

Ministerie van Binnenlandse Zaken en  
Koninkrijksrelaties

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1

Datum 17 mei 2023  
Betreft Aanbieding jaarrapportage 2022 en update wederopbouw Sint  
Maarten na orkaan Irma

Conform de toezegging uw Kamer periodiek te informeren bied ik u hierbij het  
jaarverslag 2022 van het Sint Maarten Reconstruction and Resillience Trust Fund  
(hierna jaarrapportage 2022) aan.<sup>1</sup>

### **Algemeen**

De jaarrapportage kijkt terug op een uitdagend jaar 2022. Ondanks mondiale  
ontwikkelingen zoals de effecten van de COVID-pandemie en de inflatie- en  
productieketencrisis, blijven de activiteiten van het trustfonds op koers. Er lijken  
vooral nog geen grote financiële gevolgen te zijn die niet door het trustfonds of  
binnen de projecten opgevangen kunnen worden. Uitzondering is het  
ziekenhuisproject, waarvoor Nederland eind 2022 een aanvullend bedrag van € 7  
mln. aan het trustfonds heeft overgemaakt en ook de overige financiers extra  
financiële ondersteuning gaan geven.<sup>2</sup>

In 2022 is frequent gesproken tussen Sint Maarten, Nederland en de Wereldbank  
over de voortgang op de projecten. Ook de jaarrapportage 2022 besteedt hier  
aandacht aan. De Wereldbank meldt dat naar verwachting vijf projecten,  
waaronder grote constructieprojecten als het *Airport Terminal Reconstruction  
Project* en het eerdergenoemde *Hospital Resiliency & Preparedness project*,  
vertraging hebben opgelopen. Deze vertraging lijkt voornamelijk geen effect te  
hebben op de einddatum van het trustfund, die in juni 2022 met 36 maanden is  
verlengd tot en met 31 december 2028. De verlenging vond mede plaats op  
advies van de Midterm Review (MTR) die de Wereldbank in 2022 opleverde.<sup>3</sup>

In de eerste helft van 2022 zijn met inachtneming van bovenstaande  
ontwikkelingen duurzame en zichtbare resultaten geboekt voor de bewoners van  
Sint Maarten. Hierover zal ik meer informatie geven verderop in de brief. De  
voortgang is ook te zien in de toegenomen uitgaven van de Wereldbank. In totaal  
is €445,11 mln. door Nederland overgemaakt aan het trustfonds (\$519,42 mln.).  
Hiervan is \$419,98 mln. gecontracteerd aan 11 wederopbouwprojecten, waarvan

<sup>1</sup> Kamerstukken II, 2017/18, 34 773, nr. 9

<sup>2</sup> Kamerstukken II, 2022/23 34 773, nr. 27

<sup>3</sup> Idem

er één project is afgerond (het Red Cross Roof Repair project).<sup>4</sup> Van het gecontracteerde bedrag is 47%, te weten \$198,38 mln., daadwerkelijk uitbetaald. Dit percentage ligt significant hoger dan vergelijkbare trustfunds met een vergelijkbare looptijd.

### Voortgang wederopbouw projecten

Onderstaand overzicht beschrijft de voortgang van alle projecten waar het trustfund zich momenteel mee bezig houdt. Dit betreft tien projecten in uitvoering en drie projecten onder voorbereiding waarvoor in 2022 een totaal van \$38 mln. is gereserveerd.

Hieronder een opsomming van de belangrijkste ontwikkelingen van de projecten in uitvoering:

- *Airport Terminal Reconstruction Project* (Airport project, \$92 mln.)  
Dit project herstelt de terminal van het vliegveld van Sint Maarten (Princes Juliana International Airport, PJIA) en is ter ondersteuning van de bereikbaarheid en daarmee de economie van Sint Maarten. De werkzaamheden aan de terminal vorderen gestaag, al zijn vertragingen ontstaan door o.a. afvalmanagement en kostenoverschrijdingen. Afronding van het project wordt voorzien in april 2024. De oplevering van de vertrekhal staat gepland in Q4 2023.
- *Emergency Debris Management Project* (EDMP, \$85 mln.)  
Dit project verbetert het afvalmanagement op Sint Maarten. Onder EDMP zijn o.a. de 139 scheepswrakken geruimd uit de lagune, meer dan 8 km aan kustlijn verschoond en is het management van de afvalberg verbeterd. In 2022 is de laatste hand gelegd aan de tijdelijke opslag en reductie van puin en is het herhuisvesten van bewoners naast de afvalberg gestart. Voor toeristische doeleinden is een kunstmatige rif gemaakt waarin een scheepswrak zal worden gezonken. De overheid van Sint Maarten bereidt tevens institutionele en financiële hervormingen voor, o.a. de oprichting van een *Waste Authority*. Zij worden hierbij ondersteund door VNG international (VNGi).
- *Enterprise Support Project* (ESP, \$35 mln.)  
Het ESP ondersteunt en stimuleert met aantrekkelijke leningen het Sint Maartense mkb dat getroffen is door de orkaan. In totaal hebben 165 bedrijven (waarvan 62 eigendom zijn van of geleid worden door vrouwen) een lening ontvangen ter waarde van ongeveer \$12 mln. Daarnaast zijn er in 2022 trainingen georganiseerd op het gebied van o.a. marketing, financieel management, administratie en *compliance*.
- *Hospital Resiliency & Preparedness project* (HRPP, \$ 28,61 mln.)  
Dit project versterkt het nieuwe ziekenhuis, zodat het orkanen van niveau 5 kan weerstaan. Ook neemt hierdoor het aantal overzeese behandelingen af. De fundering van nieuwe ziekenhuis is bijna volledig gestort en de ondervloer-isolatoren om de trillingen van eventuele aardbevingen op te vangen zijn gearriveerd. Dit project heeft door verschillende

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<sup>4</sup> Het verschil tussen het door Nederland overgemaakte en door de Wereldbank gecontracteerde bedrag wordt verklaard door o.a. een reservering van \$38 mln. voor projecten onder voorbereiding en uitvoeringskosten van de Wereldbank.

omstandigheden, waaronder financiering, vertraging opgelopen. Afronding vindt eind 2025 plaats.

- *Emergency income Support and Training Project* (EISTP, \$22,5 mln.)  
EISTP is bedoeld om tijdelijke inkomenssteun te verlenen aan mensen die door de orkaan hun baan zijn kwijtgeraakt, de inzetbaarheid van de getroffen begunstigden in specifieke sectoren te verbeteren en het socialezekerheidsstelsel te versterken. In totaal zijn 1.960 mensen (waarvan 1.350 vrouwen) ondersteund en getraind. Daarnaast is er een onderzoek naar de arbeidsmarkt op Sint Maarten gedaan en wordt er een registratiesysteem voor het sociale zekerheidssysteem opgezet. De verwachting is dat het project in augustus 2023 wordt afgerond.
- *Civil Society Partnership Facility for Resilience Project* (R4CR, \$7,2 mln.).  
Met dit project worden lokale ngo's ingeschakeld om Sint Maartense gemeenschappen weerbaarder te maken in het algemeen en bij nieuwe (natuur)rampen. In totaal hebben 26 ngo's ondersteuning ontvangen voor de uitvoering van 37 projecten. Daarnaast is aan kennisopbouw gedaan op het gebied van project- en financieel management.
- *Fostering Resilient Learning Project* (FRLP, \$26,78 mln.)  
Het FRLP draagt bij aan de toegang tot een adequate en inclusieve leeromgeving, het herstel van bibliotheekdiensten en de verbetering van kwaliteitsgegevens voor besluitvorming in de onderwijssector. Het project is half 2022 van start gegaan en bevindt zich in de voorbereidingsfase. Het project richt zich op het herbouwen van 3 scholen en de bibliotheek van Sint Maarten. Ook worden voorbereidingen getroffen voor het opzetten van een digitaal onderwijs-tracking systeem voor het ministerie van Education, Culture, Youth and Sport.
- *Child Resilience and Projection Project* (UNICEF project, \$5 mln.)  
Met dit project biedt UNICEF Nederland ondersteuning aan Sint Maarten op het gebied van voorbereiding op rampen, het psychosociale welzijn van kinderen op schoolniveau en de versterking van kindbeschermings-systemen. Het project heeft extra middelen ontwikkeld die zijn opgenomen in het uitgebreide psychosociale activiteitenpakket. Deze omvatten een needscreeningstool om docenten te helpen bij het identificeren van potentiële noodlijdende studenten die meer ondersteuning nodig hebben.
- *Emergency Recovery Project 1* (ERP1, \$100,2 mln.)  
ERP1 herstelt de meest noodzakelijke infrastructuur op het eiland. In totaal zijn 445 van de in totaal 511 geïdentificeerde woningen hersteld, waaronder 269 woningen in de sociale sector. De aanbesteding voor het herstel van de laatste woningen is gecontracteerd en oplevering wordt in augustus 2023 verwacht. Drie scholen zijn hersteld en de aanbesteding voor het herstel van de volgende dertien scholen is afgerond. De ondergrondse installatie van kabels en leidingen, met een lengte van 8 km, vordert gestaag. Daarnaast is het herstel van het brandweer- en ambulancegebouw nagenoeg afgerond en zijn 35 SUV's en 17 pick-up trucks aangeschaft.
- *Digital Government Transformation Project* (DGTP, \$12 mln.)  
Het DGTP-project digitaliseert diverse overheidsdiensten voor burgers en bedrijven. Omdat de overheid van Sint Maarten tijdens de pandemie al

diverse diensten gedigitaliseerd heeft, vindt momenteel een aanpassing plaats. Het project heeft in 2022 een *Digital Leadership Team* gecreëerd om het beleids- en regelgevingskader te versterken en de institutionele capaciteit van de overheid te vergroten.

Hieronder een opsomming van de belangrijkste ontwikkelingen van de projecten onder voorbereiding:

- *Sint Maarten Waste Management Project (SWMP, \$10 mln.)*  
Het SWMP-project verbetert het huidige rioolnetwerk van Sint Maarten. Daarnaast wordt het aantal aansluitingen van het netwerk uitgebreid. De voorbereidingen zijn in 2022 gestart, inclusief de noodzakelijke institutionele hervormingen en het vinden van additionele financiering. Daarnaast wordt via VNGi extra technische assistentie aan het ministerie van VROMI geleverd. Deze technische assistentie overlapt met de institutionele en financiële hervormingen onder het EDMP-project.
- *Improving Mental Health Services Project (IMHS, \$8 mln.)*  
Het IMHS stelt de psychische zorg op Sint Maarten centraal door 1) het verbeteren van de geestelijke gezondheidszorg, en 2) de constructie van een nieuwe faciliteit. Ondertussen zijn verschillende voorbereidende stappen in gang gezet, waaronder verschillende studies, een onderzoek naar de capaciteitsbehoefte voor de nieuw te bouwen faciliteit en een organisatorische en financiële doorlichting van de *Mental Health Foundation* (MHF). Tevens is er een samenwerkingsprotocol ondertekend door het ministerie van Volksgezondheid, Sociale Ontwikkeling en Arbeid, het Sociale Ziekenfonds en MHF.
- *Social Housing Project (SHP, \$20 mln.)*  
Dit projectvoorstel is in 2022 verder vormgegeven en besproken. Naast het bouwen van sociale woningen focust dit project ook op institutionele hervormingen, waaronder het verbeteren van de *Sint Maarten Housing Development Foundation* (SMHDF).

Bovenstaande drie projecten onder voorbereiding zijn uitgebreid besproken tijdens de meest recente stuurgroepvergadering.<sup>5</sup> Als laatste werkt de Wereldbank aan een advies over de vormgeving van een nog nader op te richten *Disaster Reserve Fund* (een rampenfonds) waar de terugbetalingen van de leningen van het vliegveld project in terugvloeien. De verwachting is dat het advies eind 2023 opgeleverd kan worden.

### **Doorkijk naar 2023 en verder**

De activiteiten van het trustfonds bevinden zich steeds meer in de uitvoerende fase. In 2023 staat daarom het consolideren van alle inspanningen en investeringen centraal. Hierbij leggen de Wereldbank, Sint Maarten en Nederland de focus op duurzame resultaten. Ook is het de verwachting dat de Wereldbank in de eerste helft van 2023 haar lokale kantoor zal openen. Dit heeft als positief effect dat de communicatielijnen worden verkort en direct oplossingen met elkaar gevonden kunnen worden. Een in de stuurgroep waargenomen aandachtspunt is de eventuele overlap tussen de uitvoering van het landspakket Sint Maarten en de

<sup>5</sup> [Sint Maarten Trust Fund Greenlights Three New Projects \(worldbank.org\)](https://www.worldbank.org/)

projecten onder het trustfund. Betrokken partijen en de overheid van Sint Maarten zijn zich hiervan bewust en zoeken daarom naar samenwerkingsmogelijkheden zodat potentiële overlap wordt voorkomen, synergie wordt gecreëerd en de uitvoeringscapaciteit van Sint Maarten niet onnodig onder druk komt te staan.

Ook al zijn de ontwikkelingen positief en worden steeds meer mooie resultaten zichtbaar, de wederopbouw is nog niet klaar. Veel projecten zijn nog in uitvoering en enkele projecten moeten zelfs nog starten. De wederopbouw na een natuurramp als de orkaan Irma is een langdurig proces en duurt vaak te lang in de beleving van de inwoners van Sint Maarten. Ondanks de eerdergenoemde uitdagingen blijft het belangrijk om de urgentie van de wederopbouw niet uit het oog te verliezen en te zorgen dat de bewoners van Sint Maarten zo snel mogelijk geholpen worden.

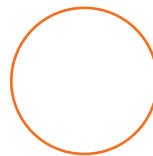
De staatssecretaris van Binnenlandse Zaken en Koninkrijksrelaties  
*Digitalisering en Koninkrijksrelaties*

Alexandra C. van Huffelen



# Sint Maarten

Reconstruction, Recovery,  
and Resilience Trust Fund



## ANNUAL REPORT

January 1 – December 31, 2022

SINT MAARTEN TRUST FUND



Government of the Netherlands



THE WORLD BANK

## ANNUAL REPORT

# Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund

January 1 – December 31, 2022

### **Prepared by**

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

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# Acronyms

<b>AF</b>	Additional Financing	<b>MSWDS</b>	Municipal Solid Waste Disposal Sites
<b>ATRP</b>	Airport Terminal Reconstruction Project	<b>MTR</b>	Mid-Term Review
<b>CCRIF</b>	Caribbean Catastrophe Disaster Risk Insurance Facility	<b>NRPB</b>	National Recovery Program Bureau
<b>CDEMA</b>	Caribbean Disaster Emergency Management Agency	<b>NRRP</b>	National Recovery and Resilience Plan
<b>CLB</b>	Charles Leopold Bell School	<b>OHS</b>	Occupational Health and Safety
<b>CPGs</b>	Clinical Practice Guidelines	<b>PAPs</b>	Project Affected Populations
<b>CRPP</b>	Child Resilience and Protection Project	<b>PCG</b>	Partial Credit Guarantees
<b>CSOs</b>	Civil Society Organizations	<b>PFIs</b>	Participating Financial Institutions
<b>CSPFRP</b>	Civil Society Partnership Facility for Resilience Project	<b>PJIA</b>	Princess Juliana International Airport
<b>DBO</b>	Design-Build-Operate	<b>PJIAE</b>	Princess Juliana International Airport Operating Company N.V.
<b>DLT</b>	Digital Leadership Team	<b>PIUs</b>	Project Implementation Units
<b>ECC</b>	Education Care Center	<b>PDO</b>	Project Development Objectives
<b>EDMP</b>	Emergency Debris Management Project	<b>PDOIs</b>	Project Development Objective Indicators
<b>EDP</b>	Emergency Disaster Preparedness Plan	<b>POC</b>	Project Oversight Committee
<b>EP</b>	Equipment Packages	<b>POM</b>	Project Operational Manual
<b>ERP I</b>	Emergency Recovery Project I	<b>PPG</b>	Project Preparation Grant
<b>E&amp;S</b>	Environmental & Social	<b>RAP</b>	Resettlement Action Plan
<b>ESF</b>	Environmental and Social Framework	<b>SC</b>	Steering Committee
<b>ESF</b>	Emergency Support Function	<b>SBA</b>	Small Business Academy
<b>ESP</b>	Enterprise Support Project	<b>SEA/SH</b>	Sexual Exploitation and Abuse/Sexual Harassment
<b>ESIA</b>	Environmental and Social Impact Assessment	<b>SENA</b>	Socioeconomic Needs Assessment
<b>ESMP</b>	Environmental and Social Management Plan	<b>SF</b>	Strategic Framework
<b>ESHS</b>	Environment Social Health and Safety	<b>SMHDF</b>	Sint Maarten Housing Development Foundation
<b>FINSO</b>	Fincantieri Infrastrutture Sociali	<b>SML</b>	Sister Marie Laurance School
<b>FM</b>	Financial Management	<b>SMMC</b>	Sint Maarten Medical Centre
<b>FRLP</b>	Fostering Resilience Learning Project	<b>SWMP</b>	Sint Maarten Wastewater Management Project
<b>GDP</b>	Gross Domestic Product	<b>SXMDRF</b>	Sint Maarten Disaster Risk Financing
<b>GEBE</b>	SXM Utility Company	<b>SXM TF</b>	Sint Maarten Trust Fund
<b>GRM</b>	Grievance Redress Mechanism	<b>SZV</b>	Social and Health Insurance
<b>HEIS</b>	Hands-on Implementation Support	<b>TA</b>	Technical Assistance
<b>HRPP</b>	Hospital Resilience and Preparedness Project	<b>TEATT</b>	Ministry of Tourism, Economic Affairs, Transport and Telecommunications
<b>ISRS</b>	Integrated Social Registry System	<b>TWG</b>	Technical Working Group
<b>LMS</b>	Learning Management System	<b>VNGI</b>	VNG International (International Cooperation Agency of the Association of Netherlands Municipalities)
<b>MECYS</b>	Ministry of Education, Culture, Youth and Sports	<b>VROMI</b>	Ministry of Public Housing, Spatial Planning, Environment, and Infrastructure
<b>MHF</b>	Mental Health Foundation	<b>VSA</b>	Ministry of Public Health, Social Development, and Labor
<b>MMIS</b>	Ministry Management Information System		
<b>MSMEs</b>	Micro, Small, and Medium-sized Enterprises		



# Executive Summary

**The Sint Maarten Trust Fund (SXM TF) supports the country's recovery, reconstruction, and longer-term development priorities to strengthen its resilience to disasters using the principles of building back better and sustainability.** The Program consists of the following Components:

**Component 1:** Strengthening the institutional framework and operational capacity for recovery, reconstruction, and mainstreaming resilience in investments.

**Component 2:** Program management and administration activities.

**Component 3:** Project implementation support.

**Component 4:** Implementation of a recovery, reconstruction, and resilience program.

**This report describes the SXM TF Program's development achievements, activities, issues, and actions from January 1 to December 31, 2022.** The report highlights some notable results delivered by the SXM TF in 2022 despite the challenges of transitioning to a hybrid implementation support mode after the nearly two year-long global pandemic. Field missions returned, and face-to-face meetings with Project Implementation Units (PIUs) restarted in Sint Maarten, fostering a timely transition beyond intermediate outputs to outcomes for project beneficiaries.

**Past and ongoing investments are starting to yield tangible results for project beneficiaries.** For example, the solid waste management interventions and debris management facilitated by the Emergency Debris Management Project (EDMP) impact people's health, safety, and environment. There have also been notable gains in healthcare access as the Sint Maarten Medical Center expanded its services to cover specialties clients would otherwise have had to travel abroad to get. These efforts led to a substantial reduction in medical referrals in the past five years.

**The SXM TF sustained its contribution to human capital growth and financial access in Sint Maarten.** The country's child protection system strengthening efforts set the building blocks for nurturing the well-being of children and adolescents through the recently established inter-ministerial National Child Protection Platform facilitated by the Child Resilience and Protection Project (CRPP). Based on the finalized contingency plan, schools stand ready to respond and protect children's safety during emergencies. Furthermore, Civil Society's project management and resilience building capacity has expanded. Micro, small, and medium-scale enterprises are also accessing funds to restore and grow their businesses.

**While the SXM TF's transformative results are copious, the Program experienced several implementation challenges in 2022.** Several SXM TF projects experienced firsthand the cost overrun pressures triggered by global supply chain limitations, rising input prices, increasing interest rates, and inflation due to the unforeseen consequences of the conflict in Ukraine combined with the lingering economic effects of COVID-19. The SXM TF Tripartite (the Governments of the Netherlands and Sint Maarten and the World Bank) came together during several SXM TF Steering Committee meetings to deliberate upon constructive solutions for addressing the emerging risks in various ways, for example, by approving urgent additional financing for the new Sint Maarten Hospital.



**Last year, the Government of the Netherlands approved a three-year extension for the SXM TF Program until December 31, 2028.** Therefore, the SXM TF enters its fifth year in 2023, marking the program cycle mid-point from inception. Moreover, 2023 will mark a discernable shift from emergency response to consolidating investments and focusing on resilience-building and sustainable outcomes. Launching the SXM TF's mid-term review (MTR) report<sup>1</sup> in October was timely, providing concrete recommendations for enhancing program investments. At this point, SXM TF stakeholders also recognize the shifting implementation outlook, considering that at least four projects are assessed as having high or substantial overall residual operational risk<sup>2</sup> to achieving their development outcome. Given the uncertain trajectory of the ongoing overlapping crises, the World Bank will continue to work with stakeholders to explore ways to identify and manage potential complexities.

**This annual report is organized into six main sections broadly aligned with the TF Program components outlined above.** The first section presents the country context, macroeconomic developments in 2022, program strategy, and structure; the second section explains project results and implementation progress, lays out the portfolio status in 2022, and details the achievements of projects under implementation and progress on project preparation organized under the NRRP focus areas; the third section reviews program management and administration actions; the fourth section discusses cross-cutting implementation risks and mitigating measures; the fifth section documents the 2022 outreach and communications strategy, and; the final section describes proposed priorities in 2023. The appendices include details referenced in the main text, including more information about the Program's strategy and overall financial and operational performance.



<sup>1</sup> SXM TF 2018–2021 implementation period

<sup>2</sup> Overall operational risk is the average of nine risk categories in the World Bank's Systematic Operational Risk rating Tool - Political and Governance, macroeconomic, sector strategies and policies, technical, institutional capacity for implementation and sustainability, fiduciary, environmental and social, stakeholders, and "other." The tool assesses as low, moderate, substantial, or high after considering mitigation measures applied to address inherent risk for each category.

# 1. Introduction and Context



# 1. Introduction and Context

**This report presents the results, activities, and unaudited financial data of the SXM TF from January 1 to December 31, 2022.** The World Bank produces an annual report every calendar year and a semiannual report in July after the World Bank's fiscal year ends. Data are as of December 31, 2022, unless indicated otherwise.

## Country Context

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

**Sint Maarten is highly vulnerable to natural disasters and adverse climatic events due to its location within the hurricane belt.** For the past decades, the country has been exposed to high winds and numerous hurricanes, including notably intense storms: Donna in 1960 (Category 3), Hugo in 1989, Lenny in 1999, Luis in 1995 (Category 4), and Irma<sup>3</sup>, Maria, and Jose in 2017. Due to the small size of the country, a single storm has the potential to impact the entire population directly. High winds, rainfall, and flooding are the principal risk factors, and the country is also vulnerable to earthquakes. Coastal areas are exposed to flood risk from sea level rise, storm surge, and potential tsunamis. Increased urbanization, climate change, and limited capacity in the country to build resilience add to its vulnerability to natural hazards. The World Bank estimated damages and losses related to Hurricane Irma at US\$1.38 billion and US\$1.35 billion (about 129 and 126 percent of the Gross Domestic Product<sup>4</sup>, respectively), affecting 90 percent of all infrastructure and large parts of the natural environment.

**Sint Maarten's economy is mainly tourism dependent.** Restaurants, hotels, and other tourism-related sectors account for about 45 percent of the country's Gross Domestic Product (GDP). Tourism accounts for 73 percent of foreign exchange income, creating employment for approximately one-third of the employed population<sup>5</sup>. Sint Maarten primarily caters to cruise tourists, with the island's only deep-water port in Philipsburg. About 80 percent of the visitors to the island are short-stay cruise tourists.

## Macroeconomic Developments in 2022

**Sint Maarten is recovering from two successive profound shocks to its largely tourism-based economy.** Severe damage to the country's tourism-related infrastructure inflicted by hurricanes Irma and Maria in September 2017 led to a sharp economic downturn in 2017 and 2018. The cumulative contraction of GDP in 2017 and 2018 is estimated at 12 percent. Economic activity started its recovery in 2019, expanding by more than 10 percent, driven primarily by the reconstruction of the damaged infrastructure, supported by the payout of private insurance, an increase in domestic demand, along with higher foreign exchange earnings from the return of tourism. The COVID-19 pandemic led to an even more significant downturn in economic activity due to strict containment measures and the overall impact of the pandemic on international tourism. Following a deep contraction in 2020, with a decline of economic activity by nearly 18 percent, an economic rebound of 8.2 percent in 2021 and an estimated 5.8 percent in 2022 was led by a strong revival of stay-over tourism<sup>6</sup>.

<sup>3</sup> Hurricanes Irma and Maria were Category 5 of the Saffir-Simpson scale

<sup>4</sup> GDP for 2016 was estimated at US\$1.072 billion; Source: National Recovery and Resilience Plan, Government of Sint Maarten, June 2018.

<sup>5</sup> Labor Force Survey 2017: tourism-based economy includes wholesale and retail industries, hotels, restaurants, and catering.

<sup>6</sup> Source: Bank staff estimates based on STAT and CBCS



**GDP is unlikely to return to its pre-COVID and pre-hurricane levels until 2025.** Further recovery of tourism is giving rise to high annual growth rates, though real GDP is unlikely to be back at its pre-COVID and pre-hurricane levels until 2025. In 2023, GDP is expected to grow by 3.6 percent based on the assumption that cruise tourism will reach its pre-pandemic level of 1.6 million passengers. Completing the airport reconstruction will maintain a substantial recovery of stay-over tourism and facilitate the expansion of homeporting, thereby contributing to an above average annual growth at about 3 percent in 2024/2025, with real output reaching its pre-pandemic and pre-hurricane level by 2025.

**Consumer price inflation accelerated in 2022, driven by global commodity prices and higher U.S. inflation.** Sint Maarten recorded an inflation rate of 2.8 percent in 2021, and higher energy and food prices are likely to raise annual consumer price inflation further to about 6 percent in 2022. A moderation of global commodity prices and U.S. inflation is expected to return consumer price inflation to about 2 percent in the medium term.

**Fiscal consolidation will require implementing critical elements in the country's reform agenda.** The fiscal policy response during the pandemic with, among others, payroll subsidies, income support for self-employed and unemployed, and support for SMEs led to primary deficits of 9.3 and 6.0 percent in 2020 and 2021, respectively. The fiscal support was made possible by liquidity support from the Government of the Netherlands, providing zero-interest loans of Naf 292 million or about 16.5 percent of GDP. The liquidity support led to a significant increase in the country's debt burden to about 60 percent of GDP and has been subjected to reform implementation in public financial management, tax administration and policy, business environment, and the social security system (health and pension).



## Program at-a-glance

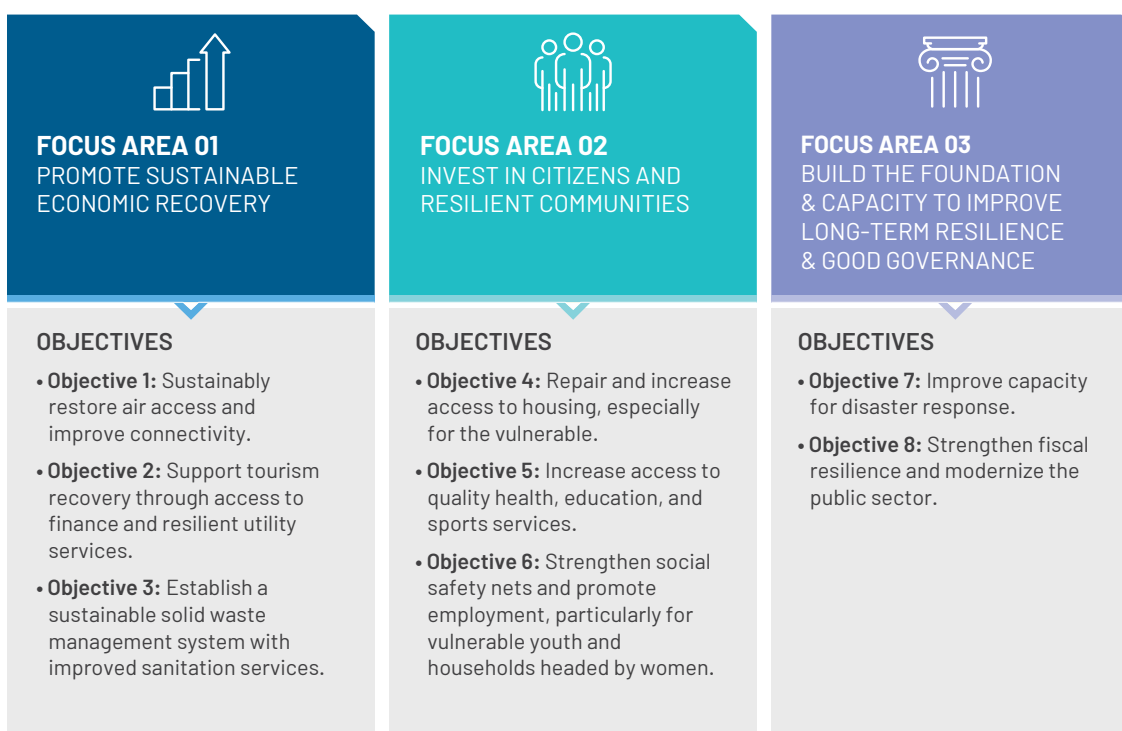
### Strategy

In 2018, Sint Maarten developed a comprehensive National Recovery and Resilience Plan (NRRP) to restore, secure, and strengthen the well-being of Sint Maarten's people following the country's devastation by Hurricanes Irma and Maria in 2017. The NRRP's guiding principles provided a framework for emergency projects prioritized by the Government of Sint Maarten and the Government of the Netherlands, with technical guidance from the World Bank.

To further support reconstruction and recovery efforts, the Government of the Netherlands requested the World Bank's assistance in establishing the SXM TF, which was launched on April 16, 2018. In August 2019, the SXM TF Steering Committee (SC) approved the priorities identified in the SXM TF Strategic Framework (SF)<sup>7</sup> 2019–2025 based on the NRRP and commensurate with the Guiding Principles of the Netherlands<sup>8</sup>. The SF aims to address the post-disaster recovery needs and selected medium-term challenges for Sint Maarten's sustainable resilience and prosperity. The SF groups its priorities into three focus areas (Figure 1.1):

- 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.

Figure 1.1: NRRP Objectives and Focus Areas



The TF is underpinned by the NRRP, which provides the organizing framework for the projects. Appendix A includes details about the NRRP's framework.

<sup>7</sup> World Bank. 2019. SXM TF Strategic Framework 2019–2025. Washington, DC: World Bank Group.

<sup>8</sup> SXM TF Administration Arrangement, April 16, 2018; Annex III.



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



## Program Structure

The SXM TF Secretariat is part of the Caribbean Country Management Unit within the World Bank's Latin America and Caribbean regional unit. A three-person SXM TF SC composed of representatives from the Government of Sint Maarten, the Government of the Netherlands, and the World Bank is responsible for allocating Trust Fund resources to activities ([Appendix A](#)). Recipient-executed (RE) projects implemented by the Government of Sint Maarten or its designated implementation agencies comprise the bulk of activities. The World Bank directly executes activities such as hands-on implementation support (HEIS), analytical work, and project preparation and implementation advice. On the specific request of the Netherlands, the World Bank also provides additional technical assistance to the Sint Maarten Government to implement the TF projects. In addition, where appropriate and feasible, the Government of the Netherlands and the World Bank jointly provide further complementary technical assistance and expertise to the SXM TF program.

Five organizations (Project Implementation Units – PIUs) currently implement or manage SXM TF projects. These include

- National Recovery Program Bureau (NRPB)
- the Sint Maarten Medical Centre (SMMC)
- the Princess Juliana International Airport Operating Company N.V. (PJIAE)
- VNG International (VNGI)
- UNICEF Netherlands

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

## 2. Project Results & Implementation Progress

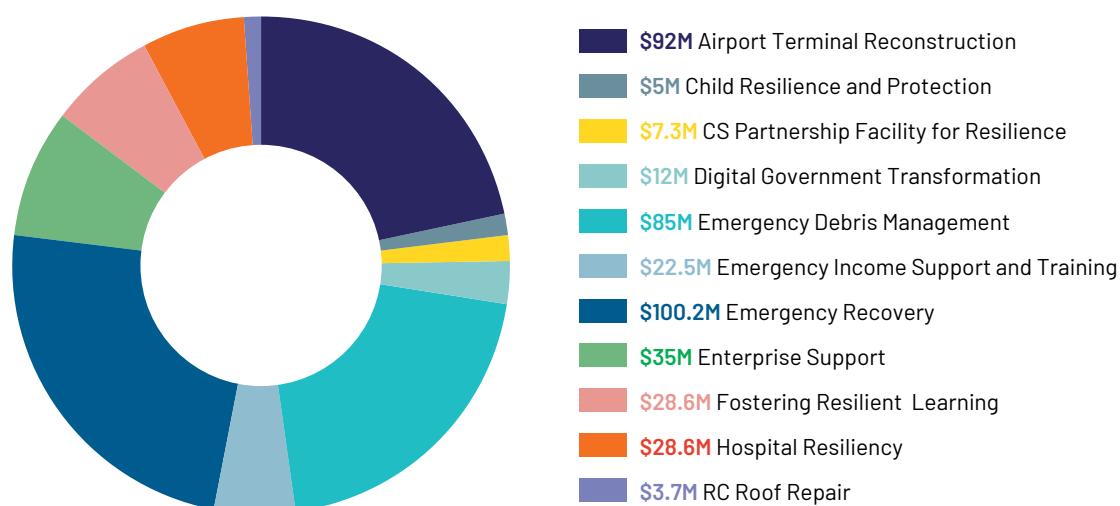


## 2. Project Results & Implementation Progress

### 2022 Portfolio Status

By December 31, 2022, the SXM TF had received €445.11 million (US\$519.42 million<sup>9</sup>) from the Netherlands. Ten projects (US\$313 million) remained 'active' or under implementation as of December 2022, including the Fostering Initial Learning Project (FRLP), approved by World Bank management in June 2022. The Red Cross Roof Repair Project was completed in December 2020. Figure 2.1 shows the funding allocation to TF projects to date.

**Figure 2.1: Allocation to Recipient-Executed Activities by Projects (\$, million)<sup>10</sup>**



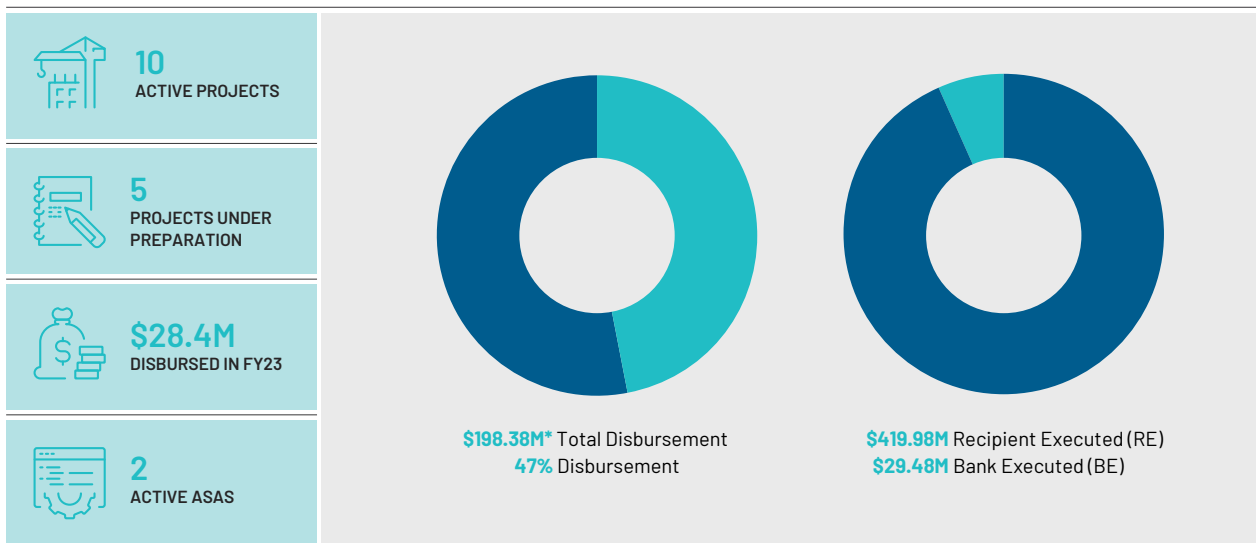
The SXM TF also continued preparing the three new projects - the Improving Mental Health Services Project (IMHSP), the Wastewater Management Project, and the Housing Project – valued at US\$38 million. They will further the SXM TF SF objectives of promoting sustainable economic growth and investing in citizens and resilient growth when approved. In 2022, the World Bank management approved the additional financing (AF) of US\$60 million for EDMP in December 2022 as planned. The preparation of the US\$19.5 million Emergency Recovery Project (ERP I) AF is on track for World Bank approval in 2023. In addition, the SC allocated AF for the Hospital Resiliency and Preparedness Project (HRPP). Both projects are expected to be approved by World Bank management in 2023. HRPP's new AF resources came through an extraordinary tranche release of US\$7.4 million from the Government of the Netherlands in December 2022. No further tranches are expected from the Netherlands. The additional resources committed raised the overall recipient-executed SXM TF commitment to US\$419.98 million in 11 projects<sup>11</sup> through 18 grants.

<sup>9</sup> Based on applicable exchange rates at the time of each transfer.

<sup>10</sup> There are 11 projects; 10 active and 1 closed with 18 grants totaling \$ 419.9 million

<sup>11</sup> There are currently 10 active projects; #11 is the Red Cross Roof Repair Project that closed in December 2020.

Figure 2.2: Portfolio Status



By the end of 2022, more than 47 percent (US\$198.38 million) of the TF’s resources were disbursed from the US\$419.98 million committed to RE projects. World Bank-executed activities (project implementation support, preparation processes, and program administration) have disbursed up to US\$24.60 million of the allocated amount (US\$29.48 million).

## Projects under implementation

### FOCUS AREA 1: Promote Sustainable Economic Recovery

#### *Airport Terminal Reconstruction Project*

Financing	Approval Date	Closing Date	2022 Disbursement
<b>US\$92 million</b>			
- TF0B0760: US\$72 million	September 18, 2019	December 31, 2023	US\$15.40 million
- TF0B7571: US\$20 million	December 17, 2021		

The project leveraged an additional US\$50 million from the European Investment Bank and US\$7 million from the airport operating company to reconstruct the airport.

#### Development Outcomes

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

The Airport Terminal Reconstruction Project (ATRP) contributes to restoring the passenger capacity of PJIA to pre-Hurricane Irma levels with improved resilience to hurricanes. The PJIAE and the NRPB implement ATRP. The ATRP is part of a more extensive reconstruction program of the PJIAE, financing the reconstruction and reequipment of the passenger terminal, improving the building's resilience against natural disasters, capacity building, and project management. It also supports the operational expenditure of PJIAE in case of major external shocks during the reconstruction period.

At the end of 2022, the passenger capacity of PJIAE remained unchanged. Consequently, considering recent implementation delays, the progress ratings toward the Project Development Objective (PDO) achievement and implementation were downgraded. The current project ratings reflect some recent delays in the construction work schedule. However, the passenger capacity of the airport terminal is expected to increase next year upon meeting further milestones, such as the departure hall opening in Q4 2023. PJIAE, NRPB, and the World Bank are collaborating to address the delays and achieve the project development objective (PDO) on time.

#### Development Objectives Indicators

**PDO:** To restore the passenger capacity of Princess Juliana International Airport to pre-Hurricane Irma levels with improved resilience towards hurricanes.

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

## Specific Activities (by Project Component)

**Component 1 – Reconstruction of the PJIA terminal facilities (US\$107.00 million):** The reconstruction of the terminal building started on October 4, 2021, and was originally set for completion by September 6, 2023. Works of the terminal reconstruction consist of terminal facility restoration and equipment reinstallation. The planned works include, inter alia, passenger boarding bridges, entrance doors, dry walls, furniture/counters, electrical and IT systems, baggage handling systems, security installations, and firefighting facilities. Passenger boarding bridges and entrance doors will be replaced for increased resilience to hurricanes. The mobilization and preparatory dismantling works are completed, and permanent works have started. However, in the latter part of the year, the project encountered implementation issues related to debris management, time extension, and cost overrun in Package 2, prompting the need for an additional extension of the grant closing date.

Two of the seven equipment packages (EPs), EP1 Passenger Boarding Bridges and EP2 for the baggage handling system, were signed in April 2022. The contracts for EP3 for the security screening equipment, EP4 for the Self-Serve Baggage Drop System, and EP5 for the Digital Signage Equipment were signed in July, August, and November 2022, respectively.

**Component 2 – Capacity Building of and Project Management by PJIAE (US\$0.50 million).** This component finances project audits and select staff positions within the PMU; the Project Manager (partly reimbursed), E&S Specialist (partly reimbursed), and Procurement Officer. Implementation of Component 2 is on track without any issues.

**Component 3 – Capacity Building of and Project Management by the Government of Sint Maarten (US\$0.50 million).** There have been no expenditures under Component 3 (managed by NRPB) to date. PJIAE and NRPB have discussed potential capacity building/training activities with the World Bank team and are finalizing a training plan.

**Component 4 – Support of PJIAE Operations (US\$21.00 million).** OPEX support was verified and approved for Q2 2020 for US\$3.19 million, Q3 2020 for US\$2.74 million, Q4 2020 for US\$1.49 million, and Q1 2021 for US\$3.50 million (for a total of US\$10.90 million on a reimbursement basis). With the current recovery of passenger traffic, support for operating expenditures of PJIAE under Component 4 is no longer expected under the condition of no natural disasters or a new Covid-19 wave.

## Component Performance Ratings<sup>12</sup>

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

<sup>12</sup> See Appendix B for definitions.



## Disbursements and Expenses

To date, US\$36.90 million of the allocated US\$92 million has been disbursed (40 percent), and US\$15.40 million in 2022. As of December 31, 2022, the total expenses were US\$24.90 million and US\$8.70 million in 2022.

## Issues & Plans

- **Time extension and cost overrun in Package 2.** The increase of time in the construction work schedule is estimated to be seven months, which ends in April 2024. Given the improved financial situation after recovery from COVID impact, PJIAE expects that it could finance the gap through its resources.
- **Debris management.** In October 2022, PJIAE and NRPB found that debris arising from the construction works out of the terminal needed to be managed at the sub-contractor's offsite location in line with the required environmental and social mitigation measures. The contractor prepared a clean-up and remediation plan that PJIAE has cleared; the World Bank and NRPB were consulted and provided "No Objection." Debris is temporarily stored and processed at the contractor's extended yard to avoid interrupting the ongoing works. In consultation with the Government, PJIAE has decided to use a property close to the Airport to store and process construction waste from the Project as a long-term solution once it meets the Government's terms and obtains the relevant permits.
- **Project closing date extension.** The project closing date needs to be extended, considering the P2 contract's seven-month extension until April 2024.



## Emergency Debris Management Project

Financing	Approval Date	Closing Date	2022 Disbursement
US\$25 million	December 20, 2018	December 31, 2023	US\$24.77 million

### Development Outcomes

The EDMP has improved Sint Maarten's capacity to manage debris from Hurricane Irma and reconstruction activities to facilitate recovery and reduce risks. The NRPB implements EDMP in collaboration with the Ministry of Public Housing, Spatial Planning, Environment, and Infrastructure (VROMI), the Ministry of Tourism, Economic Affairs, Transport and Telecommunication (TEATT), and the Ministry of Public Health, Social Development, and Labor (VSA). VNG International provides additional TA grant-funded by the Dutch government.

Since its inception, the project has invested in fire suppression measures such as proper sorting and daily coverage, invested in heavy equipment to improve waste compacting and daily landfill operation, strengthened institutional capacity related to solid waste management, and supported strategy development for the solid waste management sector long-term. These approaches have significantly reduced open fires that have posed additional health, safety, and environmental risks to the nearby communities and improved the operation and management of Municipal Solid Waste Disposal Sites (MSWDS). Furthermore, most noticeably, between 2021 and 2022, the project safely removed 139 shipwrecks from Simpson Bay Lagoon and Mullet Pond and cleaned over 10 kilometers of shoreline, moving them off the Island.

The resettlement of Project Affected Persons living and working near the landfill began on September 26, 2022. The carefully coordinated and consultative process is guided by a Resettlement Action Plan (RAP) and underpinned by the Bank's environmental and social safeguard protections.

The Trust Fund allocated an additional US\$60 million for the EDMP in March 2022, and the World Bank approved the Additional Financing (AF) on December 21, 2022. With the additional funds, EDMP will recontour and reorganize the MSWDS, which consists of the Municipal Solid Waste Disposal Site and Irma Disposal Site, and continue to improve debris and solid waste management operations – ranging from solid waste collection, recycling, and treatment to sustainable disposal and develop a plan for safe closure of the Irma Disposal Site.

### PDO Indicators

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

Indicators	Baseline (2019)	Target (2025) <sup>13</sup>	2021	2022
Number of metal wrecks collected and processed (Number)	0	100	0	0
Simpson bay area cleared from shipwrecks and shoreline debris (Hectare (Ha))	0	200	200	200
Debris and Waste Processing Facility Established (Yes/No)	No	Yes	No	No

<sup>13</sup> Once the AF Grant Agreement is effective, the project's closing date will be 31 December 2025.



## Specific Activities (by Project Component)

**Component 1 - Debris Clearance and Management (US\$22.00 million).** NRPB finalized the Temporary Debris Storage and Reduction site (TDSR)(January 2022), Resettlement Action Plan (RAP)(September 2022), and artificial reefing (October 2022) activities. The phased RAP implementation commenced on September 26, 2022, and legally binding compensation agreements have been signed with project affected populations (PAPs) since then based on final consultations. NRPB is developing a Livelihood Restoration Plan for each RAP implementation phase and has recruited a team of local experts to support the resettlement implementation.

**Component 2 - Technical Assistance (US\$2.50 million).** VNGI continues supporting the Government of SXM in strategic planning and providing TA, grant-funded by the Netherlands. In addition, the EDMP will support the reform agenda and related technical studies under the AF. A Strategic Program Coordinator has been hired to facilitate the reforms within the Government and facilitate coordination among NRPB, VROMI, and VNGI.

**Component 3 - Project Management and Implementation Support (US\$0.50 million).** The World Bank will continue providing support through HEIS to the NRPB in procuring and implementing the project-financed works, goods, and consultancy services. Particularly under the AF, HEIS will supplement the NRPB's procurement capacity, which will be an essential tool to ensure the two complex Design-Build-Operate (DBO) contracts for MSWDS and TDSR are appropriately managed.

## Component Performance Ratings<sup>14</sup>

Components	Status
Component 1: Debris Clearance and Management	Moderately Satisfactory
Component 2: Technical Assistance	Satisfactory
Component 3: Project Management and Implementation Support	Moderately Satisfactory
Overall risk rating	High

## Disbursements

In 2022, the Project disbursed US\$5.50 million of the original US\$25 million grant financing (22 percent), compared to US\$6.32 million in December 2021.

## Issues & Plans

- **Resettlement:** Phases 1 and 2 resettlement started in 2022 and will be completed in 2023 under phases 3 to phase 5. NRPB is procuring the firms that will demolish structures in the resettlement area of impact and supervise the works.
- **Car and metal wreck handling:** VROMI has been implementing its car wreck removal program, independently from EDMP, since October 2021 and expects to continue. Subject to prioritization discussions with Government, EDMP will cover car and metal wrecks scattered across all eight districts.
- **Artificial reefing:** The NRPB is preparing to sink one vessel as an artificial reef for recreational purposes. The vessel for sinking is ready, and the location is confirmed. The terms of reference for activity supervision and environmental monitoring are being finalized.

<sup>14</sup> See Appendix B for definitions.



### Enterprise Support Project

Financing	Approval Date	Closing Date	2022 Disbursement
<b>US\$35 million</b>	April 4, 2019	June 30, 2025	US\$2.15 million

### Development Outcomes

Through the ESP, micro, small, and medium-sized enterprises (MSMEs) in Sint Maarten improved their access to finance for economic recovery and business restoration. The NRPB implements ESP in collaboration with selected financial institutions in the private sector and is supported by the Ministries of TEATT and Finance.

Progress towards the development objective and Implementation performance remains moderately satisfactory. As of December 31, 2022, ESP enabled the recovery of 165 MSMEs through 171 approved applications of 600 targeted beneficiary MSMEs (28 percent) since the Project's approval, with 31 MSMEs that received financing packages for assets, repairs, or working capital in the last six months. Of the MSMEs that benefitted from the Project in 2022, 27 are women-owned or managed. Sixty-two (62) of all MSMEs supported since the Project started are owned or operated by women. Cumulatively, the MSMEs have received about US\$12 million of the US\$32.5 million planned, with women led MSMEs getting US\$3.80 million (29 percent of the earmarked amount for this category). Moreover, a satisfaction survey conducted in 2022 indicated that 91 percent of the beneficiaries felt that project activities mirrored their needs.

## PDO Indicators

**PDO:** To support the recovery of micro, small, and medium sized enterprises through direct financial assistance to contribute to the restoration of economic activity.

Indicators	Baseline	Target (2025)	2021	2022
Cumulative number of MSMEs receiving packages for assets, repairs or working capital (Number)	0	600	108	165
Cumulative number of women owned or managed MSMEs receiving packages for assets, repairs or working capital (Number)	0	240	42	62
Volume of grants and loans supported through the project over its lifetime (Amount, US\$ mill)	0	33	7.5	11.7
Volume of grants and loans supported through the project to women owned or managed MSMEs over its lifetime (Amount, US\$ mill)	0	13.2	1.5	3.8

## Specific Activities (by Project Component)

**Component 1 - Direct financial support to MSMEs for investment and working capital (US\$33 million).** SMEs with approved grant-loan packages increased from 140 to 171 between January 2022, and December 2022, as the result of a stronger PIU team, improved capacity of the Participating Financial Institutions (PFIs) to process loan requests, the streamlined application process, and better communication. In 2022, applications from Windward Islands Bank (second primary PFI) increased, and OBNA Bank (Ontwikkelingsbank van de Nederlandse Antillen N.V.) joined as a fourth PFI.

From the project launch in 2020 to date, the approval of applications increased in 2021 by 93 percent because of procedural improvements, greater capacity in the PIU, and greater involvement of PFIs. In 2022, 95 percent of the financing package was provided to beneficiaries as grants, exceeding the end target of 80 percent. ESP has also delivered 21 percent of 'micro' loan facilities to enterprises above its 15 percent target. By the end of December 2022, 66 applications contained asset and repair and working capital packages for 2022.

**Component 2 - Study of financial solutions for improved disaster resilience (US\$0.40 million).** This component intended to explore instruments, markets, tools, and solutions to improve disaster resilience in Sint Maarten. However, the NRPB and World Bank have decided to cancel these activities as another World Bank Group Technical Assistance program is implementing similar disaster resilience interventions.

**Component 3 - Training, project implementation, audit, and monitoring and evaluation (US\$1.60 million).** In the first quarter of 2022, NRPB launched a training program to strengthen the applicants' business continuity capacity.

The first training of the ESP training program, Business Fundamentals, was conducted in February 2022. Particular attention was given to the basics of enterprise development and entrepreneurship in Sint Maarten. The curriculum comprised core subjects such as business planning, entrepreneurship awareness & principles, and financial literacy. The ESP team targeted existing and new enterprises. In collaboration with the NRPB Evaluation and Monitoring Specialist, the ESP held a pre- and post-training survey to assess whether all the participants' needs were met and to explore how to improve the following training sessions.

From August 2022 to December 2022, the training sessions were adapted based on the feedback from the first round of training sessions. The training sessions focused on marketing strategies, financial management, administration, compliance, and taxes. In total, 49 enterprises/persons participated in the ESP training, and 36

completed the training. In August/September 2022, Qredits held the fourth and fifth Small Business Academy (SBA); in December, they held the sixth and seventh SBA. The SBA training is co-funded by the NRPB, although ESP did not support the first round. In total, the SBA has trained 91 persons/small businesses, of which 68 have completed the training.

### Component Performance Ratings<sup>15</sup>

Components	Status
Component 1: Direct financial support to MSMEs for investment and working capital	Moderately Satisfactory
Component 2: Study of financial solutions for improved disaster resilience	To be cancelled
Component 3: Lender training, project implementation, audit, and M&E	Satisfactory
Overall risk rating	Substantial

### Disbursements

To date, US\$14.34 million of the original US\$35 million has been disbursed. In 2022, the Project disbursed US\$2.15 million of the grant financing, compared to US\$8 million in December 2021. About US\$12 million had been disbursed to MSMEs under component 1 by the end of 2022.

### Issues & Plans

- The proportion of non-performing loans (NPLs) with at least 90-day overdue repayments was 3.5 percent in 2022, which is within the acceptable limit.
- MSMEs require additional financial training, such as financial projections, cash management, payroll and taxes, and preparing financial statements. Many MSMEs also lack the capacity to create a fully developed business plan, highlighting the need for the Project to provide some business development services.
- ESP interventions need to be coordinated with the Government's plans to foster synergies and maximize impact. For instance, TEATT is planning a one-year training program targeting 51 SMEs. Ultimately, TEATT will connect SMEs to financial institutions for financing.
- There is also a need to focus on managing the deterrents for more micro- and small- businesses applications and simplifying the requirements and application process, especially for small applications. Therefore, the team will continue to explore ways to simplify the requirements further and provide more significant assistance to the applicants in preparing their applications.
- Due to the weak financial situation of MSMEs following COVID-19, traditional PFIs are asking for significant cash collateral, which beneficiaries have found challenging. PFIs requested technical assistance on Partial Credit Guarantee (PCG), underlining the value of a credit risk management scheme for asset and repair packages, possibly reducing the need for excessive collateral from beneficiaries. The investment

<sup>15</sup> See Appendix B for definitions.

climate program that SEO<sup>16</sup> Amsterdam Economics is working on with Government may include research on implementing a PCG. The team will follow up on this initiative as establishing a PCG will significantly contribute towards access to finance for MSMEs.

- Sint Maarten has no formal regulations to collect and share credit data on individuals and firms, a significant weakness in the country's financial infrastructure. Financial institutions on the island typically contact other financial institutions informally to enquire about the credit standing of new clients applying for a loan through a "Credit check." This system is not effective as information sharing is irregular and incomplete.
- NRPB and the World Bank have agreed to extend the Project's closing date. With the extension of the Trust Fund Program to December 2028, the ESP restructuring can now proceed. Currently, new and micro businesses comprise over 36 percent of the ESP portfolio. However, only mature and medium-scale businesses can apply to ESP due to the short repayment term and high monthly repayment amounts. Therefore, the World Bank intends to conclude the extension before the end of May 2023 to let more MSMEs take advantage of extended loan tenures, lower monthly repayments, and affordable loans.
- The restructuring will cover several changes, including (i) reducing the total project funds from US\$35 million to US\$25 million, considering that the MSME market size is smaller than initially assessed right after Hurricane Irma; (ii) canceling the financial solutions study to improve disaster resilience; (iii) revising the result framework indicators, and (iv) reallocating funds across components. The Project Operational Manual (POM) will be finetuned to improve implementation and simplify the application process for smaller packages. A more in-depth analysis of the data collected during a beneficiary survey completed in December 2021 will also inform the restructuring.
- The World Bank team will process the restructuring promptly to ensure a wider window of opportunity to attract beneficiaries. In particular, the current 2.5-year term loan for the target sector of micro, small, and new MSMEs, translates into high monthly repayments.



<sup>16</sup> Stichting voor Economisch Onderzoek der Universiteit van Amsterdam



## FOCUS AREA 2: Invest in Citizens and Resilient Communities

### Hospital Resiliency & Preparedness Project (HRPP)

Financing	Approval Date	Closing Date	2022 Disbursement
<b>US\$28.61 million</b>			
- TFOA8176: US\$25 million	August 16, 2018	July 31, 2024	US\$3.40 million
- TFOB3788: US\$3.61 million	August 26, 2020	July 31, 2024	

### Development Outcomes

The HRPP, implemented by the SMMC, contributes to increased access to quality health by enhancing the preparedness and capacity of hospital services in Sint Maarten. At the end of 2022, the likelihood of PDO achievement remains satisfactory, with major achievements under all three PDO indicators (one of which has been achieved). Implementation progress is also satisfactory, with solid results across the 11 intermediate outcome indicators.

Medical referrals, the first PDO indicator, have reduced by 91 percent over the past five years, surpassing the Project target. Previous limitations in SMMC's capabilities, especially concerning some medical specialties, led to problems of timely access to services by the population and many overseas medical referrals, resulting in challenges for patients and their families, significant costs for Sint Maarten, and a lost opportunity for SMMC. Since 2018, with the support of grant financing, SMMC has substantially expanded services by adding ophthalmology, orthopedics, urology, neurology, pulmonology, pain management, and Magnetic Resonance Imaging services, and it continues boosting other sub-specialties. As a result, the total number of medical referrals abroad (Social and Health Insurance (SZV) patients only) decreased from 5,880 in 2017 to 507 in 2021 (SZV adjusted its database to reflect the updated final 2021 figure). Although COVID-19 largely influenced the 2020 numbers, the downward trend continues. To date, the most significant driver of the downward trend is the addition of ophthalmology services. SMMC will add more services that could further reduce referrals once the new building is completed.

The second PDO indicator involves implementing the Emergency Disaster Preparedness Plan (EDP) and Evacuation Plan according to procedures. The Quality and Safety Department completed the final update to the EDP, and SMMC has distributed color-coded copies throughout the hospital's main offices and stations since mid-2021. In late May and early June 2022, SMMC participated in the island-wide Emergency Support Function (ESF) six Disaster Evacuation Preparedness sessions, which covered: Disaster Management Preparedness, ESF activation processes, communication among different ESF areas; patient evacuation protocols and procedures with a focus on critical patients (dialysis and critical trauma patients and high-risk pregnant mothers); and regional collaboration among Dutch Caribbean islands and Colombia should a disaster occur. Additionally, in September 2022, departmental emergency drills focused on the Fire Disaster and Safety Plan and the EDP were initiated across key departments (intensive care unit, surgery, pediatrics, and others). These drills and related training will continue into 2023.

The third PDO indicator relates to technical audits. SMMC has completed a Technical Audit tool to assess the implementation of the clinical practice guidelines (CPGs) and quality control mechanisms in selected cases and the percentage of these cases rated Satisfactory. SMMC has identified 29 CPGs for the top prevalent conditions that require updates, of which two have been reviewed and validated and are now under implementation (*Cholelithiasis and Polycystic ovary syndrome*), ten have been reviewed and are under validation, and 12 are under development. The 2023 target is to implement another ten validated CPGs. In October 2022, SMMC established a

Clinical Guidelines Taskforce to oversee the CPG review and validation process. Furthermore, the Medical Staff Bureau has developed a tool including standardized questions from the international Appraisal of Guidelines, Research, and Evaluation (AGREE) tool. Adapting the AGREE tool allows adjustments to the existing international guidelines and accelerates assessing the quality of existing CPGs.

### Development Objectives Indicators

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

### Specific Activities (by Project Component)

*Component 1 - Building and launching of the new hospital (US\$17 million SXM TF co-financing).* Since September 2021, six out of seven concrete pours for the main building foundation have been completed. The retaining walls below the Care Complex and along Welgelegen Road and the underpinning of the existing SMMC building foundation that provides stability during construction have been completed. Section 7a of the main building foundation was poured on November 28, 2022, and construction of the foundation will be complete with the final pour (7b). The basement wall (section 5) has been poured, and the piling wall along Link 1 and capping beam have been completed. The base isolators to be installed on the basement floor to absorb any potential earthquake shocks are now on-site.

*Component 2 - Transition and contingency plan for SMMC (US\$11.30 million).* As part of the SMMC's transition and contingency plan, 90 percent of all essential upgrades to the existing facility have been completed, compared to 75 percent at the end of 2021. The most recent upgrades completed include the dialysis and oncology wards in November 2021, five double patient rooms in December 2021, and an Operating Room (OR) in March 2022, transitioning SMMC closer to the new building.

HRPP has also contributed to significant learning and development. SMMC's Fit for the Future Program distinguishes between the "house" and the "home" aspects of the new Sint Maarten General Hospital. The "home" side of the program aims to align the knowledge and skills of SMMC staff and bring the numbers of staff to the level of care and services to be provided at the new hospital. Mandatory training courses have been identified across the domains of the Management team, Medical Care, Medical Support, and Support Services, with some courses required across the organization. In addition, the Talent Learning Management System (LMS) was launched in April 2022, including generic and tailor-made courses for SMMC, with a current participation rate of 70 percent. In addition to the LMS courses, 77 SMMC staff completed 11 specialized courses in 2022.

Overall, project activities have helped to:

- Repair the structural damages caused by Hurricane Irma
- Increase the safety, preparedness, and overall resilience of the current hospital

- Expand the capacity of selected services (dialysis, chemotherapy, and operating rooms) and create new services such as ophthalmology, neurology, and urology
- Expand the Intensive Care Unit and isolation capacity through the Auxiliary Care Facility
- Pilot the design of new hospital rooms. The five double patient rooms and the OR were built with slightly different versions to obtain feedback from health providers and patients and identify the best options in practice

Incorporate medical equipment as part of the new hospital contract to expand services, train staff, and test the quality of the equipment to be installed.

### Component Performance Ratings<sup>17</sup>

Components	Status
Component 1: Building and launching of the new hospital	Satisfactory
Component 2: Transition and contingency plan for SMMC	Satisfactory
Component 3: Project Management	Satisfactory
Overall risk rating	Moderate

### Disbursements and Expenses

As of December 2022, US\$24.80 million of the original US\$25 million grant financing (99 percent) has been disbursed, up from US\$21.40 million in December 2021. The remaining funds under Component 1 are expected to be fully utilized. The Project will soon begin to draw on the second grant of US\$3.61 million grant financing, which is mainly dedicated to activities related to essential upgrades expenditures under Component 2.

### Issues & Plans

- **An amendment to the hospital turnkey contract is under consideration.** While the hospital construction contract cost is fixed, external shocks (COVID-19, Ukraine War, and inflation) have negatively impacted the costs of materials, medical equipment, and shipping (plus the availability of containers and significant shipping delays). Consequently, construction completion is projected to be extended to 2025 due to these delays. A revised detailed time schedule (DTS) is expected to be available after the fourth contract amendment is signed.
- **A simple restructuring of the grants financing the HRPP is planned for early 2023 to allow for a necessary reallocation of grant proceeds across expenditure categories.** This restructuring would be followed by processing an additional financing of US\$7 million, as agreed by the SXM TF Steering Committee in December 2022.
- **Technical audits to evaluate the use of CPGs are expected to start in the first quarter of 2023 (activity related to the PDO indicator).** As the diseases and conditions covered by the CPGs are commonly treated at SMMC, it is expected that after three months of implementing the respective CPGs, there will be

<sup>17</sup> See Appendix B for definitions.



enough cases to allow their complete technical audit. SMMC expects to conduct the technical audits of nine CPGs in 2023. Finally, SMMC plans to hire a Clinical Guidelines Auditor (financed by the grant) in early 2023 to support the technical audit process.

- **Fire and hurricane drills, delayed due to COVID-19 social distancing and protocols and the need to complete staff training on the fire alarm detection system, will continue into 2023.** Additionally, hospital floor plans in the Hurricane Preparedness Plan will be adjusted once the upgrading of the existing facility is complete.
- **Three remaining upgrades under the transition and contingency plan are expected to be completed by end-2023,** which includes the ending of the maintenance period for each: (i) completion of the medical gas distribution system; (ii) operating room renovation; and (iii) fiber optic cable upgrade (co-financed by the grant). The fiber optic upgrade is now possible by adding a second supplier on the island. It is critical for enabling SMMC to provide quality, patient-centered care without downtime.
- **SMMC has developed a multi-pronged approach to support their Joint Commission International accreditation of quality and patient care and safety by 2027.** In 2023, as part of this roadmap, SMMC plans to develop new policies and protocols and to design and launch an internal Culture of Safety Program, including a related training course, to promote safety as “everyone’s business.”



## Emergency Income Support and Training Project

Financing	Approval Date	Closing Date	2022 Disbursement
<b>US\$22.5 million</b> - TFOA8265: US\$22.50 million	August 8, 2018	February 28, 2023	US\$ 1.80 million

### Development Outcomes

The Emergency Income Support and Training Project (EISTP) was prepared as an emergency response to help mitigate the economic impacts of Hurricane Irma by protecting the affected poor and vulnerable. The PDO is to provide temporary income support, improve the employability of affected beneficiaries in targeted sectors, and strengthen the social protection system's capacity for shock response and protection of the poor. The Project was restructured twice; the first restructuring was on November 27, 2019, to extend the closing date from June 30, 2020, to May 31, 2022, due to substantial delays in hiring qualified staff to support implementation under Components 2 and 3. A second restructuring on December 19, 2021, extended the closing date to February 28, 2023, and reallocated funds across components. This restructuring compensated for COVID-19 delays and added new activities on conducting a labor market analysis under Component 2.

At the end of 2022, progress toward the PDO achievement and implementation remained Moderately Satisfactory, mainly because of delays under Component 2, "Strengthening the institutional capacity to enhance the social protection system," to establish the Integrated Social Registry System (ISRS). Four of the five PDO indicators (PDOIs) included in the Project are associated with Component 1, "Supporting the implementation of the Emergency Income Support and Training Program (EISTP). These PDOIs have been achieved and surpassed. The remaining PDO indicator is associated with component 2 and measures the number of records/registries in the ISRS.

The first component of the PDO is linked to supporting the social safety net and enhancing employability by providing income support to under and unemployed beneficiaries in exchange for occupational training through the EISTP and was completed in September 2020. The Project achieved its objective of building and upgrading skills and enhancing the employability of the un- and under-employed affected by Hurricane Irma. It provided income support and training to 1,960 beneficiaries, as verified by the Stichting Overheids Accountants Bureau, exceeding the original project target of 1,800 beneficiaries by 9 percent, of which 69 percent were women. The program reached two out of every four unemployed persons in the country, of which 27 percent were youth. Thus, the project reached the most disadvantaged population in the labor market, such as women and youth. Of the 1,960 beneficiaries, 93 percent completed the recommended training successfully, exceeding the completion target by 50 percent.

The PDO's second component involves improving the social protection system's capacity to coordinate social programs better and respond to disasters and other shocks. To this end, the Project is developing the first ISRS in the country, which will support identifying and selecting the most vulnerable people, registration, and assessing socio-economic needs of households to improve the social protection system's efficiency. Better data availability, timely analysis, and integrated household assessments will allow the Government to strengthen its policies, better target its existing programs and services and develop services and programs better tailored to the needs of vulnerable populations.

Ensuring the sustainability of the ISRS beyond project implementation is critical. The VSA is addressing this need and has drafted and submitted documentation to the Council of Ministers, including budgetary and human resource requirements, for approval. Achieving and sustaining the ISRS' intended goals over time requires government decisions in the short term to update the regulatory framework for delivering the social programs/services and allocating financial and human resources to support the ISRS operation. The ISRS design and development have taken longer than expected, partly due to COVID-19 restrictions. The Project's closing date will be extended for six months to allow the time needed to achieve the desired project outcome.

### PDO Indicators

**PDO:** To provide temporary income support, improve the employability of affected beneficiaries in targeted sectors, and strengthen the social protection system's capacity for shock-response and protection of the poor.

Indicators	Baseline (2018)	Target (2023)	2021	2022
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	727	1,155 <sup>18</sup>	1,960	1,960
Of which female	420	670	1,350	1,350
Percentage of students who successfully completed their training	0	50	93	93
Percentage of female among students who successfully completed their training	0	50	62	62
Number of records in the Social Registry	0	1,000	0	0

### Specific Activities (by Project Component)

*Component 1 – Supporting the implementation of the Emergency Income Support and Training Program (US\$20.56 million).* This component met its objectives of providing temporary income support and training in September 2020. Given the program's relevance in the COVID-19 context and due to its positive results, the Government extended the training program up to April 2021, with its funds executed by the Sint Maarten Training Foundation, which also delivered courses financed by the EISTP.

*Component 2 – Strengthening institutional capacity to enhance the social protection system (US\$1.12 million).* This component aims to conduct a nationally representative household Socioeconomic Needs Assessment (SENA) and develop an ISRS to strengthen the coordination and response capacity of Sint Maarten's social protection system, including in the face of disasters and other shocks. As of December 2022, there has been robust progress in developing the ISRS, including: a) formulating new business processes; b) reviewing existing processes to enhance social assistance delivery within VSA; c) completing six of seven ISRS modules, of which VSA has approved three, and the remaining four are on track for approval on January-February 2023; and d) completing the SENA-1 household survey among 1269 households, which informed the household targeting

<sup>18</sup> This indicator measures the number of beneficiaries enrolled in the training program, who have received income support in exchange for participation in the training program and have achieved the minimum required MONTHLY attendance rate of 70%. This indicator is a Disbursement-Linked Indicator (DLI) and was measured monthly. The project, however, aimed at reaching 1,800 beneficiaries to be supported with income support and training during project implementation.

method/assessment tool currently being programmed in the ISRS. This targeting method is expected to improve the allocation of social benefits and services delivered by VSA to eligible beneficiaries. While it was not part of the SENA-1 main objective, the data collection contributed to progress on the registration process of the ISRS, reaching approximately one-fourth of the end target of 1,000 records. The need for more time to pilot, roll-out, and establish the ISRS implementation led to the proposed six-month extension from the original closing date of February 2023.

### Component Performance Ratings<sup>19</sup>

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

### Disbursements

To date, US\$21.71 million of the original US\$22.5 million has been disbursed, representing 96 percent of total Grant proceeds.

### Issues & Plans

- **Closing date extension.** The Project's closing date needs to be extended, considering the need to pilot, roll out, and fully establish the ISRS, from February 28, 2023, to August 31, 2023.



<sup>19</sup> See Appendix B for definitions.

### Civil Society Partnership Facility for Resilience Project

Financing	Approval Date	Closing Date	2022 Disbursement
<b>US\$7.20 million</b>	June 26, 2020	June 28, 2024	US\$1.32 million

### Development Outcomes

Since its launch in 2020, following its appraisal, negotiation, and approval during the COVID-19 pandemic, the Civil Society Partnership Facility for Resilience Project (CSPFRP) has been improving the capacity of Sint Maarten's civil society organizations (CSOs) and financing the implementation of community-level reconstruction and resilience subprojects. VNGI implements CSPFRP – locally named Resources for Community Resilience – and coordinates with the NRPB, relevant government institutions, CSOs, and key stakeholders in Sint Maarten.

CSPFRP's MTR conducted in 2022 found the likelihood of attaining the Project's development objective and its implementation performance Moderately Satisfactory. The Project established a mechanism whereby a total of US\$1.74 million in grant finance has been awarded to 26 CSOs implementing 37 community reconstruction and resilience subprojects. This amount represents 37 percent of the total US\$4.66 million allocated to component 1. In addition, CSPFRP is building the capacity of CSOs that are prospective grant implementers through training and skills development activities. By June 30, 2022, 73 percent of the 37 subprojects were completed, and 73 percent of CSOs reported improved capacity for management and implementation. In its two years of implementation, CSPFRP has benefitted 2,483 Sint Maarteners, of which 1,336 are female.

### PDO Indicators

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

Indicators	Baseline (2020)	Target (2024)	2021	2022*
Percentage of subprojects approved which are fully implemented and functional to users	0	75	65	72.97
Percentage of CSOs participating in the project with improved capacity for grant management and implementation	0	70	70.27	72.97
Percentage of beneficiaries expressing satisfaction that sub-projects reflected their needs	0	75	100	-
Number of beneficiaries of sub-projects	0	10,000	2228	2,453

\* Results are as of June 30, 2022



## Specific Activities (by Project Component)

**Component 1 - Small grants to civil society organizations for reconstruction and resilience (US\$4.66 million: Small grants - US\$4.00 million; Grant management & administration - US\$0.66 million).** In two years of implementation, CSPFRP has launched four Calls for Proposal rounds. The first three have been awarded, with small grants totaling US\$1.74 million to 26 CSOs implementing 37 subprojects. With 73 percent of the subprojects fully implemented and functional to users, CSPFRP has benefited 2,483 Sint Maarteners, of which 1,336 are female. This result represents 25 percent of the 10,000 end-target.

The 37 subprojects are grouped into two broad categories: approximately 61 percent were awarded to help repair or rehabilitate vital community programs, such as daycare centers and after-school programs, while the remaining 39 percent were awarded to support Sint Maarten's arts, culture, and heritage, social care activities, and skills development. Looking ahead, CSPFRP is making efforts to ensure its investments are sustainable beyond the project closing date and to ensure capacity constrained CSOs are competitive for grants through additional training, coaching, and mentoring. Over the next two years, CSPFRP aims to accelerate implementation to achieve its goals of providing grant finance to 80 Sint Maarten CSOs and completing 100 subprojects.

**Component 2 - Technical assistance and capacity building to CSOs (US\$1.08 million).** CSPFRP continues to provide critical capacity-building support to local CSOs through training and knowledge sharing. As of June 30, 2022, 72 percent of CSOs reported increased capacity for fiduciary management of grants, and almost 50 percent of CSOs were accepted for funding after a second stage review. Overall, the project conducted nine training sessions for CSO staff.

**Component 3 - Project management and coordination (US\$1.46 million).** Due to VNGI's hands-on approach and on-the-ground presence in Sint Maarten, project management and coordination are functioning well. VNGI is currently fast-tracking the recommendations outlined in the 2022 MTR, which included, among other items, a greater focus on beneficiary assessments and results and updating project documents to ensure consistency as the project evolves.

## Component Performance Ratings<sup>20</sup>

Components	Status
Component 1: Small Grants to CSOs for Reconstruction and Resilience	Satisfactory
Component 2: Capacity Building and Technical Assistance for CSOs	Moderately Satisfactory
Component 3: Project Management and Coordination	Satisfactory
Overall risk rating	Moderate

## Disbursements

By December 23, 2022, 45.31 percent of the total grant had been disbursed. A disbursement forecast will be revised in the Spring of 2023 and updated in the 2023 Semi-Annual Report.

<sup>20</sup> See Appendix B for definitions.

## Issues & Plans

- It is necessary to accelerate the uptake of CSO grantees in subsequent rounds. An average award to 11 new CSOs is required in every cycle to achieve the results framework target of 80 local CSOs.
- An annual capacity needs assessment of activities to identify specific CSO needs must be developed and fast-tracked to tailor and target capacity-building efforts.
- A qualitative and quantitative beneficiary assessment and related analyses are essential to understand the community and beneficiary needs properly, thereby boosting project performance and strengthening the results storyline.



## Fostering Resilient Learning Project

Financing	Approval Date	Closing Date	2022 Disbursement
<b>US\$26.78 million</b>	June 9, 2022	June 30, 2025	US\$0.44 million

### Development Outcomes

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

Progress towards the development objective and Implementation performance is satisfactory. Recently approved on June 9, 2022, the Project benefitted from a US\$1.80 million Project Preparation Grant (PPG) in parallel to the primary grant. The PPG financed key preparatory studies and consultations for the Project's activities. At the NRPB's request, the World Bank granted a five-month extension of the PPG closing date (from July to December 2022) to complete activities under this financing window. Following the closing date, the Bank approved a partial cancellation of US\$1 million from the PPG funds.

The Project is yet at an early stage of its implementation cycle, and preparatory tasks have started for construction activities under components 1 and 2. Component 3 has made significant progress with i) the availability of the Ministry Management Information System (MMIS) of MECYS assessment, expected to be validated in February 2023, and ii) the realization of a learning outcome assessment phase 1 pilot in December 2022.

### PDO Indicators

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

Indicators	Baseline (2019)	Target (2025)	2022
Students with restored access to an adequate learning environment through the reconstruction of Sister Marie Laurence School (Number)	0	200	0
Students benefitting from a package of interventions at Charles Leopold Bell primary school to address chronic behavior challenges (Number)	0	120	0
Library open and operating at full capacity for Sint Maarten's population and visitors (Yes/No)	No	Yes	No
Availability and use of an Integrated database at MECYS for evidence-based decision making in education, culture, and sport sectors (Text)	Current system doesn't facilitate use of data for decision making	New system is operational and rolled out	No change from baseline



## Specific Activities (by Project Component)

**Components 1 & 2 - Rebuilding Inclusive Schools (US\$13.50 million) & Restoring Library Services (US\$9.20 million).** FRLP will negotiate a new quality assurance contract for Sister Marie Laurance (SML) school to involve the original architectural firm during construction works. TORs for the supervision contract for SML will be published in January 2023. TORs for demolition and construction activities, as well as TORs for the design and supervision contracts for the Charles Leopold Bell School (CLB) and the Sint Maarten Library (formerly known as the Philipsburg Jubilee Library<sup>21</sup>) are expected to be ready in the first quarter of 2023.

**Component 3 - Strengthening Management Information System of MECYS (US\$2.50 million).** A MECYS' Management Information System (MMIS) diagnostic was completed in December 2022. Formal validation is expected to conclude in February 2023. This document provides detailed information and technical specifications for the next phase and will include bidding documents to tender the design and implementation contract for the MMIS. The learning outcome assessment activity started in December 2022 with the realization of a pilot. The pilot provided useful information to the MECYS team to prepare a full-fledged learning assessment that will enable MECYS to measure learning outcomes (in reading and mathematics) in early grades and secondary. Phase 2 of this pilot will take place in March 2023. A recommendation to inform teaching and learning policies and practices will follow this assessment.

**Component 4 - Project Management (US\$1.50 million).** The annual action and procurement plan for 2023 has been drafted and is being finalized.

## Component Performance Ratings<sup>22</sup>

Components	Status
Component 1: Rebuilding Inclusive Schools	Moderately Satisfactory
Component 2: Restoring Library Services	Satisfactory
Component 3: Strengthening Management Information System of MECYS	Satisfactory
Component 4: Project Management	Satisfactory
Overall risk rating	Substantial

## Disbursements

In 2022, the Project disbursed US\$0.44 million of the US\$26.78 million grant financing (1.6 percent). The PPG, initially in an amount of US\$1.8 million, closed on December 22, 2022, and disbursed US\$0.8 million. The remaining US\$1 million was cancelled and made available to the main TF.

<sup>21</sup> Official name change took place in 2022

<sup>22</sup> See Appendix B for definitions.

## Issues & Plans

- Based on discussions on the project timeline, held during a supervision mission in October, the NRPB has requested an extension of the project by 22 months. If approved, the closing date will be April 30, 2027.
- The preparation of three construction contracts (design, supervision, works) needs to be prioritized by allocating time and resources to avoid further delays to the start of construction works.
- There is a need to hire an engineer to support the FRLP team at NRPB. A hiring process was ongoing, but there has yet to be a suitable candidate.
- MECYS needs to prioritize the implementation of the MMIS. Challenges in collecting relevant data at MECYS and its readiness to receive and implement the system have led to delays in the MMIS preparation. Tendering for the system is expected for Q1 2023, pending the Government's confirmation of actions.
- There is a need to identify and define the target student population that the Education Care Center (ECC) at CLB School will hold. This information is needed for the CLB TORs to ensure design criteria specificities are appropriate for this target student population.
- MECYS needs to outline the institutional arrangements and maintenance plan of the Sint Maarten Library, particularly the ownership of the building prior to construction.
- MECYS needs to prioritize the institutional arrangements and a Maintenance plan for SML.



## Child Resilience and Protection Project

Financing	Approval Date	Closing Date	2022 Disbursement
US\$5 million	October 22, 2020	July 31, 2024	US\$793,063

## Development Outcomes

The CRPP is strengthening the capacity of Sint Maarten's child protection system, nurturing children's and adolescents' well-being, and equipping schools to better respond to future disasters. [UNICEF Netherlands](#) executes the Project in collaboration and coordination with MECYS, which is responsible for policy decisions. At the end of 2022, progress towards achieving the CRPP development objective remains satisfactory, while the Project's implementation performance remains moderately satisfactory. Despite a challenging context, not least with the COVID-19 pandemic, the Project made significant progress during the past year. Consequently, it is expected to achieve its development objective of strengthening the education and child protection systems' capacity to address and respond to the needs of children and adolescents resulting from natural disasters and external shocks.

The Project is facilitating access to adequate services for those suffering from distress symptoms (PDOI 1) by developing a psychosocial screening tool to help teachers and care teams support or refer children in distress. In addition, it has developed national positive parenting support and violence prevention programs for schools, daycare, and after-school centers. The Project has also progressed in enabling the integrated child protection case management system (PDOI 2). Further, it has completed the assessment report of existing resources, developed a road map, and recruited a Child Protection Specialist to guide implementation. In addition, the Project advanced on establishing an interministerial National Child Protection Platform. The third PDOI is also near completion. The Project has finalized a contingency plan to better prepare and respond to natural hazards and protect children's safety during emergencies and submitted it to MECYS for approval.

## PDO Indicators

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

Indicators	Baseline (2020)	Target (2024)	2021	2022
Project beneficiaries suffering from post-hurricane distress symptoms referred to adequate services	0%	100% of identified cases are referred in a timely manner	Content of the screening tool is being developed	Screening tools and manuals have been developed
Implementation of the integrated child protection case management system	No system in place	90% of cases are processed according to Standard Operating Principles	Assessment report and roadmap have been completed	Child Protection Specialist recruited in addition to the assessment report and roadmap. Implementation of these tools is expected next

Implementation of a contingency strategy for the sector	Preliminary National Contingency plan available	95% of the contingency implementation tests evaluated are satisfactory	Contingency plan draft to be adjusted based on feedback	Contingency plan finalized and submitted to MECYS for approval
Number of beneficiaries of sub-projects	0	10,000	2228	2,453

### Specific Activities (by Project Component)<sup>23</sup>

**Component 1 - Nurturing children's and adolescents' well-being (US\$1.78 million).** The Project has developed additional resources included in the comprehensive psychosocial activities package. These include a distress screening tool to assist educators in identifying potentially distressed students needing more support. The Project prepared two versions - one for special needs students and another for the general student population. CRPP has trained select trainers and care teams using the tool, which will be piloted in five schools in 2023. In addition, training commenced in October for 60 facilitators and 20 master trainers who will lead the Positive Parenting Support Program.

**Component 2 - Strengthening Child Protection Systems (US\$1.50 million).** CRPP trained MECYS, the Court of Guardianship, and VSA professionals on child safety and rights. In addition, it completed an assessment report highlighting the strengths and gaps of Sint Maarten's child protection landscape. The assessment report and a roadmap to strengthen the referral and case management for child abuse and neglect are foundational documents to implement the integrated child protection case management system scheduled to start in 2023.

**Component 3 - Strengthening schools and MECYS' resilience to disasters (US\$125,103).** The Education in Emergency contingency strategy, including a communication protocol to schools during emergencies, was completed and is currently with MECYS for final approval.

### Disbursements

As of December 2022, CRPP disbursed US\$2.05 million, or 46 percent of the total project amount.

### Issues & Plans

- With two years remaining until the Project is closed, an exit and sustainability strategy to sustain the Project's development gains is crucial.
- Considering government capacity constraints, realistic project planning is essential.

<sup>23</sup> Component ratings are not considered in small grants (below US\$5.0 million commitment value)

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

#### Emergency Recovery Project I

Financing	Approval Date	Closing Date	2022 Disbursement
US\$100.20 million	July 10, 2018	December 2, 2024	US\$16.01 million

#### Development Outcomes

ERP I has contributed to Sint Maarten's immediate emergency recovery needs and strengthened institutional capacity to manage resilient recovery and reconstruction. NRPB implements ERP I with technical support from specialized agencies within the Ministry of General Affairs, TEATT, VSA, Ministry of Justice, MECYS, the Sint Maarten Housing Development Foundation (SMHDF), and the utility company NV GEBE.

The Project will likely achieve its development objective. Implementation progress also remains satisfactory. In 2022, more households (87 percent of the affected population) received hurricane-resilient electrical services, and about 3,440 citizens benefited from project activities. Additionally, the Project is improving institutional capacity to manage resilient recovery and reconstruction, by enhancing NRPB's implementation capability. The CCRIF coverage provided an added layer of financial protection against damages from hurricanes and excessive rainfall.

#### PDO Indicators

**PDO:** To contribute to Sint Maarten's immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction.

Indicators	Baseline (2020)	Target (2024)	2021	2022
Share of households with electrical services resilient to hurricanes (Percentage)	80	100	86	87
Water storage capacity of Sint Maarten utilities (average daily demand)(Days)	0.70	2.0	1.70	1.70
Number of citizens benefited from the project activities (Number (Thousand))	0.0	40.0	3.23	3.44
Percentage of beneficiaries that are satisfied with the quality of housing repairs (gender disaggregated)(Percentage)	0	80	0	0
NRPB is established and fully operational (Yes/No)	No	Yes	Yes	Yes



## Specific Activities (by Project Component)

**Component 1 - Emergency measures for the recovery of disaster first responders and preparedness facilities (US\$16.45 million).** This component supports improvements to the national emergency response and disaster preparedness system through: (i) repairs and improvements to critical disaster preparedness and response infrastructure that include repair of critical public facilities and repairs at four national agencies (namely the police, the fire service, the ambulance service, and the meteorological service), and repairs of designated emergency shelters; (ii) procurement of emergency equipment for first responders; and (iii) training and institutional strengthening. Phase I and II of police station repairs (addressing urgent needs, substantial indoor repairs, and permanent roof insulation of the Philipsburg and Simpson Bay Police Stations) have been completed. The procurement and delivery of 35 SUVs and 17 pick-up trucks were completed in June 2022. Repairs to the Fire and Ambulance building have been completed. The designs for the expansion of the Fire and Ambulance building and the construction of the Meteorology Department building are completed and under review by NRPB and the Bank. Four ambulances were procured and delivered to the Ambulance Department in December 2022.

**Component 2 - Restore Utility Services after Hurricane Irma (US\$11.60 million).** The underground installation of low voltage electric cables, telecom cable conduits, and potable water distribution pipes for a length of 8.0 km is currently in progress, 3.7 km have been completed, and works are intended for completion by end-February 2023. The procurement package for the second/final package for up to 12 km of low voltage electric cables, potable water distribution pipes, telecom cable conduits, and 3 km of high-tension electrical cables is being finalized.

**Component 3 - Housing Repair and Public Buildings Repair and Reconstruction (US\$39.15 million).** Four hundred forty-five (445) units of the 510+ target homes have been repaired. The final phase of home repairs for 20 houses has been contracted and is expected to be completed by August 2023. Repairs for the six social housing buildings with 64 apartment units were completed on December 15, and NRPB handed over the apartments in all buildings to the SMHDF, which manages the units. Repairs to the last one of three schools under Phase II are currently being finalized. The contract for repairs of 13 schools under Phase III has been awarded, and construction is expected to start in March 2023.

**Component 4 - Institutional Support for Reconstruction (US\$33 million).** The NRPB is adequately staffed and now a fully functional PIU. The Project includes support for Sint Maarten to obtain the CDEMA membership and the CCRIF subscription, which will provide coverage against future hurricanes until June 2023.

## Component Performance Ratings

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

## Disbursements

In 2022, the Project disbursed US\$16.10 million of the US\$100.2 million grant financing (16 percent), compared to US\$23.74 million in 2021.

## Issues & Plans

- The Project has allocated funds to expand the Fire and Ambulance building to house the National Emergency Operations Center. For the Bank to finance the expansion, there must be a long-term lease agreement with SOG (the Government foundation owning the building) for at least 10-15 years.
- The Meteorological Department, with the support of an expert provided by the Bank, has finalized the network of weather instruments design, including AWSs and Rain Gauges and their technical specifications. In addition, the expert visited Sint Maarten in May 2022 and identified suitable government land plots for installing the instruments. However, the Government has not officially allocated these land plots, and instrument procurement cannot proceed until the Meteorological Department secures the necessary land plots.
- Development of a Sustainable Business Plan for GEBE. Funds have been allocated to the Project for GEBE to develop a Sustainable Business Plan. Due to GEBE's interim management arrangements over the past years, the Government has yet to decide on using these funds. The Government and GEBE must make an urgent decision on the way forward for this activity.
- Package 2 for the underground installation of water pipes and electricity cables has been delayed significantly due to the firmware attack the GEBE computer system suffered. Due to the material price increases, there may be challenges in covering the initially envisaged scope. NRPB is still working with GEBE to finalize package 2 designs and scope.
- The World Bank is preparing the Second Additional Financing of ERP I; the Decision Meeting is planned for the third week of February 2023, and negotiations are planned for mid-March 2023. The expected approval date is May 15, 2023. The activities to be financed under AF2 encompass the repair/renovation of school gyms and sports facilities.



## Digital Government Transformation Project

Financing	Approval Date	Closing Date	2022 Disbursement
US\$12 million	March 18, 2021	May 30, 2025	US\$0.85 million

### Development Outcomes

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

DGTP's progress toward the development objective and implementation performance is moderately satisfactory. Since its effectiveness 12 months ago, DGTP has supported the government's efforts in strengthening the legal, regulatory, and policy framework, the foundational building blocks of digital transformation. DGTP technical advice informed the Sint Maarten Digital Transformation Strategy. Its advice also informed the creation of the country's first-ever data interoperability policy, which the Council of Ministers approved in October 2022. Considering the Government's progress in digitalizing public services during the COVID-19 pandemic – several of which were part of the Project's design – the DLT led a technical review to identify new high-impact services which the Project's restructuring will include in Spring 2023.

### PDO Indicators

Note: The planned restructuring in Spring 2023 will include a revision of the indicators below to reflect the Project's direct achievements.

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

Indicators	Baseline (2020)	Target (2024)	2021	2022
Increase in Certificate of Good Conduct service transactions processed digitally (percentage; disaggregated by sex/ vulnerable group) (cumulative)	0	10	0	0
Increase in economic license applications processed within a six-week period (percentage; cumulative)	16	65	16	16
Registries connected with the interoperability platform (number)	0	5	0	0
Increase in the time per year that the six selected public services are available to the public (percentage)	15	99	15	15

## Specific Activities (by Project Component)

**Component 1 - Strengthening the legal, regulatory, and institutional environment (US\$4.40 million).** In September 2022, the Government improved the legal, regulatory, and policy framework by launching the Digital Transformation Strategy, a seven-year roadmap launched in September 2022 by the Prime Minister to guide the Government's efforts to provide greater access and more online services. The policy provides an enabling environment crucial to share public data across government departments and is essential to improving service delivery. In October 2022, the Council of Ministers approved Sint Maarten's first-ever Data Interoperability Policy. The policy will govern the sharing and exchange of data across all entities within the Government. DGTP also financed reviews for electronic transactions, data protection and security, digital signatures, and data sharing and submitted its recommendations to the Department of Legal Affairs and Legislation for further action.

*The Government strengthened its capacity to digitalize public services over the year, with the DLT filling two critical positions: a Business Analyst and Project Assistant. In addition, and through a bilateral agreement – the so-called Country Package (landspakket) – between the Netherlands to Sint Maarten to enact a wide range of reforms in exchange for more significant investments, the Sint Maarten ICT Department will strengthen in Spring 2023. The World Bank and the NRPB initiated a monthly stakeholders meeting to ensure coordination across the teams working on digital transformation.*

**Component 2 -Building digital platforms to enable service delivery (US\$5 million).** During the pandemic, the Government advanced several high-impact public services that DGTP planned to digitalize. As such, the DLT will codify new services identified in the DGTP's restructuring. In addition, the DLT prioritized recommended activities in modernizing Sint Maarten's public service centers. This analysis, which includes a customer feedback survey, will inform the Project Oversight Committee's decision-making.

**Component 3 - User-centered public services (US\$2.60 million).** During the pandemic, the Government advanced several high-impact public services to be digitalized. As such, new services identified by the DLT will be codified in the DGTP's restructuring. In addition, the DLT completed a prioritization of recommended activities to help modernize Sint Maarten's public service centers. This analysis, which includes a customer feedback survey, will inform the Project Oversight Committee's decision-making.

## Component Performance Ratings

Components	Status
Component1: Strengthening the legal, regulatory, and institutional environment	Moderately Satisfactory
Component 2: Building digital platforms to enable service delivery	Moderately Satisfactory
Component 3: User-centered public services	Moderately Satisfactory
Overall risk rating	Moderate

## Disbursements

In 2022, DGTP disbursed \$0.85 million (70 percent of the projected level at the time of appraisal), with approximately US\$2.50 million committed (21 percent of the overall commitment). Disbursements are expected to accelerate in 2023 once DGTP is restructured.

## Issues & Plans

- During COVID-19, the Government of Sint Maarten digitalized several services identified in the original project scope. Consequently, the DGTP needs restructuring and has evaluated alternative interventions that would bring value for money and contribute to a legacy of public sector resilience in Sint Maarten. The restructuring will impact two of three components (Component 2: digital payments to enhance financial inclusion, Component 3: User-centered public services).
- Continued coordination and integration with EISTP and its Integrated Social Registry System. It will be essential to ensure the platform is compatible with the interoperability platform to be implemented by DGTP. Discussions are ongoing across project teams to allow EISTP to continue the project pace and avoid creating solutions that may require extra maintenance in the future.
- Additional resources are required to build public awareness of the Government's efforts and to monitor and evaluate service level improvements. Digital transformation also requires top-down political support. Finding the proper channels to engage key ministers is essential to complement the official Project Oversight Committee meetings.
- Increasing the DLT's capacity and ensuring its sustainability continues to be a high priority.
- DGTP restructuring will cover several changes, including:
  - (i) Removing several identified services already digitalized by the Government and replacing them with high-impact services recommended in the DLT technical review
  - (ii) Revising the results framework indicators, and
  - (iii) Updating the implementation arrangements in the Project Operational Manual to reflect on-the-ground realities, not least the central role the DLT will play in coordinating across government.





## Projects under preparation

### FOCUS AREA 1: Promote Sustainable Economic Recovery

#### *Sint Maarten Wastewater Management Project (US\$10 million)*

##### Status

Preparation of the Sint Maarten Wastewater Management Project (SWMP) commenced in 2022. The World Bank conducted the Concept Note review meeting in December 2022, and the project preparation mission is scheduled for March 2023. Given that the preparation is in an early stage, the content described below is subject to change during project preparation.

The proposed Project Development Objective is to “improve access to sustainable and resilient wastewater services; (ii) reduce pollution load entering sea and surface waters; and (iii) improve availability of information on surface and seawater quality based on data generated from a water quality monitoring system.”

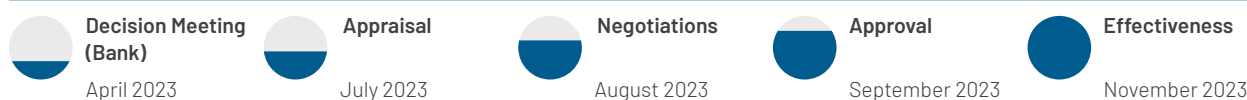
The proposed SWMP is organized into three main components: (i) Wastewater infrastructure investment, (ii) Institutional development and coastal seawater and surface water quality monitoring, and (iii) Project management.

The envisaged outputs include

- Constructing, rehabilitating, and modernizing sewerage networks
- Upgrading the wastewater treatment plan
- Strengthening VROMI's capacity
- Establishing a legal and regulatory framework for sustainable and resilient wastewater service delivery
- Adopting a medium/long-term sector strategy, and
- Establishing an operational seawater and surface water monitoring system

While the direct project beneficiaries from new sewerage access are expected to be around 25 percent of the country's population residing in the areas to be covered by the Project, the entire population of Sint Maarten will benefit from a safer environment and improved sea and surface water quality on the island. Direct beneficiaries will gain access to improved sanitation services and benefit from pollution reduction by eliminating uncontrolled wastewater runoff. The rest of the population of Sint Maarten will also benefit from the renewed policy and regulatory environment, which will ensure sustainability and resilience of the wastewater services, cleaner surface, coastal waters, and a safer environment. Moreover, the island's tourism-based economy will benefit from the Project's improvements, such as increased access to wastewater services and efficient wastewater management, leading to cleaner surface and coastal waters, which are preconditions for long-term sustainable hospitality sector development, the backbone of a Small Island's economy.

##### Milestones



## FOCUS AREA 2: Invest in Citizens and Resilient Communities

### *Improving Mental Health Services (US\$8 million)*

#### Status

The preparation of the Improving Mental Health Services Project advanced substantially in 2022. The Bank approved the concept note on December 15, 2021, and conducted a preparation/pre-appraisal mission in December 2022. Through the mission, the Bank, VSA, Mental Health Foundation (MHF), and NRPB agreed, in principle, on critical elements of the project design, including the Theory of Change, PDO, interventions, and fiduciary arrangements.

The proposed PDO is to “*improve the capacity of mental health service delivery in Sint Maarten.*” For this Project, improved capacity refers to improved quality in managing and treating the same number of cases in the short to medium-term, with a long-term view of managing and treating more cases with improved quality upon completing the civil works. In addition, mental health service delivery refers to providing services for all mental health disorders, including mental health and behavioral disorders due to psychoactive substance use.

The proposed Project is organized into three main components:

- (i) Supporting the strengthening of the national mental health system
- (ii) Supporting the construction of a new MHF facility, and
- (iii) Project management, monitoring and evaluation.

Three studies underpin the scope and design of the two technical components: a Situational Analysis of the National Mental Health System and a Capacity Needs Assessment of MHF conducted by VSA and an Organizational/Financial Assessment of MHF conducted by the World Bank.

The **Situational Analysis of the National Mental Health System** that VSA is currently conducting under the guidance of the Pan American Health Organization will inform the updating of the National Mental Health Plan. Over fifty interviews have been conducted with various stakeholders, including mental health service providers, wellness professionals, general practitioners, persons with lived experience, and caregivers. The VSA presented preliminary findings during the Bank team’s pre-appraisal visit in December 2022. The study’s final report is expected in the first quarter of 2023.

Given that MHF urgently needs a new facility to continue its operations, VSA conducted a **capacity needs assessment** over the past three months to inform the establishment of a new MHF facility. The needs assessment involved a desk review of available data and those from a broad range of relevant sources, along with stakeholder interviews. The preliminary findings presented still require validation from VSA and MHF.

Given that the sustainability of MHF is a pre-requisite for the proposed Component 2 (supporting the construction and equipping of a new mental health facility), the WB team has carried out an **organizational/financial assessment** of the MHF to review its current operating financial and organizational model. The final report is undergoing validation from the MHF and is expected to be completed in the first quarter of 2023.

On December 5, 2022, the VSA, SZV, and MHF signed a tripartite Collaboration Protocol for the Mental Health Project. The Collaboration Protocol commits the Parties “to work in close partnership to achieve a sustainable solution for the delivery of affordable and quality mental health care in Sint Maarten while addressing the current financial and operational needs of MHF.” The Protocol also commits the Parties to 1) define and prepare a detailed action plan by February 1, 2023, to re-vitalize MHF based on the Guiding Principles and the Protocol agreements. The action plan will be phased and will specify which activities will be implemented as part of the Project and which activities will be implemented by the Parties in close coordination with the Project activities; 2) develop and implement a new revenue budget system for MHF for the short and longer-term; 3) establish a Monitoring

Committee for preparing and implementing the plan of action and the new revenue budget system and providing guidance accordingly.

## Milestones



## Housing Project (US\$20 million)

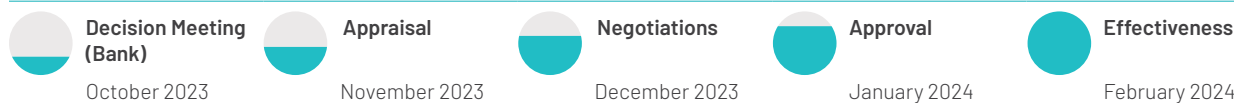
### Status

The World Bank reviewed the Project's concept note on June 21, 2022. The World Bank and NRPB teams are working closely with the key Stakeholders – SMHDF and the Government of Sint Maarten (through VROMI) – to finalize the activity plans under each Component.

For Component 1, Institutional Strengthening, the teams expect to have detailed action plans for both SMHDF and VROMI by the March 2023 Steering Committee. For Component 2, Social Housing Construction, VROMI confirmed the Hope Estate site's availability in December 2022. The NRPB and WB teams are conducting financial analysis to determine the number of units that could be built on the site with the current project envelope and whether it would be feasible to mobilize external financing (such as a construction loan).

Lastly, the WB and NRPB teams have discussed with the stakeholders that the Project is contingent on an updated Performance Agreement between the SMHDF and the Government of Sint Maarten (through VROMI). All parties agree that the current Performance Agreement is outdated and needs to be revised. A draft of the revised Performance Agreement would be a condition for project approval, while an adopted Performance Agreement would be a condition for project effectiveness or disbursement.

## Milestones



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

### *Analysis for Establishing the Sint Maarten Disaster Reserve Fund*

#### Status

The Preparation of the SXMDRF commenced in 2022. The World Bank conducted the Concept Note Review meeting in November 2022, and the first project preparation mission took place a week later. Given that the preparation is nascent, the content described below is subject to change.



The proposed Project Development Objective is to “To improve access to post-disaster rapid response finance for Sint Maarten and strengthen the disaster risk finance framework.”

The proposed analytical work is organized around three activities:

- I. **Catastrophe risk modeling:** A catastrophe risk model will indicate the frequency and impact of future disaster risk. This analysis will inform the design of the fund using dynamic cash flow analysis. It may also inform the design of a parametric risk transfer instrument.
- II. **Cost Benefit Analysis:** Leveraging the Disaster Risk Finance TA outputs conducted through the EU-Funded RESEMBID Program and the catastrophe risk modeling work outlined above, this activity will demonstrate how to minimize the cost of combining different financial instruments to release funds when the money is needed most. This work can inform the development of a disaster risk financing strategy.
- III. **Options Analysis to inform the design of a disaster reserve fund:** The analysis contained within this paper will focus on four key areas as follows; (i) legal structure; (ii) governance; (iii) disbursement modalities; and (iv) financing and sustainability.

The envisaged outputs include a Cost Benefit Analysis of Financial Instruments and an Options Paper to inform the design of a dedicated fund for disaster response.

#### Milestones

	<b>Concept Review (Bank)</b>		<b>Completion</b>
	November 2022		October 2023

### 3. Program Management Updates





# Program Management Updates

## Program Secretariat

The World Bank Program team changed in 2022 when a new Program Manager came on board, and the last team moved to new roles. On October 19, 2022, the World Bank Group (the International Bank for Reconstruction and Development and the International Finance Corporation) signed an Establishment Agreement with the Sint Maarten Government<sup>24</sup>. Subsequently, the new Program staff will all move to Sint Maarten in 2023 once the Government authorizes the necessary legal work and residence documents. In parallel, the search for a viable World Bank office location on the Island accelerated. The World Bank has identified potential sites that the Corporate Real Estate, Security, and Information Technology teams will review and advise upon in 2023.

## Implementation Support and Preparation Activities

In 2022, the World Bank provided enhanced technical implementation support to Sint Maarten PIUs, holding 27 missions last year. Several missions also supported the pre-appraisal, preparation, or negotiations of new projects or AF. Most missions in the earlier part of the year (before April 2022) were completely virtual but changed to hybrid or face-to-face as SXM and other countries lifted COVID restrictions completely. The World Bank established a shared calendar to guide task teams and PIUs in planning missions, easing coordination and creating greater efficiency.

## Monitoring and Evaluation

In 2022, the World Bank shared the TF's 2021 Annual Report at the end of February and the Semi-Annual report in November. The Implementation Support Results Reports provided by the World Bank team, mission visits, regular technical briefings, and project progress reports served as data sources. The World Bank's MTR for the period 2018 – 2021, disseminated in June 2022, also provided an additional evaluative perspective of the aspects of the TF that were working well and recommended strategic actions to improve the Program in the 2022 – 2028 implementation phase. The MTR assessed the progress and achievements of the SXM TF activities (investment, analytical and technical assistance) measured against the Program's objectives, reviewed governance and program management arrangements, and recommended further Program improvement and sustainability actions for the TF remaining period<sup>25</sup>.

The report concluded that the Program benefits the SXM population, funds are efficiently invested with due diligence, and all program objectives are likely to be achieved. The report noted that the SXM TF's overall financial efficiency was substantial, with a disbursement rate 15 percent higher than that of portfolios of the same age in the entire World Bank's Latin America and Caribbean Region and 22 percent higher than the World Bank's Caribbean portfolio overall. The MTR also found that TF projects contribute to capacity building and good governance, including principles of resilience, sustainability, and building back better. Similarly, it found that certain activities identified under the Strategic Framework did not materialize due to evolving priorities, for example, improving on-island connectivity, capacity building of utilities, assessing tax administration and policy, and increasing the Government's public financial management capacity. Notwithstanding, the MTR also concluded that while all existing and planned projects will contribute to the objectives when their interventions are completed, they may need a time extension to complete some indicators.

<sup>24</sup> The Government of the Netherlands designated the Prime Minister of Sint Maarten to sign the Establishment Agreement.

<sup>25</sup> The MTR was concluded before the official decision to extend the TF Program to December 31, 2028.

The MTR further recommended the following:

- *Enhance relevance and coherence by reviewing and revising the Program's Strategic Framework and its corresponding Results Framework* – The review will help in better reflecting the decisions taken since program initiation and achieving maximum results and benefits. The World Bank is preparing the Terms of Reference for the Strategic Framework and Results Framework review, which will be launched in the first quarter of 2023.
- *Enhance effectiveness by extending the TF Program's timeline* – The extension will allow projects to be completed, foster demand-driven TA, and ensure adequate resilience in the design to enable appropriate project outcomes. Pragmatically, shortly after the World Bank completed the MTR in 2022, the Program achieved the MTR's recommendation for extending the TF's closing date to increase the likelihood of achieving all results.
- *Ensure maximum impact and sustainability by developing a capacity-building plan* – The plan could help sustain the benefits and progress achieved from implementing the Program. In response, the World Bank launched the capacity building and sustainability gap assessment and planning exercise in January 2023.
- *Include training and structured advocacy for the recipient in project design* – This integration will sustain the investments and capacities beyond the Program. Relevant activities are ongoing at the project and program levels, including the ongoing work on the capacity building and sustainability gap assessment and plan that will be completed in 2023. The Bank is also collaborating with BZK (Dutch Ministry of the Interior and Kingdom Relations) and NRPB to improve strategic communications, advocacy, and client relations.

## Shared Services

### Environmental & Social (E&S) Aspects

Half of the projects under implementation (5 out of 10) operate under Safeguards Policies. The three projects under preparation are Environmental and Social Framework (ESF) projects with a combined substantial E&S risk at Concept Stage. The E&S risk rating will be revisited during preparation based on further information available.

#### Environmental and Social aspects of projects under implementation

Safeguards - E&S risk	1 Cat A; 2 Cat B; 1 Cat F; 1 Cat C
ESF - ES Risk Classification	3 Moderate, 2 Low Risk Projects
Performance	7 Satisfactory, 1 Moderately Satisfactory, and 1 Moderately Unsatisfactory <sup>26</sup>

<sup>26</sup> This performance assessment excludes the Child Resilience and Protection Project, which is a small grant under US\$5 million implementation and E&S/Safeguards do not apply.

Generally, PIUs in SXM are adequately staffed with qualified E&S specialists. Projects under implementation have good E&S performance, for example, reusing and recycling and occupational health and safety (OHS) measures. The stakeholder engagement process is satisfactory, and Grievance Redress Mechanism (GRM) is in place, adequately receiving and handling complaints. NRPB recently updated its institutional GRM to address Sexual Exploitation and Abuse/Sexual Harassment and project workers' grievances. Projects have also adopted measures that have strengthened social inclusion. Looking forward, the E&S team is working closely with the PIUs in SXM to identify short- and long-term solutions to cross-cutting E&S issues such as waste management and the environmental, social, health and safety capacity of contractors and supervision firms and to identify opportunities to promote E&S sustainability of investments beyond the life of the Trust Fund.

## Fiduciary Aspects

**Procurement:** There are 495 activities in the procurement plans valued at US\$403 million. The World Bank has provided two HEIS consultants to support the PIUs. There are currently 196 signed contracts for US\$318 million, of which only 12 are showing as complete in STEP, and three worth US\$177 thousand were terminated.

The local market is strong as SXM suppliers are awarded 42 percent of the total number of contracts, and 7 percent of the total contracted amount goes to these suppliers. There is no track record of failed procurement due to lack of bidders.

**Financial Management (FM):** Key FM performance indicators reflect increased FM capacity; the projects are fully compliant with the FM covenants on the quarterly Interim Financial Reports/Annual Audited Financial Statements' submission to the Bank. FM performance ratings in most projects have been upgraded from 'Moderately Satisfactory' to 'Satisfactory,' and FM risk has moved from 'Substantial' to 'Moderate' on average. Additionally, each project received unqualified audit opinions.

## 4. Cross-Cutting Implementation Risks & Mitigating Measures



## 4. Cross-Cutting Implementation Risks & Mitigating Measures

### Impact of global macro-financial crisis

Several TF operations<sup>27</sup> faced cost overruns and the need for time extensions due to the prolonged period of multiple overlapping crises with global impacts. The COVID-19 pandemic has persisted, spilling over into geopolitical responses complicated by climate change, capital flow reversal, slower Chinese growth, and rising inflation has led to disrupted global supply chains and increased food, input, and energy costs. The threat of a worldwide recession looms heavily. In an interconnected world, a crisis or instability in one area or region can negatively impact neighboring as well as far-off countries.

In 2022, the Trust Fund experienced some pressure as the value chain disruptions in Sint Maarten caused significant price increases on the island. The costs of construction tenders increased in many projects, particularly those with substantial construction and equipment components (for example, ATRP, HRPP, ERP I, EDMP). In some cases, the cost overruns amounted to 30 – 35 percent of total construction costs. Consequently, the Program Secretariat launched a portfolio risk review in May 2022 in collaboration with PIUs.

The review of the inflation effects on the portfolio included project-specific review of impacts and adjustments to lower costs while protecting expected project results through prioritization, value engineering within projects and, where needed, revising planned activities. NRPB also developed a methodology to assess risks, facilitating portfolio selectivity and prioritization for the affected projects. The methodology covered the following:

- (i) Prioritization of core activities for the achievement of project objectives and postponement of non-core activities
- (ii) Value engineering/redefining the scope of core activities within the project (review of technical choices and designs to maximize efficiency and savings without impacting the objective of the project)
- (iii) Elimination of activities that can be removed with limited effect on project objectives/achievements
- (iv) Consideration of portfolio-level prioritization and trade-offs (last resort and only after all other options have been exhausted)

In cases where none of the approaches work, NRPB and other PIUs have explored co-financing or AF where feasible. The World Bank also assessed where project closing date extensions might be viable and relevant, considering the additional program management and operational costs needed. Mitigating further impacts will also require concerted support in procurement planning and project management, including developing better technical specifications and TORs, more realistic implementation planning, and improved evidence-based contract price estimates. For projects under preparation, assessing concrete co-financing needs and accessing the funds on time would be critical, considering the impact of inflation on the scope and scale of project objectives. In 2023, the SC will consider and decide upon any proposals arising from the outcomes of the budget realignment or activity reprioritization/scope review.

<sup>27</sup> ATRP, HRPP, ERP I, EDMP



## Institutional capacity for managing and sustaining investments

*Expanding human resources:* Time taken for newly hired project staff to get resident and work permits remains a significant risk to the program. The Government needs to streamline work visas, residency permits, business licenses, and tax-related issues for foreign companies and foreign staff and their families to facilitate timely work initiation. The PIUs noted that permit processing has improved to within four weeks.

*Managing and sustaining public investments:* Using country systems will help sustain public investment and enhance capacity further. However, this aspiration might take time, given the low numbers of human resources working in government agencies. Nonetheless, investments such as the interoperability work through DGTP will support further systems strengthening. In addition, the World Bank's capacity gap and sustainability assessment and planning exercise may shed more light on what else can be done to foster sustainability.

*Strengthening the E&S capacity of contractors and supervision firms on waste management:* This aspect was identified as a crucial cross-cutting portfolio issue. Debris management is also a cross-cutting issue related to the limited number of E&S staff, the need for more on-site E&S personnel from some supervision firms, and for contractors to understand the need for their subcontractors' E&S obligations. The World Bank will continue providing technical support in resolving project-specific challenges and identifying long-term solutions to address these issues systematically, including by facilitating further training on managing contractors' E&S performance.

*Strengthening engagement and coordination with the SXM Government:* Engagement with the GoSXM is essential. Therefore, the World Bank will explore effective channels and opportunities to engage with ministers and to connect with GoSXM counterparts regularly through casual and informal communication channels, focusing on strengthening and maintaining relationships.

## 5. Outreach & Communications



## 5. Outreach & Communications

Last year, communicating in two languages across three countries, the Sint Maarten Trust Fund communications teams<sup>28</sup> told the story across multiple platforms of how the Trust Fund is making a positive impact in the lives of Sint Maarteners and building long-term resilience and sustainability in the country. The program is increasing its media coverage and engaging with audiences on social media platforms, print and digital news, and radio.

In 2022, the Trust Fund:

- Deepened media engagement with over 700 media mentions<sup>29</sup> and targeted communications efforts to media outlets in Sint Maarten and the Netherlands. Of the total mentions, 95 percent were considered positive or neutral.
- Focused content on storytelling and awareness raising. For example, the Trust Fund used its platform to support organizations [addressing gender-based violence](#) and providing critical lifelines to survivors, a key area of work for the Resources for Community Resilience (CSPFRP) project.
- Continued utilizing important partnerships providing additional avenues to share Trust Fund-related content, such as through [SXM-Talks](#) which has over 31,000 Facebook followers.
- Extended coordination with the GoSXM Department of Communication to create a multi-platform working agreement to amplify the Trust Fund projects via government-operated channels. It will extend the reach of Trust Fund video content, such as the [Integrated Solid Waste Management advertisement](#), [ERP-1 Home handover](#), and [ERP-1 ambulance handover](#)
- Developed a new approach to coordinate across Trust Fund tripartite partners (Dutch Ministry of the Interior and Kingdom Relations and NRPB on behalf of the Sint Maarten Government), aiming to increase impact and reach by resource leveraging. A shared calendar of upcoming communication activities and products to amplify each other's work was also developed.
- Raised public awareness through public campaigns to shape opinion. For example, the NRPB launched "Moving to Integrated Solid Waste Management on St. Maarten" in December 2022 to support the upcoming waste reforms.
- Promoted transparency with the publication of two reports (2021 Semi-Annual and Annual Reports) and regularly updated the TF Dashboard ([www.sintmaartenrecovery.org](http://www.sintmaartenrecovery.org)) and NRPB website ([www.nrpbxsm.org](http://www.nrpbxsm.org)).

Project teams also engaged in direct outreach efforts to stakeholders on the ground. In 2022, the Sint Maarten Medical Center [produced a video providing an update](#) on the hospital's medical expansions. [Resources for Community Resilience](#) utilizes its social media presence to showcase how civil society organizations are improving Sint Maarten and building back better. The PJIAE launched a new series, "[Restoring a Princess](#)," to update stakeholders on the ATRP. UNICEF NL maintains an active social media presence, utilizing both [Facebook](#) and Instagram, and regularly shares project updates through its [website](#).

<sup>28</sup> This term comprises all the Trust Fund's stakeholders: Dutch Ministry of the Interior and Kingdom Relations (BZK); the Government of Sint Maarten; the World Bank; the National Recovery Program Bureau, VNG International, UNICEF-NL, Sint Maarten Medical Center, and the Princess Juliana International Airport Operating Company.

<sup>29</sup> TalkWalker Analytics report ran January 10, 2023.

## Communications Strategy and Action Plan

Following the recommendations of the MTR, the Secretariat will conduct a stocktaking of the Trust Fund's communications approach, activities, and coordination with partners. The stocktaking will include a stakeholder analysis and needs assessment to inform the TF's 2023 communications strategy and plan, raise awareness, create understanding, and promote transparency. Ultimately, the proposed communication activities will positively influence public perception of the TF and its impact on Sint Maarten.





## 6. Looking Ahead - 2023 Priorities



## Looking Ahead – 2023 Priorities

Looking to 2023 and the years ahead, the Sint Maarten TF remains committed to helping Sint Maarten realize the vision of repositioning the country as a beacon of prosperity by building back better. Working with the Government of Sint Maarten, the World Bank will continue leveraging technical advice, enabling capacity building, and investing its convening power in delivering transformative and sustainable change in Sint Maarten.

The TF will continue focusing on building and strengthening local capacity and enabling local ownership. For example, at the project level, through the CSFPRP<sup>30</sup>, many more local CSOs are expected to receive the technical skills and small grants to establish or scale up community programs in 2023. The Trust Fund will also continue supporting capacity building efforts in organizations, like the Mental Health Foundation, that care for the poor and most vulnerable in Sint Maarten's communities, prioritizing investments to improve the well-being of the neediest people.

In-person missions are essential in strengthening client relationships, improving communication, and providing valuable E&S support. The World Bank will also deploy periodic E&S portfolio reviews for enhanced preparation and implementation support at least every four-six months. The E&S team will also deliver key trainings on the following: (i) Incident and accident reporting; (ii) OHS in civil works; (iii) Contractors' ESHS performance; (iv) Gender-Based Violence sensitization including SEA/SH; (v) GRM knowledge exchange with a Colombian PIU; (vi) Supporting portfolio-wide strategies to improve waste management in projects with civil works. The team will continue supporting SXM to manage operational phase E&S issues and explore opportunities for long-term E&S sustainability, including approaches for flexibility and proportionality in SXM projects.

The Bank will maintain its 'boots on the ground' approach in addition to the hybrid model, with in-person and virtual missions to strengthen its engagement and coordination with NRPB and other PIUs. The World Bank office in Sint Maarten is expected to be established before the end of 2023. World Bank Staff comprising the Trust Fund Secretariat team (the Program Manager, two Operations Officers, and a Program Assistant) will move to Sint Maarten before the World Bank office opens. The office will close when the Trust Fund Program is completed in December 2028.

In 2023, the Program Secretariat will implement the MTR recommendations to improve performance for the Program's remaining years, including the following reviews:

- **Strategic Framework Review** to better reflect the TF program objectives and activities until December 2028, considering the three-year timeline extension. The task will include an update of the Program Theory of Change and Results Framework.
- **Capacity Gap and Sustainability Assessment and Plan** to assess the resilience of investment and stakeholders' capacity to sustain the TF's benefits and achievements.

Finally, continuous capacity building for SXM PIUs and clients will be a game changer in fostering the sustainability of TF investments. In this regard, the World Bank will conduct two portfolio performance reviews in March and September 2023. The reviews will assess progress, identify pressing implementation challenges, review continued impacts of the global macro-financial situation, determine potential areas for program improvement, and strengthen project outcomes. The portfolio review will include the following critical learning sessions to enhance client and task team capacity – (i) Using the Theory of Change to Enhance Implementation Results; (ii) Understanding and Managing Operational Risk; (iii) Accelerating Project Communications and Media Presence; (iv) Preventing Fraud – System Strengthening Tips; (v) Geo-Enabling Monitoring and Evaluation System.

<sup>30</sup> Also known as R4CR



Appendices



## Appendix A. Program Strategy

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

### Steering Committee

A three-person Steering Committee (SC) governs the SXM TF. The SC comprises representatives of the Government of Sint Maarten, the Government of the Netherlands, and the World Bank. The SC makes allocations by consensus for funding 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
- 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 for the SC meetings. It regularly convenes to discuss the program's results and challenges, resolve pending issues, resolve differences, or clarify information.

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

### Implementing Organizations in Sint Maarten

The **National Recovery Program Bureau (NRPB)**, which manages the recovery on the ground, was created by law in Sint Maarten. NRPB is an independent administrative agency overseeing the implementation and coordination of most RE activities mandated by the Government of Sint Maarten. Its staff consists of employees and consultants, supported as appropriate by technical advisors of the Netherlands and the World Bank.

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

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

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

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

## Alignment of SXM TF Activities with the NRRP

### National Recovery and Resilience Plan

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

**Figure A-1: NRRP Priorities**



### Guiding Principles for Trust Fund Use

With the establishment of the SXM TF, the objectives of the Netherlands are to support the material and nonmaterial reconstruction and recovery of Sint Maarten wherever necessary, restore vital infrastructure, and sustainably boost the country's resilience in the face of possible future disasters, natural and otherwise<sup>31</sup>.

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 TF support aims to boost resilience by improving crisis management and disaster preparedness, promoting economic diversification, enhancing good governance, and strengthening civil society. A preference is expressed for projects "with a long-term vision that respects both people and the environment."<sup>32</sup>

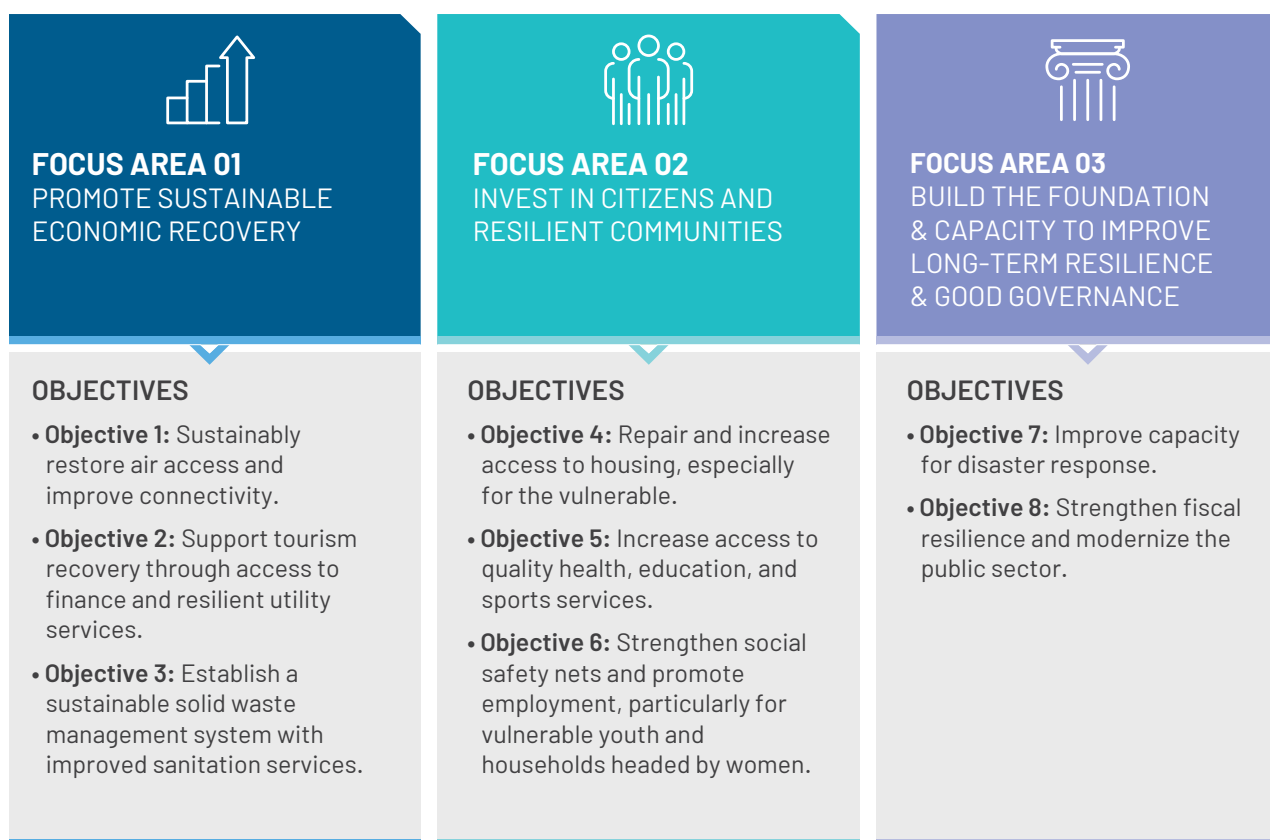
<sup>31</sup> World Bank. 2018. "Guiding Principles of the Netherlands." Appendix of SXM TF Administration Arrangement. Washington, DC: World Bank Group.

<sup>32</sup> World Bank 2018.

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

- *Necessity* (meaning that there are no other sources of funding)
  - *Additionality* (meaning they bring in private or other public international financing where possible)
  - *Suitability* (their appropriateness in scale considering capacity)
  - *Effectiveness* (their ability to attain the objective and their consistency with Sint Maarten's long-term policy orientations), and
  - *Efficiency and Legitimacy* (meaning that safeguards are in place to ensure both).
- Good governance* is central to all activities undertaken by the SXM TF, particularly their outcomes and methods of implementation. The latter concept is further supported by the strict application of World Bank processes and procedures for financial management, procurement, and safeguards/Environmental and Social Standards.

Figure A-2: SXM TF Strategic Focus Areas



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

## Appendix B. Development Objectives (DO), Implementation Progress (IP), & Risk Ratings

(As of February 10, 2023)

Project	Approval Date	Closing Date	DO	IP	Overall Operational Risk <sup>33</sup>
Sint Maarten Emergency Recovery Project I	10-Jul-2018	02-Dec-2024	S	MS	M
Sint Maarten Emergency Debris Management Project	20-Dec-2018	31-Dec-2023	MS	MS	H
Emergency Income Support and Training Project	02-Aug-2018	28-Feb-2023	MS	MS	M
Sint Maarten Hospital Resiliency & Preparedness Project	16-Aug-2018	31-Jul-2024	S	S	M
Sint Maarten Airport Terminal Reconstruction Project	18-Sep-2019	31-Dec-2023	MU	MU	S
Sint Maarten Enterprise Support Project	04-Apr-2019	30-Jun-2025	MS	MS	S
St Maarten Civil Society Partnership Facility for Resilience Project (CSPFRP)	26-Jun-2020	28-Jun-2024	MS	MS	M
Child Resilience and Protection Project	22-Oct-2020	31-Jul-2024	S	MS	L
Sint Maarten Digital Government Transformation Project	18-Mar-2021	30-May-2025	MS	MS	M
Fostering Resilient Learning Project	09-Jun-2022	30-Jun-2025	S	S	S
<b>DO progress rating</b> – is the likelihood of achieving the Development Objective by the end of the Project given implementation progress and outcomes indicators S = Satisfactory MS = Moderately Satisfactory MU = Moderately Unsatisfactory			<b>IP progress rating</b> – considers implementation progress level in all project management categories (components, FM, procurement, E&S, disbursement, project management, and legal covenant) S = Satisfactory MS = Moderately Satisfactory MU = Moderately Unsatisfactory		
<b>Overall operational risk descriptions</b> L = Low residual risk after considering mitigation measures M = Moderate residual risk after considering mitigation measures S = Substantial residual risk after considering mitigation measures H = High residual risk after considering mitigation measures					

<sup>33</sup> Weighted average of nine risk categories in the World Bank's Systematic Operational Risk rating Tool – Political and Governance, macroeconomic, sector strategies and policies, technical, institutional capacity for implementation and sustainability, fiduciary, environmental and social, stakeholders, and "other." The tool assesses as low, moderate, substantial, or high after considering mitigation measures applied to address inherent risk for each category.

## Appendix C. Financial Details as of December 2022

Expressed in millions of US dollars

### Introduction

Total funds contributions from the Netherlands to the SXM TF from April 2018 to December 2022 amounted to US\$519.42 million, paid in April 2018, November 2018, December 2020, December 2021, and December 2022. After adjusting with the investment income of US\$18.34 million and the US\$10.80 million administration fee, the total funds amount to US\$526.96 million (Table C-1).

**Table C-1 – Flow and Use of Funds**

A	Received from the Netherlands	US\$519.42
B	Investment Income	18.34
C	Administrative Fee	10.80
D	Total Funds (A+B-C)	527.04
	Grant commitments (E.1 + E.2)	
E	See Figure C-1)	449.46
E.1	Disbursements	223.00
E.2	Undisbursed	226.46
F	Projects under preparation (including AF)	64.5
G	Administrative Fee	3.73
H	Funds Remaining (D-E-F-G)	9.55

**Commitment:** Total grants allocated directly to operations amounted to US\$441.3 million<sup>34</sup> for funds allocated directly to operations, analytical work, and client support (recipient-executed activities, ASA, and preparation and implementation activities). US\$420 million had been committed to 11 recipient-executed projects in 18 grants, of which one is completed. US\$21.3 million financed BE implementation and supervision activities, hands-on support to the NRPB, analytical work, and technical assistance to the Government of Sint Maarten. Following the fifth tranche released by the Netherlands in December 2022, the TF has received a total of US\$519.42 million.

### Use of Funds

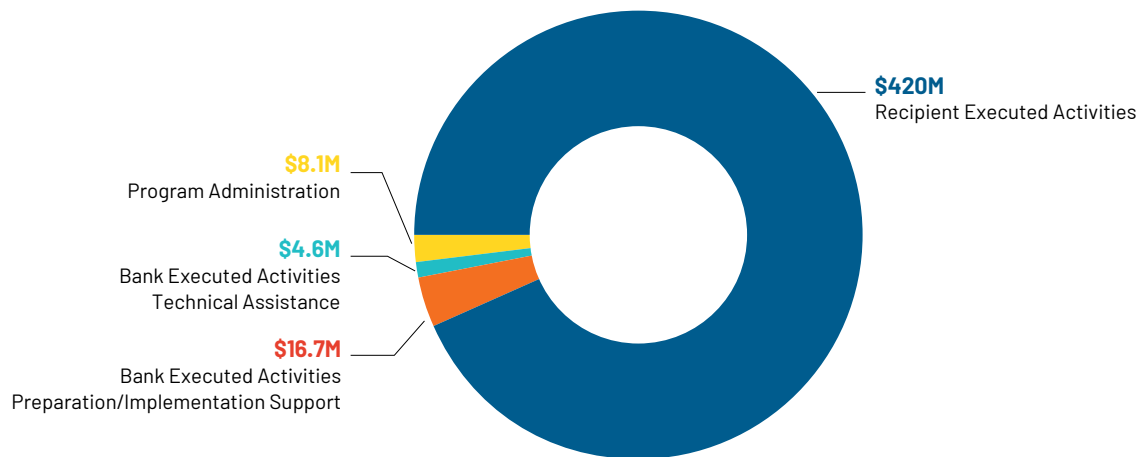
Of the US\$449.5 million grants,<sup>35</sup> US\$223 million (49.6 percent) was disbursed as of December 31, 2022, an increase of US\$51.7 million from December 31, 2021. Cumulative disbursements by activities are US\$198.4 million for recipient-executed activities, US\$13.7 million for client support, US\$4.2 million for analytical work, and US\$6.7 million for program management. See figures C.1, C.2, and Appendix D.

<sup>34</sup> This value does not include program administration.

<sup>35</sup> Total allocation including program administration.



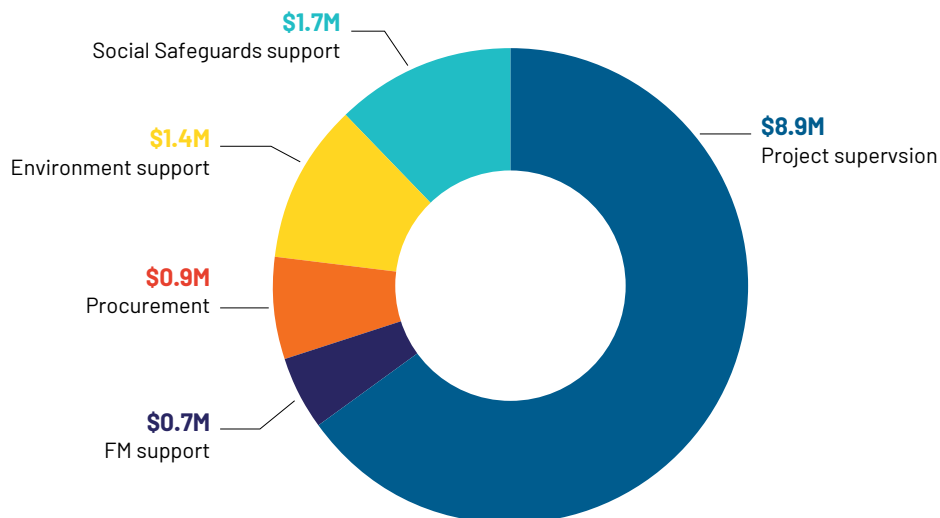
Figure C.1 Allocation of Funds (\$, million)



### Disbursement of Bank-Executed Preparation and Implementation Support Activities

Twenty-two tasks received resources for World Bank supervision of preparation and implementation. Total disbursements to date are US\$13.7 million (Figure C.2), of which US\$3.2 million was spent between January and December 2022. Around 65 percent of funds were disbursed for project supervision, including 7.5 percent for hands-on support. Support to safeguards (environmental, social, procurement, and financial management oversight) amounted to 35 percent of the total expenditures for preparation and supervision.

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



**Further allocations:** Projects for US\$64.5 million are being prepared for appraisal and approval by the World Bank. US\$16.7 million is allocated to prepare and supervise projects. Procurement, safeguards, and fiduciary support will receive approximately 35 percent. Eight percent will go to the NRPB for direct, hands-on support to complement limited on-island and in-house capacity.

## Appendix D. Analytical Work and Technical Assistance

### **Ongoing Technical Assistance**

Studies	Status
TA for a Disaster Relief Fund	Ongoing
Digital Government Strategy (technical assistance with outputs)	Ongoing
Sustainability and Capacity Gap Assessment	Ongoing

### **Ongoing Studies**

Studies	Status
Country Environmental Analysis (study)	In draft

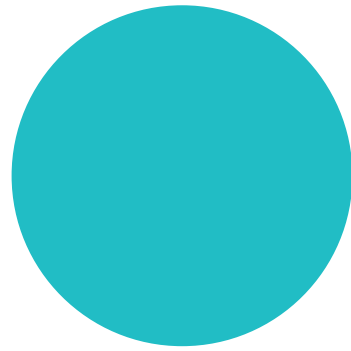
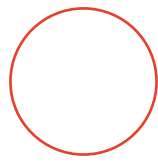
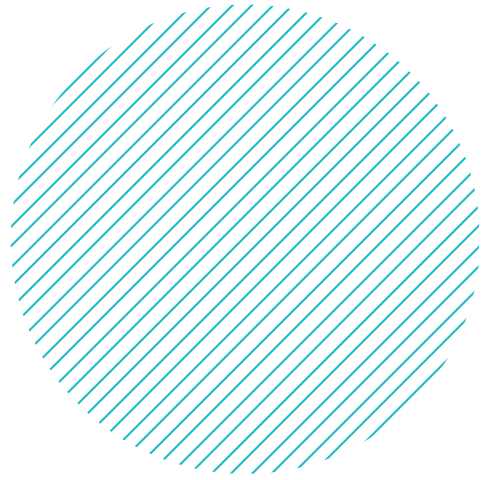
### **Studies Completed (before 2022)**

Support to Develop National Recovery and Resilience Plan (report)
Rapid Housing Sector Assessment (study)
Airport Corporate Governance Assessment (study)
Sint Maarten Hospitality Reconstruction Financing Due Diligence (study)
Tourism Sector Recovery Strategy Support (technical assistance with outputs)
Public Expenditure Review
Low-Income and Affordable Housing Technical Assistance (technical assistance)
Support to the Airport Corporate Governance Task Force (technical assistance)
National Risk Assessment (AML/CFT)(technical assistance and training) <sup>36</sup>
Long-term waste studies
MTR of TF Program

<sup>36</sup> Not financed by the SXM TF.

## Appendix E. Summary of disbursements by activities (RE + BE)

Activities	Budget allocated	Disbursements April 2018 – December 2022	Undisbursed funds, end of December 2022
SXM TF Total	449,460,074	223,000,280	226,459,795
<b>Recipient-executed activities</b>	<b>419,982,923</b>	<b>198,380,611</b>	<b>221,602,312</b>
TF0A8079 Emergency Recovery I	55,200,000	65,400,253	34,799,747
TF0B5199 Including Additional Financing	45,000,000		
TF0A8176 Hospital Resiliency and Preparedness	25,000,000	24,767,974	3,842,026
TF0B3788 Including Additional Financing	3,610,000		
TF0A8265 Emergency Income Support and Training	22,500,000	21,709,102	790,898
TF0A9223 Enterprise Support Project	35,000,000	14,340,287	20,659,713
TF0A9261 Emergency Debris Management	25,000,000	23,499,579	61,500,421
TF0B9747 including Additional Financing	60,000,000		
TF0B0760 Airport Terminal Reconstruction	72,000,000	36,856,906	55,143,094
TF0B7571 including Additional Financing	20,000,000		
TF0B2442 Red Cross Roof Repair Project	3,745,130	3,745,130	0
TF0B3014 Civil Society Partnership Facility for Resilience (CSPFRP)	7,200,000	3,409,890	3,937,903
TF0B2229 Project Preparation Grant	147,793		
TF0B4140 Child Resilience and Protection	4,488,000	2,558,599	2,441,401
TF0B2513 Project Preparation Grant	512,000		
TF0B8048 Fostering Resilient Learning Project	26,780,000	1,243,500	27,336,500
TF0B4914 Project Preparation Grant	1,800,000		
TF0B4218 Digital Government Transformation Project	12,000,000	849,392	11,150,608
<b>Bank-executed activities</b>	<b>29,477,151</b>	<b>24,619,669</b>	<b>4,857,483</b>
Preparation and implementation support	16,732,012	13,713,848	3,018,164
Advisory services and analytics	4,605,139	4,176,142	428,997
Program management and administration	8,140,000	6,729,678	1,410,322





# SINT MAARTEN TRUST FUND



Government of the Netherlands



THE WORLD BANK