

Nancy R. Guishard-Joubert

From: Nancy R. Guishard-Joubert
Sent: Thursday, December 28, 2017 5:12 PM
To: Sarah A. Wescot-Williams; SXM MP Sarah A. Wescot-Williams; SXM MP Theodore E. Heyliger; Chanel E. Brownbill; SXM MP Perry F. M. Geerlings; Perry F.M. Geerlings; SXM MP Franklin A. Meyers; SXM MP Franklin A. Meyers (fmeyers96@gmail.com); SXM MP Tamara E. Leonard; Claret Connor; SXM MP Sidharth M. Bijlani; SXM MP Rodolphe Samuel; Ardwell Irion; SXM MP Hyacinth L. Richardson; SXM MP George C. Pantophlet; SXM MP Romeo F. Pantophlet; SXM MP Romeo F. Pantophlet; SXM MP Silvio J. Matser; SXM MP Frans G. Richardson
Subject: Fw: Nota naar aanleiding van het eindverslag BW 2017
Attachments: 28122017 brief en nota naar aanleiding van het eindverslag BW 2017.pdf
Importance: High

Ingek. 29 DEC 2017
Volgnr. IS/25717-18
Par. 147

Hon. Members of Parliament,

Please find attached some additional documentation for tomorrow's urgent Public meeting.

Sincerely,

Nancy Guishard-Joubert
Griffier

From: van Duinkerken, Jaap <Jaap.vanDuinkerken@sintmaartengov.org>
Sent: Thursday, December 28, 2017 17:00
To: Nancy R. Guishard-Joubert
Cc: Sarah A. Wescot-Williams
Subject: Nota naar aanleiding van het eindverslag BW 2017

Dear Nancy,

Please find attached the cover letter, the Note following the Final Report, and the relevant letters of the Minister of Finance, pertaining the National Ordinance to amend the National Ordinance Budget 2017 in connection with changes to the Ordinary Service.

With appreciation,

Jaap

P.S. could you confirm to have received this e-mail



MINISTER OF FINANCE - SINT MAARTEN MINISTER VAN FINANCIËN - SINT MAARTEN

To: Parliament of Sint Maarten
Attn: President of Parliament, Mrs. Sarah A. Wescot-Williams
Wilhelminastraat #1
Philipsburg, Sint Maarten

Postadres:
Government of Sint Maarten
Ministry of Finance

Government Administration
Building

Post Office Box 943
Philipsburg
Sint Maarten

Date: 28 december 2017
Reference no.: 20171228-01-JvD
Subject: Draft National Ordinance to amend the National
Ordinance Budget 2017 in connection with
changes to the Ordinary Service

Annex(es): 1

Bezoekadres:
Soualiga Road #1
Pond Island, Great Bay,
Sint Maarten.

Dear Excellency,

Please find attached the note following the final report on the above-mentioned proposal.

I trust to have informed you sufficiently and in a timely manner.

Sincerely,

MINISTER OF FINANCE
Richard F. Gibson Sr.



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

NOTE FOLLOWING THE FINAL REPORT

In the meeting of the Central Committee of December 27th, 2017, Parliament has exchanged its views with the Government on the Draft National Ordinance to amend the National Ordinance Budget 2017 in connection with the changes to the Ordinary Service.

In order for Parliament to consider the present draft to be sufficiently prepared, so that the draft can be discussed in a public meeting, Parliament is hereby provided with the answers to the questions stated in its final report.

The text of the questions as stated in the final report is expressed in black, while the text of the answers is provided in red.

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?

Due to the urgency the budget amendment is drafted in Dutch, although the presentation of the amendment is given in English and the answers to any questions will be given in English as well. All the comments of the Council of Advice (and the Cft) are taken into consideration in the draft budget amendment as submitted to Parliament. The fonts are not enlarged, to save paper, to be green, and to fit the paper, as happens everywhere in the world. I myself use glasses to read them. The total costs of the cleanup were first estimated at NAfl. 16.4 million. After the Netherlands sent in trucks etc., the costs were estimated at NAfl. 10 million. In the end the estimate had to be revised to NAfl. 15 million. I do not appreciate it, when other persons explain what is happening in my Ministry. On the other side, I do not want to interfere in the affairs of other Ministries. My duty is to find funds for programs. The actual execution of these programs are up to the relevant Ministries. So if you would like to pose questions about these programs, they have to be addressed to the relevant Ministries.

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.?

At this moment the conditions for the liquidity aid are not clear yet so the interest rate remains unclear for the NAfL 67 million till that has been sorted out. Although I estimate if this will not be a grant, the interest will be about 1.5 or 2 %. The request for liquidity support from the Netherlands will be sent to Parliament. Yes, a positive response has been received. We handled according to the Kingdom Law on Financial Supervision. This Law is from a higher level than the National Accounting Ordinance, and so overrules the National Ordinance. The Netherlands indicated that the request to deviate from the standards of article 15 of the Law of Financial Supervision, has to be adjusted in the sense the request is done according to a certain format. This is executed via a second letter. As mentioned before, it is my job to find money for programs, the execution is the responsibility of the relevant Ministry. If you would like to address any questions on the details, please address them to the relevant Ministry. Only unavoidable costs were made. The cleanup for example did cost about 12 million up to date. The other expenses have not been made and await approval of the budget amendment and the liquidity support from the Netherlands. The expenses are registered in the ledger on a separate booking code. This is a centralized post at Finance budget. Our aim is to receive the NAfL 67 million before the end of this year. With regard to your question on the damage to Government buildings, I would like you to address this question to the Minister of General Affairs, since this falls under the responsibility of General Affairs.

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 NAfI. 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?

Any support, budget or liquidity will be deducted from the EURO 550 million. How it is possible that the Cft has decided in these times to advise the Kingdom Council of Ministers to give an instruction to Sint Maarten is for me a total surprise. First of all, we submitted our budget 2018 for the first time in history on time at Parliament. After the hurricane Irma, the priority was the budget 2017, as the Prime Minister of the Netherlands expressed his understanding to deviate from the budget principles of article 15 of the Kingdom Law on Financial Supervision, after the hurricane, and indicated that the deviation should be addressed in the budget amendment. As an outgoing caretaking Minister it would not be proper to decide on the 2018 budget. To make a proper budget 2018, discussion have to be held with different stakeholders, and clarity has to be provided by the Netherlands and the World Bank. In general, a Law is there to serve society, and not the other way around. I did not receive any official communication from Cft regarding an advice to give an instruction. I do not expect that the Netherlands will give Sint Maarten an instruction, and I think, since the Chairman is new at Cft, that he made a wrong judgement call with his advice to the Kingdom Council of Ministers. After the hurricane the expenses for Government went up as the income went down, this caused the deficit. With regard to the 41 million, this is an amount that the Netherlands reserved in their budget. This does not mean that this amount

is or will be paid out to Sint Maarten, this is just a reservation that has been made in their budget. Our aim is to receive liquidity support of NAfl. 67 million before the end of this year. A meeting with representatives of the World Bank has taken place. There is nothing on paper about the 41 million, as explained before, this is just a reservation and has nothing to do with commitment for liquidity support. The 7 million has been indeed made available and is distributed to the NGO's etc. At this moment it is not clear if the EURO 550 million will be a loan or grant or partly a loan or grant. This will need further discussions. All the comments from the Council of Advice and the Cft are incorporated in this draft. Although you have to address your question to the relevant Minister, I can tell you that the hospitality training is accessible for anybody who is interested to work in the hospitality, and geared to improve the quality of our hospitality industry. Further the aim of the program is broader than hospitality. You have to realize that these days more than 1.000, 2.000, 3.000, people lost their jobs. Without a job, people can decide to look for an alternative way to gain income. Since the participants of this program will be paid for three days a week, this program is also aimed to prevent crime and safety issues. To reduce the travel costs in the budget as a management tool to discourage travel, does not make sense now the year counts several more days. The death benefit is only mentioned under Finance, since Finance is the Ministry that pays it for the whole Government. There is nothing on paper or signed, between Sint Maarten and the World Bank. Please as stated before, if you have questions regarding programs of other Ministries, please address the relevant Ministries, since I have no information on their execution details. Yes, the Government sent a letter to the Kingdom Government to deviate from article 15 of the Kingdom Law on Financial Supervision. And yes, we received a positive reaction. Although the Curacao electricity company falls not under my authority, my understanding is that they are not paid as yet. They did send a bill to GEBE. I do not know if the World Bank will receive a percentage and what percentage from the EURO 550 million. But in general it is common practice that consultancy fees are charged, so it could be that the World Bank will apply a consultancy fee.

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?

The monies that are provided as "liquidity aid" are not sufficient to cover the 2017 deficit. They are only meant to keep the governmental machine running till 2018 financials will be solved. We did ask the whole amount but the Netherlands only wanted to cover 2017 liquidity deficit for 2017 in this first tranche. Monies obtained from other sources like the World Bank, EDB or any other will always have the form of a loan and will always be more expensive than the facilities of the Netherlands. Netherland is willing to help with liquidity and will do so. This decision has been made in the Kingdom Council of Ministers and the first tranche will be received shortly. The liquidity picture is that we will have NAfl. 2 million shortage at the end of the year if all monies would be paid to APS, SZV and capital investments. This will not be done till the promised monies of the Netherlands arrive to avoid a deadly embrace for government. These monies do not change the budgets deficit however as the liquidity aid is offered as a loan and will not change the cost level of government.



**MINISTER OF FINANCE - SINT MAARTEN
MINISTER VAN FINANCIËN - SINT MAARTEN**

Aan
t.a.v. Rijksministerraad
Dhr. Drs. M.Rutte

Adres Postbus 20001
2500 EA Den Haag

Datum 27 december 2017

Ons kenmerk

Onderwerp Begrotingscyclus en uitstel vaststelling begroting 2018.

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Geachte heer Rutte,

In vervolg van mijn brief van 21 december 2017, wil ik hierbij de actuele situatie schetsen van de begrotingscyclus van Sint Maarten.

Begroting 2017:

Na Irma is een begrotingswijziging opgesteld die de financiële gevolgen voor Sint Maarten projecteert. De begrotingswijziging heeft inmiddels het grootste gedeelte van het wetgevingstraject doorlopen en wordt vandaag behandeld in de Staten zodat we U binnen afzienbare tijd hierover inhoudelijk kunnen informeren.

Begroting 2018:

Begroting 2018 van voor Irma is destijsd tijdig bij de Staten ingediend en leek ruimschoots binnen de wettelijke termijn te kunnen worden vastgesteld. Echter, het is evident dat de gevolgen van Irma dusdanig materieel zijn, dat deze begroting substantieel moet worden aangepast. Binnen de overheid wordt momenteel hard gewerkt om een bijgestelde begroting 2018 ten spoedigste in het wetgevingstraject te brengen. De vooruitzichten zijn dat een bijgestelde versie reeds volgende week in de Raad van Ministers kan worden behandeld. Nadat de Raad van Ministers het stuk heeft vastgesteld volgt het gebruikelijke traject en kan behandeling in de Staten verwacht worden in de loop van februari.

De overschrijding van de wettelijke termijn kan dus, ondanks de door Irma veroorzaakte verstoring, beperkt worden gehouden. Het is daarom dat ik voorstel om gezien de omstandigheden in te stemmen met uitstel voor oplevering per 1 maart 2018. Ik verzoek U dit voorstel door te geleiden naar de Rijksministerraad.

Bij voorbaat dank voor uw welwillende medewerking,

R.Gibson
Minister van Financiën





MINISTER OF FINANCE - SINT MAARTEN
MINISTER VAN FINANCIËN - SINT MAARTEN

Aan Zijn Excellentie
t.a.v. voorzitter van de Rijksministerraad
 De heer Mark Rutte
 Den Haag

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Datum : 21 december 2017

Betreft: Liquiditeitssteun Sint Maarten

Excellentie,

De afgelopen periode is door alle betrokkenen, aan de Nederlands zowel als aan de Sint Maartense kant, hard gewerkt om gestalte te geven aan de broodnodige hulp die Sint Maarten nodig heeft om weer een economisch florerende samenleving te worden. De eerste maanden stond de noodhulp in centraal maar inmiddels wordt de wederopbouw met Nederland en de Wereldbank in de stijgers gezet. Nu de noodhulpfase voorbij is maar de wederopbouw nog niet echt van de grond is gekomen, ontstaat voor de overheid van Sint Maarten een vacuüm waarbij het stijgende kostenniveau en de dalende inkomsten onafwendbaar op een tekort aan liquiditeit gaat opleveren.

Dat deze ontwikkeling er aan kwam, was al voorzien en heeft geleid tot de toezegging van Nederland om Sint Maarten bij te staan in de problemen die volgen uit het zich aandienende liquiditeitstekort. Voornemen was de omvang van de liquiditeitssteun te baseren op de begrotingswijziging waaraan daartoe een liquiditeitsraming is toegevoegd. Gezien de situatie op Sint Maarten waar een regeringswisseling voor de deur staat, bestaat het risico dat de begrotingswijziging niet voor 2018 in de Staten kan worden behandeld/afgerond en daarmee de streefdatum om de steun voor 1 januari in stelling te brengen, in gevaar lijkt te komen.

Om te waarborgen dat de middelen tijdig beschikbaar komen, verzoekt de regering van Sint Maarten om in effectuering van de liquiditeitssteun op basis van de bij deze brief gevoegde onderbouwing, welke ambtelijk is voorbereid met het ministerie van BZK, te voorzien.

Uit de navolgende tabel volgt een korte termijn liquiditeitsbehoefte van NAF 66,1 miljoen. De regering van Sint Maarten verzoekt de Rijksministerraad het er toe te leiden dat deze liquiditeiten ten spoedigste aan Sint Maarten ter beschikking worden gesteld.

Bij voorbaat dank voor uw welwillende medewerking,

R.F. Gibson
Minister van Financien



Liquiditeiten 1-12-2017	106,953,935
Af bestemmingen:	
- Kapitaaldienst	31,400,000
- Weerstandsvermogen	12,000,000
- SZV	20,000,000
- APS	20,000,000
- Werkkapitaal december	<u>41,500,000</u>
Besteedbaar	(17,946,065)
Instroom december	<u>10,000,000</u>
Totaal beschikbaar	(7,946,065)
Af bestemming december	
- Salarissen	9,000,000
- Subsidies	5,000,000
- Huren	1,300,000
- Studenten	2,500,000
- Garbage	900,000
- Inhoudingen	5,000,000
- Crediteuren	10,000,000
- Trainingen hospitality	8,000,000
- Fase 2 schoonmaak Irma	6,000,000
- Onvoorzien	<u>10,500,000</u>
Liquiditeit 31-12-2017	58,200,000
	(66,146,065)


 21/12/17



**MINISTER OF FINANCE - SINT MAARTEN
MINISTER VAN FINANCIËN - SINT MAARTEN**

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Aan
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Dhr. Drs. M.Rutte

Adres
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2500 EA Den Haag

Datum
20 november 2017
Ons kenmerk
Onderwerp
Beroep op artikel 25, lid 1 Rft

Geachte heer Rutte,

In de brief van Prime Minister William Marlin van 6 oktober jongstleden, is een beroep gedaan op artikel 25 lid 3 van de Rijkswet Financieel Toezicht (Rft). In deze brief is gemeld dat het Land Sint Maarten uitgaven heeft gedaan, als gevolg van de destructie van orkaan Irma, welke kunnen leiden tot afwijking van de normen zoals gesteld in artikel 15 van de Rft. Op deze brief heeft u in uw schrijven van 11 oktober jongstleden (Kenmerk: 3213704) gereageerd, waarvoor dank.

Met deze brief doe ik een beroep op artikel 25 lid 1, waarbij ik de Rijksministerraad verzoek om, gelet op de situatie die is ontstaan na Irma op Sint Maarten, af te mogen wijken van de normen zoals genoemd in artikel 15. Specifiek doel ik daarbij op het afwijken van artikel 15, lid 1a waarin gesteld wordt dat de in de begroting en de meerjarige begroting opgenomen uitgaven op de gewone dienst worden gedekt door de ter dekking van die uitgaven opgenomen middelen.

Voor zowel het jaar 2017 als het jaar 2018 is hetbeeld dat uit ramingen blijkt, dat de uitgaven aanzienlijk hoger zullen liggen dan de inkomsten. Het ontstane financiële tekort is dermate groot dat hiervoor binnen de eigen middelen van het Land Sint Maarten geen oplossing voorhanden is. Het is om die reden voor het Land Sint Maarten onmogelijk om voor de jaren 2017 en 2018 een sluitende begroting te presenteren. Voor de jaren 2019 en verder zal bezien moeten worden hoe de economie zich ontwikkelt, en in hoeverre de (belasting)inkomsten voldoende zullen zijn om de uitgaven te dekken.

Bijgesloten is de nota van wijziging op de begrotingswijziging 2017 (met bijlagen) zoals deze aan het parlement zal worden aangeboden. Ook ontvangt U een afschrift van het art 11 advies dat het Cft terzake heeft uitgebracht. De nota van wijzigingen is inclusief de aanpassingen naar aanleiding van de adviezen van het CFT. Advies van de Raad van Advies wordt een dezer dagen verwacht en zal worden nagezonden. De nota van wijziging laat een tekort op de gewone dienst van NAf 144,8 miljoen zien. Gelet op dit grote tekort, wordt er op dit moment zwaar ingeteerd op de liquiditeit (lees: banksaldo)

van het Land.

Aangezien het banksaldo beperkt is, en het de verwachting is dat deze middelen op korte termijn zijn uitgeput, verzoek ik u om aan het Land Sint Maarten zo spoedig mogelijk liquiditeitssteun te verlenen, zodat het Land kan blijven voldoen aan haar financiële verplichtingen. Deze liquiditeitssteun betreft feitelijk steun om reguliere betalingen van het Land te kunnen blijven verrichten, en staat dus los van de steun in het kader van het nood- en wederopbouwfonds, die –naar ik vooralsnog heb begrepen- buiten de begroting van het Land Sint Maarten om wordt gefinancierd.

Vertrouwende op een spoedige reactie uwerzijds, verblijf ik,

Hoogachtend,


W.C. Gibson
Minister van Financiën