

Introduction

The temporary Neglect of Duties St. Eustatius Act, which the government submitted to the House of Representatives in February, is a last resort that was not taken lightly. The need for this step was extensively discussed in the debates - in the Cabinet and House of Representatives and Senate - in the light of the findings of the Committee of Experts. The temporary bill on neglect of duties was passed with unanimous parliamentary support.

The starting point of the administrative intervention is that the intervention should be as brief as possible, but as long as necessary to achieve results and restore legal order; results that preserve and lead to legal certainty, development opportunities and improved well-being of the population of St. Eustatius. I am strongly committed to this and that is one of the reasons why I have visited St. Eustatius several times since the intervention; at the end of April together with Minister Grapperhaus (which I have informed the House of Representatives about by letter) and recently also with Prime Minister Rutte. With this first letter about the progress, I am meeting my commitment to the House of Representatives to regularly inform you about the administrative, social and economic developments on St. Eustatius after the administrative intervention on February 7, 2018.

General picture

After the entry into force of the Neglect of Duties St. Eustatius Act, the government commissioner formed an idea of the situation on the island. The situation is serious, the neglect and backlogs are even more extensive than originally thought, and visible and noticeable in almost all areas. The issues are also closely related. For example, tropical rain showers and hurricanes cause large amounts of water that are not adequately drained and therefore have an erosive effect. This water could be used effectively by storing it and using it in agriculture and horticulture. The production of fruit and vegetables on St. Eustatius can be increased for example. In view of the fact that the prices of local fresh products are considerably lower than those of imported products, this will reduce the cost of living. The most distressing issue, poverty, also depends on many factors: not only on the determination of a social minimum, but also on the social housing market, economic opportunities, childcare facilities and educational opportunities.

Getting all domains and the local civil service in order is a huge task, requiring at least two years, as was already pointed out in the report of the Committee of Experts. Even then, in a number of domains, there will merely be a better basis for other directors to build on. A simple example: renovating the entire road network, some 40 kilometres, is not only physically impossible within two years, but there are also insufficient financial resources available. In the first four months of the administration, the issue of the erosion of the coastal strip in Lower Town has been added. The sea has now swept away so much land that acute measures are needed to stop erosion. The problem with such large projects is that during the upcoming hurricane season there is a chance that there will be limited import and export of large equipment via ships.

The Public Entity's financial position is precarious. The challenge is therefore to achieve maximum effect with the existing resources. It is important to realise a smart link between the resources of the Public Entity, the means for reconstruction, the regional level envelope, the resources from the coalition agreement for the exploitation of the infrastructure, the resources for social and economic development - the so-called integral resources - and other impulses from the Central Government, including the structural means to combat poverty among children. This is in addition to strengthening the island's own economic development. This means that - aside from the necessary clearing of the backlog of collection of local taxes - the own revenue area can be increased and more employment created. Maximum effect can be achieved by an integral approach.

Opinion and expectations

The government commissioner has been in discussion with the population and civil servants from day one to restore confidence, identify needs and be transparent about the approach and work. The government commissioner and his team spend a lot of time on events and initiatives for the population. After four months, there was support for the intervention among some of the critics in addition to acceptance. At the same time, local expectations regarding the concrete results are very high, especially in the social and economic field and with respect to the services provided by the Public Entity, as well as domains outside the sphere of influence of the government, such as curative care.

From the beginning, investments have been made in the civil service, which ultimately will have to support the sustainable change. In addition to getting processes in order, supporting officers are and will be appointed to vital positions such as Finance, Personnel, ICT and the Directorate of Society and Welfare. The majority of civil servants see the current situation as an opportunity and support the government commissioner. Instead of intimidation, manipulation, arbitrariness and/or nepotism, these officials see room for the development of administrative professionalism.

The involvement of the population in the work of the government commissioner is major. This is evident from the success of the weekly walk-in consultation that the government commissioner and his deputy hold and from the well-attended town hall meetings. Meetings with the Social Advisory Council that has been formed also result in a lot of information, ideas and trust. I also experienced the personal involvement of the members of the Social Advisory Council in various talks. In addition, communication is carried out using radio and Facebook. Together with the Ministry of General Affairs, the website of the Public Entity is being renewed and professionalised. All these forms of integration are used to create support, gain trust, acquire knowledge about the needs and wishes of the population and accountability for the administrative choices made.

The political landscape

The political landscape on St. Eustatius has been strongly polarised for many years and has been based on the pursuit of nepotism and power politics. This was also the case prior to February 7, 2018. A number of political parties have now united in a platform. The government commissioner began dialogue with the group, indicating that he regularly wanted to exchange ideas with the group. The government commissioner is also permanently prepared to provide an outstretched hand to the former coalition and those who are critical of the administrative intervention. In addition, he has commissioned development of a series of training courses for anyone who aspires to an administrative position in an island council or an executive council in the future, in order to ensure that the existing political pattern is broken. The aim is to make society more robust with a strong civil society, a professional civil service and a transparent climate in which talent wants to connect with politics and government.

The administrative organisation

The government commissioner has inventoried where the largest bottlenecks are in the administrative framework in combination with the strength of the civil service. Administrations are often not in order and suffer from (serious) shortcomings, such as the financial housekeeping, local tax collection and population administration.

Electronic infrastructure is very outdated. Many regulations require modernisation, correct application, implementation of policy, as well as the correct and complete application of supervision and enforcement. These shortcomings also cause problems in licensing and granting of subsidies and the collection of outstanding rents, ground lease, charges, harbour dues and local taxes. Due to the low quality of the population register, including file contamination, insufficiently reliable information is also offered to other contracting and executive services such as the IND, the tax authorities, the ZVK and the SZW unit of the Rijksdienst Caribisch Nederland. The electoral register and statistics of the Central Bureau for Statistics are therefore far from complete and/or correct. However, an up-to-date population register and, with it, an electoral register of sound quality is important for organising elections.

Improving financial management, administration and processes as well as adapting regulations and procedures is commonplace at this stage. These improvements are now supported by a number of officials from the Netherlands. In order for the civil service to function more adequately, a staff and training plan is being drawn up. This plan also includes the extent to which the size of the civil service can be reduced. It is comparatively large, so that the staff costs account for 70% of the budget of the Public Entity. Part of the size can be explained by the extensive range of duties and the fact that St. Eustatius has an airport and seaport. The government commissioner looks at whether or not other tasks might be accommodated elsewhere.

Another issue is that of housing. Government and civil servants are now housed at about 19 locations. In the short term, that number can be reduced somewhat, now that the restored Government Guesthouse is available again for the government and the administrative staff. In the longer term, one administrative office could significantly improve the poor housing situation and result in savings.

Financial management and administration

One of the main tasks of the government commissioner is to bring the finances of the Public Entity St. Eustatius back to an acceptable level. In view of this, in consultation with the government commissioner I agreed to apply Section 9 to 12 and 17 to 39 of the FinBES, which does not currently apply to the Public Entity St. Eustatius, but as much as possible analogously. This will facilitate the transition to regular financial management after the temporary neglect of duties Act and contributes to the ambition to ensure that the government of the Public Entity St. Eustatius functions properly in the future.

Progress is being made with the improvement of the financial administration. The Public Entity has succeeded in delivering the first quarterly report recently. Step by step, arrears in the collection of funds are also being eliminated and the government commissioner indicates that he has started collecting the tourist tax. The liquidity position is a concern for the government commissioner, specifically the lack of sufficient management and maintenance funds, while urgent maintenance is advisable in many areas.

The social domain

The government commissioner is aware that the acceptance of the administration by the population depends largely on successes achieved in the social domain. I agree with this and it is not without good reason that this subject has been amply discussed in the parliamentary debates. An important priority for the population is increasing social and economic security. The

government commissioner is working on this with the cabinet. The results of the investigation into the benchmark for social and economic security and the government response to this are largely decisive for this and the aim is to inform the House of this before the summer.

The government commissioner has determined that the social housing market is both qualitatively and quantitatively substandard. The repairs to the more than 100 residential and social homes affected by the hurricanes does offer some solace in terms of maintenance, but is far from sufficient to reverse the neglect. Initial talks were held with a Dutch housing corporation to find out to what extent it could be helpful in improving the social housing market. Incidentally, the process of repairing the homes affected has been tackled energetically and is being completed in August with the available capacity and resources in view of the new hurricane season.

The Ministries of Health, Welfare and Sport and Education, Culture and Science have invested heavily in healthcare and education. In relation to the hospital function, there are expectations that are unrealistic from some parts of society. The government commissioner attempts to temper the expectations every time. Structural investments are needed on St. Eustatius to provide specific groups such as young people, the elderly and the disabled, with an adequate social environment outside the framework of the family. Together with a number of civil society organisations and the departments involved, the government commissioner is trying to increase and improve the number of facilities.

The physical domain

The quality of the infrastructure on St. Eustatius is far below par. Major problems are the poor and unmaintained roads, the unmaintained seaport and airport, a fragile, rapidly eroding coastal strip, unmaintained listed buildings and historic ruins, and inadequate water supplies. Not only the coastal strip in Lower Town is subject to erosion, also the cliff on the harbour side and the coast near the airport have been seriously eroded. The Ministry of the Interior and Kingdom Relations is closely involved in dealing with the cliff. The rising seawater level, the more frequent occurrence of swells and hurricanes, contribute to the acceleration of the problem, as well as the uncontrolled drainage of rainwater and stray cattle. The erosion issue has been tackled together with the Ministry of Infrastructure and Water Management. In June, the Ministry of Infrastructure and Water Management will conduct further research into the full breadth of the erosion issue. Meanwhile, the government commissioner has provided the contours of a plan that not only stops the severe erosion of the coastal strip, but at the same time improves the seaport, increases activity and preserves unique historical properties and makes them accessible to tourists. The contours of this plan are held up against the findings of the Ministry of Infrastructure and Water Management.

Meanwhile, the first tender for the renovation of one of the roads is being prepared. After a tender procedure, the first 300 car wrecks are currently being removed from the island. There are approximately 1,000 car wrecks that pose environmental and health risks, are major safety risks in the event of hurricanes and detract from the island's unspoilt nature and beauty. Further waste management has now been outsourced, whereby the management has announced that it will shortly modernise the regulation with regard to the contributions to waste collection. The Ministry of Infrastructure and Water Management and the Ministry of the Interior and Kingdom Relations have put forward the idea of performing joint waste processing for St. Maarten, Saint Martin, Saba

and St. Eustatius. A number of natural, agricultural and livestock farms, a number of historical properties and the (historic) cemeteries have also been affected by the hurricanes.

The economic structure

The economy is vulnerable because of the small scale. The dependence on St. Maarten is great. Now that this country has been hit hard by the hurricanes, this has negative consequences for St. Eustatius' accessibility. This also has negative effects on the accessibility and affordability of services and products.

In the context of reconstruction, the Ministry of Economic Affairs and Climate has compensated the tourism sector for loss of income. These benefits and the investment of reconstruction funds in the restoration of housing, (historical) buildings, agricultural businesses and nature ensure that the companies have been able to survive and the economy gets a boost. In various conversations with local entrepreneurs, I have found that the mentioned scheme has been helpful. The Ministry of Economic Affairs and Climate also encourages small-scale vegetable cultivation by contributing to the greenhouses in schools. Work is also being done on the second phase of the solar park.

Due to the relatively early drought period this spring, farms are more likely than usual to suffer from water shortages, because of which agricultural production is seriously threatened. STUCO (St. Eustatius' drinking water and electricity company) is running into a number of problems with production, repairs, maintenance and the desire to expand the customer base. An important cause of these problems is the lack of adequate knowledge of drinking water supply within STUCO. This has also resulted in overdue maintenance. The government commissioner, together with the Ministry of Infrastructure and Water Management, is conducting further research into this issue. A member of the Supervisory Board with knowledge of drinking water facilities will soon be appointed.

Public order and safety

The government commissioner observes that at the moment few problems occur on the streets with regard to public order and safety. Sex crimes and domestic violence are problems that require constant attention. Reducing this problem is an arduous process, where not only the culture of concealment is an issue, but also small dwellings and poverty. Together with the Ministries of Health, Welfare and Sport, and Security and Justice, I am working to achieve improvements in the field of domestic violence.

In the context of crisis and disaster coordination, the government commissioner has asked for technical assistance to make the necessary plans robust. This request has also led to ordering the realisation of the long drawn out renovation and formation of a Statia Emergency Operations Centre.

Integral approach

Within the own areas of responsibility, an issue is always addressed as much as possible *integrally*: if necessary, the relevant regulation is modernised, the administrative procedure will be improved and the applicable regulations will be respected and complied with. In many areas, cooperation with and assistance from Dutch departments is needed, because there is more expertise and available financial resources present there.

It is also important to use the available resources, such as the reconstruction funds and the regional level envelope, in such a way that the maximum effect can be realised together. In addition, the government commissioner is eliminating a number of disadvantages caused by the size of the island by outsourcing tasks. For example, a number of government organisations are

consulting on local taxation and collection, on back-office tasks for population administration and on the management of the local social housing stock. Discussions are also underway regarding the affordability and quality of telephony and internet traffic.

In closing

Together with the government commissioner, I establish that the tasks on St. Eustatius are extensive and that it will take time to achieve a sustainable effect for the residents of St. Eustatius. In addition, the activities are carried out in a dynamic environment, where priorities can shift in the relatively short term in view of urgency and the fact that new problems present themselves. The eroding coastal strip is an example of this. Partly for this reason, I attach great importance to regularly informing the House about the progress on St. Eustatius, including reports from visits and debates with your House. In view of the summer recess, I intend to provide you with a second periodic report on progress by mid-November 2018.

The State Secretary for the Interior and Kingdom Relations,

R.W. Knops