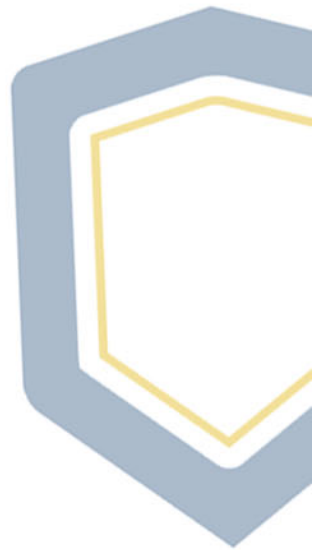




NRPB
NATIONAL RECOVERY
PROGRAM BUREAU

NRPB Annual Report



January – December 2019

Background

This report provides an overview of the activities that were executed by the National Recovery Program Bureau ("NRPB" or "the Bureau") in the calendar year 2019. These activities were fully financed by the Sint Maarten Reconstruction, Recovery and Resilience Trust Fund ("Trust Fund").

The Government of the Netherlands and the International Bank for Reconstruction and Development ("World Bank") established the Trust Fund on April 16, 2018. This Trust Fund is financed by the Government of the Netherlands for up to 470 million Euros and is managed by the World Bank in accordance with the Administration Arrangement for the Trust Fund. In response to the devastation caused by Hurricane Irma on September 6, 2017, the Trust Fund provides support for the post-hurricane recovery and reconstruction of Sint Maarten. The Trust Fund also supports longer-term development priorities that serve to strengthen the country's resilience.

Up to December 31, 2019, the Trust Fund has received 305 million US Dollars from the Netherlands. The Steering Committee approves activities financed out of these funds of the Trust Fund, which is comprised of representatives of Sint Maarten, the Netherlands and the World Bank. Trust Fund activities are implemented through Recipient Executed Trust Fund ("RETF") and Bank Executed Trust Fund ("BETF") activities. The NRPB implements and coordinates a significant part of the RETF activities on behalf of the Government of Sint Maarten.

The NRPB is established through a temporary national ordinance as an autonomous administrative authority, outside of the ordinary government framework and under the administrative responsibility of the Prime Minister and Minister of General Affairs. The NRPB's primary responsibility is to direct the preparation, coordination, implementation and evaluation of projects that are listed in the National Recovery and Resilience Plan ("NRRP") and are financed by the Trust Fund.

In September 2018, the Parliament of Sint Maarten unanimously approved the temporary national ordinance of the NRPB, and in January 2019, Mr. Claret Connor was appointed as the Bureau's first Director. During the first six months of 2019, the NRPB was supported by an Interim Recovery Committee ("IRC"), a small group of up to ten civil servants that were assigned by the Council of Ministers to work part-time on the establishment of the NRPB and the first Trust Fund activities. As of July 2019, the IRC was dissolved, and the NRPB fully acts as the Project Implementation Unit of the Government of Sint Maarten.

As set out in the temporary national ordinance, the NRPB will prepare a half-yearly report twice a year on its activities. The current report is a joint account of the activities of the NRPB during the first and second half of 2019. The report summarizes the activities that the NRPB, together with the IRC, has implemented and coordinated on behalf of the Government of Sint Maarten in the calendar year 2019. The report can be read together with the World Bank's 2019 Annual Report of the Trust Fund.

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1. Introduction

In September 2017, Sint Maarten was severely impacted by Hurricanes Irma and Maria. Total damages and losses were estimated at 2.7 billion US Dollars (1.4 and 1.3 billion US Dollars, respectively). Over 2.3 billion US Dollars in recovery and resilience needs were identified in the National Recovery and Resilience Plan (NRRP) of the Government of Sint Maarten.

On April 16, 2018, the Sint Maarten Reconstruction, Recovery and Resilience Trust Fund was established for up to 470 million Euros at the World Bank. Financed by the Government of the Netherlands, the Trust Fund supports a seven-year program (2018-2025) for the recovery of Sint Maarten and the strengthening of the country's resilience to future disasters. Activities financed by the Trust Fund are aligned with the NRRP and are implemented through Recipient Executed Trust Fund (RETF) and Bank Executed Trust Fund (BETF) activities.



The National Recovery Program Bureau implements and coordinates a significant part of the RETF activities on behalf of the Government of Sint Maarten. The Bureau is established through a temporary national ordinance as an autonomous administrative authority, outside the ordinary government framework and under the administrative responsibility of the Prime Minister and Minister of General Affairs. The NRPB's primary responsibility under the national ordinance is to direct the preparation, coordination, implementation, and evaluation of projects that are listed in the NRRP and are financed by the Trust Fund.

In January 2019, Mr. Claret Connor was appointed as the Bureau's first Director. During the first six months of 2019, the newly established NRPB was supported by the IRC, a small group of up to ten civil servants that were assigned by the Council of Ministers to work part-time on the establishment of the NRPB and the first Trust Fund activities. As of July 2019, the IRC was dissolved, and since then the NRPB acts as the Project Implementation Unit of the Government of Sint Maarten for a significant part of the RETF activities of the Trust Fund.

The NRPB works on projects that are approved by the Steering Committee of the Trust Fund and does not decide which activities are financed by the Trust Fund. Project proposals are approved on a consensus basis by the Steering Committee of the Trust Fund, in which Sint Maarten, the Netherlands and the World Bank are equally represented. The NRPB does not implement all activities that are financed by the Trust Fund. Based on the decision-making of the Steering Committee, some of the current Trust Fund activities are executed by the World Bank directly (BETF activities), including several analytical works, and some RETF-activities are being implemented by civil society organizations or other (semi-) public institutions such as the St. Maarten Medical Center.

This report summarizes the activities that the NRPB has executed on behalf of the Government of Sint Maarten in 2019. The report does not address BETF activities or RETF-activities in which the NRPB is not directly involved. For information on these additional Trust Fund activities, the NRPB refers to the World Bank's 2019 Annual Report of the Trust Fund.

During the reporting period, the NRPB was established, the first staff recruited, and a small office was opened. This was done while taking up the challenges of the first projects under implementation and starting with the preparation of many new projects. The NRPB's [website](#)¹ was developed by mid-2019 which is supported by the [dashboard](#)² of the Trust Fund in providing information on all the activities of the NRPB and the Trust Fund. For the latest available information on any of the Trust Fund activities beyond the reporting period, the NRPB refers to these two websites.

Projects under implementation and preparation by the NRPB

By the end of 2019, the Trust Fund had six projects under implementation with a total value of 203.3 million US Dollars. Four of these projects are being coordinated or implemented by the NRPB with a total portfolio of 174.7 million US Dollars from the Trust Fund and an additional 50 million US Dollars from the European Investment Bank (EIB).³ These projects are: (1) Emergency Recovery Project I, (2) the Emergency Income Support and Training Project, (3) the Emergency Debris Management Project and (4) the Airport Terminal Reconstruction Project.

Initial results under the first three projects in 2019 include the emergency repairs to two police stations, the repairs to over 125 homes with more than 450 beneficiaries and the delivery of emergency equipment to the Fire Department. The NRPB also successfully procured Alternative Daily Cover (a cement spray) machinery and materials which helped to prevent new surface and sub-surfaces fires on the landfill. The Emergency Income and Training Program, which is implemented together with the Sint Maarten Training Foundation, provided 1800 un- and underemployed with stipends, health care and training, benefitting about one-quarter of Sint Maarten's unemployed.

On the Airport Terminal Reconstruction, a very crucial step was taken with the signing of the legal agreements for the project in December 2019. This project is coordinated by the NRPB, implemented by the Airport's project team and will be financed through a grant of 72 million US Dollars of the Trust Fund (which is on-lent to the Airport), a loan of 50 million US Dollars of the EIB and 7 million US Dollars from the released insurance proceeds. In addition to the financing for the project itself, the NRPB also assisted the Government of Sint Maarten with the corporate governance conditions for the financing, the negotiations with the Airport bondholders to release 72 million US Dollars in restricted insurance proceeds, and with the execution of a bridge loan facility of 15 million US Dollars to the Airport.

Financed by the Netherlands, this bridge loan ensured that the Airport was able to continue to pay its employees throughout 2019, while avoiding a default towards the Bondholders. The Airport Project consumed a lot of the limited resources and capacity of the NRPB during 2019. This was necessary to ensure the financing for this vital project for the economy of Sint Maarten. As of December 31, 2019, the

¹ www.nrpbxm.org

² www.sintmaartenrecovery.org

³ The other two projects are: (1) the Hospital Resiliency and Preparedness Project (25 million US Dollars, implemented by the St. Maarten Medical Center), and (2) the Red Cross Roof Repair Project (3.6 million US Dollars, implemented by Red Cross NL).

Airport's project team expects that the Airport's terminal building will be fully rehabilitated, with improved resilience towards hurricanes, by the end of 2022.

By the end of 2019, the Trust Fund had eight projects under preparation, with an estimated value of 177 million US Dollars. The NRPB is directly involved in six of these projects, which focus on various longer-term public policy issues and support to the recovery of the private sector.⁴ These projects are the: (1) Enterprise Support Project, (2) the Digital Government Transformation Project, (3) the Connectivity and Resilience Improvement Project, (4) the Solid Waste Management and Environmental Improvement Project, (5) the Fostering Resilient Learning or Resilient Schools Project, (6) the Development Policy Operations. Together these six projects will form an important part of the Trust Fund program in the coming years, reflecting the three pillars of the National Recovery and Resilience Plan: community, economic and government recovery through priority sectors particularly affected by the 2017 Hurricanes.

First Year Challenges

While the NRPB has made progress during its first year, the implementation of Trust Fund activities has been slower than hoped for, especially for some of the infrastructure repairs. This is, to an extent, the result of capacity and market constraints. As stated in the 2019 Annual Report of the World Bank: "Constraints include small market size, limited skills and labor availability, and a regulatory environment that presents challenges for outside companies". The NRPB agrees with this observation to a degree. Projects under implementation have faced significant difficulties in attracting firms due to the small market on Sint Maarten, as well as the fierce competition for labor with other ongoing work.



Local firms are not always familiar with competitive public procurement procedures and the necessary social and environmental safeguard requirements. Despite various training sessions, the NRPB has seen that local firms submit incomplete bids and offer inflated or unusually low prices. Additional constraints impact the performance and response speed of local contractors, such as difficulties in meeting insurance and other financial requirements through local banks and the delivery time of materials and requirements. These are all factors that have delayed the implementation of some of the infrastructure repairs.

A second set of challenges for the NRPB pertains to expectations of stakeholders. The NRPB is confronted with very high expectations amongst stakeholders about the time that it should take to prepare and implement the different projects. These expectations – including in some cases the expectations of the donor itself – do not match the reality of what it takes to adequately prepare and implement multi-million-dollar projects from the ground up in a small island setting. Additional important factors are that the projects have to be executed in accordance with the regular World Bank rules for investment project

⁴ The other two projects are the Child Protection and Development Project (5 million US Dollars, implemented by UNICEF NL) and the Civil Society Partnership Facility (7.2 million US Dollars, implemented by VNG International).

financing, rules that the country of Sint Maarten has limited to no experience with, and that if these rules are not adhered to precisely, a project can be stopped and Sint Maarten can be required to pay back the funds used.

A further challenge is that many of the recovery needs were identified right after the Hurricanes in September 2017, including in many cases resiliency needs that far preceded the Hurricanes, whereas actual project preparation for the most urgent priorities only started in late 2018 or even 2019. The first allocations of funding to project preparation were made by the Steering Committee of the Trust Fund in June 2018. The normal timeline for this type of project preparation – after the allocation of funding – is at least one year under the relevant standards. Once a project is fully prepared, a grant agreement is signed with the World Bank. The implementation of a project can only begin once the requirements of the grant agreement are fulfilled and when the necessary staff is in place. The normal timeline for a project itself, after preparation, is three to five years, with limited spending of funds during the first year of implementation.

In the case of the first Trust Fund projects, the so-called emergency projects, various efforts were made to achieve immediate results in priority areas, such as home repairs, support to emergency services and the suppression of landfill fires. Accelerated procedures were followed, regular conditions were waived by the World Bank and grant agreements were signed without full project preparation, including technical assessments, tender documents and detailed budgets. In some cases, these acceleration efforts have been successful, such as the emergency repairs to the police stations or the emergency income support and training program, both of which were able to start relatively quickly and with some success. In other cases, such as the upgrades to the existing shelter facilities, these attempts failed. A key lesson for all involved must be that there are only so many steps that a project team can skip in project preparation, and that the technical preparation of a project should be given the necessary time. A very closely related lesson is that priorities cannot be changed on a monthly or even weekly basis. If additional activities are added without proper prioritization then the existing priorities will be affected negatively.

What should further be acknowledged is that the NRPB is still building the necessary capacity to manage the different projects, starting with one employee in January 2019, ten team members by July and approximately twenty-four full-time members in the areas of project management, technical expertise and support by the end of December. With the backing of the IRC and the commitment of several key civil servants from different Ministries, a lot of work has been done to kick-start projects. Still, the reality is that there also enormous constraints within the different Ministries, which is compounded by the fact that this is the first time that Sint Maarten worked with an international organization like the World Bank on this level.

The NRPB was established in late 2018 to support the Government of Sint Maarten in the execution of the Trust Fund. However, setting up a fully-staffed project implementation unit like the NRPB, building the necessary capacity, using and training local talents, and changing Sint Maarten's legislation and policies in order to successfully work with organizations like the World Bank will continue to take a lot of time and energy in the years to come.

Outline of the report

This report summarizes the activities that the NRPB has executed on behalf of the Government of Sint Maarten in 2019. Chapter 2 explains the guiding documents and institutional set-up of the NRPB. This chapter will be updated in future reports with relevant institutional developments and or changes to the guiding documents. Chapter 3 provides a summary of the first project results, the projects under implementation by the NRPB, the projects under preparation by the NRPB and other activities of the NRPB. Chapter 4 provides a brief analysis of the challenges that the NRPB has experienced during its first year of existence and concludes this report with a statement on the opportunities that the Trust Fund continues to offer for Sint Maarten in 2020 and beyond.



In 2019 several billboards, highlighting the ongoing projects, were placed throughout the island.

2. The NRPB: a new institution for a new reality

The establishment of the World Bank managed Trust Fund confronted Sint Maarten with a new reality. For the first time, Sint Maarten is expected to work with a leading international organization to access financial support offered by the Government of the Netherlands. Until recently, the Government of Sint Maarten and its civil servants had little to no experience with the World Bank, and, the Government had limited capacity to prepare and implement multi-million dollar investment projects under the supervision of an international organization like the World Bank. The new reality of a World Bank managed Trust Fund, and the constraints within the existing government apparatus were reasons for the establishment of the National Recovery Program Bureau - a new institution with the mandate to prepare, coordinate, implement and evaluate recovery and resilience projects on behalf of the Government of Sint Maarten.

This chapter introduces the guiding documents and institutional set-up of the NRPB. This chapter will be updated in future reports with relevant institutional developments and/or changes to the guiding documents.

2.1. Guiding documents of the NRPB

The NRPB is established as an autonomous administrative authority through a temporary national ordinance. This ordinance was prepared by the Government of Sint Maarten in the first half 2018 and was approved unanimously by Parliament in September 2018. Based on this ordinance, the NRPB's primary task is to direct the preparation, coordination, implementation and evaluation of projects that are listed in the NRRP and financed by the Trust Fund.

For the execution of the NRRP, the Government of Sint Maarten is mainly dependent on the Trust Fund. The Steering Committee of the Trust Fund decides on the financing of new projects based on the NRRP and the Strategic Framework of the Trust Fund. Once a project is approved, and fully prepared, a grant agreement is signed with the World Bank for the specific project. The implementation of a project can only commence once the requirements of the grant agreement, the so-called effectiveness and disbursement conditions, are fulfilled.

This section briefly introduces the four sets of documents that guide the NRPB's activities: (1) the Temporary National Ordinance of the NRPB, (2) the National Recovery and Resilience Plan, (3) the Strategic Framework of the Trust Fund and (4) the different Grant Agreements with the World Bank.

Temporary National Ordinance of the NRPB

The NRPB is a temporary autonomous administrative authority established by law. The NRPB is placed outside the ordinary Government framework and falls under the administrative responsibility of the Prime Minister (who is also the Minister of General Affairs). While independent, the NRPB is working closely with the Ministries of the Government of Sint Maarten in performing its tasks. As foreseen in the temporary national ordinance of the NRPB, every Ministry has appointed at least one focal point who serves as an interlocutor between the NRPB and the relevant Ministries.

The primary task of the NRPB is to prepare, coordinate, implement and evaluate projects which can be completely or partly financed by the Trust Fund. In addition, the NRPB may advise the Government on the identification and implementation of additional recovery and resilience projects which can be completely financed from resources other than the Trust Fund (Article 4). In performing its tasks, the Bureau must, among other things, oversee the timely preparation and implementation of projects, and the quality of the procedures used for these projects.

Article 24 of the temporary national ordinance stipulates that when performing its task with respect to projects financed by the Trust Fund, **the NRPB is 'bound by the regulations on the preparation, coordination, implementation and evaluation of the projects, as specified in agreements between Sint Maarten and the World Bank'.** Moreover, when advising on projects that are not financed by the Trust Fund, the NRPB 'must comply as much as possible to [the aforementioned] regulations'.

Through the temporary national ordinance and the grant agreements that have been concluded with the World Bank, the NRPB acts as the Project Implementation Unit or the Project Coordination Unit for a significant part of the Trust Fund activities. The NRPB exercises these responsibilities on behalf of the Government of Sint Maarten. The NRPB is an autonomous administrative authority with its own legal personality, but the NRPB is strictly limited in its autonomy by the temporary national ordinance and the agreements that are concluded between Sint Maarten and the World Bank.

The NRPB's operations are fully financed by the Trust Fund and the NRPB does not receive any funds from the national budget of Sint Maarten. Subject to approval of the World Bank, the NRPB's staff is selected by an independent selection committee which is appointed by the Council of Ministers. The NRPB's staff is compensated in accordance with the conditions set out in the temporary national ordinance and in the temporary national decree, containing general measures on the organization of the NRPB. Additional temporary experts are hired by the NRPB in accordance with the relevant agreements with the World Bank.



The NRRP can be read in its entirety on the NRPB webpage www.nrpbsxm.org/official-publications.

National Recovery and Resilience Plan

Article 2, paragraph 3 of the temporary national ordinance on the NRPB states that Parliament, at the proposal of the Government, will enact a National Recovery and Resilience Plan. In August 2018, the Parliament of Sint Maarten unanimously approved the NRRP, which lists the short-, medium- and long-term needs for the recovery of Sint Maarten and gives an indication of the funds, costs and investments required to meet these needs. In accordance with Article 2, paragraph 5 of the temporary national ordinance, the Government, acting on the written advice of the Bureau, may make proposals to Parliament for additions to the Plan. To date, no additions have been proposed by the Bureau or the Government.

The Trust Fund supports activities that are aligned with the NRRP, as endorsed by Parliament in August 2018. The NRRP was prepared by the IRC and the individual Ministries with technical support of the World Bank based on inputs from many stakeholders within and outside of Sint

Maarten. The NRRP has three pillars – community recovery, economic recovery and government recovery – and foresees over 2.3 billion US Dollars in investments in priority sectors particularly affected by the 2017 hurricanes.

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

The NRRP is the guiding document for the NRPB in advising the Government of Sint Maarten and the Steering Committee of the Trust Fund on the identification, prioritization and sequencing of recovery and resilience projects. All current activities of the NRPB are aligned with the expected outcomes of the NRRP.

Table 1: Three Pillars of the National Recovery and Resilience Plan



Strategic Framework of the Trust Fund

The Strategic Framework for the use of the Trust Fund was approved by the Steering Committee and the Government of Sint Maarten on August 1, 2019. This Framework lays out the planned cooperation between the World Bank and Sint Maarten for the period 2019 and 2025. It describes activities that could take place until the anticipated closing of the Trust Fund in 2025, with appropriate flexibility for prioritization for the outer years. The Strategic Framework is grounded in the NRRP and the Administration Arrangement of the Trust Fund.

The areas highlighted in the Strategic Framework aim to (1) promote sustainable economic recovery, (2) support citizens and resilient communities and (3) build the foundations to improve long resilience and good governance. Under these three focus areas, the Steering Committee has identified eight objectives for the Trust Fund (see table 2). In the second quarter of 2021, the Strategic Framework will be reviewed to adjust the focus areas and objectives, as deemed appropriate by the Steering Committee. The Strategic Framework of the Trust Fund is a guiding document for the NRPB in the sense that it guides the portfolio of activities that the NRPB will execute.

Table 2: SXM TF Strategic Focus Areas



Grant Agreements with the World Bank

Once the Steering Committee approves a project by allocating a certain amount of funding to a proposal, the preparation of this project can commence. By the time that a project is fully prepared, a grant agreement is signed between the Recipient of the grant and the World Bank.⁵ The implementation of a project can only begin once the relevant requirements of the grant agreement, the so-called effectiveness conditions, are fulfilled.

Article 2, paragraph 1 of the temporary national ordinance of the NRPB explicitly states that the Government, on behalf of the country Sint Maarten, is empowered to conclude grant agreements with the World Bank for the implementation of the Trust Fund. When a grant agreement is concluded, the Minister of General Affairs signs the agreement on behalf of the country of Sint Maarten. The Minister of General Affairs can only sign a grant agreement based on a national decree to that effect. This decree requires the approval of the Council of Ministers and will have to be co-signed by the Governor of Sint Maarten.

A grant agreement with the World Bank specifies the conditions under which funding is granted for the execution of a specific project. In addition to the applicable *Standard Conditions for Grants Made by the World Bank* out of various funds,⁶ every grant agreement includes project-specific information about the scope of the grant, effectiveness and disbursement conditions for the project, the closing date of the project as well as the relevant procurement, financial management and environmental and social standards that apply to the project. A grant agreement also provides a project description and specifies the institutional arrangements for the project.

⁵ For most projects the Recipient is the Government of Sint Maarten, but for some projects another Recipient is assigned. The Government of Sint Maarten has, for example, agreed that the St. Maarten Medical Center ("SMMC") acts as the Recipient of the grant for the Hospital Resiliency and Preparedness Project. The grant agreement for this project is therefore signed by the World Bank and the SMMC.

⁶ The relevant conditions can be found here:

<https://www.worldbank.org/en/topic/lawjusticeanddevelopment/publication/standard-conditions>

By the end of 2019, the country of Sint Maarten had entered into four grant agreements: (1) Emergency Recovery Project I (signed in July 2018), (2) the Emergency Income Support and Training Project (signed in August 2018), (3) the Emergency Debris Management Project (signed in December 2018) and (4) the Airport Terminal Reconstruction Project (signed in December 2019). Three of these agreements were effective, meaning that the effectiveness conditions for the agreement were met. As of December 31, 2019, the effectiveness and disbursement conditions for the Airport Project still had to be fulfilled.

The grant agreements with the World Bank are guiding documents for the NRPB, as all Trust Fund projects must be prepared and implemented in accordance with the grant agreement and with the regular World Bank rules of investment projects. To the extent that these rules are not adhered to, a project can be suspended or terminated, and the Recipient of the grant can be required to pay back some or all funds that have been used from the project. For the projects that are implemented or coordinated by the NRPB, the grant agreement also specifies the role and responsibilities of the NRPB. In this sense, the grant agreements are aligned with Article 24 of the temporary national ordinance of the NRPB which stipulates that the NRPB is bound by the regulations on the preparation, coordination, implementation and evaluation of the projects, as specified in the agreements between Sint Maarten and the World Bank.

2.2. Institutional set-up of the NRPB

In January 2019, Mr. Claret Connor was appointed as the NRPB's first Director. Over the course of the year, additional staff members were hired and the institutional set-up of the NRPB as foreseen in the original staffing plan of the NRPB started to take shape. By the end of the reporting period, the NRPB had twenty-four team members through staff and individual consultants that support the daily functioning of the NRPB.

In practice, the NRPB's operations are organized in three pillars: (1) program and project management, (2) compliance, and (3) administration and information management. The NRPB's operations are overseen by the Director with the support of the NRPB's Management Team.

Program and Project Management Pillar - the program managers and deputy director are tasked with the coordination of the different projects and their project teams. Every project has its own project manager and the project teams include project-specific expertise, such as engineering and contract management. The NRPB's staffing plan includes two program managers and up to five project managers. They are supported by temporary experts that are hired through short-term consultancy contracts on a need's basis.

Compliance Pillar – the NRPB is responsible for ensuring that the projects are executed in compliance with the grant agreements and the regular World Bank rules for investment projects. The NRPB's legal, financial management, procurement and safeguard teams work closely together with the project teams in the execution of the projects. The NRPB's staffing plan includes a legal officer, two financial management officers (with a financial management assistant), two procurement officers (with a procurement assistant), two safeguards officers (social and environmental) and a monitoring and evaluation specialist. The relevant staff members are supported on a needs basis by temporary experts that are hired through short-term consultancy contracts.

Administration and Information Management Pillar – the third pillar of the NRPB's operations facilitates the administration of the projects and coordinates the information management of the NRPB. The NRPB's staffing plan includes a management assistant, two office assistants and an ICT specialist that play a key role in the daily functioning of the NRPB's office and the internal management of information. The NRPB's communication team coordinates internal and external communication of the NRPB and supports the project teams with the execution of project specific communication strategies.

During the reporting period, several staff members executed multiple roles in the organization as not all staff positions were fulfilled. The program managers coordinated most of the procurement activities of the NRPB; the deputy director also acted as legal officer and as interim project manager; and the environmental safeguards officer also took up part of the responsibilities of the social safeguards officer. With the continued hiring of staff in 2020, the NRPB intends to minimize the overlap of responsibilities as much as possible.

As a new institution, which is being built from the ground up, the NRPB is in a continuous process of self-invention, while working on the different projects under implementation and preparation. The original staffing plan of the NRPB, as prepared together with the World Bank, only partially addresses the institutional and staffing needs of the NRPB. As new projects are being initiated, some revisions of the original staffing plan and the institutional set-up of the NRPB are expected in 2020 and beyond.



Established by a temporary national ordinance, the NRPB supports the Government of Sint Maarten in the implementation of Trust Fund projects.

3. Summary of NRPB Activities in 2019

As of December 31, 2019, the NRPB is coordinating the implementation of four projects with a total value of 174.7 million US Dollars from the Trust Fund and an additional 50 million US Dollars from the European Investment Bank. These projects are: (1) Emergency Recovery Project I, (2) the Emergency Income Support and Training Project, (3) the Emergency Debris Management Project and (4) the Airport Terminal Reconstruction Project.

The NRPB is also directly involved with the preparation of six upcoming projects, with a focus on various longer-term public policy issues and support to the recovery of the private sector. These projects are: (1) the Enterprise Support Project, (2) the Digital Government Transformation Project, (3) the Connectivity and Resilience Improvement Project, (4) the Solid Waste Management and Environmental Improvement Project, (5) the Fostering Resilient Learning or Resilient Schools Project and (6) the Development Policy Operations.

In addition to the projects under implementation and preparation, the NRPB activities in 2019 included (1) support to the Steering Committee and Technical Working Group of the Trust Fund, (2) support to projects that are not prepared by the NRPB, (3) assistance with BETF activities and (4) support to the Government of Sint Maarten on new project proposals. A summary of all the NRPB activities in 2019 is provided below.

3.1. Projects under Implementation by the NRPB

Throughout the reporting period, the NRPB was established, the first staff recruited, and a small office opened. Simultaneously, the incoming staff of the NRPB gradually took over the responsibilities of the IRC on the three emergency projects: Emergency Recovery Project 1 (ERP-1), the Emergency Income Support and Training Project (EISTP) and the Emergency Debris Management Project (EDMP).

As initiated by the IRC and the individual Ministries, the NRPB continued with acceleration efforts for priority activities, such as home repairs, support to emergency services and the suppression of landfill fires. As part of the three emergency projects, accelerated procedures were followed for these activities, regular conditions were waived by the World Bank and agreements were signed without full project preparation, including technical assessments, tender documents and detailed budgets. In some cases, these acceleration efforts have been relatively successful, such as the emergency repairs to the police stations or the emergency income support and training program. In other cases, such as the rehabilitation of existing shelter facilities or the private home repair program, the acceleration efforts failed to realize the intended outcomes.

Initial results of the three emergency projects include the emergency repairs to the two police stations, the repairs to over 125 social apartment units with more than 450 beneficiaries, and the delivery of emergency equipment to the Fire Department through ERP-1 (breathing equipment, radios, satellite phones, fire suits). Under EDMP, the NRPB procured Alternative Daily Cover (a cement spray) and heavy equipment for the Ministry of VROMI. These are being used to improve landfill operations and prevent new surface and sub-surface fires on the landfill. Through EISTP, which is implemented together with the Sint Maarten Training Foundation, 1800 un- and underemployed people were able to receive stipends, health care insurance and job training in various sectors, including hospitality and construction.

In addition to the three emergency projects, the NRPB spent a lot of its limited resources and capacity on the Airport Terminal Reconstruction Project. A very important step for this project was taken with the signing of the legal agreements for the project in December 2019, making the Airport the fourth project under implementation by the NRPB. This project finances the full rehabilitation of the Airport terminal building, with improved standards, and will be implemented together with the Airport's project team.

Further details on the progress of each of the four projects under implementation by the NRPB is provided in the sections below.⁷

Table 3: Projects under Implementation by the NRPB

Project	Grant Agreement Signed	Grant Agreement Effective	Closing Date	Amount committed Trust Fund in USD	Amounts committed from other sources
Emergency Recovery Project I	July 2018	July 2018	June 2023	55.2 million	None
Emergency Income Support and Training Project	Aug 2018	Aug 2018	May 2022	22.5 million	None
Emergency Debris Management Project	Dec 2018	Feb 2019	Sep 2022	25 million	None
Airport Terminal Reconstruction Project	Dec 2019	April 2020	Dec 2022	72 million	50 million of the EIB, and 7 million of PJIAE

Project	Amount committed Trust Fund in USD	Amount disbursed by the World Bank to CBCS per Dec. 31, 2019	Amount committed to contracts in USD per Dec. 31, 2019	Amount spent in USD per Dec. 31, 2019
Emergency Recovery Project I	55.2 million	11,461,611.00	9,979,907.12	7,922,591.00
Emergency Income Support and Training Project	22.5 million	14,100,937.99	143,000.00	11,316,579.00
Emergency Debris Management Project	25 million	3,644,000.00	2,169,477.37	1,055,224.79
Airport Terminal Reconstruction Project	72 million	-	-	-

⁷ The emergency projects have been audited as per the Grant Agreements for the period July 1, 2018 until December 31, 2019 in three intervals: July 1, 2018 – December 31, 2018 (for ERP and EISTP only); January 1, 2019 – June 30, 2019, and July 1, 2019 – December 31, 2019. In compliance with the World Bank Policy on Access to Information, the World Bank will make the audit reports and the audited financial statements available to the public.

Emergency Recovery Project 1

The main objective of the Emergency Recovery Project 1 (ERP-1) is to contribute to Sint Maarten's immediate emergency recovery needs and strengthen institutional capacity to manage resilient recovery and reconstruction. This project has an envelope of 55.2 million US Dollars for 5 years to support some of the emergency needs of all of the 7 Ministries of the Government of Sint Maarten, as well the Sint Maarten Housing Development Foundation ("SMHDF") and Sint Maarten's Water and Electricity Company ("NV GEBE"). This project also finances the NRPB, based on an annual budget which requires approval of the Prime Minister and the World Bank. Key activities under ERP-1 include support to the emergency services (fire, police and ambulance), public infrastructure repairs, and institutional support and training.

As of December 31, 2019, 11.46 million US Dollars (20.76%) of the available funding has been disbursed for this project, 7.92 million US Dollars has been spent and 9.97 million US Dollars is committed to existing contracts.

Key results of ERP-1 in 2019 include:

- Buying insurance for Sint Maarten against the impact of tropical cyclones, earthquakes and excess rainfall under the Caribbean Catastrophe Risk Insurance Facility (CCRIF);
- Emergency repairs to two police stations;
- Repairs of 109 social apartments and 16 private homes;
- The delivery of breathing equipment, radios, satellite phones and fire suits to the Fire Department;
- The start of repairs to the radiosonde building of the Meteorological Department;
- Technical assessments for more than 100 private homes and 2 social apartment towers;
- The contracting of a LIDAR scan;
- The establishment of the NRPB and the hiring of its staff.

ERP-1 is divided into four components:

- Component 1: Emergency measures for the recovery of disaster first responders and preparedness facilities;
- Component 2: Restore and Increase Resilience of Utilities Services after Hurricane Irma;
- Component 3: Housing and Public Buildings Repair and Reconstruction;
- Component 4: Institutional Support for Reconstruction.

As of December 31, 2019, an amount of 1.1 million US Dollars has been spent for component 1; for component 2 no funds have been spent or committed; for component 3 an amount of 1.6 million US dollars and for component 4 an amount of 5.2 million US dollars has been spent.

A summary of the NRPB's activities under each component and/or sub-component is provided below.

Critical Infrastructure Repair and Improvement (Sub-component 1.1)

Activities under sub-component 1.1. include the repairs to two police stations, the repairs and expansion of the Emergency Operations Center (Fire and Ambulance Building), the rehabilitation of existing shelter facilities and the repairs to the Radiosonde building.

The repair works for the **two police stations** are divided into several phases. The first package addressed urgent repairs and improvement of working conditions of the police headquarters and was completed in May 2019. The second package concerns permanent internal and roof renovation at more resilient standards. Throughout the execution of the second package, the Ministry of VROMI committed to execute additional mechanical, electrical and plumbing works. The second package experienced a slow start in the third quarter of 2019 due to unexpected challenges with the roof of the police headquarters in Philipsburg. In December 2019 decisions were taken with the Ministry of VROMI on the roof repairs for Philipsburg and the generator for the Simpson Bay substation, leading to an extended contract time. Mold is evident and will require assessment, remediation actions and monitoring for reoccurrence in 2020.

Repairs of the **Fire and Ambulance Building** have not yet started. In December 2019, the Stichting Overheids Gebouwen ("SOG"), which is the owner of the building, commissioned various priority works, including the air conditioning system, ceiling and dry wall repairs and light fixtures. Additional repairs work by the NRPB will wait until the SOG-contracted works are completed. Preparations are also undertaking for the architectural and engineering design of the expansion of the Fire and Ambulance Building. This design is expected to be finalized in 2020, after which the works for the expansion can be tendered.



A worker skillfully spreads a layer of concrete on the roof of the Philipsburg Police Station. Repairs works at this station, and the Simpson Bay Police Station, includes making both buildings wind and watertight.

The **rehabilitation works of thirteen existing shelter facilities** were divided into two lots; one lot of eight and one lot of five shelters. Scheduled works include (repairs of doors and windows, installation of shutters, repairs of sanitation, installation of generators and construction of new cisterns. Both contracts were awarded and signed in August 2019. The project experienced a slow start due to prolonged discussions about contractual compliance issues with the contractor. Upon final agreement of the scope of works and bills of quantities the works started in December 2019, but were stopped due to further contractual compliance challenges. By year's end, the NRPB was awaiting a formal request for extension from the contractor through the supervisor while simultaneously reviewing the feasibility of completing the works with the current contractor.

The contract for the **repairs of the Radiosonde building** was awarded and signed in October 2019. Materials were ordered in November 2019 and work started in December 2019. Installation of doors and windows could only begin in January 2020 upon receipt of material from abroad. After installation of doors, windows and shutters the building will be painted and the works will be completed in Q1 2020.

First Responders Emergency Equipment (Sub-component 1.2)

Sub-component 1.2 provides equipment and vehicles to emergency services and different Ministries, as well as a LiDAR terrain scan for the Ministry of VROMI. Various procurement processes started in April 2019 for the Fire Department. On April 12, a contract was signed for the **supply of breathing equipment** for the fire brigade. This equipment was delivered in June followed by a training and certification process for the firemen. On July 23, a contract was signed for the **delivery of fire fighter suits**. These suits have been shipped by the supplier and are expected to arrive in Sint Maarten in early 2020. A contract for the delivery of **communication equipment** was also awarded and the equipment was delivered in October 2019. It was later determined that the order requested by the Fire Department was incomplete and as such the NRPB will engage a second order for additional communication equipment for the Fire (and Ambulance) Department.



Certification trainings, in addition to several shipments of vital equipment, have been provided to the Fire Department.

Technical specifications for the direct procurement of **three fire trucks** have been prepared with support from the World Bank. The NRPB expects to finalize and sign the contract in early 2020 with an anticipated delivery time of 15 months. The specifications for **four ambulances** are being finalized and providers for each have been identified and agreed to with the World Bank.

The tender documents for **support and command vehicles** of various ministries were drafted, based on a decision by the Council of Ministers in February 2019. Before publishing the tender, some ministries requested significant changes in their allocations and a revised list of sixty-eight vehicles was prepared in December 2019. Upon final decision-making by the Council of Ministers, the tender for these vehicles can be launched.

A contract for a **LiDAR terrain and bathymetry scan** was awarded in October 2019 and signing is expected in early 2020. The purpose of the LiDAR scan is to assist the Government of Sint Maarten with improving disaster and climate resilience through the development of tools and modelling systems supporting engineering scale analysis of coastal and hydrological systems throughout the island.

Restore public utility services after hurricane Irma (Component 2)

Before the start of activities by the NRPB could commence on public utility services, the signing of a subsidiary agreement with NV GEBE was necessary. This agreement was concluded in August 2019. As such, retroactive payments for water tanks repairs implemented in 2017 and 2018 is being prepared. In the course of 2020, NV GEBE and the NRPB will work on the preparation of new works for component 2, which will finance the construction of three new water tanks to increase the water storage capacity up to two days. Component 2 will also finance underground works for electricity cables and potable water pipelines to improve the resilience of the electricity and water infrastructure.

Private Home Repair Program (Sub-component 3.1)

Under sub-component 3.1, the NRPB took over the private home repair program of the Ministry of VROMI in early 2019. Under this program, **repairs to roofs, doors, windows and electrical as well as accessibility provisions** are carried out. The average cost of repairs to each home is estimated at US\$65,000. Homeowners who are required to relocate during the repairs receive compensation that ranges from US\$500 – US\$950 per month depending on the household size.

In early 2019, the NRPB and the Ministry of VSA started working based on a long list of 705 applicants that had been registered by VROMI, VSA and/or the Sint Maarten Development Fund in the aftermath of Hurricane Irma. An additional sixty-three applicants registered before the closing date for applications on April 30, 2019. After a final call of applications by the NRPB through various media platforms, the total amount of applications for the private home repair program was set at **768 applicants**.



Former VROMI Minister Miklos Giterson (right) is given a tour of repair works in progress.

Together with the Ministry of VSA, the NRPB made significant efforts in trying to contact all applicants and updating the actual needs during the first half of 2019. As a result, **396 people indicated they no longer needed assistance**, 80 people were not found after several attempts to contact them and 60 people did not qualify based on the Government's criteria for support. These criteria were set by the Council of Ministers as follows:

1. Applicant must be a legal resident of Sint Maarten, living on Sint Maarten;
2. Applicant must be the legal owner of the house that needs repairs, and the house must be the primary residence of the Applicant (unless they rent it out, see under point 4); and,
3. Applicant must have a monthly income of Naf. 4,000 or less (unemployed persons fulfill this criterion); or,
4. Applicant who rents out rooms or apartments, must have a total monthly income of Naf. 4,000 or less.

The table below shows the result of the social assessment per December 2019. This table distinguishes between the three phases of the home repair program: the pilot and phase 1 of the home repair program with homes that only require minor repairs (no roofs) and phase 2 of the home repair program.

Sub-Activity	Number of Persons Passing Social Assessment
Home repairs phase 1	14
Minor home repairs	26
Home repairs phase 2	192

For the first phase, 14 households were identified as eligible by the Ministry of VSA, after which the Ministry of VROMI completed scopes of works and bills of quantities with support from the World Bank. The contract for these works was signed in May 2019. Works started in July and were scheduled to be completed by the end of December. In November, one house was handed over to the homeowner and six more were completed by the end of the year. In December, works were affected by social unrest on French St. Martin and some days of heavy rain. Moreover, additional works were also approved for basic amenities (electrical wiring and plumbing) and accessibility features for the disabled persons. By the end of the reporting period, completion of phase 1 was expected at the end of March 2020.



A proud homeowner overlooks his newly built roof.
 Works in the pilot and phase 1 project included repairs to windows, doors, roofs, and minor electrical works.

On the Steering Committee's request in April 2019 to accelerate the home repair program, **26 homes for minor repairs** were identified where no roof repairs were needed. The repairs of windows, doors and electrical works to these homes was contracted in August 2019. These works progressed well, and completion was expected before the end of the year. However, partly due to the social unrest on French St. Martin, the completion was delayed to early 2020.

Technical assessment of the remaining homes that passed the program's social criteria commenced in August 2019. Four batches of complete technical documents for a total of 173 homes were received by

December 2019. It is expected that twenty-two of these will require full reconstruction and will, therefore, be excluded from the large works contract at this point. As of December 31, 2019, the expected number of houses for phase 2 is 151. A contractor was selected for the remaining works, and the contract was awarded on December 17, 2019. Contract signing is expected in the first quarter of 2020 and construction works are expected to start in June 2020.

Emergency support to SMHDF (Sub-component 3.2)

The NRPB is currently engaged in collaborative efforts with the Sint Maarten Housing Development Foundation (SMHDF) in two phases of a social home repair program.

Phase 1 includes roof and ceiling repairs for thirty-two duplex homes and eight buildings which host forty-five social housing apartments (totalling 109 housing units). The contract was awarded and signed in January 2019. All works were completed in December 2019.

Phase 2 concerns six tower buildings with a total of sixty-four apartments. The contract for the assessment and preparation of a scope of works was awarded and signed in October 2019. The complete assessment reports were received in December 2019. The next step is to develop the program of requirements, designs, scope of works and bill of quantities.

Some works and goods contracts by the SMHDF, implemented before the effectiveness of the Trust Fund, are eligible for retroactive finance. Retroactive financing of approximately 245K US Dollars for building material was approved and paid. Approval of retroactive financing of approximately 260K US Dollars for works contracts (**the 160 housing units**) awaits a full works verification audit.

School Repairs Program (Sub-component 3.3)

Under sub-component 3.3, **the Council of Ministers decided in November 2018 to allocate the entire available budget for public building repairs to schools and sports facilities** that could not be prepared by the Government itself. Given the limited budget, a priority list was also established by the Council of Ministers.

For the daily management of the upcoming school repairs project, and especially the coordination with the different schools, a dedicated activity manager is being recruited. A contract is expected in early 2020 to kick-start the preparation of a logistical and safeguards action plan, aiming at minimizing the disruption of the repair project for the involved schools. **The objective of the school repairs project is to repair prioritized schools that could not be repaired with available insurances by the Government of Sint Maarten.** This project is expected to start in the second half of 2020.

Sovereign parametric financial protection measures (Sub-component 4.3)

The Caribbean Catastrophe Risk Insurance Facility (CCRIF) insurance policies covering the Sint Maarten Government against disaster risks were renewed for 2019-2020. **As of September 2018, the Government of Sint Maarten is insured through CCRIF for damages resulting from earthquakes, tropical cyclones and excess rainfall.** Sint Maarten's participation in CCRIF will initially be financed through ERP-1 and will subsequently be paid for through Sint Maarten's annual budget. CCRIF is the first multi-country risk pool in the world. This insurance instrument helps small countries like Sint Maarten with short-term cash flow problems after a hurricane or earthquake. CCRIF pays out within the first two weeks after a disaster. This quick pay-out system will help Sint Maarten in financing its initial disaster response and to maintain basic Government functions after a catastrophic event.

Support for NRPB and Project Management (Sub-components 4.2 and 4.4.)

The gradual transition from the IRC to the NRPB took place in the first six months of 2019. **Mr. Claret Connor was appointed as the NRPB's first Director in January 2019.** Over the course of the year, additional staff was hired and the institutional set-up of the NRPB as foreseen in the original staffing plan of the NRPB started to take shape. By the end of the reporting period, the NRPB had twenty-four team members through staff and consultancy contracts.

The following positions were appointed over the course of the year: director, deputy director and legal officer, two program managers, a communication officer, a communication consultant, two administrative assistants, four project managers, an activity manager and several social assessors for the home repair program (temporary), a procurement specialist, two financial management specialists, a financial assistant, an environmental safeguards officer, an ICT consultant, a monitoring & evaluation specialist and an engineer.

The NRPB's operations are largely financed by sub-component 4.2 of ERP-1. The NRPB does not receive any funds from the national budget of Sint Maarten. Subject to approval of the World Bank, the NRPB's staff is selected by an independent selection committee which is appointed by the Council of Ministers. The NRPB's staff is compensated in accordance with the conditions set out in the temporary national ordinance and in the temporary national decree, containing general measures on the organization of the NRPB. Additional temporary experts are hired by the NRPB in accordance with the relevant agreements with the World Bank.

In addition to the NRPB's operations, **sub-component 4.4 finances support in project management**, especially in the areas of project supervision, technical assessment and engineering design. In this reporting period sub-component 4.4. was used to hire supervisors for the repairs of the police stations, shelters, various homes contracts and the Radiosonde building. It was also used for the technical assessments of social and private homes.



Three new water tanks are anticipated to be built under component 2 of the ERP1 project. This will increase the much-needed water storage capacity of NV GEBE.

Emergency Income Support and Training Program

The main objective of the Emergency Income Support and Training Project (22.5 million US Dollars) is to provide temporary income support and improve the employability of un- and under-employed workers on the island. In addition, the project intends to strengthen the Government's social protection system. As of December 31, 2019, 14.10 million US Dollars (62.66%) of the available funding has been disbursed for this project and 11.32 million US Dollars has been spent.

Key results of EISTP in 2019 include:

- In August, the training program reached 99.5% of its end targets (1792 beneficiaries of the 1800 targeted);
- The training program served half of the unemployed people in Sint Maarten (based on the 2018 Labor Force Survey);
- Hospitality related courses were provided by the Sint Maarten Training Foundation (SMTF) and construction courses by the National Institute for Professional Advancement (NIPA);
- The University of St. Martin (USM) offered courses in English as a Second Language (ESL) and the History and Culture of Sint Maarten.

EISTP is divided into three components:

- Component 1: The Income Support and Training Program;
- Component 2: Strengthening institutional capacity to enhance the social protection system;
- Component 3: Project Management.

As of December 31, 2019, 11.18 million US Dollars has been spent on income support and training through component 1. For component 2 and 3, an amount of 136K has been used.

Originally, the project's end date was June 30, 2020. To allow for the possibility to finalize component 2, the end date has been extended with 23 months to May 31, 2022. In addition, the NRPB, together with the Ministry of VSA, is working on extending the training program. A need for the extension has been identified as the tourism sector has not fully recovered from Hurricane Irma. To do this, the project will require additional financing. As such, the NRPB and the Government have initiated a request to the Steering Committee to allocate additional funds to EISTP.

A summary of the NRPB's activities under each of the three components of EISTP is provided below.

Income Support and Training Program (Component 1)

The training program is implemented by the Sint Maarten Training Foundation under the supervision of the NRPB. This program provides income support and medical insurance to eligible beneficiaries that attend training courses to improve their position on the labour market. In the implementation of this program, SMTF works closely with the Government's Labour Office to determine the eligibility of beneficiaries and provide labour services to program participants.

By the end of 2019, component 1 has reached 98% of its intended number of beneficiaries of 1,800. Of the **1,766 persons that benefitted from EISTP**, 1,191 were women. All beneficiaries received training courses where they learned valuable skills that improved their 'employability'. The SMTF employed training providers and individual trainers in the hospitality sector and is working with NIPA to deliver construction courses.

In 2019, the available curriculum was expanded to include English as a Second Language (ESL) and History and Culture of Sint Maarten, both courses provided by the University of St. Martin (USM).

Social Protection System (Component 2)

Component 2 of the EISTP covers the **design and building of an Integrated Social Registry System (ISRS)** where the Government's social services will be integrated into a central database. This system will improve the delivery of services by Government to the most vulnerable in Sint Maarten's society. Moreover, it will increase efficiency in the Ministry of VSA's disaster response to vulnerable households and communities.

In 2019, the Government of Sint Maarten established a Technical Working Group and Steering Group to provide input to the design of the Integrated Social Registry System (ISRS). The ISRS intends to improve the coordination between the different social and emergency services which will improve the management of public funds and the efficiency in service delivery.

The working and steering groups have provided significant input in the bidding documents that have been delivered to a contracted IT company that will do the technical design and building of the ISRS. This design and build contract is expected to start in 2020 and will take up to the closing date of the project to complete.

Project Management (Component 3)

The operations of the NRPB are largely financed through ERP-1. Project-specific management costs, however, are included in the relevant project. For EISTP, component 3 covers the main operational expenses such as the management, fiduciary and communication needs. In May 2019, a project coordinator was hired to coordinate the different activities under the EISTP and work closely with the Ministry of VSA in achieving the objectives of the project with a focus on the ISRS. This coordinator works under the supervision of the assigned program manager of the NRPB.



Students graduate the Construction Training Course with new proficiencies in carpentry, landscaping, masonry, plumbing, electrical or general property maintenance. These students are now poised to re-enter the workforce as certified skilled laborers.

Emergency Debris Management Project

The Emergency Debris Management Project (EDMP) grant agreement (25 million US Dollars) was signed on December 21, 2018 and was declared effective on January 31, 2019. The project finances the management of debris from hurricanes Irma and Maria and related reconstruction activities. Key activities under EDMP include fire suppression on the municipal waste disposal site, upgrading of debris processing, ship salvaging in the Simpson Bay Lagoon and improved vector control. As of December 31, 2019, 3.64 million US Dollars (14.56%) of the available funding has been disbursed for this project, 1.01 million US Dollars has been spent and 2.39 million US Dollars is committed to existing contracts.

Initial results of EDMP in 2019 include:

- The start of an Environmental and Social Impact Assessment (ESIA) for activities on the waste disposal sites, with focus on fire suppression activities;
- The start of a social survey of the community working and living in the vicinity of the municipal waste disposal site to prepare a Resettlement Action Plan (RAP) for part of the community;
- The delivery of Alternative Daily Cover material and application equipment to the Ministry of VROMI. This has equipped the Ministry to improve landfill operations and prevent surface fires as well as suppress subsurface fires;
- The procurement of heavy equipment to increase the Ministry of VROMI's capacity to improve landfill management.

The EDMP consists of three components:

- Component 1: Debris clearance and management;
- Component 2: Technical assistance including training and workshops;
- Component 3: Project management and implementation support for VROMI and the NRPB.

As of December 31, 2019, for component an amount of 997K in US Dollars has been spent. For component 2 and 3, an amount of 15K has been used.

In 2019, the following activities were prioritized:

- Preparation of fire suppression activities including the development of required safeguard documents and instruments to determine potential environmental and social impacts related to these activities;
- Purchase of an Alternative Daily Cover to be used on the waste and debris disposal sites to improve landfill operations, vector control and mitigate the risk of surface fires;
- Purchase of heavy equipment to improve landfill operations implemented by the Ministry of VROMI; and
- Cleaning up the Simpson Bay Lagoon and Mullet Pond to reduce the environmental and public health risks related to uncollected and unmanaged debris such as water and land pollution; aesthetics and providing mosquito vector breeding areas and other pests.

Based on these priorities, a summary of the activities of the NRPB and the Government of Sint Maarten under EDMP is provided below. These activities are financed through one or more components. For clarity, these activities are presented thematically and not per component.

Fire Suppression

In 2018, the municipal solid waste and Irma debris disposal sites experienced several surface fires. Expert assessments indicated a significant amount of sub-surface fires on both sites. Based on the information available, tender documents were prepared and a bid process for the fire suppression works was issued in April 2019. The bid process started with the understanding that specific safeguards instruments had to be completed and approved prior to awarding the contract. As a result, the bid process was extended twice to ultimately present bids in November 2019. Due to challenges in finalizing the required safeguard documents and the necessary resettlement of the community next to the municipal waste site, the bidding process was suspended until further notice on November 14, 2019.



VROMI Ministry workers receive hands-on training on the application of the Alternative Daily Cover (ADC) material. The ADC material greatly reduces the risk of fires and odor nuisances on the landfill.

In early 2020, a decision is expected to be made on whether the initial foreseen fire suppression activities are still needed. There has been a significant decrease in subsurface and a non-existence of surface fires. **This is the result of improved waste site management by the Ministry of VROMI and usage of an alternative daily cover (ADC) that has significantly reduced the flow of oxygen into the waste pile.** This application of ADC suffocates sub-surface fires and helps to prevent surface fires from occurring. The improvement directly affected the technical specifications in the bidding documents that were suspended in November 2019. Based on the decision in early 2020, the next steps for the works on the waste site can be determined (see also below – 'safeguards Pond Island').

Heavy Equipment

Alternative Daily Cover equipment and material was procured and received in August 2019. The vendor travelled to Sint Maarten in August to set up the equipment and provide hands-on training to VROMI personnel in operation and maintenance.

A Caterpillar Bulldozer D8 Waste Handling was procured, a contract was signed in October and the Bulldozer is expected to be delivered in January 2020. Procurement of a Front Loader Caterpillar 966K that will be used to pull the ADC applicator, among other activities related to the future temporary debris storage and reduction (TDSR) facility was initiated. After a successful pre-purchase inspection in December 2019, the NRPB expects to sign a contract with the vendor in early 2020. Additionally, the procurement of a Compactor Caterpillar 826 was initiated receiving four quotes from different vendors. A contract is expected to be signed in early 2020 as well.

Car wreck removal

One of the initial focuses of the EDMP project was hurricane debris clearance. In September 2019, VROMI indicated that most of the debris was already cleared and that the EDMP project should focus on car wrecks and other metal wreckage removals. Abandoned cars and scrap metal wrecks on the island are costly to remove and pose several hazards to public health and environment. In addition, it negatively affects St. Maarten's tourism product. **The wreckage to be removed include buses, heavy equipment and containers.** The NRPB is working on preparing an Environmental and Social Management Plan (ESMP) and bidding documents to remove and dispose of remaining metal wreckage.

Shipwreck Salvaging and Shoreline Cleanup of Simpson Bay Lagoon and Mullet Pond

During the course of 2019, the NRPB prepared and initiated the procurement of the works and supervision services for the cleaning up of the remaining shipwrecks in the Simpson Bay Lagoon and Mullet Pond. In addition, the NRPB prepared safeguard instruments for this activity to mitigate potential environmental and social risks attached to cleaning up the project sites. The bid process for the works contract was published on November 13, 2019. The current closing date is February 17, 2020.

The request for expressions of interest for the supervision services was originally issued in November 2019. It was relaunched in December, as only two expressions of interest were received in the original publication. The new closing date is January 6, 2020.

Safeguards Pond Island

The EDMP is considered a Class A project under the World Bank's Operational Policies. This means that the safeguards requirements for environment and social impact are very strict. For all activities under component 1, specific safeguards instruments are required prior to initiating bidding procedures. Most stringent are the safeguard requirements for works planned on the waste disposal sites. These are considered high risk and high impact activities that need to be thoroughly planned. In relation the fire suppression, the NRPB has contracted a firm to conduct a detailed Environmental and Social Impact Assessment (ESIA), including the preparation of safeguards instruments such as the Environmental and Social Management Plan and a Vector Management Plan.

During preparation of the grant agreement for EDMP, it was indicated that a part of the community living and working adjacent to the main disposal site must be resettled prior to any works taking place on the disposal site. The south-east slope is considered a high risk to the population residing and working at the foot of the slope.

Under World Bank policies, a Resettlement Action Plan (RAP) must be prepared and approved prior to resettling the identified households and businesses. In 2019, the NRPB recruited a specialized firm to execute a baseline study of the persons living and/or working in the area around the disposal sites on Pond Island. This provides necessary information to start developing the resettlement options that will be presented to the persons that will have to vacate the area. A lack of available resettlement options on Sint Maarten, such as land and housing, combined with undefined scope of the resettlement zone is resulting in challenges to finalize the RAP.

Medical Waste and Improved Vector Control

In the final quarter of 2019, the NRPB started preparatory works on the handling of medical waste and improved vector control. In October, the preparation of technical terms of references for improved vector control were initiated. The scope of this assignment will be to review and improve vector control policies of the Ministry of VSA, specifically for mosquito bred diseases such as Zika and Dengue. In November, the NRPB also started working on a technical terms of reference for the handling of medical waste. The scope of this assignment is to review and improve medical waste policies with the Ministries of VROMI and VSA, including recommendations on the purchase of equipment to improve medical waste management on Sint Maarten.



Expectations are that a few of the shipwrecks in the Simpson Bay Lagoon and Mullet Pond can be environmentally salvaged and re-sunk as artificial reefs off the coasts of the island.

Airport Terminal Reconstruction Project

The objective of the Airport Terminal Reconstruction project is to restore passenger capacity of the Princess Juliana International Airport (PJIAE) to pre-Hurricane levels with improved resilience towards hurricanes. This project is financed through a grant of 72 million US Dollars of the Trust Fund (which is on-lent to the Airport), a loan of 50 million US Dollars of the European Investment Bank and 7 million US Dollars of the Airport's own insurance proceeds.

The NRPB is responsible for the coordination of this project and the Airport's project team will implement the reconstruction works to the terminal facilities. These reconstruction works are currently estimated to cost approximately 107 million US Dollars. Key activities under this project are the interior reconstruction of the terminal facilities, a new baggage handling system and new passenger boarding bridges. In addition, the project supports corporate governance improvements to PJIAE, capacity building and provides accessible funds for PJIAE's operations in case of a major financial shock during the reconstruction period.

The Airport project is divided into four components:

- Component 1 – Reconstruction of the PJIAE terminal facilities (50 million, plus 50 million EIB and 7 million PJIAE);
- Component 2- Capacity building of and project management by PJIAE (0.5 million);
- Component 3 – Capacity building of and project management by the Government of Sint Maarten (0.5 million);
- Component 4 – Support of PJIAE Operations ('liquidity support facility' for 21 million).

No results of this project are yet to be reported, as the project was not effective by the end of 2019. A summary is provided below of the activities of the NRPB in 2019, about the financing of the project, the terminal reconstruction works and corporate governance improvements. As of December 31, 2019, the Airport's project team expects that the Airport's terminal building will be fully rehabilitated, with improved resilience towards hurricanes, by the end of 2022.

Financing of Airport Terminal Reconstruction Project

A very important step for the Airport Terminal Reconstruction Project was taken with the signing of the different legal agreements for the project in December 2019. This concluded the preparation of the financing of this project, which took nearly 20 months after the Airport submitted an initial request for support from the Trust Fund in April 2018.

Due to the significantly lower number of passengers following the damage caused by Hurricane Irma, the Airport's financial situation worsened rapidly in 2018. The Airport was no longer able to abide to all terms of the agreements with its existing bondholders, who in turn restricted the Airport's access to available insurance proceeds.⁸

⁸ In 2006, PJIAE constructed a terminal building and expanded the airport's facilities. The debt incurred for these works was refinanced in 2012 by the issuance of a fixed-rate senior secured notes that also included an additional amount for certain capital expenditures, fees and expenses. This debt was still being paid when the Irma and Maria hurricanes struck.

The NRPB became directly involved with the preparation of the project in early 2019. On request of the Government of Sint Maarten, the NRPB coordinated the project preparation for the available financing from the Trust Fund and the EIB, and assisted the Minister of Finance with the execution of **a bridge loan facility of 15 million US Dollars to the Airport**. Financed by the Netherlands, this bridge loan ensured that the Airport was able to continue to pay its employees throughout 2019.

The NRPB also supported the negotiations of the Government of Sint Maarten with the Airport's bondholders to release **the restricted insurance proceeds in the amount of 72 million US Dollars**. These negotiations took place in New York in late March 2019 and were concluded in early September in the form of a concession undertaking and disbursement agreement between the bondholders, the Airport and the Government of Sint Maarten. After a motion of Parliament supporting the signing of the concession undertaking, the legal agreement with the bondholders was signed on December 6, 2019. Three days later, the Prime Minister and Minister of Finance signed the agreements with the World Bank, the EIB and the Airport for the **129 million US Dollars that is available for the Airport Terminal Reconstruction Project**.

The Airport Project consumed a lot of the limited resources and capacity of the NRPB during 2019. This was necessary to ensure that this vital project for the economy of Sint Maarten would be able to start soonest.

Terminal Reconstruction Works

The Airport Terminal Reconstruction Project will reconstruct the terminal facilities damaged by Hurricanes Irma and Maria, while keeping the existing building structure. Whereas the terminal facilities inside the building were seriously damaged by wind and rain that came in through the destroyed doors and roofs, the building structure itself has sustained very limited damage except for the roof. Accordingly, the Airport will implement a series of works, including: (1) preliminary internal cleaning and demolition (completed in 2018); (2) terminal roof emergency repair with betterment to enhance resilience (completed in May 2019); (3) Partial terminal reconstruction (so-called package 1) to reopen a limited area of the ground floor of the terminal (completed in December 2018); (4) mold remediation of the entire terminal for package 2; and (5) full terminal reconstruction (package 2).

The works under (1) to (4) are fully financed from the Airport's own financing resources and must be concluded before package 2 starts. In order to initiate the process for mold remediation and continue with the technical preparations for package 2, the Airport requires access the restricted insurance proceeds.

As financed by the Project, package 2 works on terminal reconstruction include passenger boarding bridges, entrance doors, dry walls, furniture/counters, electrical and IT systems, baggage handling system, security installations and firefighter facilities. With the expectation that insurance proceeds will be released in the first quarter of 2020, the Airport's project team anticipates the completion of the terminal reconstruction works by the fourth quarter of 2022.

Corporate Governance Improvements

In December 2018 and early 2019, the World Bank conducted a corporate governance assessment of the Airport against good international practice. Based on this assessment, the Government of Sint Maarten and the Government of the Netherlands agreed in March 2019 on a number of corporate governance conditions for the Airport Terminal Reconstruction Project, related to the appointment and screening of board members and the appointment of a Task Force to implement key recommendation from the assessment.

On the request of the Government of Sint Maarten, the NRPB has assisted with the establishment of the Task Force and the implementation of other corporate governance improvement measures. The Task Force was hired by the NRPB in September 2019 through Emergency Recovery Project I. Based on a review of the World Bank assessment, interviews with key stakeholders and the OECD guidelines on corporate governance, the Task Force developed a protocol of corporate governance principles for approval by the Council of Ministers. This protocol was presented to the Council of Ministers on December 20, 2019. The next step is the preparation and execution of a corporate governance improvement plan for the Airport companies.

Initially, the work of the Task Force and the other corporate governance conditions were linked to the approval of the Steering Committee to the contribution of the Trust Fund to the Airport Project. Later, following the decision of the Steering Committee to approve the funding for the project in April 2019, these conditions were tied to the disbursement of the funding under the grant agreement for the project. Under the Grant Agreement, which was signed on December 9, 2019, no funds can be disbursed for the project until the Government of Sint Maarten and the Government of the Netherlands have mutually concluded that the agreed corporate governance measures have been satisfactorily adopted. As a disbursement condition under the grant agreements, the corporate governance conditions are also tied to the effectiveness of the loan of the European Investment Bank and the release of the restricted insurance proceeds. At the end of the reporting period, it was anticipated that the conditions would be fulfilled in the first quarter of 2020.



As the region's hub Airport this US\$129 million-dollar project will restore the passenger capacity to pre-Hurricane Irma levels.

3.2. Projects under Preparation by the NRPB

By the end of 2019, the Trust Fund had eight projects under preparation, with an estimated value of 177 million US Dollars. The NRPB is directly involved in six of these projects, which a focus on various longer-term public policy issues and support to the recovery of the private sector.⁹ These projects are the: (1) Enterprise Support Project, (2) the Digital Government Transformation Project, (3) the Connectivity and Resilience Improvement Project, (4) the Solid Waste Management and Environmental Improvement Project, (5) the Fostering Resilient Learning or Resilient Schools Project, (6) the Development Policy Operations.

A summary of the objectives, scope and preparatory activities for these six projects is provided below.

Table 4: Projects under Preparation directly involving the NRPB

Project	Approval Steering Committee	Estimated amount
Enterprise Support Project	June 2018	35 million
Digital Government Project	April 2019	10-15 million
Connectivity Project	April 2019	20 million
Solid Waste Project	June 2018	35 million
Resilient Learning	July 2019	30 million
Development Policy Operations	April 2019	15 million (2x)

Enterprise Support Project

During the first meeting of the Steering Committee in June 2018, funding was allocated for the recovery of the private sector, and specifically micro-, small- and medium-sized enterprises (MSMEs). The Enterprise Support Project with an estimated budget of 35 million US Dollars was prepared by the Government of Sint Maarten with the World Bank. The NRPB became involved with this project in early 2019.

The Enterprise Support Project aims to support eligible MSMEs in with access to financial packages for asset repairs and working capital, through local financial institutions. A large percentage of MSMEs have been unable to get necessary financing from local commercial banks, as they have collateral requirements that many MSMEs cannot meet. The Enterprise Support Project will provide, subject to an acceptable business plan, financial packages for MSMEs in the form a combination of a grant and a loan.

The NRPB will work with local financial institutions who will support eligible MSMEs. The project was approved for signing by the World Bank in 2019. However, the project had to be restructured to amend implementation arrangements, based on changes requested by the Government of Sint Maarten related to the role of the Central Bank of Curacao and Sint Maarten. The grant agreement of the project is now expected to be signed in the first quarter of 2020. The NRPB is hiring a project manager and at least two additional team members to implement the project.

⁹ The other two projects are the Child Protection and Development Project (5 million US Dollars, implemented by UNICEF NL) and the Civil Society Partnership Facility (7.2 million US Dollars, implemented by VNG International)

Connectivity Project

On the request of the Government of Sint Maarten, the Steering Committee allocated a tentative amount of 20 million US Dollars for the preparation of the Road Connectivity and Resilience Improvement Project. The main objectives of this project is to improve connectivity in Sint Maarten with increased resilience, sustainability and safety of transport infrastructure. Key activities will include the construction of Link 6 and road spot improvement.

The NRPB has hired a project manager for the preparation of this project together with counterparts from the Ministries of VROMI, Justice and TEATT.

Digital Government Transformation Project

On the request of the Government of Sint Maarten, the Steering Committee has allocated 15 million US Dollars for a Digital Government Transformation Project in April 2019. The objective of this project will be to enhance the efficiency, quality, and resiliency of selected public services for citizens and businesses on Sint Maarten. Based on consultations with Government stakeholders, three components have been identified: Component 1 aims to enhance public service delivery in Sint Maarten by transforming and scaling up the existing Public Service Centers to become more customer-centric; Component 2 will build common digital platforms across government; and Component 3 will create the enabling environment for digital transformation, including the standards, protocols, and policies that are needed to enable a sustained digital transformation.



The Digital Government Transformation Project focuses on creating a more user-friendly experience for citizens and businesses.

The 15 million US Dollars is divided into a 5 million US Dollar Bank Executed Project (BETF) and a 10 million US Dollar Recipient Executed Project (RETF). The BETF consists of the development of a Digitization Strategy and is under implementation. Project preparation for the RETF is ongoing and approval is expected in the second half of 2020. The NRPB is hiring a project manager to coordinate the preparation of this project together with the Ministry of General Affairs.

Resilient Schools Project

In July 2019, the Government of Sint Maarten presented its 'Education Master Plan' to the Steering Committee. Based on this plan, the Steering Committee agreed to allocate an envelope of 35 million US Dollars to the education sector. Of the available funds, 5 million US Dollars was immediately allocated for the Child Protection and Development Project, which will be implemented by UNICEF NL. 30 million US Dollars will be implemented by the Government of Sint Maarten through the NRPB and will go towards the reconstruction of schools and a new library building. In addition, the project will implement a component that aims at strengthening the management and resilience of the education system.

In December 2019, the Government of Sint Maarten confirmed the decision that the available reconstruction budget will be used for the rebuilding of two schools in particular: the Sister Marie Laurence School and the Charles Leopold Bell School. The NRPB is hiring a project manager to coordinate the preparation of this project together with the Ministries of ECYS and VROMI.

Solid Waste Management and Environmental Improvement Project

In addition to the 25 million US Dollars for the Emergency Debris Management Project, the Steering Committee has tentatively reserved 35 million US Dollars for a second waste-related project that will improve solid waste and environmental management on Sint Maarten. In 2019, the World Bank started with the identification phase of this project through the Long-Term Waste Management Advisory Service and Analytics (ASA). This ASA will collect data and develop evidence-based solutions for Sint Maarten's waste challenges. Proposals are expected to be implemented by the Government in the mid-term, as well as interventions to be taken on the long-term. The current estimation is that a project can be considered for financing in early 2021. The NRPB will support the preparation of this project together with the Ministries of VROMI and VSA.

Development Policy Operations (DPO)

The last project under preparation involving the NRPB is the so-called public finance, social insurance and resilient development policy operation. After bilateral discussions between the Government of the Netherlands and the Government of Sint Maarten, the Steering Committee allocated 30 million US Dollars for two operations (of 15 million US Dollars). These operations will aim to support Sint Maarten's sustainable and resilience financial future. As stated in the World Bank's Annual Report of the Trust Fund (p.23), the DPO will support improved public financial management, tax reform, public sector transparency, resilience measures and improved social insurances. The NRPB supports the Government of Sint Maarten, upon request, in working on a set of policy actions that need to be completed before the project can become operational. Identified policy actions for the DPO include the modernization of the tax administration, detailed regulations for public procurement, a disaster risk financing strategy and legislation that reduces the costs of the civil servants' pension system.

3.3. Other NRPB activities in 2019

In addition to the projects under implementation and preparation, NRPB activities in 2019 included support to (1) the Steering Committee and Technical Working Group of the Trust Fund, (2) to projects that are not prepared or implemented by the NRPB, (3) to Bank-executed activities and (4) to the Government of Sint Maarten on new project proposals for the Trust Fund. These activities are in line with the NRPB's mandate to support the Government of Sint Maarten on all projects that can be completely or partly financed by the Trust Fund. A high-level overview of these other NRPB activities is provided in the next sections.

Support to Steering Committee and Technical Working Group

The Steering Committee decides which activities are financed by the Trust Fund. Project proposals are approved on a consensus basis by the Steering Committee, in which Sint Maarten, the Netherlands and the World Bank are equally represented. The current representative of Sint Maarten in the Steering Committee is the former Prime Minister of Sint Maarten, Mr. Marcel Gumbs. He represents the position of Sint Maarten in the Steering Committee as defined by the Prime Minister and the Council of Ministers.

The Steering Committee's role is to endorse strategic priorities, annual work plans and budgets of the Trust Fund activities; decide on financial allocation to projects and studies; and monitor overall program process. The Steering Committee meets at least twice a year for a face-to-face meeting, either in Washington DC, the Hague or Phillipsburg. Additional ad-hoc meetings are organized on a monthly or bi-monthly basis (virtually).

In the execution of its responsibilities, the Steering Committee is supported by a Technical Working Group, which meets on a weekly or bi-weekly basis (virtually). The Technical Working Group consists of representatives of the Netherlands, Sint Maarten and the World Bank. The Technical Working Group prepares Steering Committee meetings, advises on the allocation to projects and discusses the progress of project implementation and preparation.



Steering Committee Members Marcel Gumbs (2nd from left), Tahseen Sayed (2nd from right) and Frans Weekers (right) along with NRPB Director Claret Connor (left).

The NRPB participates in the meetings of the Steering Committee and the Technical Working Group. The NRPB advises on the decision-making of the Steering Committee, helps to prepare the decision-making of the Council of Ministers prior to Steering Committee meetings, provides advice and administrative support to the Steering Committee member of Sint Maarten, gives regular presentations to the Steering Committee and the Council of Ministers on ongoing projects and provides input on the bi-weekly report for the Steering Committee on project implementation.

Support to projects not prepared or implemented by the NRPB

Of the six Trust Fund financed projects under implementation and the eight projects under preparation in 2019, there are four projects that do not directly involve the NRPB. These are: (1) the Hospital Resiliency and Preparedness Project (implemented by the St. Maarten Medical Center), (2) the Red Cross Roof Repair Project (implemented by Red Cross NL), (3) the Child Protection and Development Project (prepared by UNICEF NL) and (4) the Civil Society Partnership Facility (prepared by VNG International).

On an ad-hoc basis, the NRPB is requested to provide support to some of these projects. In 2019, the NRPB especially supported the preparation of the Civil Society Partnership Facility. In May 2019, the Steering Committee approved an NGO facility with indicative funding of 7 million US Dollars based on a proposal prepared by the Technical Working Group and local NGOs. The objective of this facility is to increase civil society organizations capacity in reconstruction and resilience activities and to finance such activities implemented by Civil Society Organizations on Sint Maarten. The facility will be managed by VNG International and the grant agreement for this project is expected to be finalized in the second quarter of 2020. The NRPB will chair the Project Technical Committee of the project. This committee serves as an advisory body to VNGI's project team and will provide input on where grants under the Facility should be spent.

Support to Bank Executed activities

Most activities financed by the Trust Fund are implemented through Recipient Executed Activities (RETF). This includes all projects under implementation and preparation by the NRPB. In addition to the RETF activities, the Trust Fund also finances activities that are executed by the World Bank directly (BETF). This includes studies as well as technical assistance. In 2019, the Trust Fund supported the following studies: (1) Airport Corporate Governance Assessment, (2) Rapid Housing Sector Assessment, (3) Long-Term Waste Solutions, (4) Country Environmental Analysis, (5) Public Expenditure Review and (6) the Sint Maarten Hospitality Reconstruction Financing Due Diligence study. Technical assistance was also provided by the World Bank on (1) Low-Income and Affordable Housing, (2) Tourism Sector Recovery Strategy Support, (3) National Risk Assessment, (4) Emergency Preparedness and Response, including shelter policy and management, (5) E-Government Strategy and (6) Support to the Airport Corporate Governance Task Force.¹⁰

On an ad-hoc basis, the NRPB is requested to support the preparation and execution of these activities by advising on the strategy for these activities, by providing comments on draft documents and by facilitating meetings with key stakeholders. Significant time was spent by the NRPB in 2019 on the Airport Corporate Governance Assessment, Long-Term Waste Solutions and the E-Government Strategy, as these BETF activities directly link to projects under implementation or preparation (see sections 3.1 and 3.2). The NRPB also provided noteworthy support to the country environmental analysis and the hospitality reconstruction financing due diligence study.

¹⁰ For detailed information on these BETF activities, the NRPB refers to the World Bank's 2019 Annual Report of the Trust Fund and the website of the Trust Fund.

Support to preparation of new project proposals

Proposals for new projects can be introduced to the Steering Committee by the Government of Sint Maarten, the World Bank or the Government of the Netherlands. For the Government of Sint Maarten, the Council of Ministers has adopted an internal approval process for project proposals that are submitted to the Steering Committee. In this process, the NRPB has role in the preparation of project proposals and in supporting the communication between the Council of Ministers and the Steering Committee.

Project proposals are to be prepared by responsible Ministries. Upon request and availability, the NRPB assists in the preparation of new project proposals.

Once prepared, the responsible Minister can introduce the project proposal to the Council of Ministers. For a new proposal to be tabled in the Steering Committee, a decision to that effect needs to be adopted by the Council of Ministers at least four weeks before an official meeting of the Steering Committee. Upon approval by the Council of Ministers, the NRPB facilitates the communication on the project proposal with the Steering Committee.



Dutch State Secretary of Home Affairs and Kingdom Relations Raymond Knops is apprised by Kurt Ruan, Head of the Ministry of VROMI's Department of New Works. Mr. Ruan shares with the State Secretary plans for the enhancements to be made to the shelter located at the Milton Peter's College gym hall.

During the reporting period, the Government of Sint Maarten has tabled the following proposals to the Steering Committee in the following areas: (1) digital government, (2) road connectivity (specifically link 6), (3) the education master plan, (4) a joint waste water plant, (5) a new multifunctional shelter and (6) a tourism resilience and promotion project. In addition, Sint Maarten has indicated to the Steering Committee that the Government would support the preparation of Trust Fund projects on affordable housing, sewage and sanitation and mental health. However, no specific project proposal was submitted to the Steering Committee by Sint Maarten in these areas during 2019.

Based on the project proposals submitted by Sint Maarten, the Steering Committee allocated funding in 2019 for a digital government transformation project, a resilient schools project and a connectivity project. The Steering Committee also made a tentative allocation for the Joint Wastewater Plant in October 2019. On the multifunctional shelter proposal, the Steering Committee agreed to support the country's shelter policy and management. No consensus-based decision was taken on the building of a new multifunctional shelter or on the proposal for a tourism resilience and promotion project.

4. One-year NRPB: Challenges and Opportunities

Throughout the reporting period, the NRPB was established, the first staff recruited, and a small office opened. Simultaneously, the incoming staff of the NRPB took over the responsibilities of the Interim Recovery Committee on the implementation and preparation of the different projects that are financed by the Trust Fund. While the NRPB made progress during its first year, the implementation of Trust Fund activities has been slower than hoped for, especially for some of the infrastructure repairs.

This chapter provides a brief analysis of the main challenges that the NRPB experienced during its first year and concludes this report with a statement on the opportunities that the Trust Fund continues to offer for Sint Maarten in 2020 and beyond.

4.1. Main Challenges for the NRPB in 2019

In preparing and implementing the different projects, the NRPB is facing different type of challenges. At least five sets of challenges can be distinguished: (1) market constraints, (2) unrealistic expectations of stakeholders, (3) risks of acceleration efforts, (4) capacity constraints of the NRPB and the Government of Sint Maarten; and (5) regulatory issues.

Future reports will provide updates on each of these challenges and will add any newly emerging challenges.

Market constraints

The first set of challenges concerns the ability of the local and the international market to respond to the procurement needs of different projects. The first projects under implementation have faced significant difficulties in attracting firms, especially for major works, consultancy services and specific goods. This is due to Sint Maarten's market size, as well as the fierce competition for labor with other ongoing work on the island.

Local firms are often not familiar or experienced with competitive public procurement procedures and the necessary social and environmental standards of the Trust Fund. Various information sessions have been organized in 2019 to get companies familiarized with the relevant procedures. However, the NRPB has seen many incomplete bids and offers with inflated costs estimates. In other cases, unusually low-cost estimates were provided, seemingly due to a lack of understanding or experience with the contractual requirements.

Additional constraints impact the performance and response level of local contractors. There are only a few large contractors on the island, due the market size and the limited opportunities to assure a viable business on Sint Maarten. There are many small contractors that may be able to execute part of the works, but the administrative and logistical management component of the works is often too heavy. Small contractors may lack the capacity to adhere to the safeguard requirements of the projects (as there are no similar environmental and health regulations on Sint Maarten), or do not have the minimum financial capacity. A related issue is that local contractors, large and small, face difficulties in meeting the insurance and other financial requirements of the projects through local financial institutions that have limited experience with the necessary guarantees and performance bonds.

Finally, quality consultancy services are available on Sint Maarten but are very scarce. Due to the nature of the different projects a large amount of knowledge services is required, which the local market cannot absorb. Attracting the necessary services is expensive, time-consuming and has delayed the implementation of various activities.

Unrealistic expectations of stakeholders

A second set of challenges for the NRPB pertains to the high and in many cases unrealistic expectations of stakeholders. Many of the needs identified in the National Recovery and Resilience Plan are extremely urgent and should be addressed in the fastest possible timeframe. What is difficult for the NRPB, as a new institution, is that the expectations on the time it should take to address these needs and prepare the different projects are often based on experiences of the past, such as the support provided directly by the Government of the Netherlands after Hurricane Luis and in the first nine months after Hurricanes Irma and Maria. These expectations – including in some cases the expectations of the donor itself – do not match the reality of what it takes to prepare and implement multi-million dollar projects on a small island in accordance with the applicable rules of the World Bank.

Of course, it is also quite challenging that the country of Sint Maarten has very limited experience with these or comparable rules. This is the first time that Sint Maarten has worked with a leading international organization like the World Bank on a large scale, whereas the regular World Bank rules for investment projects apply to Sint Maarten as for any other country. If Sint Maarten does not adhere to these rules, a project can be stopped, and Sint Maarten can be required to pay back the funds used.

However, it is not just Sint Maarten's lack of experience with the rules of the World Bank that makes the high expectations of many stakeholders unrealistic. Another important factor is that while many of the urgent needs were identified right after the Hurricane in September 2017, actual project preparation for many priority activities only started in late 2018 or even 2019. It is this combination of a lack of familiarity with the World Bank's procedures, the different experiences with past donor projects and the relatively late start of project preparation that makes the high expectations of many stakeholders unrealistically high. An important objective for the NRPB and the Trust Fund is to better explain the relevant procedures and present realistic timelines for the different projects that are based on the applicable standards instead of the experiences of the past.

Risks of acceleration efforts

Over the past year, a lot of efforts have been made to live up to some of the expectations by accelerating priority activities. This especially holds true for the so-called emergency projects for which grant agreements were signed in the second half of 2018 and early 2019. For these projects – ERP-1, EISTP and EDMP – various actions were taken with the goal to realize immediate results in priority areas, such as home repairs, support to emergency services and the suppression of landfill fires.

For these emergency projects, accelerated procedures were followed, regular conditions were waived by the World Bank and grant agreements were signed without full project preparation, including technical assessments, tender documents and detailed budgets. In some cases, these acceleration efforts have been relatively successful, such as the emergency repairs to the police stations or the emergency income support and training program, which were both able to start relatively quickly and with some success. In other cases, such as the upgrades to the existing shelter facilities, these attempts failed.

Acceleration efforts are not without risks. Accelerated procurement procedures can lead, for example, to failed tenders or to an underperforming contractor. A key lesson for all involved must be that there are only so many steps that a project team can be asked to skip to accelerate. The technical preparation of a project should be given the necessary amount of time. A very closely related lesson is that priorities cannot be changed monthly and that if more activities are added without proper prioritization, the existing priorities will be affected negatively in terms of planning, budgeting, technical preparation and execution.

Capacity constraints NRPB and the Government of Sint Maarten

The new reality of a World Bank managed Trust Fund and the capacity constraints within the Government of Sint Maarten were among the main reasons for the establishment of the NRPB. Capacity constraints exist especially in the areas in which Sint Maarten has limited experience. This includes procurement and the environmental and social standards of the World Bank. Moreover, also in areas in which the Government of Sint Maarten has a lot of experience with, the in-house capacity is too stretched to handle all the different projects. The Government apparatus is not designed for projects on the scale of the Trust Fund and the standards of the World Bank. In comparison, the available annual capital budget of the Government of Sint Maarten for investment projects is only a very small fraction of the annual budget of the different Trust Fund projects.

The NRPB temporarily supplements the capacity of the Government to execute the different projects. However, it should be acknowledged that the NRPB itself also needs to build the necessary capacity to manage the different multi-million-dollar projects. With the backing of the IRC and the individual commitment of several key civil servants from different Ministries, a lot of work has been done to kick-start projects. Still, setting up a fully staffed project implementation unit like the NRPB, building the necessary capacity, and using and training our local talents to successfully work with organizations like the World Bank that takes time and a lot of energy.

Regulatory issues

Due to the nature of the Trust Fund projects, a final set of challenges are regulatory issues that limit the Country's ability to attract contractors and consultants from outside Sint Maarten in a timely and cost-efficient manner. These challenges are highlighted as follows in the 2019 World Bank Annual report of the Trust Fund [p. 28]: "Support from the Government of Sint Maarten has been requested and is urgently needed to facilitate the participation of international contractors and consultants, including consultants providing Hands-on Assistance on behalf of the World Bank, by readily providing visas and work permits and clarifying taxation and work permit requirements. Labor laws that restrict the ability to hire temporary workers and contract international employees have also been noted as a significant challenge by implementation partners and by NRPB".

The NRPB is specifically hindered by the lack of exemptions and/or accelerated procedures for temporary work and residency permits for (foreign) persons working for the NRPB or as staff of (foreign) firms that are engaged by the NRPB. The NRPB has escalated this matter on multiple occasions to the Council of Ministers with the request to ensure that the NRPB is treated in the same way as the Government treats itself. This would mean that exemptions and/or accelerated procedures (including the waiving of related costs) that the Government has used in the past for Government projects (whether financed by the EU, the Netherlands or the national budget) are also available to the NRPB. While the importance of this matter has been confirmed by the Government, the necessary support was not provided in 2019. This has significantly hampered the execution of various priority activities. The NRPB intends to continue to address this matter with the Government until a structural solution is realized.

4.2. Opportunities in 2020 and beyond

The mismatch between the unrealistically high expectations of stakeholders and the actual standards and timelines for the different Trust Fund projects has led some to believe that the Trust Fund does not offer any real opportunities for Sint Maarten. For the NRPB, the Government of Sint Maarten and other institutions that are directly involved with the Trust Fund, one of the most important tasks for 2020 and beyond is to explain that while the Trust Fund may not offer immediate solutions to many of the pressing problems on Sint Maarten, the Trust Fund does continue to offer huge possibilities in the years to come.

In the absence of other significant sources of financing, especially in the form of grants, the Trust Fund should be used to address some of the most urgent and structural needs that are identified in the NRRP. While the Trust Fund cannot finance the entire NRRP, the Trust Fund can subsidize several large projects for the recovery of the community, economy and government of Sint Maarten.

Beyond the available funding, the Trust Fund offers various opportunities for Sint Maarten to work with the World Bank and to build the necessary capacity and experience to execute projects under standards that are not only used by the World Bank but also by many other regional and international organizations. Building such capacity and experience should enable the Government of Sint Maarten to execute the different projects that are discussed in this report, but also to attract other sources of funding that can supplement the Trust Fund in the years to come.

The main role of the NRPB is to temporarily support the Government of Sint Maarten by executing projects that are financed by the Trust Fund and also by advising the Government on projects that can be financed from resources other than the Trust Fund. Ultimately, the role of the NRPB will have to change into a national planning or public investment agency, or alternatively, the current responsibilities of the NRPB will have to be transferred back to the Government itself. Whatever choices will be made, Sint Maarten needs to build additional capacity and experience to adequately prepare and implement multi-million-dollar projects in the (semi-)public sector. One of the most important opportunities of the Trust Fund is that the available funding and expertise can be used to lay the foundations for the proper project management of public funding and support the development of Sint Maarten's capacity to implement large investment projects beyond the expected closing of the Trust Fund in 2025.



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