

Implementation report Country Package Sint Maarten

Period: 16 February 2023 – 30 June 2023

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Implementation report Country Package Sint Maarten 2023 no.2

1. Introduction

On 22 December 2020, Sint Maarten and the Netherlands signed a mutual agreement to implement the Country Package for Sint Maarten. Since signing this agreement, Sint Maarten, supported by the Netherlands, has worked on the realization of a wide array of reforms and improvements aimed at enhancing the country's economic and social resilience. The economy of Sint Maarten must be strengthened in terms of sustainable economic growth and income generating capacity. Good governance, solid government finances and social cohesion are vital contributing factors. The Country Package aims to contribute to an economy and a society that will be more resilient in the face of crises, while offering new opportunities for citizens and businesses.

The Country Package includes measures in the following areas: financial management, costs and effectiveness in the public sector, taxation, the financial sector, the economy, healthcare, education and reinforcing the rule of law. The specific measuring points stemming from each of these measures have been included in an Implementation Agenda.

With the signing of the mutual agreement (Onderlinge Regeling) in April this year, a different rhythm has been chosen in drawing up both the agenda and the report. For the remainder of this year, we will report on full quarters. This means that this report covers Q2 (April 1st, 2023 - June 30th, 2023), plus the interim period that has not yet been reported on (February 16th, 2023 - March 31st, 2023).

Until now, the TWO prepared a report on the implementation of the country packages (hereinafter: the implementation report), including an appraisal of the progress of the agreements as laid down in the Implementation Agendas. With the establishment of the Mutual Regulation for Cooperation on Reforms, as signed on 4 April 2023, this implementation report will be drafted jointly by Sint Maarten and the TWO from now on. The current report is the first report that is established in line with the new way of working.





This introduction is followed by a report on activity level, with an update on the progress of individual activities and its results. The last explanatory column of the table specifies the particularities or reasons for potential delays.

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S.E. Jacobs BA
Prime Minister of Sint Maarten

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A.C. van Huffelen
*State Secretary of the Interior and
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2. Progress Country Package Sint Maarten on activity level

This section reports on the progress of the implementation agenda on activity level during the period 16 February 2023 up to and including 30 June 2023. A colour code summarises the progress of each activity. The meaning of the colour codes is explained in the table below.

	The activity is implemented in line with the agreed planning and the quality of the deliverables is good. When intended results cannot be delivered in time, there is a good reason for the delay, and it is expected that the activity can still be finished within a reasonable timeframe.
	The progress of the activity and/or the quality of the deliverables are not in line with expectations. There is a risk that the objective of the measure or activity cannot be reached (in time). Progress and quality will be monitored closely, and control measures will be taken where needed.
	The progress and/or quality of the deliverables fall short of expectations in a structural manner. Control measures have been taken to mitigate the risks related to the lagging progress and insufficient quality, but these have not led to any improvements yet. There is a considerable risk that the objectives of this and potentially other reform measures will not be realised.
	The grey colour indicates that no activities were planned for this reporting period in the implementation agenda, so there is no progress to report on.

Theme A: Financial management

Measure	Activity	Intended results	Deadline	Status	Explanation	
A.1	Based on existing and/or additional studies, we will determine how the financial pillar of the organisation can be reinforced. Under all circumstances, the financial and policy control (both centrally and within the departments) will be examined, together with the audit function, and the position of the Council of Advice and the General Audit Chamber. Based on proposals, decision making and implementation will take place.	A.1.1 Study into existing financial work processes including under all circumstances the processes procure to pay and order to cash, and an inventory of the relevant systems used. Including fit/gap analysis for A.1.2.	12. The results of the fit/gap analysis, the impact analysis, the prepared project initiation document and the administrative decision-making are formalised by means of an update of the previously drawn up action plan.	1 April 2023		The approach for phase 1 of the program is clear and formalised by CoM and the process for the procurement for phase 1, the core implementation of the new financial ERP system, has started. There are still some elements in this multi annual transition program that have to be further developed. Therefore, the update of the total action plan will probably take until September.
			13. Completion of the preparation phase and start of the implementation phase of the basic design of the new financial system.	1 April 2023		See note A.1.1.12.
			14. Go live basic design new financial system.	1 January 2024		The planning is subjected to the outcome of the procurement (see note A.1.1.12). The design of the new financial system will in any case involve a phased approach, with the aim to have the basic structure in production around January 2024.
		A.1.3 Detailed investigation by the Netherlands together with Sint Maarten of the practice of the budgetary process (in particular the preparation and drawing up of the budget for the coming year and implementation of the current year (budget amendments): budgeting process, budgeting rules, multiyear estimates (ordinary service and capital service), tasks/responsibilities/ authorities and (most) relevant actors.	8. Completed implementation process of the quick wins to improve the budgeting process.	1 November 2023		The regular tasks of the procurement process had to be prioritized by the working group. In the coming months they will try to catch up to complete the implementation in a timely manner.
			9. Tender completed in-depth research into the design of policy-based budgeting.	1 June 2023		The procurement process for the research has started, but later than expected because the regular tasks of the budgeting process had to be prioritised. Therefore, the completion date will move from June to September.
		A.1.5 Updating the balance sheet by cleaning up account receivables, account payables and assets, among others.	4. Sustainably guaranteeing the results of clean-up by making agreements, drawing up process descriptions and giving instructions, so that new 'contamination' is prevented as much as possible.	1 April 2023		The completion of this activity took longer than expected due to new contamination of the financial data and technical difficulties. These challenges have been resolved, so further steps can be taken towards a fundamental clean up of the accounts payable and receivable and the drafting of the process descriptions and providing instructions. Completion is now expected in September 2023.
		A.1.6 Modify legal framework as basis to strengthen financial pillar.	5. Tender bottleneck analysis of financial regulations completed.	1 April 2023		The tender has been completed, but later than expected because the complexity of the analyses. The firms required more time to make and explain their offer.

A.1	cont.			6. Bottleneck analysis of financial regulations completed.	1 September 2023		See nota A.1.6.5. The start of the analysis and total planning has yet to be finalized together with the selected research firm. Considering a total expected duration of 18 weeks and a start in July, the completion date will be set for the end of November.
		A.1.7	Independent advice on shortening the processing period of delivering and reviewing the financial statement.	5. Internal control program framework drawn up.	1 May 2023		Due to the challenges mentioned under activity A.1.5.4 there was insufficient capacity available for the completion of this activity. The analysis has been done, but the framework still has to be drafted. Therefore, the completion date will be extended to September 2023.
				6. Financial Legitimacy Framework drawn up.	1 September 2023		The preparation of the framework is included in the bottleneck analysis of financial regulations (see note A.1.6.6). Therefore, the completion date of this activity is also set for the end of November.
		A.1.8	Financial Management Roadmap.	4. Establish action plan for implementation of quick wins Procure to Pay, Order to Cash and Payroll financial work processes.	1 April 2023		The action plan has been established.
A.2	Based on existing and/or additional studies, whether and how the use of reliable statistical information and data for policy development and decision making can be reinforced will be determined. Based on proposals, decision making and implementation will take place.	A.2.1	Performing a peer review at the Department of Statistics	8. Action plan adopted.	15 April 2023		It took longer than anticipated to draft the plan of approach. However, it has been finalised and is in the process of being adopted.
		A.2.2	Implementation of Department of Statistics Action Plan	1. action #5 Action Plan: improving legal expertise within the Department of Statistics.	30 June 2023		It has been determined that more legal expertise is needed. Therefore, the date has been moved to mid 2024.
				2. action #8 Action Plan: in the context of strengthening knowledge at the Department of Statistics, investigate how technical assistance, secondments and exchanges can strengthen STAT.	30 June 2023		Technical assistance is being organised, including from Statistics the Netherlands
				3. action #19 Action Plan: online publication of a draft work program announcing future studies, as well as an indication of the date of publication of the respective results.	1 April 2023		The draft work program is ready and will be made available online once the new STAT website has been launched.
				4. action #22 Action Plan: Making data available to researchers by the Department of Statistics - preparation of the Open Data tool.	1 June 2023		Preparation of the open data tool is in progress. The toll will be up and running before the end of the year.

A.3	Based on existing and/or additional studies, it will be determined whether the subsidy policy, the implementation and the existing subsidy relationships meet the requirements: legitimacy, effectiveness and efficiency. On the basis of the outcomes, adjustments will be made to policy and/or implementation, and repayment of unlawfully awarded subsidies will be demanded taking account of the legal frameworks and legal principles (if proportional).	A.3.2	This measure is partly included in other activities and will be taken up further at a later date.				
A.4	Based on existing and/or additional studies, it will be determined how the procurement function can be reinforced, so that the government can perform the procurement of goods and services in the most efficient and effective manner possible. Centralisation will be considered. Based on proposals, decision making and implementation will take place.	A.4.0	This measure is partly included in other activities and will be taken up further at a later date.				
A.5	A Disaster Risk Management policy including a Disaster Risk Financing strategy will be drawn up and implemented.	A.5.1	Draw up Disaster Risk Management policy.	6. Financial Stability Plan drafted.	1 March 2023		
				7. Financial Stability Plan adopted	1 April 2023		Due to internal discussions on how to best proceed with this activity, the financial stability plan has not yet been adopted. National round-table meetings will be held with stakeholders in August.

Theme B: Costs and effectiveness in the public sector

Measure	Activity description	Intended results	Deadline	Status	Explanation	
B.1	The countries are responsible for the continuity of vital processes, including under all circumstances: electricity, oil supply, internet and data services, drinking water supply, flight and aircraft handling, shipping handling, payment transactions, the emergency services and communication between emergency services and medical institutions.	B.1.1 Continuous.				
B.2	Based on an integrated detailed investigation of the (semi) public enterprises and government entities regarding the legitimacy of public shareholding (do they serve the public interests/objectives?), effectiveness (do they achieve the targets set?) and efficiency, proposals will be developed and implemented. The objective is to reinforce governance and operational capacity, in order to prevent (future) losses and as a consequence risks for the budget of Sint Maarten. It is not an objective to arrive at a decision to dispose of or (partially) sell off (semi) public enterprises and government entities that serve a defined public interest.	B.2.2 Performing analysis of government public limited companies [in Dutch: "naamloze vennootschap"]	6. Action plan concerning implementation of recommendations drawn up.	30 April 2023		After prioritization of the recommendations from the analysis, three plans of approach are drafted. The two plans of approach regarding the design of the participation policy and the improvements in the execution of the LNT are expected to be finalized shortly, so adoption by CoM is expected near the initial date of June 30th. More time is needed for the formulation of a third plan of approach. Therefore, the deadline is extended to September 2023.
			7. Action plan concerning implementation of recommendations adopted.	30 June 2023		See note B.2.2.6.
B.3	Based on existing and/or additional studies, the countries will work together towards reinforcing the aviation system at Kingdom level. This could involve close cooperation between organisations and the organisation of uniform work processes in accordance with international safety requirements, while aiming for efficiency and cost reduction.	B.3.1 Agreements reached within the Aviation steering group will be decisive in the implementation of this measure. No separate arrangements are made in the implementation agenda for now.				

B.4	Based on an integrated detailed reviews, proposals will be developed and implemented with a view to improving the quality, effectiveness and implementation capacity of the government organisation, which will also include the effectiveness of the Ministerial staffs.	B.4.2	Risk-focused integrated detailed review(s)	3. Plan of approach for integrated detailed reviews adopted.	31 March 2023		With some delay, the plan of approach has been signed on June 2nd.
				4. Analysis started.	15 April 2023		Although some interviews have taken place, the VNG-i has not yet been able to suggest a suitable expert.
		B.4.3	Strengthening legislative functions	6. Detailed investigation of legislative role complete.	1 March 2023		
				8. Report on legislative function review delivered.	1 April 2023		The report has been delivered, but still needs to be published. This will be done after a presentation of the report to the Council of Ministers.
				9. Determine next steps recommendations report	1 May 2023		Next steps have been determined: in the UA Q3 several smaller Plans of Approach are included with their own deadlines.
B.5	Based on a study into employment conditions and fringe benefits (including overtime pay, leave settlements, special remuneration and allowances, travel and travel expenses, etc.) proposals will be developed and implemented for possible retrenchment measures.	B.5.3	In addition to the study comparing employment conditions and fringe benefits, a benchmark study is executed to compare the employment conditions from the semi (public) sector to the private sector conditions.	7. Policy response adopted administratively.	30 May 2023		This is a follow-up to action B.5.3 result 6 (report delivery). The final report has been delivered. Managerial response will be delivered in Q3.
				8. To be determined	To be determined		
B.6	In the framework of optimum staff deployment, the staff formation, job occupation and actual presence and deployability of employees of government and government organisations will be examined. If staff wrongfully receive wage, depending on the situation, measures will be taken (e.g. halting wage, dismissal process).	B.6.2	An employee satisfaction survey and exit survey will be performed within the framework of capacity building and retention.	2. Employee satisfaction survey and exit survey adopted.	15 March 2023		
				6. Conduct MTO and Exit Survey	Up to and including Q1 2023		
				7. Deliver employee satisfaction survey and exit survey reports by supplier.	1 April 2023		
				8. Organising interpretation sessions and formulating recommendations based on the report(s) of the MTO and the exit survey. The project team submits the recommendations to the Council of Ministers for decision-making.	31 May 2023		General feedback sessions for employees have already taken place. In addition to these sessions, specific interpretation sessions will take place in June and July, when the B8/9 expert is available.
				9. Decision-making on recommendations distilled from the MTO reporting.	1 July 2023		Actions resulting from the MTO and exit survey will be included in the extensive B8/9 plan of approach. This plan will not be ready before July 1st.
B.7	An approach will be developed aimed at reducing and managing costs for external insourcing.	B.7.0	Activities will be determined as soon as the results of the government's review are known. B.4				

B.8	Based on a detailed review of the HR function (policy, HR consultancy, administration and instruments), improvement proposals will be developed and implemented.	B.8.2	Implementing recommendations for identified items for improvement in the roadmap.	1. Plan of approach for implementation of items for improvement (including financial cover) drawn up.	1 May 2023		The plan of approach will be an integral program plan in which the activities from measures B.4.2, B.5, B.6, B.8 and B.9 are bundled. A first draft has been developed.
				2. Plan of approach for implementation of items for improvement (including financial cover) adopted.	1 June 2023		This deadline was too tight, and has been adjusted in the UA Q3.
B.9	Based on existing and/or additional studies, a strategic personnel policy will be developed. This will under all circumstances include: - a strategic staff plan in relation to the outcome of the detailed investigation under B.4; - introduction of a performance management system within the civil service; - limiting the political influence on staff issues.	B.9.2	Implementing recommendations for identified items for improvement in the roadmap.	1. Plan of approach for implementation of items for improvement (including financial cover) completed.	31 July 2023		See B.8.
				2. Plan of approach for implementation of items for improvement (including financial cover) adopted.	31 August 2023		See B.8.
B.10	Based on existing and/or additional studies, the needs and costs for housing will be identified and possibilities for cost reduction and improvements will be investigated and, once identified, implemented. The aim is a cost reduction of 20% in 5 years (budget 2020 as reference point) and implemented in the budget for 2025.	B.10.2	Implementation plan for cost reductions and improvements with regard to housing.	4. Action plan drawn up.	1 March 2023		Although with some delay, the action plan has been finalised.
				5. Action plan adopted.	1 April 2023		The plan has not been adopted yet. The delay is caused by requested changes to the original plan. As the changes are minor, adaptation is expected shortly.
		B.10.3	Execution of Implementation plan for cost reductions and improvements with regard to housing.	1. Drawing up lists of government buildings (owned and rented)	15 April 2023		The list has been drawn up but not yet formally submitted for validation.
				2. Validate lists of government buildings (owned and rented)	1 June 2023		Deadline was not met as the list is still to be submitted for further validation.
B.11	In the framework of efficient government, the possibilities for a digital government environment and digital services will be investigated. Based on a study, proposals will be developed and implemented.	B.11.1	Implementation Plan of Approach Revamping the IT department	2. Total Cost of Ownership report delivered	31 March 2023		The deadline for the delivery of the report was postponed because the review took longer than anticipated. The report has now been finalised.
				3. IT department function book published	1 August 2023		It is expected that the function book will be published on time. However, in 2023 as well as in 2024, a corresponding increase of the SXM IT budget is not yet in place to secure expansion of current SXM IT-staff to a level that makes the project and its efforts sustainable. This is a very serious malfunction. Without extra staff, most of the results of the project will be lost once the project is stopped, resulting in failure of the project. Sustainability of the results is the heart of the project.

B.11	cont.			4. Delivery of the first progress report	1 April 2023		The first progress report has been delivered.
				5. Delivery of the second progress report	1 July 2023		It is expected that the second progress report will be delivered on time.
				6. Output 6 Action Plan: Reviewing and setting up processes within the IT department.	1 July 2023		Progress is being made in setting up internal processes, for example in relation to customer service.
B.14	Sint Maarten will satisfy the guidelines of the CFATF in respect of tackling fraud and money laundering. An action plan will be drawn up and implemented.	B.14.2	Implementation of National Risk Assessment (NRA).	3. Execution of phases 1 and 2.1 and 2.2 from action plan completed.	31 May 2023		The deadline for these phases was set too tight, and is therefore postponed to July 1st in the next agenda. A total NRA takes at least 2 years, whereas some countries even need (much) more time.
				6. Progress report first quarter 2023.	15 April 2023		As there is some delay in the execution of B.14.3, this report too is expected with some delay, around mid July.
		B.14.3	Action plan concerning preparation for CFATF Mutual Evaluation	1. Preparation ME action plan adopted.	1 March 2023		A draft plan of approach was already drawn up last year, but as it had not yet been approved and is now outdated, a new plan needs to be drafted for the final actions under B.14 (FIU registers, update legislation, informative sessions). The draft is now being discussed between SXM and TWO.
B.15	To improve the corporate governance of public enterprises, the 'protocol corporate governance (2020)' will be adopted (in law) and recommendations from the taskforce corporate governance (2020) will be implemented.	B.15.2	Execute implementation plan.	7. Progress report 6 submitted, which shows that execution of the implementation plan progresses according to plan.	15 May 2023		
		B.15.3	Corporate governance	1. Development of a plan of approach to strengthen corporate governance	30 June 2023		This activity is connected to B.2. In the UA Q3 the date for this plan of approach has been adjusted to 'to be determined'.

Theme C: Taxation

Measure		Activity	Intended results	Deadline	Status	Explanation	
C.1	To increase revenue and to make the system more robust and simple, an integrated detailed investigation will be carried out of the financial system including income tax. The following proposals will be considered: broadening the tax base, shifting from direct to indirect taxation and introduction of VAT/BTW at 12.5 percent in accordance with the proposals from the Fiscal Affairs Department (FAD) of the IMF or ABB, in accordance with the fiscal system for the Caribbean Netherlands. measures aimed at substantial reduction of tax expenditure and contributions/transfers to third parties. limiting administrative interference/discretionary authorities of both civil servants and administrators (in relation to deductible items, 'tax holidays'). On the basis of the detailed investigation and recommendations, proposals will be developed and implemented. Account will be taken of international rules from among others the OECD.	C.1.2	Create directions with regard to reforming the tax system based on the recommendations of the IMF and previous proposals from Sint Maarten.	3. Action plan based on the phase 1 decision memorandum is officially ready.	30 April 2023		The planning for this result has been moved to July 2023 based on the amount of work involved, the available capacity and the fact that Working Group C.1. is awaiting approval from MinFin of the proposed amendments to the decision memorandum.
		C.1.3	Cleaning, selecting and codifying notices; overview has already been created.	1. Commissioned to third party to carry out selection and codification.	31 May 2023		The planning for this result has been moved to July 2023.
		C.1.4	Eliminate outdated legislation; advice from the Advisory Board on the necessary legislation has already been received	1. The order to draw up a further report and to amend legislation has been granted.	30 April 2023		The planning for this result has been moved to September 2023 due to a previously not anticipated interlinkage with C.1.2 (action plan based on decision memorandum).
		C.1.5	Revision General National Ordinance National Taxes (ALL)	1. Will be presented to Parliament for consideration	1 June 2023		This deadline has been moved to September 2023 due to capacity constraints.
C.3	Compliance programmes will be continued/drawn up.	C.3.1	To be included in phase 2 of C.4.				
C.4	On the basis of existing and/or additional studies, whether and how the Tax and Customs Administration can be optimised and modernised, in such a way that tax collection can be carried out effectively and efficiently will be determined. Based on proposals, decision making and implementation will take place.	C.4.1	Phase 1: Implementing several quick reviews into identified bottlenecks and quick wins.	6. Elaboration of work-study programme and preparation of a proposal.	30 April 2023		The plan to send students abroad to study and to work at the same time for a number of years appeared to be unrealistic. The aim is now to join efforts of the country to establish a government academy allowing work and study.
				7. Work-study programme adopted.	31 May 2023		See the previous point

C.4	cont.	C.4.2	Purchase of online portal for the input of the means of taxation for wage tax, income tax and tax on business turnover.	7. Tender process for purchase of integral ICT system for tax authorities including portal completed.	Q3 2023		The tender has been published, the process is ongoing.
		C.4.3	Cleaning up of the CRIB files to repair incorrect name and address details, to correct register relationships between entities and to correct persons wrongfully set to active.				This point is integrated with C.4.4.
		C.4.4	Quick win measures: preparing and performing (a) clean-up of data files (see C.4.3), (b) process backlogs and (c) collect and claim late payments at an accelerated rate.	9. First quarter 2023 progress report on the implementation of the quick wins, including reflection.	30 April 2023		All progress reports are up to date. From the last progress report for instance, the backlog in protest letters against TOT and wage tax has been cleared, but protests against income tax for 48%. Data entry back log for TOT/wage tax has been completed for 2020 and 2021; next years ongoing. Income tax returns scanned up to 2020.
		C.4.5	Revision and reinforcement of the organisation and resources of the tax authorities (Transformation of the tax authorities)	1. Action plan Transformation of the Tax Authority ready	15 June 2023		Last details are being finalized and the plan will be ready before the end of July 2023.
2. Transformation of the Tax Authority Plan of Approach adopted	30 April 2023			This deadline has been moved to July 2023. Work on the Plan of Approach has been continuous, but turned out to take more time than foreseen. This will be concluded in July.			
C.5	A tax scheme for the Netherlands and Sint Maarten will be agreed on, in line with minimum Base Erosion and Profit Shifting (BEPS) conditions, which will also consider preventing possible profit shifting.	C.5.1	Agreed mutual scheme between the Netherlands and Sint Maarten.	1. Official agreement on content and consideration in Council of Ministers of the Kingdom of the Netherlands.	As quickly as possible		Initially, an agreement was reached on November 25, 2022. Since then, the discussion is ongoing. Due to capacity problems, Sint Maarten will respond no later than September 16, 2023. Finalization is projected before the end of 2023.
C.6	Legislation for the signing and coming into effect of the Establishment Agreement World Bank will be adopted and implemented.	C.6.1	Implementation of legislation (tax paragraph) Establishment Agreement World Bank.	4. National Ordinance publication.	As quickly as possible		The relevant law containing changes (wijzigingslandsverordening) has already been published in the AB, jaargang 2022, No.61. Now the Ministerial Regulation based on it on the designation of the World Bank and UNOPS as International Organizations is on its way to MinFin for signature and subsequent publication. It is expected to be published before July 31, 2023.

Theme D: Financial sector

Measure		Activity		Intended results	Deadline	Status	Explanation
D.1	An integrated detailed investigation of the financial sector will be carried out by an external independent party. Based on the outcomes of this detailed investigation, measures will be formulated to address shortcomings.	D.1.1	As quickly as possible, implementing the measures to address shortcomings in response to the recommendations from the IMF with regard to the financial sector of the monetary union Curaçao-Sint Maarten.	2. Progress of the implementation of the recommendations of the IMF will be monitored and adjusted where necessary.	Continuous		5 Of the 10 reforms based on IMF recommendations have been fully completed: 1) increasing frequency/quality liquidity reporting from banks, 2) elaboration and implementation of intervention strategies for problem institutions, 4) conducting Asset Quality Reviews at significant institutions, 5) strengthening Lender of Last Resort framework and 6) conducting viability research on business models of financial institutions.
D.2	An integrated detailed investigation will be carried out into the system of supervision (legislation and regulations, supervisory policy) of the financial market by an external independent party. Based on the outcomes of this detailed investigation, measures will be formulated to address shortcomings.	D.2.1	As quickly as possible, implementing the measures to address shortcomings in response to the recommendations from the IMF with regard to the financial sector of the monetary union Curaçao-Sint Maarten.	2. Progress of the implementation of the recommendations of the IMF will be monitored and adjusted where necessary. During the further execution of the reform programme by the CBCS, the transition to risk-based overview and strengthening enforcement of supervision will be prioritised.	Continuous		The IMF recommendations have been partially implemented (see D.1.2). For example, the risk-based supervision method has been introduced at CBCS. At the end of 2022, this new methodology was applied for all significant institutions. In 2023 the medium significant institutions will follow and the project will be fully completed in 2024, with the new methodology applied to all institutions.
D.4	Known shortcomings in legislation and regulations will be modernised, under all circumstances including introduction of the Deposit Guarantee System (DGS) and modernisation of the resolution framework). Overview of which legislation should be adjusted, followed by adjustment, decision making and implementation of the legislation.	D.4.1	Continuation of action plan CBCS, development of legislation calendar and agreements with WJZ on reinforcing legislative capacity.	2. Implementation of legislation calendar. During the further execution of the reform programme by the CBCS and in line with the IMF recommendations, the modernisations of the resolution framework will be prioritised. Additionally, CBCS will develop a roadmap to address the results of the scheduled asset quality review.	Continuous		The sector's objections to the Deposit Guarantee Schemes have been dealt with. The countries now need to adopt the relevant National Decree.
D.5	The governance of the CBCS will be reinforced, in accordance with international best practices, including the separation of the various tasks within the CBCS.	D.5.2	As quickly as possible, implementing the measures to address shortcomings in response to the recommendations from the IMF with regard to the internal organisations of the CBCS.	1. Monitor recommendations progress as a result of review The complete independence of the CBCS is the main priority in following up on the recommendations from the IMF report.	Continuous		The strategic plan to strengthen the internal governance of CBCS runs until 2025.

Theme E: Economic reforms

Measure	Activity	Intended results	Deadline	Status	Explanation	
E.1	An integrated analysis of the current labour market policy, legislation and regulations will be carried out on the basis of which the labour market policy will be updated and modernised. Measures such as shorter working hours, part-time employment, short-term contracts, flexible dismissal laws, removal of obstacles to employing foreign workers, illegal employment and tackling youth unemployment will be included in the analysis. Based on the analysis, proposals will be developed and implemented.	E.1.2 Integral socio-economic reform agenda (see also measures E.3 and E.4)	2. Memorandum on integral socio-economic reform agenda ready.	15 May 2023		The integral socio-economic reform agenda document has been finalised, submitted and approved by the Steering Group.
E.2	The informal economy and illegal work will be dealt with. Based on the study into the scale of the informal economy, proposals will be developed and implemented.	E.2.0 This will be postponed until the next Implementation agenda.				
E.3	Illegal employment of foreign workers will be dealt with. As study will be carried out into illegal employment of foreign workers. Based on the results and recommendations, proposals will be developed and implemented.	E.3.3 Implement implementation plans for measures against illegal employment.	4. With regard to short-term measure 3 from E3.3. implementation plan: Update of regulation of temporary employment agencies is necessary to prevent abuse. Assignment data collection on temporary employment agencies drawn up; Assignment for overview of legislation with regard to temporary employment agencies drawn up.	1 May 2023		To be incorporated into the implementation plan of the integral socio-economic reform agenda.
			5. Attn short-term measure 4: administrative enforcement legislation will be revised so that fines can be imposed in the event of illegal employment. An assignment to review the administrative enforcement legislation has been put out to tender.	1 July 2023		The administrative enforcement legislation has been revised and completed.
			6. With regard to short-term measure 2 from the implementation plan of E3.3 (synchronisation of the application for work and residence permits); Taskforce Pilot Project (TPP) communication plan has been implemented.	1 June 2023		Pending approval of an extension of the Pilot Project from the Minister of Justice.

E.4	The system of social security will be given an activation function, with the appropriate stimuli, while also ensuring an adequate social catch net. Based on existing and/or additional studies, proposals will be developed and implemented. Viewed in combination with the measures concerning the reform of the labour market.	E.4.2	Integral socio-economic reform agenda (see also measures E.3 and E.4)				
E.5	Sint Maarten will raise the retirement age to 66 (in 2025) unless independent studies show that raising the retirement age to 66 in 2025 is not realistic, and there are alternative proposals with the same budgetary effect. An independent economic institute (appointed by the COHO in consultation with the country) will map out the structural budgetary effects for the affordability of pensions and social security if the retirement age is raised to 66 years in 2025 and were to be further raised by indexing to life expectancy, and will calculate any alternative proposals. The outcomes will be presented to Sint Maarten and the Netherlands, followed in consultation by an assessment of how the study results should be implemented.	E.5.0	The issue of the pension age is included in the integral socio-economic agenda.				See measures E1 to E4. The issue of AOV-eligibility age will be addressed in the framework of linking AOV-age to life expectancy.
E.6	Entrepreneurship and the investment climate will be encouraged. In this connection it is essential that the licencing system be optimised, the costs of doing business lowered and bureaucracy (red tape) removed.	E.6.2	Implementation recommendations as a result of research into the entrepreneurship and investment climate.	2. Action plan concerning implementation of recommendations adopted.	31 March 2023		The March 31st delivery date was not met due to necessary adjustments of activities and budget; final adjustments are almost completed. Staff issues also caused delays. The PoA should be finalized before the end of July.
				3. Implement recommendations 1.1, 1.2, 1.6 and 1.10 from the entrepreneurship and investment climate study.	31 March 2023		1.2 and 1.6 are complete; final report in August 2023. 1.10 will be ready in July (after approval from the minister). External expertise will be hired to implement 1.1.
				4. Implement recommendations 3.1, 3.3 and 3.4 from the entrepreneurship and investment climate study.	1 January 2024		Activities are ongoing; 3.1 and 3.4 should be finalized before January 1st 2024. External contractors will implement part of activity 3.3, which is also partly depended on results of 1.1, 1.2, and 1.6.
				5. Execute other priorities (1.3, 1.7, 1.8, 1.9 and 5.1)	30 June 2024		A procurement process is being prepared to hire external expertise to increase the feasibility of these recommendations. The request for proposal is almost ready and will be send out in Q3.

E.7	Development and implementation of land policy and spatial plan policy.	E.7.1	Developing an Action Plan with four pillars: 1. Creating a spatial economic strategy, 2. Land allocation policy including land inventory, 3. Land price policy, 4. Eliminate financial arrears and imperfections in the administration	3. Action plan drawn up.	1 March 2023		With a delay on the original deadline the plan has been drawn up.
				4. Action plan adopted.	1 May 2023		The plan has not yet been adopted. The delay is caused by requested changes on the original plan, mainly aimed at capacity challenges within the Ministry. To make sure the plan is executable, the points of concern need to be addressed before final adaptation can take place.

Theme F: Healthcare

Measure description		Activity description		Intended results	Deadline	Status	Explanation
F.1	To be able to manage COVID-19 and to maintain its manageability, the recommendations from the OMT Caribbean area (24 April 2020 and 3 June 2020) will be implemented, including under all circumstances the following measures: - maintaining available IC capacity; - strengthening public health services (including source and contact investigations); - keeping sufficient personal protective equipment (PPE) in stock; - increasing and maintaining test capacity; - introducing syndrome surveillance; - guaranteeing sufficient air ambulance capacity; - purchasing COVID vaccine and implement vaccination program (when vaccine is available).	F.1.1	Continuous.				
		F.1.2	Pandemic preparedness: Revise the 2016 Health Ordinance and associated protocols to promote pandemic preparedness. Training of relevant staff on these procedures and protocols.	1. Plan of approach revised Health National Ordinance ready at official level.	30 June 2023		Finalizing the Plan of Approach has not been realized due to capacity issues. This activity has been carried over to the implementation agenda for 2023 Q3.

F.2	<p>In the framework of efficiency, unnecessary duplications in care provision by the various hospitals and other inefficiencies will be mapped out and cut back, by drawing up and implementing a cooperation plan for regional hospitals in the Caribbean area of the Kingdom and reaching administrative agreements, which under all circumstances will include:</p> <ul style="list-style-type: none"> - reducing the number of medical transfers to third countries by expanding the range of care on offer within the Caribbean region of the Kingdom (top specialist care); - joint purchasing of medication, resources, materials and equipment; - regional training and capacity planning of healthcare personnel (reducing training costs through less training abroad); - rationalisation of laboratory care and reduction of the number of laboratories; - medical specialists who provide insured care as an employee of hospitals (death house construction); - strengthening cooperation between primary and secondary care; - reassessing the method of funding and rates for second-line health care together with health insurers and the Dutch health care authority. 	F.2.2	<p>Proposal to jointly (Dutch Caribbean Hospital Alliance (DCHA) + the platform for health insurers CAS-BES (PSZ)) draw up a program of requirements on which a (quality and cost-based) inventory of rates of the hospitals affiliated to DCHA and healthcare institutions in other destinations (Colombia, Dominican Republic, the Netherlands) will be based.</p>	<p>1. Insight into the care offered by DCHA affiliated hospitals and hospitals in the region and the (comparative) costs thereof</p>	Q3 2023		<p>During the administrative consultation early June 2023 in Curaçao between the countries of the Kingdom, further agreements were made concerning the execution of the planned comparative research. The tender has been finalized and the selected research agency has started with the research according to plan.</p>
				<p>2. Start tendering procedure for comparative research rates for hospitals affiliated with DCHA for inter-insular medical referrals</p>	31 March 2023		<p>During the administrative consultation early June 2023 in Curaçao between the countries of the Kingdom, further agreements were made concerning the execution of the planned comparative research. The tender has been finalized and the selected research agency has started with the research according to plan.</p>
		F.2.4	<p>Realising connection of ICT systems of Curaçao, Aruba, Sint Maarten, Saba and Sint Eustatius hospital organisations to ZORGCERT</p>	<p>2. Connection of all hospitals affiliated with DCHA to the global cyber-security organisation ZORG-CERT.</p>	31 March 2023		<p>See F.2.2.1</p>
		F.2.5	<p>Summit DCHA–Platform Cooperating Healthcare Insurers (PSZ) on Bonaire.</p>	<p>2. Implementation/elaboration of agreements made during the DCHA - SZV summit of November 28 in Bonaire. It concerns the elaboration of the agreements made regarding:</p> <ul style="list-style-type: none"> • Comparative research/cost price analysis DCHA (see also F.2.2.2) • Medical evacuation in crisis situations • Joint procurement of medicines • Medical referrals • Long-term annual plan collaboration SZV/DCHA 	31 March 2023		<p>See F.2.2.1</p>
				<p>3. Drawing up an action plan in response to the study results.</p>	Q4 2023		<p>See F.2.2.1</p>
F.3	<p>Based on existing and/or additional studies into efficiency (including financing) and effectiveness of healthcare and the outcomes of measure F.2, proposals will be developed and implemented. Possibilities include reassessing the insurance package and introducing own payments.</p>	F.3.1	<p>Drawing up and implementing action plan with the aim of increasing the effectiveness and efficiency of long-term care (General Health Insurance).</p>	<p>19. Public awareness campaign approved by Minister VSA and SZV</p>	1 April 2023		<p>See F.2.2.1</p>
				<p>20. National ordinance and LBham presented to the Advisory Board</p>	1 April 2023		<p>Due to a delay in handling by the SER, the legislation has not yet been presented to the Council of Advice (CoA). The term of the SER Board ended 1st of May, which made it a challenge to obtain timely SER advice to allow for a presentation of the legislative products to Parliament in August 2023. The appointment of a new SER Board is ongoing.</p>

F.3	cont.			21. Public awareness material designed and approved	1 August 2023		The contents of the public awareness material are dependent on the outcomes of the Legislative track, the contents of the LV and LB-Ham approved by Parliament. The decision is not expected before August 2023.
				22. Advisory Board advice received	1 May 2023		See result #20
				23. Knowledge partner for public awareness campaign has been contracted and phase 1 (research) completed.	1 June 2023		See intended result #19
				24. Further report written and GHI LV and LB ham presented to parliament	1 June 2023		See also result #20, this result is now scheduled for 31 August 2023. On request of the Central Committee for VSA a presentation was given to the Central Committee for VSA in Parliament. The background, objectives, highlights of the LV and LB-Ham and the current status were presented.
		F.3.2	Drawing up action plan with a view to increasing the sustainability of the healthcare system in the short term, under all circumstances considering the implementation of the needs assessment of healthcare institutions, efficient purchase of medicines and preventive care.	5. GP information system in operation at 8 GP practices.	31 March 2023		This activity has been concluded.
				6. GP information system in operation at 10 GP practices.	30 June 2023		This activity is delayed and currently being worked. Progress is satisfactory.
				7. Implemented interface with the second lab on SXM	30 June 2023		This activity is delayed due to unforeseen technical difficulties. It is included in the implementation agenda Q3 for 30 September 2023.
		F.3.3	Drawing up and implementing action plan with the aim of increasing the effectiveness and efficiency of long-term care (legislation and policy concerning mental health care).	1. Action plan for legislation and mental health care policy officially ready	31 March 2023		This deadline has been transferred to Q3 (August 1) due to capacity issues.
				2. Mental health care plan agreed by the Council of Ministers and TWO	31 May 2023		This deadline has been transferred to Q3 (October 31) due to capacity issues.
		F.3.4	Drawing up and implementing action plan with the aim of increasing the effectiveness and efficiency of supervision on healthcare and labour (revision of Inspectie VSA legislation). See also theme E.	1. First draft Action Plan revision of legislation Inspectie VSA officially ready.	31 March 2023		A draft two-pager has been shared between the Ministry of VSA and TWO. There is consensus on the viability of this activity. The result for a draft Plan of Approach will take more time than anticipated and is rescheduled to August 2023.
				2. Draft Action Plan revision of legislation Inspectie VSA officially ready, including coordination between work (E) and health (F)	31 May 2023		See also result #1; this result is rescheduled to October 2023

Theme G: Education

Measure	Activity	Intended results	Deadline	Status	Explanation
<p>G.1 A group of experts from the four countries / group of educational experts from the four countries is carrying out a detailed investigation of the entire education system, including all public and private stakeholders, including government. The study will under all circumstances cover:</p> <ul style="list-style-type: none"> - educational quality, teaching methods and resources; - connection between education and the labour market; - transition between nursery, primary, secondary education and secondary vocational education (mbo) / higher education (ho) / university education (in the European Netherlands and elsewhere); - efficiency and effectiveness of education funding, mitigating inefficiencies in the system; - strengthening the quality improvement through effective supervision by, among others, the inspectorates; - cooperation between education and development facilities in the region (and possibly the European Netherlands). <p>Under all circumstances, the educational inspectorates of the four countries will be involved.</p> <p>Based on the outcomes of the detailed investigation, measures will be developed and implemented.</p>	<p>G.1.1 Detailed investigation into the education system.</p>	6. Agreements on follow-up steps for recommendations on audit	31 March 2023		The deadline was met.
		7. Publication final report	1 April 2023		On May 16th 2023 the final report was published.
		8. Draw up TOR for technical assistance (Project Management)	1 April 2023		The TOR for the Project Manager was developed and successfully published.
		9. Draw up TOR for technical assistance (legislative capacity)	1 April 2023		The TOR for the Legislative assistance was developed and successfully published.
		10. Draw up an action plan	30 June 2023		The deadline for this action has been moved to Q3 due to the execution of procurement processes. The Project Manager that is planned to start in July, will be tasked with the drafting of the action plan.

Theme H: Reinforcing the rule of law

Measure	Activity	Intended results	Deadline	Status	Explanation	
H.1	In the interest of the stability of public order and security, until further notice, no cutbacks will be implemented that limit the operational capacity within the most vital sectors under the rule of law (Police, Customs, National Investigation Department, Public Prosecution Service, Courts, Coast Guard, prison service and security services).	H.1.1 Continuous.				
H.2	Based on existing and/or additional studies, whether and how the physical and online gambling sector needs to be reformed will be determined. The aim is to increase the revenue for government. Based on proposals, decision making and implementation will take place.	H.2.3 Writing new gambling legislation	3. Drafting subordinate legislation	To be determined	Green	A start has been made with the first draft LB h.a.m. The aim will be to finish all necessary LB h.a.m.'s before October 1st.
			6. Receive proposal organisational structure Sint Maarten Gaming Authority (SMGA) by the Netherlands	To be determined	Green	A proposal for the organizational structure is part of the draft gambling law. In addition, it will be part of the Business Case or similar construction (see H.2.6.1)
			7. Feedback/advice on proposed organisational structure Sint Maarten Gaming Authority (SMGA) by the Netherlands	To be determined	Green	Related to H.2.3.6
		H.2.4 Implementation of the Action Plan - slot machines technical inspection / audit	1. A technical audit of gaming equipment. Checking the actual situation of the gambling devices and aids in use.	30 June 2023	Grey	This audit will not take place. SXM chooses to adopt a general standard and not to develop one itself. Therefore, a technical audit at this moment in time is not necessary nor efficient.
		H.2.5 Research into gambling addiction by an external party	2. Delivering research into gambling addiction	1 June 2023	Yellow	A white paper has been written by the Department of Social Development. The document outlines past and current shortcomings and (island-specific) factors that are scientifically proven to cause and/ or to be contributing factors for problem and disordered gambling (addiction). The white paper will be the foundation that the ministry will use to develop policies and conduct problem and disordered gambling research. The WP is awaiting the SG's sign-off.
		H.2.6 Business case Sint Maarten Gaming Authority	1. Deploy assignment business case	15 March 2023	Yellow	Due to new insights, the shape and process of the Business Case will be reconsidered. More time is needed to re-formulate and redesign the process.
	2. Assign business case assignment	1 May 2023	Yellow	Related to H.2.6.1		

H.2	cont.	H.2.7	Writing new gambling legislation	1. Process advice and feedback arising from the test carried out by NL on the new framework legislation.	1 March 2023		On the 24th of April the TWO received the final draft of the SXM gambling law. The TWO will provide feedback and advice on this version. SXM will receive the feedback and advice before the end of June. The delay has been caused due to capacity problems at both the SXM and the Dutch side.
				2. NL provides feedback/advice on subordinate legislation and regulations	To be determined		Related to H.2.3.3.
				3. Feedback/advice is processed	To be determined		Related to H.2.3.3.
H.9	Countries will work together towards to a harmonised level of protection of personal data within the Kingdom on the basis of a Kingdom Act. An action plan will be developed and implemented.	H.9.1	Implement project phase based on adopted action plan.	5. Chapter 2 draft bill	1 July 2023		Chapter 2 of the draft bill has been finalized and sent to the JVO, together with an impact study regarding chapter 1 of the bill.
				6. Chapter 3 draft bill	To be determined		
				7. Implementation test draft bill	To be determined		
H.12	The management and supervision of the crime fund will be brought into line. Curaçao and Sint Maarten will follow upon the recommendations from the reports by the Law Enforcement Council. At the latest by 1 April 2021, the countries will have appointed an independent organisation to monitor the fund for compliance with the recommendations and to report on correct functioning of the fund.	H.12.1	Follow up on the recommendations from the reports by the Law Enforcement Council with regard to the crime fund.	5. The 2023 crime fund policy plan has been adopted.	1 May 2023		The policy document will be revised to reflect the later start and shift in priorities.
				6. The Crime fund manual has been adopted.	1 May 2023		The manual has been reviewed and will be discussed with the management for formal approval of the current draft.
				7. The financial administration has been set up.	1 May 2023		The current available staff is not sufficient to manage the task. However, the Head of Planning and Control will participate in the training to be able to train staff that will be recruited in the future. Also delayed start due to annual leave of our Head Controller.
				8. An implementing organisation has been established and trained.	1 July 2023		The Head of Planning and Control will undergo the training to be able to train staff that will be recruited in the future.
				9. A Crime Control Steering Group has been established and set up.	1 August 2023		No update on the establishment has been provided.
				10. Evaluation completed and project closed.	To be determined		

H.20	To improve detention conditions, in consultation with the Netherlands, Sint Maarten will implement the agreements reached on improvement measures from 2018, and as necessary will release the necessary funds and include them in the budget.	H.20.1	Implementing improvement measures.	1. Improvement measures implemented.	30 June 2023		Sint Maarten has finalized, or is close to finalizing, most of the improvement measures as described in the 2018 list of commitments. As the United Nations Office for Project Services (UNOPS) has started her activities, some measures will be integrated in the project of the new prison building. Progress is being made by the ministry of Justice on the adoption of the function books. This will be monitored as part of the Detention Plan 2018 in the Ministerial Consultation, consisting of the Prime Minister of Sint Maarten and the State Secretary for the Interior and Kingdom Relations. As soon as these discussions take place, the measure can be seen as completed.
H.21	To meet the (international) requirements on detention, before 15 February 2021, Sint Maarten and the Netherlands will issue the assignment to UNOPS to carry out an initial investigation to arrive at a long-term plan for the detention situation on Sint Maarten. Based on the preliminary investigation, follow-up actions will be set out and implemented to ultimately improve the detention situation structurally.	H.21.1	Signing the project agreement and proposal with UNOPS, with the Netherlands as the financier and Sint Maarten as the client, and also co-financier at the signing of Phase 2.	2. Project agreement and proposal Phase 1 and subsequently Phase 2 with UNOPS have been signed by the Netherlands as financier and Sint Maarten as client (for Phase 2 also co-financier) and a governance framework has been set up.	To be determined		On December 7, 2022, the agreement was signed with UNOPS to start Phase 1 (design of temporary and long-term facilities). This completes the 1st part of the measure. As soon as discussions will start between Sint Maarten, the Ministry of the Interior and Kingdom Relations and UNOPS to develop the agreement for Phase 2 of the project: the actual construction of the prison this measure is completed. It is therefore expected that the measure can be completed before the deadline that has since been set on 1 July 2023.