

## **Letter of 29 May 2020 to the President of the House of Representatives from the State Secretary for the Interior and Kingdom Relations, Raymond Knops, containing the six-monthly progress report on St Eustatius**

### **Introduction**

I am writing to inform the House about progress in all areas related to the state intervention in St Eustatius. The previous progress report was sent to you on 5 December 2019. Parliament is currently considering the St Eustatius Administrative Provisions (Restoration) Bill. After an initial extension of the intervention, the Bill allows for the gradual return to regular administration relations.

As the House was previously informed,<sup>1</sup> the plan is to hold island council elections this autumn. Improvements are gradually taking hold in various areas in St Eustatius and are slowly but surely becoming visible. In the next six months St Eustatius will prepare for the planned elections. Nevertheless, a great deal of work still needs to be done in order to ensure good governance over the long term. A steady return to normal administrative relations is premised on a continuation, in the years ahead, of the gradual positive developments we have already seen.

The second progress report (of 14 November 2018)<sup>2</sup> set out 12 criteria for good governance. These criteria serve as conditions for the completion of the phases set out in the Bill, and are being completed step by step. A table outlining the progress made on these 12 criteria is enclosed as an annexe to this report. In keeping with previous letters, I will describe progress in the administrative, social and physical domains. I will not go into detail about any matters that have not changed since my last letter. This letter also deals with COVID-19, given its impact on the general situation in St Eustatius and the progress of certain projects. In accordance with the undertaking I gave to the House,<sup>3</sup> I will continue to report to you every six months on progress in all areas affected by the intervention. Because of the planned elections in the autumn of this year, I will be sending the House an additional progress report in September 2020.

### **The general picture**

On 15 February 2020 Marnix van Rij and Alida Francis took office as Government Commissioner and Deputy Government Commissioner, respectively. This marked the start of a new administrative phase, with a primary focus on the further introduction and completion of the main improvements needed for restoring good governance. From the moment they took office, the Government Commissioner and the Deputy Commissioner indicated that they aimed to maintain an ongoing dialogue with the island's people and would be transparent in their communication. A good dialogue depends on mutual respect and a willingness to listen to the other party's arguments. A good dialogue also enriches the quality of decision-making and typically leads to greater public support for government policy. With this in mind the Government Commissioner is also engaged in an ongoing dialogue with Saba, Bonaire and the countries of the Caribbean part of the Kingdom. The island's administrators are also in regular contact with the various stakeholders in The Hague. My ministry plays a coordinating role in these consultations.

St Eustatius is vulnerable, not only in socioeconomic terms but also due to its size and geographic location. At the same time, there are also opportunities for the future, if the right balance can be struck between economic development and nature conservation, both on land and at sea.

The COVID-19 crisis has laid bare the island's vulnerabilities once again. This crisis began shortly after the new commissioner took office and has transformed the entire situation on the island. Just as in the Netherlands and the other parts of the Kingdom, the general focus in recent months has been on adapting healthcare services and minimising the risks that coronavirus poses to society. The public body formed a task force in early March and scaled up the crisis to level 3 on 13 March, using the hurricane crisis response plan as a template. On the basis of recommendations by the National Institute for Public Health and the Environment (RIVM) and in collaboration with Saba, Bonaire and the Caribbean countries of the Kingdom, the island administration began introducing measures. In his dialogue with the island's main stakeholders, including schools, sporting organisations, churches, the GTI oil terminal, the business community, trade unions, the hospital,

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<sup>1</sup> Parliamentary Papers, House of Representatives 2019/20, 35300-1V, no. 6.

<sup>2</sup> Parliamentary Papers, House of Representatives 2018/19, 35 000-IV, no. 29.

<sup>3</sup> Parliamentary Paper 34 877, no. 6.

the Civil Society Advisory Council and his own officials (including the local municipal health service), the Government Commissioner has continually sought outside input and worked to build support for planned measures. Every evening there is a radio broadcast in St Eustatius, which is also streamed on Facebook, in which the Government Commissioner shares the latest news with regard to the COVID-19 pandemic. Members of the public, the Civil Society Advisory Council and participants in the Central Dialogue have told the public body how much they appreciate this.

Medical facilities in St Eustatius, which are already limited at the best of times, are ill-equipped to cope with a pandemic of this scale. Together with Bonaire and Saba, the Government Commissioner submitted various requests for medical support. Thanks to the efforts of and funding from of the Ministry of Health, Welfare and Sport, a 'hospitainer' arrived in St Eustatius in late April, and an additional doctor and nurse joined the island's healthcare staff. The hospitainer has six isolation rooms for patients that require a ventilator. For patients that need more serious medical attention, such as intensive care, agreements have been made with St Maarten and Bonaire. At present, two people in St Eustatius have been diagnosed with COVID-19. They have since recovered. As far as is known, there is currently no one on the island with the virus.

The public body took various measures on this front. For example, the main points of entry to the island and non-essential businesses (including hotels and restaurants) were temporarily closed. Schools and childcare facilities were also closed for a time but have since reopened. From 11 May, various businesses (including hotels, bars and restaurants) were allowed to reopen, under strict conditions.

As in other parts of the world, the COVID-19 situation has had a huge impact on the island's business community. Business owners are currently able to make use of an emergency support package. The COVID-19 crisis and the subsequent measures have also affected the implementation of a number of plans. A great deal of regular work can proceed, but a number of projects have been delayed due to the travel restrictions, as discussed below. The direction these measures take in the coming period will depend on how the COVID-19 pandemic unfolds, both in the region and worldwide. The situation will be reassessed in the run-up to 15 June, the date when flight restrictions on the airspace over the Caribbean Netherlands will be lifted. In the coming weeks stranded Statians and essential workers will gradually be re-admitted to the island. In this way it will be possible to limit the delays affecting a number of the projects.

#### *St Eustatius Bill*

As you know, I submitted a bill to the House on 27 March: the St Eustatius Administrative Provisions (Restoration) Act. At that point the Bill became public. The text of the Bill and the accompanying explanatory memorandum were translated into English for the benefit of the island's residents. The Bill seeks both to extend and phase out the state intervention. The phasing out of the present administrative provisions, which are currently governed by the Temporary Act on Neglect of Duty in St Eustatius, will begin with the election of a new island council. With regard to the substance of the rest of the Bill, I would refer you to the relevant documents.<sup>4</sup> The Bill is currently under consideration in parliament.

#### *Town hall meeting / public information about elections*

In late February 2020, an initial public meeting was held in collaboration with the Electoral Council, the Association of Netherlands Municipalities (VNG) and the Netherlands Institute for Multiparty Democracy (NIMD), to inform the people of St Eustatius about the upcoming elections and the rules with regard to voting and standing for election. Private drop-in sessions were also organised so that interested parties could inquire about the opportunities to stand for election. In the light of the COVID-19 crisis, preparations for the autumn elections are being modified, and a digital information campaign is being prepared. The focus remains on generating enthusiasm among the public and providing information about how people can stand for election. In this way everyone will have the opportunity to learn what the role of island councillor or island commissioner entails. The Government Commissioner also recently invited representatives of political parties to meet with him so he could update them on what to expect in the run-up to the elections.

#### *Civil Society Advisory Council and the Central Dialogue*

The function of the Civil Society Advisory Council is to strengthen local democracy by providing the island authorities with advice, both on request and at its own initiative. The input of its members

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<sup>4</sup> Parliamentary Papers, House of Representatives 2019/20, 35 422, no. 2.

can help the public body provide strong government that can truly help solve social problems. The council is thus meant to act as a sounding board.

In February 2020 the Civil Society Advisory Council was invited to meet and speak with the new Government Commissioner and his deputy. One of the subjects discussed at this meeting is the council's desired role. The council consists of 13 members, with two seats currently unfilled. These vacancies are expected to be filled in the upcoming quarter (in at least one case by a student). Over the past few months the council has been meeting on a monthly basis. These meetings were well attended. The authorities have given the council regular updates about developments related to COVID-19. Other issues discussed include the price of airline tickets, questions about road construction, the problem of feral livestock and the wish to be more self-sufficient with regard to food.

At the request of the State Secretary for Social Affairs and Employment, the Stata Central Dialogue was launched in December 2019. Participants in the Central Dialogue consist of representatives of employers' and workers' organisations, the business community, trade unions, the chamber of commerce and local government, and seek to build the broadest possible consensus about a systematic solution to socioeconomic issues. The Central Dialogue has now met on three occasions, and naturally the most recent meetings were dominated by the COVID-19 crisis.

#### *Economic development*

Reinforcing the island's economic structure remains a complex task due to the small size and insular character of St Eustatius and the one-sided nature of the economy.

A further complicating factor is the fact that the largest private employer on the island, the GTI oil terminal, has cancelled its contracts with a large number of businesses, costing around a hundred people their jobs.<sup>5</sup> Moreover, the COVID-19 crisis could have serious consequences for economic development. Many businesses are now dependent on the government's emergency support package for the Caribbean Netherlands. Additional economic support measures are planned for all the island's residents, including a locally run ferry connection between Saba, St Eustatius and St Maarten. Revitalising the tourism sector after the pandemic and diversifying the economy are key to the island's economic development. It is a hopeful sign that a number of new tourist accommodations are being built that can bring new employment and economic development to St Eustatius.

The socioeconomic effects of the job losses at GTI have shown how vulnerable the island is. In addition to the Central Dialogue the Government Commissioner has initiated a socioeconomic strategy with various parties, including employers' and employees' organisations, in order to foster greater diversification of the labour force. This strategy will be developed over the next six months with the aim of reaching consensus on this goal, both internally and with other stakeholders. The expansion of the port and the airport is crucial to further sustainable economic growth.

#### *Tourism plan*

Before the COVID-19 crisis a regular consultation was launched between the St Eustatius Tourism Development Foundation (STDF) and the Ministry of Economic Affairs and Climate Policy about the tourism plan and its implementation. This has led to the drafting of a performance-based contract. In addition, the STDF is working more closely with the sector to further flesh out the tourism plan. Tourism on the island is non-existent at the moment due to the COVID-19 crisis. The STDF recently assumed a leading role in the development of a marketing plan for the post-crisis period. Because the island is dependent in part on a healthy tourism sector and because tourism is a key source of income for the Statian people, effective marketing is a crucial tool for putting St Eustatius on the map. In collaboration with stakeholders in Bonaire and Saba, the parties concerned are working on a 'recovery offensive' for the tourism sector. It is essential to focus on a sustainable tourism sector that is capable of withstanding the shocks caused by the COVID-19 pandemic and that highlights the island's strengths: peace and quiet, history and archaeology, natural beauty and scuba diving. The Ministry of Economic Affairs and Climate Policy and the Netherlands Enterprise Agency (RVO) have also offered their input on a plan that is in keeping with the new '1.5-metre economy'. The present period is also being used to offer hospitality training courses to workers in the tourism sector. The above-mentioned pilot programme for an inter-

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<sup>5</sup> See also the response to questions from parliament prompted by the news story 'Contractors lay off 80 workers at Stata's oil storage terminal', 6 March 2020, 2020D09425.

island ferry promised by the Dutch government is a positive development where post-crisis tourism is concerned. Once the travel restrictions have been lifted, the ferry is expected to draw more tourists to the islands because the price of a ticket is considerably lower than that of an airline ticket, and the ferry is scheduled to run frequently.

## **The administrative domain**

### *Reorganisation*

After the approval of the new organisational structure on 1 September 2019, the procedure for internal candidates to apply for step-up vacancies has been completed. A plan has been drawn up to ensure that the 11 redeployment candidates meet the basic qualifications. The approximately 15 remaining vacancies will be filled with external candidates, drawn as much as possible from the region. These vacancies include a number of key positions, such as the deputy island secretary/head of management support, a legal expert, the director of operational management and customer liaison, and the commercial transport manager. Recruitment efforts are under way for all these positions. They are expected to be filled in the third quarter of 2020. A number of advisory positions are expected to be filled before the summer, taking the professionalisation of the civil service into a new phase. The public body intends to set up a programme to follow and attract local talent. This programme will include a traineeship component to promote the influx of local talent.

A change manager has been appointed to supervise the further implementation of this process in a structured manner. By improving work processes, procedures, system design and staff development, gradual progress can be made.

### *Strengthening the administrative structure*

Since the last quarter, the public body has been working with new decision-making formats, for example in the executive council. The document delivery procedure will be strictly observed, so the executive council can make preparations in good time for upcoming decisions and the decision-making process can be more transparent.

One of the priorities when it comes to strengthening the administrative structure is cleaning up the public body's outdated ordinances. The action to be taken will differ from ordinance to ordinance. In some cases it will involve determining whether a particular regulation is in line with current practices and the relevant legal basis, and whether it is in conflict with newer legislation. Some ordinances need to be drafted or revised, while older regulations that have been superseded by new legislation will have to be repealed.

This clean-up of non-financial ordinances in St Eustatius is proceeding smoothly. The stock-taking operation for the current set of ordinances and island orders involves dividing the regulations into clusters, which are then examined jointly by legal experts from my ministry and from the public body. Half of the approximately 100 regulations have already been reviewed. If the current schedule is followed, all non-financial regulations will have been cleaned up by mid-October at the latest. As soon as they have been approved, all ordinances must be published on the public body's website.

Tax experts have been brought in from the Erasmus Study Centre to examine tax-related ordinances. The tax ordinances will be revised, simplified or modernised by 1 January 2021.

### *Financial management*

In October 2018 the local authorities began implementing an action plan aimed at achieving regular and efficient financial management in the public body in St Eustatius. The auditors, an external auditor and the public body identified numerous findings and shortcomings in the financial management system. These findings were translated into measures that are collectively meant to foster sustainable and robust financial management.

Some of these measures are aimed at establishing a reliable planning and control cycle. The public body's 2020 budget was submitted and approved in December 2019. The first monitoring report for 2020 was approved by the executive council on 28 April of this year. As a result, this reporting cycle is now aligned with the regular planning and control cycle, as required by the Public Bodies (Bonaire, St Eustatius and Saba) Finances Act (FINBES). The monitoring report was drawn up by the public body on its own. This marks a milestone in the programme to improve financial

management. Together with the submission of the 2020 investment budget and the completion of the digitisation of financial processes as of 1 April, this is a major step forward.

The 2021 budget will include sections on risk management and resilience, items that had been absent from previous budgets. Draft versions of the memoranda on asset policy and land policy are now ready, and they will be submitted shortly to the executive council for a decision. This takes us closer to a budget that complies with the budgetary requirements laid down in the FINBES and the Public Bodies (Bonaire, St Eustatius and Saba) Budget and Accounts Decree.

The annual accounts for 2017 and 2018 are now with the auditor (BDO) awaiting a final opinion. The annual accounts for 2019 will be drawn up by the public body as soon as the accounts for 2017 and 2018 have been approved. The internal audit for 2019 will be started up and will address a number of the shortcomings identified by the auditor. If all goes according to schedule, the 2019 annual accounts will be adopted in September.

The temporary financial staff have been asked to review various policy documents and sections of the annual accounts, and to assist with the planning and control cycle. The drafting of the policy documents and timely submission of the first monitoring report for 2020 are a direct result of this temporary support.

#### *Court of Audit*

On 14 April an ordinance on the Court of Audit for the public body of St Eustatius was adopted, thereby laying the legal groundwork for the St Eustatius Court of Audit and allowing the body to begin operations.

The St Eustatius Court of Audit will initially be set up and staffed (for up to two years) by experts from the Rotterdam Court of Audit. The temporary Court of Audit staff were sworn in by the Government Commissioner on 14 May of this year. Because of the COVID 19-crisis they will initially work remotely, organising the Court of Audit and the first audit programme. As soon as it is possible to travel again, they will arrange information meetings to inform the public and all stakeholders within the public body about the usefulness, necessity and duties of the Court of Audit. At the same time, members of the Court of Audit will be recruited on the island (or in the region) and trained by experts from the Rotterdam Court of Audit, so that they will be able to take over in due course.

#### *Training relating to the civil-service organisation*

In the first quarter of 2020, the civil service training programme was further expanded, with the addition of 15 new training courses for managers, supervisors, project managers, policy advisers and secretaries, plus general computer training courses and training in specialist areas. Unfortunately, these courses had to be suspended or postponed during the second quarter due to the COVID-19 measures.

If possible, these courses will be resumed online. In any case preparations are currently under way for a digital version of the management development training course for department heads and business unit managers. The upcoming module will centre on the interview cycle, with attention being paid to the code of conduct and integrity issues.

In the second week of January 2020, a 10-week 'vitality programme' was started, in which a quarter of the island's civil servants took part. In collaboration with the Statia Sports Facility Foundation, the public body is examining options for continuing the programme.

#### *Communications plan*

The communications plan has now been submitted for adoption to the executive council, and it is on the agenda for the next meeting of the Civil Society Advisory Council. The public body has also hired a strategic communications adviser to implement the strategic communications plan. The issue of public communication has received a great deal of attention due to the COVID-19 crisis. A new visual identity for the public body is currently being introduced, and the new website, which is still under development, will be launched in June 2020. Initial steps have been taken to reposition the Government Information Service within the organisation as a whole. To oversee this process, the public body is currently in talks with the National Office for the Caribbean Netherlands (RCN) to organise a master class in communications for department directors and managers.

### *The public body's IT infrastructure*

The project to modernise IT infrastructure is part of a larger effort to deal with overdue maintenance at government offices by modernising facilities on a building-by-building basis. The most essential locations have recently been fitted with the necessary IT facilities, including new cabling, hardware and software. This is being done in close collaboration with the RCN. In order to equip the public body's entire civil service with modern technology, funds have been earmarked in the second tranche of the regional fund. This project is expected to begin in the third quarter of 2020.

### *Central government building, St Eustatius*

The parties concerned (i.e. the Central Government Real Estate Agency, the RCN and the public body) are putting the finishing touches on the business case and the programme of requirements for an office building meant to house not only the central government bodies but also the public body's civil-service organisation. In the years ahead, the development of the office will be explicitly linked to the development of the organisation as a whole, with a focus on new forms of cooperation, more efficient working processes and improvements to public services. Between now and the completion of the new building, which will take several years, efforts will also be made to devise interim solutions aimed at improving working conditions. With this in mind, the public body will soon start working on overdue maintenance at the office buildings currently in use.

### *Enforcement and supervision*

In preparation for the adoption of the Environmental Management (Establishments and Activities) Decree, which will lay down rules for water management and waste water, several waste management supervisors have been appointed and a number of inspections have been carried out at garages and oil companies. The companies in question have been sent a report setting out required improvements.

The enforcement of environmental legislation has also begun, and the supervisory authority has already issued its first fines. For the inspection of hotels, restaurants and supermarkets, inspectors that have been trained as special police officers (BAVPOL) are receiving assistance and training from the Dutch Caribbean Police Force (KPCN).

The KPCN has needed help to enforce the emergency COVID-19 ordinances, and a number of inspectors trained as special police officers have assisted the KPCN in this regard, after receiving their certification.

## **The social domain**

### *BES(t)4 Kids*

On 3 April 2020 the government informed the House about the progress of the BES(t)4 Kids programme, in regard to its funding structure, oversight and the steps being taken to improve quality.<sup>6</sup> That letter also contained information about the steps taken in 2019. In the case of St Eustatius these were as follows. On 1 January 2020 the public body of St Eustatius opened the application process for licences to provide childcare and out-of-school care. In 2019 the first steps were taken to increase salaries in the childcare sector. This will continue in 2020. A two-year training course for daycare workers has also been launched (CVQ level 2). This calendar year a two-year training course will begin for people working in out-of-school care (CVQ level 2). In St Eustatius the collaboration between daycare centres and out-of-school care organisations and the programme BES(t)4 Kids is being shaped via the establishment of a joint platform. The various parties that make up the platform are working together to craft a proposal for a shared location for out-of-school care. Training courses are also being offered on organisational leadership. Local inspectors have received training from the municipal health services for the Hague region. At the request of the quality commission they are now assessing the quality of childcare and out-of-school care. A plan is being developed to house after-school care facilities in a shared building.

### *Learning about children's rights and participation*

The children's rights programme for the Caribbean Netherlands, which is now also under way in St Eustatius, was developed partly on the basis of the outcomes of the 2019 Situation Analysis of Children and Adolescents in the Caribbean Netherlands, which was conducted last year by

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<sup>6</sup> Parliamentary Papers, House of Representatives 2019/20, 31 322, no. 411

UNICEF.<sup>7</sup> The focus of the programme is on children's rights, education and participation, communication to promote targeted behavioural and social change, and monitoring and evaluation. The last of these categories is about building up capacity among local stakeholders to evaluate the results achieved by their programmes and initiatives. One key aim is to improve the lives of the most vulnerable children on the islands.

On 10 March 2020 the Government Commissioner of St Eustatius signed a memorandum of understanding (MoU) with the Dutch National Committee for UNICEF, setting out the conditions for a partnership with respect to the children's rights programme. Under this MoU the parties will work together closely to coordinate the substance of the programme, the planning, the organisation and the participation in the various activities.

In January 2020 preparations began, in collaboration with the island's schools, for the Child Rights Film Festival. The festival is a creative way of teaching children about their rights by letting them make their own films on the subject. Together with the other islands that comprise the Caribbean part of the Kingdom, the organisers are working to hold the Caribbean finals in Bonaire at the end of 2020 (the original date was June 2020). The winning film will be screened at the UNICEF Child Rights Film Festival in the Netherlands. Because of the COVID-19 restrictions, festival activities have been postponed until the schools are re-opened. In the interim UNICEF has provided schools with teaching materials on subjects including COVID-19 and children's rights, which can be shared with students and parents during the period that children are being taught from home.

#### *Domestic violence*

In May 2020 the State Secretary for Health, Welfare and Sport sent the House a report detailing progress on all three islands in implementing the administrative agreement on tackling domestic violence and child abuse. For further information on this subject I would refer you to the up-to-date information in that report.<sup>8</sup>

#### *Job placement*

Greater participation in the labour market is a necessary condition for establishing a sustainable path out of poverty. To this end, the public body of St Eustatius worked with the municipality of Leiden for 18 months in a twinning arrangement funded by the Ministry of Social Affairs and Employment to enhance job placement on the island. During this period a job placement official from the municipality of Leiden joined the team at the St Eustatius labour office on a day-to-day basis, and working with a project leader they introduced new methods to modernise and professionalise job placement practices.

In this period 35 job seekers were matched with employers. Training programmes and job programmes were used to make job seekers attractive to specific sectors facing employee shortages and to support them in finding work. In addition investments have been made in cultivating the skills of local job placement officials and in developing a modern contact management and matching system.

On 10 March 2020 this project formally came to a close, and it was evaluated by all parties involved. The evaluation concluded that during the twinning arrangement, investments were mainly made in skill development for job placement officials and in the tools they can use to place regular job seekers. The public body of St Eustatius expressed a desire to also take steps to help disabled job seekers join the workforce. By analogy with developments in Bonaire, St Eustatius would also like to set up a joint job centre with the RCN's social affairs and employment unit. The purpose of such a body would be to serve as a one-stop-shop for job seekers and employers. The Ministry of Social Affairs and Employment is in talks with St Eustatius about the type of support that could be provided in the coming months to best help the parties concerned to capitalise on the lessons learned from the twinning experience and further strengthen the island-specific task of job placement officials.

#### *Labour market*

In light of the effects of the COVID-19 crisis on employment, the government is also offering St Eustatius support through a temporary grant scheme to cover salary costs and loss of income. In connection with this scheme the Ministry of Social Affairs and Employment has also earmarked

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<sup>7</sup> Letter to parliament on the results of the analysis of children's rights in the Caribbean Netherlands, 02-10-2019.

<sup>8</sup> Parliamentary Paper 28 345, no. 232, 19/05/2020.

additional funds from the emergency package for island policy. These funds, which are meant to address the disparity between the emergency package for the Caribbean Netherlands and that for the European Netherlands, will be added as swiftly as possible to the free allowance (*vrije uitkering*). These funds can be used to alleviate the impact of the pandemic on vulnerable residents.

#### *Poverty reduction*

Due to the COVID-19 measures and the collapse of the tourism sector, there has been a visible increase in the number of people who are using food banks and similar initiatives or organisations, or who are dependent on food parcels or food vouchers. This places a heavy burden not only on aid organisations but also on the public body of St Eustatius. The Dutch government has also decided to set aside €150,000 for financing locally sourced food parcels, including hygiene products, for the most vulnerable groups in St Eustatius and, where necessary, to assist in their distribution.

The Ministry of Social Affairs and Employment is also in talks with the public body about providing additional support with regard to debt counselling. The Ministry has already earmarked funds for this purpose.

#### *The housing market*

In St Eustatius there is unfortunately a shortage of adequate, good-quality, affordable social housing. Measures are being taken to improve the situation. For example, the housing association Woonlinie and the public body are working on two pilot projects involving the renovation, maintenance and construction of social housing. The first renovated social housing flat was completed on 10 February 2020. Eventually, almost 100 flats will be renovated and 50 new flats will be built in the social housing sector. During the pilot projects, efforts are also being made to foster closer cooperation between the parties involved, so as to strengthen the administrative structure on the island.

In order to help reduce the cost of living, the Ministry of the Interior and Kingdom Relations is working to introduce a rent allowance for the private rental sector in the Caribbean Netherlands. Steps are being taken to conduct a pilot project in the near future to test the effectiveness of this allowance, which will take the form of a landlord's contribution. There is already a rent allowance in place in the social housing sector.

In early 2020 five sheltered-accommodation homes for seniors and the disabled were completed in the neighbourhood of Lodi. Funding came from the Special Grants for Integrated Projects in Bonaire, St Eustatius and Saba (Temporary Measures) Decree, which supplemented the cost of the above-mentioned social housing and ended in late 2019. Currently, preparations are being made for the construction of five emergency homes for households with children in most urgent need. These fall under the category of 'crisis households' which lack basic necessities ('bed, bath and bread'), as identified in 2019.

#### *Sport and exercise*

Implementation of the Caribbean Sport and Prevention Agreement,<sup>9</sup> which was concluded with the Ministry of Health, Welfare and Sport, is under way. Since the beginning of the year healthy food is being provided to needy children at the three primary schools, the secondary school and the after-school training centre. A great deal has been achieved with respect to sport and exercise facilities on the island. Playground equipment has been installed in school playgrounds, and at daycare centres and the sport complex. The expansion of the fitness centre, the repairs to the sport hall and the expansion of the entrance to the sport complex are now complete. In the course of the year, outdoor fitness equipment and chess tables will be installed at the Wilhelmina Park. This means that there are now two outdoor fitness parks on the island. The Cruyff Foundation has been exploring a feasible plan to build a roof over the Cruyff Court and install floodlighting. Construction is expected to start in the second half of 2020. Once the roof is complete, it will be possible to use the court in shade during the day for physical education and after-school sport activities. The floodlighting will make it possible to use the facility in the evening as well.

## **The physical domain**

### *Erosion*

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<sup>9</sup> Annexe to Parliamentary Paper 35 000 XVI, no. 132



Tackling erosion remains one of the biggest infrastructural challenges facing St Eustatius. Erosion threatens vital parts of the island. The uncontrolled drainage of rainwater is responsible for much of the erosion on the island.

Rijkswaterstaat has developed a comprehensive plan to fight erosion and is currently preparing its implementation. The first part of the plan will be carried out with the available resources of the Ministry of Infrastructure and Water Management, the reconstruction fund and the first tranche of the regional fund of the Ministry of Agriculture, Nature and Food Quality.

A contractor has been hired to oversee the erosion project focused on drainage in the hairpin bend in the road to the port, thanks in part to the management and maintenance budget made available by the Ministry of Infrastructure and Water Management. The start of work is currently delayed because specialists cannot be flown in due to the COVID-19 flight restrictions. Preparations to strengthen the weak points along the coast are well under way, as are preparations to halt the erosion near the airport. Both of these projects will be conducted by local parties, starting in the summer of 2020.

#### *The problem of feral livestock animals*

Feral livestock animals are a major cause of erosion, a threat to native species and an obstacle to agricultural initiatives. There is a two-phase plan of action in place for addressing the issue of feral livestock on St Eustatius. The first phase involves reorganising the livestock farming sector. Farmers will be supported in the transition to a feasible and well-regulated form of livestock farming. The main goal is to ensure that in the future animals can be kept in decent conditions in fenced-in areas. In the second phase, work will begin on gradually catching and removing the feral animals with the help of hunters and livestock experts from outside St Eustatius. It is estimated that this phase could take several years to complete, but the ultimate goal is the removal of the entire feral population. The plan is being drafted by the Netherlands Enterprise Agency (RVO) in collaboration with the public body. The Ministry of Agriculture, Nature and Food Quality has set aside resources to carry out this plan from the second tranche of the regional fund. An initial version of the plan was completed in May 2020. The Government Commissioner has characterised the plan as a priority.

#### *Construction of the new control tower and terminal for the island's airport*

The construction of the new air traffic control tower and terminal at the airport is moving forward gradually, using the materials and manpower available on the island. The second phase of the construction project is facing delays due to the COVID-19 entry restrictions. If additional manpower can be found, the planned completion date (end of 2020) can still be met. Of course, this will depend on how long the current restrictions remain in place.

#### *Roads*

Currently, the public body is independently working on a number of road-works projects, mostly using the services of local contractors. The road-paving project in the Cherry Tree district, which was delayed last year due to a conflict with the contractors, has now been resumed, and the public body expects it to be finished shortly after the summer. A parallel road is being built along Jeems Road, a busy street, and part of the road to White Hook has now been replaced. Using the management and maintenance budget set aside by the Ministry of Infrastructure and Water Management, the public body is aiming to improve more roads, including the coastal route to the port.

#### *Waste management*

The Ministry of Infrastructure and Water Management has set aside around €1 million from the reconstruction budget to acquire a new waste incineration plant. The funding was provided in October 2019 in the form of a special grant. At the behest of the ministry an external engineering firm has offered its advice on the financial and technical specifications of the planned installation. On the basis of this advice the public body entered into talks with the supplier in order to agree on an installation that is, in technical terms, in line with what is needed in St Eustatius.

In addition, a plan of action has also been devised to implement the declaration of intent for phasing out disposable plastics (signed in August 2019). The goal is the complete elimination of various single-use plastic products by 2021. The Ministry of Infrastructure and Water Management

is providing substantive support and has made available a special grant worth €40,000 to implement the plan.

#### *Cliff stabilisation*

The stabilisation of the cliff face under Fort Oranje was completed in May 2020. In its concluding phase the project was delayed by several weeks because no helicopter pilot was available due to the COVID-19 measures. The work in question was eventually done by hand. Thanks to the cliff stabilisation operation, the erosion beneath Fort Oranje has been halted completely. In the coming months the cliff face will be 'greened' with the addition of various indigenous plant species. To this end, seeds will be planted in the cliff face shortly before the start of the rainy season.

#### *Regional fund for the Caribbean Netherlands*

At the start of this year the government decided to release a second tranche of €20 million to the Caribbean Netherlands from the regional fund.<sup>10</sup> This sum will be spent on five projects: BES(t)4 Kids, the coral recovery plan, good governance projects in St Eustatius, efforts to bring education more in line with the needs of the labour market, and the Bonaire Job Centre. Four of these five projects will benefit St Eustatius. Preparations are currently under way for the implementation of these projects. It is expected that the implementation of the first phases can start at the end of this year, provided a spending plan is approved by the Ministry of Finance.

### **Other issues**

#### *Agriculture*

An integrated vision will be developed for the agricultural sector, the livestock sector and nature conservation on St Eustatius. This will include the development of a professional goat farm as the next step in addressing the island's goat problem. The vision document will be drawn up under the leadership of the public body, in collaboration with key stakeholders such as farmers (and potential farmers), livestock farmers and buyers. The RVO will oversee this process. On its own initiative St Eustatius has also taken steps to increase self-sufficiency, reduce economic dependence and stimulate the local economy. There is also a vacancy for an agriculture and conservation policy officer, and candidates are currently being interviewed.

#### *Drinking water*

Both demand for drinking water and the number of people connected to the drinking water network have been gradually on the rise for years. Drinking water production has lagged behind demand, however, which means that demand for drinking water sometimes exceeds supply. In addition, problems have arisen with the drinking water pipeline, which leaks in places. In order to ensure that everyone is supplied with drinking water every day, water supplies will have to be rationed if necessary. Recently, the Government Commissioner called on the public not to use tap water to fill cisterns.

The drinking water utility for St Eustatius, STUCO, is hard at work on a long-term solution to the problem, and to this end, it is carrying out two projects: expanding drinking water production to 625 m<sup>3</sup>/day and replacing and enlarging the capacity of the drinking water transport pipelines with a grant from the Ministry of Infrastructure and Water Management. The two projects are scheduled to be finished at the end of 2020, at which point there will be sufficient drinking water on the island and rationing will no longer be necessary. Afterwards the focus will shift to expanding storage capacity. At the recommendation of the Ministry of Infrastructure and Water Management, STUCO is being supported in this regard by Vitens Evides Internationaal and Royal HaskoningDHV. Questions were recently asked and answered in parliament about drinking water facilities.<sup>11</sup>

#### *Reconstruction funds*

The majority of the reconstruction funds made available by the Ministry of the Interior and Kingdom Relations have been spent, and the projects that they financed are complete. Most of these projects dealt with nature conservation and the restoration of public spaces and housing. A remaining sum will be spent this year to continue conservation projects of a longer duration, such as tree farms for reforestation. The reconstruction funds made available by the Ministry of

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<sup>10</sup> Parliamentary Paper 29 697, no. 82.

<sup>11</sup> Response to questions from MP Nevin Özütok (Green Left Alliance) about water shortages in St Eustatius, 25-05-2020.

Education, Culture and Science and the Ministry of Economic Affairs and Climate Policy were completely spent last year on repairs to school buildings and a compensation scheme for business owners.

The Ministry of Infrastructure and Water Management still has reconstruction funds remaining for fighting erosion and for the port. I have discussed anti-erosion efforts elsewhere in this progress report.

Plans to renovate the port using funds from the reconstruction budget of the Ministry of Infrastructure and Water Management have not yet been implemented, in part because of the large number of infrastructure projects that began last year. The public body and the ministry are currently in talks about a plan that will be future proof in economic and infrastructural terms and fit within the available budget.

## **Conclusion**

In the coming six months the public body of St Eustatius will continue to prepare for the elections. A number of improvements that have already been started will be completed in order to ensure that the public body has made sufficient progress to allow it to enter the next phase. The run-up to the elections requires an ongoing focus on dialogue with, and transparency towards, the people of St Eustatius. At present there is already an intensive dialogue under way.

The current COVID-19 pandemic is the latest illustration of how vulnerable this island is. In the months ahead, the effects of COVID-19 and of the mitigating measures taken by the government will become clearer.

At the same time the public body and the Dutch government will have to continue to build on good governance practices and the projects aimed at improving the situation on St Eustatius. I am confident that in September I will again be able to report progress in all areas, and that St Eustatius will be ready to hold elections as the first step to the restoration of normal administrative relations.