



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 29-May-2020 | Report No: PIDA28491



BASIC INFORMATION

A. Basic Project Data

Country St Maarten	Project ID P172339	Project Name St Maarten Civil Society Partnership Facility for Resilience Project (CSPFRP)	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 03-Jun-2020	Estimated Board Date 19-Jun-2020	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Investment Project Financing	Borrower(s) VNG International	Implementing Agency VNG International	

Proposed Development Objective(s)

The Project Development Objective (PDO) is to improve the capacity of civil society organizations and support implementation of reconstruction and resilience sub-projects at the community level.

Components

Small Grants to CSOs for Reconstruction and Resilience
Capacity Building and Technical Assistance for CSOs
Project Management and Coordination

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	7.20
Total Financing	7.20
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	7.20
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Free-standing Single Purpose Trust Fund	7.20
Environmental and Social Risk Classification	
Moderate	
Decision	
The review did authorize the team to appraise and negotiate	

Other Decision (as needed)

B. Introduction and Context

Country Context

- Sint Maarten is a high-income constituent country of the Kingdom of the Netherlands in the Caribbean with an economy that is heavily reliant on tourism, which has been adversely affected by the effects of Irma.** Sint Maarten occupies the southern half of an island shared with the French overseas collectivity of Saint Martin and is the most densely populated country in the Caribbean with a per capita gross domestic product (GDP) of US\$25,381 as of 2018. Tourism accounted for 45 percent of GDP and 73 percent of foreign exchange earnings in 2016. Hurricane Irma caused damages and losses estimated at US\$2.7 billion (129 percent of GDP) affecting 90 percent of infrastructure and large parts of the natural environment. Sint Maarten’s GDP fell by an estimated cumulative 16.9 percent from 2017 to 2018. It is estimated that GDP will contract significantly in 2020, due to COVID 19 crisis, with an uncertain outlook for growth in light of the uncertain recovery of global tourism.
- As a result of the devastation caused by Hurricane Irma, the Sint Maarten Recovery, Reconstruction and Resilience Trust Fund (SXM TF) was created in April 2018.** The TF was set up with financing from the Netherlands and is administered by the World Bank. It provides support for the recovery and reconstruction of Sint Maarten and helps strengthen the country’s resilience to disasters, using the principles of building back better and sustainability. Most activities are implemented by Sint Maarten’s the National Recovery Program Bureau (NRPB). A Tripartite TF Steering Committee composed of Sint Maarten, the Netherlands, and the World Bank allocates resources to TF projects based on the priorities set out in the TF Strategic Framework.
- The proposed project is in line with the guiding principles of the Netherlands for the Trust Fund and responds to a specific request of the Trust Fund Steering Committee.** The guiding principles underline the importance of partnership with civil society organizations (CSOs) to support community resilience building efforts and to complement longer-term public sector resilience and reconstruction activities. The Steering Committee requested the development of a project to support Sint Maarten’s CSOs in implementation of subprojects that will allow Sint Maarten’s communities and civil society to benefit in a tangible way from the Trust Fund resources.



Resources are granted to VNGI (Vereniging van Nederlandse Gemeenten International)¹ as recipient and implementor of the project with the authorization of the Government of Sint Maarten².

Sectoral and Institutional Context

4. **Although Sint Maarten is a high-income country, there are pockets of poverty and vulnerability.** Twenty-seven percent of households lived on income at or below the minimum wage in 2017. Sint Maarten's unemployment rate increased from 6.2 percent in 2017 to 9.9 percent in 2018, with youth unemployment at 17.9 percent in 2018. Unemployment was about 2 percentage points higher for women than men, and women represented 58 percent of the unemployed. Female-headed households accounted for 38.7 percent of total households in the country, which shows the magnitude of dependence on women's ability to earn adequate income. The elderly face poor nutrition and health, and substandard housing and consultations among stakeholders suggested substantial unmet needs for social care for the elderly.
5. **The full effects of Hurricane Irma on poverty, vulnerability and service delivery were significant.** Although little is known about the distribution of disaster impacts on vulnerable groups in Sint Maarten, international experience indicates that the poorest and most vulnerable groups are disproportionately affected. Those whose situation would have been exacerbated include the large number of female-headed households, and the casual labor workers in service sectors including tourism. Hurricane Irma also affected the delivery of basic services and facilities: including health, education, and community and recreation services. Investments in both physical and staff capacity are required to restore facilities and assure their full functionality.
6. **Despite their capacity to support reconstruction and resilience, CSOs face several challenges.** The challenges include fragmentation; existence of extremely low capacity of several very small CSOs; and significant differences in capacity to mobilize funds. CSOs vary in size and scope of engagement. Of roughly 300 CSOs in the country, only about 100 have the capacity to fully engage in significant resilience activities. Other small and weak CSOs may have strong community networks but need training, mentoring and coaching to be able to participate in recovery and reconstruction efforts.
7. **Government provides financial resources to some more established supports CSOs through the Ministry of Public Health, Social Development and Labor (VSA).** However, these resources are mainly intended to cover operating costs. The project will complement these government transfers by supporting capacity building and technical assistance and providing CSOS with small grants to help communities implement subprojects that boost reconstruction and promote resilience.
8. **CSO capacity development is fundamental to their important role in the face of perennial disasters and shocks on the island.** Support to CSOs is not only intended to enable implementation of subprojects, but also to improve CSO readiness to respond to disasters in the future. Capacity development will take place through training and skills development, improvements in organization and coordination at the national and community levels, as well as information and knowledge sharing. If social distancing measures continue to be needed, training and capacity building will be provided virtually through multiple channels (radio, internet, videos, among others).
9. **The coronavirus disease 2019 (COVID-19) pandemic is expected to compound the challenges of vulnerable households in Sint Maarten.** As of May 15, 2020, 76 COVID-19 cases had been recorded on the island and

¹ In English, VNGI refers to "International Agency of the Association of Netherlands Municipalities"

² Letter of the Prime Minister of Sint Maarten of January 10, 2020.



15 persons died. The country is closed to arrivals by non-citizens and non-essential business activities were closed on March 17, 2020 until June 15 when a reopening plan aims to lift restrictions. Informal sector workers and other vulnerable segments of the population have faced jobs losses and reduced incomes, higher prices for essential commodities and increased health care costs due to the COVID-19 crisis.

10. **The proposed Civil Society Partnership Facility for Resilience Project (CSPFRP) will complement TF activities implemented by government.** In addition to capacity building and grants to CSOs, the project will also provide support to the CSO sector overall by promoting knowledge generation and sharing that can boost the sector's development beyond the project timeline. By supporting grassroots outreach in planning, prioritization and implementation of community reconstruction and resilience subprojects, the CSPFRP will ensure that the local population can benefit from Trust Fund support. Project implementation will follow principles of transparency and accountability and ensure that the financing responds to community needs.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

11. The Project Development Objective (PDO) is to improve the capacity of civil society organizations and support implementation of reconstruction and resilience sub-projects at the community level.

Key Results

12. The main activities are identifying and implementing community subprojects, building CSO capacities, and ensuring efficient coordination and management of project resources. The main outcomes and results expected are (i) improved CSO capacity; (ii) functional community subprojects; and (iii) a proven model to channel resources to CSOs for grass roots community development activities.

D. Project Description

13. The CSPFRP consists of three components: (i) Small grants to civil society organizations for reconstruction and resilience; (ii) Capacity building and technical assistance to local CSOs; and (iii) Project management and coordination.

Component 1: Small Grants to CSOs for Reconstruction and Resilience

14. Component 1 will finance small grants to CSOs for community reconstruction and resilience subprojects. CSOs include nongovernmental organizations (NGOs), community-based organizations (CBOs), faith-based organizations (FBOs), youth organizations, and any other organization defined as a CSO in Sint Maarten and that fulfills the requirements for participating in the program. Eligible areas of focus will include, but are not limited to, rehabilitation and equipment of facilities; environmental protection; social care services; youth skills development and employment generation; and supporting the basic needs of communities during the COVID-19 crisis.

15. A subproject cycle will guide implementation, grant management, and learning and knowledge sharing. An awareness and outreach campaign will ensure that all stakeholders including CSOs and beneficiary community members are equipped with adequate information. A call for subproject proposals and grant awards will be made twice a year. Proposals will be screened against predetermined eligibility criteria by the management agency's technical team to select subprojects. CSOs that receive grants will receive pre-disbursement training to prepare them to receive and use funds appropriately and report on activities.



16. Basic criteria for the eligibility of CSOs are: (i) registration in Sint Maarten as a nonprofit entity; (ii) holding an account in a financial institution; and (iii) recognition as representing a community or neighborhood. The technical criteria for the screening of subprojects will include: (i) clarity of the community need or vulnerability that the subproject seeks to address in line with the PDO; (ii) compliance with applicable World Bank social and environmental requirements; (iii) reasonableness of the budget for the proposed activities; and (iv) likelihood of the subproject achieving its stated objective. Further details on the definition and application of these criteria will be provided in the Project Operations Manual (POM).
17. Subprojects will not include major civil works nor new construction, only rehabilitation. In addition, subprojects will not include any land acquisition or displacement of populations. Eligible expenditures in subproject proposals will include material requirements, labor costs, operational costs and consulting and non-consulting services, and others acceptable to the World Bank. Based on consultations with CSOs during preparation and at pre-appraisal, a ceiling of US\$50,000 will be placed on financing per subproject; the appropriateness of this ceiling will be reviewed annually.

Component 2: Capacity Building and Technical Assistance for local CSOs

18. Component 2 will support capacity building and technical assistance activities for the local CSOs that will be prospective implementers of grants. Training will start as much as possible online and virtually to ensure social distancing during the COVID-19 pandemic. Capacity building will take two forms: initial training in key technical skills critical to subproject implementation and systematic needs-based capacity development (for example periodic training of CSOs staff in skills sets identified as gaps such as quality of reporting, writing project proposals etc.) that will be mainstreamed into the project's annual work plan. The component will support start-up training activities for CSOs in subproject design to enable them to participate in the grants program. This initial training will serve to create awareness about the project. It will also be an opportunity to collect information on the needs of the CSOs to inform the capacity needs assessment. Once grantees are given financing, they will receive more deepened training by VNGI on financial management (FM) and reporting, subproject management, supervision, monitoring and evaluation (M&E), and reporting. Training will also be provided before subproject completion to make sure outcomes are reported and funds are accounted.
19. Component 2 will also support capacity development of CSOs and knowledge sharing. A needs assessment will draw from the findings of a feasibility report prepared during project preparation, information collected at training and outreach activities, and lessons from the performance of grantees under the Quick Wins. A capacity building plan to ensure that CSOs receive assistance will be developed and updated annually. The plan will contain the needs for capacity development, training, and the mechanisms for tracking progress in capacity development of CSOs. A Capacity Building Plan will outline detailed modules for each training component and their sequencing throughout the project. Knowledge sharing events and the elaboration and implementation of a coaching program for eligible CSOs, coordinated by the management agency will ensure that low capacity CSOs are included.

Component 3: Project Management and Coordination



- 20. Component 3 will finance project management and coordination by the VNGI, the management agency. Project Management will include fiduciary and safeguards oversight and management; daily operation of the project; administrative tasks; planning, monitoring and evaluation including design and undertaking of qualitative and quantitative evaluations; knowledge management, including reporting and documenting good practices; and coordination activities and communication about the project.
- 21. In addition, this component will support the operation of the Project Technical Committee (PTC), a committee of stakeholders, which will provide VNGI with advice on project implementation and coordinate with different stakeholders. Given the myriad of small NGOs implementing small subprojects, the component will support efforts to harmonize and align the activities supported by the proposed project with other existing initiatives.

Legal Operational Policies	
	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

- 22. The project environmental and social risk is rated as Moderate due to the nature of the proposed activities. The activities will largely be focused on small subproject activities, capacity building, technical assistance, and training. There are no anticipated major civil works and no new construction planned. The project will largely bring positive social and environmental impacts.

E. Implementation

Institutional and Implementation Arrangements

- 23. VNGI was identified as the recipient of the grant based on (i) its international experience in managing grant mechanisms of a similar nature, (ii) its experience implementing World Bank projects and World Bank procurement and FM policies in other countries, and (iii) its ongoing operations in Sint Maarten. VNGI was approved as a management agency and recipient of the grant by the Trust Fund Steering Committee, following assessment of its legal, procurement and financial management capacity, and the agreement of the Government of Sint Maarten.

VNGI

- 24. VNGI will be responsible for overall project management, implementation, and coordination, including technical aspects. It will coordinate with NRPB, the relevant government institutions, CSOs, and other key stakeholders in



Sint Maarten. VNGI will also oversee and account for all aspects of FM, procurement, safeguards support, and flow of funds, and their implementation in accordance with World Bank policies and procedures. It will provide all financial statements and be subject to the audit requirements of the World Bank. To facilitate its operations, VNGI will set up a Project Implementation Unit (PIU) in Sint Maarten.

CSOs

- 25. The CSOs will be the ultimate implementers of subprojects at the community level. In collaboration with the communities, the CSOs will formulate ideas into subproject proposals to be submitted to VNGI in response to the call for proposals. Once funding is confirmed, the CSOs will collaborate with the communities to carry out the subprojects, as well as monitor and report on implementation.

Community Members

- 26. Community members, in addition to being primary beneficiaries, will be important partners in the conceptualization and implementation of subprojects. During implementation, they will suggest priorities for subprojects to consider. Communities will also participate in project monitoring through feedback and monitoring and evaluation mechanisms where relevant, to foster more effective implementation. As part of the envisaged participatory qualitative evaluation, community members will have the opportunity to express their views that can contribute to implementation improvements.

Project Technical Committee

- 27. A PTC, chaired by the NRPB, will provide advice on project implementation and coordination between different stakeholders. The PTC will include a representative of the NRPB, the Chamber of Commerce, and the Social Economic Council. The PTC membership may be increased based on need identified by the existing members with the agreement of the World Bank. The PTC will provide advice on : (i) the short list of quick win rounds; (ii) the call for proposal plans and process for every round; (iii) decisions prepared by VNGI on short-listed proposals presented by potential grantees; (iv) draft (semi) annual activity plans and progress reports; and (v) the development of the Civil Society Partnership Facility for Resilience as a whole.

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APPROVAL

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