



**OCT 11th EDF
CONTRIBUTION:**
EUR 2.45 million

BENEFICIARY
Sint Eustatius

**PROJECT
DURATION:**
2017-2020

MODALITY:
Budget support

STATUS:
Ongoing

Sint Eustatius – Energy Sector Reform Performance Contract



An 11th EDF territorial programme to support the energy transition on Sint Eustatius

Objectives:

The 2015-2021 Energy Policy for Sint Eustatius aims at providing a sustainable, secure and environmentally friendly supply of electricity. The Energy Policy is embedded in the already approved development plans: Strategic Development Plan Sint Eustatius (SDP), and Development Plan Sint Eustatius (DP).

The 2015-2021 Energy Policy rests on the principle of addressing change within three key pillars in the energy sector:

- renewables and electricity production;
- efficiency and reliability;
- regulatory framework and instructional coordination.

Actions and expected results:

The key expected results of the Energy Policy within each of the three pillars, as defined by the Government of Sint Eustatius, are:

DEVCO 06 – DEVCO G1
Relations with OCTs – Latin America and Caribbean
EU Delegation to Guyana, for Suriname and with responsibilities for Aruba, Bonaire, Curaçao, Saba, Saint-Barthélemy, Sint Eustatius and Sint Maarten
Contact: Katrine.KAERGAARD@ec.europa.eu; Cristina.MARIN@ec.europa.eu

- **Renewables and electricity production:**
 - reducing the production costs of electricity of the state-owned electricity company (STUCO) by 18 %;
 - no increase in the (real or inflation-corrected) price of electricity for consumers;
 - 22 % of the production of electricity to be renewable;
 - consequently, a 22% reduction in the consumption of diesel in the power station, given that the power station is the main source of electricity.
- **Efficiency and reliability:**
 - increase in underground Medium Voltage cables from 33 % to 67 %;
 - 80 % reduction in the number of outages (rough estimation, as the Government is developing proper registers to be fully in place for the new electricity law).
- **Regulatory framework and institutional coordination:**
 - enactment of the new electricity and drinking water bill for Sint Eustatius;
 - formulation, approval and publication of a new tariff structure;
 - execution and publication of a study regarding financial sustainability of (or subsidies required for) affordable electricity and drinking water on the island;
 - approval of an enforcement plan.

Implementation

The sector reform performance contract with Sint Eustatius is being implemented via budget support, from April 2017 to April 2020. The different components of the financial envelope are as follows:

- Budget support component: EUR 2.2 million
- Complementary support/Technical assistance: EUR 190 000
- Communications and visibility: EUR 30 000
- Evaluation: EUR 30 000

The Financing Agreement was signed in April 2017.