



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 12-Jul-2018 | Report No: PIDISDSA24742



BASIC INFORMATION

A. Basic Project Data

Country St Maarten	Project ID P167368	Project Name Emergency Income Support and Training Project	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 08-May-2018	Estimated Board Date 23-Jul-2018	Practice Area (Lead) Social Protection & Labor
Financing Instrument Investment Project Financing	Borrower(s) Sint Maarten	Implementing Agency National Recovery Program Bureau	

Proposed Development Objective(s)

The objective of the Project is to provide temporary income support, improve the employability of affected beneficiaries in targeted sectors, and strengthen the social protection system's capacity for shock-response and protection of the poor.

Components

Component 1. Supporting the implementation of the Emergency Income Support and Training Program ("EISTP")
Component 2. Strengthening institutional capacity to enhance the social protection system
Component 3. Project Management

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	22.50
Total Financing	22.50
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS



Non-World Bank Group Financing

Trust Funds	22.50
Free-standing Single Purpose Trust Fund	22.50

Environmental Assessment Category

C-Not Required

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Sint Maarten is a high-income constituent country¹ of the Kingdom of the Netherlands in the Caribbean. It occupies the southern half of an island shared with the French overseas collectivity of Saint Martin. It is the most densely populated country in the Caribbean with a population of over 40,000 and a per capita Gross Domestic Product (GDP) of \$25,3812. Sint Maarten is currently rebuilding from damage of hurricane Irma that has claimed lives and deteriorated the socio-economic environment in the island.
2. Sint Maarten is highly vulnerable to natural disasters and adverse climatic events due to its location within the hurricane belt. For the past decades, the country has been exposed to high winds and numerous hurricanes, including notably intense storms: Donna in 1960 (Category 3), Luis in 1995 (Category 4), and Irma 2017 (Category 5 on Saffir-Simpson scale). Due to the size of the country, a single storm has the potential to directly impact the entire population. High winds, rainfall and flooding are the principal risk factors while the country is also vulnerable to earthquakes. Coastal areas are exposed to flood risk from storm surge and tsunamis. Increased urbanization along with climate change and limited country capacity to build with resilience adds to its vulnerability to natural hazards.
3. Natural hazards have catastrophic impacts on the country’s economy since it relies on tourism. Tourism accounted for 45 percent of its GDP and 73 percent of its foreign exchange in 2016. In addition, activities in the transport, storage and communication sector sectors also related to tourism contributed

¹ Sint Maarten is one of the four constituent countries of the Kingdom of the Netherlands, along with Netherlands, Aruba, and Curacao.

² From Central Bank of Curacao and Sint Maarten, based on 2018 estimates.



11 percent of GDP to the country's total foreign exchange income in 2016. The harbor of Sint Maarten is a significant port for cruise tourism in the Caribbean, with 1.7 million cruise passengers per year. The airport is an important hub for regional travel with a large network of connecting flights across the Caribbean. However, the tourism industry has not led to high growth in recent years and tourism economy is vulnerable to seasonality and weather.

Urgent Need of Assistance

4. Sint Maarten needs urgent assistance after the Hurricane Irma, a category 5 hurricane, hit the island on September 6, 2017, with winds of more than 185 mph (296km/h) leaving a trail of devastation throughout the country. During the landfall, the storm's eye passed directly through Sint Maarten exposing it to the highest wind velocities in the storm. Irma was shortly followed by another smaller-scale hurricane Maria on 19th of September, further damaging the country's infrastructure. The World Bank estimates damages and losses related to Hurricane Irma at US\$1.38 billion and US\$ 1.35 billion (both about 129 percent of GDP), respectively, affecting 90 percent of all infrastructure and large parts of the natural environment.

5. Reconstruction and recovery needs are greater than currently identified public and private resources. Sint Maarten's economy is expected to contract 8.5 percent in 2018, following an estimated 4.5 percent contraction in 2017. Growth is projected to rebound in 2019 and the country is expected to return to its pre-Hurricane Irma real GDP level by 2025. Private external finance from direct investment, loans, pay-out of insurance claims, and funds held abroad will be needed to finance reconstruction of private properties and businesses. A sharp decline in tax revenue due to the economic contraction following the disaster has cut public resource availability while the need for public expenditure to rebuild public infrastructure and assist the affected population has risen sharply.

6. The social and economic effects of Hurricane Irma and the disaster's impact on poverty levels could be significant if action is not immediately taken. In the absence of a national poverty line for Sint Maarten, a UNDP benchmark for poverty based on minimum wage³ indicates that 26.87 percent of households (approximately 3,762 households) are poor and live on revenues at or below the minimum wage (NAF 1.530.53 or approximately US\$850 per month in 2017). Although little is known about the distribution of disaster impacts and their effect on vulnerable groups in Sint Maarten, international experience indicates that the poorest and most vulnerable groups are likely disproportionately affected by the disaster, including Sint Maarten's large number of female-headed households (38.7 percent of all households), who depend on the income of women post hurricane.

7. Sint Maarten's low unemployment rate (6.2 percent) and youth unemployment rate (23.8 percent) in 2017⁴ have significantly risen following the hurricane due to the shutting down of tourism businesses. The tourism sector suffered from significant damages to the airport, accommodations, and

³ Developed by UNDP in 2015.

⁴ According to the Sint Maarten Government Statistical Yearbook 2017



tour operator equipment, dramatically reducing the number of tourist arrivals. Micro, small, and medium-sized enterprises (MSMEs) have experienced significant loss of capital due to the impacts of the hurricane. Households need access to finance to rebuild homes and fully reengage in economic activities. Rapid economic recovery and reconstruction are critically needed to generate revenues and avoid further job loss, and support to stimulate access to finance and business recovery are needed to enable the private sector to grow and contribute to Sint Maarten's overall economic recovery.

8. Sint Maarten has made substantial efforts to address the most urgent needs following Hurricane Irma (e.g. initial debris removal, sheltering roofless populations, resumption of government and business services). Nevertheless, recovery needs are massive and the country has limited capacities to manage large-scale resilient reconstruction. To support rapid and sustainable recovery, the Government of Netherlands has established a EUR 470 million Single Donor Trust Fund (SDTF) managed by the World Bank. Although the World Bank has not operated in Sint Maarten to date, its global experience in disaster risk management and response, its capacity to mobilize technical expertise in a broad range of relevant sectors, as well as its longstanding history of managing funds and activities on behalf of donors, attest to the institution's comparative advantage in managing the Trust Fund and supervising its activities. The SDTF will finance selected activities in support of recovery, reconstruction, and resilience under the framework of the Sint Maarten's National Recovery and Resilience Plan (NRRP), which outlines the country's recovery needs. The SDTF is governed by a Steering Committee composed of one representative each of the Government of Sint Maarten, the Government of the Netherlands, and the World Bank, and which is mandated to approve short, medium, and long-term recovery projects as well as required capacity building activities. The Steering Committee decides by consensus of its members, and meets biannually to approve projects and monitor the progress of agreed activities. Standard World Bank project management and implementation arrangements are followed: projects are prepared and supervised by World Bank in collaboration with and executed by the Government of Sint Maarten. The SDTF was established on April 16, 2018 and on June 12, 2018 the Steering Committee approved four emergency projects: (1) Sint Maarten Emergency Recovery Project I (P167339), (2) Sint Maarten Emergency Debris Management Project (P167347), (3) Emergency Income Support and Training Project (P167368); and (4) Sint Maarten Hospital Resiliency & Preparedness Project (P167532).

9. Based on the country's urgent need for assistance, the proposed Sint Maarten "**Emergency Income Support and Training Program**" is being prepared under the provisions of paragraph 12 of the World Bank's Operational Policy (OP) on Investment Project Financing (IPF) - on "Projects in Situations of Urgent Need of Assistance or Capacity Constraints". These provisions allow for the preparation and approval of this operation in an expedited manner. This is because Sint Maarten has faced a natural disaster which under the policy is defined as "an event that has caused, or is likely imminently to cause a major adverse economic and/or social impact". The World Bank and Sint Maarten recognize the urgency the urgency of pursuing emergency reconstruction efforts and agreed to prepare the proposed operation in an expedited manner. While Sint Maarten has not previously been a client of the World Bank, the Bank is well positioned to support risk assessments, risk reduction, preparedness, financial protection, and resilient recovery and reconstruction.

10. Despite the availability of external grant finance such as the SDTF to support public-sector reconstruction and recovery efforts, Sint Maarten's Government will have to borrow to finance its



remaining budgetary shortfalls projected for 2018 to at least 2020. The Government is working to adopt a medium-term fiscal framework that should set revised fiscal targets in view of the current exceptional circumstances. An initial scenario in which public sector reconstruction and recovery needs are financed through grants, while remaining budgetary shortfalls are financed through loans, would increase the debt-to-GDP ratio from 34 percent of GDP in 2016 to peak at nearly 50 percent by 2019 before resuming a downward path.

11. Sint Maarten is subject to a rules-based fiscal framework, monitored by a Board for Financial Supervision, which is accompanied by a low-cost “standing subscription” borrowing arrangement with the Netherlands. A medium-term fiscal framework, including multi-annual revenue and expenditure projections, would be needed to outline borrowing requirements over the next few years and to address accumulated debt and debt service in the longer term. Strengthening fiscal management, including budget preparation, implementation, and accountability capabilities, is needed to assure adequate implementation of reconstruction and recovery activities as well as fiscal sustainability.

B. Sectoral and Institutional Context

12. The NRRP outlines the Government’s vision, principles, and a proposed approach for rebuilding a “better and stronger Sint Maarten”. It aims at accelerating the restoration of the social and economic infrastructure, based on a consensus of all stakeholders, and following the “Build Back Better” principle. The NRRP emphasizes the need to restore business activities as a priority, while acknowledging the need to address the significant social disruption generated by the disaster.

13. Employment in the tourism sector⁵, has been significantly and adversely impacted by the hurricane. Prior to the hurricane, the tourism sector created employment for approximately one third of the employed population⁶. Nearly six months after the hurricane, the hospitality industry is estimated to be working at just 17 percent capacity and is likely to take another year until it returns to full capacity. The Labor Office has reported increasing cases of job dismissals particularly from the tourism sector, but these have not reached dramatic levels yet due to business initiatives to reduce working days (underemployment) rather than laying off workers.

14. Businesses in the tourism sector have led the response to mitigate the social impact of the sudden rise in unemployment with the creation of a Skills and Training Program (STP) focused on the hospitality industry. In December 2017, a group of hotels created the Sint Maarten Training Foundation (SMTF) and later, with a government subsidy, started a pilot program that provided a stipend of between 40 and 50 percent of pre-hurricane wages to idle workers and required, in return, a commitment from those workers to use the idle time to participate in training activities while the hotels are re-built. In exchange, employers are, in principle, committed to retaining workers during this period.

⁵ A sector refers to a large segment of the economy. Industry describes a much more specific group of companies or businesses.

⁶ National Recovery and Resilience Plan, Government of Sint Maarten, June 2018. Labor Force Survey 2017: tourism based-economy includes wholesale and retail industries, hotels, restaurants and catering.



15. The STP has been successful to date. So far, it has covered about 700 under-employed beneficiaries – 60 percent of which are women – and the attendance rate hovers around 80 percent. The first phase of the Program (February to July 2018) has been largely centered on training in the hospitality industry.⁷ Consistent with the “Build Back Better” principle, the program has been successful as a means to: (i) find an appropriate solution to workers’ income loss; ii) prevent mass lay-offs and unemployment, particularly in the hospitality industry; and (iii) create an opportunity during this down time to train and upgrade the skills of workers in the hospitality industry, particularly those in hotels, restaurants and casinos.

16. The Program has not only been relevant to addressing the post-disaster employment impacts caused by Hurricane Irma, but to addressing the low levels of skilled labor among Sint Maarten’s labor force. One of the labor market challenges in Sint Maarten are the low levels of education and relevant market skills among persons of working age. For instance, the 2017 Labor Force Survey noted that approximately 61.6 percent of employed persons have completed education up to secondary level, and close to a third of the employed completed up to elementary school.⁸ Additionally, the International Monetary Fund recently noted that there is a mismatch between the country’s labor supply skills and the skills needed by employers,⁹ The mismatch is further compounded by the limited number of technical and vocational training institutions and certifying agencies. As such, there is increased need to improve workers’ skills and therefore their employability.¹⁰ The Project would support coping with these challenges through its training program.

17. Given the success of the STP to date, the Government of Sint Maarten has requested World Bank assistance to continue and expand it. The Government would like to implement a second phase, “Emergency Income Support and Training Program”, which would extend the program by eighteen months. During Phase 2, the coverage, number and type of sectors involved would be increased.

18. In addition to specific shock-related employment concerns, some groups, such as women and youth, remain vulnerable to poverty. Unemployment among women is 16 percentage points higher than man, with 42 percent for male and 58 percent for women. In addition to lagging in job insertion, women head 38.7 percent of households in the country and have dependents, most of them children. As previously noted, this reveals the vulnerability of an important proportion of households that rely on women’s income. With respect to youth, unemployment among this group is nearly three times higher than the national rate of around 6 percent, out of which women unemployment rate is 62 percent, compared to men’s rate of 38 percent, which reveals considerable labor insertion gaps among youth.

19. The degree to which the hurricane affected poverty among these vulnerable groups is not precisely known; however, due to the severity of Hurricane Irma, it is anticipated that it would have increased. Global experience shows that vulnerable groups, who are already struggling with poverty, typically have fewer resources to allow them to weather such a shock, and they often utilize negative

⁷ Ministerial Decree, February 15th 2018. The hospitality industry includes, in particular, hotel, restaurant and casino businesses.

⁸ Secondary level refers to secondary 2 level, internationally equivalent to a high-school degree. Labor Force Survey 2017.

⁹ International Monetary Fund, IMF Country Report No. 16/276, August 2016 Kingdom of the Netherlands – Curacao and Sint Maarten.

¹⁰ The strategic plan 2016-2026 of Ministry of Education, Culture Youth and Sport identified the need to implement new policies and legislation in such a way that students leaving the formal education sector possess the required knowledge and skills for continued education, employment or entrepreneurship.



coping mechanisms to manage. Thus, they potentially face a significant worsening of their socio-economic conditions and merit particular attention in recovery programs.

20. The Government of Sint Maarten, along with foundations and international donors, has made significant efforts to respond to urgent needs caused by Hurricane Irma. The Government currently has a number of programs addressing income support to meet the basic needs of the affected populations through non-financial and financial aid programs, including vouchers, and unconditional cash transfers.

21. The efficiency and effectiveness of the Government's response may be impacted by its programs' designs, the need of updated service delivery tools and integrated information systems, and fragmentation of the safety net. For example, an integrated information system, such as a Social Registry,¹¹ could guide the response for maximum efficiency. In addition, the Government needs to have the tools to assess the extent of the socio-economic effects of the disaster and to better ascertain whether existing programs are adequate to meet current needs. Thus, a socio-economic needs assessment is required. Moreover, a communication strategy would help to promote the programs and contribute to increase uptake of beneficiaries and social programs' transparency. Both the socio-economic needs assessment and the communication strategy will consider the different needs between men and women to better identify interventions to address gender gaps in Sint Maarten.

22. Based on the above, the Government of Sint Maarten has prioritized the implementation of the Emergency Income Support and Training Program (EISTP) as a mean to prevent income loss and massive lay-offs, while also addressing the need for medium-term investments to enhance the institutional capacity, instruments and information systems to support both quick responses in post disaster situations as well as protection of the poor and vulnerable.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The proposed project's development objective is to provide temporary income support, improve the employability of affected beneficiaries in targeted sectors, and strengthen the social protection system's capacity for shock-response and protection of the poor.

¹¹ Social Registry: is an integrated information system to support assessment of needs, intake, registration, and determination of potential eligibility of households or individuals to receive social programs. *Social Registry Information Systems for Social Assistance (and Beyond)*, World Bank, March 9, 2017.



Key Results

The expected key results to achieve the Project Development Objective are:

- a) Number of Eligible Beneficiaries enrolled in the EISTP receiving income support on a monthly-basis in exchange for their participation in EISTP training, and who have achieved the minimum required attendance rate¹²
- b) Percentage of beneficiaries who complete training in an occupational area.¹³ (dissagregated by gender)
- c) Number of records in the Social Registry

D. Project Description

Component 1. Supporting the Implementation of an Emergency Income Support and Training Program (“EISTP”) (US\$20.56 million)

23. The objective of this Component is to provide temporary income support to under-employed and unemployed persons in exchange for their participation in selected short-term skills training in selected occupational areas provided under EISTP. Training would take place for at least 13.5 days per month for up to 18 months depending on the occupational area. Approximately 1,800 beneficiaries are expected to benefit from the Emergency Income Support and Training Program (EISTP).

24. The Project will continue to be implemented by the SMTF, a private not-for profit institution which will enter into a participation commitment letter directly with the training beneficiaries, and will pay a monthly stipend that will also cover transportation costs. Additionally, the beneficiaries will receive health insurance benefits while in the program, for which (VSA) has issued an Instruction¹⁴ on May 30th, 2018 to the Health and Social Insurance Fund (SZV).

25. The training will include a balanced combination of in-class theoretical and practical training as well as socio-emotional skills. The training curriculum, further detailed in the Project’s Operational Manual (POM), will be delivered on a modular basis and will contain a set of core courses for the initial stage of the training to be followed by specialized training in certain occupational areas.¹⁵ Specialized training will largely be centered on the hospitality industry, including culinary arts, housekeeping, bartending, client service etc., and the construction sector. Training will be mainly delivered by the SMTF, which is the principal executing agency for the program. However, in order to expand the number of training courses offered, SMTF can enter into inter-institutional collaboration agreements with other

¹² Participation in training will be measured by at least 70 percent attendance rate each month.

¹³ Selected occupations refer to occupations in different industries of economic sectors that demand a need for the program.

¹⁴ Instruction is the legal term which refers to the written request issued by VSA to SZV for compliance. VSA has the mandate to instruct SZV to take specific actions as instructed within the law.

¹⁵ Core courses, are general courses delivered to all beneficiaries, such as socioemotional skills etc., and would be taken by beneficiaries regardless of the occupational area for which they are receiving training, and will last approximately three months. Specialized courses are courses delivered to beneficiaries following a learning track for a specific occupation and will last at least 3 additional months.



training institutions that provide courses and issue certifications.

26. This Component will use a results-based approach,¹⁶ meaning that periodic fund advances will be disbursed by the Bank based on the achievement of pre-determined indicators and targets (i.e. Disbursement Linked Indicators (DLIs) and Disbursement-linked Results (DLRs) and against projected eligible expenditures. This mechanism provides a focus on the achievement of results, as opposed to financing inputs, while ensuring a steady cash flow, which is critical given the Government's restricted financial situation, and reduce risk of liquidity issues in the program. This chosen DLI approach provides a practical way of measuring, monitoring and verifying achievements of the results.

27. The Component will finance Government's eligible expenditures under the EISTP. Eligible expenditures under the EISTP include: (i) stipends for beneficiaries in the EISTP; (ii) health insurance premiums for beneficiaries in the EISTP; (iii) transportation costs for beneficiaries; (iv) operating costs none of which would have been incurred by the SMTF in absence of the Project. and (v) training costs. The Project will provide retroactive financing, commensurate with existing World Bank policy.

Component 2. Strengthening Institutional Capacity to Enhance the Social Protection System (US\$1.12 million)

28. The objective of this Component is to improve the social protection system's capacity to better coordinate social programs, and respond to disasters and other shocks by developing an integrated information system to support needs assessments, registration, identification and selection of the people in most need and the vulnerable. As such, the Component will focus on developing a Social Registry and improving Government's capacity to administer it. The Social Registry will support the identification and registration of socio-economic needs of individuals and households (i.e health, education, housing, etc) to improve efficiency of the social protection system by improving targeting of benefits, efficiency in the allocation of resources, coordination and program design in the social projection system. It will also be a tool to generate quick responses in post-disaster situations (by having a ready list of those least likely to be able to cope with a shock).

29. **Development of a Social Registry:** The development of the Social Registry implies carrying out a socio-economic needs assessment and developing an integrated information platform. A socio-economic needs assessment will be financed to identify those in long-term poverty and those affected by Hurricane Irma, and to define their needs (e.g., employment, housing, access to utilities, health care, education, etc.). The assessment will be carried out through a census-based design covering approximately 14,000 households nationwide or other adequate complementary or related methods for collecting information allowing a georeferenced mapping of the entire population and their respective needs. The data collection will be carried out in coordination with the Department of Statistics of the Ministry of Tourism Economic Affairs, Traffic and Telecommunications (TEATT) and carried out by a firm or group of trained enumerators. The assessment will consider the different socio-economic needs of men and women to better identify interventions to address gender gaps in Sint Maarten.

¹⁶ This Component will use the Bank's investment disbursed-link indicator (DLI) mechanism to focus on achievement of results. Achieved DLI targets will trigger project disbursements upon DLIs' evidence verification protocol and eligibility of expenditures.



30. The socio-economic needs assessment will generate gender-disaggregated data that will populate the Social Registry. The Social Registry will be housed in the VSA and will be unified with existing registries. Individual programs will maintain their own systems for administrative purposes, and will use the Social Registry to select the beneficiaries according to each program's eligibility criteria.

31. This Component will finance, inter alia, the expenditures related to the implementation of socio-economic needs assessment and the development and management of the social registry. Such expenditures include, consultant services to carry out a technical review of the existing registries, design and development of the social registry, software, computer equipment, furniture, data collection, training enumerators, supervision for data collection, and connectivity to allow uploading information in the system from mobile devices, and other related technical assistance agreed with the World Bank.

32. **Component 3: Project Management (US\$ 0.82 million):** This Component will support overall management and communication for all Project activities and will consist of two Sub-components.

33. **Sub-component 3.1. Project Management Support** Due to the stretched staff capacity at VSA, the Sub-component will finance a Project Coordinator to coordinate and assist the Interim Recovery Committee (IRC), and later the National Recovery Program (NRPB), with inter alia, the preparation of technical inputs and monitoring of the EISTP. The Sub-component will also finance a technical specialist for Component 1 and 2 hired by the IRC, and later the NRPB, who will serve as intermediaries to provide technical inputs and follow-up on their respective components. All of these positions will be hired by IRC, evaluated by IRC and will sit in VSA. To ensure the integrity of the eligible expenditures incurred under Component 1, IRC, later the NRPB this Sub-component will finance an independent audit for the verification of the DLIs of the EISTP and a financial audit for the Project.

34. **Sub-Component 3.2. Communications Strategy** Project activities, and post-disaster interventions, including the EISTP and the development of the social registry, would benefit from a communication strategy to raise the population's awareness of the assessment and key services available, to improve program beneficiaries' take-up, and to increase transparency. The communication strategy will include actions tailored to promote women's participation in the EISTP and other initiatives. The Sub-component will finance, inter alia, technical assistance, media dissemination, consultant services, and communication materials. The communications strategy will be carried out by with the IRC/NRPB.

E. Implementation

Institutional and Implementation Arrangements

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



36. However, before the Bureau is in place, the project implementation responsibility will be carried out by the Interim Recovery Committee (IRC), which was established to coordinate Trust Fund projects until the Bureau is in place. Before the IRC is substituted by the NRPB, the IRC will serve as a primary Project Implementation Unit (PIU) for the Project. The IRC includes technical, administrative, legal, financial and procurement staff to handle Project implementation. It acts as an overarching project implementation support unit coordinating with and assisting all co-executing ministries/agencies, and reports directly to the Prime Minister and Minister of General Affairs. The World Bank will provide support and capacity building during Project implementation to the IRC and the NRPB. Project implementation will be carried out in accordance with all the terms and conditions agreed to between the Government of Sint Maarten and the World Bank as set forth in the Grant Agreement.

37. The Ministry of Public Health, Social Development and Labor (VSA) will be the main line Ministry responsible for the technical inputs and oversight in the preparation and implementation of specific activities and will be supported by a staff structure to coordinate and assist the IRC, and later NRPB, with inter alia, the preparation of technical inputs as needed by the Project, and for reporting and daily monitoring of the Project. VSA will be responsible for technical oversight and for providing inputs in the preparation and implementation of specific activities under Component 1. VSA will also be technically responsible for the implementation of Components 2 and 3. In particular for Component 2, to ensure delivery of outputs, VSA will work in close collaboration with the IRC, and later with the NRPB, for the procurement of goods, consultancies, and other non-consulting services needed to achieve the intended results.

38. Ministry of Tourism, Economic Affairs, Transport and Telecommunications (TEATT), in line with its institutional mandate of developing employment and stimulating various sectors of the economy, will support VSA in engaging with interested underemployed persons, and will have a structured dialogue with employers and sectorial representatives to inform them about the EISTP and potential opportunities for their participation.

39. The SMTF will be responsible for ensuring compliance with the selection criteria for beneficiaries (as established in the POM); delivering training according to the designed curriculum; entering into collaboration agreements with leading training institutions; documenting and verifying attendance; and documenting the DLI achievement following the established protocol. SMTF will be responsible for reporting to the IRC on the program's progress each month.

40. Financing under Component 1 will provide disbursements of eligible expenditures under the EISTP, triggered by achievements of results' targets under specific DLIs and disbursed against verification of both the eligible expenditures mentioned above and compliance with the indicators. An independent audit institution will review, on an ongoing basis, reports of eligible expenditures and verify compliance with the DLIs.

41. The IRC, through VSA, and later the NRPB, will be responsible for collecting the required information on DLIs from SMTF and financial flows and ensuring that the necessary audit reports are prepared on time, requesting disbursements from the SDTF as necessary, transferring funds to the SMTF on time, preparing reports, and submitting Statements of Expenses according to the procedures



established in the Project Operation Manual.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Country-wide.

G. Environmental and Social Safeguards Specialists on the Team

Gibwa A. Kajubi, Social Safeguards Specialist
 Gunars H. Platais, Environmental Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	The project activities will support the Government in carrying out initiatives involving, stipends, skills training, health insurance premium payments as well as strengthening of information systems which will not have environmental impacts. Therefore the Environmental Category is C.
Performance Standards for Private Sector Activities OP/BP 4.03	No	None of the activities under the Project will have any impact on private sector performance standards?
Natural Habitats OP/BP 4.04	No	None of the activities under the Project will have any impact on natural habitats.
Forests OP/BP 4.36	No	The Project will not finance activities that affect forests.
Pest Management OP 4.09	No	The Project will not finance the purchase or use of pesticides.
Physical Cultural Resources OP/BP 4.11	No	The Project will not involve works and thus no significant impacts on physical cultural resources are expected.
Indigenous Peoples OP/BP 4.10	No	Indigenous peoples are not included in the project scope.
Involuntary Resettlement OP/BP 4.12	No	The project activities will support the Government in carrying out initiatives involving, stipends, health



		insurance benefits, and training as well as strengthening of information systems which will not have involuntary resettlement impacts.
Safety of Dams OP/BP 4.37	No	The Project will not support the construction or rehabilitation of dams nor will support other investments which rely on the services of existing dams.
Projects on International Waterways OP/BP 7.50	No	The Project will not affect international waterways as defined under the policy.
Projects in Disputed Areas OP/BP 7.60	No	The Project will not affect disputed areas as defined under the policy.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The environmental and social risk is rated low. The environmental and social safeguards are not triggered for this project. The project activities will support the Government in carrying out initiatives involving, stipends, health insurance benefits, and training as well as strengthening of information systems which will not have environmental impacts therefore, Environmental Assessment OP/BP 4.01 is not triggered. In addition, given the nature of the project activities, the social safeguard policies related to OP/BP 4.12 Involuntary Population Resettlement and OP/BP 4.10 Indigenous Peoples are also not triggered. These risks are mitigated by the fact that there is no resettlement while planned training and monitoring will address occupational health and safety concerns.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
n/a

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
n/a

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

While no social or environmental safeguards are triggered as a direct result of the Emergency Income Support and Training Program there are a number of potential social issues that need to be mitigated to ensure: (a) that trainers, trainees and participants in the project are protected and treated fairly in their projects; and (b) that there is a Grievance Redress Mechanism (GRM) in place accessible to them to resolve issues as they arise. The training program will apply international good practices set out in Health and Safety guidelines in the workplace, and will ensure that workers/trainees are familiarized with the emergency procedures. The project will also ensure that any contracts include Codes of Conduct or standards of professional conduct for trainers and trainees, including with regard to preventing sexual harassment and responding to matters of violence (including gender-based, and against minors), which will be shared with workers and the community.



A grievance mechanism will be established to review and address complaints and other grievances submitted by participants in the project. The mechanism will be of a multi-sector nature, ensuring involvement of both VSA and SMTF and service standards to address grievances adequately.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders are: (a) Project beneficiaries which comprise the under-employed and unemployed populations in targeted sectors whose incomes and employment were interrupted by Hurricane Irma, with an emphasis on vulnerable women and youth; (b) the National Recovery Program Bureau (NRPB) responsible for ensuring compliance with fiduciary agreements, procurement guidelines, social and environmental management, monitoring, reporting and evaluation of processes and results once its established; (c) the Interim Recovery Committee (IRC), which was established by the government to implement the emergency recovery projects after the hurricane which has technical, administrative, legal, financial and procurement staff to handle Project implementation; and (d) the Ministry of Public Health, Social Development and Labor (VSA) responsible for the technical inputs and oversight in the preparation and implementation of specific activities.

The IRC and the Ministry will publicize the project and ensure the targeted beneficiaries are aware of the project and how to participate. In addition, the participants will be made aware of the GRM and the Codes of conduct.

B. Disclosure Requirements

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

NA

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

NA



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

NA

Have costs related to safeguard policy measures been included in the project cost?

NA

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

NA

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

NA

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APPROVAL

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