

# **Multi-Annual Programme Caribbean Netherlands 2015-2018**

**The Public Entity of Saba has indicated during the CN Week that, as for matters relating to content which specifically concern Saba, the Multi-Annual programme (MAP) underlines the importance of the island's further development. Many projects in the area of economic development, children's rights and poverty reduction are either in progress or will be launched. Therefore the MAP is a basis for a joint effort, the Netherlands and Saba, to increase Saba's level of provision. The Public Entity has also expressed the wish to evaluate the CN Week and to engage a more bilateral conversation with the Netherlands. Finally, Saba is appreciative of the investment assignment which the MAP entails but it has underlined that a decision on structural financing of the maintenance costs has not yet been reached.**

## **Introduction**

This is an initial integrated Multi-Annual Programme of the Cabinet and Executive Councils. This integrated programme comprises agreements on which the Cabinet and the Executive Councils have reached consensus. With this document the Cabinet and the Executive Councils of Bonaire, St. Eustatius and Saba have jointly drawn up the plans and the priorities for the coming years. The Multi-Annual Programme should ensure a more coordinated policy of the Central Government and Island Governments over a longer period of time instead of separate incidental agreements. At the same time this Multi-Annual Programme is a phased process, aimed at implementation in the next few years. This makes it a dynamic working document which gives the efforts and actions of the parties involved direction. This document was discussed by the Central Government and the Executive Councils of Bonaire and Saba during the CN Week of June 2015.

The Caribbean Netherlands was not mentioned specifically in the current Cabinet's coalition agreement. On both sides of the ocean this is perceived as an omission. This is partly because of the distance to the European Netherlands, physically as well as historically, culturally, socio-economically and also juridically (divergent laws and regulations). Therefore the Cabinet and the Executive Councils of the three islands want to create a bridge between the European and Caribbean Netherlands with this Multi-Annual Programme. This Multi-Annual Programme is a dynamic document, circumstances, plans and priorities may and will change in the coming years.

This Multi-Annual Programme should be regarded as a steering instrument of the government policy on Bonaire, St. Eustatius and Saba for the next few years. The Administrative Consultation on the Financial Relations (Bestuurlijk overleg financiële verhouding), presided by the Minister of Interior Affairs and Kingdom Relations (Binnenlandse Zaken en Koninkrijksrelaties, BZK) on behalf of the Cabinet, is the meeting where changes in the Multi-Annual Programme are discussed. This first version of the Multi-Annual Programme is characterised by short-term actions on the priority themes, for which there is (incidental)

financial coverage. The cabinet and the Public Entities recognise that the Multi-Annual Programme should be fleshed out into a full-fledged policy document of the Central Government and the islands in the coming period, which will also include the financing of the implementation (see IdeeVersa report and results of Spies Evaluation Committee in the fall of 2015).

This Multi-Annual Programme discusses priority themes which were established earlier (CN Week June 2014) in more detail. With this programme the first steps are made to obtain a picture of the level of provision on the three different islands in the Caribbean Netherlands. It can also be used to make an integrated assessment in government policy regarding inhabitants of the Caribbean Netherlands. This particularly applies to the important themes economic development, poverty reduction and children's rights.

The urgency of the issues – in addition to the limited possibilities of the Public Entities – call for this joint action programme. The development of Bonaire, St. Eustatius and Saba is stagnating. Being part of the Netherlands for nearly five years has not brought the inhabitants of the Caribbean Netherlands the prosperity which was expected. It feels like the progress made in terms of healthcare and education among others is at risk due to the lagging socio-economic development. This leads to unrest among the population.

This Multi-Annual Programme dovetails with the recommendations of the Van Gastel/Thunnissen/Johnson committee, and the Cabinet's view thereon which was accepted by the Dutch House of Representatives and Senate, to realise a better coordination and alignment with the islands on the part of the Central Government. The renewed role of the Kingdom Representative as liaison officer is also reflected well in the programme: the connecting link between the Central Government and the three Island Governments concerned in the Caribbean Netherlands vice versa. In this respect it is of great importance that government policy dovetails with the policy of the island government and thus strengthens and supports the island administration. Economic developments, poverty reduction and children's rights are responsibilities of the Executive Councils and the Central Government together.

The Cabinet and the Executive Councils are of the opinion that policy, and laws and regulations should take more account of the specific circumstances on Bonaire, St. Eustatius and Saba. There are considerable cultural and socio-economic differences with the European Netherlands and also differences between Bonaire, St. Eustatius and Saba themselves. The insular nature and the small scale of the islands sometimes require other solutions, also between the islands themselves. The Cabinet and the Executive Councils have the ambition to realise improvements in the socio-economic area mainly. Not infrequently local initiatives are better than blueprints from The Hague. The Cabinet and the islands will therefore look for local solutions more often than they are doing now. Differentiation between the European Netherlands and the Caribbean Netherlands, but also between the islands themselves, is sought emphatically, where it leads to better and/or more efficient solutions. Both parties commit themselves to work on this actively by engaging a conversation with each other at an as early as possible stage to discuss the existing wishes. Here too the Kingdom Representative acts as an important link.

This Multi-Annual Programme serves as an umbrella for initiatives, on which consensus was reached in the Cabinet and with the Executives Councils. As a result, the emphasis in this document lies on matters which jointly apply to Bonaire, St. Eustatius and Saba, where the differences between the three islands are considered as much as possible. In addition, the three islands have their own development plans, in which the island needs and wishes are formulated and are the starting point for the Executive Councils. These island Multi-Annual Programmes also clearly show that the islands make an own contribution and as such invest in economic development, poverty reduction and children's rights themselves. The design of this Multi-Annual Programme is realised in consultation with the Executive Councils in order to realise a proper design for the island development plans as well. The Central Government and the Public Entities have agreed that the Central Government will work integrally with the Public Entities and the Central Government will sufficiently ensure a bottom-up approach.

At the commencement of its term of office the Cabinet has set the task for itself to build bridges between the European Netherlands and the Caribbean Netherlands in order to strengthen the mutual connection, the optimism and the power of the Netherlands. The Cabinet and the Executive Councils of the Public Entities are convinced that this Multi-Annual Programme and the island development plans will build an important bridge across the Atlantic Ocean to the inhabitants of the islands Bonaire, St. Eustatius and Saba.

## **Focus on social security by promoting economic development, poverty reduction and fleshing out children's rights.**

### ***Focus 1. Economic development***

The ultimate objective is to obtain sustainable economic development which will enable the islands to grow further by their own efforts and thus contribute to a decent level of prosperity and provision. In the end economic development is the most effective and sustainable instrument to achieve higher prosperity for the citizens and to reduce poverty. Increased business activity will eventually lead to a further raise in the (minimum) salaries, as a result of which more families will rise above the poverty line. The economies of the islands currently are weak and have a base which is too narrow. Broadening the economic base, strengthening entrepreneurship and improving the infrastructure, facilitating entrepreneurship are areas on which the Cabinet and the Public Entities want to focus their efforts. This can be accomplished by stimulating and strengthening the following three main themes:

1. Organising the basic infrastructure properly (affordable and reliable).
2. Stimulating entrepreneurship and a favourable climate to establish businesses.
3. Organising important preconditions such as (own) provision of food, rigid fuel market, proper touristic infrastructure and promoting a sustainable use of the nature.

Within the framework of the aforementioned main themes, the Cabinet and the Public Entities have launched the following concrete activities in several economically important sectors:



#### Organising the basic infrastructure properly:

1. The energy supply is crucial infrastructure for the economy of the islands. Energy should be reliable, affordable and clean. The Cabinet aims to bring the costs for basic services such as water and energy, as far as they are related to scale disadvantages of the networks, to the same level as those in the European Netherlands by means of operating and investment subsidies. Since 2012 the Ministry of Economic Affairs (Ministerie van Economische Zaken, EZ) in cooperation with the islands has been working on the improvement of the supply of electricity and will continue these efforts, among others via investment aid for sustainable energy on the two Windward Islands. The BES Electricity and Water Act (Electriciteits- en waterwet BES) will (provisionally) come into force for all islands as of 1 January 2016. The purport of this bill is the regulation of a reliable, sustainable and affordable supply of electricity and drinking water of proper quality on Bonaire, St. Eustatius and Saba. The bill comprises several guarantees to realise a better governance structure. Furthermore, the bill contains a subsidy base for the network component of the electricity rate. The possibilities for the reduction of the subsidy for the electricity network may differ per Public Entity. EZ and the Public Entities together evaluate at least once every two years whether reduction is possible and if so what kind. The objective remains an affordable supply of electricity, where the network component in the electricity rate equals the level in the European Netherlands.
2. Telecom is also very important infrastructure for the islands. During the next few months market regulator Agentschap Telecom (AT) will make a proposal for the spending of a surplus of over 2.5 million euros on the CN balance sheet of AT. On the basis of the founded proposals from the market, monies from the balance sheet can be made available. Assessment criteria in this matter are the increase of quality and speed of the services, the improvement of the infrastructure or coverage, or the realisation of specific services such as free Wi-Fi at certain locations. In addition, EZ will have a coordinating and stimulating role as regards a possible role of KPN on CN.
3. Saba applied for a non-interest bearing loan of \$ 2.5 million for the maintenance of the road to the harbour. The College for Financial Supervision (College financieel toezicht) (CFT) issued a positive advice for this application. Meanwhile coverage has been found on the budget of the Ministry of Infrastructure and the Environment (Ministerie van Infrastructuur en Milieu, I&M) to grant this non-interest bearing loan.

#### Stimulating entrepreneurship and a favourable climate to establish businesses

4. In the area of entrepreneurship EZ has been making efforts aimed at strengthening the Chambers of Commerce since 2010. In addition, two financing instruments have been made available, which however are hardly being used, while obtaining credit on the islands is still very difficult and expensive or is not possible at all because banks refuse to cooperate. After consultation with the Public Entities of Saba, St. Eustatius and Bonaire, efforts are being made from the side of EZ focused on extra coaching and support of (start-up) entrepreneurs and bringing guarantee schemes and the advantages of the use thereof by the bank to the attention of trade and industry. EZ will draw up a list of financing instruments (and their requirements) which are available or could become available.

5. The Dutch organisation Qredits and the Public Entity Bonaire will sign an agreement which will contribute to strengthening entrepreneurship on Bonaire. The objective of the plans of Qredits and the Public Entity Bonaire (municipal council) is to extend approximately 25 (micro) credits, support 125 prospective entrepreneurs in setting up their own business and offer 125 pupils the 'Ik word Eigen Baas' (I will become self-employed) training programme in 2015/2016.
6. Apart from supporting start-up and existing entrepreneurs of the island, efforts should also be made aimed at attracting/facilitating new investments and business activity (partly with the use of PUM Netherlands senior experts (Programma Uitgezonden Managers)) from outside the island as well. Potential investors should be able to talk to policymakers quickly, where questions are answered promptly and accurately (a role like NFIA has in the European part of the Netherlands). NFIA (NL Foreign Investment Agency) is prepared to organise its bi-annual (internal) regional team meeting on Bonaire in the spring of 2016. Following this meeting it is the wish to organise a training programme on the acquisition of business activity for CN. The countries of the Kingdom will also be invited to participate. EZ will urge the Ministry of Foreign Affairs (Ministerie van Buitenlandse Zaken, BZ) to share the information and the agenda of the trade missions with Bonaire, Saba and St. Eustatius by default.
7. In the area of trade facilitation, BZK has had research performed which provides an understanding of the experiences, needs and obstacles of companies in their trading activities with Latin America, both in the Netherlands and the Caribbean parts of the Kingdom. The research also paints a global picture of the existing organisations, instruments and facilities aimed at trade facilitation, particularly for the trade activities with Latin America. Based on the results and the consultation with parties involved (commissioners, companies) the follow-up will be determined. EZ and BZK will make efforts to shape this follow-up. The objective is to jointly formulate concrete follow-up steps, where economic cooperation, removing trade barriers and harmonising economic policy are the central focus.
8. Saba and St. Eustatius (and Bonaire) are requesting a study into the creation of an incentive fund to attract private investors. They are also asking for attention for the fact that there still is only one bank on the island, which should not be deemed desirable on competitive grounds and in view of the quality and costs of services. In this framework EZ is making efforts to interest Dutch banks in establishing themselves in the Caribbean Netherlands. The priority of Bonaire lies in the further strengthening of the Chamber of Commerce and it emphasises the addition of the element of entrepreneur support and attracting/facilitating new investments. This initiative is called the Bonaire Trade & Investment Board, for which BZK has made funds available. Safeguarding the initiatives by making efforts aimed at coaching/support of local employees to perform the work is crucial in this matter.
9. During the visit of the SG of BZK and the SG of Finance in October 2014 a commitment was made to perform research into the *cost-of-doing* business (investment climate) in cooperation with EZ, Bonaire, St. Eustatius and Saba. This research will take place in the fall of 2015, in which Curaçao and Aruba will also be involved. This research will provide input for further consultation with for instance Finance (tax burden) and the Ministry of

Social Affairs and Labour (Ministerie van Sociale Zaken en Werkgelegenheid, (SZW). If possible this research will dovetail with an ongoing initiative of Curaçao, to create a website with information about the costs for businesses on the various islands in the region. In this framework EZ supports Bonaire, St. Eustatius and Saba during talks about measures aimed at facilitating investments such as investment deduction/ABB measures.

Organising important preconditions:

10. A well-supported economic policy is the basis for economic development. EZ is making efforts to provide technical support to strengthen economic expertise at the relevant directorates.
11. In the area of tourism Bonaire is currently aiming for a well-supported tourist policy which gives the efforts direction. In 2015 Bonaire will start with the development and implementation of a Strategic Tourism Plan. In addition they are working on specific job programmes in the area of tourism in order to be able to offer the local population an appropriate education and later on an appropriate job within the hotel and catering management industry. St. Eustatius indicates that the economic development of the island is closely related to the development of tourism in particular. Attracting and facilitating more (different kinds of and high-quality) recreational accommodation services is deemed to be necessary for this purpose. In this framework St. Eustatius also asks attention for expansion of daily (tourist) flights between St. Maarten and St. Eustatius. Since the beginning of this year Saba has been participating in a so-called sustainable tourism Green Deal. First step is a Green Sustainable Tourism Review Assessment which is to be performed in the first half of 2015. Several tourist destinations will be tested for their sustainability as destination in this Green Deal.
12. Stimulating the cultivation of food on Bonaire and St. Eustatius themselves instead of expensive imported products needs considerable attention. It offers educational opportunities, employment, training packages at schools and afterwards income. A Rural Development Plan has been drawn up on Bonaire for this purpose, with projects in the start-up phase. The Agricultural Economics Research Institute (Landbouw Economisch Instituut, LEI) is making an inventory of the food offered on the islands. EZ will implement the results of the LEI research together with the islands. Developing and stimulating the fishing industry will contribute to the promotion of the food supply and economic development on the islands. EZ is working together with the islands to strengthen fishery on the islands. The Fisheries Committee has been established as an advisory body for the optimisation of economic growth in the fishing industry and a sustainable use of the natural resources.
13. In the area of nature, the agreed strategic objectives from the nature policy plan will be pursued in the coming years. This requires a flexible approach for the islands.
14. It is important to always take account of the labour market perspective in the implementation of the aforementioned measures. In areas where a need for workers is expected, the link with the supply side of the labour market should be established as early as possible. Through the Council for Education and Labour Market (Raad voor Onderwijs en Arbeidsmarkt, ROA), SZW and the Ministry of Education, Culture and Science

(Ministerie van Onderwijs, Cultuur en Wetenschap, OCW) and the Executive Councils are actively making efforts for a better transition from (vocational) education into the labour market by developing a labour market policy. Currently this transition is not always optimal, as a result of which the local labour supply remains on the margins. For this purpose OCW has installed the Council for Education and Labour Market CN (Raad voor Onderwijs en Arbeidsmarkt Caribisch Nederland, ROA CN). OCW will involve the Public Entity Bonaire (Openbaar Lichaam Bonaire, OLB) when drawing up the 2016-2020 education agenda when it concerns matters which promote the transition into to the labour market.

15. The monopolistic nature of the economy of the islands has a significant impact on the possibilities for economic development. In a number of areas (self) regulation has already been introduced, for example price policy for basic products and a regulating framework for the costs of energy and water, in order to keep the prices on the islands affordable. The idea for a public supermarket of St. Eustatius may also be considered. A matter of concern are the ever increasing costs of the accessibility of the islands (by air or water). The rising transportation costs do not only lead to higher prices for products and curb touristic growth, they also cause the social isolation of inhabitants of the Caribbean Netherlands to increase. Therefore, as regards the accessibility, the Central Government together with Saba and St. Eustatius will investigate whether access to the Windward Islands mainly can be improved and can be made cheaper, particularly for the target groups which cannot afford the rates. In this connection the Ministry of Health, Welfare and Sports (Ministerie van Volksgezondheid, Welzijn en Sport, VWS) will be involved as well, which in the framework of medical referrals abroad has a direct interest.
16. St. Eustatius can be made more attractive for tourists by recovering and using the cultural capital on the island. The Cabinet and the Public Entities are working together to protect the material and immaterial heritage (particularly in Lower Town and the historical centre of Oranjestad) and to make it accessible to tourists. In addition, the historical importance of St. Eustatius should also be brought more under the attention of (among others American) tourists.
17. In the area of aviation I&M pursues the agreements which were reached in 2012. Approved Master Plans are being executed for the renovation of the airports on Saba, St. Eustatius and Bonaire, in which the central focus is that they meet the minimum international regulations for safety (International Civil Aviation Organization, ICAO).
18. The harbours are important for the islands. The Minister and the Island Government have meanwhile signed letters of intent. I&M will invest in the harbours of Bonaire and Saba. It is I&M's intention to free 3 million euros for the harbour of Saba and 9 million euros for the harbour of Bonaire. EZ will support Bonaire actively by means of expertise during the formulation of business cases concerning the harbours. St. Eustatius indicates that it wishes to offer the ministry its input regarding the possibilities for the relocation of the shipping harbour. The structural financing will be included in the translation of the results of the study into the free distribution by IdeeVersa (see hereafter).
19. It has been agreed in the Administrative Agreement of 22 April 2010 that the Central Government will provide resources for the maintenance of the infrastructure on Bonaire on



the basis of long-term maintenance plans. For 2015/2016 it is I&M's intention to make 3 million euros available for roads as part of the neighbourhood approach project. Bonaire and the Cabinet aim for a structural solution for the current infrastructure and environmental orders in conformity with the agreements which were reached during the 2014 CN Week (I&M). The Cabinet has undertaken to make its point of view regarding the agreements of 22 April 2010 known before the 2015/2016 turn of the year.

20. Together with the islands I&M and the Dutch Land Register will examine the possibilities to improve the registrations of real property, geographical information and information provision.
21. In the area of environment I&M will continue with several projects which are prerequisite for the economic development, i.e. further improvement of waste management, stimulation of environmental measures at companies by means of the implementation of the granting of licences, supervision and enforcement and the limitation of adverse consequences of hazardous substances for the environment. When the initiatives are taken by the Central Government, it is stated on which laws and policy they are based.

### ***Focus 2 Poverty reduction***

The poverty issue in the Caribbean Netherlands is major compared to the European Netherlands. Poverty is mainly caused by low incomes and high prices. Poverty is also reflected in the area of healthcare (consequences of the lack of healthy food, diabetes and obesity are common illnesses) and security (crime, youth issues). For the Islands Governments this is a key priority. Addressing the direst need immediately is at the top of the agenda. Instinctively the negative effects are intensified by recent amendments in laws and regulations in healthcare, although the implementation allowed for a lengthy (3 years) transition period at the time. In a poverty analyses which was performed in 2012 by order of SZW, respondents indicated the people earning the legal minimum wage have difficulty making ends meet. A recent budget survey performed by Nibud by order of the Public Entity Bonaire confirms that picture.

Reducing poverty without simultaneously stimulating economic development will alleviate the problems of today but it does not offer a solution in the long term. Poverty reduction should offer a structural solution and this requires at least economic development (see the measures for this purpose). At the same time it is widely agreed that the poverty issues on the islands are major and that the dichotomy in the Caribbean society is real. All parties involved recognise that this problem should be addressed urgently by the Island Government and the Central Government together.

Therefore the Cabinet emphasises several tracks:

- The first track is curbing the costs of basic services (in view of the purchasing power of citizens, which will also contribute directly to poverty reduction). Please refer to the measures which have been described above under economic development (among others about utilities), among others.
- The second track regards the details of the development plans which were drawn up by the islands. The development plans comprise the full scope of the relevant themes and as such

touch the policy area of nearly all departments. The common main goals can be found in this Multi-Annual Programme.

- The third track comprises the improvement of the transition from education into the labour market in order to increase the opportunities for local workers.
- The fourth track relates to the possible improvements in the social system. An administrative consultation memorandum has meanwhile been prepared for this purpose, which will be discussed in further detail during the 2015 CN Week.

The Cabinet and the Public Entities propose the following measures:

1. The development plans of the islands emphasise a social component with poverty-related proposals and measures. The implementation of the Bonaire integrated neighbourhood approach project continues unabatedly, for St. Eustatius the poverty policy preliminary memorandum is relevant. Part of the plans will be implemented from the integrated approach project monies, where the necessity of a more structural approach is felt. In virtue of their duties the islands mention, among others, debt restructuring relating to rent arrears, assisted living facilities and elderly day care, care for teenage mothers, school administrators, extension of child day care and after-school care, extension of training courses for adult education, sports facilities/playgrounds, facilities for addiction care, sheltered housing for persons aged 18-27 years, refurbishment and expansion of the social housing stock, installation of a public swimming pool (Saba), food support (St. Eustatius) and support for policy development/training of civil servants (Saba/St. Eustatius).
2. For the social sphere there is financial leeway in the coming period for government funding because resources from the separation of property of the former Sociale Verzekeringsbank Nederlandse Antillen which, which belong to the Netherlands were released. Since this money was generated on the island in the past, in addition to the urgency of the problems in the Caribbean Netherlands, these resources – subject to the approval of Parliament – are entirely due to the islands. It appears that the proceeds are sufficient to honour a significant part of the investments in the social sphere, which are deemed desirable by the islands, in addition to appropriation for (improvement of) the execution of duties by the Central Government in the Caribbean Netherlands. It concerns a total of \$ 13 million, which can be used for island measures and government tasks in the Caribbean Netherlands. The one-off nature of the available resources does imply that any structural costs (maintenance and the like) are a point of attention in the elaboration.
3. Investments, especially those in infrastructure, should be combined with the creation of extra/new employment. Education and the demand for workers should be fleshed out in the form of an investment on social return. The challenge is to ensure that employment (newly created jobs as well as job vacancies arising from ‘migration’ in the labour market) comes as much as possible to the benefit of local workers (trainings, internships and employment support). The Public Entity has a legal task of job placement. The execution of this task is reasonable on Bonaire, moderate on St. Eustatius, while on Saba, considering its small scale, organisational anchoring of this function is lacking. The improvement of infrastructure for employment support and job placement is a precondition for adequate

matching of (local) supply and demand of labour during the implementation of the development plans.

4. ROA is in charge of the synchronisation of education and the labour market in the Caribbean Netherlands. ROA CN assesses the labour-market relevance of trainings and should ensure the availability of sufficient training companies. ROA actively aims to realise collaboration between the education sector and the corporate sector. This for example is effected via match-making meetings on the three islands. ROA has also had research performed into the labour market in the Caribbean Netherlands, from which various actions ensue for all parties involved.
5. The Cabinet is preparing legislation for the implementation of a child benefit allowance. They aim for a commencement date as of 1 January 2016, as requested in a motion during the parliamentary discussion of the 2015 SZW budget.
6. In October 2014 a joint study was launched with the Public Entities, at an administrative level, into the bottlenecks and points of improvement in the Caribbean Netherlands social security system. This study runs parallel with the evaluation, so roughly until the fall of 2015. Using the current system as a starting point, an analysis is made of the bottlenecks and points of improvement. During the analysis the protection level of the system in terms of coverage (scope), also taking into account costs and activating effect, are emphasised. The intended outcome of the study is a shared view of the bottlenecks and promising solution directions for the development of the system in the coming years (Bonaire has noted that it strives after a comprehensive social security system as of 2017 but prioritisation and phasing are inevitable).
7. The input of the islands in the debate about the social security system proves that based on the question 'where are the gaps or problems in the system?' there is a need for a wider approach: this for example includes the aliens immigration policy, extension of credit, housing benefit and WMO (Wet Maatschappelijke Ondersteuning; Social Support Act) facilities for elders. The Central Government and the Public Entities are discussing the organisation of a work conference (led by BZK) regarding this broad issue.
8. The levels of the legal minimum wage and the benefits annually move in line with the development of the consumer price index figure. In addition CBS is working on statistical information about the (socio-)economic situation of the islands, on the basis of which a more fundamental analysis of the levels may be performed. The three islands have indicated on several occasions that they consider the current levels to be unacceptable and propose to raise the benefits for single persons who only receive AOV (government pension) and an income support benefit by \$ 200.00 as soon as possible, in advance of the results of the analysis. Saba additionally has indicated that they have talked to local employers, at the request of SZW, and have reached an agreement on the level of the minimum wage on Saba. The SZW State Secretary adheres to decision-making after analysis of the CBS figures (income statistics in particular, of which the first results have recently become available). Further to the preliminary figures of the CBS income statistics, the SZW State Secretary will, in the framework of the 2016 budget, deliberate a decision to raise the legal minimum wage and the benefits by 6.5% for Saba and by 4% for St. Eustatius as of 1 January 2015, on top of the inflation correction. At this moment the

income statistics do not lead to an increase for Bonaire, The step to be taken as of 1 January 2017 will be decided upon in 2016. Having heard the input of the Executive Councils, the State Secretary will decide on the additional benefit increase as of 1 January 2016. The State Secretary is deliberating an additional package of approximately €300,000.00.

9. The Executive Council of Bonaire will engage talks with social partners on the island about the level of the legal minimum wage. The SZW State Secretary would like to assist in these talks, if required.
10. The SZW State Secretary undertakes to set a benchmark for subsistence protection.
11. The SZW State Secretary will investigate internally how support from SZW can be organised regarding issues from the Public Entities which are related to defining the island poverty policy.
12. In 2015 CBS will repeat the comparative research of 2010 into the relative price levels of consumer products on Bonaire, St. Eustatius and Saba. This research is the basis for the revision of the allowance derived from the relative price level pursuant to article 7b of the BES General Retirement Insurance Act (Algemene Ouderdomsverzekering (AOV) BES). A study into relative rents is planned in connection with this. Depending on the reliability and the comparability of this study, the SZW Secretary may decide whether or not to include this component in the determination of the abovementioned AOV allowance.
13. SZW will increase the income threshold for special income support from 110% of the highest income support level to the WML (Wet Minimum Loon (Minimum Wage Act)) level.
14. Part of the population does not avail themselves of regulations (such as special income support) which they are entitled to. As of mid-2014 extra efforts have been made regarding communication, which resulted in an increase in the number of general and special income support grants. For each individual island SZW is in consultation with the parties involved about how a joint more active approach towards citizens can be structured. Where appropriate and within the boundaries of the available capacity, the implementation itself will seek out the citizen instead of the other way around.
15. The collaboration in the implementation of the Central Government and island organisation will be synchronised further where possible. For each individual island SZW is in consultation with the parties involved about how this can be structured. An example is collaboration and synchronisation in the field of application procedures (special income support for example). Relevant information and best practices will be mutually shared.
16. The ABB rate was set at 6% for the Windward Islands during the first five years after the transition and could automatically increase to 8% in 2016 without an amendment of the law. The results of the evaluation could possibly indicate another rate. Since the results of the evaluation will become available too late for the introduction of a new rate in 2016, it will be examined during the August decision-making how to deal with this. It is possible that the lower rate of 6% will be extended for another year, so that the results of the evaluation can be taken into account.
17. BZK and the islands will make joint efforts aimed at an affordable housing market. In this process mortgage guarantee, subsidy for landlords and subsidisation of the unprofitable top of newly constructed social housing are essential. BZK has previously undertaken to

introduce a mortgage guarantee. Unfortunately this project experienced some delay but the undertaking remains fully effective. Now the objective is introduction in the first half of 2016. The importance of subsidy for landlords and the subsidisation of the unprofitable top of newly constructed social housing is also included in the research report of IdeeVersa. BZK endorses the importance of these tools in order to be able to execute the island tasks in the area of housing. A political decision (cabinet opinion) on the increase of the free distribution has to be taken.

The realisation of an affordable and sustainable housing market also requires a proper system of laws and regulations, which includes a system of allocation of housing, setting rents and granting subsidy for landlords. At the request of Bonaire, BZK and the OLB have jointly been working on a new act and related island ordinances for some time now. Also for Saba and St. Eustatius BZK has offered to provide technical support in drafting the island ordinances. The aim is to submit the legal text to the islands for consultation in October.

18. To Bonaire it applies that as regards the level of the subsidy for landlords in addition to the calculations by IdeeVersa, the OLB will submit own calculations (drawn up in cooperation with Nibud) to BZK, which BZK will take into account in the decision-making. After further elaboration of the new-construction plans BZK will examine whether increase of the incidental contribution of €500,000.00 which was undertaken earlier, is possible. Concerning the legislation process BZK will work closely with the OLB and as regards communication the Public Entity Bonaire will draw up a plan in the coming period. BZK is looking for useful examples for support.
19. Saba specifically asks attention for the construction of social housing. The construction of houses on Saba is very expensive. On the one hand because there hardly is one piece of level land on the island and on the other hand due to the need for hurricane-resistant construction. The high construction costs also affect the rental price, which people with a low income can barely afford. This also has consequences for the social housing foundation which currently is technically bankrupt. Intensive consultation between BZK and Saba about this topic will be continued in 2015. BZK will make 600,000.00 euros available for new construction on the condition that an agreement is reached between the Public Entity and Woonlinie about new construction and the management and maintenance of the existing social housing.

### ***Focus 3 Children's rights***

In 2010 Unicef launched a study into the situation of children in the Caribbean Netherlands (CN). The reports show that considerable improvement is still required on Bonaire, Saba and St. Eustatius to make it possible for children to grow up in a protective environment, to have sufficient facilities so that children can develop themselves and can participate in the family, neighbourhood, at school and in society. Since 10-10-10 the necessary improvements have been realised in the areas of healthcare, education and security. These are improvements which undeniably have a positive impact on the wellbeing and health of children.

The Taskforce Kinderrechten en huiselijk geweld (Taskforce CN (Children's Rights and Domestic Violence Taskforce)) which was established during the 2014 CN Week, is responsible for the drafting of action plans per island and the set-up of a domestic violence approach. With the support of Unicef – in the person of Nils Kastbergen - the Public Entities have had round-table talks with various stakeholders from society about the children's rights action plan. The input from these talks was for the action plans and offers starting points for the involvement of the stakeholders/society in the follow-up phase of the implementation of the action plans.

In order to give impetus to the improvement of children's rights in CN, an amount of 3 million euros has been made available for the years 2015-2017 by amendment by the Dutch House of Representatives. For the purpose of addressing domestic violence VWS and the Ministry of Security and Justice (Ministerie van Veiligheid en Justitie, VenJ) have budgeted structural resources for the set-up and execution of addressing domestic violence. Addressing domestic violence should eventually lead to ratification of the Istanbul treaty in CN.

The Taskforce CN has set the following priorities:

1. Making the family the central focus;
2. The role of parents in child-rearing;
3. Prevention of violence against children;
4. Safety net/creating meaningful leisure;
5. Preconditions for the safeguarding of children's right
6. Housing of families.

An analysis per island of the situation regarding these priorities can be found in the action plans of the islands. BZK has undertaken to approve the children's right plan of campaign by September 2015 at the latest. The plan of campaign of the islands is the basis for further decision-making.

Apart from decision-making on the proposed measures, the implementation of the measures and how the resources will be made available also need to be discussed. In addition, the sequentiality and planning of the islands should also be examined.

In November 2012 the Kingdom of the Netherlands signed the treaty of the Council of Europe concerning the prevention and suppression of violence against women and domestic violence. The objective is to make the Treaty applicable in the Caribbean Netherlands as well. In order to investigate the consequences of the implementation of the treaty for addressing domestic violence and violence against women on Bonaire, St. Eustatius and Saba (the BES Islands/Caribbean Netherlands), Regioplan performed an exploratory study. This study was performed by order of the Ministry of Health, Welfare and Sports (VWS) and the Ministry of Education, Culture and Science (OCW).

The impression exists that, compared to the Netherlands, domestic violence on the islands often concerns more serious forms of physical violence. The prevalence of domestic violence is persistent and is closely linked to poverty and housing issues on the islands. It also is related to

the lack of family planning, coarse manners and the culture (of child-rearing). The current approach for addressing domestic violence is fragmented and insufficiently intensive. Therefore addressing domestic violence should not be separate from the broad-based approach for addressing social issues. The researchers have described the building blocks for basic actions. Therefore there is a broad base for these actions.

The Taskforce Kinderrechten and huiselijk geweld CN is responsible for drawing up action plans per island and for the set-up for the approach to address domestic violence. The three islands all have deliberated the domestic violence theme in a different way within the Children's Rights Action Plan.

The Cabinet and the Public Entities have (already) decided on the following measures for the children's rights action plans of the islands:

1. Improvement of housing for families. Cramped and bad housing have a strongly negative impact on the development and rearing of children. The Minister of the Housing and Central Government Sector (Wonen & Rijksdienst, W&R) has made a financial contribution available to realise better housing for families. It should be examined in the coming period whether this financial contribution will suffice and if this is not the case, how resources should be found to further improve the housing situation of children.
2. There is support for a transfer of the collection of child support from the Guardianship Council to the tax authorities. As child support will be collected (better), the receiving parent can use this for the benefit of the child.
3. Further to the regional plan report, the Ministries of VWS V&J and BZK have drawn up an implementation plan together with the Public Entities to address domestic violence. The implementation of this plan was started in 2015.
4. The Public Entities will be supported in the realisation of structural collaboration between the agencies of the Central Government and the Public Entity on the islands which offer facilities aimed at the development of and care for children (and their parents). In that connection, the possibilities offered by the comprehensive school 'brede school' concept will also be examined.
5. In accordance with an existing agreement, the Central Government will make a financial contribution of approximately 1 million euros to making improvements in the area of child day care and another 1 million euros for the new construction of a child day care section attached to the Brede School on Bonaire.
6. A financial contribution has been made available from OCW for participation of the islands in the WE CAN Young campaign (part of the WE CAN End All Violence Against Women campaign). The campaign was launched in 2014 and will be repeated annually.
7. V&J will draw up a judicial youth policy agenda in 2015 for the years 2016 and next. Judicial youth policy comprises both civil and penal law. An implementation plan has been drawn up for the implementation of the The Hague Convention on the International Protection of Children (Haags Kinderbeschermingsverdrag, HKBV), International Child Abduction (Internationale Kinderontvoering) and International Foster Care (Internationale Pleegzorg). The approach is implemented by the Central Authority in

consultation with the chain partners. The BES Guardianship Council has also been notified of this. In August 2014 the procedure of (cross-country) adoption (among others) was discussed with the Guardianship Council.

8. V&J has appointed a process manager to implement the safe house model on Bonaire – where the concept of direction, consultation and an integrated procedure are the central focus.
9. Several institutes of the Central Government such as the Expertise Center for Educational Care (Expertisecentrum Onderwijszorg), the Centres for Youth and Family and the Guardianship Council can realise better and more efficient cooperation. The departments which are involved the most (VWS, OCW and SZW) are critically examining the possibilities.

#### ***Focus 4 Support of Administrative Development***

The Cabinet and the Public Entities have their own responsibilities. The Island Governments are strongly dependent on Central Government resources as regards financial resources. Like Dutch Municipalities, Public Entities may only levy a limited number of taxes stipulated in the law, of which land tax and tourist tax generate the principal returns. Otherwise, the Public Entities are dependent on the Central Government resources by means of a free distribution from the BES fund or special-purpose grants from departments. The Public Entities are not allowed to borrow monies and solely line departments are allowed to grant (non-interest bearing) loans. Needless to say, financial means are limited at this juncture. This affects the possibilities of the Public Entities to invest in their (administrative) system.

The implementation capacity and the extent to which the Public Entities execute their duties and responsibilities properly needs attention. Talks with public officials and Commissioners of the Public Entities have shown that there is a need to commence strengthening the Island Government in advance of the result of the evaluation of the constitutional structure. This regards both the civil service and the quality of the harmonious cooperation between the service and the Commissioners, which leaves considerable room for improvement. The Island Governments are insufficiently equipped to deal with all opportunities and threats which they face. The small scale of the islands makes it virtually impossible to recruit all required administrative and civil capacity from their own ranks. The development of the civil service and the government is only possible if a movement is launched for this purpose from within and the existing initiatives are strengthened either by means of extra resources or manpower. The Central Government will support the Public Entities in this process.

The Cabinet furthermore recognizes that strengthening the government capacity, is not limited to the islands but that departments can contribute substantially as well. With the new or amended laws and regulations, the departments directly or indirectly strongly appeal to the limited capacity of the Public Entities. This among others requires a critical analysis of whether the objective of laws and regulations cannot be realised in another form, where applicable. Simply copying laws and regulations to the Caribbean Netherlands mostly complicates and usually places excessive demands on the implementation, as practice has shown. The question should be



asked whether this is really necessary in all cases. Additionally, the way the Central Government is organised affects the number of departments and civil servants which the Public Entities will have to deal with on one dossier.

Moreover, in terms of scale size, the Central Government, responsible for a variety of themes, is a complex entity to work with for the Island Governments and civil servants. At the Central Government at least one civil servant is involved with each dossier, whereas on the islands a Commissioner or civil servant is responsible for a multitude of dossiers. The Central Government will consider the question whether proposed laws and regulations indeed are fitting and effective in an island context. It is not unthinkable that, where applicable, alternatives are available which are less strenuous for the Public Entities. The Central Government will make more intensive efforts regarding this topic.

Considering above conclusions, the Cabinet will take the following measures to strengthen the position of the Island Government and civil service:

1. In line with the agreement with the Public Entities, the research agency IdeeVersa performed research into the free distribution. This research was required to gear the island expenditure better to the departmental cash flows and efforts. Additionally, it was also necessary to update the reference framework study to the actual situation. The regulations and ambitions have changed since 2011 (the basis of the current free distribution). Furthermore, backlogs on the islands has also been addressed – usually with resources of the Central Government – but the (higher) structural (maintenance) costs were insufficiently taken account of. Finally, the backlogs on the islands have been included in this research, where variants in terms of level of provision will be fleshed out. The results of the research have meanwhile become available and were sent to the Dutch House of Representatives on 24 March 2015. The report will be taken into account with the outcome of the evaluation of the effect of the new constitutional structure of the Caribbean Netherlands (Spies Committee). Further consultation will take place in the second half of 2015, in view of final decision-making on the amount of the free allowance and in relation to other cash flows. Pending this decision-making, the free allowance over 2015 will be indexed on the basis of the agreed system.
2. BZK annually earmarks 1.5 million euros for the strengthening of the Island Government. The spending of these resources will be put into effect in the ‘Good Governance’ programme. BZK involves the Public Entities and the Kingdom Representative in the section Caribbean Netherlands. The ‘Good Governance’ programme bundles the various activities aimed at strengthening the Island Governments, often in the form of projects. It also aims to facilitate and stimulate the integrated working procedure of the Central Government in the Caribbean Netherlands. The design of this programme is shaped by the needs of the Public Entities as well as the vulnerable organisational aspects which have a negative impact on the functioning.
3. Several concrete suggestions were made in the Van Gastel/Thunnissen/Johnson report to strengthen the Island governments. The following measures ensued therefrom and will be included in the ‘Good Governance’

- a. The Executive Councils are invited to indicate what sections require technical support, training programmes and internships in the European Netherlands. BZK will offer active support in this process. Saba and St. Eustatius in particular have discussed concrete needs with BZK, these include Island Secretaries, training needs and a better set-up for licence procedures (St. Eustatius). Specific attention will be paid to talented young people.
  - b. The support for Island Governors will be strengthened structurally. One management consultant per Island Governor will be recruited. During the first three years BZK will take care of the financing. After that this position should be incorporated and financed in the (island) formation of Island Governor's Cabinet.
  - c. There is the possibility to assign Central Government trainees to the islands, both at the Central Government and the Island Government. This opportunity is already used on Saba and St. Eustatius. It will be examined how this can be expanded further. Deployment of this group should primarily focus on the implementation of existing plans.
  - d. Exploratory meetings with the Kingdom Representative have already been organised in the Netherlands for citizens from the Caribbean Netherlands, where the focus will be on the question which incentives would have a positive impact on a return to the islands. This might yield a group of people with an interesting profile for the Public Entities and/or units of Rijksdienst Caribisch Nederland. So the idea is to investigate to what extent a traineeship for "island children" can be introduced so that young people who go to the Netherlands to study can maintain close ties with the island and the chance increases that they will return to the islands. RCN can set a good example in consultation with the partners.
4. It is important to anchor the implementation of the development plans properly at an organisational level. The islands are unable to do this alone, certainly the infrastructural part. As the local connecting link between the Central Government, the Island Government and the local administrative organisations, the Kingdom Representative can be contacted directly and is nearby.
  5. The Cabinet and the Executive Council of Bonaire will reach further agreements to realise a new public administration building. The Executive Council of Bonaire aims for a non-interest bearing loan in this process. The request for this loan will be considered by the Minister of BZK in the spring of 2016, provided that the legal procedures are complied with, in particular that the application of the Island Council, including the CFT's positive advice, is available by 15 January 2016 at the latest. Bonaire will update the (old) business case in the second half of 2015 for this purpose, in close consultation with Kingdom Relations, Central Government Building Agency (RVB) and RCN. Any savings realised by the Public Entity will be used by the island to address socio-economic issues.
  6. The Central Government and the Island Governments have agreed that the administrative burden for the Island Governments will be limited as much as possible. Should the island government experience an unreasonable administrative burden from the Central Government in some area, the department involved undertakes either to present a

proposal how the burden could be reduced or to provide an explanation why the burden is inevitable.

7. In line with the Cabinet's reaction to the deregulation report, all island ordinances have been updated and digitalised.

Signed in duplicate on 11 June 2015, in The Hague,

The Minister of Interior Affairs and Kingdom Relations

Dr R.H.A. Plasterk

On behalf of Saba

The Island Governor C. Johnson

[signature]

The Island Governor B. Zagers,

[signature]