



ANNUAL REPORT 2020

Sint Maarten Recovery, Reconstruction and Resilience Trust Fund

SINT MAARTEN TRUST FUND



Government of the Netherlands



THE WORLD BANK



ANNUAL REPORT

**Sint Maarten Recovery,
Reconstruction and
Resilience Trust Fund**

January 1 – December 31, 2020

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Latin America and the Caribbean Region**

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Acronyms

CCRIF	Caribbean Catastrophe Risk Insurance Facility
CDEMA	Caribbean Disaster Emergency Management Agency
CSO	civil society organization
EDMP	Emergency Debris Management Project
EISTP	Emergency Income Support and Training Project
ERP 1	Emergency Recovery Project 1
ESP	Enterprise Support Project
GDP	gross domestic product
ICT	information and communications technology
MECYS	Ministry of Education, Culture, Youth and Sports
MSMEs	micro, small, and medium enterprises
NGO	nongovernmental organization
NRPB	National Recovery Program Bureau
NRRP	National Recovery and Resilience Plan
PJIAE	Princess Juliana International Airport
PSC	public service center
RAP	Resettlement Action Plan
SC	SXM TF Steering Committee
SF	SXM TF Strategic Framework
SMMC	Sint Maarten Medical Center
SXM TF	Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund
TDSR	Temporary Debris Storage and Reduction
VSA	Ministry of Public Health, Social Development and Labor



1. Introduction

This report provides an overview of activities executed under the Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund (SXM TF) from January 1 to December 31, 2020.

On September 6, 2017, Sint Maarten was severely affected by Hurricane Irma. Related damages and losses¹ were estimated by the government of Sint Maarten and the World Bank to amount at US\$2.7 billion, amounting to 260 percent of the gross domestic product, or GDP. In response to the disaster, the government of the Netherlands made immediate bilateral aid available, complemented by substantial private donations.

On April 16, 2018, the SXM TF was established for up to €470 million (US\$553.4 million equivalent) at the World Bank. Financed by the government of the Netherlands, the SXM TF finances a program for the recovery and reconstruction of Sint Maarten and the strengthening of the country's resilience to natural disasters. The SXM TF secretariat is housed in the Caribbean Country Management Unit in the World Bank's Latin America and Caribbean Region.

The SXM TF's strategic framework sets out the project's support for (1) post hurricane recovery and reconstruction of Sint Maarten and (2) longer-term development priorities to strengthen the country's resilience.

To date, the SXM TF has received US\$414.47 million from the Netherlands. Activities financed out of these funds are approved by the SXM TF steering committee, supported by a technical working group, each of which comprise representatives of Sint Maarten, the Netherlands, and the World Bank. Project activities are implemented through recipient-executed and bank-executed projects. The NRPB implements, and coordinates recipient executed SXM TF activities on behalf of the government of Sint Maarten. Some activities are implemented by other entities designated by the government of Sint Maarten. The SXM TF program benefits from complementary technical assistance and expertise provided by the government of the Netherlands and the World Bank as appropriate.

Sint Maarten, one of the four constituent countries of the Kingdom of the Netherlands,² is a small, high-income island state with a GDP per capita of over US\$29,495 in 2019.³ It shares its territory with the French overseas collectivity of Saint Martin and hosts more than 40,000 inhabitants on 16 square miles of land. In 2016, when tourism accounted for 45 percent of GDP and 73 percent of foreign exchange, Sint Maarten had the second most-visited port in the Caribbean and its international airport served as a hub for nearby islands.



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

2 The Kingdom of the Netherlands is composed of Aruba, Curaçao, the Netherlands, and Sint Maarten (since October 10, 2010).

3 International Monetary Fund, IMF 2019. GDP per capita estimates for 2020 are US\$ 23, 170, due to the 24 percent contraction expected in 2020.

The World Bank produces an annual report for each calendar year and a semiannual report after the closing of the World Bank's fiscal year (June 30). These reports provide an overview of progress, challenges of and outlook for the projects under implementation, the pipeline of projects that are being prepared, and associated analytical work. The report also provides a summary of results measured against the SXM TF's strategic framework and a financial overview. As noted, the current report summarizes the SXM TF's main achievements, activities, results, and unaudited financials from January 1 to December 31, 2020.

2. Executive Summary

Introduction

In 2020, Sint Maarten faced extraordinary circumstances that dramatically affected the pace and implementation modalities of the SXM TF activities. A long political transition (September 2019 to March 2020) early in the year slowed decision-making. Then, a country-wide lockdown and border closings halted all travel from abroad from mid-March to early June. This resulted in a large drop in tourism. The effects of the COVID-19 pandemic caused an estimated 24 percent contraction of GDP in 2020 and estimated unemployment increased to 19 percent.⁴ In line with the government's public health and safety requirements, project activities funded by the SXM TF were halted from March to May, resuming in June with appropriate COVID-19 risk mitigation measures in place. Severe restrictions and constraints on global travel hampered collaboration between local and internationally based teams (including international contractors and World Bank teams).

Implementation Achievements

The SXM TF program achieved notable results this year. More than half of the SXM TF's total resources have been committed as of the end of 2020, and the portfolio has grown significantly in support of key priorities, such as the repair of the Princess Juliana International Airport. Trust fund disbursements tripled over 2020 to over US\$94 million. The SXM TF injected substantial funds into the local economy, with over US\$25 million under contract, of which 75 percent was with local contractors, creating significant employment opportunities and resulting in visible benefits. In addition, partnerships with nongovernmental organizations (NGOs) and financial institutions have started with around US\$50 million available to finance micro, small, and medium enterprise (MSME) and NGO projects and activities. This progress was accomplished notwithstanding the protracted political transition and the impacts of the COVID-19 crisis which marked the year 2020.

New activities have started under the Enterprise Support Project aimed at supporting MSMEs (US\$35 million), the Resources 4 Community Resilience Project that finances civil society organizations (CSOs) and NGOs (US\$7.2 million), a grant to UNICEF (US\$5 million) to strengthen psychosocial services for children, all launched in 2020, and additional financing (US\$3.6 million) to the [Hospital Resiliency and Preparedness Project](#) to finance just-in-time equipment and medical needs for the COVID-19 pandemic. Additional

4 International Monetary Fund, Article IV, April 2020.

financing (US\$0.17 million) was also provided to the Netherlands Red Cross to finish the roof repairs to the most vulnerable communities on the island. In September 2020, the SXM TF steering committee allocated additional financing for the ongoing Emergency Recovery Project I (US\$45 million) and the Emergency Debris Management Project (US\$25 million).⁵

As of December 2020, more than half of the SXM TF's total expected resources have been committed to projects. Nine projects were under implementation in 2020 for US\$254.4 million, and at end 2020 new projects were under preparation for US\$122 million. The critical Airport Terminal Reconstruction Project (US\$72 million) was launched in April, leveraging US\$50 million in co-financing from the European Investment Bank and facilitating the release of US\$72 million in insurance proceeds held by the airport's bondholders. The main airport reconstruction works are being procured, and the project has provided emergency support for operating expenditures to the airport over the last half of 2020.

SXM TF disbursements more than tripled, from US\$21 million by end of 2019 to US\$68 million by the end of 2020 for recipient executed activities. Implementation advanced with tangible results during the extremely challenging conditions of the COVID-19 pandemic in 2020. During the country-wide lockdown period, desk work, remote project preparation, project implementation support, supervision, procurement, and hands-on support continued. Completion of emergency repairs to the police station's roof in Philipsburg were authorized under exceptional circumstances, due to the impossibility of performing operations with the roof open. Works resumed over the summer and at end 2020; repairs to roughly half of the total targeted social and private homes were completed. All works on the existing hospital building, the training and employment support program, and the Red Cross Roof Reconstruction Project were completed.

These ongoing investments have begun to inject substantial resources into the local economy. Contracts for a value of US\$25 million at the end of 2020 were awarded to local contractors, representing about 75 percent of all contracting under projects to date. Through the procurement of works and services, these have provided significant financial opportunities for firms in Sint Maarten and employment opportunities for job seekers.

The trust fund has also invested in skills, training, and income support. Through its Emergency Income Support and Training Project, almost 2,000 Sint Maarteners, of which 69 percent are women, were trained in hospitality and construction and provided with income support and stipends. About 50 percent of the initially enrolled group of hotel workers was able to return to work prior to the COVID-19 pandemic and 80 percent of construction trainees have found jobs. By its completion, the project's stipend and training component reached 60 percent of the unemployed people in Sint Maarten, the largest program of this type in Sint Maarten.⁶

Small and medium enterprises struggling to stay open due to the COVID-19 crisis can now apply for financial packages of working capital loans and asset recovery grants through local private sector banks (Windward Island Bank, Qredits, and Banco di Caribe), under the US\$35 million Enterprise Support Project. More than 100 firms have applied as of early 2021, and financial packages are being rolled out. The project aims to reach around 600 MSMEs and includes a risk-sharing mechanism with participating financial institutions, due to the current crisis conditions. At end December, seven beneficiaries had received financing packages through Qredits, with another 89 financing applications under review.

SXM TF resources are also being channeled through CSOs and NGOs, both domestic and international. The Resources 4 Community Resilience, implemented by VNG International (VNGI), has begun awarding small grants to local CSOs for services, financial entrepreneurship, and community-based works, with sizeable short term employment opportunities expected. Grants are expected to reach 100 local organizations. In 2020, VNGI issued the first call for proposals from CSOs under the CSO project and has allocated



⁵ Final amounts of additional financing will be determined prior to approval.

⁶ According to the 2018 Labor Force Survey, 2,296 people were officially unemployed, and the program reached 1,489 who were reported as unemployed.

US\$452,000 to finance the projects of 12 CSOs in favor of the most vulnerable, such as senior citizens, the homeless, the sick, and young mothers, and with intentions to rehabilitate community spaces through mobile library units and by repairing of playgrounds. The SXM TF also finances a Child Protection and Development Project, implemented by UNICEF NL, to support disaster preparedness and children's psychosocial well-being at the school level and to help strengthen child protection systems.

Projects across the program have reported important milestones and critical impact. See table 2.1 and table 2.2.

Table 2.1 Program Results

High-level trust fund program milestones	December 2019	December 2020
Program commitments to recipient-executed projects	US \$203 Million	US \$254 Million
Program disbursements/ commitments to contracts	US\$32 million / US\$14 million	US\$94 million / US\$65 million
Non-governmental implementation partners	1	6



Table 2.2 Program Results

Project	Indicator	Target	Progress as of December 2019	Progress as of December 2020
Emergency Income Support Project	Participants receiving income support and training/number of women	1,155 / 670	1,792 / 1,072	1,984 / 1,371
Emergency Recovery Project 1	Home repairs	379	125	167
	Number of critical facilities repaired (police stations, shelters, radiosonde)	7	2	7
	Water tanks repaired	4		4
Irma Red Cross Roof Repair	Roofs repaired	200	0	182
Hospital Resiliency and Preparedness Project	Roof repairs of existing hospital	Roof installed	Completed	Completed
	Overseas medical referrals reduced (percentage)	45%	79%	79%
	Disaster Preparedness Plan & Evacuation Plan	90%	60%	91%
	Functionality of the existing Hospital	100%	0	100%
	Installation of auxiliary care facility for treatment of COVID-19 patients	Facility installed	-	Completed
Emergency Debris Management	Fire hotspots control improved at disposal sites (baseline 30)	Infrequent surface fires	2 hotspots	
	Heavy equipment delivery (front loader, bulldozer, fire support)	0	Ongoing	Completed
	Solid Waste Management Strategy, Short-Term Plan for Waste Management, a Regional Market Study for Waste Management in the Caribbean, two pre-feasibility studies	n.a.	Ongoing	Completed
	Roofs repaired	-		Procurement
Airport Terminal Reconstruction	Liquidity support for operational expenses paid to airport	n.a.	-	US\$3 million
Enterprise Support Project	MSMEs received financing	600	-	7 (89 applications in review)
Civil Society Partnership Facility	Civil society organizations receiving grants	100, US\$5 million	0	12, US\$0.45 million
Analytical Work and Technical Assistance	National Recovery and Reconstruction Plan, Housing Sector Study, Public Expenditure Review, Tourism Action Plan, Sint Maarten Hospitality Reconstruction Financing Due Diligence (study)	0	2	6

Emergency repairs were completed on two police stations. Through two projects, almost 350 homes have been repaired. Overall, 167 homes (58 private homes and 109 social housing units) were repaired through the Emergency Recovery Project 1. In parallel, roof repairs were completed by the Red Cross Netherlands, benefitting 182 vulnerable households. GEBE, Sint Maarten's utility company, has received retroactive financing to cover the installation of water tanks after the hurricane. Restoration of electricity services and water system upgrades have been financed. Works on four priority shelters were completed, with work on the remaining eight shelters initiated. The tender for the first batch of 3 out of 19 schools prioritized for repairs was successfully completed, and works have begun on the first 3 schools. Emergency, safety, and communications equipment and heavy equipment was delivered to the fire department. This includes breathing equipment, fire suits, safety shoes for firefighters, two diesel water pumps, communication equipment for first responders, and spare parts for ambulances.

Heavy equipment was purchased for the Ministry of Public Housing, Spatial Planning, Environment and Infrastructure (VROMI) for the management of the waste management site. The municipal waste site management has improved, and subsurface fires have been significantly reduced from 30 to 2 hotspots, due to alternative daily cover applied (procured under the Emergency Debris Management Project). A new approach for waste management was agreed with government at the end of January 2020 for future landfill management. Most of the associated solid waste management studies have been finalized, and they include a sector strategy that lays out the way forward for improved waste management. The SXM TF is supporting the technical preparation of a landfill and design-build-operate contract that covers recontouring, upgrade, extension, and closure. Resettlement work has resumed with work underway to complete the Environment and Social Impact Assessment (ESIA), Environmental and Social Management Plans (EDMPs), and the Resettlement Action Plan (RAP). A contract to remove and salvage 100 shipwrecks has been awarded.

Prior to the lockdown, 25 percent of the early works on the new hospital were completed. Since June 2020, works have resumed. Mobilization of the site has now concluded, with installation of construction site offices, fences with associated security and lighting, wheel wash stations, acoustic barriers, and a backup generator. A significant reduction of referrals off-island has demonstrated that better and expanded care is being provided in-country. In response to the COVID-19 pandemic, the SXM TF financed US\$3.6 million for equipment and medical supplies for the Sint Maarten Medical Center, under the Hospital Resiliency Project. Construction was completed on the auxiliary care facility for COVID-19 care. This facility replaced the Ministry of Public Health, Social Development and Labor (VSA) Medical Pavilion with containers resilient to hurricanes (up to category 4). The containers include beds to manage and treat suspected and confirmed COVID-19 cases. This support complements a broader package of assistance for COVID-19 provided by the government of the Netherlands.

Due to the very sharp contraction in tourism, the airport has suffered a large revenue gap. Two payments of US\$3 million to the airport were authorized to allow the airport to cover operational costs and remain current on debt service from June to December 2020.

The preparation of two new projects, the fostering resilient schools and the digital government transformation projects, has progressed significantly, with some impact of COVID-19 on the pace of activities due to lack of access to the island. The Fostering Resilient Schools Project is being prepared in collaboration with the Ministry of Education, Culture, Youth and Sports (MECYS) to rebuild two schools, modernize the ministry's information system, and the rehabilitate the main library. To support government modernization and enhance access to and delivery of public services, a digital government transformation project is in the final stages of approval. A third project, the solid waste management project, is in the pipeline to improve long-term waste management once the Emergency Debris Management Project is further advanced. Additional financing for the Emergency Debris Management Project and the Emergency Recovery Project 1 is also being prepared. As a result of evolving priorities, resources set aside for a road connectivity project and a development policy operation, both in the preparation phase, will be redirected to other purposes.

Several studies were completed in collaboration with government counterparts in 2020, including a rapid housing assessment, a tourism sector recovery study with a compendium of tourism statistics, and a Public Expenditure Review. The World Bank has offered to support Sint Maarten in carrying out its National Risk Assessment, which will support the country's compliance with international anti-money-laundering and counter-terrorism financing obligations.⁷ The digital government strategy is in final draft to support Sint Maarten's digital modernization agenda. These studies provide critical information to inform and help improve evidence-based decision-making.

The National Recovery Program Bureau (NRPB) has increased its capacity, with more staff allocated to procurement, financial management and safeguards. A framework agreement was signed with a consultancy firm for engineering design and supervision support for the remaining bulk of reconstruction of homes, schools and shelters. This will significantly boost much needed technical capacity of NRPB.

Implementation Issues and Constraints

Implementation progress continued to be affected by factors present since the inception of the SXM TF. Some of these issues are structural, such as difficulty in acquiring permits, access to the island by international consultants and firms, and the absence of a legal framework allowing for the continuous on-island presence of the World Bank. Capacity constraints at government agencies also delay implementation in key priority areas, in particular for waste management and resettlement. Travel restrictions due to the COVID-19 pandemic, has delayed some aspects of implementation, and resulted in a shift of supervision of activities through a virtual environment. Most travel restrictions were lifted in June, but due to COVID-19's global impact, access to the island remains limited for the foreseeable future and affects implementation progress. Resettlement of the population living near the municipal waste site remains urgent to protect residents from risks resulting from decades of inadequate waste disposal and management, including the risk of slope instability inside the landfill. These include risks of slope collapse. The resettlement of these residents is urgent and will allow activities to begin in a responsible way on the dumpsite without risking harm to people. Activities will focus on reconfiguring and managing the landfill responsibly.

Attracting both local and international firms to participate in bids for contracts has been challenging. Local firms struggle to qualify for some of the larger infrastructure projects, but through support and clarification of procurement guidelines, they have successfully won contracts for the bulk of activities this year. The interest of International firms has been limited in light of the small scope of activities and the remoteness of the island, and the high costs of doing business in Sint Maarten. A significant effort has been made to provide guidance and support during the procurement processes. Although NRPB has successfully recruited key staff in 2020, the organization still faces capacity constraints. Limited access to the island during the COVID-19 global pandemic further exacerbates these problems. While off-site capacity has been strengthened, on-site capacity for monitoring and managing safeguard risks by NRPB will require further strengthening to ensure that existing and future projects protect affected people and the environment. Some other implementation partners face similar capacity strengthening needs. The World Bank continues to provide substantial hands-on technical support to the NRPB and other implementing partners. During the lockdown and border closures, hands-on support has continued virtually.



3. Strategy

The SXM TF priorities for investment are laid out in the SXM TF SF⁸ 2019-2025 approved by the SC in August 2019. This SF addresses needs for post disaster recovery and takes on selected medium-term challenges in support of Sint Maarten's sustainable resilience and prosperity. The SF describes SXM TF activities until the trust fund's anticipated closing end 2025, under three focus areas: to (i) promote sustainable economic recovery, (ii) invest in citizens and resilient communities, and (iii) build the foundations to improve long term resilience and good governance. The SF identifies the objectives to be achieved in these focus areas through approved projects and outlines future avenues for action (see figure 3.2). The SF's principles of engagement include modalities to strengthen local capacity and partnerships with International Organizations and NGOs, and the private sector. SF priorities support the objectives of Sint Maarten's National Recovery and Resilience Plan (NRRP) and are commensurate with the Guiding Principles of the Netherlands recorded in the SXM TF Administration Arrangement.⁹ The NRRP focuses on the sustainable recovery of affected communities, as well as economic recovery and resilience, and government recovery and resilience.

Over the first year of implementation (2018), the NRRP itself and the guiding principles of the SXM TF provided a prioritization framework for emergency projects prioritized by the Government of Sint Maarten and the Government of the Netherlands, with technical guidance of the World Bank. As the SXM TF reaches the two-and-a-half-year mark, palpable results can be reported through investments in resilient infrastructure to support pillar (i) and in supporting employment support and skills and generating employment in the local market in support of pillar (ii). Progress against pillar (iii) will take further time to materialize and TF projects take on some of the country's key structural challenges (such as waste management and airport reconstruction).

National Recovery and Resilience Plan

The SXM TF supports activities and programs aligned with the National Recovery and Resilience Plan (NRRP) published by the government of Sint Maarten in June 2018 and endorsed by Sint Maarten's Parliament in August 2018. The NRRP was developed with the technical support of the World Bank.



8 The World Bank, SXM TF Strategic Framework, August 2019.

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

The NRRP foresees community, economic, and government recovery through investments in priority sectors particularly affected by the 2017 hurricanes (see figure 3.1). The NRRP projected that US\$2.3 billion will be required under these pillars to respond to Sint Maarten's recovery and resilience needs.

Figure 3.1 Three Pillars of the National Recovery and Resilience Plan

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

Guiding Principles for Trust Fund Use

The objective of the Netherlands is to support the material and nonmaterial reconstruction and recovery of Sint Maarten wherever necessary, to restore vital infrastructure, and to sustainably boost the country's resilience to the effects of possible future disasters, natural and otherwise.¹⁰

The Netherlands' guiding principles annexed to the SXM TF Administration Arrangement state that activities will (1) address the damage caused by Hurricane Irma, (2) make significant improvements to the pre-hurricane situation on the island, and (3) restore vital infrastructure whose breakdown would threaten social peace or national security. Support aims to boost resilience by improving crisis management and disaster preparedness, promoting economic diversification and the enhancement of good governance, and strengthening civil society. A preference is expressed for projects "with a long-term vision that respects both people and the environment."¹¹

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



¹⁰ World Bank. 2018. SXM TF Administration Arrangement. April. Washington, DC: World Bank. Appendix, "Guiding Principles of the Netherlands."

¹¹ World Bank. 2018. Appendix, "Guiding Principles."

The SXM TF SF is grounded in the Government’s NRRP.¹²

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

Appendix A provides an overview of the alignment per area of intervention of current SXM TF activities with the NRRP including the current advancement against long-term indicators.

Figure 3.2 SXM TF Strategic Focus Areas

Focus Area 1: Promote Sustainable Economic Recovery	Focus Area 2: Invest In Citizens And Resilient Communities	Focus Area 3: Build The Foundation To Improve Long-Term Resilience And Good Governance
<ul style="list-style-type: none"> Objective 1: Sustainably restore air access and improve connectivity. Objective 2: Support tourism recovery through access to finance and resilient utility services. Objective 3: Establish a sustainable solid waste management system with improved sanitation services. 	<ul style="list-style-type: none"> Objective 4: Repair and increase access to housing especially for the vulnerable. Objective 5: Increase access to quality health, education, and sports services. Objective 6: Strengthen social safety nets and promote employment, particularly for vulnerable youth and households headed by women. 	<ul style="list-style-type: none"> Objective 7: Improve capacity for disaster response. Objective 8: Strengthen fiscal resilience and modernize the public sector.

12 The World Bank, SXM TF Strategic Framework, August 2019.



4. Activity Summary

Overview

As of December 31, 2020, the Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund (SXM TF) had received US\$414.47 million from the government of the Netherlands. On December 9, 2020, €90 million was received. An amount of US\$13.27 million in investment income was generated for the SXM TF by the World Bank's Treasury Department. Of the total of US\$427.75 million, US\$282.1 million has been committed to nine projects currently under implementation and is used for administration, analytical work, implementation supervision and hands-on support, and SXM TF management. Another US\$122 million has been allocated to three projects endorsed by the SXM TF steering committee (SC) and currently under preparation and two additional financing allocations for the Emergency Debris Management Project and the Emergency Recovery Project 1 (ERP 1). See table 4.1.

Table 4.1 Released Funds

Received	US\$ millions	Use of funds	US\$ millions
Total TF program committed	536.89	Administrative fee	7.5
Total funds received from the Netherlands	414.48	Committed to signed projects*	254.4
		Analytical work	4.6
		Preparation, supervision and implementation**	10.5
		TF Management	5.1
Investment income	13.27	Total	282.1
Total funds received	427.75	Estimated value of projects under preparation	122
Balance (from funds received)	109.14	Total spent and allocated	404.1

* For disbursements against amounts committed to these projects please see table 4.2.

** Includes commitments to date.

As of the end of December 2020, from the total of US\$254.4 million for approved projects, US\$94.3 million was disbursed (see Table 4.2). Approved projects are endorsed for financing by the SC and have completed full preparation, appraisal and approval processes of the World Bank and the recipient. Project objectives, activities, and progress are detailed in the chapter 4 section "Project under Implementation: Results to Date."

Table 4.2 Projects Receiving Support

	Projects Under Implementation*	Approved	Commitments (US\$ millions)	Disbursements (US\$ millions)
1	Emergency Recovery Project I (P167339)	7/10/2018	55.2	25.6
2	Emergency Income Support and Training Project (P167368)	8/02/2018	22.5	19.9
3	Hospital Resiliency and Preparedness Project (P167532)	8/16/2018	28.6***	15.6
4	Emergency Debris Management Project (P167347)	12/21/2018	25.0	9.8
5	Airport Terminal Reconstruction Project (P176974)	12/09/2019	72.0	13.5
6	Red Cross Roof Repair Project (P172619)	12/30/2019	3.8	2.7
7	Enterprise Support Project (P168549)	12/30/2019	35.0	6.1
8	Civil Society Partnership Facility for Resilience Project (R4CR) (P172339)	6/26/2020	7.23	0.8
9	Child Protection and Development Project (P172582)	10/22/2020	5	0.5
TOTAL			254.4	94.3

* Approved projects are endorsed for financing by the SC, have completed the full preparation, appraisal, and approval process of the World Bank, including the signing of a legally binding grant agreement between the World Bank and the recipient.

** Per December 31, 2020.

*** This includes US\$3.6 million in additional financing.

The US\$122 million for the three projects under preparation and two additional financing allocations for EDMP and ERP 1 are estimates only, pending the completion of appraisals. Projects under preparation are endorsed by the SC and are in the process of being prepared for appraisal and approval (table 4.3). The chapter 4 section "Projects under Preparation" provides details on project objectives and content and notes where resources have been set aside by the SXM TF for specific uses, prior to allocation.

To underpin future projects and contribute to knowledge and policy improvements, a program of analytical work is nearing completion, having been carried out in collaboration with the government of Sint

Table 4.3 RETF Projects in Preparation

	Recipient Executed Trust Fund projects under preparation	Estimated amount (US\$ million)	Estimated approval*
1	Sint Maarten Digital Government Transformation Project (P171978)**	12.0	Q1 2021
2	ERP 1 additional financing	45.0	Q1 2021
3	Fostering Resilient Schools Project (P172753)	30.0	Q3 2021
4	EDMP additional financing	25.0	Q3 2021
5	Solid Waste Management and Environmental Improvement Project (former long-term waste project)	10	TBD
TOTAL		\$122	

Note: RETF = recipient-executed trust fund.

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

** US\$3 million will be used to support technical assistance activities to prepare for investments.

Maarten. To date, a public expenditure review, a tourism sector study and statistics compendium, and a housing sector assessment have been completed and disclosed to the government. Resources allocated with this work are US\$4.6 million, of which US\$3.1 million has been disbursed. Details are provided in the chapter 4 section “Analytical Work.”

Resources allocated by the World Bank for the preparation and supervision of projects have are US\$10.5 million. Since the initiation of the SXM TF, US\$8.3 million has been disbursed. Spending is based on standard World Bank norms for preparation and supervision of projects, taking into consideration the need for speed and complexity of preparation and the necessary costs associated with maintaining due diligence standards for safeguards and financial management. Thirty percent of these resources are provided for procurement, safeguards, and fiduciary support and 9 percent for direct hands-on support to the implementing agency to complement limited on-island and in-house government and NRPB capacity.

A financial overview is provided in appendix C, including program management costs. Program costs include all support to date, including retroactive financing of the assistance and expertise provided for the development of the NRRP.

Projects under Implementation: Results to Date

Nine projects are under implementation. The SXM TF program has delivered substantial results on the ground this year, despite a long political transition and constraints brought about by the COVID-19 global pandemic from March to July. Activities increased over the last half of the year due to the gradual lifting of restrictions and increased access to the island. During the summer and fall of 2020, significant efforts were made to accelerate emergency works carried out with local companies, under a flexible approach to facilitate procurement. To ensure adequate precautions against COVID-19, Dutch construction protocols for COVID-19 already in existence were used. Off-site support by the World Bank for procurement and safeguards helped launch key contracts for large reconstruction works. Significant acceleration of works yielded tangible results by the end of the year.

Emergency Recovery Project I

ERP 1 (US\$55.2 million), approved on July 10, 2018, finances the repair of critical infrastructure (including police stations, the emergency operation center, shelters, and schools), social and private housing, procurement of emergency equipment, the increased resilience of the electricity and water system, access to sovereign catastrophe risk insurance, and training. The project also finances the functioning of the NRPB, the project implementation unit for the bulk of SXM TF activities. Implementation activities advanced significantly this year with works progressing on repairs to homes, shelters, police stations, and critical equipment for first responders, with total project disbursement at US \$25.6 million.

Despite the flexibility and adjustments, bottlenecks remain, which include limited access to the island by foreign companies and individuals due to COVID-19. The lack of streamlined processes for work, residency permits, and business licenses and taxes for foreign companies and foreign staff need to be urgently addressed by the government. However, the government was able to provide waivers to allow critical infrastructure works on shelters and police stations to continue during the lockdown. The risk remains, however, that delays in facilitation of works supervision and onsite technical assessments, availability of imported materials and items, and implementation of COVID-19 precautions and restrictions may slow work and pose new challenges in 2021.

On September 8, 2020, the SC allocated an additional US\$45 million to ERP 1 to cover financing gaps and unexpected additional construction and structural costs, allowing the project to meet its intended results. The additional financing will cover (1) higher cost of works, based on completed technical

assessments and the actual outcomes of procurement processes for works; (2) high costs for the technical preparation of specific activities, including technical and engineering designs, procurement support, project-specific safeguards preparation, and on-site supervision for works, many of which government cannot undertake; and (3) costs to cover NRPB staffing and operations from June 2020 until June 2023 not originally covered during the emergency preparation of ERP 1.

Results

Emergency measures for the recovery of disaster first responders and preparedness facilities. Repairs to two police stations and to the Radiosonde Building of the Meteorological Department were completed in 2020. Critical safety equipment was delivered to the fire department, including fire helmets, fire suits and safety shoes, and diesel water pumps. Spare parts for ambulances were delivered to the Ambulance Department. Three firetrucks have been procured (firetrucks are custom built and are scheduled for delivery in 2021), and a company has been developing a lidar terrain and bathymetric survey of Sint Maarten's terrain, allowing multiple hazard risks (such as flooding, landslide, and seismic and sea surge risks) to be mapped out to inform disaster response, investment, and planning decisions. Data collection and training for the lidar survey took place in November. These activities contribute to improved working conditions and capacity of first responders to provide emergency services on the island.

Works on four shelters prioritized by the government started in June and were completed by the end of August. The shelters were handed over prior to the peak of the 2020 hurricane season. Repairs to the eight remaining shelters commenced in October and are expected to be completed by February 2021.

The project has also extended the financing of Sint Maarten's premia for insurance coverage against disaster risks under the Caribbean Catastrophe Risk Insurance Facility through 2021. Moreover, the project has financed the country's membership to the Caribbean Disaster Emergency Management Agency (CDEMA) through 2021.¹³ Membership in CDEMA and participation in regional and international events focused on disaster risk management and resilience building will help strengthen the country's knowledge and capacity for disaster prevention and response.

Restoring utilities services after Hurricane Irma. A subsidiary agreement between NRPB and GEBE (Sint Maarten's utility company) was signed for restoration and increasing the resilience of water and electricity systems. The project has retroactively financed the restoration by GEBE of four water tanks damaged by the hurricane for US\$1.4 million. Further support to strengthen the resilience of water and electricity assets, including a trenching program to advance the underground piping and cabling of the water and electricity distribution network, is planned to start in 2021.

Housing repair and public buildings repair. Of a total of 379 homes to be repaired under this project, 167 have been completed, including 109 social units in the Belvedere neighborhood and 58 private homes. Technical designs have been completed to repair another 64 social housing units located in four-story apartment blocks, while a contract to repair an additional 100 private homes started in July 2020, with additional COVID-19 safety measures in place to mitigate the risks.

Schools repairs. Nineteen schools have been identified for repairs. The first three are expected to be completed by early 2021. An asbestos assessment of the first three was finalized. Repairs for a second set of three prioritized schools, together with the fire and ambulance building, are expected to be completed in May 2021. The NRPB has hired a Schools activity manager to oversee the school repair program. The pace of works will depend on COVID-19 related working conditions and on the logistical arrangements for the temporary relocation of students during construction.

Institutional support for recovery and reconstruction. Over the reporting period, the NRPB has strengthened its overall capacity substantially in safeguards, procurement, financial management, project and contract management, engineering, and monitoring and evaluation through recent recruitments in all



¹³ CDEMA is a regional intergovernmental agency for disaster management in the Caribbean Community.

these functions. NRPB's capacity has been further enhanced with the framework agreement consultancy in place. This consultancy will provide multidisciplinary technical supervision and consulting services for the works under the ERP 1. However, due to COVID-19 restrictions, the consultants have not been able to access the island and is providing remote support.¹⁴

Improvements have been made in local works-execution capacity, although some bottlenecks remain. Contract startups are hampered by a small local market that faces challenges to secure insurance, bond, and financial requirements through local banks. Nevertheless, several contracts for construction related to homes, shelters, and schools are being awarded to construction firms from Sint Maarten and these are getting larger in technical scope and financing.

Emergency Income Support and Training Project (EISTP)

The objectives of the EISTP (US\$22.5 million)¹⁵ are to provide temporary income support and improve the employability of un- and under-employed workers, initially in the hospitality industry and progressively in other sectors, and to strengthen the social protection system. The project disbursed the bulk of its financing (US\$19.9 million) for component 1, the income and training activities.

Component 1 of the project overshot its objectives and was completed in 2020. Through the Sint Maarten Training Foundation, it provided temporary income support (stipend and transportation allowance) and health insurance to underemployed and unemployed persons in exchange for their participation in short-term skills training in selected occupations. The component was implemented under the supervision of the NRPB and in collaboration with the Ministry of Public Health and Social Development and Labor (VSA). Training and certification were offered in the sectors of hospitality (culinary and hospitality) and construction (carpentry, masonry, property maintenance, plumbing, electrical installation and construction) with the collaboration of the National Institute of Professional Advancement for the construction courses. Additionally, courses on Sint Maarten's culture and history and English as a second language were delivered in collaboration with the University of Sint Maarten. Participation was expanded to include unemployed persons registered by the Department of Labor, providing access to training and certification to some of the most vulnerable people on the island.

Training was suspended from mid-March to mid-June due to COVID-19 restrictions. However, stipends to active participants continued during this time. From June 15 onward, all students gradually resumed their classes with a two-hour training session on the basics of COVID-19 under biosecurity measures following government's protocols taken to keep them safe and to prevent the spread of the virus. To keep social-distancing rules, students resumed their training gradually and reentered in two groups. Component 1 was completed in September 2020.

Component 2 of the EISTP aims to strengthen the social protection system's capacity for shock response and protection of the poor and aims to develop of a social registry system for the use of the Ministry of Public Health, Social Development and Labor (VSA). The system will enhance the delivery of existing services and programs by regulating the help, support, direction, and cooperation as effectively as possible. The system will allow the ministry to identify people who are potentially eligible for one or more services and shorten the application process for services. With this system in place, the ministry will be able to respond more quickly and effectively in case of a disaster, to improve governmental policies and develop new services and programs tailored to needs of the people. It will also enhance the ministry's capability to identify and reach households in need of support before their situation deteriorates. The ministry will be able to better monitor its output to measure effectiveness.



¹⁴ The consultants are on the island as of January 2021

¹⁵ The project was approved August 2, 2018 and became effective August 9, 2018.

Results

Component 1. The training program started on August 2018 and reached completion on September 2020, utilizing the bulk of resources allocated (US\$18.7 million). The stipend and training program exceeded its initial end target of 1,800 participants by 10 percent and reached the most disadvantaged groups of the labor market, such as youth and women.¹⁶ As of September 2020, the program benefitted 1,984 unemployed and underemployed individuals, of which 69 percent were women (1,371), 16 percent were youth, and 76 percent (1,504) were unemployed.¹⁷ As of December 2020, 1,844 participants were granted certifications in hospitality and or culinary arts and construction,¹⁸ reflecting a graduation rate of 93 percent. While 7 percent of participants who dropped out have not been surveyed, it is likely that they may have dropped out to work during the program or exited due to lack of interest. Some graduates have been referred to the Labor Affairs Office for employment support services. However, due to current limited institutional capacity, this support can benefit only a small number of beneficiaries,¹⁹ unless the labor office's capacity is strengthened.

Given the program's relevance in the COVID-19 context and due to its positive results, the government extended the training program until December 2020 with its own funds. Taking into account the period of February–July 2018, the government has co-financed approximately US\$4.4 million, or 20 percent, of total training program costs. This is more than double what it spends annually under its income support Financial Assistance Program (FAP)²⁰ (as of 2018), reflecting an important fiscal effort.

Component 2. The second component will focus on the design and development of a modernized social registry, which will continue until May 2022. The contract for the design and development of an enhanced social registry system was signed on October 20, 2020, and work has begun.²¹

Hospital Resiliency and Preparedness Project

Approved in August 2018,²² the objective of the Hospital Resiliency and Preparedness Project (US\$25 million from SXM TF and US\$75 million from Sint Maarten Medical Center Foundation) is to improve the preparedness and capacity of hospital services at the Sint Maarten Medical Center (SMMC), the only hospital on the island. Under component 1, the project co-finances the building of the new Sint Maarten General Hospital to ensure that the new facility is resilient to category 5 and higher hurricanes. The new hospital will substantially increase hospital capacity and enhance health services. The project also finances critical upgrades to the existing hospital under component 2. In addition, to improve resilience of the SMMC, the project also contributes to enhancing the quality and scope of hospital services, including by updating clinical guidelines and carrying out routine technical audits of their application. The project has disbursed US\$15.6 million to date focusing on major upgrades to the existing hospital and starting works on the new hospital.

SMMC has been the central point of clinical response to the COVID-19 pandemic on the island since the first reported case in early March 2020. From mid-May to July 21, no new cases were reported and the number of confirmed positive cases remained steady at 78 with no change, indicating the outbreak was



¹⁶ Youth refers to individuals between 18 and 24 years old.

¹⁷ Sint Maarten Labor Force Survey 2018.

¹⁸ Note that a small fraction of the participants graduated from two occupancy training tracks and thus obtained more than one certification. These have been quantified as only a single graduate and have been included in the calculation for either hospitality or culinary.

¹⁹ Employment support services are activation measures aiming at helping its users improve their employability and employment by, for example, job search assistance and counseling.

²⁰ In 2018 the government spent US\$2.7M on the FAP.

²¹ See Daily Herald. 2020. "Process to Design Integrated Social Registry System Starts." October 22. <https://www.thedailyherald.sx/islands/process-to-design-integrated-social-registry-system-starts>.

²² The project became effective September 6, 2018.

under control. Once a new case was reported around July 21, cases rapidly increased, and Sint Maarten has been experiencing a second wave of new infections since late July 2020, more than tripling the total number of cases from the first wave. So far, this second outbreak has caused fewer deaths. In response, VSA has carried out response measures such as community outreach testing, public education campaigns, and contact tracing. As of December 16, 2020, 1,201 confirmed COVID-19 cases (117 active) and 26 deaths had been reported in Sint Maarten.

The COVID-19 outbreak on the island resulted in a substantial increase in demand for hospital services. In addition, the island's demand for medical goods also increased following the onset of the pandemic. On March 20, 2020, the SXM TF SC approved an additional US\$3.61 million to help SMMC cope with the related expenditures. SMMC's preparedness needs were assessed in March 2020 using the United States Centers for Disease Control and Prevention Comprehensive Hospital Preparedness Checklist for COVID-19 as well as projections based on clinical data from the ongoing pandemic. SXM TF resources were complementary to substantial direct aid to the government of Sint Maarten and to SMMC from the government of the Netherlands to address the pandemic and facilitate a rapid response by SMMC. Together, these funds will allow the Sint Maarten Hospital Resiliency and Preparedness Project to achieve its original objective of improving the preparedness and capacity of hospital services in Sint Maarten, while responding to the specific hospital-related needs of the COVID-19 crisis.

Results

The SMMC used the additional financing of US\$3.6 million to purchase medical supplies and equipment, personal protective equipment, pharmaceuticals, and nonmedical equipment for triage and isolation areas and set up of a medical pavilion for triage of suspected cases and treatment of mild cases that can self-isolate at home (donated to SMMC by the Ministry of Public Health, Social Development and Labor). In September 2020, construction was completed on the [auxiliary care facility](#) for COVID-19 care. This facility replaced the VSA medical pavilion through containers resilient to hurricanes (up to category 4). The auxiliary care facility has a total of 16 beds, of which 6 are intensive-care beds and 10 are medium-care beds to manage and treat COVID-19 cases. In the event of a surge in COVID-19 related hospitalizations, SMMC has an additional isolation capacity of 11 beds within the hospital. These funds have strengthened SMMC's preparedness and capacity to respond to the increased demand of health services, prevent and delay the spread of COVID-19, split services between COVID-19 and non-COVID-19 patients, protect health workers and patients, and streamline patient isolation and treatment of severe cases requiring intermediate or intensive care.

Component 1: Building and launching of the new hospital (US\$17 million SXM TF co-financing). Implementation of the design, build, and maintain contract for the new hospital is under way. Official handover of the site to the hospital construction firm (INSO) took place at the end of December 2019. The site preparation for the construction of the new hospital began in January 2020, and 25 percent of early sitework was completed prior to the lockdown in mid-March 2020. On June 15, 2020, construction resumed and included mobilization of activities on the site, such as fencing and security; noise panels and dust mitigation measures; construction cranes; contractor's workshops, offices, and toilets; wheel wash installation; and utility connections. The partially completed architectural and structural designs were submitted in December 2020, and due to pandemic-related delays, the final designs will be submitted by end March 2021. Finally, SMMC has set up a contract management bureau that oversees all aspects of the new hospital construction.

Component 2: Transition and contingency plan for SMMC (US\$7.7 million). At this point in project implementation, approximately half of all essential upgrades have been completed. To date, achievements include completion of the existing hospital's roof that was reinforced to sustain category 4 winds (up from category 2), installation of a new fire detection system, access control system installation, completion of information and communication technology upgrades, installation of backup generator, updating of the emergency disaster preparedness plan, and ongoing efforts to improve patient safety and quality of care.

Most activities have already been or will soon be tendered and are expected to be in various stages of implementation throughout 2021.

In light of the COVID-19 pandemic, a chapter on pandemic preparedness will be included in the Emergency Disaster Preparedness Plan, which includes the use of a scorecard to evaluate implementation performance of the plan. The scope of services provided has been expanded to include five new medical specialties (urology, orthopedics, ophthalmology, neurology, and pulmonology), the number of full-time equivalent emergency room doctors increased 5.5 to 7.5, and dialysis services have been expanded by adding five new positions.

The number of referrals to overseas facilities has decreased dramatically over the past two years. The total number of medical referrals from abroad for insured patients decreased from 5,880 in 2017 to 4,013 in 2018 and to 1,254 in 2019 (79 percent decrease over three years). The largest contributor to the decrease is the addition of ophthalmology care, in addition to neurology, and orthopedics. These additional services are being implemented as part of the preparation for transitioning to the new building that will allow for even more specialized services and further reduce the need for referrals. Finally, the essential upgrades to the existing hospital (e.g. upgrades to the operating theater, dialysis expansion) will continue to help drive these numbers down. The overall project goal remains to achieve a 45 percent decrease in the number of medical referrals abroad to improve care and lower costs.

Emergency Debris Management Project

The Emergency Debris Management Project (US\$25 million)²³ finances the management of debris from Hurricane Irma and reconstruction activities to facilitate recovery and reduce risks. The project activities include debris clearance, collection, removal, and disposal; fire suppression at the country's waste disposal sites; and landfill management improvement, shipwreck removal, and shoreline cleaning.

Since the 1990s, landfill capacity and municipal waste management are problems that have been left unaddressed and have negatively affected environmental conditions on the island. The absence of an efficient and sanitary waste disposal system continues to cause pollution and create unsafe conditions for those living in the vicinity. Hurricane Irma intensified the long-standing challenges in landfill capacity and municipal waste management. The massive amounts of debris and municipal wastes disposed of in the landfills caused smoldering fires and flareups and endangered the surrounding communities. Currently, the fires and hot spots on the landfills have been substantially reduced, but the risks of potential slope instability to the nearby community remain high.

Considering the significantly reduced landfill subsurface fires, an agreement was reached with government in late January 2020 to remove the originally planned stand-alone fire suppression activity and integrate fire control with routine landfill management activities, addressing the remaining and any future fire hotspots. Unstable slopes on the landfill pose significant risks of collapse and danger to the neighboring community. The daily operation of the landfill can take place only in a designated area with applicable health and safeguards measures in place. In parallel, the community exposed to the risk of slope instability will be prioritized for resettlement. This will be done through a project restructuring the team will conduct in early 2021.

The government has been unable to put in place long-awaited safeguard measures for which the timetable has repeatedly slipped. It is now expected that the NRPB will finalize the preparation of the Environmental Social Impact Assessment and the Resettlement Action Plan (RAP) by the end of June 2021. The latter will define the resettlement options for the population adjacent to the site that is exposed to social, environment, and health risks. Considering the space and housing constraints on the island and a lack of resettlement experience by the government, resettlement is a difficult exercise.



²³ The project was approved on December 21, 2018 and became effective on January 31, 2019.

Despite these constraints, the resettlement will protect the population at risk and is essential for any further implementation for EDMP. The government and NRPB have begun discussing possible resettlement locations and compensation packages; these are critical prerequisites to start the resettlement process.

Currently the project faces COVID-19 related challenges, which include delayed equipment shipping, onboarding of technical experts, restriction on consultants' visits, and safeguards consultations. Urgent action by Sint Maarten is needed to implement the required safeguards for this project. In particular, the timely preparation of RAP was affected by travel restrictions introduced by pandemic restrictions and resumed in November 2020. In September 2020, the SC approved an additional financing of US\$25 million chiefly to cover financial gaps in ship salvaging and construction of the Temporary Debris Storage and Reduction (TDSR) facility, to cover additional project management costs, and to finance the resettlement of the community adjacent to the landfill. An additional US\$25 million was set aside by the SC for the purposes of financing work on the landfill once resettlement is complete.

Results

Application of alternative daily cover and newly procured landfill equipment has resulted in better landfill management since October 2019. These improvements reduced the number of landfill fires from 30 to 2 hotspots. Additional cover material and storage containers were procured and delivered in June 2020.

Since the government confirmed that most debris from Hurricane Irma has been cleared, debris management activity will focus on removing metal wrecks, such as car wrecks, heavy equipment, and container wrecks around the island. During this reporting period, the government has identified a location for the establishment of a TDSR facility to host the waste reduction equipment and to be procured under the project. Procurement of the design and construction of the site is under way, with technical inputs and hands-on support from the World Bank. The ship salvaging and shoreline cleaning activity that will clean up about 100 shipwrecks is contracted and expected to start in February 2021.

A waste handler bulldozer and a front loader were delivered to Sint Maarten in January and May 2020, respectively. A waste compactor is procured and being manufactured. To strengthen the waste and landfill management capacity, the NRPB has recruited several technical and safeguards experts, including a second environmental safeguards specialist, a social safeguards specialist, and a resettlement expert (consultant) to support the project implementation.

A Short-Term Plan for Waste Management, a Regional Market Study for Waste Management in the Caribbean, two prefeasibility studies (one on landfill recontouring, closing, and extension and another on integrated waste management facility), and a country solid waste management sector assessment report have been completed and handed over to the government. The Long-term Waste Management Strategy and Action Plan was developed and will be presented to the government in March 2021. These studies are to be followed by the development of a comprehensive financial framework for the waste management sector and have supported the development and preparation of a bidding package for the design-build-operate contract for landfill recontouring, closing, and extension.

A key concern for project implementation is the absence technical and policy capacity and counterparts at the Ministry of VROMI for waste management. Without such capacity, sector management remains elusive and reform unimplementable. The World Bank currently considers this project in the unsatisfactory range and the steps needed to redress its implementation have been communicated to the government of Sint Maarten.

Airport Terminal Reconstruction Project

The Airport Terminal Reconstruction Project (US\$72 million) was approved on December 9, 2019; became effective on April 21, 2020; and leveraged an additional US\$50 million from the European Investment Bank and US\$7 million from the airport operating company to reconstruct the airport. It also supports

the operational expenditure of Princess Juliana International Airport (PJIAE) (US\$21 million) in case of a major external shock during the reconstruction period. The grant will also support project management and capacity building (US\$1 million). On April 4, 2020, an agreement with the airport's bondholders enabled the release of US\$72 million in insurance proceeds due to PJIAE, which they had held in escrow. These proceeds were released in April 2020 once conditions for effectiveness for the project financed by SXM TF were completed. Approval of this project constitutes a key milestone for Sint Maarten's economic recovery. The airport project will finance the rebuilding and reequipping of the terminal of PJIAE to pre-Irma passenger capacity and improve its resilience against natural disasters. PJIAE is the main international airport serving Sint Maarten and Saint Martin and an important regional hub, which carried 1.8 million passengers and 62,144 aircrafts per year before Hurricane Irma. The project has disbursed US\$13.5 million this year.

Results

Despite COVID-19 restrictions, PJIAE bid out its mold remediation contract using virtual terminal tour images for companies to view the scope of works and finalize the procurement process. The mold remediation contract was signed in mid-October 2020 and is expected to be completed by March 2021. A request for bids for the main reconstruction works was issued in October and bids are expected to close in March 2021. Reconstruction works are estimated to start after mold remediation is completed, for a duration of 24 months.

Disbursement of liquidity for operational expenses was provided to the airport as a result of financial shortfalls due to the halt in tourism and lack of traffic at the airport. The US\$3 million will support both operational expenses and servicing of debt.

A Corporate Governance Assessment of the Princess Juliana Airport Operating and Holding Companies was conducted in 2019 and technical assistance to support airport corporate governance improvements has been completed. The latter provided support to a government-appointed task force, which prepared a Corporate Governance Improvement Plan for adoption by government.

Red Cross Roof Repair Project

The Red Cross Roof Repair Project (US\$3.64 million) was approved on December 30, 2019, and closed on December 31, 2020. The project is implemented by the Red Cross Netherlands. The project repaired 182 damaged roofs up to a safe standard for vulnerable households affected by Hurricane Irma. The project assisted vulnerable households in repairing their roofs to improved safety standards and increased local capacity in the construction sector by training more people in construction and employing them in construction crews, thereby contributing to their economic recovery. The Red Cross Netherlands employed and supervised construction crews repaired the roofs with quality controls and in accordance with World Bank safeguard requirements.

Although works were halted for eight weeks from late March until late May due to the COVID-19 lockdown, they resumed in late May, observing enhanced COVID-19 safety regulations. (Several crew members had tested positive for COVID-19.) To support the Red Cross in achieving its goal to repair up to 182 houses before the end of the calendar year, additional financing for US\$162,000 was provided to cover the cost of additional crews for repair work. It is expected that the project will be fully disbursed by April 2020 (the final accounting deadline for this project).

Results

Roof repairs for 182 households, of which 73 were female-headed households, were completed. Sixty workers were trained and employed on crews to undertake the repairs. The Dutch Red Cross conducted a roof repair and roof strengthening workshop attended by 80 households with damaged houses and an exhibition on resilient roofs for the general public. The project closed at the end of 2020, having reached the bulk of the households originally targeted despite the very many challenges of reconstruction during the COVID-19 era.

Enterprise Support Project

The Enterprise Support Project (ESP) (estimated US\$35 million) was signed in March 2020 and became effective on May 5, 2020. The project supports eligible micro, small, and medium enterprises (MSMEs) in accessing financial packages for asset replacement, nonstructural repairs, and working capital, channeled through local participating financial institutions (PFIs). The project has disbursed US\$6.1 million to startup operations and to finance the first MSME with financial packages.

A large percentage of MSMEs have been unable to get financing from local commercial banks as they have collateral requirements they cannot meet, often because these were damaged due to the hurricane and had no insurance or were underinsured. The ESP provides, subject to a business plan that is acceptable to a PFI, financial packages for eligible MSMEs in the form of a combination of grants and loans for asset and repairs and stand-alone loans for working capital.

The World Bank and the NRPB channel the financing through PFIs to support eligible enterprises. The ESP was rolled out in August 2020 with the initial participation of two financial institutions that were qualified for acting as PFIs for the project, while other financial institutions have shown interest and will be able to join if they meet the PFI eligibility requirements and submit an application to the NRPB for participation in the project.

In the context before COVID-19, the lenders in Sint Maarten were providing limited financing to MSMEs due to the prevailing high-risk environment and their lack of acceptable collateral. This reluctance is further exacerbated by the new risks and impacts emanating from the COVID-19 crisis. To mitigate this situation, a risk-sharing mechanism was introduced to incentivize lenders. The mechanism allows the project to partially absorb potential losses on loans from lenders, motivating them to lend to MSMEs while providing appropriate incentives for lenders to exercise adequate due diligence and care when underwriting and servicing MSME loans, selecting only viable MSMEs with solid business plans.

Results

To inform MSMEs on how they can benefit from the program, two information sessions were organized in mid-August 2020, followed by another two sessions in late September and early October. Radio commercials have been running three times a day since mid-September, the project website has been updated, and a graphic designer was hired to design program flyers and brochures. Subsidiary agreements were signed with three financial institutions that are currently acting as PFIs with the project: Micro financiering Nederland (Qredits), Windward Islands Bank, and Banco di Caribe. The Project Operational Manual has been completed. A project manager, portfolio and accounting officer, and two operations officers have been hired. The first 89 applications for MSME financing are being reviewed. At the end of December 2020, seven firms had have received financing.

Civil Society Partnership Facility for Resilience Project (CSPFRP)

In May 2019, the SXM TF SC approved the creation of the NGO facility or Resources for Community Resilience (R4CR) with an indicative funding of US\$7.2 million.²⁴ The objective of this project is to improve the capacity of civil society organizations established on the island to support and implement reconstruction and resilience activities. The RC4R is managed by VNG International (VNGI) and the project supports immediate community needs through an initial rapid roll out of small grants to CSOs and NGOs. Project preparation was completed mostly virtually given the COVID-19 related lockdown. The project disbursed US\$0.8 million for startup activities and the first round of small grant financing.

Results

Amid the COVID-19 pandemic restrictions, implementation has progressed well. VNGI has set up a virtual office in Sint Maarten, with a director, deputy director, and finance and control specialist in place.

The operations and grant manuals were finalized. A website for the project was launched (www.r4cr.org). Three face-to-face information campaigns and one virtual informational meeting was implemented to inform civil society groups of the project and how to participate in the call for proposals. The meetings were well attended and ensured COVID-19 social-distancing measures; 132 individuals attended, representing over 90 CSOs. The Project Technical Committee provides strategic support, and guidance on the call for proposals priorities and final awardees was inaugurated. The committee has convened twice since the launch of the project and its membership has been finalized. The first call of proposals was launched in September 5 and closed October 5. On November 18, 12 proposals were awarded out of 33 proposals reviewed. Pre-disbursement training will be completed in December for the 12 CSO awardees. A subsequent call of proposals will be launched in early 2021.

Child Protection and Development Project

The Child Protection and Development Project (US\$4.49 million) was approved on October 29, 2020 and will be implemented by UNICEF Netherlands in collaboration with Ministry of Education, Culture, Youth and Sports (MECYS). The project will support activities to strengthen (1) the resilience of students and staff to the emotional and physical impacts of natural disasters and (2) child protection systems and services to improve the education sector's preparation and response to natural disasters and support protection of children in normal times and after an emergency. UNICEF Netherlands has developed capacity while working with the government of Sint Maarten on students' resilience and recovery right after Irma. UNICEF Netherlands will provide additional implementation capacity for the SXM TF.

Projects under Preparation²⁵

Three projects are under preparation to address key challenges of building resilience as underlined in the NRRP, prioritized by the government of Sint Maarten, and endorsed by the SXM TF SC. These projects address the digitization of the government, the rebuilding of specific resilient schools, and long-term issues of solid waste management. Projects are being prepared virtually, using digital platforms to conduct regular meetings, project preparation missions, online tours of buildings for assessing construction needs, and consultations using social media and WhatsApp, as a result of lack of access to the island due to the COVID-19 pandemic.

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

In accordance with wishes expressed by the government of Sint Maarten, preparation of the Development Policy Operation Program (US\$30 million) and the Road Connectivity and Resilience Project (estimated US\$20 million) will not continue. Financing set aside for these projects will be released and reallocated to more immediate priorities as approved by the SC.

Digital Government Transformation Project

The Digital Government Transformation Project (estimated US\$15 million) aims to enhance the efficiency of delivery and access to selected public services for citizens and businesses, as well as the resiliency of government systems. An estimated US\$12 million will be executed by NRPB and the Ministry of General Affairs under four components. The project will strengthen the policy and regulatory environment,

● ● ● ●
24 The CSPFRP was approved on June 26, 2020 and became effective in July 2020.

25 Amounts provided are estimated and will be consolidated during the appraisal stage once the exact scope, components, and activities of the projects have been determined.

institutional capacity, and change management in the context of the challenges of operating in a small island state. The project will introduce the enabling foundational platforms needed to develop e-services and improve back-office functioning, including digital payments, an interoperability platform, and digital single sign-on. It will also improve resilience of the government's service delivery infrastructure by enabling cloud services and digitization of key government records. The project also focuses on improving the citizen and business interfaces with government services across multiple channels, both physical and digital. A contingent emergency response component, which can be activated in the event of a disaster, will be part of the project as well.

The project is expected to become operational in early 2021. An estimated US\$3 million in studies and technical assistance are being executed by the World Bank to finance critical project preparation and implementation studies and develop a digital transformation strategy that will guide government's future information and communications technology (ICT) investments. An interoperability framework has been completed and will allow ministries to connect with one another. A high-level assessment of the public service centers (PSCs) was also prepared to inform planned business process changes for the PSCs. Preparatory activities have advanced in 2020. An ICT assessment of the government was also completed for six ministries to inform investment decisions under the project.

Fostering Resilient Learning Project

In its July 2019 meeting, the SXM TF SC approved an estimated US\$30 million for the education sector in Sint Maarten to support the government's 2018 Education Master Plan. These resources will support (for an estimated US\$30 million) a project for school reconstruction and improvements in education management in MECYS. The project will focus on (1) rebuilding safe schools, (2) restoring a community learning and cultural environment, and (3) strengthening the Ministry Management Information System. Preparatory architectural and systems studies will be undertaken in 2021. Given the COVID-19 pandemic, preparation continues virtually. Close collaboration between NRPB, MECYS, and relevant school boards will support implementation. The project is expected to be approved by mid-2021.

Solid Waste Management and Environmental Improvement Project

The Solid Waste Management and Environmental Improvement Project will aim to improve long-term waste management and environmental protection. Its broader objective will be to implement key elements of the government's long-term waste management strategy and its Roadmap for Sustainable Waste Management. The project will draw upon long-term waste management studies that are being finalized to develop sound evidence-based long-term solutions. In addition to immediate actions that can be undertaken by the government to improve current waste management practices and policy, the long-term options are being developed. The studies fill significant knowledge gaps on basic waste data (for example, waste volume, composition, and origin), assess the existing market for recycling and disposal of relevant types of wastes in the region, and propose institutional, technical, financial, and regulatory solutions to waste reduction, processing, and disposal. Advancement on the EDMP project will be a critical factor in the timing of the preparation for the launch for this project. At this time, underlying studies are being completed.

A number of studies and critical analytical work was completed and shared with the government of Sint Maarten to inform project identification, preparation and sector management. They are listed in table 4.4.

Table 4.4 Analytical Work and Technical Assistance

Studies Completed		Completion dates*
1	Support to Develop National Recovery and Resilience Plan (report)	Completed
2	Rapid Housing Sector Assessment (study)	Completed
3	Airport Corporate Governance Assessment (study)	Completed
4	Sint Maarten Hospitality Reconstruction Financing Due Diligence (study)	Completed
5	Tourism Sector Recovery Strategy Support (technical assistance with outputs)	Completed
6	Public Expenditure Review	Completed
Ongoing technical assistance		
7	Low-Income and Affordable Housing Technical Assistance (technical assistance)	Completed
8	E-Government Strategy (technical assistance with outputs)	Draft completed
9	Support to the Airport Corporate Governance Task Force (technical assistance)	Completed
10	National Risk Assessment (AML/CTF) (technical assistance)	Q1 CY2022
Ongoing studies		Estimated delivery
11	Long-Term Waste Solutions (studies)	Drafts completed
12	Country Environmental Analysis (study)	Q4 CY21

Note: AML = , CTF = . CY = calendar year.

* Estimated timelines are subject to change to meet operational requirements, to consider government availability, and due to potential delays due to political transition and the effects of COVID-19.





5. Project Preparation and Implementation Issues & Solutions

Program Implementation Capacity: Project Preparation, Implementation, and Overall Management of Resources

The NRPB's strengthened skillsets among staff as well as expanded staff capacity on program management, procurement, fiduciary, and safeguard functions have reduced the implementation capacity bottlenecks. A framework agreement designed to streamline contracts and procurement for Emergency Recovery Project 1 is now in place and will add to NRPB's engineering and project management capacity. However, the COVID-19 pandemic delayed the arrival of the engineering and project management contractor into the island until January 2021. Safeguards capacity and implementation continue to require support from the World Bank and need to be further strengthened. Overall, the COVID-19 pandemic has made recruitment efforts more complicated. With additional projects under preparation, third party support for project execution, both through direct support to the NRPB and by engaging agencies directly to implement projects, will boost Sint Maarten's implementation capacity.

Currently, more than one-third of supervision resources are being allocated to World Bank fiduciary and safeguard support and 9 percent to Hands on support in procurement and engineering. It is expected that with several alternative implementation arrangements in place and further strengthening of NRPB, the hands-on support can gradually decrease over time.

The ownership and commitment to the objectives of the SXM TF and participation of the Council of Ministers and line ministries in project preparation and implementation remains central to project success. The new government has been focused on managing the COVID-19 effects and continues to face the challenge of limited human and financial resources.

The SXM TF's engagement with Sint Maarten's government has continued during the political transition period, which started in September 2019, and the COVID-19 pandemic lockdown. Regular engagement with the prime minister and the Council of Ministers supports high-level dialogue and allows for continued input and course correction on strategic matters.

Project Supervision Capacity

To provide further supervision and coordination support, World Bank staff and consultants continue to engage virtually with NRPB and government and other counterparts on Sint Maarten and in the Netherlands. Technical teams conduct virtual missions and will resume extended missions hosted by the NRPB once the situation allows.

Absorption Capacity and Regulatory Issues

SXM TF project activities have faced significant challenges in attracting qualified firms for urgent works due chiefly to the small market and small size of firms on island, as well to competition for labor with other ongoing works. Consistent efforts made to attract local and regional firms and encourage their participation, both by NRPB and by the World Bank, have yielded results, with more than 75 percent of contracts being awarded to local firms for the projects in advanced implementation. The lack of participation of larger and more skilled firms in tenders continues to be a challenge. Continued collaboration with local firms is needed to build knowledge and expertise of the local market with competitive procurement procedures and contract implementation under World Bank–managed projects. Firms continue to submit incomplete bids and higher budgets than foreseen. Additional constraints affect the performance and response speed of local contractors, such as difficulties in meeting insurance, bonding, and financial requirements through local banks; limited labor capacity; and the time required for material deliveries.

While the effects of COVID-19 have exacerbated these problems, the government provided exceptional waivers for firms and personnel in summer 2020 to continue implementing critical works during the lockdown. However, lack of easy access to the island and to streamlined administrative arrangements to facilitate access and working on the island will continue to affect the pace of implementation. The government is working to streamline work and residency permits, visas, and tax exemptions for foreign consultants and contractors to work in the island. However, current laws that restrict hiring of temporary workers and contracting with international employees continue to be a significant obstacle for all projects. Currently, the program relies on the support of international consultants to provide hands-on assistance on behalf of the World Bank to support procurement and safeguards activities. Safety measures related to COVID-19 (such as mandatory quarantines) are in place and may slow implementation timelines. In addition, access to the island and imports of materials and goods will be affected by COVID-19 related barriers.

Lack of resolution of these challenges may constrict the ability to hire labor resources at a time when large infrastructure projects such as the airport terminal, the new hospital, and several hotels will require local and international labor. Attracting labor resources will be further complicated by a pandemic and post pandemic environment and may cause delays in implementation.

6. Outreach and Communications

The Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund (SXM TF) dashboard (www.sintmaartenrecovery.org) and National Recovery Program Bureau (NRPB) website (www.nrpbsxm.org) are regularly updated to inform stakeholders, including members of the government, private sector, nongovernmental organizations (NGOs), media, parliament, and the general public, about SXM TF activities and advancement. In-person outreach activities were halted due to the pandemic. Some project launches were held virtually. Meetings will resume once access to the island can be secured. Seven public consultations or information sessions were held, including both virtual and face-to-face sessions.

Over the course of the year, three radio commercials ran for eight weeks on four radio stations. The Daily Herald and St. Maarten News websites were used to increase web traffic and raise awareness of the SXM TF dashboard page. Eleven press releases were sent about NRPB activities and three about World Bank signings and events, all of which were picked up by local and Caribbean regional media. NRPB posted 67 original posts on SXM TF activities on the NRPB Facebook page (and many more reposts); the post with the most shares concerned the Digital Transformation Project stakeholders' consultations. The World Bank Caribbean regional Twitter channel was used to promote 10 posts about the SXM TF program. Analytical work, including the Public Expenditure Review and Rapid Housing Study, were made publicly available online.

Individual project communications teams were also engaged in their own outreach efforts to stakeholders on the ground. Sint Maarten Medical Center released two videos highlighting the [hospital's COVID-19 response](#) and [more resilient facility](#), highlighting works partially financed by the SXM TF. The RC4R project launched its [website](#), and conducted several socially distant in-person information sessions for NGOs, as well as a virtual session. The Princess Juliana International Airport communications team maintained a revamped [website](#), and [Facebook](#) site to update the public on airport works, including those financed by the SXM TF.

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





Appendices

Appendix A: Alignment of NRRP and SXM TF Activities

Pillar 1 – Community Recovery and Resilience

NRRP Listed Areas of Engagement	Projects and Analytical Work
<p>Housing</p> <ul style="list-style-type: none"> • Repair assistance • Increase access to affordable housing • Strengthen housing for climate resilience • Facilitate ownership 	<p>Housing Related Activities</p> <ul style="list-style-type: none"> • Emergency Recovery Project I Social and private housing repairs, roof repairs, and technical assistance for housing policy and resilience standards • Red Cross Roof Repairs Project: To support rehabilitation of roofs of the most vulnerable households • Rapid Housing Sector Assessment (ASA); Low Income and Affordable Housing Reconstruction Analysis (ASA)
<p>Health</p> <ul style="list-style-type: none"> • Resilient hospital construction • Enhancing secondary healthcare services • Ensure sustainable continuity of insurance coverage 	<p>Health Related Activities</p> <ul style="list-style-type: none"> • Hospital Resiliency and Preparedness Project: Repairs and upgrading of existing hospital, construction of a new hospital to hurricane 5 and above resistant standards, and financing of medical equipment and infrastructure for COVID-19 pandemic needs • Public Expenditure Review (ASA analysis of health insurance cost and sustainability)
<p>Employment, Livelihoods and Social Protection</p> <ul style="list-style-type: none"> • Strengthen social assistance through trainings and programs to supplement household income • Build additional shelters • Improve social services and their targeting 	<p>Social Protection and Emergency Recovery Related Activities</p> <ul style="list-style-type: none"> • Emergency Recovery Project: Rehabilitating 13 public shelters • Emergency Income Support and Training Project (\$22.5m): Stipends, training and improvement of targeted social service
<p>Solid Waste:</p> <ul style="list-style-type: none"> • Remove debris caused by Hurricane Irma and address dump fires • Implement recycling program to reduce waste • Upgrade sewage networks 	<p>Solid Waste-Related Activities</p> <ul style="list-style-type: none"> • Emergency Debris Management Project: Extinguishing fires, debris clearance, collection, and processing and improving landfill management • Long-term Waste Solutions Analysis (ASA): Supporting the development of Government's roadmap for sustainable solid waste management • Solid Waste Management and Environmental Improvement Project (planned): Investments in long term solutions
<p>Education</p> <ul style="list-style-type: none"> • Repair and rebuild resilient schools, psychosocial support, improve safety and preparedness • Strengthen legislation for resilience • Train teachers in disaster management • Strengthen programs for vulnerable children • Improve vocational and tertiary education options in St. Maarten 	<p>Education Related Activities</p> <ul style="list-style-type: none"> • Emergency Recovery Project I: Repairing schools and community facilities • Resilient Schools Project (pipeline) • Child Protection and Development Project: Strengthening psychosocial support for children

Pillar 1 – Community Recovery and Resilience

NRRP Listed Areas of Engagement	Projects and Analytical Work
Environment <ul style="list-style-type: none"> Rehabilitate and protect natural and built environments Strengthen environmental protection 	Environment Related Activities <ul style="list-style-type: none"> Solid Waste Management and Environmental Improvement Project (planned) Country Environmental Analysis (ASA)

Pillar 2 – Economic Recovery and Resilience

NRRP Listed Areas of Engagement	SXM TF Projects and Analytical Work
Macroeconomic Outlook Strengthen capacity for tax collection and fiscal policy formulation	Macroeconomic Related Activities <ul style="list-style-type: none"> Public Expenditure Review (ASA) National Risk Assessment (ASA and technical assistance)
Tourism and Commerce <ul style="list-style-type: none"> Secure and strengthen resilience of tourism sector Diversify the economy through supporting small and medium enterprises SMEs 	Tourism and Commerce related activities <ul style="list-style-type: none"> Enterprise Recovery Project Access to finance for micro-, small, and medium enterprises (MSMEs) Tourism sector recovery strategy support (ASA) Sint Maarten hospitality reconstruction financing due diligence (ASA) Informing SME and Tourism Recovery (ASA); analysis of tourism support needs
Finance <ul style="list-style-type: none"> Increase access to credit and affordability of investment capital 	Finance related activities <ul style="list-style-type: none"> Enterprise Recovery Project: Financial intermediaries are supported to provide greater access to finance for MSMEs
Airport <ul style="list-style-type: none"> Repair and rebuild airport for greater resilience 	Airport related activities <ul style="list-style-type: none"> Airport Terminal Reconstruction Project
Ports and Marinas <ul style="list-style-type: none"> Restore ports and marinas while ensuring greater resilience 	Ports and Marinas <ul style="list-style-type: none"> Emergency Debris Management Project (US\$25M): Vessel Salvaging
Roads and Drainage <ul style="list-style-type: none"> Improve the drainage network in communities with recurrent flooding 	Roads and Drainage Related Activities n.a

NRRP Listed Areas of Engagement	SXM TF Projects and Analytical Work
<p>Utilities and information and communication technology (ICT)</p> <ul style="list-style-type: none"> Improve delivery of Water, Electricity, and ICT Services 	<p>Utilities and ICT related activities</p> <ul style="list-style-type: none"> Emergency Recovery Project I: Water storage and distribution and Electricity repairs Digital Government Transformation Project: To modernize public service centers and government systems Digital transformation ASA to support analytical work underpinning Digital Government Transformation Project

Pillar 3 – Government Recovery and Resilience

NRRP Listed Areas of Engagement	SXM TF Projects and Analytical Work
<p>Disaster risk management</p> <ul style="list-style-type: none"> Strengthen the National Meteorological Service Strengthen and repair communications of the fire department Integrate into the Caribbean Disaster Emergency Agency Develop a risk-financing strategy and join Caribbean Catastrophe Risk Insurance Facility 	<p>Disaster risk management–related activities</p> <ul style="list-style-type: none"> Emergency Recovery Project I: Police station repairs, fire department communication equipment and repairs, capacity building, improvement of hydrometeorological services; accession into CCRIF Knowledge-sharing about risk financing with other Caribbean countries
<p>Governance and public financial management</p> <ul style="list-style-type: none"> Implement government financial management information system Modernize ICT systems Implement a tax reform Rebuild the tax receivers and registry building 	<p>Governance and financial management–related activities</p> <ul style="list-style-type: none"> Public Expenditure Review (ASA): Analysis of public expenditures and systems Digital Government Transformation Project: To modernize ICT back systems and services Corporate Governance Strengthening–Airport: ASA and technical assistance
<p>Justice, Public Safety, And Security</p> <ul style="list-style-type: none"> Repair and strengthen prisons and police stations Relocate and equip the 911 dispatch center Properly equip law enforcement staff Address critical ICT needs. 	<p>Justice, public safety, and security–related activities</p> <ul style="list-style-type: none"> Emergency Recovery Project I: Repairing of two police stations and extension of the Emergency Operations Center Knowledge-sharing about risk financing with other Caribbean countries
<p>Additional public buildings</p> <ul style="list-style-type: none"> Repair additional public buildings such as the post office, national library, and the national civil aviation building 	<p>Additional public buildings–related activities</p> <ul style="list-style-type: none"> Emergency Recovery Project: Repairing key government buildings

Note: Projects under implementation in bold. Projects under preparation in blue. ASA = advisory services and analytics.

Appendix B: Results Framework – Results Framework: Projects under implementation as of December 31, 2020

Emergency Recovery Project I	Emergency Income Support and Training Project	Hospital Resilience and Preparedness Project
<p>Development Objective: To contribute to Sint Maarten’s immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction.</p>	<p>Development Objective: To provide temporary income support, improve the employability of affected beneficiaries in targeted sectors, and strengthen the social protection system’s capacity for shock-response and protection of the poor.</p>	<p>Development Objective: To improve the disaster-preparedness and capacity of hospital services</p>
<ul style="list-style-type: none"> • Outcome Indicator 1: Number of critical disaster preparedness and response facilities repaired to resilient standards. Baseline: 0; Target: 10 Actuals: 7 	<ul style="list-style-type: none"> • Outcome Indicator 1: Number of beneficiaries enrolled in the EISTP receiving income support on a monthly basis in exchange for their participation in EISTP training and achieved the minimum attendance rate. Baseline: 727 (of which 420 are female); Target: 1,155 (of which 670 are female). Actuals: 1,984, of which 1,371 are female 	<ul style="list-style-type: none"> • Outcome Indicator 1: Overseas medical referrals reduced (percentage) Baseline: 0; Target: 45% Actuals: 79%
<ul style="list-style-type: none"> • Outcome Indicator 2: Share of households with electrical services resilient to hurricanes Baseline: 86%; Target: 93% Actuals: 86% 	<ul style="list-style-type: none"> • Outcome Indicator 2: Percentage of beneficiaries who complete training in an occupational area. Baseline: 0; Target: 50 % (of which half are female) Actuals: 72% of total (40% female) 	<ul style="list-style-type: none"> • Outcome Indicator 2: Emergency Disaster Preparedness Plan and Evacuation Plan implemented according to procedures (percentage) Baseline: 60%; Target: 90% Actuals: 91%
<ul style="list-style-type: none"> • Outcome Indicator 3: Water storage capacity of Sint Maarten utility (average daily demand) Baseline: 0.7 days; Target: 2 days Actuals: 1.03 days 	<ul style="list-style-type: none"> • Outcome Indicator 3: Number of records in the Social Registry Baseline: 0 Target: 1,000 Actuals: 0 	<ul style="list-style-type: none"> • Outcome Indicator 3: Technical audits to evaluate quality and preparedness of service delivery rated satisfactory (percentage) Baseline: 0; Target: 90% Actuals: 0
<ul style="list-style-type: none"> • Outcome Indicator 4: Housing units repaired to resilient standards Baseline: 0; Target: 350 Actuals: 167 		

Emergency Recovery Project I	Emergency Income Support and Training Project	Hospital Resilience and Preparedness Project
<ul style="list-style-type: none"> • Outcome Indicator 5: Number of public buildings, other than emergency preparedness and response facilities, repaired to resilient standards. <p>Baseline: 0; Target: 8</p> <p>Actuals: 0</p>		
<ul style="list-style-type: none"> • Outcome Indicator 6: Percentage of projects of which the implementation is deemed satisfactory or moderately satisfactory as per the World Bank rating. <p>Baseline: 0; Target: 75%</p> <p>Actuals: 75%</p>		
Emergency Debris Management	Airport Terminal Reconstruction Project	Red Cross Roof Repair Project
<p>Development Objective: To manage debris from the hurricane and reconstruction activities</p>	<p>Development Objective: To restore the passenger capacity of Princess Juliana International Airport (PIJAE) to pre-Irma levels with improved resilience to hurricanes</p>	<p>Development Objective: To repair roofs up to a safe standard for vulnerable households affected by Hurricane Irma</p>
<ul style="list-style-type: none"> • Outcome Indicator 1: Volume of land-based debris safely cleared and processed (cubic meters) <p>Baseline: 0; Target: 150,000</p> <p>Actuals: 0</p>	<ul style="list-style-type: none"> • Outcome Indicator 1: Passenger handling capacity of the terminal <p>Baseline: 1 million; Target: 2.5 million</p> <p>Actuals: 1 million</p>	<ul style="list-style-type: none"> • Outcome Indicator 1: Roofs repaired to safe standards, contributing to increased resilience to natural disasters and climate change <p>Baseline: 0; Target: 200</p> <p>Actuals: 182</p>
<ul style="list-style-type: none"> • Outcome Indicator 2: Number of vessels safely recovered and salvaged <p>Baseline: 0; Target: 100</p> <p>Actuals: 0</p>	<ul style="list-style-type: none"> • Outcome Indicator 2: Resistance of terminal building to Irma-level hurricanes <p>Baseline: No; Target: Yes</p> <p>Actuals: No</p>	<ul style="list-style-type: none"> • Outcome Indicator 2: Households have increased knowledge of hurricane-resistant housing <p>Baseline: 0%; Target: 60%</p> <p>Actuals: NYR</p>
<ul style="list-style-type: none"> • Outcome Indicator 3: Extinguish fires at the two disposal sites (the municipal disposal site and the temporary Irma debris)(number) <p>Baseline: 0; Target: 2</p> <p>Actuals: 28</p>	<ul style="list-style-type: none"> • Outcome Indicator 3: Completion of package 2 terminal reconstruction works <p>Baseline: 0</p> <p>Target: 100%</p> <p>Actuals: 0%</p>	
	<ul style="list-style-type: none"> • Outcome Indicator 4: Installation of strengthened jet bridges <p>Baseline: No; Target: Yes</p> <p>Actuals: No</p>	

Note:, NYR = Not yet reported.

**Airport Terminal
Reconstruction Project (continued)**

	<ul style="list-style-type: none"> • Outcome Indicator 5: Installation of resilient entrance doors Baseline: No; Target: Yes Actuals: No 	
	<ul style="list-style-type: none"> • Outcome Indicator 6: Restoration of baggage handling system Baseline: No; Target: Yes Actuals: No 	
	<ul style="list-style-type: none"> • Outcome Indicator 7: PIJAE submits quarterly reports describing claims received through the Grievance Redress Mechanism and how issues were resolved Baseline: No; Target: Yes Actuals: No 	

**RC4R - CSO Partnership
for Resiliency Project**

	<p>Development Objective: To improve the capacity of civil society organizations and support implementation of reconstruction and resilience subprojects at the community level</p>	
	<ul style="list-style-type: none"> • Outcome Indicator 1: Percentage of subprojects approved which are fully implemented and functional to users Baseline: 0; Target: 75% Actuals: NYR 	
	<ul style="list-style-type: none"> • Outcome Indicator 2: Percentage of civil society organizations participating in the project with improved capacity for grant management and implementation Baseline: 0; Target: 70% Actuals: NYR 	
	<ul style="list-style-type: none"> • Outcome Indicator 3: Percentage of beneficiaries expressing satisfaction that subprojects reflected their needs Baseline: 0; Target: 75% Actuals: NYR 	
	<ul style="list-style-type: none"> • Outcome Indicator 4: Number of beneficiaries of subprojects Baseline: 0; Target: 10,000 Actuals: NYR 	

Appendix C: Financial Overview as of December 2020

Introduction

Total contributions from the donor to the Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund (SXM TF) for the period April 2018 through December 2020 amounted to US\$414.48 million, paid in April and November 2018 and December 2020. Total disbursements (for operations and administration) reached US\$109.9 million and undisbursed funds US\$164.7 million. The disbursements in January–December 2020 totaled US\$67.6 million. After adjusting for investment income and the administration fee, the TF balance is US\$145.6 million, from contributions which will be allotted to confirmed activities.

Funds allocated directly to operations, analytical work, and client support (recipient-executed activities, advisory services and analytics, and preparation and implementation activities) total US\$269.5 million, and US\$5.1 million has been allocated to program management and administration to date (see Figures C.1 and C.2). Of the operational allocations made, US\$68.9 million was allotted in January–December 2020.

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

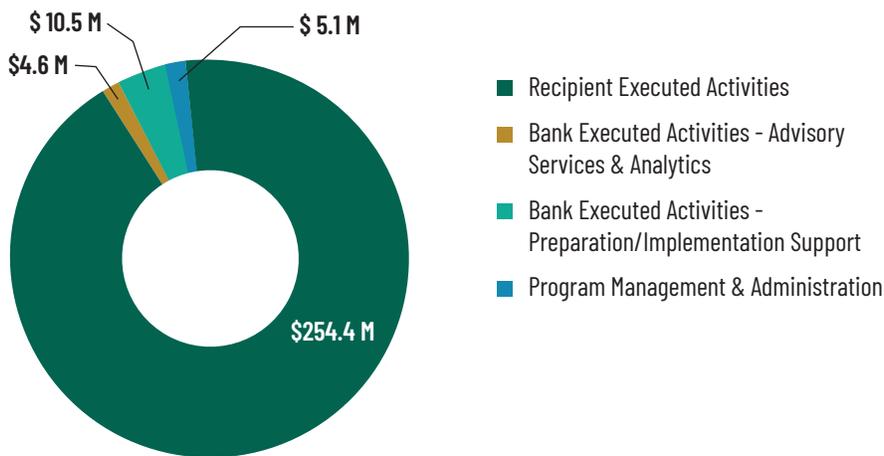


Figure C.2 Allocation to Recipient-Executed Activities (US\$, million)

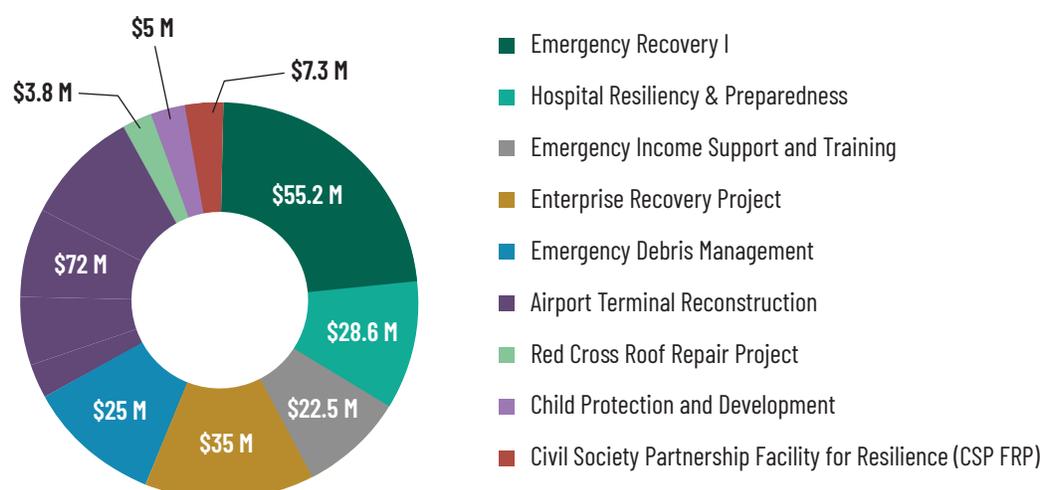
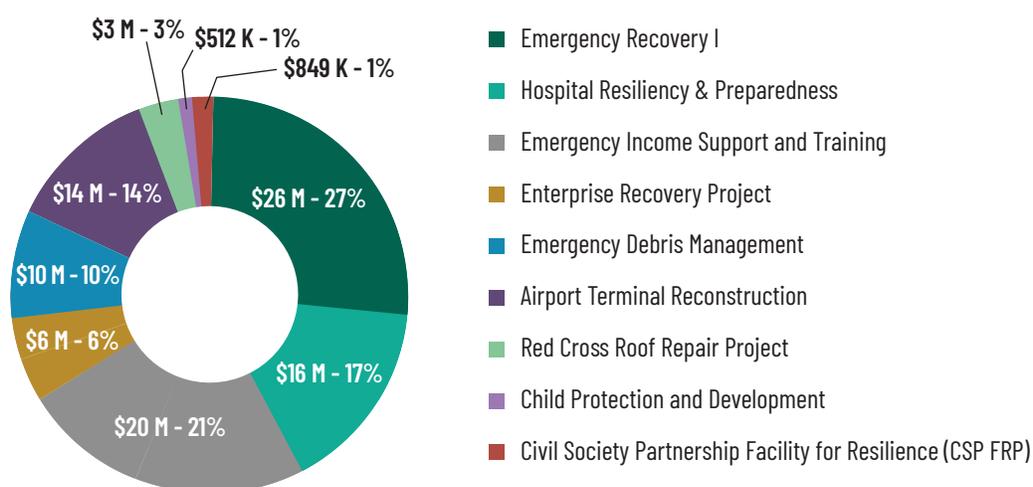


Figure C.3 Disbursement of Recipient-Executed Activities (US\$)



Note: m = million, k = thousand.

Recipient-executed activities (investment projects) were allotted funding in 9 grants (see Figure C.3): (1) Emergency Recovery I, (2) Hospital Resiliency and Preparedness, (3) Emergency Income Support and Training, (4) Enterprise Recovery, (5) Emergency Debris Management, (6) Airport Terminal Reconstruction Project, (7) Civil Society Partnership Facility for Resilience (CSPFRP), (8) Red Cross Roof Repair, and (9) Child Protection and Development. Nine grants for US\$254.4 million were effective at the end of December 2020. Funds disbursed by these grants amounted to US\$94.3 million, of which US\$62.3 million in January–December 2020, and a further US\$160.1 million remains available for disbursement under effective projects.

Figure C.4 Disbursements by Category, US\$8.4 million

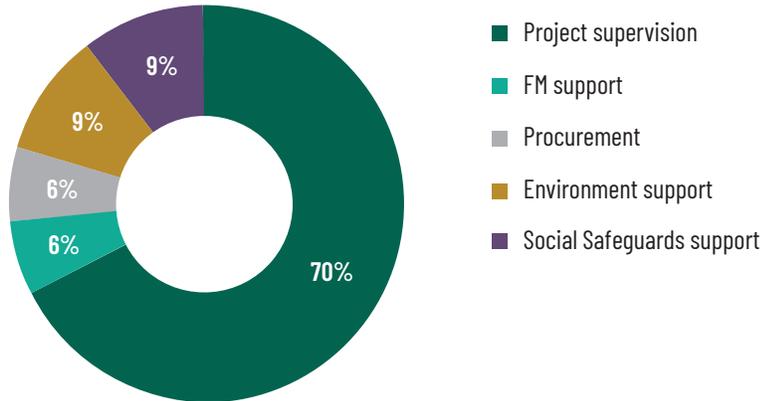
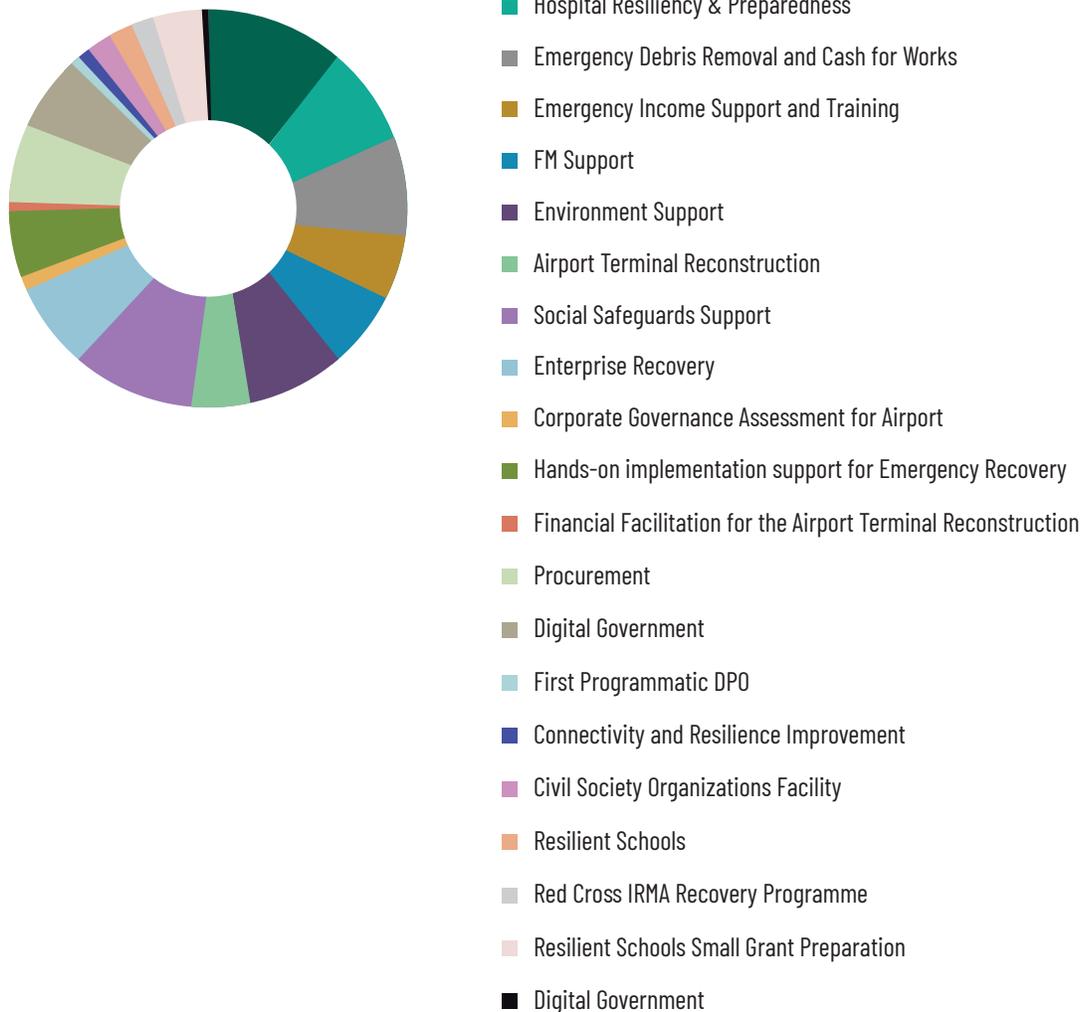


Figure C.5 Proportional Disbursements by Activity, US\$8.4 million

Disbursements by Activity \$8.4 million

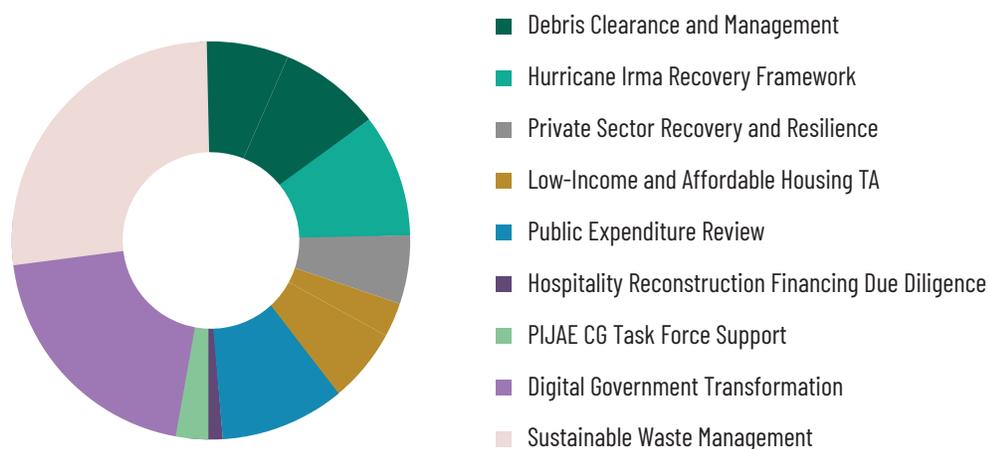


Note: TA = technical assistance, PJIAE = Princess Juliana International Airport.

Bank-executed preparation and implementation support funds are allotted to twenty-one tasks. Total disbursements were US\$8.4 million (see Figures C.4 and C.5), of which US\$2.9 million was made in the period January–December 2020, with a further US\$2.2 million in undisbursed funds. Seventy percent of funds are allocated to project supervision. Together, support to safeguards, procurement, and financial management, including hands-on-support, amounts to 36 percent of total expenditures for preparation and supervision.

Allocations for Bank-Executed Advisory Services and Analytical Activities

Figure C.6 Proportional Advisory Services and Analytics Allocations, US\$4.6 million



In April 2018 - December 2020, bank-executed advisory services and analytical activities were allotted funding in nine grants (see figure C.6): (1) Debris Clearance and Management (funding for environmental and firefighting expertise), (2) Hurricane Irma Recovery Framework (retroactive funding for the development of the NRPP), (3) Private Sector Tourism Recovery and Resilience, (4) Low-income and Affordable Housing Technical Assistance, (5) Public Expenditure Review, (6) Hospitality Reconstruction Financing Due Diligence, (7) Princess Juliana International Airport Corporate Governance Task Force Support, (8) Digital Government Transformation, and (9) Sustainable Waste Management. Funds disbursed so far under these grants amounted to US\$3.1 million, of which US\$1.2 million was in January–December 2020, with a further US\$1.4 million in undisbursed funds.

Table C.1 Disbursements as of December 31, 2020

Funds committed by government of the Netherlands (up to)	US\$559,108,400
Funds Received from Government of the Netherlands	US\$414,475,800
Investment Income	US\$13,269,114
Administration fee	US\$7,498,676
Total Disbursements	US\$109,936,352
Operational (RETF and BETF)	US\$105,834,234
Nonoperational (PM&A)	US\$4,102,118
Total undisbursed funds	US\$164,744,782
Operational (RETF and BETF)	US\$163,706,900
Non-Operational (PM&A)	US\$1,037,882
Funds available for disbursement and allocation of confirmed activities	145,565,103
Funds outstanding from government of the Netherlands (up to)	US\$144,632,600

Note: RETF = recipient-executed trust fund, BETF = bank-executed trust fund, PM&A = Program Management and Administration.

Table C.2 Summary of Disbursements for Activities

Activity	Budget allocated**	April 2018–December 2020 disbursements	Undisbursed funds at end-December 2020
Total	US\$274,681,135	US\$109,936,352	US\$164,744,782
Recipient-executed activities	US \$254,443,867	US\$94,305,652	US\$160,138,215
TFOA8079 Emergency Recovery I	US\$55,200,000	US\$25,576,455	US\$29,623,545
TFOA8176 Hospital Resiliency and Preparedness including TFOB3788 Including Additional Financing	US\$28,610,000	US\$15,567,449	US\$13,042,551
TFOA8265 Emergency Income Support and Training	US\$22,500,000	US\$19,909,980	US\$2,590,020
TFOA9223 Enterprise Recovery Project	US\$35,000,000	US\$6,109,475	US\$28,890,525
TFOA9261 Emergency Debris Management	US\$25,000,000	US\$9,580,335	US\$15,419,665
TFOB0760 Airport Terminal Reconstruction	US\$72,000,000	US\$13,500,530	US\$58,499,470
TFOB2442 Red Cross Roof Repair Project (Main and Additional Finance)	US\$3,786,000	US\$2,700,231	US\$1,085,769
TFOB3014 Civil Society Partnership Facility for Resilience (CSPFRP)	US\$7,347,864	US\$849,197	US\$6,498,667
TFOB4140 Child Protection and Development	US \$5,000,000	Not yet reported	US \$5,000,000

	Budget allocated**	April 2018-December 2020 disbursements	Commitments	Available balance*
Bank-executed activities	US \$15,097,268	US\$11,528,583	US \$695,458	US \$2,873,227
Advisory services and analytics	US \$4,553,755	US\$3,145,701	US \$330,248	US\$1,077,806
Preparation and implementation support	US \$10,543,512	US\$8,382,881	US \$365,209	US\$1,795,422
Program management and administration	US \$5,140,000	US\$4,102,118	US \$54,609	US \$983,273

*Bank-executed available balance means budget allocated minus disbursements and commitments.

** Please note that in line with WB accounting systems, this allocated budget table does not yet show the approved Digital Government Transformation (US\$12 million), as this was not yet accounted as effective as of December 31, 2020.



RETRAINING
TO
REBUILDING

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

Steering Committee (SC)

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

Member of the SC are the following:

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

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

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

In Sint Maarten

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

Further information about SXM TF management can be found in the Administration Arrangement.

SINT MAARTEN TRUST FUND



Government of the Netherlands



THE WORLD BANK