



Aan de voorzitter van de Eerste Kamer der Staten-Generaal
Postbus 20017
2500 EA Den Haag

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Maarten en risicoreserve liquiditeitssteun

Conform de toezegging uw Kamer periodiek te informeren (o.a. beleidsdebat Koninkrijksrelaties in de Eerste Kamer op 6 april 2021) bied ik u het Annual Report 2021 Sint Maarten Reconstruction and Resillience Trust Fund (hierna [jaarrapportage 2021](#)) aan. Met deze brief informeer ik u tevens over de risicoreserve behorende bij de liquiditeitssteun die in 2018 en 2019 verstrekt is uit de trustfondsmiddelen.

Algemeen

De positieve ontwikkelingen waarover u ik uw Kamer informeerde (dd. 12 oktober 2021) zijn voortgezet in de tweede helft van 2021. Ook in 2021 had Sint Maarten last van de effecten van de pandemie, het toerisme werd weliswaar weer opgestart, maar was nog niet volledig op het niveau van voor de pandemie. Daarnaast moesten de teams van de Wereldbank in de eerste helft van 2021 nog "off-island" werken als gevolg van COVID-19.

In 2021 zijn er duurzame resultaten geboekt voor de bewoners van Sint Maarten bij projecten die een langere voorbereidingstijd nodig hadden (zie verderop). Een gedegen voorbereiding kost immers tijd. De geboekte voortgang is ook zichtbaar in de omvang van de uitgaven. Zo is in totaal \$ 333,2 mln. gecontracteerd aan wederopbouwprojecten. Van dat bedrag is \$151,7 mln. uitgekeerd (45,6%). Volgens de Wereldbank is de uitbetaling van de trustfonds portefeuille in Sint Maarten 22% sneller dan vergelijkbare programma's voor kleine eiland staten in de Caribische regio. In totaal zijn 56 contracten gegund aan lokale ondernemingen en 42 contracten aan internationale bedrijven.

Alle middelen zijn in 2021 overgemaakt aan het trustfonds. Ik heb u hierover geïnformeerd in december 2021. De vierde tranche wordt gebruikt voor de uitbreiding van het Emergency Recovery Project 1 (ERP1) met extra herstelactiviteiten (o.a. sportfaciliteiten), de additionele financiering voor het Emergency Debris Management Project (EDMP) en het Mental Health project en tenslotte de uitwerking van diverse potentiële projecten (zie paragraaf voortgang wederopbouw projecten).

Voortgang wederopbouw projecten

Onderstaand schets ik u kort welke projecten in uitvoering zijn, welke in voorbereiding en voor welke projecten in 2021 geld is gealloceerd.

In de bijgevoegde jaarrapportage zijn per project de behaalde resultaten toegevoegd. Hieronder een korte opsomming van de highlights van de projecten in uitvoering:

- *Emergency Recovery Project (ERP-1)*: Dit project houdt onder andere in het herstel van een groot aantal daken/huizen, schuilplaatsen, scholen, politiebureaus, brandweerkazernes en sinds vorig jaar ook het herstel van diverse sportgelegenheden. In 2021 is extra budget toegekend aan ERP1 (55,2 \$ miljoen), omdat onder andere de technische werkzaamheden duurder zijn dan oorspronkelijk begroot. Daarnaast is er ook een aantal extra herstelwerkzaamheden opgepakt waaronder diverse sportfaciliteiten bij scholen.
- *Emergency Debris Management Project (EDMP)*: Dit is het afvalproject waarbij o.a. de 139 scheepswrakken zijn verwijderd, de kustlijn opgeschoond en het management van de afvalberg wordt verbeterd. Alle (139) scheepswrakken zijn geruimd en de kustlijn is geschoond. Het dagelijkse management van de afvalberg is verbeterd en er zijn belangrijke stappen gezet in voorbereiding op het veilig maken van de afvalberg. Door middel van technische assistentie van Nederland wordt extra capaciteit verleend aan de overheid van Sint Maarten voor de uitvoering van dit project.
- *Airport Terminal Reconstruction project*: Dit project herstelt de luchthaventerminal van het vliegveld en verstevigt het vliegveld zodat het orkanen met orkaankracht van niveau 5 (het hoogste orkaankracht) kan weerstaan. In de eerste helft van het jaar waren er zorgen over de governance. Deze is naar tevredenheid aangepakt en in oktober 2021 zijn de herstelwerkzaamheden gestart op het vliegveld.
- *Hospital Resiliency and Preparedness project*: Hierbij wordt o.a. de bouw van het nieuwe ziekenhuis verbeterd zodat het orkanen van niveau 5 kan weerstaan. Begin 2021 is de gestart met de bouw van het nieuwe ziekenhuis, de verwachte oplevering is in 2023.
- *Enterprise Support Project*: Via dit project kunnen kleine en middelgrote bedrijven die hard getroffen zijn door de orkanen, voordelig leningen krijgen bij diverse financiële organisaties. In totaal zijn 103 bedrijven ondersteund vanuit de drie financiële organisaties die aangesloten zijn bij dit project waarbij \$12,19. mln. aan ondersteuning is verstrekt.
- *Civil Society Partnership Facility for Resilience Project (R4CR)*: Met dit project worden lokale NGOs ingeschakeld om de lokale gemeenschappen weerbaarder te maken bij nieuwe natuurrampen. In totaal zijn er in 3 rondes 24 subsidies aan 22 NGO's gegeven. Daarnaast is aan capacity building gedaan op gebied van project- en financieel management.
- *Child Resilience and Protection project*: Met dit UNICEF project worden via scholen kinderen ondersteund bij het verwerken van en het weerbaar maken bij nieuwe natuurrampen. In 2021 zijn er verschillende tools en

trainingen ontwikkeld die bijdragen aan het weerbaar maken van kinderen bij (natuur)rampen.

- *Digital Government Transformation Development project (DGTP)*: Met dit project worden diverse onderdelen en diensten van de overheid van Sint Maarten digitaal gemaakt. Onderzoeken die een basis vormen voor dit project zijn in 2021 uitgevoerd en opgeleverd.

In totaal zijn vier projecten in voorbereiding in 2021:

- het Fostering Resilient Learning project. Dit project heeft als doel een veerkrachtige en efficiënte onderwijsstructuur op het eiland te waarborgen;
- additionele financiering voor EDMP (het afvalproject);
- het long-term waste management project (wordt samengevoegd met EMDP);
- het Mental Health Improvement project (het project dat de psychische zorg op Sint Maarten verbetert)

In 2021 is in de stuurgroep geld gealloceerd voor potentiële projecten, dit zijn:

- het Social Housing project (een sociale woningbouw project);
- het afvalwaterzuivering project (schoonmaken van rioolwater) waarvoor \$10 mln. vanuit het trustfonds is gereserveerd;
- advies over vormgeven van een Disaster Risk Fund (een rampenfonds) met de terugbetaalde leningen van het vliegveld project.

Doorkijk naar 2022 en verder

In de eerste helft van 2022 werd duidelijk dat het ziekenhuisproject, door de wereldwijde problemen in de productieketen, te maken heeft met hogere kosten. Binnen het trustfonds zijn geen extra middelen beschikbaar en het ziekenhuis is op zoek naar een andere manier om dit te bekostigen. Ook andere trustfonds projecten kunnen hinder ondervinden van de wereldwijde problemen en daardoor hoge kosten, maar de kans daarop is echter kleiner. Veel van deze projecten zijn later van start gegaan waardoor er meer tijd was voor een gedegen voorbereiding en waardoor een betere kostenraming gemaakt is. Verder is het aan trustfonds om risico's te mitigeren. Ik verwacht u hierover uitgebreider te kunnen informeren op basis van de halfjaar rapportage 2022 die ik in de tweede helft 2022 verwacht.

Tot slot

Het jaar 2021 is voor het trustfonds ook een jaar geweest van reflectie en het afronden van de voorbereidende fase. Zo heeft de Wereldbank een *mid-term review* uitgevoerd waarvan de conclusies en aanbevelingen later dit jaar bekend worden en stonden de stuurgroepen in 2021 ook in het teken van reflectie en koers bepalen voor de resterende tijd. In juli 2021 zijn de prioriteiten voor de resterende middelen en tijd vastgesteld.

Voortgang op (cruciale) projecten is ook afhankelijk van hulp aan Sint Maarten. De Wereldbank heeft tijdens de technische briefing aan uw Kamer op 17 maart jl. expliciet aangegeven Nederland nodig te hebben voor capaciteit en expertise en (politieke) steun.

Risicovoorziening 3% liquiditeitssteun wederopbouw SXM 2018

In 2018 is er vanuit de wederopbouwmiddelen tweemaal liquiditeitssteun verstrekt in de vorm van leningen aan Sint Maarten. Omdat de tranches middels de lopende inschrijving zijn verstrekt is er een plafond ingesteld en een risicovoorziening om het bijbehorende risico te mitigeren. Eind 2021 is de risicovoorziening vrijgevallen en toegevoegd aan de 4^e tranche betaling aan het trustfonds wederopbouw Sint Maarten bij de Wereldbank.

De staatssecretaris van Binnenlandse Zaken en Koninkrijksrelaties
Digitalisering en Koninkrijksrelaties

Alexandra C. van Huffelen



Sint Maarten Recovery, Reconstruction and Resilience Trust Fund

SINT MAARTEN TRUST FUND



Government of the Netherlands



THE WORLD BANK

**ANNUAL
REPORT
2021**

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ANNUAL REPORT 2021



Sint Maarten Recovery, Reconstruction and Resilience Trust Fund

January 1 – December 31, 2021

Prepared by

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

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Abbreviations

| | | | |
|---------------|---|------------------|---|
| ACF | Auxiliary Care Facility | NESC | Non-Governmental Employment Service Centre |
| ASA | Advisory Services and Analytics | NGO | Nongovernmental Organization |
| ATRP | Airport Terminal Reconstruction Project | NRPB | National Recovery Program Bureau |
| BETF | Bank-executed Trust Fund | NRRP | National Recovery and Resilience Plan |
| CCRIF | Caribbean Catastrophe Risk Insurance Facility | OECD | Organisation for Economic Co-operation and Development |
| CDC | Centers for Disease Control and Prevention | PAHO | Pan American Health Organization |
| CDEMA | Caribbean Disaster Emergency Management Agency | PDO | Project Development Objective |
| CRPP | Child Resilience and Protection Project | PFI | Participating Financial Institution |
| CSO | Civil Society Organization | PJIAE | Princess Juliana International Airport |
| CSPFRP | Civil Society Partnership Facility for Resilience Project | PM&A | Program Management and Administration |
| DAC | Development Assistance Committee | PPG | Project Preparation Grant |
| DGTP | Digital Government Transformation Project | R4CR | Resources for Community Resilience |
| DRF | Disaster Relief Fund | RAP | Resettlement Action Plan |
| EDMP | Emergency Debris Management Project | RCNL | Red Cross Netherlands |
| EDP | Emergency Disaster Preparedness Plan | RETF | Recipient-executed Trust Fund |
| EIE | Education in Emergency | RFB | Request for Bids |
| EISTP | Emergency Income Support and Training Project | SC | Steering Committee |
| EP | Equipment Package | SENA | Socioeconomic Needs Assessment |
| ERP I | Emergency Recovery Project I | SF | SXM TF Strategic Framework |
| ESIA | Environmental and Social Impact Assessment | SMHDF | Sint Maarten Housing Development Foundation |
| ESMP | Environmental and Social Management Plan | SMMC | Sint Maarten Medical Center |
| ESP | Enterprise Support Project | SRU | Social Registry Unit |
| GDP | Gross Domestic Product | SWM | Solid Waste Management |
| GEBE | Sint Maarten's Utility Company | SXM TF | Sint Maarten Reconstruction, Recovery and Resilience Trust Fund |
| HRPP | Hospital Resiliency and Preparedness Project | SZV | Social Health and Insurance Services |
| ICT | Information and Communication Technology | TDSR | Temporary Debris Storage and Reduction |
| ISRS | Integrated Social Registry System | TF | Trust Fund |
| MECYS | Ministry of Education, Culture, Youth and Sports | UNICEF NL | United Nations Children's Fund Netherlands |
| MHF | Mental Health Foundation | VNGI | VNG International |
| MSMEs | Micro, Small, and Medium Enterprises | VROMI | Ministry of Public Housing, Spatial Planning, Environment, and Infrastructure |
| MSW | Municipal Solid Waste | VSA | Ministry of Public Health, Social Development and Labor |
| MTR | Midterm Review | | |

Introduction



This report provides an overview of the activities undertaken under the Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund (SXM TF) from January 1 to December 31, 2021.

On September 6, 2017, Sint Maarten was severely affected by Hurricane Irma. The Sint Maarten Government and the World Bank estimated the catastrophic damage and losses at US\$2.7 billion, 260 percent of Sint Maarten's gross domestic product (GDP)¹. In response, the Government of the Netherlands sent immediate bilateral aid, complemented by substantial private donations.

On April 16, 2018, the SXM TF was established at the World Bank for up to €470 million, financed by the Government of the Netherlands. The SXM TF supports 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 the Caribbean region.

The SXM TF's strategic framework sets out the program's support for

- (a) the post-hurricane recovery and reconstruction of Sint Maarten and
- (b) longer-term development priorities to strengthen the country's resilience.



¹Damage refers to damage to buildings and assets. Losses due to the disruption of access to goods and services are defined as changes in economic flows and higher costs in production arising from the disaster, based on the 2018 Sint Maarten National Recovery and Resilience Plan: A Roadmap to Building Back Better.

Introduction Continued

To date, the SXM TF has received €438.115 million (equivalent to US\$511.96 million) from the Netherlands. Activities financed out of these funds are approved by the SXM TF steering committee (SC) which consists of a representative each of Sint Maarten, the Netherlands, and the World Bank. Activities consist of recipient-executed projects implemented by the Government of Sint Maarten or its designated implementation agencies and World Bank-executed activities including hands-on implementation support, analytical work, and preparation and implementation support. The National Recovery Program Bureau (NRPB) implements and coordinates most 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, as appropriate, by the Government of the Netherlands and the World Bank.



Sint Maarten,

1. one of the four constituent countries of the Kingdom of the Netherlands,
2. is a small, high-income island country with a GDP per capita of US\$29,781 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.

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 (on June 30). These reports provide an overview of results, progress, and challenges, for projects under implementation, projects that are being prepared, associated analytical work, and a financial overview. The current report summarizes the SXM TF's main achievements, activities, results, and unaudited financials from January 1 to December 31, 2021.



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

³ International Monetary Fund, Article IV Consultation 2021. IMF Executive Board Concludes 2021 Article IV Consultation with the Kingdom of the Netherlands - Curaçao and Sint Maarten.

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Executive Summary

Sint Maarten suffered from multiple shocks in 2021 with the onset of the COVID-19 pandemic, a significant economic contraction, and a subsequent complete collapse in tourism revenues. Restrictions in accessing the island isolated Sint Maarten from outside visitors for the first half of the year, resulting in negative implications for the economy, affecting people's livelihoods, and disrupting supply chains which link Sint Maarten to the world economy. The COVID-19 pandemic caused an estimated 24 percent contraction of GDP in 2020.

As of December 31, 2021, Sint Maarten reported 4,624 confirmed COVID-19 cases (since March 2020) and a total of 25,008 fully vaccinated persons. Due to the restrictions on global travel, internationally based teams worked offsite virtually. In mid-2021, as global restrictions eased, and Sint Maarten began to recover, international consultants and NRPB staff returned to Sint Maarten to support implementation.

Projects were able to significantly ramp up the pace of implementation in the second half of 2021 with more teams accessing the island while following national COVID-19 protocols. World Bank staff continued to provide support virtually during the year.

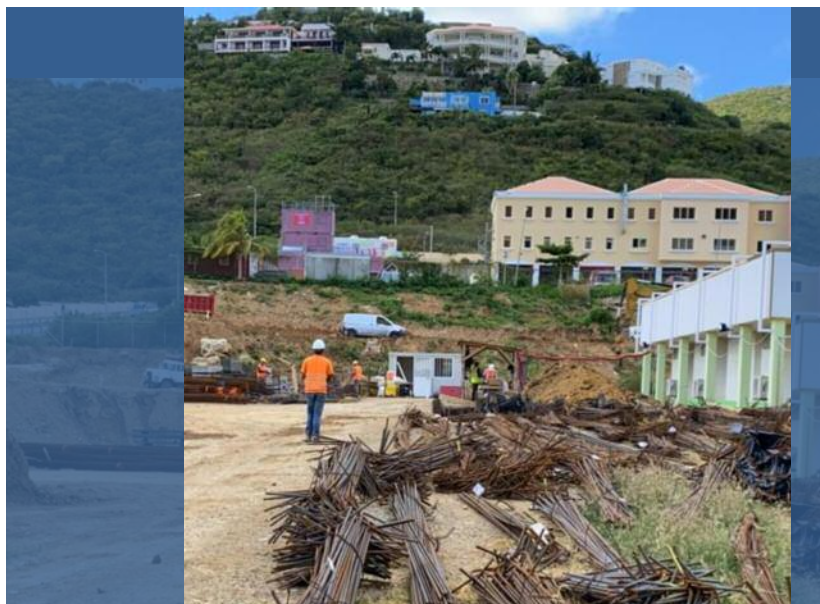
Notwithstanding the challenges, the program channeled substantial investments and achieved significant results in 2021.



¹ International Monetary Fund, Article IV Consultation, April 2020.

² Article issued following the December 2021 Pre-Steering Committee.

³ Outcomes of the SC of July 14, 2021, are summarized in a press statement.



Following COVID-19 precautions, several SC meetings were held in the last half of the year, in the Hague, the Netherlands, in late June 2021, and in Sint Maarten in July 2021 and December 2021,² to discuss the allocation for priorities set by the Government of Sint Maarten for the remaining resources under the SXM TF.³ A midterm review (MTR) of the SXM TF program has been started and will be finalized in 2022, to inform the SC of lessons learned and opportunities for strengthening the program.

As the SXM TF reaches its third year of implementation, the program is focusing on making sure that current investments are sustainable and managed adequately and key stakeholders are trained, so that maintenance of infrastructure and operations are in place. The program is also working with SXM counterparts on instruments for longer-term resilience and supporting vulnerable populations through targeted interventions.

Implementation Achievements

Program implementation advanced substantially through a broad range of partners with visible results throughout Sint Maarten. By the end of 2021, 80 percent of SXM TF’s available resources were made available to Sint Maarten for recipient-executed and World Bank-executed projects. Ten projects are under implementation for US\$333.2 million and four projects are under preparation for US\$73 million. Total disbursements for recipient-executed projects have reached US\$151.7 million, or a disbursement rate of 45.5 percent. To date, 56 contracts were awarded to local firms and 42 contracts were made available to international firms to implement project activities, mainly in reconstruction.

A new US\$12 million Digital Transformation Project was approved in March 2021. The SC also allocated additional financing of US\$45 million for the ongoing Emergency Recovery Project I (ERP I). Additional financing of US\$25 million for the Emergency Debris Management Project (EDMP) was also approved, and a further US\$25 million has been set aside for future financing under this project. Additional financing of up to US\$15 million has been set aside for ERP I and US\$7 million in operational costs for the NRPB.

The main works for the Airport Terminal Reconstruction Project (ARTP), an investment of US\$72 million, are about to begin. Additional financing of US\$20 million was approved in December 2021 for the airport. Procurement for the main works of the terminal reconstruction (Package 2) has been completed and the contract for works by an international firm commenced in October 2021. The project supported the airport’s operating expenditures for most of 2021. According to current forecasts, the Princess Juliana Airport Operating Company (PJIAE) is not expected to request further operational expenditure support from the end of 2021, as airport revenues are beginning to recover due to the partial resumption of travel flows.

Tangible advancement on home repairs has been achieved under ERP I and the Red Cross Roof Repair Project: 592 homes have been repaired, including 269 homes for the most vulnerable people in the Belvedere complex, managed by the Sint Maarten Housing Development Foundation (SMHDF). Of the 592 homes, 109 were repaired under ERP I and another 160 home repairs were retroactively financed, 141 private homes underwent comprehensive repairs, and the roofs of 182 homes were repaired by the Red Cross Netherlands (RCNL).^a Eleven major emergency shelters were repaired ahead of the hurricane season, providing

protection capacity for up to 900 people. Repairs to 3 out of 19 damaged schools are completed. Critical emergency equipment was delivered to the Government, including isolation units for ambulances, fire trucks, communications equipment, and vehicles for various ministries. Repairs to the fire station/ambulance building and the meteorological department have begun.

Under the EDMP, critical heavy equipment was delivered to the Ministry of Public Housing, Spatial Planning, Environment, and Infrastructure (VROMI). This equipment will allow VROMI to improve daily landfill management activities. As of the end of December, the ship salvaging



Note: ^a The Red Cross Project was successfully completed in December 2020

Executive Summary Continued

and shoreline cleaning activity was completed successfully and exceeded the target. All 139 shipwrecks removed from the Simpson Bay Lagoon and Mullet Pond in an environmentally and occupationally safe manner. In addition, 10.5 km of shoreline was cleared of debris. Waste studies were completed to under-pin the development of a detailed reform agenda for the waste sector to run concurrently with waste sector investments. A comprehensive dialogue on specific reforms will take place between 2022 and 2023.

After repairs and upgrades, the existing Sint Maarten Medical Center (SMMC) is fully functional. Key services including dialysis have been expanded, and the repaired and upgraded roof can withstand Category 4 hurricane winds. Patients are safer thanks to a new alarm and fire detection system and costs are lower because of a reduction in overseas referrals. Construction on the new General Hospital building is accelerating, with completion expected in early 2024. With additional financing, a COVID-19 pavilion was constructed, and medical supplies and equipment were procured. The hospital has also achieved a significant impact in reducing overseas referrals, with substantial benefits for patients and cost savings for the country.

Since the inception of the program, SXM TF has supported the insurance of Sint Maarten against tropical cyclones, earthquakes, and excess rainfall under the Caribbean Catastrophe Risk Insurance Facility (CCRIF) and its membership in the Caribbean Disaster Emergency Management Agency (CDEMA). The additional financing approved for ERP I in 2021 will extend the coverage to June 2023.

Supporting small businesses has been a critical accomplishment in 2021, given the shocks they have faced due to the economic contraction. Since the launch of the project, 300 micro, small, and medium enterprises (MSMEs) applied for financing under the US\$35 million Enterprise Support Project (ESP). Financial packages for 103 firms have been approved and the remaining 80 applications are under review. The project provides a mix of working capital loans and asset-recovery grants to MSMEs through local private sector banks (Windward Islands

Bank, Qredits, and Banco di Caribe) as well as support to build capacity and develop business plans.

Over this reporting period, a second round of small grants was awarded to nongovernmental organizations (NGOs) and civil society organizations (CSOs) through the US\$7.2 million Civil Society Partnership Facility for Resilience Project (CSPFRP), also known as Resources for Community Resilience (R4CR), implemented by VNG International (VNGI). To date, 24 grants amounting to over a million US dollars have been provided to 22 CSOs to improve service delivery and community resilience. A third batch of proposals are being awarded by the end of December 2021. The SXM TF also finances United Nations Children's Fund Netherlands (UNICEF NL) for US\$5 million to support disaster preparedness and children's psychosocial well-being at the school level and help strengthen child protection systems.

At the completion of the Emergency Income Support and Training Project (EISTP) in 2020, Component 1 supported almost 2,000 Sint Maarteners, of which there were 69 percent women with training in hospitality, and construction and income support reached 60 percent of the unemployed people in Sint Maarten, thus becoming the largest program of this type in Sint Maarten.⁴ The project is now working with the Ministry of Public Health, Social Development and Labor (VSA) to introduce an integrated social registry system. The team is currently preparing detailed business processes and operational manuals for the proposed Social Registry Unit (SRU), and executing services that would work along with the SRU to help enhance coordination and responsiveness of social assistance in the country.

New technical assistance has also been launched to support Sint Maarten in the design and creation of a Disaster Relief Fund (DRF) and other instruments for disaster risk financing and management. The DRF, and any associated instruments would be capitalized from the reflows of TF resources lent by the Government to the Airport for its Reconstruction, estimated in the range of US\$ 80-90 million. The fund would boost Sint Maarten's overall future resilience to natural disaster and other shocks.



⁴ According to the 2018 Sint Maarten Labor Force Survey, 2,296 people were officially unemployed, and the program reached 1,489 who were reported as unemployed.

Executive Summary Continued

The milestones and substantial impact of the program over the period are summarized in tables 2.1 and 2.2.

Table 2.1 Program Commitments

| High-level trust fund program milestones | December 2020 | December 2021 |
|--|------------------------------|-------------------------------------|
| Program Commitments to Recipient-Executed Projects | US\$254million | US\$333million |
| Program Disbursements/Commitments to Contracts | US\$97 million/US\$65million | US\$151.7 million/US\$139.4 million |
| Nongovernmental Implementation Partners | 6 | 6 ⁵ |

Table 2.2 Project Results

| Project | Indicator | Target | Progress as of December 2020 | Progress as of December 2021 |
|--|---|--------------------------|------------------------------|------------------------------|
| Emergency Income Support and Training Project | Participants receiving income support and training/number of women | 1,155/670 | 1,960/1,350 | 1,960/1,350 |
| | Home repairs | 519 ⁶ | 331 ⁷ | 410 ⁸ |
| Emergency Recovery Project I | Number of critical facilities repaired (2 police stations, 11 shelters, radiosonde, 19 schools) | 33 | 7 | 17 |
| | Water tanks repaired | 4 | 4 | Completed |
| Irma Red Cross Roof Repair | Roofs repaired | 182 | 182 | 182/ Completed |
| Hospital Resiliency and Preparedness Project | Roof repairs of an existing hospital | Roof installed | Completed | Completed |
| | Overseas medical referrals reduced (percentage) | 45% | 79% | 92% target exceeded |
| | Disaster Preparedness Plan and Evacuation Plan (percentage) | 90% | 91% | 91% target exceeded |
| | Progress in essential upgrades of existing hospital (percentage) | 100% | 71% | 71% |
| | Installation of an Auxiliary Care Facility for treatment of COVID-19 patients | Facility installed | Completed | Completed |
| Emergency Debris Management | Fire hotspots control improved at disposal sites (baseline 30) | Infrequent surface fires | | 2 hotspots |
| | Heavy equipment delivery (front loader, bulldozer, and fire support) | 4 | 4 | Completed |
| | Shipwrecks removed | 109 | 0 | 139 |
| | Shoreline cleanup | 10.5 km | 0 | 10.5 km/ Completed |
| | Solid Waste Management Strategy, Short-Term Plan for Waste Management, a regional market study for waste management in the Caribbean, and two pre-feasibility studies | n.a. | Completed | Completed |



⁵ This includes 3 participating financial institutions (PFIs) of ESP, and VNGI, UNICEF, and the Red Cross.

⁶ The target for private homes has changed to 519 from 535 based on the finalized list of beneficiaries under the private home repair program.

⁷ Includes social housing units repaired by SMHDF.

⁸ Includes 269 homes for the most vulnerable people in the Belvedere complex, managed by the SMHDF, of which 109 were repaired by the project and another 160 home repairs were retroactively financed, and 141 private homes had comprehensive repairs done.

Executive Summary Continued

Table 2.2 Project Results Continued

| Project | Indicator | Target | Progress as of December 2020 | Progress as of December 2021 |
|--|--|-----------------------|------------------------------|--|
| Airport Terminal Reconstruction | Reconstruction work on terminal building | - | | Contract awarded and work commenced Oct 2021 |
| | Support for operational expenses paid to airport | n.a. | US\$3 million | US\$10.92million |
| Enterprise Support Project | MSMEs with approved financing | 600 | 7 | 103 |
| Civil Society Partnership Facility | CSOs receiving grants and number of subprojects funded | 80 CSOs 100 grants | 12 CSOs 12 grants | 22 CSOs 24 grants |
| Advisory services and analytics (ASA) | National Recovery and Reconstruction Plan, Housing Sector Study, Public Expenditure Review, Tourism Action Plan, Long Term Waste Studies | | 2 Completed | 5 Completed |

Note: n.a. = not applicable. Dashes in cells indicate that the project is in progress.

The NRPB has hired all key staff for project implementation and increased its capacity, with more staff allocated to procurement, financial management, safeguards, and project management. A total number of 51 staff and consultants work for the NRPB on various projects. A framework agreement, signed in 2020, is enabling the NRPB to hire experts for engineering design and supervision support for civil works under ERP I.

Implementation Issues and Constraints

There have been implementation challenges since the

inception of the TF program. These include regulatory challenges, capacity constraints, and the limited amount of qualified personnel in both the public and the private sectors on the island. Travel restrictions imposed by COVID-19 regulations and a brief shutdown by the Government hampered implementation in the first quarter of 2021. All projects have faced problems in deploying staff to Sint Maarten due to the challenge in acquiring permits, visas, and residency papers and attracting highly skilled workers to the island. The adoption of a legal framework allowing for the establishment of a World Bank office is still being reviewed by the Government of Sint Maarten. Implementation performance is likely to improve significantly if these constraints are addressed.



SXM TF Program Strategy

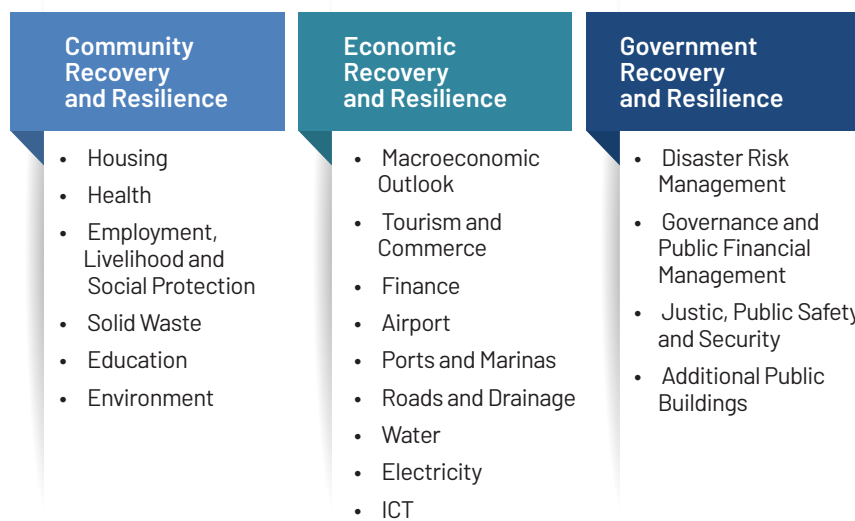
Over the first year of implementation, the NRRP and the guiding principles of the SXM TF provided a framework for emergency projects prioritized by the Government of Sint Maarten and the Government of the Netherlands, with technical guidance of the World Bank.

National Recovery and Resilience Plan

The NRRP was published by the Government of Sint Maarten in June 2018 and endorsed by Sint Maarten’s Parliament in August 2018. The NRRP was developed with the technical support of the World Bank.

The NRRP foresees community, economic, and government recovery through investments in priority sectors particularly affected by the 2017 hurricanes (see figure 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 NRRP



⁹ World Bank. 2018. “Guiding Principles of the Netherlands.” Appendix of SXM TF Administration Arrangement. Washington, DC: World Bank Group.

¹⁰ World Bank 2018.

Guiding Principles for Trust Fund Use

With the establishment of the SXM TF, the objectives of the Netherlands are to support the material and non-material reconstruction and recovery of Sint Maarten wherever necessary, restore vital infrastructure, and sustainably boost the country’s resilience in the face of possible future disasters, natural and otherwise.⁹

The Netherlands’ guiding principles annexed to the SXM TF Administration Arrangement state that activities will (a) address the damage caused by Hurricane Irma, (b) make significant improvements to the pre-hurricane preparation of the island, and (c) restore vital infrastructure whose breakdown would threaten social peace or national security. The 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.”¹⁰

According to these principles, projects are assessed based on seven criteria: their necessity (meaning that there are no other sources of funding), additionality (meaning they bring in private or other public international financing where possible), suitability (their appropriateness in scale considering capacity), effectiveness (their ability to attain the objective and their consistency with Sint Maarten’s long-term policy orientations), and efficiency and legitimacy (meaning that safe-guards are in place to ensure both). Good governance is central to all activities undertaken by the SXM TF, particularly their outcomes and their methods of implementation, the latter supported by the strict application of World Bank processes and procedures for financial management, procurement, and safeguards.

Strategic Framework

The SXM TF priorities are laid out in the SXM TF Strategic Framework (SF)¹¹ 2019–2025 and were approved by the SC in August 2019. This SF is grounded in the NRRP, addresses the needs for post-disaster recovery, and takes on selected medium-term challenges in support of Sint Maarten’s sustainable resilience and prosperity. The SF groups priorities in three focus areas:

- (a) promote sustainable economic recovery,
- (b) invest in citizens and resilient communities, and
- (c) build the foundations to improve long-term resilience and good governance.

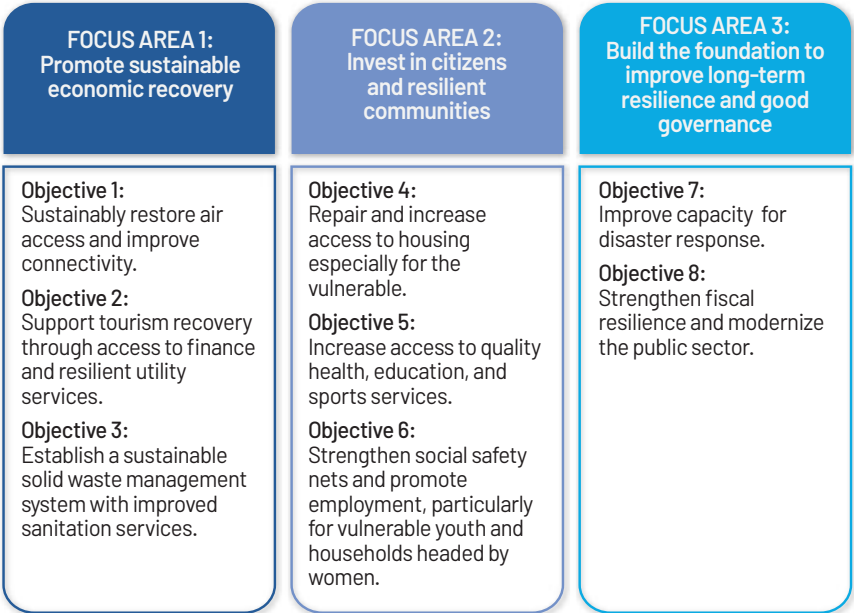
The SF identifies the objectives to be achieved in these focus areas through approved projects and outlines future avenues for action (see figure 3.2). The SF’s principles of engagement include modalities to strengthen local capacity and partnerships with international organizations and NGOs and the private sector. The SF priorities support the objectives of Sint Maarten’s NRRP and are commensurate with the Guiding Principles of the Netherlands recorded in the SXM TF Administration Arrangement.¹² While many SF priorities will be financed by the SXM TF, additional financing is expected to be leveraged from other partners to fill sector gaps and complement current/planned activities, where appropriate.

A TF program-wide MTR was completed to assess progress in

implementation toward achieving objectives for 2018–2021. The MTR will made recommendations to improve performance for the remaining period 2022–2025 and review options to sustain implementation capacities beyond the life of the SXM TF. The MTR identified SXM TF’s achievements against the focus areas identified in the SF. In addressing the review objectives, the MTR will apply the adapted Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) quality criteria of relevance, coherence, effectiveness, efficiency, impact, and sustainability.

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



¹¹ World Bank. 2019. SXM TF Strategic Framework 2019–2025. Washington, DC: World Bank Group.

¹² SXM TF Administration Arrangement, April 16, 2018; Annex III.

Activity Summary

January - December 2021

Overview

As of December 31, 2021, the SXM TF had received US\$511.96 million from the Government of the Netherlands, after the transfer of the fourth and final tranche of funding in December 2021. This amount reflects off-the-top deductions by the Netherlands for activities complementary to SXM TF activities but channeled through bilateral channels. In addition, US\$13.87 million in investment income has been generated for the SXM TF by the World Bank's Treasury Department since TF inception. As of December 31, 2021, US\$333.2 million has been committed to 10 recipient-executed projects and a project preparation grant (PPG) for the Fostering Resilient Learning Project. A total of US\$13.1 million has been committed to the World Bank's implementation supervision and hands-on support to the projects. Other commit-

ments include analytical work and technical assistance to the Government of Sint Maarten (US\$4.7 million), TF management (US\$6.6 million), and the World Bank's TF administration fee (US\$9.04 million). Another US\$73 million has been allocated by the SC to four projects currently under preparation (see table 4.1).

As of the end of December 2021, out of US\$333.2 million committed to recipient-executed projects, US\$151.7 million had been disbursed and US\$181.5 million remained to be disbursed (see table 4.2). These are projects that have been endorsed for financing by the SC and have completed the full preparation, appraisal, and approval processes of the World Bank and the recipient. Project objectives, activities, and progress are detailed in this chapter, in the 'Projects under Implementation: Results to Date' section.

Table 4.1. Released Funds

| Received | US\$, millions | Use of funds | US\$, millions |
|---|---------------------|--|----------------|
| Total TF program committed | 511.96 ^a | Administrative fee | 9.04 |
| Total funds received from the Netherlands | 511.96 ^a | Committed to signed projects | 333.20 |
| | | Analytical work | 4.72 |
| | | Preparation, supervision, and implementation support | 13.11 |
| | | TF management | 6.64 |
| Investment income | 13.87 | Total | 366.71 |
| Total funds received | 525.83 | Estimated value of projects under preparation | 73 |
| Balance (from funds committed) | 86.12 ^b | Total spent and allocated | 439.71 |

Note: a. Reflects reduction of total estimated amount, considering off-the-top deductions by the Netherlands which are/are to be provided through bilateral channels to Sint Maarten.

b. Balance from US\$511.96 million committed by the Netherlands and total spent and allocated (US\$439.71 million).

Activity Summary Continued

Table 4.2. Projects Receiving Support

| Projects under Implementation ^a | | Approved | Commitments (US\$, millions) | Disbursements (US\$, millions) |
|--|--|------------|---------------------------------|-----------------------------------|
| 1 | Emergency Recovery Project I (P167339 + AF (P173225)) | 7/10/2018 | 100.20 | 49.33 |
| 2 | Emergency Income Support and Training Project (P167368) | 8/02/2018 | 22.50 | 19.91 |
| 3 | Hospital Resiliency and Preparedness Project (P167532 + AF (P167532)) | 8/16/2018 | 28.61 | 21.4 |
| 4 | Emergency Debris Management Project (P167347) ^b | 12/21/2018 | 25.00 | 18.01 |
| 5 | Airport Terminal Reconstruction Project (P167974 + AF (P177416)) | 12/09/2019 | 92.00 | 21.48 |
| 6 | Red Cross Roof Repair Project (P172619) ^c | 12/30/2019 | 3.75 | 3.75 |
| 7 | Enterprise Support Project (P168549) | 12/30/2019 | 35.00 | 12.19 |
| 8 | Civil Society Partnership Facility for Resilience Project (P172339) | 6/26/2020 | 7.35 | 2.10 |
| 9 | Child Resilience and Protection Project (P172582) | 10/22/2020 | 5.00 | 1.77 |
| 10 | Sint Maarten Digital Government Transformation Project (P172611) | 03/18/2021 | 12.00 | 0 |
| 11a | Fostering Resilient Learning Project (P172753) Preparation Grant | 03/11/2021 | 1.80 | 1.73 |
| Total | | | 333.21 | 151.67 |

Note: a. Grant agreements signed between the World Bank and the recipient.

b. Additional financing for US\$25 million approved by the SC is not included, pending World Bank approval.

c. Project closed on December 31, 2020.

Table 4.3. Recipient-executed trust fund (RETF) Projects in Preparation

| RETF projects | Estimated amount (US\$, millions) | Estimated approval ^a |
|--|--------------------------------------|---------------------------------|
| 1 Fostering Resilient Learning Project (P172753) | 30.0 | Q1 2022 |
| 2 Additional Financing for the EDMP ^b | 25.0 | Q4 2021 |
| 3 Long-Term Waste Management ^b | 10.0 | Q3 2022 |
| 4 Mental Health Project | 8.0 | Q1 2022 |
| TOTAL | 73.0 | |

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

b. Allocated but not yet under preparation.

Activity Summary Continued



US\$73 million has been allocated by the SC for four projects that are being prepared for appraisal and approval by the World Bank (table 4.3). The 'Projects under Preparation' section in this chapter provides details on the project objectives and content and notes where resources have been set aside by the SXM TF for specific uses, before allocation.

To underpin projects and contribute to knowledge and policy improvements, a program of analytical work has been carried out in collaboration with the Government of Sint Maarten. A public expenditure review, a tourism sector study and statistics compendium, and a housing sector assessment have been completed and delivered to the Government. Resources allocated for this work are US\$4.7 million, of which US\$3.8 million has been disbursed. Details are provided in the 'Analytical Work' section of this chapter.

The World Bank has allocated US\$13.1 million for the preparation and supervision of projects. Since the initiation of the SXM TF, US\$10.5 million has been disbursed. Spending is based on standard World Bank norms for preparation and supervision of projects, considering the need to balance the speed, the complexity of preparation, and the necessary costs associated with maintaining due diligence standards for safeguards and financial management. About 34 percent of these resources are provided for procurement, safeguards, and fiduciary support and 9 percent for direct hands-on support to the NRPB 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 management costs cover 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

Implementation has yielded significant results despite the restrictions and obstacles related to the COVID-19 pandemic. Implementation uptake has accelerated since 2020 with teams ramping up their efforts to ensure projects meet their milestones. Technical teams successfully supervised projects virtually and used creative approaches to monitor progress. Both the airport terminal reconstruction and hospital resiliency and preparedness projects have benefited from virtual walk-throughs and virtual site visits. Ten projects are under implementation and one project has been completed. A total of 45 percent of funds committed to projects has been disbursed. NRPB staff and consultants returned to the island and have been able to engage actors on the ground. The World Bank conducted virtual supervisions and provided remote support. Despite limitations on travel and challenges due

Activity Summary Continued

to COVID-19, the SC was able to visit the island twice this year (July and December 2021) to see the results on the ground and agree on the pipeline of future activities.

Emergency Recovery Project I

Under ERP I (US\$100.2 million; US\$55 million approved July 10, 2018, and US\$45 million approved April 28, 2021), implementation activities advanced significantly in 2021, with work progressing on repairs to homes, shelters, schools, police stations, and provision of critical equipment for first responders. Total project disbursement stood at US\$49.3 million, as of December 31, 2021. ERP I finances the repair of critical infrastructure (including police stations, the fire and ambulance building, the emergency operation center, shelters, and schools), social and private housing, the procurement of emergency equipment, the increased resilience of electricity and water systems, improved access to sovereign catastrophe risk insurance, and training. ERP I also finances the functioning of the NRPB, which is the project implementation unit for the bulk of SXM TF activities.

As a result of COVID-19 travel restrictions earlier in 2020, foreign companies and consultants worked remotely. Some were only able to return in late spring and summer of 2021. However, the end of 2021 saw a return to global travel restrictions and required a partial return to remote work. Despite these challenges, implementation has accelerated on many key activities. While international consultants and firms continue to be recruited, administrative bottlenecks for work and residency permits and business licenses and taxes for foreign companies and foreign staff continue to pose challenges in 2021.

On April 28, 2021, additional financing for US\$45 million was approved, to cover financing gaps for the technical preparation of works (many of which Government cannot undertake), repairs, and equipment, as well as to cover NRPB staffing and operations from June 2020 until June 2023, originally not budgeted under ERP I. On July 14, 2021, the SC allocated US\$7 million in financing to support

NRPB operational costs from mid-2023 to end 2025. The SC also agreed that additional funding of up to US\$15 million could be allocated to ERP I to cover the cost of refurbishing sports facilities including for schools, further work on the police stations, a meteorological building, and further investments in burying electricity lines, among others. The volume of funding available will depend on the decisions made by the SC on the use of remaining funds and the implementation timelines.

Results

TF activities have significantly contributed to improved working conditions and capacity of first responders to provide emergency services on the island.

The NRPB delivered three fire trucks to the Fire Department by September 2021. A contract was signed in February 2021 to deliver four ambulances by March 2022. Other Vehicles have been delivered to various ministries to support their work. A LIDAR survey of Sint Maarten was completed and government officials were trained to use the data. The LIDAR survey will allow the mapping of multiple hazard risks (such as flooding, landslide, and seismic and sea surge risks) to better inform the Government's disaster response, investment, and planning



Activity Summary Continued

decisions. Works on 11 shelters prioritized by the Government were completed in April 2021. The shelters are equipped with generators and water tanks and are ready to be used in an emergency. Tendering for the extension works of the Emergency Operations Center has been finalized and work will begin in mid-2022.

The project has extended the financing of Sint Maarten's premia for insurance coverage against disaster risks under the Caribbean Catastrophe Risk Insurance Facility until June 2023, and finances the country's membership to the Caribbean Disaster Emergency Management Agency (CDEMA)¹³ and Sint Maarten's participation in regional and international events that focus on disaster risk management and resilience.

Restoring utility services after Hurricane Irma. The project aims to help restore and increase the resilience of Sint Maarten's water and electricity systems. It has retroactively financed the US\$1.4 million restoration of four water tanks damaged by the hurricane, by Sint Maarten's Utility Company (GEBE). Further work started in January 2021, 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. The first procurement package for approximately 9 km of trenching work for underground cabling of electrical power lines, conduits for optic fiber, and water pipes was launched in August 2021 and awarded in November 2021. Works are expected to start in the second quarter of 2022. A second phase of works for 3 km of medium-tension transmission lines and potable water pipelines is being designed.

Housing repair and public buildings repair. The target of 535 homes to be repaired under this project has been revised to 519 as some houses have been completed outside of the project and others are no longer considered eligible. To date, 410 homes have been repaired, including 141 private homes and 269 social units, of which 109 were repaired under the project and 160 units retroactively financed in the Belvedere neighborhood. The tender to repair another 64 units housed in six social housing buildings was launched in April 2021 and the contract signed in December 2021.



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

¹⁴ The project was approved on August 2, 2018, and became effective on August 9, 2018.

School repairs. Nineteen schools were identified for repairs and NRPB has hired a schools activity manager to oversee the repair program, which is organized in three batches to minimize the disruption to student learning. Repair work on the initial batch of three priority schools was completed in August 2021. The environmental screening for asbestos and mold of all 19 schools were completed. The Request for Bids (RFB) for the second batch of three schools was completed in October 2021 and work is scheduled to start in January 2022. The RFB for the remaining 13 schools was launched in August 2021 and the tender completed in December 2021. The pace of work during 2021 was affected by COVID-19-related conditions and logistics related to the temporary relocation of students during construction.

Institutional support for recovery and reconstruction. The NRPB has hired all the key project implementation staff needs (51 positions to date). Through recent recruitments, it has strengthened its capacity in safeguards, procurement, financial management, project and contract management, engineering, and monitoring and evaluation. Since January 2021, engineering capacity on the island has been boosted under a Framework Agreement consultancy. The Framework Agreement is financing technical assessments, designs, drafting procurement packages, and works supervision. This capacity has contributed significantly to expediting project investments. Execution capacity for local works has been augmented, although some bottlenecks remain.

Emergency Income Support and Training Project

The objectives of the US\$22.5 million Emergency Income Support and Training Project (EISTP)¹⁴ are to provide temporary income support; to improve the employability of unemployed and underemployed 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, a total of US\$19.9 million, under Component 1 for income support and training activities.

Component 1 was completed in September 2020 and achieved its objectives. Through the Sint Maarten Training

Activity Summary Continued

Foundation, it provided temporary income support (stipend and transportation allowance) and health insurance to underemployed and unemployed persons and financed their participation in short-term skills training in the culinary, hospitality, and construction sectors. The project provided access to training and international certification to some of the island’s most vulnerable people.

This initiative was prepared as an emergency response to strengthen the social protection system for shock-response and protection of the poor.

Component 2 aims to conduct a Socioeconomic Needs Assessment (SENA) and develop an Integrated Social Registry System (ISRS) to strengthen the coordination and response capacity of Sint Maarten’s social protection system in the face of disasters and other shocks. Better data availability and timely analysis will allow the Government to improve its policies, better target its existing programs and services, and develop services and programs better tailored to the needs of vulnerable populations. The ISRS will be administrated by the VSA to support the registration, identification, and selection of the people in most need, regulate the delivery, enhance coordination and resource allocation of services and programs, and measure their effectiveness.

The Government has identified additional needs that fit into the development objective of the project and has requested a project restructuring to expand the scope of Component 2 to finance activities to strengthen the delivery of employment services of the National Employment Service Centre (NESC) of VSA. The COVID-19 pandemic inflicted an important shock on the economy of Sint Maarten and an unprecedented shock to the labor market. The absence of data, a systemic challenge in Sint Maarten, limits policy formulation to inform recovery, including social protection and labor market policies, and hampers the provision of services to support employment and reemployment services during recovery. This labor market analysis will complement the SENA and provide the Government with an integrated analysis of labor market supply and demand.

To accommodate this activity and extend implementation for Component 2, which saw implementation delays during COVID-19, the project made a request to extend the project closing date to February 28, 2023.

Results

The Training and Stipends Program. The training program started in August 2018 and was completed in September 2020 and disbursed US\$18.4 million. The program exceeded its initial target of 1,800 participants by 9 percent, reaching 1,960 beneficiaries, and supported the most disadvantaged groups of the labor market, such as youth (16 percent), women (69 percent), and the unemployed (76 percent). The project granted certifications in hospitality and or culinary arts and construction to 1,844 participants,¹⁵ with a graduation rate of 94 percent, well above regional averages at 80 percent.

Given the program’s relevance in the COVID-19 context and in light of its positive results, the Government extended the training program until April 2021 using its own funds. Altogether, including the period between February and July 2018, the Government spent US\$4.4 million of its own resources, reflecting an important fiscal effort and underlining the usefulness of this model.

Design and development of the social registry. The project has made progress to launch the digital SENA. Phase 1 of the assessment will start in March 2022 and aims at assessing the household socioeconomic conditions to better target benefits and inform social programs. The SENA will provide the data needed for the enhanced social registry under development. A communication strategy to launch the SENA is almost completed. The SENA questionnaire has been finalized, and data collectors are currently under training. The development of the social registry system is taking longer than expected mainly due to compliance issues of the firm that is developing the system. The NRPB, VSA, and the firm have agreed to review the workplan and the methodology of development of the SENA for more agile delivery. The review of the workplan may result in an extension of the contract. The project was restructured in December 2021



¹⁵ 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.

Activity Summary Continued

to extend the project closing date to February 2023 to account for the delays caused by the COVID-19 pandemic and allow completion of ongoing and planned activities.

Hospital Resiliency and Preparedness Project

Approved in August 2018, the objective of the US\$28.6 million Hospital Resiliency and Preparedness Project (HRPP) (US\$25 million and US\$3.61 million additional financing approved in March 2020 and US\$75 million from Sint Maarten Medical Center Foundation) is to improve the preparedness and capacity of hospital services at the SMMC, the only hospital on the island. To date, the project has disbursed US\$21.4 million.

The project co-finances the building of the new Sint Maarten General Hospital and ensures its resilience against Category 5 and higher hurricanes. The new

hospital will substantially increase hospital capacity and enhance health services on Sint Maarten. The project also finances critical upgrades to the existing hospital and contributes to enhancing the quality and scope of hospital services, including updating clinical guidelines and carrying out routine technical audits of their application. Two of the three Project Development Objective (PDO) indicators have already been achieved.

SMMC is the main provider of clinical response to the COVID-19 pandemic on the island since the first reported case in early March 2020. Since March 2020, VSA has carried out continuous community outreach testing, public education campaigns, contact tracing, and more recently vaccine deployment.

Additional financing of US\$3.61 million was provided in March 2020 for hospital services and supplies to respond to the COVID-19 outbreak. SMMC's needs were assessed using the United States Centers for Disease Control and Prevention (CDC) Comprehensive Hospital Preparedness Checklist for COVID-19 and projections based on clinical data from the ongoing pandemic. SXM TF resources complemented substantial direct aid from the Netherlands to the Government of Sint Maarten and to SMMC to address the pandemic and facilitate a rapid response.

Results

Building and launching of the new hospital (US\$17 million SXM TF co-financing). Despite COVID-19-related constraints, SMMC agreed on the final designs for the new hospital building in June 2021.

Site preparedness activities began in early 2021 and the first pour of the first section of the main building foundation was conducted in November 2021. The Fincantieri Group took over all projects from the previously selected Italian contractor, INSO, as of August 1, 2021. At the end of December 2021, two-thirds of the excavation for the foundation of the new building was complete. Retaining walls have been created for parking and for the care complex, underpinning of the existing hospital foundation, and excavation for the main building.



Activity Summary Continued

Transition and contingency plan for SMMC (US\$11.3 million). As of end-December 2021, approximately 75 percent of all essential upgrades to the existing hospital facility have been completed. SMMC is currently focused on completing (a) five additional double patient rooms, (b) the medical gas distribution system, (c) the upgrade and expansion of the operating room (OR) complex, and (d) the dialysis and oncology expansion. Completed essential upgrades include the roof reinforcement, the access control system, the information and communication technology (ICT) upgrades, the fire detection system, the back-up generators, and the Auxiliary Care Facility (ACF) for COVID patients. In the first half of 2021, SMMC made concerted efforts to reduce personal interactions because of COVID-19 and increased responses to its patient satisfaction survey through QR code cards and emails.

SMMC is working on expanding the patient satisfaction survey to all departments/specialties. SMMC published an effective ten-minute pre-recorded virtual tour of the construction process and vision for the new hospital.

The project target to decrease off-island referrals by 45 percent has already been significantly surpassed; it has reduced by 92 percent in four years (from 5,880 in 2017 to



461 in 2020). As of November 2019, general practitioners no longer refer patients for overseas care; only SMMC specialists determine if referral abroad is needed. This reduction is due chiefly to the substantial expansion of services at SMMC, with the addition of ophthalmology, orthopedics, neurology, pulmonology, OB-GYN, pain management, and radiology specialties. This outcome significantly contributes to lower Sint Maarten's health care costs.

SMMC updated and improved the Emergency Disaster Preparedness Plan (EDP) and Evacuation Plan and noted substantial improvements in the Disaster Preparedness Scorecard. A pandemic preparedness chapter has been added in the EDP. The final update to the EDP was completed by the Quality and Patient Safety Department and was distributed throughout the hospital in June 2021. In 2021, SMMC adjusted its floor plans to the Hurricane Preparedness Plan and is addressing difficulties in conducting fire drills due to COVID-19. SMMC has been working on installing a public announcement system in the hospital. SMMC will conduct tabletop drills within the next 3-6 months.

Outpatient Department
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The Quality and Patient Safety Department is developing an audit tool and audit system to monitor the quality of clinical care, including for elements/standards needed for international accreditation (Joint Commission International-JCI). It is expected that the technical audit will take place in the first quarter of 2022.

SMMC has used the additional financing of US\$3.6 million to purchase medical supplies and equipment, personal protective equipment, pharmaceuticals, and nonmedical equipment for COVID-19 triage and isolation areas. Funding was used to equip a medical pavilion donated by VSA for triage of suspected cases and treatment of mild cases. In September 2020, construction was completed on the ACF for COVID-19 care, which replaced the pavilion. The ACF is located outside the main hospital in containers that are hurricane safe (up to Category 4) and it has a total of 16 beds, of which 6 are intensive-care beds and 10 are medium-care beds. SMMC has an additional isolation capacity of 11 beds within the hospital. These additional funds provided by the TF have strengthened SMMC's preparedness and capacity to respond to the increased demand of health services and prevent and delay the spread of the COVID-19 pandemic. This has helped 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.

Emergency Debris Management Project

The Emergency Debris Management Project (EDMP) finances the management of debris from Hurricane Irma and reconstruction activities to facilitate recovery and reduce risks.

Project activities include collecting and clearing debris (metal and car wrecks); reducing the risks of operation, reorganization, rehabilitation, and the upgrading of debris storage and municipal disposal sites, debris processing and disposal; vessel recovery and salvaging, including shoreline cleaning, and technical assistance. To date, the project has disbursed US\$18.01 million of the US\$25 million allocated for the project.

Since the 1990s, Sint Maarten's landfill capacity and municipal waste management issues have been left largely unaddressed and the debris and municipal waste have negatively affected environmental conditions on the island. The absence of an efficient sanitary waste disposal system continues to cause pollution and create unsafe conditions for those living in the vicinity of the landfills. Hurricane Irma intensified these long-standing challenges

Activity Summary Continued

in disposal capacity and municipal waste management. The massive amounts of debris and municipal waste disposed of in the Municipal Solid Waste (MSW) and Irma landfills caused smoldering fires and flare-ups and endangered the surrounding communities.

Considering the significant reduction in landfill subsurface fires between late 2019 and early 2020, an agreement was reached between the Government and the World Bank in late January 2020 to remove the originally planned fire suppression activity and integrate fire control within routine landfill management activities, to address the remaining and future fire hotspots. Stand-alone emergency fire suppression activity was then removed from the project scope as part of project restructuring, which was approved on June 3, 2021.

Other landfill improvement-related activities are unchanged in the project scope, and the daily operation of the landfill can take place only in a designated area with applicable health and safeguards measures in place. The general health and safety risks associated with slope instability and future landfill management-related activities persist and will pose significant risks and danger to the neighboring communities. The communities have been prioritized for resettlement.

Although COVID-19-related challenges have delayed the shipping of equipment and the onboarding of technical experts, restricted consultant visits, and delayed safe-

guards consultations, project implementation is gradually catching up. Following the approval of a High-level Roadmap by the Council of Ministers on March 4, 2021, and its endorsement by the Prime Minister at the SXM TF's SC meeting of March 5, 2021, the NPRB and the Government have accelerated the preparation of critical safeguard instruments. The High-level Roadmap sets deadlines for the preparation and disclosure of the Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) for landfill management and the Resettlement Action Plan (RAP), which will define the resettlement options for the population living adjacent to the site. The Roadmap also includes high-level milestones for additional activities for landfill management. As of December 2021, significant progress has been made on the safeguards instruments with the ESIA/ESMP for daily landfill management and the ESMP for temporary debris storage and reduction (TDSR) cleared by the World Bank and the RAP under final review. These advances allowed the World Bank to upgrade the project implementation rating to Moderately Satisfactory and initiate the preparation of additional financing to cover an existing financing gap that occurred due to the higher cost of resettlement, shipwreck salvaging, and other activities than were originally estimated at a lower level during the time of project preparation.

A legal agreement between VROMI and the SMHDF was signed on May 31, 2021, confirming the designation of the



Activity Summary Continued

FOGA site as an option for a resettlement location from June 2021. The Government and NRPB established critical prerequisites to start resettlement, by consulting affected households before finalization of the RAP and reaching agreements on individual compensation packages for affected households/persons. Considering land and housing constraints on the island and the Government's lack of experience in resettlement, the Government requires substantial support to develop the RAP and carry out the resettlement process in line with the RAP to be approved by the World Bank. Support was provided to hire a specialized consulting firm to prepare the RAP and likely to implement resettlement as well. The World Bank's safeguards team continues to provide extended support to ensure that the resettlement is carried out correctly and without substantial time slippage. The resettlement of the population at risk is essential before any landfill upgrading. The ship salvaging and shoreline cleaning activity started in March and field activities were completed in December 2021.

The SC approved an additional financing of US\$25 million to cover existing financial gaps in ship salvaging and shoreline cleaning, handling of metal wrecks and car wrecks, the TDSR facility, resettlement of the community adjacent to the landfill, and additional project management costs. Another US\$25 million has been set aside to finance work on the landfill once resettlement is complete.

Results

Overall, the project has made significant progress in implementation during the reporting period, including finalizing the critical safeguards instruments, improving implementation capacity at the NRPB, and resuming dialogue on the anticipated solid waste management (SWM) sector reforms.

A bulldozer, a front loader, and a waste compactor were delivered to Sint Maarten, expanding VROMI's capacity to manage incoming waste and improve daily landfill management of the MSW site. The ship salvaging and

shoreline cleaning activity was completed successfully and exceeded the target, with all 139 shipwrecks (49 shipwrecks added through contract amendment) removed from the Simpson Bay Lagoon and Mullet Pond and 10.5 km of shoreline cleaned. The NRPB is preparing to sink one vessel as an artificial reef for recreational purposes.

To strengthen waste and landfill management capacity and support the resettlement activities, the NRPB has recruited a project manager, a project coordinator, a project engineer, and a resettlement expert. A high-level focal point was appointed with support from the Netherlands to oversee and coordinate all activities, support the preparation of the Resettlement Action Plan, and serve as a high-level interlocutor on the resettlement process. The NRPB furthermore recruited a Strategic Program Coordinator for Waste Management, who sits at the Ministry of VROMI to strategically lead the conversation on waste sector reforms. With financing from the Netherlands, this Program Coordinator will be supported by VNG international who will provide technical support to the SXM Government for waste sector reforms foreseen by the National Solid Waste Management Strategy and support their implementation. This support will be critical to address the dearth of technical and policy capacity and counterparts for waste management at the Ministry of VROMI.

The solid waste management technical studies were completed in May 2021 and provide the technical and strategic underpinning required to carry out sector reform. A Short-Term Plan for Waste Management, a Regional Market Study for Waste Management in the Caribbean, two pre-feasibility studies (one on landfill recontouring, closing, and extension and another on integrated waste management facility), and a country solid waste management sector assessment report were completed between 2019 and 2021 and handed over to the Government. A long-term waste management strategy and action plan was developed and presented to the Council of Ministers in March 2021. The design-build-operate package for the MSW dumpsite and the Irma Debris Site and a Sector Financial Framework were delivered to the World Bank in May 2021 and handed over to the Government in August 2021 after the World Bank's comments were duly addressed.

Activity Summary Continued

A continuous concern for project implementation is the dearth of technical and policy capacity and counterparts for waste management at VROMI. This capacity is being addressed through hiring activities under way. Considering all the progress in project implementation in 2021, the World Bank upgraded safeguards ratings of the EDMP to Satisfactory.

Airport Terminal Reconstruction Project

The Airport Terminal Reconstruction Project was approved on December 9, 2019, and became effective on April 21, 2020. The ATRP, a US\$72 million project, finances the reconstruction of the airport terminal, capacity building, and project management. It also supports the operational expenditure of the PJIAE (US\$21 million) in case of major external shocks during the reconstruction period. It has leveraged an additional US\$50 million from the European Investment Bank and US\$7 million from the airport operating company to reconstruct the airport. On April 4, 2020, an agreement with the airport's bondholders enabled the release of US\$72 million in insurance proceeds that were due to PJIAE, which they had held in escrow. The project has disbursed US\$21.48 million to date. An additional US\$20 million was approved in December 2021 from the SXM TF, to cover rising construction costs.

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 that serves Sint Maarten and Saint Martin and is an important regional hub, which before Hurricane Irma, catered to 1.8 million passengers and 62,144 aircrafts per year.

Results

During this reporting period, the implementing agency (PJIAE) significantly advanced the preconstruction activities under its own financing.

These activities were a critical part of the site preparation and include the design services, reinstatement of the fire sprinkler system, the completion of mold remediation and waste disposal activities, and hiring of the supervising engineer. Despite delays caused by the COVID-19 pandemic, the activities were completed well ahead of the start of the main construction works and within budget.

Following a competitive RFB, the main construction contract, for US\$89 million, was awarded in July and signed in August 2021. The site was handed over in



Activity Summary Continued



was unqualified and deemed acceptable to the World Bank. Financing for operational expenses was disbursed to the airport because of financial shortfalls created by the halt in tourism and lack of passenger traffic at the airport. This support was verified, approved, and disbursed for Q2 2020 (US\$3.19 million), Q3 2020 (US\$2.74 million), Q4 2020 (US\$1.49 million), and Q1 2021 (US\$3.5 million) on a reimbursement basis, after careful review of the supporting documentation by the NRPB and the World Bank task team, including to ensure that any Government payroll has been deducted from any eligible shortfalls. With the current recovery of passenger traffic towards the end of 2021, this support is no longer needed. During the review period, the Government of Sint Maarten took steps to

October 2021. The project’s main works are scheduled to be completed by the third quarter of 2023. However, sections of the terminal building will begin to come online from as early as December 2022. The contractor is mobilizing, and key personnel have been deployed to the site. Dismantling activities are ongoing to prepare for permanent works.

Seven equipment packages (EPs) are to be financed under the project and are being tendered.¹⁶ The tender documents for the prioritized EP1 (Passenger Boarding Bridges) and EP2 (Baggage Handling System) have been finalized and tenders were launched in October 2021. Ensuring the proper sequencing and timing of tenders, deliveries, and installation of equipment is a key focus of the technical teams in the highly uncertain environment of COVID-19-affected value chains and international transport.

Component 2 of the project supports project management and capacity building for the implementing agency, PJIAE, which is progressing satisfactorily. The PMU is fully staffed and mobilized, including the environmental and social specialist, financed by the project. The first project audit for Components 1, 2, and 4 for April - December 2020

ensure improved corporate governance at the airport holding company (PJIAH) and secure the continued support of the Royal Schiphol Group as a technical partner to PJIAE in project implementation.

The World Bank approved additional financing of US\$20 million to cover a financing gap in the project, resulting from an increase in the costs of construction and equipment. The grant closing date will be extended by 12 months to December 31, 2023.

Red Cross Roof Repair Project

The Red Cross Roof Repair Project (US\$3.75 million) was approved on December 30, 2019 and closed on December 31, 2020. The project was implemented by the RCNL. The project repaired 182 damaged roofs up to a safe standard for vulnerable households affected by Hurricane Irma. The project increased local capacity in the construction sector by training and employing construction crews, to repair the roofs with quality controls and in accordance with World Bank safeguard requirements.

Work on the sites was halted for eight weeks, from late



¹⁶ EP1: Passenger Boarding Bridges; EP2: Baggage Handling System; EP3: Security Screening Equipment; EP4: Self-Serve Baggage Drop System; EP5: Digital Signal Equipment; EP6: Hold Room Seating; and EP7: Furniture, Fixtures and Appliances.

Activity Summary Continued

March until late May 2020, due to the COVID-19 lockdown. Work resumed in late May and, despite the strict enforcement of enhanced COVID-19 safety regulations, several crew members tested positive. To cover the cost of additional crews for the repair work, additional financing of US\$162,000 was provided to support the RCNL in achieving its goal to repair the houses before the end of the calendar year.

Results

Of the 182 households that received roof repairs, 75 were female-headed households.

The RCNL conducted a roof repair and roof strengthening workshop, attended by 80 households with damaged houses, and an exhibition on resilient roofs for the public. Sixty-three craftsmen were trained to become skilled local construction workers. The training in resilient construction received by these individuals will help them continue safe construction techniques within their local community after the project is over.

The project closed at the end of 2020, having reached 182 of the 200 households originally targeted, despite the many challenges of reconstruction during the COVID-19 era. An Implementation Completion and Results Report for the project was finalized on June 30, 2021.

Enterprise Support Project

The ESP was signed in March 2020 and became effective on May 5, 2020. The project, which has an allocation of US\$35 million, supports eligible MSMEs in accessing financing for asset replacement, nonstructural repairs, and working capital, channeled through local PFIs. As of December 31, 2021, the project disbursed US\$12.19 million, about 34 percent of the total project amount.

A large percentage of MSMEs have been unable to obtain financing from local commercial banks because they cannot meet the banks' collateral requirements. Generally, MSMEs have difficulty providing acceptable collateral to



banks making it difficult to access financing. Subject to an acceptable business plan, the ESP provides financial packages for eligible MSMEs in the form of a combination of grants and loans for assets and repairs and stand-alone loans for working capital.

The World Bank and the NRPB channel the financing through three PFIs to support eligible enterprises. The ESP was rolled out in August 2020.

Lenders in Sint Maarten have been risk averse in tapping into the MSME market, because of the prevailing high-risk environment and the difficulty for MSMEs in presenting acceptable collateral. The COVID-19 crisis increased this risk aversion. To mitigate this problem, a risk-sharing mechanism was introduced to incentivize lenders. The mechanism allows the project to partially absorb potential losses on loans from lenders. This motivates the financial institutions to lend to MSMEs while encouraging them to exercise adequate due diligence and care when underwriting and servicing MSME loans. The agreement mandates them to select viable MSMEs with solid business plans.

In July 2021, the SC acknowledged the agreement between Sint Maarten and the World Bank to reallocate US\$5 million from the ESP and the intent to extend the implementation time frame for this project to June 30, 2025.

Activity Summary Continued

Results

The project regularly offers information sessions to MSMEs. Radio commercials have run frequently, and the project website has been updated.

Subsidiary agreements have been signed with three financial institutions that are currently acting as PFIs in the project: Micro financiering Nederland (Qredits), Windward Islands Bank, and Banco di Caribe. As of December 31, 2021, 103 firms have been approved to receive financing and applications are in the pipeline at different stages of review. A project restructuring has been finalized, extending the project closing date from December 2024 to June 30, 2025. This extension will enable PFIs to extend longer loan tenors and reduce the beneficiaries' debt service coverage ratios. This is expected to further increase the number of beneficiaries while offering them better financial conditions to grow their businesses. The project has been awarded 'entity of the year 2021' by a local media outlet, which will ensure many more applications in 2022.

Civil Society Partnership Facility for Resilience Project

In May 2019, the SXM TF SC approved the creation of a CSO grant-making facility. The Civil Society Partnership for Resilience Project, also locally named as Resources for Community Resilience (R4CR) in Sint Maarten, received US\$7.2 million in financing.¹⁷ The project was approved on June 26, 2020, and was declared effective on July 28, 2020. The objective of this project is to improve the capacity of CSOs and support implementation of reconstruction and resilience projects at the community level. The project is implemented through three main components:

- (a) small grants to CSOs for reconstruction and resilience,
- (b) technical assistance and capacity building, and
- (c) project management and coordination.



¹⁷ The CSPFRP was approved on June 26, 2020 and became effective in July 2020.

The R4CR is managed by VNGI and the project supports immediate community needs through a rollout of small grants to CSOs. VNGI opened its Sint Maarten office in February 2021. The project adopted COVID-19 safety measures to implement outreach workshops and training to recipient CSOs. As of the end of December 2021, the project disbursed over US\$2.1 million for 24 grants to 22 local CSOs. A third call of proposals is under way and the results will be finalized in early January 2022.

Results

The project has held three calls for proposals (November 2020, June 2021, and December 2021). Twelve CSOs were awarded US\$458,936 in the first round for services to the elderly, youth, and disabled persons, for minor upgrades to community spaces and environmental projects.

In mid-June 2021, another US\$567,244 was provided for 12 new grants mainly focused on psychosocial and emotional support, youth employment and skills development, day care and afternoon school services, programs addressing gender-based violence, recreation and sports, nature and environment, and arts and cultural activities.

The completed and handed-over subprojects currently serve 1,970 people (end-of-project target is 10,000 people). VNGI has delivered outreach sessions to 132 individuals, representing 94 CSOs. Training was provided to CSOs in proposal submission, project management, and financial management. Ongoing implementation has revealed enormous capacity gaps within the local CSOs in development, preparation of adequate proposals for funding, planning and project management, monitoring and evaluation, and reporting and VNGI has enhanced the focus on addressing these needs. A first lessons learned event, called the benchmarking workshop, was organized by VNGI in June 2021 to support knowledge sharing and to address capacity gaps in financial and project management. Systematic capacity building guided by a capacity building plan is now under way and will continue to be a core

Activity Summary Continued

activity for implementation based on annual needs assessments, the objective being to develop capacity for CSOs continuously so that the project leaves a lasting impact.

Child Resilience and Protection Project

The Child Resilience and Protection Project (CRPP) aims to strengthen the capacity of Sint Maarten’s education and child protection systems to respond to the needs of children and adolescents because of natural disasters and external shocks. The project was approved on January 22, 2021, and is being implemented by UNICEF NL for US\$5 million, including a US\$512,000 PPG (approved in April 2020 and closed in October 2021). The project has disbursed US\$1.77 million in total to date.

To nurture children’s and adolescents’ well-being (Component 1), a school-based psychosocial screening tool is being developed to help teachers and care teams support or refer children in distress. The tool is part of a package of comprehensive psychosocial interventions that will be implemented at the school, family, and community levels. Psychosocial training for schools’ care teams, facilitated by the Ministry of Education, Culture, Youth and Sports (MECYS), was delivered in April 2021. Programs providing psychosocial support to students’ parents (on topics related to coping during a natural

disaster, dealing with financial hardship, positive parenting, and child protection) and a violence prevention program targeting schools, day-cares, and after-school programs are expected to start in early 2022.

To strengthen the Child Protection Systems (Component 2), a child protection specialist has been hired and a firm contracted to provide training on child safety and rights for the key stakeholders from MECYS, VSA, and the Court of Guardianship. Four online workshops on child protection methodologies and approaches have been delivered. An assessment of the case management and referral systems for child abuse and neglect cases is being conducted to assess strengths and gaps. It will generate a roadmap to strengthen the referral and case management for child abuse and neglect.

To strengthen the resilience of schools and MECYS to disasters (Component 3), the Education in Emergency (EiE) contingency strategy was revised, with the support of an external consultancy financed by the project. It includes a communication protocol for schools during emergencies. A mobile application is being used to revise the school damage and needs assessment. It will facilitate data collection on staff preparedness before a natural hazard and on potential damages after an emergency. A yearly assessment through this tool aims to capture existing stakeholder vulnerabilities and capacities. Training on emergency preparedness is being provided to schools’ emergency teams. In parallel, simulation exer-



Activity Summary Continued

cises for selected schools are being prepared. Between June and August 2021, seven training events were held, reaching 93 members of the Safety and Emergency Teams from 23 schools.

Digital Government Transformation Development

Approved on March 18, 2021, the US\$12 million Digital Government Transformation Project (DGTP) aims to improve access and enhance the efficiency of selected public services for citizens and businesses, as well as the resiliency of government systems. The project is executed by the NRPB and the Ministry of General Affairs and will also strengthen the policy and regulatory environment and the institutional capacity of Government to develop and implement digital services. The project will put in place the platforms needed to enable the development of secure and user-centric digital services and improve back-office functioning so that services can be delivered in a more integrated manner. These include platforms for digital payments, interoperability, and a digital single sign-on mechanism. The project will also enable cloud services and digitization of key government records.

To support this project, studies and technical assistance for up to US\$3 million are being executed by the World Bank to (a) develop a digital transformation strategy to guide the Government's future ICT investments, (b) generate an interoperability framework that will allow ministries to connect with one another and exchange data, and (c) conduct an assessment of the public service centers to improve the workflow and user-friendliness of these centers. Drafts of these studies were produced in 2021 and are being reviewed.

Government has filled all key staff positions on its Digital Leadership Team and advanced the hiring of the project manager. The selection of a management firm to support Government in project implementation is completed. It is expected that the project will achieve effectiveness by mid-January 2022.



¹⁸ 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.

Projects under Preparation¹⁸

Four projects -

- (a) a Fostering Resilient Learning Project,
- (b) an additional financing to the EDMP,
- (c) a long-term waste management project, and
- (d) a Mental Health Project

- are being prepared to address key challenges in building resilience, as underlined in the NRRP, prioritized by the Government of Sint Maarten, and endorsed by the SXM TF SC. These projects are being prepared virtually, given the complexities related to the COVID-19 pandemic and uncertainties related to travel. In addition, the preparation of a housing project is under way, for which financing was set aside by the SC in July 2021. The SC will discuss the formal allocation of funds and project features in the first half of 2022, in the context of its next regular meeting.

Fostering Resilient Learning Project

In July 2019, the SXM TF SC allocated an estimated US\$30 million to support the Government of Sint Maarten's 2018 Education Master Plan. The resources were aimed at (a) rebuilding safe and inclusive schools, (b) restoring a community learning and cultural environment, and (c) strengthening MECYS' management information system. A PPG for US\$1.8 million was signed in March 2021 to finance preparatory studies which are ongoing. Project preparation, which progressed slowly in 2020 and early 2021 due to COVID-19 restrictions and capacity limitations, picked up in the latter half of 2021. The project is now expected to be approved by end-March 2022.

Additional Financing to the EDMP

With the recent advances under the EDMP, the project ratings have been upgraded and team started preparing the additional financing of US\$25 million allocated by the SC in March 2021) to cover the financial gap under the parent project.

Activity Summary Continued

The additional financing will allow the EDMP to reach the original PDOs and key results indicators. In particular, the additional financing will cover costs required to resettle project-affected people who live adjacent to the landfill; complete the metal wrecks' and car wrecks' handling; implement the design, build, and operate contract for the TDSR facility; and finance the additional project management costs. Another US\$25 million and an additional \$10 million has been set aside by the SC to finance work on the landfill once referred resettlement is complete. These funds could be combined with the referred additional financing under one operation, subject to the decision of the SC. If the SC agrees to this, the Government of Sint Maarten would likely need to commit to the timebound SWM policy action plan to ensure that new SWM infrastructures remain sustainable after project completion.

Alternatively, these funds could be attached to the stand-alone SWM project or second additional financing that will be approved after referred additional financing to cover the financial gap. These funds would help transform SWM in Sint Maarten and are planned to be used to recontour the Irma and MSW sites under a design, build, and operate

contract, to improve SWM and environmental protection through the implementation of essential institutional, legal, and financial reforms identified under the SWM technical assistance implemented with the World Bank's support in 2020-2021. A long-term waste management project will be prepared, and its contours determined, based upon progress on policy and institutional reform under the EDMP.

Improving Mental Health Services in Sint Maarten

On July 14, 2021, the SXM TF SC allocated US\$8 million to improve Sint Maarten's capacity to deliver mental health services. Project resources will help improve the capacity of Sint Maarten's Mental Health Foundation (MHF) to deliver quality mental health care. This will be done by financing civil works to build a combined guided and protected living facility for individuals with chronic mental health illnesses, a day treatment facility, and crisis intervention rooms. The project includes funding for staff development, including continuous education and on-the-job training of MHF staff; and the strengthening of existing treatment and



Activity Summary Continued

referral protocols. The initial phase of project preparation has progressed well and the project is expected to be approved by mid-2022.

Potential Housing Project

In July 2021, the SC set aside US\$20 million for a potential housing project and requested the World Bank to assess whether a relevant project could feasibly be completed within this financing envelope by the SXM TF's closing date. An options note prepared by the World Bank, in close consultation with the NRPB and the Government of Sint Maarten, was discussed informally by SC members in November 2021. The SC requested the World Bank and NRPB teams to further explore options for a social housing project, which would strengthen SMHDF's financial and operational capacity, help address market failures in the housing sector, and potentially upgrade public spaces in vulnerable neighborhoods. Further discussion on this potential project is expected in the first quarter of 2022.

Analytical Work

Several studies and critical analytical work were completed and shared with the Government of Sint Maarten to inform project identification, preparation, and sector management. They are listed in table 4.4.

In July 2021, the SC requested that the World Bank provide technical

assistance to the Government of Sint Maarten in designing a disaster relief fund (DRF), and associated instruments, to be capitalized by the substantial reflows expected from the Government's loans to PJIAE for reconstruction. These loans were made possible by a grant from the SXM TF. Reflows pertain only to the principal part of the loans and are expected to begin accruing in 2027 and accumulate gradually over more than a decade. The technical assistance will build on DRF core principles and good practices. It will provide recommendations on the DRF's design, governance mechanisms, and optimal investment strategies, including for the purchase of insurance coverage to mitigate disaster risk.



Activity Summary Continued

Table 4.4. Analytical Work and Technical Assistance

| STUDIES COMPLETED | | COMPLETION STATUS ^a |
|-------------------------------------|---|--------------------------------|
| 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 |
| 7 | Low-Income and Affordable Housing Technical Assistance (technical assistance) | Completed |
| 8 | Digital 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/CFT)(technical assistance) ¹⁹ | Currently interrupted |
| 11 | Long-term waste studies | Completed |
| ONGOING TECHNICAL ASSISTANCE | | |
| 12 | TA for a Disaster Relief Fund | Started |
| 13 | MTR of TF Program | Ongoing |
| ONGOING STUDIES | | Estimated delivery |
| 14 | Country Environmental Analysis (study) | In draft |

Note: AML = anti-money laundering; CFT = combatting the financing of terrorism; CY = Calendar year.

a. Estimated timelines for delivery are subject to change to meet operational requirements, government availability, and the effects of COVID-19.



¹⁹ Not financed by the SXM TF.

Project Preparation and Implementation Issues and Solutions

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

The NRPB continued to hire key staff in 2021 and has now sufficient capacity for adequate project management. It now has capacity to implement seven projects of various sizes, prepare new projects, and contribute to several studies. With approval from the SC, the SXM TF program will explore options for long-term sustainability of the NRPB's program management, fiduciary, and procurement skills built by the SXM TF, which can greatly help the Government over the long term to tide over its capacity gaps.

Currently, a little over one-third of the supervision costs are being allocated to World Bank fiduciary and safeguard support and 9 percent to hands-on support in procurement and engineering (HEIS). The NRPB has built its in-house capacity in project management, fiduciary controls, safeguards, and monitoring and evaluation. However, given the number and size of projects and the speed at which projects are being prepared, the HEIS continues to provide critical support. As the portfolio matures and more projects enter into an advanced implementation phase, it is expected that the HEIS will decrease as the NRPB assumes more responsibilities.

Over time, government senior leadership has demonstrated stronger ownership and commitment to the objectives of the SXM TF. Line ministries have also taken a more active interest. They have benefited from frequent briefs on project progress and have been actively engaged in project preparation and implementation. The Government has supported the NRPB and the World Bank in addressing bottlenecks in implementation and finding corrective courses of action. Capacity limitations within the line ministries continue to be a challenge.

Project Supervision Capacity

To provide supervision and coordination support, World Bank staff and consultants continue to engage virtually

with the NRPB, Government, and other counterparts, both on Sint Maarten and in the Netherlands. It was hoped that missions would resume in late 2021. However, because of the rapid spread of the Omicron variant, resumption of technical missions was delayed. Technical teams conduct virtual missions and will resume in-person missions hosted by the NRPB once the situation allows, hopefully in the spring of 2022. Nevertheless, while project supervision remained virtual in 2021, disbursements have steadily increased across the portfolio.

Absorption Capacity and Regulatory Issues

The World Bank and the NRPB have collaborated to maximize successful tender outcomes in the context of the COVID-19 pandemic, which has limited the mobility of potential bidders. The NRPB has been diligent in engaging with local and regional firms and to encourage their participation in procurement activities. To date, 56 contracts have been awarded to local firms for projects that are in implementation. International firms won 42 contracts. Access to the island remains dependent on the rapidly evolving COVID-19 pandemic and global travel restrictions. In addition, the remoteness of Sint Maarten for international firms makes shipping supplies, recruiting staff, finding skilled local labor, and setting up local offices more expensive.

Cumbersome administrative arrangements for nonresident firms and individuals' access to the island continue to affect implementation capacity. Current laws that restrict the NRPB's ability to hire temporary workers, recruit more local staff at cost-effective pay scales, and contract with international employees continue to pose a significant obstacle for all projects.

Outreach and Communications

Following the SC visit in December, The Daily Herald published a lengthy article titled Steering Committee: Airport, hospital, and debris projects 'advancing very well'. In July, a press release announced the allocation of more funds to TF projects and this was widely covered by local media. Individual project communications teams also engaged in their own outreach efforts to stakeholders on the ground. SMMC consistently provides updates to the public about progress of the Sint Maarten General Hospital construction.

The R4CR project remains active on social media, promoting new and progressive CSO projects funded through the CSO Facility (**Resources for Community Resilience - Sint Maarten (r4cr.org)**). The PJIAE communications team sends periodical newsletters, engages in many social posts, and broadcasts **Rebuild, Recover, Reinvent** - a monthly online TV series. The ESP was awarded the entity of the year award by a local media outlet.

As the SXM TF program results emerge, media coverage and engagement with audiences on social media platforms, print news, radio, and websites will continue to be stepped up.

The SXM TF dashboard (www.sintmaartenrecovery.org), the NRPB website (www.nrpbsxm.org), and Facebook page (facebook.com/sxmnationalrecovery) are regularly updated to inform stakeholders, including government officials, the private sector, NGOs, the media, members of parliament, and the general public, about SXM TF activities and advancement. Internal and stakeholder media briefings about TF media coverage are sent on a monthly basis.



Appendices



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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"> • Provide 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 Repair Project: support for the rehabilitation of the 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 • Enhance secondary health care 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 category 5 resistant standards, and financing of medical equipment and infrastructure for COVID-19 pandemic needs • Public Expenditure Review (ASA on 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 I: Rehabilitation of 11 public shelters • Emergency Income Support and Training Project: Stipends, training and improvement of targeted social services by building an integrated social registry system |
| <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: debris clearance, collection of metal and car wrecks; processing and disposal of debris; vessel removal and salvaging • Long-term Waste Solutions Analysis (ASA): Support for the development of government's roadmap for sustainable solid waste management • Long-Term Solid Waste Management Project (planned): Investments in long-term solutions |
| <p>Education</p> <ul style="list-style-type: none"> • Repair and rebuild resilient schools, provide 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 | <p>Education-related activities</p> <ul style="list-style-type: none"> • Emergency Recovery Project I: Repair of schools and community facilities • Fostering Resilient Learning Project (pipeline) • Child Resilience and Protection Project: Strengthening of psychosocial support for children |

Note: Projects under implementation are in **bold**. Projects under preparation are in **blue**.

Appendix A Continued

| Pillar 1: Community Recovery and Resilience Continued | |
|---|--|
| <p>Environment</p> <ul style="list-style-type: none"> Rehabilitate and protect natural and built environments Strengthen environmental protection | <p>Environment-related activities</p> <ul style="list-style-type: none"> Solid Waste Management and Environmental Improvement Project (planned) Emergency Debris Management Project: Shoreline clean-up, beautification of public areas, focusing on debris removal and landscaping Country Environmental Analysis (ASA) |
| <p>Community recovery</p> <ul style="list-style-type: none"> Financing community subprojects through local CSOs Building local CSOs capacity for lasting impact | <ul style="list-style-type: none"> Sint Maarten Civil Society Partnership Facility for Resilience Project - supports efforts to build capacity for local CSOs to implement reconstruction and resilience subprojects at the community level |
| Pillar 2: Economic Recovery and Resilience | |
| NRRP-LISTED AREAS OF ENGAGEMENT | SXM TF PROJECTS AND ANALYTICAL WORK |
| <p>Macroeconomic outlook</p> <ul style="list-style-type: none"> Strengthen Government capacity for tax collection and fiscal policy formulation | <p>Macroeconomic-related activities</p> <ul style="list-style-type: none"> Public Expenditure Review (ASA) National Risk Assessment (ASA and technical assistance) |
| <p>Tourism and commerce</p> <ul style="list-style-type: none"> Secure and strengthen resilience of tourism sector Assist in diversifying the economy by supporting MSMEs | <p>Tourism and commerce-related activities</p> <ul style="list-style-type: none"> Enterprise Support 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) SME and tourism recovery (ASA); analysis of tourism support needs |
| <p>Finance</p> <ul style="list-style-type: none"> Increase access to credit and affordable investment capital | <p>Finance-related activities</p> <ul style="list-style-type: none"> Enterprise Support Project: Financial intermediaries are supported to provide greater access to finance for MSMEs |
| <p>Airport</p> <ul style="list-style-type: none"> Repair and rebuild airport for greater resilience | <p>Airport-related activities</p> <ul style="list-style-type: none"> Airport Terminal Reconstruction Project |
| <p>Ports and marinas</p> <ul style="list-style-type: none"> Restore ports and marinas while ensuring greater resilience | <p>Ports and marinas-related activities</p> <ul style="list-style-type: none"> Emergency Debris Management Project: Vessel removal and salvaging |
| <p>Roads and drainage</p> <ul style="list-style-type: none"> Improve the drainage network in communities with recurrent flooding | <p>Roads and drainage-related activities</p> <p>n.a.</p> |
| <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, trenching of electricity lines and electricity repairs Digital Government Transformation Project: Improve public service centers and government systems Digital transformation ASA to support analytical work underpinning the Digital Government Transformation Project |

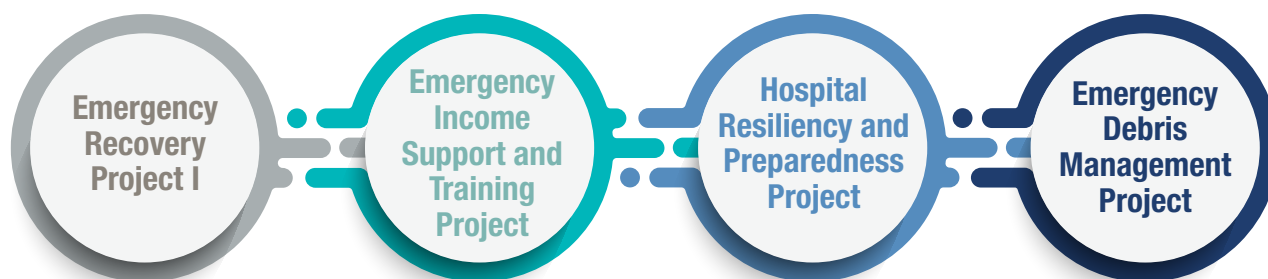
Appendix A Continued

| 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 Membership into the Caribbean Disaster Emergency Management Agency Develop a risk-financing strategy and join the 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 LIDAR survey |
| <p>Governance and public financial management</p> <ul style="list-style-type: none"> Implement government financial management information system Modernize ICT systems Implement 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 P: Modernize ICT back-end 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 correctional facilities 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: Repair of two police stations and extension of the Emergency Operations Center, repair of radiosonde building |
| <p>Additional public buildings</p> <ul style="list-style-type: none"> Repair other 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 I: Repair of key government buildings |

Note: Projects under implementation are in **bold**. Projects under preparation are in **blue**.

APPENDIX B

Results Framework: Projects under Implementation as of December 31, 2021



DEVELOPMENT OBJECTIVE:
To contribute to Sint Maarten's immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction

Outcome indicator 1: Share of households with electrical services resilient to hurricanes

Baseline: 80%
Target: 100%
Actuals: 86%

Outcome indicator 2: Water storage capacity of Sint Maarten utility (average daily demand)

Baseline: 0.7 days
Target: 2 days
Actuals: 1.90 days

Outcome indicator 3: Number of citizens benefited from the project activities (gender disaggregated)

Baseline: 0
Target: 40,000
Actuals: 3, 206 (direct beneficiaries), Indirect beneficiaries (NYR)

Outcome indicator 4: Percentage of beneficiaries that are satisfied with the quality of housing repairs (gender disaggregated)

Baseline: 0
Target: 80%
Actuals: (NYR)

Note: NYR = Not yet reported.

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

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: 1,960, of which 1,350 are female

Outcome indicator 2: Percentage of beneficiaries who complete training in an occupational area

Baseline: 0
Target: 50% (of which half are female)
Actuals: 93% of total (62% female)

Outcome indicator 3: Number of records in the Social Registry

Baseline: 0
Target: 1,000
Actuals: 0

DEVELOPMENT OBJECTIVE:
To improve the preparedness and capacity of hospital services

Outcome indicator 1: Overseas medical referrals reduced (percentage)

Baseline: 0
Target: 45%
Actuals: 92%

Outcome indicator 2: Emergency Disaster Preparedness Plan and Evacuation Plan implemented according to procedures (percentage)

Baseline: 60%
Target: 90%
Actuals: 91%

Outcome indicator 3: Technical audits to evaluate quality and preparedness of service delivery rated satisfactory (percentage)

Baseline: 0
Target: 90%
Actuals: 0

DEVELOPMENT OBJECTIVE:
To manage debris from the hurricane and reconstruction activities^a

Outcome indicator 1: Number of metal wrecks collected and processed

Baseline: 0
Target: 100
Actuals: 0

Outcome indicator 2: Simpson Bay area cleared from shipwrecks and shoreline debris (ha)

Baseline: 0
Target: 200
Actuals: 200

Outcome indicator 3: Debris and Waste Processing Facility Established

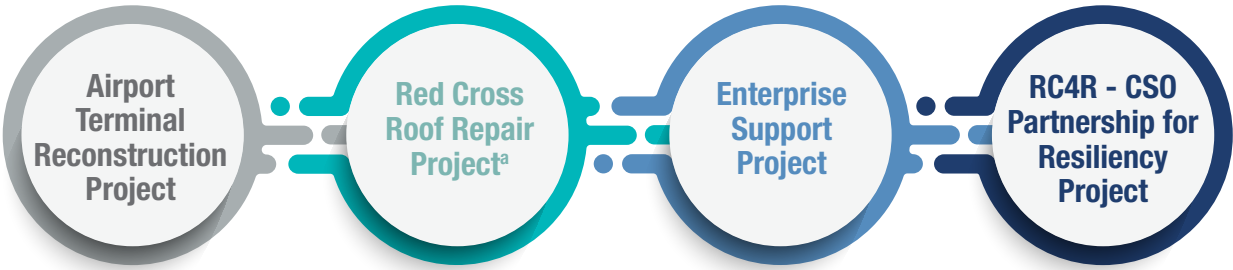
Baseline: 0
Target: yes
Actuals: NYR

Outcome indicator: Shipwrecks Safely Collected and Processed

Baseline: 0
Target: 80
Actuals: 139

Note: a. Development objectives changed due to project restructuring

Appendix B Continued



DEVELOPMENT OBJECTIVE:
To restore the passenger capacity of Princess Juliana International Airport (PIJAE) to pre-Irma levels with improved resilience to hurricanes

Outcome indicator 1: Passenger handling capacity of the terminal
Baseline: 1 million
Target: 2.5 million
Actuals: 1 million

Outcome indicator 2: Resistance of terminal building to Irma-level hurricanes
Baseline: no
Target: yes
Actuals: Ongoing

Outcome indicator 3: Completion of package 2 terminal reconstruction works
Baseline: 0
Target: 100%
Actuals: NYR - ongoing

Outcome indicator 4: Installation of strengthened jet bridges
Baseline: No
Target: Yes
Actuals: No

Outcome indicator 5: Installation of resilient entrance doors
Baseline: No
Target: Yes
Actuals: Ongoing

Outcome indicator 6: Restoration of baggage handling system
Baseline: No
Target: Yes
Actuals: No

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: Yes

DEVELOPMENT OBJECTIVE:
To repair roofs up to a safe standard for vulnerable households affected by Hurricane Irma

Outcome indicator 1: Roofs repaired to safe standards, contributing to increased resilience to natural disasters and climate change
Baseline: 0
Target: 182^b
Actuals: 182

Outcome indicator 2: Households have increased knowledge of hurricane-resistant housing
Baseline: 0%
Target: 60%
Actuals: 60%

Note: NYR = Not yet reported.
a. Project closed
b. Target was formally revised from 200 to 182

DEVELOPMENT OBJECTIVE:
To support the recovery of micro, small, and medium sized enterprises (MSMEs) through direct financial assistance to contribute to the restoration of economic activity

Outcome indicator 1: Cumulative number of MSMEs receiving packages for assets, repairs or working capital
Baseline: 0
Target: 600
Actual: 103

Outcome indicator 2: Cumulative number of women-owned or -managed MSMEs receiving packages for assets, repairs, or working capital
Baseline: 0
Target: 240
Actuals: 35

Outcome indicator 3: Volume of grants and loans supported through the project over its lifetime
Baseline: 0
Target: US\$33 million
Actuals: 8.0M

Outcome indicator 4: Volume of grants and loans supported through the project to women-owned or -managed MSMEs over its lifetime
Baseline: 0
Target: US\$13.2 million
Actuals: US\$ 2.3 million

DEVELOPMENT OBJECTIVE:
To improve the capacity of civil society organizations and support implementation of reconstruction and resilience subprojects at the community level

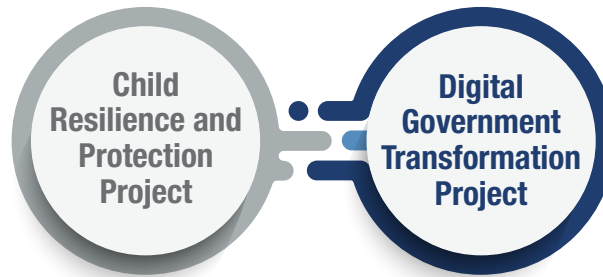
Outcome indicator 1: Percentage of subprojects approved which are fully implemented and functional to users
Baseline: 0
Target: 75%
Actual: 50%^a

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: 50%^b

Outcome indicator 3: Percentage of beneficiaries expressing satisfaction that subprojects reflected their needs
Baseline: 0
Target: 75%
Actuals: 100%^c

Outcome indicator 4: Number of beneficiaries of subprojects
Baseline: 0
Target: 10,000
Actuals: 1,970

Note: a. Reflects the percentage of projects that have been approved and funded that are fully implemented, which is 12 to date; others are in active implementation.
b. Based on CSOs' performance in areas such as timeliness of implementation of projects, timeliness of reporting, quality and completeness of reporting.
c. Reflects project performance in terms of responsiveness to the community needs.



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

Outcome indicator 1: Project beneficiaries suffering from post-hurricane distress symptoms referred to adequate services (percentage)
Baseline: 0
Target: 100%
Actuals: The content of the screening tool for the detection and reporting of distress symptoms in pupils is being developed

Outcome indicator 2: Implementation of the Integrated Child Protection Case Management system
Baseline: 0
Target: 90%
Actuals: The Child Protection Working Group is established

Outcome indicator 3: Implementation of a contingency strategy for the sector
Baseline: 0
Target: 95%
Actuals: Draft of the Education Sector Contingency Plan has been revised with the support of the Project

DEVELOPMENT OBJECTIVE:
To enhance the access, efficiency, and resilience of selected administrative public services for citizens and businesses.

Outcome indicator 1: Increase in Certificate of Good Conduct service transactions processed digitally (disaggregated by sex/vulnerable group) (cumulative)
Baseline: 0%
Target: 10%
Actuals: NYR

Outcome indicator 2: Increase in economic license applications processed within a six-week period (cumulative)
Baseline: 16%
Target: 65%
Actuals: 16%

Outcome Indicator 3: Registries connected with the interoperability platform (cumulative)
Baseline: 0
Target: 5
Actuals: NYR

Outcome Indicator 4: Increase in the time per year that the six selected public services are available to the public
Baseline: 15%
Target: 99%
Actuals: 15%

Note: NYR = Not yet reported.



APPENDIX C

Financial Overview as of December 2021

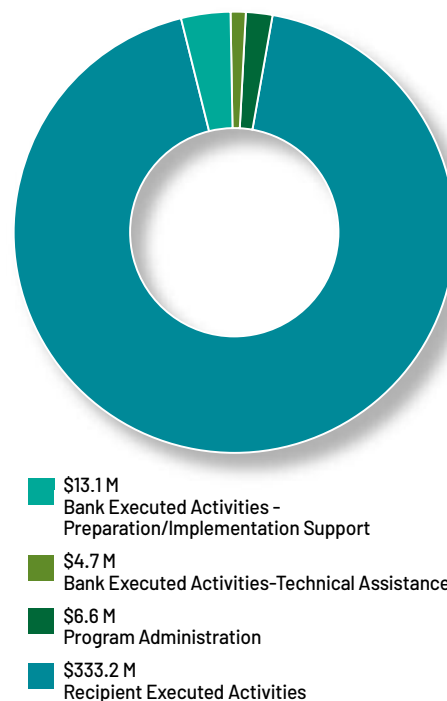
Introduction

Total contributions from the Netherlands to the SXM TF for the period April 2018 through December 2021 amounted to US\$511.96 million, paid in April 2018, November 2018, December 2020, and December 2021.

It is expected that the December 2021 tranche transferred by the Netherlands will be the final tranche under the current Administration Agreement. Total disbursements (for operations and administration) reached US\$171.3 million and undisbursed funds US\$186.4 million. Disbursements over January–December 2021 totaled US\$61.4 million. After adjusting for investment income and the administration fee, the TF balance is US\$159.1 million from contributions.

Funds allocated directly to operations, analytical work, and client support (recipient-executed activities, ASA, and preparation and implementation activities) totaled US\$351 million. Of this amount, US\$333.2 million is available to Sint Maarten's designated recipients for the execution of projects, with US\$78.8 million committed during calendar year 2021. In total, US\$13.1 million has been allocated to World Bank-executed preparation/implementation support activities and US\$6.6 million to program management and administration to date (see figure C.1). During 2021, US\$4.7 million was allocated to World Bank-executed technical assistance.

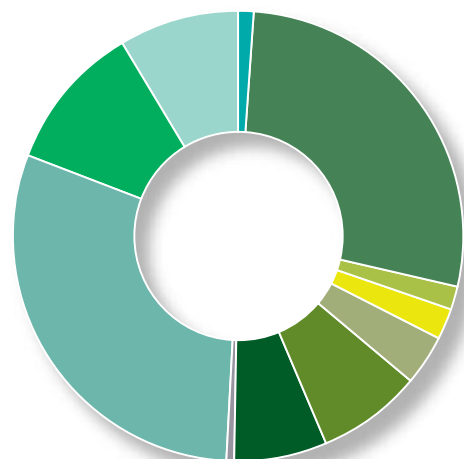
Figure C.1. Allocation of Funds (US\$, millions)



As of end 2021, recipient-executed activities (investment projects) have been allotted US\$333.2 million in funding for 11 projects through 16 grants. Six projects received 91 percent of the total allocations:

- the Emergency Recovery I - US\$100.2 million (30.1 percent), which includes the US\$45 million additional financing;
- the ATRP - US\$92 million (27.6 percent), including the newly approved additional financing of US\$20 million;
- the ESP - US\$35 million (10.5 percent);
- the HRPP and additional financing - US\$28.6 million (8.6 percent);
- the EDMP - US\$25 million (7.5 percent); and
- the EISTP - US\$22.5 million (6.8 percent).

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



| | |
|-----------|--|
| \$92.2 M | Airport Terminal Reconstruction |
| \$5.0 M | Child Resilience and Protection |
| \$7.3 M | CS Partnership Facility for Resilience |
| \$12.0 M | Digital Government Transformation |
| \$25.0 M | Emergency Debris Management |
| \$22.5 M | Emergency Income Support and Training |
| \$1.8 M | Fostering Resilient Learning |
| \$100.2 M | Emergency Recovery |
| \$35.0 M | Enterprise Support |
| \$28.6 M | Hospital Resiliency |
| \$3.7 M | RC Roof Repair |

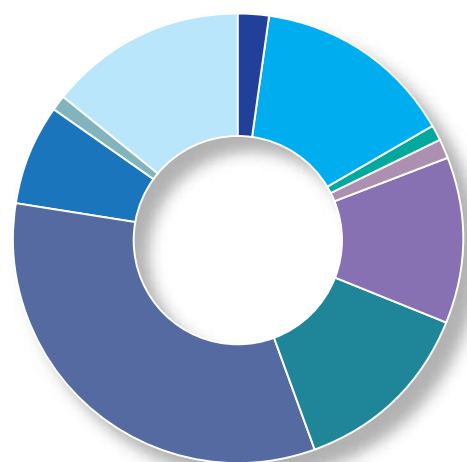
The remaining 9 percent supports the DGTP with US\$12 million (US\$3 million in technical work for this project is provided through a Bank-executed Trust Fund [BETF]), the CSO Partnership Facility for Resilience with US\$7.3 million, and CRPP with US\$5 million. The Red Cross Roof Repair Project, which is now completed, received an allocation of US\$3.7 million. The Fostering Resilient Learning Preparation Facility received a grant of US\$1.8 million for the preparation of the Project.

Funds disbursed by these grants amounted to US\$151.7 million, of which US\$57.4 million was disbursed over January–December 2021. A further US\$181.5 million remains available for disbursement by implementing agencies under effective projects. The projects include (see figure C.3)

- (a) ERPI,
- (b) HRPP,

- (c) EISTP,
- (d) Enterprise Recovery Project (renamed ESP),
- (e) EDMP,
- (f) ATRP,
- (g) CSPFRP,
- (h) Red Cross Roof Repair Project,
- (i) Child Resilience and Protection Project,
- (j) DGTP,
- (k) Fostering Resilient Learning Project PPG.

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



| | |
|----------|--|
| \$21.3 M | Airport Terminal Reconstruction |
| \$1.8 M | Child Resilience and Protection |
| \$2.1 M | CS Partnership Facility for Resilience |
| \$0.0 M | Digital Government Transformation |
| \$18.0 M | Emergency Debris Management |
| \$19.9 M | Emergency Income Support and Training |
| \$49.3 M | Fostering Resilient Learning |
| \$10.9 M | Emergency Recovery |
| \$1.7 M | Enterprise Support |
| \$21.1 M | Hospital Resiliency & Preparedness |
| \$3.7 M | Red Cross Roof Repair |

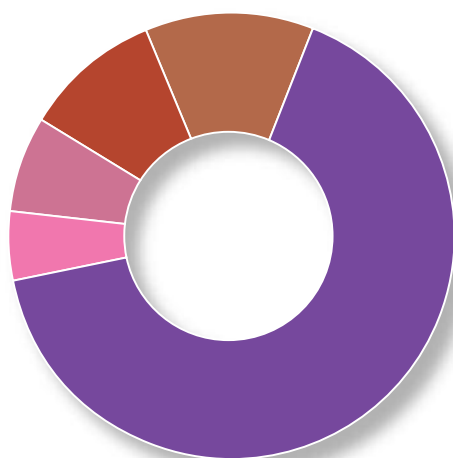
Disbursement of World Bank-Executed Preparation and Implementation Support Activities

World Bank-executed preparation and implementation support funds were allotted to 22 tasks. Total disbursements were US\$10.5 million (see figures C.4 and C.5), of which US\$2.1 million was spent between January and December 2021, with a further US\$2.6 million in undisbursed funds yet to be spent.

Around 66 percent of funds were disbursed for project supervision, including 9 percent for hands-on support. Support to safeguards (social, procurement, and financial management) amounted to 34 percent of the total expenditures for preparation and supervision.

Figure C.4. Disbursement of Preparation and Implementation Support Activities by Category (US\$, millions)

Disbursement by Category - \$10.5 M



- 66% Project Supervision
- 5% FM Support
- 7% Procurement Support
- 10% Environmental Safeguards Support
- 12% Social Safeguards Support

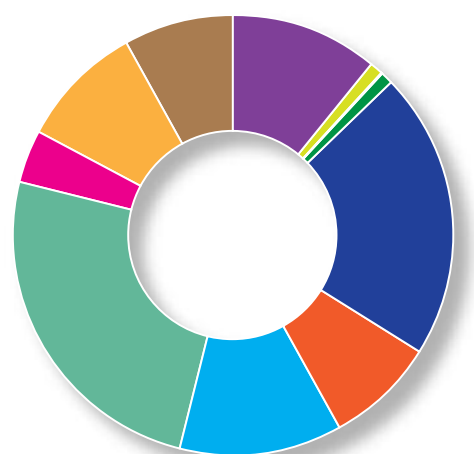
* HEIS accounts for 9% of project supervision

** Support from safeguards, procurement, financial management account for 34% of supervision activities

Allocations for World Bank-Executed Advisory Services and Analytical Activities

Figure C.5. Proportional Advisory Services and Analytics Allocations (US\$, millions)

Grants of Bank Executed Advisory Services and Analytical Activities in April 2018 - December 2021



- 11% Hurricane Irma Recovery Framework
- 1% Hospital Reconstruction Financing Due Diligence
- 1% PJIAE CG Task Force Support
- 21% Digital Government Transformation Project
- 8% Low-Income and Affordable Housing Technical Assistance
- 12% Debris Clearance Management in wake of Hurricane Irma
- 25% Sustainable Waste Management and Public Cleaning Services
- 4% Private Sector Recovery and Resilience Strategy Support
- 9% Public Expenditure Review
- 8% Improving Mental Health Services

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

Appendix C Continued

Table C.1. Disbursements as of December 31, 2021 (US\$)

| | |
|--|--------------------|
| Funds committed by Government of the Netherlands at signing (up to) ^a | 548,010,044 |
| Funds received from Government of the Netherlands (all tranches received) ^b | 511,964,051 |
| Investment income to date | 13,873,811 |
| Administration fee to date | 9,037,316 |
| Total disbursements | 171,315,055 |
| Operational (RETF and BETF) | 165,932,156 |
| Non-operational (PM&A) | 5,382,900 |
| Total undisbursed funds | 186,350,471 |
| Operational (RETF and BETF) | 185,093,371 |
| Nonoperational (PM&A) | 1,257,100 |
| Funds available for disbursement and allocation of confirmed activities | 159,135,020 |
| Funds retained by the government of the Netherlands based on original commitment | 36,045,993 |

Note: PM&A = Program Management and Administration.

a. Funds committed by the Government of Netherlands is €470 million at signing of the Administration Agreement. US\$548 million is based on the actual exchange rate conversion for funds received and the current exchange rate for funds not received.

b. No further transfers are expected. The Netherlands has retained remaining funds for bilateral use.



Appendix C Continued

Table C.2. Summary of Disbursements for Activities (US\$)

| ACTIVITY | Budget allocated ^b | April 2018-December 2021 disbursements | Undisbursed funds at end of December 2021 | |
|--|-------------------------------------|---|--|--|
| Total | 357,674,927 | 171,315,055 | 188,353,069 | |
| | Budget allocated^b | April 2018-December 2021 disbursements | Undisbursed at end of funds December 2021 | |
| Recipient-executed activities | 333,202,923 | 151,656,045 | 181,546,878 | |
| TF0A8079 Emergency Recovery I TF0B5199 Including Additional Financing | 55,200,000 45,000,000 | 49,333,265 | 50,866,735 | |
| TF0A8176 Hospital Resiliency and Preparedness TF0B3788 Including Additional Financing | 28,610,000 | 21,398,869 | 7,211,131 | |
| TF0A8265 Emergency Income Support and Training | 22,500,000 | 19,909,980 | 2,590,020 | |
| TF0A9223 Enterprise Support Project | 35,000,000 | 12,190,125 | 22,809,875 | |
| TF0A9261 Emergency Debris Management | 25,000,000 | 18,005,277 | 6,994,723 | |
| TF0B0760 Airport Terminal Reconstruction TF0B7571 Including Additional Financing | 92,000,000 | 21,484,372 | 70,515,628 | |
| TF0B2442 Red Cross Roof Repair Project (Main and Additional Finance) | 3,745,130 | 3,745,130 | 0 | |
| TF0B3014 Civil Society Partnership Facility for Resilience (CSPFRP) including TF0B2229 Project Preparation Grant | 7,200,000 147,793 | 2,095,716 | 5,252,077 | |
| TF0B4140 Child Resilience and Protection Including TF0B2513 Project Preparation Grant | 4,488,000 512,000 | 1,765,535 | 3,234,465 | |
| TF0B4914 Grant for the Preparation of the Fostering Resilient Learning Project | 1,800,000 | 1,727,775 | 72,225 | |
| TF0B4218 Digital Government Transformation Project | 12,000,000 | 0 | 12,000,000 | |
| | | | Undisbursed funds as of December 31, 2021 | |
| World Bank-executed activities | Budget allocated^b | April 2018 - December 31, 2021 disbursements | Commitments | Available balance^a |
| ASA | 4,713,139 | 3,778,286 | 87,754 | 847,099 |
| Preparation and implementation support | 13,109,464 | 10,497,824 | 360,533 | 2,251,107 |
| Program management and administration | 6,640,000 | 5,382,900 | 79,150 | 1,177,951 |

Note: a. Bank-executed available balance means total budget minus disbursements and commitments.

b. Allocated budget refers to budget allocated to grants for specific ongoing activities, not to overall budgeting for the TF duration.

APPENDIX D

SXM TF Governance Structure

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

Steering Committee

The SXM TF is governed by a three-person SC composed of representatives of the Government of Sint Maarten, the Government of the Netherlands, and the World Bank. The SC makes allocations by consensus for the funding of short-, medium-, and long-term recovery projects and required capacity-building activities.

The members of the SC are

- Sint Maarten: The Honorable Marcel Gumbs, Former Prime Minister;
- The Netherlands: Mr. Frans Weekers, Deputy Secretary General, BENELUX Union; and

- World Bank: Ms. Lilia Burunciuc, Country Director for the Caribbean Countries.

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

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

In Sint Maarten

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





SINT MAARTEN TRUST FUND



Government of the Netherlands



THE WORLD BANK

PUBLIC DISCLOSURE AUTHORIZED