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**ANNEX VIII**

**SINT EUSTATIUS TERRITORIAL  
MULTIANNUAL INDICATIVE PROGRAMME (MIP)**

**1) The overall lines of the EU international cooperation in Sint Eustatius**

Sint Eustatius lies in the northern Leeward Islands to the south-east of Saba, in the Caribbean. The island has an area of 21 km<sup>2</sup>. Travellers to the island by air arrive through F. D. Roosevelt Airport. In 2020, 3139 people lived on Sint Eustatius. The island's economy relies predominantly on tourism, trade, oil storage and bunkering as well as international financial services as the most important sectors. Although the socio-economic situation of Sint Eustatius is characterised by a high per capita GDP (approximately EUR 22.000), a considerable degree of poverty still exists due to a substantial inequality in the distribution of income, as well as a general lack of economic diversification (dependency on oil and imports).

The small number of inhabitants has to be considered for the scope and scale of the EU intervention. Over the years, the local economy became highly dependent on the service sector revolving around the GTI (formerly NuStar) oil transshipment and storage facilities provided by the island. GTI and suppliers alone account for one third of the island's employment rate (315 employees). The public sector is one of the biggest employers with some 340 employees, along with the non-export sector (transports, energy, water, construction) which accounts for another 360. The agriculture sector only employs 20 persons. This dependency on NuStar came at the detriment of other sectors which otherwise demonstrate real potential for growth and economic diversification.

For the island, addressing this challenge of economic diversification can prove difficult against the backdrop of limited resources and the absence of expertise and technical capacity. It is in this context that the EU has provided financial support through the 10<sup>th</sup> and 11<sup>th</sup> European Development Fund (EDF). EU cooperation intended to strengthen the social, economic and climatic resilience of Sint Eustatius, and included a port development initiative and budget support for the energy sector reform.

Sint Eustatius is a part of the Netherlands as a public entity (*openbaar lichaam*), forming together with Bonaire and Saba the Caribbean Netherlands. Sint Eustatius is assisted by Dutch line ministries, coming together through the RCN (*Rijksdienst Caribisch Nederland*) for the determination of its policies, strategy for socio-economic development and the actual implementation.

Relations with the European Union are defined by the [Council Decision \(EU\) 2021/1764](#) of 5 October 2021 on the Association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association including Greenland, DOAG). The DOAG sets a certain number of areas of cooperation. Most of them can be encapsulated under the definition of resilience, with numerous ramifications.

EU cooperation with Sint Eustatius is further framed by Part IV of the Treaty on the Functioning of the European Union (TFEU). Article 198 of TFEU emphasises that the association shall 'promote the economic and social development of the countries and territories and establish close economic relations between them and the Union as a whole'.

## 1.1 Basis for programming

The bases for programming are Sint Eustatius' *Sustainable Development Plan*, the report on [\*Developing Sustainable Agriculture on Sint Eustatius\*](#), and the draft *Vision for Sustainable Agriculture on Statia*. These documents provide the baseline for a sustainable agriculture policy that could stimulate economic growth while enhancing the island's food security, food quality and safety, as well as strengthening its resilience on several fronts.

The objectives of sustainable agriculture in Sint Eustatius are in a logical link with the 11<sup>th</sup> EDF territorial programme to support the energy sector reform in Sint Eustatius, thereby seeking to strengthen the island's socio-economic development and resilience. The 11<sup>th</sup> EDF energy sector reform provided a more enabling environment to support agriculture and the manufacturing and packaging industry. There are obvious cross-cutting links in the agriculture-energy sectors and there is the potential that Sint Eustatius not only achieves food sustainability, but also possibly establishes a small-scale exports hub amongst other nearby small islands, OCTs and third countries.

The relevance of pursuing an agricultural policy to strengthen food security and the social and economic resilience of Sint Eustatius is heightened by the impact of the COVID-19 pandemic. Sint Eustatius' draft *Vision for Sustainable Agriculture* refers to a rise in the unemployment rate as an anticipated consequence of the pandemic. Equally worrying is the impact of COVID-19 on food supply, especially since the island depends heavily on imports from the US and the EU. Due to the island's dependency on imports, the threat to food supply has existed prior to the arrival of the pandemic and will remain as long as the island does not become more self-reliant. As an example, the passage of hurricanes Irma and Maria in September 2017 resulted in an interruption of the island's food supply for more than two weeks. This volatility exacerbated by external threats therefore reinforces the argument to support a strong agriculture policy and food security.

Sint Eustatius can lead in the fight against climate change by striving for energy autonomy through domestic renewable production and reduced fossil fuel dependency. With successful and sustainable agriculture production, there will be a parallel focus on utilising sustainable/renewable energy sources (achieved through the 11<sup>th</sup> EDF). However, given the small size of the population and the small size of any future agricultural production, any exports will be very limited and at a small scale. The first target is that Sint Eustatius produces enough to ensure production for its own population, using renewable energy and sustainable methods where possible.

The parallel link between agriculture and sustainable energy and resilience is in line with and highlights the relevance of the Paris Agreement as a basis for programming, with the vision and processes to combat global climate change and adapt to its effects<sup>1</sup>.

The Sendai Framework for Disaster Risk Reduction (DRR) 2015-2030<sup>2</sup> provides a solid basis for the resilience component of the programming, with targets and priorities for action to prevent new and reduce existing disaster risks: (i) Understanding disaster risk; (ii) Strengthening disaster risk governance to manage disaster risk; (iii) Investing in disaster reduction for resilience and; (iv) Enhancing disaster preparedness for effective response, and to "Build Back Better" in recovery, rehabilitation and reconstruction.

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<sup>1</sup> [Dutch OCTs, including Sint Eustatius, did not sign up to the Paris Agreement](#). However, its objectives and role are very relevant in the broader framework of international action on climate change.

<sup>2</sup> [The Sendai Framework](#) was adopted at the Third UN World Conference on Disaster Risk Reduction in Sendai, Japan, on March 18, 2015.

## 1.2 Priority area of the EU's cooperation with Sint Eustatius

Sustainable agriculture, as part of the island's resilience, was jointly identified by Sint Eustatius and the European Commission as the priority area of the EU territorial programme 2021-2027.

A sustainable agriculture policy will not only address the need for a more stable and continuous food supply for Sint Eustatius and neighbouring islands, but will also serve as a catalyst for other social and economic sectors and small business development, generating employment. Previous EU cooperation in Sint Eustatius has already laid the foundation for this, with the 11<sup>th</sup> EDF energy sector reform providing a more enabling environment to support agriculture and the possible manufacturing and packaging industry. The 10<sup>th</sup> EDF port revetment project also supports the potential for increased exports of agricultural produce and products. This opportunity for agriculture has already been increased under the 11<sup>th</sup> EDF, when the island explored the possibility of optimising the land-space available under the solar photovoltaic park component. Determined to pursue an agriculture policy, the island has also commissioned a policy document intituled '*Vision for Sustainable Agriculture on Statia*' which so far provides a baseline for the key challenges, priorities and areas for investment. Complementing this policy document is a research paper produced by Utrecht University that explores the possibility of environmentally friendly agriculture and sustainable livelihoods. Both documents constitute an extension of the idea raised in Sint Eustatius *Sustainable Development Plan*. This preliminary work provides a window of opportunity for the EU to align its priorities with the island's, in a bid to take its development cooperation to the next level.

## 1.3 Justification and context, including linkages with the DOAG, EU policies and SDGs

The DOAG supports cooperation in agriculture, notably the articles 18, 20 and 62.

The importance of investing in Sint Eustatius' agricultural sector becomes even more crucial with the [European Green deal](#), which has for mission to develop sustainable economies. Sint Eustatius' agricultural policy is aligned with the [Farm to Fork Strategy](#), which is part of the European Green deal. This new phase of cooperation will respond to the objectives of the Farm to Fork Strategy which seeks to:

- have a neutral or positive environmental impact;
- help mitigate climate change and adapt to its impacts;
- reverse the loss of biodiversity;
- ensure food security, nutrition and public health, making sure that everyone has access to sufficient, safe, nutritious, sustainable food;
- preserve affordability of food while generating fairer economic returns, fostering competitiveness of the EU supply sector and promoting fair trade.

As a result, not only could support for sustainable agriculture development become a new cornerstone of Sint Eustatius' local economy, but its far-reaching impact on different sectors of activity as well as on the socioeconomic development of its inhabitants present an ideal opportunity to create a Green deal success story. A robust agriculture sector will increase food security, while contributing to building private sector businesses, creating jobs, establishing a regional hub for local produce in the surrounding islands, and enhancing environmental resilience through best practices. Subsequently, supporting Sint Eustatius' agriculture policy encompasses the three pillars of the DOAG decision: (1) enhancing competitiveness, (2) strengthening resilience and reducing vulnerability and (3) promoting cooperation and integration between the OCTs and other partners and neighbouring regions.

A great focus has also been on strengthening the island's resilience, including to the effects of climate change, primarily through support for agriculture sector development. Given that the agriculture sector is particularly vulnerable to climate change impacts, it is important to stress the climate resilience aspects of agriculture food value chains, while seizing opportunities to develop them in a way that contributes to a low-carbon, sustainable economic transition.

Digitalisation can support the development of the agri-related value chains on the island. The EU priorities on the [digital transition](#) are reflected in the intention of Sint Eustatius to establish or update existing applications, digitalise processes and collect sector-relevant data. Due to the small size and population of the island, and its specificities, digitalisation is however referring mostly to small-scale data collection/automating and database creation. Therefore, and taking into consideration the type of intervention and the islands specificities, any digitalisation should enhance the productivity and efficiency of the interventions. Digitalisation could be done in the form of:

1. Logistics (stock taking)
2. Supply and demand (storage and projections)
3. Systematic irrigation
4. Temperature control and PH balancing in greenhouses

Moreover, sustainable agriculture transcends the 17 Sustainable Development Goals (SDGs) with its multi-faceted benefits on the social and economic fabric of society. More specifically, this programme will contribute directly to achieving:

- SDG2 – End hunger: Achieve food security, end hunger and improved nutrition, and promote sustainable agriculture); this can be achieved by establishing a more reliable, resilient and affordable food supply to citizens of Sint Eustatius, while using best practices to guarantee long-term sustainable agriculture.
- SDG16 – Peace, justice and strong institutions: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build accountable and inclusive institutions at all levels.

Indirectly, the agriculture sector reform will contribute specifically to SDG1: No poverty, SDG5: Gender equality, SDG8: Decent employment, SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation, SDG12: Responsible consumption and production and SDG13: Climate action.

#### **1.4. Duration of the MIP and option for synchronisation**

The MIP for Sint Eustatius will cover a period of 7 years. This MIP will be hinged on the adopted *Vision for Sustainable Agriculture for Statia*, which together with the *Sustainable Development Plan*, form the basis of the island's agriculture sector reform. Several other policy documents and plans such as a price policy, a water management plan, a soil erosion plan and a land policy will pillar this reform and reflect the island's comprehensive forward-thinking planning for long-term sustainability. The policy documents are independent of the political cycles and timeframes are governed by executive council decrees.

Synchronisation with Sint Eustatius could be sought either at the time of the update of the *Vision for sustainable agriculture* (a 4-year policy document running from 2021-2025 to be updated in 2025), or at the point of revision of the *Sustainable development plan* (expected in 2023).

## 2) EU support per priority area

### 2.1 Priority area

The EU will provide support to Sint Eustatius' sustainable agriculture sector through an approach which includes strengthening the existing regulatory/policy framework and improving food safety, food quality and food security.

The goal is to enhance Sint Eustatius' food safety, quality and security and to strengthen its social, economic and climate resilience through agriculture sector development.

In order to help Sint Eustatius reach this goal, the following approaches could be considered:

- a) Good governance - the development of good governance practices to support the agriculture sector, with special focus on cross-cutting issues.

SDG directly addressed: SDG16

SDGs indirectly addressed: SDGs 1, 2, 5, 8 and 12

While the *Vision for Sustainable Agriculture on Statia* is the basis for Sint Eustatius' agriculture policy, a legal and regulatory framework to support and harmonise this policy could be required to optimise resources (including those produced). Good governance practices should also help to maximise exports and create an enabling environment for local business and the local market. Challenges encountered by residents wanting to invest in agriculture are high start-up costs, absence of microfinancing or grand schemes, lack of effective marketing, bureaucracy and expensive business licenses. These factors contributed to the creation of a large informal and traditionally unregulated agricultural sector, with many farmers not registered or employed through secondary initiatives. Good governance and planning could therefore seek where possible to develop a more enabling business environment for agricultural growth, and to help mainstream the informal sector. This could also provide an opportunity to extend social protection coverage to the informal sector, with focus on addressing inequalities – women and those with disabilities.

There are already two farmer's and fisher's cooperatives that work with local authorities to regulate their production and sales, including setting prices. A policy for price control is also currently being drafted. However, these will have to be adjusted where necessary over the next seven years to accommodate the needs of the agriculture sector reform and its different components. The island government will have to assume a regulatory function for the export market, such as negotiating import/export agreements with other islands/foreign/regional companies as well as regulating export fees (this is currently being done but will have to be adjusted to keep up with evolving market trends). This represents an ideal opportunity for the EU to promote governance reforms through agriculture development policy and implementation, in the broader context of EU external relations. By reinforcing this framework for agricultural reform, the EU and Sint Eustatius will contribute directly to achieving SDG16.

A sustainable agricultural policy must be conducive to an enabling environment for women, small businesses and farmers, and facilitate land ownership and economic incentives that would stimulate long-term economic growth and employment, which in turn could significantly enhance life for residents. As a result, several SDGs will be indirectly achieved, such as SDGs 1, 2, 5 and 8. By promoting good agriculture and business practices, and

stimulating economic growth, the ripple effects of good governance will also contribute to SDG12 (Responsible consumption and production).

b) Enhancing food safety, quality and security and strengthening social, economic and climate resilience

As supported by the research on *Developing Sustainable Agriculture in St Eustatius*, agricultural (including husbandry) practices in Sint Eustatius have had an adverse effect on soil and water resources over the years. The quasi-absence of fresh water sources, coupled with long drought seasons, is a major challenge for agriculture and access to potable water. The absence of dense vegetation to reduce the runoff of rainwater, along with destructive free roaming livestock, is also a contributing land degradation factor. Sustainable agriculture will also depend heavily on a sound soil/land use and management plan. In the long-term, this could increase good vegetation, which will in turn reduce water runoff and enhance water retention. Another important aspect of sustainable soil/land use plan is its capacity to prevent erosion through afforestation, reforestation and livestock control.

Understanding the challenge that this causes for the development of the agricultural sector as well as the environmental risks resulting from the soil degradation and erosion in particular, has encouraged the island to establish a detailed water management plan, an erosion control plan, and a land policy. The *Plan for Land and Water for the Caribbean Netherlands* is also being used to guide planning. In the meanwhile, the island has gained a head start with its land policy by implementing a reforestation project that is currently ongoing. These tools can form the basis of a more structured and comprehensive framework and implementation of projects in the agriculture sector, optimising the impact on social and economic development of the island.

Sint Eustatius could finally begin investing in different income-earning sub-sectors. The two sub-sectors flagged for their investment potential are cash crop farming and livestock (husbandry). This will aim to increase food safety, quality security and affordability, as well as exports, and consequently boost local economic growth. Incidentally, Sint Eustatius is already an exporter of livestock to Saba, Sint Maarten and Saint Kitts and Nevis, which means that exports are highly relevant and can be expanded. Enhancing food availability and affordability may also contribute to decreasing imports from neighbouring islands. The research on *Developing Sustainable Agriculture on St Eustatius* identified that food is primarily sourced from Sint Maarten's wholesale suppliers, but often, supplies are of bad quality or are already expired. Priority should therefore be given to enhancing the island's food safety, food quality and security, with the production surplus eventually destined for export markets. One viable means of enhancing food quality, safety and security may be to establish a weather resistant storage facility on the island. Having identified an opportunity for increasing exports, the island is also prepared to simultaneously examine possibilities for responding specifically to external market demands, while ensuring that local demand is met.

In terms of links to health targets, it is assumed that a healthy and organic local production will also contribute to a healthier population overall. An increased local production also means a lower carbon footprint from imports. Due to the size and nature of the agriculture sector in Sint Eustatius, health targets will not be directly sought. However, the prospects of food, healthy eating and holistic lifestyle through practice and information campaigns will be incorporated into the programming. This approach will also contribute directly to achieving SDG2 (Zero hunger).

Good practices in soil and water management, as well as afforestation resulting from farming crops, will also contribute to enhancing the climate resilience of the island. Sustainably managed crops and trees will prevent erosion, enhance water retention and serve as barriers against high winds, floods and wave. As a result, sustainable agriculture will contribute to achieving, albeit indirectly, SDG13 (Climate action).

Gender sensitivity in planning and implementation in the agriculture sector will also contribute to achieving SDG5, also referring the [EU Gender policy \(GAP III\)](#). Actions can become gender responsive if special effort is made to ensure equal access to farming and agro-business opportunities for women (such as access to land and investment incentives). Studies show that women farmers produce 20-30% less than their male counterparts, mostly due to differences in their access and use of resources. Yet, they produce more than half of food available worldwide, leaving immense potential untended. Nevertheless, the national gender policy application, as well as collection of relevant data on Sint Eustatius (being a public entity of the Netherlands), and as such relevant targets will not be directly pursued beyond sex disaggregated data collection.

The promotion of local farming and businesses for all will boost employment and economic growth, thereby indirectly contributing to achieving SDG8 (Decent work and economic growth).

Various sustainable infrastructures will be funded to bring forth Sint Eustatius vision for the agriculture sector. Environmental sustainability and impacts of any proposed infrastructures will be assessed (through, for instance, Environmental Impact Assessments) by Sint Eustatius in advance before engaging, in order to safeguard the island's climate and environment.

### **2.1.1 Specific objectives related to the priority area**

The Specific objectives (SO) under the priority area for Sint Eustatius are:

- SO1. Increase sustainable production and productivity of agriculture, husbandry and fisheries
- SO2. Improve preparedness and resilience against food and climate crises

### **2.1.2 Expected results per specific objective**

The expected results are:

For SO1:

- A. Rural infrastructure (re)constructed/delivered (could include transport, water and irrigation, desalination plant, storage facilities, green houses and hydroponics manufacturing plants)
- B. Increased access to productive tools/equipment
- C. Strengthened agricultural services and rural services available

For SO2:

- A. Improved food stock management systems
- B. Policies, legislation, regulations and action plans developed (including possibly on management structure of the farms/cooperatives, export systems in place, water management and distribution, biodiversity, nutrition, territorial development, food security, food prices, fiscal)
- C. Up-to-date information, data and statistics available (market, nutrition, food security, resilience, production)



### 2.1.3 Indicators (including baseline and targets), per expected result

For SO1:

- A1. Completion of (re)constructed/upgraded sustainable infrastructure supporting sustainable sector production and food processing in line with EU standards
- A2. Number of registered livestock farms
- A3. Yearly volume of fish catch, pelagic, reef fish, lobsters and conch, disaggregated per type of production and location and/or number of professional fishermen
- A4. Livestock productivity (kg of meat production per head), disaggregated by type of produce and location
- A5. Number of individuals holding full or part-time jobs/green jobs in the agriculture sector, disaggregated by sex/age if possible
- A6. Number of smallholders reached with EU support interventions aimed to increase their sustainable production and access to markets
  
- B1. Number of people receiving inputs and assets with EU funding, disaggregated by sex and beneficiary, value and type of input
  
- C1. Organisations receiving agricultural extension and rural advisory services with EU support (individual member data could be disaggregated by sex/age)

For SO2:

- A1. Number of weather resistant/up to category 3 hurricane proof food storage facilities and agricultural infrastructures
- A2. Increased access in volume to locally produced, fresh food and derived manufactured goods available to residents
  
- B1. Updates and finalisation of the overall sustainable agriculture sector regulatory framework available
- B2. Adopt and implement local disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030
  
- C1. E-agriculture database/monitoring system in place

### 2.1.4 Risks per priority area

The major risks which may have an effect on the implementation of EU-Sint Eustatius partnership are the following:

Risks	Mitigating measures
1. Absence of necessary skills and expertise to support the sector reform.	Technical assistance such as market studies and baseline assessments can be provided through EU funding.
2. Positive mentality shift in the local population to accommodate the necessary environmental changes are slow to come.	Awareness raising campaigns and success story sharing.
3. Natural hazards/hurricanes, including sea swells.	Communication and visibility to promote cooperation and raise awareness on destructive agricultural practices can be undertaken through EU funding. Education awareness for agriculture good practices can also be promoted through communication. Infrastructures will be hurricane resistant.



### **3) Complementarity with EU/Member States' initiatives in the proposed priority area**

#### **3.1 Integrated European initiatives**

A Team Europe approach is not directly applicable in Sint Eustatius, where the scope for engagement of additional donors/EU actors is very limited. However, it will be necessary to further reflect on how these initiatives can be adapted to the situation of the OCTs, if opportunities arise. In addition, Sint Eustatius is not an ACP<sup>3</sup> country (no Economic Partnership Agreements in place) nor a member of the Caribbean Forum (CARIFORUM), therefore there is no formalised regional/OCT trade cooperation through these avenues. The trade regime with the EU is defined by the DOAG and Sint Eustatius' associated status as an OCT.

Being a public entity of the Netherlands, Sint Eustatius benefits from central government support in different sectors of activities such as those listed in section 1.1. The legal status of the island places a responsibility on central government to intervene in crisis situations such as that caused by the COVID-19 pandemic. EU interventions have to stand in synergy with Dutch initiatives to enhance impact and to avoid overlaps and redundancies.

Sint Eustatius will be eligible for the European programme for environment and climate (LIFE) 2021-2027. The objective of the programme is to contribute to the transition to a clean, circular, energy-efficient, low-carbon and climate-resilient economy, in particular through the transition to clean energy, in order to protect and to improve the quality of the environment as well as halt and reverse the loss of biodiversity.

Synergies will also be sought with the current 11<sup>th</sup> EDF Caribbean OCTs Resilience, Sustainable Energy and Marine Biodiversity Programme (RESEMBID), as well as the future regional programme for the seven Caribbean OCTs.

The relevant services of the Commission shall discuss the implementing modalities and specific interventions, pursuant to the DOAG (articles 74(c) and 84(4)) and the European Territorial Cooperation (ETC) Regulation (article 55), which will be reflected as appropriate in the relevant Annual Action Plans/measures and within the "Caribbean Area INTERREG programme".

#### **3.2 Support measures**

Support measures will primarily be mobilised through the OCT Technical Cooperation Facility. Support measures will also ensure effective visibility and strategic communication of the EU OCT partnership.

#### **3.3 Support to investments**

Sint Eustatius' ability as a public entity to independently and directly obtain funding from external lenders such as the European Investment Bank (EIB), even for blending purposes, is not possible, based on the 2010 constitutional changes and the new fiscal framework. Debt relief is conditional on the establishment of a fiscal framework, applicable to the local government of each island of the Caribbean Netherlands, and including:

1. The introduction of medium-term budgeting (the current revolving Caribbean Netherlands 4 year multi-annual programme);

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<sup>3</sup> Countries of Africa, the Caribbean and the Pacific.

2. The establishment of the Dutch Board for financial supervision (*College financieel toezicht*, CfT) to supervise borrowing decisions, ensure that the fiscal rule is fully implemented, and advise responsible ministers;
3. A balanced current budget rule, with borrowing restricted to within-year cash management needs. Deviations will only be allowed only in case of a disaster, with disaster relief subject to the approval of the fiscal supervisor;
4. Borrowing caps for capital expenditure, limiting annual interest payments to 5% of the average total revenue of the preceding three years, with loans from a line department of a Dutch ministry of the for investments to be approved by the CfT only if the budget implementation is in line with the fiscal rule.

The Caribbean Netherlands Island Councils are heavily dependent on the Dutch central government, as regards to financial resources. Like Dutch municipalities, public entities can only levy a limited number of taxes stipulated in the law (FinBES), of which land tax and tourist tax generate the principal returns (10-15% of total revenue). Thus the public entities are dependent on the Dutch central government resources by means of an “annual free distribution” though the annual budgets of the different Dutch ministries or special-purpose grants from departments within these ministries. Sint Eustatius as a public entity cannot borrow funds from external sources such as the EIB. Only line departments of the Dutch ministries are allowed to grant (non-interest bearing) loans to the Caribbean Netherlands public entities.

Sint Eustatius incurred an important trade deficit due to its heavy dependence on imports. There may therefore be an opportunity for financial institutions to support business and economic growth through incentives and debt control. The European Investment Bank has traditionally offered long-term financing in the OCTs. Blending could therefore be possible under the right circumstances.

There are overall great challenges to investing in both the sector and in Sint Eustatius, due to the overall lack of investor prospects, because of the island’s size and specificities. International presence is thus scares, and most investment matters go through the RCN.

Any action supported by EU funds will be conditioned by the following: (i) none of actions should have adverse impact on climate change and biodiversity (ii) all agrifood processing facilities developed, upgraded or refurbished with EU support meet stringent energy, water and other resource efficiency standards; (iii) if selected for implementation, the envisaged desalination water plant for agriculture and animal husbandry be powered by renewable energy.

Overall, several of the envisioned infrastructures listed in section 2.1 have important environmental impact implications. It is therefore needed to assess the environmental sustainability of any proposed infrastructure, before implementation, in order to ensure that no action has an adverse impact on climate and environment.

Under the new DOAG, Sint Eustatius will be eligible for the InvestEU Programme on a competitive basis, which aims to kick-start the European economy through the provision of crucial support, notably guarantees, to the Union's medium- and long-term policy priorities, such as the European Green deal and greater resilience. At least 30% of the InvestEU Fund must contribute to the fight against climate change. InvestEU can be combined with grants or financial instruments (or both), funded by the centrally managed EU budget or by the EU Emissions Trading System (ETS) Innovation Fund.

#### 4) Financial overview

The proposed distribution of this territorial allocation is as follows:

<i>Sustainable agriculture</i>	<i>EUR 2.9 million</i>	<i>100%</i>
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A specific indicative amount or percentage under each priority area may be identified with regard to the pooling of resources with the European Regional Development Fund (ERDF) under ETC/INTERREG programmes or other EU funds and EU Member States funds.

## Appendix: Indicative intervention framework

<b>Priority area: Sustainable agriculture</b>		
<b>Specific objective 1: Increase sustainable production and productivity of agriculture, husbandry and fisheries</b>		
<b>Expected results</b>	<b>Indicators</b>	<b>Baselines, targets and sources of verification</b>
A. Rural infrastructure (re)constructed/delivered (could include transport, water and irrigation, desalination plant, storage facilities, green houses and hydroponics manufacturing plants)	A1. Completion of (re)constructed/upgraded infrastructure supporting sustainable sector production and food processing in line with EU standards	<p><u>Baseline 2021</u>: registered agriculture farms on island: (3); Number of centralised vegetable greenhouses in 2021: (5); desalination water plant for agriculture: (0); centralised storage and manufacturing facility: (0)</p> <p><u>Targets 2027</u>: Registered agri farms: (6); Centralised vegetable green houses: (10); Functional desalination water plant: (1)</p> <p><u>Sources of verification</u>: Registry at the chamber of commerce; Farmers registry at the department of agriculture; Agriculture vision plan</p>
	A2. Number of registered livestock farms	<p><u>Baseline 2021</u>: Registered sustainable livestock farms: (0)</p> <p><u>Target 2027</u>: Registered sustainable livestock farms: (6)</p> <p><u>Sources of verification</u>: Registry at the chamber of commerce; Farmers registry at the department of agriculture</p>
	A3. Yearly volume of fish catch, pelagic, reef fish, lobsters and conch, disaggregated per type of production and location and/or number of professional fishermen	<p><u>Baseline 2021</u>: Pelagic: 1 ton/ yr; Reef fish: 4.9 ton/yr; Lobster: 12 ton/yr; Conch: ±2600 shells/yr</p> <p><u>Targets 2027</u>: Pelagic: 2.5ton/ yr; Reef fish: 10 ton/yr; Lobster: 48 ton/yr; Conch: ±6500 shells/yr</p> <p><u>Sources of verification</u>: Data monitoring report Sint Eustatius fisheries</p>
	A4. Livestock productivity (kg of meat production per head), disaggregated by type of produce and location	<p><u>Baseline 2021</u>: Goats: 10kg/head; Sheep: 10kg/head; Cows: 125kg/head</p> <p><u>Targets 2027</u>: Goats: 15kg/head; Sheep: 15kg/head; Cows: 170kg/head</p> <p><u>Sources of verification</u>: Annual report OLE/ slaughter house</p>
	A5. Number of individuals holding full or part-time jobs/green jobs in the agriculture sector, disaggregated by sex/age if possible	<p><u>Baseline 2021</u>: Persons currently employed in farming: (± 15<sup>4</sup>)</p> <p><u>Target 2027</u>: Persons employed in farming in the formal sector: (22)</p> <p><u>Sources of verification</u>: Agriculture vision plan/ Report OLE/ Chamber of commerce</p>
	A6. Number of smallholders reached with EU support interventions aimed to	<p><u>Baseline 2021</u>: Fishermen, farmers and livestock holders accessing sustainable production and markets: (20)</p> <p><u>Target 2027</u>: Fishermen, farmers and livestock</p>

<sup>4</sup> There are more persons benefiting financially in the informal sector. There is currently insufficient data; this information is to be completed at a later stage.

<p>B. Increased access to productive tools/equipment</p> <p>C. Strengthened agricultural and rural services available</p>	<p>increase their sustainable production and access to markets</p> <p>B1. Number of people receiving inputs and assets with EU funding, disaggregated by sex and beneficiary, value and type of input</p> <p>C1. Organisations receiving agricultural extension and rural advisory services with EU support, (individual member data could be disaggregated by sex/age)</p>	<p>holders accessing local market: (40)  <u>Sources of verification:</u> Annual reports registry chamber of commerce; Annual reports</p> <p><u>Baseline 2021:</u> Number of people receiving inputs and assets (e.g. livestock, seeds, tools) with EU funding, disaggregated by sex and beneficiary, value and type of input: (0)  <u>Target 2027:</u> Number of people receiving inputs and assets (e.g. livestock, seeds, tools) with EU funding, disaggregated by sex and beneficiary, value and type of input: (50)  <u>Sources of verification:</u> Annual reports for future projects and activities in the sector</p> <p><u>Baseline 2021:</u> Organisations receiving rural advisory services with EU support, (individual member data could be disaggregated by sex/age): (0)  <u>Targets 2027:</u> Organisations receiving technical support: (4): 1 fisheries cooperative, 1 farmers' cooperative, 1 island agriculture development and 1 business support organisation  <u>Sources of verification:</u> Annual reports</p>
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**Specific objective 2: Improve preparedness and resilience against food and climate crises**

<b>Expected results</b>	<b>Indicators</b>	<b>Baselines, targets and sources of verification</b>
<p>A. Improved food stock systems</p> <p>B. Policies, legislation, regulations and action plans developed (including possibly on management structure of the farms/cooperatives, export systems in place, water management and distribution, biodiversity, nutrition, territorial development, food security, food prices, fiscal)</p>	<p>A1. Number of weather resistant/up to category 3 hurricane proof food storage facilities and agricultural infrastructures</p> <p>A2. Increased access in volume to locally produced, fresh food and derived manufactured goods available to residents.</p> <p>B1. Updates and finalisation of the overall sustainable agriculture sector regulatory framework available</p>	<p><u>Baseline 2021:</u> Number of weather resistant food storage facilities: (0); Number of weather resistant agro and meat processing units: (1)  <u>Targets 2027:</u> Number of weather resistant food storage facilities: (2); Number of weather resistant agro and meat processing units: (2)  <u>Sources of verification:</u> Annual and quarterly reports; Registry by the chamber of commerce; Annual and quarterly reports, publications</p> <p><u>Baseline 2021:</u> to be verified before start of programming, pending the relevant information in the draft Vision for Sustainable Agriculture on Statia  <u>Targets 2027:</u> Vegetables: 1.5 ton/yr; Fruits and tubers: 3tn/yr; Manufactured products: 500 kg /yr; Fruit juices: 1500 l/yr  <u>Sources of verification:</u> Data sheet from participating farms/ farmers; Annual report OLE</p> <p><u>Baseline 2021:</u> Regulatory framework for export: (0); Regulatory framework for agricultural and meat production: (0); Partnership framework for cooperatives/Business support organisations: (0); Membership framework/guidelines for cooperatives: (0)  <u>Targets 2027:</u> Regulatory framework for exports (1); Regulatory framework for agricultural and meat</p>

<p>C. Up-to-date information, data and statistics available (market, nutrition, food security, resilience, production)</p>	<p>B2. Adopt and implement local disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030</p> <p>C1. E-agriculture database/monitoring system in place</p>	<p>production: (1); Partnership framework for cooperatives and Business support organisations: (1) by 2024-2025; Membership framework /guidelines for cooperatives: (1)</p> <p><u>Sources of verification</u>: Annual and quarterly reports, publications</p> <p><u>Baseline 2021</u>: Agriculture disaster risk reduction and recovery strategy for animal husbandry and arable farming:(0)</p> <p><u>Target 2027</u>: Agriculture disaster risk reduction and recovery strategy for animal husbandry and arable farming: (1)</p> <p><u>Sources of verification</u>: Strategy plan</p> <p><u>Baseline 2021</u>: Data registry and monitoring system for storage, product tracking and logistics: (0)</p> <p><u>Target 2027</u>: Data registry and monitoring systems, used by farmers and data collection officers: (2)</p> <p><u>Sources of verification</u>: Copy of the data monitoring systems and the annual report of participating farms/farmers</p>
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