



# Translation of: Advice pertaining to the first draft budget amendment of 2025

Original title: Advies op de eerste ontwerpbegrotingswijziging 2025

*In case of differences in interpretation between the English translation and the Dutch version of the text, or in legal proceedings or escalation procedures pursuant to applicable regulations, the original Dutch version shall always be leading.*

Dear Ms. Francis,

On February 14<sup>th</sup>, 2025, the Board of financial supervision of Bonaire, Sint Eustatius and Saba (Cft) received the first draft budget amendment (OBW) for the budgetary year 2025. Further written substantiation followed on February 18<sup>th</sup>. The reason for this budget amendment is the purchase of the plots of the oil storage company GTI by the Public Entity. With this letter you will receive the advice of the Cft pertaining to this draft budget amendment.<sup>1</sup> In Annex 1 to this letter you will find further clarification and substantiating figures for this reaction.

## Conclusion

- The budget amendment improves the estimated result for 2025 by USD 0.1 million to USD 2.0 million, which means Sint Eustatius still meets the central budgetary standard set forth in the Act on Finances of the Public Entities Bonaire, Sint Eustatius and Saba (*Wet financiën openbare lichamen Bonaire, Sint Eustatius en Saba* – FinBES Act).
- The quality of the substantiation of the budget amendment has improved in comparison to prior budget amendments, since each budget mutation in the operational budget has been explained. At the same time, the structural coverage of the annual repayment of the interest-free loan in the context of the agreement with Eco Statia has not yet been incorporated into the OBW.

## Subsequent steps

The Cft recommends:

1. to include the structural coverage of the repayment of the interest-free loan in the context of the agreement with Eco Statia into the OBW.
2. to map out the (budgetary) risks of the development of the GTI plots in the follow-up process of said development and to take measures to mitigate these risks, and to involve the Cft in this entire process.

## **Explanatory statement**

### Main proposed mutations and budgetary result

The budgeted improvement of the result by USD 0.1 million has mainly been made possible by the agreement with Eco Statia, which means the expenses for the settlement of the dispute can be lowered by USD 0.5 million, while it does entail additional expenses for property management (USD 0.2 million) and external hiring (USD 0.1 million).

### Quality of the budget amendment

The quality of this budget amendment's substantiation has improved significantly in comparison to earlier budget amendments. As an example, Sint Eustatius explains each budget mutation in the operational budget. Further substantiation is needed for two topics.

#### *1. Coverage repayment interest-free loan*

The interest-free loan to cover the expenses of the agreement with Eco Statia has been granted by the Secretary of State of Foreign Affairs, under the condition that in the first draft budget amendment of 2025 the coverage of the repayment of the interest-free loan is incorporated structurally into the multi-annual budget. St. Eustatius still has to incorporate the structural coverage into the OBW and provide a substantiation thereof.

#### *2. Risks of purchasing GTI plots*

St. Eustatius is about to conclude a purchase agreement with GTI regarding four plots. When drawing up the development plans, St. Eustatius must map out the risks and substantiate how these risks will be mitigated. The Cft would like to take note of the risk analysis and/or the business case.

Trusting to have provided you with sufficient information.

Sincerely,

The Chair of the Board of financial supervision of Bonaire, Sint Eustatius and Saba

[signature]

Ms. L.M.C. Ongerling, MA

A copy of this letter was sent to:

The Island Council of the Public Entity Sint Eustatius

The Head of Finance of the Public Entity Sint Eustatius

## **Annex 2: Endnotes**

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<sup>1</sup> Pursuant to Article 21 in conjunction with Article 17 of the FinBES Act, the Cft provides advice for the first OBW 2025. The FinBES Act, supplemented by the criteria set out in the Decree on Budget and Justification Public Entities (BBV BES), forms the framework for the assessment of the OBW.