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Report No: PAD2900

PROJECT APPRAISAL DOCUMENT  
ON A  
PROPOSED GRANT  
IN THE AMOUNT OF  
US\$ 55.2 MILLION

FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
ACTING AS ADMINISTRATOR OF THE  
SINT MAARTEN: HURRICANE IRMA RECONSTRUCTION, RECOVERY AND RESILIENCE TRUST FUND  
TO  
SINT MAARTEN  
FOR A  
SINT MAARTEN EMERGENCY RECOVERY PROJECT I  
JULY 10, 2018

Social, Urban, Rural and Resilience Global Practice  
Latin America And Caribbean Region

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## CURRENCY EQUIVALENTS

Exchange Rate Effective June 20, 2018

Currency Unit =	Netherlands Antillean Guilder
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Naf 1.81 =	US\$1
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## FISCAL YEAR

January 1 - December 31

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## ABBREVIATIONS AND ACRONYMS

ARAP	Abbreviated Resettlement Action Plan
BP	Bank Policy
CFW	Cash-for Work
CMU	Country Management Unit
COM	Sint Maarten Council of Ministers
CCRIF	Caribbean Catastrophe Risk Insurance Facility
EA	Environmental Assessment
EOC	Emergency Operations Center
ESAP	Environmental and Social Action Plan
EMP	Environmental Management Plan
EUR	Euro
FM	Financial Management
FMSB	Financial Management Sector Board
FY	Fiscal Year
GDP	Gross Domestic Product
GEBE	Sint Maarten's Water and Electricity Utility (Gemeenschappelijk Elektriciteitsbedrijf Bovenwindse Eilanden)
GRS	Grievance Redress Service
ICR	Interim Completion Report
IDEZ	Inspection Department Economic Affairs
IFC	International Finance Corporation
IFRs	Interim Financial Reports
IPF	Investment Project Financing
IRC	Interim Recovery Committee
M&E	Monitoring and Evaluation
MDS	Meteorological Department of Sint Maarten
MECYS	Ministry of Education, Culture, Youth and Sport
MGA	Ministry of General Affairs
MIS	Monitoring Information System
MOF	Ministry of Finance
MSMEs	Micro, small, and medium-sized enterprises
NOAA	National Oceanographic and Atmospheric Administration
NRPB	National Recovery Program Bureau
NRRP	National Recovery and Resilience Plan
OP	Operational Policy
PAD	Project Appraisal Document
PDO	Project Development Objective
PPSD	Project Procurement Strategy for Development
RF	Results Framework
RPF	Resettlement Policy Framework
SDTF	Single-Donor Trust Fund
SMHDF	Sint Maarten Housing Development Foundation
SORT	Systematic Operations Risk-Rating Tool

TA	Technical Assistance
TEATT	Ministry of Tourism, Economic Affairs, Traffic and Telecommunications
TF	Trust Fund
TOR	Terms of Reference
UNDP	United Nations Development Programme
VROMI	Ministry of Public Housing, Spatial Planning, Environment and Infrastructure
VSA	Ministry of Public Health, Social Development and Labor
WB	World Bank
WIB	Windward Island Bank



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## DATASHEET

**BASIC INFORMATION**

Country(ies)	Project Name		
St Maarten	Sint Maarten Emergency Recovery Project I		
Project ID	Financing Instrument	Environmental Assessment Category	Process
P167339	Investment Project Financing	B-Partial Assessment	Urgent Need or Capacity Constraints (FCC)

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-linked Indicators (DLIs)	<input checked="" type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	

Expected Approval Date	Expected Closing Date
10-Jul-2018	01-Jun-2023

Bank/IFC Collaboration

No

**Proposed Development Objective(s)**

The Project Development Objective (PDO) is to contribute to Sint Maarten's immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction.

**Components**

Component Name	Cost (US\$, millions)
Emergency measures for the recovery of disaster first responders and preparedness facilities	14.75
Restore Utilities Services after Hurricane Irma	11.60
Housing Repair and Public Buildings Repair and Reconstruction	19.85
Institutional Support for Reconstruction	9.00

**Organizations**

Borrower:	Government of Sint Maarten
Implementing Agency:	National Recovery Program Bureau

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

Total Project Cost	55.20
Total Financing	55.20
of which IBRD/IDA	0.00
Financing Gap	0.00

**DETAILS****Non-World Bank Group Financing**

Trust Funds	55.20
Free-standing Single Purpose Trust Fund	55.20

**Expected Disbursements (in US\$, Millions)**

WB Fiscal Year	2018	2019	2020	2021	2022	2023
Annual	0.00	17.20	18.00	16.00	2.00	2.00
Cumulative	0.00	17.20	35.20	51.20	53.20	55.20

**INSTITUTIONAL DATA****Practice Area (Lead)**

Social, Urban, Rural and Resilience Global Practice

**Contributing Practice Areas**

Water

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

**Gender Tag****Does the project plan to undertake any of the following?**

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF	No
b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment	No
c. Include Indicators in results framework to monitor outcomes from actions identified in (b)	No

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)****Risk Category****Rating**

1. Political and Governance	● Substantial
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● High
6. Fiduciary	● High
7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Other	● Low





10. Overall

● Substantial

## COMPLIANCE

### Policy

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No

### Safeguard Policies Triggered by the Project

Yes

No

Environmental Assessment OP/BP 4.01

✓

Performance Standards for Private Sector Activities OP/BP 4.03

✓

Natural Habitats OP/BP 4.04

✓

Forests OP/BP 4.36

✓

Pest Management OP 4.09

✓

Physical Cultural Resources OP/BP 4.11

✓

Indigenous Peoples OP/BP 4.10

✓

Involuntary Resettlement OP/BP 4.12

✓

Safety of Dams OP/BP 4.37

✓

Projects on International Waterways OP/BP 7.50

✓

Projects in Disputed Areas OP/BP 7.60

✓

### Legal Covenants

#### Sections and Description

Grant Agreement (GA), Schedule 2, Section I.A.1. The Recipient shall maintain throughout Project implementation, with composition, resources, terms of reference and functions acceptable to the World Bank, the IRC and, subsequently, the NRPB, to be responsible for: (a) the implementation of the Recipient's National Recovery and Resilience Plan and specifically to manage the program of projects financed by the Trust Fund, and (b) the management, coordination and implementation of the Project.

#### Sections and Description

GA, Schedule 2, Section I.A.2. In carrying out Part 1 (b) (iii) of the Project, the Recipient, through its Council of



Ministers, shall identify the ministries and agencies to receive replacement priority vehicles based on the most urgent need, acceptable to the World Bank.

Sections and Description

GA, Schedule 2, Section I.A.3 and I.B.1. By not later than sixty (60) days after the date of this Agreement, to facilitate the carrying out of Part 2 of the Project, the Recipient shall execute a subsidiary agreement with GEBE, and shall cause GEBE to maintain, at all times during the execution and until completion of the Project, responsibilities, structure and functions satisfactory to the World Bank and with adequate resources and with adequate qualifications, for the purposes of carrying out its responsibilities under the Project.

Sections and Description

GA, Schedule 2, Section I.A.4. In carrying out Part 3 (a) of the Project, the Recipient, through VSA, shall select beneficiaries in accordance with selection criteria and processes acceptable to the World Bank, and such criteria and processes shall be set forth in the POM once their acceptability have been confirmed by the World Bank.

Sections and Description

GA, Schedule 2, Section I.A.5 and I.B.2. By not later than sixty (60) days after the date of this Agreement, to facilitate the carrying out of Part 3 (b) of the Project, the Recipient shall execute a subsidiary agreement with SMHDF, and shall cause SMHDF to maintain, at all times during the execution and until completion of the Project, responsibilities, structure and functions satisfactory to the World Bank and with adequate resources and with adequate qualifications, for the purposes of carrying out its responsibilities under the Project.

Sections and Description

GA, Schedule 2, Section I.A.6. In carrying out Part 4 (c) of the Project, the Recipient shall make the proceeds of the Grant available to the CCRIF, pursuant to a participation agreement and an insurance agreement executed by the Recipient and the CCRIF.

Sections and Description

GA, Schedule 2, Section I.A.7. The Recipient shall appoint or ensure the appointment of representatives to, and ensure the appropriate participation in and support of, the Program Steering Committee..

Sections and Description

GA, Schedule 2, Section I.C. By not later than fourteen (14) days after the date of this Agreement, the Recipient shall have finalized the POM, in substance and form, and in a manner acceptable to the World Bank.

Sections and Description

GA, Schedule 2, Section I.D. The Recipient shall prepare and furnish to the World Bank not later than April 1st of each year during the implementation of the Project, a proposed Annual Work Plan and Budget, afford the World Bank a reasonable opportunity to exchange views with the Recipient, and ensure that the Project is implemented with due diligence during said following year.

Sections and Description

GA, Schedule 2, Section I.E.1. Not later than thirty (30) days after the date of this Agreement, the Recipient shall, after proper public consultation, adopt and publicly disclose an Environmental Management Plan, and any



Abbreviated Resettlement Action Plan(s) ("ARAP(s)") and Hazard Risk Assessment(s), for the Project, and thereafter incorporate and maintain Safeguard Instruments in the POM, all to the satisfaction of the World Bank.

Sections and Description

GA, Schedule 2, Section I.E.4. Civil works under the Project shall begin: (a) only after the requisite Borrower Safeguard Instruments have been prepared, properly consulted on, adopted and publicly disclosed; and (b) in the case of any Involuntary Resettlement, only after the respective Displaced Persons have been compensated in accordance with the relevant ARAP(s).

Sections and Description

GA, Schedule 2, Section I.E.5. In carrying out Parts 1 and 2 of the Project, the Recipient shall ensure that the activities involve no land acquisition or Involuntary Resettlement, and shall immediately inform the World Bank of any circumstances that have arisen or that may arise concerning: (a) the Recipient's legal possession of a proposed or selected site; or (b) the possibility of Involuntary Resettlement on a proposed or selected site, recognizing that any civil works related to Parts 1 and 2 of the Project that are carried out under such circumstances shall not be eligible for Grant financing under this Agreement.

Sections and Description

GA, Schedule 2, Section I.E.6. In carrying out Part 3 of the Project, the Recipient shall take all necessary actions to minimize, to the extent possible, any Involuntary Resettlement and shall make all necessary payments of compensation in accordance with the relevant ARAP(s) prior to the commencement of any of the related civil works.

Sections and Description

GA, Schedule 2, Section I.E.7. Prior to the selection of consultants for technical advisory services or contractors for civil works, the Recipient shall submit to the World Bank for no-objection the terms of reference for such services, which shall incorporate the requirements of the World Bank's Safeguard Policies then in force.

Sections and Description

GA, Schedule 2, Section I.E.8. The Recipient shall ensure that: (a) any technical advice conveyed through technical assistance financed under this Agreement complies with the requirement of the relevant Safeguard Policies then in force; (b) all contractors carrying out the Project perform their work in accordance with the technical and environmental practices applicable to the Project, in accordance with the World Bank's Safeguard Policies, and as set forth in the Safeguard Instruments, and under terms of reference and with qualifications and experience necessary to satisfactorily carry out the design and construction of the Project, and all of which shall be acceptable to the World Bank; and (c) any contracts for civil works under the Project include Codes of Conduct, for local and international contractors, their staff, guest workers, laborers, and government employees, in form and substance acceptable to the World Bank.

Sections and Description

GA, Schedule 2, Section I.E.10. By not later than thirty days (30) days following the Effective Date, the Recipient shall establish, and thereafter maintain and publicize throughout Project implementation, a Project feedback and grievance redress mechanism, in form and substance satisfactory to the World Bank.



#### Sections and Description

GA, Schedule 2, Section I.E.11. The Recipient shall: (a) not later than five (5) calendar days after the occurrence of a Significant Event, inform the World Bank by any electronic means of the nature of the incident, accident, or circumstance and any effect or impact (whether on-site or off-site) resulting or likely to result there from; (b) not later than thirty (30) days after such Significant Event, provide the World Bank with a summary report that includes a description of such Significant Event, and the measures, if any, that the Recipient is taking or plans to take to address such Significant Event and to prevent any future similar event; and (c) keep the World Bank informed of the on-going implementation of the said measures and plans.

#### Sections and Description

GA, Schedule 2, Section III.A. By not later than fourteen (14) days after the date of this Agreement, the Recipient shall finalize and publicly disclose an initial procurement plan for the Project, which shall be in form and substance satisfactory to the World Bank.

#### Conditions

Type	Description
Effectiveness	GA, Sections 5.01 and 5.02. The Recipient shall provide a legal opinion acceptable to the Bank showing that: (a) the Minister of General Affairs has been authorized and thus has the legal capacity to carry out the Project, through the Interim Recovery Committee, on behalf of the Recipient in accordance with this Agreement; and (b) the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.
Type Disbursement	Description GA, Schedule 2, Section IV.B.1(a). Retroactive financing for civil works may be allowed only following an Environmental and Social Safeguards Audit, satisfactory to the World Bank, showing that the pertinent obligations set forth in the Grant Agreement as applicable to each Eligible Expenditure have been complied with.
Type Disbursement	Description GA, Schedule 2, Section IV.B.1(b). Financing of civil works may be allowed only after the relevant Borrower Safeguard Instruments have been adopted, made public, and incorporated into the Project Operations Manual.
Type Disbursement	Description GA, Schedule 2, Section IV.B.1(c). Financing for works under the roof repair component may be allowed if the criteria and processes for the selection of beneficiaries under Part 3 (a) of the Project are determined to be acceptable by the World Bank in accordance with Section I.A.4 of Schedule 2 to the Grant Agreement.



## **I. STRATEGIC CONTEXT**

### **A. Country Context**

1. Sint Maarten is a high-income constituent country<sup>1</sup> of the Kingdom of the Netherlands in the Caribbean. It occupies the southern half of an island shared with the French overseas collectivity of Saint Martin. It is the most densely populated country in the Caribbean with a population of over 40,000 and a per capita Gross Domestic Product (GDP) of \$25,3812. Sint Maarten is currently rebuilding from damage of hurricane Irma that has claimed lives and deteriorated the socio-economic environment in the island.
2. 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), Luis in 1995 (Category 4), and Irma 2017 (Category 5 on Saffir-Simpson scale). Due to the size of the country, a single storm has the potential to directly impact the entire population. High winds, rainfall and flooding are the principal risk factors while the country is also vulnerable to earthquakes. Coastal areas are exposed to flood risk from storm surge and tsunamis. Increased urbanization along with climate change and limited country capacity to build with resilience adds to its vulnerability to natural hazards.
3. Natural hazards have catastrophic impacts on the country's economy since it relies on tourism. Tourism accounted for 45 percent of its GDP and 73 percent of its foreign exchange in 2016. In addition, activities in the transport, storage and communication sector also related to tourism contributed 11 percent of GDP to the country's total foreign exchange income in 2016. The harbor of Sint Maarten is a significant port for cruise tourism in the Caribbean, with 1.7 million cruise passengers per year. The airport is an important hub for regional travel with a large network of connecting flights across the Caribbean. However, the tourism industry has not led to high growth in recent years and tourism economy is vulnerable to seasonality and weather.

### **Urgent Need of Assistance**

4. Sint Maarten needs urgent assistance after the Hurricane Irma, a category 5 hurricane, hit the island on September 6, 2017, with winds of more than 185 mph (296km/h) leaving a trail of devastation throughout the country. During the landfall, the storm's eye passed directly through Sint Maarten exposing it to the highest wind velocities in the storm. Irma was shortly followed by another smaller-scale hurricane Maria on 19<sup>th</sup> of September further damaging the country's infrastructure. The World Bank estimates damages and losses related to Hurricane Irma at US\$ 1.38 billion and US\$ 1.35 billion (both about 129 percent of GDP), respectively, affecting 90 percent of all infrastructure and large parts of the natural environment.
5. Reconstruction and recovery needs are greater than currently identified public and private resources. Sint Maarten's economy is expected to contract by 8.5 percent in 2018, following an estimated 4.5 percent contraction in 2017. Growth is projected to rebound in 2019 and the country is expected to return to its pre-Hurricane Irma real GDP level by 2025. Private external finance from direct investment, loans, pay-out of

<sup>1</sup> Sint Maarten is one of the four constituent countries of the Kingdom of the Netherlands, along with Netherlands, Aruba, and Curacao

<sup>2</sup> From Central Bank of Curacao and Sint Maarten, based on 2018 estimates.



insurance claims, and funds held abroad will be needed to finance reconstruction of private properties and businesses. A sharp decline in tax revenue due to the economic contraction following the disaster has cut public resource availability while the need for public expenditure to rebuild public infrastructure and assist the affected population has risen sharply.

6. The social and economic effects of Hurricane Irma and the disaster's impact on poverty levels could be significant if action is not immediately taken. In the absence of a national poverty line for St. Maarten, a UNDP benchmark for poverty based on minimum wage<sup>3</sup> indicates that 26.87 percent of households (approximately 3,762 households) are poor and live on revenues at or below the minimum wage (NAF 1.530.53 or approximately US\$850 per month in 2017). Although little is known about the distribution of disaster impacts and their effect on vulnerable groups in Sint Maarten, international experience indicates that the poorest and most vulnerable groups are likely disproportionately affected by the disaster, including Sint Maarten's large number of female-headed households (38.7 percent of all households), who depend on the income of women post hurricane.
7. Sint Maarten's low unemployment rate (6.2 percent) and youth unemployment rate (23.8 percent) in 2017<sup>4</sup>, but rates have significantly risen following the hurricane due to the shutting down of tourism businesses. The tourism sector suffered from significant damages to the airport, accommodations, and tour operator equipment, dramatically reducing the number of tourist arrivals. Micro, small, and medium-sized enterprises (MSMEs) have experienced significant loss of capital due to the impacts of the hurricane. Households need access to finance to rebuild homes and fully reengage in economic activities. Rapid economic recovery and reconstruction are critically needed to generate revenues and avoid further job loss, and support to stimulate access to finance and business recovery are needed to enable the private sector to grow and contribute to Sint Maarten's overall economic recovery.
8. Sint Maarten has made substantial efforts to address the most urgent needs following Hurricane Irma (e.g. initial debris removal, sheltering roofless populations, resumption of government and business services). Nevertheless, recovery needs are massive and the country has limited capacities to manage large-scale resilient reconstruction. To support rapid and sustainable recovery, the Government of Netherlands has established a EUR 470 million Single Donor Trust Fund (SDTF) managed by the World Bank. Although the World Bank has not operated in Sint Maarten to date, its global experience in disaster risk management and response, its capacity to mobilize technical expertise in a broad range of relevant sectors, as well as its longstanding history of managing funds and activities on behalf of donors, attest to the institution's comparative advantage in managing the Trust Fund and supervising its activities. The SDTF will finance selected activities in support of recovery, reconstruction, and resilience under the framework of the Sint Maarten's National Recovery and Resilience Plan (NRRP), which outlines the country's recovery needs. The SDTF is governed by a Steering Committee composed of one representative each of the Government of Sint Maarten, the Government of the Netherlands, and the World Bank, and which is mandated to approve short, medium, and long-term recovery projects as well as required capacity building activities. The Steering Committee decides by consensus of its members and meets biannually to approve projects and monitor the

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<sup>3</sup> Developed by UNDP in 2015.

<sup>4</sup> According to the Sint Maarten Government *Statistical Yearbook 2017*



progress of agreed activities. Standard World Bank project management and implementation arrangements are followed: projects are prepared and supervised by World Bank in collaboration with and executed by the Government of Sint Maarten. The SDTF was established on April 16, 2018 and on June 12, 2018 the Steering Committee approved four emergency projects: (1) Sint Maarten Emergency Recovery Project I (P167339); (2) Sint Maarten Emergency Debris Management Project (P167347); (3) Sint Maarten Emergency Income Support and Training Project (P167368); and (4) Sint Maarten Hospital Resiliency & Preparedness Project (P167532).

9. Based on the country's urgent need for assistance, the proposed Sint Maarten Emergency Recovery Project I is being prepared under the provisions of paragraph 12 of the World Bank's Operational Policy (OP) on Investment Project Financing (IPF) - on "Projects in Situations of Urgent Need of Assistance or Capacity Constraints". These provisions allow for the preparation and approval of this operation in an expedited manner. This is because Sint Maarten has faced a natural disaster which under the policy is defined as "an event that has caused, or is likely imminently to cause a major adverse economic and/or social impact". The World Bank and Sint Maarten recognize the urgency of pursuing emergency reconstruction efforts and agreed to prepare the proposed operation in an expedited manner. While Sint Maarten has not previously been a client of the World Bank, the Bank is well positioned to support risk assessments, risk reduction, preparedness, financial protection, and resilient recovery and reconstruction.
10. Despite the availability of external grant finance such as the SDTF to support public-sector reconstruction and recovery efforts, Sint Maarten's government will have to borrow to finance its remaining budgetary shortfalls projected for 2018 to at least 2020. The government is working to adopt a medium-term fiscal framework that should set revised fiscal targets in view of the current exceptional circumstances. An initial scenario in which public sector reconstruction and recovery needs are financed through grants, while remaining budgetary shortfalls are financed through loans, would increase the debt-to-GDP ratio from 34 percent of GDP in 2016 to peak at nearly 50 percent by 2019 before resuming a downward path.

## **B. Sectoral and Institutional Context**

11. The Government of Sint Maarten has prepared a National Recovery and Resilience Plan (NRRP) outlining the recovery needs across the economy, the community and the Government infrastructure and service delivery of the country. The NRRP outlines the Government's vision, principles, and a proposed approach for rebuilding a "better and stronger Sint Maarten". It aims at accelerating the restoration of the social and economic infrastructure, based on a consensus of all stakeholders, and following the "Build Back Better" principle. The NRRP emphasizes the need to restore business activities as a priority, while acknowledging the need to address the significant social disruption generated by the disaster.
12. The NRRP clearly identifies the following urgent priorities: (i) restoring first responders' full operational capacity; (ii) repairing critical public buildings, shelters, and housing; addressing solid waste management/debris removal challenges; and (iii) supporting a large-scale skills and training program targeting economically critical sectors (such as the hospitality, construction, and maritime sectors). These sectors would support the early recovery and help Sint Maarten weather the next hurricane seasons.





13. Full operational capacity of First Responders, including the police, firefighters, and the ambulance service, has been considerably hampered as their facilities and specialized equipment were severely damaged or destroyed by the storm. In the aftermath of Hurricane Irma, First Responders' reduced operational capacity to support the affected populations contributed to the evolving crisis, bringing to light serious technical capacity and coordination gaps in preparedness for and response capacity to major emergencies.
14. With the start of the 2018 Atlantic Hurricane Season on June 1, action to restore and improve DRM and emergency response capacity is urgent. In the short term, it is critical to bring the Fire Brigade, which plays a leading role in the country's DRM structure, back to full operational capacity. Furthermore, reestablishing and strengthening the weather monitoring and forecasting capacity of the Meteorological Department of St. Maarten (MDS) is crucial to ensuring that DRM interventions are based on accurate and timely hydro-meteorological forecasts.
15. Repairs of several public buildings that are critical for government operations, the provision of lifeline services and education services, as well as the carrying out of urgent housing repairs, particularly to fix damaged roofs, are extremely urgent. Low income, senior, female-headed, and undocumented households, who are already experiencing chronic and high levels of vulnerability, have the weakest ability to cope with damages. These groups' fragile socio-economic conditions are already exacerbated and they need immediate assistance.
16. Despite the efforts to restore public services after Hurricane Irma, the delivery of electricity and water services by the Water and Electricity Utility, Gemeenschappelijk Elektriciteitsbedrijf Bovenwindse Eilanden (GEBE), remains highly vulnerable to climate shocks. Although 86 percent of low-voltage cables are located underground, above-ground networks are vulnerable to wind and blowing debris. In addition, the utility's revenues have been affected by a significant drop in demand as a result of the economic shock caused to the economy by Hurricane Irma. Average peak load has dropped significantly, from 57 MW to 35 MW significantly impacting revenues and weakening the company's financial viability, the water supply situation is critical, as the total average storage capacity of GEBE has fallen dramatically after Hurricane Irma, from a storage capacity of 2.25-days to a capacity of 0.7 days of average daily demand currently. GEBE is implementing a program to increase this storage capacity to up to 2 days.
17. Since the passage of Hurricane Irma, GEBE has focused on emergency restoration of water and electrical infrastructure. During the recovery, GEBE's investments are also designed to mitigate the utility's vulnerability to extreme events by strengthening water and electrical power infrastructure. Although some progress has been made, GEBE's cash flow and revenue stream have suffered significantly because of the disaster. Cash reserves have been consumed by emergency activities and revenues are down significantly. Power sales are off by more than 30 percent as many hotels are damaged and off line. Restoration of demand is not expected until the first quarter of 2019. The utility's limitations represent a pressing constraint to completing the rehabilitation of vulnerable and damaged infrastructure and indeed GEBE's operational capacity until revenues are restored.

### **C. Higher Level Objectives to which the Project Contributes**

16. The project will support the objectives of Sint Maarten's National Recovery and Resilience Plan (NRRP), to restore economic, community and governance infrastructure and service delivery.





17. The project is aligned with the World Bank's twin goals of ending extreme poverty and boosting shared prosperity. It will target the population immediately affected by the hurricane, help the country to recover and resume economic activity, and contribute to strengthening future resilience to underpin sustainable and inclusive growth.
18. The activities financed are expected to contribute to increased preparedness and institutional strengthening for climate variability and climate change. As the activities under the Project explicitly aim to strengthen climate adaptation through risk management and risk reduction/preparedness and civil protection investments, being designed to better withstand future climatic events, the project is expected to have an estimated 80 percent of climate Co-Benefits.
19. It is expected to boost the private sector financing mostly through its financial support to the utility sector, by avoiding that the financial impact of the hurricane on the only utility of the island, be recouped from the island's trade and tourism sector.

## **II. PROJECT DEVELOPMENT OBJECTIVES**

### **A. PDO**

20. The Project Development Objective (PDO) is to contribute to Sint Maarten's immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction.

### **B. Project Beneficiaries**

21. The project is expected to benefit the entire population of Sint Maarten of over 40,000 people as it aims at reinstating the capacity of Sint Maarten emergency first responders, as well as the recovery of utilities and public services buildings. In addition, up to 350 low-income and vulnerable households are expected to benefit from the housing repair program.

### **C. PDO-Level Results Indicators**

22. Progress in the achievement of the PDO will be measured through the following indicators:
  - a. number of critical public facilities repaired;
  - b. share of households with electrical services resilient to hurricanes;
  - c. increase in water storage capacity of Sint Maarten utilities;
  - d. number of housing units repaired to resilient standards;
  - e. number of public buildings repaired to resilient standards;
  - f. percentage of projects implemented satisfactorily.

## **III. PROJECT DESCRIPTION**

23. The proposed interventions represent a diverse and urgent subset of recovery interventions, that are reflected in the NRRP. These interventions aim to: (i) reestablish and improve first responders' operational capacity and repair disaster preparedness facilities; (ii) restore full utility services after Hurricane Irma; (iii) repair housing and repair and reconstruct public buildings; and (iv) establish efficient project management and



implementation capacity in the government to carry out the implementation of identified priority interventions according to agreed standards for fiduciary, environmental and social management.

## **A. Project Components**

24. The project encompasses four main components, as described below. Annex 1 provides a more detailed project description.

### **Component 1: Emergency measures for the recovery of disaster first responders and preparedness facilities (USD 14.75 million).**

#### ***Sub component 1.1 Critical disaster preparedness and response infrastructure repairs and improvements (USD 5.90 million)***

25. This subcomponent will support improvements to the national emergency response and disaster preparedness system. It includes repair of critical public facilities and repair at four national agencies (namely the police, the fire service, the ambulance service, and the meteorological service), and repairs of designated emergency shelters.

#### ***Subcomponent 1.2: First responders' emergency equipment (USD 8.10 million)***

26. Under this sub-component the project will purchase vehicles (including fire trucks, ambulances, support vehicles, and an evacuation bus) and related equipment, and foresees repairs to damaged equipment, that are necessary to support fire and ambulance services and improve response and operational readiness. Additionally, the purchase of communication equipment, including satellite phones, to improve the Recipient's emergency communications network is foreseen. In addition, vehicles will be provided inter alia to the Ministry of Tourism, Economic Affairs, Traffic and Telecommunications (TEATT), the Ministry of Public Health, Social Development and Labor (VSA) and the Ministry of Spatial Planning, Environment and Infrastructure, Volkshuisvesting Ruimtelijke ordening, Milieu and Infrastructuur (VROMI) and the Ministry of General Affairs, in replacement of the vehicles destroyed by the hurricane or where a critical need is identified by the Council of Ministers and as acceptable to the World Bank. Finally, this subcomponent includes funding to support Sint Maarten in a Lidar terrain and bathymetric modeling program.

27. Execution of activities under this component will be carried out by the Sint Maarten Interim Recovery Committee (IRC) and, once set up, by the National Recovery Program Bureau (NRPB), with technical oversight from specialized agencies namely the Ambulance Department (Ministry of Health), the Fire Department (Ministry of General Affairs - MGA), the Meteorological Department of Sint Maarten (within TEATT), the Ministry of Education, Youth and Sports (MECYS), and the National Police Service (Ministry of Justice).

#### ***Subcomponent 1.3: Training and Institutional Strengthening (USD 0.75 million)***

28. Training and technical assistance will be conducted under this program, which will include incident command, shelter management training, specialized training of emergency medical responders, assistance with the establishment of community-based emergency management committees – with the active participation of women – and other activities to be determined. Also included is a provision for conducting workshops and training, for government officials, as well as other relevant stakeholders (e.g. civil society) as needed, to promote a greater understanding of the national disaster response plan and its implementation.



**Component 2: Restore and Increase Resilience of Utilities Services after Hurricane Irma (USD 11.60 million).**

29. This component finances the priority activities identified in the National Recovery and Resilience Plan (NRRP), to strengthen water and electricity systems and improve their performance in future disasters. This includes: (i) the retroactive financing of eligible restoration and reconstruction activities under the WB guidelines and operational principles; (ii) goods and services ready to be purchased for emergency related activities to restore water and electricity services; and (iii) investments that can help increase resilience to future hurricanes.

***Subcomponent 2.1. Restoring Electricity Services (USD 3.10 million)***

30. Through this subcomponent the Project will restore electrical services and improve their performance in future disasters, financing goods, services and works, including through retroactive financing to, inter alia: (i) accelerate the trenching program to move remaining utilities underground; (ii) repair and upgrade transformers including transformer station houses; (iii) replace and repair street lighting; (iv) repair and replace current electrical meters damaged by Hurricane Irma; and (v) repair, update, expand, construct and increase the resilience of the utility's substations to improve power system performance in situations of disturbance.

***Subcomponent 2.2. Increasing Resilience of the Water System (USD 7.90 million)***

31. This Subcomponent will finance the necessary investments to increase GEBE's water storage capacity to 2 days, strengthening the water system's resilience to hurricane and other climate shocks. It will finance goods, services and works, including retroactive financing to, inter alia: (i) repair, upgrade, and increase water storage capacity; (ii) repair and replace pump units including pump houses; and (iii) replace and/or improve resilience of installed micrometers. This component will be executed under the technical oversight of GEBE, but all the fiduciary processes will be carried out by the IRC (and NRPB afterwards).

***Subcomponent 2.3. Updating GEBE Business Plan (USD 0.60 million)***

32. This Subcomponent will finance technical assistance to improve GEBE performance and accountability to the users, including, among others: (i) provision of institutional support; (ii) revision of the planning mechanisms; (iii) provision of technical assistance on the financial, operational, and commercial management; (iv) updating of GEBE's business plan; and (v) feasibility studies and technical designs of key identified investments to be supported.

**Component 3: Housing and Public Buildings Repair and Reconstruction (USD 22.85 million)**

***Subcomponent 3.1. Roof repair program (USD 7.00 million)***

33. This sub-component will finance minor repairs to roofs of damaged houses with improved technical standards. The program targets repairs of the homes of the most vulnerable households selected based on administrative, socio-economic and economic criteria and procedures acceptable to the World Bank, which will be determined at the implementation stage, and included in the Operations Manual.

***Subcomponent 3.2. Support to the Sint Maarten Housing Development Foundation (USD 5.00 million)***

34. The St. Maarten Housing Development Foundation (SMHDF), the main social housing agency serving predominantly vulnerable families, requires financial support to repair severely damaged housing stock used by low-income families. This sub-component will support the SMHDF with a support of USD 5.0 million. USD 4.6 million will be provided to urgently repair the Foundation's damaged housing stock, and USD 400,000 will



finance technical assistance to redesign a proposed housing complex and to strengthen the organization of the SMHDF. Activities will be conducted under the auspices of the IRC/NRPB, with technical oversight from the SMHDF.

***Subcomponent 3.3 Public Building repairs (USD7.85 million)***

35. A significant number of public buildings were damaged. This subcomponent will finance the urgent repair of high priority facilities, the cost of temporary relocation, and the survey and design for some high priority facilities requiring major renovation or new construction. In some cases, demolition will be required to clear the way for reconstruction and urgently remove debris hazards. This subcomponent will be implemented by the IRC and the NRPB once set, with technical oversight of VROMI, the ministry managing physical infrastructure on behalf of client ministries such as MECYS, VSA, MGA and others. As reconstruction needs far exceed the budget available under this subcomponent, the Government of St. Maarten will provide a prioritized list of those buildings to be addressed under this activity which will be finalized with the agreement of the World Bank, on the advice of the IRC/NRPB, through a decision of the Council of the Council of Ministers.

**Component 4: Institutional Support for Reconstruction (USD 9.0 million).**

36. This component will finance the institutional arrangements made by the Government to implement and coordinate the projects to be financed by the SDTF. It will support the operational and administrative costs of the institutions in charge of coordinating the SDTF financed program and implementing SDTF financed projects. It will also include resources for capacity building which will also benefit the Government. These institutional arrangements are expected to be discontinued once the Program comes to an end.

37. The approach on the institutional arrangements for the implementation of the Trust Fund and the projects has two phases:

- a. Phase 1: A National Interim Recovery Committee (IRC) made up of a task group of civil servants which will coordinate the early priority projects, and assist the ministries with the implementation of projects, with regards to the fiduciary and safeguards requirements.
- b. Phase 2: A National Recovery Program Bureau (NRPB) will be established. In close coordination with the Ministries, the Bureau will be responsible for the preparation, coordination, execution and evaluation of the projects that will be financed through the SDTF.

38. The NRPB will report directly to the Prime Minister. It will be headed by a director and will recruit its own staff (about 20 staff according to the draft staffing plan, including senior management, technical and administrative staff).

39. This component will support the costs of the IRC, and subsequently the NRPB fulfilling its mandate and responsibilities, including: (i) the costs of the staff for NRPB only<sup>5</sup>, including the pension and social benefits, as per its Staffing Plan, e.g. Director, Senior Program Managers, Project Managers, specialists in financial management, procurement, and monitoring and evaluation; (ii) technical temporary staff needed during the Program implementation; (iii) the carrying out of Project audits; (iv) the financing of the necessary goods and equipment; (v) lease of office premises; (vi) trips and transportation; and (vii) communication and reporting.

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<sup>5</sup> IRC staff costs are supported by the Government of Sint Maarten.



40. Finally, as part of the institutional strengthening of the government, this component would enable Sint Maarten to access sovereign catastrophe risk insurance offered by CCRIF SPC. The project would finance the participation fee<sup>6</sup> to join CCRIF SPC and 100% of the insurance premiums for two years. As a new member country, Sint Maarten would have the choice of selecting the amount of insurance coverage per peril (earthquake, excess rainfall and tropical cyclone), depending on country risk profile and priority needs.

## B. Project Cost and Financing

Component	USD (Million)	Source
Component 1 - Emergency measures for the recovery of disaster first responders and preparedness facilities	14.75	Trust Fund
Component 2 - Restore and Increase Resilience in Water and Electricity Infrastructure after Hurricane Irma	11.6	Trust Fund
Component 3 – Housing and Public Buildings Repair and Reconstruction	19.85	Trust Fund
Component 4 – Institutional Support for Reconstruction	9.0	Trust Fund
Project total	55.2	Trust Fund

Retroactive Financing: For payments made prior to the date of the Grant Agreement, except that withdrawals up to an aggregate amount not to exceed \$11,040,000 may be made for payments made prior to this date but on or after December 13, 2017, for Eligible Expenditures under Components 1, 2 and 3, following an Environmental and Social Safeguards Audit, satisfactory to the World Bank.

## IV. IMPLEMENTATION ARRANGEMENTS

### A. Institutional and Implementation Arrangements

40. The government is establishing a National Recovery Program Bureau (NRPB) that will be responsible for implementation of this project as well as all other recovery and resilient projects selected by the SDTF's Steering Committee under the NRRP. The Bureau will carry out technical, administrative, legal, financial and procurement responsibilities and be staffed to lead project implementation. It will have overall responsibility for ensuring compliance with fiduciary agreements and procurement guidelines, social and environmental management, and monitoring, reporting and evaluation of processes and results. It will coordinate technical designs of the projects with relevant ministries and conduct consultative and reporting functions.

41. Before the Bureau is in place, the project implementation responsibility will be carried out by the Interim Recovery Committee (IRC), which was established by the government to coordinate Trust Fund projects until the Bureau is in place. The IRC will serve as a primary Project Implementation Unit (PIU) until NRPB is established. The IRC includes technical, administrative, legal, financial and procurement staff to handle Project implementation. It acts as an overarching project implementation support unit coordinating with and assisting all co-executing ministries/agencies, and reports directly to the Prime Minister and Minister of General Affairs.

<sup>6</sup> The participation fee is a payment made when a country becomes a member of CCRIF in an amount equivalent to the annual premium paid by a country. The participation fee is due upon signing of a participation agreement between the respective participating country and CCRIF



The WB will provide support and capacity building during Project implementation to the IRC and the NRPB. Project implementation will be carried out in accordance with all the terms and conditions agreed between the Government of Sint Maarten and the World Bank as set forth in the Grant Agreement.

42. The IRC and subsequently the NRPB will be the single point of coordination for national and international stakeholders concerning the recovery, reconstruction and resilience projects that are financed through the SDTF; and will be responsible for ensuring the inclusion of the ministries, and any other stakeholders throughout all phases of these projects.
43. The co-executing ministries/agencies will be responsible for the technical inputs and oversight in the preparation and implementation of specific activities. The project coordinators for each specific activity benefitting a ministry/agency will sit in the said ministry/agency. Nevertheless, procurement of equipment, goods and services will be conducted by the NRPB with technical inputs from MGA (fire station and the police station); VSA (ambulances); TEATT (Hydro-meteorological office); GEBE (utility - water and electricity); Ministry of Public Housing, Environment, Spatial Development and Infrastructure – VROMI (private house roof repairs and public buildings); and SMHDF (social housing repairs). Most of the civil works will be jointly executed by the IRC (and the NRPB once set up). VROMI will be responsible for the technical design and supervision aspects of the works while the fiduciary and safeguards requirements will be overseen by the IRC (and the NRPB once set up). As such, VROMI and the IRC will together undertake the repairs of the public buildings including the fire station, police station, shelters and schools. VROMI employs a modest engineering staff and will need the support of a consulting firm (including engineering design and supervision consultants) to implement a project of this magnitude.
44. There will be a significant demand for Bank support to assist with project management and implementation. The agencies within the Government of Sint Maarten are unfamiliar with Bank operations and procedures. Additionally, the demands of the recovery program are diverse and considerably greater than what the pre-hurricane levels government agencies were designed to manage.
45. The following organigram outlines the flow of responsibilities foreseen.

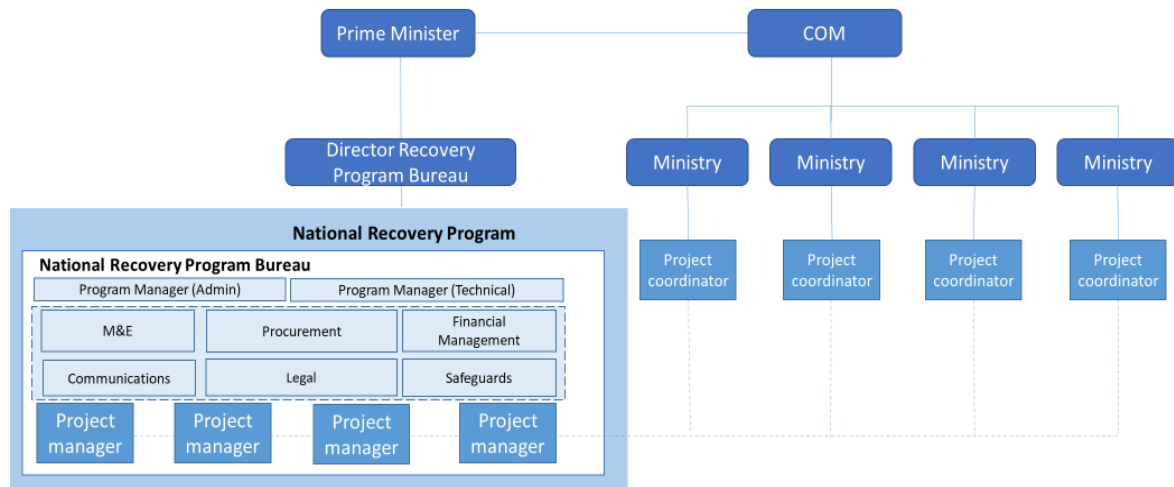


Figure 1 - Organigram of responsibilities for the overall Recovery Program

## B. Results Monitoring and Evaluation

46. The IRC, then the NRPB, will be responsible for the overall project Monitoring and Evaluation (M&E), and regular reporting to the World Bank. A results-based M&E system would monitor project implementation using the following methods and tools: (a) the project Results Framework as it defines indicators, baselines and targets; (b) an M&E strategy with information requirements, tools, and methodologies for data collection, analysis, and reporting; (c) a comprehensive M&E plan with guidance on roles and responsibilities with respect to data collection and reporting; and (d) periodic assessments and evaluations including baseline studies, beneficiary assessments, midterm evaluations and ex-post evaluation. The NRPB will be responsible for process and performance monitoring of individual activities and will consolidate, validate and analyze all M&E data provided by the ministries.
47. The NRPB will develop the necessary monitoring information system (MIS) to house the data and continuously update indicator results. The project monitoring will occur as a periodic function and will include process reviews, reporting on outputs and maintenance of progressive records. The baseline studies will be conducted at the start of the project followed by systematic data collection, analysis and reporting to the World Bank per agreed requirements and timeline during the project implementation and closure.





### C. Sustainability

48. The key sustainability principle is “building back better” – that reconstructed infrastructure will be more resilient. Due to the emergency, works need to be completed and goods delivered quickly to a high-quality standard, successfully mitigating the risks in question to the population and assets within areas of intervention. The objective under Component 1 is to be able to advance critical emergency measures as quickly as possible with anticipated contracting and retroactive financing modalities available to support the Government of Sint Maarten in this endeavor. The works and goods under Component 1 are intended not only to protect the population and assets in a timely manner, but to mitigate the need for further emergency expenditures in case of the occurrence of a disaster and the incompleteness of emergency works.
49. For all civil works and goods procured, the sustainability of interventions will depend on the financial resources allocated to their ongoing operation and maintenance, the capacity of national and local entities responsible for maintaining the assets, the level of ownership of the infrastructure by the beneficiaries and strong institutional arrangements. Within Project financed works, attention will be given to the application of adequate and updated construction standards and “building back better”, with emphasis on climate change adaptation and seismic considerations. In the case of equipment, attention will be given to the need to protect them from future hurricanes. Simple measures could be adopted to shelter this valuable equipment, for instance in underground parking lots or garages within buildings.

## V. KEY RISKS

### A. Overall Risk Rating and Explanation of Key Risks

50. Political and Governance risk is rated substantial. While this risk is largely outside the project control, the level is considered substantial, considering recurring elections cycles and the several changes of governments in the recent years. In addition, there are high expectations by the population on the speed of hurricane reconstruction efforts, which could lead to social dissatisfaction. As mitigation measures, the Project will apply the following: (a) design and implement a transparent communication plan on informing the public on project activities, and (b) a close monitoring of project progress. The communication plan and monitoring methodology will be included in the Project Operations Manual (POM).
51. Macro-economic risk has been assessed as substantial. A significant contraction in economic activity due to the destruction of productive capital will make room for a recovery as private and public reconstruction takes place and tourism gradually resumes. Private and public external finance will be available to finance part of the reconstruction and recovery efforts, with a diligent and effective use of funds critical for a fast recovery of the economy of Sint Maarten. Measures to strengthen public finance as well as to address household and private sector credit constraints will be needed to assure adequate replacement of destroyed capital and “build back better”. There remains considerable risk that a delay in economic recovery or new natural disaster could aggravate public and private credit constraints, leading to insufficient investment for economic activity to return to its long-run growth path.
52. The risk for institutional capacity for implementation and sustainability is high. This is for two reasons: country capacity has been constrained in general by the hurricane damage; and this is the first World Bank





engagement in the country so the counterparts are not familiar with Bank requirements. In addition, the recovery program needs to be implemented rapidly, initially by an interim agency and subsequently by a new agency, compounding this risk area. The Bank will provide the necessary implementation support, including by bringing in international expertise where relevant. The implementation support also includes adequate resources to support project implementation and capacity building, however this risk can only partially be mitigated and some residual risk remains.

53. Fiduciary risk is high, largely due to lack of familiarity of the counterparts with Bank requirements, particularly on procurement, and the fact that new institutions will be implementing several projects at once. Mitigating measures include hands on support from the Bank FM and procurement teams in the IRC, then the NRPB, which aims to reduce this risk as implementation gets underway. Implementation of standard FM and procurement practices may be further supplemented with outside capacity as needed.
54. The environmental and social risk is rated Substantial. Emergency works will be undertaken in Subcomponents 1.1. Critical disasters first responder infrastructure repairs and improvements, Subcomponent 2.1. Restoring Electricity Services, Subcomponent 2.2. Increasing Resilience of the Water System, subcomponent 3.2 St Maarten Housing Development Foundation and under Sub component 3.3. Public Building Repairs, (the latter two possibly requiring temporary relocation of buildings). The Government of Sint Maarten is a new client to the World Bank and is being introduced to the World Bank environment and social Safeguards for the first time; the project is being prepared under condensed procedures in a post-hurricane environment; there is less capacity and much pressure to have the project activities get underway and therefore there is scope for noncompliance to occur. These risks are mitigated by the fact that there is no involuntary resettlement anticipated from land acquisition while planned training and monitoring will address occupational health and safety concerns. An Environmental Management Plan (EMP) is being prepared and is expected to be disclosed within 30 days of the signature of the Grant Agreement, allowing for a number of urgent interventions to take place and may initially be limited to quick repairs, and the electricity trenching which will follow the same path as the current electricity lines. The footprint of these interventions is expected to be the same as the preexisting situation. In addition, the Bank will give ex ante no objection and will exert control on possible negative impacts of the activities undertaken during this period.
55. The risk related to the technical design is rated Substantial due to two reasons: (i) as an emergency project, the design elements did not benefit from a long-standing engagement with the client; and (ii) the implementation capacity is limited as the NRPB will be established as a new institution to manage post-Irma recovery activities. This risk is mitigated by striving to keep the project design simple and suitable for rapid implementation while supporting capacity building of the NRPB. It is expected that continued joint work of the Bank and Government counterparts during the short preparation phase also will mitigate the risk but implementation capacity risk remains high and will be observed under the institutional capacity risk.
56. Other risks include those linked to the police recovery activities, and those linked to climate change.
57. The risk of the activities related to the police is rated low. The Government of St Maarten has requested that the rehabilitation and repair of two police stations be included in the recovery program. These are the police headquarters building in Philipsburg and the police station at Simpson bay. Interventions are limited to the repair and rehabilitation of these structures. The project does not include any activities relating to policy development or support of law enforcement operations. Rehabilitation works relating to all government



buildings, including police stations, will be implemented by IRC/NRPB, with technical oversight from VROMI (as VROMI is the ministry responsible for managing and maintaining government owned infrastructure).

58. In addition, Sint Maarten, as a constituent member of the Kingdom of the Netherlands, is party to a number of international treaties and conventions, particularly as they relate to Human Rights. The Convention Against Torture, one of the many binding international conventions to which Sint Maarten is party, aims to prevent torture and similar acts and requires that states take effective measures to prevent and address reports of torture, and other acts of cruel, inhuman, or degrading treatment or punishment. The Constitution of Sint Maarten (Article 3) states that no one may be subjected to torture or to cruel, inhumane or degrading treatment or punishment. The definition of torture and the penalization of this crime are incorporated in the Implementation Ordinance Torture Convention (AB 2013, GT no. 503). The definition corresponds to Article I of the Convention. In addition, as part of their basic education both the police and immigration officers receive training in the principles of the convention, particularly the rights of persons once they are detained. In cases of a breach, the National Ordinance on Civil Servants Law regulates how to initiate disciplinary action or criminal charges against civil servants that are accused of misconduct.
59. Based on a review of the activities to be included, the Bank's Legal Note On Bank Involvement in the Criminal Justice Sector, 2012 and the corresponding Staff Guidance Note, World Bank Support For Criminal Justice Activities, the risk associated with Bank involvement in these activities is rated as low and consistent with similar post-disaster reconstruction activities included in previous Bank-financed projects. As with other reconstruction activities, the repair of the police stations will be procured and supervised in accordance with Bank procedures as required under the recovery program.
60. Climate change risk is expected to be substantial and will be assessed as the Climate and Disaster Risk Screening is completed. The Project's potential to be credited for climate change adaptation Co-Benefits is expected to be significant and will also be assessed, particularly as it relates to reconstructing more resilient public buildings, such as schools, shelters and housing and the cabling of electricity underground.

## **VI. PROJECT APPRAISAL SUMMARY**

### **A. Technical Feasibility**

61. The proposed Project relies on simple approaches, technical designs (where relevant), and technologies for most of its activities. For public building repair activities financed under Component 1 and 3, no significant technical obstacles are expected during implementation except for the construction workforce supply in the case of the (limited) number of buildings rebuilt (in a context of increased demand for construction material and workforce). Activities financed under Component 2 are clearly identified and are not different from what GEBE has already undertaken in the past. The roof repairs program under component 3 will require particular care in its design both on the procurement side and the beneficiary selection process side.
62. The Bank has worked with each technical team from the line Ministry/utility concerned to review existing technical specifications and costing of contracts subject to retroactive financing.



63. IRC/NRPB, jointly with each co-executing Ministry/agency is responsible for the quality of the works delivered under the Project. IRC/NRPB will manage preparation and execution of the bidding documents and bidding processes, with technical oversight from the co-executing Ministry/agency, who will validate the quality and delivery of the works by the contractors. The IRC (and NRPB afterwards) will manage supervision of the social and environmental aspects and allow payments of invoices based on successful technical completion. With regards to the procurement process, the IRC/NRPB will consolidate the information at each step of the bidding processes, ensuring the processes follow WB policies and procedures, requesting non-objection of the Bank in the case of prior review.
64. For component 4, the IRC has already been set up under the Prime Minister, and is made up of a number of government staff covering the different expertise areas required for the SDTF-financed projects (e.g. fiduciary and safeguards). It has been working closely with the World Bank on setting up the operational framework of the Recovery Program (including the creation of the NRPB). In addition, the World Bank has already embarked on a hands-on training program with the IRC to strengthen knowledge and capacity to address World Bank projects requirements. As for the NRPB, its constitutive ordinance has been approved by the Council of Ministers and is scheduled to be considered soon for approval by the Sint Maarten Parliament.
65. Timeline. Some activities are expected to take few months (quick repairs to shelters, basic off-the-shelf first responders equipment), other activities, over a year (new water tanks, ambulances), or beyond 2 years (new Hydromet building, new fire trucks). The NRPB has funding for an estimated 3-4 years based on its staffing plan.

## **B. Economic Feasibility**

66. Development Impact: The project contributes towards restoring Sint Maarten's prospects for development, and increasing resilience in the face of future disasters. Because of the emergency nature of the project, no detailed cost-benefit analysis has been conducted. However, repair of damaged physical assets, undertaken under Component 1 to 3, is expected to generate overwhelmingly positive economic returns, since the cost involved leads to full functioning of these assets that generate both public and private benefits. This period of recovery is a prime opportunity to build back better by incorporating resilience measures into social frameworks, as well as infrastructure and physical assets. Investing in these interventions early will create employment, build a stronger and more robust social and physical infrastructure, and properly prepare Sint Maarten for future weather events.

Rationale for public sector provision: The capacity to respond to emergency situations (firefighter department, police, ambulance services, meteorological information and public buildings with a co-function of public shelters) are all services with significant non-rival and non-excludable characteristics or public goods. Public sector provision of these goods and services is justified as private sector and market incentives fail to deliver an efficient quantity of such goods and services. In the case of public utility services (electricity and water) and social housing, the presence of other market failures including externalities, imperfect competition and equity considerations support public sector intervention in the current situation of Sint Maarten. Special care is taken to adequately target roof and housing repair programs to lower income and vulnerable households. Finally, cost efficiency considerations motivate keeping the repair and reconstruction of public buildings and NRPB staff within the public sector. While these services can be leased or outsourced, current market



conditions in both the office rental market and the labor market would make such alternatives considerably more expensive.

67. The Bank's added value: The World Bank brings decades of international and institutional expertise, as well as a wealth of technical support to post-disaster situations in a wide array of sectors. Bank processes have been put into place to ensure that projects are well designed and implemented, access to funds is timely, and funds are effectively used. Each sector will have access to skilled specialists and each project will be vetted by robust financial, procurement, and institutional arrangements, enhancing recovery governance through systematic project management.

### **C. Financial Management and Disbursement**

68. Financial Management responsibility of the project will initially rest with the IRC, and subsequently transferred to the National Recovery Program Bureau (NRPB or the Bureau). Given that the Bureau is not yet operational, the FM assessment was conducted on the IRC in accordance with OP/BP on IPF and the Financial Management Practice Manual (issued by the Financial Management Sector Board (FMSB) on March 1, 2010). This assessment was concluded that the IRC has an adequate financial management system that can provide, with reasonable assurance, accurate and timely information on the status of the funds as required by the World Bank. Once the NRPB becomes operational, an FM Assessment of NRPB will be conducted prior to any transfer of responsibility or function to ensure NRPB is capable of managing the FM functions.

### **D. Procurement**

69. Procurement activities for the supply of goods, works, non-consulting and consulting services under the Project, financed totally or partially with SDTF proceeds, will comply with the World Bank's "Procurement Regulations for IPF Borrowers" (November 2017). The IRC, and its successor the NRPB (once set up), will be responsible for carrying out the procurement of all the activities financed under the Project.
70. The procurement risk assessment confirmed that the country has limited capacity to carry out the procurement and limited staff with experience to conduct international procurement. In addition, despite all efforts to streamline procurement procedures and establish implementation arrangements to simplify the procurement procedures of the project, considerable lead times to navigate the government's procurement processes and procedures are likely. Therefore, a Hands-on-Expanded Implementation Support (HEIS) arrangement will be put in place to support, predominantly, the higher risk activities for the procurement of civil works, goods, non-consulting services and hiring of consultancy services. HEIS will be limited to preparation of bidding documents and clarifications on the applications of the WB procurement rules and will not cover evaluation of Bids. IRC is committed to build their in-house capacity and therefore, a team of three procurement specialists have been assigned to handle the overall project's procurements and work with the World Bank and get the knowledge transferred (capacity building).
71. The IRC, with close support from the Bank's team, has prepared a simplified version of the Project Procurement Strategy for Development (PPSD). The PPCSD is focused on the main activities that are currently envisaged and summarizes the operational environment in which the project is being implemented, the



market analysis, the risks assessment and different alternatives to carry out the procurement. As a result of such assessment, the operational context and preliminary procurement arrangements for the following activities are described in the document: (i) staffing of the NRPB, (ii) rehabilitation of houses, (iii) public buildings repair/reconstruction, (iv) repair of the fire station, fuel storage, police station and public shelter, (v) EOC build out and construction works and (vi) Emergency Communications Network. If during project implementation the conditions of the activities change from the ones analyzed in the PPSD, the strategy will be updated accordingly to reflect the best fit for purpose procurement arrangements to achieve the desired value for money. The details for these and any other additional activity will be detailed in the Procurement Plan.

## **E. Environmental and Social Safeguards**

72. The project's overall potential socio-environmental impacts will be positive for the affected communities as the project will restore and improve critical public infrastructure and services in the areas of public safety, safe transport, health, and access to electricity and water. There are, however, potential adverse socio-environmental impacts associated with construction and operation of the proposed physical investments.
73. The project is considered Category "B" and OP 4.01 is triggered for subcomponents 1.1, 2.1 and 2.2 and all of Component 3. The bulk of the work is expected to be of relatively small scale, generating localized environmental impacts that can be easily identified, mitigated, and managed. Overall, these environmental impacts are mostly associated with the construction phase of the rehabilitation works, and include inter alia debris management, worker health and safety, noise control, and soil erosion. Consequently, no significant or irreversible environmental impacts are anticipated due to Project-financed activities.
74. The key social issues that have been identified include: (i) the management of labor (demolition and construction workers) coming from outside Sint Maarten, from the perspective of health and safety in the workplace, fair practice, accommodation, and community health and safety; (ii) the possibility of some relatively small-scale involuntary resettlement; and (iii) potential impacts on physical cultural heritage, including chance finds procedures.
75. OP 4.12 Involuntary Resettlement: OP 4.12 will be triggered. The project investments for civil works in Sint Maarten focus on rehabilitating and/or strengthening institutions providing critical public services, including: (i) rehabilitating critical buildings to restore critical services (police, fire, schools, community centers); (ii) restoring public utilities (restoring electrical cables and power lines); and (iii) improving responses to immediate and future emergencies (hydro met). In some cases, the sites are yet to be identified. The project investments are not expected to result in impacts that result in temporary involuntary resettlement and/or land acquisition. However, some buildings may be torn down and temporary facilities arrangements made up to allow for the continuation of Government services while structures are repaired or new structures are built on the same site. In addition, under component 3.2 a new emergency shelter will be constructed as well as repairs made to the damaged housing stock owned by the Sint Maarten Housing Foundation. Should it be determined that some families need to be temporarily relocated as a result of the works, an Abbreviated Resettlement Action Plan (ARAP) will be prepared with the details of the relocation plan and related costs.



76. The Sint Maarten Emergency Recovery Program is being prepared and implemented according to Paragraph 12 of the World Bank's IPF OP, which allows the deferral of preparation of safeguards instruments until after project approval, if the Bank deems the recipient to be in urgent need of assistance because of a disaster or conflict. Deferral of the preparation of environmental and social instruments was granted for this Project and a summary Environmental and Social Action Plan (ESAP) has been prepared. The ESAP identifies the key issues raised by the project and the World Bank safeguard policies that apply. It is a project-level safeguards planning document that provides a time-bound plan setting forth the steps and the sequential planning and coordination for project activities and the preparation of the relevant safeguards instruments by the Government of Sint Maarten to ensure compliance with the safeguards requirements. The ESAP is guided by the dual objective of ensuring that there is a roadmap for safeguards compliance during project implementation and providing clear guidance to the client on the types of actions and instruments required to facilitate speedy implementation of emergency services.
77. As per the ESAP, an Environmental Management Plan (EMP) and where relevant, Abbreviated Resettlement Action Plans (ARAPs) and Hazard/Risk Assessments are being prepared for all project activities, and are expected to be completed and made public ahead of the start of related works. In the case of ARAPs compensation will be paid before any works can commence. To ensure implementation of social and environmental safeguards, the Government has hired technical experts to prepare the required instruments (EMP, ARAP) and has designated an Environment Specialist and a Social Development Specialist to oversee the application of safeguards. The World Bank will provide training to the IRC/NRPB and co-executing ministries/agencies on the Bank's social and environmental safeguard requirements as well as on the draft safeguard instruments.
78. Furthermore, the EMP will contain references to the WBG Environmental Health and Safety general guidelines, particularly the guidelines for air emissions, noise, waste management, construction occupational health and safety.
79. Disadvantaged and Vulnerable Groups. Safeguards instruments will take into consideration the risks for and impacts on disadvantaged or vulnerable individuals or groups who by virtue of, for example, their age, gender, ethnicity, physical, mental or other disability, social, civic or health status, economic status or other factors maybe more likely to be adversely affected or limited in being able to benefit from the project.
80. Complaints and Grievance Handling Mechanism: The IRC/NRPB for the project will prepare a Grievance Complaints Mechanism building on existing GRMs functioning within the country. The procedures and processes for submitting complaints will be communicated to the public prior to start of works.
81. Consultation and Disclosure: The deferral of safeguards instruments granted is for the postponement of the disclosure of said instruments to after appraisal. Safeguards must be prepared by the Government, cleared by the Bank and disclosed as early as possible and before the start of civil works. The draft EMP and ARAP (as required) will be prepared by the client within 30 days of effectiveness. Site-specific safeguards instruments (EMP, ARAPs) are required for all investments financed under the project, including those financed under retroactive financing.
82. Citizen engagement. The NRPB is expected to undertake a communications and community outreach strategy with a clear short- and medium-term itemized action plan to promote recovery policy choices and facilitate





the NRPB's operations. The strategy is expected to be aligned with the National Recovery and Resilience Plan, will demonstrate the Recovery Program's impact, maximizing the impact of resources used and anticipates reputational risk issues. It will be the key tool for citizen engagement, with emphasis on early outreach to key stakeholder groups before start-up activities and through ongoing communications around the selection of beneficiaries in a transparent manner. The NRPB is expected to work with the WB communications staff in preparing the community outreach strategy to undertake citizens engagement activities.

83. Gender. Most of the activities under the project are expected to have gender-neutral effects. Overall, as Sint Maarten is a new client, and this project is an emergency one, very limited information on gender was made available and usable for its design. It is expected that improved household water and electricity supply might help women more than men. The roof repair activities may also benefit female-headed households in all likelihood. A particular care will go into ensuring that construction labor force (both national and coming from abroad) will not have unsolicited interaction with women and girls<sup>7</sup>. During the course of the project, gender disaggregated beneficiary data will be collected, which will contribute to improved knowledge about gender in Sint Maarten.

#### **F. World Bank Grievance Redress**

84. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, because of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit: <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

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<sup>7</sup> Several other projects in the SDTF program will be gathering data and addressing certain gender-differentiated issues (for example, the new hospital project will impact positively maternal care, the hospitality and skills training project will gather information about the gender structure of the workforce and emphasize training women as well as men).



## VII. RESULTS FRAMEWORK AND MONITORING

### Results Framework

#### Project Development Objectives(s)

The Project Development Objective (PDO) is to contribute to Sint Maarten's immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction.

PDO Indicators by Objectives / Outcomes	DLI	CRI	Unit of Measure	Baseline	End Target
<b>To contribute to Sint Maarten's immediate emergency recovery needs and strengthen institutional capa</b>					
Number of critical disaster preparedness and response public facilities repaired to resilient standards			Number	0.00	10.00
Share of households with electrical services resilient to hurricanes			Percentage	86.00	93.00
Water storage capacity of Sint Maarten utilities (average daily demand)			Days	0.70	2.00
Housing units repaired to resilient standards			Number	0.00	350.00
Number of public buildings, other than emergency preparedness and response facilities, repaired to resilient standards			Number	0.00	8.00
Percentage of projects of which the implementation is deemed satisfactory or moderately satisfactory as per the World Bank rating			Percentage	0.00	75.00





Intermediate Results Indicators by Components	DLI	CRI	Unit of Measure	Baseline	End Target
<b>Emergency measures for the recovery of disaster first responders and preparedness facilities</b>					
Civil protection/first responder's buildings repaired with resilient standards			Number	0.00	3.00
Emergency shelters repaired with resilient standards			Number	0.00	7.00
<b>Restore Public Utility Services after Hurricane Irma</b>					
Water tanks built or rebuilt			Number	0.00	6.00
Electricity transmission/distribution system buried underground			Percentage	80.00	95.00

#### Monitoring & Evaluation Plan: PDO Indicators

<b>Indicator Name</b>	Number of critical disaster preparedness and response public facilities repaired to resilient standards
<b>Definition/Description</b>	Number of Government owned buildings that provide emergency services in case of a disaster that were damaged by Hurricane Irma that benefit from repairs conducted under the project to resilient standards.
<b>Frequency</b>	Every six months
<b>Data Source</b>	VROMI
<b>Methodology for Data Collection</b>	Review of the Project Progress Reports



<b>Responsibility for Data Collection</b>	IRC and NRPB
<b>Indicator Name</b>	Share of households with electrical services resilient to hurricanes
<b>Definition/Description</b>	This indicator is defined as the percentage of individual household clients of Sint Maarten utility (GEBE) that benefit from electrical services upgraded to hurricane resilient standards
<b>Frequency</b>	Every six months
<b>Data Source</b>	GEBE
<b>Methodology for Data Collection</b>	Project Progress Reports
<b>Responsibility for Data Collection</b>	IRC and NRPB
<b>Indicator Name</b>	Water storage capacity of Sint Maarten utilities (average daily demand)
<b>Definition/Description</b>	This indicator measures the increase in storage capacity (by water tanks) in terms of average daily demand.
<b>Frequency</b>	Every six months
<b>Data Source</b>	GEBE
<b>Methodology for Data Collection</b>	Project Progress Reports
<b>Responsibility for Data Collection</b>	IRC and NRPB



<b>Indicator Name</b>	Housing units repaired to resilient standards
<b>Definition/Description</b>	This indicator measures the number of privately-owned buildings and dwellings and social housing units that benefit from repairs interventions through the project.
<b>Frequency</b>	Every six months
<b>Data Source</b>	VROMI, SMHDF
<b>Methodology for Data Collection</b>	Project Progress Reports
<b>Responsibility for Data Collection</b>	IRC and NRPB
<b>Indicator Name</b>	Number of public buildings, other than emergency preparedness and response facilities, repaired to resilient standards
<b>Definition/Description</b>	This indicator measures the number of public buildings, which do not serve a disaster preparedness or response function, damaged by Hurricane Irma, that benefit from repairs through the project.
<b>Frequency</b>	Every six months
<b>Data Source</b>	MECYS, VROMI
<b>Methodology for Data Collection</b>	Project Progress Reports
<b>Responsibility for Data Collection</b>	IRC and NRPB



<b>Indicator Name</b>	Percentage of projects of which the implementation is deemed satisfactory or moderately satisfactory as per the World Bank rating
<b>Definition/Description</b>	This indicator measures the percentage of projects of which the implementation is deemed satisfactory or moderately satisfactory as per the World Bank rating.
<b>Frequency</b>	Every six months
<b>Data Source</b>	VROMI, MECYS, GEBE
<b>Methodology for Data Collection</b>	Project Progress Reports, ISR ratings
<b>Responsibility for Data Collection</b>	IRC and NRPB

**Monitoring & Evaluation Plan: Intermediate Results Indicators**

<b>Indicator Name</b>	Civil protection/first responder's buildings repaired with resilient standards
<b>Definition/Description</b>	This indicator measures the number of civil protection/first responders' buildings benefit from repairs through the project
<b>Frequency</b>	Every six months
<b>Data Source</b>	Ministry of Justice, Ministry of General Affairs, VROMI
<b>Methodology for Data Collection</b>	Project Progress Reports
<b>Responsibility for Data Collection</b>	IRC and NRPB



<b>Indicator Name</b>	Emergency shelters repaired with resilient standards
<b>Definition/Description</b>	This indicator measures the number of emergency shelters that benefit from repairs interventions through the project
<b>Frequency</b>	Every Six Months
<b>Data Source</b>	VROMI, Ministry of General Affairs
<b>Methodology for Data Collection</b>	Project Progress Reports
<b>Responsibility for Data Collection</b>	IRC and NRPB
<b>Indicator Name</b>	Water tanks built or rebuilt
<b>Definition/Description</b>	This indicators measures how many water tanks are repaired or newly built through the project.
<b>Frequency</b>	Every six months
<b>Data Source</b>	GEBE
<b>Methodology for Data Collection</b>	Project Progress Reports
<b>Responsibility for Data Collection</b>	IRC and NRPB
<b>Indicator Name</b>	Electricity transmission/distribution system buried underground
<b>Definition/Description</b>	This indicator measures the increased amount of electricity cabling that is buried underground through the project.



<b>Frequency</b>	Every six months
<b>Data Source</b>	GEBE
<b>Methodology for Data Collection</b>	Project Progress Reports
<b>Responsibility for Data Collection</b>	IRC and NRPB



## **ANNEX 1: DETAILED PROJECT DESCRIPTION**

85. Sint Maarten's government identified a series of emergency interventions that need to be immediately implemented to restore the country to normality as well as a basic level of preparedness for the population for the current hurricane season. The proposed interventions represent a diverse and extremely urgent subset of recovery interventions, as identified by the Government, and reflected in the NRRP, developed in the aftermath of the passing of Hurricane Irma. The Sint Maarten Emergency Recovery Project includes: (i) emergency measures to restore operational capacities of first responders; (ii) restoration of critical utilities services; (iii) emergency repairs to public buildings and housing, and preparation for reconstruction; and (iv) support to the Interim Recovery Committee and the National Recovery Program Bureau.

### **Component 1: Emergency measures for the recovery of disaster first responders and preparedness facilities (USD 14.75 million).**

86. In the aftermath of Hurricane Irma, significant damage to the national emergency response and management capacity was identified, in terms of both equipment and buildings. Additional needs were also identified based on the Irma experience as agencies reviewed their capabilities and performance.

87. Activities under this component are designed to support improvements to the national emergency early warning, response and disaster preparedness system. This component focuses on recovery of four national agencies, namely the police, the fire service, the ambulance service and the meteorological service. Additionally, included under this component are the emergency repairs of seven designated emergency shelters in preparation for upcoming hurricane seasons.

88. Execution of activities under this component will be carried out by the IRC (and the NRPB once set up) with technical oversight from the specialized recipient agencies namely the Ambulance Department (Ministry of VSA), the Fire Department (Ministry of General Affairs) and the Meteorological Department of Sint Maarten (TEATT), Ministry of Education, Youth and Sports (MECYS), the National Police Service (Ministry of Justice), with the support from the Interim Recovery Committee.

### ***SubComponent 1.1: Critical disaster preparedness and response infrastructure repairs and improvements (USD 5.9 million)***

#### ***Emergency Operations Center repairs and expansion***

89. The national fire and ambulance station, which is also the designated emergency operations center (EOC), sustained significant damage because of the passage of Hurricane Irma. Damage realized from the hurricane included damage to the automatic bay door system for fire and ambulance vehicles, damage to interior doors, windows, interior ceilings and other elements of the complex. Additionally, fencing around the complex was damaged and needs repair. Finally, onsite fuel storage, for diesel and gasoline, was identified as a critical need in the aftermath of Irma. Two 1000-gallon above-ground fuel tanks will be installed in a protective enclosure erected onsite to supply response equipment during disasters and fuel related emergencies. This will include the provision of pumps and fuel-water separator filters.



90. During the activation of the EOC, lack of space was an issue, as the center could not accommodate the required numbers of persons assigned to the national response committee in a single location. This required locating committee members in off-site locations, which presented coordination problems particularly since telephone and radio communications were impeded. At present, both fire and ambulance departments as well as EOC operations are housed in a structure designed only for the fire department personnel. Construction of the ambulance section was deferred.
91. Construction of the full EOC facility has yet to be realized. Building designs and a priced bill of quantities have been prepared but pre-hurricane budget constraints prohibited going forward with the construction. Realizing the completion of the facility will eliminate the current overcrowding experienced and allow the complex to function as an operational EOC as envisioned in the original design.
92. While final designs were completed, lessons learned from Irma have revealed the need to include functional spaces not addressed in the current designs. Going forward, the current designs will need to be modified to accommodate, for instance, an additional maintenance bay, secure storage for command and maintenance vehicles and other features identified by the Fire Department. As a result, the present designs will need revision and a new bill of quantities is required to reflect any design changes and current pricing. The project will therefore finance the revisions of the designs and the expansion of the current EOC building, to expand it to its original capacity. Included in the construction package is the installation of fiber optic cable and access points.

#### ***Police station repairs***

93. For the national police force, two buildings will be repaired: the head office at Phillipsburg and a station at Simpson Bay.

#### ***Emergency shelters repairs***

94. Designated shelters are in urgent need of equipment and repairs to permit their use during the 2018 hurricane season. Under this activity, repairs to shelters will be made to ensure they can continue to function as shelter space. Additionally, shelters will be provided with water storage facilities (typically 500-gallon tanks on the public supply line), generators where needed, and replacement of food handling equipment where food service is provided. Shelters equipped with cisterns will receive filtration and water treatment (UV) units. Other improvements will include door replacement, addition of hurricane shutters and drainage modifications where required. These are small works and can be locally contracted.
95. In the case of some schools, facilities suffered from wider damage that will be dealt with in a second generation reconstruction project. For this activity, only the areas designated as shelters will be included under the repair program.

#### ***Reestablishing the operational capacity of the National Meteorological Service's to support Disaster Risk Management***





96. This activity will support the design of a resilient operations building to support the operation of the Meteorological Department Services (MDS) as well as the replacement of MDS damaged equipment.
97. The offices of the national meteorological services suffered significant damages and are to be replaced with a new building designed to restore MDS operations and permit continuous operations during extreme storm events. Repairs are to be made to the radiosonde building to restore operations and allow MDS to continue to fulfill its obligations under agreement with National Oceanographic and Atmospheric Administration (NOAA) as a regional observation center.
98. To support meteorological services, damaged instruments will be replaced, and a new weather station will be installed to replace the damaged unit. Additionally, rain gauges will be installed to improve data collection activities and computer equipment will be provided to improve data capture and analysis activities.

***Subcomponent 1.2: First responders' emergency equipment (USD 8.10 million)***

99. Under this sub-component the project will purchase vehicles and equipment to support fire and ambulance services and improve response and operational readiness. Additionally, improvements to the national warning and alert system are included. Damaged vehicles are to be replaced and additional vehicles and equipment will be supplied to replace those reaching end of service life. Additional equipment will be provided based on the needs identified because of the experience with Hurricane Irma. Apart from supporting emergency services, vehicles will be provided to different ministries including inter alia TEATT, MGA, VSA and VROMI, in replacement of the damaged fleet, or where a critical need was identified, as authorized by the Council of Ministers and acceptable to the Bank.
100. Specifically, this sub-component will support the purchase of three fire trucks and four ambulances fully outfitted with associated equipment. Additionally, repairs will be made to damaged equipment such as the air compressor needed to refill air packs as well as specialized tools and equipment needed to support emergency operations. Finally, six support vehicles and an evacuation bus will be provided to the Fire Department under the Ministry of General Affairs.
101. Communication equipment will be provided to improve the emergency communications network and will include the purchase of satellite phones.
102. Finally, this subcomponent includes funding to support Sint Maarten in a Lidar terrain and bathymetric modeling program.

***Subcomponent 1.3: Training and Institutional Strengthening (US\$ 0.75 million)***

103. Training and technical assistance will be conducted under this program, and will include incident command, shelter management training, specialized training of emergency medical responders, assistance with the establishment of community based emergency management committees and other activities to be determined – with active participation of women. Also included is the provision for conducting workshops and training, particularly for government officials, to promote a greater understanding of the national disaster response plan and its implementation.
104. By promoting women's participation in the community-based emergency management committees, the project will contribute to increased women's representation in relevant decision-making bodies--spaces



where women can contribute to, and influence decision-making with their unique knowledge, experiences, and skills.

**Component 2: Restoring and Increasing Resilience in Water and Electricity Infrastructure (USD 11.60 million).**

105. Apart from ongoing maintenance requirements, GEBE's business plan before Hurricane Irma included a 5-year trenching program, storage enhancement program, and modernization towards the production of clean energy, using renewable energy technologies for power generation and distribution. These improvements have been pushed back as GEBE continues to cope with the damages. Through this emergency Project, the Bank will support GEBE to enhance its business plan to bring the utility to the next level in terms of governance, transparency, financial sustainability, equity (e.g. use of social tariffs for schools), and support the gradual transition of GEBE's current fossil fuel dependent energy generation to a greener energy matrix. The updated business plan will inform the preparation of a follow up, second-generation development project, where the use of cleaner fuels, alternatives and renewable may be considered, in addition to improving water and sanitation services in Sint Maarten.
106. Component 2 will be implemented under the technical oversight of GEBE, but all the fiduciary processes will be carried out by the IRC, initially, and the NRPB once set up.
107. According to preliminary data from the National Recovery and Reconstruction Plan (NRRP), an estimated US\$ 76 million are required to fully restore and increase resilience, specifically for the water and electricity utility in Sint Maarten. This level of investment exceeds the financial capacity of the Government and the utility cashflow availability.
- a. **Electricity.** GEBE maintains a rated generating capacity of 95MW with a system of 11 fuel-driven generators. Pre-Irma peak demand was 57 MW, but post-Irma, the demand on the system dropped to 35 MW, reflecting the damage to consumer (particularly hotel) infrastructure. The electricity generation and distribution network on St. Maarten sustained significant damage during Irma.
  - b. **Water.** Drinking water in St. Maarten is purchased from Seven Seas Water Corporation, St. Maarten, and distributed by GEBE throughout the country. Drinking water in the system is produced by desalination plants owned by Seven Seas. GEBE purchases bulk water and manages storage and distribution to all customers on St. Maarten. Damage and losses experienced because of Hurricane Irma were in management infrastructure, water storage tanks and pump enclosures. Physical losses to GEBE were primarily in office equipment, while its finances have been hurt by the increased cost of trucking water to consumers, and lost water revenue.
108. The proposed approach is to finance the most urgent and prioritized activities identified in the National Recovery and Resilience Plan (NRRP), focusing on restoring management of infrastructure and strengthening water and electricity systems to improve their performance in future disaster events. In close coordination with the Government of Sint Maarten and GEBE, a set of criteria were defined to identify and select the investments to be financed through the grant modality. These criteria include, inter alia: a) restoration and reconstruction expenses incurred that are eligible for retroactive financing under the WB guidelines and operational principles; b) goods and services that are ready to be purchased for emergency related activities



to restore water and electricity services; and c) investments that can help increase resilience to future hurricanes.

***Subcomponent 2.1 Restoring Electricity Services (USD 3.1 million)***

109. Under the Electricity subcomponent, the Project will restore electrical services and improve their performance in future disaster events, financing goods, services and works, including retroactive financing to, inter alia: (i) accelerate the trenching program to move remaining utility cables underground; (ii) upgrade and construction resilient sub-stations; (iii) repair and upgrade transformers including transformer station houses; (iv) replace and repair street lighting; (v) repair and replace current electrical meters damaged by Hurricane Irma; and (vi) update, expand and increase resilience of the utility's substations to improve the power system performance under diverse disturbance situations.

***Subcomponent 2.2 Increasing Resilience of the Water System (USD 7.9 million)***

110. This Subcomponent provides the utility with the necessary investments to increase its water storage capacity from 0.7 to 2 days, strengthening the water system's resilience to hurricanes and other climate shocks. This subcomponent will finance goods, services and works, including retroactive financing to, inter alia: (i) repair, upgrade, and increase water storage capacity; (ii) repair and replace pump units including pump houses; and (iii) replace and/or improve resilience of installed micrometers

111. The necessary activities that were not considered for this operation may be considered for the second generation of projects, still to be defined by the Government of Sint Maarten and approved by the Steering Committee. The proper financing mechanisms for the medium or long-term infrastructure works must be assessed, taking into consideration the financial situation of the government, the utility, and consumers during the preparation of the second generation of projects.

***Subcomponent 2.3. Updating GEBE Business Plan (USD 0.6 million)***

112. This Subcomponent provides the utility with the technical assistance required to improve GEBE performance and accountability to the users, including, among others: (i) provision of institutional support; (ii) revision of the planning mechanisms; (iii) provision of technical assistance on the financial, operational, and commercial management; (iv) updating of GEBE's business plan, and (v) feasibility studies and technical designs of key identified investments to be supported.

**Component 3: Housing and Public Buildings Repair and Reconstruction (USD 19.85 million)**

113. Damage to public and private infrastructure resulting from the passage of Irma was extensive and widespread. The NRRP identifies the housing sector as the one with highest recovery needs in financial terms (over US\$ 450 million). While a substantial housing investment project is being formulated by the Government, the current project aims at supporting quick repairs to roofs, to assist persons not otherwise able to repair their own roofs.

114. A significant number of public buildings were damaged including some 20 schools as well as sports and community centers and some 24 public buildings. Some facilities require repairs while others require major renovation or new construction. In some cases, demolition will be required to both clear the way for reconstruction and urgently remove debris hazards.



115. Under this component, activities include a government sponsored roof repair program as well as the design, demolition and simple reconstruction and repairs of damaged public buildings.

***Subcomponent 3.1 Roof Repair Program – (USD 7.00 million)***

116. In the aftermath of Hurricane Irma, the Government of Sint Maarten established a roof repair program designed to assist persons unable to provide sufficient resources to conduct their own roof repairs. Many homes suffered extensive roof damage throughout the country and many residents are uninsured and unable to provide their own funds to effect repairs. The program targets repairs of the homes of the most vulnerable households. It includes an application process and formal screening procedure to qualify eligible recipients, against a set of administrative, socio-economic and technical criteria in 3 phases. The list of criteria will be finalized at the implementation stage. Nevertheless, an indicative list considered by the Government is presented below.

**Step 1 – Eligibility Criteria**

The eligibility criteria the applicant will need to comply with are minimum administrative requirements. A tentative list is outlined below.

- The applicant is a documented resident of Sint Maarten;
- The applicant can produce proof of ownership/rental of the damaged dwelling (SMHDF dwellers are not included here as there is specific support to SMHDF in sub-component 3.2);
- The applicant can demonstrate the damaged dwelling is his/her primary residence; and
- The applicant has received no or insignificant assistance from other relief agencies, programs, insurance companies or other institution.

**Step 2 – Selection Criteria**

**Social Criteria**

- Persons who are renting from Government
- Pensioners, the disabled and chronically sick, who own their home and have a monthly income lower than 4,000 guilders
- Unemployed homeowners
- Homeowners who are receiving social assistance
- Homeowners who rent out rooms or apartments and have a total monthly income of less than 4,000 guilders

As part of the socio-economic criteria, the selection process will try to identify where possible poor female-headed households, which already live in poor housing conditions and have fewer resources to cope with the effects of natural disasters.

**Technical Criteria**

- The dwelling is in a state in which roof repairs, with possibly minor additional window and door repairs, can restore the dwelling to a livable state. Dwellings that are beyond repair or have major structural damage will be excluded (since there is a risk that the house could collapse).



### Step 3 – Prioritization criteria

Once applications are selected, the works will be prioritized in accordance with the available program budget. As not all applications can be supported owing to the limited funding, the highest priority will be assigned tentatively to households where:

- The total annual income of the home owner and his/her household members does not exceed NAF 24,000;
- The entire dwelling has become temporarily unlivable and the owner and his/her entire household have been displaced.

After the highest priority applicants have benefitted, budget permitting, the remaining eligible applicants will be considered, based on the following order of priority:

- One or more persons in the homeowner's household have reached the age of 60 (or are disabled or chronically ill);
- The home owner is a single parent;
- The household includes one or more children of the age of 12 or below;
- The household includes one or more children of the age of 17 or below;

117. This qualification process is managed through Department of Social Development under the Ministry of Public Health, Social Development and Labor (VSA). Once the proposal is finally selected under the program, the government will select contractors who will perform the needed works. Based on a unit price estimate developed by VROMI, it is estimated that the funds allocated under this sub-component are sufficient to repair up to 350 roofs.

118. The application process is ongoing and as applications are received, approved houses are then included in the construction portfolio. As such, this program is demand driven. To date, there are an estimated 100 homes already approved as eligible under the program with more applications currently pending.

119. To execute the roofing program, contractor services will be used to assess the construction requirements and to execute the actual works. Various contracting methods will be employed, based on the demand, and may range from the use of larger contracts for multiple dwellings to the use of smaller contracts for individual homes as appropriate. Key to the process is the ability to respond rapidly to the demand as dwellings exposed to the elements continue to suffer damage.

### ***SubComponent 3.2 – Emergency support to Sint Maarten Housing Development Foundation (USD 5 million)***

120. The Sint Maarten Housing Development Foundation (SMHDF), the main social housing agency serving predominantly vulnerable families, requires financial support to repair severely damaged housing stock used by low-income families.

121. Hurricane Irma damaged many of the social housing schemes and the SMHDF, experiencing lower revenues due to tenants not paying rent, has not enough resources to conduct necessary repairs. The SMHDF reports they have registered more than 3,000 requests for help with housing.

122. This subcomponent will support the SMHDF with USD 5 million, out of which USD 4.6 million to urgently repair its damaged housing stock mainly in the Belvedere housing complex; and USD 400,000 to help in the



re-design of a proposed social housing complex. The land for the proposed housing complex is owned by SMHDF. Activities will be conducted under the auspices of the IRC/NRPB, with technical oversight from the SMHDF.

***Subcomponent 3.3 - Public Buildings Recovery (USD 7.85 million)***

123. Four activities are included to advance the rehabilitation of public buildings and include: the preparation of engineering designs for priority buildings, demolition of hazardous buildings and simple reconstruction works and temporary relocation of selected priority buildings. Reconstruction requirements of the entire stock are currently estimated at US\$ 111 million.
124. VROMI engineering staff has completed a basic inventory of damaged buildings (including schools) and has prepared general estimates for the costs for resilient reconstruction for each structure on the inventory. These costs do not include designs nor contingencies normally associated with construction works. In some cases, buildings with severe damage or damage to the fundamental structure will be demolished and new buildings of resilient design will be constructed. Throughout this process, there is a strong preference to use of local contractors to stimulate local employment.
125. Based on the inventory, the Government of St. Maarten will select buildings to be included in this initial phase. Attention will be given to Schools, national monuments and Sports Facilities. As practical, contract packages will be prepared as either single buildings, or in lots of buildings.
126. Simple construction works will be identified and advanced based on government priorities. These constructions do not require design but will need the preparation of a priced bill of quantities and a description of works to be accomplished. As these works are advanced, engineers will be engaged to review the sites and include measures in the works assignment to improve building resilience as possible. These include measures such as the addition of hurricane straps and other related improvements.
127. Several ministries also need to incur costs for temporary relocation of staff and related services from a few public buildings. This sub-component will also support such costs.

**Component 4: Support to the Recovery Institutional Arrangements (USD\$ 9.0 million).**

128. This component will support the institutional arrangements made by the Government to manage the Trust Fund and implement and coordinate the recovery projects to be financed thereunder. It will support the operational and administrative costs of the institutions in charge of the Trust Fund and the projects. It will also include a capacity building and a sustainable framework to ensure that the accumulated experience also benefits the Government in the long run and after such institutional arrangements are discontinued.
129. The approach on the institutional arrangements for the implementation of the Trust Fund and the projects has 2 phases:
- a. Phase 1: An Interim Recovery Committee made up of a task group within the Ministry of General Affairs which will coordinate the early priority projects, and assist the ministries with the implementation of projects, with regards to the fiduciary and safeguards requirements.



- b. Phase 2: A National Recovery Program Bureau (NRPB) will be established. In close coordination with the Ministries, the Bureau will be responsible for the preparation, coordination, execution and evaluation of the projects that will be financed through the World Bank Trust Fund.

***Subcomponent 4.1: Support to the Interim Recovery Committee (USD\$ 0.5 million).***

130. This sub-component will support interim operational costs incurred by the IRC while the NRPB is being established. The IRC is expected to continue supporting the NRPB during a period of up to a year after the NRPB is set up. The IRC costs to be supported include operational costs such as equipment, institutional and capacity building needs and travel.

***Subcomponent 4.2: Support to the National Recovery Program Bureau (USD\$ 5.5 million)***

131. The Council of Ministers (CoM) has decided to establish a new entity, the National Recovery Program Bureau (NRPB), for the management of the Trust Fund and the implementation of the projects financed under the recovery program. The Bureau will be established as an independent administrative agency (in Dutch: a 'Zelfstandig Bestuursorgaan' - CoM approval on 15 February 2018) under a national ordinance that, as of mid-June 2018 was pending approval by the Parliament of Sint Maarten.

132. The NRPB will report directly to the Prime Minister. It will be headed by a director and will recruit its own staff (about 20 staff according to the draft staffing plan, including senior management, technical and administrative staff).

***Mandate***

133. The NRPB will be responsible for managing and implementing projects to be financed under the Trust Fund. The NRPB will be working closely with ministries, utilities and third-party entities (e.g. foundations) for the design of the projects. In specific cases, project implementation may be delegated back to such partners.

134. The NRPB will be the single point of coordination for national and international stakeholders concerning the recovery, reconstruction and resilience projects that are financed through the Trust Fund; and will be responsible for ensuring the inclusion of the ministries, and any other stakeholders throughout all phases of these projects.

***Responsibilities***

135. Program Management – the NRPB general program management responsibilities include (a) overseeing the implementation of the Work Plans approved by the Program Steering Committee, (b) coordinating with line ministries, utilities and relevant stakeholders in the Program implementation, (c) managing the NRPB personnel, and (d) reporting to the Prime Minister as well as the Program Steering Committee (e) to ensure the day to day monitoring of the overall portfolio monitoring, including financial commitment and disbursement, and to identify and address gaps in the Program implementation (f) any other reconstruction functions required for the sound management of the program.

136. Projects Management - Project management responsibilities include formulation, implementation, evaluation and audit of the projects, all in closely coordination with the ministries. These include e.g. preparing bidding documents, evaluating proposals, carrying out environmental and social safeguards studies, monitoring and evaluation (M&E), communications and community engagement support for the project. Technical inputs in the bidding documents (Technical Specifications, Terms of Reference, etc.) will be provided





by the Ministries, utilities or third parties. The NPRB will discharge the following functions: (i) contract management in coordination with Ministries, utilities or third parties; (ii) environmental and social safeguards support; (iii) M&E coordination; (iv) procurement of goods, services and works; (v) financial management of the proceeds from the Trust Fund; (vi) financial and technical audits where required; (vii) community engagement and communications support; and (viii) all aspects of knowledge and learning management (KLM).

137. This subcomponent will support the NPRB costs of fulfilling its mandate and responsibilities management of the NPRB, including: (i) the costs of the staff as per the Staffing Plan in annex (e.g. Director, Senior Program Managers, Project Managers, specialists in financial management, procurement, and monitoring and evaluation; technical temporary staff needed during the Program implementation; (iii) the carrying out of Project audits; (iv) the financing of the necessary goods and equipment; (v) lease of office premises; (vi) trips and transportation; and (vii) communication and reporting.

138. NPRB staff shall be hired through an employee contract by the NPRB as an independent administrative agency. Their contract will include compensation, as well as social and pension benefits which shall be considered as eligible expenditures, in so far as, as per the World Bank's Investment Project Financing Policy paragraph 2, they are considered productive and necessary to achieve the DO of the project, the impact of the Project on the recipient's fiscal sustainability is acceptable, and acceptable oversight arrangements, including fiduciary arrangements are in place:

- a) **Expenditures are productive and necessary to meet the development objectives of the Project:** Indeed, such expenditures are considered productive as they will avoid a high opportunity cost for the qualified applicants who are currently under a contract with the Government or in the private sector, and will increase chances of hiring operational staff to run the NPRB more quickly in a context of very scarce highly skilled labor supply in the public administration sector. The NPRB will be the main implementing entity of this project and of other projects financed by the SDTF. As such, it needs to be set up and staffed at the earliest to ensure emergency operations are undertaken in a timely fashion. Also, these expenditures are needed to achieve the PDO and commensurate with PDO objectives as they will contribute directly to strengthen institutional capacity to manage resilient recovery and reconstruction.
- b) **The impact of the Project on the member country's fiscal sustainability is acceptable:** the NPRB will be entirely funded by the Trust Fund and as per the draft ordinance regulating it, it has a sunset clause and will be discontinued once all the projects under the Trust Fund are completed or funds are exhausted. As such, the impact of NPRB salaries including pension and social/pension benefits on the Sint Maarten national budget is none, and they do not raise fiscal sustainability issues.
- c) **Acceptable oversight arrangements, including fiduciary arrangements:** All expenditures under the Emergency Recovery Project shall meet World Bank FM requirements. Once the NPRB is operational, an FM Assessment will be performed to ensure it is capable to manage the FM functions prior to transferring this responsibility and function to it.

#### ***Subcomponent 4.3. - Emergency financial protection measures (USD 3 million)***

139. As part of the institutional strengthening of the government, this component would enable Sint Maarten to access sovereign catastrophe risk insurance offered by CCRIF SPC. The project would finance the





participation fee<sup>8</sup> to join CCRIF SPC and 100% of the insurance premiums for two years. As a new member country, Sint Maarten would have the choice of selecting the amount of insurance coverage per peril (earthquake, excess rainfall and tropical cyclone), depending on country risk profile and priority needs. Taken into consideration that the project finances emergency activities, sustainability will be built in as part of targeted capacity building activities, rather than through decreasing premiums. Additional support under this component would focus on strengthening the capacity of the government to adopt a more proactive approach to plan financial responses to disasters in advance.

140. Given the tight fiscal situation of Sint Maarten, the Government requested the World Bank to include the financing of insurance premiums and the participation fee as part of the project. The participation of Sint Maarten in CCRIF SPC not only provides an opportunity for regional coordination but would also complement other project activities. As a risk transfer mechanism, CCRIF SPC offers cost-efficient products that can pay out rapidly after a disaster (typically in 14 days). This infusion of liquidity into their general budgets is crucial in the initial phase of disaster response and helps government continuity.

### Summary Cost and Financing Table

Component	USD\$ (Million)	Source
<b>Total - Component 1 Emergency measures for the recovery of disaster first responders and preparedness facilities</b>	<b>14.75</b>	<b>Trust Fund</b>
<i>1.1 Critical disaster management and first responders' infrastructure repairs and improvements</i>	5.90	
<i>1.2 First responders' emergency equipment and priority vehicles</i>	8.10	
<i>1.3 Training and Institutional Strengthening</i>	0.75	
<b>Total - Component 2 - Restore Public Utility Services after Hurricane Irma</b>	<b>11.6</b>	<b>Trust Fund</b>
<i>2.1 Restoring Electricity Services</i>	3.1	
<i>2.2 Restoring and Increasing Water Storage Capacity</i>	7.9	
<i>2.3 Updating GEBE Business Plan</i>	0.6	
<b>Total - Component 3 – Housing and Public Buildings Repair and Reconstruction</b>	<b>19.85</b>	<b>Trust Fund</b>
<i>3.1 Roof Repair Program</i>	7.0	
<i>3.2 Emergency support to Sint Maarten Housing Development Foundation</i>	5.0	
<i>3.3 Public Buildings Recovery</i>	7.85	
<b>Total - Component 4 - Support to the Recovery Institutional Arrangements</b>	<b>9.0</b>	<b>Trust Fund</b>
<i>4.1 Support to the Interim Recovery Bureau</i>	0.5	
<i>4.2 Support to the National Recovery Program Bureau</i>	5.5	
<i>4.3. sovereign parametric financial protection measures</i>	3.0	
<b>Project total</b>	<b>55.2</b>	

<sup>8</sup> The participation fee is a payment made when a country becomes a member of CCRIF in an amount equivalent to the annual premium paid by a country. The participation fee is due upon signing of a participation agreement between the respective participating country and CCRIF



## **ANNEX 2: IMPLEMENTATION ARRANGEMENTS**

### **Project Institutional and Implementation Arrangements**

#### **Overall scheme of implementation responsibilities**

141. The government is establishing a NRPB that will be responsible for implementation of this project as well as all other recovery and resiliency projects approved by the SDTF's Steering Committee. The Bureau will carry out technical, administrative, legal, financial and procurement responsibilities and be staffed to lead project implementation. It will have overall responsibility for ensuring compliance with fiduciary agreements, procurement guidelines, social and environmental management, monitoring, reporting and evaluation of processes and results. It will coordinate technical designs of the projects with relevant ministries and conduct consultative and reporting functions.
142. However, before the NRPB is in place, the project implementation responsibility will be carried out by the Interim Recovery Committee (IRC), which was established to coordinate Trust Fund projects until the Bureau is in place. Before the IRC is substituted by the NRPB, the IRC will serve as a primary project implementation unit (PIU) for the project. The IRC includes technical, administrative, legal, financial and procurement staff to handle Project implementation. It acts as an overarching project implementation support unit coordinating with and assisting all co-executing ministries/agencies, and reports directly to the Prime Minister. The WB will provide support and capacity building during Project implementation to the IRC and the NRPB. Project implementation will be carried out in accordance with all the terms and conditions agreed between the Government of Sint Maarten and the World Bank as set forth in the Grant Agreement.
143. The IRC and subsequently the NRPB will be the single point of coordination for national and international stakeholders concerning the recovery, reconstruction and resilience projects that are financed through the SDTF; and will be responsible for ensuring the inclusion of the ministries, and any other stakeholders throughout all phases of these projects.
144. The co-executing ministries/agencies will be responsible for the technical inputs and oversight in the preparation and implementation of specific activities. The project coordinators for each specific activity benefitting a ministry/agency will sit in the said ministry/agency. Nevertheless, procurement of equipment, goods and services will be conducted by the IRC with technical inputs from MGA (fire station and the police station); VSA (ambulances), TEATT (Hydro-meteorological office); GEBE (utility - water and electricity); VROMI (private house roof repairs and public buildings); and SMHDF (social housing repairs). Most of the civil works will be executed by the IRC/NRPB with technical oversight from VROMI. VROMI will be responsible for the technical design and supervision aspects of the works while the fiduciary and safeguards requirements will be overseen by the IRC (and the NRPB once set up). As such, VROMI and the IRC will together undertake the repairs of the public buildings including the fire station, police station, shelters and schools. VROMI employs a modest engineering staff and will need the support of a consulting firm (including engineering design and supervision consultants) to implement a project of this magnitude.
145. The following organigram outlines the flow of responsibilities foreseen. This organigram shows the role of the IRC and the NRPB, once it replaces the IRC. In this set-up, the NRPB retains the responsibility for the implementation of the projects, while the ministries will contribute with technical specifications and terms of



reference. Where relevant and feasible, the NRPB may delegate the responsibility of implementation to the relevant ministries/agencies.

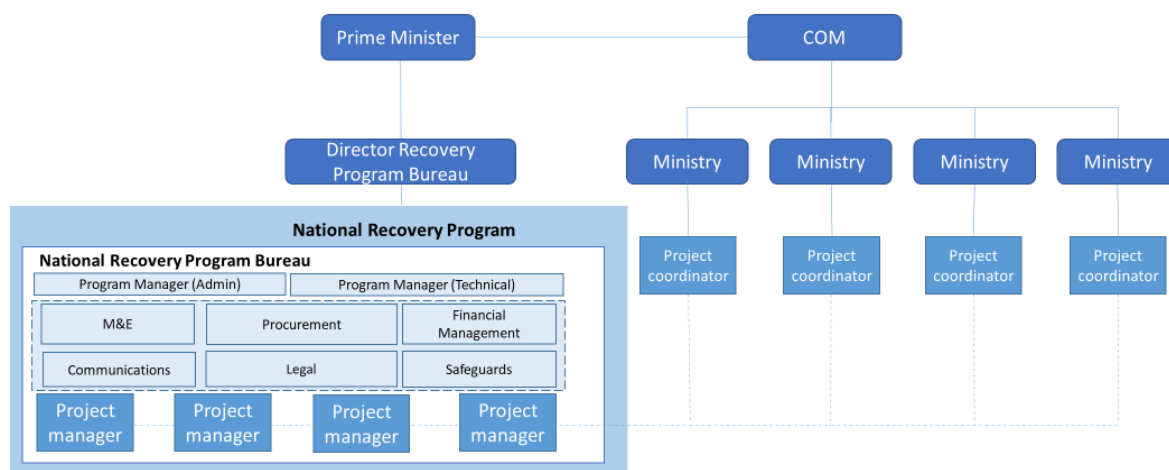


Figure 1 - Organigram of responsibilities for the overall Recovery Program

Table 1- List of co-executing ministries/agencies

Component	Co-executing Ministry Agency
<b>Component 1: Emergency measures for the recovery of disaster first responders and preparedness facilities</b>	MGA, TEATT, Justice and VSA (for goods and services) VROMI (for civil works)
<b>Component 2: Water and Electricity</b>	GEBe
<b>Component 3: Public Buildings Repair and Reconstruction</b>	VROMI, Housing Foundation, MECYS
<b>Component 4: Recovery Institutional arrangements</b>	N/A

146. The IRC and the NRPB will be responsible for the management of the entire implementation, including fiduciary and safeguards aspects. However, for this and for other projects, the World Bank reserves the right to require that Subsidiary agreements be put in place between IRC/NRPB and the co-executing agencies as appropriate.

147. There will be a significant demand for Bank support to assist with project management and implementation. The agencies within the Government of Sint Maarten are unfamiliar with Bank operations and procedures. Additionally, the demands of the recovery program are diverse and considerably greater



than what the pre-hurricane levels government agencies were designed to manage. Early support from the Bank is essential to develop an effective IRC and NRPB.

148. Project Operational Manual (POM). The POM will include all procedures, rules, and standards for the implementation of all components and aspects of the Project including, but not limited to: (i) institutional arrangements; (ii) operation of the IRC and the NRPB, and the co-executing ministries/agencies; (iii) Project planning and M&E; (iv) social and environmental management, reporting, communication, and human resources; (v) procurement; (vi) administrative processes and FM; (vii) grievance procedures and (viii) procedures for amending the POM.
149. Results Monitoring and Evaluation. The IRC/NRPB will be responsible for the overall Project monitoring and evaluation (M&E) and reporting. A dedicated M&E Specialist in the NRPB will lead the effort (i) to collect, consolidate, analyze and report on Project performance data, as well as (ii) to provide periodic information on intermediate Project-wide results and progress towards higher level outcomes (this will be critical for the mid-term review of the Project as well as end evaluation). Co-executing agencies will ensure adequate staff and mechanisms are in place to periodically collect data and assist the M&E Specialist by providing relevant sectoral information as available and as requested. In accordance with WB policy, the Bank will complete: (i) periodic Implementation Status and Results Reports (ISRs) usually associated with semi-annual supervision missions; (ii) a mid-term review half way through implementation to review progress against the objectives and targets and any need for adjustment; and (iii) an Implementation Completion Report (ICR) within six months following the end of the Project. Supervision missions are co-organized by the IRC/NRPB and the Bank and entail routine quality checks at various stages of implementation, such as the undertaking of civil works activities. Periodic monitoring will include process reviews, reporting of outputs and the maintenance of updated records. The thematic areas that will be supervised and monitored include: (i) social and environmental safeguards monitoring; (ii) regular quality supervision and certification; (iii) periodic physical progress monitoring; and (iv) results (M&E).

### **Financial Management**

#### *Risk assessment*

150. The FM responsibilities of this project will eventually be undertaken by the NRPB, which is a new entity that is not yet operational. Once the NRPB is operational, an FM Assessment will be performed to ensure that the NRPB is capable to manage the full capacity to perform required FM functions prior to any transfer of transferring this responsibility and function to it. Given that the IRC and NRPB are both inexperienced with World Bank's financial management procedures; and the activities will be implemented by multiple implementing entities, the overall financial management risk of this project is assessed as Substantial.

#### *Staffing*

151. There are three financial management specialists assigned to the IRC, who will initially have the responsibility for the financial management aspects of the projects. An additional individual will also be assigned to the IRC, to execute the daily accounting functions for the projects. The Bank's FMS will provide hands-on training on the World Bank's policies and guidelines to the FM staff.



### *Budgeting*

152. A budget for the life of each project will be prepared by the IRC and later the NRPB in collaboration with the respective implementing entities, and reviewed and endorsed by the World Bank annually. This budget will be periodically reviewed and updated as needed to reflect the progress of implementation. Quarterly variance analysis (actual versus budgeted expenditures) should also be prepared and be provided as part of the quarterly progress reports.

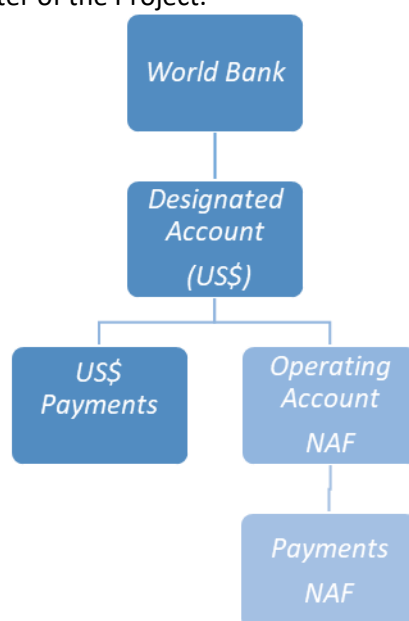
### *Accounting and Internal Controls*

153. The project transactions will be accounted for using the cash basis of accounting, and will be maintained in the accounting system, QuickBooks. QuickBooks' chart of accounts should be designed by projects, components, sub-components, activities and disbursement categories. The daily operations of the project will be guided by an operations manual which will incorporate the financial management procedures. The manual will be updated throughout the life of the project as needed to reflect the current procedures and processes.

### *Flow of Funds Arrangements*

154. The following disbursement methods will be available: Advance, Reimbursement and Direct Payment; with Advance being the primary method of disbursement. Advances will be provided to the DA maintained by MoF at the Central Bank of Curacao & St. Maarten. Funds will then be periodically transferred from the DA to the local currency operating account to finance the respective project activities. The operating account will be maintained at the Windward Island Bank (WIB).

155. Advances are based on six-months cash forecast, and subsequently, quarterly Interim Financial Reports (IFRs) will be used for the documentation of expenditures. The minimum application size for Direct Payments and Reimbursements can be found in the Disbursement Letter for this project and each other project funded by the SDTF. The overall disbursement arrangements will follow standard disbursement policies and procedures established in the Disbursement Guidelines for Investment Project Financing dated February 2017, and in the Disbursement Letter of the Project.



*Figure 2: Funds flow*



*Reporting*

156. Unaudited Interim Financial Reports (IFRs) are required quarterly and should be submitted to the Bank within 45 days of the end of each calendar quarter. The first external audit will be required to cover the first year and a half of implementation (from the grant agreement effectiveness date to December 2019), and thereafter external audits will cover one fiscal year each (ending December 31). The audit reports will be due to the World Bank no later than six months after the end of each audit period.

*Procurement*

157. Procurement activities for the supply of goods, works, non-consulting and consulting services under the Project, financed totally or partially with SDTF proceeds, will have to comply with the World Bank's "Procurement Regulations for IPF Borrowers" (November 2017). The IRC, and its successor the NRPB (once set up), will be responsible for carrying out the procurement of all the activities financed under the Project.
158. The procurement risk assessment confirmed that the country, not being a client of the Bank, has not had any experience with World Bank Projects before and has limited capacity to carry out the procurement and lacks sufficient staff with experience to conduct international procurement. In addition, despite all efforts to streamline procurement procedures and establish implementation arrangements to simplify the procurement procedures of the project, there is likely to be considerable lead times to navigate the government's procurement processes and procedures. On this context, at the request of the Government, the project will have hands on expanded implementation support from the Bank's side to support the execution of procurement activities and address the capacity risks that were identified during the preparation of the PPSD and the capacity assessment carried out by the Bank. IRC is committed to build their in-house capacity and therefore, a team of three procurement specialists were assigned to handle the overall project's procurements work with the World Bank and get the knowledge transferred.
159. The IRC, with close support from the Bank's team, has prepared a simplified version of the Project Procurement Strategy for Development (PPSD). The PPSD is focused in the main activities that are currently envisaged and summarizes the operational environment in which the project is being implemented, the market analysis, the risks assessment and different alternatives to carry out the procurement. As a result of such assessment, the operational context and preliminary procurement arrangements for the following activities are described in the document: (i) staffing of the national Recovery Planning Bureau, (ii) rehabilitation of houses, (iii) public buildings repair/reconstruction, (iv) repair of the fire station, fuel storage, police station and public shelter, (v) EOC build out and construction works and (vi) Emergency Communications Network. If during project implementation the conditions of the activities change from the ones analyzed in the PPSD, the strategy will be updated accordingly to reflect the best fit for purpose procurement arrangements to achieve the desired value for money. The details for these and any other additional activity will be detailed in the Procurement Plan.
160. The PPSD provides adequate supporting market analysis for the selection methods detailed in the Procurement Plan. Based on preliminary information, mandatory Procurement Prior Review Thresholds detailed in Annex I of the Bank's Procurement Procedure will be observed. All procurement procedures, including roles and responsibilities of different participating entities and units, will be defined within the project operations manual.



161. Procurement Plan. The project is expected to finance civil works, goods, consultancy services and non-consultancy services. The detail of activities that are expected to be carried out during the first 18 months and procurement arrangements for each of them will be detailed in the Procurement Plan. In accordance with paragraph 5.9 of the Procurement Regulations, the Bank's Systematic Tracking and Exchanges in Procurement (STEP) system will be used to prepare, clear and update Procurement Plans and conduct all procurement transactions for the Project.
162. Bidding Procurement Documents. The standard bidding documents of the World Bank will be used for all contracts subject to international competitive procurement and those contracts as specified in the procurement plan tables in STEP. For bidding processes with a national market approach, the bidding and request of quotations documents will be discussed and agreed with the World Bank.
163. Key Procurement Issues. The key issues concerning procurement for project implementation include: i) the lack of prior experience of the IRC implementing projects financed by the World Bank; ii) the number of different contracts that will be procured and to be managed by IRC procurement team; iii) Sint Maarten's construction labor force has historically only been able to support one large construction project at a time; and iv) saturated local construction market. Mitigation measures to deal with project specific procurement risks are being defined in the PPSD.
164. Frequency of Procurement Supervision. In addition to prior review supervision to be carried out by the World Bank, the capacity assessment of the implementing agencies recommends annual supervision missions to visit the field to carry out post review of 1:10 procurement actions.





### ANNEX 3: IMPLEMENTATION SUPPORT PLAN

#### I. Strategy and Approach for Implementation Support

165. The strategy for implementation support (IS) draws on the risk profile of the Project and aims to enhance the Government of Sint Maarten's quality delivery of the proposed interventions. The Task Team Leader (TTL) of the Project would be based at World Bank headquarters (WB HQ), or if needed in Sint Maarten. The team supporting the TTL, including the co-TTL and the specialists, would be a mix of personal based at WB HQ and Country Offices in the region. The team will undertake supervision missions 3 to 4 times a year, with flexibility in the frequency of missions especially for the first semester because of the possible retroactively-financed activities. Regular supervision by the Bank will be conducted to follow up on Project component progress and provide tailored support to the Counterparts to effectively implement the Project. It will focus on the following areas:
166. **(a) Strategic:** IS missions will meet with the IRC (and the NRPB once set up) and the co-executing ministries/agencies to: (i) review Project activities, (ii) re-confirm strategic alignment of Project activities to the PDO; and (iii) ensure the necessary coordination amongst respective stakeholders.
167. **(b) Technical:** The IS team for the Project will consist of WB technical specialists who will review and supervise the execution of the Project components with co-executing agencies, ensure the activities keep in-line with the PDO, and advise on adjustments to the design and procurement plan when necessary.
168. **(c) Safeguards:** Bank environmental and social specialists (HQ-based) will support the IRC/NRPB and co-executing agencies in the preparation and consultation process associated with the safeguards instruments needed for the Project. This support will continue throughout Project implementation, to ensure the application and effectiveness of those instruments. These specialists will ensure: (i) IRC/NRPB's and the co-executing agencies' knowledge and understanding of Bank safeguards instruments and further familiarize them with those; (ii) that counterpart actors have the capacity to undertake environmental and social analyses and develop mitigation approaches; and (iii) regular and close supervision of progress and implementation of the plans.
169. **(d) Procurement and Financial Management:** The Bank's regional, HQ-based FM and procurement specialists will play a key role during the first phase of the Project because it is the first time the Government has been working with the Bank, and they are using the retroactive financing modality. In general, the FM and Procurement specialists will provide timely, targeted training to the IRC and the NRPB and the co-executing ministries/agencies through periodic supervision missions during Project implementation. These specialists will: (i) develop IRC's and NRPB's and the co-executing agencies' knowledge and understanding of Bank rules and procedures and further familiarize them with those; (ii) introduce the IRC and NRPB and the co-executing agencies to Bank Procurement Guidelines and prepare them to use those; (iii) ensure they have the capacity to manage the flow of funds and accounting procedures, in line with FM guidelines; and (iv) support the IRC and the NRPB in building its overall FM and procurement capacity to improve and facilitate project management (in the context of this Project, and in general). Supervision of the Project's FM arrangements will be conducted semi-annually and, as needed, in response to Government of Sint Maarten's needs. Procurement supervision will also be carried out semi-annually, preferably jointly with the regularly scheduled Bank supervision missions. The support will focus primarily on providing guidance on the Bank's Procurement





Guidelines; review of procurement documents and providing timely feedback; and help monitor procurement progress against the Procurement Plan.

170. In addition, the Government of Sint Maarten requested the World Bank for Hands-on Expanded Implementation Support (HEIS) pursuant to the World Bank Procedure “Procurement in IPF and Other Operational Procurement Matters”. The support needed will relate predominantly to implementing the higher risk activities under these projects by the IRC and the NRPB for the procurement of civil works, goods, non-consulting services and hiring of consultancy services. Under this arrangement the Bank will ongoing PPSD that the IRC is preparing with close support the IRC in: (i) drafting procurement documents; (ii) drafting TORs and technical specifications; (iii) providing advice on evaluation procedures, including identifying strengths and weaknesses in proposals and CVs of potential key staff; (iv) providing advice during negotiations, including clarifying matters; and (v) drafting final award letter/contract. HEIS will nevertheless not cover evaluation of bids. Other areas of HEIS support will include preparation of the Operations Manual; which will comprise of setting up operational procedures, emergency procurement teams and framework agreements; and putting in place necessary due diligence and supply arrangements for faster delivery of urgently needed works, supplies and services once an emergency occurs.
171. **(e) Client relations:** The TTL and/or the co-TTL will: (i) coordinate Bank supervision to ensure consistent Project implementation, as specified in the legal documents (i.e. Financing Agreements, Project Operations Manual); and (ii) meet regularly with the Government of Sint Maarten to gauge Project progress in achieving the PDO and address implementation roadblocks as they may arise.



## ANNEX 4: ENVIRONMENTAL AND SOCIAL ACTION PLAN

172. The Sint Maarten Emergency Recovery Program is being prepared and implemented according to Paragraph 12 of the World Bank's Operational Policy on IPF, which allows the deferral of safeguards requirements, if the Bank deems the recipient to be in urgent need of assistance because of a disaster or conflict. The deferral of environmental and social requirements was approved for this Project and the Bank has prepared, an Environmental and Social Action Plan (ESAP) in accordance with its policies. The ESAP is a project-level safeguards planning document that provides a time-bound plan setting forth the steps and sequential planning of project activities and the preparation of the relevant safeguards instruments by the Government of Sint Maarten, to ensure compliance with the safeguards requirements. The ESAP is guided by the dual objective of ensuring that there is a roadmap for safeguards compliance during project implementation and providing clear guidance to the client on the types of actions and instruments required to facilitate speedy implementation of emergency service.
173. The ESAP includes an Environmental Management Plan (EMP) and where relevant, Abbreviated Resettlement Action Plans (ARAP) and Hazard/Risk Assessments to be prepared for all identified project activities, and are expected to be completed and made public ahead of the start of the works.
174. The EMP consists of the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels. The plan also includes the actions needed to implement these measures. Works will not commence prior to the completion and approval of the EMP and when required the ARAP.

### Program Description

175. The Government of St Maarten has asked the Bank for support for four key areas: (i) Emergency recovery and disaster preparedness program; (ii) A hospitality and skills training program; (iii) Support for public utilities; (iv) Debris removal, including the Hurricane Irma dump and a cash for work program.
176. The project of the present PAD is the Emergency recovery program. It identifies a series of emergency interventions that need to be immediately implemented to restore the country to normality and provide a basic level of preparedness to the population. These interventions aim to: (i) reestablish and improve first responders' operational capacity and preparedness facilities; (ii) restore full utility services after Hurricane Irma; (iii) repair housing and repair and reconstruct public buildings; and (iv) establish efficient project management and implementation capacity in the government to implement identified priority interventions according to agreed standards for fiduciary, environmental and social management.

<b><i>Project Components and Activities which could result in negative Environment and Social Impacts</i></b>	
<b>Component 1: Emergency measures for the recovery of disaster first responders and preparedness facilities (USD 14.75 million).</b>	<b><i>Indicative activities and environment and social policies triggered</i></b>



<p>1. <b>Sub component 1.1 Critical disasters first responder infrastructure repairs and improvements (USD 5.90 million).</b> This subcomponent will support improvements to the national emergency response and disaster preparedness system. It includes repair of critical public facilities and repair and purchase of equipment at four national agencies (namely the police, the fire service, the ambulance service and the meteorological service), and repairs of designated emergency shelters and schools.</p>	<p>OP 4.01. Repairs and upgrades on same sites. OP 4.12. Maybe economic displacement</p>
<p><b>Subcomponent 1.2: First responders' emergency equipment (USD 8.10 million)</b></p>	
<p>2. The sub component will purchase vehicles (including fire trucks, ambulances, support vehicles, and an evacuation bus) and related equipment, and repairs to damaged equipment. Additionally, communication equipment, including satellite phones, to improve the Recipient's emergency communications network is foreseen. Apart from supporting emergency services, priority vehicles will be provided to TEATT, and replacement support vehicles will be purchased for VSA and VROMI.</p>	<p>None</p>
<p><b>Subcomponent 1.3: Training and Institutional Strengthening (USD 750,000)</b></p>	
<p>3. Training and technical assistance will be conducted under this program, which will include incident command, shelter management training, specialized training of emergency medical responders, assistance with the establishment of community-based emergency management committees – with active participation of women – and other activities to be determined. Also included is a provision for conducting workshops and training, for government officials, as well as other relevant stakeholders (e.g. civil society) as needed, to promote a greater understanding of the national disaster response plan and its implementation.</p>	<p>None</p>
<p>4. <b>Component 2: Restore and Increase Resilience of Utilities Services after Hurricane Irma (USD 11.60 million).</b></p>	
<p><b>Subcomponent 2.1. Restoring Electricity Services (USD 3.10 million)</b></p>	
<p>5. Through this subcomponent the Project will restore electrical services and improve their performance in future disaster events, financing goods, services and works, including retroactive financing to, inter alia: (i) accelerate the trenching program to move remaining utilities underground; (ii) upgrade and construct resilient sub-stations; (iii) repair and upgrade transformers including transformer station houses; (iv) replace and repair street lighting; (v) repair and replace current electrical meters damaged by Hurricane Irma; and (vi) update, expand and increase resilience of the utility's substations to improve the power system performance under diverse disturbance situations.</p>	<p>OP 4.01. Repairs and upgrades on same sites. OP 4.12 maybe limited land acquisition for underground cables and/or economic displacement due to disruption of business activities.</p>
<p><b>Subcomponent 2.2. Increasing Resilience of the Water System (USD 7.90 million)</b></p>	
<p>6. This Subcomponent provides the utility with the necessary investments to increase its water storage capacity to between 2 and 4 days, strengthening the water system's resilience to hurricane and other climate shocks. It will finance goods, services and works, including retroactive financing to, inter alia: (i) repair, upgrade, and increase water storage capacity; (ii) repair and replace pump units including pump houses; and (iii) replace and/or improve resilience of installed micrometers. This component will</p>	<p>OP 4.01 EMP will provide for any interruption for</p>



be executed under the technical oversight of GEBE, but all the fiduciary processes will be carried out by the IRC (and NRPB afterwards).	economic activity, if it arises
<b>Subcomponent 2.3. Updating GEBE Business Plan (USD 0.60 million)</b>	
7. This Subcomponent provides the utility with the technical assistance to improve GEBE performance and accountability to the users, including, among others: (i) provision of institutional support; (ii) revision of the planning mechanisms; (iii) provision of technical assistance on the financial, operational, and commercial management; (iv) updating of GEBE's business plan; and (v) feasibility studies and technical designs of key identified investments to be supported.	None
<b>Component 3: Housing and Public Buildings Repair and Reconstruction (USD 22.85 million)</b>	
<b>Sub component 3.1. Roof repair program (USD 7.00 million)</b>	
8. This sub-component will support quick repairs to roofs of damaged houses. The program targets repairs of the homes of the most vulnerable households selected based on administrative, socio-economic and economic criteria and procedures acceptable to the World Bank, which will be determined at the implementation stage, and included in the Operations Manual.	OP 4.01 OP4.12 ARAPs and or compensation notes will be prepared if required. Work during day when owners are at work. Maybe cases of vulnerable persons/elderly/sick persons who may need a support plan to be moved.
<b>Sub component 3.2. Support to the Sint Maarten Housing Development Foundation (USD 5.00 million)</b>	
9. The St. Maarten Housing Development Foundation (SMHDF), the main social housing agency serving predominantly vulnerable families, requires financial support to repair severely damaged housing stock. This sub-component will support the SMHDF with a direct grant of USD 5.0 million <sup>9</sup> .	OP 4.01 Environmental Assessment  OP 4.12. Involuntary Resettlement. Temporary relocation

<sup>9</sup> The amount in this sub-component will focus on a grant of USD 3.6 million to urgently repair the Foundation's damaged housing stock,



	ARAPs and or compensation notes will be prepared if required. Work during day when owners are at work. Maybe cases of vulnerable persons/elderly/sick persons who may need a support plan to be moved.
<b>Sub component 3.3 Public Building repairs (USD10.85 million)</b>	
10. A significant number of public buildings were damaged, including some 20 schools as well as sports and community centers, national monuments and some 24 public buildings. This component will support the urgent repairs of high priority facilities, the cost of temporary relocation, and survey and design for some of those buildings that require major renovation or new construction. In some cases, demolition will be required to both clear the way for reconstruction and urgently remove debris hazards. The execution of this sub component is expected to be under the responsibility of IRC/NRPB with technical oversight from VROMI, the ministry managing physical infrastructure on behalf of client ministries such as MECYS, VSA, MGA and others. As reconstruction needs far exceed the budget available under this subcomponent, the government of St. Maarten will provide a prioritized list of those buildings to be addressed under this activity.	<p>OP 4.01 Environmental Assessment</p> <p>OP 4.11 Physical Cultural Resources</p> <p>OP 4.12 Related to reconstruction of public buildings and or new buildings.</p>
<b>Component 4: Institutional Support for Reconstruction (USD 6.0 million).</b>	
11. This component will support the institutional arrangements made by the Government to implement and coordinate the projects to be financed by the Single Donor Trust Fund (SDTF). It will support the operational and administrative costs of the institutions in charge of the SDTF and the projects. It will also include capacity building and a sustainable framework to ensure that the accumulated experience also benefits the Government in the long run and after such institutional arrangements are discontinued.	None

### Project Location and Some Salient Environmental and Social Characteristics

177. The following are commonly known impacts associated with the activities of construction and rehabilitation of civil works: (i) increased level of dust, noise, and vibration; (ii) pollution risks related to the removal and disposal of debris/demolition materials which could potentially lead to water/air pollution; (iii) health and safety risks due to construction/reconstruction activities. The procedures for monitoring environmental compliance will be included in the Operational Manual.

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finance the construction of a hurricane shelter in the Belvedere housing complex for an estimated USD 1.0 million and provide technical assistance of USD 400,000 to support the redesign of a proposed housing complex.



178. The project's overall potential socio-environmental impacts will be positive for the affected communities as the project will restore and improve critical public infrastructure and services in the areas of public safety, health, and access to electricity and water. There are, however, potential adverse socio-environmental impacts associated with construction and operation of the proposed physical investments. There are also positive impacts with the concept of 'build back better' and disaster risk reduction through the adoption of new and resilient engineering technologies for constructing homes.
179. The project is considered Category "B" and OP 4.01 is triggered for sub-components 1.1, 2.1 and 2.2 and all of Component 3. The bulk of the work is expected to generate be of relatively small scale, generating localized environmental impacts that can be easily identified, and well mitigated, and managed. Overall, these environmental impacts are mostly associated with the construction phase of the rehabilitation works, and include inter alia debris management, worker health and safety, noise control, and soil erosion. Consequently, no significant or irreversible environmental impacts are anticipated due to Project-financed activities.
180. Social Impacts. The project will result in positive benefits to beneficiaries, including the poor and women, in the form of reinstating the capacity of Sint Maarten emergency first responders, as well as the full recovery at pre-Irma level of utilities and public services buildings. In addition, up to 500 low-income and vulnerable households are expected to benefit from the housing repair program. Negative impacts could result from inadequate information dissemination and consultation when appropriate.
181. OP 4.12 Involuntary Resettlement: The project investments for civil works in Sint Maarten focus on rehabilitating and/or strengthening institutions providing critical public services, including: (a) provision of emergency vehicles for fire, ambulance and police; (b) rehabilitating critical buildings to restore critical services (police, fire, schools, community centers, clinics); (c) restoring public utilities (electrical cables and power lines); and (d) improving responses to immediate and future emergencies (hydro met). In some cases, the sites are yet to be identified. The bulk of the work focuses on repairs and reconstruction on the same footprint. No land acquisition for right of way works on cabling is anticipated under this project. However, some of the works could require relocation of buildings on the same site. Works under component 3.1 comprise roof repairs for the most damaged houses where people have been rehoused. In others, families live in the damaged house (with plywood over windows). The repairs for the latter are expected to take place during day time, when people leave their house for work or stay with relatives. Under subcomponent 3.2 Support to the Sint Maarten Housing Development Foundation, works will be undertaken to repair the foundation's severely damaged housing stock, and finance the construction of a hurricane shelter in Belvedere Housing Complex. However, some cases may be encountered of sick, elderly persons who may need additional attention and support for the works to commence.
182. As the project investments could have impacts that result in temporary involuntary resettlement and/or land acquisition, OP 4.12 Involuntary Resettlement is triggered. As a result, guidance on the preparation of ARAPs, should they be required, will be provided. All safeguards documents will be consulted upon and disclosed prior to the start of works. To ensure implementation of social safeguards, the Government is preparing an EMP and ARAPs and has designated an Environment Specialist and a Social Development Specialist to oversee the safeguards. The World Bank will provide Training to the IRC/NRPB and co-executing ministries/agencies on the Bank social safeguard requirements as well as on the draft safeguard instruments.
183. OP 4.10 – Indigenous Peoples. Given the population patterns in St Maarten, this policy is not triggered.



## **Labor, health and safety**

184. Hurricane Irma has exacerbated the already high levels of unemployment in St Maarten. The Government's hospitality training program and the UNDP cash-for-work program are intended as short-term measures to provide people with employment until the tourist industry, on which the country depends, can recover to its previous levels. Most of the people employed by the cash-for-work program are unskilled laborers, since the main activity is removal of the debris left by the hurricane.
185. At the same time, there are not enough skilled construction workers to satisfy the demand in the sector. It is not clear how many workers have already been brought to St Maarten by contractors working for the private sector on repair work and/or the demolition and reconstruction of hotels and larger private homes. Although the Government of Sint Maarten would like to offer as much work as possible to local contractors, it is unlikely to imagine that all the contracts for the Emergency Recovery and Disaster Preparedness Program could be carried out in time without bringing at least some labor from outside the country.
186. There are two issues to be considered. The first is to ensure that workers brought into the country for the Bank-financed projects receive fair treatment and are offered acceptable living and working conditions. The second is to manage the influx of workers in a way that avoids social conflicts, impacts on community health or the risk of gender-based violence. Some basic requirements must be incorporated into the international requests for tenders and contracts. These issues will have to be identified in the EMP and/or the Environmental and Social Action Plan before the bids are tendered.
187. The issues relating to the safeguard of all workers (international and local) include:
- Health and Safety (H&S) in the workplace. Contractors must be required to follow internationally accepted best-practice in relation to H&S in the workplace. This would include the provision – and the requirement for workers to use – appropriate personal protective equipment. It would also include induction and follow-up training on H&S, regular monitoring (by H&S specialists on larger contracts) and procedures for incident/accident reporting. This is particularly important since the project involves some potentially hazardous activities. They include demolition of structures that have suffered hurricane damage, management of hurricane debris and measures to properly dispose the debris. Adherence to the World Bank Environment Health and Safety Guidelines (EHS) Guidelines will be required and reflected as appropriate in the different EMP.
  - Disaster preparedness. Employers must develop procedures to address the risk of further natural disasters (hurricanes and earthquakes) and fires. They must ensure workers have access to hurricane shelters during and outside working hours. Workers must be familiarized with the emergency procedures during induction and as part of regular H&S follow-up sessions.
  - Accommodation. Because of the damage caused by Hurricane Irma, there is a shortage of affordable accommodation on St Maarten. Employers should be asked to arrange suitable accommodation for workers coming from outside the country. This could take the form of work camps or arrangements made with hotels/guest houses. The accommodation must provide workers with adequate toilet and shower facilities, beds and space for their personal effects.
  - Health and life insurance. Since public health services in St Maarten are limited (all doctors work privately), employers should either provide health insurance or make appropriate arrangements for expatriate workers to receive medical attention and, if necessary, repatriation in case of sickness, injury or death.





Locally hired workers must also be covered by health insurance through the national SZV or other health insurance scheme.

- Transport. Workers must be provided with return tickets to ensure that they can return to the place from which they were hired.

188. The social analysis will include a description of several types of labor to be used under the project and the anticipated health and safety, and community risks, including labor influx and Gender-Based Violence. These potential risks should be assessed and measures to address them shared with the contractor.

**The main community health and safety issues**

189. The main community health and safety issues include:

- Risks to public health. To avoid the risk of workers, in case the risk is upfront known depending on the originating countries, introducing communicable or vector-borne diseases, employers can ensure that workers are vaccinated and screened for communicable diseases in accordance with standard regulations and policies of Sint Maarten. This could cover TB and sexually-transmitted infections and could include screening for vector-borne diseases, including dengue, chikungunya, zika virus and malaria. depending on the country of origin. St Maarten has registered some cases of dengue and zika in recent months. Workers could also be screened for illicit drug use.
- Risk of accidents to the public. This would cover the risk of traffic accidents and accidents involving machinery, especially in areas open to the public. Vehicles must be properly maintained, with drivers obliged to respect safety limits and drive courteously and abide to the local driving regulations. Driving or operating machinery on the job under the influence of alcohol or drugs, or use of mobile phones/texting while driving or operating machinery, must be strictly prohibited. It may be necessary to restrict or control access to areas where machinery is being operated (especially the dump sites).
- Risks to public security. The immigration service requires background checks on the criminal records of people coming to work in Sint Maarten. This would be a standard requirement. All workers should be sent back to their place of origin/hiring point once their contracts come to an end. This should include workers that resign or are fired before their contracts comes to an end. The Immigration Service does not permit temporary workers to request other residence permits for labor, once their contracts come to an end. The employment permits issued by the Ministry of VSA, ends automatically and cannot be transported to a new employer once the works are complete or contract comes to an end.
- Risks of conflicts and gender-based violence. Mitigation actions to lower the risk of gender based violence in particular related to the population exposure to workers influx include a code of conduct for workers, safety measures such as appropriate lighting on construction sites and best practice campaigns. Employers should require workers to abide by a Code of Conduct aimed at mitigating Gender Based Violence that would be explained during induction and reinforced along with regular Health & Safety training. This would cover respect for local people, would prohibit the possession or carrying of firearms, knives or other weapons, and would strictly prohibit the use or possession of drugs and alcohol in the workplace. The Code of Conduct would be included in the EMP and required of local and international contractors and their workers.

**Safeguards Instruments, Mitigation Process, and Implementation Schedule**

190. As mentioned above, an Environmental Management Plan (EMP), a Hazard Risk Assessment and where required an Abbreviated Resettlement Action Plan (ARAP), will be prepared for all identified interventions. The purpose of the EMP and ARAPs are to comply with the relevant Government of Sint Maarten and World





Bank policy requirements and lay out the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels. The plan also includes the actions needed to implement these measures.

191. Guidelines for establishing a project feedback and grievance mechanism that is documented, accessible, confidential and responsive will also be prepared. The structure and processes of these mechanisms, including their scope, memberships, procedures for receiving, documenting grievances received, decisions to redress, communication of redress, periodicity of meetings to redress, and public disclosure will be developed and included in the POM.
192. Retroactive financing. Any works contract subject to retroactive financing will require an environmental and a social audit by the IRC/NRPB to identify if the activity seeking retroactive financing is compliant with the World Bank environmental safeguards and/or if any significant social or environmental impacts were not adequately mitigated. The audit will be undertaken by the IRC/NRPB, with technical oversight from the co-executing ministry/agency. It will use simple methods such as verification lists (checklists), site visits, interview, and review of reports. Should there be activities which are non-compliant, the audit will make recommendations for corrective measures and an assessment would be made as to the potential eligibility of the expenditure - the activity would be declared an ineligible expenditure.
193. Consultation and disclosure. The IRC will be the main vehicle for citizen engagement and will provide the public information on the project and implementation requirements and arrangements. The Government will provide relevant material in a timely manner prior to consultation and in a form and language that are understandable and accessible to the groups being consulted. The Government will consult project-affected groups and local nongovernmental organizations (NGOs) about the project's environmental aspects and take their views into account. Safeguards documents will be prepared by the Government, cleared by the Bank, and disclosed as early as possible before the start of civil works.



## Environmental and Social Action Plan

No	Action	Responsibility	Due Date
<b>EMP</b>			
1	Hire the consultant to prepare EMP, Hazard Risk Assessment and ARAP (as required)	World Bank/Govt of Sint Maarten	June 10, 2018.
1.1	Preparation of the draft EMP, Hazard Risk Assessment and/or ARAP (if required)	IRC, WB	Within 8 days of signing agreement
1.2	Disclosure of the draft EMP and Hazard Risk Assessment	IRC, WB	Within 8 days of signing agreement
1.3	Consultation on the draft EMP and Hazard Risk Assessment	IRC	To be completed over a period of 2 weeks following public disclosure of the draft EMP
1.4	Preparation of the final EMP and Hazard Risk Assessment (incorporating comments from disclosure)	IRC	2 weeks after consultations have taken place
1.5	Public disclosure of the final EMP and Hazard Risk Assessment on the government webpage and World Bank's website	IRC, WB	Within 30 days of signing agreement
1.6	Environmental and social awareness information to beneficiaries	IRC	To be determined during Program implementation
<b>ARAPS when required</b>			
2	Preparation of ARAPS as needed	IRC	Site specific ARAPS need to be finalized and compensation paid before start of civil works requiring the involuntary resettlement.
<b>Complaint and GRM</b>			
3	Prepare a GRM: (i) to be sent to the World Bank for review and approval; (ii) to be disclosed; (iii) to be incorporated in the Project Operations Manual	IRC	Within 30 days following effectiveness