1. Brief Description

1.1.1 This is a short-term consultancy to support the Government of Montserrat (GoM) to update the strategic framework for sea and air access & connectivity for Montserrat, and to inform the procurement of a new ferry contract. Access is an essential component of every country’s economic development agenda. Montserrat is no exception and, over the years since the start of volcanic activity in the mid-1990s, access to and from Montserrat has negatively impacted the island’s economic development.

1.1.2 Adequate access & connectivity continues to be critical for Montserrat. Therefore, the Consultant will review previous work on access & connectivity, and complement this with research on appropriate connectivity modalities. This will result in an assessment of the technical, economic and financial feasibility of operating sea and air services and a clear implementation plan to deliver relevant recommendations of previous studies and this consultancy.

1.1.3 This Consultancy will produce two documents: (a) an Optimized Connectivity Strategy and (b) a Sea and Air Access Implementation and Resourcing Plan for Montserrat, which will detail the sea and air access & connectivity requirements.

2. Background and Rationale

2.1 Montserrat

2.1.1 Montserrat is a UK Overseas Territory (OT) located in the Caribbean. Montserrat is a full member of both the Organisation of Eastern Caribbean States (OECS) and the Caribbean Community (CARICOM).

2.1.2 From the 1960s to the 1990s, Montserrat underwent economic modernisation, led by the tourism sector, and was regarded as one of the most successful islands in the region. Unfortunately, a series of volcanic eruptions in mid-1990s, resulted in nearly two-thirds of Montserrat becoming uninhabitable, with a similar proportion of its population displaced, mainly to the United Kingdom (UK) and to the collapse of its economy, especially the private sector. Currently, in real terms the economy is about half what it was in 1994, on the eve of the eruption, with productive sectors in some cases 1/3 or 1/5 what they were. Due to the subsequent loss of critical infrastructure, including seaport, airport and subsea fibre optic link, and most of its economic base, Montserrat became largely dependent on UK for financial aid. Over twenty years later, the economic base remains underdeveloped and Montserrat continues to face serious challenges, which are outlined in many studies, including the recent Economic Growth Strategy and Delivery Plan. Access is one of the key constraints on exploiting opportunities for Montserrat’s growth and development. This is especially evident when it is recognised that tourism is

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a major opportunity, with Antigua, St Kitts and Guadeloupe all being 20+ - 50+ miles away. Antigua currently has almost 900,000 visitors per year, and St Kitts over a million.

2.1.3 As a result of the disaster, various emergency interventions such as provision of a subsidised ferry and of subsidised rotary then fixed wing air services were undertaken, which continue to date. The airport in Geralds was constructed with a short strip designed for aircraft such as the De Havilland Twin Otter (current services are based on the Britten-Norman Islander.) Since 2016 the Jaden Sun has been contracted to provide ferry services including both passenger and small cargo connectivity. Utilisation of both air and ferry services by visitors and Montserratians remains significantly under their maximum capacity, apart from a limited number of days in the year. This consequently requires large subsidies, especially with regard to the ferry service and raises concerns over the Value for Money (VfM) of the current access modalities.

2.1.4 The process of building a breakwater for Montserrat, in Little Bay has been initiated. In 2016 of 475 ships coming to Montserrat, 58 had to turn away due to poor sea conditions. This is unacceptable for cargo handling and undermines tourism development. For example, the growing St Patrick’s Festival in March 2018 and the 2017/18 cruise ship season were affected by disruptions caused by rough seas that forced many vessels to turn away. The need for a breakwater has been identified as the main constraint to sea access and this will be addressed through the development of the breakwater from 2021.

2.1.5 Tourism is one of Montserrat’s most promising exports and its growth will be supported by efficient access links. Montserrat’s local private sector needs cost-effective access to the regional market to source inputs, leverage new commercial opportunities and build a larger customer base. Montserratians rely on affordable access to goods and services that might not be available on island, in particular specialised health care and education. This also includes emergency evacuation.

2.1.6 Key documents to be reviewed are the 2017 Coffey report, the recent Economic Growth Strategy and Implementation Plan, as well as Montserrat’s Sustainable Development Plan, Physical Development Plan, and Montserrat Tourism Master Plan 2015-2025. The Coffey report provides recommendations which should be reflected in an updated Connectivity Strategy and a clear implementation plan. Such an approach, duly informed by wider sustainable development, resiliency and value for money considerations (ethics/equity, effectiveness, efficiency and economy), should then justify strategic options in light of commercial, economic & development, resiliency and welfare trends, issues and opportunities.

2.2 Regional Context

2.2.1 Montserrat is part of the Eastern Caribbean (EC) which is a group of Islands within the Lesser Antilles that forms an arc on the boundary between the Caribbean Sea and the Atlantic Ocean lying east of Puerto Rico and extending towards Tobago and Trinidad off the Venezuelan coast.
2.2.2 In light of the limited geographic and economic size of Montserrat, creating enlarged market access through better interconnectivity and logistics among the islands is considered a cornerstone to support enhanced private sector growth opportunities. The updated strategy and implementation plan will support these goals by exploring possibilities for an enhanced sea and air service provision that would facilitate the movement of tourists, people and goods to and from Montserrat.

2.2.3 Tourism is one of the key economic pillars of Montserrat and as such has an important role to play. As part of the mix there is a strong case for increasing cruise passenger numbers and spending (especially in anticipation of greater port capacity from 2021 onwards), and to increase arrivals of day trippers; as well as stay-over tourists that arrive via ferry and air. Among the challenges that hinder growth of stay-over tourism has been a lack of intra-regional travel, which is constrained by low demand and disruptions to ferry services during poor weather conditions. This study should consider regional comparative cases such as St Barths, Guadeloupe, St Maarten, Antigua and Barbuda and St Kitts and Nevis, with a particular view to options for building up the tourist sector.

3. Summary of Objectives

3.1.1 The Consultancy has two main objectives:

- To review and improve the VfM of basic access provision modalities. A key question answered by the consultancy should be what is the most cost-effective option to provide reliable fit-for-purpose access to Montserrat at an affordable price for the people of Montserrat, and what combination of ferry and aircraft sizes and types can provide adequate access at the lowest reasonable cost, bearing in mind the need to open up room for economic growth and development across time. This should take into consideration other factors such as comfort, speed and reliability (the consultancy should also provide evidence on these). Reliable access at reasonable costs is critical for Montserrat and must be maintained, but the current combination of vessel and aircraft types may not be the most cost effective way of providing this, given very low utilisation rates for most of the year, and;

- To integrate the recommendations of the Coffey report into a revised Optimized Connectivity Strategy, review how recommendations of this review have been implemented to date and what actions need to be taken in the short to medium-term. This will take the form of a:

  - Optimised Connectivity Strategy providing the two-way transport connectivity needs for Montserrat and Montserratian businesses, including taking into consideration:
    - Investment in the planned breakwater/quay construction;
    - Operational improvements in fit-for-purpose air and ferry services;
    - Supporting institutional development and capacity building, and;
    - A ferry pricing & concessions policy.
Connectivity Implementation & Resourcing Plan: Complete an Implementation & Resourcing Plan, based on the updated Strategy. This Plan must present a series of actions (investment, operational and institutional related, spread over a short-term Immediate Action Plan period), plus an appropriate number of interventions extending into the medium-term, and a detailed Risk Analysis and Monitoring and an Evaluation Framework.

Air Access Connectivity
3.1.2 The strategy and implementation plan will look at the current state of air access and will further explore ways to combine air access efficiency in the context of increasing the number of arrivals in Montserrat. Based on the Coffey Report and other relevant documents, it will identify concrete deliverables which will enhance the air access in and out of Montserrat. The implementation plan will identify and recommend the optimal aircraft for the John A Osborne Airport considering performance, safety aspects and development of commercial opportunities given current and potential future demand. Suggestions regarding integration into booking networks would also be relevant.

Sea Access Connectivity
3.1.3 The implementation plan will look at the current state of sea access and will further explore ways to combine sea access efficiency and safety in the context of the possible goal of increasing the numbers of arrivals in Montserrat, while reducing over time the average subsidy per passenger.

3.1.4 The Ferry Pricing Policy (FPP) will look at ways in which concessions and policy measures can increase numbers as well as revenue and try to balance the two. It will identify concrete deliverables which will enhance the sea access in and out of Montserrat, and improving the VfM of sea access. The current short-term contract with the ferry provider must be renewed soon, so the study should form the evidence base to contract a new longer-term provider.

3.1.5 The study should focus on the next 2-5 years, to inform the procurement of a new ferry service. The main focus should be on connectivity between Antigua to Montserrat.

4. Beneficiaries
4.1.1 The beneficiaries will be the Government of Montserrat, and key stakeholders (such as air & sea operators, travel agents, tour and taxi operators, private sector businesses and the travelling public).

5. Methodology
5.1.1 This assignment shall be carried out in two distinct parts each involving specific tasks as described below:
**Part A** is designed to assess business options and develop a sound business case for sea and air service for Montserrat. This includes a number of options for ferry services and ways in which it would be able to better connect with airline services, both on island and with international markets.

This part will collect and review information on:

- Detailed current passenger numbers between Montserrat and Antigua, including an assessment of seasonality and the occurrence of demand during periods of peak traffic (incl. Christmas and St. Patrick’s festival), while taking into consideration evidence on regional transport assessed in the Coffey Report. A study of the local sea crossing environment to inform the optimal vessel type. Such study would benefit from looking in more detail at what works and what does not within the short-distance Caribbean ferry market, with an aim to provide a safe, comfortable, popular and sustainable lifeline ferry service, with minimal subsidy requirement.

**Part B** is designed to update the framework for Air and Sea Connectivity to achieve the operation of the sea and air services, that were identified in Part A. This will include the drafting of an updated Optimized Connectivity Strategy and Implementation Plan, including a Ferry Pricing and Concessions Policy.

5.1.2 The strategy and implementation plan will be based on an evidence-based review of suitable options for the most cost-effective combination of vessel and aircraft types and sizes (including a potential seasonal approach such as contracting an additional vessel during St Patrick’s festival). This will take into consideration current and future baseline and peak demand and expected costs as well as comfort, safety, speed reliability and availability of regional providers as reviewed in Part A.

5.1.3 All parts of the study are expected to run concurrently and the Consultant is expected to deliver each in a harmonized and logical manner. The Consultant shall be responsible for evolving an appropriate methodology based on the tasks as elaborated in the scope of work below. The Consultant shall furthermore undertake all fieldwork and ensure all data gathered is quality assured and corrected wherever appropriate. The Consultant shall keep a record of all information collected and present this in a manner that allows statistical comparisons to be made. Qualitative assessments must be backed up by case studies and relevant industry examples.

5.1.4 A degree of proportionality and simplicity should be applied to all documents, as the complexity of previous studies has led to slow implementation, to date.
6. Deliverables

6.1.1 The Consultancy is expected to achieve the following deliverables at the end of the contractual engagement:

a. Updated Optimised Connectivity Strategy, that factors in previous work, such as the Coffey Report, and;


6.1.2 The sequencing of the outputs of the Consulting Services will be:

i. An Inception Report, which has to be submitted 1 week after the commencement of the assignment. This Report shall summarise the Consultants’ initial findings and will present a first assessment of available data. The Inception Report shall also contain:
   a. details regarding the methodology to be applied by the Consultant during the preparation and finalisation of the consultancy;
   b. an outline of activities expected to be completed until the date of the presentation of subsequent reports, and;
   c. an established matrix, defining the schedule of stakeholder engagements, reporting format and timelines and other pertinent related activities;

ii. Recommendations for ferry and aircraft types and new ferry contract with a view to enhancing the VfM of basic access provision. This has to be submitted 3 weeks after the commencement of the assignment;

iii. Draft Updated Strategy including a detailed Management Plan and Institutional Framework, which has to be submitted 6 weeks after the commencement of the assignment;

iv. Updated Strategy, which will be presented 8 weeks after the commencement of the assignment and feedback from GoM, to include all areas outlined and preparation of the necessary Cabinet papers to present all findings and seek approval;

v. Implementation & Resourcing Plan, which will be presented 2 weeks, after Cabinet’s approval of the Updated Strategy.
7. Payment Schedule

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<thead>
<tr>
<th>Deliverable/Output</th>
<th>Timeline</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobilization Payment</td>
<td>Upon signing of Contract</td>
<td>10%</td>
</tr>
<tr>
<td>Inception Report</td>
<td>One (1) week</td>
<td>10%</td>
</tr>
<tr>
<td>Ferry and aircraft recommendations</td>
<td>Three (3) weeks</td>
<td>20%</td>
</tr>
<tr>
<td>Updated Strategy</td>
<td>Six (6) weeks</td>
<td>40%</td>
</tr>
<tr>
<td>Implementation and Resourcing Plan</td>
<td>Two (2) weeks after approval of Strategy</td>
<td>20%</td>
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</tbody>
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8. Consultant Qualifications

8.1.1 The consulting services shall be carried out by a Consulting Firm\(^2\) with experience in: the economics sea and air transportation; vessel and port operations; transport planning; project finance and public-private partnerships; procurement and contract management; and, social and environmental management. Knowledge of and experience in the Caribbean regional market will be essential.

9. Reporting

9.1.1 The Consultant shall report to the Permanent Secretary (PS) of the Office of the Premier, to provide updates, progress reports and deliverables on an agreed Schedule for onward submission to Cabinet. An Air and Sea Access Connectivity Committee, which includes the Financial Secretary will be set up to support the PS with the monitoring and evaluation of this Consultancy. In addition, the Consultant shall liaise with the Access Coordinator on a regular and scheduled basis, to ensure logistics support and coordination.

\(^2\) The lead consultancy can secure the services of specialists to inform and provide input to the combined sea and air services consultancy.