

Annual Report

Sint Maarten Enterprise Support Project

Grant no. P168549/ TF A9223

Sint Maarten

For the period ended December 31, 2024

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**Special Purpose Project Financial Statements for the year ended
December 31, 2024
Sint Maarten Enterprise Support Project /Grant no.
P168549**

**Statement of Management's responsibilities for the preparation and approval of the
Special Purpose Project Financial Statements for the period ended December 31, 2024**

Management of the National Recovery Program Bureau, Sint Maarten Enterprise Support Project /Grant no. P168549 ("the Project") financed by World Bank ("WB") Credits Grant no. P168549/ TF A9223 implemented by the National Recovery Program Bureau during the period January 1, 2024, to December 31, 2024, acknowledges and understands that have responsibility:

- for the preparation and fair presentation of the special purpose project financial statements in accordance with the financial reporting provisions outlined in the respective legal agreements with the World Bank. ("reporting framework");
- for such internal control as management determines is necessary to enable the preparation of the special purpose project financial statements that are free from material misstatement, whether due to fraud or error; and

In preparing the special purpose project financial statements, management is responsible for:

- selecting suitable accounting principles and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- stating whether the reporting framework have been followed, subject to any material departures disclosed and explained in the special purpose financial statements; and
- preparing the special purpose project financial statements on a going concern basis, unless it is inappropriate to presume that the Project will continue its activity for the foreseeable future.

Management is also responsible for:

- designing, implementing, and maintaining effective and sound of internal control and for identifying risks in the internal control system;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Project, and which enable them to ensure that the special purpose project financial statements of the Project comply with the reporting framework;
- compliance with laws and regulations applicable in Sint Maarten, accounting system of the Project and the requirements of the World Bank;
- taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- Detecting and preventing fraud and other irregularities.

The special purpose financial statements for the period ended December 31, 2024, were approved and authorized for issue on June 30, 2025, by the Director of the NRPB representing, Sint Maarten Enterprise Support Project/Grant no. P168549.



Mr. Claret Connor
(Director NRPB)

Independent Auditor's Report

To the Implementing Entity
National Recovery Program Bureau
P168549 / TF A9223 – Sint Maarten Enterprise Support Project
St. Maarten

Reference: HEB/67.004.0/49089

Report on the special purpose project financial statements included in the annual report

In our opinion,

- The project financial statements, present fairly, in all material respects the financial position of P168549 / TF A9223 – Sint Maarten Enterprise Support Project (the "Project") as at December 31, 2024, the funds received and the expenditures spent for the period ended December 31, 2024 and cumulative investments as at and for the period ended December 31, 2024 in accordance with the financial reporting provision outlined in the terms of the financing and legal agreements and applicable laws and regulations related to the Project's financial activities as set out by the World Bank.
- The reported expenditures are eligible and that these expenditures were incurred and paid for only for specific project purposes and applying the principles of correct use of the funds as provided under the relevant financing agreements.
- In cases of expenditures processed through statement of requests for replenishment (IFRs) submitted to the World Bank for the period audited, that (i) expenditures submitted are eligible, (ii) the control procedures for preparing the IFRs were observed, and (iii) the principles of correct use of the funds were applied.
- The designated account reconciliation statements (DA) for the period audited adequately reflects the flow of funds for the DA during the period audited, and the reported activities have been only for purposes of the project.

What we have audited

We have audited project financial statements 2024 of P168549 / TF A9223 – Sint Maarten Enterprise Support Project, implemented in St. Maarten by the National Recovery Program Bureau (the "Implementing Entity").

Initialed on behalf of
Grant Thornton 

The project financial statements comprise:

1. Designated Account Reconciliation Statements A and B as at December 31, 2024
2. Sources and Uses of Funds for the period ended December 31, 2024
3. Statement of Cumulative Investments (Expenditures) as at and for the period ended December 31, 2024
4. Component 1 Information on Reflow Account – Statement of Sources and Uses of Funds for the period ended December 31, 2024
5. Component 1 - Statement of Cumulative Uses of Funds as at and for the period ended December 31, 2024
6. Notes to the Special Purpose Project Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the project financial statements is the financial reporting provision outlined in the terms of the financing and legal agreements and applicable laws and regulations related to the Project's financial activities as set out by the World Bank.

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the project financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the implementing entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

Report on the other information included in the annual report

In addition to the project financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Statement of Management's responsibilities for the preparation and approval of the Special Purpose Project Financial Statements for period ended December 31, 2024;
- Supplementary Information;

Based on the procedures performed as set out below, we conclude that the other information is consistent with the project financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the project financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of International Standards on Auditing 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The management of the implementing entity is responsible for the preparation of the other information.

Restriction on use and distribution

The project financial statements and our audit report thereon are intended solely for the World Bank and are not suitable for other purposes.

Description of responsibilities regarding the project financial statements

Responsibilities of the management of the implementing entity for the project financial statements

Management is responsible for the preparation and fair presentation of these project financial statements, in accordance with the financial reporting provision outlined in the terms of the financing and legal agreements and applicable laws and regulations related to the Project's financial activities as set out by the World Bank and for such internal control as management determines necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the project financial statements, management is responsible for assessing the Project's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the project financial statements using the going-concern basis of accounting unless management either intends to liquidate the project or to cease operations or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the project's ability to continue as a going concern in the project financial statements.

Auditor's responsibilities for the audit of the project financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

Our audit opinion aims to provide reasonable assurance about whether the project financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements.

Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

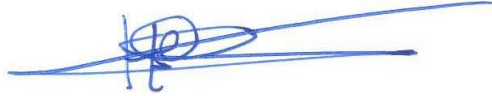
We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with International Standards on Auditing (ISAs), ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identify and assess the risks of material misstatement of the project financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the project financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and evaluate whether the project financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management of the implementing entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St. Maarten, 30 June 2025
Grant Thornton St. Maarten



Herbert Beldman AA RA CIA

**Designated Account Reconciliation Statements A and B
as at December 31, 2024**
(Expressed in United States Dollars)

DA-A

DESIGNATED ACCOUNT RECONCILIATION STATEMENT		
LOAN/CREDIT/PPF/COFINANCIER NUMBER P168549		
ACCOUNT NUMBER: 391303050USD WITH Centrale Bank van Curacao and Sint Maarten		
		US\$
1	TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER)	19,692,556
2a	LESS: ELIGIBLE EXPENDITURE FOR THE CURRENT YEAR ENDED DECEMBER 31, 2024 DOCUMENTED BY THE WORLD BANK	2,903,946
2b	LESS: CUMULATIVE ELIGIBLE EXPENDITURE FOR THE PRIOR PERIODS ENDED DECEMBER 31, 2023 DOCUMENTED BY THE WORLD BANK	14,616,644
3	PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (1 - 2)	2,171,966
4	BALANCE OF USD DESIGNATED ACCOUNT PER ATTACHED BANK RECONCILIATION STATEMENT AS AT PERIOD END DECEMBER 31, 2024	-
4	BALANCE OF USD PROJECT ACCOUNT PER ATTACHED BANK RECONCILIATION STATEMENT AS AT PERIOD END DECEMBER 31, 2024	713,956
4	BALANCE OF ANG PROJECT ACCOUNT PER ATTACHED BANK RECONCILIATION STATEMENT AS AT PERIOD END DECEMBER 31, 2024	(55)
5	PLUS: ELIGIBLE EXPENDITURES RECORDED AFTER THE PERIOD END DECEMBER 31, 2024	1,458,066
6	PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED	-
7	PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS	-
8	LESS: INTEREST EARNED	-
9	TOTAL ADVANCE ACCOUNTED FOR (3 THROUGH 9)	2,171,966
10	DIFFERENCE (3 - 9)	-
11	EXPLANATION OF ANY DIFFERENCE SHOWN IN LINE 10: CLIENT CONNECTION	

The accompanying notes are an integral part of these special purpose project financial statements

Designated Account Reconciliation Statements A and B ... cont.
as at December 31, 2024
(Expressed in United States Dollars)

DA-B

DESIGNATED ACCOUNT RECONCILIATION STATEMENT		
LOAN/CREDIT/PPF/COFINANCIER NUMBER P168549		
ACCOUNT NUMBER: 391303060USD WITH Centrale Bank van Curacao and Sint Maarten		
		US\$
1	TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER)	2,260,829
2a	LESS: ELIGIBLE EXPENDITURE FOR THE CURRENT YEAR ENDED DECEMBER 31, 2024 DOCUMENTED BY THE WORLD BANK	551,565
2b	LESS: CUMULATIVE ELIGIBLE EXPENDITURE FOR THE PRIOR PERIODS ENDED DECEMBER 31, 2023 DOCUMENTED BY THE WORLD BANK	1,433,215
3	PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (1 - 2)	276,049
4	BALANCE OF USD DESIGNATED ACCOUNT PER ATTACHED BANK RECONCILIATION STATEMENT AS AT PERIOD END DECEMBER 31, 2024	-
4	BALANCE OF USD PROJECT ACCOUNT PER ATTACHED BANK RECONCILIATION STATEMENT AS AT PERIOD END DECEMBER 31, 2024	155,699
5	PLUS: ELIGIBLE EXPENDITURES RECORDED AFTER THE PERIOD END DECEMBER 31, 2024	120,351
6	PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED	-
7	PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS	-
8	LESS: INTEREST EARNED	-
9	TOTAL ADVANCE ACCOUNTED FOR (3 THROUGH 9)	276,049
10	DIFFERENCE (3 - 9)	-
11	EXPLANATION OF ANY DIFFERENCE SHOWN IN LINE 10: CLIENT CONNECTION	

The accompanying notes are an integral part of these special purpose project financial statements.

Special Purpose Project Financial Statements for the year ended December 31, 2024
Sint Maarten Enterprise Support Project /Grant no. P168549

Sources and Uses of Funds
for the period ended December 31, 2024
(Expressed in United States Dollars)

P168549 - Sint Maarten Enterprise Support Project			
Sources and Uses of Funds			
For the Period ending December, 2024			
RECEIPTS	Current Period US\$	Current Year End Cumulative US\$	Previous Year End Cumulative US\$
World Bank			
Advance	3,386,573	21,953,385	18,566,812
Reimbursement			
Direct Payment	-	-	-
Total Receipts (A)	3,386,573	21,953,385	18,566,812
LESS EXPENDITURES			
Component 1: Direct Financial Support to MSME for Inv. & WC	3,205,905	18,978,655	15,772,750
Component 2: Study of Financial Solution for Disaster Resilience	-	-	-
Component 3: Training, Project Implementation & M&E	537,352	2,105,131	1,567,779
Total Expenditures (B)	3,743,258	21,083,786	17,340,529
RECEIPTS LESS EXPENDITURES			
Net Change in Cash (A - B)	(356,685)	869,599	1,226,283
CASH BALANCES			
Opening Cash Balances			
Designated Account - A	-		
Designated Account - B	-		
Project Account *****3101 Component 2 and 3	300,391		
Project Account *****2910 Component 1	925,948		
Project Account *****6604(naf)	(55)		
Total Opening Balance	1,226,283		
Closing Cash Balances			
Designated Account -A comp 1	-	-	-
Designated Account - B component 2 and 3	-	-	-
Project Account *****3101 Component 2 and 3	155,699	155,699	300,391
Project Account *****2910 Component 1	713,956	713,956	925,948
Project Account *****6604(naf) Component 1	(55)	(55)	(55)
Total Closing Balance	869,599	869,599	1,226,283

The accompanying notes are an integral part of these special purpose project financial statements.

Statement of Cumulative Investments (Expenditures)
as at and for the period ended December 31, 2024
 (Expressed in United States Dollars)

P168549 - Sint Maarten Enterprise Support Project			
Uses of Funds by disbursement Categories			
For the Period Ending: December 31, 2024			
Categories	Current period	Current Year End Cumulative 2024	Previous Year End Cumulative 2023
1. AR Sub-Grants, AR Sub-loans, and WC Sub-loans - Comp.1	3,205,905	18,978,655	15,772,750
2. Goods, consulting services, non- consulting services, Training, and PIU Operating Costs. - Comp. 2 & 3	537,352	2,105,131	1,567,779
Total	3,743,258	21,083,786	17,340,529

The accompanying notes are an integral part of these special purpose project financial statements.

Component 1 Information on Reflow Account – Statement of Sources and Uses of Funds
for the period ended December 31, 2024
(Expressed in United States Dollars)

P168549 - Sint Maarten Enterprise Support Project			
COMPONENT 1. Information on Reflow Account. Sources & Uses of Funds			
For the Period ending December 31, 2024			
RECEIPTS	Current Period 2024 Actual	Cumulative Period ended 2024	Cumulative Period ended 2023
PFIs			
Qredits	1,061,172	2,383,731	1,322,559
WIB	764,698	2,156,608	1,391,910
Banco di Caribe	245,337	489,210	243,873
OBNA	34,578	49,476	14,899
Total Receipts (C)	2,105,784	5,079,025	2,973,241
LESS EXPENDITURES			
AR Subgrants			
AR Subloans			
WC Subloans			
Other /Bank charges	270	1,026	823
Transfer funds to use for operational expenses	3,500,000	3,500,000	
Total Expenditures (D)	3,500,270	3,501,026	823
RECEIPTS LESS EXPENDITURES			
Net Change in Cash (C - D)	(1,394,485)	1,577,999	2,972,418
CASH BALANCES			
Opening Cash Balances	-	-	-
Project Reflow Account - 3003(USD)	2,941,272	-	-
Project Reflow Account - xxx(ANG)	31,146	-	-
Total Opening Balance	2,972,418	-	-
Closing Cash Balances			
Project Account *****3003 Reflow USD	1,500,702	1,500,702	2,941,272
Project Reflow Account - xxx (ANG)	77,229	77,229	31,146.14
Total Closing Balance	1,577,930	1,577,930	2,972,418

The accompanying notes are an integral part of these special purpose project financial statements.

Special Purpose Project Financial Statements for the year ended December 31, 2024
Sint Maarten Enterprise Support Project /Grant no. P168549

Component 1 Statement of Cumulative Uses of Funds
for the period ended December 31, 2024
(Expressed in United States Dollars)

P168549 - Enterprise Support Project			
Component 1 - Detail- Direct Financial Support to MSME for Investment and Working Capital			
For the Period Ending December 31, 2024			
	Current Year 2024	Current Year Cumulative 2024	Prior Year Cumulative USD 2024
Funds received from the WB total DA-A 391303050	2,993,914	19,692,556	16,698,642
Amounts Disbursed to PFIs			
1. Qredits	296,214	6,973,477	6,677,263
2 Windward Islands Bank	2,191,020	9,426,417	7,235,397
3 Banco di Caribe	592,653	2,094,123	1,501,470
4 OBNA	122,823	405,053	282,230
Total	3,202,710	18,899,071	15,696,360
Bank charges associated with transfers to PFI's	3,196	79,587	76,390
Total Component 1	3,205,906	18,978,657	15,772,750
Amounts Used by PFIs to financed MSMEs			
1. Qredits	348,209	6,973,377	6,625,168
2 Windward Islands Bank	2,278,511	9,585,063	7,306,552
3 Banco di Caribe	822,342	2,044,914	1,222,572
4 OBNA	110,650	396,246	285,596
Total	3,559,712	18,999,600	15,439,889

P168549 - Enterprise Support Project				
Component 1 Sources & Uses of Funds PFIs				
Component 1 - Detail- Direct Financial Support to MSME for Investment and Working Capital				
For the Period Ending December 31, 2024				
	Total Actual as of December 31, 2024 USD	Adjustments USD	Adjusted Actual as of December 31, 2024 USD	Prior Year Cumulative USD 2023 USD
Opening Balance as of December 31, 2023	15,696,361	-	15,696,361	11,883,920
PFIs Received Funds from NRPB 2024	3,202,710	-	3,202,710	3,812,441
Total Cash Available with PFIs	<u>18,899,071</u>	<u>-</u>	<u>18,899,071</u>	<u>15,696,361</u>
Disbursements (Amount Disbursed to End Beneficiaries)				
Amounts disursed to MSMEs				
AR subgrants	2,225,504	-	11,712,991	9,487,487
AR subloans	1,234,746	-	6,414,658	5,179,911
WC subloans	99,461	-	871,952	772,491
Total expenses	<u>3,559,711</u>	<u>-</u>	<u>18,999,600</u>	<u>15,439,889</u>

The accompanying notes are an integral part of these special purpose project financial statements.

Notes to the Special Purpose Project Financial Statements for the year ended December 31, 2024

(Expressed in United States Dollars, unless otherwise stated)

1.1 Project Background

Following the devastation caused by Hurricane Irma, the Government of Sint Maarten prepared a consolidated National Recovery and Resilience Plan (NRRP) that prioritizes immediate, short-, medium- and long-term needs for the recovery, reconstruction, and resilience of Sint Maarten. This Plan includes estimates of the financial requirements, costs, and investments that are necessary to build Sint Maarten back better.

Since January 2018, the World Bank has been assisting the Government of Sint Maarten in the establishment and implementation of a recovery and reconstruction program to implement the NRRP. A significant component of this program is financed through a Trust Fund financed by the Netherlands, managed by the World Bank, and implemented by Sint Maarten.

In parallel to the establishment of the Trust Fund and the execution of the NRRP, the Government of Sint Maarten developed an institutional structure for the implementation of Trust Fund financed projects. This structure is materialized in the National Recovery Program Bureau (NRPB) and serves as the Project Implementation Unit (PIU) for Trust Fund projects. The National Recovery Program Bureau (NRPB) entered directly into the Grant Agreement for the Sint Maarten Enterprise Support Project TF0A9223 (ESP) with the World Bank. This is on the request of the Government of Sint Maarten to the World Bank that Grant Agreements are directly signed between the National Recovery Program Bureau and the World Bank.

The Enterprise Support Project (\$35 million) approved on April 4th, 2019, signed on March 5th, 2020, and became effective on May 5th, 2020, is to support the recovery of micro, small, and medium-sized enterprises through direct financial assistance to contribute to the restoration of economic activity.

Rationale for Restructuring

Changes to the Project are: (i) to extend the closing date of the Project until June 30, 2028; (ii) to revise the PDO and results framework; (iii) to reduce the total Project funds from US\$ 35 million to US\$ 25 million through a partial cancellation; (iv) to drop Component 2 "Financial solutions study to improve disaster resilience"; and (v) to reallocate funds across components.

Reduction of Project Amount

The total Project amount will be reduced by US\$ 10 million to reflect the smaller MSME market size and to reallocate funds to other priorities in the country program. This reduction is consistent with the size of the MSME market, which is smaller than initially assessed during project preparation immediately after Hurricane Irma. The funds will be reallocated to other emerging priorities in the country's trust fund portfolio.

The Enterprise Support Project (after restructuring \$25 million) approved on April 4th, 2019, signed on March 5th, 2020, and became effective on May 5th, 2020, is to support the recovery of micro, small and medium sized enterprises through direct financial assistance to contribute to the restoration of economic activity.

As of December 31, 2024, a total of 305 applications were successfully approved.

Usage of reflows to Fund NRPB Operating Costs

As per April 2024 the Steering Committee confirmed that ESP reflows are under the Government of Sint Maarten's purview, and the funds can be used for NRPB's operating costs. The ESP Grant Agreement states in Section I.A.4(c) of the Schedule 2 that reflows are to be used for additional lending to eligible enterprises, and in all cases, the use of reflows must be acceptable to the Bank. The Bank confirmed as per September 23, 2024 that for the purposes of Section I.A.4(c) of the Schedule 2 of the Grant Agreement, NRPB may use up to US\$7 million of ESP reflows to fund its operating costs, including, but not limited to, all core staff and consultants of NRPB; technical experts for the preparation and implementation of projects in the Sint Maarten Recovery, Reconstruction and Resilience Trust Fund portfolio implemented by NRPB, including consultant fees and consulting services; and incremental operating costs for NRPB operations (including, but not limited to, financial audits and operational support [office supplies, vehicle maintenance, building maintenance, rent of NRPB buildings, insurance, , and other expenses directly associated with NRPB operations and in line with the Trust Fund's Administration Arrangements]), through June 30, 2028. NRPB may not use these funds to pay costs specific to projects financed from sources other than the Sint Maarten Recovery, Reconstruction and Resilience Trust Fund.

The World Bank Financial Management (FM) team will monitor the use of the reflows funds during regular supervision reviews, as well as through the review of Interim Financial Reports that will properly disclose the use of the reflows, accompanied by the relevant bank statements. The audit scope will include a review of funds disbursed from the reflow account.

1.2 Grant agreement

The National Recovery Program Bureau ("Recipient") and the International Bank for Reconstruction and Development ("World Bank") acting as the administrator of the Sint Maarten Hurricane Irma Reconstruction Recovery and Resilience Trust Fund signed the agreement on March 5, 2020.

The Recipient declares its commitment to the objective of the project described in Schedule I of this Agreement ("Project"). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.

Without limitation upon the provisions of Section 2.01 of the Grant Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 of the Grant Agreement.

The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed twenty-five million United States Dollars (\$25,000,000) ("Grant") to assist in financing the Project.

An extension until June 30, 2028, was granted and approved by the World Bank on August 25, 2024. This has a positive impact on the project by allowing beneficiaries more time to repay the loan when they are approved by the project.

1.3 Project Objective

The objective of the project is to support the recovery of micro, small, and medium-sized enterprises through direct financial assistance to contribute to the restoration of economic activity.

Revised PDO

The PDO was revised as follows: "to strengthen the recovery of and increase resilience of existing and new micro, small, and medium sized enterprises in Sint Maarten.

1.4 Project Description

The project encompasses three main components, as described below:

Component 1: *Direct financial support to MSMEs for investment and working capital (US\$21 million).*

- *Description:* This component will provide tailored packages to eligible MSMEs of grants and loans for Asset and Repair (AR) investments, as well as Working Capital (WC) loans.
- *Structure:* a) The AR investment is structured so that 65 percent of the investment is a grant and 35 percent is a loan; b) The WC loan is structured as a loan. The packages will be adapted to each MSME loan application and are fully flexible.
- *MSME Eligibility:* MSME eligibility will be based on official registration and preference will be given to those MSMEs who were affected by the hurricane and to existing businesses. In addition, new MSMEs are eligible.
- *Provision:* Packages will be disbursed to MSMEs through Participating Financial Institutions (PFIs), who will assess the individual loan applications from MSMEs and make an independent financing decision. The PFIs will bear all the credit risk for the loan portion of the AR package, and 20 percent of the credit risk for the WC loan package.

Component 2: *Study of financial solutions for improved disaster resilience (US\$ NIL).*

With the restructuring this component was dropped.

Component 3: *Lender training, project implementation, audit, and M&E (US\$4 million).*

- *Description:* This component will provide training sessions on Business Fundamentals for MSMEs
- This component will also fund implementation support to ensure that the governance of the project is well managed. This includes an annual project audit and a one-time third-party verification exercise. As one of the Trust Fund projects, there is monitoring and evaluation (M&E) reporting for the project.

1.5 Cumulative figures

The figures published in this report represent the fourth published report of the Enterprise Support Project. The published figures do represent cumulative figures for the project.

2. Presentation of the Special Purpose Project Financial Statements

Basis of preparation

These special purpose project financial statements have been prepared in accordance with the financial reporting provisions outlined in the respective legal agreements with the World Bank ("reporting framework") using the cash basis of accounting.

Statement of compliance

These special purpose project financial statements consist of:

- Statements of Designated Account Reconciliation Statement
- Statement of Sources and Uses of Funds
- Statement of Cumulative Investments (Expenditures)
- Component 1- Statements of Reflow Account - Statement of Sources and Uses of Funds
- Component 1 - Statement of Cumulative Uses of Funds
- Notes to the Special Purpose Project Financial Statements

The reporting currency of these special purpose project financial statements is in US Dollars ("USD").

Basis of measurement

These special purpose project financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The functional currency is United States Dollars (USD). The amounts expended in Netherlands Antillean Guilder (“ANG”) are converted to United States Dollars (“USD”) at the exchange rate of 1.8 ANG for 1 USD. The reporting currency of the project is USD.

Rounding-off

The figures have been rounded off to the nearest whole digit.

Going concern

The Special Purpose Project Financial Statements have been prepared on a going concern basis, which assumes that the Project will continue in the foreseeable future.

3. Accounting Policies

Funds received

Funds are recognized on a cash basis once received.

Expenses

Expenses are recorded on a cash basis once paid.

Sources of funds

The funds were provided by the World Bank to the Project by replenishment of a Designated account; through reimbursements or direct payments to the end supplier of goods and/or services.

Restricted use of funds and other assets

The Credit, Loan, and Grant agreement requires that the funds available in the Designated Account be restricted to Project use only. Any project funds available at the end of the Project should be returned to the World Bank.

Cash

Cash includes cash on hand and due from banks, which can be converted to the corresponding amount of cash in the short term. This refers to the bank accounts mentioned below.

Special Purpose Project Financial Statements for the year ended December 31, 2024
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Cash breakdown from the Statement of Sources and Uses of Funds for the period ended December 31, 2024, for TF A9223 is as follows:

ACCOUNT NUMBER	BANK	CURRENCY	CLOSING BALANCE 12/31/2024	USD EQUIVALENT
Designated Account A - 39130030050	CBCS	US\$	-	-
Designated Account B - 39130030060	CBCS	US\$	-	-
Project Account ACC ***2910	WIB	US\$	155,699	155,699
Project Account ACC ***3101	WIB	US\$	713,956	713,956
Project Account ACC ***6604	WIB	ANG	(99)	(55)
Total				869,599

Cash breakdown from the Information on Reflow Account Statement of Sources and Uses of Funds for the period ended December 31, 2024 is as follows:

ACCOUNT NUMBER	BANK	CURRENCY	CLOSING BALANCE 12/31/2024	USD EQUIVALENT
Project Account *****8103 USD	WIB	US\$	1,500,702	1,500,702
Project Account *****6208 Reflow ANG	WIB	ANG	138,239	77,229
Total				1,577,930

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Activities related to the Reflows

The Steering Committee approved in April 2024 that ESP reflows can be used for NRPB's operating costs. This was further confirmed by the Bank on September 23, 2024, that for the purposes of Section I.A.4(c) of the Schedule 2 of the Grant Agreement, NRPB may use up to US\$7 million of ESP reflows to fund its operating costs.

As per October 1, the first tranche of \$3,500,000 was transferred to the designated account at the Windwards Island Bank to start with the usage of the reflows to fund operating costs.

Section I.A.4(c) - ESP reflows to fund its operating costs- USD 3,500,000		
Sources and Uses of Funds		
For the Period ending December, 2024		
	Current Period US\$	Current Year End Cumulative US\$
RECEIPTS		
Reflow		
WIB	3,500,000	3,500,000
Total Receipts (A)	3,500,000	3,500,000
LESS EXPENDITURES		
Component: Institutional Support for Reconstruction	1,618,397	18,978,655
1.1 Personnel Costs	587,749	587,749
1.2 Other Personnel Cost	-	-
1.2.1 Training and Courses	13,104	13,104
1.2.2 Organizational Development	15,395	15,395
1.3 Consultancy	767,613	767,613
1.4 Travel	17,597	17,597
1.5 Housing Costs	84,299	84,299
1.6 IT	12,585	12,585
1.7 Communications	10,363	10,363
1.8 External Audit	29,200	29,200
1.9 Bank fees/taxes	9,831	9,831
1.10 Other Opex	24,393	24,393
1.11 Vehicle	46,266	46,266
Total Expenditures (B)	1,618,397	1,618,397.46
RECEIPTS LESS EXPENDITURES		
Net Change in Cash (A - B)	1,881,603	
Opening Cash Balances		
Project Reflow expenses Account -8103	-	
Project Reflow expenses Account -7507(NAF)	-	
Total Opening Balance	-	
Closing Cash Balances		
Project Reflow expenses Account -8103	1,878,831	1,878,831
Project Reflow expenses Account -7507(NAF)	2,772	2,772
Total Closing Balance	1,881,603	1,881,603

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Restricted Cash (Reflow account)

Restricted Cash refers to money that is held for a specific purpose for the purposes of Section I.A.4(c) of the Schedule 2 of the Grant Agreement. These are as follows:

ACCOUNT NUMBER	BANK	CURRENCY	CLOSING BALANCE 12/31/2024	USD EQUIVALENT
Project Reflow expenses Account -8103	WIB	US\$	1,878,831	1,878,831
Project Reflow expenses Account -7507(NAF)	WIB	NAF	4,934	2,772
Total				1,881,603

Taxes

The Project related taxes, and mandatory payments are calculated and paid in accordance with tax regulations applicable in Sint Maarten. NRPB has been granted exemption from the 5% Turnover Tax on sales of goods and services levied by the Government for the Sint Maarten Enterprise Support Project.

Litigations

The implementing unit in the normal course of project implementation pursued legal claims against certain beneficiaries of the ESP for non-compliance with beneficiary obligations under the agreement(s) with NRPB and PFI. These cases are either docketed for hearing or with verdict that is in the process of execution. Across these cases are claims of various amounts of principal, statutory interests, extrajudicial and legal costs.

The legal determination whether the act constitutes an “illegal act” committed by beneficiaries and other responsible party rests with the court of Sint Maarten. The eventual financial impact, taking into consideration the cash basis of accounting, will be recorded when claims are received. Indications of illegal acts are disclosed if and when such indications exist.

An estimated amount of USD356,660 (2023: USD356,660) in direct financial support to SMEs is in litigation due to some allegations of misspending by some MSMEs.

It is the policy of the implementing unit to prevent illegal acts, misuses of funds, engagement in ineligible activities and ensure that the funds are used for the intended purpose. This is enforced by the following preventative actions/controls:

- ESP conducts an ex-ante review of the assets to be procured to ensure that procurement guidelines are adhered to;
- Before approval, all beneficiaries are obliged to attend a mandatory information session during which the ESP verbally outlines their obligations and covenants in the beneficiary agreement;
- Once approved, ESP sends an ‘ESP funding letter’ outlining the key obligations in the beneficiary agreement; and
- PFI’s may disburse in tranches and are required to disburse directly to the vendors for large amounts.

Further on to its mandate of ensuring that the funds are spent in accordance with the purpose of the project, the implementing unit conducts ex-post reviews such as purchase verifications and site visits on a sample basis and review of Environment and Social annual reports obliged to be submitted by beneficiaries.

Subsequent Events

Management has evaluated the subsequent events between January 1, 2025, and June 30, 2025, the date when the Special Purpose Project Financial Statements were available to be issued and there are no subsequent events that would require adjustment or disclosure.

On March 31, 2025, the Caribbean guilder (XCG) replaced the Antillean guilder (ANG/ NAF) as the official currency in Sint Maarten. The exchange rate remains 1:1 and the currency remain pegged to the US dollar (1 USD = 1.8 XCG). The project financial statements with its functional currency being USD are not materially affected by this change.

**Supplementary Information
for the year ended December 31, 2024**

(Expressed in United States Dollars, unless otherwise stated)

Project Components

Tracking implementation status and Annual Workplan (AWP): Since the approval of the project, the NRPB and WB teams have been holding weekly teleconferences to monitor project implementation.

Frequent communication and monitoring of start-up activities have been instrumental in developing the projects outlined. The Project Implementation Unit (“PIU”) together with the Task Team Leaders monitors and regular updates are held to ensure continuance and guidance on all levels together.

Project closing date

The Project Closing date as mentioned in the Grant Agreement is June 30, 2028

Table 1: Key Project Data

Financing	Approval Date	Effectiveness Date	Closing Date
Sint Maarten Hurricane Irma Reconstruction, Recovery and Resilience Trust Fund; USD 35 million	April 4, 2019	May 5, 2020	June 30, 2028
Disbursed to Date: USD 19,692,556 As of December 31, 2024, a total of 238 applications were successfully approved			
Project Development Objective (PDO): to strengthen the recovery of and increase resilience of existing and new micro, small, and medium sized enterprises in Sint Maarten			

Table 3: Categories of Eligible Categories

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (Expressed in USD)	Percentage of Expenditures to be financed. (Inclusive of Taxes)
(1) AR Sub-Grants, AR Sub-loans, and WC Sub-loans - Comp.1	32,500,000	100% of amounts disbursed under a Subgrant or a Sub-loan Agreement
(2) Goods, consulting services, non-consulting services, Training, and PIU Operating Costs. - Comp. 2 & 3	2,500,000	100%
TOTAL AMOUNT	35,000,000	

The following table **after restructuring** specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

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Category	Amount of the Grant Allocated (Expressed in USD)	Percentage of Expenditures to be financed. (Inclusive of Taxes)
(1) AR Sub-Grants, AR Sub-loans, and WC Sub-loans - Comp.1	21,000,000	100% of amounts disbursed under a Subgrant or a Sub-loan Agreement
(2) Goods, consulting services, non-consulting services, Training, and PIU Operating Costs. – Component 3	4,000,000	100%
TOTAL AMOUNT	25,000,000	

The following table **after restructuring** specifies the components of Eligible Expenditures that may be financed out of the proceeds of the Grant (components), the allocations of the amounts of the Grant to each Component,

Funds will be reallocated between components to reflect the objectives of the restructured project.

New activities will be created under Component 3 to include post-disbursement support to MSMEs, institutional strengthening, and legal fees to tackle non-compliance. Funds will be reallocated from Component 2 to Component 3 to cover additional operating costs; training; external audit; strengthened capacity of PIU; and compliance monitoring. The reallocation to Component 3 will support additional trainings to foster entrepreneurship skills and strengthen MSMEs capacity to operate their businesses for greater results, sustainability, and resilience. The capacity of the PIU will be strengthened by hands-on training to conduct more in-depth due diligence, and to identify and mitigate risks, including reputational. The Project will conduct an in-depth third-party verification to review data and verify its completeness. The Project will also focus on better data collection and analysis to help the Government support the MSME sector. The operating costs including MSMEs training, and monitoring and evaluation will be 16% of total project funds.

Components	Original amount	New amount	Change in USD	% Change
(1) Direct financial support to Micro-, Small- and Medium-sized Enterprises for investment and working capital	32,500,000	21,000,000	(11,500,000)	-35%
(2) Study of financial solutions for disaster resilience	400,000	-	(400,000)	-100%
(3) Training, project implementation, and monitoring and evaluation	2,100,000	4,000,000	1,900,000	90%