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ALHIER

Date: November 13, 2020  
Character: DIV 11040  
Subject: Interim Report National Recovery Program Bureau 2020 Q1-  
Q2

Attachment(s): 1

Honorable Chairman Brison,

On behalf of the Council of Ministers, I hereby submit the Interim Report of the National Recovery Program January – June 2020 in accordance with article 17 paragraph 2 of the Temporary National Ordinance of the National Recovery Program Bureau.

I trust to have informed you sufficiently.

Sincerely,

Silveria E. Jacobs  
PRIME MINISTER OF SINT MAARTEN







# INTERIM REPORT

JANUARY — JUNE

# 2020



**NRPB**

NATIONAL RECOVERY  
PROGRAM BUREAU



## Background

This report provides an overview of the activities that were executed by the National Recovery Program Bureau ("NRPB" or "the Bureau") in the first six months of 2020. 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.

As of June 30, 2020, 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.

As set out in the temporary national ordinance, the NRPB prepares a report on its activities twice a year and submits this report to the Prime Minister of Sint Maarten. The current report is an account of the activities of the NRPB during the first half of 2020. This report can be read together with the World Bank's Semi-Annual Report of the Trust Fund for the first six months of 2020. The 2020 annual report of the NRPB will be published in the first quarter of 2021 and will provide a joint account of the activities of the NRPB during the first and second half of 2020.



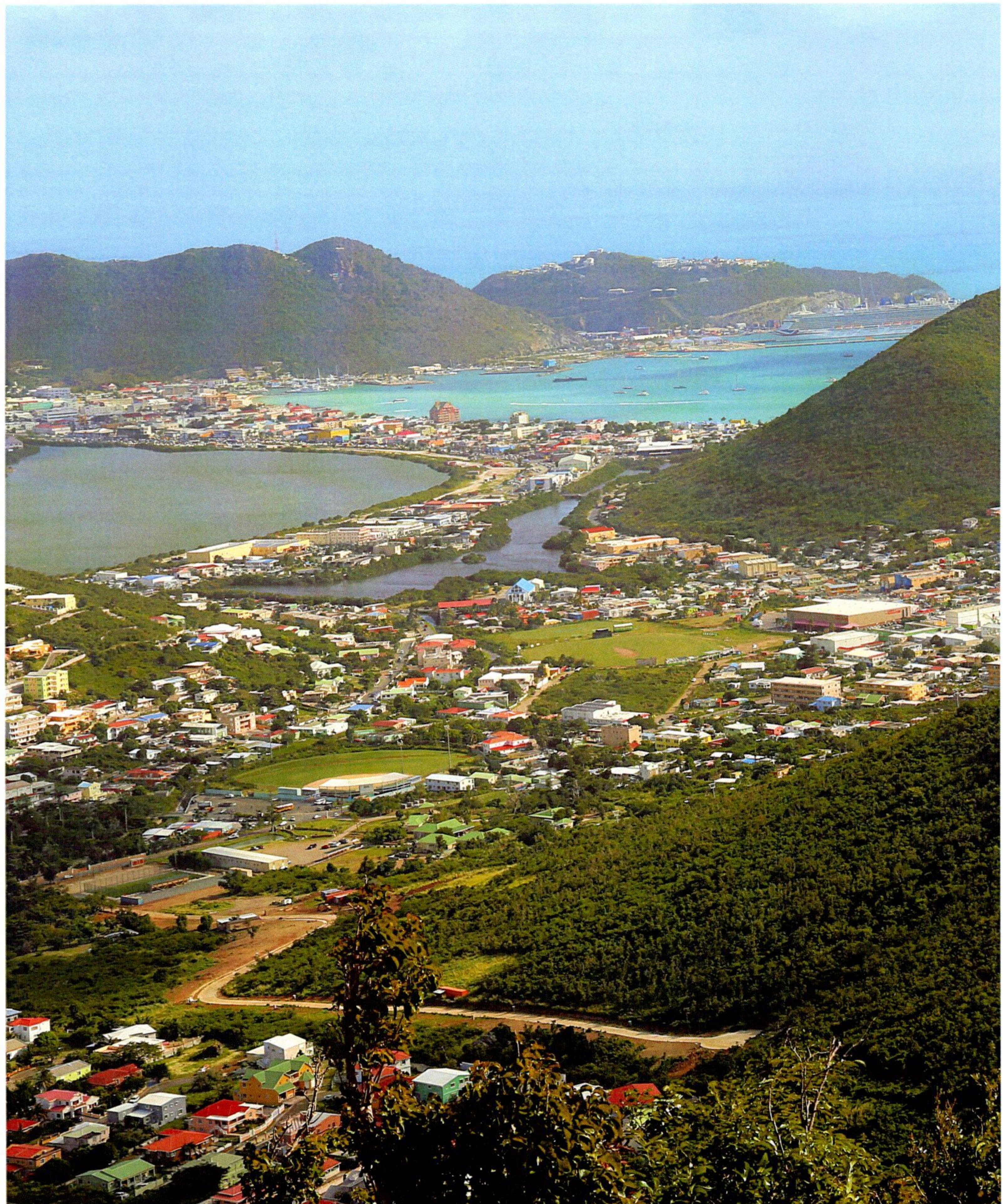
## Table of contents

<b>1. Introduction .....</b>	<b>4</b>
Projects under implementation and preparation by the NRPB .....	4
COVID-19 and Other Challenges for the NRPB .....	5
Outline of the report .....	6
<b>2. The NRPB: Guiding Documents and Institutional Set-Up .....</b>	<b>7</b>
2.1. Guiding documents of the NRPB .....	7
Temporary National Ordinance of the NRPB .....	7
National Recovery and Resilience Plan .....	8
Strategic Framework of the Trust Fund .....	9
Grant Agreements with the World Bank .....	10
2.2. Institutional set-up of the NRPB .....	11
<b>3. Summary of NRPB Activities in Q1 and Q2 of 2020 .....</b>	<b>12</b>
3.1. Projects under Implementation by the NRPB .....	12
Emergency Recovery Project 1 .....	15
Emergency Income Support and Training Program .....	21
Emergency Debris Management Project .....	23
Airport Terminal Reconstruction Project .....	26
Enterprise Support Project .....	29
3.2. Projects under Preparation by the NRPB .....	30
Connectivity Project .....	30
Digital Government Transformation Project .....	30
Fostering Resilient Learning Project .....	31
Solid Waste Management and Environmental Improvement Project .....	31
Development Policy Operations (DPO) .....	32
3.3. Other NRPB activities .....	33
Support to Steering Committee and Technical Working Group .....	33
Support to projects not prepared or implemented by the NRPB .....	33
Support to Bank Executed activities .....	34
Support to preparation of new project proposals .....	34



<b>4. Ongoing Challenges for the NRPB .....</b>	<b>35</b>
Market constraints .....	35
Unrealistic expectations of stakeholders .....	36
Risks of acceleration efforts .....	36
Capacity constraints NRPB and the Government of Sint Maarten .....	37
Regulatory issues .....	37







## 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 the Recipient Executed Trust Fund (“RETF”) and Bank Executed Trust Fund (“BETF”) activities.

A significant part of the RETF activities is implemented or coordinated by the National Recovery Program Bureau. The Bureau was established by the Government of Sint Maarten through a temporary national ordinance in early 2019. The NRPB's primary responsibility is to direct the preparation, coordination, implementation, and evaluation of projects that are listed in the NRRP and are financed by the Trust Fund.

The NRPB works on projects that are approved by the Steering Committee of the Trust Fund. The NRPB 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 the first half of 2020. 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 Interim Report of the Trust Fund for the first six months of 2020. Other relevant sources of information on the Trust Fund include the website of the NRPB and the dashboard of the Trust Fund.

### Projects under implementation and preparation by the NRPB

By the end of June 2020, the Trust Fund had eight projects under implementation with a total value of 245.5 million US Dollars, against six projects at the beginning of the year. Five of these projects are being coordinated or implemented by the NRPB with a total portfolio of 209.7 million US Dollars from the Trust Fund and an additional 50 million US Dollars from the European Investment Bank (“EIB”).<sup>1</sup> These projects are: (1) Emergency Recovery Project I (“ERP-1”), (2) the Emergency Income Support and Training Project

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<sup>1</sup> The other three 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) and (3) Civil Society Partnership Facility for Resilience Project (7.2 million US Dollars, implemented by VNG International). During the reporting period, an additional 3.6 million US Dollars was approved for the Hospital Project, specifically for COVID-19 related support.



(“EISTP”), (3) the Emergency Debris Management Project (“EDMP”) (4) the Airport Terminal Reconstruction Project and (5) the Enterprise Support Project (“ESP”).

Results under the first three projects in the first half of 2020 include, for the Emergency Debris Management Project the delivery of a Front Loader and the receipt of bids and proposals for the cleaning of the Simpson Bay Lagoon. EISTP overachieved its set goal to support 1,800 beneficiaries through the Sint Maarten Training Foundation and was extended to continue for an additional three months to end in September 2020. Under ERP-1, roof repairs at two police stations were completed, a contract was signed for the production of three new fire trucks and works started on four priority shelters. Significant progress was made in the private home repair program: under the pilot project eleven homes were handed over, the minor repairs of all 26 homes were completed, and the contract was signed for the repairs of 100 homes under the second phase of the program.

On the Airport Terminal Reconstruction Project, an important step was taken in April 2020, when the World Bank was able to confirm that the conditions for the start of the project were satisfactorily fulfilled by the Airport and the Government of Sint Maarten. The lifting of these so-called disbursement conditions allowed for the release of the restricted insurance proceeds by the Bondholders. These proceeds will be used by the Airport to finance the necessary preparatory works for the Project, including mold remediation and clean-up of the terminal building. Once these preparatory works are completed, the Airport Terminal Reconstruction Project will fund the works in the terminal. This project is coordinated by the NRPB, implemented by the Airport's project team and 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 EIB and 7 million US Dollars from the now released insurance proceeds.

During the first half of 2020, the NRPB was also able to start the Enterprise Support Project. This project provides direct support to micro, small, and medium-sized enterprises (“MSMEs”) to contribute the recovery of the sector and increase its resilience. The grant agreement for ESP was signed on March 5, 2020, and the project was declared effective on May 5. The support agreement with the Central Bank of Curacao and Sint Maarten was signed on June 30, 2020. This enabled the NRPB to sign the first agreements with participating financial institutions and launch the project for applicants in August 2020.

By the middle of 2020, the Trust Fund also had six additional projects under preparation, with an estimated value of 135.6 million US Dollars. The NRPB is involved in five of these projects, which focus on various longer-term public policy issues.<sup>2</sup> These projects are: (1) the Digital Government Transformation Project, (2) the Connectivity and Resilience Improvement Project, (3) the Solid Waste Management and Environmental Improvement Project, (4) the Fostering Resilient Learning or Resilient Schools Project, (5) the Development Policy Operations. Each of these projects is based on the NRRP and seeks to strengthen the three pillars of the NRRP: community recovery, economic recovery and government recovery.

#### COVID-19 and Other Challenges for the NRPB

During the reporting period, the COVID-19 global pandemic strongly affected the work of the NRPB. From Mid-March to early June, a strict lockdown was in place on Sint Maarten. The complete interruption of

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<sup>2</sup> The other project is the Child Protection and Development Project (5 million US Dollars, implemented by UNICEF NL). In addition, the Steering Committee has made a tentative allocation of 10 million US Dollars for the Joint Wastewater Plant in October 2019. The start of the preparation of this project is yet to commence. This requires approval of the Steering Committee.



travel from abroad which started on March 17, 2020, remained partially in effect by the end of the reporting period. Almost all field activities of the NRPB were halted for several months, including construction works, site visits and trainings. One notable exception being the repairs to the police station in Philipsburg, which the Government allowed to continue in order to ensure the completion of urgent works to the roof of this critical facility.

After the lifting of some of the restrictions for construction from May 11 onwards, other works and site visits gradually restarted with necessary COVID-19 risk mitigation measures in force. As stated in the interim report of the World Bank for 2020, “every effort was made to advance desk work, remote project preparation, project implementation support, supervision, procurement and hands-on support”. However, despite these and other efforts, COVID-19 slowed down the progress on the different projects and thus features prominently in this semi-annual report.

Several structural issues also continued to affect the work of the NRPB. These issues are summarized as follows in the World Bank’s report: “implementation progress was also affected by structural issues such as difficulty in acquiring permits, visas and access to the island by international consultants and firms, absence of continuous World Bank presence on the island, limited implementation follow-up by some government agencies, and significant capacity limitations on the ground”. Related challenges that were previously flagged in the NRPB’s annual report include market constraints, unrealistic expectations of stakeholders, risks of acceleration efforts, capacity constraints of the NRPB and the Government of Sint Maarten and regulatory issues. An update on these challenges is provided in chapter 4.

### Outline of the report

This report summarizes the activities that the NRPB has executed on behalf of the Government of Sint Maarten in the first six months of 2020. Chapter 2 explains the guiding documents and institutional set-up of the NRPB, to which no significant changes were made throughout the reporting period. Chapter 3 provides a status update on the projects under implementation by the NRPB, the projects under preparation by the NRPB and other activities of the NRPB. As already mentioned, Chapter 4 provides an update on the different challenges that continue to affect the work of the NRPB.



## 2. The NRPB: Guiding Documents and Institutional Set-Up

The establishment of the World Bank managed Trust Fund has 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 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. Throughout the reporting period, no significant changes were made.

### 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 of 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 which 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 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.

#### 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. This plan was prepared by the Interim Recovery Committee 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-





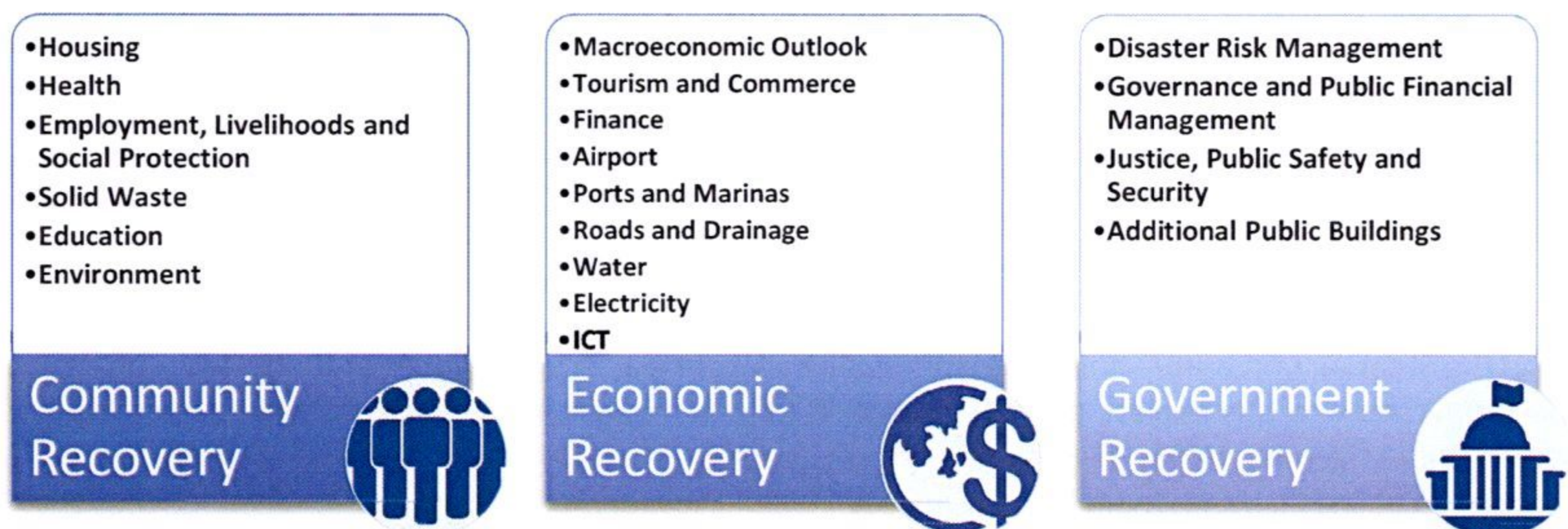
The NRRP prioritizes immediate, short-, medium- and long-term needs for the recovery, reconstruction and resilience of Sint Maarten. The Plan includes estimates of the financial requirements, costs and investments that are necessary to build Sint Maarten back better.



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.

### *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 till 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. 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.



### *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.<sup>3</sup> 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.

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 of the World Bank,<sup>4</sup> 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. A grant agreement also provides a project description and specifies the institutional arrangements for the project.

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 Government can be required to pay back some or all funds that have

<sup>3</sup> 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. Another recent example is the Enterprise Support Project for which the NRPB acts as Recipient

<sup>4</sup> The relevant conditions can be found here:

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



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 grants agreements with 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 2019, the NRPB had twenty-four team members through staff and individual consultants that support the daily functioning of the NRPB. As of June 30, 2020, the NRPB's team consist of 14 staff and 16 individual consultants (some part-time, and some working remotely).

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.

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 being prepared together with the World Bank.



### 3. Summary of NRPB Activities in Q1 and Q2 of 2020

As of June 30, 2020, the NRPB is coordinating the implementation of five projects with a total value of 209.7 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, (4) the Airport Terminal Reconstruction Project and (5) the Enterprise Support Project.

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

In addition to the projects under implementation and preparation, the NRPB activities include (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 Q1 and Q2 of 2020 is provided below.

#### 3.1. Projects under Implementation by the NRPB

Throughout the reporting period, the NRPB continued to work on outstanding priority activities under the three emergency projects, including the rehabilitation of shelter facilities, the private home repair program and heavy equipment for landfill management. As explained in the 2019 annual report, accelerated procedures were followed for the three emergency projects in the sense that regular conditions were waived by the World Bank and significant steps in project preparation were skipped, including technical assessments, tender documents and detailed budgets. In some cases, these acceleration efforts were relatively successful in 2019, 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 shelters or the private home repair program, the acceleration efforts failed to realize the intended outcomes up to the point that initial contracts had to be terminated. In the first half of 2020, these pending priority activities were taken up by the NRPB. After the necessary technical assessments and tenders were completed, works on the second phase of the private home repair and priority shelters started under ERP-1.

Other new results under ERP-1 include the completion of works to the Radiosonde Building, the completion of the minor home repairs (26 homes) and the delivery of firefighter suits & diesel pumps to the fire department. For EDMP, the delivery of a Front Loader and the receipt of bids and proposals for the cleaning of the Simpson Bay Lagoon and supervision can be highlighted. EISTP overachieved its set goal to support 1,800 beneficiaries through the Sint Maarten Training Foundation and was extended to continue for an additional three months to end in September 2020. Through this program, un- and underemployed people receive stipends, health care insurance and job training in various sectors, including hospitality and construction.

In addition to the three emergency projects, the NRPB made a lot of efforts in the first months of 2020 to kick-start the Airport Terminal Reconstruction Project and the Enterprise Support Project.



The Airport Terminal Reconstruction Project finances the full rehabilitation of the Airport terminal building, with improved standards, and will be implemented by the NRPB together with the Airport's project team. A very important step for this project was taken with the signing of the legal agreements for the project in December 2019, after which the NRPB continued to assist the Government and the Airport with the pending conditions for the project, including the corporate governance requirements of the Government of the Netherlands. On April 7, the World Bank was able to confirm that the conditions for the start of the project were satisfactorily fulfilled by the Airport and the Government of Sint Maarten. The lifting of the disbursement conditions allowed for the release of the restricted insurance proceeds by the Bondholders. These proceeds will be used by the Airport to finance the necessary preparatory works for the Project, including mold remediation and clean-up of the terminal building. Once these preparatory works are completed, the Airport Terminal Reconstruction Project will fund the works in the terminal. This project is coordinated by the NRPB, implemented by the Airport's project team and 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 EIB and 7 million US Dollars from the now released insurance proceeds.

In March 2020, the NRPB's Director signed the grant agreement for the Enterprise Support Project. This project supports eligible micro, small and medium enterprises with access to financial packages for asset, small repairs and working capital, through local financial institutions. The project will also perform a study to better understand how the range of financial solutions can strengthen disaster resilience. A third component of the project entails improving the lending capabilities of financial institutions through hands-on practice and specialised training. The project caters to both existing MSMEs and start-ups. ESP 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. With the hiring of a project manager in April, and the adoption of the Projects Operations Manual in May, the project was declared effective in May 2020.

Further details on the progress of each of the five projects under implementation by the NRPB is provided in the sections below.<sup>5</sup>

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<sup>5</sup> 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. The first audits for the Airport Project and the Enterprise Support Project are not yet due. The next audits for ERP, EDMP and EISTP will be prepared by June 30, 2021. In compliance with the World Bank Policy on Access to Information, the audit reports and the audited financial statements will be made available to the public.



*Projects under Implementation by the NRPB*

Project	Grant Agreement Signed	Grant Agreement Effective	Closing Date	Amount committed Trust Fund in USD per June 30, 2020	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
Enterprise Support Project	March 2020	May 2020	Dec 2024	35 million	None

Project	Amount committed Trust Fund in USD per June 30, 2020	Amount disbursed by the World Bank to CBCS per Jun 30, 2020	Amount committed to contracts in USD per June 30, 2020	Amount spent in USD per June 30, 2020
Emergency Recovery Project I	55.2 million	25.60 million	26.14 million	13.54 million
Emergency Income Support and Training Project	22.5 million	19.49 million	0.27 million	15.99 million
Emergency Debris Management Project	25 million	9.58 million	2.65 million	2.07 million
Airport Terminal Reconstruction Project	72 million	-	-	-
Enterprise Support Project	35 million	0.15 million	0.20 million	-



### 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, private home repairs, and institutional support and training.

As of June 30, 2020, 25.58 million US Dollars (46.33%) of the available funding has been disbursed for this project, 13.54 million US Dollars has been spent (which is an increase of 5.62 million in comparison to the end of 2019), and 26.14 million US Dollars is committed to existing contracts (which is an increase of 16.17 million in comparison to the end of 2019).

Key results of ERP-1 in the first half of 2020 included:

- Emergency repairs to two police stations (phase 2);
- Repairs of 38 private homes;
- Contract signed for the repairs of 100 homes (phase 2);
- Retender and start of works of shelter rehabilitation, start of works on four priority shelters;
- The delivery of fire suits, safety shoes and Diesel water pumps to the Fire Department;
- Signing contract for the production and delivery of three new fire trucks;
- Completion of repairs to the radiosonde building of the Meteorological Department;
- Buying additional insurance for Sint Maarten against the impact of tropical cyclones, earthquakes and excess rainfall under the Caribbean Catastrophe Risk Insurance Facility ("CCRIF") for the 2020-2021 policy year;

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.

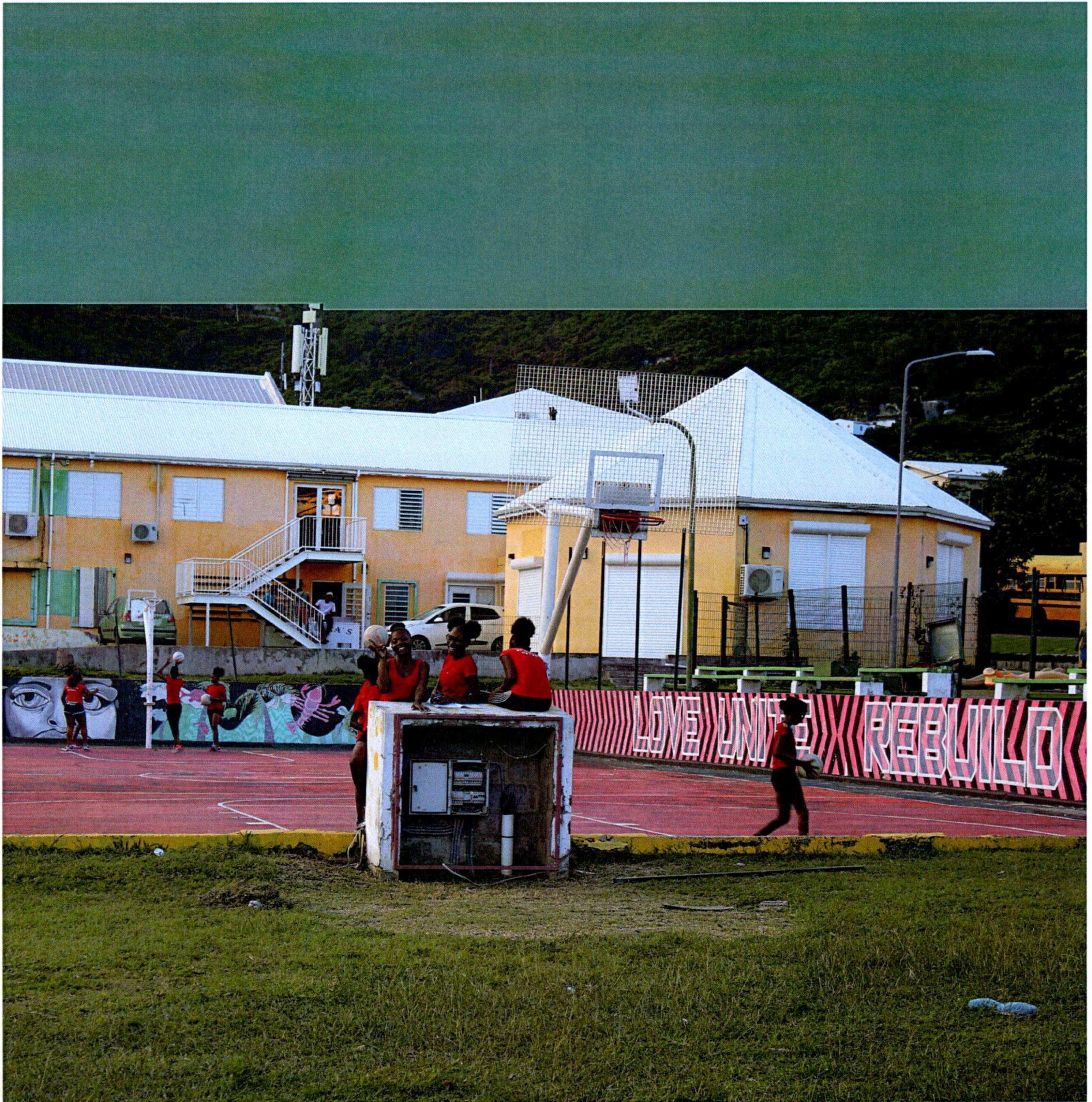
As of June 30, 2020, an amount of 2.3 million US Dollars has been spent for component 1; for component 2 no funds have been spent or committed; for component 3 an amount of 2.8 million US dollars and for component 4 an amount of 8.5 million US dollars has been spent. A request for additional financing is currently being prepared by the NRPB and the Government of Sint Maarten.

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.





Several of the buildings designated as emergency shelters serve multifunctional purposes in the communities. Many form part of local community centers where residents make use of the facilities year round. Enhancements through the *Shelter Repair* activity will benefit all those who use the facilities.



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 February 2020, the contractor hired a sub-contractor for application of cellular concrete on the roof. Works started March 2020 and were completed by May 15, 2020. These works were allowed to continue during the lockdown with special permission from the Government of Sint Maarten. For the interior works in Philipsburg, the supervisor is currently verifying the bill of quantities with the contractor and the works are scheduled to start July 2020. In Simpson Bay, roof repairs started in February 2020 and were completed in March 2020. Works continued on the inside of the building, and scaffolding was placed for exterior painting. Works were interrupted due to COVID-19 from April 4, 2020, until May 18, 2020. As of June 30, 2020, with the installation of a generator and diesel tank all works are expected to be completed mid-July 2020.

It is noteworthy that both police stations suffer from mold infestation. In February 2020, a mold assessment was done in both police stations by a specialized company. The company's report was received in early March and contained a remediation strategy, which has been adopted by the works supervisor. Decontamination of the Philipsburg Police Station was done in February and June 2020, and in the Simpson Bay Police Station it was carried out on April 4, 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 drywall repairs and light fixtures. Additional repairs work by the NRPB will wait until the SOG-contracted works are completed. During the reporting period, preparations started for the architectural and engineering design of the expansion of the Fire and Ambulance Building. This design is expected to be finalized in the end of 2020, after which the works for the expansion can be tendered early 2021.

The **rehabilitation works of thirteen existing shelter facilities** were initially 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 (same for both lots). 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. On March 11, 2020, the NRPB terminated the contracts with the contractor. An accelerated process was initiated to retender the works. On the request of the Ministry of VSA and the Ministry of VROMI, priority was given to four specific contractors. The Letter of Acceptance for the selected Contractor was signed on June 11, 2020 and works started June 19, 2020.

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. The works were completed to the satisfaction of the beneficiary on February 29, 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 continued for the Fire Department during the reporting period. After delivery of **breathing equipment (questor), repair parts for the breathing equipment and training** and satellite phones and **communication equipment** in 2019, **firefighter suits, safety shoes and diesel water pumps** arrived in the first half of 2020. Procurement for a second order for additional communication equipment for the Fire and Ambulance Departments started, as well as procurement of **isolation units** and **vehicle spare parts** for the Ambulance Department.

Technical specifications for the direct procurement of **three fire trucks** have been prepared with support from the World Bank. The NRPB signed the contract for the construction and delivery of the fire trucks on March 26, 2020, with an anticipated delivery time of 15 months. A pre-construction meeting took place on June 23, 2020. Technical specifications for the direct procurement of **four ambulances** have also been prepared with support from the World Bank. The request for quotations for the purchase of four ambulances has been sent to the supplier in June 2020 and a quotation is pending following the end of the clarifications round.

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. The Council of Ministers approved the revised list on April 9, 2020. The tender for these vehicles can now be launched in the second half of 2020.

A contract for a **LiDAR terrain and bathymetry scan** was awarded in October 2019 and the contract was signed on May 6, 2020. A virtual kick-off meeting with the contractor, supervisor, the Ministry of VROMI and other interested parties was held on April 1, 2020. Execution of the LiDAR will depend on the COVID-19 measures. 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. During the reporting period, retroactive payments for water tanks repairs implemented in 2017 and 2018 was being prepared and approximately 1.4 million US Dollars is expected to be released by the third quarter of 2020. NV GEBE and the NRPB also worked on the preparation of new works for component 2, including 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





This workman carefully measures as he fixes a bathroom window. In the *Private Home Repair Program* close to 200 families will have their roofs, doors, windows and minor electrical works repaired by the Trust Fund.



Hurricane Irma. An additional 63 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**.

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 Nafl. 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 Nafl. 4,000 or less.

The table below shows the result of the social and technical assessment per June 2020. This table distinguishes between the three phases of the home repair program: phase 1 (the pilot) of the home repair program, homes that only require minor repairs (no roofs) and phase 2 of the home repair program. In total, 227 persons passed the social assessment and still require assistance per June 2020.

Sub-Activity	Number of Persons Passing Social Assessment <sup>6</sup>
Home repairs phase 1 ( <i>works nearly completed</i> )	14
Minor home repairs ( <i>works completed</i> )	26
Home repairs phase 2 ( <i>works scheduled to start in July 2020</i> )	145
Homes beyond repair (full reconstruction, no financing)	22
Still to be technically assessed	20

**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 2019 and were scheduled to be completed by the end of December 2019. Seven houses were completed by the end of the year. The contract duration was amended to March 31, 2020, to give the contractor additional time to finalize the works. In early 2020, the contractor's progress slowed down further, and the NRPB started to receive complaints from homeowners and one of the sub-contractors. Works were not completed by the required completion date and the NRPB decided to partially terminate the contract (maintaining the defects liability period) and award the completion of the works to another contractor. Formal acceptance (by the homeowner) and taking over certificates (by NRPB, contractor and supervisor) have been finalized for 11 houses. Three homes remain to be repaired, for which a contract was prepared with another contractor. No works were carried out after March 31, because of the COVID-19 lockdown, but should resume in July 2020.

<sup>6</sup> Note that, while no new applicants were accepted after April 30, 2019, various numbers keep changing. The reasons for this include that applicants are able to get assistance elsewhere, doing self-repair and that some applicants unfortunately passed away.



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. The completion of the final works was subsequently interrupted between April 5 and May 18, 2020 due to the full lockdown to control the spread of the COVID-19 virus on Sint Maarten. The works were completed on June 8, 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 and as of June 2020, an additional 20 homes still require technical assessment. Of the 173 homes that were technically assessed, 22 homes are beyond repair and require full home reconstruction, for which there is currently no funding available. A contract for repair works to 100 homes (which can be increased at a later date) the contract was signed on March 11, 2020. The COVID-19 situation has influenced the start of the works, which is now expected for July 2020.

#### *Emergency support to SMHDF (Sub-component 3.2)*

The NRPB works with the Sint Maarten Housing Development Foundation (SMHDF) on a two-phased 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 and the design in February 2020. All final design documents (drawings, specification and a bill of quantities), with the technical installation details and cost estimate, were delivered April 2020. Launch of the tender for the works is expected in November 2020.

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 in 2019. Approval of retroactive financing of approximately 260K US Dollars for works contracts (**the 160 housing units**) awaits a full works verification audit. A draft audit report was submitted in June 2020. The report confirms that all works were implemented, and no irregularities were found. It is expected that the payment will be approved in July 2020.

#### *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 repaired by the Government itself. Given the limited budget, a priority list was also established by the Council of Ministers. In June 2020, a consultant company was hired to elaborate the initial bills of quantities prepared by the Ministry of VROMI into drawings and specifications for tendering. With support of the World Bank, the tenders for the necessary repair works are being prepared. Upon request by the Minister of MECYS, seven schools have been prioritized for repairs. The school repair program foresees replacement of damaged windows, doors, roofing, electricity, plumbing and fencing. The current budget available is US\$ 7.85 million, additional funds are required to repair all 20 (number) schools that the



Government has requested to repair through the Trust Fund. This will be included in the proposal for Additional Financing for ERP-1.

For the daily management of the upcoming school repairs project, and especially the coordination with the different schools, a dedicated activity manager was recruited and started working at the NRPB in March 2020. The activity manager coordinates the preparation of a logistical and safeguards action plan, aiming at minimizing the disruption of the repair project for the involved schools.

*Sovereign parametric financial protection measures (Sub-component 4.3)*

The Caribbean Catastrophe Risk Insurance Facility insurance policies covering the Sint Maarten Government against disaster risks were renewed for 2020-2021. **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.)*

During the first six months of 2020, the NRPB hired several additional staff and consultants to increase its capacity. By the end of the reporting period, the NRPB had grown to thirty team members. The following positions were appointed in Q1 and Q2 of 2020: a procurement assistant, an activity manager for the school repair program, a social safeguards officer, a procurement officer, a management assistant, two procurement consultants, an environmental safeguards consultant, a junior communications consultant, a project manager and two additional team members for the Enterprise Support Project, a project coordinator for the resilient learning project and a project manager for the digital government project.

**The NRPB's staff and 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 of ERP-1 finances support in project management**, especially in the areas of works supervision, technical assessment, and engineering design. In the first half of 2020, sub-component 4.4. was used to hire supervisors for the repairs of the police stations, shelters and various home repair contracts. It was also used for the technical assessments of shelters, schools and social homes. It was further used to hire a Quality Assurance Quality Control consultant for LiDAR and a mold assessment specialist for the police stations. The Framework Agreement for Consultancy Services is also a part of this component. This Framework Agreement allows the NRPB to have access to Supervision, Technical Assessments, Designs, and related technical and non-technical expertise for the implementation of ERP-1. The Framework agreement is expected to be awarded in October 2020.



### 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 June 30, 2020, 19.49 million US Dollars (87%) of the available funding has been disbursed for this project, and 15.99 million US Dollars has been spent.

Key results of EISTP for the period of January 2020 to June 2020 include:

- In June 2020, the training program surpassed the end target (1800 beneficiaries) by 10%, recording a total of 1982 beneficiaries;
- Of the 1982 beneficiaries, 69% were women, and 76% were unemployed (the other 24% were under-employed);
- SMTF was able to continue to provide income support to the un- and underemployed persons enrolled in the program during the months of March to June when the country was shut down due to COVID-19;
- Of the US \$20.56 million budgeted for training and income support, 76% was disbursed directly towards the Beneficiaries (62% going towards stipend payments, 12% towards health insurance and 2% towards transportation for the beneficiaries). The other 24% was used for operating costs, such as trainers, material and SMTF staff.
- In June 2020, the project completed negotiations with the software development firm for the design and development of the social registry system.
- Business Process Reengineers were contracted to review and advise the Ministry of VSA on adapting the business processes of the Ministry's service delivery and proposing new organisation changes to align with the social registry system.

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 June 30, 2020, 15.75 million US Dollars has been spent on income support and training through component 1. For component 2 and 3, an amount of 247K US Dollars has been used.

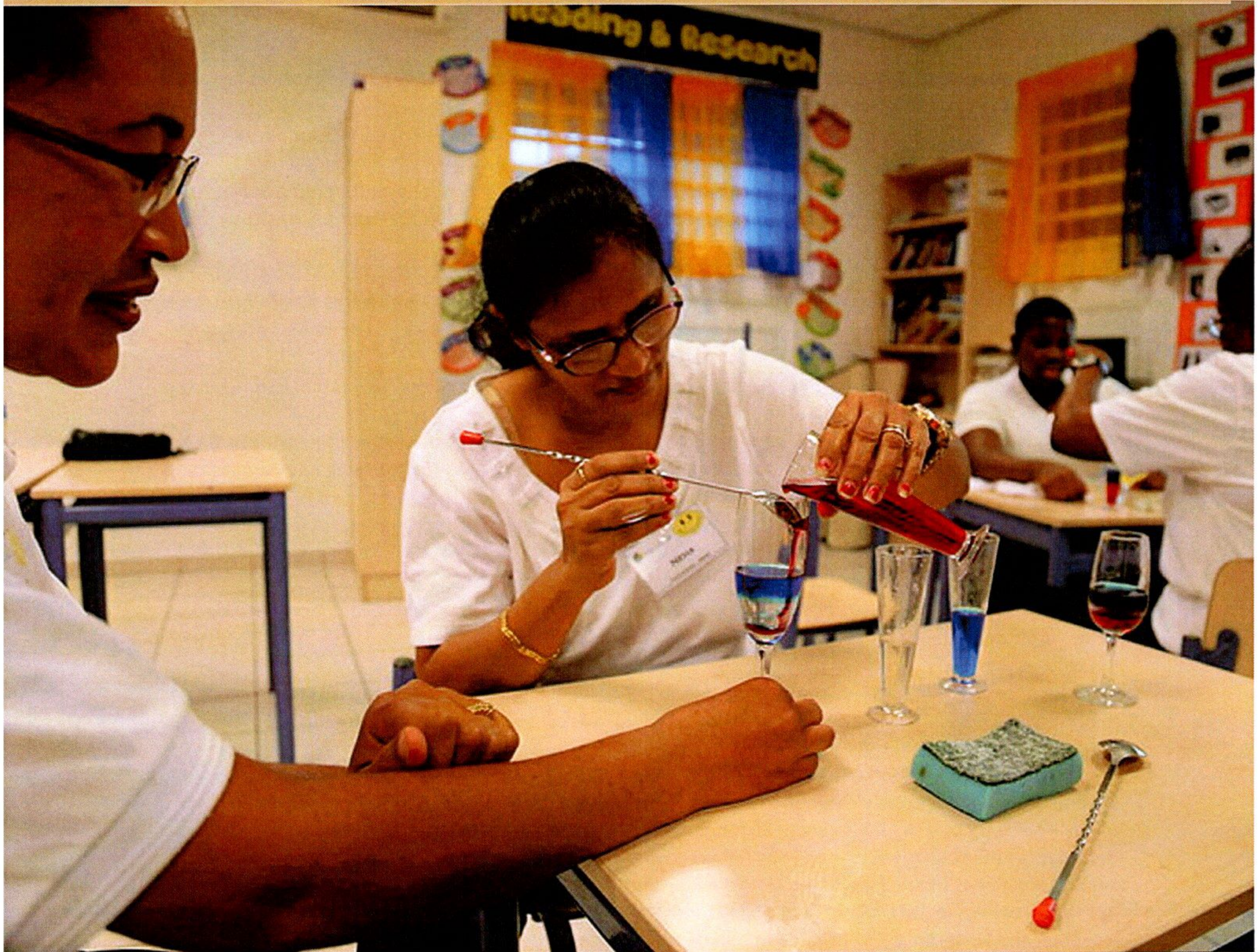
Originally, the project's end date was June 30, 2020. To allow for the possibility to finalize component 2, the end date was previously extended with 23 months to May 31, 2022. In addition, the NRPB, together with the Ministry of VSA, is working on extending the training program. A need for the extension 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. While this request has thus far not been accepted, the Government continues to make efforts to seek additional financing to extend the training program, especially considering the economic impact of the COVID-19 pandemic.

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





Students diligently practice their newly acquired skills in this culinary course. The *Income and Support Training Program* enabled many unemployed and underemployed beneficiaries the opportunity to enhance their employability while qualifying a much-needed stipend and health insurance.



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 June 2020, component 1 has overachieved of its intended goal of beneficiaries and has benefited 1,982 individuals, of which 69% are 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 has continued working with the National Institute of Professional Advancement ("NIPA") to deliver construction courses.

The end date for component 1 was originally scheduled for June 30, 2020. However, based on cost savings experienced within the component, plus the allocation of US \$1.5 million of the retroactive financing to component 1, the project end date is now September 30, 2020. A request for Additional Financing to the Steering Committee to continue with the program did not reach consensus and was therefore not allocated.

On March 18, 2020, the Government of Sint Maarten enacted a restriction of movement in light of the global COVID -19 pandemic. Due to this lockdown, SMTF had to stop its operations, including the facilitation of trainings. Additionally, training partners NIPA and the University of St. Martin closed. Beneficiaries were able to continue receiving income support without training during this period. This was based on a Force Majeure clause in the Project's Operations Manual, which has been further refined during the lockdown period.

#### *Social Protection System (Component 2)*

Component 2 of the EISTP covers the **design and building of an Integrated Social Registry System (ISRS)**. 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 Q1 and Q2 of 2020, the Technical Working Group and Steering Group of the Ministry of VSA continued to provide input to the design of the Integrated Social Registry System. The ISRS intends to improve the coordination between the different social and emergency services, which in turn will improve the management of public funds and efficiency in service delivery. The contract for the design and build of the ISRS is expected to start in the second half of 2020 and will run-up to the closing date of the project to complete.

In June 2020, the project contracted business process reengineering specialists to provide technical assistance to the Ministry of VSA in assessing the current organizational structure and internal processes that support the various services delivered. The objective of this assignment is to present an adjusted organization structure and supporting processes for the further development of the ISRS.

A household listing survey was scheduled to take place in March 2020 but had to be postponed due to COVID-19, until further notice.



### Emergency Debris Management Project

The Emergency Debris Management Project 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 June 30, 2020, 9.58 million US Dollars (38.32%) of the available funding has been disbursed for this project, 2.07 million US Dollars has been spent and 2.65 million US Dollars is committed to existing contracts.

Results of EDMP in the first half of 2020 include:

- Fire Suppression approach revised after discussions between the World Bank and the Ministry of VROMI, during a high-level workshop on Sint Maarten in January 2020;
- The delivery and acceptance of a Bulldozer D8T to be used by the Ministry of VROMI on the Municipal Waste Disposal site;
- Continued supply 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 contracting of a resettlement expert to coordinate development of the necessary resettlement instruments (start delayed due to COVID-19).

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 June 30, 2020, for component 1 an amount of 2.02 million in US Dollars has been spent. For component 2 and 3, the amount of 53K has been used.

The priorities for this project remained almost unchanged except for the revised approach to scheduled fire suppression activities at the Philipsburg landfill. In the first half of 2020, the project continued to focus on purchasing additional heavy equipment and alternative daily cover to improve daily management on the Pondfill waste sites. Furthermore, the project continued to work on finalizing the procurement processes related to the cleaning of the Simpson Bay Lagoon and Mullet Pond. 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*

Through 2019, the project was implementing procurement processes related to large scale interventions on the Philipsburg landfill to suppress reoccurring surface and subsurface fires. During a project workshop in January 2020 with representatives of the Government of Sint Maarten, the World Bank, and the Dutch Ministry of Internal Affairs and Kingdom Relations, it was confirmed that there had been **a significant decrease in subsurface and non-existence of surface fires**. Based on the new situation, the approach to this part of the project EDMP was altered, and the decision was taken to integrate fire suppression into a single Design-Build-Operate contract that would focus on the re-engineering of the waste sites, partial closure and continued improved management of waste operations on Pond Island. The tenders for Fire Suppression works and related supervision were therefore canceled in February 2020.





In June 2020, a Caterpillar Wheel Front Loader Model 996K was delivered to the Ministry of VROMI to support the continuing improvement of Landfill Operations on Pond Island. Pictured left to right is VROMI Secretary General Louis Brown, VROMI Minister, the Honorable Egbert Doran, NRPB Director Claret Connor, VROMI Senior Policy Advisor Mark Williams, and NRPB Program Manager Thijn Laurensse.



### *Heavy Equipment*

**A Caterpillar D8T Bulldozer was delivered in January 2020 to be used by the Ministry of VROMI for landfill operations. In addition, a Caterpillar 966K Front Loader was purchased and received by the Ministry of VROMI in June 2020.** As it has proven to be very difficult to find an acceptable refurbished Waste Compactor, the decision was made to buy a newly built Caterpillar 826 Waste Compactor from the regional authorized dealer. The contract for this compactor is expected to be finalized in the third quarter. Lastly, the project continued to finance the supply of Posi-Shell as an Alternative Daily Cover during the first half of 2020.

### *Car wreck removal*

One of the initial objectives 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. **The wreckage to be removed include buses, heavy equipment and containers.** The NRPB continues to work with the Ministry of VROMI 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*

Bidding for the works and supervision of the cleanup of the Simpson Bay Lagoon and Mullet Pond closed in February and May respectively. The NRPB received four bids for the works contract, and three consulting firms were shortlisted to submit proposals for the supervision of these works. Evaluation and subsequent contracting for these assignments are expected by late 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 the workshop in January 2020, it was determined that the results of the ESIA will serve the broader approach to landfill interventions as the approach to Fire Suppression was revisited.

During the 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. The slope was to be further assessed; however, a consultant team hired by the World Bank could not come to Sint Maarten due to COVID-19 travel restrictions.

**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. In March 2020, the NRPB also contracted a Resettlement Expert to lead the resettlement activity. Due to COVID-19 travel restrictions, the person could not travel to Sint Maarten. He is expected to arrive in the fourth quarter of 2020, depending on COVID-19 related developments.



COVID-19 restrictions have seriously hampered the engagement with the project affected persons, and the baseline study could, therefore, not be updated. Furthermore, a lack of available resettlement options on Sint Maarten, such as land and housing, combined with undefined scope of the resettlement zone remain challenges to finalize the RAP. It is expected that final decision on the resettlement area is taken in the next reporting period, which will be an important step for further development of the RAP.

#### *Medical Waste and Improved Vector Control*

During the first months of 2020, the NRPB continued working with the Ministry of VSA on the preparatory works for the handling of medical waste and improved vector control specifically for mosquito bred diseases such as Zika and Dengue. However, due to high demand regarding the handling of the COVID 19 pandemic on the island, the Ministry of VSA has stopped working on both activities since March 2020.

The scope of the Medical Waste activity consists of preparing and implementing a medical waste management plan, that will target medical waste generated at health facilities such as hospitals and clinics, as well as commercial facilities that could also generate medical waste such as veterinarian clinics, tattoo parlours, physician offices, nursing homes, etc. The Ministry of VSA contracted a consultant to prepare the Terms of Reference for this activity. The last draft of the terms of reference was shared with the NRPB in February 2020. The consultant was to finalize the terms of reference to share with the World Bank, but this has been put on hold due to COVID-19.



### 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 funding was disbursed for this project during the reporting period. The first disbursement is expected in Q4 of 2020 for components 2 and 4, and in Q1 for component 1. A summary is provided below of the activities of the NRPB in the first half of 2020, about the financing of the project, the terminal reconstruction works and corporate governance improvements.

As of June 30, 2020, the Airport's project team has slightly adjusted its initial expectation that the Airport's terminal building will be fully rehabilitated, with improved resilience towards hurricanes, by the end of 2022. Delaying factors include the late release of insurance proceed and COVID-19 related challenges. The most recent timeline foresees the completion of the reconstruction works in Q1 2023.

#### *Financing of Airport Terminal Reconstruction Project*

The legal agreements for the Airport Terminal Reconstruction Project were signed by the Government of Sint Maarten and the Airport 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 by all terms of the agreements with its existing bondholders, who in turn restricted the Airport's access to available insurance proceeds.<sup>7</sup>

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<sup>7</sup> 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.





A rendering of the flight check in area of the rehabilitated airport terminal building. With the completion of this \$107 million USD project the Princess Juliana Airport is poised to return to it's pre-Irma glory.



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. 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.

An important step was taken for the project and the release of the insurance proceeds in April 2020, when the World Bank was able to confirm that the conditions for the start of the project were satisfactorily fulfilled by the Airport and the Government of Sint Maarten. **The lifting of the disbursement conditions allowed for the release of the restricted insurance proceeds by the Bondholders.**

These proceeds can now be used by the Airport to finance the necessary preparatory works for the Project, including mold remediation and clean-up of the terminal building. Once these preparatory works are completed, the Airport Terminal Reconstruction Project will fund the reconstruction works in the terminal.

#### *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. To initiate the process for mold remediation and continue with the technical preparations for package 2, the Airport required access to the restricted insurance proceeds. Following the release of the insurance proceeds in April 2020, the Airport's project team was able to make significant progress with the tenders for the mold remediation and waste disposal, while facing several COVID-19 related challenges. **The mold remediation and waste disposal contracts are now expected to be awarded and start in Q4 2020.**

Meanwhile, the preparations for the package 2 works continue with the finalization of the bidding documents and the tendering for the supervising engineer. 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. **The most recent timeline of the Airport's project team foresees the completion of all works in Q1 2023.**



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### *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 recommendations from the assessment.

On the request of the Government of Sint Maarten, the NRPB assisted with the establishment of the Task Force and the implementation of other corporate governance improvement measures. In March 2020, the Netherlands confirmed that these conditions were satisfactorily implemented by the Government of Sint Maarten to allow for the lifting of the related disbursement conditions for the Airport Project by the World Bank the following month. **In June 2020, the Task Force presented the final draft corporate governance improvement plan for the Airport companies to the Council of Ministers for decision-making.**

This plan foresees a stronger corporate governance council, a revised organizational structure of the Airport companies, a development, operation and maintenance agreement ("DOMA"), as well as an approved appointment procedure for board members. The corporate governance improvement plan of the Task Force is currently under advisement by the Council of Ministers.



## Enterprise Support Project

The objective of the Enterprise Support Project is to support the recovery of eligible micro, small and medium enterprises with access to financial packages for asset, small repairs and working capital. The project will also increase resilience by performing a study with a longer-term outlook in the range of financial solutions that can strengthen disaster resilience. The study will explore financial instruments, markets, tools, and solutions for improving disaster resilience in Sint Maarten. A third component of the project entails improving the lending capabilities of financial institutions through hands-on practice and specialised training and training sessions in Business Continuity Planning for 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. Following the restructuring, the NRPB's Director signed the grant agreement for the Enterprise Support Project in March 2020. No funds for this project have been spent as yet.

Initial results of ESP for the period of January 2020 to June 2020 include:

- Signing and effectiveness of the grant agreement, and first disbursement to the project
- Support agreement signed with the Central Bank of Curacao and Sint Maarten
- Opened discussion with all local banks on islands to partner with the project
- Reached agreement with the first Participating Financial institution (Qredits)

ESP is divided into three components:

- Component 1: Direct financial support to MSMEs
- Component 2: Study of financial solutions for disaster resilience
- Component 3: Training, project implementation and monitoring and evaluation

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

### *Direct financial support to MSMEs (Component 1)*

Preparatory work. From May to June, the project was presented to all banks on Sint Maarten and other financial institutions with lending practice. Negotiations ensued with several, leading to the first signed agreements with participating financial institutions in the summer of 2020.

### *Financial solutions for disaster resilience (Component 2)*

Existing data and information is being gathered based on interactions with local partners, including the secretariat of the Social Economic Council, Employers organisations, financial institutions, the Ministry of Finance and the Ministry of TEATT. The terms of reference for the study will be developed in Q4 2020, and the study is expected to commence in 2021.

### *Training, Project Implementation and M&E (Component 3)*

Under component 3, key activities undertaken in Q2 2020 included the hiring of a project manager and a portfolio and accounting officer, the secondment of an operations officer by the Ministry of Finance, the development and approval of the Projects Operational Manual and the creation of a local database for monitoring and reporting of the project. The project team for ESP also initiated discussions with the Chamber of Commerce and Industry as a project partner.





The Enterprise Support Project's grant agreement being signed in March by NRPB Director Claret Connor and Tahseen Sayed, World Bank Country Director for the Caribbean.



### 3.2. Projects under Preparation by the NRPB

As of June 30, 2020, the Trust Fund had six projects under preparation, with an estimated value of 135.6 million US Dollars. The NRPB is involved in five of these projects, which focus on various longer-term public policy issues.<sup>8</sup> These projects are the: (1) the Digital Government Transformation Project, (2) the Connectivity and Resilience Improvement Project, (3) the Solid Waste Management and Environmental Improvement Project, (4) the Fostering Resilient Learning or Resilient Schools Project, (5) the Development Policy Operations.

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

#### *Projects under Preparation involving the NRPB*

Project	Approval Steering Committee	Estimated amount
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)

#### 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 objective 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.

NRPB is currently working with VROMI on the Terms of Reference for an assessment on land availability for the Link 6 Project and further land negotiation with property owners.

#### Digital Government Transformation Project

On the request of the Government of Sint Maarten, the Steering Committee 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 to increase data sharing capabilities; and Component 3 will

<sup>8</sup> The other project is the Child Protection and Development Project (5 million US Dollars, implemented by UNICEF NL).



create the enabling environment for digital transformation, including the standards, protocols, and policies that are needed to enable a sustained digital transformation

During the first half of 2020, the NRPB has contracted a Project Manager to work with the Government and the World Bank on developing the Project Appraisal Document and to coordinate the preparation of the project. Due to challenges with obtaining the necessary permits, the Project Manager started working remotely. Later on, COVID-19 further delayed the process of the Project Manager moving to Sint Maarten. He is now expected to arrive late 2020 after permits have been processed and international travel is permitted.

In February 2020, a pre-appraisal mission took place followed by another digital mission in June. During the last mission, the timeline towards signing a Grant Agreement for this project was determined and approval is expected in the fourth quarter of 2020. A critical item that was decided on is that the Ministry of General Affairs will set up a special project team – Digital Leadership Team (“DLT”) - to implement the project across Government. This team will furthermore prepare for institutionalizing the continued Digital Transformation of Government beyond the project.

#### Fostering Resilient Learning 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.

In Q2 2020, the NRPB hired a project manager to take the lead in the preparation of the project. COVID-19 has delayed the hiring process as well as the onboarding process. As a result, the project manager was not able to start working before the end of the reporting period. Meanwhile, in the first half of 2020, a Project Concept Note was prepared and approved by the World Bank on June 4. With this approval, the formal preparation of the project could be initiated.

In the first half of 2020, the NRPB together with the Ministry of ECYS and the World Bank agreed to proceed with a request for a Project Preparation Grant (“PPG”) of US\$1.8 Million. The PPG will free up funds to start formal preparation of the actual project and provides resources to start preparing for the main project. The PPG will cover, among others, project management costs, preparation of a cultural heritage strategy and an inclusive education framework. In addition, the NRPB will be able to contract additional safeguards support to prepare the required safeguards instruments needed to get approval on the project. The PPG is expected to be signed in the fourth quarter of 2020 and will work towards approval of the main project in the third quarter of 2021.

#### Solid Waste Management and Environmental Improvement Project

The Steering Committee has reserved 35 million US Dollars for a Long-Term Waste Management Project on Sint Maarten. The World Bank hired a firm to prepare a short-term plan, pre-feasibility studies for landfill upgrading and extension and an Integrated Solid Waste Management Facility (“ISWMF”). During





In it's preparation stage, one goal of the *Fostering Resilient Learning Project* will be to strengthen the management and resilience of the education system. 30 million US Dollars will go towards the reconstruction of schools and a new library building.



the workshop on EDMP in January 2020, the firm presented some preliminary data and findings, and in March 2020 a draft version of their reports was shared with the Ministry of VROMI and the NRPB for review and comment. The final reports are expected to be ready in late September 2020.

The proposals foreseen in the reports are expected to be implemented by the Government of Sint Maarten 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 late 2021. The NRPB will continue to 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 Interim Report for the first six months of 2020 of the Trust Fund (p.38-39), the DPO "is designed to support improvements in public financial management, tax reform, public sector transparency, resilience measures and improved social insurance." The NRPB plays a limited role in this project. The NRPB supports the Government of Sint Maarten in the coordination and communication with the World Bank on the 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 addition to the projects under implementation and preparation, NRPB provides 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 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). Due to the COVID-19 pandemic, all Steering Committee meetings are virtual since mid-March 2020.

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.

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 regular monitoring report for the Steering Committee on project implementation.

#### Support to projects not prepared or implemented by the NRPB

Of the eight Trust Fund financed projects under implementation and the six 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 the first six months of 2020, the NRPB especially continued to support the preparation of the Civil Society Partnership Facility, which follows the Steering Committee approval of an NGO facility with indicative funding of 7 million US Dollars. The objective of this facility is to increase civil society organizations capacity in





Steering Committee Members from left to right: Marcel Gumbs, Tahseen Sayed and Frans Weekers. 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.



reconstruction and resilience activities and to finance such activities implemented by Civil Society Organizations on Sint Maarten. This facility is managed by VNG International. The Grant Agreement is expected to be signed in July 2020. Throughout implementation, 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. Over the past two years, the Trust Fund supported the following studies: (1) Airport Corporate Governance Assessment (completed in January 2019), (2) Rapid Housing Sector Assessment (completed in Q2 2020), (3) Long-Term Waste Solutions (two feasibility studies finalized), (4) Country Environmental Analysis (expected for Q3 2020), (5) Public Expenditure Review (expected for Q3 2020) and (6) the Sint Maarten Hospitality Reconstruction Financing Due Diligence study (completed). Technical assistance was also provided by the World Bank on (1) Low-Income and Affordable Housing (completed), (2) Tourism Sector Recovery Strategy Support (completed), (3) National Risk Assessment (ongoing), (4) Emergency Preparedness and Response, including shelter policy and management, (5) E-Government Strategy (ongoing) and (6) Support to the Airport Corporate Governance Task Force (ongoing).<sup>9</sup>

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 continued to be spent by the NRPB in Q1 and Q2 of 2020 on the Airport Corporate Governance Task Force, 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).

#### 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 can play a 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. During the reporting period, the Government of Sint Maarten has tabled one new project proposal to the Steering Committee. A project proposal for the Mental Health Foundation was submitted to the Steering Committee in March 2020. No final decision of this proposal was taken. Further discussions on this proposal are expected in the second half of 2020.

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<sup>9</sup> 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.



## 4. Ongoing Challenges for the NRPB

During the reporting period, the COVID-19 global pandemic strongly affected the work of the NRPB and its implementation partners. From Mid-March to early June, a strict lockdown was in place on Sint Maarten. The complete interruption of travel from abroad as of March 17, 2020, remained partially in effect by the end of the reporting period. Almost all field activities of the NRPB were halted for several months, including construction works, site visits and trainings. The World Bank has suspended all travel of its staff to Sint Maarten until further notice.

Apart from COVID-19, several structural challenges continued to affect the work of the NRPB. These issues are summarized as follows in the World Bank's interim report for the first six months of 2020: "implementation progress was also affected by structural issues such as difficulty in acquiring permits, visas and access to the island by international consultants and firms, absence of continuous World Bank presence on the island, limited implementation follow-up by some government agencies, and significant capacity limitations on the ground".

Related sets of challenges that were previously flagged in the NRPB's 2019 annual report include (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. This final chapter summarizes these challenges and provides relevant updates.

### 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 projects under implementation have faced significant difficulties in attracting firms, especially for major works, quality consultancy services and specific goods such as heavy equipment for landfill management.

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 to get companies familiarized with the relevant procedures. However, the NRPB continues to receive many incomplete bids and offers with inflated cost estimates. In other cases, unusually low-cost estimates are 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 to 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. During the reporting period, this challenge was exacerbated by COVID-19 and travel restrictions globally, which have made it much more difficult to access quality consultancy services from abroad. With the support of the Government of the Netherlands, specific consultants were able to travel to Sint Maarten during the lock-down period, but key activities (such as the resettlement process for EDMP) have been negatively affected due to the inability of firms to bring their personnel to Sint Maarten.

#### Unrealistic expectations of stakeholders

The 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

Since the launch of the Trust Fund, 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 and priority areas, such as home repairs, support to emergency services and the suppression of landfill fires.

For the 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, these attempts failed, such as the upgrades to the existing shelter facilities or the pilot phase of the private home repair program.





Measures were taken to mitigate the spread of the COVID-19 virus in Q2 2020. Strict protocols were adapted on all project worksites and at the NRPB office building. Face masks and handwashing stations were made available to all workers.



During the reporting period, the contracts for these priority activities had to be terminated as the acceleration efforts did not lead to the desired outcomes. In these cases, acceleration effectively proved counterproductive.

A key lesson for all involved must be that there are only so many steps that a project team can be asked to skip in order 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 (see for example the postponed preparation of some of the activities under EDMP as a result of the attention that the relevant departments had to give to the COVID-19 response). The Government apparatus is not designed for projects on the scale of the Trust Fund and the standards of the World Bank. By way of comparison, the available annual capital budget of the Government of Sint Maarten for investment projects is a 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. Throughout the reporting period, additional capacity was hired for the projects under implementation and preparation. Setting up a fully staffed project implementation unit like the NRPB and using and training our local talents to successfully work with organizations like the World Bank takes time and a lot of energy. As a result of COVID-19, with most (new) staff working remotely, the ongoing process of onboarding, capacity building and training of existing and incoming team members of the NRPB has been hampered. Still, all efforts are being made to hire and train new staff in order to increase the NRPB's implementation capacity.

#### Regulatory issues

A final set of challenges can be described as a regulatory issue that limits 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 interim report of the World Bank for the first six months of 2020: "Work and residency permits, visas, and tax exemptions are needed for foreign consultants and contractors to work in the island. Labor laws that restrict the ability to hire temporary workers and contract international employees have been noted as a significant challenge by implementation partners and by NRPB. Support from Government has been requested and is urgently needed to facilitate the participation of international contractors and consultants".

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. This has significantly hampered the execution of various priority activities, including the home repair program.



The NRPB has escalated this matter on multiple occasions to the Council of Ministers in 2019 and in the first half of 2020 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.

During the reporting period, some progress was made on these regulatory issues. The Prime Minister confirmed that the NRPB should be treated in the same way as the Government treats itself and the Ministry of Justice has started working on accelerated procedures for applications that are submitted through the NRPB. Unfortunately, the implementation of these procedures has been hampered by the (partial) closing of the Immigration Department during the lockdown period. In the second half of 2020, the NRPB intends to continue to address this matter with the Government until a structural solution is realized.









The Yellow Sage flower forms an integral part of the logo and brand identity of the NRPB. Specifically chosen as a symbol of regrowth and strength, this flower perfectly illustrates the resilience of Sint Maarten and its people.

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