



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

Appraisal Stage | Date Prepared/Updated: 06-Aug-2020 | Report No: PIDISDSA29587



BASIC INFORMATION

A. Basic Project Data

Country St Maarten	Project ID P174023	Project Name Additional Financing for the Sint Maarten Hospital Resiliency & Preparedness Project	Parent Project ID (if any) P167532
Parent Project Name Sint Maarten Hospital Resiliency & Preparedness Project	Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 04-Aug-2020	Estimated Board Date 31-Aug-2020
Practice Area (Lead) Health, Nutrition & Population	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Public Health, Social Development and Labour (VSA)	Implementing Agency Sint Maarten Medical Center (SMMC)

Proposed Development Objective(s) Parent

Improve the preparedness and capacity of hospital services in Sint Maarten

Components

Building and launching of the new hospital
Transition and Contingency Plan for Sint Maarten Medical Center
Project Management

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	3.61
Total Financing	3.61
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	3.61
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Free-standing Single Purpose Trust Fund

3.61

Environmental Assessment Category

B-Partial Assessment

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 country¹ of the Kingdom of the Netherlands in the Caribbean with an economy that relies heavily on tourism and has been adversely affected by Hurricane Irma.** The country occupies the southern half of an island shared with the French overseas collectivity of Saint Martin and is the most densely populated in the Caribbean with a per capita gross domestic product (GDP) of US\$25,381 in 2018.² With a population of roughly 40,000, the country is highly vulnerable to natural disasters and adverse climatic events due to its location within the hurricane belt. Natural hazards have catastrophic impacts on the country's economy. Tourism accounted for 45 percent of GDP and 73 percent of foreign exchange earnings in 2016 were from tourism related activities. In 2017, Hurricane Irma caused damages and losses estimated at US\$2.7 billion 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. In 2019, the country's nominal GDP was estimated at about US\$1.09 billion. It is estimated that GDP will contract sharply again in 2020 due to the COVID-19 crisis.
- On September 6, 2017, Hurricane Irma, a Category 5 hurricane, caused significant destruction on Sint Maarten. Damages were compounded by smaller-scale Hurricane Maria, two weeks later.** Although loss of life was limited, Sint Maarten incurred damages and losses estimated at 129 percent of GDP respectively, or US\$2.7 billion. Ninety percent of all infrastructure was affected and much of this infrastructure still requires repair. Though little is known about the distribution of hurricane impacts and their effect on vulnerable groups in Sint Maarten, international experience shows that disasters disproportionately affect the poor and vulnerable, who include Sint Maarten's female-headed households (38.7 percent of households) and children.
- In April 2018, to support rapid and sustainable recovery from Hurricane Irma, the Government of The Netherlands established a Sint Maarten Recovery, Reconstruction and Resilience Trust Fund for up to EUR470 million to be managed by the World Bank.** Since July 2018, the Trust Fund, governed by a Steering Committee composed of Sint Maarten, the Netherlands and the World Bank, has begun to implement selected activities in support of recovery,

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

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



reconstruction, and resilience under the framework of the National Recovery and Resilience Plan in Sint Maarten. These activities are chiefly implemented by the country's National Reconstruction Planning Bureau.

4. **Sint Maarten's people and economy have been hit hard by the COVID-19 pandemic, with significant impacts on its economic prospects and pace of recovery.** The Government has reported 156 confirmed cases of COVID-19 and 16 deaths (as of August 4, 2020). From mid-May to July 21st, no new cases were reported and the number of confirmed positive cases remained steady at 78 with no change, indicating the outbreak was under control. Once the first new case was reported around July 21, cases began to rapidly increase, and Sint Maarten appears to be experiencing a second wave of rapidly increasing new infections over the past 2 weeks, doubling the total number of cases from the first wave. The first change in confirmed positive cases was reportedly due to repatriated citizens and subsequent community transmission. So far, this second outbreak has caused fewer deaths. In response, the Ministry of Public Health, Social Development and Labor (VSA) has been carrying out response measures such as community outreach testing, public education campaigns and contact tracing. Since mid-March, schools have closed, and international flights and cruises have been cancelled. Further restrictions were introduced in early April 2020 which resulted in a complete lockdown, including the interruption of all non-essential business activities, required government authorization for individuals to venture more than 50 meters from their residence, and limited operating hours of essential businesses. As of June 15, 2020, a phased reopening plan has been in effect. As of August 1, borders have opened to international travel. Informal sector workers and other vulnerable segments of the population have faced job losses and reduced income, and higher prices for essential commodities.

Sectoral and Institutional Context

5. **In terms of health service delivery, only primary and secondary care is provided in Sint Maarten by a mix of non-profit and private providers,** as follows: the Sint Maarten Medical Center (SMMC), a non-profit foundation endorsed by the Government as the sole provider of hospital services in the country, 23 general practitioners (private), dental care providers, the White and Yellow Cross Foundation (primary care, nursing home and specialized ambulatory care), the Turning Point Foundation (drugs and rehabilitation), the AIDS Foundation, the Diabetes Foundation and 15 pharmacies, of which one is situated within SMMC (Cay Hill Pharmacy).

6. **SMMC is the only hospital and the only source of secondary health services on the Dutch side of the island, and is the primary source of care for the nearby islands of Saba and St. Eustatius.**³ SMMC provides outpatient (emergency, radiology, dialysis, ophthalmology and other special clinics) and inpatient care (medical pediatric and surgical wards, intensive care, labor and delivery, and an operating theater). In addition to the permanent population, prior to the COVID-19 pandemic, SMMC provided services to nearly 3 million tourists per year.

7. **As a result of the COVID-19 outbreak, SMMC has risen to the increased demand for hospital services.** In order to respond to the increased demand for services, SMMC has worked to prevent and delay the spread of COVID-19 by splitting services between COVID-19 and non-COVID-19 patients, protect health workers and patients, and streamline patient isolation and treatment of severe cases requiring intermediate or intensive care. On March 20, 2020, the Steering Committee of the Sint Maarten Hurricane Irma Reconstruction, Recovery and Resilience Trust Fund approved this additional financing to help compensate for the increased demand and rising costs of medical goods in light of the pandemic. These additional funds will allow the hospital services of Sint Maarten to achieve the overall preparedness and capacity objectives of the project, while responding to the current crisis. Trust Fund resources are complementary to

³ After Sint Maarten became a constituent country within the Kingdom of the Netherlands in October 2010, the surrounding smaller islands of Sint Eustatius and Saba became special municipalities of the Netherlands.



substantial direct aid to the Government of Sint Maarten and to SMMC from the Government of the Netherlands to address the pandemic and facilitate a rapid response by SMMC.

C. Proposed Development Objective(s)

Original PDO

Improve the preparedness and capacity of hospital services in Sint Maarten

Current PDO

Improve the preparedness and capacity of hospital services in Sint Maarten

Key Results

1. Overseas medical referrals reduced⁴
2. Emergency Disaster Preparedness Plan and Evacuation Plan implemented according to procedures⁵
3. Technical audits of service delivery conducted and rated satisfactory

D. Project Description

8. **This Additional Financing financed by the Sint Maarten Hurricane Irma Reconstruction, Recovery and Resilience Trust Fund will cover a cost over-run created by the impact of COVID-19 demands on the Sint Maarten Hospital Resiliency & Preparedness Project.** The COVID-19 pandemic has resulted in a substantial increase in demand for hospital services and the price of medical goods following the onset of the pandemic. In order to respond to the specific demands of the COVID-19 public health emergency, the project has had to incur additional costs. As a result, the project is now experiencing a cost over-run, which needs to be addressed in order to achieve the Project Development Objective (PDO).

9. **Project Components:** The project will retain the same components as described below.

10. **Component 1. Building and launching of the new hospital.** This component focuses on the design upgrade, construction and launching of the new hospital. Specifically, the component co-finances the construction of the entire hospital. The support to Component 1 will increase the resiliency of the new hospital, allowing the required upgrades to the original hospital design to be made, thereby ensuring that the new facility can withstand Category 5 plus hurricanes. Official handover of the site to the hospital construction firm took place end December 2019. The first draft of the final design was delivered in January 2020, and following multiple technical and user reviews, the final design is expected end July 2020. It is anticipated that construction of the new main building will begin in the latter half of 2020.

11. **Component 2. Transition and Contingency Plan for Sint Maarten Medical Center.** This component aims to prioritize essential upgrades to allow for the continuity of services while improving the existing hospital services' preparedness and capacity for future extreme weather conditions, particularly while the new hospital is being built. Since Hurricane Irma, priority has been given to select essential upgrades to allow for the continuity of services while improving the existing hospital services' preparedness and capacity, particularly while the new hospital is being built. Moving the existing hospital services to the new hospital facility will create the opportunity to modernize the current service delivery

⁴ This indicator tracks overseas medical referrals on an annual basis as an indicator of the hospital's capacity to provide services and rely less on the need for overseas referrals over time.

⁵ This indicator measures how well the updated Emergency Disaster Preparedness Plan and Evacuation Plan are implemented through the application of a scorecard which will grade the performance of each area of the plan.



model, expand the scope of services, increase non-invasive procedures and ambulatory care, and adopt/better implement quality standards to improve the outcomes and reduce avoidable complications. This ability to expand the scope of provision of care will also reduce the high costs of overseas referrals and reinforce SMMC’s goal of providing “care close to home.” To date, rehabilitation of the existing hospital has made solid progress with nearly half of all essential upgrades completed.

12. Component 3. Project Management. This component finances related operating expenses, equipment, and personnel necessary for the execution of the project. These include, areas of contract management, procurement, financial management, technical and monitoring and evaluation, including project audits.

E. Implementation

Institutional and Implementation Arrangements

13. No change is made to the implementation arrangements of the project through this Additional Financing, nor fiduciary or safeguards.

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

Project investments are taking place on Government owned land leased to the Sint Maarten Medical Center (SMMC). The construction of the new hospital and rehabilitation of the existing hospital, financed by the project, will take place on public land free of occupants and not in use for any type of activities. It is part of the land of the existing hospital and its public ownership is not contested. All civil works supported by the project will take place at this location. The existing hospital is located on the same land as the planned new hospital and will be gradually phased out once the new hospital construction is complete. The existing hospital will remain open during construction of the new hospital, but requires repairs of damage caused by hurricane Irma, especially given that it is the only provider of hospital services in the country. SMMC has developed a two-phase transition and contingency plan to maintain the provision of health services during the construction of the new hospital. Works on the first phase will use an open space, near the current parking area. Once the first phase is completed, health services will be moved to the new building and the old building will be demolished to complete the second phase of the new hospital.

G. Environmental and Social Safeguards Specialists on the Team

Gibwa A. Kajubi, Social Specialist
Martin Humberto Ochoa Salgado, Environmental Specialist



SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	Yes	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

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 project will finance construction of a new hospital and rehabilitation of the existing damaged hospital. These rehabilitation works are expected to be moderate, generating localized environmental impacts such as debris management, soil stabilization and erosion control, noise and traffic management and worker’s health and safety. These activities are not expected to cause large, irreversible environmental impacts. The key social issues that have been identified include: (i) the management of labor (demolition and construction workers, specialists in debris removal) coming from outside Sint Maarten, both from the perspective of health and safety in the workplace, fair practice, accommodation, and community health and safety. Labor Influx impacts associated with the project financed activities have been assessed in the Environmental and Social Management Plan (ESMP) and appropriate mitigation measures are included.

The parent project was rated as a Category B project and the environmental and social safeguard risks were considered Moderate, and the same ratings are applied to this AF. There are no new policies triggered. The new hospital construction and rehabilitation of the existing hospital works are expected to be moderate, generating localized environmental impacts due to the project-financed activities. These impacts include debris management, soil stabilization and erosion control, noise and traffic management and worker’s occupational health and safety particularly from the increased risks derived from the prevalence of COVID-19 on the island. The AF is to cover a cost



over-run incurred by the project and thus the activities are fully covered by the existing safeguards policies and all instruments that have been prepared, reviewed and disclosed.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Project activities will most likely be relatively minor and no negative, significant or irreversible environmental impacts are expected. On the contrary, the project will support environmental sustainability in the Health Sector by building better and more resilient health facilities.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. The existing hospital will be rehabilitated on the same site. The construction of the new hospital, financed by the project, will take place on public land free of occupants and not in use for any type of activities and adjacent to the existing hospital. No further alternatives were assessed for the new hospital as the site had been identified prior to the Bank's involvement.

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. The project has a project implementing unit which has implementation responsibility and includes Social and Environment Safeguards specialists responsible for the preparation and implementation of the safeguards. The Sint Maarten Medical Center (SMMC) prepared an Environmental and Social Management Plan (ESMP) to cover the new hospital construction works. The ESMP has been cleared by the Bank and is publicly disclosed. The ESMP provides guidelines for the development of project specific safeguards instruments and other safeguard plans as required. In addition, an updated Environmental and Social Safeguards Due Diligence Checklist for Component 2 was also prepared by SMMC, reviewed, and disclosed and covers the essential upgrades to the existing hospital. The Increased occupational health risks during the construction of the works derived from the prevalence of COVID-19 on the island will be managed following the Government of Sint Maarten guidelines for reactivation of the economic sector, put in the place since June 2020. SMMC has also implemented a COVID-19 Management Plan for Patients with COVID-19 which provides written guidelines for SMMC staff who have direct or indirect contact with patients infected with or suspected of being infected with COVID-19, and follows the hospital's waste protocol which describes its system for the identification, selection, handling, storage, use and route of final disposal of all infectious, chemical and general waste streams. This plan will be further reviewed to ensure hazardous solid waste management is in place for adequate management and final disposal of the medical waste and COVID-19 PPE waste, taking into consideration the Bank's Infection Control and Waste Management Plan (ICWMP) Template.

To manage the environmental, social and occupational health risks associated with the project, SMMC set up a project implementing unit reporting to its Supervisory Board which has become familiar with World Bank environmental and social risk management requirements. It may be noted that the firm contracted for the new hospital construction (Component 1) developed and is implementing a COVID-19 Prevention and Safety Plan which has been disclosed on the SMMC website. Measures identified to address COVID-19 during construction works have been identified and are consistent with the national requirements, Bank guidelines and international best practices.

The Bank will continue to provide the necessary implementation support, including by bringing in international expertise where relevant, providing hands-on guidance and training to ensure: (i) SMMC's knowledge and understanding of Bank safeguards instruments; (ii) that counterparts have the capacity to undertake environmental and social analyses and develop mitigation approaches; and (iii) regular and close supervision of progress and implementation of the plans. Implementation support will be provided through regular interactions, six monthly



implementation support missions, and thematic review missions if required.

The existing grievance redress mechanism (GRM) adopted for the parent project remains applicable and relevant for this AF. The complaints handling process of the mechanism is specified across the existing safeguards instruments and is made publicly available on SMMC’s website and on-site at the hospital.

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

SMMC is a private foundation which is the grantee and tasked with overall project implementation. The primary beneficiaries of the project are the residents of Sint Maarten, Saba and St. Eustatius as well as the estimated 2.6 million tourists that visit Sint Maarten each year. The SMMC reports to the SMMC Supervisory Board which reflects membership of the Tripartite (Ministry of Public Health, Social Development and Labor, Health and Insurance Fund and the SMMC).

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

Pest Management Plan

Was the document disclosed prior to appraisal?	Date of receipt by the Bank	Date of submission for disclosure
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"In country" Disclosure



C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

CONTACT POINT

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Borrower/Client/Recipient

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APPROVAL

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