



Interim Report

January 1 – June 15, 2019

SINT MAARTEN TRUST FUND



Government
of the
Netherlands



THE WORLD BANK

Prepared by

Sint Maarten Trust Fund Secretariat

Caribbean Country Management Unit

Latin America and the Caribbean Region

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Acknowledgements

This report provides an overview of activities executed under the Sint Maarten Reconstruction, Recovery and Resilience Trust Fund (SXM TF), managed by the World Bank. This report was prepared by the Secretariat of the SXM TF in the Caribbean Country Management Unit, Latin America and the Caribbean Region of the World Bank. It focuses on progress from January 2019 to mid-June 2019.

The SXM TF is a single-donor trust fund, financed by the Netherlands and implemented by Sint Maarten and is therefore a tripartite undertaking of the Government of the Netherlands, the Government of Sint Maarten and the World Bank. It provides support for the recovery and reconstruction of Sint Maarten in the aftermath of Hurricane Irma 2017 and aims to strengthen the country's resilience to disasters.

As set out in the Administration Arrangement signed with the Government of The Netherlands¹, the World Bank will provide an annual report each January for the closing calendar year. A semi-annual report will also be provided each July at the closing of the World Bank's fiscal year (June 30). The current report is provided as an interim report on the SXM TF Fund's main activities, results, and unaudited financials in advance of the semi-annual Report for 2019.

In preparing this report, the SXM TF Secretariat team benefited from information and data from the National Recovery Program Bureau (NRPB), the Government of Sint Maarten and of the Ministry of Interior and Kingdom Relations of the Netherlands.

¹ The Administration Arrangement was signed April 16, 2018

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1 Introduction

On September 6, 2017, Sint Maarten, an autonomous constituent country of the Kingdom of the Netherlands with a population of just over 40,000 people, was severely impacted by Hurricane Irma. Damages and losses² related to Irma were estimated by the Government of Sint Maarten and the World Bank to amount to US\$ 2.7 billion (US\$ 1.4 billion and US\$ 1.3 billion respectively, each about 129 percent of GDP).

In response to the disaster, the Government of the Netherlands made available immediate bilateral aid and substantial private donations were also provided by the public. In addition, in December 2017, the Netherlands set aside up to 550 Million Euro to support Sint Maarten.

On April 16, 2018, the SXM TF financed by the Netherlands was established for up to 470 million Euro (US\$ 553.4 Million equivalent). The SXM TF is a tripartite undertaking of the Government of the Netherlands, the Government of Sint Maarten and the World Bank to provide support for the recovery and reconstruction of Sint Maarten and the strengthening of the country's resilience to disasters. It is managed through the SXM TF Secretariat established under the Caribbean Country Management Unit in the World Bank's Latin America and Caribbean Region. Its activities are approved by the Steering Committee of the Trust Fund and implemented by the Government of Sint Maarten in partnership with the World Bank. Trust Fund activities also benefit from complementary technical assistance and expertise provided by the Government of the Netherlands. This report describes the main activities and implementation progress of SXM TF activities from January 1 until mid-June 2019.

Tripartite collaboration preceded the creation of the Trust Fund during the formulation of Sint Maarten's National Recovery and Resilience Plan (NRRP)³, developed by the Government of Sint Maarten with financial support from the Government of the Netherlands and technical support from the World Bank.

The priorities set out in the NRRP together with the Guiding Principles provided by the Netherlands in the SXM TF Administration Arrangement have provided a framework for the orientation, prioritization and selection of activities during the first emergency phase of Trust Fund operations.

Over this reporting period, SXM TF activities have focused on addressing key bottlenecks to the country's recovery and supporting longer term development priorities. Four projects are in active implementation with a portfolio of US\$127.7 million and were launched to provide income support to the under and unemployed, repair, expand, and build new hospital facilities to category 5+ resilient standards, finance repairs of critical emergency response infrastructure and housing and support fire suppressions and management of the debris and waste disposal sites. The emergency response also includes Sint Maarten's membership into the Caribbean Catastrophic Risk Insurance Facility (CCRIF) which will provide payouts within 14 days in case of a catastrophic event, improving the country's response capacity. In this period, four projects under advanced stages of preparation focus on 1) rebuilding the airport's terminal in a context of strengthened governance, 2) a development policy operation to provide budget support, 3) aiding micro, small and medium enterprises, which will provide resources for asset reconstitution and working capital, 4) providing sustainable solutions to long-term waste management. These projects account for a total of US\$172 million to be approved. Significant progress has been made on advancing

² Damages refer to damages to buildings and assets. Losses due to disruption of access to goods and services are defined as changes in economic flows and higher costs in production arising from the disaster.

³ Sint Maarten Recovery and Resilience Plan, Government of Sint Maarten, June 2018.

analytical work. Analytical work on a corporate governance review of the airport and a report on the quality of air at the Pond Island Municipal Waste Disposal Site and temporary debris site were finalized. Also, a study on the housing sector was completed, and early results have been shared. Analytical work has also been launched to support the strengthening of the tourism sector including data and analytics (early results are available), a public expenditure review, a country environmental analysis, and solid waste management solutions. Concepts for new projects were also developed and include road connectivity, digital development, and tourism support. To expand the number of implementation partners, the Red Cross and UNICEF have submitted concept notes to the Steering Committee for review. In addition, a Non-Governmental Organization (NGO) grant making facility is being designed to support local NGOs to deliver reconstruction and resilience activities. The portfolio of projects has been prepared with an accelerated timeline, despite extreme capacity constraints in Sint Maarten. To mitigate these capacity issues, the World Bank has provided hands-on support to the newly formed NRPB, the organization responsible for overseeing overall SXM TF project implementation in Sint Maarten.

1.1 Impact of Hurricane Irma

One of the most powerful hurricanes ever recorded in the Atlantic, Hurricane Irma made landfall on September 6, 2017 in Sint Maarten as a Category 5+ hurricane, with sustained winds of 185 mph (296 km/h). The storm's highest wind velocities battered the island for over two hours and a storm surge flooded the lower coastal areas. Much of the damage caused by Hurricane Irma was exacerbated by Hurricane Maria two weeks later, causing further damage to homes, schools, and public buildings compromised by Irma.

Sint Maarten's tourism sector, which accounts for approximately half of the national economy, was severely impacted. In 2016, tourism contributed 73 percent to the country's total foreign exchange income. Sint Maarten's harbor is a significant port for cruise tourism in the Caribbean, with 1.7 million cruise passengers visiting per year and Princess Juliana International Airport serves as a hub for regional travel, with a large network of connecting flights across the Caribbean. Public finances have faced a sharp decline in tax revenue due to the economic contraction.

Because of the storm, Sint Maarten's economy contracted by 4.8 percent in 2017 and contracted by around 8.1 percent in 2018. Growth driven by reconstruction expenditures and tourism recovery rebounded in 2019, to an estimated 2 percent growth⁴. However, private external finance from direct investments, loans, pay-out of insurance claims and funds held abroad will be needed to further finance reconstruction of private properties and businesses.

While Sint Maarten is a high-income country with per capita income of almost US\$25,400, it has contained pockets of poverty. The social and economic impacts of Hurricane Irma are likely to have increased poverty levels in Sint Maarten. A UNDP benchmark for poverty based on minimum wage indicates that about 27 percent of households (approximately 3,762 households) were classified as poor and living on revenues at or below the minimum wage in 2017⁵. Sint Maarten's overall unemployment rate was 6.2 percent and youth unemployment rate 23.8 percent in 2017. Unemployment rose significantly following the hurricane in 2018 (9.2 percent) due to the closing of tourism businesses. In addition, though some have recovered,

⁴ IMF – Article IV Assessment, Curaçao and Sint Maarten, November 9, 2018.

⁵ Minimum wage amounts to US\$850 per month in 2017.

many Micro, Small, and Medium-sized enterprises (MSMEs) have experienced significant loss of capital due to the impacts of the hurricane.

2 Strategy

In the first twelve months of implementation, the NRRP and the guiding principles of the Trust fund have provided a prioritization framework for project selection. Emergency activities were prioritized by the Government of Sint Maarten and the Government of the Netherlands, with technical guidance of the World Bank during several technical missions, prior to SXM TF signing and subsequently endorsed by the Steering Committee based on the NRRP. Early funding was directed mainly to Community Recovery including income support, hospital repair and resilience, and emergency repairs to critical infrastructure.

More complex projects aimed at economic recovery, including airport reconstruction, support to MSMEs, short to medium-term debris and waste management (including the extinguishing of fires), and long-term waste management solutions were also prioritized, and their preparation is well advanced. Resources were also included in the second tranche of funding received from the Netherlands to fund a Development Policy Operation (budget support), meanwhile ongoing analytical work on public expenditures, the housing sector, and tourism promotion and support (among others) will contribute to future funding decisions.

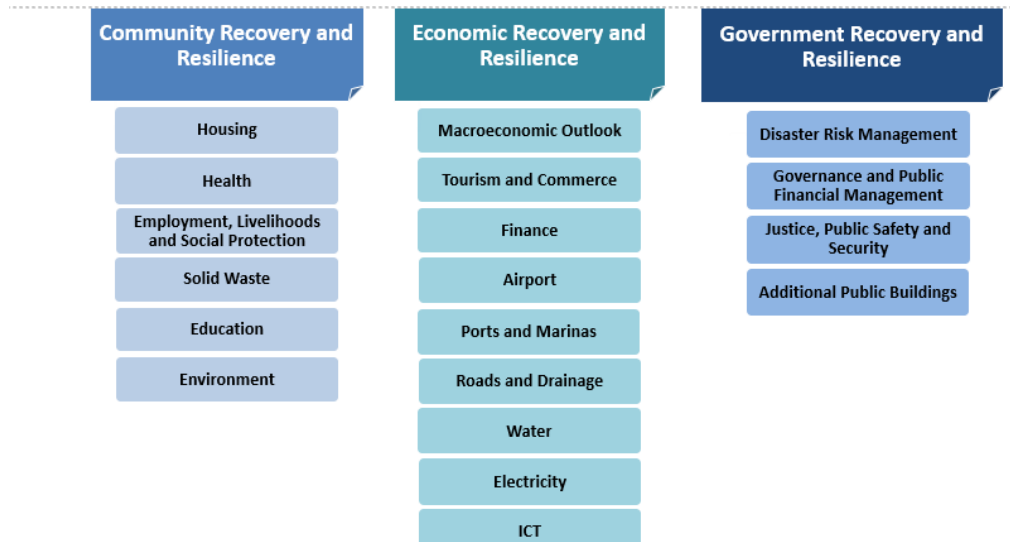
2.1 National Recovery and Resilience Plan

The SXM TF Trust Fund supports activities and programs aligned with the NRRP of the Government of Sint Maarten published in June 2018 and unanimously endorsed by Sint Maarten's Parliament in August 2018. The NRRP was developed with inputs from all main stakeholders in Sint Maarten, the Government of The Netherlands, other international organizations and with the technical support of the World Bank. More than 170 national and international experts contributed to it.

The overarching goal of the NRRP is to restore, secure, and strengthen the well-being of the people of Sint Maarten by means of a resilient community in a healthy living environment; a resilient, growing, and more diversified economy; and a transparent, effective government with enhanced capacity. The NRRP foresees community, economic and government recovery through investments in priority sectors particularly affected by the 2017 hurricanes (see Figure 1 below).

The NRRP assesses that US\$2.3 billion will be required for recovery and resilience interventions over the next seven years under these three pillars, primarily in Housing (22.8%), Tourism and commerce (19%), Governance and public financial management (9.4%); Solid waste management and sanitation (8.3%), Airport investments (7.6%) and Education, youth and culture (5.1%).

Figure 1: Three pillars of the National Recovery and Resilience Plan



Community Recovery and Resilience

The top priorities of the NRRP are the basic needs of the people of Sint Maarten—such as food, shelter, health and psychosocial care, education, and livelihoods and preparation for future hurricane seasons. Therefore, the NRRP focuses on the **sustainable recovery of affected communities**. This requires investments in housing; social sectors such as education, health, social protection; and environmental and infrastructure services such as waste management, environment, biodiversity and ecology. Priority is given to repairs of critical infrastructure (including shelters), emergency equipment and training, restoration of the electricity and water systems, repairs of roofs and social housing, social protection mechanisms, and the setting up of the National Recovery Program Bureau (NRPB) as a central coordination mechanism.

Economic Recovery and Resilience

Second, **economic recovery** will depend on rebuilding key infrastructure and focus for the foreseeable future on promoting resilience in the country’s tourism sector. Priority is given in the NRRP to rebuilding the Princess Juliana International Airport, ports and marinas and to rebuild to higher standards to ensure resilience to future disasters, restoring business continuity and a strategy to foster the broadening of business activity. An important pillar of medium-term recovery is a well-functioning and stable financial sector, providing increased and inclusive access to finance. The strengthening of fiscal resilience is also critical including by broadening the tax base and raising the efficiency of tax collection. Furthermore, rebuilding utility networks (electricity, drinking water), roads and drainage and telecommunications infrastructure are part of the economic recovery.

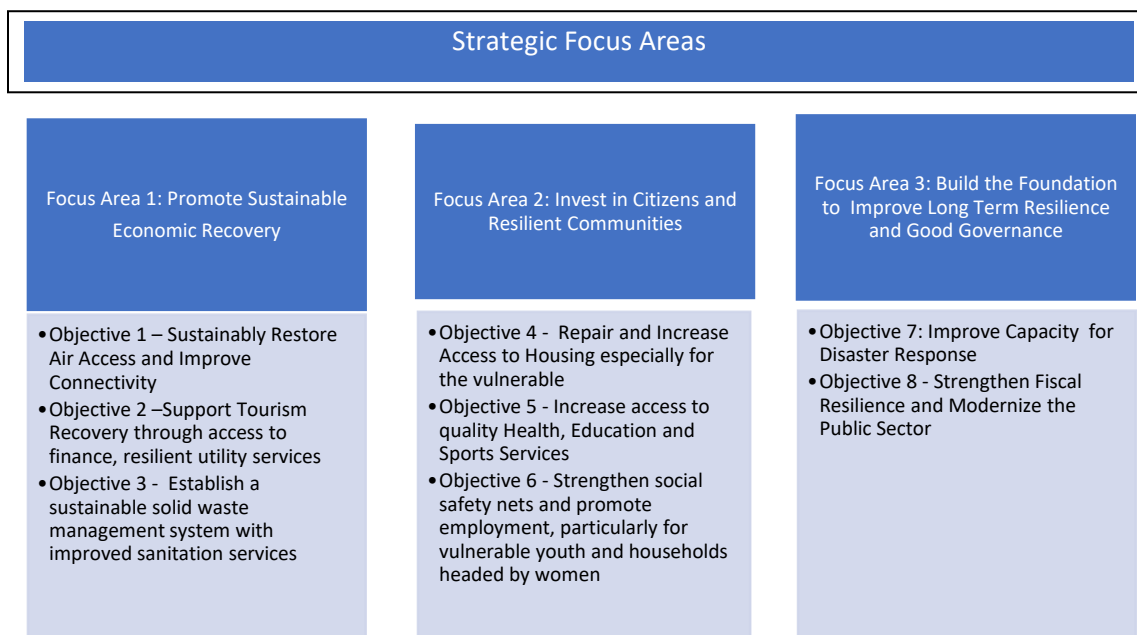
Government Recovery and Resilience

Longer-term, under the pillar **of government recovery** the NRRP aims to implement a more resilient governance and public financial management system, by improving the resilience of government and emergency entities to disasters and putting in place disaster risk management tools to inform, measure, and respond to disaster risk. Improved Public Financial Management (PFM) is expected to benefit investor confidence, foster public support for government initiatives, and aid in the recovery and longer-term

development efforts. Key to an enhancing PFM and Governance is modernizing the Government's Information Communication and Technology Systems (ICT).

2.2 Strategic Framework

Going forward, prioritization for use of remaining funds will be based on the SXM TF Strategic Framework (SF) developed in February and March with feedback from Sint Maarten and the Netherlands, formally presented to the Steering Committee in April 2019 and revised with final inputs in August 2019. The SF is grounded in the Government's NRRP and the Government Program: Building a Sustainable Sint Maarten Governing Program (2018-2022). The SF addresses immediate needs for post disaster recovery, and takes on selected key medium-term challenges, to underpin Sint Maarten's sustainable resilience and prosperity. The SF describes activities until the anticipated closing of the Trust Fund in 2025, with appropriate flexibility for prioritization for the later years. The SF outlines three focus areas to (i) promote sustainable economic recovery, (ii) invest in citizens and resilient communities, and (iii) build the foundations to improve long term resilience and good governance in the country. Under these areas of focus, the SF identifies objectives under currently approved projects and outlines avenues to be explored going forward. In the second quarter of 2021, the SF will be reviewed to adjust areas of focus and objectives, as appropriate. While many of the priorities outlined in the SF will be financed by the SXM TF, this document will be used to leverage additional financing for existing gaps in a sector, to complement current and planned activities.



The SF also outlines the principles of engagement, including modalities to strengthen local capacity, and partnership with International Organizations and NGOs, and the private sector. The implementation capacity of a diverse number of actors is required to channel SXM TF resources effectively and broaden the impact and reach of SXM TF activities. In this regard, in this period, the SXM TF Secretariat has actively sought partnership with other organizations such as the Red Cross, UNICEF, United Nations Office for

Project Services (UNOPS) and the International Cooperation Agency of the Association of Netherlands Municipalities (VNGI) to expand the number of implementation partners.

Annex 1 provides an overview of the alignment per area of intervention of current SXM TF Activities with the NRRP.

2.3 Guiding Principles for Trust Fund Use

The objective of the Netherlands' support to Sint Maarten's is to *support the material and non-material reconstruction and recovery of St Maarten wherever necessary, so as to restore vital infrastructure and sustainably boost the country's resilience to the effects of possible future disasters, natural and otherwise.*⁶

To achieve this objective, notwithstanding the full application of World Bank policies and procedures to the management of the SXM TF, it is mindful of the guiding principles set out by the Netherlands in the appendix to the Administration Arrangement. These underline that eligible activities will (i) address the damage caused by Hurricanes Irma, (ii) make significant improvements to the pre-hurricane situation on the island; (iii) and restore vital infrastructure whose breakdown would threaten social peace or national security. They express the intent to boost the country's resilience by improving crisis management and disaster preparedness, by promoting economic diversification and the enhancement of good governance, and by strengthening civil society. In addition, they emphasize the preference for projects "with a long-term vision that respect both people and the environment"⁷.

As per above guidelines, projects are assessed against their **necessity** (there are no other sources of funding), **additionality** (they crowd in private financing where possible), **suitability** (appropriate in scale considering capacity), **effectiveness** (will attain the objective and is consistent with Sint Maarten's long-term policy orientations), and **efficiency and legitimacy** (has safeguards in place to ensure both).

Finally, guidance from the Netherlands has emphasized the **centrality of good governance** to all activities undertaken by the SXM TF, both in terms of the anticipated results as well as the method of execution of all activities and oversight. The latter is supported by the strict application of World Bank processes and procedures for financial management, procurement and safeguards to all SXM TF financed activities.

2.3 Build Back Better Principle

To reduce current and future disaster-related losses, SXM TF interventions are designed to "build back better" by repairing or replacing assets in a more resilient and sustainable manner. Simultaneously, they aim to shorten and make recovery processes more efficient, and to ensure inclusiveness.

3 Activity Summary

3.1 Overview

As of June 15, 2019, the Netherlands has transferred at total of US\$305.7 million (EUR 262 million equivalent) to the Trust Fund. The first tranche of US\$134.4 million (EUR 112 million equivalent) was

⁶ Sint Maarten Irma Recovery, Reconstruction, and Resilience Trust Fund, Administration Agreement, April 27, 2018, Appendix.

⁷ Ibid.

received on April 27, 2018 and the second tranche of US\$171 million (EUR 150 million equivalent) was received on November 5, 2018.

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

Of the first tranche of US\$134.4 million received end April 2018, US\$127.7 million or approximately 95 percent was made available by end December 2018 to Sint Maarten to disburse in the form of four projects. Of this amount a total of US\$23.4 million were disbursed across the four projects to date, (about 18.4% of disbursements). The amount remaining to be disbursed is US\$104.3 million for project activities.

The four ongoing projects include 1) an **Emergency Recovery Project I** for US\$55.2 million aimed at urgent repairs and reconstruction and containing resources for the setting up of the National Recovery Bureau, 2 an **Emergency Income Support and Training Project** for US\$22.5 million which provides training, stipend and health insurance to under- and unemployed persons, and 3) a **Hospital Resilience and Preparedness Project** for US\$25 million which finances the repair and expansion of the existing Sint Maarten Medical Center and co-finances the building of a new hospital to Hurricane Category 5+ standards, and 4) an **Emergency Debris Management Project** for US\$25 million to suppress fires on the landfill sites and remove the remaining debris from the hurricane , including shipwrecks.

Another US\$ 214 million approximately are programmed to be committed to nine projects. Those under advanced preparation include: 1) the **Development Policy Operation** for US\$30 million; 2) the **Enterprise Recovery Project** for US\$35 million; 3) the **Airport Terminal Reconstruction Project** for US\$72 million, and 4) the **Long-Term Waste Management Project** for US\$35 million. Projects under early preparation phase include 3 projects: 1) Road Connectivity for US\$20 million, 2) NGO Grant Mechanism for \$7 million, and 3) Digital Development for \$15 million. Sections 3.2 and 3.3 provide details on project content.

Analytical Work

In addition, to underpin future projects and contribute to knowledge and policy improvements, a **program of analytical work** is being carried out in collaboration with the Government of Sint Maarten and local stakeholders. This work is listed in table 2 below. Resources allocated for this work at this time are US\$ 2.2 million but are expected to rise to once all activities approved by the Steering Committee have been fully funded. Disbursement to date are US\$1.5 million. Details are provided in Section 3.4.

Resources disbursed for the preparation and supervision of projects have amounted to US\$3.5 million to date. Resources are based on standard World Bank norms for preparation and supervision of projects, taking into consideration the need for speed and complexity of preparation, as well as needed ongoing capacity development due to limited capacity on the ground.

Program Management

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

3.2 Projects under Implementation

All projects are implemented by the NRPB on behalf of the Government of Sint Maarten, or agencies designated by the Government of Sint Maarten, with support from the World Bank. Since the launch of the Sint Maarten Trust Fund in April 2018, four projects have been approved⁸ for a total of US\$127.7 million.

	Projects under Implementation	Approved	Commitments (US\$ millions)	Disbursements (US\$ millions)
1	Emergency Recovery Project I (P167339)	7/10/18	55.2	11.46
2	Emergency Income Support and Training Project (P167368)	8/02/18	22.5	6.81
3	SXM Hospital Resiliency & Preparedness (P167532)	8/16/18	25.0	1.49
4	Emergency Debris Management Project (P167347)	12/21/18	25.0	3.64
	TOTAL		127.7	23.4

Implementation is progressing well in the areas of Health and in Social Protection where local Sint Maarten capacity was already in place. The SXM Trust Fund's financing provided additionality and strengthened resilience and sustainability to the hospital and supports re-skilling of unemployed citizens. Repairs to homes, public buildings and procurement of material is taking off and is expected to further accelerate during the second half of 2019, once procurement processes are finalized.

Emergency Recovery Project I

The Emergency Recovery Project (US\$ 55.2 Million) approved July 10, 2018,⁹ contributes to Sint Maarten's immediate emergency recovery needs. The project finances the repair of critical infrastructure (including shelters), emergency equipment and training, restoration of the electricity and water system, repairs of roofs and social housing, and the setting up of the NRPB.

Results: An important achievement of this project in September 2018 was the effective insurance of Sint Maarten under the CCRIF against the impact of tropical cyclones, earthquakes, and excess rainfall. This means that Sint Maarten is now eligible for rapid payouts of emergency cash when eligible weather events such as excessive rainfall, high winds, or a hurricane or an earthquake of a defined magnitude strike. Following hurricanes Irma and Maria in 2017, CCRIF made payouts totaling US\$55 million to nine countries, all paid within 14 days of disaster occurrence.

Progress has been made to repair homes, focussing on social housing, to address the needs of vulnerable people. The homes of over 500 people (109 houses) in Belvedere have been repaired prior to the hurricane season, by the Sint Maarten Housing Development Foundation (SMHDF). A technical audit is

⁸ Approved projects are endorsed for financing by the Steering Committee, have completed the full preparation, appraisal and approval process of the World Bank, this includes the signing of a legally binding grant agreement between the World Bank and the Government of Sint Maarten or its appointed representatives.

⁹ The project became effective July 18, 2018.

being completed to retro actively finance 160 repaired units by SMHDF. Repairs of private homes have started.

Critical repairs for two police stations in Philipsburg and Simpson Bay have been completed. The police stations are now equipped with doors and windows able to withstand hurricane category 5+ winds and a temporary roof, and are mold free, significantly improving the working conditions. The Police is now better able to provide emergency services from a safe base during the 2019 hurricane season. The purchase of breathing equipment and compressor for the fire department has been delivered.

Phase 2 of repairs to the police stations which include structural and large repairs have started. A fire truck, ambulances and additional equipment for the emergency services is also being procured.

The NRBP is working on expanding its capacity to manage implementation of the trust fund financed activities. In this period, key staff have been hired including the Director, Deputy Director, and additional project level staff. Communications, procurement and financial management consultants were also hired.

Emergency Income Support and Training Project

The objectives of the Emergency Income Support and Training Project (US\$ 22.5 Million)¹⁰ are to provide temporary income support and improve the employability of un- and under-employed workers, initially in the hospitality industry and progressively in other sectors, and to strengthen the social protection system. The project is built upon an initiative by key actors in the tourism industry who launched the Sint Maarten Training Foundation (SMTF) and started the Hospitality Training Program first financed privately and then supported by Government in the aftermath of Hurricane Irma. The program was designed to sharpen employee skills and pay them a stipend as well as cover their health insurance, while damaged hotels could not offer them work or salary. The scheme prevented large layoffs, supported the income of staff in need, while improving the competitiveness of participants. The project builds upon this model by expanding the sectors of intervention to include construction, plumbing, electrical for instance with the collaboration of the National Institute for Professional Advancement (NIPA). Most recently, the project has expanded the course offerings to Culture and History and English with the collaboration of the University of Sint Maarten (USM). The project also expanded the scope of eligible persons to the unemployed on Government's roster, providing access to some of the most vulnerable people on the island, regardless of their previous employment.

Results: The government signed a subsidiary agreement with the SMTF to implement the Income Support and Training Program. Since August 2018, the number of participants has increased from 728 to 1,074 qualified participants enrolled in the program, and 63 percent are women. Moreover, the program has further benefited the unemployed population, currently covering one of every four unemployed in the country (Labour Force Survey 2018). Unemployed participants represent 53 percent of total participants of which 27 percent are youth. Of the total participants, about 363 participants have returned to employment. Moreover, 1,050 certificates have been issued to students distributed in different courses. Furthermore, around 90 percent of construction trainees were placed in construction jobs.

The program has expanded its course offer to the construction sector. Overall the Program have had substantial advances, and further increase in the number of beneficiaries is to be achieved.

¹⁰ The project was approved August 2, 2018 and became effective August 9, 2018

Sint Maarten Hospital Resilience and Preparedness Project

Approved August 10, 2018,¹¹ the objective of the Sint Maarten Hospital Resilience and Preparedness Project (US\$ 25 Million from SXM TF resources to complement US\$75 Million from other sources) is to improve the preparedness and continuity of hospital services at the Sint Maarten Medical Center (SMMC), the only hospital on the island. The project co-finances the building of the new Sint Maarten General Hospital to ensure that the new facility is resilient to category 5+ Hurricanes. The new, 110-bed, hospital will substantially increase hospital capacity and enhance health services to the people of Sint Maarten. Furthermore, the project finances critical upgrades to the existing hospital during the transition period.

Results: The existing hospital is now fully functional with a reinforced roof able to withstand a category 4 hurricane (up from category 2) and a new fire detection system has been installed. Transition and Contingency Plans for the existing hospital have progressed well. Ongoing patient and staff safety projects include installation of an access control system, designs for a new medical gas distribution system, and procurement of a backup generator. The hospital's Emergency Disaster Preparedness Plan and Evacuation Plan is being updated including development of scorecard criteria to evaluate implementation performance of the plans. SMMC is also taking steps to achieve Joint Commission International accreditation, which benefits patient safety and quality of health care, including the recent establishment of a Quality and Safety Department, another step in the improvement of the quality and health outcomes of hospital services. SMMC has adopted a "taking quality and safety to the next level" motto to introduce this behavioral shift and focus including expanding the patient satisfaction survey to include outpatient care. As a result of the upgraded hospital, the scope of services provided has been expanded to include five new medical specialties (Urology, Orthopedics, Ophthalmology, Neurology, and Pulmonology) and the number of full-time equivalent emergency room doctors has increased 5.5 to 7.5 as well as expansion of dialysis services by adding five new positions. In early 2019, a dedicated Project Manager and Project Assistant were hired.

Emergency Debris Management Project

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

The problems at the municipal waste disposal site, Great Salt Pond Landfill, have existed for decades without being properly addressed and were exacerbated by Hurricane Irma. The site lacks an efficient and sanitary waste disposal system, and most of the debris is not separated, recycled, treated or disposed appropriately. This has created major environmental and social challenges. Hurricane Irma caused extensive property damage, producing debris both from the damage itself, and the subsequent demolition and reconstruction activities in Sint Maarten. It was estimated that 100,000 cubic meters of debris have been cleared and cumulated at a site adjacent to the existing municipal waste disposal site. Another 100,000 cubic meters remain in public space or is expected to be produced by the ongoing demolition and reconstruction activities. The massive amounts of debris being disposed and flareups caused by smoldering fires have endangered surrounding communities. In addition, more than 50 shipwrecks remain in the main lagoon in Simpson Bay.

¹¹ The project became effective September 6, 2018.

Fire suppression at the municipal waste disposal site and temporary debris storage site on Pond Island is a priority of this project. First, to protect the health and safety of adjacent households, a fire suppression exclusion zone needs to be established, where households and businesses can be resettled temporarily and/or permanently. The NRPB is currently completing the environmental safeguards impact assessment and a census of the surrounding areas to determine which households need to be resettled. Second, to support better waste management using environmental-friendly practices, the current landfill will be recontoured and potentially closed as part of the long-term waste management approaches. Finally, the municipal landfill capacity has been running low since hurricane Luis in 1995 and already reached its full capacity a few years ago, the footprint of the disposal site needs to be expanded to accommodate more waste in the near future after fire suppression. Critical social safeguards policies need to be complied with to ensure the safety of communities before fire suppression can begin.

The NRPB, Government and the World Bank are working to reach consensus about the scope of work of debris clearance and collection, ship salvaging, and resettlement planning and implementation, a prerequisite of key project activity such as fire suppression. In this period, procurement of heavy landfill equipment is being tendered. To address lukewarm market response due to less attractiveness of this remote market, NRPB is actively reaching out to more suppliers. The debris volume and ship inventory are being updated. Discussions to arrange the contracts of debris clearance and collection were concluded. Given the lack of government owned land, different options to undertake this activity are being discussed.

Results: To protect the lives and health of the people who will be affected by fire suppression activities, safeguards must be in place. As a result, the project has launched an Environmental Social Impact Assessment (ESIA) in May and is finalizing a Resettlement Action Plan (RAP) to identify resettlement options for communities that live near the smoldering waste disposal sites.

3.3 Projects under Preparation

Four new projects are under advanced preparation to address key challenges underlined in the NRRP and prioritized by the Netherlands' guiding principles for the Trust Fund. These aim at rebuilding the airport's terminal, improving waste management, budget support, and supporting MSMEs in their recovery.

	Sint Maarten RETF Projects under Preparation	Estimated amount (US\$ millions)	Estimated Month of Approval ¹²
1	Development Policy Operation	30.0	August 2019
2	Enterprise Recovery Project (P168549)	35.0	Pending final grant agreement
3	Airport Terminal Reconstruction (P176974)	72.0	September 2019
4	Solid Waste Management and Environmental Improvement	35.0	end of 2019
	TOTAL	172	

¹² Estimated timelines are subject to change to meet operational requirements, including appropriate consultation and safeguard preparation, in line with WB fiduciary and safeguard policies. In-country safeguard constraints may also impact timelines.

Airport Terminal Reconstruction

The Airport Terminal Reconstruction Project (estimated amount US\$72 million) aims to support the reconstruction of the terminal of the Princess Juliana International Airport (PJIA) to the pre-Irma passenger capacity with increased natural disaster resilience. PJIA is the main international airport serving Sint Maarten and Saint Martin (1.8 million passengers and 62,144 aircrafts per year). At the request of the Steering Committee and in keeping with the Maximizing Financing for Development guiding principles set by the Netherlands, the World Bank has approached external investors, including the European Investment Bank (EIB), to co-finance this project. Current projections estimate the terminal reconstruction work to cost approximately US\$129 million, of which US\$72 million would come from the SXM TF and US\$50 million is from an EIB loan, with the remainder being contributed by the Princess Juliana International Airport Operating Company N.V. (PJIAE). The SXM TF resources would be granted to the Government of Sint Maarten, who would on-lend these to PJIAE for the purposes of reconstructing the airport terminal at concessional rates. A fourth component has been added to the project for \$21 million (included in the overall amount of \$72 million) to provide liquidity support for operational expenses. Discussions are ongoing with the airport's current bondholders to close the financial package. The project is currently scheduled for approval early September 2019. As part of the preparation of the project, and as decided by the Steering Committee, the World Bank has conducted a Corporate Governance Assessment (CGA) of the Princess Juliana Airport Operating and Holding Companies to inform investment decisions by the Steering Committee. The Government has appointed a task force to implement key actions and recommendations from the Corporate Assessment.

As agreed by the Steering Committee, disbursements for reconstruction under the Airport Terminal Reconstruction Project until airport governance measures agreed between the Governments of Sint Maarten and the Netherlands have been implemented. This approval was provided with the agreement that effectiveness and/or disbursement conditions will be put in place preventing all spending under the project until 1) the Governance conditions of the Netherlands are met which include screening of all members of the management and supervisory board of the Princess Juliana International Airport Holding Company N.V. (PJIAH) and PJIAE; Chief Financial Officer position in PJIAE and a member of the supervisory board of the PJIAH ; establishment of a CGA implementation task force, 2) a financing package commensurate with the needs of all Steering Committee has been struck between PJIAE, the Government and the Bondholders, and 3) other financiers (EIB) have also made their financing effective. These conditions will be written into the grant agreement for the Airport Terminal Reconstruction Project being prepared by the World Bank.

The World Bank also financed a consultant to conclude a negotiation with the bondholders of the airport to reach an agreement of the overall financial package being offered to the airport. The negotiation led to the framework of an agreement by the bondholders of the release and use of insurance proceeds and a waiving of the debt service ratio requirements until the end of reconstruction as part of the overall financial package that is currently being finalized.

Enterprise Recovery Project

This Enterprise Recovery Project (estimated US\$35 Million) aims to support eligible MSMEs that have been impacted by Hurricane Irma last year, in accessing financial packages for asset replacement and working capital, through local financial institutions. A large percentage of MSMEs are unable to get financing from

local commercial banks as they have collateral requirements they cannot meet. The Enterprise Recovery Project will provide, subject to a business plan that is acceptable to a local financial institution, financial packages for MSMEs in the form of a combination of grants and loans. The total number of assisted enterprises is projected to reach 300 in the first year and to close to 600 in the fourth year. The project design was informed by the results of two surveys executed in 2018. The project also includes a component of training of participating financial intermediaries with the intention to encourage financial institutions to get more involved in lending to MSMEs, improve business continuity practices for disaster resilience, as well as a study to identify financial instruments for disaster resilience.

The World Bank and the NRPB will work through local financial institutions (FIs) who will support eligible enterprises. Three FIs have been pre-qualified for the initial roll-out of the project, other FIs will be able to join once the project is effective. The project was approved by the World Bank, and currently the project is being restructured, based on changes requested by the Government of Sint Maarten. The project is not yet effective.

Solid Waste Management and Environmental Improvement Project

This Solid Waste Management and Environmental Improvement Project (estimated US\$35 million) aims to improve long-term waste management and environmental protection and will be informed by a forthcoming study on long-term solutions to sustainable solid waste. Its broader objective will be to implement key elements of the government's long-term waste strategy and its Roadmap for Sustainable Waste Management. The project will draw upon an ongoing analytical exercise, the Long-Term Waste Management Advisory Service and Analytics (ASA), to develop sound evidence-based solutions for the island's waste management in the long run. It is expected that solution elements and options can be considered by end 2019. The ASA work will fill knowledge gaps pertaining to basic waste data (e.g. waste volume, composition, and origin etc.), the existing market for recycling and disposal of relevant types of wastes in the region, as well as technical, financial, and regulatory solutions to waste reduction, processing, and disposal, and an eventual follow-up on potential site selection and construction of a future sanitary landfill, as the current dumpsite is reaching its capacity and expected to close in the coming few years.

Development Policy Operation

The Steering Committee approved a Public Finance, Social Insurance and Resilience Development Policy Operation (DPO), which is the first in a series of two operations that aims to support Sint Maarten's comprehensive approach to a sustainable and resilient financial future. The Minister of Finance of Sint Maarten requested the preparation of a series of DPOs on January 25, 2019. US\$30 million have since been allocated in the Trust Fund for this purpose. The DPO will support improved public financial management, tax reform, public sector transparency, resilience measures and improved social insurance.

New Concept Notes in the Pipeline

At its meeting on November 6, 2018, the Steering Committee decided to assess the establishment of a facility or project aimed at supporting the efforts of NGOs in Sint Maarten and from the region and opportunities to expand collaboration with International Organizations in the context of recovery, reconstruction and resilience. Work on this topic began in early 2019. In May 16, 2019, the Steering Committee approved the creation of the NGO facility with an indicative funding of \$5 to 7 million. The

design of the NGO facility will foresee a transfer of responsibilities to a local organization and sustainable financing arrangements to be developed during the life of the TF grant. The grant preparation process has begun, and the design of the facility is expected to be finalized by the fall of 2019.

Road Connectivity

The Steering Committee approved a new Road Connectivity and Resilience Project on April 24 and 25, 2019, to improve connectivity in Sint Maarten with increased resilience, sustainability, and safety of transport infrastructure. The project supports the NRRP, which prioritized the construction of Link 6 and other emergency repairs and improvement of drainage. The project will also assist the economic recovery in improving connectivity in a sustainable way through building more capacity in the areas of resilience, road infrastructure maintenance, and transport service. The proposed project is preliminarily estimated as US\$20 million. Full compliance with the World Bank's environmental and social framework policies for all activities will be ensured. As the end of the Link 6 is connected to the French territory, the NRPB and the Government of Sint Maarten would also coordinate with the French-side Government as necessary.

Digital Development

The Digital Development project concept note was approved by the Steering Committee on April 24 and 25, 2019. The project aims to enhance the efficiency of delivery and access to selected public services for citizens and businesses, as well as the resiliency of government systems. The total project cost is estimated at US\$15 million. Based on an initial set of consultations, the following 3 components have been identified, with potential sub-components and activities. Depending on interest, the project could be done on a modular basis, selecting more specific activities for financing under the SXM TF. Component 1 aims to enhance public service delivery in Sint Maarten by transforming and scaling the existing Public Service Centers to be much more customer-centric. Component 2 will build common digital platforms across government. Component 3 will create the enabling environment for digital transformation including standards, protocols, and policies that are needed to enable a sustained digital transformation.

3.4 Analytical Work

When the NRRP was formulated it became clear that certain information gaps exist, therefore analytical work is underway to generate knowledge needed to inform decisions for new funding under future tranches of the SXM TF, as detailed in the table below.

Sint Maarten SXM TF Analytical Work (ongoing)		
Activities		Expected Delivery of Products ¹³
Community Recovery and Resilience		
1	Safe Schools and Shelters	Q4 CY20
2	Low income and Affordable Housing Reconstruction Analysis	DONE
3	Long Term Waste Solutions	In development
4	Sint Maarten Country Environmental Analysis	Q3 CY19
Economic Recovery and Resilience		
5	Informing SME and Tourism Recovery in Sint Maarten	Q3 CY19 (early results available)
6	Hotel Financing Analytics	Q3 CY 19
Government Recovery and Resilience		
7	Public Expenditure Review	Q4 CY20
8	Airport Corporate Governance	DONE

4 Capacity Observations and Communication Strategy

4.1 Project Implementation observations

New work environment

Since the signing of the SXM TF in April 2018, four projects were developed and are being implemented, with five more projects under preparation, despite capacity constraints in a completely new work environment. All projects currently under implementation were prepared in approximately one half to one third of the average time it takes to prepare a World Bank-managed project. This is even

¹³ Estimated timelines are subject to change to meet operational requirements and take into account available expertise and government availability.

though Sint Maarten, the World Bank and the Ministry of Interior and Kingdom Affairs of the Netherlands have started a new working relationship, involving a steep learning curve to understand how each of the institutions operates. Managing a new relationship between all three parties has meant that the SXM TF team has invested significantly in monthly reporting in writing and through frequent virtual meetings to keep all parties updated.

Project management capacity constraints and its solutions

After twelve months, program implementation continues to be challenging, considering the extreme capacity constraints on the island. Capacity is affected first by the limited numbers of people in Government able to manage several large projects at once, and second, by the limited availability of technical, engineering, safeguards, financial management and procurement capacity within Government.

With the establishment of the NRPB and appointment of its Director, Deputy Director, procurement officer and a few support staff, the implementation capacity is gradually increasing, but remains a key constraint, and capacity needs to be significantly increased to manage the scope and volume of projects. Limited capacity has affected disbursements, procurement of critical activities, and overall advancement on all projects. Only when all staff positions are filled, particularly those for program management, procurement, financial management and safeguards, project implementation can accelerate. As an interim solution the NRPB is hiring consultants for project management, procurement and engineering positions,

Hence, ministries and NRPB require hands on support which is provided by the World Bank by placing experienced engineers, procurement and safeguards and operations consultants at the service of the NRPB and ministries involved in the recovery and reconstruction. Additional time and resources are needed to better address these capacity constraints, while the staffing of the NRPB needs to be accelerated. To provide further support, a World Bank office headed by senior staff and supported by technical and procurement expertise is being set up in Philipsburg once the establishment agreement to make this possible is in place, in the meantime staff and consultants are hosted at the NRPB. Further support on procurement and safeguards will be considered to facilitate operational efficiency of all projects going forward.

Options to expand the delivery of activities through a framework agreement with a design and supervision consultancy and involving the non-governmental sector are also being explored with UNOPS to bolster project management capacity, planning and accelerate procurement as the portfolio is expected to grow rapidly in the second half of 2019.

Procurement constraints and its solutions

The initial procurement efforts to attract firms for urgent repair works show that there are market limitations. These limitations are partly explained by the fact that existing construction firms are busy with post-Irma works and thus face challenges in bidding for SXM TF projects. The small size and capacity of the market makes it difficult to find firms that can respond to demand for goods, works and services in a flexible and rapid manner. The lack of familiarity with competitive procurement procedures required by the World Bank is also a limiting factor, leading to incomplete bids and inflated prices. To address

these market constraints, efforts are being made to attract regionally and globally operating firms to address the current market failures.

Outreach and Communications

As part of the outreach the Chambers of Commerce of Sint Maarten, Curacao and Aruba, with support of the NRPB, the Dutch representation and the World Bank organized a virtual Webinar on “doing business with the World Bank”¹⁴ in May, which will be followed by interactive sessions in each of the countries where companies and consultants could discuss and interact with representatives of the NRPB, World Bank and the Dutch Rijksdienst voor Ondernemend Nederland (RVO)¹⁵. Further engagement with the media in Sint Maarten and in the Netherlands has been undertaken with interviews on radio and major news outlets, explanatory videos, project billboards, active social media campaigns and infographic adds.

Information on the SXM TF program can be found on the SXM TF website at:

<https://www.worldbank.org/en/country/sintmaarten> and the NRPB website: <https://nrpbsxm.org>

A video on the SXM TF program can be found at:

<https://www.worldbank.org/en/news/video/2019/05/16/sint-maarten-on-the-road-to-resilience>

¹⁴ The lecture can be viewed at:

https://1930181.mediaspace.kaltura.com/media/Info+sessions+CuracaoArubaSXM+-+May+9,+2019/1_vibon943/29528271

¹⁵ More information and presentations made during the info-sessions can be found at: <https://arubachamber.com/pages/sint-maarten/>

ANNEXES

Annex 1: Alignment of NRRP and Trust Fund activities

Pillar 1 – Community Recovery and Resilience	
NRRP Listed Areas of Engagement	Trust Fund Projects and Analytical Work
Housing <ul style="list-style-type: none"> Repair assistance Increase access to affordable housing Strengthen housing for climate resilience Facilitate ownership 	Housing Related Activities <ul style="list-style-type: none"> Emergency Recovery Project I (US\$55.2M): Roof and Social housing repairs, Technical Assistance for housing policy and resilience standards Low Income and Affordable Housing Reconstruction Analysis (ASA)
Health <ul style="list-style-type: none"> Resilient hospital construction Enhancing secondary healthcare services Ensure sustainable continuity of insurance coverage 	Health Related Activities <ul style="list-style-type: none"> Hospital Resiliency and Preparedness Project (US\$25M): repairs and upgrading of existing and construction of a new hospital to Hurricane 5+ resistant standards. Public Expenditure Review (ASA – analysis of health insurance cost and sustainability) Development Policy Operation (US \$30 million)¹⁶
Employment, Livelihoods and Social Protection <ul style="list-style-type: none"> Strengthen social assistance through trainings and programs to supplement household income Build additional shelters Improve social services and their targeting 	Social Protection and Emergency Recovery Related Activities <ul style="list-style-type: none"> Emergency Recovery Project I (US\$55.2M): rehabilitating 13 public shelters Emergency Income Support and Training Project (\$22.5m): Stipends, training and improvement of targeted social services Safe Schools and Shelters Assessment (ASA)
Solid Waste: <ul style="list-style-type: none"> Remove debris caused by Irma and address dump fires Implement recycling program to reduce waste Upgrade sewage networks 	Solid Waste Related Activities <ul style="list-style-type: none"> Emergency Debris Management Project (US\$25M) (under preparation) : Extinguishing fires, debris clearance, collection, and processing and improving landfill management Long-term Waste Solutions Analysis (ASA) supporting the development of Government’s roadmap for sustainable solid waste management Solid Waste Management and Environmental Improvement Project (US\$35M estimated) (planned) Investments in long term solutions
Education <ul style="list-style-type: none"> Repair and rebuild resilient schools, psychosocial support, improve safety and preparedness Strengthen legislation for resilience Train teachers in disaster management Strengthen programs for vulnerable children Improve vocational and tertiary education options in St. Maarten 	Education Related Activities <ul style="list-style-type: none"> Emergency Recovery Project I (US\$55.2M): Repairing schools and community facilities Safe schools and shelters (ASA): define repairs and resilience plans for schools.
Environment	Environment Related Activities

¹⁶ This operation finances multiple objectives and therefore appears in different places in the table

<ul style="list-style-type: none"> Rehabilitate and protect natural and built environments Strengthen environmental protection 	<ul style="list-style-type: none"> Solid Waste Management and Environmental Improvement Project (US\$35M estimated) (planned) Country Environmental Analysis (ASA)
Pillar 2 Economic Recovery and Resilience	
NRRP Listed Areas of Engagement	Trust Fund Projects and Analytical Work
Macroeconomic Outlook <ul style="list-style-type: none"> Strengthen capacity for tax collection and fiscal policy formulation 	Macroeconomic Related Activities <ul style="list-style-type: none"> Public Expenditure Review (ASA) Development Policy Operation (US \$30 million)
Tourism and Commerce <ul style="list-style-type: none"> Secure and strengthen resilience of tourism sector Diversify the economy through supporting SMEs 	Tourism and Commerce related activities <ul style="list-style-type: none"> Enterprise Recovery Project (US\$35m, under preparation); access to finance for MSMEs Informing SME and Tourism Recovery (ASA); analysis of tourism support needs
Finance <ul style="list-style-type: none"> Increase access to credit and affordability of investment capital 	Finance related activities <ul style="list-style-type: none"> Enterprise Recovery Project (US\$35m, under preparation); Financial intermediaries are supported to provide greater access to finance for MSMEs.
Pillar 2 Economic Recovery and Resilience (continued)	
NRRP Listed Areas of Engagement	Trust Fund Projects and Analytical Work
Airport <ul style="list-style-type: none"> Repair and rebuild airport for greater resilience 	Airport related activities <ul style="list-style-type: none"> Airport Terminal Reconstruction Project (US\$51M, under preparation)
Ports and Marinas <ul style="list-style-type: none"> Restore ports and marinas while ensuring greater resilience 	Ports and Marinas <ul style="list-style-type: none"> Emergency Debris Management Project (US\$25M, under preparation): Vessel Salvaging
Roads and Drainage <ul style="list-style-type: none"> Improve the drainage network in communities with recurrent flooding 	Roads and Drainage Related Activities <ul style="list-style-type: none"> Road Connectivity and Resilience Project (US \$20 million)
Utilities and ICT <ul style="list-style-type: none"> Improve delivery of Water, Electricity, ICT Services 	Utilities and ICT related activities <ul style="list-style-type: none"> Emergency Recovery Project I (US\$55.2M) (Water storage and distribution and Electricity repairs) Hospital Resiliency and Preparedness Project (US\$25M) Fiberoptic connection for Hospital Digital Development Project (US \$15 million) modernize public service centers
Pillar 3 Government Recovery and Resilience	
NRRP Listed Areas of Engagement	Trust Fund Projects and Analytical Work
Disaster Risk Management <ul style="list-style-type: none"> Strengthen the National Meteorological Service Strengthen and repair communications of the fire department Integrate into the Caribbean Disaster Emergency Agency Develop a risk-financing Strategy/join (CCRIF) 	Disaster Risk Management Related Activities <ul style="list-style-type: none"> Emergency Recovery Project I (US\$55.2M); Fire department communication equipment and repairs, capacity building, improvement of hydromet services. Accession into the Caribbean Catastrophe Risk Insurance Facility (CCRIF) Knowledge-sharing about risk financing with other Caribbean countries Development Policy Operation (US \$30 million)
Governance and Public Financial Management <ul style="list-style-type: none"> Implement Government Financial Management Information System Modernize ICT systems 	Governance and Financial Management Related Activities <ul style="list-style-type: none"> Public Expenditure Review (ASA) – Analysis of public expenditures and systems Development Policy Operation (US \$30 million) Digital Development Project (US \$15 million) modernize ICT back systems and services

<ul style="list-style-type: none"> • Implement a tax reform • Rebuild the Tax Receivers/Registry building 	<ul style="list-style-type: none"> • Corporate Governance Strengthening - Airport ASA and TA
<p>Justice, Public Safety and Security</p> <ul style="list-style-type: none"> • Repair and Strengthen prisons and police Stations • Relocate and equip the 911 dispatch center • Properly equip law enforcement Staff • Address critical ICT needs. 	<p>Justice, Public Safety and Security</p> <ul style="list-style-type: none"> • Emergency Recovery Project (US\$55.2 M) – Repairing of two police stations and extension of the Emergency Operations Center
<p>Additional Public Buildings</p> <ul style="list-style-type: none"> • Repair additional public buildings such as the Post Office, National Library and the National Civil Aviation building 	<p>Additional Public Buildings</p> <ul style="list-style-type: none"> • Emergency Recovery Project (US\$55M), Repairing of key Government buildings

Projects under implementation in **Bold**

Projects under preparation in **Blue**

ASA: Advisory Services and Analytics

ANNEX 2: Results Framework – Projects under implementation

Emergency Recovery Project

Development Objective: Contribute to Sint Maarten’s immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction.

- **Outcome Indicator 1:** Number of critical disaster preparedness and response facilities repaired to resilient standards.
Baseline: 0; **Target:** 10
- **Outcome Indicator 2:** Share of households with electrical services resilient to hurricanes
Baseline: 86%; **Target:** 93%
- **Outcome Indicator 3:** Water storage capacity of Sint Maarten utility (average daily demand)
Baseline: 0.7 days; **Target:** 2 days
- **Outcome Indicator 4:** Housing units repaired to resilient standards
Baseline: 0; **Target:** 350
- **Outcome Indicator 5:** Number of public buildings, other than emergency preparedness and response facilities, repaired to resilient standards.
Baseline: 0; **Target:** 8
- **Outcome Indicator 6:** Percentage of projects of which the implementation is deemed satisfactory or moderately satisfactory as per the World Bank rating.
Baseline: 0; **Target:** 75%

Emergency Income Support and Training Project

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

- **Outcome Indicator 1:** Number of Beneficiaries enrolled in the EISTP receiving income support on a monthly basis in exchange for their participation in EISTP training and achieved the minimum attendance rate.
Baseline: 727 (of which 420 are female); **Target:** 1,155 (of which 670 are female).
- **Outcome Indicator 2:** Percentage of beneficiaries who complete training in an occupational area.
Baseline: 0; **Target:** 50 % (of which half are female)
- **Outcome Indicator 3:** Number of records in the Social Registry
Baseline: 0
Target: 1,000

Hospital Resilience and Preparedness Project

Development Objective: Improve the preparedness and capacity of hospital services.

- **Outcome Indicator 1:** Overseas medical referrals reduced (percentage)
Baseline: 0; **Target:** 45%
- **Outcome Indicator 2:** Emergency Disaster Preparedness Plan and Evacuation Plan implemented according to procedures (percentage)
Baseline: 60%; **Target:** 90%
- **Outcome Indicator 3:** Technical audits to evaluate quality and preparedness of service delivery rated satisfactory (percentage)
Baseline: 0; **Target:** 90%

Emergency Debris Removal Project

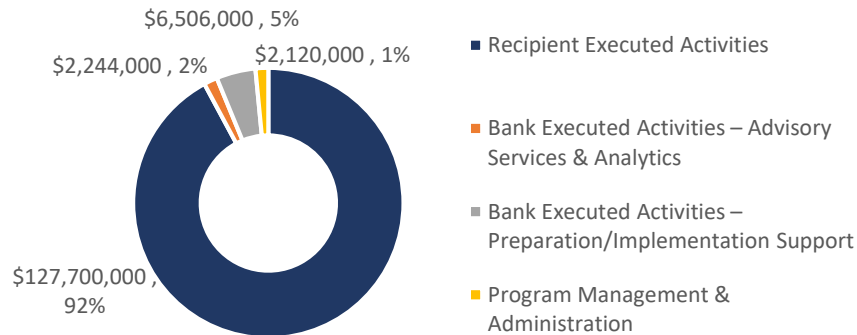
Development Objective: To manage debris from the hurricane and reconstruction activities.

- **Outcome Indicator 1:** Volume of land-based debris is safely cleared and processed (Cubic Meters).
Baseline: 0; **Target:** 150,000
- **Outcome Indicator 2:** Number of vessels safely recovered and salvaged.
Baseline: 0; **Target:** 100
- **Outcome Indicator 3:** Extinguish fires at the two disposal sites (the municipal disposal site and the temporary Irma debris) (number)
Baseline: 0; **Target:** 2

ANNEX 3: Financial Overview as of JUNE 2019

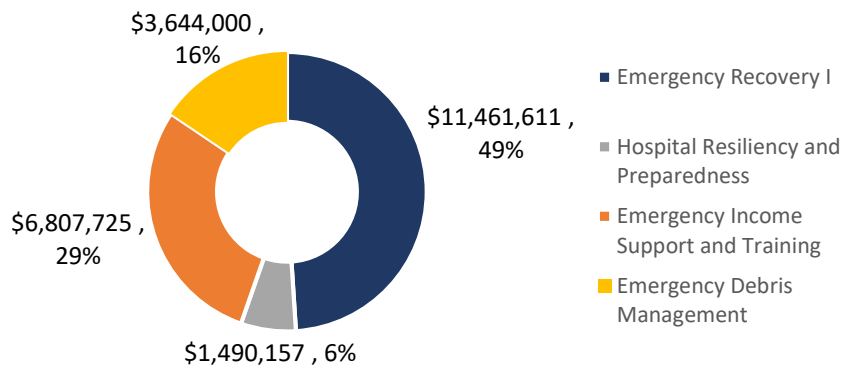
Total contributions from the donor to the Trust Fund for the period April 2018-June 2019 amounted to \$305.7 million, paid in April and November 2018. Total disbursements (for operations and administration) reached \$30.1 million and undisbursed commitments \$105.4 million. The disbursements in January-June 2019 totaled \$8.4 million. After adjusting for investment income and the administration fee, the Trust Fund balance is \$173.2 million from contributions which will be allotted to confirmed activities.

ALLOCATION OF ACTIVITY FUNDS



Funds allocated directly to operations, analytical work, and client support (Recipient Executed Activities, Advisory Services and Analytics and Preparation and Implementation Activities) total \$138.6 million and \$2.1 million have been allocated to Program Management and Administration to date. Of the operational allocations made, \$ 25.4 million were allotted in January-June 2019.

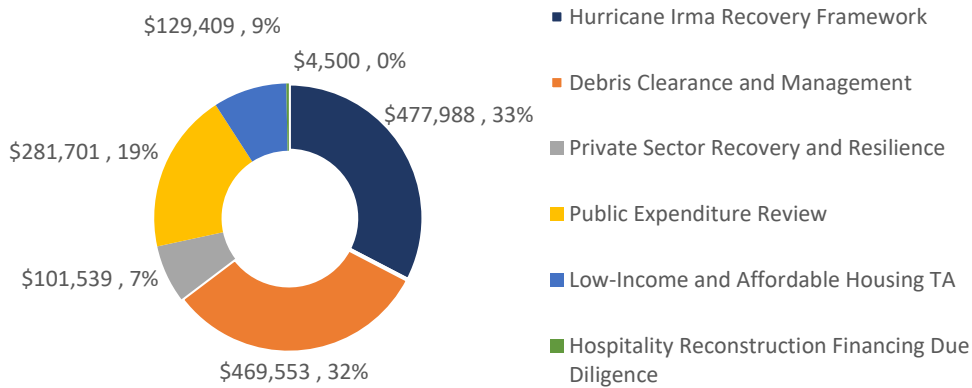
DISBURSEMENT OF RECIPIENT EXECUTED ACTIVITIES



Recipient-executed activities (Investment Projects) were allotted funding in four grants: 1) Emergency Recovery I; 2) Hospital Resiliency and Preparedness; 3) Emergency Income Support and Training; and 4) Emergency Debris Management.

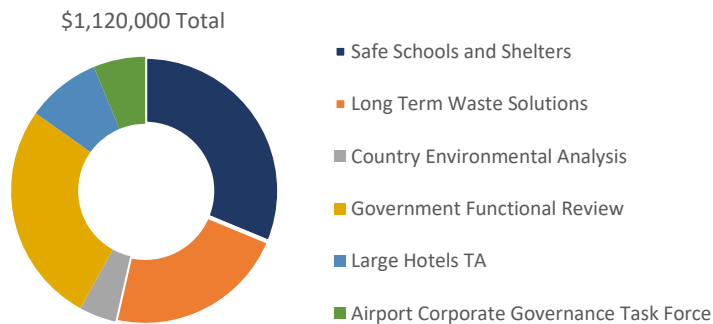
Funds disbursed by these grants amounted to USD \$23.4 million, of which \$5.6 million in January-June 2019, and a further \$104.3 million remains available for disbursement under these projects.

DISBURSEMENT OF BANK EXECUTED ADVISORY SERVICES & ANALYTICAL ACTIVITIES



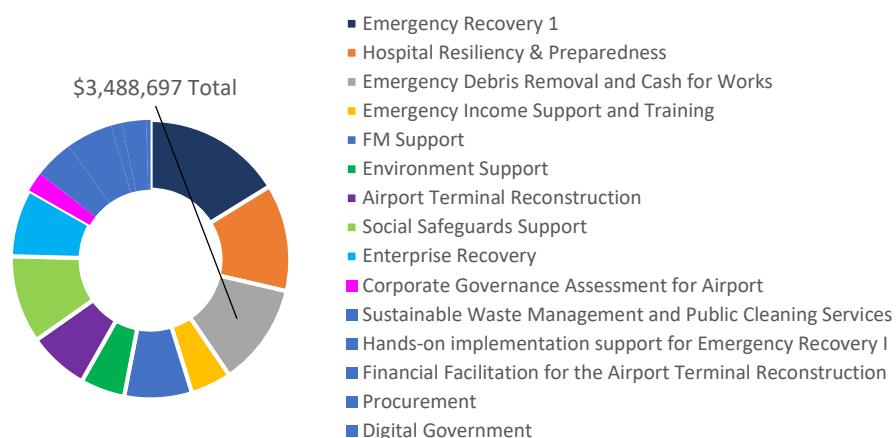
In April 2018-June 2019, Bank-executed Advisory Services & Analytical Activities were allotted funding in six grants: 1) Hurricane Irma Recovery Framework (retroactive funding for the development of the NRPP); 2) Debris Clearance and Management (funding for environmental and firefighting expertise); 3) Private Sector Recovery and Resilience; 4) Public Expenditure Review; 5) Low-income and Affordable Housing TA; and 6) Hospitality Reconstruction Financing Due Diligence. Funds disbursed so far under these grants amounted to \$1.5 million, of which about half (\$734,683) was in January-June 2019, with a further \$205,905 in undisbursed commitments.

ALLOCATIONS FOR BANK EXECUTED ADVISORY SERVICES & ANALYTICAL ACTIVITIES



The SXM Steering Committee has approved six grants for Advisory Services and Analytical Activities which are ongoing: 1) Safe Schools and Shelters; 2) Long Term Waste Solutions; 3) Country Environmental Analysis; 4) Government Functional Review; 5) Large Hotels TA; and 6) Airport Corporate Governance Task Force. Disbursements are not yet shown as of June.

DISBURSEMENT OF BANK EXECUTED PREPARATION/IMPLEMENTATION SUPPORT ACTIVITIES



Bank-executed Preparation/Implementation Support funds were allotted to fifteen grants. Total disbursements were \$3.5 million, of which \$1.3 million in the period January-June 2019, with a further \$836,404 in undisbursed commitments.

TABLE I: DISBURSEMENTS AS OF JUNE 2019 IN USD

	REPORTING PERIOD ENDED JUNE 18, 2019 (USD)
Funds Committed by Government of the Netherlands	\$538,739,000
Funds Received from Government of the Netherlands	\$305,727,000
Investment Income	\$6,712,912
Admin Fee	\$3,831,000
Total Disbursements	\$30,094,663
Operational (RETF and BETF)	\$28,358,022
Non-Operational (PM&A)	\$1,736,641
Total Commitments (amounts committed for planned expense but not yet disbursed)	\$105,353,867
Operational (RETF and BETF)	\$105,338,816
Non-Operational (PM&A)	\$15,051
Funds Available for Disbursement/Allocation of Confirmed Activities	\$173,160,381
Funds Outstanding from Government of the Netherlands	\$233,012,000

TABLE II: SUMMARY OF DISBURSEMENTS FOR ACTIVITIES IN USD

ACTIVITY	TOTAL BUDGET ALLOCATED	APRIL 2018-JUNE 2019 DISBURSEMENTS	APRIL 2018-JUNE 2019 COMMITMENTS	AVAILABLE BALANCE*
Total	\$138,570,000	\$30,094,663	\$105,353,867	\$3,121,470
Recipient Executed Activities	\$127,700,000	\$23,403,493	\$104,296,507	
TF0A8079 Emergency Recovery I	\$55,200,000	\$11,461,611	\$43,738,389	
TF0A8176 Hospital Resiliency and Preparedness	\$25,000,000	\$1,490,157	\$23,509,843	
TF0A8265 Emergency Income Support and Training	\$22,500,000	\$6,807,725	\$15,692,275	
TF0A9261 Emergency Debris Management	\$25,000,000	\$3,644,000	\$21,356,000	
Bank Executed Activities	\$8,750,000	\$4,954,529	\$1,042,309	\$2,753,162
Advisory Services & Analytics	\$2,244,000	\$1,464,690	\$205,905	\$573,405
Preparation/Implementation Support	\$6,506,000	\$3,489,839	\$836,404	\$2,179,757
Program Management & Administration	\$2,120,000	\$1,736,641	\$15,051	\$368,308

*Available Balance means total budget minus disbursements and commitments.

ANNEX 4: SXM TF Governance Structure

The Trust Fund is a tripartite partnership between the Government of Sint Maarten, the Government of The Netherlands and the World Bank Group.

Steering Committee

The Trust Fund is governed by a Steering Committee composed of representatives of the Government of Sint Maarten, the Netherlands, and the World Bank. The Steering Committee decides on Trust Fund allocations by consensus for the funding of short, medium, and long-term recovery projects and required capacity building activities.

Member of the Steering Committee are the following:

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

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

The World Bank's Program Manager heads up the Trust Fund's secretariat on behalf of the World Bank.

In Sint Maarten

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

Further information about Trust Fund Management can be found in the Trust Fund's Administration Arrangement.