

Social Economic Initiative (SEI)

Sint Eustatius

Implementation plan

“the historic gem”

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Chapter 1: Introduction

Background

The Social Economic Initiative (SEI) of St. Eustatius approved in July 2007 by the Executive Council and the Island Council of St. Eustatius, was subsequently approved by the Kingdom Council of Ministers on October the 5th 2007. The SEI is intended to ensure a proper financial and economic foundation is laid for a sustainable future at the time the new constitutional status of the island becomes into effect.

In the "Hoofdlijnenakkoord" of November 2005, it was agreed that each entity of the Netherlands Antilles will establish a policy agenda for social and economic measures. In the "Slotverklaring" of November 2, 2006, the SEI was given a crucial position regarding debt relief and acquiring the new status.

This SEI implementation plan sets the policy agenda for the next period, beginning with the transition phase and likely ending during the new status. The implementation of the measures is primarily scheduled for 2008 and 2009, with some measures also extending into 2010.

Measures in 4 policy areas

In the approved SEI St. Eustatius the measures and projects are part of the following specific areas of policy intervention:

1. Tourism development
2. Small and medium-sized enterprises
3. Infrastructure and logistics
4. Spatial planning and protection of nature

In each policy area measures must meet the SMART criteria, which means they must be Specific, Measurable, Achievable, Relevant and Time Framed. The measures in the SEI entail both reform measures as well as supporting measures (investment impulses and social security). The costs mentioned in this SEI implementation plan are indicative. Project proposals will be submitted by the Executive Council of the island to USONA for evaluation and approval. The actors for the different measures are always institutions of the island government. They are in charge of making sure that project-proposals are written, measures are executed and they advice the Executive Council on the measures. The stakeholders are going to be informed and can participate within the process of a specific measure.

Structure of this implementation plan

Following this introduction, Chapters 2 through 5 will elucidate on each policy area including discussion of the individual policy measures and their objectives. The planning and financial consequences will also be included. Chapter 6 provides an overview of all the measures, projected timing of realisation, and some additional financial information. Chapter 7 will contain information about the implementation procedures at (U)SONA for the SEI, which is a part of the complete "Samenwerkingsprogramma" between St. Eustatius and the Netherlands.

Chapter 2: Tourism development

Analysis in SEI

St Eustatius offers some attractive options for a certain type of tourist. Nature, cultural history, diving and the relaxed atmosphere are certainly strong selling points for attracting tourists. Also the special relationship with the USA (St. Eustatius was the first territory that recognized the USA) can be an asset when it comes to the American tourist. Stay-over tourists offer the best benefits for the economy of St Eustatius.

Policy objective in SEI

- Increase in stay-over and transit tourists of a certain type: high-end, highly educated and sensitive to preserving nature and culture.

Proposed measures in SEI

1. Appointing an investment officer for a period of 2 years to facilitate and promote the establishment of high-quality accommodations and leisure activities to attract the high-end tourist.
2. Increase in promotion activities for the tourist product of St Eustatius (marketing aimed at the target groups). This will be done by providing additional financial support to the Tourism Bureau for a period of 2 years.
3. Development of additional air and sea lift through stimulation of private sector initiatives and provision of necessary facilities.
4. Enforce minimum quality standards for accommodations and service provided by hotels. To this end, the government will – in cooperation with the hotel sector – draw up a set of minimum quality standards for hotel rooms and service provided by the hotels. The government will actively see to it that the minimum standards are met by inspecting regularly. If needed, the expertise of the Koninklijke Horeca Nederland could be requested.

Activities SEI Implementation plan

Measure: 1. Appoint an investment officer for 2 years (see also measure 5 from chapter 3)

Total cost: 250.000 ANG (from this chapter, and 160.000 from chapter 3)

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Describe the function and the profile of the investment officer	The function description will make clear which tasks, responsibilities and objectives/financial targets the investment officer has or must meet. The profile will make clear what knowledge, education, experience and other competencies are searched for.	Function description and profile	2 nd quarter 2008	0	Departments of Economic Affairs and Personnel Affairs	Tourism Development Foundation, Business Community (STEBa/SEF)
Recruitment of the investment officer	Description of the vacancy and publication in relevant channels (newspapers, internet). The scope of publication should at least be as wide as the countries within the kingdom of the Netherlands.	Several qualified candidates for the function	3 rd quarter 2008	10.000	Departments of Economic Affairs and Personnel Affairs	Tourism Development Foundation, Business Community (STEBa/SEF)

Appointment of the investment officer	Followed by a transparent application process, the choice of an investment officer will be taken.	Appointment of the investment officer for 2 years	4 th quarter 2008	240.000	Departments of Economic Affairs and Personnel Affairs	Tourism Development Foundation, Business Community (STEB/SEF)
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Measure: 2. Increase in marketing funds and promotion capacity of Tourist Bureau for 2 years

Total cost: 625.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Determine success rate of the marketing strategy	The investment of creating or refreshing the marketing strategy should result in much more revenues. Choose the balance between costs and revenues (1:4). Formulate the way of monitoring (e.g. through immigration and hotel data).	Success rate & idea for monitoring	2 nd quarter 2008	0	Tourism Development Foundation	Department of Economic Affairs, Hotel and Leisure sector, business community (STEB/SEF)
Recruitment and appointment of extra personnel capacity	Describe the function and the profile of the extra personnel capacity. This person should assist with refreshing the marketing strategy.	Extra personnel capacity	2008-2009	125.000	Tourism Development Foundation	Department of Personnel Affairs, Hotel and Leisure sector, business community (STEB/SEF)
Refresh the marketing strategy by updating the Promotion and Marketing Plan 2005-2008	The Integrated Sustainable Promotion and Marketing Plan 2005-2008 must be updated. The refreshed marketing strategy will make clear what the target groups (stay-over/transit/day-tripper) and target regions (USA/Netherlands/etc.) are. A strategy how to attract, convince and keep those tourists on Statia is important to have, to utilize the funds for the Tourist Bureau in the best way.	Marketing strategy and updated Promotion and Marketing plan	2 nd quarter 2008	0	Tourism Development Foundation	Immigration office, Hotel and Leisure sector, business community (STEB/SEF)
Use of funds for marketing channels	Based on the marketing strategy it will be decided how much is needed for each marketing channel. In the updated Integrated Sustainable Promotion and Marketing Plan choices have to been made in relation to the available budget (see column right)	Website, brochures, representations in foreign countries, etc.	2008-2009	500.000	Tourism Development Foundation	Department of Economic Affairs, Hotel and Leisure sector, business community (STEB/SEF)

Measure: 3. Development of additional air and sea lift through stimulation of private sector initiatives and provision of necessary facilities.

Total cost: 75.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Inventory of necessary air & sea lift	It is important to know the figures about the necessary additional sea & air lift, before you start with formulating the strategy's how to get those. What is the present market and what growth is expected the next five years?	Figures of necessary additional air & sea lift	2 nd quarter 2008	15.000	Department of Economic Affairs	Airport department, Tourism Development Foundation, Business community (STEBA/SEF)
Develop additional air lift by use of several possibilities	Formulate a strategy on how best to attract additional air lift. The possibilities are: 1. improvement of Winair airlift, 2. Opportunities of other airlines (including Seaplanes), 3. Own privately owned local airline. The Dutch ministries of Economic Affairs and Transport & Water can be approached to advice on such a strategy.	Concrete proposals for additional air lift	3rd quarter 2008	40.000	Department of Economic Affairs	Airport department, Tourism Development Foundation, Business community (STEBA/SEF), Winair, DAE
Develop additional sea lift by use of several possibilities	Formulate a strategy on how best to attract additional sea lift. The Dutch ministries of Economic Affairs and Transport & Water can be approached to advice on such a strategy.	Concrete proposals for additional sea lift	3rd quarter 2008	20.000	Department of Economic Affairs	Harbour master, Tourism Development Foundation, Business community (STEBA/SEF)
Stimulate and facilitate private sector	Develop schemes by which the government can stimulate and facilitate the private sector (e.g. which red tape can be removed on this subject).	List of stimulation and facilitation options	4 th quarter 2008	0	Department of Economic Affairs	Airport department, Harbour master, Tourism Development Foundation, Business community (STEBA/SEF)

Measure: 4. Develop legislation, policy guidelines and the enforcement of minimum quality standards for hotels and restaurants

Total cost: 50.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Execute a quick scan of actual quality standards	In close consultation with the local hotel sector, ask "Koninklijke Horeca Nederland" to do this quick scan and come up with recommendations on legislation/enforcement of minimum quality standards.	Report of the quick scan	2 nd quarter 2008	20.000	Tourism Development Foundation	Hotel and restaurant sector, Department of Economic Affairs, Koninklijke Horeca Nederland
Set minimum quality standards	By using the quick scan and based on the target groups as described in the marketing strategy, minimum quality standards will be set. Copying the standards of the Caribbean Tourism Organization is an option.	Minimum standards	3rd quarter 2008	20.000	Department of Economic Affairs	Tourism Development Foundation, GGD, Department of Physical Planning & Development, horeca sector, Kon.Horeca NL

Secure upholding of the legislation and policy guidelines	Legislation is only effective when it's upheld. The Tourism development Foundation may consider appointing an inspection officer, who regularly sees to it that quality standards are met.	Plan to uphold legislation	3rd quarter 2008	10.000	Department of Physical Planning & Development, GGD	Department of Economic Affairs, Tourism Development Foundation, hotel and restaurant sector
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Links to other policy areas or programs

The tourism marketing strategy and additional air and sea lift has direct links to the policy areas Infrastructure and logistics; in particular harbor and airport infrastructural improvements. For the air and sea lift activity, a link with the investment officer (also measure in Small- and Medium Enterprises, chapter 3) is also present. The efforts in instituting quality standards also relate to initiatives within Small- and Medium Enterprises, including the guarantee fund and on the job training.

Another link of this policy area is with the Education component of the "Samenwerkingsprogramma", which is coordinated by Central Government, because training of personnel plays an important part in reaching minimum quality standards.

Measures or activities already covered by other initiatives

None

Risks

- A new strategy should contain the good parts of the current one. You don't want to loose the tourists you already have (now hiking, diving and historic). If the target groups or market-segments aren't specific enough, it's possible that St. Eustatius isn't able to make clear why The Historical Gem is different than other Caribbean Islands and worth a visit.
- In addition to the first bullet point, the failure to present a comprehensive package of experiences to the target market, could result in segmented approaches. Complementing products must be brought into relation with each other and efforts for quality improvements must be expended in all areas simultaneously.
- The necessary level of quality of accommodation, transport, personnel, etc. should be a realistic aim in terms of (financial) resources and possibilities.
- The efforts in the SEI to attract new hotel investment, the efforts to improve the infrastructure and the efforts for quality improvements, all have a delayed reaction. The marketing efforts could result in an earlier response, with tourists not meeting their expectations. As such the improvements must be accelerated as much as possible.

Chapter 3: Small and medium-sized enterprises

Analysis in SEI

The development of the small and medium-sized enterprises (SME) sector is an important way to increase (youth) employment and stimulate entrepreneurship among the local population. It creates a perspective for making a reasonable living on the island, which mitigates social decay and emigration.

Policy objectives in SEI

- Attract to the island and stimulate SME's (light and clean industrial) to be established by the local population in relation to the tourist sector, the logistical sector and the oil terminalling sector.
- Privatization of the harbor and airport
- A shift in employment from the public to the private sector.
- To professionalize the facilitation of foreign investors.

Proposed measures in SEI

1. Create a (revolving) guarantee fund with the purpose of stimulating quality improvements in the tourist sector. Commercially obtained loans by companies in the tourist sector can (partially) be guaranteed by this fund. Maximum risk guarantee is ANG 300.000. The Economic Development Foundation will manage this fund.
2. Establishment of a (revolving) micro-enterprise fund for the SME sector. Maximum loan amount is ANG 25.000.
3. Development of entrepreneurship (training and education). This will be covered by, among others, the education program.
4. Facilitate (on-the-job) training in the private sector. The education program, among others, will cover this.
5. Appoint an investment officer for the period of two years to facilitate foreign direct investments and joint ventures (see also section 2.1).
6. Improve the procedure for obtaining business licenses by assessing the procedures and arrangements regarding licenses in terms of their consistency and necessity. It is desired that for this assessment the Netherlands will provide expertise through the ministry of Finance and Economic Affairs.
7. Attain the necessary expertise to support the privatization process of the Harbor and Airport.

Activities SEI Implementation plan

Measure: 1. Financing of a Loan Guarantee Facility for SME's in the tourist sector

Total cost: 550.000 ANG (max. individual risk = 300.000)

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Specify the purpose of stimulating quality improvements in tourist sector	The targets of the tourist sector, as described in the marketing strategy, have to be clear. Also the way these targets are fulfilled by the quality improvements have to be worked out. This option for quality improvements focuses on the hardware (e.g. buildings, kitchen, landscaping etc.). The initial targets are pre-existing horeca businesses.	The improvements and targets that are served.	2 nd quarter 2008	0	Economic Development Foundation to be established	Department of Economic Affairs, Tourism Development Foundation, business community (STEB/SEF)
Describe organization and funding	Make clear which actors are responsible for which tasks of this measure. Sign an agreement with the funding institution. Grant guarantees based defined conditions	Organogram with tasks and actors. Agreement about funding	3 rd quarter 2008	15.000	Economic Development Foundation to be established	Department of Economic Affairs, Tourism Development Foundation, business community (STEB/SEF)
Execution of the guarantee program	Loans can be attained by horeca businesses and others within the tourist sector.	Several loans a year	1 st quarter 2009	535.000	Economic Development Foundation to be established	Department of Economic Affairs, Tourism Development Foundation, business community (STEB/SEF)

Measure: 2. Establish of a (revolving) micro-enterprise fund for the SME sector

Total cost: 190.000 ANG (max. loan amount = 25.000 per loan)

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Brainstorm session	Clearly define anticipated goals, guaranteeing authority and administrative organization, collateral, identifying target groups and collaboration local banks. The Dutch ministry of Economic Affairs can be approached to advice on such a strategy.	Brainstorm summary	4 th quarter 2008	0	Economic Development Foundation to be established	business community (STEB/SEF)
Research of needs per sector	Business improvement, business expansion and new enterprises. The Dutch ministry of Economic Affairs can be approached to advice on such a strategy.	Inventory list of needs	1 st quarter 2009	0	Economic Development Foundation to be established	business community (STEB/SEF)
Secure involvement and commitment of local lending institutions	Organize meetings with the local lending institutions and try to achieve commitment.	Memorandum of understanding	2 nd quarter 2009	0	Economic Development Foundation to be established	local lending institutions
Write the proposal for the micro enterprise fund.	Administrative organization, eligibility, conditions, procedures and funding.	Complete loan guarantee construction	3 rd quarter 2009	0	Economic Development Foundation to be established	public & business community (STEB/SEF)

Execution of the micro enterprise fund.	The SME-sector can start with using the possibilities of the fund.	Micro enterprise fund	4 th quarter 2009	190.000	Economic Development Foundation to be established	public & business community (STEBA/SEF)
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Measure: 3. Development of Entrepreneurship (training, education and coaching)

Total cost: 125.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Make an inventory of necessary training needs	Which training is already available (maybe also on St. Maarten, check the Small Business Development Foundation and in particular SESNA-activities) for entrepreneurship? Determine how big the target group of (potential) entrepreneurs is. What do you have to offer extra in training courses? (E.g. career enhancement, career preparations, construction courses). If a Small and Medium Enterprises (SME) strategy is available, the results of this activity should fit in that.	List of extra training possibilities	2nd quarter 2008	0	Department of Education /Department Economic Affairs	Business community (STEBA/SEF)
Execution of the trainings / education	Based on the list of training, develop a small training, education and coaching program especially for entrepreneurship. Start with the trainings / education. Set targets and monitor these for all participants.	Improvement of the knowledge and competences of trained people	2008-2009	125.000	Department of Education / Department of Economic affairs	Business community (STEBA/SEF)

Measure: 4. Facilitate on-the-job training

Total cost: 125.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Make an inventory of the target group	In which kind of work and with which ages is a demand for on-the-job training. Which is the target group who is selected for the facilitations.	Amount of possible participants	2 nd quarter 2008	0	Department of Education/ Department of Economic affairs	School board, Business community (STEBA/SEF)
Make agreements with several company's	Based on the target group, make appointments with several interested company's. Make agreement s on how to facilitate the on-the-job training.	List of participating company's	3 rd quarter 2008	0	Department of Education/ Department of Economic affairs	School board, Business community (STEBA/SEF)
Execution of the on-the-job training	The on-the-job-training should become operational and effective by delivering well-trained employees.	Well trained employees	2008-2009	125.000	Department of Education/ Department of Economic affairs	School board, Business community (STEBA/SEF)

Measure: 5. Appoint an investment officer for 2 years (see also measure 1 from chapter 2)

Total cost: 160.000 ANG (from this chapter, and 250.000 from chapter 2)

All the activities, results, planning, actors and stakeholders are described in measure 1 of chapter 2. Part of the salary and other costs is financed through this chapter.

Measure: 6. Improve the procedures for obtaining business licenses

Total cost: 0 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Inventory of business forms and procedures	An overview of all business forms and procedures which are presently part of the process of obtaining licenses is needed.	Overview procedures and forms	1 st quarter 2008	0	Department of Economic Affairs	business community (all sectors and STEBA/SEF)
Proposals for simplifying procedures	With the stakeholders, the actor should brainstorm on and write proposals for simplifying the procedures. For the various business forms (eenmanszaak, NV, BV) prepare clarifying policies. Design policies regarding the extent of purposes of the various legal entities	(Approval of) Proposals for simplification and clarification	2 nd quarter 2008	0	Department of Economic Affairs	business community (all sectors and STEBA/SEF)
Communication plan in case of procedures of licenses	Communication to the stakeholders of the new situation is necessary for awareness.	Communication plan	3rd quarter 2008	0	Department of Economic Affairs	business community (all sectors and STEBA/SEF)

Measure: 7. Attain the necessary expertise to support the privatization process of the Harbor and Airport.

Total cost: 350.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Attain expertise to support the complete privatization process of the harbor	Make clear what kind of expertise is needed by describing the profile. An external consultant will be attracted to develop this strategy by way of a public tender. The scope of publication of this tender should be at least as wide as the countries within the kingdom of the Netherlands, but preferable wider (USA and Caribbean). This external consultant will work with the relevant governmental departments in the execution of the privatization process	Engage expertise	3 rd quarter 2008 – 3rd quarter 2009	150.000	Department of Economic Affairs	Harbor master, Finance department Planning bureau, Dutch Ministries of Transport & Water and Economic affairs.
Evaluate the recommendations in the Harbor report and the signed letter of intent	In 2006 Royal Haskoning wrote the Harbor report and by the end of 2006 a letter of intent is signed between the island government and the Curacao Port Authority for privatization of the Harbor. This has to be evaluated. The Dutch ministries of Transport and Economic Affairs will be contacted to advise in this matter.	Overview of the advantages, disadvantages and risks	4 th quarter 2008	0	Department of Economic Affairs	Harbor master, Finance department, Planning bureau, Dutch Ministries of Transport & Water and Economic affairs.

Describe an action plan for privatization of the harbor	A time-schedule and all the different actors are part of the action plan. This step-by-step plan has to make clear how to deal with the disadvantages/risks (threats and weaknesses) and how to fully take advantage of the chances and opportunities.	Action plan private-ization Harbor	1 st quarter 2009	25.000	Department of Economic Affairs	Harbor master, Finance department Planning bureau, Dutch Ministries of Transport & Water and Economic affairs.
Execute the privatization process of the harbor	The external consultant will work with the relevant governmental departments in the execution of the privatization ("verzelfstanding") process.	Privatized Harbor	2 nd quarter	0	Department of Economic Affairs	Harbor master, Finance department Planning bureau, Dutch Ministries of Transport & Water and Economic affairs.

Attain expertise to support the complete privatization process of the airport	Make clear what kind of expertise is needed by describing the profile. An external consultant will be attracted to develop this strategy by way of a public tender. The scope of publication of this tender should be at least as wide as the countries within the kingdom of the Netherlands, but preferable wider (USA and Caribbean).). This external consultant will work with the relevant governmental department in the execution of the privatization process	Engage expertise	3 rd quarter 2008 – 3 rd quarter 2009	150.000	Department of Economic Affairs	Dutch Ministries of Transport and Economic affairs, Airport department, Finance department Planning bureau
Evaluate the recommendations in the Airport report	In 2006 IMD wrote the Airport report where they mention the privatization of the Airport as an option. This has to be evaluated. The Dutch ministries of Transport and Economic Affairs will be contacted to advise in this matter.	Overview of the advantages, disadvantages and risks	4 th quarter 2008	0	Department of Economic Affairs	Airport department, Finance department Planning bureau, Dutch Ministries of Transport and Economic affairs
Describe an action plan for privatization of the airport	A time-schedule and all the different actors are part of the action plan. This step-by-step plan has to make clear how to deal with the disadvantages/risks (threats and weaknesses) and how to fully take advantage of the chances and opportunities.	Action plan privatization on Airport	1 st quarter 2009	25.000	Department of Economic Affairs	Airport department, Finance department Planning bureau, Dutch Ministries of Transport and Economic affairs.
Execute the privatization process of the airport	The external consultant will work with the relevant governmental departments in the execution of the privatization ("verzelfstanding") process.	Privatized Airport	3 rd quarter	0	Department of Economic Affairs	Airport Department, Finance department Planning bureau, Dutch Ministries of Transport & Water and Economic affairs.

Links other policy areas or programs

The loan guarantee facility is focusing on the tourist sector and has therefore a link with that policy area.

Another link of this policy area is with the Education-part of the "Samenwerkingsprogramma", which is coordinated by Central Government, measure 3 and 4 should be a supplementation to, and in balance with this program.

Measures or activities already covered by other initiatives

None

Risks

- Measures 1 and 2 creating both financing possibilities for companies. Both measures have specific objectives and therefore these possibilities should be clearly separated from each other to avoid overlap in the financing schemes. Inefficiency, by walking completely different paths in the organization of these measures is another risk.
- By privatization of the airport and harbor everybody should be aware of the risk of a conflict of interest for any possible participant in the process.
- By the separate privatization processes, maybe the funds aren't sufficient for expertise. The combination of both privatization exercises in one will likely result in (cost) efficiencies and should be considered.

Chapter 4: Infrastructure and logistics

Analysis in SEI

The quality of the infrastructure is currently hampering economic development on St. Eustatius. First, the harbor is not protected. The strong waves which makes it sometimes difficult for the ships and yachts when they call at the port. There is also the possibility to develop a section of the harbor for (mega) yachts, marina, which would increase the attractiveness for this kind of high-end tourism.

Airlift is crucial to tourism development. The airport terminal is outdated and does not comply with international quality standards. It also cannot accommodate an increased tourist flow. The runway and parking area can be upgraded to facilitate larger aircrafts and the possibilities for fuelling, aircraft mechanics and logistical services still need to be developed.

The road network is in need of upgrading to improve the movement of the growing resident population, to ensure safe access especially for the (seniors) citizens, and to facilitate tourists and cargo transport to and from the harbor and airport. Furthermore, initiatives to secure consistent and healthy water supply must be intensified to realize an island-wide water distribution network

Policy objectives in SEI

- Upgrade infrastructure of harbor and airport related to their respective economic potentials and the accessibility of the island.
- Upgrade infrastructure on the island related to population growth the development of the tourism and small-business sector and safety.
- Upgrade the telecommunication network to support economic development
- Execution of a water distribution network

Proposed measures in SEI

1. During the SEI period the first phase of the adaptation and expansion of the harbor will be realized, based on the Royal Haskoning report.
2. Upgrading of the road network. For the SEI agenda, this entails the construction of a new road (Nieuwe Havenweg) to be able to direct the heavy trucks away from the tourist area.
3. Rehabilitation of the beach at Oranje Baai, construction of artificial reef balls and snorkel trail. This will be carried out in close cooperation with STENAPA.
4. Upgrading of telecommunication, through the initiatives of the already privatized (wholly-owned) telecommunication company Eutel.
5. The installation of a water distribution network. This will be funded through the European Development Fund.
6. The development of an airport terminal based on the report drafted in the DEO program. The financial arrangement of the development of the airport terminal will be further looked at by a financial expert, but must be based on a public-private partnership (PPP) arrangement. SEI funds can also be used for the development of the PPP construction. Maintenance of the airport terminal cannot be financed with SEI funds.

Activities SEI Implementation plan

Measure: 1. First phase of adaptation and expansion of the harbor

Total cost: 5.000.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Formulate aims for the Statia harbor	The scope of the harbor project must be completely clear, before a lot of money (40% of the complete SEI budget) is invested. The Royal Haskoning report describes the complete project. There will be consultation on this scope with the Dutch government.	Scope Harbour	2 nd quarter 2008	0	Harbor department / Planning-bureau	Department of Physical Planning & Development, Finance department, Department of Economic Affairs, Dutch Ministry of Transport & Water, (future) business partners
Make decisions about Harbor plans	Prioritization is needed because the complete Harbor plan is estimated at 22 million dollar. Prioritize between: Extending the main breakwater, Extending the pier, Coast rehabilitation, Docking for free-zone trade; Docking for yachts, Acquiring Land. The choice should fit in the scope of the harbor on the long term. Also the planned privatization has to be taken into consideration. Decisions are made in close consultation with the Dutch government.	Project-proposal	4 th quarter 2008	0	Harbor department / Planning-bureau	Department of Physical Planning & Development, Finance department, Department of Economic Affairs, Dutch Ministry of Transport & Water, (future) business partners
Execute Harbor plans	The tender should be written and the construction supervisor should be contracted. The first phase is going to be executed.	Upgrade d Harbor	2 nd quarter 2009	5.000.000	Harbor department / Planning-bureau	Department of Physical Planning & Development, Finance department, Department of Economic Affairs, Dutch Ministry of Transport & Water, (future) business partners

Measure: 2. Construction new harbor road to create an alternative route for heavy traffic (Nieuwe Havenweg)

Total cost: 750.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Check final project of harbor and scope of the harbor	The new harbor road should perfectly fit the plan of adaptation and expansion of the harbor. There will be consultation on this with the Dutch ministry of Transport & Water.	Relation with Harbor project	2 nd quarter 2008	0	Department of Physical Planning & Development	Planning bureau, Harbor department, Dutch Ministry of Transport & Water,

Study on new harbor road	The feasibility of the construction of this new road has to be studied on. Also the stages which are needed to succeed. E.g. buying land is probably the first stage in the process of execution. The building of a cargo lift from the lower harbor area to upper levels will also be considered.	Report of the study	3rd quarter 2008	50.000	Department of Physical Planning & Development	Planning bureau, Harbor- and finance department, Dutch Ministry of Transport & Water,
Execute new harbor road	The harbor road, or the preliminary stages is going to be executed. The new spatial development plan should also be taken into account before execution is started.	The new road	1 st quarter 2009	700.000	Department of Physical Planning & Development	Planning bureau, Harbor- and finance department, Dutch Ministry of Transport & Water,

Measure: 3. Rehabilitation of the Oranje Baai beach, construction of artificial reef balls and snorkel trail in close cooperation with STENAPA

Total cost: 750.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Oranje Baai Beach development	Step-by-step plan for development of the Oranje Baai Beach. There will be consultation on this with STENAPA and the Dutch government (the possibilities of developing the beach are mentioned in the Royal Haskoning report of the Harbor)	Step-by-step plan	4 th quarter 2008	100.000	Department of Physical Planning & Development	STENAPA, Planning-bureau, Harbor department, Dutch Ministry of Agriculture, Nature & Food quality, Dutch Ministry of Transport & Water
Decide on Reef Balls and snorkel trail	Decide if this plan is realistic and if it can completely be financed (this plan is worked out in the study of Mr. L. Harris)	Go or no go Reef Balls project	1 st quarter 2009	650.000	Department of Physical Planning & Development	STENAPA, Planning-bureau, Harbor department, Dutch Ministry of Agriculture, Nature & Food quality, Dutch Ministry of Transport & Water

Measure: 4. Upgrading of telecommunication, through the initiatives of the already privatized (wholly-owned) telecommunication company Eutel.

Total cost: 0 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Make clear what initiatives are planned	At this moment it is unclear what kind of initiatives are planned and how they're going to be financed.	Pre-identification study	2 nd quarter 2008	0	Eutel	Department of Economic Affairs, Finance department

Measure: 5. Installation of water distribution network

Total cost: European Development Fund

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Start execution of plans from the 9 th EDF	Knowledge of relevant procedures is important to start. When the funding of 13,5 mln. ANG through the 9 th European Development Fund is assured (this is when the financing agreement is signed), the execution can be started.	(Part of) the water distribution network	2 nd quarter 2009	EDF	Department of Physical Planning & Development / Planning-bureau	public & business community (STEB/SEF), Dutch Ministry of Transport & Water, Dutch Ministry of Internal Affairs & Kingdom relations

Measure: 6. Development of a new airport terminal based on a public private partnership.

Total cost: 2.500.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Decisions about IMD report airport Statia	The IMD report of April 2007 has detailed plans for an airport terminal building. Drawings prepared by PREAM Consultants are in final stages of design. The decision of go/no-go with the other parts of the plan should be taken, because it can affect the decision on the airport terminal.	Go/No-go decision other parts plan IMD	2 nd quarter 2008	0	Airport department / Planning-bureau	Department of Physical Planning & Development, Dutch Ministry of Transport & Water
Explore Public-Private partnerships (PPP)	The IMD report of April 2007 will serve as a basis for this. The exploration can be carried out by an external financial expert. E.g. maybe Princess Juliana airport is an option for cooperation.	Opportunities PPP	2 nd quarter 2008	25.000	Airport department / Planning-bureau	Department of Physical Planning & Development, Dutch Ministry of Transport & Water
Decisions about the plans for terminal building	From several proposals of the new airport terminal, one design should be chosen. Drawings are being prepared by PREAM Consultants and are in final stages of design.	Chosen design airport terminal	3 rd quarter 2008	0	Airport department / Planning-bureau	Department of Physical Planning & Development, Dutch Ministry of Transport & Water
Describe an airport zone plan	Based on the spatial development plan, describe all areas of the airport and their function.	Airport zone plan	4 th quarter 2008	0	Airport department / Planning-bureau	Department of Physical Planning & Development, Dutch Ministry of Transport & Water
Construct new terminal building	Execute the construction of a new terminal building	New airport terminal building	3 rd quarter 2009	2.475.000	Airport department / Planning-bureau	Department of Physical Planning & Development, Dutch Ministry of Transport & Water

Links other policy areas or programs

All measures are having direct links to the policy area Tourism Development, because of the improving on the long term of the island Infrastructure. For the airport and harbor links with the measures about air and sea lift activity and privatization of the harbor and airport are important (chapter 3). A link with the investment officer (measure in chapter 2 and 3) is also present.

Infrastructure works are also direct connected to the spatial development (chapter 5), especially major projects like the harbor and airport.

Measures or activities already covered by other initiatives

Initiative	Activity	Description Initiative	Result	Planning	Costs (ANG)	Actor	Stakeholders
Quick wins	Repairs Harbour	Dutch repair funds Lenny through USONA weren't enough to cover the costs, these quick wins will complete the funding.	Fully functional harbor	2007	350.000	Island government	Dutch Ministry of Transport & Water
Quick wins	New roads	Expansion of the road-network in residential areas.	New roads	2007	750.000	Island government	Dutch Ministry of Transport & Water
Island Government	Airport Drawings & Design	The technical drawings and design for new airport terminal prepared by PREAM Consultants	New Airport Terminal	2008	80.000	Island government	Island government

Risks

- The "Planningbureau" and the Department of Physical Planning & Development of the Island Government must be able to plan, monitor and support these main infrastructure projects. The planning of the new roads, the construction of the new airport terminal, the Oranje Baai Beach/Reefballproject, the water distribution network and the repairs/expansion of the Harbour have to be balanced to each other.
- Some disturbing new insights on the "success" of the use of Reefballs or even on the problems for the sea life makes a further study to these reports necessary, otherwise the risks of possible negative effects are too high.

Chapter 5: Spatial planning and protection of nature

Analysis in SEI

St Eustatius has a vision for spatial planning on the island, but this is not yet worked out in a spatial development plan or zoning plan. Anchoring the spatial vision in a specific framework will ensure a balance between economic development, residential development, recreation and the environment. Also additional measures are necessary to protect the island from erosion and deforestation.

Another social issue is the problem of inadequate waste collection and the lack of a sewage system, which puts a burden on the ecological environment of the island.

Policy objectives in SEI

- Protection of the natural environment in light of the enhanced economic development.
- Reduction of the level of erosion
- Improvement of waste collection services on the sewage system

Proposed measures in SEI

1. Development, in close cooperation with stakeholder, of an Island Masterplan and related Spatial Development Plan. It is proposed that the Netherlands will provide the necessary expertise to develop the Spatial Development Plan. The Spatial Development Plan will be finished by the 1st quarter of 2008.
2. Implement measures against erosion, which means the development of water catchments, reforestation and stone wall retention. This will be done in close cooperation with STENAPA.
3. Invest in waste management system through a public-private partnership. A plan is being developed for a sustainable and commercially viable waste management system with surrounding islands.
4. Development of a sewage system.

Activities SEI Implementation plan

Measure: 1. With the help of the Netherlands develop a Master plan and spatial development vision and plan.

Total cost: 200.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Step-by-step plan Spatial development vision	In august 2007 the necessary steps are determined.	(already available) plan Niels Bots	2007	0	Department of Physical planning & development	VNG, Dutch Ministry of Spatial Development & Environment
Technical assistance for execution of the plan	A specialized Dutch bureau will assist the island government in the development of the spatial development plan (also using the zoning plans for the lower town from the 80's and the areal plans for the historic core).	Spatial development plan	2 nd quarter 2008	200.000	Department of Physical planning & development	Tourism Development Foundation, Department of Economic Affairs, Planningbureau, Dutch Ministry of Spatial Development & Environment, business community(STEBA/SEF)

Measure: 2. Improve watershed management by investing in water catchments combined with stone wall retention and reforestation projects, in close cooperation with STENAPA.

Total cost: 400.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Develop a vision on watershed management	Develop a vision, using existing studies, including a step-by-step plan to achieve that vision on watershed management	Vision and step-by-step plan	3 rd quarter 2008	0	Department of Physical planning & development	Department of agriculture, Planningbureau, STENAPA, other NGO's
Investing in water catchments combined with stone wall retention and reforestation projects	Prioritize the different initiatives on watershed management. Start execution by priority.	Improved watershed management.	1 st quarter 2009	400.000	Department of Physical planning & development	Department of agriculture, Planningbureau, STENAPA, other NGO's

Measure: 3. Development of a waste management system with surrounding islands

Total cost: 900.000 ANG

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Discuss the waste management plan	Several recommendations are done in the plan of Mr. Knoester about legislation, ecotax and one organization (maybe outside government, so privatization can be an option); Revisit the plan	Vision on waste management Statia	2 nd quarter 2008	50.000	Department of Physical planning & development	Planningbureau, Tourism Development Foundation, GGD, STENAPA
Explore possibilities with surrounding islands	Especially St. Maarten, but maybe also Saba, St. Kitts/Nevis can be participating in a joint-venture for some waste management problems.	List of opportunities	3 rd quarter 2008	0	Department of Physical planning & development	Planningbureau, Tourism Development Foundation, GGD, STENAPA
Make decisions for the waste management system	Decide of expertise is needed. Describe the step-by-step plan on a waste management system. Reserve funds for investment in a durable initiative. E.g. possibly within a Public Private Partnership	Decisions by Island Government	4 th quarter 2008	850.000	Department of Physical planning & development	Planningbureau, Tourism Development Foundation, GGD, STENAPA

Measure: 4. Development of a sewage system.

Total cost: European Development Fund

Activity	Description	Result	Planning	Costs (ANG)	Actor	Stakeholders
Explore possibilities funding EDF (see also measure 5, Chapter 4)	Check if funding through the 10 th European Development Fund is possible and explore which steps have to be taken to achieve this. (see also measure 5, Chapter 4)	Knowledge of relevant procedures	2009	EDF	Department of Physical planning & development	Planningbureau, STENAPA
Quick scan of alternatives	Start with a quick scan in which all alternatives can be determined	Quick scan report	2009-2010	EDF	Department of Physical planning & development	Planningbureau, STENAPA

Links other policy areas or programs

The European Development Fund is aimed for at measure 4. All measures are linked to the tourism development policy area. A spatial development plan protects the core competences (eco-tourism, historic center) of Statia for tourists, residents and business. From the "Water-measures" tourists benefit as well as locals. Another link is with policy area Infrastructure & Logistics, because of repairs and expansion plans of airport and harbor. Infrastructure works can be combined for cost-efficiency and less inconvenience for the island.

Measures or activities already covered by other initiatives

Initiative	Activity	Description Initiative	Result	Planning	Costs (ANG)	Actor	Stakeholders
Quick Wins	Nature conservation	Lower budget deficit for the STENAPA organization	Continuation of activities STENAPA	2007	40.000	STENAPA	public & business community
Quick Wins	Garbage truck	Purchase of a garbage truck	Actual truck	2007	90.000	Island government	public & business community
Island Government	Island wide cleaning crew	Structural cleaning of the island by engaging 3 new cleaning companies	Island beautification	2007-2008-2009	625.000	Island government budget	public & business community
Quickwins Netherlands Antilles/Island Government	Cleaning Claesgut	Cleaning of the water conduit/catchment against erosion	Debris removal	2007/2008	100.000	Reda Social/Island Government	public & business community

Risks

- The current waste situation has certain risks, so executing the waste management plan should not be delayed. E.g. the landfills which are used at the moment are on the long term a potential catastrophe.
- Financing of the development of a sewage system is unsure, because the ideas about the 10th EDF are in a very early stage. The reason why was chosen for this construction is that within the 1,5 mln. ANG available in this chapter, not enough funds are available to execute all the ambitions in this chapter. The other measures in this chapter have more sense of urgency.

Chapter 6: Measure- and financial overview

Below a measure- and financial overview is provided based on the policy areas in the previous chapters. An indication is given when it will be realized and how the financing from the SEI funds of ANG 13 mln. is to be divided. Several projects refer only to their initial phases. Additional financing for further phases beyond the SEI period should be secured before the project is submitted to USONA. Achieving of SEI funds depends on approval of project proposals by USONA.

Policy area	Measures	Realized (end date)	Indicative financing through SEI (in ANG)
Tourism development 1.000.000 ANG	Appoint an investment officer for 2 years	4 th quarter 2008	250.000
	Increase in marketing funds and promotion capacity of Tourist Bureau for 2 years	4 th quarter 2009	625.000
	Development of additional air and sea lift through stimulation of private sector initiatives and provision of necessary facilities.	4 th quarter 2008	75.000
	Develop legislation, policy guidelines and the enforcement of minimum quality standards for hotels and restaurants	3 rd quarter 2008	50.000
Small and medium-sized enterprises (SME's) 1.500.000 ANG	Financing of a Loan Guarantee Facility for SME's in the tourist sector	1 st quarter 2009	550.000
	Establish of a (revolving) micro-enterprise fund for the SME sector	3 rd quarter 2009	190.000
	Development of Entrepreneurship (training and education)	4 th quarter 2009	125.000
	Facilitate on-the-job training	4 th quarter 2009	125.000
	Appoint an investment officer for 2 years (see also above)	4 th quarter 2008	160.000
	Improve the procedures for obtaining licenses	3 rd quarter 2008	0
	Attain necessary expertise to support privatization process of harbor and airport	1 st quarter 2009	350.000
Infrastructure and logistics 9.000.000 ANG	First phase of adaptation and expansion of the harbor	2 nd quarter 2009	5.000.000
	Construction new harbor road to create an alternative route for heavy traffic (Nieuwe Havenweg)	1 st quarter 2009	750.000
	Rehabilitation of the Oranje Baai beach, construction of artificial reef balls and snorkel trail in close cooperation with STENAPA	1 st quarter 2009	750.000
	Upgrading of telecommunication	2 nd quarter 2008	0
	Installation of water distribution network	2 nd quarter 2009	European Development Fund
	Development of a new airport terminal based on a public private partnership.	3 rd quarter 2009	2.500.000
Spatial planning and protection of nature 1.500.000 ANG	With the help of the Netherlands develop a Master plan and spatial development vision and plan.	2 nd quarter 2008	200.000
	Improve watershed management by investing in water catchments combined with stone wall retention and reforestation projects, in close cooperation with STENAPA.	1 st quarter 2009	400.000
	Development of a waste management system with surrounding islands	4 th quarter 2008	900.000
	Development of a sewage system.	4 th quarter 2010	European Development Fund
Total			13.000.000

Chapter 7: Implementation procedures

Because of the urgency to establish new relations in the Kingdom of the Netherlands, the timeframe for the execution of the measures is ambitious. The focus of the measures of the SEI of St. Eustatius is 2008 and 2009. The main indicators for monitoring the progress of the implementation of the measures will be the formal establishment of policy, regulations and legislation by the Island Territory of St. Eustatius and subsequent execution and enforcement.

The Netherlands will make available an amount of ANG 13 mln. over a maximum of three years for the execution of the SEI. These funds will be managed by USONA according to the procedures for project funding. The Netherlands will instruct USONA accordingly.

Risks

In 2008 the Central Government of The Netherlands Antilles still exists and is probably very busy with dismantling the country. Policy measures that require input or facilitation by the Central Government during the transition phase have therefore a higher risk of delay, whereby the Island Government is limited in its authority to take the necessary measures, such as legislation, taxation and social security.

Appendix A: Vision and mission statement

For the next decade St. Eustatius has formulated a vision- and mission statement, as mentioned in the SEI. These statements should be kept in mind while working on measures, projects, etc.

Vision statement

In ten years, the population of St. Eustatius will enjoy a higher and sustainable level of prosperity in a livable environment.

Mission statement

St Eustatius sees tourism, logistics, and environmentally friendly SME sector as the foremost areas of development while maintaining an environmentally responsible oil terminalling industry, in order to achieve and sustain the high level of prosperity desired.

As precondition for economic growth, St. Eustatius will allow a controlled growth in population from 3000 to 7000 inhabitants. This will ensure that the friendly and quiet characteristics of the island are preserved, while at the same time a necessary base (critical mass) is provided for economic development.