



Small Business Development Foundation

Summary Report on SBDF Activities in 2007

January, 2008

The year 2007 was an unusual year for SBDF as it marked the permanent retirement of all activities under the SESNA Program. Even though the program closed for the Netherlands Antilles in July 2007, for Sint Maarten, the end was on January 5, 2007.

After that date and for the first few months, the focus was compile all information on all the activities of the SESNA to facilitate the Financial Audit, carried by KPMG and the Final Evaluation, carried in February 2008 by an Independent Company from Holland.

Attached a copy of the Audit results on SBDF and SBDF report on the Evaluation

SBDF having as exclusive activity the implementation of the SESNA Program since its creation in 1999, it was imperative to identify other sources of funding to continue the promotion and sustainability of the local SMEs. Fortunately, we succeeded to secure the financing from two other sources: USONA with ANG. 240.000 made available for “Be Your Own Boss” Youth Entrepreneurship Pilot Program and Reda Social with ANG. 150.000 made available for different Entrepreneurship Training Courses.

Additionally, the Executive Council made provision in the 2007 Island Budget to increase the SBDF annual subsidy from ANG. 110.000 to 450.000 of which 200.000 for Administrative Support, the balance as Incidental Subsidy.

N.B. In 200,7 only ANG. 110.000 were disbursed to SBDF

The year 2007 also presented several other opportunities through the Social Economic Initiative being signed and ready for implementation. Indeed the involvement of SBDF during the preparation phases of the SEI and the gained experience from the SESNA implementation insured the recognition to clearly identify the programs of SBDF as priorities in the action plan.

Attached a extract from the SEI

The implementation of the pilot program “Be Your Own Boss” also gave us the opportunity to realize that the measured successes in dealing with some of the issues our youth have on the Island. As such we came to the conclusion that to ensure continuous results, we need to turn this initiative into a roll-over program where the trained of today become the trainers tomorrow. In that regard we submitted in 2007 an application to AMFO for a second phase of “Be Your Own Boss” program. The final reaction of AMFO was to be forwarded on December 27, 2007, AMFO requested an extension and to date, no reactions.

Attached a copy of AMFO submission



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◆ “Be Your Own Boss”, financed by USONA in Poverty Alleviation Process

The main activities of SBDF in 2007 were focused on the availabilities offered by USONA and Reda Sosial. “Be Your Own Boss” was launched in April and will close in February 2008. This program proved to be very successful in bringing further Entrepreneurship spirit among our youth. It also permitted to bring our youth closer to 2 major sectors in our economy, the Marine sector and the Condominium sector. Two sectors where there was a great perception of being exclusively reserved for the foreigners.

The close monitoring of the implementation of BYOB program and the received support from Businesses from both sectors permitted to identify a range of optimism and willingness in further exploring opportunities in these two sectors to see that the local involvement, through business collaboration, will steadily increase in the coming years that predict a considerable growth. Further attention in that direction will definitely create more awareness on the diversification of the economy and the creation of new local SMEs. Achieving that will be in line with the recommendations from the commissioned study on the Diversification of the Economy. It also attracted the attention of the Dutch Minister Beleiven shoutten when she toured the program in October 2007.

It has been also proven that swimming and diving are no longer a fear among our youth, as it is seen in some cases. Indeed all candidates had to get swimming certificates and all succeeded. Six of them obtained their PADI Diving Certificates.

Attached a copy of the Final Report on BYOB

◆ Entrepreneurship Trainings, financed by Reda Sosial in the Quick Win

This line of funding is available until July 2008 and ANG. 70.700 have been committed in training courses. At the request of BEPR, SIFMA and the Department of Health, we undertook the training of 31 Day Care Centers Operators. The courses introduced them to Business Management Behavior, Business Accountant, Financial Management and Tax Filing. All courses were successfully achieved.

Attached a summary on the trainees and a copy of the planned training courses for 2008

The remaining implementation of the entrepreneurship training courses will start in March 2008, while the balance to be committed before July 2008 we hope to be approved for the AQUAPONIC project or the SME Micro Landing project. Both projects were presented and continue to be discussed with Commissioner Maria Buncamper-Molanus. Additionally, a formal request for a parcel of land for the AQUAPONIC System has been submitted to the Executive Council.

Attached a copy of the AQUAPONIC System presentation and a copy of the land request to Government



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◆ Other activities undertaken in 2007

SBDF realized and was involved in several local and regional activities related to the promotion and the sustainability of SMEs. The following is a summary of the major ones:

- Delivery of Business Development Services BDS was a constant activity of SBDF. Several Business Plans were facilitated and many local entrepreneurs were provided with 1 to 1 Business Advices. Particular cases in Agriculture and Fishery were further assisted and still being negotiated with the Development Bank OBNA.
- Participation in the preliminary discussions on the projected “Market in the Park”. An initiative to provide SBDF a permanent location and the management of the Vendors Park surrounding it.
- The tax compliance and filing is also another regular activity in SBDF. It is an area that has our focus through the analysis of the rights, the obligations and the needs for further improvements in the Administration, the Compliance and the Awareness about SME and taxes. In an effort to improve the condition of some of the encountered difficulties by the SMEs, we submitted in 2007 a researched advice on a tax Amnesty on old taxes that are costly to collect and most of the time hardly collectable. This Advice, submitted to the Executive Council in April 2007, was prepared in collaboration with the BAB and local Independent Consultants from the field and bind with a complete educational program to be financed through the available funds in the Quick Win.

Attached a copy of the Amnesty Concept and a copy of the BAB Workshop presentation

- SBDF was represented by the President, Mrs. Veronica Jansen-Webster in the weeklong conference, organized by DEPOS and financed by OCTA (Overseas Countries and Territories Organization), for the establishment a regional cooperation between the Regional SME Intermediaries in a Regional Platform. The attendance resulted in SBDF co-signing the Joint Conference Communiqué and therefore has the opportunity to share with the region the experience gained with the design and the implementation of SME programs.

Attached a copy of Joint Conference Communiqué

- During that week two working meetings took place in Curacao, one with OBNA Management on a particular case of a local entrepreneurs in fishery and on the status of the SESNA Financial Component, the other meeting was with Minister Tjin Ashoe of Economic and Labor Affairs to ask him to assist SBDF receiving funds from the Federal Government as it is done for ADDECK/SEDDECK, a Curacao based Foundation with similar objectives.



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- Additionally, the SBDF Board took a decision to join the Caribbean Association of Industry and Commerce CAIC as the first SME Intermediary in the Region; this will help increasing the regional exposure of SBDF and could represent a part of its activities within the OCTA and the 10th EDF. In that regard, a presentation was made to the CARICOM Secretariat in October 2007 where the programs of SBDF were presented for the entire Caribbean Region.

Attached a copy of the CARICOM Presentation

- The Training of the Day Care Centers Operators has triggered the design of an affordable Tax Filing Plan for the Local SMEs where for a monthly fee of US\$ 150 they are assisted with their tax filing compliance with a draft financial statement every 3 months, to assess the performance and adjust accordingly. This plan has been designed and is presently implemented by an independent local small firm.

◆ Pending Programs

Throughout the entire year, SBDF participated in numerous meeting related to SMEs and entrepreneurship. Several follow ups on issues that already started during the SESNA implementation and others dictate by the growth of the economy. Some of which are:

- The Consumer Protection act
- The Management of the Belvedere Boarder Point Village
- The Survey on the Impact of SMEs on the Economy
- The second phase of “Be Your Own Boss” program with AMFO funding
- The recognition of BYOB program as an eventual avenue in the SVP (Mandatory Training)
- Advising on the importance of the Marine Sector in the SBO Educational program to be launched in September 2008 by Government
- The Implementation of the AQUAPONIC System project.
- Identification of ways of diversification of the Economy in waste management, treatment and recycling.
- The Market in Park

All the above represents the main activities undertaken in 2007. Some of the issues were started before 2007 while others were initiated during the year. Certain issues were finalized and in the hands of the decision makers, others need further studies and discussions.



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◆ Conclusion

Regardless the concern of the President, the Board and Management of SBDF, by the end of the SESNA Program early in 2007, the year was full of activities and involvement in the social and economic developments of the island. It has proven to be a year of initiating many of the initiatives and opportunities that were created during the SESNA implementation. A lot of the work done was in line with the preparation of the local SME sector to face the Country Sint Maarten and help in the implementation of multiple recommendations stipulated in all the commissioned studies.

The year also paved the way for the SBDF designed programs and their vast experience in the implementation side to be regionally recognized and embraced for wider spectrum. This could be translated in additional exposure of SBDF in the delivery of programs and services to the different SME Intermediaries in the Caribbean.

Regardless the budgeted Government subsidy being kept at ANG 110.000, 2007 did represent major threats on the financial running of SBDF. This was possible because of the continuous effort to keep the human resources to a minimum, and to the creativity of the President, the Board and Management in identifying other sources of funding. The other factor that also helped was the fact that certain SESNA programs have not yet been completed.

Unfortunately, our vision on the SBDF activities for 2008 is not quite clear at this stage. The non-response from AMFO, the uncertain kick off date for the implementation of the SEI, the non-response on the request of disbursement of the remaining ANG 90.000 in the 2007 budget, the non-response on the government lease for the AQUAPONIC project, the non-commitment on the Belvedere Boarder Point Village and the Market in the Park, are some of the factors that determined the uncertainty on the number and the extend of the activities that will be undertaken in 2008. While the prospects are very good, no concrete commitments are yet on the horizon. It is of crucial importance that more vigilance is paid not to create a vacuum between all undertaken efforts and future implementations. If this happens, we will run the risk of continuously delaying the SME development on the Island that dictates the further promotion and sustainability of the local entrepreneurs.

It is therefore of most importance to join forces in seeking all possible mechanisms to ensure the launching of some of the possibilities presented to continue fostering the local SME sector. All efforts should be toward the acceleration of the decision making and the vigilante assistance in keeping the SBDF infrastructure optimally functioning and improving. Seeing all the positive possibilities in the prospects offered to SBDF, we must at this stage, plan a visionary setting for the Foundation to keep up with all the obvious economic changes dictated in any constitutional change ahead of us.

Ludwig Ouenniche
Executive Director