

**Appendix to Cabinet's Response to Information of the Council of State and Interdepartmental Policy Research
Kingdom Relations**

Council of State	
Recommendations for the transition phase	
Recommendation:	Cabinet's response
1. Always assess with regard to the applicability of substantive legislation whether differentiation is required. Do this on the basis of clear and, as much as possible, identical criteria in which the question whether legislation is also applicable to the Public Entities is also expressly included.	The Cabinet adopts this recommendation. In case of new legislation and regulations and amendment of existing legislation and regulations it must always be assessed whether and how the said legislation can be declared applicable in the Caribbean Netherlands <i>and</i> whether differentiation is required. The Cabinet shall further concretise the criteria on the basis of which it is decided whether differentiation must be applied in legislation with reference to the European Netherlands and/or mutually on the
2. Prepare implementation agendas for the transition phase. Provide for funding for the arrangements stipulated in the same via the BES Fund and give the Minister of BZK a coordinating role in this respect.	The Cabinet partly adopts this recommendation. The Cabinet consults with the Island Governments on how the implementation agendas can be interpreted collectively, considering the needs of the Public Entities and the available potential of implementation on the islands. When drafting the implementation agendas attention shall also be paid to the division of duties between the Central Government and the Public Entity, the required investments and financing flows, the required amendment of legislation and regulations and the required reinforcement of administrative and implementation manpower.
3. Strengthen the position of the Island Governor and the Island Secretary.	The Cabinet adopts this recommendation. The exact interpretation is elaborated further in consultation with the Island Governments.
4. Provide for further strengthening and professionalisation of the local government and the public administration by providing for a structural training programme. In this respect also monitor further strengthening of the socio-economic situation on the islands and the role of RCN as implementing organisation.	The Cabinet adopts this recommendation. The Cabinet intensifies the strengthening of the local government and public administration through technical assistance, traineeships, courses and training programmes and cooperation with municipalities in the European Netherlands. The Cabinet strengthens the socio-economic situation through the measures described in the Cabinet's response Livelihood Benchmark Caribbean Netherlands and additional cost reducing investments. Within the RCN work is effectuated towards more integration, coherence and uniformity of services.

<p>5. Abolish the position of Kingdom Representative. Assign his supervisory duties to the Island Governor or the Minister of BZK.</p>	<p>The Cabinet endorses the main line of this recommendation. The Cabinet shall examine whether a part of the supervisory duties can be transferred to the Island Governor and whether another part can be assigned to the Minister of BZK. The Kingdom Representative does, however, have more than merely supervisory duties, e.g. a coordinating role in case of Windward disasters and crises. Only when all duties have been guaranteed and the succession has properly been set up can the position of Kingdom Representative be abolished.</p>
<p>6. Ensure that the Minister of BZK – apart from the coordinating role that he fulfils – exercises primary supervisory authorities.</p>	<p>The Cabinet endorses the main line of this recommendation.</p>
<p>7. Provide for differentiated supervision models in the WolBES and the FinBES as well as for criteria on the basis of which it can be decided what model must apply and a foundation to designate the said model for the relevant island by order in council.</p>	<p>The Cabinet adopts this recommendation and prepares a legislative amendment to include various supervision and steering models from the European Netherlands in the legislation. In the elaboration it is accurately examined how this is shaped precisely and on the basis of what criteria the degree of supervision is applied.</p>
<p>8. Examine how the financial resources can be released to boost the cooperation between the Public Entities and the countries of the Kingdom.</p>	<p>The Cabinet endorses the main line of this recommendation. As part of the implementation agendas the islands define and analyse where they see added value for cooperation with the countries of the Kingdom. If impediments in the regulations oppose cooperation then it is examined on a case-by-case basis if and how the said impediments can be removed.</p>
<p>Final perspective</p>	
<p>9. Provide for a statutory foundation for the free allowance once it has become an established fact that it is sufficient for the performance of the statutory duties that the Island Governments are deemed to perform.</p>	<p>The Cabinet does not adopt this recommendation for the time being. Once it has become an established fact that the level of the free allowance is in line with the range of duties of the islands the Cabinet shall examine whether a statutory foundation is required for the free allowance.</p>
<p>10. Bundle the special allowances as much as possible and simplify the accounting obligation.</p>	<p>The Cabinet adopts this recommendation. To reduce the administrative burden it is examined whether multiannual incidental expenses can be bundled and included in structural contributions. This exercise is included in the budget for 2021.</p>
<p>11. Provide for a coordinating role for the Minister of BZK by strengthening the existing consultation structure and the public support and agree on specific working arrangements about this in the Council of Ministers.</p>	<p>The Cabinet endorses the main line of this recommendation.</p>

12. Set up an evaluation committee and evaluate in five years. Closely involve the islands in this.	The Cabinet endorses the main line of this recommendation. The Cabinet proposes to continuously monitor and to, where required, adjust the implementation agendas during the implementation. This is in line with the selected pragmatic approach.
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Interdepartmental Policy Research Kingdom Relations	
The policy approach	
Recommendation:	Cabinet's response:
1. Develop an integral (i.e. that the policy areas are tailored to each other) and government-wide (i.e. all Ministries and Public Entities participate) vision with regard to Bonaire, St. Eustatius and Saba, per island and as a whole. There shall be a clear answer to fundamental questions about the division of duties with the islands, the level of the public facilities and the policy priorities for the coming years.	The Cabinet endorses the main line of this recommendation. The fundamental questions as formulated by the IBO are included in the preparation of the implementation agendas.
2. Reassess the existing division of duties from 2010. Through the reassessment we realise that on the basis of the subsidiary principle the most suitable party (Central Government or islands) performs a certain duty and is accountable for it.	The Cabinet adopts this recommendation. The Cabinet shall, following on from the implementation agendas, in association with the Public Entities, clarify and reassess the existing division of duties.
3. Enhance the understanding for and the knowledge of the local situation, e.g. the differences in method, culture, economy and challenges, with the note that the three islands mutually differ essentially. By having a good understanding of the local situation and by having mutual (i.e. both in the European and in the Caribbean Netherlands) sympathy and respect for the mutual differences policy shall be more effective and more efficient and gain support.	The Cabinet adopts this recommendation. The Ministry of BZK shall facilitate a transfer and exchange of knowledge.
The financial recommendations	
4. Increase insight into the total Central Government expenses to the Caribbean Netherlands. With an integral picture of both the budget and the account we can clarify the relationship between the Central Government expenses and the policy pursued for the Caribbean Netherlands.	The Cabinet adopts this recommendation. In line with this the Cabinet takes the following measures: <ul style="list-style-type: none"> - The non-accounting 'Overview of Central Government expenses Caribbean Netherlands' with the budget of BZK is expanded; - Explanatory notes to the manner of financing are added to this overview linked to the proposed policy objectives;

	- A distinction is made between monetary flows for the benefit of island duties versus Central Government duties and between incidental and structural expenditure.
5. Better utilise the main decision-making moment for Central Government expenses CN. In order to stimulate the integral weighting and prioritisation, the Working Group advises to better utilise the main decision-making moment for Central Government expenses CN and to tailor the decision-making processes in the proposed NAO structure (see chapter 2 of part 2) to this.	The Cabinet partly adopts this recommendation. The Cabinet preserves the present departmental consultation structure and shall discuss all policy changes aimed at the Caribbean Netherlands at the appropriate budget moments in the Steering Group Caribbean Netherlands.
6. Increase the personal responsibility of the Public Entities by strengthening the BES Fund and the island budgets. If there is a government-wide arrangement about the level and the nature of the level of the facilities and the division of duties then the reference methodology of the BES Fund must be adjusted to this. In this respect attention should also be paid to the financing of maintenance and replacement of public facilities.	The Cabinet endorses the main line of this recommendation. When preparing the implementation agendas the division of duties and the financing of duties are also discussed.
7. Strengthen the insight into the island finances by OBU and FOG. Both BZK and the Public Entity have little insight into the various (departmental) monetary flows to the Public Entity. Hence, it is important that BZK annually sends, in conformity with the statutory provision, a Special Allowances Overview (OBU) to the House of Representatives, where departments make all monetary flows to the Public Entities available to BZK.	The Cabinet adopts this recommendation. The Ministry of BZK shall annually send an OBU to the House of Representatives.
8. Better utilise the instrument of the interest-free loan. The FinBES limits the possibility of borrowing from and lending to the Public Entities. The working group advises to explore policy options to provide for the borrowing need, where the elaboration should make a distinction between (the desirability and the form of) borrowing by the Public Entities and by public limited companies: -	The Cabinet partly adopts this recommendation. The instrument of the interest-free loan presently works insufficiently and the Cabinet shall reassess this instrument. Additionally, the Cabinet is examining the possibilities for Public Entities and public companies of the Public Entities to borrow, on the basis of strict conditions, on the European Dutch capital market or from the Ministry of Finance.
The improved coordinating role	
9. Improve the coordinating role of the Ministry of BZK by providing the department, in conformity with an organisational network, with a facilitating direction role in the structured cooperation with the other Ministries.	The Cabinet endorses the main line of this recommendation. When interpreting the implementation agendas the Cabinet shall examine in consultation with the island governments whether working with thematic clusters and triggers be included in this.

<p>By having the Central Government operate as one team whilst preserving the own ministerial responsibility, the objectives formulated for the Caribbean Netherlands in the government-wide and integral vision can actually be realised.</p>	
<p>10. Organise, in addition to the organisational network cooperation model, a formal decision-making process. The improvement of the insight into the decision-making of and for all concerned departments. This way a comprehensive approach is stimulated.</p>	<p>The Cabinet does not adopt this recommendation. The Cabinet preserves the present method with a steering group Caribbean Netherlands and a Members of Government Meeting Caribbean Netherlands.</p>
<p>11. Monitor the implementation and measure the effects of the integral vision and thus of the implementation of the coordinating duty of the Ministry of BZK. By organising this structurally the results of the policy can be rendered transparent, the quality of the implementation can be guaranteed (or improved) and the effects can be included in the next policy cycle.</p>	<p>The Cabinet partly adopts this recommendation. The Cabinet shall monitor the implementation of the implementation agendas accurately.</p>
In conclusion	
<p>12. Designate a quartermaster on behalf of BZK and under the authority of steering group CN that shall shortly accomplish, following the recommendations of the Working Group, the improvement of the coordinating role of the Ministry of BZK through the introduction of a roadmap and the preparation of regulations.</p>	<p>The Cabinet does not adopt this recommendation. The role of quartermaster is part of the coordinating role of BZK.</p>

Link to all documentation: <https://www.rijksoverheid.nl/documenten/kamerstukken/2019/10/04/kamerbrief-met-kabinetsreactie-op-de-voorlichting-van-de-raad-van-stat-ee-interdepartementaal-beleidsonderzoek-kr>