



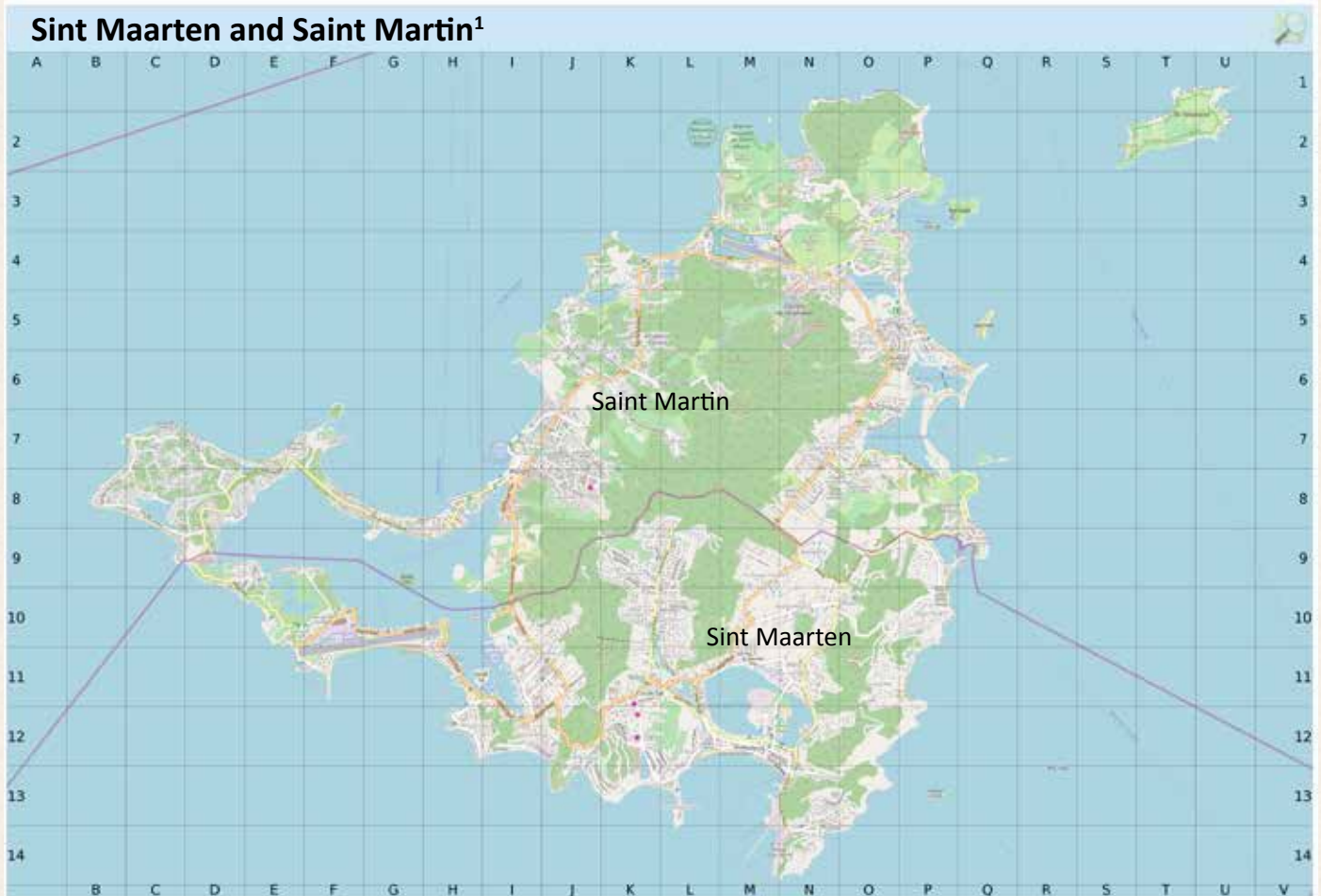
Sint Maarten National Recovery and Resilience Plan A Roadmap to Building Back Better

EXECUTIVE BRIEF





Background



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On 6 September 2017 Sint Maarten's vulnerability to natural disasters was violently exposed when Hurricane Irma, a category 5+ storm with sustained winds of 185 mph (296 km/h), struck the island. Irma passed directly over Sint Maarten/Saint Martin, lashing the country with the storm's highest wind velocities for more than two hours. Less than two weeks later, Hurricane Maria struck the island, causing further damage to homes, schools, and other public buildings already compromised by Irma.

¹ Sint Maarten, a constituent country of the Kingdom of the Netherlands in the Caribbean, occupies the southern half of the island shared with the French overseas collectivity of Saint Martin.



Vision and Objectives

Taking stock in the days and weeks following the disaster, the Government and people of Sint Maarten realized that in addition to the devastation, Irma exposed fundamental shortcomings of the country's development path, particularly the failure to build resilience into all its operations. To respond to a disaster without precedent and to set out a roadmap for recovery and resilience, Sint Maarten has developed a comprehensive National Recovery and Resilience Plan (NRRP). Its overarching goal is to restore, secure, and strengthen the well-being of the people of Sint Maarten. This requires a resilient community in a healthy living environment, a resilient, growing, and more diversified economy, and a transparent, effective government with enhanced capacity.

The NRRP recommends as top priorities: (a) the basic needs of the people of Sint Maarten—such as food, shelter, health and psychosocial care, education, and livelihoods, (b) the emergency projects currently under preparation to ensure Sint Maarten is ready for the peak of the upcoming hurricane season and (c) key initiatives aimed at restarting and revitalizing the economy. Toward this end, priority interventions include assistance to vulnerable groups to ensure they have a roof over their heads and a basic income to buy essentials, as well as

an immediate solution to the debris left behind by Irma and the wider issue of dump fires threatening both public health and the tourism-dependent economy.

In addition, emergency shelters must be repaired or constructed, emergency services restored and fully equipped, and public utilities strengthened in preparation for the hurricane season. To restart economic activity, the NRRP recommends immediate support to struggling small- to medium-sized enterprises in their recovery efforts and the reconstruction of the island's critical infrastructure, including the airport, hospital and hotels. These and other recovery activities should be carried out to ensure long-term sustainability, where possible employing the principle of Build Back Better (BBB) (**see Box 1**).

The expected outcomes from the NRRP are (a) the sustainable recovery of social sectors in affected communities; (b) the restoration of businesses continuity combined with a strategy for diversifying business activity; (c) the rehabilitation and reconstruction of critical infrastructure to Build-Back-Better (BBB) standards (see Box); and (d) strengthening of the country's readiness to mitigate, respond to and recover from the future impacts of natural disasters and climate change.

Box 1—Building Back Better

Build Back Better (BBB) refers to a range of improvements on the pre-disaster situation that have been recommended in the sector recovery strategies and needs analyses. BBB measures can include (a) right-sizing, right-siting, and structural improvement of assets and infrastructure based on disaster risk and current demographic needs; (b) improved building standards and structural improvements according to sector norms; (c) improved service delivery standards per present sector developmental norms; and (d) the human resources and skills development required to manage such improvements.



NRRP Principles

The NRRP's recovery and resilience efforts reflect the following principles: (a) an inclusive, people-centered approach; (b) transparency; (c) sustainability; (d) a synchronized, multisectoral approach, so that collaboration, coordination, and coherence are fostered among government and non-governmental stakeholders across all sectors; and (e) a link to longer-term development goals and programs.

NRRP Scope

The NRRP covers priority sectors particularly affected by the 2017 hurricanes.

- **Community Recovery:** Housing; Health; Education, Culture, Youth, and Sport; Sanitation and Solid Waste Management; Employment, Livelihoods, and Social Protection; Environment, Ecology, and Biodiversity.
- **Economic Recovery:** Macroeconomy; Tourism and Commerce; Finance; Transport (Airport; Ports and Marinas; Roads and Drainage); Utilities (Electricity; Water; Telecommunications, and Information and Communication Technology).
- **Government Recovery:** Disaster Risk Management; Governance and Public Financial Management; Justice, Public Safety and Security; Additional Public Buildings.

Needs interventions are categorized sequentially into four phases: immediate, short-, medium-, and long-term. Immediate needs are defined as interventions necessary in the first year following the disaster to (a) assist vulnerable groups with the provision of food, shelter, education, livelihoods, enhanced health and psychosocial care, and improved waste management (b) provide income support and expand job opportunities through the rapid restoration of business and economic activity, including the repair and reconstruction of critical infrastructure, and (c) prepare the country and its public services to mitigate, respond to and recover from the impacts of future disasters.

NRRP Methodology

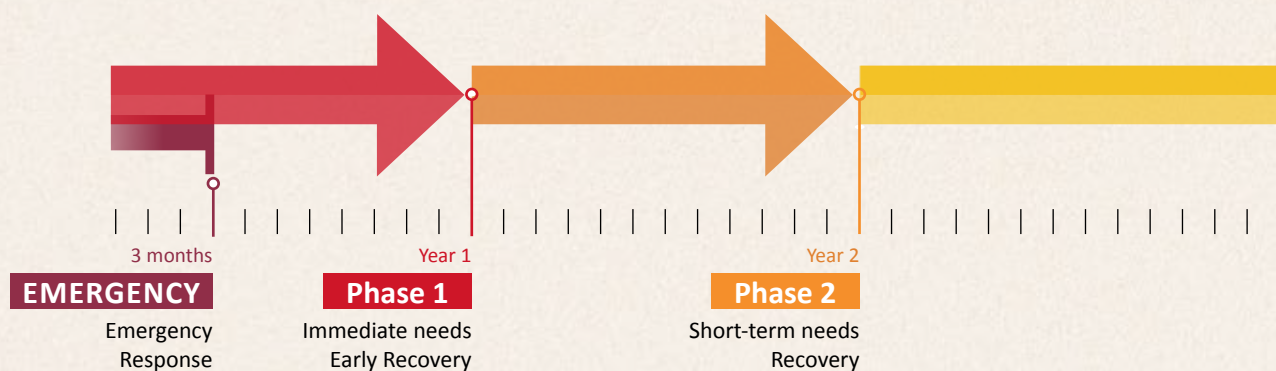
The NRRP assessment methodology calculates the damages and losses as well as the resulting recovery and resilience needs arising from the disaster.

- **Damages** are defined as total or partial destruction of physical assets occurring during and immediately after the disaster and are measured in physical units (e.g., number of destroyed houses). Monetary values are replacement costs according to prices prevailing just before the event.
- **Losses** are defined as changes in economic flows arising from the disaster. They occur until full economic recovery and reconstruction are achieved, and typically include the decline in output in productive sectors and in economic flows.
- **Needs** are the costs of interventions and resources, including those estimated for financing repair or replacement of physical assets damaged or destroyed, rehabilitation of basic services, and restoration of personal or household income. Needs also include capacity building and operational costs necessary for the implementation of interventions, and reflect differentials for BBB. Table 1 summarizes these three cost areas.

Summary of Damages, Losses, and Needs

A comprehensive assessment estimates total damages and losses from the two hurricanes at \$2.7 billion (\$1.4 billion and \$1.3 billion, respectively), with projected needs for recovery and future resilience reaching \$2.3 billion. These staggering sums of damages, losses and needs mask the human and economic costs of the disaster: lives and livelihoods lost; families separated; homes, schools, and productive assets damaged or destroyed; economic activities interrupted; and widespread homelessness in the context of disruption of basic utilities.

Figure 1. National Recovery and Resilience Plan Timeline





Significantly, 20.4 percent of needs have been identified as immediate, 45.0 percent as short-term, 30.3 percent as medium-term, and 4.4 percent as long-term, underscoring the urgency of the recovery effort in Sint Maarten.

Proposed Recovery and Resilience Interventions

Recovery and resilience needs are organized across three components of community, economy, and government. Sample recommended interventions include:

Community Recovery and Resilience

- **Housing.** Repairing damaged houses through a large-scale roof repair program, increasing support for social and affordable housing, reviewing current building codes in the spirit of building back better, exploring opportunities to upgrade informal settlements to improve disaster resilience, and a establishing a mortgage guarantee fund to encourage home ownership
- **Health Services.** Improving the quality and availability of health and mental health services by supporting

Table 1. Summary of Damages, Losses, and Needs

	Cost (USD)		
	Damages	Losses	Needs
Community Totals	507,673,000	122,155,000	1,006,907,000
Economic Totals	813,054,000	997,437,000	935,007,000
Government Totals	49,970,000	230,097,000	401,157,000
Grand Totals	1,370,697,000	1,349,689,000	2,343,071,000

Figure 2. Sectoral Distribution of Needs

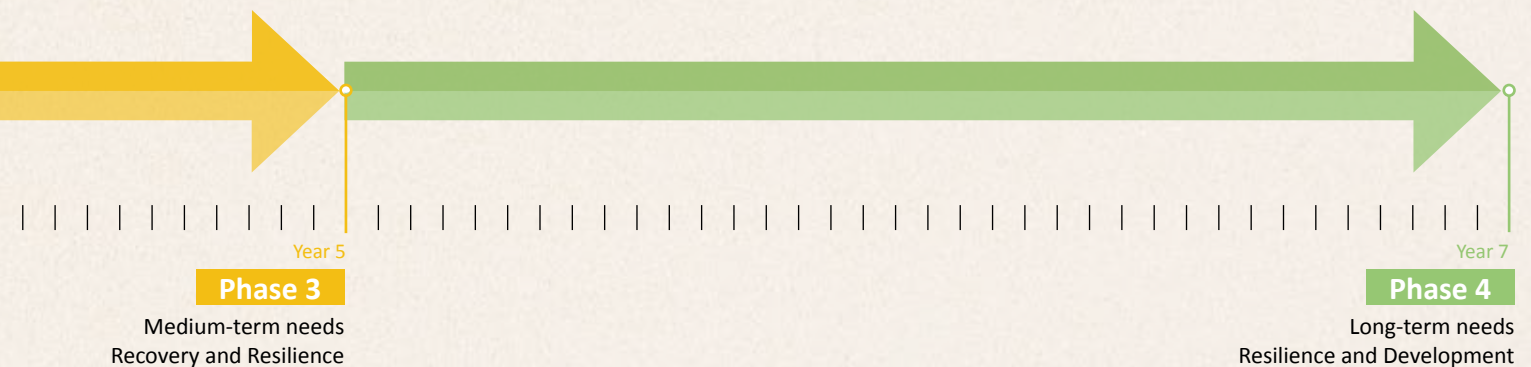
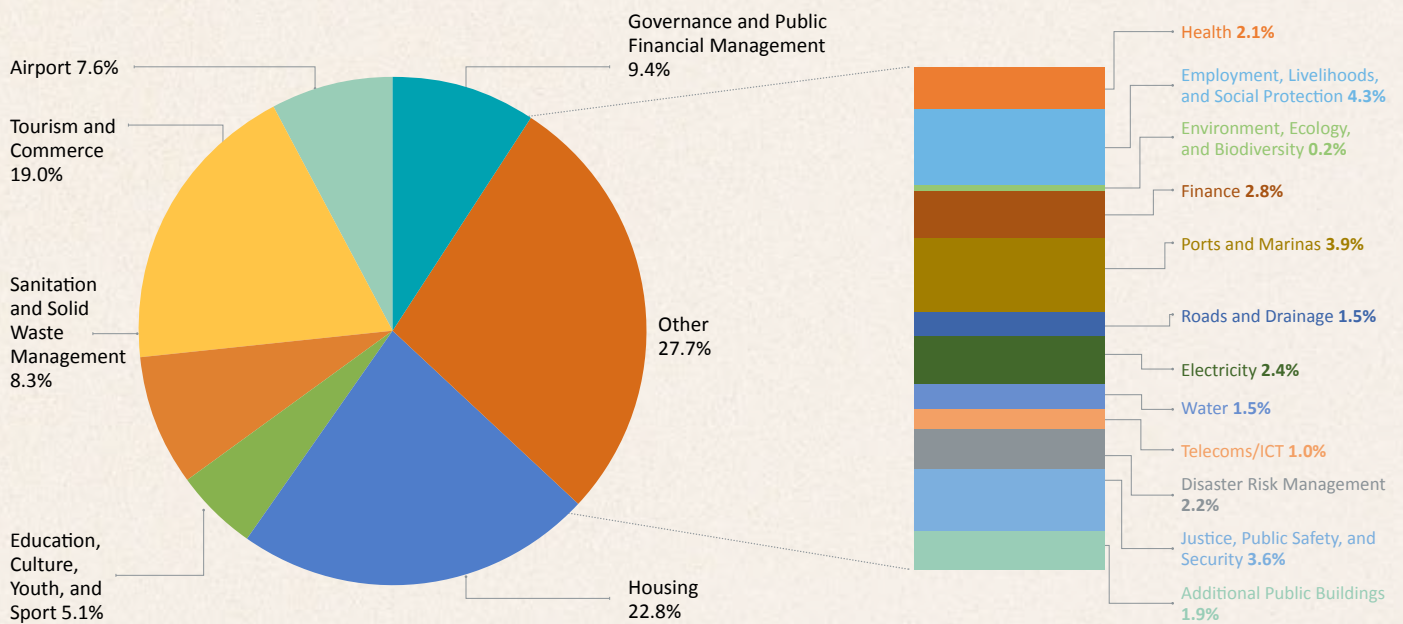




Table 2. Summary of Needs Periodization

	Needs (USD)				Total Needs
	Immediate Needs	Short-Term Needs	Medium-Term Needs	Long-Term Needs	
Community Recovery Needs	151,595,000	448,418,000	399,757,000	7,137,000	1,006,907,000
Economic Recovery Needs	289,258,000	365,121,000	215,178,000	65,450,000	935,007,000
Government Recovery Needs	36,498,000	240,483,000	93,932,000	30,244,000	401,157,000
Total Recovery Needs	477,351,000	1,054,022,000	708,867,000	102,831,000	2,343,071,000
Percentage of Total	20.4%	45.0%	30.3%	4.4%	

the construction of a new hospital, strengthening emergency services, enhancing prevention activities to address potential post-hurricane health impacts (including psychosocial care), increasing the capacity of secondary healthcare services, and ensuring continuity of health insurance

- **Education.** Repairing and rebuilding damaged schools to more resilient standards, implementing a school feeding program, strengthening after-school programs for vulnerable children, providing psychosocial care to affected students and staff, and promoting labor market entry through a sustainable education system with emphasis on vocational and tertiary training
- **Waste Management.** Removing hurricane debris, ending dump fires, building a sustainable solution to solid waste, establishing a robust recycling program and expanding the sewage treatment network
- **Employment, Livelihoods, and Social Protection.** Providing social assistance to address immediate survival needs, such as income support and employment training; ensuring access to healthcare through a streamlined community-based approach; repairing damaged emergency shelters and building new ones; and establishing an unemployment insurance fund as a contingency instrument to cope with future disasters.

Economic Recovery and Resilience

The well-being of the people of Sint Maarten ultimately depends on a sustainable and flourishing economy that supports broad employment possibilities. Recommended interventions include:

- **Tourism and Finance.** Reestablishing business activity through conditional financing for sustainable recovery of the tourism industry, revitalizing the main commercial districts, and increasing credit for small- and medium-sized enterprises
- **Critical Infrastructure.** Repairing and reconstructing Sint Maarten's critical infrastructure to BBB standards, including the airport, seaport, marina facilities and hotels; strengthening vital utility networks (electricity, water supply, and telecommunications); and improving drainage to reduce flooding risk.

Government Recovery and Resilience

The NRRP focuses on strengthening key areas of governance to better prepare for future disasters, including.

- **Disaster Risk Management and Response.** Repairing and reconstructing first responder facilities and replacing vehicles and equipment, improving existing early warning systems, emergency communications systems, and coordination among fire, police, and emergency agencies, exploring options for disaster risk financing
- **Financial Management Capacity.** Strengthening public financial management capacity, and modernizing the tax system to improve compliance and collection
- **Justice, Public Safety and Security.** Repairing or reconstructing key police stations and prison, building a new 911 call center, and strengthening the ICT and emergency communications network.



Implementation Framework

To guide the recovery and resilience building process, Sint Maarten will establish an implementation framework. The five-pillar framework will enable Sint Maarten to identify, prioritize, and sequence critical interventions that produce a resilient community, economy, and government and to develop the institutional arrangements, recovery and resilience policies, financing strategy, and monitoring, evaluation, coordination, and communication systems to support resilient recovery.

Institutional arrangements. To strengthen implementation capacity, the Government is establishing a National Recovery Program Bureau (NRPB) to coordinate the recovery and resilience effort. The NRPB will be responsible for project implementation and coordination of the NRRP in partnership with the relevant ministries. Until the NRPB is established and adequately staffed, the Interim Recovery Committee will lead implementation efforts. The NRPB will handle technical, administrative, legal, financial, procurement and safeguards responsibilities to ensure effective implementation with technical input provided by the relevant line ministries.

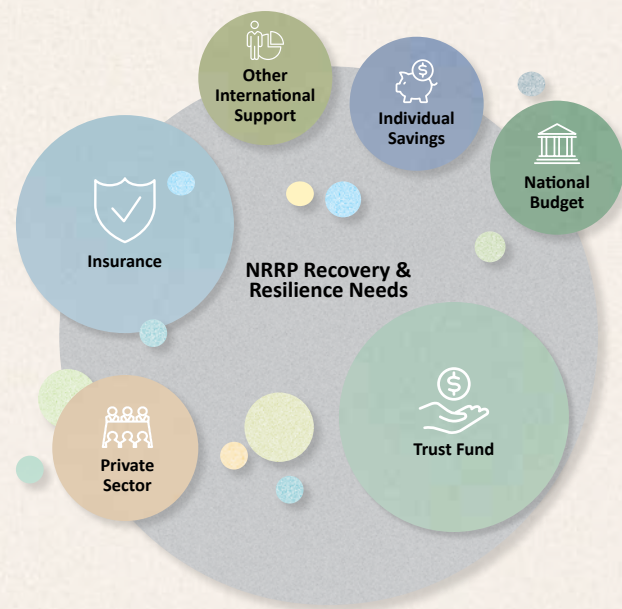
Prioritization and Sequencing. The NRRP recommends a wide range of interventions to support recovery and resilience, the cost of which exceeds the funding that is currently available. This requires serious prioritization within and across sectors. A coherent, well-coordinated and transparent prioritization and sequencing process is necessary to promote equitable and demand-responsive recovery across affected communities and to ensure the proper balance between hardware and software. This process will be guided by the following core principles: added value, relevance, impact, effectiveness, resilience and sustainability.

This prioritization and sequencing process should be iterative and updated throughout the implementation of the NRRP. Priorities should be identified based on the specific needs that are revealed during the different phases of implementation.

Recovery Financing Strategy. Given the gap between recovery and resilience needs and the available funding, the NRRP will need to be supported by the mobilization of additional funds. An analysis of the current funding outlook conducted in May 2018 reveals a significant funding gap between the \$2.3 billion in recovery and resilience needs and the currently available funding. The \$580 million² Sint Maarten Recovery, Reconstruction and Resilience Trust Fund provided by the Netherlands, will finance some of the recovery and resilience building activities identified in the NRRP. Additional sources of funding include insurance payments for property, which are estimated to ultimately total between \$320-430 million (with current payouts as of March 2018 of \$254 million and total claims of \$497 million).³

Additional funding to narrow the gap could come from the national budget, the private sector, individual savings and additional support from the international community. It is recommended that Sint Maarten develop a comprehensive recovery financing strategy to track available funds, evolving needs and potential sources of additional funding to bridge the funding gap.

Figure 3. Recovery and Resilience Financing Outlook



² €470 million at the April 2018 US\$ exchange rate. In total, the Netherlands has reserved €550 million for the recovery of Sint Maarten. A maximum of €470 million will be made available through the Trust Fund.

³ Analysis based on insurance data provided by the Central Bank of Curaçao and Sint Maarten as of March 31, 2018.



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