A new beginning

Action Plan 2020-2023

November 2020 List Sneek

A new beginning

After about two and a half years of St. Eustatius being governed by a government commissioner, on October 29th a new island council has been installed. According to the law "Herstel voorzieningen St. Eustatius" a four-step approach will eventually lead to the return of full democratic government on our island.

During the two and a half years until the next elections, we will do all in our power to improve the lives of the people of St. Eustatius.

In our vision the ultimate goal is a more self sufficient and sustainable Statia and an equal quality of life for all.

Regardless the limited authority the council has in the first phases, we see it as our responsibility to present a constructive and detailed plan to improve the situation on our island. We realize that we can only be successful when we work together as an island council in close collaboration with the government commissioner and hopefully later with an appointed executive council. In some instances, also collaboration with the island councils of Bonaire and Saba will increase our chances of success.

The outlined plans include for each area or field concrete actions to be taken. In some instances, the plans may coincide with plans or programs that maybe are already in the pipeline in some form or fashion. Still sharing these ideas will contribute to the success of those plans. Other ideas simply may not have been on the agenda as yet due to the magnitude of measures that were needed to take, to get our island back in a position where it can take care of our own government again.

We seek brought based support, not only locally but also in The Hague by the Parliament and the various ministries, to carry out the plans which we believe will ultimately benefit all the people of St. Eustatius.

1. Our living environment

<u>Roadside cleaning</u>: Presently 3 companies are cleaning the roads and roadsides on a regular basis. This need to continue as it helps to create a healthy living environment and it improves the image of our island. The contracts and related compensation for this work has not been adjusted since March 2006. Double digit inflation particularly over the past 10 years more than justifies a review of the contracts. When we want to demand a quality job, the reward must be corresponding.

Actions:

A. Contracts need urgent review and adjustment.

<u>Private yards clean-up and home improvement</u>: Many private yards are unkept and littered. Many homes appear in a bad state of maintenance. Much can be done already by simply cut the grass, trim the brushes, and paint the homes regularly.

Actions:

- A. A program needs to be developed to encourage homeowners as well as tenants to upkeep their homes and yards.
- B. Incentives need to be offered to encourage homeowners and tenants to upkeep their homes and yards.
- C. Fines need to be implemented and enforced for not maintaining one's properties.

<u>Abandoned properties</u>: Particularly in the town area, abandoned properties are an eyesore and breeding grounds for mosquitoes, flies and rodents. This counts for abandoned homes as well as the vacant lots one can see all over town. Besides that, this situation is a health hazard, it also makes the town look very poor and unattractive. Often these properties are undivided properties.

Undivided properties in the countryside are obstructing the development of our island. Property owners must be obligated to keep their property in a proper condition.

Actions:

- A. Property owners must be held responsible for the upkeep of their property.
- B. When it becomes the burden of government, property owners must be held responsible for the cost involved.
- C. Derelict properties must be torn down at owner's expense to avoid them being a health hazard.
- D. Legislation needs to be developed to address the phenomenon of undivided property.

<u>Single use plastic</u>

Plastic bottles, plastic sacks, Styrofoam food containers and other single use plastic all are littering our island. This forms a serious threat to our environment. The wind and run-off water carries these articles into the sea which is a serious threat to the sea life.

Actions:

A. An ordinance must be drafted prohibiting the use of all single use plastic and Styrofoam articles.

Sewage

Due to the growing population on Statia the conventional cesspools and open septic tanks are no longer a suitable solution to handle the sewage that we produce. Our groundwater is polluted with e-coli bacteria which forms a serious threat to public health.

- A. A study needs to be carried out to establish what is the best possible sewage solution for our island.
- B. Funds need to be made available to construct an adequate sewage system.

2. The harbor

The harbor is most likely our most important asset when it comes to economic development. Our harbor however is underutilized. The use of the harbor as a hub or transshipment port for the surrounding islands has not sufficiently been explored. There is a plan from fourteen years ago to relocate the commercial harbor to Schotsenhoek. The existing harbor can then be transformed with some minor adjustments into a harbor for yachting, small cruise ships and to be developed as one of the islands tourism assets.

Actions:

- A. Reevaluate the Financial-Economic Analyses of Port Development and Beach Restoration by Haskoning (2006) including the plans of the relocation of the commercial harbor and to turn the existing harbor into a yacht/pleasure harbor.
- B. Seek financing for this project through the recently established "Nationaal Groeifonds".

The harbor ordinance and tariff structure that has been adopted a few years ago might be a deterring factor in the development of our harbor. It also may be a deterrent for tankers to use Statia for oil storage and transshipment. It has a negative impact on the cost of living due to the high harbor fees.

Actions:

- A. Reevaluate and if necessary, adjust the harbor ordinance and the harbor tariffs.
- B. To make the harbor more attractive for pleasure boating, facilities such as toilets and showers, the supply of gasoline, diesel and ice, and a sheltered area for visitors awaiting immigration and customs needs to be offered.

3. Airlift

The new airport terminal is nearing completion. These new facilities are equipped to handle a substantial increase in passengers. The hotel development which is taking place Behind the Mountain needs to be supported by sufficient airlift.

All air traffic comes into Statia via the expensive hub St. Maarten. Winair is the only airline that carries out scheduled flights to Statia, all originating in St. Maarten. Their airfares are among the highest in the world. This contributes to making Statia an expensive destination for visitors. Also travel by our local population is for many unaffordable. Better and more affordable airlift will contribute to economic development but also to poverty alleviation. It should also be noted that boat-ferry services, due to the remote location of Statia and other constraints, can never replace the need for airlift.

Actions:

- A. Introduce affordable scheduled flights from Bonaire for instance with EZ Air. Flamingo airport is a good hub to the other Leeward islands Curacao and Aruba, but also to Amsterdam and the rest of Europe, to South America (Columbia) and maybe even to the USA.
- B. Carry out the recommendations in the report from the group Peter Hartman (former KLM CEO) from 2018 and introduce a system of public transportation whereby a subsidy on air travel to/from Statia will make ticket prices more affordable.

4. Housing

<u>Rental homes:</u> Proper and affordable housing is a basic right. The quality of homes offered by landlords is often below standard. Maintenance is lacking in many instances.

Rent constitutes a significant part of many household budgets. The average monthly rent our people are paying is high. There is also a shortage in low- and medium income homes. There is a plan to construct 50 low income homes within 10 years. This is by far insufficient to meet present and future demand. Multiple generations are living together in the same often too small home. This is an undesirable situation. There is no plan for medium income homes.

Actions:

- A. The law "Huurcommissieregeling BES" is a 50-year old law from the former Netherlands Antilles and in urgent need of review.
- B. Minimum standards must be set for rental properties in the low- and medium income categories.
- C. Rent subsidy must be introduced equal to what is existing in the European part of The Netherlands.
- D. The number of low-income homes to be constructed needs at least be doubled to 10 homes per year.
- E. A study needs to be carried out into the need of medium-income homes and a plan developed to meet the demand.

Own your own home: Homeownership is an important tool towards (generational) wealth creation. This will in its turn contribute towards poverty alleviation and therefore needs to be stimulated. In the European part of The Netherlands there are various stimulus measures to purchase your own home. In the Caribbean Netherlands there is none. Banks do not offer 100% financing but often only 90% of the auction value. This means that without a substantial amount of own money it is basically impossible to buy a home. In the European part of The Netherlands one is entitled to a national mortgage guarantee up to EURO 310,000. This allows the banks to give 100% financing. A pilot of a mortgage guarantee scheme for the duration of five years will commence within short in Bonaire. This means that Statia's prospective buyers will not be able to qualify for this for another 5 years. And the question remains will they be able to qualify after five years since contrary to Bonaire, there is no bank on our island directly supervised by the DNB (Dutch Central Bank). The interest rate is around 6%, remarkably high compared to the European part of The Netherlands where rates are often below 2%.

The transfer tax you pay when purchasing a home is 5%. In the European part of The Netherlands it is 2%. The high transfer tax contributes to a substantial additional cost when buying a home.

There are no notary services offered on Statia and notary fees are high. This contributes to additional cost not only for fees but also additional cost for travel to St. Maarten, where notaries are located.

The loan application and transfer process take in many cases up to 6 months to a year. The lack of notary services also obstructs doing business on Statia. The distance to St. Maarten, the high travel cost involved, the slow and time-consuming process all contributes negatively towards our economic development.

Actions

- A. Arrangements need to be made to allow Dutch banks to do business in the Caribbean Netherlands. This will bring down interest rates to the level in the European Netherlands. It also allows for our people to apply for a national mortgage guarantee, which will enable them to receive 100% financing of their home.
- B. If the national government supports homeownership on Statia as they do in the European part of The Netherlands, then the transfer tax should be reduced at least to the same level of 2% in the Caribbean Netherlands.

- C. An additional advantage of bringing Dutch banks is that the deposit guarantee system can increase from USD 10,000 to EURO 100,000 per bank account, similar to the European part of The Netherlands.
- D. Full-fledged notary services need to be made available on Statia. The island should not be dependent on these services offered in another country (autonomous country St. Maarten).

5. Cost of living

There are several studies and research showing that the cost of living is extremely high on Statia. The national government also agrees that the cost needs to be reduced to make the, in 2019 established, social minimum sufficient to guarantee an acceptable minimum standard of living. Several measures have already been taken to reduce the cost of living. Much more still need to be done.

<u>ABB by import on transportation costs.</u> This is a system based on the system of import duties. ABB is not the same as import duties, so the same rules do not automatically have to apply. Transport costs to Statia are already extremely high. An ABB levy of 6% on these transport cost significantly increases the cost of importing goods. This unnecessarily contributes to higher cost of living and higher cost of doing business.

Actions:

A. The ABB by import on transportation costs should be abolished.

<u>Transportation cost:</u> Almost all foodstuff and other goods must be imported from St. Maarten and the rest of the world. The cost of transportation to Statia is extremely high. Especially the freight charges for shipping between St. Maarten and Statia are ridiculously high. This results in higher consumer prices. Several measures can be taken to lower these costs.

Actions:

- A. Investment in a locally owned shipping company needs to be encouraged and stimulated. This can perhaps be combined with a ferry service.
- B. Harbor fees for vessels visiting Statia need to be reduced.
- C. Businesses need to be encouraged to do collective purchasing whereby in larger quantities or in bulk can be purchased directly from suppliers is the USA and Europe. This way the expensive charges for the route St. Maarten Statia will be avoided. The additional advantage is that when buying directly from the supplier, the margins of the wholesaler in St. Maarten will be avoided as well, resulting in lower prices for the consumer.
- D. Local production of foodstuff using innovative techniques must be encouraged.

6. Our economy

<u>Strategic development plan:</u> In 2010 a strategic development plan was drafted and adopted by the island council. Since then this plan is collecting dust.

Actions:

A. The plan needs to be reintroduced. We need to establish what, if any, of this plan has been executed. Most likely the plan needs to be updated. Most importantly the plan needs to be used as a guideline with clear and smart indicators to measure the progress of the development.

<u>Economic Diversification:</u> The dependence of Statia on one major (foreign) company makes our economy very vulnerable. The fact that it also concerns the oil industry increases our risk since there is a growing awareness of people worldwide about global warming and climate change as well as the need to move away from fossil fuel and to alternative energy resources.

<u>Tourism:</u> The alternatives to oil transshipment for Statia do not appear endless. Expanding in sustainable tourism is for us as a Caribbean destination most likely a viable option. Having sun and sea, but no beaches may be an obstacle. Therefore, it is important that other niches must be explored such as history and the link with the USA through the First Salute, nature (The Quill, the Marine Park), and simply the peace and quiet.

Actions:

- A. Do not aim at mass tourism, but more at quality tourists with more than average spending power looking for a sustainable destination.
- B. The infrastructure needs to be brought up to the standard that the visitor is expecting. This concerns not only roads and utilities, but also amenities and services that the tourist expects on the island and that add up to the visitor experience.
- C. Explore the possibilities of an artificial beach. (see also report Haskoning 2006 Financial-Economic Analyses of Port Development and Beach Restoration)
- D. Affordable and increased airlift is a prerequisite for development in tourism

Agriculture:

Traditionally Statia is an island of agriculture. Our farmers were in the early days the suppliers of ground provision such as sweet potatoes and yams. Also, today there is great potential for agriculture. To be competitive, to guarantee a consistent supply, and to deliver first class products, innovative methods need to be introduced. The concept of Made in Statia is a good idea but needs to be professionalized. For this outside expertise, and financing needs to be attracted. With the right concept even export of quality produce to the neighboring islands is potentially viable.

A similar concept can be used for fisheries and husbandry. With the latter, getting the roaming animal problem solved cannot be successful without professionalizing and modernizing the sector. Simply fencing in animals will not contribute to a sustainable solution. Also, here innovation is the key and producing high end products, such as for instance goat cheese, next to husbandry simply for meat production.

Actions:

- A. Look for alliances outside Statia which can bring in the required expertise in forms of sustainable innovative agriculture, husbandry, and fisheries.
- B. Stimulate serious investments with incentives in all three sectors.
- C. Start training programs to acquaint our local (potential) farmers and workforce with available innovative methods.
- D. Secure a local as well as export market for all products.

<u>Micro-financing small business:</u> Statia's economy consists primarily of micro and small business. Established businesses as well as start-ups often have difficulty to find their way to financing. Local banks are usually very reluctant to offer these businesses financing. Even a by the ministry of economic affairs offered loan guarantee scheme has not improved this situation.

Since 2017 Qredits is also offering financing on Statia. Micro loans up to the amount of USD 25,000 can be obtained. To date Qredits has only 20 clients on Statia. Although conditions have been relaxed as an answer to battling the corona crisis, this has only resulted in 2 new loans thus far.

Actions:

A. The awareness among Statia small business community and start-ups of funding possibilities through Qredits needs to be increased. Next to online promotion there is a need for a local entity or individual that can assist with prospective clients in preparing their applications and offering support by the execution of their plans.

7. Finances

<u>Local tax collection</u>: The collection of local taxes and other levies need to be improved. Bottleneck hereby is that the island government is not equipped with a collection department.

Actions:

A. A cooperation with the tax department CN is the most logic solution. Without increasing any taxes, the net proceeds will most likely go up with 100% or maybe even more.

<u>Free allowance:</u> All reports on the free allowance point out that it is by far not sufficient for Statia, and this also counts for the other islands Saba and Bonaire. Most people on Statia are very appreciative of all investments being done on the island by the various ministries. In many instances these investments are made in areas that are the responsibility of the local government. However, our budget simply cannot carry the investments, including the additional cost for maintenance and depreciation.

Furthermore, the local government, because of its financial constraints, is also unable to build up a by law required adequate resistivity (weerstandsvermogen).

All of this is an unhealthy situation and in conflict with the autonomous position as a public entity. Improving the financial means of the local government by increasing the free allowance also reduces the influence of the bureaucracy of The Hague, which now plays a substantial role on the island.

Actions:

A. The Public Entity needs to enter into discussions with the ministry of internal affairs and kingdom relations, together with Saba and Bonaire, with the goal to increase the free allowance.

8. Education

Since 2015 the language of instruction on Statia has been changed from Dutch to English. With this change, also the CXC educational system has been introduced. This year for the first time, students who did a full curriculum in this system made the next step in furthering their education. Some who attempt to further their education in The European part of The Netherlands, are encountering difficulties. This is not only caused by the language barrier. It is also unclear how a diploma achieved in the CXC system is rated compared to diplomas achieved in the Dutch school system.

Without taking away from students their right of being educated in their mother tongue, the choice of a Dutch language school with education according to the Dutch educational system should be available.

Actions

- A. An evaluation needs to be carried on what are the experiences and the pros and cons of the CXC educational system on Statia.
- B. To allow students and parents a choice, a Dutch language school with Dutch as language of instruction need to be re-introduced.

9. Healthcare

Most of us agree, that our healthcare system is one of the best in the world and available for all due to our general healthcare insurance. Most bones of contention are with the functioning of ZVK, the referral system and how patients often feel being treated by this agency.

Other concerns are about the need for most mothers to deliver their babies in St. Maarten and the strain it is for dialysis patients to undergo their treatment overseas in St. Maarten three times a week instead of it can be done locally.

Actions:

- A. An independent inquiry must be carried out in the functioning of ZVK and the referral system, whereby also potential alternatives need to be investigated.
- B. The possibilities need to be explored for all babies to be born in Statia. Hereby the pros and cons need to be highlighted and if possible, the choice need to be given to the parents (mother).
- C. In the event still babies have to be born in St. Maarten, a provision needs to be made that these children are still born administratively in Statia (The Netherlands) territory instead of in another autonomous country. (Place of birth is reflected in one's passport).
- D. Provisions need to be made available for dialysis patients to have their treatment on Statia. If this is not possible then a clear and substantiated explanation as to why this is impossible need to be given to the general public and especially those patients involved.

10. Constitutional status

The ongoing discussion on our constitutional status should shift from a change to another status to a discussion on how we can improve the status we are in. This discussion can be held on increasing the autonomy within the confines of the public entity status. Article 212.1 of the Wolbes offers the room hereto.

Also, practical matters that may have an impact on the life of our people and are seemingly simple to introduce, must be dealt with.

In most of these cases it is important to hold the discussions with The Hague together with our counterparts in Saba and Bonaire.

Actions:

- A. We need to start the discussion with The Hague on tasks we would like to see shift from the responsibility of the national government to the local government. (i.e. work permits)
- B. A Burgerservicenummer (BSN) and DigID number need to be introduced for all who are legally residing in the Caribbean Netherlands.
- C. As Dutch citizens our people should have the right to have a Dutch driver's license.
- D. Social benefits should be more in line with the European part of the Netherlands. (while taking into account the different circumstances)
- E. Our census should be in sync and interconnected with the census (bevolkingsregistratie) in the European part of The Netherlands. A change needs to be made from the old Antillean PIVA system to the Dutch GBA system. When entering The Netherlands our people should be treated as "Nederlanders" and not as foreigners.
- F. For the three islands of the Caribbean Netherlands postcodes need to be introduced.

<u>Island- and Executive Council:</u> According to the WolBES for St. Eustatius the number of island council members is 5 and the number of commissioners is 2.

The past ten years has learned that a five-member island council is one of the main causes for unstable government. A decision of just one single island council member causes governments to fall. This is hampering the execution of any serious governing program. This in turn is counterproductive to the development of our island.

It is also not clear what the underlying reasons are that Statia, but also the other islands Bonaire and Saba, are treated differently than the municipalities in the European part of The Netherlands. As an example, take Schiermonnikoog the smallest municipality having only 941 inhabitants, but it has 9 council members. The executive council of Schiermonnikoog consists of 3 aldermen (wethouders).

The number of portfolios each commissioner has in Statia is about ten, and these often include very complicated subjects. Small European Dutch municipalities do not have institutions like an airport, a seaport, a hospital, a primary and secondary school. Often the expertise and support needed is not available in the local organization. Due to the isolated circumstances, co-sharing of tasks with other municipalities is not easily done. It is a misconception that a smaller island or less inhabitants reduces the workload and responsibilities.

Actions:

- A. For the number of island council members and executive council members for Statia the same criteria must be used as for European Dutch municipalities.

 Based on these criteria for Statia the number of island council members should be increased to 11 (3001 6000 inhabitants).
- B. Seeing the complexity of responsibilities, the isolated location of the island and that sufficient support is not always available the number of commissioners needs to be extended to three.

11. Culture

July 1st, the day the abolishment of slavery is commemorated, is recognized by most on St. Eustatius as one of the most memorable dates in the history of our island and of black people in particular. It deserves therefore to be an official holiday. Also, in the past initiatives were undertaken to make this day a holiday. It is recognized that declaring a day an official holiday under the labor law ("Arbeidswet BES") is the prerogative of the minister of social affairs and labor. It is also noted that recently Bonaire has been successful in adding their Dia di Rincon on the list of official holidays for Bonaire.

Action:

A. Request the minister of social affairs and labor to declare July 1st for St. Eustatius an official holiday under the labor law BES.

12. Justice

Everyone may sometimes need a lawyer. This happens not only when you come in conflict with the law, but maybe more often in civil cases resulting from for instance a divorce, disputes with a landlord or with an employer. Unfortunately, there are no lawyers on Statia, so Statians need to hire a lawyer in St. Maarten. Their hourly rate is usually between USD 250 and USD 300, while often a deposit of USD 500 is required even before they start to work for you.

When you are not able to afford these rates, there is a possibility to qualify for free legal support. To qualify your gross annual income may not exceed USD 12,570 (or USD 1,047.50 per month), which is even below the minimum wage. Due to this low threshold many people on Statia are deprived from the possibility of legal assistance. This is creating great inequality and class justice.

In the European part of The Netherlands one qualifies for legal support up and until an annual income of EURO 27,900 (single) and EURO 39,400 (couple). Depending on the income an own contribution is required between EURO 203 and EURO 853.

Action:

A. Introduce a system of legal support equal or similar to the one in the European part of The Netherlands. This will allow a much larger segment of the population access to the legal support of a lawyer.