

Linette A. Gibs

Subject: FW: DIV 7818-B/18 Aanbieding Nota n.a.v. het verslag van de Staten inzake het ontwerp Tijdelijke Landsverordening Nationaal Programmabureau Wederopbouw
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Importance: High

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From: Nancy R. Guishard-Joubert
Sent: Thursday, July 26, 2018 4:03 PM
To: Linette A. Gibs

From: Illis, Rachael <Rachael.Illis@sintmaartengov.org>

Sent: Thursday, July 26, 2018 9:56 AM

To: Staff of Parliament <info@sxmparliament.org>; Nancy R. Guishard-Joubert <nancy.joubert@sxmparliament.org>

Cc: Horsford, Dee Ann <DeeAnn.Horsford@sintmaartengov.org>; Marlin-Romeo, Leona <Leona.Marlin-Romeo@sintmaartengov.org>; Frans, Julisa <Julisa.Frans@sintmaartengov.org>

Subject: DIV 7818-B/18 Aanbieding Nota n.a.v. het verslag van de Staten inzake het ontwerp Tijdelijke Landsverordening Nationaal Programmabureau Wederopbouw

Importance: High

Good Day President of Parliament,

With the highest regard and on behalf of the Prime Minister of Sint Maarten, the honorable Mrs. Leona Romeo-Marlin, please find attached letter with regards to the subject matter at caption.

The hardcopy will subsequently be delivered by a representative of the DIV department.

Trusting to have been of service.

With Kind Regards

Celia R. Illis
Hoofdmedewerker DIV



PRIME MINISTER OF SINT MAARTEN
MINISTER-PRESIDENT VAN SINT MAARTEN

Aan: De Voorzitter der Staten
Wilhelminastraat 1
Alhier

Datum: Philipsburg, **JUL 26 2018**
Kenmerk: -- **7818/18 B**
Onderwerp: Nota n.a.v. het verslag van de Staten inzake
het ontwerp Tijdelijke Landsverordening
Nationaal Programmabureau Wederopbouw
Bijlage: 1

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Geachte mevrouw Wescott-Williams,

Hierbij bied ik u de nota naar aanleiding van het verslag aan inzake het ontwerp van Landsverordening tot tijdelijke instelling van het Nationaal Programmabureau Wederopbouw, alsmede tot regeling van de inrichting, samenstelling, taken en bevoegdheden van het Nationaal Programmabureau Wederopbouw [Tijdelijke Landsverordening Nationaal Programmabureau Wederopbouw].

DE MINISTER-PRESIDENT


Leona Marlin-Romeo



National Ordinance of
for the temporary establishment of the National
Recovery Program Bureau and for regulating its
organization, composition, tasks and powers
(*Temporary National Ordinance on the National
Recovery Program Bureau*)

NOTE WITH REFERENCE TO THE REPORT OF PARLIAMENT

Parliament in its meeting of the Central Committee has exchanged views with the Government on the Draft National Ordinance to temporarily establish the National Recovery Program Bureau, as well as to regulate the structure, composition, tasks and powers of the National Recovery Program Bureau (*Temporary National Ordinance National Recovery Program Bureau*).

The Government reacts as follows on the questions and remarks of in the report of the Central Committee (Report No. 5).

The United Democrats-faction:

1. The faction wants more clarity from the three parties involved in the deal of the financial contribution to help rebuild Sint Maarten, and how far the autonomy of Sint Maarten is guaranteed in the decision-making process.
2. The faction is of the opinion that a Sint Maartener should hold the position of director of the National Recovery Program Bureau (the Bureau).
3. The President of Parliament, MP Sarah Wescot-Williams asked to have the draft temporary national ordinance amended to ensure Parliament will receive the bi-annual reports of the Bureau.

Reaction of the Government:

Ad 1. The Government recalls that the Netherlands and the World Bank have signed an administrative arrangement on April 16, 2018, which establishes a Trust Fund for the recovery process of Sint Maarten. As negotiated between the Netherlands and the World Bank, the administrative arrangement determines the scope and governance structure of the Trust Fund. A first tranche of 112 million Euro was made available by the Netherlands to the Trust Fund upon signing the administrative arrangement. Additional tranches of 150 million Euro, 120 million Euro and 88 million Euro are scheduled to become available by October 15, 2018, April 15, 2019 and October 15, 2019, respectively.

In accordance with the administrative arrangement, there is currently an amount of 112 million Euro available in the Trust Fund. This funding will be used to finance the early priority projects that have been initiated by the Government of Sint Maarten. The

Government informed Parliament about these projects in a letter dated April 25, 2018.

July 12, 2018 the first Grant Agreement between the World Bank and Sint Maarten was signed. With this grant, the first project for the repair of public shelters, the support for the repairs of severely damaged houses of low income families, the increase of the resilience of the electricity utility and water system, as well as the strengthening of the emergency response capacities of the fire brigade and first responders in the face of natural disasters, can be initiated.

Given the 2.3 billion US dollars of recovery needs that are identified in the National Resilience and Recovery Plan (NRRP), the Government recognizes the need to find additional funding, or what some MP's describe as a 'plan B'.

Whereas the Trust Fund is a first major source of funding, a second source is insurance payments for property. These are estimated to ultimately total between 320 and 430 million US dollars. Together the Trust Fund and insurance pay-outs will cover, in the best scenario, about 50% of the identified needs in the NRRP. This leaves a major funding gap of at least 1 billion US dollars. As explained on page xvii of the NRRP, additional funding to narrow this gap could come from the national budget, the private sector, individual savings and additional support from the Kingdom and the international community.

The Government is actively working on additional financing beyond the Trust Fund, including insurance pay-outs, EU funding and a request from the Minister of Finance to the Committee of Financial Supervision (CFT) to assess the possibility of floating a bond of approximately NAf 360 million.

Under annex 3 of the administrative arrangement on the Trust Fund, the Steering Committee will (a) endorse strategic priorities and annual work plans and budgets of the Trust Fund financed program; and (b) monitor the program's annual progress. The Steering Committee is the governance body of the Trust Fund and consists of one representative of the World Bank (the Country Director of the World Bank's Caribbean Country management Unit), a representative from the Netherlands Ministry of Interior and Kingdom Relations, and a representative of Sint Maarten (the Prime Minister or his/her designee). On behalf of Sint Maarten, Mr. Marcel Gumbs, has been appointed as the designee of the Prime Minister to the Steering Committee. Recovery and resilience projects can only be prepared and eventually financed after they have been approved by the Steering Committee. All decisions of the Steering Committee will have to be made by consensus.

The first meeting of the Steering Committee took place on June 13 and 14, 2018 in Washington DC. This meeting served to agree on the operating procedures of the Steering Committee and to discuss the National Recovery and Resilience Plan of the Government of Sint Maarten. The Steering Committee also discussed the final preparation of the projects that will be financed by the first tranche of the Trust Fund.

In light of the request for clarity by MP Mercelina about ensuring the autonomous decision-making of Sint Maarten, the Government highlights that the Steering Committee cannot take decisions without the approval of the Government of Sint Maarten. Moreover, all projects will be formalized in a grant agreement between the Government of Sint Maarten and the World Bank. This serves to ensure the autonomy of Sint Maarten to the extent that this is guaranteed in the Kingdom Charter. The Government believes that it is in the interest of the people of Sint Maarten to continue working with the Netherlands and the World Bank in a cooperative manner, without challenging the Kingdom Charter and the Constitution of Sint Maarten.

The Government emphasizes that there is an urgent need to establish the Bureau to strengthen the implementation capacity of the Government. The reality is that the Government of Sint Maarten does not have all the capacity and expertise to implement the different projects that will be financed by the Trust Fund. Given the financial constraints of the Government and the significant capacity needs of the ministries, the Bureau is considered the shortest and most effective way to strengthen the implementation capacity of the Government and to get the recovery going.

Ad 2. The Bureau is composed of a director and a secretariat. The director is the head of the Bureau. The director is responsible for the day-to-day management of the Bureau, and for its operations and results. Article 5, paragraph 3, of the draft national ordinance ordains that: The members of staff of the secretariat are to be chosen in such a way that the secretariat has all the relevant experience, expertise and understanding of the local situation in Sint Maarten, so that the Bureau can perform its tasks and exercise its powers.

There is a National Recovery Recruitment and Selection Committee (Selection Committee), including a chair. The chair and the other members are appointed and dismissed by national decree, on the recommendation of the Prime Minister, who is also the Minister of General Affairs, in accordance with the opinion of the Council of Ministers.

The Selection Committee determines its own procedures and is responsible for recruiting, selecting and making written recommendations for the appointment of the director and staff of the Bureau secretariat (Article 6).

The Selection Committee has in the meanwhile interviewed candidates for the position of director of the Bureau. The Government wants to and will appoint the best candidate as the director of the Bureau for a period of maximum of three years.

Ad 3. The Government has agreed with the request of the President of Parliament to have the draft national ordinance amended to ensure Parliament will receive the bi-annual reports of the Bureau, without delay. The Government has already sent the Note of Amendment (Nota van Wijziging) to Parliament.

The Sint Maarten Christian Party-faction:

- 1 The faction points at article 2, paragraph 1, which indicates that the Government on behalf of the country, is empowered to conclude agreements with the World Bank for the implementation of the Dutch Recovery Fund. The faction asks for an elucidation on how this will take place.
2. The faction wishes to know who is being referred to by the term "Government". Is the Government the Council of Ministers? Or is the Government referring to the Governor and the Council of Ministers?
3. The faction asks what the enacting of the National Recovery and Resilience Plan really entail. Does the Explanatory Memorandum state that the goal for it is to have a formal basis? Does this mean then that Parliament is endorsing the Plan by approving the Ordinance?
4. What is specifically the role of Parliament when it comes to additions to the NRRP?
5. The faction requests that the Government reviews article 15, paragraph 7, as it would be desirable for each member of the workgroup to inform his minister by means of/via his Secretary General.
6. Why article 15 restricts participation in the workgroup to only civil servants?
7. Does the Council of Ministers, or specifically the Minister of Finance, have a role in the budget and financial statement process of the Bureau?
8. Why has the General Audit Chamber not been included in this ordinance?
9. Is it true that the workload of the workgroup is as heavy as that of the Bureau? Why would both groups have a similar type of task to perform?
10. How is it that Parliament is being ask to approve the establishment of the Bureau without being presented with any information of the national decree, containing general measures, as regulated in article 14? Can this information be provided to Parliament so Parliament can gain more insight into the structure and organisation of the Bureau?
11. Is there an estimate of how much it costs to establish the Bureau? How much will it cost annually? How much will the director of the Bureau be paid? What happens upon completion of the work of the Bureau with its inventory? Is it passed on to the Government?

Reaction of the Government:

Ad 1. Article 2, paragraph 1, of the draft national ordinance contains the proposal to authorise the Government to conclude agreements with the World Bank for the implementation of the Dutch Recovery Fund for Sint Maarten. It needs to be stated here, that the conclusion of international agreements of this kind (non conventions) comes within the autonomous powers of Sint Maarten. It is not a Kingdom affair within the scope of the Kingdom Charter, which needs to be approved or dealt with by the Council of Ministers of the Kingdom. In this proposed article, the Government establishes a solid basis for vigorous negotiations with the World Bank on implementing the Dutch Trust Fund.

This article also provides a formal basis for adoption of the National Recovery and Resilience Plan. The aim of the Plan is to list all projects that have become necessary in the context of recovery and reconstruction, and give an indication of the funds, costs and investment required. The Government considers it desirable for the Plan to have formal legal status to ensure that the Bureau adheres closely to the plan when performing its tasks. For further information on the agreement between Sint Maarten and the World Bank, the Government refers to its reaction on the first question of the United Democrat's faction.

Ad 2. The term "Government" in the draft national ordinance refers to the Dutch term "Regering", meaning the Governor and the Council of Ministers.

Ad 3. The enacting of the NRRP, as proposed in article 2, paragraph 3, provides a formal legal basis for the Plan. It is, however, not correct to state, that Parliament is endorsing the Plan by approving the Ordinance. The endorsing of the Plan and the approving of the Ordinance by Parliament are two decisions of Parliament on two different documents, which form a unity; the one cannot exist without the other. The request of the Government to Parliament is therefore, to endorse the Plan **and** to approve the Ordinance. The Government considers it desirable for the NRRP to have a formal legal status, for the Bureau to adhere closely to the Plan when performing its tasks. If the Bureau discovers omissions in the Plan when carrying out its tasks, it is authorised to submit a written advice on this to the Government. The Government can, in that case propose to Parliament for additions to the Plan.

Ad 4. The role of Parliament when it comes to additions to the NRRP, is the same role as Parliament has now with the request of the Government to enact the NRRP. Parliament enacts the NRRP, so if it needs to be adapted, it is up to Parliament to enact these additions to the Plan.

Ad 5. The Government cannot agree with a request to review article 15, paragraph 7, for each member of the workgroup to inform his Secretary General and his minister. This can lead to misunderstandings and confusion if a member has to inform both his Secretary General and his minister, especially because of possible different interpretation or instructions that the Secretary General or the minister may have or may give based on that information. Ad 6. It is not the intention for the Bureau to operate alone and autonomously, without collaborating with the ordinary government apparatus. The Bureau is, among other, responsible for advising ministries or other organisational units that fall thereunder, on the identification and implementation of additional recovery, reconstruction and resilience projects, which can be completely financed from resources other than the Dutch Trust Fund. The ministries have a broad and good overview of the recovery and resilience needs of the Country. They were involved in the recovery of the island since the pass of Hurricane Irma. The working group will function as the Bureau's contact and will perform work for the Bureau, including gathering of information necessary for the establishment and implementation of projects. The working group also takes, at the request of the Bureau, care of

preparing projects notes and advising the Bureau on implementation and technical specifications.

The aforementioned does not mean that other experts, who are not civil servants, cannot be involved in the works of the Bureau.

Article 28 opens the possibility for the Bureau to arrange, with the prior consent of the Minister of General Affairs (being also the Prime Minister) to be assisted in the course of its activities by external persons, as much as is necessary for the performance of its tasks. The external expertise can also be obtained by appointing new staff to the Secretariat of the Bureau for a short period.

Ad 7. The Bureau is according to article 3 an autonomous administrative authority with legal personality. It is autonomous in terms of its organisation and the management of its resources and responsible for its accounting and reporting.

The Minister of General Affairs, also being the Prime Minister, is the minister politically responsible for the Bureau. The Council of Ministers, including the Minister of Finance, is involved with certain decisions of the Bureau. Every time it concerns a decision of the Government, the Council of Ministers is involved, among other i:

- the concluding of agreements with the World Bank for the implementation of the Dutch Trust Fund;
- the proposals to Parliament for addition to the NRRP;
- the appointment, suspension and dismissal by national decree of the chair and the other members of the Selection Committee;
- the appointment, suspension and dismissal by national decree of the director of the Bureau;
- the regulation of the national decree, containing general measures, that regulates the structure and organisation of the Bureau and the terms and conditions of employment of the director and the staff members of the secretariat;
- the designation of a civil servant of the Ministry of Finance as a member (and also the deputy member) of the Recovery Working Group; and,
- the approval of the schedule of activities plan of the Bureau by the Council of Ministers, including a list of the projects which are identified in the NRRP.

Ad 8. The General Audit Chamber was included in the first draft of this national ordinance as a part of article 20, which regulates the supervision of the Minister of General Affairs on the efficient performance of the Bureau's tasks. The proposal was originally, that if the minister considers that there has been a serious dereliction of its duty by the Bureau, and the minister intends to take the necessary measures, the minister could approach the General Audit Chamber to do an investigation. The Chamber took, however, notice of that proposal and complaint against it, based on the fact that the minister cannot order the Chamber legally to do such an investigation. The Chamber is an autonomous entity, and does not take orders from the minister. Only Parliament has that power, based on the National Ordinance of the General Audit Chamber. The original proposal to include the Chamber in the draft ordinance has, therefore, been withdrawn. The explanatory memorandum has been adapted, as follows: "If measures are taken in connection with a serious dereliction of duty, the Minister must notify Parliament. Under the National Ordinance of the

General Audit Chamber, including article 31, Parliament may then request the assistance of the General Audit Chamber.”

Ad 9. One cannot say that the workload of the working group is in general as heavy as that of the Bureau. Articles 4 and 20 compile the tasks of the Bureau. One of these tasks is that the Bureau oversees the functioning and activities of the working group. The Bureau is in other words the supervisor of the working group. The Bureau must report in its half-yearly report on what it has done pursuant to this task. The Government refers to the answer of question 7 of this faction for further information concerning the tasks of the Bureau and the working group.

Ad 10. The Department of Legal Affairs and Legislation has recently present the first draft of the national decree, containing general measures, to the Council of Ministers. The Council of Minister has sent the draft, the appendix and the explanatory memorandum thereof to the Council of Advice for advice. The Council of Ministers is waiting on that advice, before this national decree can be finalized and ratified. The Government will keep Parliament informed of the legislative procedure of that national decree.

Ad 11. The Bureau is still in its early phase of regulation and establishment. The recruiting of the director and the staff of the secretariat is ongoing. The financial picture is not completely visible yet. The national decree, containing general measures, mentioned in point 10, will include also a financial paragraph as is prescribed in the National Ordinance of Accountability. After the advice of the Council of Advice has been received, and the draft national decree and the other documents pertaining to it, have been adapted, the Government can be more precise in the financial picture of the Bureau. The Government will share all these information with Parliament in due time.

The National Alliance-faction:

1. Are there any consultants who have been hired by the World Bank that currently work in Sint Maarten?
2. Does the World Bank hire consultants or is it the responsibility of the Government? If yes, how many are there? In which ministries or departments do they work? Are they being paid by the Government or from the Trust Fund? What are the responsibilities of the World Bank? And what is the role of the Government?
3. What was the exact goal of the meeting of the Prime Minister with the Steering Committee in Washington. And was this goal accomplished?
4. The faction suggests that the Government hosts an informative session where the public is informed about the progress has been made so far.
5. How much money does Sint Maarten get? Is it €550 million or \$ 580 million? And from whom?
6. Is the Government willing to tell the Netherlands to keep the money but to give us our independence?

Reaction of the Government:

Ad 1. As part of the preparation of the recovery projects, the World Bank has hired technical engineers (as consultants) to assist the Government of Sint Maarten with determining the scope and depth of the work involved with the following activities: the removal of the shipwrecks in the Simpson Bay Lagoon, the removal of debris post Irma, the construction and demolition of debris, the assessment of the situation at the dump and providing assistance for finding a long term solution to solid waste management in Sint Maarten.

The World Bank and the hired technical engineers are currently assisting the Government with drafting the terms of reference for the works involved with the projects. This preliminary assistance is financed by the World Bank. Once the terms of references have been drafted, the works will be procured via public tender and financed by the Trust Fund. The preparatory work is being done in collaboration with the Ministries of VROMI, VSA and TEATT (the Department of Maritime Affairs).

Ad 2. There are no consultants hired by the World Bank working in the ministries of the Government of Sint Maarten.

Ad 3. The goal of the Prime Minister in Washington with the Steering Committee was to set the guidelines for the committee, clearly define the roles of the respective representatives, identify projects that would be included in the second tranche, discuss the NRRP and review the operating procedures of the Steering Committee. These goals were accomplished by the Prime Minister.

Ad 4. The Government has given constant information about the progress of the reconstruction process, and about the cooperation between Sint Maarten, the Netherlands and the World Bank. The Government will continue doing this. The Government will consider, however, this proposition of the National Alliance-faction.

Ad 5. The Government refers to its reaction on the first question of the United Democrats faction: "A first tranche of 112 million Euro was made available by the Netherlands to the Trust Fund upon signing the administrative arrangement. Additional tranches of 150 million Euro, 120 million Euro and 88 million Euro are scheduled to become available by October 15, 2018, April 15, 2019 and October 15, 2019, respectively." This means that the total amount of the Fund will be 470 million Euro.

Ad 6. It is not the authority of the Government to take any decision concerning the independence of Sint Maarten. Such a decision depends on whether the people of Sint Maarten, making use of their inalienable right of self-determination in a referendum, choose for that constitutional option. It is the authority of Parliament to initiate, prepare and approve the required national ordinance for such a referendum, as is regulated in Chapter 6, paragraph 3, of the Constitution (Consultative referendum).

The United St. Maarten Party-faction:

1. Can the Government confirm that to date, Sint Maarten has not received the financial assistance from the Netherlands valued €550 million? What is our plan B?
2. Will the steering group also address the question of other funding opportunities (e.g. EU)?
3. Is the steering committee intended only to ensure the needs of the Government and not the private sector?
4. What are the lessons we have learned throughout this process? In the event of another disaster, what is the plan? What happens if Sint Maarten is hit by another disaster, what is the plan? What happens if Sint Maarten is hit by a tsunami? Are there any preventive measures that can be taken?
5. Are there any financing plans in case Sint Maarten must seek significant funding? Is there a new plan of approach to look for funding? Do we now have more insight into the restrictions imposed on us in terms of borrowing money? Are we going to look for ways to adjust this?
6. What is the level of interaction between the Government owned companies and the steering committee? How do the Government owned companies fit into the entire process? Is there a policy how Government owned companies will be seeking financing from this fund? The faction asks for a timetable of the funding.
7. Have the cost-saving measures been adopted? 80% of these measures will affect civil servants. Has the economic impact that this will have on the country been taken into account?
8. Could there be potential conflict of interest for civil servants in terms of the work of the steering committee and their duties as civil servants? And what about the workload? Is there a plan for workload management?
9. Costs in relation to the establishment of the Bureau and the costs related to the Director, will the taxpayer feel it in his pocket?

Reaction of the Government:

Ad 1. Sint Maarten did indeed not receive € 550 million from the Netherlands. As the Government already explained in its reaction on the first question of the United Democrats-faction, and again in its reaction on the fifth question of the National Alliance faction, the Netherlands and the World Bank signed an administrative arrangement on April 16, 2018, which establishes a Trust Fund for the recovery process of Sint Maarten. A first tranche of 112 million Euro was made available by the Netherlands to the Trust Fund upon signing the administrative arrangement. Additional tranches of 150 million Euro, 120 million Euro and 88 million Euro are scheduled to become available by October 15, 2018, April 15, 2019 and October 15, 2019, respectively. The total amount is 470 million Euros.

Ad 2. Under annex 3 of the administrative arrangement on the Trust Fund, the Steering Committee will (a) endorse strategic priorities and annual work plans and budgets of the Trust Fund financed program; and (b) monitor the program's annual progress. The Steering Committee is the governance body of the Trust Fund

and consists of one representative of the World Bank (the Country Director of the World Bank's Caribbean Country management Unit), a representative from the Netherlands Ministry of Interior and Kingdom Relations, and a representative of Sint Maarten (the Prime Minister or his/her designee). On behalf of Sint Maarten, mr. Marcel Gumbs has been appointed as the designee of the Prime Minister to the steering committee. Recovery and resilience projects can only be prepared and eventually financed after they have been approved by the Steering Committee. All decisions of the Steering Committee will have to be made by consensus.

The first meeting of the Steering Committee took place on June 13 and 14, 2018 in Washington DC. This meeting served to agree on the operating procedures of the Steering Committee and to discuss the National Recovery and Resilience Plan of the Government of Sint Maarten. The Steering Committee also discussed the final preparation of the projects that will be financed by the first tranche of the Trust Fund.

Ad 3. The Government emphasizes that projects of the Trust Fund serve to benefit the private sector in various ways. The Government is currently working with the World Bank on the preparation of an economic recovery project to support struggling small and medium-sized enterprises with their recovery efforts. Under the administrative arrangement, the Trust Fund is not directly accessible for the private sector. The Trust Fund should not be mistaken for a (development/commercial) bank. The Trust Fund will finance recovery and resilience projects that are identified in the NRRP through grants. In most cases, these projects will be implemented by the National Recovery Program Bureau.

Ad 4. One of the main lessons learned from hurricane Irma and the ongoing cooperation with the World Bank is that the Government of Sint Maarten needs to be better prepared for future disasters: physically, institutionally and financially.

As stated on page 30 of the NRRP: 'The national DRM framework faced serious challenges in the aftermath of Hurricane Irma, highlighting the need for improved disaster risk information and communication, enhanced DRM capacities, and better access to risk financing options. Key needs for improved disaster risk information and communication include building the capacity of the National Meteorological Service (NMS), with an up-to-date hydro-meteorological infrastructure and access to modern forecasting and service delivery technologies, including geo-spatial information management technologies, strengthened early warning systems, and improved telecommunications to ensure timely access by vulnerable communities.

Additionally, there is a strong need to strengthen national geo-spatial management capacity, essential to adequate risk planning and disaster response. Among other activities identified, it is strongly recommended that the strategic plan for the National Spatial Data Infrastructure be fully implemented across Government agencies. It will also be important to develop data tools, Post Disaster Needs Assessment (PDNA) capacity, and assessment tools such as a Quality of Life Index (QLI). The

Fire Department was considerably damaged by Irma, interrupting its internet access and other means of communication. The Emergency Operations Center (EOC) could not operate within the Fire Department facilities and was compelled to temporarily relocate to the Government Administration Building. The safety of this key emergency response agency must be rapidly improved to ensure effectiveness for the next hurricane season. The Government should actively pursue its full integration into the Caribbean Community's (CARICOM's) Caribbean Disaster Emergency Agency (CDEMA) to benefit from the growing body of knowledge regarding the implementation of effective DRM approaches and agencies and the promotion of an enabling institutional and operational framework for DRM.

In addition, the Government will explore the feasibility of developing a comprehensive disaster risk financing strategy that incorporates risk-retention and risk-transfer mechanisms (e.g., a properly capitalized national Sovereign/Emergency Fund or negotiated ex-ante financing facilities, such as the World Bank's Development Policy Loan with a Catastrophe Deferred Drawdown Option or the Caribbean Catastrophe Risk Insurance Facility (CCRIF).'

Based on the NRRP, the emergency recovery project that is financed by the first tranche of the Trust Fund serves to increase future preparedness and resilience by bringing emergency services to improved capacity and supporting institutions that will be able to handle future disasters competently. Relevant activities under this project include the procurement of first responder's emergency equipment, repairs of critical public buildings and emergency shelters, as well as training and technical assistance for first responders.

These preparations and plans for future disasters includes also preparations and plans for a possible tsunami.

Ad 5. On the timeline of the identified projects, the NRRP categories recovery and resilience needs interventions into four phases: immediate, short-, medium- and long-term. Immediate needs are defined as interventions necessary in the first year after Irma to (a) assist vulnerable groups with the provision of food, shelter, education, livelihoods, enhanced health and psychological care and improved waste management, (b) provide income support and expand job opportunities through the rapid restoration of business and economic activity, including the repair and reconstruction of critical infrastructure, and (c) prepare the country and its public services to mitigate, respond to and recover from disasters. As explained on page xiv and in figure 1 of the NRRP, short term interventions are needed in year 2, medium-term in years 3-4 and long-term in years 5 and beyond.

To make the timeline of the NRRP a reality, additional funding and capacity is required. At this moment, there is a significant funding gap, and not enough capacity within Government to implement all the identified recovery projects. The approval of the NRRP and the National Recovery Program Bureau are important steps, but finding

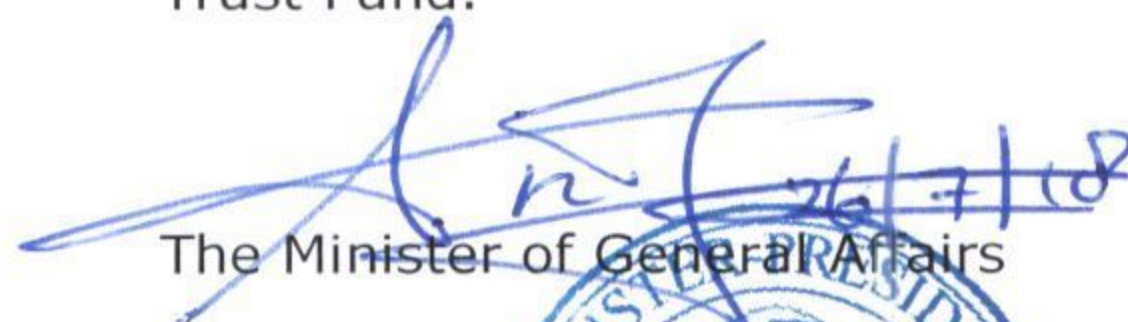
additional sources of funding and strengthening government capacity will continue to raise challenges. In the absence of the necessary capacity and funding, there is an ongoing need to keep revising the timeline of the NRRP by prioritizing and sequencing recovery projects, that can be implemented with the available capacity and funding.

Ad 6. The Government is aware that also Government owned companies have to recover from the aftermath of hurricane Irma. The Steering Committee will also take this into consideration. However, because of the funding gap, Government is of the opinion that top priorities should be the basic needs of the people (food, shelter, health and psychosocial care, education and livelihoods), execute the emergency projects and restarting and revitalizing the economy. During the assessment, government owned companies were asked to deliver their input on the NRRP. Where possible the Government shares information with the government owned companies and other entities which play a role in the recovery and building back better.

Ad 7. Cost-saving measures have the attention of Government. The Ministry of Finance looks into possibilities for cost cutting measures and measures to increase government's revenues. The Minister of Finance will be requested to inform Parliament about the cost cutting measures.

Ad 8. It is not the intention for the Bureau to operate alone and autonomously, without collaborating with the ordinary government apparatus. Therefore a smooth cooperation between the government apparatus and the Bureau is needed to execute projects successfully. The government could have decided to have the recovery and reconstruction activities carried out by the existing government apparatus and indeed examined ways of achieving this. However, it concluded that the ordinary government bodies already are under great pressure in performing the normal business of government. There is no conflict of interest for civil servants if they are a member of the working group.

Ad 9. The taxpayer will not feel the costs of the Bureau, including the costs related to the director. These costs are covered by the Trust Fund.


The Minister of General Affairs





PRIME MINISTER OF SINT MAARTEN
MINISTER-PRESIDENT VAN SINT MAARTEN

To: The President of Parliament

Date: Philipsburg, 25 June 2018

Reference: -- 7818/18A

Subject: Outstanding questions from the Central Committee meeting of Parliament on 21 June 2018

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During a Central Committee meeting on June 21, 2018, Parliament discussed two agenda items: (1) the National Recovery and Resilience Plan (NRRP) and (2) the Temporary Ordinance on the National Recovery Program Bureau.

In the discussion on the Bureau, members of Parliament asked questions directly related to the text of the Temporary Ordinance. The Prime Minister addressed these questions in the Central Committee meeting. In addition, members of Parliament raised questions on (1) available funding for the recovery process, (2) the implementation of recovery projects, (3) the Steering Committee, (4) the preparation for future disasters and (5) the establishment of the National Recovery Program Bureau. This letter serves to answer these additional questions prior to the public session of Parliament on the NRRP and the Temporary Ordinance.

(1) Available funding for the recovery process

MP Brison asked for clarification on the amount of funding that is currently available from the Trust Fund and whether there is a 'plan B' in case the Trust Fund does not become (fully) available, including the possibility of loans.

The Government recalls that the Netherlands and the World Bank have signed an administrative arrangement on April 16, 2018, which establishes a Trust Fund for the recovery process of Sint Maarten. As negotiated between the Netherlands and the World Bank, the administrative arrangement determines the scope and governance structure of the Trust Fund. A first tranche of 112 million Euro was made available by the Netherlands to the Trust Fund upon signing the administrative arrangement. Additional tranches of 150 million Euro, 120 million Euro and 88 million Euro are scheduled to become available by October 15, 2018,

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April 15, 2019 and October 15, 2019, respectively.

In accordance with the administrative arrangement, there is currently an amount of 112 million Euro available in the Trust Fund. This funding will be used to finance the early priority projects that have been initiated by the Government of Sint Maarten. The Government informed Parliament about these projects in a letter dated April 25, 2018.

Given the 2.3 billion US dollars of recovery needs that are identified in the NRRP, the Government recognizes the need to find additional funding, or what the MP describes as a 'plan B'.

Whereas the Trust Fund is a first major source of funding, a second source is insurance payments for property. These are estimated to ultimately total between 320 and 430 million US dollars. Together the Trust Fund and insurance pay-outs will cover, in the best scenario, about 50% of the identified needs in the NRRP. This leaves a major funding gap of at least 1 billion US dollars. As explained on page xvii of the NRRP, additional funding to narrow this gap could come from the national budget, the private sector, individual savings and additional support from the Kingdom and the international community.

The Government is actively working on additional financing beyond the Trust Fund, including insurance pay-outs, EU funding and a request from the Minister of Finance to the Committee of Financial Supervision (CFT) to assess the possibility of floating a bond of approximately 360 million NAF.

In the context of available funding, MP Brison inquired whether the private sector can directly access the Trust Fund.

The Government emphasizes that projects of the Trust Fund serve to benefit the private sector in various ways. The Government is currently working with the World Bank on the preparation of an economic recovery project to support struggling small and medium-sized enterprises with their reconstruction efforts.

Under the administrative arrangement, the Trust Fund is not directly accessible for the private sector. The Trust Fund should not be mistaken for a (development/commercial) bank. The Trust Fund will finance recovery and resilience projects that are identified in the NRRP through grants. In most cases, these projects will be implemented by the National Recovery Program Bureau.

MP Emmanuel expressed his concerns about the available funding for the recovery process and asked whether the Government is ready to refuse the funding that is offered by the Netherlands and the World Bank.

The Government is grateful for the financial support that is offered by the

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Netherlands through the World Bank for the recovery process. Sint Maarten is not in a position to turn down the available funding. Even with the Trust Fund, Sint Maarten faces a significant financial gap. The Government believes that it is in the interest of the people of Sint Maarten to continue working with the Netherlands and the World Bank in a cooperative manner, without challenging the Kingdom Charter and the Constitution of Sint Maarten.

(2) The implementation of recovery projects

MP Brison expressed the urgent need to implement recovery projects and noted the growing sense of frustration in the community about the recovery process. In this context, MP Brison asked whether there is a clear timeline for the implementation of projects that are identified in the NRRP.

The Government fully understands and acknowledges the expressed concerns by MP Brison and other Members of Parliament about the urgency of the recovery process. Without questioning these concerns, it is important to emphasize that the Government is currently implementing various recovery projects such as the hospitality training program and emergency repairs to public buildings. From the limited available funding under the national budget and insurance pay-outs, the different ministries are working intensively on immediate recovery needs.

One of the reasons of the frustration that the MP refers to are the extremely high expectations about the necessary funding that is provided by the Netherlands through the World Bank Trust Fund – funding that the Government can only access by following World Bank procedures. These procedures take time and can indeed be frustrating, especially because Sint Maarten has no previous experience with these procedures.

On the timeline of the identified projects, the NRRP categories recovery and resilience needs interventions into four phases: immediate, short-, medium- and long-term. Immediate needs are defined as interventions necessary in the first year after Irma to (a) assist vulnerable groups with the provision of food, shelter, education, livelihoods, enhanced health and psychological care and improved waste management, (b) provide income support and expand job opportunities through the rapid restoration of business and economic activity, including the repair and reconstruction of critical infrastructure, and (c) prepare the country and its public services to mitigate, respond to and recover from disasters. As explained on page xiv and in figure 1 of the NRRP, short term interventions are needed in year 2, medium-term in years 3-4 and long-term in years 5 and beyond.

To make the timeline of the NRRP a reality, additional funding and capacity is required. At this moment, there is a significant funding gap, and not enough capacity within Government to implement all the identified recovery

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projects. The approval of the NRRP and the National Recovery Program Bureau are important steps, but finding additional sources of funding and strengthening government capacity will continue to raise challenges. In the absence of the necessary capacity and funding, there is an ongoing need to keep revising the timeline of the NRRP by prioritizing and sequencing recovery projects that can be implemented with the available capacity and funding.

MP Doran inquired about the assistance of the World Bank with the landfill and the role of consultants that are hired by the World Bank and/or the Government of Sint Maarten.

One of the early priority projects that will be financed by the first tranche of the Trust Fund is concerned with debris removal and strategizing on solid waste management. The key objectives of this project are to support Sint Maarten's recovery through clearance and management of debris, improved debris management, planning for recovery after natural disasters and technical assistance to improve Sint Maarten's solid waste system.

As part of the preparation of this project, the World Bank has hired technical engineers (as consultants) to assist the Government of Sint Maarten with determining the scope and depth of the work involved with the following activities: the removal of the shipwrecks in the Simpson Bay Lagoon, the removal of debris post Irma, the construction and demolition of debris, the assessment of the situation at the dump and providing assistance for finding a long term solution to solid waste management on Sint Maarten.

The World Bank and the hired technical engineers are currently assisting the Government with drafting the terms of reference for the works involved with the project. This preliminary assistance is being financed by the World Bank. Once the terms of references have been drafted, the works will be procured via public tender and financed by the Trust Fund. The preparatory work is being done in collaboration with the Ministries of VROMI, VSA and TEATT (the Department of Maritime Affairs).

In the context of project implementation, MP Brison pointed out that at this moment a lot of the workload in the recovery process is carried by the Ministry of General Affairs, and asked what is being done to ensure that this workload remains manageable.

As a small island development state, Sint Maarten has limited resources. This creates particular challenges for project implementation. The reality is that the Government of Sint Maarten does not have all the capacity and expertise to implement the different projects that will be financed by the Trust Fund. For these reasons, the temporary ordinance proposes to establish a National Recovery Program Bureau that will operate alongside the existing government organization.

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Prior to the establishment of the Bureau, the Government has appointed an Interim Recovery Committee (IRC) consisting of civil servants. The IRC functions as much as possible as the Bureau in the interim period. Chaired by the Prime Minister/Minister of General Affairs, the IRC coordinates all projects that are financed by the Trust Fund prior to the establishment of the Bureau. The Interim Recovery Committee works closely with the different ministries and is depending on the ministries for technical input and implementation support. The workload of the recovery process is and will continue to be a shared responsibility of all the different ministries.

The workload for the IRC, the Ministry of General Affairs and all other ministries is extremely high and is not fully manageable at this moment. As stated, there is an urgent need for additional capacity. The Government therefore calls upon Parliament to approve the temporary ordinance to ensure that the ministries receive the necessary support to implement the recovery and resilience projects as soon as possible.

MP Doran asked if the Prime Minister/Minister of General Affairs is willing to inform the general public via, for example, town hall meetings about the implementation of the projects.

The Minister of General Affairs emphasize that communication is a key factor to have successful recovery and resilience projects. Per project, a communication plan will be in place to inform all stakeholders including the general public.

(3) The Steering Committee

MP Doran referred to the first meeting of the Steering Committee, and inquired about the goals of this meeting. MP Mercelina requested clarity about the autonomy of Sint Maarten in the decision-making process.

Under annex 3 of the administrative arrangement on the Trust Fund, the Steering Committee will (a) endorse strategic priorities and annual work plans and budgets of the Trust Fund financed program; and (b) monitor the program's annual progress. The Steering Committee is the governance body of the Trust Fund and consists of one representative of the World Bank (the Country Director of the World Bank's Caribbean Country management Unit), a representative from the Netherlands Ministry of Interior and Kingdom Relations, and a representative of Sint Maarten (the Prime Minister or his/her designee). On behalf of Sint Maarten, mr. Marcel Gumbs has been appointed as the designee of the Prime Minister to the steering committee. Recovery and resilience projects can only be prepared and eventually financed after they have been approved by the Steering Committee. All decisions of the Steering Committee will have to be made by consensus.

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The first meeting of the Steering Committee took place on June 13 and 14, 2018 in Washington DC. This meeting served to agree on the operating procedures of the Steering Committee and to discuss the National Recovery and Resilience Plan of the Government of Sint Maarten. The Steering Committee also discussed the final preparation of the projects that will be financed by the first tranche of the Trust Fund.

In light of the request for clarity by MP Mercelina about ensuring the autonomous decision-making of Sint Maarten, the Government highlights that the Steering Committee cannot take decisions without the approval of the Government of Sint Maarten. Moreover, all projects will be formalized in a grant agreement between the Government of Sint Maarten and the World Bank. This serves to ensure the autonomy of Sint Maarten to the extent that this is guaranteed in the Kingdom Charter.

(4) Preparations for future disasters

MP Brison inquired about the preparations for future disasters and asked, more generally, about lessons learned from the aftermath of Hurricane Irma and the ongoing cooperation with the World Bank.

One of the main lessons learned from hurricane Irma and the ongoing cooperation with the World Bank is that the Government of Sint Maarten needs to be better prepared for future disasters: physically, institutionally and financially.

As stated on page 30 of the NPRR: 'The national DRM framework faced serious challenges in the aftermath of Hurricane Irma, highlighting the need for improved disaster risk information and communication, enhanced DRM capacities, and better access to risk financing options. Key needs for improved disaster risk information and communication include building the capacity of the National Meteorological Service (NMS), with an up-to-date hydro-meteorological infrastructure and access to modern forecasting and service delivery technologies, including geospatial information management technologies, strengthened early warning systems, and improved telecommunications to ensure timely access by vulnerable communities.

Additionally, there is a strong need to strengthen national geospatial management capacity, essential to adequate risk planning and disaster response. Among other activities identified, it is strongly recommended that the strategic plan for the National Spatial Data Infrastructure be fully implemented across Government agencies. It will also be important to develop data tools, Post Disaster Needs Assessment (PDNA) capacity, and assessment tools such as a Quality of Life Index (QLI). The Fire Department was considerably damaged by Irma, interrupting its internet access and other means of communication. The Emergency Operations Center (EOC) could not operate within the Fire Department facilities and was compelled to

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The President of Parliament, MP. Wescot-Williams asked 'to have the draft temporary ordinance amended to ensure that Parliament will receive the bi-annual reports of the Bureau.

The Government has revised the draft ordinance as requested through a 'nota van wijziging'.

PRIME MINISTER OF SINT MAARTEN


Leona Romeo-Marlin



temporarily relocate to the Government Administration Building. The safety of this key emergency response agency must be rapidly improved to ensure effectiveness for the next hurricane season. The Government should actively pursue its full integration into the Caribbean Community's (CARICOM's) Caribbean Disaster Emergency Agency (CDEMA) to benefit from the growing body of knowledge regarding the implementation of effective DRM approaches and agencies and the promotion of an enabling institutional and operational framework for DRM.

In addition, the Government will explore the feasibility of developing a comprehensive disaster risk financing strategy that incorporates risk-retention and risk-transfer mechanisms (e.g., a properly capitalized national Sovereign/ Emergency Fund or negotiated ex-ante financing facilities, such as the World Bank's Development Policy Loan with a Catastrophe Deferred Drawdown Option or the Caribbean Catastrophe Risk Insurance Facility (CCRIF).'

Based on the NRRP, the emergency recovery project that is financed by the first tranche of the Trust Fund serves to increase future preparedness and resilience by bringing emergency services to improved capacity and supporting institutions that will be able to handle future disasters competently. Relevant activities under this project include the procurement of first responder's emergency equipment, repairs of critical public buildings and emergency shelters, as well as training and technical assistance for first responders.

(5) The National Recovery Program Bureau

After the specific questions on the text of the temporary ordinance were answered, MP Jacobs asked whether the establishment of the National Recovery Program Bureau is 'the shortest and most effective way to get recovery going'.

The Government emphasizes that there is an urgent need to establish the National Recovery Program Bureau to strengthen the implementation capacity of the Government. The reality is that the Government of Sint Maarten does not have all the capacity and expertise to implement the different projects that will be financed by the Trust Fund. Given the financial constraints of the Government and the significant capacity needs of the ministries, the National Recovery Program Bureau is considered the shortest and most effective way to strengthen the implementation capacity of the Government and to get the recovery going.

The Government calls upon Parliament, as representatives of the people, to acknowledge the necessity of additional capacity and to approve the Temporary Ordinance as the necessary step to ensure that the ministries receive the additional support to implement the recovery and resilience projects as soon as possible.