018-December 2019 amounted to \$305.7 million, paid in April and November 2018. Total disbursements (for operations and administration) reached \$42.3 million and undisbursed commitments \$96.9 million. The disbursements in January-December 2019 totaled \$20.3 million. After adjusting for investment income and the administration fee, the Trust Fund balance is \$173.3 million from contributions which will be allotted to confirmed activities.

Allocation of Funds

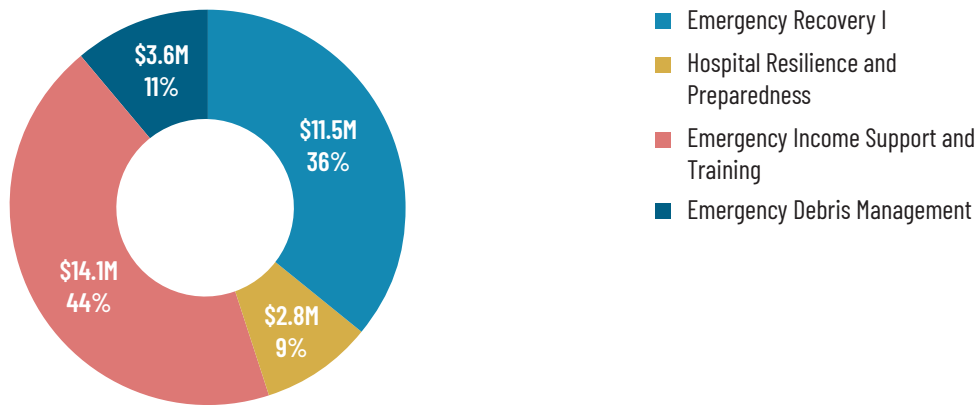


Funds allocated directly to operations, analytical work, and client support (Recipient Executed Activities, Advisory Services and Analytics and Preparation and Implementation Activities) total \$140.6 million and \$3.3 million have been allocated to Program Management and Administration to date. Of the operational allocations made, \$4.4 million were allotted in January-December 2019.

Allocation to Recipient Executed Activities

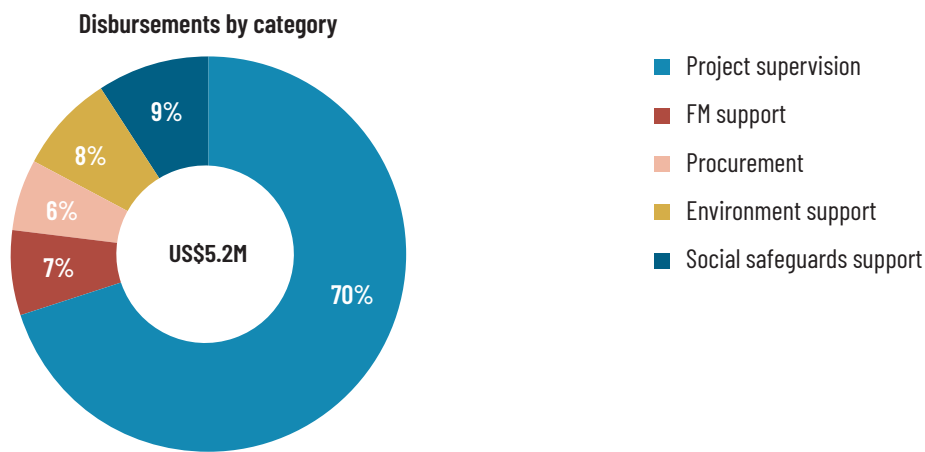


Disbursement of Recipient Executed Activities

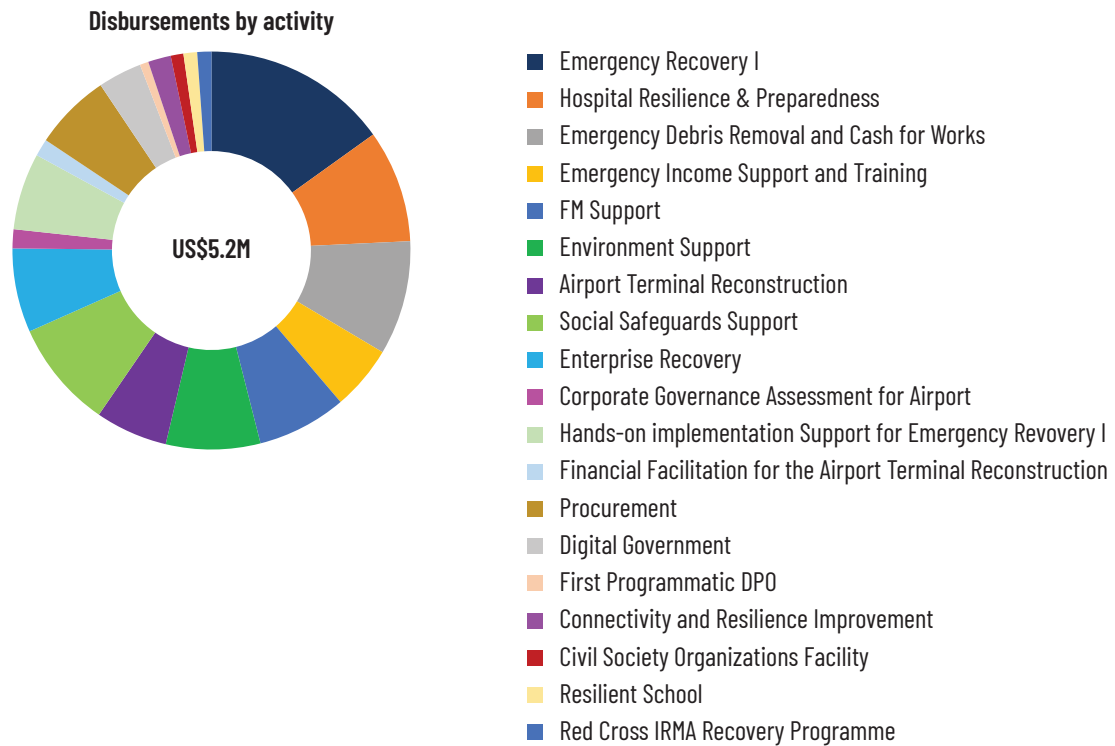


Recipient-executed activities (Investment Projects) were allotted funding in six grants: 1) Emergency Recovery I; 2) Hospital Resiliency and Preparedness; 3) Emergency Income Support and Training; and 4) Emergency Debris Management; 5) Sint Maarten Airport Terminal Reconstruction Project; 6) Sint Maarten Red Cross Roof Repair Project. Of these, four grants for US\$127.7M were effective at end December 2019. Funds disbursed by these grants amounted to USD \$32.1 million, of which \$8.6 million in January-December 2019, and a further \$95.6 million remains available for disbursement under effective projects.

Disbursement of Bank Executed Preparation/Implementation Support Activities

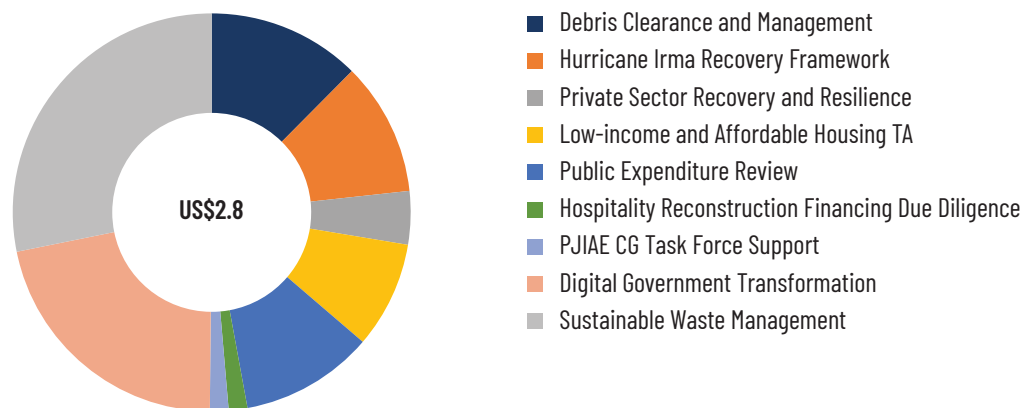


Disbursement of Bank Executed Preparation/Implementation Support Activities



Bank-executed Preparation/Implementation Support funds are allotted to nineteen tasks. Total disbursements were \$5.2 million, of which \$3.0 million in the period January-December 2019, with a further \$645,146 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 36% of total expenditures for preparation and supervision.

Allocations for Bank Executed Advisory Services & Analytical Activities



Advisory Services and Analytical Activities - disbursements are not yet shown (will be available June 2020). In April 2018-December 2019, Bank-executed Advisory Services & Analytical Activities were allotted funding in nine grants: 1) Debris Clearance and Management (funding for environmental and fire-fighting 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 \$2.3 million, of which about 70% (\$1.6 million) was in January–December 2019, with a further \$511,450 in undisbursed commitments.

Table I: Disbursement as of December 2018 in USD

	Reporting period ended December 31, 2018 (USD)
Funds Committed by Government of the Netherlands (up to)	\$536,700,600
Funds Received from Government of the Netherlands	\$305,727,000
Investment Income	\$10,647,595
Admin Fee	\$3,831,000
Total Disbursements	\$42,317,309
Operational (RETF and BETF)	\$39,545,413
Non-Operational (PM&A)	\$2,771,896
Total Commitments <i>(amounts committed for planned expense but not yet disbursed)</i>	\$96,878,156
Operational (RETF and BETF)	\$96,806,213
Non-Operational (PM&A)	\$71,943
Funds Available for Disbursement/Allocation of Confirmed Activities	\$173,348,130
Funds Outstanding from Government of the Netherlands (up to)	\$230,973,600

Table II: Summary of Disbursements for Activities in USD

Activity	Total budget allocated (USD)**	April 2018-December 2019 disbursements	April 2018-December 2019 commitments	Available balance*
Total	\$143,979,911	\$42,317,309	\$96,878,156	\$4,784,446
Recipient Executed Activities	\$127,700,000	\$32,050,383	\$95,649,617	
TFOA8079 Emergency Recovery I	\$55,200,000	\$11,461,611	\$43,738,389	
TFOA8176 Hospital Resiliency and Preparedness	\$25,000,000	\$492,174	\$24,507,826	
TFOA8176 Hospital Resiliency and Preparedness	\$25,000,000	\$2,843,834	\$22,156,166	
TFOA8265 Emergency Income Support and Training	\$22,500,000	\$14,100,938	\$8,399,062	
TFOA9261 Emergency Debris Management	\$25,000,000	\$3,644,000	\$21,356,000	
Bank Executed Activities	\$12,939,911	\$7,495,030	\$1,156,596	\$4,288,285
Advisory Services & Analytics	\$4,609,991	\$2,316,101	\$511,450	\$1,782,439
Preparation/ Implementation Support	\$8,329,920	\$5,178,928	\$645,146	\$2,505,846
Program Management & Administration	\$3,340,000	\$2,771,896	\$71,943	\$496,161

*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 Airport Terminal Rehabilitation (\$72M), or the Red Cross Roof Repair Projects (\$3.6M) as they were not yet accounted as effective as of December 31. These projects are listed as approved and their financing shown as committed in all other tables in this document.

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 Steering Committee composed of representatives of the Government of Sint Maarten, the Netherlands, and the World Bank. The Steering Committee decides on SXM TF 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:

- Sint Maarten - The Honorable Marcel Gumbs, Former Prime Minister
- The Netherlands - Mr. Frans Weekers, Executive Director for the Netherlands, European Bank for Reconstruction and Development
- The World Bank - Ms. Tahseen Sayed Khan, Country Director for the Caribbean

Furthermore, a Technical Working Group composed of technical staff of the three parties prepares the work of the Steering Committee 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 SXM TF Management can be found in the Trust Fund's Administration Arrangement.



SINT MAARTEN TRUST FUND



Government of the Netherlands



THE WORLD BANK