



Parliament of Sint Maarten

Staten van Sint Maarten

Parliamentary Year 2017-2018-105

National Ordinance to amend the National Ordinance Budget 2017 in connection with changes to the Ordinary Service

**Report
No. 5**

Parliament in its meeting of the Central Committee has exchanged views with the Government on the National Ordinance to amend the National Ordinance Budget 2017 in connection with changes to the Ordinary Service.

Parliament considers the present draft to be adequately prepared when the questions below are answered in time for the public meeting so that the draft can be discussed in a public meeting.

The United People's Party-faction has taken note of the draft. The faction requests that the draft national ordinance be provided to Parliament in English, at least the pages with the figures and the explanatory memorandum. The faction also asks why there are different figures on page 2 (NAfl. 144.8 million) and 4 (NAfl. 153.2 million) of the explanatory memorandum regarding the deficit. On page 2 reference is also made to the amount of NAfl. 351.4 million and on page 7 to the amount of NAfl. 357 million. Why are the fonts on these documents so small? Can they be enlarged? What are the total costs for the cleanup? Is it NAfl. 15 million or NAfl. 16.4 million? Can more clarity be provided about the training for which NAfl. 8 million has been allocated? Like the duration, size, purpose and execution?

The Democratic Party -faction with interest has taken note of the draft and asks whether interest should be paid on the loan of NAfl. 67 million. If yes, how much is the interest? This draft is very important from the perspective of the control task of the Parliament. Particularly because the Government has indicated that due to Hurricane Irma it was necessary to make certain expenditures that were not included in the budget. Can the request for liquidity support from the Netherlands be sent to the Parliament? Has a response been

received? In the explanatory memorandum, the Government indicates that it has made use of article 50 of the National Accounting Ordinance to pay certain expenses in view of the state of emergency. The same article indicates that in case the Government makes use of this, the Parliament should be informed accordingly. Furthermore, the Government must indicate what the expected extra costs will be. Was Parliament informed? The CFT indicates that the Kingdom Government did not agree with the request of the Government to deviate from the standards of the Kingdom Law Financial Supervision. Has this been corrected in the meantime? The emergency response program will probably cost NAfl. 5 million. Are more details available on this? The additional costs related to Hurricane Irma amount to NAfl. 52 million. What expenses have already been incurred as a result of the state of emergency pending the approval of this draft by the Parliament? How are these expenses administered as there is a separate post for this on the budget? Can the Government provide an overview of the NAfl. 100 million in liquidity? NAfl. 31 million are for capital investments, NAfl. 20 million for SZV and NAfl. 20 million for APS. About NAfl. 35 million remains. The Government expects to receive NAfl. 10 million in the month of December. The available liquidity is then NAfl. 45 million. The Government expects to spend NAfl. 47 million in December. On the basis of this prognosis, the liquidity of the Government is NAfl. -2 million. This is disturbing. That is why it is important that we hear from the Netherlands when and how much money we can expect for assistance. Can the Government state what the state of affairs is in terms of damage to Government buildings or buildings where Government services are sorted, including the payment of insurance funds etc.?

The National Alliance -faction with interest has taken note of the draft and asks whether the definitions liquidity support and budget support can be clarified in connection with the € 550 million. The faction also points to the fact that the Board of Financial Supervision (CFT) has decided in these times to advise the Kingdom Council of Ministers to give an instruction to Sint Maarten. How is it possible? The amount of NAfl. 78 million has been mentioned as deficit for 2017. Can this be further clarified? Also the amount of NAfl. 41 million has been mentioned. When will this amount be paid out? Will that happen now? Because we only have two working days left in 2017. Or will we receive the money next year? There must be more clarity about what we will receive exactly. The faction also points to the fact that the public simply believes what appears in the media.

That is why the media must handle with caution what they publish. On December 23 an article was published in the newspaper stating that Second Chamber Member Bosman has requested a meeting on the budget support and assistance with reconstruction via the World Bank. The Member expressed the hope that the two are not mixed up and would like details. The faction refers to a newspaper article from The Daily Herald dated December 8, 2017 which refers to a statement by the chairman of the CFT regarding the liquidity of Sint Maarten. If information is to be distributed in this way while the Government has nothing on paper about the 41 million euros that will be provided, then we have a problem. The faction has also understood from the media that 7 million euro has been made available for projects. It is extremely important that this information is provided to Parliament. It cannot be the case that Parliament is asked to agree with the budget amendment while there is nothing on paper whether the 550 million euros is a loan or a gift. Have the comments of the CFT and the Council of Advice been incorporated in the draft? There is not enough information regarding the hospitality training. Who will implement the project? And what is the duration of the project? The trainers must be recognized, competent trainers. What are the requirements to be able to participate in this training? Why are the travel and accommodation costs not increased or reduced in the budget? Especially since there will be less travel. Why is the death benefit only mentioned under the Ministry of Finance? What is the policy regarding the disbursement of the death benefit? What is the progress of the programs (training, emergency housing, etc.)? A meeting between the Netherlands and the World Bank was to take place on December 21st. Is information available about this meeting? Is there anything on paper or a signed agreement between the Government and the World Bank? How many people are eligible for the training? And is the training for just one hotel? Or for other hotels? Is there a contact person already? With regards to the NAfl. 3 million for the roof repairs, can it be indicated how long ago this project has been approved? Why has the project not started yet? And if it has already started, when was that?

The CFT has requested the Government to send a letter to the Kingdom Government based on article 25, paragraph 1, of the Kingdom Law Financial Supervision, with a request to deviate from Article 15. Has this letter been sent? And was the response from the Kingdom Government received? Are the employees of Curaçao's electricity company still on Sint Maarten? Have they been paid and

how much? Will the World Bank receive a percentage of the 550 million euros? If so, how much will this amount be?

The United St. Maarten Party -faction with interest has taken note of the draft. The faction indicates that there will be a shortage of NAfl. 157 million for 2017. Will the 47 million euros be sufficient? Why don't we ask the whole amount? What are the possibilities of obtaining funds elsewhere (other than from our Kingdom partners) from, for example, the Central Bank, the international capital market or the EU? The perception was created that if we agree with the two requirements of the Integrity Chamber and border control, we would immediately receive the funds. So far, Sint Maarten has not received anything yet. What is the current liquidity position of Sint Maarten?

This report is to be considered as Final Report.

Stipulated in the meeting of the Central Committee of December 27th, 2017.

The Reporter,

A handwritten signature in blue ink, appearing to be 'S.A. Wescot-Williams', written over a light blue circular stamp.

S.A. Wescot-Williams