

## Foreword

This draft national ordinance "Budget 2022" reflects the financial position, prospects and policy intentions of the Country Sint Maarten for the year 2022. The basis for this budget is the approved 2021 budget and the most recent estimators of IMF and CBCS have been used. Due to the pandemic, we saw a marked decline in tourism. This had a negative impact on the hospitality sector, which in turn had consequences for the revenue collection of government. In order to prevent the country's economy from collapsing completely as well as to provide a social support system, the government had to take various measures in 2020. This resulted in the Stimulus Program. Meanwhile, in 2021, the government has taken a decision to discontinue the Stimulus Program in September 2021. The 2022 budget has been prepared with the following principles:

1. Revenues; have been calculated based on the information of the IMF;
2. Stimulus program is not included in the 2022 draft budget;
3. The personnel expenses of members of parliament, ministers, civil servants and employees of subsidized institutions and institutes (i.e., foundations, schools, and NGOs) are still based on the instructions from the Netherlands. In anticipation of the ruling of the Constitutional Court, a provision has been included should the ruling have an unfavorable effect for government;

In the draft budget for 2022, the influences of the Covid Pandemic are still visible and as a result, the government again expects a substantial deficit. Consequently, the country of Sint Maarten will again not comply with Article 15 of the Financial Supervision Act (hereafter referred to as: Rft) in 2022, and the government will have to submit a request to the Kingdom Council of Ministers to deviate from Article 15 based on Article 25, first paragraph of the Rft.

In conclusion, the effects of COVID continue to have a negative effect on the economy of Sint Maarten. Especially on our tourism sector; the main pillar of our economy. The government is therefore committed to the vision that is mentioned in the coalition agreement stating the already realized as well as new measure: "**realization of a country with a strong multi-pillar economy - where opportunities exist which empowers each citizen to realize their strength to progress at all levels - a place where EVERY DREAM CAN BE REALIZED**".

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## Introduction

The economy of Sint Maarten unfortunately continues to be heavily impacted by the ongoing global pandemic COVID-19, which is reflected in the enclosed draft Country Budget 2022. Due to the implementation of various measures, Sint Maarten was able to successfully contain the spread of COVID-19 in the first half of 2020. However, this implementation has also caused a standstill in various economic activities, which can lead to social unrest. To prevent this, the government immediately introduced support measures, including wage subsidy schemes, support for the self-employed and the unemployed who have lost their jobs due to Covid. The support measures were crucial in supporting the population to at least continue to meet their basic needs. It is clear that this pandemic will continue to negatively impact the country's economy for a long time. Although an exact timeline is unknown, it is only reasonable to assume that it will take a number of years before the country's economy will be back to the level it was before Covid and Irma. The Netherlands provided significant liquidity support in 2020 and 2021, cancelled/transferred repayments of maturing debt and provided support to the health sector in-kind, including COVID-19 vaccines, and food packages for the vulnerable. The liquidity support received was mainly used to fund COVID related expenses including the grants.

Given St. Maarten's heavy reliance on tourism, real Gross Domestic Product (hereinafter GDP) is estimated to have shrunk by 24 percent in 2020 and there was also an increase in unemployment, estimated at 16.9 percent. The shock was absorbed by the aforementioned support measures and an acceleration of recovery projects under the World Bank-administered trust fund, which disbursed twice as much in 2020 as in 2018-2019 combined. The primary fiscal deficit, excluding the trust fund, increased to 10.2 per cent of GDP and the public debt attained an estimated 64.7 per cent of GDP in 2020. The debt-to-GDP ratio in 2020 increased rapidly, reflecting a sharp increase in public debt, mainly due to liquidity support and the contraction of nominal GDP. According to IMF projections, GDP growth in 2022 is expected to be 19 per cent, as both residential and cruise tourist arrivals recover to 65 per cent of their pre-pandemic levels. Investment projects are also expected to make a positive contribution. The growth outlook is subject to considerable uncertainty and risks. A resurgence of COVID-19, both locally and globally, and possible natural disasters could undermine tourism recovery. On the other hand, a delay in the reconstruction of Sint Maarten's airport could also stagnate the economic growth.

Despite the liquidity support received from the Netherlands, the country's economy declined by about 25 to 30 percent in 2020; in 2021 we saw a small growth. Although the outlook now shows that tourism and the economy are expected to recover to pre-pandemic levels by 2024, the recovery to pre-Irma levels (2016) could take much longer. The current account deficit is expected to increase to 33 per cent of GDP in 2021, so liquidity support will most likely have to continue. In the medium-term, the current account deficit would decline in line with the recovery of tourism.

This budget is therefore a financial translation of various policy initiatives and structural (including mandatory) costs of the organisation. It is clear that in view of the aforementioned circumstances and newly arising setbacks, it will be impossible for the time being to create budget surpluses. This means that room for new policy will remain extremely limited. Projects that can lead to possible increases in revenue have not been taken into account, because the surpluses resulting from these efforts will most likely not be visible in 2022.

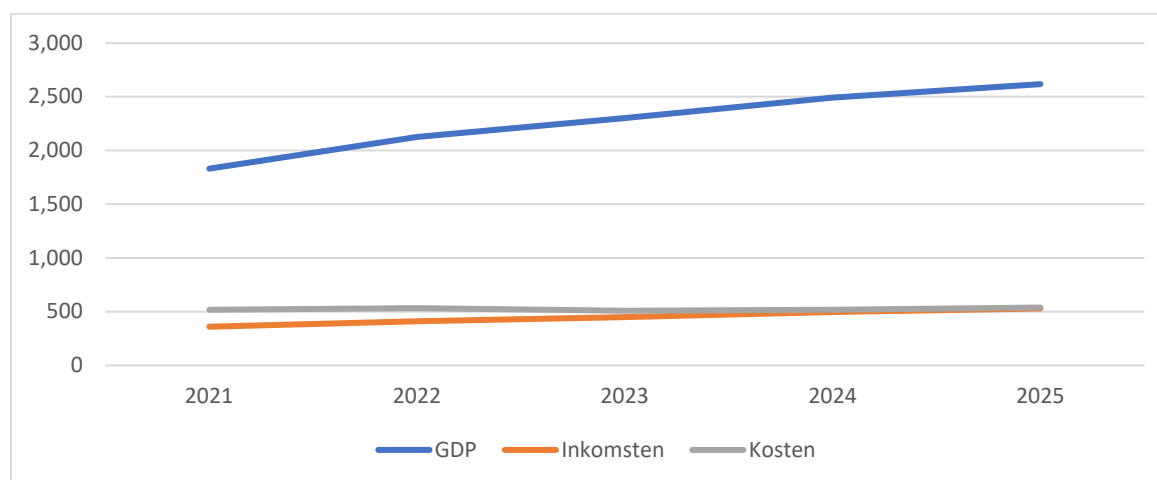
Although this budget does not yet meet all the requirements of the Compatibility Ordinance and Rft, such as the submission of a multi-annual budget (apart from a multi-annual estimate in totals), the government is determined to make much-needed improvements to this 2022 budget and to adjust the budget preparation process in a more effective manner. The extent to which improvements can be made remains largely dependent on the availability of funding for priority projects at the Ministry of Finance but since these improvement plans are a part of the Country Package, they are now within reach of St. Maarten. It should also be noted that due to the uncertainties and lack of resources, it is currently very difficult to make reliable multi-annual projections and estimates.

<b>Total State of Government</b>		
	Approved Budget 2021	Draft Budget 2022
Expenses	612,867,700	533.507.189
Income	372,055,722	409.365.559
(-) Shortage/Surplus (+)	<b>-240,811,978</b>	<b>-124.141.630</b>

## 1.1 Multi-annual prognosis

In July, the IMF published their report based on the Article IV consultation. In November 2021, they did an interim consultation to adjust the projections based on more recent information. All estimates in this chapter (1.1 Multi-annual prognosis) are based on the projections presented by the IMF in their publication of November 2021.

<b>GDP</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
IMF projecties GDP 9 juni 2021	1,831	2,126	2,302	2,491	2,619
CBCS projecties july 7 2021	1,902	2,210	2,429	2,596	2,734
Inkomsten overheid IMF, incl Kapitaaldienstinkomsten	362	409	460	507	541



IMF revenue estimates have been corrected for the capital account.

The expense estimates have been corrected for capital expenditures as these are included in the total cost by IMF but are presented in the budget in a separate service. Also, IMF estimated expenses have been corrected due to items that are not known to IMF but will irrevocably impact the budget in 2022.

The figures indicate that:

- The economy is expected to grow by 12% in 2022 (the real GDP).
- Nevertheless, the economy still lags behind the pre-COVID-19 level and will not recover to pre-Irma levels until 2025. The projection shows deficits through 2026.
- The expenses of the government are rising due to inflationary influences and because of the increasing GDP and the correlated government income.
- The various cuts introduced in 2020 will continue in 2022 (travel, uniform, overtime, holiday pay, raises, training, etc.);

This leads to the following overview:

Meerjarenramingen gewone dienst 2021 t/m 2025	2021	2022	2023	2024	2025
<b>Inkomsten basis</b>					
Basis ramingen IMF	362	409	460	507	541
Af: Kapitaaldienst en ander inkomsten	0	0	-11	-11	-11
Bij: compliance effect herstructurering belastingdienst					
Bij: project inkomstenverhogende maatregelen					
Totaal inkomsten in het begrotingsjaar	<b>362</b>	<b>409</b>	<b>449</b>	<b>496</b>	<b>530</b>
<b>Uitgaven basis</b>					
Raming uitgaven volgens IMF	509	477	480	490	515
- Afschrijvingskosten	9	8	9	9	9
- Interestkosten		-4	-11	-13	-15
- Onvoorziene uitgaven		3			
-Projecten ivm Slachtofferhulp, Foster Homes en Electr. Monitoring		1			
-Hervorming Belastingdienst (Thema C landspakket)		3			
-Hervorming onderwijs (Thema G landspakket)		7			
-Additionele kosten voor statistische onderzoeken (Census)		1			
-Uitgaven voor diverse sociale programma's incl personeel ivm Covid		12			
-Additionele huurkosten en kosten m.b.t. SLA's en contracten		3			
-Extra reiskosten Parlement		0.6			
-Marketing and Promotie		8			
-Additionele kosten Auditplan		0.5			
-Rechts- en ander deskundig advies ivm projecten TWO		6.5			
-Opleidingen Justitie gesubsidieerd door NL in 2021		1			
-Personeel van derden Politie		1			
-Overige kosten alle Ministeries		5			
-Additionele kosten tbv implementatie projecten landspakket			33	31	31
<b>Raming uitgaven Sint Maarten</b>	<b>518</b>	<b>534</b>	<b>511</b>	<b>518</b>	<b>541</b>
<b>Begrotingsoverschot/(tekort)</b>	<b>-156</b>	<b>-125</b>	<b>-62</b>	<b>-22</b>	<b>-11</b>

### Government revenues

In terms of revenues, the government has based the numbers on the IMF projections which have been adjusted with the revenues of the capital account as mentioned before. For 2022, the IMF takes into account a growth of nominal GDP of 16% compared to 2021. This growth is based on an increase in economic activities, especially in the tourism sector. In addition, the two reconstruction projects, namely the construction of the new hospital and the Princess Juliana Airport, are also expected to have a positive impact on the economy of Sint Maarten. Despite the fact that the government and the IMF expect the economy to pick up in the coming years, it is important to also take into account various risks that will determine whether the expected growth will be realized. The following risks have been identified:



- Continuance of the Covid pandemic; there will be far-reaching consequences for the economy of the country should the global Covid pandemic continue for a longer period with the impossibility to contain the spread of the virus at a local level.
- Delay in implementation of reconstruction projects; the above may result in a delay in the implementation of the two aforementioned projects, which will also delay the expected economic activities.
- Possible hurricane; should St. Maarten be hit by a hurricane in 2022, then this will obviously also have an impact on the economy and this will lead to a drop in revenues for the country.

The uncertainty that the crisis brings along makes it very difficult to make predictions about the economic growth of the country. Therefore, it will not be easy in the coming years and the economic outlook will have to be constantly adjusted to reflect reality.

### ***Government expenses***

The estimates in the November IMF report are based on the projections of the Implementation Report of the third quarter of 2021. These estimates were used as the basis for calculating the estimated expenses for 2022.

In 2021, there were several projects included in the budget that could not be implemented due to the lack of liquidity support. The deficit in the 2021 budget was about NAf 240 million, however, the liquidity support received for 2021 was about half of the deficit. Several of these projects, including projects in the country package, have been postponed to 2022 for implementation. In addition, there are several expenses that were subsidised in 2021 of which expenses will have to be borne by the government in the Budget of 2022. As the impact of COVID-19 is not yet clear, several charges have been included in the Draft Budget 2022 as a precautionary measure. Hence, a difference has emerged between the IMF and the government's estimated expenses. The IMF estimates have been corrected by the following aspects:

- Correction for the total depreciation expenses, which were not included in the IMF estimates;
- The interest expenses of IMF are much higher than the calculations of the country (see table E for government calculations). All liquidity support loans are currently calculated at 0% interest. Since 2014 the country has not had any loans for the capital account and incidentally no loans are expected for 2021 either;
- Various projects and expenses which were not implemented in 2021 but are still a priority for the government, have been included;
- Provisions for COVID-19 as precautionary measures;
- The expenses for the investigations of the established plans of action will be financed from CoHo/TWO also in 2022. At the moment, it is not clear what the outcome of the various researches will be, but despite of this, it is expected that additional expenses will arise in the future for the implementation of some of



these reforms. As for the plans that have not yet been worked out, i.e. not established, it is currently difficult to judge whether there will be any impact at all in the coming years.

For these reasons, the expenses for other goods and services are estimated to be higher in 2022, see table page 4.

The table below shows the expected implementation expenses for the coming years of a number of established plans:

Project	Implementation <sup>1</sup> date	Description	Amounts (x NAF 1 million)		
			2023	2024	2025
A.1 Financial Management	Project completion is in 2022. Implementation of the system will probably be in 2023.	Licence fees	0.3	0.3	0.3
		Maintenance and technical support	0.4	0.4	0.4
		Staff training and possible system adjustments (customised)	0.5		
C.4 Tax Department	Project completion is in 2022. Implementation of a new system including online portals	Licence fees	0.3	0.3	0.3
		Maintenance and technical support	0.4	0.4	0.4
		Staff training and possible system adjustments (customised)	0.5		
E.3 Research Social Safety Net	2023	Additional social services	15	15	15
H.2 Reform Gambling Sector	Project is until 2023	Additional expenses for the implementation of the project	0.5		
G.1 Reform Education System	2023	Additional expenses with regard to the increase of the quality of the education system	15	15	15
<b>Total expenses</b>			<b>32.9</b>	<b>31.4</b>	<b>31.4</b>

<sup>1</sup> Implementation dates taken from the established plans of approach

## 1.2 Comparison Budget 2021 and 2022

### REVENUES

INCOME 2022 (x NAF 1 mln)			
	Budget 2021	Budget 2022	Difference
REVENUES	372.1	409.3 <sup>2</sup>	36.9

The increase in revenues is caused by an increase in business turnover. This is based on, as mentioned earlier, an increase in economic activities, especially in the tourism sector. Especially so, also the expectation that the two reconstruction projects will have a positive impact on our economy.

### EXPENSES

LASTEN 2022 (x NAF 1 mln)			
	Budget 2021	Budget 2022	Verschil
BATEN	612.9	533.5	-79.4

The total expenses compared to 2021 decreased by NAF 79.4 million, which is mainly due to a decrease in material costs. The difference will now be further explained per economic category.

#### A. *Personnel expenses*

PERSONNEL EXPENSES 2022 (x NAF 1 mln)			
	Budget 2021	Budget 2022	Difference
Personnel expenses	196.2	210.2	14.0

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<sup>2</sup> Revenues according to IMF Staff report for the 2021 Article IV consultation of July 15, 2021, excluding capital account revenues

For 2022, the amount of personnel expenses increased by NAf 14.0 million compared to 2021. This difference is mainly due to an increase in the health care expenses for civil servants (OZR) under the Ministry of VSA with NAf 7.9 million, which is in line with the probable realization in 2020 and the provisional projections for 2021. In addition, 67 vacancies are included in the OB 2022 that is equivalent to an amount of NAf 6.1

<b>Personnel expenses excl. vacancies (x NAf 1 mln)</b>		
	<b>Budget 2021</b>	<b>Budget 2022</b>
Personnel expenses	196.2	210
Vacancies	9.5	6.1
Personnel expenses excl. vacancies	186.7	203.9

The personnel expenses excluding vacancies have increased by NAf 17.0 mln in 2022 compared to 2021. The increase is due to the previously mentioned increase of NAf 7.9 mln in expenses related to OZR. The other additional expenses of NAf 9.1 mln arise from filling various vacancies in 2021. In 2021, 68 vacancies were filled, almost all of them budgeted for a limited number of months (most of them for 6 or 4 months). However, in 2022 these already filled vacancies will have to be charged to the costs for a full calendar year. Of the 68 vacancies, there were also 11 vacancies, under the Ministry of Justice, which were not included in the 2021 budget. These vacancies were subsidised by the Netherlands in 2021 and could therefore be filled. This will have an impact for 2022 compared to 2021 because the expenses related to these vacancies must also be budgeted for a full calendar year.

*B. Material expenses*

<b>MATERIAL EXPENSES 2022 (x NAf 1 mln)</b>			
	<b>Budget 2021</b>	<b>Budget 2022</b>	<b>Difference</b>
Material expenses	416.7	323.3	-93.4

The Stimulus Program was ongoing until the end of September 2021. The total stimulus cost in 2021 was budgeted at NAf 102.4 million. However, in the 2022 budget no expenses have been included for the Stimulus Program. In addition, there were still NAf 21 million for expenses

included related to COVID-19 but not to the stimulus program, such as SMMC Subsidy, vaccination program etc, of which 13 million were not included in the Draft Budget 2022.

The table below shows the total Covid related expenses included in the 2022 budget, all of these expenses were also included in the approved Budget of 2021.

<b>Covid-related expenses</b>	
<b>Ministry</b>	<b>Amount (x NAF 1 mln)</b>
Calamity Fund, in case of total lock down	2.5
Calamities for OCJS for the schools	1.1
Calamities VSA. under Ministry of VSA, extra personnel for Port health, PPE's etc.	4.4
<b>Totaal</b>	<b>8.0</b>

Furthermore, the budget includes various expenses that were not included in the 2021 budget, see the table below.

<b>Additional operational expenses</b>	<b>Amount (x NAF 1 mln)</b>
Under GA are included rent expenses and expenses related to SLAs and contracts	2.7
Insurance expenses under MECYS related to schools	1.0
Projects Justice, Victim Support, Foster Homes and Electr. Monitoring	1.0
Increase in income support	1.6
Tax administration reform (Theme C Country's Package)	3.0
Education Reform (Theme G Country's Package)	1.7
Additional expenses for statistical surveys (Census)	0.8
Additional travel expenses Parliament	0.6
Expenditure on various social programs related to Covid	10.0
Retroactive expenditure for police and customs	2.3
Reduction of unforeseen expenses	-2.7
<b>Total</b>	<b>22.0</b>

## 2. Policy Plan of 2022

The vision as stated in Sint Maarten's National Development Vision 2030 (NDV 2030) is: "To transform Sint Maarten into a compassionate, strong and decisive country by making it economically resilient and to enable to support its own development thus providing an improved quality of life and well-being for generations to come."

The ambition of this government is therefore also to mitigate both external and local developments that have a negative impact on the social, economic and financial situation of the country of St. Maarten. The coalition agreement for 2020 - 2024 focuses mainly on the following principle: "finding the right balance between economic recovery by restoring the livelihood of the people post COVID-19 virus and stimulating resilient and prosperous people going forward".

In realizing the vision, Government of Sint Maarten will work to ensure the following overall outcomes:

- Promote a progressive social environment and a rich cultural heritage
- Improve the quality of life for the people of St. Maarten
- Stimulate sustainable economic prosperity and or growth through increased economic diversification and investment
- Stimulate economic growth through diversification of tourism
- Improve the role and performance of the private sector - SMEs
- Protect the ecosystems and physical infrastructure of the country
- Financial discipline and management & the implementation of good governance

In addition, it is also very important to indicate that within the policy framework of the coalition agreement, the various economic, financial, social and institutional reforms which are part of the "Country's Package" were also taken into account. These reforms, like the coalition agreement, are intended to make St. Maarten more resilient to future calamities resulting from disasters such as Irma and COVID-19. These reforms also complement the reconstruction projects already underway under the Trust Fund managed by the World Bank. Both strategies should strengthen the achievement of the objectives as stated in the coalition agreement. The country package will therefore have a huge impact on the country's policy frameworks for the coming years. Where possible, this budget establishes a link between the measures and their impact on the national budget. Specific results cannot always be indicated at this time because resources are also being made available along with the reform mandate, the use and amount of which have not yet been fully determined. As a result, there may be shifts between funding from the national budget and available resources.

## 2.1 Ministry of General Affairs

The objective of the Ministry of General Affairs is to represent the Internal Affairs of the country in the field of Internal and Kingdom relations, Foreign Affairs, Legal Affairs and Legislation, Personnel Policy, IT, Communication, Public and Internal Services, program and project management.

The policy priorities are framed within:

- The mission, vision and legal tasks of the Ministry of General Affairs,
- The Governing Program 2020 – 2024 “Building a Strong, Unified, and Multi-Pillar Nation, A Place where every dream can be achieved”,
- The National Development Vision,
- The country package consisting of reforms in four thematic areas: I. Government and Finance, II. Economic reforms, III. Healthcare and Education and IV. Strengthening the rule of law.

### *Policy Priorities*

In order to achieve its goals, Ministry of General Affairs has compiled a policy-based budgeting system that will enable the Ministry to attain tangible results with the following strategic long-term ambitions and policy priorities:

- **Governance**

Improved strategic planning, evaluate, and monitor all governmental information with improved collaboration between all ministries and improved access to information and communication systems for all ministries.

- **Efficient & Productive Government**

To offer all governmental services via an online platform by ICT department in collaboration with the PSC department, in an ongoing E-Government project financed by the Trust fund. The implementation in the first year will address “the strengthening of the legal, regulatory and institutional environment”. It will also include the completion of the Enterprise Architecture and quality assurance of key registries, amongst the start of other activities. This enables government to improve internal and external communication as well as improve information sharing and public access to information by revamping and making the government website and online services site more user friendly. This will further enable the Ministry to achieve its goal to act as the first and central point of contact with the customers and all departments in order to provide quality information. The data provided by the Government of Sint Maarten must therefore be up to date and reliable. Civil Affairs will give priority to the cleaning up of the data of the basic administration.

To ensure a proper and adequate HR Cycle, the ministry will revamp the Performance Management system by means of an evaluation of the current system and through restructuring, and -if necessary- addressing the formation and salary scales of all ministries. The hiring of the needed and qualified staff will combat the lack of capacity. Furthermore, in order to improve productivity, the ministry plans to enhance and strengthen the effectiveness and efficiency of the functioning of the organization, by ensuring the correct legal position of policies and organizing workshops for managers on this same subject.

- **Professionalization Public Administration**

- Capacity building personnel

Strengthening the effectiveness and efficiency of the government organization by safeguarding the correct legal positions of all Civil servants by means of evaluating and addressing salary scales in relation with the cost-of living realities (this should be done with regard to the cost-cutting measures). Ensuring that policies are in place aimed to increase the productivity of all civil servants, such as the policy for working from home policy; the necessary restructuring of Ministries and Departments with Government; facilitating and promoting the hiring of the needed and qualified staff (fill critical vacancies) to combat the lack of capacity. (B.8. Country's Package);

- Upgrading the information management process to ensure that all documentation is synchronized, thereby guaranteeing a smooth flow of information;
- Integrating information systems to provide better service to businesses and the community
- Further development of e-government

In order to continue to improve the synchronization of government public services to the community of Sint Maarten, the ICT department works in collaboration with PSC and various departments on initiatives to provide better public services to the community. As a method of allowing services to always be available, the department is adopting a cloud first procedure, which will allow systems to always be available to the public, regardless of disasters, and other unforeseen circumstances. This also allows departments to be able to quickly be operational, as well as become less reliant on having to operate out of government offices.

In order to improve internal and external communication, as well as improve information sharing and public access to information, the ICT department will upgrade the government website and online services site as well as re-introduce the intranet, to make information more user-friendly and accessible as well as enhance communication both internally and externally.

- **Strengthening effectiveness and efficiencies of the government organization**

- The ICT department is engaged in digitizing business processes for various departments to reduce manual processes, unnecessary data entry, reduce error prone data and strengthen transparency and efficiency within the departments.

- The ICT department is required to continue to maintain and improve the applications used by the organization, from email and office applications to line of business applications and automation of advice processes. This includes Microsoft Enterprise Agreement, Fortinet Security Fabric, CRM and Website Maintenance. (B.11 Country's Package)

- Improve the public administration system by simplifying and streamlining the bureaucratic processes, making them more user-friendly and easier for the average person to understand.
- Improve Government productivity by establishing standards and deadlines by which services and information provided to citizens must be met.
- Improve synchronization of the public service internally and externally to achieve the department's goals by acting as the first and central point of contact with the customers of all departments (including public information, call center), provisioning a quick, accurate, specific and qualitative information.



Next to the abovementioned, a priority is also to strengthen internal effectiveness and efficiency, along with the external communication by improving the digital maintenance planning system and the responsive system to the public.

Another priority of the ministry is the Fire Department whereby developing a better cooperation with stakeholders such as Police, the Ministry of VROMI, the Harbor, the Airport, the Ministry of TEATT, the Ministry of VSA, and DCOMM. Qualitative trainings will be organized, to ensure proper and smooth execution of events. The same applies to the Disaster Management.

- **Building Resilience**

Strengthening external communication namely with the Cabinet of the Minister Plenipotentiary and improving synchronization of the public service internal and external, via the policy platform. Achieving greater compliance and accountability with the use of government resources by promoting adherence to existing policies and develop new ones where necessary. Enhancing contract management of all facility services and maintenance of management services, including an updated insurance umbrella.

## Environment and Reduced Climate Change

The role of the Ministry under this point, is to achieve community wellbeing. The Ministry strives to the following goal: Improved government outreach to the community of Sint Maarten

This goal is linked to Theme A, Financial Management (Disaster risk management fund), from the Country's Package. This is an ongoing effort to ensure a resilient and stable community. The ministry began the plans in 2021 as stated in measure A5 and the execution of said plan of approach will remain a focus point for the ministry in 2022.

Policy actions are as follows:

### Environment

- Allocation of a Disaster/Business Recovery Fund

Despite our financial position, it remains important to set up a Disaster Risk Management Fund. As such, the Parametric Risk Insurance, namely the Caribbean Catastrophe Risk Insurance Facility (CCRIF), will be covered by the Trust Fund up until 2024. This will alleviate the financial burden on the Government of Sint Maarten for an additional two years.

- Disaster Risk Management Policy, with a component to Disaster Risk Financing

In addition to the CCRIF insurance and the disaster budget, a layered approach is being sought for disaster risk financing. Technical assistance is underway in several areas. These are micro insurance and the creation of a separate Disaster Risk Management fund. The establishment of a comprehensive disaster management plan was the focus of 2021 and will continue in the year 2022. This is a priority for Government, and it is taken up in the Country's Package (measure A.5). A Steering Committee consisting

of representatives from the Ministry of General Affairs along with technical assistance through the RESEMBID program is carrying out this measure.

The specific goals for Disaster Risk Management are:

- Strategic objective 1: to mainstream disaster risk management in day-to-day advising and decision-making/mainstream disaster risk management into national development planning for sustainable development.
- Strategic objective 2: to enhance operational aspects of the disaster management structure and strengthening disaster risk management governance.
- Strategic objective 3: to develop and implement a financing instrument for the Disaster Risk Management.

## National Security

To achieve Confidence and Trust by the community in the government, the Ministry strives to achieve the following goals:

- Improved synchronization of the public service internally and externally;
- Improved information sharing and public access to government information;
- Strengthened external communication;
- Strengthened effectiveness and efficiency of the government organization; and
- Improved compliance and accountability with the use of government resources.

These goals are linked to Theme B, Cost and Effective Public Sector, from the Country's Package. As of 2021, the Ministry has already started working on drafting the plans of approach of measures B4, B8, and B11. The execution of said measures will remain a focus point for the Ministry in 2022. Policy actions are as follows:

### Legislation

Prioritizing reforms and key legislation that will support the growth of government's efficiency to reduce costs and increase income. In the continuous efforts to upgrade the organization and the department of legal affairs, a MOU was signed with the University of Curaçao, to offer immediate assistance.

As is understandable, the legislative agenda for 2022 is mainly focused on the amending of the legal regulations to facilitate the execution of the structural reforms as agreed on in the Country's Package to ensure execution of deadlines where legislative changes are mentioned in the Country's Packages are met. This measure can be found under B4 and is ongoing.

### Regional Collaboration

Improved synchronization of the public service internally and externally by coordinating and guiding the handling of consular and intervention cases of Sint Maarten citizens in foreign countries. Advocating the regulation of the position of Consular Affairs Officer as well as the realization of consular related matters such as the full implementation of the Vienna Convention on Diplomatic and Consular Privileges and Immunities. Implementation of the Diplomatic Identification Cards, the creation of the Diplomatic

Registrar, and continued training both for department-personnel and front liners (police, immigration, customs) is paramount in this.

Strengthened external communication by maintaining diplomatic relations in the context of the Kingdom, with other countries in the region, including cooperation between Sint Maarten and Saint-Martin, and with international and regional organizations. Improved strategic planning and increased monitoring and evaluation for all ministries by collecting, and in as far as such is possible, analyzing and commenting on external intelligence important for policy and policy intentions of the Government in different policy areas.

#### Border Control (related)

- Implement joint border control at PJIA / the French –Dutch treaty. Strengthened external communication by maintaining diplomatic relations in the context of the Kingdom, with other countries in the region, including cooperation between Sint Maarten and Saint-Martin, and with international and regional organizations. The Department of Foreign Relations has the contacts with the Kingdom partners in this field, and heads Sint Maarten delegations.

## **Good Governance**

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For a strengthened, cohesive and strategic government apparatus, the Ministry of General Affairs strives to achieve the following goals:

- Improved strategic planning and increased monitoring and evaluation for all ministries
- Improved collaboration between ministries
- Improved access to information and communication systems for all ministries

The above goals are a part of Theme B, Cost and Effective Public Sector, from the Country's Package. This is an ongoing project and is expected to be completed in 2025 as outlined in measure B11. The execution of said approach will remain a focus point for the Ministry in the coming years. Policy actions are as follows:

#### Macroeconomic Stability

- Establish a comprehensive e-Government System

Strengthening effectiveness and efficiency of the government organization by improving access to information and communication systems for all ministries. The Digital Government Transformation Project (DGTP) supported by a US\$12 million grant from the Sint Maarten Recovery, Reconstruction and Resilience Trust Fund, administered by the World Bank. As an effectiveness condition for the digital government transformation project (DGTP), the Ministry of General Affairs is required to establish a project unit that will be the technical counterpart to the implementing agency (hereafter: NRPB).

Thema	Doelstelling	Omschrijving	Link naar landenpakket	Trustfund	Landspakket	Begroting	Begrotingspost	Cost Center	Project code
A. Governance	Het beheersen en op orde krijgen van het financieel beer en het financieel toezicht vanuit de noodzaak om als overheid 'in control' te zijn	Improved strategic planning and increased monitoring and evaluation for all ministries Improved collaboration between ministries Improved access to information and communication systems for all				75,000	43499	3201	
		Improved information sharing and public access to government information				39,600	43499	3302	
		Improved information sharing and public access to government information				14,040	43487	3302	
		Disaster Management	A.5			59,500	43489	3201	
		Building Insurance	A.5			3,098,098	43450	3305	
		Vehicle Insurance	A.5			1,049,050	43451	3305	
						182,400	43470	3302	
B. Kosten en effectiviteit publieke sector	1) de doelmatigheid van de publieke sector verhogen door een verlaging van de public wage bill (in lijn met het Caribisch gemiddelde; 2) van 10 procent van het BBP) en het terugdringen van de kosten van de publieke sector in algemene zin; 3) het verhogen van de kwaliteit en de effectiviteit (inclusief uitvoeringskracht) van de publieke sector.	Improved alignment of government services to public needs. Improved synchronization of government public service to the community	B.11			75,000	43000	3103	
			B.11			295,100	43499	3103	
			B.11			34,000	43000	3103	
			B.11			80,000	43436	3103	
		Improved synchronization of the public service internal and external to achieve the department's goals				956	43480	3021	
						46,811	43400	3203	

Thema	Doelstelling	Omschrijving	Link naar landenpakket	Trustfund	Landspakket	Begroting	Begrotingspost	Cost Center	Project code
		Prioritizing reforms and key legislation that will support the growth of government's efficiency to reduce costs and increase income	B.4			121,920	43000	3200	
		Advocating the regulation of the position of Consular Affairs Officer as well as the realization of consular related matters, maintaining relationships with embassies and external stakeholders				8,500	41204	3202	
		Strengthened the effectiveness and efficiency of the organization and improved synchronization of the public service internal and external by working more effective and transparent within the Secretariat and the Council of Ministers. As well as knowledge and skill enhancement of the Secretariat and other relevant stakeholders to ensure a more adequate and collective service to the individual Minister and or Council of Ministers	B.4			22,155	43499	3301	
		Strengthened the effectiveness and efficiency of the government information and achieved compliance and accountability with the use of government resources by increasing internal knowledge and the use of automation resources to ensure a more effective working relations with the Secretariat and the Council of Ministers and carrying out specific projects	B.4			250,000	43476	3301	
		Strengthened effectiveness and efficiencies of the government organization	B.4			390,000	43000	3307	
		Digitalizing of government apparatus and services to be done over 4 years. An estimation of 3 million per year		21,600,000					
		Improved alignment of government services				220,000	43480	3102	
				21,600,000	0	1,012,575	257,659.00		-

## 2.2 Ministry of Finance

### *Mission of the Ministry*

The mission of the Ministry of Finance is to ensure a complete, timely and correct planning and control cycle. This cycle extends from (policy) budgeting to registration and accountability.

### *Policy Priorities*

#### **Financial Management**

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The Ministry of Finance sees as one of its important tasks to ensure adequate (correct, timely and complete) financial management in Government. This translates into the provision of tools, financial processing guidelines and financial transaction management. All this is done within the guidelines of the National Ordinance for Accounting. The auditors and supervisors (SOAB, ARK and Cft) have made recommendations on various points to improve the financial management. The ministry has set itself the goal of implementing these recommendations step by step. After an initial start in 2017, the projects came to a halt later that year due to the lack of financial means. In August 2018, another start was prepared for a holistic plan of improvement, the start of which is awaiting the availability of funding.

The ministry also aims to improve the service to society by updating the timeliness and reliability of services. To achieve this, further integration of the administrations is a precondition, as are solid and stable facilities in the field of utilities and ICT. For the Ministry of Finance, this means that the planning, organization and coordination of all financial processes across the entire government will have to be improved. (A.1)

Financial knowledge and legislation

#### *Increase revenues by means of tax reform*

An important task of the Ministry of Finance is the execution of the tax legislation. In this area, too, there has long been a need to improve the efficiency and effectiveness of this executive service with the ultimate aim of improving compliance and ultimately increasing tax revenue. The restructuring should ensure, within three years, that citizens and companies are willing or will be forced to fulfil their legal obligations to the community of which they are a part.

#### **Tax Department**

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#### *Tax assessment and collections*

*Restructure the current taxation and collection process to improve efficiency and effectiveness.*

- Purchase of a completely new IT system with more customer-friendly features for taxpayers.
- The new IT system will ensure the integration of the services of the Inspectorate and the Receiver's Office in terms of work processes, and integrated files of taxpayer data.

- o Making portals available for tax declarations and tax payments, allowing the taxpayer to fulfil his/her tax obligation more efficiently and the Tax Administration to manage its files better.

*Reducing the complexity of the current process of determining and collecting taxes whereby improving efficiency and effectiveness with the ultimate aim of increasing compliance.*

- o This goal will be achieved by purchasing new IT software and making the portals available.

Fiscal Tax

*Streamlining and reform of the tax system is a priority*

*Prioritising the authorisation of a study to reform and streamline the tax system.*

- Completed; The Fiscal Affairs Department, has made a proposal to review and simplify the tax system. IMF reviewed the tax system and made a proposal with recommendations. End result: The advice on tax reform has been approved by COM in 2015 and some of IMF recommendations have been included.
- The proposal of the tax reform will be presented to the Parliament in 2022; implementation will take place after 2022. This proposal will modernise the tax regulations; for example, by moving away as much as possible from direct to indirect taxes, combining taxes, simplifying regulations and abolishing unused taxes.
- (C1-C8) mentions the introduction of a VAT system, but because of the relationship with the neighbouring country, this does not seem to be a desirable solution for Sint Maarten because of the vulnerability to fraud. In addition, the implementation of the VAT system is very burdensome for both the tax authorities and entrepreneurs.
- The international exchange of tax data that will be implemented in Sint Maarten (CRS) in 2022. The Department of Fiscal Affairs is drafting the secondary CRS laws (CRS-Lbham).

Introducing tax breaks for small businesses in economic sectors designated by the government in order to promote growth in lagging sectors on the island.

Organising regular information sessions on tax compliance for citizens. Ensuring regular communication to citizens so that taxpayers are aware of their rights and obligations with regard to tax legislation. Recruitment and selection of a PR officer, who will ensure timely and correct communication and information to the population, by creating and maintaining various social platforms.

## **Mortgage Guarantee Fund Foundation**

### *Historical background*

On December 10<sup>th</sup>, 2002, the Island Government of Sint Maarten issued a Mandate with the following principles:

"The establishment of a Mortgage Guarantee Fund is of great importance for the housing of the Sint Maarten population and will provide the housing sector with a necessary incentive".

The legal structure below has been chosen to achieve the objective. Permission is hereby given from the Central Bank of Curaçao and Sint Maarten.

1. The establishment of the Home Ownership Guarantee Fund Foundation by the Island Government



2. The establishment of a public limited company, "NV Guarantee Fund Home Ownership" by the Foundation

The Foundation was established to promote the ownership of homes by people with a middle income in St. Maarten. In practice, the Foundation would achieve its goal through the NV, the Fund, of which it fully owns the shares. The Fund would be the institution to offer mortgage guarantees to credit institutions, as an additional security for the obligations attached to loans acquired by residents.

The fund was established in June of 2003. The Central Bank of Curaçao and Sint Maarten issued an operating license in February of 2004 and the operation started in June of the same year. The license, obtained from the Central Bank, allows the Fund to conduct business within the framework of an Accident Insurance Company and provides guarantees on the risks associated with mortgages (uncovered or partially covered).

#### *Current situation*

The Fund has been dormant since February of 2005, when the last guarantee was issued. A total of 9 guarantees were issued in the period of one year. The Ministry of Finance is currently working on the re-establishment of the Foundation Guarantee Mortgage, with the goal to stimulate affordable housing effectively on the island. The Board of the Foundation consists of three members, namely a chairman, who is appointed by the Council of Ministers in accordance with the statutes of the Guarantee Fund of the Foundation.

### **National Workforce Development Program (implemented by SMDF)**

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The Ministry of Finance will give a grant to the Sint Maarten Development Fund (hereafter: SMDF) to offer free courses to the general public and civil servants. The courses for this National Workforce Development Program are conducted through the e-learning site Coursera. The courses range from high school to master's level and are grouped into packages. These courses are on a registration basis and are conducted by the SMDF. All recipients on the unemployment and income support list for the SSRP will also be invited to participate in this program. This program provides free courses on skills to up to 5,000 people, which can help them re-enter the work force or to create added value for individuals in their current or desired functions.

Thema	Doelstelling	Omschrijving	Link naar landenpakket	Trustfund	Landspakket	EU	Begroting	Begrotingspost	Cost Center	Project code	
A. Financieel Beheer	Het beheersen en op orde krijgen van het financieel beeer en het financieel toezicht vanuit de noodzaak om als overheid 'in control' te zijn	The ministry also aims to improve services to the general public by improving the timelines and reliability of the services. To achieve this integration of the various administrations is a prerequisite, as is solid and stable facilities in the field of utilities and ICT. For Finance, this means that planning, organization and coordination of financial processes must be improved across the full width of the government	A.1				1,500,000	43489	4100		
		Project improvement Financial management	A.1				10,000,000	04020	1120		
C. Belastingen	1) het herinrichten van een robuust belastingstelsel met een brede grondslag, dat bijdraagt aan een eerlijke(re) verdeling van het inkomenstimulering van de economie en uitvoerbaarheid en controleerbaarheid door de Belastingdienst; 2) het realiseren van adequaat ingerichte belastingdiensten	Project restructuring of the Tax and Customs Administration (incl. ICT) CRS	C.2				22,000,000	04020	1120		
		Complete restructuring of the financial organization among others a) organizational structure, b) work processes and procedures, c) complete new customer-friendly IT system for taxpayers, d) personal development of employees and e) physical integration of Inspection and Receivers	C.4				1,500,000	43489	4403		
		Tax legislation	C.1				1,000,000	43489	4402		
							36,000,000				

## 2.3 Ministry of Justice

### *Policy Priorities*

The policy priorities are framed within the mission, vision and legal tasks of the Ministry of Justice. Taking into account the various challenges and obligations, the following strategic long-term policy priorities for the Ministry of Justice have been set for 2022.

The main goals, or impacts, that are identified are the following;

1. A resilient and well-structured Ministry of Justice with clear responsibilities and the resources in place to ensure that the legal duties are executed efficiently, effectively and with integrity;
2. A transparent, accessible, professional, trustworthy, reliable and accountable organisation which adheres to laws, regulations and policies to ensure safety and security of the society of St. Maarten;
3. A justice chain that is sustainable and proportional to the needs of Sint Maarten;
4. A society (residents & visitors) that is aware and motivated to comply with local, regional and international laws and regulations. (Law abiding citizens).

The required changes to achieve the long-term impacts are expressed under the following nineteen (19) outcomes of the Ministry of Justice, grouped per impact which are part of the Governing Program and Theme H of the Country's Package namely strengthening the rule of law. Outcomes are the intended medium-term effects, necessary to attain the long term goals. They are the basis of the policy priorities for the Ministry of Justice in 2022.

### **National Security**

1. A resilient and well-structured Ministry of Justice with clear responsibilities and the availability of resources necessary to ensure that the legal duties are executed efficiently, effectively and with integrity
  - ✚ The organization is adequately organized with a clear description of (legal) tasks, authorities (responsibilities), services and products in place. This includes but is not limited to: - Strengthening the Customs, HvB & KPSM departments by providing training to personnel and increase of manpower (Governing Program);
  - ✚ Effective and efficient data collection and processing;
  - ✚ An efficient and dynamic border control. This includes but is not limited to: Strengthening cooperation between Customs and Immigration & Border Control, combatting of human trafficking and the implementation of a joint border control at PJIA conform the French-Dutch Treaty;
  - ✚ Efficient and effective operations. This includes but is not limited to: Improving the time factor on procedures for application review and response by simplifying and reducing the level and detail of the bureaucratic process involved in the granting of work and residence permits by reviewing and optimizing current processes;

- ✚ Sufficient competent personnel to execute their tasks with high work ethic, integrity and in compliance (Education of the personnel). This includes but is not limited to:
    - Ensure that the immigration policy accommodates the employment of qualified locals first;
    - Implement an extensive and in-depth review of the immigration function.
2. The organization is transparent, accessible, professional, trustworthy, reliable and accountable, which adheres to laws, regulations and policies to ensure safety and security of the society of St. Maarten
- ✚ A knowledge based and learning organization;
  - ✚ The departments/executing organizations are publicly and internally known, understood and accessible to target group;
  - ✚ Driven, passionate and dedicated personnel that feels safe;
  - ✚ A work environment which motivates good work ethics, morale and compliance;
  - ✚ Work processes that ensure quality and integrity → This includes but is not limited to:
    - Management and supervision of the crime fund is being put in order (Country's Package)
    - A positive image of the organization and the personnel.
3. A justice chain that is sustainable and proportional to the needs of Sint Maarten
- ✚ Optimal structured cooperation between chain partners
  - ✚ Less dependency on external financial and technical assistance
  - ✚ A ministry that is cost efficient and effective. This includes but is not limited to: reducing the costs of doing business by automation, improved service delivery and simplified procedures.
4. A society (residents & visitors) that is aware and motivated to comply with local, regional and international laws and regulations. (law abiding citizens)
- ✚ Informed & aware population (that abides to local, regional and international laws and regulations). This includes but is not limited to:
    - Higher police visibility in various districts. More police vehicles and a new office in Cole Bay, close to the border;
    - Illegal employment of foreign workers is prevented (Country's Package);
  - ✚ Laws that fit the needs of society and support safety and security. This includes but is not limited to: Sint Maarten will comply with the guidelines of the CFATF regarding the fight against fraud and money laundering (Governing Program & Country's Package)
  - ✚ Personnel that maintains the "friendly island culture"

Outcomes mentioned above make it clear that the focus for the Ministry of Justice for 2022 mainly lays with the optimization of the internal staff and processes. This is also why a modest raise in personnel cost is budgeted, to secure fulfillment of critical functions to support this process. With the function books in the final phase creating a stable internal organization is the priority while also fulfilling with our legal tasks.

Although the focus mainly lays internal there are also some projects that the ministry want to focus on in 2022 which are included in the budget;

- Finalization and ratification of the APIS legislation
- Implementation of a towing and parking policy in Philipsburg (Traffic Ordinance)
- Support the realization of the Foster Home (SJIB)
- Justice Bootcamp (VKS) mitigating youth delinquency (Governing Program)
- Retroactive payments for the Justice workers
- Projects at Prison to support the rehabilitation of inmates
- Implementation of IT Applications for Immigration and MOT to increase government revenue (Governing Program & Country's Package)
- First phase of the construction of a new Prison / Multifunctional Detention Building Point Blanche(Governing Program)
- Payment for the detainees in the Netherlands
- Amendment and translation of the AML/CTF laws and regulations in connection with the upcoming CFATF 4<sup>th</sup> Round Mutual Evaluation (2023-2024)
- Execution of the National Risk Assessment (2021-2022)
- Execution of the tasks related to the *Justitieel Vierlandenoverleg* (JVO)
- Reorganization and setting up of the Crime Fund Unit under the staff bureau of the Ministry (Country's Package)

Thema	Doelstelling	Omschrijving	Trustfund	Landspakket	EU	Landsbegroting	Begrotingspost	Cost Center	Projectcode
H. Versterken rechtstaat	Een bijdrag leveren aan de versterking v/d rechtsstaat, door in ieder geval in te zetten op het versterken van het grensoezicht, de aanpak van financieel-economische criminaliteit en het verbeteren van het detentiewezen	Construction of the new prison (H.21)				31,500,000.00	Kapitaaldienst		
		Investments in IT Application Software for Immigration Department and MOT				1,308,000.00	Kapitaaldienst		
		Protection of personal data to protect the privacy of citizens. (H.9)							
		Justice Bootcamp				60,000.00	43489	5021	TBD
		Retroactive Payments for the Justice Workers (H.1)				2,200,000.00	41039	5201	
		Rehabilitation projects for inmates at the Prison (H.20)				300,000.00	43489	5202	TBD
		Payment for the detainees in the Netherlands				2,800,000.00	43489	5202	TBD
		The finalization and ratification of the APIS legislation that will allow the government to better control and protect the country's borders (H.11)							
		Amendments of National Ordinances and Decrees. (Still no progress thus moved towards 2022)				120,000.00	43000	5206	
		Management and supervision of the crime fund by an independent third party. (H.12)				**			
		The further development and implementation of policies such as juvenile rehabilitation, foster home and victim assistance				900,000.00	43489	5021	5007, 5008 & 5009
		Filling of critical vacancies ministry wide for an efficient and effective organization					41001		
		Planning for the renovation and furnishing of the former Soremar building (Justice Institute of Sint Maarten)				*			
						39,188,000.00			
		* NRPB Project (total amount still unknown)							
		** Audit to be conducted by SOAB							

## 2.4 Ministry of Education, Culture, Youth and Sport

### *Policy Priorities*

The Ministries policy priorities are still framed within the mission, vision and legal tasks of the Ministry of Education, Culture, Youth & Sport (hereafter: MECYS), the Governing Program, the National Recovery & Resilience plan and the Strategic Plan for 2016-2026 of MECYS.

This 2022 budget reflects the following strategic long-term ambitions for education, culture, youth and sport:

- Required conditions are in place to achieve equal opportunities and accessibility to quality education, culture and sports for all residents of Sint Maarten;
- Continuous development of human capital for economic growth through quality education, culture and sport is supported and promoted;
- Nation-building, social cohesion and identity development through education, culture and sport.

The policy activities of the Ministry of MECYS continue to focus on the following themes: psycho-social wellbeing, capacity building, safety and preparedness, curriculum and afternoon school programs, physical infrastructure and policy and regulatory frameworks.

The implementation of the safety and emergency agenda in the education, culture, youth and sports sectors is the responsibility of the overarching Safety and Emergency Management Committee (SEMC), which continues to focus on safety and emergency preparedness, response and recovery. Key activities continue to focus on the roadmap to a Comprehensive School Safety, the Strategy for Emergency Education Plans, and the Integration and Training of School Safety and Emergency Teams (SETs).

These policy priorities include several projects within the ministry funded through the Trust Fund which are ongoing. The main projects are:

- Emergency Recovery Project 1 (Trustfund) - this project focusses of the School Repair Preparedness (A5);
- Promotion of a resilient education project (A2, A5 Country's Package), in preparation with the project development objectives to (1) restore access to a safe educational, learning and cultural environment; and (2) improve the resilience of Sint Maarten's education system.

One of the outcomes of the project is to enhance the Ministries' preparedness and capacity to respond to natural disasters and (4) to improve MECYS' supervision of education services by developing a Ministry Management Information System (MMIS). (B11)

#### Risks:

Lack of compatibility to link different government ICT systems, including financial systems, and modules developed at different levels to the MMIS and need for additional resources for a comprehensive ICT-based system.



The Ministry continues to work towards setting conditions in place for equal opportunities and accessibility to quality education, culture and sport to support the continuous development of human capital. The ongoing and new policy initiatives for 2022 include:

- the development of policies based on the Trust Fund financed Public Expenditure Review Education, towards a more efficient and effective education system, where results and recommendations will lead to policy and/or legal adjustments (G1 Country's Package). These include:
  - Development of a New School Bussing Policy;
  - Development of a Summer School Policy;
  - Development of a Policy regarding the introduction of standardized assessments for students in Primary and Secondary Education, to foster mastery of the fundamental concepts to further enhance academic achievement;
  - Language Policy; and
  - Development of a Plan for Reformed Secondary Education.
- The finalization of the development of the Special Needs Education Policy to ensure that adequate provision is made for students who need extra ordinary provisions in order to fully participate and thrive within the formal education sector.
- The 'Vierlandenoverleg' (4LO), is a platform of representatives of the 4 Kingdom countries. Through a quadripartite ministerial agreement, a platform with a steering group and expert workgroups was established. The platform continues to work in collaboration on initiatives that are in line with the areas of reform such as : quality education, education and labour market link, transitioning streams between education (MBO/HO/WO, e.g), cooperation between education institutes and the development of institutes in the region and the Netherlands. (G1 Country's Package)
- An assessment of the current system for funding education is ongoing with the goal of amending the Lbham Bekostiging Onderwijs in 2021. (G1 Country's Package) To enhance the effectiveness, efficiency and accountability related to the funding of education through the amendment to existing policy established in the Lbham Bekostiging Onderwijs based on research related to Bovenschools Management, an assessment of the current usage of funding by SOAB and the establishment of a standardized reporting framework.
- To continue to develop policy and plans related to disaster risk reduction to reduce the vulnerability of the sector and to increase its resilience in facing various hazards.
- To strengthen the supervision in education, the legislation regulating the supervision of education will be further developed, including collaborative arrangements between inspectorates, that has been more prominent due to the Corona pandemic. (G1 Country's Package)

The Policy Activities for the Education Sector are the continued support for the repairs and/or reconstruction of educational facilities and the integration of school safety and emergency plans in the education system.

The continued legislation for implementation are:

- the Higher Education Ordinance and the Decree regulating the funding thereof;
- the finalization of the Ordinance on Education Supervision;
- the National Decree of the funding of Schools and,
- the complete operationalization of the Study Finance Ordinance as one of the instruments that contributes to the promotion of studying in the region;

The main plans and policies focus is on finalizing:

- the secondary education plan that integrates culture, sports and education programs, labor market needs, and innovative developments;
- a plan for the evaluation of the Primary Education curriculum and a plan for the enhancement of Literacy and Numeracy;
- the implementation of I-Step and plan to promote access to internet at schools;
- the Special needs and gifted learners policy for early recognition, strategies and techniques to better facilitate students with disabilities and/or talents, and
- activities to support stakeholders in attracting teachers.

## Culture

The recovery of the economy remains a top priority for the government and the ministry firmly believes that culture can assist in the development and diversification of the tourism product. With this in mind the Ministry of ECYS has embarked on a trajectory to pursue the introduction and development of the Creative Industries in Sint-Maarten in a bid to assist in the:

- diversification of its economy,
- the safeguarding of the Tangible and Intangible Cultural Heritage, and
- the bolstering of the Sint Maarten / St. Martin/ Saint Martin / S'Maatin / Soualiga / Qualichi's Culture and Artistic Renaissance.

The policy priorities continue to reflect:

- The promotion and facilitation of expressions of culture in St. Maarten on national holidays and other (International) cultural events;
- The preservation and support of the national cultural tangible and intangible heritage through programs and subsidy policies, and
- The establishment of an organizational structure for the creative industries in St. Maarten

The partnership with the Sint Maarten National Commission for UNESCO continues in particular on the level of the 4 countries Kingdom Platform. The collaboration focuses on the implementation of the national agenda, specifically in the promotion of our heritage, culture and its preservation.

In the Culture Sector new activities have been identified towards achieving, the policy goals. These activities are :

- **Culture the Artistry of Life:** an awareness campaign that celebrates and highlights the excellence of our lived experience and how that manifests itself from the mundane to the sublime. Artistry reflects the best of our self the excellence in execution makes it an art form
- **Philipsburg Culture and Art Capital:** The goal is to transform Phillipsburg to meet international standards of Creative Cities, whose mission include placing creativity and cultural industries at the heart of their development plans at the local level and cooperating actively at the international level.
- Furthermore, in the culture sector the following projects will continue: To encourage the preservation of cultural heritage and to stimulate the creative industry, the legislative projects prioritized are:
  1. The protection of monuments with the establishment of a monument fund that includes monument conservation;

2. To promote the development of artistic talent, through developing a legal basis for the application and granting processes of the 'Talentenbeurs' and incidental subsidies;
  3. The completion of the framework for a culture law.
- To enhance the knowledge of the (In)Tangible Cultural Heritage and stimulate a positive national identity through awareness campaigns, such as: **I.R.I.C.H** (I Remember Intangible Cultural Heritage) campaign and **I'S'Maatin** campaign.
  - To cultivate and promote talent development in the cultural and creative sector as vehicle towards economic empowerment as defined in the Orange Economy.

## Youth

The international obligations following the International Convention of the Rights of the Child (CRC), supersedes the policy and regulations of the ministry. These obligations are cross-ministerial and provide guidelines for the implementation of youth policy of the entire Government of St. Maarten. In order to accomplish the MECYS-aims, inter-ministerial cooperation is a critical factor. Key for the Ministry as it relates to youth is to develop, implement, monitor and evaluate policies, laws, regulations and measures for youth from 0-24 years of age, and the supervision thereof. Therefore the promotion of (inter) national collaboration on all community levels is essential. The CRC are, embedded in the policy plans, such as Integrated Youth Policy, 'Safety Net', Early Child Development and the Rights of the Child awareness campaign.

In line with the above, the policy goals of the department of youth for 2022 are:

- To ensure the enforcement and implementation of the International Convention Rights of the Child and the recommendations of the Children Rights Committee including reporting on the Treaty;
- To enhance the national infrastructure, systems/mechanism and tools that contribute to the needs of youth on St. Maarten, and stimulate preventative strategies and positive education, and;
- The Child Resilience Development and Protection Project that is financed through the Trust fund that is aimed at: the resilience of students and staff to the emotional and physical impacts of natural disasters and the child protection systems and services to improve preparation and response to natural disasters. This will be done through 3 components:
  1. Nurturing learning environments and safe spaces for children and adolescents;
  2. Strengthening of the Sector and School capacity to prepare for and respond to natural disasters; and
  3. Child protection: to enhance inter-agency child protection mechanisms and the system's capacity to protect children during emergencies

The Youth Department focus is on the following policy actions:

- Capacity and quality improvement as recommendations from the policy document Early Childhood Care and Development;
- Capacity and quality improvement of the "community schools" and subsidy recipients;
- Realization of the Integrated Youth Policy Plan and Youth Desk;
- Development of the Youth Monitor Policy;
- Initiation of various forms of youth participation in society;
- Programmatic approach of the prevention of teenage parenthood;
- Creation of more learning/work experience opportunities for the youth;
- Financing of programs to support and guide at-risk youths to prevent recidivist behavior.

- Promotion of children's rights campaigns by means of subsidies and the realization of the recommendations from the Kingdom Children's Rights Action plan;
- The execution of the "2018 Memorandum of Understanding regarding the improvement of children rights", signed by the Kingdom countries.

## Sport

The Ministry focus is ensuring that it offers quality sports to the community at large and in particular those who will seek to use sports and recreational activities as a vehicle towards a healthy lifestyle. Its role is to increase the level of participation of citizens as well as the quality of training in sport and physical recreation among the people.

It is therefore also imperative for efforts to continue in the area of the development of proper infrastructures for the implementation of sports and physical education programs for all and in particular our children and youth who are active participants of our educational system. To achieve the aforementioned, it is also important to support the various sport organizations in their execution of programming. The Ministry is also charged with the responsibility of monitoring the management and maintenance of all Sporting facilities.

In line with the above mentioned, the policy priorities for 2022 are primarily geared towards:

- Facilitate and mobilize the provision of safe and certified sports facilities in neighborhoods and other locations to ensure the availability of the necessary sport facilities for recreation and top sport
- Facilitate the required sport environment; infrastructure, facilities and resources in accordance with set (inter)national qualitative standards
- Stimulate the integration of physical education, sports and nutrition in the educational curriculum
- Facilitate and mobilize the stimulation and support of talented sports students for further education or a career in sports
- Facilitate and mobilize initiatives that encourage the elderly and persons with disabilities to exercise
- Facilitate and mobilize the increase of sports tourism
- Facilitate and mobilize the development and functioning of sports associations

In order to achieve the policy priorities, the following activities are planned for 2022:

- Promotion of the availability of sports facilities and financial support for the implementation of afternoon school programs and school tournaments;
- Continued support for the National Sports Institute (NSI) and the St. Maarten Sports and Olympic Federation (SMSOF) and other sports organisations in the interest and development of athletes and vulnerable groups;
- Supporting, facilitating and monitoring improvement plans for sports organisations, the implementation of their programming, the development of their athletes and anti-doping protocols;
- Supporting and facilitating the development of athletes for further training or careers in sport;
- Support, facilitation and monitoring of programs for vulnerable groups;
- Promotion of local, regional and international events and tournaments.

### **Risk within the context of policy implementation**

One of the largest budget items is the subsidies to fund the public and subsidized schools. Scarce public resources will therefore also impact subsidized entities and activities as a result of the conditions outlined in the Country's Package.

Another main budget post represents the personnel expenses. The continued personnel stop, results in several critical departments and divisions to function under the desired occupancy level, which compromises the execution of governments tasks and responsibilities. The Ministry continues to be challenged with additional tasks related to the implementation of the recovery agenda, while the core tasks and legal obligations are executed at the same time. As the government structure and funding has not been adapted to facilitate the recovery agenda, this poses a strain on the already limited capacity efforts. The same can be mentioned for the SEMC, which would require budget and external expertise to execute tasks.

To facilitate the Ministry, it is necessary that the organizational structure is adapted; as the current risk is that some tasks are not executed or not embedded within a legal framework. A main organizational change is the change of Public Education into a 'Public Entity' allowing a more autonomous status as the other subsidized schoolboards.

*Education:* The main challenge for 2022 is the uncertainty related to the Education Review which commenced in 2021 and is expected to be finalized in 2022. This is expected to place an additional strain on human resource limitations of the Policy Department within the Education sector and the Inspectorate of MECYS. The Department of Education in the Ministry continues to be severely understaffed. This delays education reform and requires monitoring and evaluation of the sector. The COVID-19 Pandemic related matters continue to lead to shifts in priorities depending on its impacts on the island at any given time.

*Culture:* The required legislation and regulations for the protection of culture are not yet up to date, fragmented and therefore yet to be centralized. This was particularly evident after the calamity in 2017, especially with private homes on the monument list that needed specialized repairs. The limited present legislation and limited expertise as it relates to inspection capacity leads to further weakening of the conservation of our cultural heritage. Due to the limited financial resources for monument identification and preservation, particularly the implementation of the following policy priorities are in danger:

- Insufficient development of the creative industries as economic sector and support of talented youth;
- Lack of financial resources to support repairs of monuments;
- Insufficient attention to cultural heritage and monuments, which has a negative influence on the perception of tourists;
- Insufficient capacity in the field of cultural development, heritage and legislation;
- Further development of the cultural sector in schools, and
- Delay in the realization of the national theatre for the performing arts and adaptations to John Larmonie Center.

Another noteworthy risk is the role defined for Culture within the Government and the Country. The importance of Culture for the resurgence of the society and with that the resurgence of the economy cannot be underestimated.

*Youth:* The lack of financial resources and limited capacity will result the revision of policy priorities, programs and projects for the department of youth. The Risks associated are:

- As a policy department, the implementation tasks are not, incorporated in the organization structure nor in the core tasks, and poses a risk for guaranteeing quality.

- The dependency on the agenda of other ministries, which forms a risk for the complete development of youth policies and the implementation of programs where the MECYS does, not has the lead. Such policies being the Integrated Youth Policy 2020-2025, the National Early Childhood Development Policy and Safety Nets Policy. Failing to fund prevention programs, youth participation and the establishment of the “Youth Desk” as a link to the youth will have serious social consequences, especially since the destruction of the hurricanes extra emphasis is, needed for the well-being of the youth.
- The lack of extra resources for investing in the new policy areas derived from the recommendations of the Kingdom Taskforce Children Rights and the Children Rights Committee.

*Sport:* Analysis and research are very important for the development of sport. Sufficient financial resources and personnel are necessary to ensure that organizations, facilities and programs are managed and are executed in the correct manner. The ministry strives for the continued development of sport at all levels, and this includes the regular development of our athletes, national teams, sport tourism and our facilities. Reducing the required financial resources will have a negative impact on our capacity to develop sport on a whole. This would also mean that the government would be contributing insufficiently to the improvement and the well-being of the people by means of sport and movement.

Thema	Doelstelling	Omschrijving	Link naar landenpakke t	Trustfund	Landspakket EU	Landsbegroting	Begrotingspost	Cost Center	Project
A. Financieel Beheer	Het beheersen en op orde krijgen van het financieel beer en het financieel toezicht vanuit de noodzaak om als overheid 'in control' te zijn	Foster Resilient Learning project		3,240,000.00					
		ERP 1	G.1	12,609,000.00					
		Public Expenditure Review Education Sector							
G. Onderwijs	1) het realiseren van een basiskwaliteit van onderwijs; 2) realiseren van een goede aansluiting tussen onderwijs en arbeidsmarkt; 3) het realiseren van goede doorstroom tussen stelsels van onderwijs (al dan niet in Europees Nederland).	Plan of approach Quality Education, Education-labor link, transitioning streams MBO/HO/WO	G.1			150,000 300,000	43476 43489	6110	6007 3
		Assessment of the current system for funding education to amend Lbham	G.1			100,000.00	43476	6110	
		Drafting of Legislation & Support related to various Legislative matters including support with responding to queries & recommendations during the Ratification Process	G.1			75,000.00	43476	6110	
		Development of Language Policy	G.1			100,000.00	43476	6110	
		The introduction of strategies to enhance efficiency in the system and reduce repetition:	G.1						
		1. Implementation of Summer School Program				600,000 600,000	43489 43489		60073 60073
		2. Implementation of Secondary Education Reform				75,000	43476		
		3. Research related to introduction of standardized Assessments in Primary and Secondary Education							
		Implementation of Special Needs Policy	G.1			200,000.00	43489		60073
		Capital Investment - Digital tracking software for School Bus Transportation	G.1			500,000.00	01120	6110	
		Capital Investment - Aquisition Hardware & Software Public Schools Administration	G.1			200,000.00	01120	6320	
		Capital Investment - "Overdekking" Dr. Martin Luther King Jr. School Playground	G.1			350,000.00	01104	6320	
Capital Investment - Restoration/Repair Dr. Alma Fleming Rogers School Gym	G.1			800,000.00	01104	6320			
Capital Investment - Completion Prins Willem Alexander School	G.1			2,400,000.00	01104	6320			



Thema	Doelstelling	Omschrijving	Link naar landenpakket	Trustfund	Landspakket EU	Landsbegrofting	Begrotingspost	Cost Center	Project
Cultuur	Advising the government concerning the assignment of resources for culture on the basis of research, progress reports and forecasts of organizational programs;	to introduce and set up the infrastructure for the Culture Creative Industries/ Economy. Identified as the new economic sustainability for the Caribbean and Latin America. The establishment of the Cultuurraad as per the requirement of the landspakket is equally an intergral component towards building infrastructure to the Culture Creative Industry.				45,000.000	43501	6120	61004
	Attending to policy aimed at the optimal promotion of cultural and artistic expressions and ensuring accessibility thereto;	Talentebeurs: Talent scholarships are essential in the development of artistic skills which is core number one in the pillars of the Culture Creative Industries/Economy.				100,000.00	43489	6120	
		Bevordering danskunst Jeugd: These funds will assist six organizations (NIA, INDISCU, DADA, Rudy Dance school) catering to youths in the field of dance arts to ensure that the public benefits by means of increasing participation opportunities for those currently facing financial difficulties in this pandemic and the future.				200,000.000	43489	6120	62006
		Fashion Design is essential in the expression of oneself and personality. Support can be provided both locally and abroad to persons participating in pagantry and/or fashion events aimed at promoting Sint Maarten's Cultural wear.				5,000.00	43489	6120	66001
	Attending to policy, laws and legislation concerning cultural matters, and the supervision of the implementation thereof (integrated cultural policy);	The annual Cultural Creative Industry Forum provides capacity building courses for entrepreneurs in the field of the Arts. This will contribute to the promotion and fine tuning of /Culture Creative Industry (Orange Economy) of Sint Maarten				50,000.00	43489	6120	61018
	Taking care of the stimulation of cultural programs, practicing amateurs and museum art;	The establishment of the Meldpunt Sint Maarten per the requirements of the UNESCO Convention for the protection of Underwater Heritage of which Sint Maarten will co-ratify by December 2022. By doing this, we can also assist in the promotion of the blue economy.				18,000.00	44301	6120	61013
	Looking after the implementation of policy concerning UNESCO-TREATIES in the field of culture and the supervision of the implementation thereof;	Expansion of the UNESCO Category 2 Center with the aim of having a regional cluster office for the execution of Unesco Treaty related matters. (NATCOM).				30,000.00	43501	6120	61011
	The taking care of monuments, museums, library, arts and general cultural events policy;	Promoting culture Nationally by supporting Cultural events aimed at the promotion of the Sint Maarten Culture of which is part of the Intangible heritage Convention of which Sint Maarten is co-signee to.				200,000.00	43489	6120	61010
		By increasing the tangible heritage, Sint Maarten would be able to continue with the protection and preservation of its tangible heritage while also looking into the possibility of renovating of some of its public and private monuments.				229,693.00	43489	6120	61007
		Capital Investment - Expansion John Larmonie Center				4,571,737.00	01104	6120	

Thema	Doelstelling	Omschrijving	Link naar landenpakket	Trustfund	Landspakket EU	Landsbegroting	Begrotingspost	Cost Center	Project	
Youth	Ensuring the enforcement of the International Convention Rights of the Child and the recommendations of the Children Rights Committee including reporting on the Treaty	Promotion of children's rights campaigns with youth stakeholders and the realization of the activities from the Children's Rights Action plan, which is geared towards making both children and adults aware of the topic of children's rights and responsibilities.				35,000.00	43489	6130	67029	
		Institutional strengthening of the Early Childhood Development Sector and quality improvement as recommended in the multi sectoral policy document Early Childhood Care and Development				50,000.00	43489	6130	67005	
	Enhancement of the national infrastructure, systems/mechanisms and tools that contribute to the needs of youth on St. Maarten, and stimulate preventative strategies and positive education.	Development of an integrated training strategy through the further development of the Business Outreach and Placement Program					75,000.00	43489	6130	67028
		Programmatic approach of the prevention of teenage parenthood (Positive Action); Promoting a structured program which offers learning opportunities after the regular school hours with the main purpose of promoting positive child and youth development.					37,500.00	43489	6130	67030
		Realization of the Integrated Youth Policy Plan					2,238,721.00	43489 44301	6130	67003 67002 67008 67014 67017 67052
		Development of preventative youth programs based on the recommendation of the Youth Round Table Conference;					105,000.00	43489	6130	67054
		Enhancing meaningful youth participation within in society.					65,000.00	43489	6130	67031
		Facilitate and mobilize the provision of safe and certified sport facilities in neighborhoods and other locations to ensure the availability of the necessary sport facilities for recreation and top sport.					35,000.00	43489	6130	
	Sport	The promotion and availability of sport facilities					480,000.00	43456	6140	67022 67023 67024 67025 67045 67046
			Financial support for the execution of school tournaments and after school programs				454,000.00	43489	6140	67026 67027
Facilitate and mobilize the development and functioning of sport associations.										
		Facilitate and mobilize the provision of safe and certified sports facilities.	Continous support for the National sport institute, the St. Maarten Sports and Olympic Federation and other sport organizations in the interest and development of athletes and vulnerable groups.				650,000.00	44301 43489	6140	67016 67020
Facilitate and mobilize initiatives that encourage the elderly and persons with disabilities to exercise										
		Supporting, facilitating and monitoring improvement plans for sport organizations, the execution of their programming, the development of their athletes and anti-doping protocols					260,000.00	43489	6140	67047 67020
Facilitate the required sport environment; infrastructure, facilities and resources in accordance with set (inter) national qualitative standards.										
		Facilitate and mobilize the stimulation and support of talented sports students for further education or a career in sports	Supporting, facilitating the development of athletes for further education or career in sports.				50,000.00	43455	6140	
Facilitate and mobilize the increase of sports tourism										
		Promotion of local, regional and international events and tournaments					335,000.00	43489	6140	67050 67051 67052
Capital Investment 2022	Renovation & Improvement Sport Facilities					3,500,000.00	01104	6140		
						0.00	0.00	0.00	8,370,221.00	

## 2.5 Ministry of Public Health, Social Affairs and Labor

Vision of the National Development Vision 2030 (NDV 2030), is built on three pillars, namely:

I. A Compassionate and Vibrant Society.

II. A Strong and Resilient Economy.

III. A Decisive and Ambitious Country.

Under theme I the Ministry's main focus for 2022 will be on the following visionary goals:

- Foster social cohesion, which is directly linked to the SDG (Sustainable Development Goal) 10: REDUCED INEQUALITIES. "To reduce inequalities, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations". Within this visionary goal, the Ministry will be looking at: Social inclusion and participation;
- Foster a healthy population physically and mentally where the Ministry will focus on ensuring a healthy lifestyle for its citizens, while actively participating in physical activities;
- Foster care for our families and vulnerable people;
- An educated population where the Ministry will be offering preparation and training to those unable to find employment, so they can smoothly join the workforce whenever possible.
- Strengthen our Social protection system where we will be looking at;
  - An effective social welfare system to cushion the inability of citizens to provide for themselves, particularly in the vulnerable conditions of youth, old age, sickness, disability and unemployment.
  - Modernize the social welfare system to make it more efficient, effective and just.
  - Collaboration and Integration between health and social care.
  - Enhance the standard and quality of health care services.

Below you can find the policy priorities that the Ministry will be working on in 2022 to be able to achieve the Goals as set out in the NDV 2030 and the several measures as mention in the Country's Package. The main focus will be on the following areas of the governing program:

- Health Care System: "BE PROGRESSIVE WITH HEALTH CARE"
- Community and Comprehensive Social Care: "BE PROGRESSIVE WITH SOCIAL CARE and CARING FOR THE ELDERLY & VULNERABLE"
- Labor: "BE PROGRESSIVE WITH LABOR"

### Labor

With regard to "BE PROGRESSIVE WITH LABOR" the Ministry intends to work on the following long term goals:

- Protection of the rights of employees on Sint Maarten.
- Protection of the local labor market.

These goals are linked to Theme E, Economic reforms, from the Country's Package. As of 2021 the Ministry has already started working on drafting the plans of approach for measures E1, E3 and E4. The execution of said measures will remain a focus point for the Ministry in 2022. Policy actions are as follows:

Regulatory Environment

- Implement Labor Legislation and Policy approved Civil Code New Title 10, Book 7 of the Civil Code, replacing Book 7A;
- Finalize the National Ordinance to stop the abuse of short-term labor agreements

- Make the Labor Law more flexible
- Review the minimum wage
- Enforce Labor inspection policies

In consultation with the social partners, the Ministry will also continue the review of the current labor legislation and policies with the emphasis on flexicurity which will cover the short-term labor agreements, the legislation regarding dismissals and “Cessantia” amongst others.

#### Research & Collaboration

- Conduct periodic research. Promote collaboration between the labor, education, and immigration departments for a need’s assessment of our labor market, and adjust our education and job training programs to meet our labor needs. In order to gain a better understanding of what is going on in the labor market, the Ministry wants to have a research / analysis carried out of our entire labor market. This will lead to the necessary adjustments for the entire labor market policy, including a possible revision of the legislation with regard to work permits (E1, E3 and E4)

#### Job opportunities

- Facilitate the Creation of Employment Opportunities
- Provide beginner, intermediate, and advanced skills training to create long-term decent
- Strengthen competencies and mentoring of staff to ensure the delivery of the services and products

The Division of Labor Affairs & Social Services, under the auspices of the NESC (National Employment Service Center), has already started preparations and will continue to revamp and relaunch the job portal. This will serve as the primary tool to match job seekers with employers. The portal will also serve as an important resource for the NESC and will be able to generate required reports of data as well. Besides the portal, the NESC continues to work in close collaboration with the business community, including investors, to source skilled laborers locally.

### **Community and Comprehensive Social Care**

With regard to “BE PROGRESSIVE WITH SOCIAL CARE and CARING FOR THE ELDERLY & VULNERABLE”, the Ministry is planning on a long-term basis:

- to develop community development programs through an integral and neighborhood-oriented approach
- to strengthen community work through collaboration with various community centers, community councils and other NGOs.

These goals are also linked to Theme E, Economic reforms, from the Country’s Package.

#### *Sustainable Living*

- o Implement legislation and policies in the Social Development sector
- o Increase pension benefits, generally
- o Conduct a study to determine a livable wage

To increase sustainable living the Ministry will be focusing on ensuring an adequate social safety net by amending the Financial Assistance legislation and the further developing the Social Care Policy.

This is directly linked to measure E4 in the Country’s Package. The plan of approach for said measure has already been finalized. In 2022 the Ministry will focus on the execution of said plan. Through the EISTP project of the NRPB projects, the Ministry is also looking at the possibility of carrying out a research on the Introduction of unemployment insurance to replace the “Cessantia” scheme to

achieve more diversity in social benefits for the unemployed. This is linked to having a mandatory pension system which falls directly under measure E.4 of the Country's Package.

The implementation of the Social Registry financed via the "Trustfund" will also continue in 2022. The information coming from the social registry will support in policy development and creation of social programs.

#### *Policies and Programs*

- Promote Community volunteer and outreach programs
- Work on government policies to provide better support to NGOs
- Funding for the training of community councils which play a major role in improving their communities

Community Resilience project, funded via the EU, is still ongoing which is linked to measure A.5 of the Country's Package.

Due to an increase in demand for housing the Ministry will continue with the "Transitional Shelter Program" which functions as a transition 'house', meaning that all clients are under a care plan that focuses on their reintegration to society and then move to their own home/apartment.

## **Health Care**

Taking proper care of the health of the residents and visitors of Sint Maarten falls under "BE PROGRESSIVE WITH HEALTH CARE". To achieve this on long-term basis, the Ministry will:

- Facilitate medical facilities;
- Encourage access to medical facilities;
- Optimize the quality of medical facilities;
- Improve legislation and regulations

This is directly linked to measure F, Healthcare, from the Country's Package. The Ministry will continue to work on the following objectives: the further development and implementation of the National Health Reform (NHR), which is linked to measure F2 and F3 from the Country's Package. With this reform we will also be working on objectives for the health care packages and sustainable quality health care, where the Ministry will be looking at the further development and /or introduction of:

- National Health Insurance (NHI), including package;
- A certification program for St. Maarten Healthcare Professions (Sint Maarten BIG).
- Further developing of the Public Health legislation
- Review of healthcare institutions policy and regulations,
- Development of Health Information Management system
- Review the Covid vaccination program( 3rd booster shot)
- Evaluate the 2018 mental health policy and establish an updated policy for the next years in collaboration with PAHO

In order to control COVID-19 and to keep it manageable, the Ministry will continue to work on the various protocols relating to Covid and on a contingency plan. It is also important that the capacity of Collective prevention is strengthened. The Ministry will continue to update the population on Corona Virus in collaboration with SZV and DCOMM. (F.1). The Ministry will also continue to stimulate cooperation and partnerships within the health sector on a local (all health care providers) and International level (PAHO and Carpha).

#### **Risks related to the implementation of policy priorities**

1. Above-average cost increase in the health sector compared to constant premiums

2. The current fragmented health insurance system means that health care costs are less easy to control and that different groups of people are not insured and only qualify for private insurance. The exclusion is based on their financial situation, age and / or health situation making health care less accessible for these groups. A national basic health insurance policy addresses these problems.
3. Increasing demand for social security provisions and increasing social security provisions with decreasing financial resources.
4. A new wave of COVID-19 cases may cause the expected economic growth to lag, leading to an increase in unemployment and the associated social problems. This will weigh on our social system and from a public health perspective, a new wave will put even more strain on the already limited available medical capacity.
5. Specific projects under the Trustfund are still pending decisions on additional funding. While they are listed as outputs / obligations in the Country's Package. If the funding is not provided, through Trustfund or Country's Package, this would have a negative impact on our future strategy. Especially when it comes to combating unemployment and strengthening the social security system.

Thema	Doelstelling	Omschrijving	Link naar landenpakket	Trustfund	Landspakket EU	Landsbegroting	Begrotingspost	Cost Center	Project code	
A. Financieel Beheer	Het beheersen en op orde krijgen van het financieel beer en het financieel toezicht vanuit de noodzaak om als overheid 'in control' te zijn	Social Registry reliable statistics	A.2	2,340,000						
		Shelter project part of disaster risk management	A.5			13,376,000				
		Community Resilience project part of disaster risk management	A.5			1,254,000				
E. Economische hervormingen	1)het realiseren van een weerbare en veerkrachtige economie; 2) het realiseren van een robuust sociaal zekerheidsstelsel, dat de prikkels op de juiste plek legt	Execute an integral analysis on labour market, Plan van Aanpak via TWO	E.1				180,000	43489	7130	
		Review conflict in LAV legislation	E.3				350,000	43476	7130	
		To amend the Financial Assistance legislation	E.4				150,000	43476	7120	
		Research on the Introduction of unemployment insurance to replace the Cessentia scheme to achieve more diversity in social benefits for the unemployed. This is also linked to a mandatory pension system-->Possible funding via Social Registry (E.4)	E.4							
		Social Care Policy	E.4				200,000	43476	7120	
F. Zorg	1)Het beheersen en beheersbaar houden van COVID-19; 2)Het waarborgen van Continutiteit van de acute zorg; 3) Het efficiënt inrichten van de zorg en het realiseren van een robuust en betaalbaar zorgstelsel.	National Health Insurance	F.2				100,000	43476	7110	
		Further development of Public Health Law	F.2				100,000	43476	7110	
		Further development and implementation of a certification for St. Maarten BIG	F.2				100,000	43476	7110	
		Review of healthcare institutions policy and regulations	F.2				50,000	43476	7110	
		Automated Health system (Capex)	F.2				1,300,000	01120		
		COVID-19 containment	F.1				1,414,320	43000	7250	00013
							22,000	43103	7250	00013
							500,000	43419	7250	00013
							2,550,000	43489	7250	00013
					400,000	41003	7250			
				2,340,000	-	14,630,000	7,416,320			

## 2.6 Ministry of Tourism, Economic Affairs, Traffic & Telecommunication

### Policy Priorities

#### Product Development and Tourism Revitalization

**Under theme I the Ministry's focus for 2022 will be on the following visionary goals:**

- Increase the awareness of the destination through continuous promotion and engagement both locally and abroad in USA, Canada, Europe, South America, and the Caribbean;
- Develop a plan of approach for the revised Tourism Master Plan 2022-2027 to reflect the new norm within the ever-evolving tourism industry;
- Continue the pursuance of U.S. Pre-Clearance (USPC);
- Develop a Plan of Approach to set up the St. Maarten Tourism Authority (St. Maarten Tourism Agency) by January 2023;
- Diversify Tourism i.e. Argo-Tourism, Sports Tourism, Orange industry (Arts) Tourism;
- Implement a training program for the tourism sector stakeholders in the areas of customer service, innovation;
- Strengthen and promote the Yachting and Sailing Industry of St. Maarten.

The following policies priorities will be worked on in 2022 in order to achieve the visionary goals:

- Branding & Digital Marketing in United States, Canada, Europe, South America, and Caribbean. In these days, it critical that St. Maarten maintains its momentum and presence online and increases this to maintain and grow its share, with no "down time." It is for this reason and based on the positive evaluation of Big Idea, that we seek to extend their contract for 2 years and increase the media spend budget. St. Maarten has benefitted tremendously by having an agency to actively manage our social media channels with budget spent on targeted boosting to our key target audiences. Digital marketing remains one of the most cost-effective ways to promote a destination, reaching millions of potential travelers with small budgets. The results of all digital marketing campaigns can always be tracked and measured, resulting in the St. Maarten Tourism Bureau seeing where budget was spent and the effectiveness of this. Big idea has helped the destination by bringing awareness and increasing top of mind placement amongst potential travelers. The activities carried out by Big Idea is beneficial in supporting the short- and long-term marketing plans of the St. Maarten Tourism Bureau. Therefore, it is essential that the destination does not lose momentum in this ever changing and competitive market, and highly advises to extend the current contract with Big Idea so that the team can continue promoting the destination directly to travelers.
- Public Relations in North America and Europe
- Travel Agent Specialist Program. Increase destination knowledge in the travel agent trade industry, to increase bookings and tourism receipt.
- Sales activities in various cities in the USA. Miller Aird Marketing It was imperative for St. Maarten to have a presence in the market place, given the goal and purpose of this strategy is to ensure that these destination stay in minds of their consumers who are dreaming for their next getaway. St. Maarten was back on track in redeeming our share of the North American market, as well as seeing an increase in stay over visitors after hurricane Irma in



2017. The North American market remains our principal source of visitor arrivals for the island, accounting for approximately 65%. St. Maarten not only needs to secure, but strive to augment, its share of the market in the North American Market by having a voice in the marketplace.

#### **Miller Aird Sales and Marketing:**

- Conduct sales calls in person, on the phone as well as on the various on-line meeting platforms;
- Conduct webinars about island to travel agents, online travel agents (OTA), reservation/call centers;
- Share printed/on-line information (press releases, newsletters & video);
- Speak to key tour operators i.e. Expedia, Costco, Apple Leisure Vacations etc.;
- Mail out brochures to various potential visitors who have demonstrated an interest in the island;
- Content creator policy for Videographers, Photographers, Copywriters, Graphic Designers to create content that highlights the destination great features and in turn promotes the destinations to increase tourism;
- Cooperative online marketing campaign to increase brand awareness and travel to St. Maarten. Expedia is the number 1 booking search engine in North America where many travelers look for inspiration and book their vacation packages. With a cooperative marketing campaign via Expedia we can reach millions of people converting them into visitors. Past experiences with Expedia have yielded in a great return on investment with actual room nights being booked. Expedia also has many smaller brands within their portfolio which are popular in the European market;
- Airline Development through Coop Airline Marketing campaign to increase bookings. Providing support to airline carriers servicing the destination to increase awareness and bookings, bringing travelers to St. Maarten which will have a positive economic impact. These airlines have direct flight connectivity to major gateway cities and have different networks and channels to promote, therefore increasing our reach to potential travelers. Cooperative marketing campaigns are an effective way to promote the destination since the Tourist Office is not solely paying for these actions, the airline is paying as well, so we get the same reach for half the price.

Further development of destination website first phase will launch in Fall 2021

- Tourism Exit Survey at the airport to analyze the consumer behavior and better target marketing;
- Develop Advertising Campaigns for various target markets and demographics
- Film Induced Tourism
- ABC's Live! With Kelly & Regis on road  
EU - Married at First Sight,  
Global Passport,  
Hidden SXM with Peter Greenberg.

This will increase destination awareness which will reach millions of people. The increased destination awareness will result in persons searching about for destinations will activate our digital marketing campaigns, such as Google ads.

- Heritage and Cultural Tourism Strategy and Ecotourism. Creating a Heritage and Cultural Tourism Strategy as well as Ecotourism will allow STB to tap into a new area of Tourism that we have not yet fully explored. This project will be done in collaboration with the Department of Culture, Education, Local Community and DCOMM.
- Smart City Interactive Map, kiosks to be located in the center of Philipsburg and key locations.
- Sports Tourism. This will be done in collaboration with the sports department, whereby STB will cover the tourism aspect on the events, such as softball, baseball, basketball, volleyball, boxing etc. On island events and / or travel to represent St. Maarten.
- Health and Wellness Product Diversification. Health and wellness tourism refers to trips that are taken by tourists with the principal purpose being to improve their health and/or wellbeing.
- Argo Tourism Product Diversification. Agriculture production and/or processing with tourism in order to attract visitors onto a farm or other agricultural business for the purposes of entertaining and/or educating the visitors and generating income. This will be done in collaboration with EVT and Chamber. The plan is to start with Spaceless Garden as a pilot project in achieving such. In the previous year, STB assisted SXM Hillside plantation, where they got the opportunity to attend FCCA together with STB and Port and met with Royal Caribbean Cruise Line, to promote their offerings. Of which they are still in communication.
- Music and Film Festivals. These funds are to assist with promotional and marketing support private sector initiatives in this area i.e. concerts, production/launching of films & / or cultural events / incidental subsidies (Oualichi Festival, Koopavond)

## Economic Diversification and Investment

### *Investment Stimulation & MSME Development*

1. Establishment of an Investment Promotion Agency for the promotion of investments in order to support and guide investors;
2. Oversee the execution of MSME development activities, based on MSME Policy, by the designated partnering agency;
3. Approve and publish investment policy;
4. Strengthen investment climate and promote investment opportunities, resulting in a business climate that encourages competitive businesses to start and grow (*as part of E.6. measure of the Country's Package*);
5. Improvement Data quality and collection to guide policy and decision making (*as part of A.2 measure of the Country's Package*);
6. Strengthen public and private sector partnerships & facilitate increased private sector representation in regional and global settings. Optimize cooperation with the Chamber of Commerce and other Business Associations. Further development and/or adjustment of policy regarding ensuring the shared space of businesses are conducted in a manner acceptable for its environment esp. as it relates to externalities such as noise, garbage, waste, etc.

### *Food Pricing & Security*

- Execute study on food prices. Execution of the study in 2021 was delayed due to budgetary implications. The intention is to execute the study in early 2022, which will comprise of an investigation on the prices of food and the effectiveness of a maximum price policy & system;

- Revoke LBHAM regulating various prices (food, oil and bread) and regulate prices via ordinances of lower order (Ministerial Regulations) to allow for more flexibility in changes as the need arises;
- Regular monitoring of price developments. As inflation rates continue to rise throughout the world and considering the dependency of our food supply on external sources, the ministry will continue to monitor price developments and external factors influencing these price changes. The results of the price developments will also be published to stimulate competition, resulting in lower prices, will continue regularly until a decision is made regarding whether or not the Maximum Price System is an effective tool/means to achieve such;
- Promote Local Agribusiness for self-sustenance, via food security, community employment, and new revenue stream;
- With the development of the agriculture policy, the Ministry will be working with internal and external partners to stimulate the development of agriculture locally with the goal of national food production and security;
- Create an efficient and favorable climate for companies.

#### *Regulatory Framework*

- Adjust legislation for the protection and sustainability of Small Businesses;
- Draft legislation for the modernizing of the passenger transport sector;
- Collaborate with the Ministry of Finance on fiscal reform. Carry out economic impact study of (incl. an estimate of how much revenue can/will be generated by) the Automated Payment Transaction (APT) tax and draft legislation;
- Strengthen the institutional and regulatory capacity of public sector entities for promoting private sector - SME development;
- Provide efficient access to data for businesses (need for E-Gov't is essential, fundamental and critical for the realization and/or improvement of this project/objective);
- Introduce Legislation for a Competition Authority & Consumer Protection (if the latter is possible and sufficient budget is allocated).

#### *Business Enabling Framework*

- Simplify procedures of doing/ starting a business;
- Regulate and facilitate that Internet and broadcast is affordable for everybody;
- Stimulate local agribusinesses as a complement to the tourism sector;
- MSME development through trainings, guidance, access to finance;
- Promotion of diversification sectors.

#### *Partnership*

- Strengthen public and private sector partnerships (i.e. increase consultation with private sector)
- Facilitate increased private sector representation in regional and global settings.
- Optimize cooperation with the Chamber of Commerce in the area of streamlining processes with the Department of Economic Licenses.

#### *Strengthening the aviation system (within the kingdom) (B3 of Country's Package), (Chapter 6.3 Governing Program - Aviation)*

- *Update primary aviation legislation.* The National Ordinance Aviation (Luchtvaartlandsverordening) and the Government Decree on Civil Aviation Oversight are the primary aviation legislation of Sint Maarten. They are the implementation of the Chicago

Convention (International Civil Aviation Organization ICAO) and its annexes. Both legislations are updated and are in urgent need of updating in order for Sint Maarten to be able to comply with the ICAO standards. There need to be included in the current legislation a basis for safety management systems, Carbon Offset and Reduction Scheme, passenger rights, drones just to name of few. A full assessment of the legislation must be completed in order to ascertain what other provisions must be added.

- *ICAO audit.* In 2008, the Kingdom failed an International Civil Aviation Organization (ICAO) audit that was performed on the former Netherlands Antilles. The audit examines how the Country has effectively implemented the eight (8) critical elements as it relates to all 19 ICAO annexes. This pertains to the aviation safety oversight capabilities and addresses the subjects of aviation legislation, regulation, oversight functions, personnel qualification, technical guidance and tools, licensing/certification obligations, surveillance obligations and the resolution of safety concerns. The aim is for Sint Maarten to attain a passing score and as such demonstrate that the County has effectively implemented the safety standards (ICAO Annex 1 – 19)
- *Implementation and execution of the joint inspection program.* The joint inspection program is based on the MOU on Cooperation signed by the Countries within the Kingdom on the exchange of technical experts. The technical expert is required to assist with oversight on the airport, airport inspection, foreign aircraft inspections and dangerous goods.
- *Regaining FAA IASA CAT 1 status for civil aviation.* In 2011 an audit was carried out by the Federal Aviation Administration, which resulted in Sint Maarten and Curacao being downgraded to Category 2. This downgrade signifies that the Countries have not adequately effectively implemented the eight (8) critical elements of an aviation safety oversight system as it relates to the International Civil Aviation Organization (ICAO) Annexes 1 Personnel Licenses, 6 Flight Operations and 8 Airworthiness.
- *Seabury Licensing system (eAuthority).* Seabury is a digital licensing database, in which all the licenses, certificates will be uploaded and stored. The current Seabury system is comprised of four modules Aircraft, Oversight, Mobile Inspector, and SSP. The proposal is to update the Seabury system to include a licensing module, that administers examinations to aviation personnel (pilots, air traffic controller).

Thema	Doelstelling	Omschrijving	Link naar landenpakket	Trustfund	Landspakket EU	Landsbegroting	Begrotingspost	Cost Center	Projectcode
B. Kosten en effectiviteit publieke sector	1) de doelmatigheid van de publieke sector verhogen door een verlaging van de public wage bill (in lijn met het Caribisch gemiddelde; 2) van 10 procent van het BBP) en het terugdringen van de kosten van de publieke sector in algemene zin; 3) het verhogen van de kwaliteit en de effectiviteit (inclusief uitvoeringskracht) van de publieke sector.	Completion of QMS ( Quality Management System				70,000.00	43000	8210	
		Launching of the E-Authority system( Electronic safety oversight system ) Euro 39,900.00				85,386.00	43493	8260	
E. Economische hervormingen	1)het realiseren van een weerbare en veerkrachtige economie; 2) het realiseren van een robuust sociaal zekerheidsstelsel, dat de prikkels op de juiste plek legt	Port Community System (PCS) to facilitate the maximum price system.				100,000.00	43403	8021	
		Increasing Stayover visitors by marketing initiatives & sales activities to achieve such increase in market share				7,250,000.00	43516	8240	80001, 80002, 80003, 80004, 80005, 80029, 80030, 80031, 43505, 80010
		Facilitate the return of Cruise Tourism, in as much as within our control and/or authority				920,000.00	43516	8240	80024
		Stimulate the Development of Micro, Small & Medium Enterprises (i.e. MSME's)	E.6			140,000.00	44301	8270	80044
						49,125.00	43489	8021	80034
		Designation of Investment promotion agency	E.6			180,000.00	44301	8270	80032, 80008
H. Versterken rechtstaat	Een bijdrag leveren aan de versterking v/d rechtsstaat, door in ieder geval in te zetten op het versterken van het grenstoezicht, de aanpak van financieel-economische criminaliteit en het verbeteren van het detentiewezen	Establishment of the Gaming Control Board (GCB)	H.2			250,000.00	44301	8270	80037
		Population Census				1,200,000.00	43506	8250	
		Data Collection- National Account Survey (NAS), Tourism Exit Survey and Consumer Price Index (CPI).				150,000.00	43505	8250	
						10,394,511.00			

## 2.7 Ministry of Public Housing, Spatial Planning, Environment and Infrastructure

### Policy Priorities

#### Public roads, sewer and drainage

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##### Section Project Coordination

- Front Street Road Repairs: repairs have begun in 2021 and will continue in 2022;
- Acquire land for cemetery construction: The last remaining land in the Cul-de-Sac cemetery is being used to construct vaults;
- Drainage project Beacon Hill (Management of Water Drainage): The entrance to the Beacon Hill Neighborhood needs to have drainage installed to prevent flooding on the main road;
- Drainage project Sucker Garden Road (Management of Water Drainage): Similar to the beacon hill project, this drainage project will lead the rainfall water from the Sucker Garden road into the Rolandus Canal;
- Road Marking Program (public roads): Road marking/lines conform NEN-EN 1790:2019 will be placed starting at major intersections;
- Repair/Replace Guard Rails (public roads): The damaged guard rails around the island and installing guardrails in places such as dangerous curves;
- Upgrading of VROMI Yard: Constructing facilities to properly house the heavy equipment for cleaning up and maintenance.
- Sewage Connections (Expansion of the Sewage Network): New household/commercial connections in various areas.
- Sidewalk Hard Surfacing (public roads): Many areas around the island and in the capital (along Pondfill) that lack safe side walks.
- Street light placement, special fixtures (public roads): Special fixtures that GEBE does not supply.
- Public restroom construction Mullet Bay: The most visited beach on the island by locals will receive a dedicated public restroom facility.

##### Section Contracts

- Large heavy equipment maintenance contracts (dump trucks, heavy equipment on landfills) These large dump trucks (2x) and the heavy equipment obtained via the trust fund (Loader, Bulldozer, Compactor) are critical to be maintained for upkeep and optimum functioning of landfill management.
- Smaller heavy equipment repair and maintenance Other heavy equipment such as Backhoe's, Crane Trucks and other vehicles also will need regular maintenance.
- (Future) Public Restrooms Cleaning Mullet Bay These restrooms are planned to be constructed during 2022 at the most visited beach that currently has no public restroom facilities.

### Section Operations

- Tires VROMI Dump Trucks
- Street Traffic Sign Placement
- Car Wreck Removal
- Street Name Sign Placement (public roads)  
Street name signs conform NEN 1772:2010 will be ordered and placed throughout the country. Many of the existing signs have sustained damages or have become missing.
- Road Paving and Patching Program (public roads)

Thema	Doelstelling	Omschrijving	Link naar landenpakket	Trustfund	Landspakket EU	Begroting	Begrotingspost	Cost Center	Project code
A. Financieel Beheer	Het beheersen en op orde krijgen van het financieel beer en het financieel toezicht vanuit de noodzaak om als overheid 'in control' te zijn	Emergency recovery poject (ERP1)	A.5	79,510,000					
E. Economische hervormingen	1)het realiseren van een weerbare en veerkrachtige economie; 2) het realiseren van een robuust sociaal zekerheidsstelsel, dat de prikkels op de juiste plek legt	Connectivity and Resilience Improvement project (CRIP)		36,000,000					
		Emergency Debris management project (EDMP)							
		Emergency recovery poject (ERP1)	A.5	19,850,000					
				99,360,000					

### 3. Draft Budget Service Year 2022

#### 3.1 Government revenues

The table below shows the benefits by revenue category for 2022

<b>BATEN (x NAf1 mln.)</b>	<b>Real 2020</b>	<b>OB 2021</b>	<b>OB 2022</b>
Wage tax	124.8	138.6	138.9
Income tax	5.3	0.1	0.6
Turnover tax for businesses	97.7	110.2	141.6
Turnover tax	20.7	25.9	25.8
Vehicle tax	7.4	10.3	10.3
Lodging tax	2.5	2.0	2.5
Car rental tax	0.4	0.3	0.5
Time Share Fee	1.0	1.2	1.3
Property Transfer tax	7.5	7.2	11.0
Other tax	1.0	2.3	1.6
Increase tax compliance	0.0	0.0	0.0
Excise duty	6.6	9.5	7.0
<b>Totaal Belastingen</b>	<b>274.8</b>	<b>307.5</b>	<b>307.7</b>
Business licenses	0.9	7.7	7.7
Work permits	1.4	1.1	1.1
Building permits	0.8	1.1	1.1
Restaurant license	2.9	0.0	2.9
Residence permits	2.0	1.9	2.0
<b>Totaal Vergunningen</b>	<b>8.0</b>	<b>11.8</b>	<b>14.8</b>
Bank License Fees	15.1	19.5	19.5
Concession fees	6.4	10.5	10.5
BTP result	0.0	1.5	1.5
BIE result	0.0	0.0	0.0
Casino and Lottery Fees	4.9	4.9	4.9
Dividend Government Companies	0.0	0.0	0.0
<b>Total fees and concessions</b>	<b>26.5</b>	<b>36.4</b>	<b>36.4</b>
Casino Controllers	2.2	2.2	2.2
Long lease fees	6.6	5.9	5.9
Other income	20.6	8.1	8.9
<b>Total of other income</b>	<b>29.4</b>	<b>16.2</b>	<b>17.0</b>
<b>Total income</b>	<b>338.7</b>	<b>372.0</b>	<b>409.3</b>



## 3.2 Government expenses

Table 2. Government expenditure by Ministry (in million NAF)

Gewone dienst kosten per ministerie (x NAF 1 mln)		Vermoedelijke realisatie 2020	Budget 2021	Budget 2022	Diff	Regel
<b>Land Sint Maarten totaal</b>	<b>15.3</b>	<b>483.6</b>	<b>612.9</b>	<b>533.5</b>	<b>-79.4</b>	<b>1</b>
41 Personeelskosten	0.3	205.3	196.2	210.2	14.0	2
40 Onvoorzien		0.0	5.7	3.0	-2.7	3
42 Afschrijvingskosten	-0.2	0.0	9.2	8.2	-1.0	4
43 Materiele kosten, goederen en diensten	4.7	106.0	150.1	153.9	3.8	5
43 Rechts en deskundig advies	7.0	1.9	6.5	7.2	0.7	5a
44 Overdrachten en subsidies	4.4	129.3	202.9	106.5	-96.4	6
45 Rente	0.4	12.7	11.6	12.2	0.6	7
47 Sociale voorzieningen	-2.3	25.3	26.4	28.0	1.6	8
48 Studiebeurzen en toelagen	1.1	3.1	4.3	4.3	0.0	9
<b>Parlement en hoge colleges e.d.</b>	<b>2.6</b>	<b>16.0</b>	<b>23.3</b>	<b>25.5</b>	<b>2.2</b>	<b>10</b>
41 Personeelskosten	0.7	13.9	13.4	13.6	0.2	11
43 Materiele kosten, goederen en diensten	2.0	2.0	6.6	7.3	0.7	12
44 Overdrachten en subsidies	-0.1	0.1	3.3	4.6	1.3	13
<b>Ministerie van Algemene Zaken</b>	<b>-4.9</b>	<b>71.3</b>	<b>75.8</b>	<b>79.2</b>	<b>3.4</b>	<b>14</b>
41 Personeelskosten	-1.0	28.0	27.5	27.9	0.4	15
43 Materiele kosten, goederen en diensten	-2.2	24.4	24.9	28.1	3.2	16
43 Huren	-1.7	13.5	13.4	14.9	1.5	16a
44 Overdrachten en subsidies	0.0	5.4	10.0	8.3	-1.7	17
47 Sociale voorzieningen	0.0	0.0	0.0	0.0	0.0	18
<b>Ministerie van Financien</b>	<b>5.5</b>	<b>71.6</b>	<b>161.4</b>	<b>57.0</b>	<b>-104.4</b>	<b>19</b>
41 Personeelskosten	3.6	19.1	20.2	19.9	-0.3	20
40 Onvoorzien		0.0	5.7	3.0	-2.7	21
42 Afschrijvingskosten	-0.2	0.0	9.2	8.2	-1.0	22
43 Materiele kosten, goederen en diensten	1.8	8.7	15.2	13.2	-2.0	23
44 Overdrachten en subsidies	0.0	31.1	99.5	0.5	-99.0	24
45 Rente	0.4	12.7	11.6	12.2	0.6	25
<b>Ministerie van Justitie</b>	<b>-0.1</b>	<b>84.6</b>	<b>82.1</b>	<b>85.3</b>	<b>3.2</b>	<b>26</b>
41 Personeelskosten	-2.5	54.8	48.3	52.1	3.8	27
43 Materiele kosten, goederen en diensten	-0.4	15.8	18.9	17.2	-1.7	28
44 Overdrachten	2.8	14.0	14.9	16.0	1.1	29
47 Sociale voorzieningen	0.4	0.0	0.0	0.0	0.0	30
<b>Ministerie van OCJS</b>	<b>6.4</b>	<b>114.3</b>	<b>118.4</b>	<b>122.3</b>	<b>3.9</b>	<b>31</b>
41 Personeelskosten	-0.3	23.9	26.8	26.7	-0.1	32
43 Materiele kosten, goederen en diensten	6.0	10.0	16.0	18.9	2.9	33
44 Overdrachten en subsidies	-0.3	77.3	71.3	72.4	1.1	34
47 Sociale voorzieningen	0.0	0.0	0.0	0.0	0.0	35
48 Studiebeurzen en toelagen	1.1	3.1	4.3	4.3	0.0	36
<b>Ministerie van VSOA</b>	<b>-4.7</b>	<b>77.7</b>	<b>86.5</b>	<b>94.9</b>	<b>8.4</b>	<b>37</b>
41 Personeelskosten	-2.0	43.5	36.0	44.1	8.1	38
43 Materiele kosten, goederen en diensten	-0.5	8.1	22.7	21.1	-1.6	39
44 Overdrachten en subsidies	0.6	0.8	1.4	1.7	0.3	40
47 Sociale voorzieningen	-2.7	25.3	26.4	28.0	1.6	41
<b>Ministerie van TEZVT</b>	<b>5.1</b>	<b>16.3</b>	<b>25.8</b>	<b>28.8</b>	<b>3.0</b>	<b>42</b>
41 Personeelskosten	1.0	13.1	13.9	14.9	1.0	43
43 Materiele kosten, goederen en diensten	3.0	2.9	10.2	11.7	1.5	44
44 Overdrachten en subsidies	1.1	0.3	1.7	2.2	0.5	45
<b>Ministerie van VROMI</b>	<b>5.0</b>	<b>31.8</b>	<b>39.6</b>	<b>40.5</b>	<b>0.9</b>	<b>46</b>
41 Personeelskosten	0.9	9.0	10.1	11.0	0.9	47
43 Materiele kosten, goederen en diensten	3.8	22.5	28.7	28.7	0.0	48
44 Overdrachten en subsidies	0.3	0.3	0.8	0.8	0.0	49

**Lines 2,11,15,20,27,32,38,43 and 47 Personnel expenses**

The effect of the reduction in personnel costs due to the conditions attached to the liquidity support funds continued in the service year of 2022. The Ministries with the largest increase in personnel costs are the Ministry of Public Health and Labor and the Ministry of Justice.

<b>Personnel expenses per ministry (x NAf 1 mln)</b>					
	<b>Expected realisation 2020</b>	<b>Budget 2021</b>	<b>Budget 2022</b>	<b>Diff</b>	<b>Reason for difference</b>
Parliament and High Councils	13.9	13.4	13.6	0.2	
GA	28.0	27.5	27.9	0.4	
Finance	19.1	20.2	19.9	-0.3	
Justice	54.8	48.3	52.1	3.8	Under Justice an amount of <ul style="list-style-type: none"> <li>• 2.2 mln as retroactive payment for the police and customs etc.</li> <li>• In addition, the subsidy of 1.2 million for the new recruits at Customs and police lapsed.</li> <li>• 1.5 for vacancies</li> <li>• On the other hand, the expenses for overtime have been reduced by approximately 2 mln</li> </ul>
ECYS	23.9	26.8	26.7	-0.1	
Health and Labor	43.5	36.0	44.1	8.1	Cost increase refers to the adjusted budget of 7.9 mln for increased OZR
TEATT	13.1	13.9	14.9	1.0	
VROMI	9.0	10.1	11.0	0.9	
<b>Total</b>	<b>205.3</b>	<b>196.2</b>	<b>210.2</b>	<b>14.0</b>	

In 2022, it has been decided to budget for 5 vacancies per Ministry, with a few exceptions. See table below.

<b>Vacancies per Ministry</b>			
	<b>Vacancies</b>	<b>Budgeted amount</b>	<b>Comments</b>
Parliament	12	1.368.869	
GA	5	547.535	
FIN	10	915.774	The additional vacancies relate to the tax department. part of the Country's Packages.
JUS	13	1.500.507	The additional vacancies relate to MOT/Landsrecherche / HvB.
ECYS	10	692.455	The additional vacancies concern public education
VSA	7	311.122	2 vacancies relate to the Ambulance Service which is always budgeted at full capacity to ensure the service is delivered.
TEATT	5	425.699	
VROMI	7	720.628	
<b>Total</b>	<b>69</b>	<b>6.482.589</b>	

Line 16 Material expenses GA: Increase in rent (+1.5), increase in SLA expenses (+1.3)

Line 17 Transfers and grants GA: Subsidy for temporary bridging PSS (-1)

Line 24 Subsidies: Decrease by € 99 million because the payroll support was cancelled as of September 2021 and not included in 2022.

Line 29 Justice Transfers: End of OVG (+0.4), Increase in Subsidy (+0.7)

Line 33 Material expenses: Increase various projects (+1.5), Increase insurance (+1.1)

Line 34 Transfers of grants ECYS: Increase of subsidy (+1)

Line 41 Social Benefits: Increase in welfare (+1.5)

Line 44 Material expenses TEATT: Increase funds for statistics office studies (+0.8)

### 3.3 Capital Account

For the financial year of 2021, the Netherlands again did not agree to a capital account loan. Despite the urgency of the investments, these will have to be postponed until such time when this type of loan will be possible. It has therefore been decided to postpone a number of investments scheduled for 2021 to 2022.

<b>AN111</b>			Dwellings	350,000.00
<b>AN1121</b>	<b>Non-residential buildings</b>	<b>18,131,000.00</b>		
AN1122	Other Structures	3,145,000.00		
AN1123	Land Improvements	7,300,000.00		
AN1131	AN1131	3,351,700.00		
AN1132	ICT equipment	10,775,000.00		
AN1139	Other Equipment	3,189,160.00		
AN1171	Research and development			
AN11731	Computer Software	26,533,900.00		
AN1222	Other work-in-progress	400,000.00		
Total		73,175,760.00		

The largest amounts for Capital Investments can be found under SNA code AN1121, AN1132, AN1139, AN1171, and AN11731. The tables below explains the largest investments (greater than or equal to NAf 1 mln), by SNA code.

<b>SNA-code AN1121 Non-residential buildings (bedrag in NAf)</b>			
Completion of Prins Willem Alexander School	2.400.000	The Prins William Alexander School is currently under construction. Due to financial constraints, construction has been temporarily halted. It is expected that approximately another 2.4 mln is needed to finish the building.	Country's Package measure G.1
New building for parliament	10.000.000	Currently, NAf 1.7 mln is paid annually in rent. So it is more profitable to purchase a building for 10 mln.	
Phase 2_ New Prison	31.500.000	There is an agreement with Unops and the Netherlands which consists of Sint Maarten contributing 50% of the total cost to build the new prison	Country's Package measure H.21

Based on the current state of the prison and its limited capacity to house inmates, it has been concluded that the Pointe Blanche Penitentiary and House of Detention should be replaced by a new prison to be built to which no opposing arguments exist.

In July 2020, the United Nations Office for Project Services (UNOPS) was contacted and the discussions focused around the specific needs of the prison system on St. Maarten, the critical aspects of the justice chain and the steps to be taken to build a new prison. Since December 2020, the Ministry of Interior and Kingdom Relations (BZK) joined the discussions with UNOPS, partly as a result of an official request for cooperation to State Secretary Knops in October 2020 to improve the detention situation on St. Maarten which resulted in a positive response. The State Secretary has expressed his willingness and he has made it known that he is looking into possibilities to finance part of a preliminary investigation. The Country's Package that the Netherlands agreed with Sint Maarten in December 2020 contains the long- and short-term measures that Sint Maarten needs to implement as a condition for future liquidity support. The H.21 measure in particular states that 'Sint Maarten and the Netherlands will assign UNOPS to conduct a preliminary investigation to arrive at a long-term plan for the detention situation on Sint Maarten'. It has been made known that the Netherlands will finance the amount of EURO 20,000,000. (Twenty million Euros) for the building of a new prison. The total amount included in UNOPS' Rule of Law Infrastructure Proposal is US\$ 39,543,599 (Thirty-nine million five hundred and forty-three thousand five hundred and ninety-nine dollars). The amount that Sint Maarten needs to contribute to is the total amount of the project of US\$ 39,543,599 minus the contribution by the Netherlands of US\$ 23,000,000 (in EURO 20,000,000) which equals to US\$ 16,543,599 (Sixteen million five hundred and forty-three thousand five hundred and ninety-nine dollars). No additional costs and operating expenses have been included in this calculation.

<b>SNA-code AN1123 Land Improvements (amount in NAf)</b>			
Ring Road phase 1	5.000.000	Improving the flow of traffic within St. Maarten's capital city, Philipsburg, is the focus of the "Ring Road" project phase 1	
Hard Surfacing Dirt Roads (Concrete/ Asphalt)	3.000.000	Resurfacing of various existing roads.	

<b>SNA-code AN1132 ICT equipment (amount in NAf)</b>		
Hard & Software (incl. ICT-equipment)	1.750.000	Currently, ICT does not have equipment to replace obsolete equipment. With the startup of the E-governance project, the department needs to have the right equipment. Also, COVID has proven the need for home working has increased tremendously, to make this possible various investments need to be made.

<b>SNA-code AN1139 Other Equipment (amount in NAf)</b>		
Sirens	1.240.000	Placing sirens at key locations is essential to alert the public in the event of a disaster. During Hurricane Irma, several sirens were damaged and need to be replaced. This is part of our disaster risk management policy.
Weather Radar	1.500.000	Under the Interreg Caribes program sponsored by the EU, it was decided by Saint Martin and Sint Maarten to purchase a Weather Radar. The majority is funded by the EU, but Sint Maarten must contribute 25% of the total cost.

<b>SNA-code AN1171 Research and Development (amount in NAf)</b>		
Project Improving Financial Management	10.000.000	The Ministry also aims to improve services to the population. To achieve this, further integration of the administration is a prerequisite as well as solid and stable facilities in the area of utilities and ICT. For Finance, this means improving the planning, organization and coordination of financial processes across all of the departments of government.

<b>SNA-code AN11731 Computer software (amount in NAf)</b>		
Health information system	1.300.000	Management system to gather outline information regarding our health system. This will ensure that better policies and measures can be taken.

Project Reform Taks Office	22.000.000	Purchase of a completely new IT system with more customer-friendly features for taxpayers. The IT system will take care of the integration of the Inspectorate and the Receiver services in terms of work processes, and integrated files of taxpayer data. Provision of portals for tax returns and payments, allowing the taxpayer to fulfill his/her tax obligation more efficiently and the Tax Authority to manage its files better.
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Also included under loans are the amounts of NAF 301.2 mln in repayments and NAF 5.2 mln in granted education loans. The repayments all relate to the 7 tranches that have already been received as liquidity support from the Netherlands. All of these loans must be repaid in 2022. In addition, there is an amount of Naf 32 mln (EUR 15 mln) included as capital income that relates to funds to be received by the country, via the TWO, for the Financial Management project and for the restructuring of the Tax Administration.

### 3.4 Overview of the loans

<b>Summary Loans Overview (amount in NAf)</b>			
<i>Beginning balance of loans at the beginning of January 2022</i>			<i>1.080.157.248</i>
	Refinancing existing Liquidity Support	292.400.000	
	Liquidity Support 2022	124.141.630	
	Loan for Capital Expenditures	67.590.020	
<i>Required loan for all of 2022</i>			<i>484.131.650</i>
<b>Total Loans</b>			<b>1.564.288.898</b>
<i>Repayments for 2022</i>			<i>-301.190.516</i>
<b>Ending balance of loans at the end of December 2022</b>			<b>1.263.089.382</b>

As mentioned before, the 7 tranches of liquidity support received in previous years must be repaid in 2022. Given the country's current financial situation, the possibility of refinancing or waiving these loans will be examined. Furthermore, in order to be able to finance the capital account, a loan worth of NAf 65.8 mln will have to be taken out, and liquidity support will have to be requested again to cover the expected budget deficit of NAf 124.1 mln.



### 3.5 Public Companies

The negative effects of the COVID-19 crisis also affected the financial situation of public companies. In 2020 they also had to use their reserves and there were negative results across the board. We expect that for some of these companies this will continue in 2022. The negative results of recent times are not expected to have a direct effect on the functioning of the government. Where possible, government entities have also implemented cost cuts to absorb the shocks caused by COVID-19 and measures have been taken to improve the deteriorating liquidity positions. The main government entities are briefly discussed below.

1. GEBE: The financial situation at GEBE is currently still good. No immediate concerns about the liquidity position and solvency. A positive result is expected to be achieved in 2020. For 2021, options for taking out a new loan for capital investments and strengthening cash flow are being explored.

2. TELEM: As of July 2020, Telem could take out a new loan to strengthen cash flow and finance capital investments. In 2020, the government also paid a large portion of its arrears to Telem. These developments have resulted in an improvement in the liquidity position of the company. The government will continue to closely monitor developments in 2021 and 2022.

3. HARBOR: The preliminary result for 2020 was less negative than initially expected due to cost cuts and improved transit and fuel revenues. Liquidity is expected to decline rapidly in 2021 and available reserves will have to be used. The Harbor is in negotiations with bondholders to defer payment of repayments and interest, which will help cash flow in the short term. Full recovery is currently expected in 2023.

4. WINAIR: The airline industry took very big hits during the current COVID-19 crisis. However, at the end of 2020, Winair was able to secure a \$3 million loan from the Netherlands to strengthen cash flow and pay for ongoing costs. Without this loan, 2021 would have been a particularly difficult, if not impossible, year to bridge. It is expected that the loan received will be sufficient to survive the coming year and that there will be no further risks to the government of Sint Maarten with respect to Winair.

5. PJIA: Preliminary results for 2020 show a large negative result and a negative result is also expected for 2021. However, it is not expected that this will entail any direct risks for the government, partially due to the accumulated reserves of PJIA. Due to the inflation, additional funding may be required through a possible loan or donation from the World Bank and/or the

European Investment Bank for the reconstruction project of the airport. Risk remains that if economic developments are disappointing, the airport may need a loan for operational purposes.

6. POST NV: The financial situation at POST NV is currently not quite up to par. They are implementing various measures to improve the financial situation. At this moment it is not yet visible what the impact will be of the measures yet to be implemented.