



TERMS OF REFERENCE

CONSULTANCY TO UNDERTAKE A LOGISTICS CHAIN ANALYSIS OF TRADE AT THE BARBADOS PORT INC., TO CONTRIBUTE TO DEVELOPING THE PORT'S 10-YEAR STRATEGIC PLAN (2020-2030)

I. BACKGROUND & CONTEXT

The Port of Bridgetown is a multipurpose Port and its administration is vested in the CEO of Barbados Port Incorporated (BPI). The Port has seen several administrative changes subsequent to its establishment. Originally administered as Port Contractors Limited, the Barbados Port Authority was formed in 1979 as a Statutory Board. At the end of 2003 the organization was converted into a corporatized company now known as Barbados Port Inc., registered under the Companies Act of Barbados. The BPI is the provider of terminal services with key elements of these provided by third parties under short-term contracts. Barbados Port Inc. (BPI), the managing body, for the Port of Bridgetown, has requested assistance from the Commonwealth Secretariat to examine logistics related opportunities as part of the formulation of a new Strategic Plan designed to realise the port's positive development over the next 10 years and beyond.

Why are trade and port logistics important and why should we measure them? According to the World Bank, "logistics comprises a network of services that supports the physical movement of goods within and across borders. Further, good logistics result in reduced trade costs and includes improvements such as infrastructure development; customs improvements, skills development and improved regulations." Therefore, improving port operations and efficiency, which has become a dominant theme in the area of Maritime research and policy is a crucial component in the conceptualisation of the BPI's strategic plan for the 2020-2030 period and beyond. Identification of the main dysfunctions and improvement opportunities for port logistical processes of containerised cargo is crucial to achieving the Port's mission of becoming the greenest and innovative maritime hub in the world by 2030.

Additionally, the annual report of the World Bank "Connecting Compete: Trade Logistics in the Global Economy" uses the Logistics Performance Index (LPI) to measure how efficiently countries move goods within and across borders, with criteria which includes: customs; infrastructure; international shipments; logistics quality and competence; tracking and tracing of cargo and timeliness. It should also be noted that Barbados is not one of the 160 countries which are currently ranked on their performance in trade and port logistics as at the 2018 report. Of importance also is increase competitiveness of the BPI in the World Bank Ease of Doing Business where Barbados currently ranks 129 of 190 countries and Trading across Borders indices where Barbados ranks 132 of 190 countries.

Another component of port logistics is the importance of the relationship between the various actors involved in the logistical chain in the rationalisation of port operations. At the Barbados Port, some of the key agencies include the Customs and Excise Department, Plant Pathology Unit, the Royal Barbados Police Force, Barbados National Standards Institute (BNSI) and the Ministry of Health and Wellness. Improvements in information and documentation flows between key public agencies which are part of the supply chain in the



export and import of commodities is an important benchmark upon which an assessment of customer service should be measured.

BPI is currently conducting final development of IMO single Window software which will facilitate information flow for clearing vessels. In addition, BPI, in association with the Inter-American Development Bank, has scheduled the development of a Port Community System, which will offer a facility for documentation process management, cargo inspections and clearances among the range of stakeholders involved in trade. At the end of the exercise, the BPI must be in a position to create a full logistics hub based on the developed framework.

Thus, the aim of this consultancy is to conduct a comprehensive analysis of trade and port logistics at the BPI which would include recommendations on the strategic approach to be taken at the BPI to increase competitiveness and efficiencies on a regional and global scale, while implementing environmentally sustainable practices to realise and achieve the vision as stated below.

II. MISSION AND VISION

Having recently completed a visioning process, the corporate vision of the Port is that “we will become the greenest innovative maritime hub in the world by 2030”.

III. KEY ISSUES AND BUSINESS CASE

Some of the key challenges which the BPI currently faces in positioning itself as a major hub for trade and trans-shipment in the region are: fostering greater public-private partnerships; customer perceptions and customer service; customs and state border agency inefficiencies, insufficient use of modern technologies and the level of fees and charges imposed by intermediaries. A core question is can the port fulfil the role of a logistics hub - possibly a secondary container hub but potentially also a feeder port/hub in conjunction with other cargo trades - automotive, neo bulks, project cargo, etc.? Equally, can the port of Bridgetown undertake value-added functions as part of a logistics remit, as part of gateway or regional trade, and overall build a reputation as a centre of excellence in logistics with commensurate positive economic impact?

These issues must be examined in conjunction with an appraisal of the overall activities of the Port of Bridgetown - a multi-purpose port with different cargo streams (container, breakbulk, bulk sugar - molasses, tankers, dry bulks, petroleum etc.). In addition to cargo handling as the key strategic port for the country, Bridgetown has a big presence and ambitions in the cruise ship sector as well as providing back-up port services such as bunkering. The appraisal should consider allied potential logistics opportunities based on both the current situation and proposed development plans formulated by BPI - effectively a strategic review.

This consultancy should further consider the potential value to be extracted from proposed institutional reforms - and notably the goal of implementing Public Private Partnerships (PPPs) in aspects of Port Operation - but also other key aspects including commentary on the tariff regime in the port, both general port charges and individual stevedoring charges by sector. For the general port charges, the ability to achieve asset replacement will be a key issue. Stevedoring charges should be considered against a background of the contract arrangements in place and mooted for the future. Specialist port sector experience is essential with regional experience and an understanding of logistics and global shipping systems an advantage.

- A Strategy should be developed for the improvement of the BPI's performance in line with international best practice.
- Opportunities for skills development and sustainable training identified and;
- Opportunities for greater knowledge sharing among the Port and other agencies identified.

IV) KEY OBJECTIVES;

- i) Review cargo handling operations and forecast demand
- ii) Define logistic operations and potential allied to current and forecast traffic developments - specifically a review of logistics operations focused on Barbadian demand and also the potential for a broader regional role;
- iii) Review current port tariffs and cargo tariff pricing. This to be determined by regional competitive pressures and pricing elasticity in demand
- iv) Assess the value of implementing a PPP, the scope of this and optimised paths to implementation based on sector experience;
- v) Review contractual terms and recommend potential changes;
- vi) Identify the main dysfunctions and opportunities for improvement of Port operations at the BPI;
- vii) Identify global trends in environmentally sustainable port logistics and recommend ways in which these can be incorporated into the Port's 10-year strategy;
- viii) Identify initiatives to improve efficiency and capability to contribute to the port's increased competitiveness;
- ix) Identify opportunities for sustainable training and capacity building and;
- x) Identify methods to foster greater knowledge sharing among agencies and ICT advancement.

V) SCOPE OF WORK

Development of cargo operations forecasts for the **2020-2030** period;

- i) National and regional logistics trends should be identified, and recommendations made on positioning the BPI as a major hub within the regional context;
- ii) Tariffs and other transaction costs for the importers/exporters identified and recommendations made on pricing to increase the competitiveness of the BPI;
- iii) Development of a 10-year strategy for the improvement of regional performance in trade and port logistics relative to the trade lanes and opportunities with the greatest potential;
- iv) Identify opportunities for the development of new skills and areas of training aligned to market opportunities and international best practices
- v) A Final Report should be prepared with comprehensive input on findings and recommendations on concrete actions to achieve the aforementioned goals.

V. EXPECTED DELIVERABLES

- Forecast developed for cargo operations for the next 10-year period;



- Logistical operations at the BPI reviewed within the context of regional logistical trends and developments and international best practice;
- Recommended Tariffs and other associated costs as part of the logistical chain identified and recommendations made on how to balance acceptable returns with achieving competitive pricing;
- The main dysfunctions and efficiencies identified and proposals for key improvements in Port and logistics operations developed;

VI. REQUIRED EXPERTISE

- Postgraduate qualifications in International Trade, Economics, Business or Development
- At least 10 years' international experience in national and/or sector strategy development for Trade facilitation, preferably acquired on projects for emerging or developing economies
- Substantive knowledge and working experience on International Trade Facilitation initiatives, International maritime logistics projects on a multi-commodity basis and ongoing multilateral and regional deliberations on business climate reform.
- Experience in examining the potential for and developing Public, Private Partnerships in the Port sector and developing port business and investment models
- Considerable expertise in the design and implementation of monitoring and evaluation (M & E) frameworks for the delivery of capacity building projects.
- Ability to work with a broad range of stakeholders
- Good understanding of the policy and trade/business environment of Caribbean region will be an added advantage

VII. REPORTING REQUIREMENTS

The project will be supervised by the Trade Adviser, Commonwealth Secretariat. The Barbados Ports Authority which is the main client for this project will provide access to temporary office space, organise meetings and provide administrative support where needed. The assignment will be delivered through a stakeholder-driven approach. The consultant(s) is expected to work closely with stakeholder teams in delivering the project. The consultant(s) is expected to facilitate/moderate a number of Stakeholder dialogue consultations and other meetings at key stages of the assignment.

VIII. BUDGET

All-inclusive fee to include professional fees, air fare, expenses, applicable taxes including VAT, incidentals and any other project related costs



XI. TIME FRAME

The assignment is expected to be completed by April 2020. The project is planned to commence in December 2019. It is estimated that 40 consultant days will be needed to complete the project, including agreed fieldwork. The consultant(s) will work in close collaboration with Barbados Ports Authority