



Parliament of Sint Maarten

Staten van Sint Maarten

Parliamentary Year 2017-2018-118

National Ordinance amending the National
Ordinance Budget 2018

Report
No. 5

Parliament in its meeting of the Central Committee has exchanged views with the Government on the Draft National Ordinance amending the National Ordinance Budget 2018.

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

The United Democrats-faction has taken note of the draft with interest. The faction would like some insights into the current financial position of Government with data and numbers. What kind of current financial information concerning the financial position of Government can be provided to Parliament? What is our current liquidity? Do we have an overview of big pending payments that are not yet made?

The faction points to the fact that recently the ING bank in the Netherlands made a settlement with the Prosecutor's Office to pay a fine at the tune of 675 million euro due to the lack of control of the bank to control money laundering and corruption in the Netherlands. The fine that ING has to pay is much more than the amount that the World Bank is presenting to Sint Maarten. Seeing the damage this is causing to the image of the Kingdom including Sint Maarten, the faction proposes for the Government to request the Dutch Government for a part of these funds to be canalized to our community that is in dire need of projects for the reconstruction of this country.

The Sint Maarten Christian Party-faction has taken note of the draft with satisfaction. The faction would like to thank Government for working so diligently on the first draft

ordinance to change the Budget 2018 so that Sint Maarten can receive the much needed liquidity support from the Netherlands and the Minister of Finance can now receive by law the necessary approval to sign off on loans to finance the operational costs and expenditures of Government. The faction indicates furthermore that both the advice of the Committee of Financial Supervision as that of the Council of Advice are positive. Nevertheless both institutions, referring to article 14 of the Accountability Ordinance, indicate that they would have liked to see a more detailed account of which investments will be done with the Capital Investments of almost NAfL. 13 million. Which projects will be financed from this amount? Can the Government elaborate on the ongoing discussion about the use of the 40% debt to GDP ratio used by the IMF for Small Islands Development States and the Kingdom Law Financial Supervision where the 5% interest burden norm is stipulated?

Now that Sint Maarten has received the approval of the Kingdom Government in accordance with article 25 of the Kingdom Law Financial Supervision to deviate from the norms mentioned in article 15 of the same ordinance for budgets 2017 and 2018, can the Government indicate how these norms are being used? Can Parliament be provided with the letter from the Kingdom Government in which this approval is given to deviate from the norms under certain conditions? Can Government provide Parliament with the conditions under which the loan for the liquidity support was given for 2017 by the Kingdom Government? Can Government indicate if these same conditions will be given for any possible loans for liquidity support for 2018? Or is there a different discussion now with the Kingdom?

The National Alliance-faction has taken note of the draft. Based on the uitvoeringsrapportage 2018 and the forecasted budget, the numbers are already off. Has Government already started amending Budget 2018 before the uitvoeringsrapportages come in so that they are not way off in the future? Trends suggested we would do way better than forecasted. Which trends are these? How much in actual percentage and figures will we do better? Where did the data come from for these trends? Which sectors, which fields etc.?

Which areas in society are we seeing that are generating a lot more revenue than initially expected?

The faction is on a quest to pull away from the colonizers. What is the alternative besides dealing with the colonizers? How much money do we have as Sint Maarten? How much money do Sint Maarten and Curaçao have sitting in the Central Bank? And what is Sint Maarten's portion? In terms of the dismantling of the Netherlands Antilles and the so called "boedelscheiding", how much money in total was it? And what was Sint Maarten's portion? How much were we supposed to get? Have we received what we were supposed to get? Curaçao is going through a serious economic drought right now. Whatever monies that are supposed to come to Sint Maarten, given what is going on in Curaçao, it will not be coming. Every bit of money that was owed to Sint Maarten, the faction wants it and the faction wants it now.

What does floating a bond mean? How much longer does the Government think that Sint Maarten as an emergent nation in the socio economic geo political, can we keep the colonizers in the CFT overseeing our finances? We can receive much more help than we are receiving from the colonizers. Looking at the cost cutting measures list, what measures does the Government think are viable to cut? We had to give border control and integrity for money. We did our part. The colonizers haven't fully complied yet. It can't be that everything is Trust fund and the World Bank. What are the alternatives to the Trust fund and the World Bank? We can't claim to be a democracy and also be colonized. What other alternatives does Government have other than the colonizer's money? We should find creative means to fix our problems.

The faction would like to have clarity whether the Budget amendment 2018 and Budget 2019 will be at Parliament in November of this year.

The United St. Maarten Party-faction has taken note of the draft. The faction points out that it has been vocal time and time again about the handling of the budgets, financial statements, sticking to deadlines and doing things the right way in terms of how we manage our funds in this country. It

has always come ahead when it relates to the handling of any document related to country finances here in Parliament to the point that the frustration gets very high sometimes. Many Ministers of Finance have come to this Parliament and used the words extenuating circumstances. There have always been some form of extenuating circumstances. We could argue of course that the ultimate circumstance is what hurricane Irma did to Sint Maarten. This only adds to existing issues that are there. Regardless of what extenuating circumstances we have now, it is important to remember the role of Parliament in the handling of the budgetary process. It is very clearly stated in article 100 of the Constitution. The budget goes through various agencies for vetting. Going forward the communication needs to be improved between Parliament and Government where the budgetary process is concerned. Is the Government aware of the financial calendar from the General Audit Chamber? It is a document that the Chamber has prepared and it is a very handy tool. Has Government taken into account the financial calendar of the General Audit Chamber and looked at that calendar from now to December to determine whether those deadlines are realistic or not? And in the case they are not, can the Government start by saying that these deadlines will not be met and what the plan is otherwise?

The budget is defined as a policy document for a service year for regular capital service in the Accountability Ordinance. The policy side of the budget is equally or maybe more important. In this particular case, has the policy changed as well? Have there been changes since or are there going to be changes to the policy side of this budget? One of those policies is cost cutting measures. Has the list of cost cutting measures as presented to Parliament in May of this year been integrated in this budget amendment? If not, are there any plans to still integrate such a policy in future budget amendments?

The faction requests once more that budgetary documents are presented in digital form (PDF) to Parliament. This would make searching in the document much easier.

A statement was made by the Government about skeletons in the closet. The faction hopes that Government can clarify this statement. This is another amendment based on the aftermath of hurricane Irma. Has the current Minister of Finance run to Holland to plead his case seeing the dire need we are in seeing the problems we are facing? It is not clear which capital expenditures are needed. The faction would like a clear picture of what the Government's plans are on how to ease the burden in 2019, 2020, 2021 and 2022 where taxes are concerned.

A huge gap has to be filled. Reduction of profit, wage and other taxes were mentioned as possibilities. When will those issues that were presented to the public, be addressed in order for this economy to start moving so we can see a better way of life for our people? Is Government executing relief packages for businesses who requested relief? And if so, are there plans available for smaller businesses?

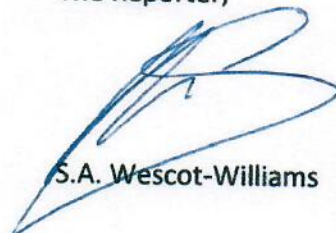
It might have been better if the letter from the Minister of Finance on Budget 2019 came earlier. In the interim, so from now when this budget amendment is approved and when the next one comes, can we say that the previous policies stand? Does this ordinance include any policy changes?

The faction would like to see the Government Program presented to Parliament.

This report is to be considered as Final Report.

Stipulated in the meeting of the Central Committee of September 7th, 2018.

The Reporter,



S.A. Wescot-Williams