

**Letter of 29 May 2019 from the State Secretary for the Interior and Kingdom Relations to the House of Representatives containing the six-monthly progress report on St Eustatius**

In accordance with the agreed six-monthly reporting period, please find below the third progress report on the administrative, social and economic developments on St Eustatius following the administrative intervention of 7 February 2018. The fourth progress report is planned for November 2019. In accordance with my undertaking in the second progress report,<sup>1</sup> I will inform you before then, in September 2019, regarding progress on the criteria that are decisive in determining whether or not the elections for the island council planned for 2020 can go ahead.

On 8 and 9 January 2019 I paid a working visit to St Eustatius together with the State Secretary for Social Affairs and Employment. A report of this visit was sent to the House on 12 February 2019.<sup>2</sup> At the beginning of May, the Minister of Infrastructure and Water Management visited St Eustatius. She looked at how things are going with the work on roads, work to tackle erosion, and the construction of the control tower and terminal of the island's airport. She also spoke with the drinking water company STUCO. The State Secretary for Health, Welfare and Sport, Paul Blokhuis, visited St Eustatius in May to sign the Sport and Prevention Agreement.

It is my firm belief that working visits to the Caribbean Netherlands are key to promoting mutual understanding and good relations with the local public authorities. An intensive dialogue helps make it clear to all those concerned what we can and should expect from one another.

In this progress report, I will start by outlining the general picture, before looking at the progress made on activities in the administrative, social and physical domains. I will also inform you of the state of affairs as regards the island's economic structure and matters relating to public order and security.

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<sup>1</sup> Parliamentary Papers, House of Representatives, 35 000-IV, no. 29.

<sup>2</sup> Parliamentary Papers, House of Representatives, 35 000-IV, no. 41.

## **The general picture**

The efforts of the Government Commissioner and his deputy to keep the population informed across a wide range of issues are undiminished. Besides communication through town hall meetings, Facebook, consultation hours, and talks with the Social Advisory Council and the – political – Cooperative Platform, information including the decisions of the public body and the minutes of the Social Council is posted on the website. Decisions of the government of the Netherlands are also posted there, as are decisions awarding funds to St Eustatius. This enables the population to gain a better picture of the efforts that are being made. Videos distributed via Facebook show the progress on a number of reconstruction projects.

Poverty reduction continues to be accorded high priority. It has been agreed that the ministries will join forces in order to help as many people as possible. The 'BES(t) 4 kids' programme is a good example of this. Besides poverty reduction and childcare, cooperation is also being initiated in the areas of workforce participation, sport and combating domestic violence. You can read more about these subjects below.

It is clear to see that progress has been made in areas such as reconstruction, the street names and house numbers project, the launch of the road project in the Cherry Tree district, work on stabilising the cliff and the presentation of plans for a new control tower and terminal at the airport. The reconstruction and the other projects in the physical domain will create more employment for several years. While just 16 contractors were working on reconstruction projects at the beginning of 2018, this number has since risen to over 30. Local entrepreneurship is picking up: 49 new companies registered with the Chamber of Commerce in 2017 and another 73 in 2018. The latter figure is a clear rise (67%) compared with the previous year. In the first four months of 2019, another 17 new companies registered with the Chamber of Commerce. This is indicative of at least an incidental upturn in the economy. More structural economic development remains hard to achieve because of the small scale and the lack of sufficient transport connections and tourism facilities. The planned work on the sea port and the tourism plan certainly hold out prospects for the future. The agriculture sector also has potential.

All in all, the population appears to appreciate the progress and positive effects of the administrative intervention, although some would like to see things move faster and favour a more ambitious approach. To gain a realistic picture, good communication from the Government Commissioner is essential. A number of concerned members of the public,

some of them politicians, signed a petition listing grievances such as the high cost of living and the poor maintenance of roads. It is up to the Government Commissioner to communicate clearly on the facts and the moments when decisions are made.

## **The administrative domain**

### *Restoration of democracy*

In the second progress report I listed the criteria that are to be assessed on 1 September 2019. The point of this assessment is to gain a better picture of when democracy on St Eustatius can be restored, with a government that is capable of properly serving the interests of the population. In order to make a sound, measured decision on the phased or outright termination of the intervention, the assessment criteria have been operationalised in the annexe.

An administrative intervention such as took place on St Eustatius is an exceptional course of action, and the decision that led to it was taken with the utmost care. Any decision to terminate the intervention requires the same well-considered approach, with clear and precise assessment criteria. As the government indicated on 5 January 2018,<sup>3</sup> following receipt of the report of the Committee of Wise Persons, the island's government must not slip back into its old ways as soon as the intervention ends. I have therefore operationalised the assessment criteria and divided them into measures that can lead to orderly government, including in the long term.

### *Population administration*

Where there is a lack of clarity in relation to registration, expired residence permits or other indications of incorrect data, an address investigation is carried out, to keep the population records up-to-date. The conditions for registration and deregistration in the population records are laid down in the BES Database (Personal Records) Act. On St Eustatius, it was not always customary for those who left the island, even for a long period of time, to deregister. This was partly because the surrounding countries to which many young people move in order to study do not require proof of deregistration. The same applies to the surrounding countries to which many people move for family reasons, often for a protracted period. Other causes may include ignorance, partly for convenience's sake and partly due to the financial benefits of registration (de facto free medical care, including abroad), and sometimes the fraudulent enjoyment of a continuing (double) benefit or allowance, and the

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<sup>3</sup> Parliamentary Papers, House of Representatives, 34 877 no. D.

absence of regular checks. To establish the accuracy of the data in the Personal Information Service for the Netherlands Antilles and Aruba (PIVA), further investigation is necessary. A preliminary investigation, in the form of an impact analysis, to explore the options for a complete clean-up operation was completed in May 2019. For myself and the Government Commissioner, a key factor is the need to establish in the short term the precise number of residents and which of those residents have the right to vote. This is a prerequisite for holding fair elections. The street names project has been completed, and every building now displays a house number, including office buildings and premises that are currently vacant.

#### *The civil-service organisation*

The Government Commissioner and his staff have devised a reorganisation plan that has been discussed with managers, employees in key positions and the union.

The new organisational structure is to be introduced as of 1 July 2019. An important organising principle is to achieve a separation between the functions of policy, implementation and supervision. To make it easier to pool knowledge, activities of a similar kind are being grouped together within a single organisational unit. Thus, all supervisory and enforcement activities are to be placed together, policy positions will be reinforced and in due course, when the new government building opens, a service desk for clients will be established. Working in a different context of public service will mean necessarily abandoning customs and habits built up over many years. The reorganisation, combined with simultaneous public service training sessions, means that civil servants will have to internalise a great deal of new knowledge.

The corrections to civil servants' salaries (retroactive to 2013) have been implemented. That means that every civil servant now has the correct salary for the pay scale and pay number to which he or she is entitled.

#### *Training plan*

To support the process of change, a multiyear training plan is indispensable, both to maintain knowledge and skills and to bring employees' attitudes and conduct into line with standards of professional public service. In mid-2018, the public service training programme was launched. The programme is intended for the approximately 170 civil servants, and focuses on integrity, the allocation of roles and division of tasks, rules of conduct and administrative and legal frameworks. In the section of the programme that was provided in May 2019, the training institute delivered a draft code of conduct devised by and for the officials of the public body. It will serve as the basis for a definitive code of conduct. In

addition to the general part of the training that each employee of the civil service must attend, a number of courses are tailored to specific tasks: examples include one for cleaning staff and one for the staff of the accounts department.

The next step in the programme to professionalise the civil service is the further training of management staff, which is linked directly to the reorganisation. Once a large proportion of the managers have been assigned positions in the reorganisation process, a management development programme will begin. In the reorganisation process, there will be monthly consultations with the union. That will increase support for the process of change.

Political professionalism is another skill that requires development. On Saba and Bonaire, during the run-up to the island council elections and in the wake of the elections to the Senate, a great deal of attention was paid to training. Preparations have started on St Eustatius for the 'Government of the Future' training programme. As soon as there is clarity regarding the next elections, a suitable moment will be chosen for this programme.

#### *Strengthening the administrative structure*

In the second progress report, I indicated that bringing bye-laws, ordinances and decrees up to date and placing them within the legal framework was one of the conditions to enable the local government to perform its tasks properly and in accordance with the law. In addition to the ordinances listed in the previous section, other legislation has also since been modified and established, such as the General Municipal Bye-law and the BES Code. Over the next few months, the priority will be the other ordinances, and decrees with a financial impact. A number of ordinances and decrees in the area of security and the environment must first be discussed with the stakeholders to assess their feasibility and enforceability. To strengthen enforcement, 15 employees of the public body and a number of other organisations have been trained as Special Police Officers.

In consultation with the Tax and Customs Administration of the Caribbean Netherlands and the Ministry of Finance, work is currently under way to explore whether the former can take over some of the public body's responsibilities for levying and collecting taxes. A draft voluntary agreement to that effect has been drawn up.

## ***Financial management***

### *Budgetary cycle*

Since mid-2018, documents in the budgetary cycle have been submitted on time. Since the second progress report, the third and fourth budgetary amendments, the fourth implementation report, and the 2019 budget have been submitted. I have approved all these documents. However, the budget is still in need of a number of improvements, for instance in the areas of resilience and land policy. The Government Commissioner has given an undertaking that these matters will be tackled this year. The completion of the annual accounts for 2016, 2017 and 2018 is proceeding with difficulty because of shortcomings in the underlying records. These documents will be finalised before 1 January 2020.

### *Court of audit function*

As previously noted to the House, the practical introduction of a court of audit function is essential in order to monitor the efficiency and lawfulness of revenue and expenditure. The details of the process that is to lead to an operational court of audit function for St Eustatius are currently being elaborated.

### *Plan of action to improve financial management*

In the second progress report, I noted that the Government Commissioner had submitted the plan of action for the improvement of financial management on 2 October 2018.

Subsequently, in December 2018, a number of amended ordinances were adopted, such as those governing subsidies, administrative charges, tax on installations on public land or water, tourist tax and waste disposal charges, as part of the process towards achieving a more effective and efficient system of subsidy provision and taxation. In addition, a new software platform for digital administration became operational. Approximately half of the modules needed for this platform have been designed and are now operational: namely, the modules for three types of taxation (ground rent, motor vehicle tax and waste disposal charges), HR and payroll administration, port administration, and permit administration. Partly as a result of the introduction of this last module, the procedures for granting permits were centralised into a single unit, as part of the reorganisation plan. In July 2019, the modules for the administration systems of the abattoir, the municipal health service and the Department of Agriculture and Fisheries (LVV) will become operational. Civil servants are now receiving software training courses, which will be completed in July 2019. This will safeguard expertise in the use of the system for the long term. Finally, steps are to be taken in the short term towards making financial management less susceptible to error and fraud by putting in place a sharper segregation of duties.

## **The social domain**

### *Poverty reduction*

The government response to the study on a minimum level of income<sup>4</sup> included a large number of measures to reduce poverty, both on the income and expenditure side and in the areas of workforce participation, housing benefit and childcare.

To provide an enduring path out of poverty, it is essential to boost workforce participation. Gaining insight into supply and demand, matching, an active approach on the part of employers, and labour market instruments are important when it comes to helping people with or without a work disability to find and keep jobs. The public body and the municipality of Leiden are working together in a twinning project financed by the Ministry of Social Affairs and Employment to improve public employment services on St Eustatius.

The cost of living is disproportionately high relative to income levels. During my previous visit, together with the State Secretary for Social Affairs and Employment, this subject was discussed at length. In accordance with the motion submitted by MP Stieneke van der Graaf et al.,<sup>5</sup> the State Secretary for Social Affairs and Employment will inform both houses of parliament, in a progress report to be submitted before the summer of 2019, on the steps that must be taken to establish a norm for the minimum level of income. As announced in the government response to the study on a minimum level of income, recent policy memorandums on leave regulations and on the legislation applicable to employees who are unable to work through sickness or disability have been submitted to the public body for its response. The same procedure was previously followed with the 'Occupational Safety Decree IV CN' (*Arbeidsveiligheidsbesluit IV CN*), which contains further rules for physical strain, diving work and work with asbestos.

Poverty reduction also calls emphatically for an effort on the part of the public body. It can make a contribution through the island's own anti-poverty policy. An important prerequisite in this regard is that the public body lay down its poverty reduction policy in an ordinance or in policy rules. Coordinating with the Ministry of Social Affairs and Employment is important here, with a view to ensuring harmonisation with the criteria for special social assistance.

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<sup>4</sup> Parliamentary Papers, House of Representatives, 34 775 IV, no. 45.

<sup>5</sup> Parliamentary Papers, House of Representatives, 35 000 IV, no. 7.

### *BES(t) 4 kids*

In 2018 a plan was launched to strengthen childcare provision and before- and after-school care by adding extracurricular educational activities outside school hours. This was later dubbed the BES(t) 4 kids programme. The Ministry of Social Affairs and Employment appointed a programme manager and the public body appointed a project leader. In February 2019, the agreements of the programme were endorsed by the public bodies of Bonaire, St Eustatius and Saba and the Ministries of Social Affairs and Employment, Health, Welfare and Sport, Education, Culture and Science, and the Interior and Kingdom Relations. Central government is making financial resources available for the BES(t)4 kids programme. The House will be kept informed about this programme in separate communications.

### *Social support*

Since 1 January 2019, a number of social support provisions at the Community Care Center have been allocated structural funding through the hospital. The care contract between the hospital and the BES Health Insurance Office has been expanded thanks to additional resources allocated by the Ministry of Health, Welfare and Sport. The additions involve a meals service, individual transportation, home help and adjustments to the home. In addition, five sheltered accommodation homes are expected to become available in the Lodi district in the course of 2019, with the aid of a special grant from the Ministries of the Interior and Kingdom Relations, Social Affairs and Employment and Health, Welfare and Sport. These facilities enable residents to continue living pleasantly and independently for a longer period of time.

### *Water and electricity*

The drinking water provision on St Eustatius is not yet adequate or sustainable. Too often still, the authorities are compelled to ration its use. I indicated the causes underlying this problem in the second progress report. A comprehensive plan was drawn up for the whole island of St Eustatius to improve the transport and storage of rainwater. This will include the creating of additional rainwater storage capacity at the solar park. A second step is to be taken by the drinking water and electricity company STUCO, which is responsible for the production and distribution of the island's drinking water and electricity. The Ministry of Infrastructure and Water Management is currently conducting a study to arrive at a realistic projection of the future demand for drinking water on St Eustatius and to devise a sustainable model for its production.

2018 was the first full operating year of the solar park; 45% of the energy that STUCO generates and distributes to the community of St Eustatius now consists of solar energy. The



solar network is more stable than the diesel generators and has proved itself capable of providing the island with frequency and voltage stability without polluting the environment. This is a big step towards placing the energy supply of St Eustatius on a sustainable footing.

STUCO sets the charges for drinking water and electricity, within the parameters of the relevant legislation and tariff decisions. The Ministry of Infrastructure and Water Management helps to keep drinking water affordable by granting an annual subsidy. As a result of a lack of clarity between the various interested parties, the Ministry of Economic Affairs and Climate Policy was planning to terminate the subsidy that had been put in place to safeguard the affordability of the standing charges for electricity on St Eustatius. As a result, it seemed that the people of St Eustatius were going to have to pay far more. At the end of 2018, the Ministry of Economic Affairs and Climate Policy, the Ministry of Infrastructure and Water Management, the Netherlands Authority for Consumers and Markets (ACM), STUCO and the public body of St Eustatius held a meeting at my request, and the National Audit Service (ADR) was asked to clarify the situation. As a result, a satisfactory solution was achieved in April 2019. On the basis of the ADR report, the Ministry of Economic Affairs and Climate Policy decided to grant the subsidy for the grid management costs for the years 2017 up to and including 2019.

### *Social housing*

In the government response to the study on a minimum level of income,<sup>6</sup> the government stated its desire to keep the cost of housing down to an acceptable level, as far as possible. It is therefore important to ensure that the residents of all the islands have access to sufficient, good-quality social housing. In the progress letter of 17 January 2019 on social housing in the Caribbean Netherlands,<sup>7</sup> I briefly informed the House on the current state of affairs with regard to social housing in, *inter alia*, St Eustatius. As I noted, the condition of the approximately 100 dwellings that are managed as social housing by the St Eustatius Housing Foundation (SHF) is a cause for concern. The housing association Woonlinie (in the European Netherlands) and the public body therefore recently submitted a joint proposal to achieve a structural solution for the renovation and maintenance of social housing and the construction of new homes in this sector. Work is under way on an initial pilot project: Woonlinie, in consultation with the public body and SHF, intends to renovate one home and build two semi-detached houses in the short term, helped by a subsidy of €390,000 from the Ministry of the Interior and Kingdom Relations. During the pilot project, efforts will be made

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<sup>6</sup> Parliamentary Papers, House of Representatives, 34 775 IV, no. 45.

<sup>7</sup> Parliamentary Papers, House of Representatives, 35 000 IV, no. 37.

to achieve closer cooperation among those concerned, with the ultimate aim of renovating all 100 of the existing rental homes in the social housing sector and building 50 new ones.

As on the islands of Bonaire and Saba, the Ministry of the Interior and Kingdom Relations is collaborating with the public body of St Eustatius to set up a simplified points system for rental homes on St Eustatius, in line with the provisions of the Rental Housing Market Measures (Caribbean Netherlands) Act (*Wet maatregelen huurwoningmarkt Caribisch Nederland*). The aim is to have completed this by early 2020. This will give effect to the regulation of a reliable, sustainable, and affordable housing market with good-quality homes. Statistics Netherlands (CBS) is currently conducting a study commissioned by the Ministry of the Interior and Kingdom Relations of the rental housing market on St Eustatius. The exact details of the points system must be established by island ordinance. A points system, a rent-control ceiling and a rent tribunal will make the system fairer and improve equality before the law, as well as professionalising the activities concerned, and hence strengthening the administrative structure on St Eustatius.

In addition, the Ministry of the Interior and Kingdom Relations is taking steps to create a form of rent allowance for the Caribbean Netherlands. In 2019, additional funds will be set aside for social housing to reduce rental charges through the landlord's contribution. To achieve this, it is a prerequisite that the public body of St Eustatius adopt the necessary Rental Committee and Rental Charges Ordinance and the Landlord Subsidy Ordinance this year. For the private market, the introduction of the Rental Committee and Rental Charges Ordinance will help to keep rental charges down in this sector as well. This does not alter the fact that additional steps are needed in this sector too. To this end, further research is essential, which will involve reviewing the landlord subsidy system. This means that a solid first step is being taken in 2019 to develop the social housing sector in the Caribbean Netherlands, while at the same time taking action to create clear prospects for the private market in the longer term.

### *Sports and exercise*

During the working visits by the State Secretary for Health, Welfare and Sport in May 2019, the Sport and Prevention Agreement was signed and the renovated Cruyff Court reopened. With this agreement, the Ministry of Health, Welfare and Sport and the public body expressed their ambition to invest systematically in measures to improve the health of the people of St Eustatius. For instance, neighbourhood coaches are being deployed systematically and their numbers increased in acknowledgement of their important role in helping to provide a structural supply of exercise opportunities for all local residents. In

addition, we are joining forces to strengthen the organisations involved in sport and prevention, such as the public health department and the sports foundation. Finally, several projects are planned for the coming period to improve sports facilities: they include the renovation of the clubhouse, the expansion of the fitness centre and improvements to the car park.

### *Domestic violence*

Efforts to prevent domestic violence and child abuse have received undiminished attention, in the form of measures to raise awareness and to break with existing taboos to make it easier for people to discuss the topic. Within the Administrative Agreement on Dealing with Domestic Violence and Child Abuse that was concluded in 2017 with the Ministry of Health, Welfare and Sport, action is taken, in cooperation with the Ministry of Justice and Security and other partner organisations, on measures such as public information, enhancing expertise and setting up an easily accessible reporting centre. In close collaboration between the public body and the National Office for the Caribbean Netherlands (RCN), the Multidisciplinary Consultation Partnership Agreement (MDO) for St Eustatius was concluded on 8 March 2019, the St Eustatius version of the Care and Community Safety Partnership. The privacy regulations linked to this agreement were adopted and the ICT systems necessary for case discussions were made available.

The MDO is a form of network cooperation between partners in the care and criminal justice systems and other partners (e.g. in education). The MDO focuses on combating serious crime and public nuisance, by seeking to prevent repeat offending and social marginalisation. Here, the focus is not only on existing offenders, but also on individuals or groups at high risk of ending up in the realm of crime and conduct that causes a severe public nuisance. As a network, the MDO is not just an important link in the chain between prevention, precautionary measures, care and punishment, but also a link with the administrative structure, through the participation of the public body. The added value of the partnership is that in transcending the existing systems, it helps to reinforce their individual approaches. At the same time, all partners involved retain their own statutory responsibilities.

The public information campaigns that were launched on St Eustatius on the subjects of domestic violence and child abuse had the effect of making it possible to discuss these subjects in society and making it easier for victims to find help and support.

## **The physical domain**

### *Reconstruction*

Almost all the homes that were damaged by the hurricane have now been repaired. Work on the six cemeteries, the spire of the Dutch Reformed Church, the wall ruin at Synagogepad and the fence outside the administrative offices was completed in the spring of 2019. The St Eustatius National Parks Foundation, Stenapa, is carrying out a number of reconstruction projects in nature areas. Work on the fence of the botanical gardens and the protective wall outside the Stenapa offices has been completed. The two-year reforestation project of cultivating new saplings has been launched. With the building of a low wall at Zeelandia beach to prevent vehicles driving onto the sand, a start was made on a plan to protect breeding turtles and to prevent illegal sand extraction. Coral ladders have been put in place; the expectation is that the coral will be suitable for transplantation by the end of 2019.

All current projects involve active cooperation with Stenapa. Before work starts, checks are carried out to see if there are any iguanas or iguana nests, so that these can be moved. One such check, before the work on the cliff got under way, revealed the presence of a nest, which Stenapa then moved elsewhere.

In the summer of 2018, four indigenous iguanas from St Eustatius were transported to Rotterdam Zoo, for inclusion in an international breeding programme. The aim is to reduce the risk of this endangered species becoming extinct. As expected, the iguanas did not lay any fertilised eggs in the first year after their move. The breeding season is in the summer months. It will soon become clear whether this year will yield any fertilised eggs. If so, they can be removed from the enclosure to be hatched.

The following paragraphs describe the progress of projects – erosion, sea port, waste management – that are financed partly or wholly from reconstruction funds.

### *Erosion*

Repairs to the cascade, the drainage system on the cliff, were completed at the end of 2018. The problem needed to be tackled urgently, because of the threat to the cliff's stability. In January 2019 a French company was awarded the contract for stabilising the cliff. This work is expected to be completed in late 2019 or early 2020. Measures will be elaborated in detail in 2019 with the help of Rijkswaterstaat to tackle the erosion along the coastline in Lower Town as well as that on the seaward side of the runway. These measures are part of an integrated solution that includes work on roads, the drainage and collection of rainwater and

the plans for the coastline, including the port. The drainage measures that will accompany the building and improvement of roads, such as the transport and storage of rainwater, action to tackle erosion of the cliffs and coastline and support for the agriculture and livestock sector will all be combined. This will maximise the impact of the measures in terms of combating erosion and expanding water storage capacity. These measures will be carried out in phases over the next few years.

The first step will be to focus on the 'quick wins'. These are relatively small-scale projects that will be conducted in conjunction with the work on the roads and projects that are temporary, pending the creation of a definitive solution in order to be well prepared for the coming hurricane season. The larger-scale projects along the coast call for rather more preparation time to ensure a proper contract award procedure. Research shows that a larger budget will be needed to complete all the work.

To ensure a comprehensive approach, the Ministry of Infrastructure and Water Management, in consultation with Rijkswaterstaat, has assembled a team of experts that will oversee the projects in the coming period.

### *Roads*

On 26 November 2018, the contract was awarded for the first phase of the road development programme. Work is now under way on paving the unpaved roads in the Cherry Tree district and adding more street lighting. In addition, underground cables and pipelines as well as a rainwater drainage system are being installed. This project is scheduled to be completed after the summer. It is part of the first phase of the road development programme, which also includes the renovation of two other roads. The contract award procedure for the second project started at the beginning of March. The contract is expected to be awarded at the end of May 2019, and the project's implementation is expected to take approximately nine months. Then, as soon as the necessary land has been purchased, the contract award procedure will be launched for the third road development project: the widening of the road between the hospital and the schools. All the projects in the road development programme are part of the comprehensive approach referred to above. In a land exchange, the public body has acquired two key sites for rainwater storage. The procedure followed in awarding contracts, the documents involved, and the experience gained in these processes, will be incorporated into the procurement policy for St Eustatius.

### *Airport and sea port*

The 10th European Development Fund (EDF) project to contain the erosion at the sea port was delayed by the contractor. The new protective structure is expected to be ready, and the 10th EDF concluded, by the end of September 2019. Once it is finished, the seabed of the container port will be reinforced, using the funds made available by the Ministry of Infrastructure and Water Management from the port budget. This will expand the port's storage capacity.

A study on ways of optimising the port's layout was combined with a morphological study of the coastline. The findings showed that more research is needed to determine the impact of possible improvements to the port on the coastline's vulnerability to erosion. It is important to prevent any irreversible decisions being taken on the port layout while it remains insufficiently clear what negative impact that layout might have on the coastline. Ideally, the improvements to the port should help to combat the erosion of the coastline. Working out the details of the plan to expand the harbour is part of the comprehensive plan of action to tackle the erosion of the coastline, which Rijkswaterstaat is elaborating in phases. A well-constructed and safe harbour holds out prospects for further growth and economic development. An attractive and structurally improved coastline is key to ensuring the preservation of the coastal road – the lifeblood of the island and crucial to the development of its tourism and recreation.

### *Water collection*

The improvement of rainwater collection on St Eustatius serves several purposes. Its primary goal is to reduce erosion, but in addition, the rainwater collected can be used for agriculture and livestock farming. At the solar park, contractors are already busy expanding rainwater collection. In addition, work has started on excavating old infiltration basins. This excavation process is an integrated part of the approach described in the section on Erosion.

### *Waste management*

In the first phase of the 'abandoned car wreck removal' project, some 300 cars wrecks were removed from the island in December 2018. Phase two consists of collecting and dismantling the remaining wrecks. The equipment needed for dismantling the vehicles has been purchased and a workshop has been fitted out, where the materials can be dismantled in an environmentally friendly way. The collection of the car wrecks started in February 2019 and the operation will probably run until mid-2019. In the third phase the dismantled vehicles are to be removed, an operation that should be combined, as far as possible, with the

disposal of other waste. The operation is intended to be wound up at the end of 2019 or the beginning of 2020.

In the 2019 waste management plan, the main points are to prevent the illegal dumping of waste and to recycle as much waste as possible. This has consequences for the storage capacity for the separated waste until a suitable purchaser can be found, and until suitable and affordable transport can be arranged. The emphasis on the reuse of recycled products in turn has consequences for the drafting of tenders, in the sense that the contract needs to include an obligation to reuse crushed glass, ash from waste incinerators and other residual products to make products such as concrete.

The present waste incinerator has insufficient capacity to incinerate all the incoming non-recyclable waste, as a result of which some waste still has to go to landfill. The landfill site itself has almost reached full capacity. In addition, the waste incinerator does not meet the criteria of an effective and efficient waste treatment procedure, as a result of which waste can be processed for only eight hours a day. To acquire a new waste incinerator, the Ministry of Infrastructure and Water Management has made approximately €1 million available from the reconstruction budget. It is expected that the new waste incinerator can be purchased in the summer of 2019.

### **Economic structure**

Strengthening the economic structure remains a complex challenge because St Eustatius is an island and because of its small scale. Nonetheless, a number of hopeful developments can be noted. One is the rising number of company registrations with the Chamber of Commerce. In addition, in the case of a number of established companies, there is an observable trend towards developing added value by making products locally. One example is an entrepreneur who has started producing not only local honey but also lip balm and soap. In addition, there is a notable increase in the number of people interested in starting up companies on St Eustatius. Together with the local Chamber of Commerce, ways of giving practical support to commercial initiatives are being explored.

#### *Comprehensive tourism plan*

The local tourism board, St Eustatius Tourism Development Foundation, has developed a vision for tourism on the island, with the support of the Netherlands Enterprise Agency (RVO.nl) and with many local interested parties. This vision outlines a prospect within which St Eustatius can continue to work on developing its unique qualities in the coming period

and promote these qualities to increase its profile as a tourist destination. RVO.nl will continue to offer its support over the coming period to draw up an implementation plan and to put this vision into practice, one step at a time.

The efforts that have been made in the realm of tourism have not gone unnoticed. The company Green Destinations provides certification for sustainable tourist destinations. Over the past two years, St Eustatius was certified to display the company's Bronze Award. Meanwhile, there has been a reassessment, and for the next two years St Eustatius is permitted to display the Silver Award. The innovative activities of the waste disposal company in relation to recycling also played an important part in the granting of the Silver Award.

#### *Agriculture and livestock farming*

On St Eustatius, agriculture is the primary sector with substantial economic potential. The soil is volcanic and therefore extremely fertile. At the same time, the island has a number of structural problems that prevent this sector from developing its full potential. One of the most important problems is the lack of structural availability of water. The Government Commissioner is working in partnership with those involved to achieve a more comprehensive approach that will both combat erosion on the island and improve rainwater transport and storage in ways that will make it more effective for sectors including agriculture. The further development of agriculture and the commercialisation of the agriculture sector will increase the island's self-sufficiency. If St Eustatius can produce more products itself, it will become less dependent on – expensive – imports. In partnership with the Ministry of Agriculture, Nature and Food Quality, work is in progress on additional measures to help the island to further develop, and where possible to commercialise, its agriculture sector. One point that is closely connected to improving the sector is the organisation of the livestock farming sector, which has a certain amount of catching up to do. The problem of livestock wandering freely around the island, which has been happening for decades, needs to be tackled firmly. Stray livestock poses a risk to safety, for instance in traffic, and was also a causative factor in the erosion of the cliff. The livestock also damages public and private land and poses a threat to local biodiversity. There is a need for a cultural shift in this sector. Efforts will be made, together with interested parties, to achieve a sustainable restructuring of the sector.

The 'Made in Statia' project is now in its final phase. Interest has been expressed in a commercial continuation of this initiative in a modified form. During the transitional stage, the



initiators will be supported with a view to sustaining this agricultural company and its contribution to employment and to healthy and affordable vegetables and fruit.

### *Undivided estates*

In the context of producing durable solutions, I asked the Government Commissioner to tackle the problem of undivided estates. St Eustatius has had a relatively large number of undivided estates for a very long time. Many of them are estates with dozens of largely unknown heirs. This makes it difficult to properly implement the procedures for collecting ground rent, which means that the public body is missing out on revenue. In addition, it is difficult for the government – as well as for private individuals – to acquire land for the development of social housing, agriculture, livestock farming, infrastructure and industrial sites. It is also a problem when it comes to drafting a memorandum on land policy, as set out in the Financial Management Action Plan. If this is not tackled, future governments will not find it easy to develop social housing or infrastructure, to provide incentives for economic activity or to generate more income for the island. That is an undesirable situation, also in view of the fact that these factors play an important part in poverty reduction. Solving this problem is labour-intensive – tracing heirs through online advertisements, targeted newspaper advertisements in specific regions, writing to those heirs who are known to the authorities – but it is of great importance. The Government Commissioner is receiving support in this endeavour in the form of technical assistance.

### *Geothermal power*

With a view to the future and given the need for sustainable energy sources, the Government Commissioner decided to create an opportunity for a pre-feasibility study to find out whether St Eustatius has any geothermal sources and to what extent these can be used. This study is taking place not only on St Eustatius, but also on the islands of Saba and Saint Kitts and Nevis. The previous island government had already issued an operating licence for this exploratory study for the next five years. The Government Commissioner has pledged his cooperation with this project to ensure that the island does not miss out on an opportunity to enjoy the possible economic potential that could result from it. This exploration to discover possible geothermal energy sources could help to place the island's energy supply on a more sustainable footing in the future as well as providing more employment, including during the exploratory phase. If St Eustatius is found to be suitable, and takes part in a follow-up study, there is a chance of the project generating significant economic potential.

## **Public order and security**

In January 2019 the 2018 Security Assessment for the BES Islands was published. From its findings it may be concluded that organised crime does not play a significant role on St Eustatius. There is evidence, however, of a modest-sized hub of drug trafficking and of risks in relation to money laundering because the island is still largely a cash-based society. The figures released by the Caribbean Netherlands Police Force (KPCN) show a rise in cases of registered property crime and violent crime on St Eustatius. Talks are taking place on ways of tackling the increase in these types of crime in the local tripartite consultations between public prosecutor, mayor and head of local police. If necessary, the KPCN could temporarily deploy additional personnel from Bonaire.

### *Final remarks*

It is no small challenge to turn around the severe neglect of responsibilities that has taken root on St Eustatius in the course of many years and to create a situation within which future local governments can perform their functions adequately themselves and in which backlogs are reduced to a manageable level. This progress report makes it clear that the progress being made in many of the activities and projects gives cause for optimism. The Government Commissioner, his deputy, the civil-service organisation and the support team have addressed and tackled many challenges. Partly through the efforts of the Dutch ministries that have been providing support in the form of expertise, human resources and funding, the Government Commissioner is now better able to fulfil his mandate.

This extensive administrative intervention has been a unique course of action for this government. Given the amount of work that has been done in just over a year, I feel confident that these efforts will bear fruit. It is certainly true that much remains to be done, especially in the administrative domain. The island's financial management had been neglected to such an extent that its recovery will last well into 2020; in addition, the professionalisation of the civil-service, political and administrative bodies will necessarily take time.

As I have promised, I will inform you in September 2019 regarding the progress being made on the criteria that are decisive for a possible return to a normalised situation. On the basis of that progress, an assessment can be made as to whether the situation is such that a future government of the public body can fulfil its tasks independently on a permanent basis.