



ANNUAL REPORT

Sint Maarten

Reconstruction, Recovery, and Resilience Trust Fund

JAN 1 - DEC 31

2023



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WORLD BANK GROUP



Sint Maarten

Reconstruction, Recovery, and Resilience Trust Fund

ANNUAL REPORT

January 1 – December 31, 2023

Prepared by

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



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Acronyms

AF	Additional Financing	ESF	Emergency Support Function
ATRP	Airport Terminal Reconstruction Project	ESHS	Environment Social Health and Safety
BHS	Baggage Handling Systems	ESP	Enterprise Support Project
CBTP	Capacity Building and Technical Assistance Plan	ESIA	Environmental and Social Impact Assessment
CCRIF	Caribbean Catastrophe Disaster Risk Insurance Facility	ESMP	Environmental and Social Management Plan
CDEMA	Caribbean Disaster Emergency Management Agency	FM	Financial Management
CLB	Charles Leopold Bell School	FRLP	Fostering Resilient Learning Project
CoG	Court of Guardianship	GDP	Gross Domestic Product
COM	Council of Ministers	GEBE	SXM Utility Company
CPGs	Clinical Practice Guidelines	GRM	Grievance Redress Mechanism
CPPR	Country Portfolio Performance Review	GoSXM	Government of Sint Maarten
CRPP	Child Resilience and Protection Project	HEIS	Hands-on Implementation Support
CSOs	Civil Society Organizations	HRPP	Hospital Resilience and Preparedness Project
CSPFRP	Civil Society Partnership Facility for Resilience Project	ICT	Information and Communication Technology
CMU	Country Management Unit	IO	Interoperability
DBO	Design-Build-Operate	IMHSP	Improving Mental Health Services Project
DLT	Digital Leadership Team	ISNE	Inclusive Special Needs Education
DRF	Disaster Reserve Fund	ISR	Implementation Status and Results
EA	Enterprise Architecture	ISRS	Integrated Social Registry System
ECC	Education Care Center	L&D	Learning & Development
EDMP	Emergency Debris Management Project	LMS	Learning Management System
EDP	Emergency Disaster Preparedness Plan	LRP	Livelihood Restoration Plan
EGMA	Early Grade Mathematics Assessment	MCTA	Multi-Criteria Technical Assessment
EGRA	Early Grade Reading Assessment	MECYS	Ministry of Education, Culture, Youth and Sports
EOC	Emergency Operations Center	MHF	Mental Health Foundation
EP	Equipment Packages	MMIS	Ministry Management Information System
ERP I	Emergency Recovery Project I	MSMEs	Micro, Small, and Medium-sized Enterprises
ESF	Environmental and Social Framework	MSWDS	Municipal Solid Waste Disposal Sites
		MTR	Mid-Term Review

Acronyms

NCPP	National Child Protection Program	SML	Sister Marie Laurance School
NRPB	National Recovery Program Bureau	SMMC	Sint Maarten Medical Centre
NRRP	National Recovery and Resilience Plan	SOPs	Standard Operating Procedures
OHS	Occupational Health and Safety	SMWMP	Sint Maarten Wastewater Management Project
OR	Operating Room	SSBD	Self-service Bag Drop
PAPs	Project Affected Populations	SWM	Solid Waste Management
PCG	Partial Credit Guarantees	SXMDRF	Sint Maarten Disaster Risk Financing
PFI	Participating Financial Institutions	SXM TF	Sint Maarten Trust Fund
PJIA	Princess Juliana International Airport	SZV	Social and Health Insurance
PJIAE	Princess Juliana International Airport Operating Company N.V.	TA	Technical Assistance
PIUs	Project Implementation Units	TEATT	Ministry of Tourism, Economic Affairs, Transport and Telecommunications
PDO	Project Development Objectives	TOR	Terms of Reference
PDOIs	Project Development Objective Indicators	TWG	Technical Working Group
POC	Project Oversight Committee	UNICEF NL	UNICEF The Netherlands
POM	Project Operational Manual	VNGI	VNG International (International Cooperation Agency of the Association of Netherlands Municipalities)
PPG	Project Preparation Grant	VROMI	Ministry of Public Housing, Spatial Planning, Environment, and Infrastructure
PPSP	Positive Parenting Support Program	VSA	Ministry of Public Health, Social Development, and Labor
PSC	Public Service Centre	WWTP	AT Illidge Road Wastewater Treatment Plant
RAI	Resettlement Area of Impact		
RAP	Resettlement Action Plan		
RFB	Request for Bids		
SAHP	Social and Affordable Housing Project		
SC	Steering Committee		
SBA	Small Business Academy		
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment		
SENA	Socioeconomic Needs Assessment		
SF	Strategic Framework		
SFH	Single-family Homes		
SMHDF	Sint Maarten Housing Development Foundation		



Foreword

The Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund (SXM TF) experienced a watershed moment this year. As the program passes the mid-point of its trajectory, the results of concerted investments over the past five years are now more visible. Sint Maarten is making positive strides, rebuilding better and recovering more resiliently. While this Annual Report focuses on the Trust Fund's achievements and progress in 2023, it attests to the tripartite's past efforts, strengthened relationships, and adaptability to evolving priorities.

The Trust Fund Steering Committee, with members representing Sint Maarten, the Netherlands, and the World Bank, has operated by consensus since the program's inception. The Steering Committee ensures projects are selected and implemented strategically to deliver value to the people of Sint Maarten. In 2023, we welcomed a new Sint Maarten representative, Mr. Ronald Halman, and extend our sincerest thanks to his predecessor, Mr. Marcel Gumbs, for his service. Mr Gumbs contributed exceptionally to the Trust Fund from its inception, advising the Committee about Sint Maarten's context and fostering buy-in at all levels of government. We wish him well in retirement.

We thank our partners and other stakeholders in Sint Maarten for their hard work and dedication in the last year and cumulatively since the Trust Fund began. Their efforts and cooperation led to the progress presented in this report. Beneficiaries' voices were not left out, as the report includes stories of resilience and hope for those whose livelihoods are changing, showcasing the indomitable spirit of the people of Sint Maarten.

The Steering Committee is proud of the work achieved up to this point and remains committed to ensuring that results are delivered on time and in line with a clear long-term vision for a resilient, always progressing Sint Maarten.

Lilia Burunciuc

Chair

Sint Maarten Trust Fund Steering Committee



Executive Summary

The 2024 Annual Report presents the results, activities, and unaudited financial data of the Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund from January 1 to December 31, 2023, the fifth year of program implementation. The Trust Fund Program supports Sint Maarten's reconstruction, recovery, and longer-term development priorities to strengthen its resilience to disasters based on building back better and sustainability principles. The Program comprises the following components:

- **Component 1:** Strengthening the institutional framework and operational capacity for recovery, reconstruction, and mainstreaming investment resilience.
- **Component 2:** Program management and administration activities.
- **Component 3:** Project implementation support.
- **Component 4:** Implementation of a recovery, reconstruction, and resilience program

The Trust Fund evolved further as it marked its program cycle mid-point in 2023. The year started with ten active recipient-executed projects valued at US\$419.98 million, one closed project (Red Cross Roof Repair), and three pipeline projects under preparation. As of December 31, 2023, although the portfolio retained same number of active recipient-executed projects, their composition and the total commitment volume changed. The Program welcomed the Improving Mental Health Services Project (US\$10 million) in July and closed the Emergency Income Support and Training Project (US\$22.5 million) on schedule in August, keeping the number of projects stable. Injecting US\$7 million in additional financing to the Hospital Resiliency and Preparedness Project in August 2023 raised the total funds committed to recipient-executed activities in the Program to US\$443.3 million at the end of last year. To date, 12 projects have received trust fund grants, of which two have closed. The Wastewater Management and Social and Affordable Housing Projects still being prepared are expected to be approved in 2024.

In 2023, the improved institutional framework and operational capacity for implementing the Program objectives became more evident. Several projects achieved notable results in the areas documented in the new results snapshot section. These achievements portray the planning and execution efforts of implementation partners and the Program's benefits to the people of Sint Maarten over the past five years. In 2024, GoSXM and the World Bank plan to initiate a new project supporting institutional strengthening of Sint Maarten's leading Project Implementation partner – the National Recovery Program Bureau – and selected public sector stakeholders.

Project implementation support, program management, and administration activities also ramped up in 2023. A highlight includes the country portfolio performance review (CPPR) with the World Bank and implementation partners in March 2023. As intended, the CPPR assessed progress, identified pressing implementation challenges, reviewed the continued impacts of the global macro-financial situation, and determined potential areas for program improvement and project outcome strengthening. Notably, the CPPR included the following learning sessions to enhance client and task team capacity – Using the Theory of Change to Enhance Implementation Results; Understanding and Managing Operational Risk; Accelerating Project Communications and Media Presence; Preventing Fraud – System Strengthening Tips; and (v) Geo-Enabling Monitoring and Evaluation System.

Support for the Trust Fund’s enabling environment increased in 2024, as the World Bank formally opened its office in the Central Bank of Curacao and Sint Maarten building as planned. The new location offers the program secretariat the opportunity to have “boots on the ground” for the Trust Fund’s remaining timeframe. This approach will enhance the World Bank’s support for Sint Maarten’s capacity-strengthening effort, making available just-in-time expert advice and guidance. The World Bank will continue applying its standard implementation support mechanisms, such as in-country missions, as-needed technical engagements, and advisory activities. The program secretariat based in the country office will be available to support stakeholders and partners further.

In 2024, the SXM TF remains committed to the country’s reconstruction and recovery efforts and will pay greater attention to fostering the long-term sustainability of TF investments beyond the Program’s lifecycle. Priorities include the following:

Accelerating Essential Pipeline Delivery and Portfolio Implementation: Completely delivering the outstanding pipeline projects, moving the TF Program into implementation mode, and closing projects ending in 2024 on schedule.

Strengthening Public Sector Engagement: Establishing a partnership and dialogue platform with other international development partners to support public sector capacity in engendering sustainability and long-term resilience of Program investments.

Enhancing TF Results Orientation and Stakeholder Engagement: Continue focusing on results orientation for SXM TF projects. The first Results Fair planned as part of the CPPR in March 2024 will allow implementation partners and project beneficiaries to tell their stories of results and impact. The TF’s [Results Storybook](#) will continue featuring beneficiaries’ voices of positive change enabled by the TF. Introducing the Geo-enabled Monitoring and Evaluation System tool will boost the ability of PIUs and project beneficiaries to visualize and share results.

Improving Governance and Enabling Environment: The updated SXM TF Strategic Framework will reflect evolved and emerging priorities until December 2028. The World Bank’s Sint Maarten country office will also facilitate a closer relationship with the client and stakeholders on the Island.

Sharing Lessons and Exchanging Knowledge: In 2024, the knowledge and learning activities will be more targeted and tailored to the needs defined by the PIUs and relevant ministries. The partnership platform will also allow cross-fertilization of lessons from International Agencies in Sint Maarten and aid knowledge exchange with the TF PIUs and GoSXM partners.

This report follows the outline established in the 2022 version, with some slight adjustments. The six sections broadly reflect the TF Program components outlined above. The first section introduces the country context, macroeconomic developments for the year, program structure, strategy, and implementation structure; the second section describes project results and implementation progress, including the 2023 portfolio status, the achievements and issues of active projects, progress on pipeline projects, and results of Bank-executed technical assistance; the third section covers program management and administration work in 2023; the fourth section presents cross-cutting implementation risks and mitigating measures; the fifth section describes the outreach and communications activities in 2023, and; the final section details proposed priorities in 2023. Appendices include more information about the Program's strategy and overall financial and operational performance.



Results Snapshot

Improved service delivery and quality

- > The Hospital Resilience & Preparedness Project (HRPP) maintained a 91 percent rate for reducing overseas medical referrals and continues strengthening its operating practices and procedures. SMMC also opened a [new vascular lab](#) and performed the [first shoulder replacement surgery](#) in 2023.
- > In November, Sint Maarten's Princess Juliana Airport opened its new [departure hall](#), reestablishing itself as the premiere airport hub for the northeastern Caribbean.
- > The Child Resilience and Protection Project (CRPP) progressed significantly in 2023, delivering initiatives on distress screening, psychosocial support, and child protection.



Strengthened public sector capacity and beneficiary capacity

- > The Emergency Income Support and Training Project (EISTP), which closed in August 2023, strengthened the social protection of vulnerable populations by designing and rolling out the Integrated Social Registry System. The Ministry of VSAs concerted efforts enabled the upload of 46 percent of the targeted 1,000 records after the project closed, and VSA is committed to achieving the target by June 2024.
- > The Civil Society Partnership Facility for Resilience Project (CSPFRP/R4CR) is building the capacity of CSOs that are prospective grant implementers through training and skills development activities. By December 31, 2023, 88.09 percent of CSOs reported improved capacity for management and implementation, representing 85 percent of the targeted 10,000.



Enhanced knowledge management, learning, and development

- > As of December 2023, HRPP-supported training programs benefitted 301 participants, an increase of 177 participants since 2022. The Sint Maarten Medical Center (SMMC) is also enhancing its Talent Learning Management System and facilitating a continuous learning culture through its recognition and reward programs. Its roadmap includes a Learning and Development Master Plan and training calendar with clinical guidelines and key performance indicators (KPIs) to monitor progress.



Amplified beneficiary voices and feedback loops

- > In 2023, the SXM TF increased visibility and amplified beneficiaries' voices within the Sint Maarten community and local media.
- > HRPP supported SMMC to track patient feedback, which helped the Hospital take necessary actions to improve patient satisfaction in 2023.



Increased inclusiveness

- > R4CR promoted the inclusiveness of new CSOs and female beneficiaries. For example, the project has cumulatively benefitted 8,507 Sint Maarteners, of which 4,678 are female. The achievement in 2023 outperformed the 2022 results of 2,483 Sint Maarteners, of which 1,336 were female.
- > In addition, R4CR further contributed to inclusiveness through its beneficiary, the Sint Maarten Yacht Club, which unveiled its "Sailability" program in August 2023. This program is the first of its kind supported by the Trust Fund to purchase a specialized accessible sailboat designed for people with disabilities who want to learn to sail.



Improved sustainability and resilience integrated into project design

- > In December, another R4CR grantee, the Nature Foundation, opened the [Great Salt Pond Birding Platform](#), aiming to merge eco-tourism and conservation.
- > Similarly, the designs of projects under preparation in 2023 were designed to incorporate sustainability and resilience measures in areas such as energy and water efficiency, waste management, and climate resilience, among others.
- > Sustainability and Resilience Initiative: The World Bank initiated the Initiative's Assessment and Plan in 2023, following the Mid-Term Review findings. The report's main recommendations centered on establishing innovative approaches to strengthen the stakeholders' capacity to sustain the TF's benefits and achievements beyond the Program's lifecycle.



Strengthened Emergency and Disaster Preparedness (EDP)

- > SMMC improved and surpassed its EDP targets in 2023, ensuring that staff can respond speedily if a natural disaster occurs.
- > EISTP's legacy includes a blueprint for future response in supporting people who entirely or partially lose their income source because of a disaster. EISTP helped at least 1,960 people affected by the hurricanes to weather the shock, exceeding the targeted 1150 beneficiaries.
- > CSPFRP is enabling the disaster preparedness of Sint Maarten CSOs by developing their capacity to manage and implement reconstruction and resilience sub-projects.



Increased learning and capacity among PIUs

> Strengthened implementation capacity among PIUs is evident:

- VNGI's strengthened capacity came through in the fast-tracked 2022 MTR recommendations. For example, the organization mainstreamed beneficiary assessments into the six-monthly progress reports and completed two assessment rounds. The PIU disbursed CSO received grants within one month of receiving their request and resolved grievances within three months after formally registering them.

> Enhanced PIU capacity to mitigate Environmental and Social risks:

- Through the SXM TF, the World Bank has supported Sint Maarten PIUs to mitigate adverse environmental and social impacts associated with project activities and promote the portfolio's overall environmental sustainability and social inclusion.
- PIUs successfully established adequate occupational health and safety (OHS) measures across the portfolio and managed the few incidents experienced in 2023, putting in place satisfactory corrective measures.

- All projects have a grievance redress mechanism (GRM) in place and respond to grievances through the established process.
- The World Bank conducted at least five E&S capacity development activities in 2023 to promote environmental sustainability and social inclusion in SXM TF operations.





01

Introduction and Context



This report presents the results, activities, and unaudited financial data of the SXM TF from January 1 to December 31, 2023. The Sint Maarten Trust Fund Program Secretariat, overseen by the World Bank, produces an annual report and a semiannual report each July¹, as outlined in the Administration Arrangements² signed with the government of the Netherlands, the Donor. Data are as of December 31, 2023, unless indicated otherwise.

Country Context

Sint Maarten is a constituent country of the Kingdom of the Netherlands in the Caribbean. The country occupies the southern half of an island shared with the French overseas collectivity of Saint Martin. Spurred by economic development, the country's population (estimated at 41,177 in 2019) has steadily increased over the past several decades, making Sint Maarten one of the most densely populated countries in the Caribbean.

Sint Maarten is highly vulnerable to natural disasters and adverse climatic events due to its location within the hurricane belt. In addition to high winds, rainfall, and flooding as the principal risk factors, the country is also vulnerable to earthquakes. Coastal areas are exposed to flood risk from the rising sea level, storm surges, and potential tsunamis. Increased urbanization, climate change, and limited capacity in the country to build resilience add to its vulnerability to natural hazards.

For the past six decades, strong winds and hurricanes have repeatedly hit Sint Maarten. Due to the small size of the country, a single storm could impact the entire population directly. The World Bank estimated damages and losses related to Hurricane Irma at US\$1.38 billion and US\$1.35 billion (about 129 and 126 percent of the Gross Domestic Product (GDP), respectively), affecting 90 percent of all infrastructure and large parts of the natural environment.

Sint Maarten is economically dependent on tourism. Restaurants, hotels, and other tourism-related sectors account for about 45 percent of the country's GDP. Tourism accounts for 73 percent of foreign exchange income, creating employment for approximately one-third of the employed population. Sint Maarten primarily caters to cruise tourists, with the island's only deep-water port in Philipsburg, and about 80 percent of visitors to the island are short-stay cruise tourists.

Macroeconomic Developments in 2023³

Sint Maarten continues to recover from debilitating hurricane shocks in 2017 and 2018 and the COVID-19 pandemic that affected the global economy in 2020. GDP rose to pre-COVID levels in 2022, with real GDP growing by 10 percent, exceeding projections due to higher stay-over tourism and lower inflation. However, GDP is unlikely to match pre-hurricane levels until 2025. GDP is expected to slow by 3 percent in 2023, with elevated inflation before normalizing.

Although the country recovered its tourist arrival volume faster than all other Caribbean countries, with current outcomes above the pre-pandemic levels, attaining the pre-hurricane levels of 2017 is still elusive. With post-pandemic recovery growth largely accomplished, activity is expected to encounter more significant supply constraints in the future, including hotel room inventory and airport reconstruction.

1 The World Bank's fiscal year ends on June 30.

2 Trust Fund Legal Agreement.

3 IMF Executive Board Concludes 2023 Article IV Consultation Discussions with the Kingdom of the Netherlands–Curaçao and Sint Maarten July 28, 2023.

Fiscal policy is expected to remain generally tight over the forecast period, in line with the golden rule fiscal regime, and to put debt on a favorable downward path. With fiscal deficits in check, policies should focus on reversing earlier compression of high-quality expenditures. The rate of debt reduction anticipated in projections is appropriate for a hurricane-exposed economy in a non-hurricane year.

Building public investment capacity is a key priority. Sint Maarten marked essential steps in building public investment management capacity this year, but substantial work remains to ensure this capacity can be nurtured, expanded, institutionalized, and maintained. Planned capacity development should help establish a roadmap to building effective institutions.

Streamlining procedures and reducing the costs of doing business could help elevate Sint Maarten's growth. Long known as a business-friendly environment, the private sector has recently pointed to slow processing times for licenses, permits, and tax payments as a constraint on growth. Ensuring end-to-end steps in e-governance would further enable the business environment, while interagency cooperation and greater transparency would bolster confidence and promote growth.



Program at-a-glance

Strategy

After Hurricane Irma hit Sint Maarten on September 6, 2017, the government of the Netherlands stepped in to support the Sint Maarten government by providing funds of up to €470 million to alleviate the disaster's devastating effects. The Netherlands requested the World Bank's assistance to establish the Sint Maarten Trust Fund because of the Institution's longstanding reputation and global experience, including during situations of urgent need like Sint Maarten faced after the hurricane. The World Bank used its "Trust Fund" mechanism to establish the Reconstruction, Recovery, and Resilience Program. Trust Funds are financing arrangements enabling grants received from single or multiple donors to implement global, regional, or country-based development activities.

The government of the Netherlands and the World Bank, as Fund Trustee, signed the Trust Fund's Administration Agreement on April 16, 2018. The Administration Agreement outlines the fund management modalities, the instruments for implementing activities, fund governance and responsibilities of stakeholders, program monitoring, reporting and communication expectations, eligible uses of the funds, and the program's closing date. The Administration Agreement initially indicated a closing date of December 30, 2025. However, the Netherlands and World Bank amended the Agreement in September 2022 and extended the program's closing date to December 31, 2028, considering the delays in starting project activities and the global shutdown caused by the COVID-19 pandemic.

The Administration Agreement stipulated the following governance and trustee arrangements to support the Trust Fund program:

- i. **Trust Fund Steering Committee.** The Steering Committee is a tripartite leadership and accountability mechanism comprising a representative of the Sint Maarten government, a representative of the government of the Netherlands, and a representative of the World Bank, who also chairs the Committee. The Steering Committee allocates Trust Fund resources to activities and decides by consensus.
- ii. **Trust Fund Program Secretariat.** The Program Secretariat implements the World Bank's trustee, coordination, and management role. The Secretariat team is part of the Caribbean Country Management Unit within the World Bank's Latin America and Caribbean regional vice-presidential unit.

Strategic Context

In 2018, the Sint Maarten government collaborated with the World Bank to prepare the comprehensive National Recovery and Resilience Plan (NRRP)⁴, the government's strategic foundation for the Trust Fund program's priorities. In addition, in August 2019, the Steering Committee endorsed the Sint Maarten Trust Fund Strategic Framework 2019 – 2025 prepared by the Program Secretariat. The Strategic Framework focuses more concretely on the following three priority areas addressing the post-disaster recovery needs and selected medium-term challenges for Sint Maarten's sustainable resilience and prosperity (Figure 1.1):

- 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.

⁴ Appendix A includes details about the NRRP's framework.

The NRRP's guiding principles are aligned with the guiding principles set out by the Netherlands regarding the execution of this trust fund (Figure 1.2). It provides a framework for emergency projects prioritized by the government of Sint Maarten (GoSXM) and the government of the Netherlands, with technical guidance from the World Bank.

Figure 1.1: NRRP Objectives and Focus Areas

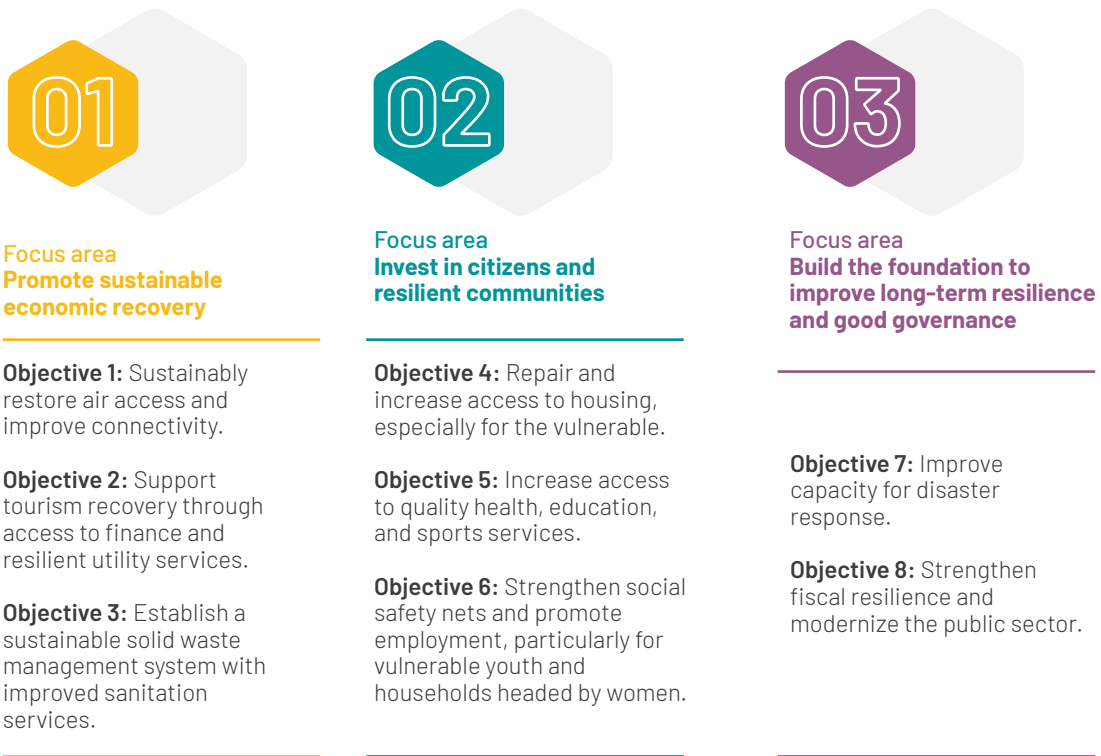


Figure 1.2: Alignment of NRRP Focus Areas with TF Projects Under Implementation



Implementation Structure

Financing instruments: The Trust Fund is implemented through Recipient-executed (RE) and Bank-Executed (BE) activities. The government of Sint Maarten, through its designated implementation agencies, implements Recipient-executed (RE) projects that comprise most activities. The World Bank provides additional technical assistance (TA) or advisory activities to support the government of Sint Maarten through BE activities. The World Bank directly executes BE activities like hands-on implementation support (HEIS), analytical and knowledge work, and project preparation and implementation advice. In addition, where appropriate and feasible, the government of the Netherlands and the World Bank jointly provide further complementary technical assistance and expertise to the SXM TF program.

⁵ Considered as still under implementation in 2023.

⁶ Approved and effective in 2023.

Implementation arrangements: The five Project Implementation Units (PIUs) responsible for implementing or managing SXM TF projects comprise:

- i. National Recovery Program Bureau (NRPB)
- ii. Princess Juliana International Airport Operating Company N.V. (PJIAE)
- iii. Sint Maarten Medical Center (SMMC)
- iv. UNICEF Netherlands (UNICEF NL), and
- v. VNG International (VNGI).

Technical partnership: A Technical Working Group (TWG) supports and reviews resources and information for the Steering Committee meetings. The World Bank's Program Secretariat coordinates the TWG, involving selected Netherlands Ministry of Interior and Kingdom Relations (BZK) staff, the National Recovery Program Bureau (NRPB) directors and program managers, and the World Bank country management unit.

Details are included in [Appendix A](#).



02

Project Results & Implementation Progress



2023 Portfolio Status

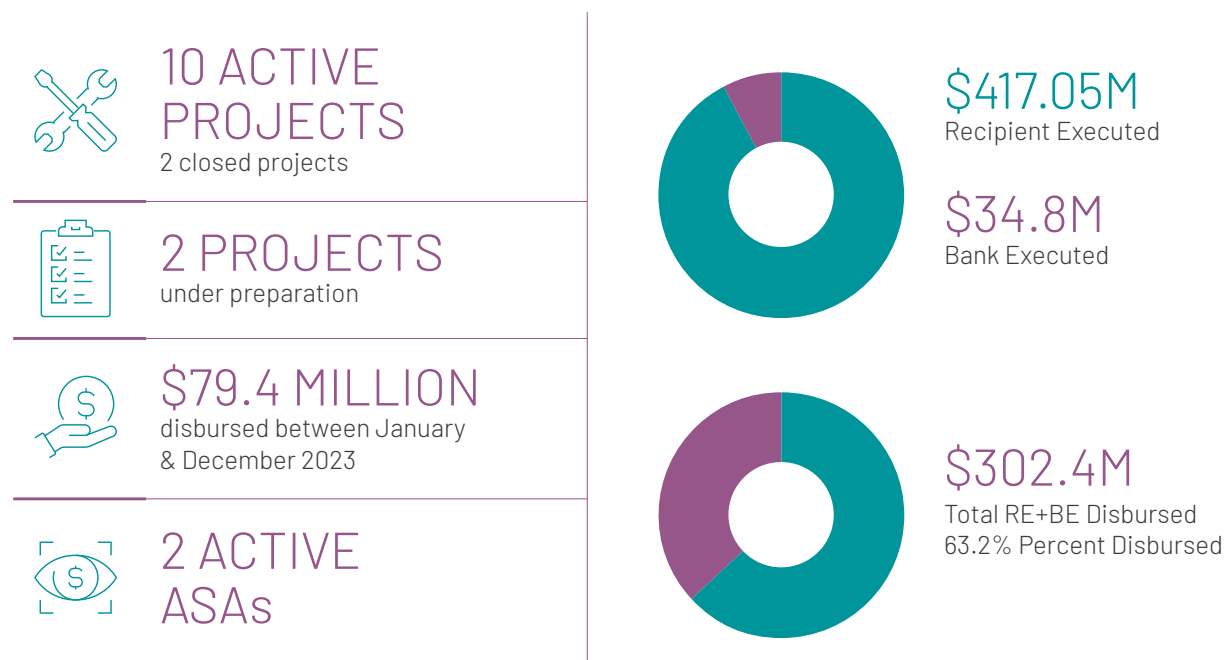
The Trust Fund portfolio volume remained stable in 2023. The government of the Netherlands, the Donor, transferred a total of €445.15 million (US\$519.42 million) as of December 31, 2022, and did not make any additional transfers in 2023. So far, the World Bank received funds from the Donor in five separate tranches and expects no further transfers until the program closes.

In December 2023, the portfolio maintained ten Recipient-executed (RE) projects under implementation. The World Bank approved a new project, the Improving Mental Health Services Project (IMHSP), approved additional financing of US\$26.5 million for two active projects, and closed the Emergency Income and Training Support Project (EISTP). Ongoing Bank Executed (BE) advisory service and analytical (ASA) activities also performed satisfactorily.

Disbursement performed above expectations, well above the 2022 level. The program disbursed US\$79.4 million between January and December 2023, compared to US\$51.70 million in 2022.

Figure 2.1 summarizes the portfolio status as of the end of 2023.

Figure 2.1: Portfolio Status

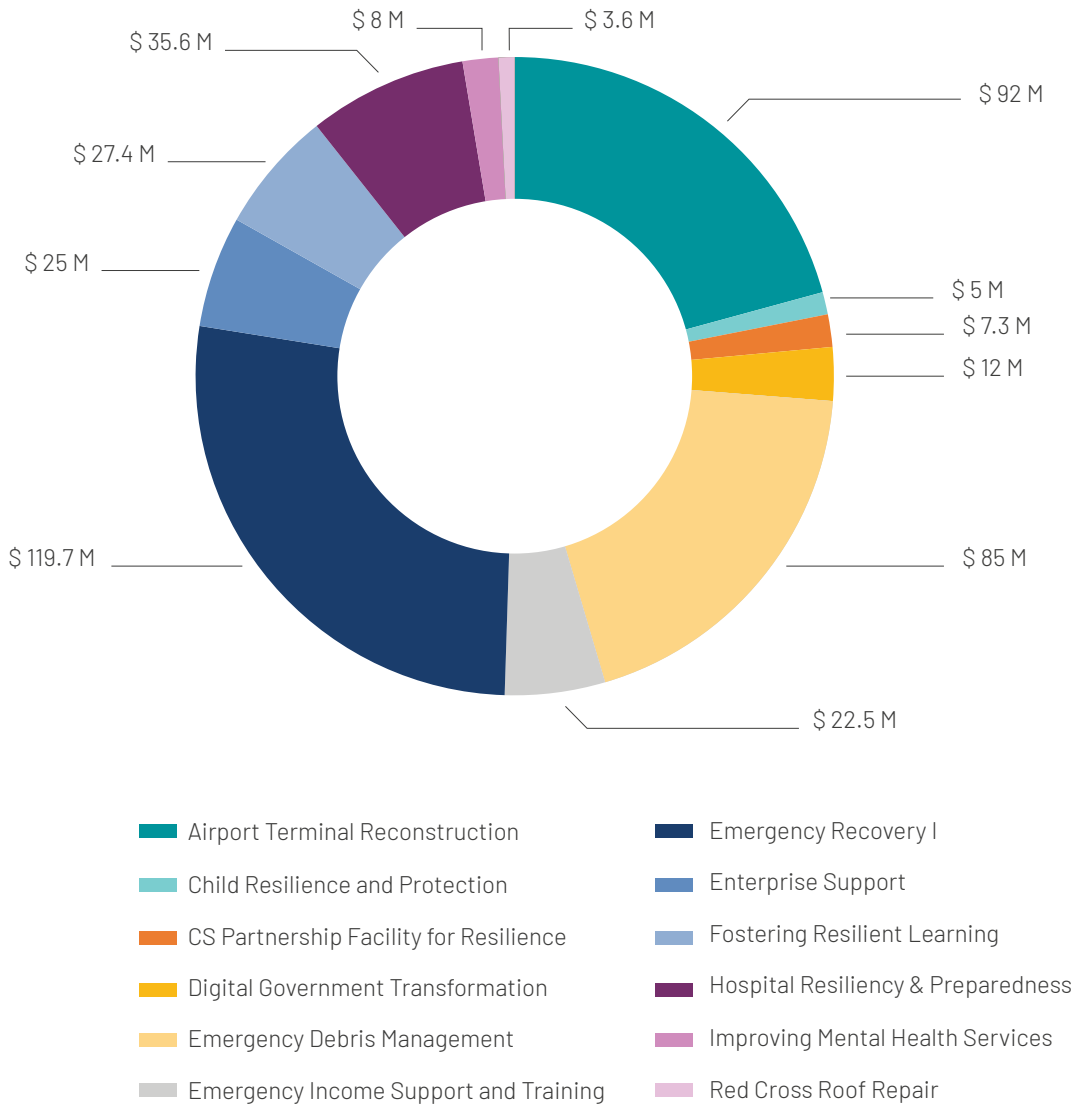


Recipient-Executed Activity Status: The ten ongoing projects disbursed over 60 percent (US\$271.3 million) of US\$417.05 million program commitments remaining at the end of 2023. EISTP, which closed in August 2023, disbursed US\$21.9 million of US\$22.5 million committed to the project, reducing the overall program commitment from 20227. Figure 2.2 illustrates the RE allocation distribution, including the Red Cross Roof Repair Project completed in December 2020.

7 RE grant commitment was US\$449.46 million as of December 2022.

Two projects received increased support to address rising input costs. The Emergency Recovery Project I (ERP-1) and the Hospital Resiliency and Preparedness Project (HRPP) received second AFs of US\$19.5 million in May 2023 and US\$7 million in August 2023, respectively. In addition, the program continued preparing two new projects: the Wastewater Management Project (US\$10 million) and the Social and Affordable Housing Project (US\$20 million), which support the Strategic Framework objectives of promoting sustainable economic growth and investing in citizens and resilient growth when approved.

Figure 2.2: Allocation to Recipient-Executed Activities by Projects (\$, million)⁸



⁸ There are 12 projects; 10 active and 2 closed with 21 grants totalling US\$443.3 million (including preparation grants)

Bank-Executed Activity Status: As of December 2023, US\$31.09 million of the \$34.8 million allocated for BE activities has been disbursed for project implementation support, preparation processes, and program administration.



Projects under implementation

FOCUS AREA 1: Promote Sustainable Economic Recovery

Airport Terminal Reconstruction Project

Financing	Approval Date	Closing Date	2023 Disbursement
US\$92 million			
TF0B0760: US\$72 million	September 18, 2019	December 31, 2023	US\$28.29 million
TF0B7571: US\$20 million	December 17, 2021	June 30, 2025	

Development Outcomes

The Airport Terminal Reconstruction Project (ATRP) contributes to restoring the passenger capacity of PJIA to pre-Hurricane Irma levels with improved resilience toward hurricanes. The ATRP is part of a more extensive PJIAE reconstruction program, financing the reconstruction (Package 2 or P2) and reequipment (Equipment Packages or EPs) of the passenger terminal, improving the building's resilience against natural disasters, capacity building, and project management. It also supports the operational expenditure of PJIAE in case of major external shocks during the reconstruction period. The project leveraged an additional US\$50 million from the European Investment Bank and US\$7 million from the airport operating company to reconstruct the terminal. As intended, the project closing date was extended to June 30, 2025, following the approval of the World Bank and the government of Sint Maarten in July 2023.

At the end of 2023, PJIA successfully commissioned a substantial portion of the Departure Hall and a Temporary Arrivals Facility. The effect of the partial reopening will reflect on the development indicators in time, as the project is on track to achieve its respective targets of 2.5 million pre-Irma passenger capacity level and a more resilient terminal when the P2 and EPs are completed in Q2 2024.

PJIA, the main international airport and an important regional hub serving Sint Maarten (Dutch side), Saint Martin (French side), Saba, Sint Eustatius, and Saint Barthélemy, catered to 1.8 million passengers and 62,144 aircraft movements in 2016 before Hurricane Irma.

Development Objectives Indicators

Project Development Objective: To restore the passenger capacity of Princess Juliana International Airport to pre-Hurricane Irma levels with improved resilience toward hurricanes.

Indicators	Baseline (2019)	Target (2025)	2021	2022	2023
Restore to pre-Irma levels the passenger capacity of Princess Juliana International Airport	1 million	2.5 million	1 million	1 million	1 million
Improve resilience of the terminal against hurricanes	No	Yes	No	No	No

Specific Activities (by Project Component)

Component 1 – Reconstruction of the PJIA terminal facilities (US\$70.00 million, including US\$57 million co-financing⁹)

The reconstruction of the terminal building commenced on October 4, 2021, with planned completion by June 30, 2025. Works comprise terminal facility restoration and equipment reinstallation. Planned works include inter alia, passenger boarding bridges, entrance doors, drywall, furniture/counters, electrical and IT systems, baggage handling systems, security systems installations, and firefighting facilities. Passenger boarding bridges and entrance doors will be replaced for increased resilience to hurricanes. The mobilization and preparatory dismantling works are completed. The installation of permanent works and equipment are advanced. PJIAE completed the installation of all four passenger boarding bridges on May 30, 2023, commissioned the Temporary Arrivals Facility on October 11, 2023, and took over a substantial portion of the new Departure Hall and the Executive Offices on Levels 1 and 2 on November 15, 2023. In tandem, PJIAE handed over the old arrival hall, security screening, a portion of the B gates, and other spaces to the contractor and suppliers to commence dismantling works.

All seven EPs are now in place. The contracts for EP 1-5 were all signed in 2022.¹⁰ The contract for EP 6 (Hold Room Seating) was signed in February 2023 and the sub-lotted EP 7 (Furniture, Fixtures, and Equipment) contracts were signed and initiated from June to September 2023. EP 1 and EP 6 are completed along with six (out of nine) sub-lots under EP 7 and the progress of Eps 2, 3, 4, and 5 is well advanced for the planned commissioning of the new check-in hall in January 2024¹¹.

⁹ US\$50 million from the European Investment Bank and US\$7 million from PJIA.

¹⁰ The respective contracts for EP1 Passenger Boarding Bridges and EP2 Baggage Handling System were signed in April 2022. EP3 Security Screening Equipment, EP4 Self-Serve Baggage Drop System and EP5 Digital Signage Equipment were signed in July, August, and November 2022, respectively.

¹¹ PJIAE check-in hall was commissioned on schedule in January 2024 and is fully operational.

Component 2 – Capacity Building of and Project Management by PJIAE (US\$1.50 million)

The financing of project audits and select staff positions within the PMU covered by this component is on track without any issues.

Component 3 – Capacity Building of and Project Management by the government of Sint Maarten (US\$0.50 million)

Activities under this component are managed by the NRPB and are commencing in Q3 2024, according to the agreed-upon schedule. PJIAE, NRPB, and the World Bank are discussing the draft capacity building/training activities.

Component 4 – Support of PJIAE Operations (US\$21.00 million)

PJIAE informed the Bank that no further liquidity support will be submitted beyond the previously submitted OPEX support received in 2020 and 2021¹². This information assumes that the current recovery of passenger traffic continues, and no natural hazards or a new COVID-19 wave will materialize.

Component Performance Ratings¹³

Components	Status
Component 1: Reconstruction of the PJIA terminal facilities	Moderately Satisfactory
Component 2: Capacity building of and project management by PJIAE	Satisfactory
Component 3: Capacity Building of and project management by the government of Sint Maarten	Moderately Satisfactory
Component 4: Support of PJIAE Operations	Satisfactory

Disbursements and Expenses

To date, US\$65.14 million of the allocated US\$92 million has been disbursed (71 percent), compared to US\$36.90 million in 2022. As of December 31, 2023, total expenses were US\$56.08 million, compared to US\$24.90 million in 2022.

¹² OPEX support was verified and approved for Q2 2020 for US\$3.19 million, Q3 2020 for US\$2.74 million, Q4 2020 for US\$1.49 million, and Q1 2021 for US\$3.50 million (for a total of US\$10.90 million on a reimbursement basis).

¹³ See Appendix B for ratings scale

Issues & Plans

- Time extension and cost overrun in Package 2: The estimated seven months of additional time anticipated in 2022 has not changed and PJIAE remains optimistic about the ability of its positive financial position to cover the gap.
- Debris management: In January 2023 the contractor started using a new and agreed-upon location for storing only bulk, 'dry' waste arising from the project. The contractor began using the location for storage and processing (or Site 6) after the GoSXM approved the site conditionally on February 20, 2023. The sub-contractor completed the clean-up of the initial off-site location, which PJIAE inspected in April 2023.
- Phased takeover: On November 15, 2023, the new Departure Hall was operationalized as part of the planned Phase 1 takeover. A prioritized Snag List has since been generated for the contractor to address via the supervising engineer. More importantly, the lessons learned from the Phase 1 takeover informed the Phase 2 takeover of the check-in hall in January 2024, which has several new critical pieces of equipment and technologies, including the Bag Handling Service (BHS), Self-service bag drop (SSBD), and check-in kiosks. Given the new look, footprint, and technologies, the takeover has shifted from a one-off event to a transition where both the current and new check-in hall will be used concurrently until there is adequate confidence to fully transition into the new check-in hall.



Emergency Debris Management Project

Financing	Approval Date	Closing Date	2023 Disbursement
US\$85 million			
TF0A9261: US\$25 million	December 20, 2018	December 31, 2023	US\$1.39 million
TF0B9747: US\$60 million	January 26, 2023	December 31, 2026	US\$4.24 million

Development Outcomes

The Emergency Debris Management Project (EDMP) is designed to contribute to resilient recovery and reconstruction by improving Sint Maarten's capacity to manage debris from Hurricane Irma. The project anticipates improving waste compacting and daily landfill operation. It will also strengthen institutional capacity for solid waste management and support strategy development for the long-term management of the solid waste sector. Early project interventions significantly reduced open fires with negative health, safety, and environmental impacts on the surrounding communities. In 2021 and 2022, the project cleared up over 10 kilometers of Sint Maarten's shoreline and transported 139 shipwrecks from Simpson Bay Lagoon and Mullet Pond off the Island.

Furthering the work on Sint Maarten's landfill requires resettling the Project Affected People (PAPs) in the landfill's environs. Following the phased approach outlined in the Resettlement Action Plan (RAP), all PAPs have moved out of the resettlement area of impact (RAI) and were compensated by December 31, 2023, significantly improving the communities' health and safety. The technical assistance for solid waste management (SWM) reforms led by VNG International has been successfully completed, with the specific outputs described below.

The NRPB implements EDMP in collaboration with the Ministry of Public Housing, Spatial Planning, Environment, and Infrastructure (VROMI), the Ministry of Tourism, Economic Affairs, Transport and Telecommunication (TEATT), and the Ministry of Public Health, Social Development and Labor (VSA). VNG International provides additional technical assistance (TA), which is grant-funded by the Dutch government.

PDO Indicators

PDO: To manage debris from the hurricane and reconstruction activities to facilitate recovery and reduce risks.

Indicators	Baseline (2019)	Target (2026)	2021	2022	2023
Number of metal wrecks collected and processed (Number)	0	100	0	0	0
Simpson Bay area cleared from shipwrecks and shoreline debris (Hectare (Ha))	0	200	200	200	200
Debris and Waste Processing Facility Established (Yes/No)	No	Yes	No	No	No

Specific Activities (by Project Component)

Component 1 – Debris Clearance and Management (US\$75.20 million)

All 141 PAPs have signed legally binding compensation agreements and received their compensation packages since the resettlement activities started on September 26, 2022. With PAPs vacating all structures within the RAI by December 31, 2023, the GoSXM will establish security measures to prevent re-entry of unauthorized occupancy to the area, and NRPB started the procurement process for demolishing structures within the RAI. In addition, the NRPB's project team is reviewing feasible options in the housing market for in-kind compensation and updating the Livelihood Restoration Plan (LRP) for each RAP implementation phase. Relevant activities will be finalized with PAPs when the LRP is completed, and service providers are hired.

The GoSXM has reprioritized activities under the temporary debris storage and reduction site (TDSR). The two prioritized elements are the weighbridge installation and tire shredding for which procurement will start in January 2024. The car and metal wreck handling and artificial reefing activities will not continue.

Component 2 – Technical Assistance (US\$6.00 million)

As a major task for 2024, the tender of the MSWDS feasibility study was launched in August 2023. The activity aims to develop a detailed optimal design, building, and operation plan for the MSWDS. With additional financial support from the Dutch government, by December 31, 2023, VNGI successfully completed its TA for SWM sector reforms. Under this TA, a National Vision covering a broad vision for the waste management sector was completed in June 2023. These TA activities will be extended to 2024 for additional support to the GoSXM.

VNGI further updated the existing draft VROMI Ordinance, in accordance with the vision on waste and recommendations made by the Council of Advice. This Ordinance includes a chapter on waste management. VNGI further drafted the frameworks for a Waste Authority, including a financial framework highlighting revenues that should be utilized to finance the operations of the future Waste Authority. VNGI's final report

resulting from these efforts has been submitted for review and approval by the Council of Ministers (COM) in December 2023.

Component 3 – Project Management and Implementation Support (US\$3.80 million)

The former Strategic SWM Program Coordinator and the Contract Manager have been assigned to provide technical advisory and support RAP (including LRP) implementation, respectively. A new EDMP Project Manager joined the NRPB team in January 2024.

Component Performance Ratings¹⁴

Components	Status
Component1: Debris Clearance and Management	Moderately Unsatisfactory
Component 2: Technical Assistance	Moderately Unsatisfactory
Component 3: Project Management and Implementation Support	Moderately Unsatisfactory

Disbursements

In 2023, the project disbursed US\$5.63 million, compared to US\$5.5 million in 2022. The project has disbursed US\$24.89 million of the original US\$25 million grant financing (99 percent) and US\$4.24 million of the US\$60 million additional financing (7.00 percent) to date.

Issues & Plans

- **Resettlement:** With all PAPs physically relocated outside of the RAI, the demolition of remaining structures and provision of livelihood restoration activities to PAPs must be expedited. The NRPB is to finalize the LRP and source the competent service providers to ensure both activities are delivered in a timely manner.
- **Implementation delays:** Procurement for key activities such as the MSWDS feasibility study, tire shredding, and weighbridge installation is behind the original timeline due to supply factors. The feasibility study, the most important activity of the three, will inform landfill investments. The expected timeline for completion is not affected by the delay. The project has taken measures to conduct market research to identify potential bidders, increase market outreach, and fine-tune bidding documents where appropriate.
- **Institutional reforms:** Disbursing US\$40 million under the AF is contingent upon critical legal, financial, and institutional reforms that must be completed before certain MSWDS implementation milestones can be achieved. The AF's disbursement conditions will be completed once the GoSXM completes the necessary reform actions.

¹⁴ See Appendix B for definitions

Enterprise Support Project

Financing	Approval Date	Closing Date	2023 Disbursement
US\$25 million	April 4, 2019	June 30, 2028	US\$4.2 million

Development Outcomes

The Enterprise Support Project (ESP) contributes to improving access to finance for micro, small, and medium-sized enterprises (MSMEs) in Sint Maarten for economic recovery and business restoration. The NRPB implements the ESP in collaboration with four participating financial institutions (PFIs)¹⁵ in the private sector and is supported by the Ministries of TEATT and Finance.

Of the MSMEs that benefitted from the project in 2023, 31 are women-owned or managed, compared to 27 in 2022. Ninety-three of all MSMEs supported since the project started are owned or operated by women, representing 41 percent of the portfolio. Cumulatively, the MSMEs have received about US\$16 million of the US\$21 million planned, with women led MSMEs getting US\$5.5 million (65 percent of the earmarked amount for this category), compared to US\$3.80 million (29 percent) in 2022.

The project demonstrates satisfactory progress towards achieving its development objective of supporting micro, small, and medium-sized enterprise recovery and contributing to economic activity restoration. Implementation performance has also improved. As of December 31, 2023, ESP supported 226 MSMEs – 75 percent of 300 targeted beneficiaries – equivalent to 240 approved applications since the project's approval. Forty-one MSMEs received financing packages for assets, repairs, or working capital in the last six months.

¹⁵ Windward Islands Bank (WIB), Qredits, Banco de Caribe (BDC), and Ontwikkelingsbank van de Nederlandse Antillen N.V. (OBNA)

PDO Indicators

PDO: To strengthen the recovery of and increase resilience of existing and new micro, small, and medium-sized enterprises in Sint Maarten.

Indicators	Baseline (2019)	Target (2028)	2021	2022	2023
Cumulative number of MSMEs receiving packages for assets, repairs, or working capital (Number)	0	300	108	165	226
Cumulative number of women-owned or managed MSMEs receiving packages for assets, repairs, or working capital (Number)	0	120	42	62	93
Volume of grants and loans supported through the project over its lifetime (Amount, US\$ mill)	0	21	7.5	11.7	15.7
Volume of grants and loans supported through the project to women-owned or managed MSMEs over its lifetime (Amount, US\$ mill)	0	8.4	1.5	3.8	5.5

Specific Activities (by Project Component)

Component 1 – Direct financial support to MSMEs for investment and working capital (US\$21 million)

SMEs with approved grant-loan packages continued rising. 226 SMEs received support between January 2023 and December 2023, compared to 171 in 2022. The PIU team remains strong, works efficiently with the PFIs, and communicates effectively to process loan requests, using the streamlined application process. The project restructuring was completed in August 2023, which allowed for better targeting and focus on new micro and small enterprises, and a stronger focus on capacity building programs to further support MSMEs.

In 2023 ESP has delivered 22 percent of ‘micro’ loan facilities to enterprises above its 15 percent target. As of December 31, 2023, 54 applications contained asset and repair and working capital packages.

Component 2 – Study of financial solutions for improved disaster resilience (US\$0.0 million)

This component intended to explore instruments, markets, tools, and solutions to improve disaster resilience in Sint Maarten. However, the NRPB and World Bank have decided to cancel (as reflected in the last project restructuring) these activities as another World Bank Group Technical Assistance program is implementing similar disaster resilience interventions (Disaster Reserve Fund).

Component 3 – Training, project implementation, audit, and monitoring and evaluation (US\$4 million)

Expanding the PIU’s capacity and increasing the capabilities of the ESP team in 2023 enabled more guidance on high-risk applications. NRPB and PFIs applied due diligence on selected applications and improved risk identification and mitigation.

The project marked several key achievements, particularly in enhancing business skills and opportunities for applicants. The ESP training program launched in early 2022 continued successfully in 2023, boosting business skills among applicants from existing and new enterprises. These trainings focused on vital aspects of development and entrepreneurship in Sint Maarten, covering topics like business planning, entrepreneurship fundamentals, and financial literacy.

To gauge the program's effectiveness, the ESP, in collaboration with the NRPB's Monitoring and Evaluation Specialist, conducted pre- and post-training surveys. These surveys helped tailor future training sessions to better meet participants' needs.

Given the project's evolution, the PIU made significant changes to the Project Operational Manual (POM) in 2023. These changes aligned training with financial support, particularly for MSMEs, allowing newly trained MSMEs to qualify for higher grant components. Efforts in developing the MSME training program increased, including a focus group with past participants to refine the scope of the training program. Between October and December 2023, the PIU conducted a training program for two cycles, benefiting close to 30 new participants.

Additionally, the project continued its financial support for the Small Business Academy (SBA) hosted by Qredits. The SBA has trained over 157 participants to date, of which 116 have completed the training, showing a positive impact on MSME capacity.

Component Performance Ratings¹⁶

Components	Status
Component 1: Direct financial support to MSMEs for investment and working capital	Satisfactory
Component 2: Study of financial solutions for improved disaster resilience	Cancelled
Component 3: Lender training, project implementation, audit, and M&E	Satisfactory

Disbursements

In 2023, the project disbursed US\$4.2 million of the grant financing (17 percent), compared to US\$2.15 million in December 2022. About US\$15.7 million had been disbursed to MSMEs under Component 1 by the end of 2023. The project disbursed US\$17.3 million of the original US\$25 million to date.

Issues & Plans

- The NRPB and the World Bank extended the project's closing date as planned, allowing more beneficiaries to benefit from longer loan tenures, lower monthly repayments, and more affordable loans. This extension is particularly advantageous for new businesses, which comprise over 34 percent of the ESP portfolio.

¹⁶ See Appendix B for definitions.

- The project underwent significant restructuring, with total funds reduced from US\$35 million to US\$25 million, the financial solutions study dropped, result framework indicators revised, and funds reallocated across components.
- Beneficiary surveys and interviews indicate that ESP support has led to the creation and support of jobs. This will be a metric that will be included as a new indicator moving forward.
- Recognizing the need for extensive handholding for new, micro, and small MSMEs, the project will continue to provide training in financial management and business development services.
- The proportion of non-performing loans with at least 90-day overdue repayments stands at 4 percent in 2023, within the acceptable limit.
- The project plans to introduce a risk-sharing arrangement under the Asset & Repair product which should assist MSMEs in accessing capital and meeting the credit requirements by the PFIs. A pilot will be launched in January 2024¹⁷ and assessed before fine-tuning and decisions on next steps.
- ESP interventions are being aligned with government plans to ensure synergies and maximize impact. An example is the collaboration with TEATT, which has trained over 40 SMEs through its training program and facilitated their connection to financial institutions including the ESP. As an outcome of this training program, Sint Maarten Entrepreneurship Development Center (SEDC) has been developed to further provide training and other entrepreneurial support.
- In the upcoming year, ESP will further explore other anticipated initiatives that could play a crucial role in building resilience and sustainable development within the financial sector.
- Focusing on technical assistance for Partial Credit Guarantee (PCG) for managing credit risk and reducing collateral requirements can mitigate the impact of pandemics like COVID-19 on MSMEs. While the project team will follow up on initiatives by SEO Amsterdam Economics in collaboration with the government, the issue is not directly related to the project and requires a sectoral approach.
- Addressing the lack of formal regulations for credit data collection in Sint Maarten remains crucial, as the current system of informal credit checks is inefficient and incomplete. While the project team cannot directly address this challenge, it will monitor developments and advocate for appropriate policy measures.



17 The pilot was launched in at the end of January 2024 as scheduled.



FOCUS AREA 2: Invest in Citizens and Resilient Communities

Hospital Resiliency & Preparedness Project

Financing	Approval Date	Closing Date	2023 Disbursement
US\$28.61 million			
TF0A8176: US\$25 million	August 16, 2018	May 31, 2025	US\$1.51 million
TF0B3788: US\$3.61 million	August 26, 2020	July 31, 2024	
TF0C2387: US\$7 million	August 22, 2023	May 31, 2025	

Development Outcomes

The Hospital Resilience & Preparedness Project (HRPP), implemented by the SMMC, aims to increase access to quality health by enhancing the preparedness and capacity of hospital services in Sint Maarten. The project continued on track with all three PDO indicators, sustaining the likelihood of achieving the PDO satisfactorily.¹⁸ Implementation progress also remains satisfactory, with the 11 intermediate outcome indicators reporting substantial results.

The Hospital Resilience & Preparedness Project successfully surpassed its 45 percent target of reducing overseas medical referrals in 2022 and has maintained a 91 percent rate, ensuring that more patients can get complete healthcare in Sint Maarten.

¹⁸ Two of three objectives have surpassed the target indicators.

The first PDO indicator on reducing overseas medical referrals surpassed the 45 percent target in 2022 and has maintained the 91 percent rate. The second PDO indicator focuses on implementing the Emergency Disaster Preparedness Plan (EDP) and Evacuation Plan according to procedures. The Facilities Department held the first fire drill following the COVID-19 pandemic on April 5, 2023. Maintenance, Facilities, and Patient Care staff participated in the island-wide Hurricane Exercise (HURREX) drill on hurricane preparedness from May 1 to 9, 2023. Annual fire drills are expected to resume in 2024.

Regarding the third PDO indicator, SMMC finalized the Technical Audit tool to assess the implementation of the clinical practice guidelines (CPGs) and quality control mechanisms in 2022. During 2023, SMMC achieved the target of adding 10 new CPGs to the database, bringing the total to 39 CPGs, of which five have now been audited (compared to two in December 2022). SMMC's next audit of the CPGs is scheduled for the end of March/beginning of April 2024. SMMC is committed to working with the external auditor to produce a quality report with actionable recommendations.

Development Objectives Indicators

PDO: Improve preparedness and capacity of hospital services in Sint Maarten					
Indicators	Baseline (2018)	Target (2025)	2021	2022	2023
Overseas medical referrals reduced (Percentage)	0	45	93	91	91
Emergency Disaster Preparedness Plan and Evacuation Plan implemented according to procedures (Percentage)	60	90	75	81	92
Technical audits to evaluate quality and preparedness of service delivery rated satisfactory (Percentage)	0	90	0	0	40

Specific Activities (by Project Component)

Component 1 – Building and launching of the new hospital (US\$24 million)

Tropical Storm Philippe (October 3, 2023), the impacts of Category 1 Hurricane Tammy (October 21, 2023), and mudslides on the slope behind the Technical Building 1 (now stabilized) resulted in some construction delays, but the preliminary design for the new hospital is completed and the final design is expected in April 2024. Select activities are being fast-tracked to ensure their completion once the final design is in place, including the installation of water tanks; a rainwater tank; formworks and rebar for Technical Building 1; and 30 of the 108 seismic base isolators, which will allow the building to safely shift 35-40 cm to follow the ground as it shakes during an earthquake. In November 2023, a second self-erecting crane was introduced to the site, which allows for quicker disassembly and more flexibility if hurricanes occur.

Component 2 – Transition and contingency plan for SMMC (US\$11.085 million)

SMMC completed all essential upgrades to the existing facility included in its transition and contingency plan, compared to 90 percent at the end of 2022. Recently, a second provider installed additional fiber optic

cable in February 2023, and SMMC renovated the Operating Room (OR) in June 2023. After completing these final essential upgrades, SMMC now has four operating rooms, positioning it to expand its medical services, provide quality care close to home, and further reduce medical referrals overseas.

HRPP continued to make substantial impact on learning and development. SMMC's new Learning and Development Project Manager was onboarded on September 1, 2023, and a gap analysis for training is underway. As of December 2023, HRPP supported training programs that benefitted 301 participants, reflecting an increase of 177 participants since 2022. SMMC plans to migrate all online and in-person training programs to its Talent Learning Management System to better disaggregate training participants. Additionally, Recognition and reward programs will ensure a continuous learning culture is established. Furthermore, tracking patient feedback helped in taking necessary actions to improve patient satisfaction in 2023.

Component Performance Ratings¹⁹

Components	Status
Component 1: Building and launching of the new hospital	Satisfactory
Component 2: Transition and contingency plan for SMMC	Satisfactory
Component 3: Project management	Satisfactory

Disbursements

Reposting disbursements from the original grant to the first additional financing resulted in a decrease from December 2022 value. Consequently, US\$22.70 million of the original US\$25 million grant financing (91 percent) has been disbursed as of December 2023, and all US\$3.61 million from the second grant (dedicated to essential upgrades under Component 2) have been fully utilized. The project's third grant of US\$7 million, approved to help cover an overrun in the hospital design, build, and maintain contract, was effective in December 2023 and is expected to be fully depleted in 2024.

Issues & Plans

- An amendment to the hospital turnkey contract was signed in February 2023. After a year of negotiations and following significant market disruptions (COVID-19, War in Ukraine, worldwide inflation, no availability of shipping containers, etc.), resulting in extraordinary increases in prices of construction materials and shipping, a Settlement for the Design and Build Contract (the 4th Amendment to the Construction Contract) with the contractor was signed by the end of February 2023.
- Technical audits to evaluate the use of CPGs (activity related to the PDO indicator). A Clinical Guidelines Auditor (financed by the grant) was appointed by SMMC in August 2023 to support the technical audit process. SMMC expects to conduct another round of technical audits in 2024.

¹⁹ See Appendix B for definitions

- Fire and hurricane drills, delayed due to COVID-19 social distancing and protocols and the need to complete staff training on the fire alarm detection system, were re-introduced in 2023. Hospital floor plans in the Hurricane Preparedness Plan require adjustments due to ongoing expansion efforts and will be updated.
- The three remaining upgrades under the transition and contingency plan and the end of their maintenance period were completed by the end of 2023. The essential upgrades completed are the following: (i) medical gas distribution system; (ii) operating room renovation; and (iii) fiber optic cable upgrade (co-financed by the grant).
- SMMC continued its multi-pronged approach to support their Joint Commission International accreditation of quality and patient care and safety by 2027. In 2024, SMMC's roadmap includes implementing a Learning and Development (L&D) Master Plan and developing the training calendar, including clinical guidelines and establishing key performance indicators (KPIs) to monitor progress. In addition, SMMC will roll out a plan for future function roles and positions in the new hospital and will source and schedule training to ensure effective L&D deliverables.



Emergency Income Support and Training Project

Financing	Approval Date	Closing Date	2023 Disbursement
US\$22.5 million	August 8, 2018	August 31, 2023	US\$0.21 million

Development Outcomes

The Emergency Income Support and Training Project (EISTP) contributed to the emergency response to mitigate the economic impacts of Hurricane Irma by protecting affected vulnerable people. Additionally, the project intended to improve the government's support mechanisms for protecting the poor and vulnerable. The development objective is 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. The project closed on August 31, 2023, after completing a six-month extension mainly to accommodate implementation delays including those incurred resulting from the COVID-19 pandemic.

The PDO indicator for Component 1 measured the social safety net and enhanced employability gained by providing income support to under- and unemployed beneficiaries in exchange for occupational training. The project exceeded its target by providing income support and health insurance to 1,960 people affected by the hurricanes, over the 1150 beneficiaries planned, thereby reducing the risk of highly vulnerable populations, particularly the unemployed, weathering the shock through negative coping mechanisms. Project interventions, which ended in 2020, contributed to building and upgrading skills and enhancing the employability of the un- and under-employed affected by Hurricane Irma.

The Emergency Income Support and Training Project helped at least 1,960 people affected by the hurricanes to weather the shock, exceeding the targeted 1150 beneficiaries planned. The project also strengthened Sint Maarten's social protection by designing and rolling out the Integrated Social Registry System. The Ministry of VSA's continued efforts in populating the system shows their commitment, as 46 percent of the 1,000 records expected were uploaded by October 2023, a 26 percent point increase from when the project closed in August 2023.

At EISTP's closing, progress toward the PDO and implementation remained Moderately Satisfactory. By project closing, the PDO indicator related to the design and implementation of an Integrated Social Registry System (ISRS) was partially achieved as only 200 records (20 percent) were uploaded to the ISRS. By October 2023, records had increased to 46 percent (460 records), a better performance and a sign of the project's sustainability, as the Ministry of VSA continued populating the ISRS after the project closed. VSA demonstrates substantial commitment to increasing the number of households recorded in the ISRS, has the resources to continue making progress, and anticipates that the target of 1,000 records will be fully achieved by June 2024.

Development Objectives Indicators

PDO: 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.

Indicators	Baseline (2018)	Target (2023)	2021	2022	2023
Number of Beneficiaries enrolled in the EISTP receiving income support on a monthly basis in exchange for their participation in EISTP training and achieving the minimum attendance rate	727	1,155 ²⁰	1,960	1,960	1,960
Of which female	420	670	1,350	1,350	1,350
Percentage of students who successfully completed their training	0	50	93	93	94 ²¹
Percentage of female students who successfully completed their training	0	50	62	62	62
Number of records in the Social Registry	0	1,000	0	0	460

Specific Activities (by Project Component)

Component 1 – Supporting the implementation of the Emergency Income Support and Training Program (US\$20.56 million)

This component closed in September 2020, overachieving its targets. By the time the project ended, 1960 beneficiaries received income support monthly in exchange for participating in the EISTP-managed training.

Component 2 – Strengthening institutional capacity to enhance the social protection system (US\$1.12 million)

In 2023, the project delivered the final modules for the ISRS and was able to run a pilot of the system. Furthermore, the final phase of the project included multiple outreach activities to raise more awareness

²⁰ This indicator measures the number of beneficiaries enrolled in the training program, who have received income support in exchange for participation in the training program and have achieved the minimum required MONTHLY attendance rate of 70%. This indicator is a Disbursement-Linked Indicator (DLI) and was measured monthly. The project, however, aimed at reaching 1,800 beneficiaries to be supported with income support and training during project implementation.

²¹ The value has been confirmed. 1,844 beneficiaries completed their training and obtained a certification. The value is based on 1,960 verified participants.

about the ISRS. Additionally, staff at VSA were trained to work with the system. As of December 2023, activities under this component have been fully completed, as the ISRS has been designed and developed. The Ministry of VSA is currently using the system, accompanied by an ISRS operations manual and a handbook.

Component Performance Ratings²²

Components	Status
Component 1: Supporting the implementation of the Emergency Income Support and Training Program	Highly Satisfactory
Component 2: Strengthening institutional capacity to enhance the social protection system	Moderately Satisfactory
Component 3: Project Management	Satisfactory

Disbursements

The project's financial closing was completed as of December 2023. Compared to US\$21.71 million in December 2022, disbursements stood at US\$21.91 million at the end of 2023, representing 97 percent of the total US\$22.50 million commitment.

Issues & Plans

- The EISTP left behind a blueprint of what future disaster response could look like in supporting people who find themselves completely or partially without an income because of a disaster. This blueprint could be institutionalized to jump-start any future initiatives when needed. The government has already shown that it can oversee the program, as it continued delivering services to affected people after the closing of the project's activities in September 2020.
- The risks of sustainability of the project's development outcomes are mostly concentrated around strengthening the social protection system related to the ISRS. VSA has to keep investing in expertise in ISRS management to ensure the registry is up to date. Government's continued focus would be essential in sustaining the investment.

²² See Appendix B for definitions

Civil Society Partnership Facility for Resilience Project

Financing	Approval Date	Closing Date	2023 Disbursement
US\$7.20 million			
TF0B3014: US\$7.2 million	June 26, 2020	June 28, 2024	US\$2.2 million

Development Outcomes

In 2023, the Civil Society Partnership Facility for Resilience Project (CSPFRP) continues to strengthen the capacity of Sint Maarten's civil society organizations (CSOs) and finance the implementation of community-level reconstruction and resilience subprojects. VNGI implements CSPFRP – locally named Resources for Community Resilience (R4CR) – through its PIU staffed with essential personnel who ensure implementation continuity and compliance with Bank policy. VNGI coordinates with the NRPB, relevant government institutions, CSOs, and key stakeholders in Sint Maarten to implement projects on the ground.

The project improved the likelihood of achieving its development objective, considering the satisfactory progress of indicators and related activities in 2023. Agreed actions from the MTR were implemented by the project, leading to major improvements across areas that were lagging. As of December 31, 2023, the project has established a mechanism whereby a total of US\$2.49 million in grant finance has been awarded to 52 CSOs implementing 77 community reconstruction and resilience subprojects. This amount represents 53.43 percent of the total US\$4.66 million allocated to Component 1 and 62.25 percent of US\$4 million allocated for grants. In addition, CSPFRP is building the capacity of CSOs that are prospective grant implementers through training and skills development activities. By December 31, 2023, 61.90 percent of the 77 subprojects were completed, and 88.09 percent of CSOs reported improved capacity for management and implementation. In its three years of implementation, CSPFRP has benefitted 8,507 Sint Maarteners, of which 4,678 are female.

The Civil Society Partnership Facility for Resilience Project implemented agreed actions from the MTR, resulting in substantial improvements across lagging areas. The project is enabling the disaster preparedness of Sint Maarten CSOs by developing their capacity to manage and implement reconstruction and resilience subprojects.

PDO Indicators

PDO: To improve the capacity of civil society organizations and support implementation of reconstruction and resilience sub-projects at the community level.

Indicators	Baseline (2020)	Target (2024)	2021	2022	2023
Percentage of subprojects approved that are fully implemented and functional to users	0	75	65	72.97	61.9 ²³
Percentage of CSOs participating in the project with improved capacity for grant management and implementation	0	70	70.27	72.97	88.09
Percentage of beneficiaries expressing satisfaction that sub-projects reflected their needs	0	75	100		100
Number of beneficiaries of subprojects	0	10,000	2,228	2,453	8,507

Specific Activities (by Project Component)

Component 1 - Small grants to civil society organizations for reconstruction and resilience (US\$4.66 million: Small grants – US\$4.00 million; Grant management & administration – US\$0.66 million)

In three years of implementation, CSPFRP has launched six Calls for Proposal, all of which have been awarded. By December 31, 2023, 77 subprojects had been awarded to 52 CSOs, increasing from 37 subprojects and 26 CSOs in 2022. 61.90 percent of the 77 subprojects were completed, and 88.09 percent of CSOs reported improved capacity for management and implementation. In its three years of implementation, CSPFRP has benefitted 8,507 Sint Maarteners, of which 4,678 are female. This number of total beneficiaries represents 85 percent of the 10,000 end-target.

The 77 subprojects are grouped into two broad categories: approximately 61 percent were awarded to help repair or rehabilitate vital community programs, such as daycare centers and after-school programs, while the remaining 39 percent were awarded to support Sint Maarten's arts, culture and heritage, social care activities, and skills development. Looking ahead, CSPFRP is making efforts to ensure its investments are sustainable beyond the project closing date and to ensure capacity-constrained CSOs are competitive for grants through additional training, coaching, and mentoring. Over the next year, CSPFRP aims to accelerate implementation to achieve its goal of providing grant finance to more Sint Maarten CSOs and to complete 80 subprojects, as was envisaged.

²³ Results are as of December 31, 2023

Component 2 – Technical assistance and capacity building to CSOs (US\$1.08 million)

CSPFRP continues to provide critical capacity-building support to local CSOs through training and knowledge sharing, which has demonstrated positive results in the empowerment of small local CSOs. Following the MTR in July 2022, the project undertook a diligent process for re-assessing needs of CSOs and updating the Capacity Building and Technical Assistance Plan (CBTP) annually, as had been envisaged at approval. The March and September 2023 review missions both confirmed that innovations for intensive coaching, mentoring, and awareness creation that are enshrined in the updated plans have partly contributed to continued growth in increased uptake of subprojects under rounds 5 and 6 (17 and 14 grantees respectively), which were the largest grantee numbers in single rounds since the project started. This has been a positive development of the MTR recommendations and the overall progress toward sustaining the storyline on achieving targets for coverage indicators and promoting inclusiveness of new CSOs.

As of December 31, 2023, 61.9 percent of CSOs reported increased capacity for fiduciary management of grants, compared to 72 percent in 2022. Nonetheless, almost 50 percent of CSOs were accepted for funding after a second-stage review, similar to the 2022 rate. Cumulatively, the project has conducted 39 training sessions for CSO staff in primary areas of the subproject cycle, but also increasingly in other areas where local CSOs have expressed needs such as CSO governance and use of social media.

Component 3 – Project management and coordination (US\$1.46 million)

Due to VNGI's hands-on approach and on-the-ground presence in Sint Maarten through the PIU, project management and coordination are functioning well, and PIU staffing has been adequate and stable. VNGI fast-tracked recommendations outlined in the 2022 MTR, which included, among other items, a greater focus on beneficiary assessments and results and updating project documents to ensure consistency as the project evolves. Since the MTR, for example, beneficiary assessments have been mainstreamed into the six-monthly progress reports, and two rounds of the assessments have been completed already. Similarly, the CBTP has been updated twice based on new needs. As of December 31, 2023, 78.13 percent of CSOs received grants within one month of the PIU receiving their request, while 81.75 percent of grievances were resolved within three months after they were formally registered.

Component Performance Ratings²⁴

Components	Status (2023)
Component 1: Small Grants to CSOs for Reconstruction and Resilience	Satisfactory
Component 2: Capacity Building and Technical Assistance for CSOs	Satisfactory
Component 3: Project Management and Coordination	Satisfactory

²⁴ See Appendix B for definitions

Disbursements

By December 23, 2023, 76.27 percent of the total grant had been disbursed, compared to 45.31 percent in 2022. The project disbursed US\$2.24 million in 2023, nearly doubling its 2022 disbursement of US\$1.32 million.

Issues & Plans

- The World Bank will complete formal restructuring to extend the project closing date by March 30, 2024
- VNGI will complete awards for subprojects under round seven by April 30, 2024
- World Bank and VNGI will undertake the next implementation review and assess developments across all project components as well as continued compliance to fiduciary and safeguard requirements by February 28, 2024



Fostering Resilient Learning Project

Financing	Approval Date	Closing Date	2023 Disbursement
US\$26.78 million	June 9, 2022	April 30, 2027	US\$0.61 million

Development Outcomes

The Fostering Resilient Learning Project (FRLP) aims to restore access to an adequate and inclusive learning environment, re-establishing library services, and improving the availability of quality data for decision-making. NRPB implements FRLP in collaboration with the Ministry of Education, Culture, Youth and Sports (MECYS).

Progress towards the development objective and implementation performance was assessed as moderately satisfactory at the end of 2023. The project was restructured on September 23, 2023, to extend the closing date by 22 months (from June 30, 2025, to April 30, 2027) and reallocate funds for the construction components. The restructuring revised and aligned the project's schedule, action plan, and procurement plan for effective project implementation. The restructuring is a proactive approach to ensure that the project steadily gets back on track to achieve its PDO.

The project delivered Sint Maarten's first learning outcome assessment in March 2023, and the report will be published in 2024. The validated MECYS assessment for the Ministry Management Information System (MMIS) is on track.

The project delivered the country's first learning outcome assessment in March 2023, with a report to be published in 2024. Component-specific progress is detailed below.

PDO Indicators

PDO: To (i) restore access to an adequate and inclusive learning environment and to re-establish library services, and (ii) improve the availability of quality data for decision-making.

Indicators	Baseline (2021)	Target (2027)	2022	2023
Students with restored access to an adequate learning environment through the reconstruction of Sister Marie Laurence School (Number)	0	200	0	0
Students benefitting from a package of interventions at Charles Leopold Bell Primary School to address chronic behavior challenges (Number)	0	120	0	0
Library open and operating at full capacity for Sint Maarten's population and visitors (Yes/No)	No	Yes	No	No
Availability and use of an Integrated database at MECYS for evidence-based decision-making in education, culture, and sport sectors (Text)	Current system doesn't facilitate use of data for decision making	New system is operational and rolled out	No change from baseline	No change from baseline

Specific Activities (by Project Component)

Components 1 & 2 – Rebuilding Inclusive Schools (US\$14.27 million) and Restoring Library Services (US\$9.50 million)

In November 2023, FRLP negotiated a new quality assurance contract for SML to involve the original architectural firm during construction works. This contract is expected to be finalized in March 2024. Terms of reference (TORs) for SML's supervision contract were published in 2023. It is expected that the firms will be notified of award in January 2024. TOR for demolition and reconstruction of SML was published in November 2023. The submission deadline was moved from February 1 to February 15, 2024, considering the Christmas and New Year holiday breaks construction firms usually take. The TOR for the design and supervision for CLB and the STML (formerly known as the Philipsburg Jubilee Library) tender took place in 2023. Technical evaluations ended in December, and financial openings are scheduled for February 2024.

The first component of the project is linked to "A Policy for Inclusive Special Needs," which significantly influences the construction of the SML and CLB and the school program development for such institutions. MECYS finalized and received approval for the Inclusive Special Needs Education (ISNE) policy in December 2023.

Component 3 – Strengthening Management Information System of MECYS (US\$1.2 million)

The MECYS' MMIS diagnostic completed in December 2022 received formal validation in February 2023. This document provides detailed information and technical specifications for the next phase. In 2023, MECYS developed a hiring plan and a strategy to secure essential staffing for MMIS management recommended by the diagnostic. The ministry expects funding to be available in early 2024 to hire two consultants to oversee the work of the MMIS development firm, manage the system, and train MECYS staff in collaboration with the company.

A pilot learning outcome assessment activity started in December 2022. In 2023, as part of the Learning Assessment project, 22 teachers were trained as assessors, and assessments were conducted in 20 schools within Cycle 1 – Group 3, using the Early Grade Reading Assessment (EGRA) and Early Grade Math Assessment (EGMA). This initiative benefitted a total of 482 pupils, comprising 256 boys and 226 girls in English and Dutch schools. The EGRA and EGMA reports, along with the remediation plan, were in their final stages by the end of 2023. It is anticipated that these documents will be presented to MECYS and stakeholders in Q1 2024.

Component 4 – Project Management (US\$1.60 million)

In October 2023, the FRLP project hired a new MECYS Project Coordinator. The new consultant who will serve as the FRLP Engineer is expected in Q1 2024. The former MECYS Project Coordinator transitioned over to a new position as the MMIS Implementation Advisor, spearheading MMIS Implementation.

Component Performance Ratings²⁵

Components	Status (2023)
Component 1: Rebuilding Inclusive Schools	Moderately Satisfactory
Component 2: Restoring Library Services	Moderately Satisfactory
Component 3: Strengthening Management Information System of MECYS	Satisfactory
Component 4: Project Management	Moderately Satisfactory

Disbursements

In 2022, the Project disbursed US\$0.4 million of the US\$26.78 million grant financing (1.6 percent). In 2023, the project disbursed US\$0.61 million under the grant agreement financing (2.29 percent).

²⁵ See Appendix B for definitions

Issues & Plans

- The preparation of three construction contracts (design, supervision, works) continues to require attention to avoid delays to the start of construction works.
- There is a need to hire an engineer to support the FRLP team at NRPB. The hiring process is ongoing.
- The target student population that the Education Care Center (ECC) at CLB School will hold has to be identified and defined. This information is needed for the CLB TORs to ensure design criteria are appropriate for this target student population and to ensure that the school can be operational by time of opening.
- In addition to the lack of resources for hiring the management team for the MMIS, the MECYS function book does not include the two positions necessary for the effective management of the MMIS. It is expected that in the first quarter of 2024, the MECYS will receive COM approval to revise and add the two positions to the workbook.
- The project was challenged with developing and implementing the learning assessment in the face of a personnel shortage at MECYS. Although FRLP hired a consultant to support the administration of the assessment and the analysis of results, MECYS did not have sufficient staff to validate and approve the assessment deliverables in a timely fashion.



Child Resilience and Protection Project

Financing	Approval Date	Closing Date	2023 Disbursement
US\$5 million	October 22, 2020	July 31, 2024 ²⁶	US\$1.6 million

Development Outcomes

The Child Resilience and Protection Project (CRPP) contributes to strengthening the child protection system capacity in Sint Maarten, nurturing children's and adolescents' well-being, and equipping schools to better respond to future disasters. UNICEF Netherlands (UNICEF NL) manages the project in collaboration with MECYS, which is responsible for policy decisions. At the end of 2023, progress towards achieving the CRPP development objective was assessed as moderately satisfactory, while the project's implementation performance was moderately satisfactory.

Despite a challenging context, including the COVID-19 pandemic, the project progress significantly in 2023. It delivered initiatives on distress screening, psychosocial support, and child protection. School safety initiatives are being implemented with ongoing training, support, and coordination efforts.

The project is expected to achieve its development objective of strengthening the education and child protection systems' capacity to address and respond to the needs of children and adolescents resulting from natural disasters and external shocks, with a five-month no-cost closing date extension. In addition, critical outputs contributing to the overall outcomes are in progress. For example, the Distress Tools Manual is being finalized for online distribution to school care teams, and training on psychosocial support and well-being for care teams and teachers is underway; the establishment of the National Child Protection Program (NCP) is progressing, with approval pending from different ministries; the Court of Guardianship (CoG) is undergoing training on safety planning and risk analysis; Checklists for signs of abuse and child safety have been developed; School drill exercises are planned for testing emergency responses; and efforts are being made to strengthen school emergency teams through risk assessment and the development of SOPs.

²⁶ To be updated after restructuring, new closing date will be December 31, 2024.

PDO Indicators

PDO: To strengthen the capacity of the education and child protection systems to address and respond to the needs of children and adolescents resulting from natural disasters and external shocks.

Indicators	Baseline (2020)	Target (2024)	2021	2022	2023
Project beneficiaries suffering from post-hurricane distress symptoms referred to adequate services	0%	100% of identified cases are referred in a timely manner	Content of the screening tool is being developed	Screening tools and manuals have been developed	Screening tools and manuals have been piloted
Implementation of the integrated child protection case management system	No system in place	90% of cases are processed according to Standard Operating Principles	Assessment report and roadmap have been completed	Child Protection Specialist recruited in addition to the assessment report and roadmap. Implementation of these tools is expected next year.	Child protection system stakeholder consultation finalized – now being reviewed by CoG to determine integration within CoG procedures.
Implementation of a contingency strategy for the sector	Preliminary National Contingency plan available	95% of the contingency implementation tests evaluated are satisfactory	Contingency plan draft to be adjusted based on feedback	Contingency plan finalized and submitted to MECYS for approval	ibid

Specific Activities (by Project Component)²⁷

Component 1— Nurturing children’s and adolescents’ well-being

The Distress Tool piloted in selected schools has been an ongoing activity in 2023. Selected focal points supported the schools through activities such as face-to-face meetings, email communication, and the design of memory triggers called Teacher Engagement Cards. The focal points receive the cards and distribute them to teachers to not only encourage the use of the Distress Tools but also provide specific information regarding the Distress Tools. PPSP facilitators have been certified.

Component 2 – Strengthening Child Protection Systems

The COM has received the advice for the formal establishment of the NCPP, and it is anticipated that the formal launch of the NCPP will take place in Q1 2024. The Child Safety Code draft has been finalized and is currently under review by the legal department of the Ministry of Justice.

²⁷ Component ratings are not considered in small grants (below US\$5.0 million commitment value)

Component 3 – Strengthening schools and MECYS' resilience to disasters

Following up on the development of the School Risk Assessment tool during the first half of 2023, in-person trainings on the use of the tool were conducted. Safety and Emergency Teams in 25 schools (100 percent) were trained. As usual, the Student Support Services Division (SSSD) led communication and coordination with schools, supported by the UNICEF School Safety Specialist with content and facilitation. During the second half of 2023, the SSSD organized an earthquake-awareness campaign across all schools. The campaign culminated with an earthquake drill on November 1, carried out simultaneously across 23 schools in the country.

Component Performance Ratings

Components	Status ²⁸
Component 1: Nurturing children's and adolescents' well-being	Moderately Satisfactory
Component 2: Strengthening Child Protection Systems	Moderately Satisfactory
Component 3: Strengthening schools and MECYS' resilience to disasters	Satisfactory

Disbursements

As of December 2023, CRPP disbursed US\$4.09 million cumulatively, or 82 percent of the total project amount (US\$5 million). Disbursement performance of US\$1.61 million in 2023 was more than double the 2022 disbursement value of US\$793,063.

Issues & Plans

- The project closes at the end of 2024, and efforts to hand over existing initiatives and activities for full integration into government systems are ongoing.

28 The project doesn't have official ratings in the Portal by Component



Improving Mental Health Services Project

Financing	Approval Date	Closing Date	2023 Disbursement
US\$8 million			
TFOC1500: \$US8 million	July 28, 2023	June 30, 2027	US\$0million

Development Outcomes

The Improving Mental Health Services Project (IMHSP) will improve the capacity of mental health service delivery in Sint Maarten. The project was effective on October 27, 2023, and is in the early implementation stage, with satisfactory development objective and implementation progress ratings. Securing the necessary counterpart-financing for building the new Mental Health Foundation (MHF) remains the project’s key priority and will increase the likelihood of achieving the development objective if obtained early.

The Improving Mental health Services Project is notably the first ever World Bank project with mental health for beneficiaries as its primary focus.

PDO Indicators

PDO: Improve the capacity of mental health service delivery in Sint Maarten			
Indicators	Baseline (2023)	Target (2027)	2023
New mental health patients identified by applying standardized screening tools (percent)	0	30	0
Cases in the mental health care chain managed by healthcare providers according to standardizing protocols (percent)	0	20	0
New MHF facility constructed (percent)	0	100	0

Specific Activities (by Project Component)

Component 1 – Supporting the strengthening of the national mental health system (\$3.50 million)

Component 1 aims to support system-strengthening efforts related to mental health governance, financing, and service delivery along the full continuum of care. This component will finance technical assistance, training, goods, non-consulting services, and operational costs for: (i) strengthening mental health governance capacity; (ii) providing technical support for updating the mental health financing system and related legislation to address gaps in mental health service delivery (within the boundaries of the national legislative context and guided by the government's needs for support); (iii) prevention and mental health promotion activities; and (iv) strengthening screening, treatment protocols, referral protocols, and mental health expertise within the mental health care chain, including but not limited to MHF, GPs, and frontline workers.

Activities completed 2023

- **Prevention and mental health promotion activities.** National mental health promotion and prevention working group was established in November 2023.
- **Strengthening mental health governance capacity & providing technical support for updating the mental health financing system and related legislation to address gaps in mental health service delivery.** This activity will finance technical assistance to conduct a review of mental health policies and plans to identify any planning or policy gaps and to develop recommendations for addressing gaps that may be identified. As part of the four existing Kingdom Consultative Steering Groups, VSA has hired (through the Ministry of Kingdom Affairs in The Netherlands, BZK) a legislative expert to assess gaps in the legislation relevant to mental health and draft the necessary new legislation. VSA is coordinating this activity in close collaboration with NRPB in order to secure the project objectives are met. This work is carried out with a workgroup on mental health legislation both nationally and in the four countries in the Kingdom. There are no costs to the project financing.
- **Strengthening screening, treatment protocols, referral protocols, and mental health expertise within the mental health care chain.** Market research and due diligence to find a suitable institution has been conducted.

Component 2 – Construction of a new MHF facility (US\$14 million)

MHF and NRPB signed a subsidiary agreement. Two assessments were finalized in 2023 – the Capacity Needs Assessment in January and the Organizational and Financial Assessment in May. Ongoing discussions with potential investors started in 2023. NRPB conducted market research for a design firm in December 2023 and finalized and submitted draft TORs for the design to the World Bank.

Component 3 – Project management, monitoring, and evaluation (US\$0.50 million)

All NRPB staff designated to project management are on board.

Component Performance Ratings

Components	Status
Component 1: Supporting the strengthening of the national mental health system	Satisfactory
Component 2: Construction of a new MHF facility	Satisfactory
Component 3: Capacity Building of and project management by the Government of Sint Maarten	Satisfactory

Disbursements and Expenses

No disbursements in 2023.

Issues & Plans

- Securing counterpart funding remains a key priority in 2024.
- Construction market saturation is a cross-cutting challenge of the portfolio. NRPB could mitigate the risks by closely monitoring the market response and adapting the current procurement approach.
- Availability of human resources in the public sector to implement policy recommendations from the technical assistance (Component 1) might be mitigated by support from the Temporary Working Organization's work through the country packages.

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

Emergency Recovery Project I

Financing	Approval Date	Closing Date	2023 Disbursement
US\$119.7 million	July 10, 2018	December 31, 2025	US\$26.75 million

Development Outcomes

The Emergency Recovery Project I (ERP-I) supports Sint Maarten’s immediate emergency recovery needs and strengthens institutional capacity to manage resilient recovery and reconstruction. NRPB implements ERP I in collaboration with specialized agencies within the Ministry of General Affairs, TEATT, VSA, Ministry of Justice, MECYS, the Sint Maarten Housing Development Foundation (SMHDF), and the utility company NV GEBE.

The project’s development objective remains feasible by the current closing date, and implementation progress is also satisfactory. In October 2023, the final phase of the single-family home (SFH) repairs (phase 3) was completed, with 176 total SFH repaired under ERP-I– a key milestone for the project. Additionally, the project is improving institutional capacity to manage resilient recovery and reconstruction, given Sint Maarten’s CCRIF coverage and NRPB’s rising implementation capacity.

More households received hurricane-resilient electrical services (now at 89.5 percent of the affected population, compared to 87 percent in 2022). About 2,427 more citizens directly benefited from project activities (5,867 in total since 2022), with 89 percent of beneficiaries satisfied with the housing repair quality, according to the beneficiary satisfaction survey conducted.

A second additional financing package (AF2) of US\$19.5 million to ERP-I was approved in May 2023, bringing the project’s total allocation to US\$119.7 million. This funding contributes to repairing and renovating 12 school gyms and 13 sports facilities and boosts NRPB’s operational and administrative budget.

PDO Indicators

PDO: To contribute to Sint Maarten's immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction					
Indicators	Baseline (2019)	Target (2025)	2021	2022	2023
Share of households with electrical services resilient to hurricanes (Percentage)	80	89.5 ²⁹	86	87	89.5
Water storage capacity of Sint Maarten utilities (average daily demand)(Days)	0.70	1.70 ³⁰	1.70	1.70	1.70
Number of citizens benefitting from the investments in emergency response system strengthening (Number (Thousand)) ³¹	0.0	40.0	40.0	40.0	40.0
Percentage of beneficiaries that are satisfied with the quality of housing repairs (gender disaggregated)(Percentage)	0	80	0	0	89.00
NRPB is established and fully operational (Yes/ No)	No	Yes	Yes	Yes	Yes
Number of citizens directly benefitting from the project investments (Number) ³²	0	10,000	N/A ³³	N/A	5,867

Specific Activities (by Project Component)

Component 1 – Emergency measures for the recovery of disaster first responders and preparedness facilities (US\$16.45 million)

This component covers improvements to the national emergency response and disaster preparedness system, through: (i) repairs and improvements to critical disaster preparedness and response infrastructure that include repair of critical public facilities and repairs at four national agencies (namely the police, the fire service, the ambulance service, and the meteorological service), and repairs of designated emergency shelters; (ii) procurement of emergency equipment for first responders; and (iii) training and institutional strengthening. In 2023, a set of activities was completed to improve Sint Maarten's resilience and capacity to respond better to future disasters. Repairs to the Fire and Ambulance Building are completed, with the Certificate of Completion (of Works) provided in April 2023. Four new ambulances were officially handed over in January 2023, in the presence of the Prime Minister. Twelve personnel at the ambulance department were

²⁹ Reduced from 100 percent in 2022 with the AF/restructuring in 2023.

³⁰ Reduced from 2.0 days in 2022 with the AF/restructuring in 2023.

³¹ Indicator adjusted with the AF/restructuring in 2023.

³² Indicator introduced with the AF/restructuring in 2023.

³³ Value unavailable in 2021

trained in the operational and maintenance aspects of the four new ambulances, including in hi-tech medical equipment and functionality of the vehicles. Four specialty trucks and a trailer were delivered to VROMI in May 2023. Availability of these vehicles will considerably enhance emergency response preparedness. The tender for the expansion of the Fire and Ambulance, including the Emergency Operations Center (EOC) was launched in December 2023.

Component 2 – Restore Utility Services after Hurricane Irma (US\$11.60 million)

The underground installation of low voltage electric cables, telecom cable conduits, and potable water distribution pipes for a length of 8.5km was completed, with the Certificate of Completion provided in April 2023. The procurement package for the second/final package for up to 6 km of low-voltage electric cables, potable water distribution pipes, telecom cable conduits, and 3 km of high-tension electrical cables is being finalized. The previous estimated length of 12 km has been reduced due to the increase in material prices. Moreover, there has been progress in developing the GEBE business plan, with the procurement process for phase I of the business plan to be finalized in early 2024. This assignment will address the GEBE’s immediate needs and priorities.

Component 3 – Housing Repair and Public Buildings Repair and Reconstruction (US\$51.65 million)

In 2023, sixty-four units of the 510+ target homes were repaired in addition to 445 completed by the end of 2022, resulting in 509 total homes repaired. The final phase of home repairs for 16 houses was completed in October 2023. Repairs to the three schools under phase II were completed, and repairs of 13 schools under phase III are ongoing, with six completed as of December 2023, bringing the total number of schools repaired under ERP-I to 12. In addition, the procurement process (request for bids – RFB) for the school gyms is ongoing. Lastly, the RFB for the sports facilities will be launched in February 2024.

Component 4 – Institutional Support for Reconstruction (US\$40 million)

The second AF package included US\$7 million toward institutional support and NRPB operating costs. This amount will only be sufficient until mid-2024. The Trust Fund program secretariat is working with NRPB and the government to explore options to put a mechanism in place by June 2024 to ensure sufficient budget for the NRPB operating costs until the closing date of the Trust Fund.

Component Performance Ratings³⁴

Components	Status
Component 1: Emergency measures for the recovery of disaster first responders and preparedness facilities	Moderately Satisfactory
Component 2: Restore Utilities Services after Hurricane Irma	Moderately Satisfactory
Component 3: Housing Repair and Public Buildings Repair and Reconstruction	Satisfactory
Component 4: Institutional Support for Reconstruction	Satisfactory

34 See Appendix B for definitions

Disbursements

In 2023, the project disbursed US\$26.75 million of the US\$119.7 million grant financing (22.35 percent), compared to US\$16.10 million in 2022. Cumulative disbursements since project effectiveness amount to US\$92.15 million.

Issues & Plans

- Starting the construction for the Emergency Operation Center and the ongoing school repairs (package 3) might be delayed due to various challenges: notably, the capacity constraint of the construction contractors. Paying close attention to procurement and implementation timelines would be critical in finalizing all scheduled activities by the closing date of ERP-1.
- A budget deficit in Component 4 is anticipated in 2024, specifically on the NRPB operational budget under Component 4.2. Ensuring sufficient budget for the NRPB operating costs until the SXM TF's closing date would be vital.
- Delays encountered with the contractors and subcontractors are indicative of an overall capacity constraint of the construction market due to saturation (overwhelming demand amidst limited supply of construction companies). This is a cross-cutting challenge for the project and the entire Trust Fund portfolio. The NRPB procurement function has been advised to increase its outreach activities into the regional and international markets.



Digital Government Transformation Project

Financing	Approval Date	Closing Date	2023 Disbursement
US\$12 million			
TF0B4218: US\$12 million	March 18, 2021	November 30, 2026	US\$2.03 million

Development Outcomes

The Digital Government Transformation Project (DGTP) is enabling Sint Maarten to improve the access, efficiency, and resilience of selected administrative public services for citizens and businesses by reinforcing the country's digital infrastructure. The NRPB implements DGTP in close coordination with a Digital Leadership Team (DLT) established by the Ministry of General Affairs to provide technical oversight, coordination, and implementation support government wide. The DLT reports to a high-level government Project Oversight Committee (POC) and acts as the secretariat. The POC is chaired by the Prime Minister and formed by the government to monitor implementation progress and provide strategic guidance.

DGTP has supported the government's efforts in strengthening the foundational building blocks of digital transformation since the project's effectiveness on January 20, 2022. DGTP technical advice informed the Sint Maarten Digital Transformation Strategy and the creation of the country's first-ever data interoperability (IO) policy, which the COM approved in October 2022.

DGTP's progress toward the development objective and implementation performance remains moderately satisfactory, unchanged from the 2022 assessment. In 2023, the project's implementation slowed but still made progress in several areas. The government has performed another iteration of the Enterprise Architecture (EA) that resulted in a framework for the ICT Department re-organization described under specific activities. The planned project restructuring was completed successfully in November 2023, resulting in component two's updated scope, revised results framework indicators, fund reallocation across components, and an 18-month closing date extension.

PDO Indicators

PDO: To enhance the access, efficiency, and resilience of selected administrative public services for citizens and businesses.					
Indicators	Baseline (2021)	Target (2026)	2023	2024	2025
Share of selected services processed digitally (Percentage)	0	45	0	0	0
Registries connected with the interoperability platform (number)	0	5	0	0	0
Increase in the availability (uptime) to the public of the selected public services (Percentage)	15	99	15	0	0

Specific Activities (by Project Component)

Component 1 – Strengthening the legal, regulatory, and institutional environment (Revised cost US\$5.11 million)

Championed by Prime Minister Jacobs in 2022, the government launched the Digital Transformation Strategy, a robust seven-year roadmap to guide the country's digital transformation. The strategy aims to create an environment that is conducive to a whole-of-government approach. The COM also approved Sint Maarten's first-ever Data Interoperability Policy in 2022. Building on the government's successes, in 2023, DGTP financed legislative reviews for electronic transactions, data protection, digital signatures, and data sharing and submitted its recommendations to the Department of Legal Affairs and Legislation for further action.

Component 2 – Building digital platforms to enable service delivery (revised cost US\$3.84 million)

As indicated in the last annual report, the DGTP's restructuring will include other digital services³⁵ identified by the DLT, as the government completed several high-impact public administrative services planned under DGTP. The rescope project now includes cybersecurity awareness training and cybersecurity hardware refresh and installation of a government Wide Area Network all of which aim at enhancing the security and efficiency of Sint Maarten's operations.

Digitization of Records

The Department of Records and Information Management, with the support of the DLT, is currently digitizing one million records. The NRPB has successfully signed a contract with a firm that specializes in digitization services to carry out this project. The Department of Records and Information will work closely with the firm to ensure the project's smooth and efficient execution. The selected firm is currently preparing to mobilize its team to Sint Maarten and will recruit locals to assist in the digitization process. The DLT will play a key role in ensuring that the recruitment process is fair and transparent. The DLT will also ensure that women and youth are adequately represented among those recruited to carry out various digitization tasks. This digitization project is expected to bring about a significant positive impact on the accessibility, preservation, and management of records. It will also promote the use of technology in the public sector and create job opportunities for the local community.

Interoperability Platform Pilot

With support from the Country Package (*landspakket*), the ICT Department and the DLT agreed to utilize Azure Integration Services for the interoperability platform. As a proof of concept, they selected to integrate the Integrated Social Registry System with the Civil Registry via the new IO platform. The Government consulted with experts from Microsoft on architectural options and has rolled out a pilot integration in a development environment using Azure Integration Services. This pilot enables the sharing of data from the Civil Registry using an application programming interface (API) with the Integrated Social Registry System and helps the Government more effectively manage APIs. Additional testing is underway before moving to production.

Enterprise Architecture (EA)

After an extensive planning and execution process the Enterprise Architecture (EA) vision is completed. The NRPB and DLT are preparing to move forward with the implementation of the EA. TORs have been prepared for the engagement of a firm to implement the EA, and the NRPB is ready to publish the procurement documents.

35 Driver's License, Registration Forms, National ID and Marriage, Death, Birth Certificates

Component 3 – User-centered public services (revised cost US\$3.05 million)

The DLT prioritized recommended activities for modernizing Sint Maarten’s Public Service Centers (PSC). These activities, which include conducting a customer feedback survey, will inform the POC’s decision-making. The DLT supported the PSC in undertaking the first customer feedback survey under the project. The survey results are being used to inform the modernization of the PSC.

Component Performance Ratings³⁶

Components	Status
Component 1: Strengthening the legal, regulatory, and institutional environment	Satisfactory
Component 2: Building digital platforms to enable service delivery	Satisfactory
Component 3: User-centered public services	Satisfactory

Disbursements

The project disbursed US\$2.03 million in 2023, the highest amount disbursed since it was effective, demonstrating the increased implementation momentum. Cumulative disbursements amount to US\$2.88 million, as DGTP disbursed \$0.85 million in 2022 (70 percent of the projected value at appraisal). Disbursements are expected to increase further in 2024.

Issues & Plans

- The project’s restructuring was approved on November 21, 2023, extending the closing date by eighteen months to November 2026. DGTP restructuring incorporated several changes, including:
 - » Substituting several identified services already digitalized by the government for high-impact services recommended in the DLT technical review.
 - » Additional activities that will increase information and communication technology (ICT) resiliency, for example, improving government cybersecurity and Government Wide Area Network.
- Revising the results framework indicators.
- Additional resources are required to build public awareness of the government’s efforts and to monitor and evaluate service level improvements. Digital transformation also requires top-down political support. Finding the proper channels to engage with the relevant ministers is essential to complement the official POC meetings.
- Increasing the DLT’s capacity and ensuring its sustainability continues to be a high priority.
- Maintaining the implementation pace is required to support the Government’s other ICT priority projects.

³⁶ See Appendix B for definitions

Projects under preparation

FOCUS AREA 1: Promote Sustainable Economic Recovery

Sint Maarten Wastewater Management Project

Status

TF Financing	Counterpart funding
US\$10 million	US\$15 million

The World Bank started preparing the Sint Maarten Wastewater Management Project (SMWMP) in March 2022. The Prime Minister and Minister of VROMI formally endorsed the project's objective and concept in a letter dated March 10, 2023, confirming the following:

- The US\$15 million contribution from the GoSXM through the zero-interest capital investment loan from the Netherlands has been added to the draft government budget for 2023.
- The priorities for the project intervention should include the necessary upgrades of AT Illidge Road Wastewater Treatment Plant (WWTP) and the expansion of the sewerage network in Cul-de-Sac area.

The project was appraised between November 28 and December 1, 2023, in Sint Maarten, with confirmed project objectives, components, and implementation mechanisms. The Bank formally concluded the appraisal process in January 2024 and is finalizing the negotiation package.

Development Objective

The Project Development Objectives are to: (i) increase access to safely managed sanitation services, and (ii) improve sustainability and resilience of wastewater management.

Specific Activities (by Project Component)

The total project costs will be US\$25 million, with the SXM TF contributing US\$10 million and the GoSXM providing counterpart funds for US\$15 million from their budget. The project implementation lasts until June 30, 2028, six months before the SXM TF closing date.

The Project includes the following three components:

Component 1 – Wastewater infrastructure investment (US\$20 million)

The component will finance all stages of infrastructure development, including identification, design, supervision, and construction of new or upgrade/rehabilitation of existing wastewater collection, treatment, and disposal infrastructure. The component would include the preparation of feasibility studies, environmental impact assessments, and other project documentation necessary to secure required permits, detailed designs, bidding documents, supervision, and contracting of construction works.

Component 1 will include two sub-components:

- » **Sub-component 1.1:** Wastewater collection. This first sub-component aims at improving the coverage and resilience of wastewater collection.
- » **Sub-component 1.2:** Upgrade of existing WWTP. This sub-component will include the necessary rehabilitation and upgrade of the existing WWTP.

Component 2 – Technical assistance for sustainable and resilient wastewater management (US\$3 million)

Component 2 aims to create the framework for the provision of sustainable and resilient wastewater services in Sint Maarten, and will include the following activities:

- i. Capacity strengthening of the line Ministry (VROMI) for planning, regulation, and supervision of wastewater services through training, knowledge transfers, and IT support, including preparation of a roadmap for improving VROMI capacity.
- ii. Strengthening of the policy, legal, and regulatory framework for sustainable and resilient wastewater service provision (building on existing plans and ordinances).
- iii. Support to GoSXM in preparing and processing a long-term contract with a private operator for the operation of the country's public wastewater management system. This contract is expected to go beyond the project closing date and represents a long-term institutional solution for wastewater management.
- iv. Development of a national sanitation strategy for Sint Maarten and mid/long-term implementation plans for phased expansion of a wastewater management system.
- v. Management of fecal sludge from septic tanks, including the review and development of locally appropriate standards for safe containment, collection, and treatment of fecal sludge; licensing and monitoring; and optimization of fecal sludge emptying service providers.
- vi. Development of a focused technical analysis on understanding the effects of wastewater pollution on coastal water quality, which would feed into design of a seawater quality monitoring system and the identification of additional measures for reduction of surface and seawater pollution.
- vii. Development of a system for monitoring seawater quality in coastal areas/beaches and the surface water quality of inland ponds.

Component 3 – Project management (US\$2 million)

The project will support the project management and coordination capacity of the NRPB as a PIU, including support on: (i) project operating cost, monitoring and evaluation activities; (ii) environmental and social risk mitigation measures; (iii) training of PIU and government staff; (iv) annual audits for the project and providers; and (v) establishment of citizen engagement measures and grievance redress mechanisms for the project activities.

Project beneficiaries

Approximately 10,500 people in priority areas will directly gain new sewerage access and consequently safe sanitation services. The rest of the population of Sint Maarten will also benefit from the renewed policy and regulatory environment, which will ensure sustainability and resilience of the wastewater services, cleaner surface, coastal waters, and a safer environment. Moreover, the island's tourism-based economy will benefit from the project's improvements, such as increased access to wastewater services and efficient wastewater management, leading to cleaner surface and coastal waters, which are preconditions for long-term sustainable hospitality sector development, the backbone of a Small Island State's economy.

Issues & Plans

- The project preparation has made significant progress during 2023, with the project successfully completing all steps in project preparation up to negotiations. Negotiations are pending the establishment of the new government, which needs to authorize negotiation teams and reconfirm agreements reached with the previous government.



FOCUS AREA 2: Invest in Citizens and Resilient Communities

Social and Affordable Housing Project – P177804 (Pipeline)

Status

Financing

US\$20 million

The World Bank completed the project's appraisal process in December 2023, finalizing the activity plans for each Component and assess implementation readiness.

For **Component 1 – Institutional Strengthening**, the teams agreed to streamline the activities to focus on those directly related to the PDO. Furthermore, NRPB has hired a team of senior policy experts to help support VROMI develop a National Housing Policy, among other activities to support this component.

For **Component 2 – Social and Affordable Housing Construction**, NRPB developed the TOR for the design of the housing development. Additionally, the teams, in close coordination with SMHDF, are finalizing the financial proforma to determine the scope of the project and financial viability. The formal decision for the land transfer from VROMI to SMHDF for housing development is currently under preparation. This decision shall be sent to a notary and that process is expected to be finalized by February 2024.

Lastly, on November 28, 2023, the technical teams of SMHDF and VROMI agreed upon the final draft of the Performance Agreement. This draft is currently under external legal review. Approving a draft of the revised Performance Agreement is a requirement for project approval while adopting the Performance Agreement itself will be a project effectiveness condition.

Development Objective

Enable access to social and affordable housing and strengthen the institutional capacity of the housing sector in Sint Maarten.

Specific Activities (by Project Component)

Component 1 – Institutional Strengthening and Enabling of the Housing Market (US\$1.5 million)

- » **Subcomponent 1.1: Institutional Strengthening for SMHDF:** The subcomponent will provide funding for technical assistance, training, goods, non-consulting services, and operational costs for, inter alia: (i) improving financial planning and accounting systems, including the technical capacity to maintain

them; and (ii) implementing an integrated property and financial management system to improve efficiency and accuracy in the management housing units.

- » **Subcomponent 1.2: Enabling the Housing Market:** The sub-component will provide funding for technical assistance, training, goods, non-consulting services, and operational costs for, inter alia: (i) developing a comprehensive National Housing Policy; (ii) developing a strategy and information system for income verification of beneficiaries of housing subsidies and its implementation in collaboration with SMHDF; (iii) developing a strategy for the creation of an affordable housing fund or other strategies to incentivize the development of affordable housing; and (iv) developing public communication and/or consumer education programs related to the national housing policy and other key housing-related issues such as unlocking succession land, accessing mortgages, etc.

Component 2 – Social and Affordable Housing Development (US\$15.5 million)

Component 2 aims to address the shortage of social and affordable housing in Sint Maarten by financing the construction of new resilient rental housing units. The housing development will be constructed on a land parcel (095/2011) in Upper Princess Quarter, Hope Estate. The project is expected to build approximately 88 units, with a mixed-income housing model that integrates social and affordable or workforce units in the same development. SMHDF is expected to contribute between 15 to 20 percent of the construction costs through a mortgage loan. Once the housing development is completed it will be transferred to SMHDF for its management.

Component 3 – Project Management (US\$3 million)

Component 3 will finance the related administrative expenditures for project management to be carried out by the NRPB and led by a project manager, including the needed expertise in contract management, procurement, financial management, environmental and social standards, other technical matters, and monitoring and evaluation, including project audits, and operating costs.

Issues & Plans

- The land transfer must be finalized before project approval and is a prerequisite for SMHDF to obtain the mortgage loan. The formal decision to issue the land is currently being prepared by VROMI and will be sent to a notary and is expected to be completed by February 2024.
- The signing of the Performance Agreement by the Government and SMHDF is necessary for the project to become effective. The final draft is currently undergoing legal review. The approval of the agreement will signify an important milestone in strengthening the relationship between the government and SMHDF.
- Due to the project's tight implementation timeline, there is a risk that the construction activities under Component 2 may not be completed within the SXM TF's timeframe. To address this, critical decision points were established during the appraisal meeting, involving project stakeholders such as SMHDF and VROMI. These decision points will assess the feasibility of proceeding with Component 2 based on the achievement of key milestones, including the completion of the design and the awarding of the construction contract.



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

Analysis for Establishing the Sint Maarten Disaster Reserve Fund

Status

PDO: Improve access to post-disaster rapid response finance for Sint Maarten and strengthen the disaster risk finance framework.

Upon request from the SXM TF SC in July 2021, the World Bank started preparing the Sint Maarten Disaster Reserve Fund (DRF) at the end of 2022. The World Bank conducted the Concept Note Review meeting in November 2022 and, in March 2023, the DRF team presented some options to the SC for consideration and deliberation. The SC agreed that the preferred option was placing a specific focus on establishing the DRF as a fully independent entity specializing in fund management – an ‘off-budget’ option, with reporting to the GoSXM.

The analytical work is organized on the following deliverables:

- i. Funding gap analysis of financial instruments
- ii. Options analysis to inform the design of a dedicated disaster response fund.

The options analysis can be revised subject to the government's input on the financial parameters and confirmation of the scope.

In October 2023, the World Bank DRF team conducted a training on the fundamentals of disaster risk financing and met with the Ministry of Finance to discuss the funding gap analysis and how key decisions will impact the fund's sustainability and reconfirm the government's priorities.

A law firm was appointed in December 2023 to undertake analysis of the taxation system and review public financial legislation to understand if any changes are needed to accommodate such a financial vehicle and the treatment of income generated by the vehicle of which the majority is expected to be generated offshore; the most efficient fund structure to minimize tax and legal costs; and how existing laws can support the fund's establishment and operation.

Milestones



03

Program Management Updates



Program Secretariat

The World Bank opened its 144th worldwide country office in Sint Maarten on June 30, 2023. This milestone emphasizes the Bank's commitment as the TF trustee and administrator and strengthens its partnership with the country for implementation. Additionally, this allows the program secretariat to move operational staff to fully function from Sint Maarten by Q1 CY 2024.

In 2023, the program secretariat also collaborated with the NRPB and other partners to enhance stakeholder engagement. Notably, the World Bank program manager and selected team members engaged in a roundtable with GoSXM COM, which provided a forum to share the TF's progress and respond to questions about the World Bank's contributions and plans for the TF. Opportunities for further engagement with selected ministers also arose during the Steering Committee meetings in March and November and in the High-Level session in June 2023.

During the year, the World Bank stepped up its effort to develop an exit strategy for the Trust Fund, following the recommendations of the TF Mid-Term Review (MTR) in 2022. The MTR also recommended ensuring maximum impact and sustainability by developing a capacity-building plan to sustain the benefits and progress achieved from implementing the TF. In response, the World Bank launched the Sustainability and Resilience Initiative assessment and planning exercise in January 2023. The program secretariat shared the draft assessment report and presented the key findings and proposal next steps with the Steering Committee in November 2023. The next steps are outlined in the 'Looking Ahead – 2024 Priorities' section.

Implementation Support and Preparation Activities

In 2023, the World Bank provided enhanced technical implementation support to Sint Maarten PIUs, holding 46 project-related missions.³⁷ Several missions also supported the pre-appraisal, preparation, or negotiations of new projects or AF. Most missions took place face-to-face in SXM, to foster continued collaboration with PIUs in implementation. The program secretariat continues to use a shared calendar to enable task teams and PIUs to plan missions well in advance to improve coordination across the TF.

The program secretariat in collaboration with task teams and PIUs hosted a Country Portfolio Performance Review (CPPR), including a Multi-Criteria Technical Assessment (MCTA) of SXM TF Projects. The World Bank produced a summary of CPPR findings, which highlighted information on the impact of the global economic contraction, potential changes in scope, possible closing date extensions, and potential savings from fund cancellation.

Monitoring and Evaluation

The World Bank disseminated the TF's 2022 Annual Report and the 2023 Semi-Annual Report in March and October 2023, respectively. World Bank task teams supported implementation of PIUs on the ground through mission visits and regular technical briefings debriefed through Aide Memoires, which were shared with the government and relevant counterparts. Complementing these activities, Sint Maarten PIUs delivered timely progress reports on their respective projects. In addition, World Bank task teams produced Implementation Status and Results reports at least twice a year, as a required tool for informing management of key project issues for their action and attention. The Country Portfolio Performance Review held in March 2023 was a valuable monitoring and evaluation tool to determine and discuss project achievements, implementation risks, potential remedial actions, and mitigation measures.

³⁷ These missions exclude Steering Committee meetings, CPPR, knowledge exchange and other program management related travels.

Sustainability and Resilience Initiative

In 2023, the World Bank launched a Sustainability and Resilience Initiative (SRI). In total, the SRI aims to identify and propose what stakeholders can do to manage systems for maintaining SXM TF outputs beyond the program's closing and by whom. Specifically, the SRI planned to implement the following phases:

Phase I:

- » Assess the SXM TF projects' existing and planned initiatives for current sustainability and resilience content.
- » Assess the capacity gaps to sustain Sint Maarten Trust Fund (SXM TF) outputs.
- » Investigate effective best practices in the operating environment.

Phase II:

- » Develop a stakeholder map to identify contributing organizations (who does what), including government departments, implementing agencies, and national organizations.
- » Recommend (and implement) actions to strengthen the SXM TF program's sustainability.
- » The first phase of the SRI highlighted the following:
 - » Although many organizations are involved in institutional strengthening and capacity building, their activities are uncoordinated, resulting in duplication and delays.
 - » Cross-sectoral and cross-departmental silos limit sustainable resilience-building activities, blurring roles and responsibilities and stretching limited resources.
 - » Human resource limitations affect staffing capacities and human resource management systems on national and governmental levels, limiting businesses' and government's development and succession planning. The SRI assessment recommended building capacity and knowledge within the government to develop a human resource system that upholds universal policies and procedures for recruiting, retaining, and developing staff. The SRI assessment also recommended that the Government of Sint Maarten collaborate with regional governments to innovatively facilitate brain gain and circulation.
 - » Legal structures and policies, such as an extreme event policy, need to be developed and adopted to prioritize and sustain resilience-building activities.
 - » The SRI assessment recommended sequencing and systematizing knowledge transfer from SXM TF projects to the government. Sharing international best practices and data systems could further strengthen public sector capacity and knowledge. Additionally, stakeholders could collect and facilitate structured capacity and knowledge transfer activities from SXM TF projects to specified government agencies and PIUs.

The SRI phase II will start in the first half of 2024.

Shared Services

Environmental & Social Aspects (E&S)

Environmental and Social Risk Management, Sustainability, and Inclusion

Through the SXM TF, the World Bank has been supporting Sint Maarten PIUs to mitigate negative environmental and social impacts associated with project activities and promote the overall environmental sustainability and social inclusion of the portfolio.

Projects under implementation exhibited good E&S performance throughout the year as evidenced by their Satisfactory and Moderately Satisfactory ratings. Occupational health and safety (OHS) measures across the portfolio are adequate and the few incidents that occurred in the year were adequately managed by the PIUs and corrective measures were put in place. Waste management remains a challenge, especially in projects that generate significant quantities of waste. Despite this, the PIUs, with the support of the GoSXM and the World Bank, continue to identify novel ways to deal with waste, including through reducing and recycling measures, strengthening requirements in works contracts, and documenting and disseminating lessons learned. Similarly, the designs of projects that were under preparation in 2023 were designed to incorporate sustainability and resilience measures in areas such as energy and water efficiency, waste management, and climate resilience among others.

Of the ten projects under implementation, four projects follow the previous Safeguards Policies while six projects follow the ESF, in addition to the relevant laws and regulations of Sint Maarten. The two projects under preparation also follow the ESF. Table 3.1 details the breakdown of the risk levels and the E&S Performance of the projects in the portfolio.

Table 3.1: Summary of the environmental and social aspects of the portfolio

Projects under implementation	
Safeguards Policies- E&S Assessment Category	1 Category A, 2 Category B, 1 Category F (Financial Intermediary Assessment)
ESF - E&S Risk Classification	4 Moderate Risk, 2 Low Risk
E&S Performance	9 Satisfactory, 1 Moderately Satisfactory
Projects under preparation	
ESF - E&S Risk Classification	1 Moderate Risk, 1 Substantial Risk

All projects have a grievance redress mechanism (GRM) in place, and they respond to grievances through the established process. The NRPB has an institutional GRM that covers all projects they are implementing and includes provisions for sexual exploitation and abuse and sexual harassment (SEA/SH) grievances and anonymous complaints. Stakeholder engagement during implementation has been satisfactory but it remains a challenge during project preparation to ensure that stakeholder views are taken into account early on. The World Bank continues to work collaboratively with PIUs to enhance stakeholder engagement throughout the project cycle.

The World Bank conducted several E&S capacity development activities in Sint Maarten to promote environmental sustainability and social inclusion in TF operations. The following are some activities:

- June 2023 and November 2023: Two workshops on *Delivering Environmental, Social, Health, and Safety (ESHS) Performance during Construction* for 56 participants including NRPB, PJIAE, and SMMC PIU staff; design firms, contractors, and supervision firms involved in ongoing projects; and government staff. The workshops explored key issues that affect ESHS performance during work, discussed the roles and responsibilities of different parties on ESHS, and equipped participants with knowledge, tools, and resources to ensure project activities are delivered in accordance with the ESHS requirements and good international industry practices.
- November 2023: A four-day workshop on *Implementing the World Bank Environmental and Social Framework (ESF) in the Caribbean*. Twenty-three participants attended the training representing PIUs from Sint Maarten, Dominica, Saint Lucia, Suriname, and the Organisation of Eastern Caribbean States (OECS) Commission. The workshop enabled participants to identify how ESF requirements influence good project outcomes and provided participants with an opportunity to share good E&S practices between projects, sectors, and countries.
- November 2023: Three in-person trainings on the mitigation of SEA/SH in projects. Over 40 people attended the trainings. They learned about understanding what Gender-based Violence (GBV) is and how SEA/SH could arise within project contexts, the management of SEA/SH risks throughout the project cycle, identification and implementation of risk mitigation measures, codes of conduct, and a grievance mechanism able to receive SEA/SH complaints, and how to handle a case when it is received.

Procurement

In 2023, procurement implementation advanced moderately, reaching a total of 260 activities being completed, which accounts for 58 percent of the value and 55 percent of the volume of all project procurement plans. Works contracts remain a major part of the procurement portfolio, making up 77 percent of the value of all remaining activities.

While procurement teams are adequately staffed, indicating satisfactory overall capacity, significant challenges persist:

- Over half of the procurement activities are affected by delays averaging more than 200 days.
- Reporting on procurement progress is often incomplete.
- There is a growing disinterest among local bidders and consultants, which negatively impacts the success rate of procurement processes.

To address these challenges, the implementation of robust project management and market engagement strategies is critical. Additionally, adopting a holistic approach to optimize the procurement portfolio will make it more attractive and aligned with market capabilities and interests, thereby supporting improvements in procurement implementation.

Financial Management (FM)

Key FM performance indicators reflect increased FM capacity; the projects are fully compliant with the FM covenants in the quarterly Interim Financial Reports and Annual Audited Financial Statements' submission to the Bank. FM performance ratings for all projects remain 'Satisfactory,' and FM risk remains 'Moderate' in most projects. Additionally, each project received unqualified audit opinions and no material internal control issues were reported in their respective management letters. This is the NRPB's fifth consecutive year of 'clean' audit opinions.

04

Cross-Cutting Implementation Risks & Mitigating Measures



Local Construction Market Constraint

While the TF projects significantly boosted the construction market in Sint Maarten, the capacity constraint of the market has become a cross-cutting challenge for the growing portfolio, which has several construction projects. Delays encountered with local contractors in some projects indicate overall market saturation. Exploring potential mitigation measures is ongoing among GoSXM, PIUs, and the World Bank, including extensive market research and widening the procurement reach beyond Sint Maarten to address the limited market.

Institutional Capacity for Managing and Sustaining Investments

Enabling Environment

The SXM TF implementation has created considerable demand for in-country project management and technical skills such as engineering, procurement, E&S policy, project management, and sector-specific technical capacities, which are typically scarce and costly. The shortfall in relevant skills in country has necessitated looking abroad for staffing to maintain timely implementation progress. When qualified people are eventually identified, the requested remuneration is typically high (and unaffordable for the concerned project), considering SXM's high cost of living and lengthy process needed for obtaining immigration permits. Particularly, nonresident firms and individuals continue to find it challenging to access the island because of cumbersome administrative processes. Restrictive laws impede the NRPB's ability to hire temporary workers and recruit more local staff at cost-effective pay scales, while contracts with international employees continue to pose significant obstacles for all projects. In addition, the remoteness of Sint Maarten for international firms makes shipping supplies, recruiting staff, finding skilled local labor, and setting up local offices more expensive.

Government Ownership

Despite Sint Maarten's limited capacity and market size, strengthened government ownership and involvement in the program continued to drive implementation progress, backed by the increased buy-in from senior government officials. Line ministries have taken more interest despite persistent capacity limitations and staff/management changes. VROMI, for instance, is not sufficiently equipped to provide the level of support for project implementation as they are involved across several projects under the SXM TF program. Yet, Ministry officials benefited from frequent engagement on projects' progress, including during the CPPR in March 2023 and periodic high-level meetings with the Steering Committee.

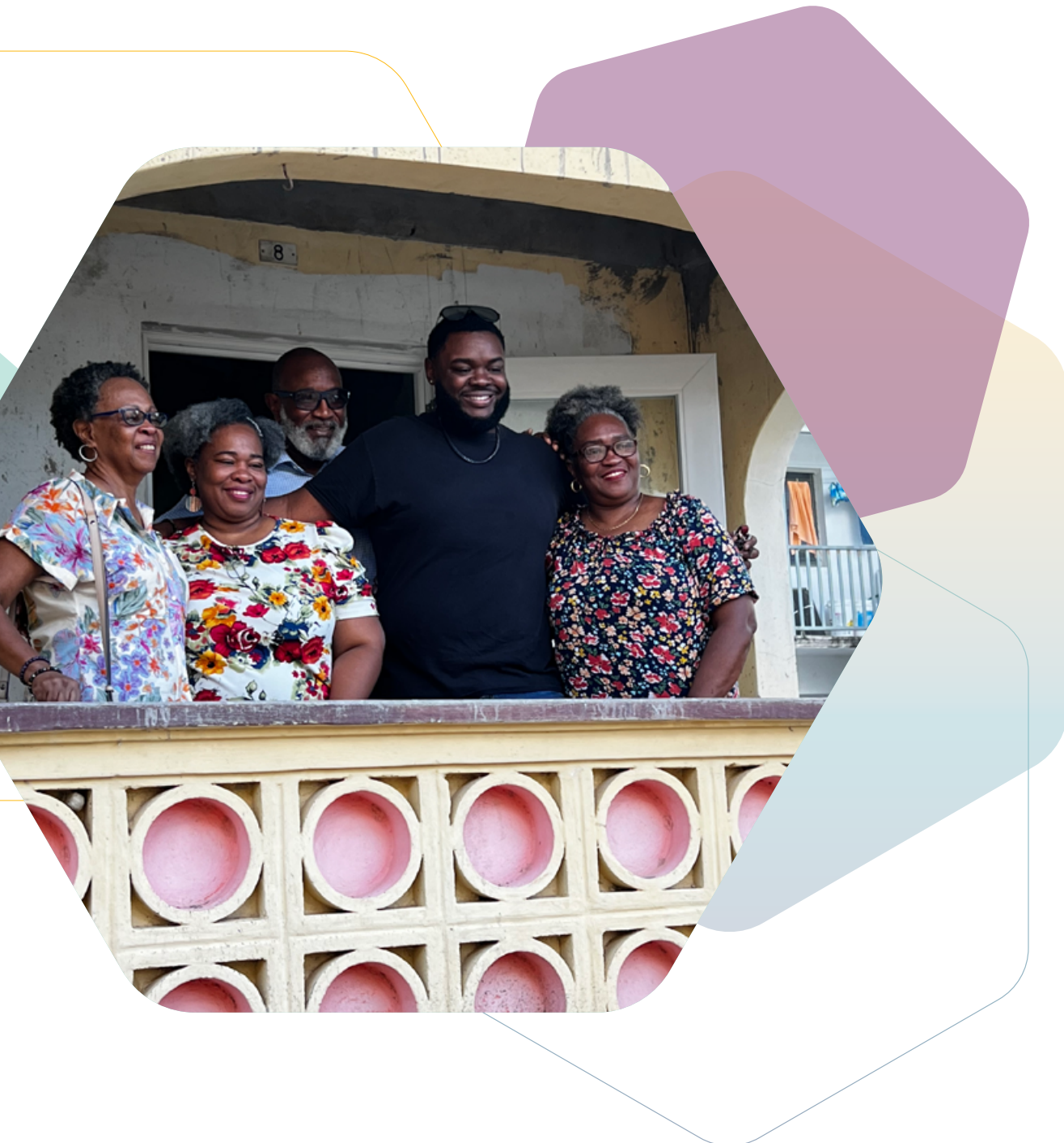
All Sint Maarten PIUs, through the implementation of the SXM TF projects, have progressively gained rich experience and knowledge in project management and reconstruction work and built procurement capacity based on international good practice. This capacity is a crucial asset to GoSXM in institutional development. Transferring the PIUs' valuable knowledge on infrastructure, services, and procedures gained to the Government will be essential to sustain the results achieved under the SXM TF program.

Much work remains to anchor project outcomes in national policies and financing plans such that the long-term sustainability of the investments is assured beyond the SXM TF's lifespan (for example, adopting the waste sector reform). The projects under preparation are designed with robust institutional development and policy aspects, such as the development and adoption of the National Housing Policy and a wastewater sector management strategy, aimed to ensure investments continue beyond the SXM TF. The upcoming change of government in 2024 requires close coordination of partners to assure continued government

ownership and prevent setback risks. The World Bank, working together with the NRPB and other PIUs, will continue the close engagement and collaboration with the government and key sector ministries to maintain and transfer the hard-earned institutional assets to the new government.

Procurement Capacity of NRPB

With a growing portfolio, the NRPB is implementing increasing number of projects, which has stretched its capacity, particularly on procurement. Even with the NRPB's significantly strengthened capacity, staff cannot keep up with the heavy load of procurement activities, resulting in implementation delays across the portfolio. The World Bank project teams continue providing needed support using various mechanisms, including HEIS.



05

Outreach & Communications



In 2023, the SXM TF increased in visibility and amplified beneficiaries' voices within the Sint Maarten community through various media. The World Bank supported the collective efforts of the TF's five implementing partners, who maintained a strong social media presence³⁸ and actively promoted their work. SXM TF related activities were also regularly shared on the World Bank Caribbean's [X \(formerly Twitter\)](#) account and [Facebook](#) page. In addition, Sint Maarten's local media constantly disseminated news on SXM TF activities and prominently published press releases on targeted topics such as new projects and additional financing.

Highlighting the Progress of Reconstruction

In February 2023, Their Majesties King Willem-Alexander, Queen Máxima of the Netherlands, and Her Royal Highness the Princess of Orange Catharina-Amalia paid a [Royal visit](#) to Sint Maarten. This was King Willem-Alexander's first visit to the island since 2017, in the aftermath of Hurricane Irma, during which he described the devastation as the worst he had ever seen. The Royal Family noted Sint Maarten's reconstruction progress and visited SXM TF projects, including [PJIA](#), [SMMC](#), and [R4CR](#).

Supporting the Protection of Children in Creative Ways

In 2023, utilizing an abundance of creativity in various media, GoSXM – with technical support from UNICEF NL – celebrated several achievements in child protection and youth engagement. In March, just before the hurricane season, SSSD launched [HURRYcane Run](#), a board game featuring local artwork and cultural icons, teaching children the importance of disaster preparedness in a fun and interactive way. In October, students, teachers, and parents gathered for the premiere of the short film, [What if I Told You](#). Starring young Sint Maarteners ranging from ages six to 14, the film tells the story of the importance of parents, caregivers, and teachers in a child's life and is one of several activities supporting the Department of Youth's mission to improve and promote meaningful youth participation. The SXM Child Protection Working Group also developed new editions of its magazine, [Growing Up Safe – Sint Maarten](#), to share knowledge, experiences, and best practices for child protection.

Building a Strong and Resilient Community

R4CR remained a prominent force among Sint Maarten civil society supporting some [77 projects over the year](#), many of which are transforming the community. In August 2023, R4CR beneficiary the Sint Maarten Yacht Club unveiled its "[Sailability](#)" TF grant-supported program, the first of its kind on the island, to purchase a specialized accessible sailboat designed to accommodate people with disabilities who want to learn to sail. In December, as part of a goal to merge eco-tourism and conservation, another R4CR grantee, the Nature Foundation opened the [Great Salt Pond Birding Platform](#).

Connecting Sint Maarten to the World

In November, Sint Maarten's Princess Juliana Airport opened the new [departure hall](#) reestablishing itself as the premiere airport hub for the north-eastern Caribbean. For a bird's eye view taking viewers on a journey of the reconstruction process, PJIA continued with the web series, [Restoring a Princess](#), available on YouTube.

³⁸ Partner Facebook pages: [NRPB](#), [R4CR](#), [Unicef Sint Maarten](#), [SMMC](#), [PJIA](#)

Keeping People Informed and Aware

Throughout 2023, the NRPB dedicated its communication strategies to engaging with stakeholders and disseminating information to the public. By leveraging a variety of media outlets, the NRPB ensured [timely and pertinent updates](#) on the progress of their projects, while actively participating in [public consultations](#) and feedback sessions to accurately capture and address the community's perspectives, questions, and concerns. Moreover, on social media, the NRPB [showcased stories](#) of individuals positively impacted by its initiatives.

Delivering Quality Care at Home

As Sint Maarten's largest, fully equipped healthcare facility, the SMMC has used SXM TF funding to improve the delivery of its services and build internal capacity, keeping the public regularly updated about its work via its website and social media. Among 2023's notable achievements were opening a [new vascular lab](#) and performing the [first shoulder replacement surgery](#) on the island.

Providing Support and Expertise to Strengthen Capacity

Reinforcing its commitment to providing guidance and support to Sint Maarten, the World Bank [formally opened](#) its local office in June. The Bank continued to work closely with partners to promote the SXM TF, releasing two new informational products - [project factsheets](#) and a [Results Storybook](#) - to create greater public awareness and understanding.

A significant achievement in 2023 was the revamped [SXM TF dashboard](#), which went live in November, featuring real-time updates on project status, latest news, and feature stories. To encourage capacity building, technology transfer, and good governance, the Bank facilitated South-South Knowledge exchanges between [Sint Maarten and Suriname](#) in April, and Sint Maarten and Brazil in November.

Outlook

Communicating the SXM TF's activities and making achievements visible will remain the fundamental target for all primary stakeholders in 2024. The World Bank and the SXM TF implementation partners will maintain the momentum created in 2023, delivering timely communications products over the duration of the program. Coordination among partners will be critical for smoother engagement to deliver impactful messages that resonate with the people of Sint Maarten.

06

Looking Ahead – 2024 Priorities



The SXM TF enters its sixth year of implementation in 2024, passing the program cycle's mid-point since inception. While staying committed to the country's reconstruction and recovery efforts, the SXM TF will also pay greater attention to fostering long-term sustainability of investments beyond its lifecycle. The World Bank will leverage its strengths in expert technical advice, analytics, and convening skills in collaboration with the GoSXM for exponential impact in Sint Maarten. GoSXM can play a vital role in delivering the much-needed set of policy and institutional reforms ongoing or proposed in multiple sectors across the portfolio.

The following are critical priorities in 2024.

Accelerating Essential Pipeline Delivery and Portfolio Implementation

Two projects – Wastewater Management Project and Housing Project – are in the pipeline, currently under preparation, and are scheduled for approval by World Bank in 2024. Completely delivering the outstanding pipeline projects will move the TF program fully into implementation mode. Additionally, the program anticipates delivering some important milestones: opening the PJIA terminal at the end of 2024 once PJIAE completes the airport's reconstruction, providing additional MSMEs with financial support for asset and working capital, strengthening NRPB's financial base to ensure adequate support for the organization until the TF closes in 2028, and working more systematically with PIUs to transfer knowledge in specific areas to the public sector. Consequently, the World Bank team will continue applying its standard implementation support mechanisms such as in-country missions, as-needed technical engagements, and advisory activities. The program secretariat will also be available in the country office, providing on-the-spot solutions and advice to meet the needs of stakeholders and partners, swiftly addressing operational issues, and streamlining decision-making.

Strengthening Public Sector Engagement

Sustainability and long-term resilience of program investments depend upon public sector capacity, which requires having essential human resources and technical skills. However, sector ministries already struggle with inadequate human resources heavily stretched by ongoing projects, programs, and multiple agencies' demands. This capacity challenge calls for joint action and close coordination of agencies. The World Bank aims to establish a partnership platform in collaboration with other international development partners in 2024. The platform is envisaged as a forum for dialogue among international agencies and encourages a coordinated front for supporting and enabling public sector capacity. The local office will also further strengthen dialogue and collaboration with the GoSXM and other relevant stakeholders, focusing on policy and administrative measures needed to ensure the sustainability of SXM TF investments, its overall impact, and long-term strategic direction.

Enhancing TF Results Orientation and Stakeholder Engagement

In 2024, enhancing results orientation for SXM TF projects is an area of renewed focus. The World Bank plans to conduct two CPPRs in March and September 2024. The reviews will assess progress, identify pressing implementation challenges, determine potential areas for improving the program and strengthening project outcomes. Starting off the CPPR with a Results Fair will allow implementation partners to showcase the achievements of SXM TF projects while encouraging project beneficiaries to directly share their stories, lessons, experiences, and results. The World Bank will continue producing new editions of the Results Storybook every six months, working with PIUs to feature different beneficiaries telling their stories in their own words. Moreover, the program secretariat will engage more closely and regularly with a cross-section of stakeholders to share the TF's results using various tools, including the Geo-enabled Monitoring and Evaluation System. Interacting with stakeholders will also help the program secretariat understand stakeholders' realities, motivations, and needs.

Improving Governance and Enabling Environment

The SC is responsible for the TF's overall governance, supported by the World Bank's program secretariat. The SC will hold two meetings during the year to ensure the SXM TF program is on track and delivering its mandate. The program secretariat will update the TF's operating guidelines to reflect needs and priorities at this implementation stage, including the need for closer activity monitoring and tracking. The SXM TF Strategic Framework will be updated to reframe program objectives and activities, reflecting evolved and emerging priorities until December 2028. The World Bank's strengthened presence on the ground since opening the Sint Maarten country office will also enhance operational efficiency and effectiveness.

Sharing Lessons and Exchanging Knowledge

The World Bank will continue facilitating opportunities for PIUs to share their knowledge beyond borders and expand learning with implementation partners from other countries. Going forward, the knowledge and learning activities will be more targeted and tailored to the needs defined by the PIUs and relevant ministries. The planned partnership platform will also serve as an avenue to coalesce lessons from international agencies and exchange knowledge with the TF PIUs and GoSXM partners.

In addition, more knowledge exchange opportunities are emerging as the program advances. Completing EISTP, the second project to close under the SXM TF, raises the opportunity to draw lessons in several areas, including how other active projects can gain government's buy-in and commitment. Other lessons include strengthening technical capacity for effective and efficient project implementation, strengthening the social safety nets, and building financial resilience while facilitating income support for vulnerable persons following a disaster.



Appendices

Appendix A

Program Strategy

The SXM TF was launched in April 2018 as a tripartite partnership between the Government of the Netherlands, the Government of Sint Maarten, and the World Bank to help the country rebuild stronger and more sustainably, supporting longer-term development priorities.

The Sint Maarten Trust Fund is financed by the Kingdom of the Netherlands, administered by the World Bank, and implemented by the government and people of Sint Maarten. Initially envisioned to run through 2019–2025, the fund has been extended to the end of 2028.

Steering Committee

The fund's Steering Committee allocates its resources by consensus to recovery projects and capacity-building activities. The committee is composed of one representative from each partner and meets twice per year.

The members of the SC are:

- » **Sint Maarten:** Ronald Halman, former Chairman of the General Audit Chamber
- » **The Netherlands:** Frans Weekers, Deputy Secretary General, BENELUX Union
- » **World Bank:** Lilia Burunciuc, Country Director for the Caribbean Countries

Additionally, a technical working group composed of technical staff drawn from each of the three parties prepares the groundwork for the SC meetings. It regularly convenes to discuss the program's results and challenges, resolve pending issues, resolve differences, or clarify information.

The World Bank's program manager heads the secretariat of the SXM TF on behalf of the World Bank.

Implementing Organizations in Sint Maarten

The **National Recovery Program Bureau (NRPB)** was created by law in Sint Maarten. NRPB is an independent administrative agency overseeing the implementation and coordination of most RE activities mandated by the GoSXM. Its staff consists of employees and consultants, supported as appropriate by technical advisors from the Netherlands and the World Bank. It manages six active projects and one closed project. NRPB will also manage the two pipeline projects once approved by the World Bank.

The **Netherlands Committee UNICEF Foundation**, an independent foundation affiliated with UNICEF, implements the Child Resilience and Protection Project (CRPP).

The **Sint Maarten Medical Centre** (SMMC) was established on March 17th, 1991. SMMC is a non-profit organization that manages and carries out hospital functions serving the community of Dutch St Maarten in the Northeastern Caribbean. SMMC implements the Hospital Resiliency & Preparedness Project (HRPP).

VNG International, the International Cooperation Agency of the Association of Netherlands Municipalities (VNG), implements the St Maarten Civil Society Partnership Facility for Resilience Project (CSPFRP).

The **Princess Juliana International Airport Operating Company N.V.** (PJIAE) implements the Airport Terminal Reconstruction Project in partnership with NRPB.

Alignment of SXM TF Activities with the NRRP³⁹

National Recovery and Resilience Plan

The NRRP’s overarching goal is to restore, secure, and strengthen the well-being of Sint Maarten’s people. The NRRP identifies three priorities: (1) supporting the basic needs of the community; (2) restarting and revitalizing the economy; and (3) preparing the country and government for future hurricane seasons (Figure A-1). The NRRP projects that US\$2.3 billion will be required under these pillars to respond to Sint Maarten’s recovery and resilience needs.

Figure A-1: NRRP Priorities

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	

³⁹ World Bank. 2018. “Guiding Principles of the Netherlands.” Appendix of SXM TF Administration Arrangement. Washington, DC: World Bank Group.

Guiding Principles for Trust Fund Use

With the establishment of the SXM TF, the objectives of the Netherlands are to support the material and nonmaterial reconstruction and recovery of Sint Maarten wherever necessary, restore vital infrastructure, and sustainably boost the country's resilience in the face of possible future disasters, natural and otherwise.

The Netherlands' guiding principles annexed to the SXM TF Administration Arrangement state that activities will:

- a. address the damage caused by Hurricane Irma,
- b. make significant improvements to the pre-hurricane preparation of the island, and
- c. restore vital infrastructure whose breakdown would threaten social peace or national security.

The SXM TF support aims to boost resilience by improving crisis management and disaster preparedness, promoting economic diversification, enhancing good governance, and strengthening civil society. A preference is expressed for projects "with a long-term vision that respects both people and the environment."⁴⁰

According to these principles, projects are assessed on seven criteria:

- **Necessity** (meaning that there are no other sources of funding)
- **Additionality** (meaning they bring in private or other public international financing where possible)
- **Suitability** (their appropriateness in scale considering capacity)
- **Effectiveness** (their ability to attain the objective and their consistency with Sint Maarten's long-term policy orientations)
- **Efficiency and Legitimacy** (meaning that safeguards are in place to ensure both).
- **Good governance** is central to all activities undertaken by the SXM TF, particularly their outcomes and methods of implementation.

The latter concept is further supported by the strict application of World Bank processes and procedures for financial management, procurement, and safeguards/E&S Standards.

The SF identifies the objectives to be achieved in these focus areas through approved projects and outlines future avenues for action (Figure A-2). The SF's principles of engagement include modalities to strengthen local capacity and partnerships. While the SXM TF will finance many SF priorities, the SF expects additional financing to be leveraged from other partners to fill sector gaps and complement current and planned activities, where appropriate.

40 World Bank, 2018

Appendix B

Development Objectives (DO), Implementation Progress (IP), & Risk Ratings (As of February 1, 2024) ⁴¹

Project	Approval Date	Closing Date	DO	IP
Sint Maarten Emergency Recovery Project I	10-Jul-2018	31-Dec-2025	S	MS
Sint Maarten Emergency Debris Management Project	20-Dec-2018	31-Dec-2026	MU	MU
Emergency Income Support and Training Project	02-Aug-2018	31-Aug-2023	MS	MS
Sint Maarten Hospital Resiliency & Preparedness Project	16-Aug-2018	31-May-2025	S	S
Sint Maarten Airport Terminal Reconstruction Project	18-Sep-2019	3-Jun-2025	S	MS
Sint Maarten Enterprise Support Project	04-Apr-2019	30-Jun-2028	MS	MS
St Maarten Civil Society Partnership Facility for Resilience Project (CSPFRP)	26-Jun-2020	28-Jun-2024	MS	S
Child Resilience and Protection Project	22-Oct-2020	31-Jul-2024	MS	MS
Sint Maarten Digital Government Transformation Project	18-Mar-2021	30-Nov-2026	MS	MS
Fostering Resilient Learning Project	09-Jun-2022	30-Apr-2027	MS	MS
Improving Mental Health Services	28-July-2023	30-Jun-2027	S	S

DO progress rating – is the likelihood of achieving the Development Objective by the end of the Project given implementation progress and outcomes indicators.

S = Satisfactory

MS = Moderately Satisfactory

MU = Moderately Unsatisfactory

IP progress rating – considers implementation progress level in all project management categories (components, FM, procurement, E&S, disbursement, project management, and legal covenant).

S = Satisfactory

MS = Moderately Satisfactory

MU = Moderately Unsatisfactory

⁴¹ Data available on the [SXM TF Dashboard](#)

Appendix C

Financial Details as of December 2023

Expressed in millions of US dollars

Introduction

Total funds contributions from the Netherlands to the SXM TF from April 2018 to December 2023 amounted to US\$519.42 million, paid in April 2018, November 2018, December 2020, December 2021, and December 2022. After adjusting with the investment income of US\$32.86 million and the US\$13.43 million administration fee, the total funds amount to US\$538.85 million (Table C-1)

Table C-1 – Flow and Use of Funds (US\$ million)*

A	Received from the Netherlands	519.42
B	Investment Income	32.86
C	Administrative Fee	13.43
D	Total Funds Available for Allocation (A+B=C)	538.85
E	Grants (E.1 + E.2), See Figure C-1	478.15
F.1	Disbursements	302.37
E.2	Undisbursed	175.77
F	Projects under preparation	30.00
G	Administrative Fee**	1.11
H	Funds Remaining (D-E-F-G)	\$29.60

* Totals may vary due to rounding.

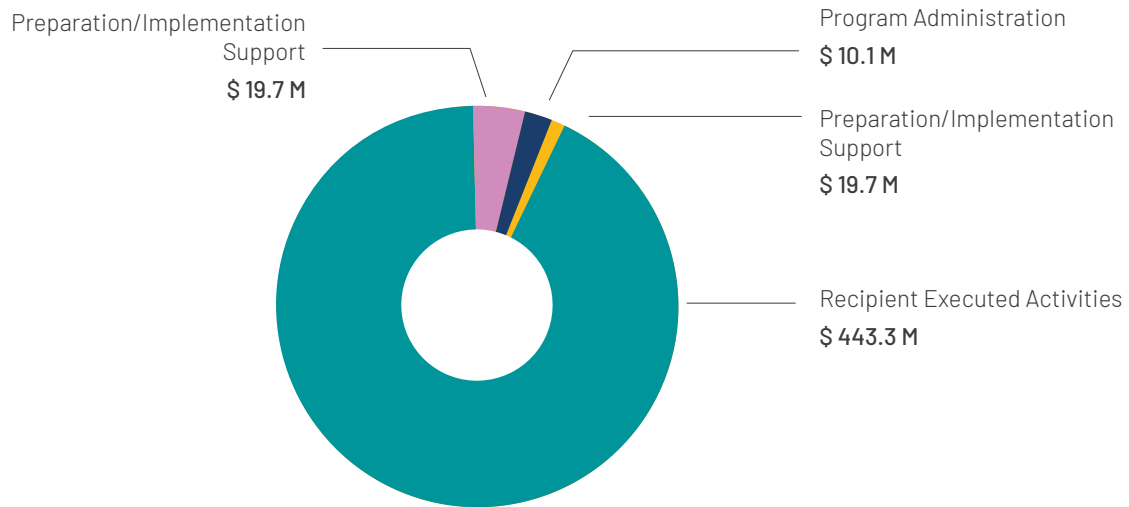
** Administrative Fee on projects under preparation and newly activated the second AF of HRP.

Commitment: Following the fifth tranche released by the Netherlands in December 2022, the TF has received a total of US\$519.42 million. Total grants allocated directly to operations amounted to US\$468 million for funds allocated directly to operations, analytical work, and client support (recipient-executed activities, ASA, preparation, and implementation activities). US\$443.3 million (an increase of US\$13 million from December 2022) had been committed to 12 recipient-executed projects in 21 grants, of which two are completed and closed. US\$24.7 million financed BE implementation and supervision activities, hands-on support to the NRPB, analytical work, and technical assistance to the Government of Sint Maarten.

Use of Funds

US\$302.4 million (63.2 percent) of the US\$478 million grants was disbursed as of December 31, 2023, an increase of US\$79.4 million from December 31, 2022. Cumulative disbursements by activities are US\$271.3 million for recipient-executed activities, US\$17.7 million for client support, US\$4.5 million for analytical work, and US\$8.9 million for program management. (See Figures C.1, C.2, and Appendix E.)

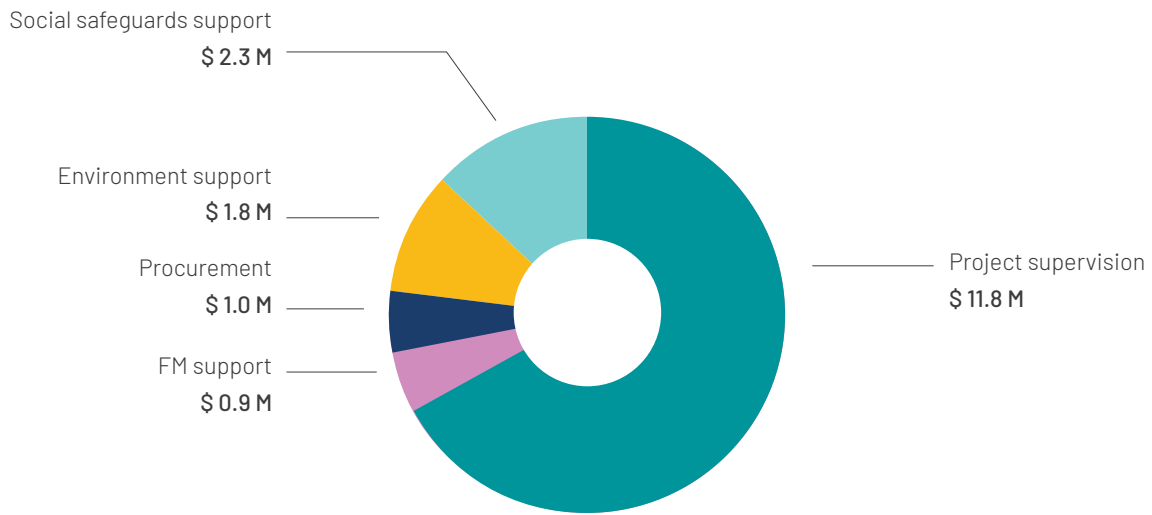
Figure C.1 Allocation of Funds (\$, million)



Disbursement of Bank-Executed Preparation and Implementation Support Activities

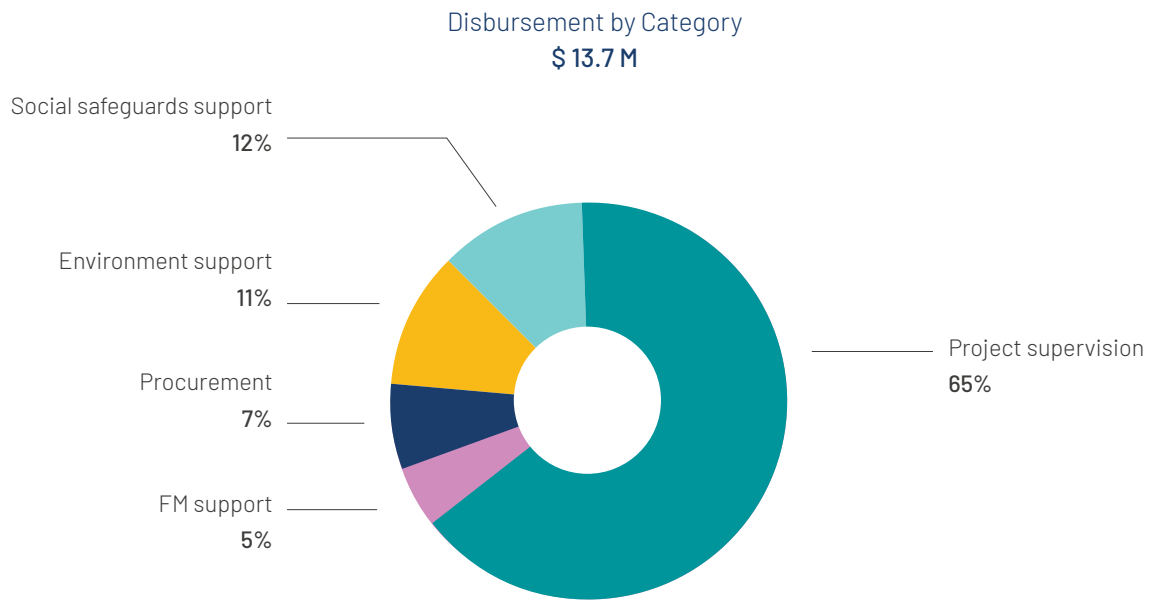
In 2023, twenty-three tasks received resources for World Bank supervision of preparation and implementation, compared to twenty-two in 2022. Tasks increased by one when the World Bank approved the IMHSP. Cumulatively, total disbursements are US\$17.7 million (Figure C.2), of which US\$4 million was spent between January and December 2023. Project supervision in 2023 expended a similar amount of funding as the previous year, with around 67 percent of funds disbursed last year, including 6.3 percent for HEIS, compared to 65 percent in 2022 (7.5 percent spent on HEIS). Thirty three percent of the total expenditures for preparation and supervision supported safeguards and fiduciary activities (environmental, social, procurement, and financial management oversight).

Figure C.2 Disbursement of Preparation and Implementation Support Activities by Category (\$, million)



* HEIS accounts for 6.3% of project supervision.

** Support from safeguards, procurement, financial management account for 33% of supervision activities.



* HEIS accounts for 7.5% of project supervision.

** Support from safeguards, procurement, financial management account for 35% of supervision activities.

Allocations expected in 2024: Projects amounting to US\$30 million are expected to be negotiated and approved by the World Bank, and US\$19.7 million will be allocated to prepare and supervise projects. Procurement, safeguards, and fiduciary support will receive approximately 35 percent. Six percent will go to the NRPB for direct, hands-on support to complement limited on-island and in-house capacity.

Appendix D

Analytical Work and Technical Assistance⁴²

Ongoing

Title	Type
Technical Assistance for a Disaster Reserve Fund	Technical assistance
Digital Government Strategy	Technical assistance with outputs
Sustainability and Resilience Initiative	Technical assistance
Country Environmental Analysis	Study

Completed

Title	Type
Mid-Term Review (MTR) of SXM TF Program	Evaluation
Rapid Housing Sector Assessment	Study
Low-Income and Affordable Housing Technical Assistance	Technical assistance
Airport Corporate Governance Assessment	Study
Support to the Airport Corporate Governance Task Force	Technical assistance
Sint Maarten Hospitality Reconstruction Financing Due Diligence	Study
Tourism Sector Recovery Strategy Support	Technical assistance with outputs
National Risk Assessment on Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT)	Technical assistance with outputs
Long-term Waste studies	Study
Public Expenditure Review	Study
Support to creation of the Sint Maarten National Recovery and Resilience Plan	Report
Air Screening Results at Pond Island Municipal Waste Disposal and Temporary Debris Sites	Technical assistance

⁴² <https://www.sintmaartenrecovery.org/analytical-work>

Appendix E

Summary of disbursements by activities

Table E.1 RE + BE

Activities	Budget allocated	Disbursements April 2018 – December 2023	Undisbursed funds, end of December 2023
SXM TF Total	478,046,099	302,374,051	175,772,047
Recipient-executed activities Subtotal	443,304,091	271,282,544	172,021,547
TF0A8079 Emergency Recovery I	55,200,000		
TF0B5199 Including Additional Financing	45,000,000	92,150,000	27,550,000
TF0C0966 - 2nd Additional Financing	19,500,000		
TF0A8176 Hospital Resiliency and Preparedness	25,000,000		
TF0B3788 Including Additional Financing	3,610,000	26,277,227	9,332,773
TF0B3788 Including Additional Financing	7,000,000		
TF0A8265 Emergency Income Support and Training	22,500,000	21,914,674	585,326
TF0A9223 Enterprise Support Project	25,000,000	18,566,812	6,433,188
TF0A9261 Emergency Debris Management	25,000,000		
TF0B9747 Including Additional Financing	60,000,000	29,126,585	55,873,415
TF0B0760 Airport Terminal Reconstruction	72,000,000		
TF0B7571, including Additional Financing	20,000,000	65,143,440	26,856,560
TF0B2442 Red Cross Roof Repair Project	3,745,130	3,745,130	0
TF0B3014 Civil Society Partnership Facility for Resilience (CSPFRP)	7,200,000	5,639,528	1,708,265
TF0B2229 Project Preparation Grant	147,793		
TF0B4140 Child Resilience and Protection	4,488,000	4,165,393	834,607
TF0B2513 Project Preparation Grant	512,000		
TF0B8048 Fostering Resilient Learning Project	26,780,000	1,677,212	25,723,956
TF0B4914 Project Preparation Grant	621,168		
TF0B4218 Digital Government Transformation Project	12,000,000	2,876,543	9,123,457
TF0C1500 Improving Mental Health	8,000,000	0	8,000,000
Bank-executed activities Subtotal	34,842,008	31,091,508	3,750,500
Preparation and implementation support	19,746,869	17,736,350	2,010,518
Advisory services and analytics	4,955,139	4,490,508	464,631
Program management and administration	10,140,000	8,864,650	1,275,350

*Totals may differ due to rounding.

Activity Details: January–December 31, 2023

Following the sixth and final funding tranche of €7 million by the Netherlands to the SXM TF in December 2022, a total of US\$519.4 million has been received. In addition, the World Bank's Treasury reported that US\$32.9 million in investment income has been generated for the SXM TF as of the end of December 2023.

By December 31, 2023, US\$443.3 million had been committed to 12 recipient-executed projects, of which one was completed. US\$24.7 million financed the World Bank's implementation and supervision activities, hands-on support to the NRPB, analytical work, and technical assistance to the Government of Sint Maarten and program management. Since the TF's inception, program management (US\$10.1 million) and administration fees (US\$13.4 million) account for only four percent of the total funding received and have been offset by investment income (table E.2).

Table E.2 Released Funds

Received	US\$, millions	Use of funds	US\$, millions
Total funds received from the Netherlands. ⁴³	519.4	Administrative fee	13.4
		Committed to signed projects ⁴⁴	443.3
		Analytical work	5.0
		Preparation, supervision, and implementation support	19.7
		TF management	10.1
Investment Income ⁴⁵	32.9	Total Commitments	491.6
Total funds	552.3	Estimated value of projects under preparation	30.0
		Additional Administrative Fee	1.1
		Total Commitments and Allocations	522.7

43 Final amount, no further funds expected.

44 These numbers do not account for planned cancellations and reflow to the TF from the committed amounts.

45 As of December 31, 2023.

As of December 31, 2023, out of US\$443.3 million committed to recipient-executed projects, US\$271.28 million (representing 61 percent of commitments) had been disbursed (see Table E.3).

Table E.3 – RETF Projects Under Implementation (US\$ millions)

	Projects under Implementation*	Approved	Commitments	Cumulative disbursements	January to December 2023 Disbursements**
1	Emergency Recovery Project I (P167339+AF (P173225))	7/10/2018	119.70	92.15	26.75
2	Emergency Income Support and Training Project (P167368)	8/2/2018	22.50	21.91	0.21
3	Hospital Resiliency and Preparedness (P167532+AF (P167532)+AF (P180854))	8/16/2018	35.61	26.28	1.51
4	Emergency Debris Management Project (P167347) ⁴⁶	12/21/2018	85.00	29.13	5.63
5	Airport Terminal Reconstruction (P167974)	12/9/2019	92.00	65.14	28.29
6	Red Cross Roof Repair Project (P172619) ⁴⁷	12/30/2019	3.75	3.75	0.00
7	Enterprise Support Project (P168549)	12/30/2019	25.00	18.57	4.23
8	Civil Society Partnership Facility for Resilience Project (P172339)	6/26/2020	7.35	5.64	2.23
9	Child Resilience & Protection Project (P172582)	10/22/2020	5.00	4.17	1.61
10	Sint Maarten Digital Government Transformation Project (P172611)	3/18/2021	12.00	2.88	2.03
11	Fostering Resilient Learning Project Preparation Grant (P172753)	3/11/2021	27.40	1.68	0.43
12	Improving Mental Health in Sint Maarten (P177679)	9/25/2023	8.00	0.00	0.00
	Total		443.30	271.28	72.90

Notes:

* Includes funds released as Project Preparation Grant

** Totals may vary due to rounding

⁴⁶ Grant agreements signed between the World Bank and the recipient

⁴⁷ Project closed on December 31, 2020

In addition, following allocations by the SC, projects for US\$30 million are being prepared for appraisal and approval by the World Bank (table E.4). The “Projects under Preparation” section in this chapter details the project objectives and content.

Table E.4. RETF Projects under Preparation

RETF projects	Estimated amount (US\$, millions)	Estimated approval ⁴⁸
1 Housing Project	20.0	Q1 2024
2 Wastewater Project	10.0	Q1 2024
Total	30.0	

Note: RETF = Recipient-executed trust fund.



⁴⁸ Estimated timelines are subject to change to meet operational requirements, including appropriate consultation and preparation of appropriate safeguard instruments by the recipient, in line with World Bank policies.

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