

EN

ANNEX IX

SINT MAARTEN TERRITORIAL MULTIANNUAL INDICATIVE PROGRAMME (MIP)

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

The autonomous country within the Kingdom of the Netherlands Sint Maarten (34 km², 41.500 inhabitants) and the French Collectivité territoriale de Saint-Martin (53,2 km², 37.000 inhabitants) are sharing the smallest land mass in the world belonging to two states. Sint Maarten is one of three autonomous countries of the Kingdom of the Netherlands in the Caribbean. It is a small and open island economy, with tourism being the major driver of economic activity, which makes the country vulnerable to global economic developments. GDP per capita is approximately EUR 29.000.

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 basis for programming is [the National Energy Policy for Country Sint Maarten: towards a sustainable development](#). This document was approved by the island’s Council of Ministers in 2014. Recently, Sint Maarten has started to update it, with the output scheduled during the course of 2021-2022. The programming will also be informed by an energy strategy preparatory report: *National Energy Transformation for Sint Maarten: A Comprehensive Approach to Strengthening the Electric Grid through Renewable and Distributed Energy Resources*, as well as by any other relevant documents/reports that Sint Maarten issues in the coming months.

Furthermore, Sint Maarten’s [National Development Vision 2020-2030](#) also provides a basis for programming, not only for the energy sector, but also with regards to green cross-border cooperation. As part of its vision for a resilient economy, it sets forth the goals to build a sustainable energy sector and to “develop strong and mutually cooperative relations with Saint-Martin”. The selected priority area is also supported in Sint Maarten’s [National Recover and Resilience Plan: a Roadmap to Building Back Better](#).

Green cross-border cooperation would allow to capitalise on ongoing initiatives of the partnership between the EU and Sint Maarten as well as Saint-Martin. The EU is contributing, through the 11th European Development Fund (EDF) territorial allocation to Sint Maarten, technical assistance of EUR 880.000 providing capacity building services to foster cross-border cooperation. The EU, through DG REGIO, also funds an INTERREG programme Saint-Martin – Sint Maarten 2013-2020 in the priority areas of adaptation to climate change, risk prevention and management, environmental protection and efficient use of resources. This programme finances studies for the future wastewater treatment plant of Cole Bay, to be used by both Saint-Martin and Sint Maarten.

Like other islands in the region, Sint Maarten faces vulnerabilities to climate change and natural disasters. Currently, Sint Maarten is still largely dependent on fossil fuels as energy source. However, the OCT wishes to turn to renewable energy to contribute to reducing global warming and to avail of the benefits of cleaner, cheaper and autarkic sources of energy. Due to this dependency on hydrocarbons, the volatility of oil prices has a significant negative effect on the island's economy and the social lives of the people. The estimated cost for a kWh is more than 40 cents, thereby energy cost equal to almost 18% of the disposable income of inhabitants¹. The ongoing increase in fuel cost over the last years has proven to have a considerable effect on food products, energy bills and subsequently disposable income, causing an upward trend in inflation. In order to mitigate these detrimental effects, it is imperative for Sint Maarten to look into renewable energy sources and alternative energy sources. In addition, renewable sustainable energy sources also contribute to a healthier environment as it is less likely to cause pollution, thus improving the quality of life. Sint Maarten is exposed to natural disasters. It is prone to tropical cyclones, tsunamis and earthquakes. In September 2017, the sole power plant, which depends on fossil fuel, along with the power lines were badly damaged. There is therefore a need to build natural hazards resilient energy installations.

These challenges can be turned into programmatic and partnership opportunities for the EU. The COVID-19 crisis has shown Sint Maarten that making deep structural changes and reforms is unavoidable. A closer cooperation and coordination with Saint-Martin has also become necessary, especially after the hurricanes and the pandemic. There is a conducive momentum to rethink Sint Maarten's fragile, one-sided economy, its social contract with the citizens, its relations with Saint-Martin, and its future ways to combat natural hazards and pandemics. With the structural reform package arrangement between the Netherlands and Sint Maarten, the time is opportune to contribute to the overall reform of the country, renewable energy being a major trigger of economic reform, resilience and socio-economic alleviation.

Moreover, the parallel link between 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 effects².

The Sendai Framework for Disaster Risk Reduction (DRR) 2015-2030³ 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.

1.2 Priority area of the EU's cooperation with Sint Maarten

It was jointly agreed by Sint Maarten and the European Commission that the priority area of the 2021-2027 territorial programme will focus on the Green deal, more concretely on sustainable and resilient energy, under the auspices of improving the overall resilience of Sint Maarten. The approach includes a component on cross-border cooperation with Saint-Martin related to the Green deal.

¹ According to the Ministry of Public Housing, Environment, Spatial Planning, and Infrastructure of Sint Maarten (Ministry of VROMI).

² [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.

³ The [Sendai Framework](#) was adopted at the Third UN World Conference on Disaster Risk Reduction in Sendai, Japan, on March 18, 2015.

Sustainable and resilient energy:

Sint Maarten does not yet use much energy coming from renewable sources. Its energy sector strategy will be updated and will specify further the exact goals and steps to achieve the highest possible renewable energy sector sustainability by 2025. Sint Maarten is currently engaging technical assistance services, in order to further refine its targets and national energy policy, as well as to determine the maximum penetration thresholds and best energy combination for further actions. In this regard, Sint Maarten will welcome EU support so as to finalise its energy sector strategy and to engage into its effective implementation.

To support Sint Maarten's long-term vision, it is thus very important to further investigate options for renewable energy sources that can open the pathway to affordable sustainable energy supply. Commercially mature renewable energy technologies such as wind and photovoltaic systems could be prospected. Sint Maarten is favourably graced with abundance of sunlight, warm temperatures, easy access to wind and geothermal potential, which constitute an advantage for its vision of an increased renewable energy mix. However, and in order to be effective against a series of other challenges the island is facing (tropical storms/hurricanes, sea swell, COVID-19-related limitations), any green and renewable energy projects must also have a strong resilience component. Therefore, green renewable energy infrastructures should be accompanied, on the level of Sint Maarten government, by effective storm and water management, as well as coastal, ecosystem and food protection mechanisms; resilient energy efficiency options must also be considered.

By decentralising energy generation and reducing reliance on transmission and distribution wires, a transformation to a more resilient and efficient energy infrastructure would effectively enable the electric grid to locate generation assets and storage assets closer to customer loads. It should be envisaged to reinforce critical infrastructure, or even networks, hardening the grid, and reducing vulnerability to climate change-induced extreme weather events. By leveraging smart metering infrastructure, cloud-based controls and better distributions systems, Sint Maarten could start moving towards an energy infrastructure that provides a resilient adaptation to projected future climate impacts and hazards.

Green cross-border cooperation with Saint-Martin:

The vulnerability of the island and the limited economic base, further amplified by recent events (hurricane in 2017, COVID-19 pandemic) calls for enhanced cooperation between the two entities it hosts, Sint Maarten and Saint-Martin for mutual benefit. During 2013-2020, the EU, through DG REGIO and the European Regional Development Fund (ERDF), encouraged a better cross-border cooperation by means of the INTERREG programme Saint-Martin – Sint Maarten. In the wake of this ERDF territorial cooperation programme, the 11th EDF territorial programme also engages in cross border cooperation to establish a joint platform between the two parts of the island to map out possible cooperation projects. Several obstacles, among which an insufficient administrative capacity and political and systemic differences between both sides, have impeded a smooth implementation of cross border cooperation over the last years. In addition, the Irma hurricane, which destroyed 95% of the island in September 2017, has disturbed the organisation of services for a long period. The EU stands ready, on the basis of the lessons learnt from the ongoing cooperation, and following Sint Maarten's commitments, to develop, under the territorial allocation 2021-2027, a pilot phase of cross-border cooperation projects focused on the Green deal. Such initiatives would benefit both sides of the island. The architecture could include funding and cooperation from Saint-Martin, be it through the French national budget, the budget of the *collectivité territoriale*, or possibly through a combined effort with the DG REGIO new programme

INTERREG Caribbean 2021-2027 with managing authority being in Guadeloupe that will, under its axe 5, also comprise a sub-programme for Saint-Martin – Sint Maarten.

The recent years have shown that big infrastructure projects as part of the cross-border cooperation face a variety of challenges and did not have the necessary conducive environment. This calls for innovative approaches to build the necessary momentum including through joint small scale pilot projects, in various domains to foster trust and shared commitment to a sustainable cross-border approach within the Green deal.

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

The priority area is closely linked to the priorities of cooperation for sustainable development as detailed in Article 5(2) of the DOAG, namely *(d) the promotion of green and blue economy*. Moreover, renewable energy/energy efficiency cooperation with Sint Maarten also relates to *(e) the sustainable management of natural resources, including the conservation and sustainable use of biodiversity and ecosystem services*, to *(f) mitigation of climate change and adaptation to the impacts of climate change*, as well as *(g) the promotion of disaster risk reduction*. The selected priority area is directly contributing to the objectives of Article 22 of the DOAG on energy.

Sustainable energy/energy efficiency is closely related to the overarching policy priorities of the European Commission, in particular [the Green deal](#) (including climate change, disaster risk reduction, environment and energy transition, which are very relevant themes for Sint Maarten and where more funding is required to enhance results). With regards to the SDGs, the selected area for cooperation directly relates to *SDG7: Ensure access to affordable, reliable, sustainable and modern energy for all*, as well as to *SDG13: Take urgent action to combat climate change and its impacts*, and *SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*. Lastly, gender sensitivity in planning and implementation in the energy sector will also contribute to achieving *SDG5 on gender equality*, also advancing the [EU Gender policy \(GAP III\)](#).

The value-added of directing EU funding for Sint Maarten to sustainable and resilient energy is in line with the Green deal, and clearly identified as the preferred priority area for the territorial programme 2021-2027 by the government of Sint Maarten. The turn to Green deal goals is pertinent also to post COVID-19 recovery, as it includes targets such as more resilient and diversified economy or build back better principles. Lowering the cost of energy in an island nation which maintains currently amongst the highest electricity prices in the region, would also be a major incentive for growth, jobs and investments and would contribute to a better social and economic balance.

Digitalisation could also support the development of sustainable and resilient energy on the island. The EU priorities on the [digital transition](#) are reflected in the intention of Sint Maarten to establish or update existing applications, digitalise processes and collect sector-relevant data. Due to the relatively small size and population of the island, and its specificities, digitalisation is however referring mostly to small-scale data collection/automating and database creation.

With regards to gender, the main target groups would be single parent households (feminisation of poverty), elderly and low income households. Despite the fact that Sint Maarten is a high income country, there are many and severe gaps in key areas for indicators⁴, which are needed to monitor SDGs from a gender perspective, as well as in comparable methodologies for regular monitoring. Therefore, and while gender indicators will not be directly targeted at this stage, data on this target groups will be collected and systematised, for further use and analysis and to contribute to lessening Sint Maarten's data gap. Closing gender-related or sex-disaggregated data gaps is essential for

⁴ <https://data.unwomen.org/country/sint-maarten-dutch-part>

achieving gender-related SDG commitments in Sint Maarten, thus gender-related or sex-disaggregated and general data collection will be included in further programming of EU funding.

The green cross-border cooperation is best reflected in SGD17: *Revitalise the global partnership for sustainable development*. An effective framework capable of swiftly implementing and co-managing cross-border cooperation projects related to the Green deal between Sint Maarten and Saint-Martin, would support the UN position that “strong international cooperation is needed now more than ever to ensure that countries have the means to recover from the pandemic, build back better and achieve the Sustainable Development Goals”.

In addition, the green cross-border cooperation component also offers a wide range of options for implementation. Depending on the selection of activities within the Green deal, at the later programming implementation phases, cross-border cooperation can thus be relevant to SDG6: *clean water and sanitation*, SDG3: *good health and well-being*, SDG7: *affordable and clean energy*, SDG9: *industry, innovation and infrastructure*, SDG11: *sustainable cities and communities*, SDG13: *climate action*, SDG14: *life below water*, and SDG15: *life on land*.

Lastly, relevant are Article 7 of the DOAG, which refers to cross-border investments, and Article 36 on health threats related to cross-border cooperation.

1.4 Duration of the MIP and option for synchronisation

The duration of this MIP for Sint Maarten is 7 years. Sint Maarten’s main policy documents are already covering this period. The present MIP can however be synchronised with Sint Maarten’s updated National Energy Policy, once this is in place (update scheduled during the course of 2021, with implementation, including legislative adjustments, planned to be completed in 2022). Thus, the year 2023 (indicatively) could be retained for potential further synchronisation with Sint Maarten’s updated relevant policies and sector developments.

2) EU support per priority area

2.1 Priority area

The EU support will focus on the Green deal, in particular on renewable and resilient energy and cross-border cooperation with Saint-Martin related to Green deal.

Component 1: Sustainable and resilient energy

The EU support will complement and address among the following targets, as specified in Sint Maarten’s national energy policy (note that this list can be changed once the energy policy is updated):

1. Ensure provision of adequate and stable energy supply for an affordable price to all in society, in order to ensure decent quality of life
2. Reduce dependence on fossil fuel and more emphasis on renewable energy
3. Decrease environmental impact/carbon foot print, increasing environmental resilience
4. Promote energy efficiency
5. Regulate the energy market, e.g. regulatory body and legislation
6. Ensure sustainability of N.V. GEBE (Sint Maarten’s power company)
7. Reduce vulnerabilities to natural hazards

The above targets could translate, indicatively, to:

- Construction of additional renewable energy infrastructures (solar, or wind energy, or other):
The integration of renewable energy sources in the electricity production mix of Sint Maarten

also aims at increasing security of supply and reducing the cost of electricity production on the island. Infrastructures will also require an appropriate energy storage system in order to be optimally integrated into the overall electricity system;

- Upgrade electricity grid to a “smart grid”, which will include energy storage: grid optimization will promote a country-wide transition to renewable, resilient, and distributed energy. Build-Back-Better principles could be applied, allowing Sint Maarten to ensure resilience in the face of future natural disasters, while advancing its long-term climate mitigation and adaptation goals;
- Upgrade to advance demand side management systems (smart metering infrastructure). Further actions will depend on the status of the grid, the type of power management system, and the level of intermittent renewable energies in the energy mix;
- Conclude feasibility and testing studies: Confirmation studies and testing are required prior to any investment decision. This baseline research is required so as to confirm potential and to determine real costs of exploiting renewable energy sources on Sint Maarten, including electrical interconnection. Moreover, updates or further feasibility studies will be required, with special emphasis on the risks associated to severe weather, including hurricanes, so as to ensure resilience.

Component 2: Green cross-border cooperation with Saint-Martin

The support to green cross-border cooperation aims to see the establishment of all the necessary mechanisms for a smooth co-management and implementation of projects of mutual benefit within the Green deal with Sint Maarten’s immediate neighbour, Saint-Martin. Previous EU support has been setting the ground towards this goal, through ongoing capacity building technical assistance services (cross-border cooperation component of the 11th EDF support to Sint Maarten), as well as the DG REGIO territorial programme 2013-2020. This support aims to enhance the internal capacities of Sint Maarten by establishing an internal cross-border cooperation structure with a clear mandate and straightforward procedures. At the same time, cooperation with Saint-Martin will be structured, streamlined and facilitated. Once the two sides are enabled to engage into cooperation (as an expected result of the technical assistance under 11th EDF), EU funding can further support cross-border cooperation activities in the selected areas.

In particular, the following areas of the Green deal have been pre-identified by the Government of Sint Maarten for cooperation with Saint-Martin and could be further complemented in the course of the programming:

- Cross-border waste management. Working towards the implementation of policy that regulates and enforces proper adherence to waste collection laws, zoning, and waste supply chain management;
- Towards One Health⁵ preparedness. 'One Health' is an approach to designing and implementing programmes, policies, legislation and research in which multiple sectors communicate and work together to achieve better public health outcomes. The areas of work in which a One Health approach is particularly relevant to Sint Maarten’s context include resilience, risk prevention/early warning, and fight against pandemics. Sint Maarten would be particularly interested in engaging with Saint-Martin towards the establishment of efficient, people-centred early warning systems, as a vehicle to mitigate climate change consequences and enhance health security under a One Health approach;
- Ecotourism, agriculture, and fisheries industry by planting of vegetation, island wide. The objective by planting vegetation is to contribute to economic growth. Water supply (re-used) is also contributing to sectors development. Nearly all products grown in warm climates can be grown in Sint Maarten. However, due to the size of Sint Maarten, the formation of an internationally competing agriculture industry has been deemed unrealistic. Sharing one eco-

⁵ <https://www.who.int/news-room/q-a-detail/one-health>

tourism goal will bring tourism related stakeholders together from both sides of the island to foster sustainable development;

- Sustainable and resilient area-based management of the marine and coastal environment. Strengthening protection, sustainable management and economic development of the marine and coastal environment of Sint Maarten in order to build resilience to future change, improving effectiveness and long-term impact and benefits of planning efforts, increase the resilience of Sint Maarten's marine and coastal environment to adapt to extreme natural events;
- Wastewater treatment: potentially a waste authority could be established (technical assistance could be foreseen), with the goal to ensure financial sustainability for sewerage projects, also allowing the generation of funds, which in return can be used for other sewerage projects in other districts.

2.1.1 Specific objectives related to the priority area

The Specific Objectives (SO) are the following:

SO1. Increase the share of renewable energy in the global energy mix and strengthen energy efficiency and resilience against natural hazards

SO2. Enhance green cross-border cooperation with Saint-Martin

2.1.2 Expected results per specific objective

The expected results are the following:

For SO1:

- A. Expanded infrastructure for supplying modern, renewable energy services
- B. Increased overall energy efficiency
- C. Increased overall energy resilience

For SO2:

- A. Increased engagement into joint cross-border cooperation projects/programmes

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

The indicators to achieve the specific objectives will be sex disaggregated where possible, and are indicatively defined as following (targets and baselines are listed in Appendix):

For SO1:

- A1. Renewable energy share in the total final energy consumption
 - A2. Renewable energy generation capacity installed (MW) with EU support
 - A3. Greenhouse gas emissions avoided (tonnes CO²eq) with EU support
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- B1. Percentage of energy costs reduction
 - B2. Energy intensity measured in terms of primary energy and GDP (energy unit, e.g. kilotons oil equivalent (ktoe), per unit of GDP)
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- C1. Percentage of infrastructure with specifications for resistance to hurricane forces up to category 3
 - C2. Climate change and/or disaster risk reduction strategies developed/under implementation with EU support

For SO2:

- A1. Number of cross-border cooperation engagements and subsequent projects
- A2. Improved joint management structures for cross-border cooperation
- A3. Indicatively: Proportion of municipal solid waste collected and managed in controlled facilities out of total municipal waste generated; Marine areas under a) protection, b) sustainable management with EU support (km²); Number of people per 100,000 that are covered by early warning information through local governments or through national dissemination mechanisms (Sendai G3)

2.1.4 Risks per priority area

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

Risks	Mitigating measures
1. Absence of necessary skills and expertise to support the energy sector upgrade.	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.	Communication and visibility to promote cooperation and raise awareness on the benefits of renewable energies environmental impact studies can be undertaken through EU funding. Education awareness for energy good practices can also be promoted through communication.
3. Natural hazards/hurricanes, including sea swells.	Infrastructures will be hurricane resistant.
4. Failure of cooperation between Sint Maarten and Saint-Martin.	Intensive technical assistance and policy dialogue to establish the modus operandi of cooperation and to coordinate the both sides of the island.

Several other constraints need to be taken into account that may also have an effect on the implementation of EU cooperation/partnership with Sint Maarten, including:

- Geographic isolation (high cost transport, tenuous supply lines)
- Limited spatial area on the island, especially flat areas
- Limited availability of government-owned land
- Lack of capital
- Lack of private sector involvement
- Low diversity in power generation sources
- Transfer technology limitations
- High costs (imported equipment, spares, fuel and oil, external expertise)
- Variable power quality and reliability
- Significant inequalities and marked disparity of wealth in the population

With regards to the green cross-border cooperation between Sint Maarten and Saint-Martin, it had remained limited up to a very recent period. Despite the mutually expressed interest to engage, the repeated failure of negotiations at the local level between the two sides of the island (police cooperation agreements, cross-border cooperation protocols) offers an illustration of the difficulties inherent in the island's complex territorial and political status. Cooperation between the two sides

of the island has been limited due to lengthy decision-making procedures, lack of administrative capacity and the aftermath of the Irma hurricane.

However, given the size of the island and the range of problems that the two sides must tackle, it is clear that joint responses and economies of scale are both desirable and necessary, while remaining mindful of the legislative and regulatory differences which can make these economies of scale difficult to realise. Consequently, the political commitment to work on a whole series of problems has clearly strengthened in the last few years.

Indicatively, three major challenges that both sides of the island have in common are listed, which could also be tackled through enhanced cross-border cooperation linked to the Green deal:

1. Basic infrastructures for the island's combined population

The construction of basic infrastructures, needed to meet the needs of the population, has suffered delay after delay. As a result the renewal of public facilities did not keep up with population growth from 1980-1990. Water supply networks, sewage, electricity, and road networks, to mention only the basic utilities and infrastructures have today reached the absolute limit of their capacity and are in a poor state of repair. Substantial progress must also be made in waste processing/treatment and the production of renewable energies. Investment in protection against natural risks needs to be better planned.

The management and processing of waste remains insufficient. Processing plants are in need of restoration and upgrading to enable them to comply with norms and standards, even if significant effort has recently been made in Sint Maarten with the building of a new processing plant. In addition, actions aimed at raising awareness among the populations about the problem of waste management and prevention, remain insufficient.

2. Preserve the environment

This is linked to the previous challenge insofar that the protection of the environment can only be achieved once there has been a significant improvement in the availability and quality of basic utilities and infrastructures. It is nevertheless necessary to differentiate the two challenges because they each address different objectives: the first challenge relates to meeting the needs of the population, while the second relates to preserving ecological balances in the medium and long term, on a particularly small and fragile island.

The key points relate to the fight against pollution and the protection of biodiversity. The fight against pollution is closely related to progress that is needed in the fields of water treatment, waste management and processing, as well as a reduction in the use of fossil energies (in particular, but not exclusively, those related to car traffic). Significant progress was made in the past with regards to the protection of biodiversity, thanks to the setting up of a natural reserve and to the role of the *Conservatoire du Littoral* in Saint-Martin. This progress must be continued and expanded to the whole of the island. Generally, it should be stressed that the protection of the biodiversity not only represents an environmental challenge but it is also an increasingly important challenge in relation to diversifying tourist activities within a strongly competitive market for tourist destinations.

3. Resilience and risk prevention

The island is particularly exposed to major natural risks. With the predicted impacts of climate change, such as shifts in seasonal variation, the intensification and aggravation of flooding, periods of drought and cyclonic hazards, it is more often than not the sectors of agriculture and fishing that are heavily affected. These natural phenomena have consequences on the food and water security of the island. The potential impact on tourism should not be underestimated either. The setting up of warning and prevention systems for

the major risks clearly represents a challenge for the island as a whole. Risk management, for which the legislative and regulatory frameworks are different, should at the very least be part of a coordinated effort, especially in the light of COVID-19.

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 Maarten, where the scope for engagement of additional donors/EU actors is very limited⁶. 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 Maarten is not an ACP⁷ 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 Maarten's associated status as an OCT.

Several islands in the Caribbean have already started using alternative energy sources in order to generate energy. Sint Maarten can benefit also from lessons learned of existing initiatives.

With the outbreak of COVID-19, an emergency help package from The Hague came quasi immediately, focused on urgent health services and more humanitarian oriented assistance. Moreover, Sint Maarten is receiving a fiscal stimulus package, in eligible tranches, as a zero-interest loan, conditioned by structural reforms, managed by the Caribbean reform entity (*Caribische hervormingsentiteit*), a Dutch public body. This budgetary aid comes on top of the Dutch-funded reconstruction Trust Fund (EUR 470 million, implemented by the World Bank). EU interventions have to stand in synergy with Dutch initiatives to avoid overlaps and redundancies.

Sint Maarten 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 11th 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.

⁶ Indeed, Sint Maarten benefits from some UN actions, mostly studies, with low budget.

⁷ Countries of Africa, the Caribbean and the Pacific.

3.3 Support to investments

On a macro-economic level, energy costs are of great concern for the Government of Sint Maarten. There is a heavy dependency on imported oil and the related vulnerability as this causes an upward pressure on inflation (higher cost of living and doing business) and affects its competitive position as a country. Moreover, electrical energy is being produced and distributed by N.V. GEBE, which is a fully owned governmental company. N.V. GEBE is thus the sole supplier of electrical energy.

Sint Maarten is seeking for ways to cut costs and to decrease tariffs by increasing the utilities' efficiencies and by looking at energy conservation and efficiency measures. It is also seeking more sustainable and cost-effective power generation options in order to reduce the dependency on fossil fuels and to reduce the utilities' cost of service and consumer tariffs. However, the current legal and policy framework, the existence of ongoing fuel supply contracts with big petro companies, as well as the general lack of energy infrastructure investments in the region, are factors further hampering progress in the sector. There are no major international or regional donors on the island, apart from the World Bank implementing the Dutch Trust Fund, which is to be considered Sint Maarten's national budget.

Despite these difficulties, Sint Maarten has expressed interest in potentially setting up public-private partnerships, particularly in the energy sector.

Under the new DOAG, Sint Maarten will be eligible for the InvestEU Programme on a competitive basis, which aims to boost the European economy through the provision of crucial support, notably financial 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).

4) Financial overview

The proposed distribution of this territorial allocation is as follows:

<i>Sustainable and resilient energy and green cross-border cooperation</i>	<i>EUR 7.7 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

Priority area: Sustainable and resilient energy and green cross-border cooperation with Saint-Martin		
Specific objective 1: Increase the share of renewable energy in the global energy mix and strengthen energy efficiency and resilience against natural hazards		
Expected results	Indicators	Baselines, targets and sources of verification⁸
A. Expanded infrastructure for supplying modern, renewable energy services	A1. Renewable energy share in the total final energy consumption	<u>Baseline 2021</u> : 0% renewable energy penetration <u>Target 2027</u> : 25% increase in renewable energy penetration <u>Sources of verification</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better.
	A2. Renewable energy generation capacity installed (MW) with EU support	<u>Baseline, targets and sources of verification</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better.
	A3. Greenhouse gas emissions avoided (tonnes CO ₂ eq) with EU support	<u>Baseline, targets and sources of verification</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better.
B. Increased overall energy efficiency	B1. Percentage of energy costs reduction	<u>Baseline 2021</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better. <u>Target 2027</u> : Energy costs reduced by X%, to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better. <u>Sources of verification</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better
	B2. Energy intensity measured in terms of primary energy and GDP (energy unit, e.g. kilotons oil equivalent (ktoe), per unit of GDP)	<u>Baseline, targets and sources of verification</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better.
C. Increased overall energy resilience	C1. Percentage of infrastructure with specifications for resistance to hurricane force up to category 3	<u>Baseline 2021</u> : 0% <u>Targets and sources of verification</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better.
	C2. Climate change and/or disaster risk reduction strategies developed/under implementation with EU support	<u>Baseline, targets and sources of verification</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better.

⁸ This data can become available once the ongoing TA for the roadmap to sustainable energy is completed (non EU funded). The planned roadmap will provide insight not in current consumption practices but also in resilient interventions in the context of a small island state at the frontline.

Specific objective 2: Enhance green cross-border cooperation with Saint-Martin		
Expected results	Indicators	Baselines, targets and sources of verification⁹
A. Increased engagement into joint cross-border cooperation projects/programmes	A1. Number of cross-border cooperation engagements and subsequent projects	<u>Baseline 2021</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better. <u>Target 2027</u> : 1-3 coordinated cross-border cooperation engagements/projects within the Green deal <u>Sources of verification</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better.
	A2. Improved joint management structures for cross-border cooperation	<u>Baseline 2021</u> : 0 <u>Target 2027</u> : establishment of internal administrative structures in Sint Maarten and of a steering committee/working groups for joint implementation. <u>Sources of verification</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better.
	A3. Indicatively: proportion of municipal solid waste collected and managed in controlled facilities out of total municipal waste generated; Marine areas under a) protection, b) sustainable management with EU support (km ²); Number of people per 100,000 that are covered by early warning information through local governments or through national dissemination mechanisms (Sendai G3)	<u>Baseline, targets and sources of verification</u> : to be defined at a later stage, pending the development of the National Recover and Resilience Plan: a Roadmap to Building Back Better.

⁹ *Ibid.*