



Expression of Interest

Expression of Interest (EOI):

The Government of Montserrat (GoM) through the Ministry of Finance and Economic Management is seeking consultants to supply advisory services and Technical Assistance (TA) to assist in facilitating and developing a new Economic Growth Strategy.

Introduction:

This announcement constitutes an EOI notice soliciting expressions of interest in supplying advisory services and Technical Assistance (TA) to assist in facilitating and developing a new Economic Growth Strategy for the Government of Montserrat (GoM).

This is not a Request for Proposals (RFP) or solicitation for formal proposals. The information developed through this RFI will be used to evaluate the market interest in developing this Economic Growth Strategy for Montserrat. This EOI does not constitute a commitment, implied or otherwise, that GoM will take action in this matter. GoM will not be responsible for any costs incurred in furnishing responsive information.

GoM is interested in understanding the current availabilities, flexibilities, and preferences of market participants interested in providing consultancy services. GoM is considering potential fixed term contracts.

General Background:

Montserrat is a UK Overseas Territory (OT) located in the Caribbean. From the 1960s to the 1990s, it 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 the mid-1990s resulted in nearly two-thirds of Montserrat becoming uninhabitable, with a similar proportion of its population displaced, mainly to the UK. Due to the subsequent loss of critical infrastructure and most of its economic base, Montserrat became largely dependent on UK for financial aid. To date the economic base remains under developed and Montserrat continues to face fiscal challenges.

Montserrat is a full member of both the Organisation of Eastern Caribbean States (OECS) and the Caribbean Community (CARICOM). Monetary policy is set by the Eastern Caribbean Central Bank (ECCB), and Montserrat uses the Eastern Caribbean dollar as its currency.



Currently, UK aid provides both recurrent budgetary support and capital funding, amounting to approximately 70% of GDP, with the EU and CDB providing some additional funding. The public sector provides around 70% of GDP and 50% of Montserrat's employment. The private sector, which shrank dramatically after the volcanic eruptions, remains languid. There are limited entrepreneurial opportunities in a small community of around 5,000, of whom around 20% are over 60 years of age. The socio-demographic reality of Montserrat poses its own unique economic challenges.

The economy has suffered long-term stagnation since the volcanic eruptions. Attempts to rebuild a sustainable growth economy, which would provide productive jobs and a thriving private sector, have stalled over recent years.

Montserrat is largely internally self-governing. The Premier leads the government, where the majority of Cabinet is made up of elected ministers. The Governor chairs Cabinet, which also includes the Financial Secretary and the Attorney General as appointed officials. The Governor has a number of reserve powers, including external affairs, vested by the UK Government. In recent years, the UK has acted to improve governance in all its Overseas Territories (OTs), including Montserrat. Its 2012 White Paper set out a new vision for OTs, where the overarching policy includes: (i) sound public finances, and (ii) building successful and resilient economies.

Where OTs such as Montserrat are in receipt of budgetary aid, the policy makes provision for further UK public investment to stimulate growth and reduce financial dependency.

During Montserrat's throne speech 2016 5 priority areas and pillars representing a long-term consensus concerning Montserrat's development were pronounced; (i) Prudent Economic Management, (ii) Enhanced Human Development, (iii) Sustainable Environmental Management and Appropriate Disaster Management Practices, (iv) Good Governance and (v) Population Retention and Population Growth. This will provide the needed transformation to a sustainable, wholesome, healthy and safe Montserrat.

A clearly defined and goal-oriented growth plan aligned with this evolutionary path will provide a long-term roadmap for the government, businesses, donors and, potential investors as to how, by working together, the goal of creating a strong and sustained economic growth for Montserrat is achievable.

Objectives of the Consultancy

The objectives of the consulting assignment are to:

- I. Develop an Economic Growth Strategy with the overall aim of developing a self-sustaining economy over the next 10 to 20 years, resulting in:**
 - i. Identifying, enabling and productive drivers of the economy being developed so that private sector and other income generating activities become sufficiently embedded, broad and deep for self-sustaining economic growth to take hold. Consideration should be given to how demographics might influence the optimal economic growth strategy;



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- ii. The gradual reduction and eventual elimination of the requirement for UK financial support for the government's day-to-day recurrent spending. The level of UK support currently exceeds 60% of the recurrent budget because of the dearth of domestic income generating opportunities and the limited nature, lack of scale and fragility of those income generating activities that do exist;
- iii. A level of sustainable development that becomes sufficient over the longer term to develop the capacity to finance public assets, through both domestic resource mobilisation and borrowing, with the eventual goal of eliminating the need for grant finance from the UK and other aid sources;
- iv. The demonstration to donors that this strategy will lay the foundation for higher levels of sustainable and equitable economic development to drive growth for a brighter future for all citizens of Montserrat. Government is committed to implementing it and taking Montserrat further along the path of progress, development and prosperity; and
- v. An inclusive economy where all Montserratians, and residents have the opportunity to develop and prosper.

II. Translate the Economic Growth Strategy into a prioritised Delivery Plan that demonstrates a practical, realistic and realisable path to self-sustaining economic development model, focusing on:

- i. A time bound programme of investment and activities over the first 5 years which the various responsible authorities in Montserrat can realistically implement and which is aligned with their capabilities, resources and developing capacities;
- ii. The growth strategy must provide a clear roadmap for the subsequent 5 years, as to how the Government of Montserrat will mobilise domestic resources, get the support from the UK government and other donors that provide the financing needs of Montserrat. In other words, this document must clearly demonstrate to donors why this time developing a growth strategy is not an exercise in speculation but a concrete framework with clearly defined goals with costs attached along with the defined timelines ;
- iii. A road map to meeting the longer term goals of the Economic Growth Strategy outlining the key milestones en-route to full sustainability, how they can be targeted and the measures and programmes that are likely to be required. The road map should identify the potential development and implementation risks to the Strategy and carry out an analysis of constraints, including those that can be readily overcome and how, together with those that are likely to be more challenging;
- iv. Existing, proposed and ideal arrangements for monitoring progress of implementation and measuring results, including the Montserrat Transformation programme to be launched in the Office of the Premier. This should include a methodology for updating the Economic Growth Strategy



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and the Delivery Plan in real time, so that progress along the road map can be plotted and milestones adjusted so as to get a clear idea of when, how and if desired outcomes can be attained. This should include measures to realign goals and timetables to the best overall and specific outcomes that prove realistic and attainable.

Content of Submissions

The following list outlines suggested information to enclose within your response to this EOI. An electronic copy should be provided to GoM at the email addresses given below.

After reviewing responses GoM may request additional information, or may schedule individual meetings with any respondent to gain additional information about the expression of interest.

Submissions should include more than general marketing content; in particular:

1. Covering Letter:

The Covering letter should include the following at a minimum:

- **Organization profile** - to introduce your organization.
- **Contact information** for all future communication - Include contact person's name, title, organization, address, telephone number and e-mail address.
- **Respondent's affirmation of interest** in entering into consultancy contract to deliver an Economic Growth Strategy.

2. Latest Corporate Statement of Qualifications (SoQ)

Describe qualifications and capabilities to deliver an Economic Growth Strategy including details of the proposed team and CVs.

- This section should also describe the areas of expertise of members of the team and include a proposed management structure. Identify the key contact for the consultancy and all personnel, if applicable, who will be assigned to work on this project including a description of their abilities, qualifications and experience. Include CVs for all key individuals.
- Also include a list of projects/assignments completed under which services similar to those outlined under the section, 'Objectives of the Consultancy.'

3. Work Plan

How would you undertake this project based on your understanding of the terms of reference (work approach and methodology including any specific considerations, options or alternatives)?



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4. Indicative Schedule

What would be your timeline for completion of the strategy including possible start date, milestones and target date of completion?

5. Indicative/Rough Cost Estimate Budget

What would be your rough cost estimate to deliver this project?

Reference Documents

To aid interested parties, the following documentation is available for reference:

Consultants Terms of Reference to deliver an Economic Growth Strategy

<https://1drv.ms/f/s!AjTKU-V4EFSHujrtvz1Q4KpjFbaB>

Questions and Points of Contact:

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Montserrat

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Submission Date and Address:

Electronic responses to this notice are requested to be emailed to the above contacts no later than April 20th, 2017.



Confidentiality

GoM recognizes that certain information contained in this EOI response submitted may be considered confidential and, as permitted by applicable law, will treat as confidential any information clearly labeled as such. If GoM is formally requested and required by any regulatory or judicial authority, or is otherwise required by law, to disclose information with regard to a RFI Response, GoM will disclose such information in accordance with applicable laws and regulations.