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Ministry of Infrastructure and Water Management
Minister
Mr. M. G. J. Harbers

Ministry of Internal Affairs and Kingdom Relations
Minister
Mr. H. de Jonge

Your number (letter):

Your letter of:

Our number: 421/23

447/23

Subject: Application for a subsidy for a vital maritime connection for St. Eustatius and Saba

Enclosures: Plan of Action Document, Evaluation document

St. Eustatius, Saba, September 19, 2023

Dear Mr. Harbers and Mr. de Jonge,

Following previous communication regarding the pilot project to improve the maritime connectivity of St. Eustatius and Saba, we would like to draw your much appreciated attention once again. As you may know, both of the public entities of St. Eustatius and Saba are currently experiencing socio-economic benefits from the ferry that has been able to operate between the islands, in large part due to the efforts of the ministries in the Netherlands. This is an affordable and accessible alternative to the current expensive flight connections. Looking at the current results of the project, it can already be said that the predetermined goals have been achieved. We would once again like to express our gratitude to you.

In order to allow our populations to continue to use the current ferry in the future and thus the aforementioned advantages, both public entities have jointly drawn up a plan of action document, in collaboration with other stakeholders, which include the Koninklijke Marechaussee and Customs. This document, along with the evaluation, outlines and analyzes the entire journey from the start to the current form, in order to better address possible shortcomings in the future. It gives an indication of improvements needed within the infrastructure of both ports, to better facilitate the service, changes needed within the ferry schedule to minimize the burden on the ports and the

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need for increased capacity for the Koninklijke Marechaussee and Customs, the amount of which is dependent on measures implemented.

The document also concludes that given the increased operational costs, including fuel, the economic viability with the current and forecasted passenger numbers is not ensured without some financial support. The current subsidy for making the maritime connections economically viable will expire after December of this year. Included in the evaluation document and the plan of approach is financial information indicating that a subsidy of approximately €600,000 euros is needed in order to ensure that the ferry services are able to continue in 2024.

Given the enormous benefits that both island communities receive from the current ferry services, we would therefore like to ask for your assistance again in the form of this subsidy. The subsidy will help to form a temporary bridge for the ferry service so that the vital maritime connections to and from St. Eustatius and Saba can also be guaranteed in the future until the routes are economically viable.

We naturally acknowledge our full support for this process and hope to find a suitable solution together with you.

Yours Sincerely,

Government Commissioner,

Ms. M.A.U. Francis

Island Secretary of St. Eustatius

Mrs. M.A. Dijkshoorn

Island Secretary of Saba

Mr. B. Streppel

Island Governor Saba

Mr. J. G. A. Johnson, M. Ed.

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Plan of Approach for Makana Ferry Service
Public Entity Saba
Public Entity St. Eustatius
September 1st 2023



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1. Introduction

The Makana ferry which transports passengers and goods between Saba, Statia, St. Maarten and St. Kitts was evaluated in the second quarter of 2023 by the advisory board of the Makana Ferry. Members of that advisory board were: OLE, OLS, BZK, JenV, IenW, Belastingdienst CN, KMar and the ferry operator. As is outlined in the evaluation document, the Makana Ferry service has proven to be a success and has become an important mode of transportation for residents and visitors, but improvements are needed for the service to continue, such as optimizing the service, minimizing the burden on the ports and border control agencies and ensure that border control processes can be conducted in an efficient manner which will improve security at our ports. The conclusion of this evaluation was as follows:

“Considering that in the end all involved stakeholders support a continuation of the Ferry service in an adjusted form, it is recommended to write a plan of approach for the continuation of the ferry.”

It was also stated that the plan of approach should propose a plan for a sustainable continuation of the ferry and that it must be supported by the parties involved and include a financial paragraph for the essential investments.

This document is written as a joint effort of the advisory group to ensure a safe and profitable connection between Saba, Statia, St Maarten and St. Kitts and includes the necessary measures to obtain that goal. The advisory group also stresses the importance of this connectivity for the residents and visitors of the islands.



2. Overview of Bottlenecks as outlined in Evaluation

The evaluation document highlighted various bottlenecks, which need to be resolved in order to ensure the success of ferry services, while also enhancing the quality of the service.

a. Bottlenecks which impact operation of the ferry

- departure delays in St. Maarten due to conflicting schedules with other vessels and additional/new immigration procedures;
- limited staffing;
- delayed sharing of prearrival information from St. Maarten and St. Kitts, which would assist with making the border control process smoother.
- Safety and security issues

b. Infrastructure in the harbors

Separation seaside/landside

Currently, there is no physical barrier (fencing) between the landside and seaside at Saba's port, and no solid control, which is a security risk with the current operational procedures.

Facility for border checks

The harbor facilities of Saba and St. Eustatius were not designed for large passenger flows and struggle to accommodate the current service. For border control processes, there are also no interview rooms, inspection rooms, waiting rooms, covered waiting areas and there is just one computer available per border control agency.

c. Process of the border control agencies

As outlined in the evaluation document, the border control agencies did not receive sufficient notice in order to efficiently execute their tasks, and additional funds were not allocated for the extra capacity needed. The agencies therefore were required to utilize only the limited staff that they had on the islands. This resulted in not being able to extend the opening times for the harbor to accommodate the initial schedule proposal, long queues for the passengers, delays for the ferry and possible security threats when proper infrastructure is not in place.

d. Schedule and important considerations for potential changes

This particular problem/bottleneck is complex and has to do with: the routing, the opening times of the harbor, the times it takes to process, delays etc. This leads to less connectivity than would be desired (and therefore also impacts the revenue of the ferry) but also to dissatisfaction with the border control agencies as they feel that they can't properly (in connection with bottlenecks mentioned under 'b' and 'c') fulfil their tasks.



3. Requirements for the continuation of Service

As was outlined in the evaluation, the Makana Ferry service has proven to be a success and has become an important mode of transportation for residents and visitors to the islands. But the Ferry has even more potential once some key requirements are met like extending the opening hours. In the last couple of months, the advisory board has worked out the needed measures in order for the ferry to operate without a need for subsidy in a smooth and safe way. The involved costs are outlined, but worked out further in the financial chapter (4). It is the joint objective to realize a safe, fast, smooth and affordable way to travel via sea between the islands.

In the evaluation it was stated that during the initial setup in 2021 some necessary steps had not been taken and that some key partners were not involved. As stated in the evaluation in order for additional connectivity to commence it is imported to establish (amongst others) the following points:

- what is needed in terms of infrastructure in the harbor;
- what is needed to deploy personnel;
- what a workable ferry schedule would be;
- how the free travel between Saba and St. Eustatius could be arranged.

This plan of approach will answer these four questions for the continuation of the ferry.

1. Infrastructure

At this moment the existing infrastructure on both islands is not sufficient for the ferry to operate in a smooth and safe manner and sometimes does not adhere the law. There is, for example, no separation between sea and land side, there are no measures that provide a safe and secure passenger flow, there are no waiting rooms and there are no interview rooms. Therefore, some adjustments need to be made. This includes, but is not limited to:

Saba:

- Repairs and adjustments to the perimeter fence to provide a barrier between seaside and landside activities.
- Removal of seating inside immigration and customs hall, which is currently not utilized and will allow for more space.
- Create a planning for passenger flows which secures the following:
 - Separation between incoming and outgoing passengers
 - That incoming passengers are directed to the immigration and customs location and are not able to leave the premises before processing
 - Provide an area for passengers that have already been processed by immigration and are ready to depart (for Transit passengers)
 - Signage which will clearly indicate where customs and immigration offices are located
 - Provide clear information to incoming passengers and the necessary harbor processes. This could be done via a pre-arrival pamphlet or announcement on vessel.



- Review of building layout with border control agencies to determine what adjustments can be made to accommodate the need for additional security checks such as an interview room and an inspection room.
- Make a planning with harbor security staff to assist with securing the perimeter while border control processes are on-going.

St. Eustatius:

- Adjustments to check-in procedures, to allow check-ins from this location
- Adjustments and building of a passenger waiting area based on the requirements from customs and immigration.
- Installing an agent and ferry check in Booth
- Create a planning for passenger flows which secures the following:
 - Separation between incoming and outgoing passengers
 - That incoming passengers are directed to the immigration and customs location and are not able to leave the premises before processing
 - Provide an area for passengers that have already been processed by immigration and are ready to depart (for Transit passengers)
 - Signage which will clearly indicate where customs and immigration offices are located
 - Provide clear information to incoming passengers and the necessary harbor processes. This could be done via a pre-arrival pamphlet or announcement on vessel.

2. Personnel:

At this moment de KMar and Customs are heavily understaffed which means that they cannot provide the necessary controls of the ferry in a safe manner with the current capacity. Safety on small islands is directly linked to the quality of the border control. The Regeringscommissaris of Statia has recently expressed her concerns about the safety at the border to the minister of Justice. In 2021 all three public entities had raised their concerns about border control.

In order to be able to check the passengers and goods additional personnel is needed.

KMar

The KMar, as previously stated, is heavily understaffed on Caribisch Nederland. At this moment the KMar works based on an emergency schedule which they cannot maintain long term. Personnel for the maritime border was never provided. In order to check the maritime border, the KMar will need extra personnel. Since the harbor at this moment should be open for 12 hours (07:00-19:00) and considering the existing wish to extend this to at least 14 hours, a double shift is needed (max 16 hours open per day). This also means that the port could be opened and manned up to 16 hours a day which results in more possibilities for connectivity. This results in the need for 13 extra FTE.

- 5 FTE on Saba for border control
- 5 FTE on Statia for border control
- 1 FTE on Statia as a coordinating supervisor
- 1 FTE on Bonaire for intelligence department
- 1 FTE on Bonaire for criminal investigation department

Customs CN



Customs has fewer tasks compared to the KMar. In order to execute the required tasks, the customs estimate to need a total of two new FTE's.

3. Ferry Schedule

As previously stated with the additional personnel of the KMar and Customs the Harbors could be open up to 16 hours a day. This means that the schedule of the ferry could be optimized so that they can be profitable. It is important that the following points are taken into account:

- Timely discussions with the border control agencies about the schedule with realistic turnaround times.
- Adjusted schedule which does not overlap with the arrival or departure of other vessels from Bobby's Marina in St. Maarten.
- An earlier check-out immigration process at Bobby's Marina in St. Maarten.
- Connecting the new booking system to the systems of the border agencies, which will allow for easier sharing of prearrival information to the border control agencies. This information will be shared 12 or 24 in advance of arrival

4. Free travel

The Ferry operates inside and outside Caribisch Nederland. This means that measures have to be taken in order to check persons coming in to Caribisch Nederland and to ensure free travel within Caribisch Nederland. There are multiple ways to make this possible. A few solutions are:

- All the passengers will be checked at the first point of entry into Caribisch Nederland and at the last point of exit.
- The passengers will be separated on the ferry in such a way that there cannot be contact or exchange of goods between internal and external CN passengers.
- No tickets being sold on the route between Caribisch Nederland (just SXM- Saba and SXM Statia but no Saba-Statia).
- No connecting route outside Caribisch Nederland (Saba and Statia back and forth)

The involved partners can, during the operations, discuss which of the previously mentioned options above is preferred. It is however important to note that if option 1 is chosen that the Ferry makes sure that the passengers continuing on the ferry will be checked first by the border control agencies in order to avoid delays.

Temporary solution

Not all the measures as stated above can be finalized on the short term. Therefore, it is also important to look at a possible temporary solution that can ensure an acceptable level of safety and minimal pressure on the different agencies. It is important to state that the temporary solution can only be a very short-term solution and still requires the above mentioned structural and sustainable solution.

A scenario that's worth exploring for the short-term solution is to limit the number of times the ferry docks in the harbors with reduced passengers and with less connections between Saba and Statia.

This would allow for:

- Border control processes to be executed within the respective ports, and thereby result in less need for additional capacity.



- A reduction in the severe congestion which is currently occurring in the Saba port.
- More direct connectivity for both islands, which will provide a more convenient service and be more appealing for elderly persons or those with physical disabilities, who will no longer need to disembark and reboard in Saba.
- Less delays due to separated processes and a less demanding schedule.

While there are many benefits to adjusting the schedule in this way, it would also have some negative impacts:

- Reduced connectivity between the islands of Saba and Sint Eustatius.
- Increase of subsidy needed as the various legs of the schedule will have less passengers traveling.

This temporary solution could be possible for the short term since it will significantly reduce the pressure on the harbors and agencies. But also requires some investments:

1. Infrastructure:

- A decent perimeter between seaside and landside or;
- Personnel that ensure the right passenger flow.

2. Personnel:

- Additional (temporary) personnel from the KMar. The exact amount needed will vary based on the proposed schedule and the number of times the ferry docks at the ports.
- Customs PM

3. Ferry schedule

- The schedule needs to be adjusted in order to limit the number of times the ferry docks in the harbors with reduced passengers and with less connections between Saba and Statia. Since this will directly impact the ferry service additional funds are needed. A suggested schedule of the ferry is added in the attachment.

4. Free travel

- The Ferry operates inside and outside Caribisch Nederland. This means that measures have to be taken in order to check persons coming in to Caribisch Nederland and to ensure free travel within Caribisch Nederland. A few solutions are:
 - All the passengers will be checked at the first point of entry into Caribisch Nederland and at the last point of exit. This solution puts a lot of pressure on the first point of entry and should be avoided in the temporary solution as much as possible.
 - The passengers will be separated on the ferry in such a way that there cannot be contact or exchange of goods between internal and external CN passengers.
 - No ticket sales between Caribisch Nederland.
 - No connection outside of Caribisch Nederland (just Saba and Statia back and forth, no checks are needed in this case).



4. Financial Overview for Scenarios

This chapter contains the needed financial investments for the solutions as outlined in chapter 3. The expectations are that in the final situation the ferry could be profitable and therefore no longer have the need for a subsidy.

Estimated Costs for continuation of the ferry:

Measures	Costs	Responsible	Total
Infrastructure Saba			
New fencing	10,000 USD (*pending quote*)	OLS	
Removal of seating	500 USD	OLS	
Transit area	3,000 USD	OLS	
Signage	1,500 USD	OLS	
Adjustments for interviews and inspections	5,000 USD (*pending quote*)	OLS	
Total			20,000 USD
Infrastructure St. Eustatius			
Adjustments for interviews and inspections	200,000 USD	OLE	
Installing an agent and ferry check in booth	45,000 USD	OLE	
Total			245,000 USD
Personnel			
KMar (13 FTE)	2,2 mil EUR annual Approx 2,395,332 USD	KMar/DGM	
Customs (2 FTE)	300,000 USD	Belastingdienst CN/Minfin	
Total			2,695,332 USD
Ferry			
Operating subsidy	600,000 EUR annual Approx 653,252 USD	IenW/BZK	
Total			653,252 USD

Costs for the temporary situation

In case the choice is made to make use of the temporary situation with the proposed schedule by the operator in the attachment the operating subsidy will be 50.000 Euros per month, i.e. €600,000 annually. The extra costs for the KMar and Customs will depend on the duration of this temporary solution and the final schedule.



5. Conclusion and Recommended Scenario for Ferry Service

As stated in the introduction and the evaluation of the ferry, some investments are needed in order to continue the ferry service in a safe and efficient way that ensures increased connectivity for the residents and visitors of Saba, Statia and Sint Maarten. The advisory group concludes that for a sustainable continuation multiple investments are needed as outlined in chapter 3 and 4 but also that in a temporary situation multiple measures have to be taken as well. This means that the ferry cannot continue after December 2023 in the same matter as it has been operating in the last two years.

The needed measures fall under the responsibilities of at least six different ministries in the Netherlands. Therefore, it is advised that the plan of approach for the continuation of this ferry, be reviewed jointly. The involved ministries are:

- BZK (investments of the public entities and the needed subsidy of the ferry)
- DEF (beheerder of the KMar)
- EZK (responsible for economic development)
- FIN (responsible for the border checks on goods)
- IenW (responsible for connectivity)
- JenV (responsible for the border checks on persons)

The advisory group advises to use the werkgroep en stuurgroep Caribisch deel van het Koninkrijk der Nederlanden (CDvhKNL) to table the evaluation and this plan of approach

The advisory group wants to stress that all involved parties want to make the ferry a success and stress the importance of the continuation of this ferry for the residents of Saba and Statia. The aim of the ferry pilot project was ultimately to provide affordable scheduled maritime connectivity, aiming to improve the social and economic development of Saba and St. Eustatius. Taking into account the 25,747 passengers who traveled in 2022, it can be concluded that the pilot demonstrated that it is of critical importance and relevance for the islands of Saba and St. Eustatius and has the potential to become a viable service which will provide an opportunity for further economic growth.



Attachment:

Below is an outline of what this schedule could look like. This is a preliminary draft schedule which is to receive feedback from the various stakeholders and must be adjusted and approved accordingly.

Monday		Dept	Arr.	duration	Port time
MK141	EUX - SKB	7:20	8:30	1:10	0:20
MK151	SKB - EUX	8:50	10:00	1:10	0:20
MK10	EUX - SXM	10:20	12:05	1:45	1:45
MK11	SXM - EUX	13:50	15:35	1:45	0:20
MK142	EUX - SKB	15:55	17:05	1:10	0:20
MK152	SKB - EUX	17:25	18:35	1:10	
				8:10	ops
Tuesday		Dept	Arr.	duration	Port time
MK27	EUX - SAB	7:20	8:20	1:00	0:15
MK22	SAB - SXM	8:35	9:55	1:20	
Maintenance				2:20	ops
Wednesday		Dept	Arr.	duration	Port time
Maintenance					
MK33	SXM - SAB	17:20	18:40	1:20	0:20
				1:20	ops
Thursday		Dept	Arr.	duration	Port time
MK421	SAB - SXM	7:20	8:40	1:20	0:20
MK431	SXM - SAB	9:00	10:20	1:20	4:00
MK422	SAB - SXM	14:20	15:40	1:20	0:20
MK432	SXM - SAB	16:00	17:20	1:20	0:15
MK462	SAB - EUX	17:35	18:35	1:00	
				6:20	ops
Friday		Dept	Arr.	duration	Port time
MK541	EUX - SKB	7:20	8:30	1:10	0:20
MK551	SKB - EUX	8:50	10:00	1:10	0:20
MK50	EUX - SXM	10:20	12:05	1:45	1:55
MK51	SXM - EUX	14:00	15:45	1:45	0:20
MK542	EUX - SKB	16:05	17:15	1:10	0:20
MK552	SKB - EUX	17:35	18:45	1:10	0:15
MK	EUX - SAB	19:00	20:00	1:00	
				9:10	ops
Saturday		Dept	Arr.	duration	Port time
MK621	SAB - SXM	7:20	8:40	1:20	0:20
MK631	SXM - SAB	9:00	10:20	1:20	4:00



MK622	SAB - SXM	14:20	15:40	1:20	0:20
MK632	SXM - SAB	16:00	17:20	1:20	0:15
MK66	SAB - EUX	17:35	18:35	1:00	
				6:20	ops
Sunday		Dept	Arr.	duration	Port time
M701	EUX - SXM	7:20	9:05	1:45	6:55
MK73	SXM - SAB	16:00	17:20	1:20	0:20
MK76	SAB - EUX	17:40	18:40	1:00	
				4:05	ops



Evaluation of two-year Makana Ferry

Public Entity Saba
Public Entity St. Eustatius

July 3rd 2023



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1. Introduction

The Caribbean islands in our kingdom face challenges concerning connectivity, since at most islands flying is the only way to commercially travel. Especially for small islands like Saba and St. Eustatius being connected to the outside world is very important since not all facilities are present on the islands. In general traveling by air is very costly and does not always have enough capacity. Therefore, measures to increase the connectivity via an additional Ferry connection had to be considered.

At the same time, the Caribbean islands including Saba and St. Eustatius are situated in a transit zone from south America to north America/Europe, which make them vulnerable to illegal activities. Since Saba and St. Eustatius in particular are both small islands, even small crimes can have a big impact on the safety feeling. For this reason, it is important that when increasing connectivity possibilities, it is ensured that the ports of entry to the islands are regularly checked and secured, while still remaining inviting to residents and visitors. This was also emphasized by the gezaghebbers en Regeringscommissaris in a letter to the Dutch government on the 27th of May 2021.

In order to increase the connectivity of Saba and St. Eustatius, the Government of the Netherlands decided to subsidize a ferry for €2 million with the aim of increasing connectivity between Saba, St. Eustatius and St. Maarten, with additional connectivity to St. Kitts, with more affordable and stable rates. The subsidy was granted by the ministry of Infrastructure and Water Management (IenW) in partnership with the ministries of the economy and internal affairs (EZK and BZK). The activities for which this subsidy was granted must be completed before December 31st 2023.

In 2021, a Request for Proposal (RFP) tendering of the pilot project was instigated. The winning candidate of the tender was Blues and Blues Ltd., with the vessel Makana. This is an Anguilla based ferry operator which already provided cargo services to Saba and St. Eustatius. The service officially started on December 3rd 2021.

In the last 1,5 years the passengers and different governmental organizations discovered the potential and consequences for the connectivity and security of the islands. This evaluation reviews the process leading up to the start of the service, the success of the service itself and analyzes which bottlenecks have come up and would need to be addressed in order to move forward with the service. This evaluation will also give recommendations to ensure a sustainable and safe future plan for the connectivity by sea for Saba and St. Eustatius.



2. Original objective Ferry

The subsidy was granted with a number of specific goals. In a letter by Saba and St. Eustatius to the Ministry of IenW from August 2020 it is stated that:

"Om de economieën van Saba en St. Eustatius tijdens en na de Coronacrisis te versterken, is een budget van €2 mln. beschikbaar gesteld voor het opzetten van een goede en betaalbare veerverbinding. In dit kader is een basis-vaarschema opgezet waarop kan worden aangevuld op basis van de afzonderlijke behoeften van de eilanden. Het doel is om op die manier toe te werken naar een op maat gemaakt vaarschema waarmee beide eilanden een zo optimaal mogelijke connectiviteit aan de lokale bevolking bieden en de beste kansen creëren voor het stimuleren van de lokale economieën."

In the financial agreement that was sent by IenW on the 14th of December 2020 the main goal is stipulated as:

"een eenmalige bijzondere uitkering toeken van ten hoogste US\$ 2.432.200,= (zijnde het equivalent van € 2.000.000,=), voor het uitvoeren van een pilotproject in het kader van het opzetten van een goede en betaalbare veerdienst tussen Saba, St. Eustatius en Sint Maarten."

In addition, the next steps that will be taken by PE Saba and St. Eustatius are addressed.

De bijzondere uitkering zal worden gebruikt om vervolgstappen in het pilotproject te kunnen zetten. U gaat de komende tijd de volgende zaken gezamenlijk met het Openbaar Lichaam van St. Eustatius nader uitwerken:

- *Gezamenlijk het vaarschema verder uitwerken, waarbij ook opties voor een verbinding met St Kitts en voor dagretours vanuit Sint Maarten worden onderzocht;*
- *Ontwikkelen van een aanbestedingsstrategie en opstellen van een aanbestedingsprocedure op basis van advies van een juridisch adviseur;*
- *Uitvoeren van een aanbestedingsprocedure, waarbij wordt gedacht aan een open aanbesteding om zoveel mogelijk partijen een kans te geven;*
- *Tekenen van een contract met een veerdienst voor minimaal twee jaar*

Voor het realiseren hiervan zal de toegekende bijzondere uitkering voor de volgende doeleinden worden ingezet:

- *Inhuur van expertise (juridisch adviseur en consultant connectiviteit, geschatte kosten totaal €100.000);*
- *Marketing van de route zodra deze bekend is (dit moet van start gaan enkele maanden voordat de veerdienst daadwerkelijk start, geschatte kosten totaal €100.000);*
- *Subsidie voor realisatie vaarschema gedurende minimaal twee jaar (geschatte kosten €1,8 mln.).*

In summary, the main goal of the subsidy was to start a ferry service for Saba and St. Eustatius that:

- maximizes the connectivity for the local people;
- maximizes the stimulation of the economy.
- In order to do this, day trips to Sint Maarten, day trips from St. Maarten to Saba and a connection with Sint Kitts were to be investigated.

The subsidy did not entail a budget for the infrastructure in the harbors or for the costs of personnel of the border control agencies.



3. Evaluation of the process leading up to the start of the operation in 2021

The evaluation discussions on the pre-process indicate that while the goals of the request and subsidy were met in a short time frame, key steps were overlooked in the preprocess. This mainly refers to collaboration with the Koninklijke Marechaussee and Douane in the planning phase. This pilot has presented various lessons learned, including the need to further discuss, on a ministry level, the impact that large projects may have on existing infrastructure and capacity, and possible investments which may be needed to ensure that the project meets its full potential.

In 2020 the ministries worked closely with the two public entities of Saba and St. Eustatius in order to improve the connectivity on the islands in a short period of time, as also demonstrated in section 2 of this evaluation concerning the goals of the subsidy. In December 2021 the ferry started with the operation.

Even though the speed in which the ferry got into place and delivered additional connectivity for the islands is admirable, a few crucial steps have been overlooked at the start of this process. Normally, when new connectivity is started it is important that all stakeholders are involved in planning and that all aspects of this new service are worked out.

However due to time constraints, the project team that set-up the ferry did not properly involve stakeholders from the border control agencies. This could have been done by organizing a joint working group to establish (amongst others):

- what was needed in terms of infrastructure in the harbor;
- what was needed to deploy personnel;
- what a workable ferry schedule would be;
- how the free travel between Saba and St. Eustatius is to be arranged.

The result of not discussing this before the start of the ferry is that these important questions were not answered in time. While the Koninklijke Marechaussee and Douane adjusted their processes to allow for free movement of passengers between Saba and St. Eustatius and transit to occur in Saba, the immediate large demand, possibly as a result of increased travel post-covid and the drastic increase in airlift rates, resulted in delays, due to the additional processing time in Saba, and a negative impact on work processes, due to the limited facilities in Saba. This has been challenging for all involved parties. In addition to this, many time overtime occurs for employees due to the delays, which results in additional costs for these agencies.

In conclusion, even though the border control agencies, operator and project team worked together and resolved a number of pressing issues, a number of bottlenecks relating to the border remain persistent and need to be addressed if the service is to be continued. This will be further discussed in section 5 (bottlenecks that need to be resolved) in which both border control bottlenecks as well as other bottlenecks are discussed.

4. Evaluation of the service and realization of subsidy goals

a. Routes and schedule

The current schedule:

For Saba

- 3 same-day connectivity options to SXM per week (days 4/6/7)
- 2 same-day connections to Saba from SXM per week, with limited hours on island.
- 5 days connection to/from St. Eustatius per week
- 5 days connection to/from SXM per week
- 1 day connection to and from St. Kitts per week



Saba - St Maarten									St Maarten - Saba									
Mo	Tu	We	Th	Fr	Sa	Su	dept	arr	Mo	Tu	We	Th	Fr	Sa	Su	dept	arr	
		2		4		6	7	07:20	09:00					4		6	09:20	11:00
1							11:20	13:00						5		12:40	14:40	
				4		6	15:15	16:55			3	4			6	7	17:15	18:55

Saba - Statia									Statia - Saba									
Mo	Tu	We	Th	Fr	Sa	Su	dept	arr	Mo	Tu	We	Th	Fr	Sa	Su	dept	arr	
					5		14:40	15:50			2		4		6	7	06:00	07:00
		3	4			6	7	19:15	20:15	1							10:00	10:55

Saba - St Kitts									St Kitts - Saba									
Mo	Tu	We	Th	Fr	Sa	Su	dept	arr	Mo	Tu	We	Th	Fr	Sa	Su	dept	arr	
					5		14:40	17:30	1								08:30	11:00

For St. Eustatius

- 3 same-day connectivity options to SXM per week (days 4/6/7)
- 2 same-day connections to and from St. Kitts per week (days 1/5)
- 3 same-day connection to Saba per week
- 6 days connection to/from SXM per week
- 5 days connection to Saba per week

Statia - St Maarten									St Maarten - Statia								
Mo	Tu	We	Th	Fr	Sa	Su	dept	arr	Mo	Tu	We	Th	Fr	Sa	Su	dept	arr
	2		4		6	7	06:00	09:00						5		12:40	15:50
				5			10:00	11:45	1							14:15	16:00
1							10:00	13:00		3	4			6	7	17:15	20:00

Statia - Saba									Saba - Statia								
Mo	Tu	We	Th	Fr	Sa	Su	dept	arr	Mo	Tu	We	Th	Fr	Sa	Su	dept	arr
	2		4		6	7	06:00	07:00						5		14:40	15:50
1							10:00	10:55	3	4				6	7	19:15	20:15

Statia - St Kitts									St Kitts - Statia								
Mo	Tu	We	Th	Fr	Sa	Su	dept	arr	Mo	Tu	We	Th	Fr	Sa	Su	dept	arr
1					5		07:00	08:10	1					5		08:30	09:40
1					5		16:20	17:30	1					5		17:50	19:00

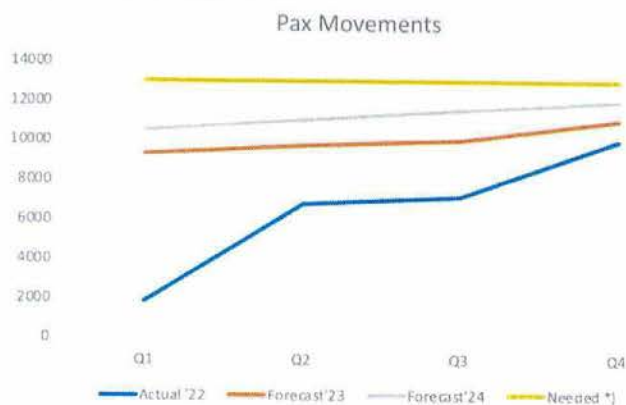
This schedule was chosen in order to maximize connectivity, while meeting the requirements in the RFP of the Public Entities. The most important objectives were to create same-day traffic, which would enable residents to travel to neighboring islands for needs such as dental services, medical services, business tasks and household/grocery shopping. In addition to this, the connectivity allowed for visiting relatives and more affordable holiday travel for families. These connections, in addition to the day-trips from St. Maarten and St. Kitts, also provided the opportunity for an economic boost to the islands, providing visitors and tourists additional options for connectivity to and from Saba and St. Eustatius, at more affordable rates.





In order to facilitate the schedule, making it possible to fit within the opening times of the harbors, and due to possibility of free movement between Saba and St. Eustatius as part of the Caribbean Netherlands, the Koninklijke Marechaussee and Douane authorities allowed for the immigration and customs processes to occur on Saba, creating a transit process. However as noted in section 3, this is currently not going in a way that is supported by all stakeholders, notably the border control agencies and the passengers that have been negatively impacted by a cumbersome process and resulting delays.

b. Passenger Numbers



During the first period of the service, the demand was relatively low. This is due to the fact that there was a Covid-19 outbreak on both Saba and St. Eustatius, and also an increase in cases globally. This resulted in less travel due to strict measures. In the first half of 2022, Saba and St. Eustatius began removing its Covid-19 measures. Once the measures began to relax, an increase in passenger movements was noted.

Due to Covid-19 restrictions and additional requirements by the St. Kitt's authorities, the Makana was unable to begin its service to St. Kitts until the last quarter of 2022. When this route began, a notable increase in passenger movements also occurred.

In 2022, a total of 25,747 passengers traveled with the Makana service. Of the passengers transported, the majority were Saba and St. Eustatius residents. This clearly outlines that the service is being utilized and meets the goal of providing additional connectivity for the residents of these islands. With the increase of prices for airline tickets in 2022, due mainly to rising fuel costs, this also provided a more affordable alternative, being over 3 times less expensive.

In general, considering the passenger numbers, it can be noted that the Makana is used as an important addition to the existing air travel options. Residents use the Makana Ferry to travel to Sint Maarten, but also between Saba and St. Eustatius. The addition of the St. Kitts route provides further connectivity and economic value to the service. Based on the projections of the operator and the increased growth over the past few months (also due to overcoming minor bottlenecks as for example improving the booking system and creating the possibility to book ticket online) we expect a further increase in the amount of passengers in the coming months (see in the next section under c).

c. Financial aspects for viability of the ferry service itself

The first year (including dec '21) of operation generated \$2.341K of revenues. \$1.228K out of sales and \$1.050 subsidy (45%). For 2023 expectation is that revenues will increase to \$3,000K (including \$1.000K subsidy (33%) due to increased number passenger numbers.



Regarding cost the new operation totaled in 2022 \$2.207K Whereas Direct operating cost significantly increased by rising fuel cost and building up the organization and connectivity. For 2023 we assess the operation cost to increase significantly to \$3.000 leaving no profitability to the operator and action has to be taken.

In 2022 the rising cost were offset due to the success (more than expected) rise in passengers numbers. Currently Direct operating cost have doubled since the beginning of the project and also de indirect operating cost have significantly increased due to building the organization around the operation. Currently we negotiate cost control actions and increase in rates regarding fuel adjusting and high port cost in St. Maarten and St. Kitts.

Based on the 2022 figures, with the elimination of covid restrictions and the increase of demand created by the additional connectivity to St. Kitts, it is estimated that the passenger movements of Makana can increase to 33,000-35,000 in 2023 and up to 39,000 in 2024. The Makana would need to transport approximately 45,000 passengers per year in order for the operation to be viable without subsidy.

St. Kitts adds important connectivity to the overall operation, increasing load factors and thus revenues and a higher passenger yield to the subsidized routes of Saba and St Eustatius in order to make it sustainable.

d. Socio-Economic Impact of Service

With the addition of the Makana Ferry, there has also been a socio-economic benefit. On all islands, residents have been selected to serve as agents and provide booking and check-in service, in St. Eustatius housing is provided for the Makana crew on a permanent basis and some of the Makana crew are residents of St. Eustatius.

The Makana Ferry has also allowed for an increase in inter-island travel for students, with sporting and educational exchange events happening more frequently and being accommodated by the Makana with discounted fares and additional connectivity when needed. Non-profit organizations have also received discounted fares for the Makana Ferry service, thereby boosting the effectiveness of their work across islands.

The service agreement stipulated that 6% of the subsidy must be reflected in social returns. The service has exceeded the agreed amount with a total of approximately \$254,000 spent within the local economies by the end of 2022.

e. Customer Satisfaction

The Makana Ferry customers are, despite delays and inconvenience, generally satisfied with the service quality and price. Several surveys have been conducted to gauge customer satisfaction, and the results indicate a positive response. The surveys revealed that a majority of customers appreciated the professionalism and courtesy of the ferry staff, as well as the cleanliness and maintenance of the vessels. Additionally, the affordable pricing of the ferry services was seen as a positive aspect by many customers. The implementation of the new booking system is also expected to have a positive impact and provide a smoother booking and communication experience for passengers.

However, it is acknowledged that there is room for improvement in enhancing the quality of the service being offered and addressing the inconveniences experienced by customers in relation to delays, long transit processes, the need for passengers to sit in seating exposed to the elements, longer travel times and the additional burden of multiple disembarking and embarking processes for elderly and disabled passengers. In addition, Saba passengers in particular have been impacted and have indicated a wish for a more tailored service that would result in less inconvenience and less burdensome port operation processes.



5. Bottlenecks and problems that need to be resolved

While in general the Ferry is viewed as great success, this evaluation also describes a number of bottlenecks that have been or still need to be resolved in order to create a successful ferry service that is supported by all stakeholders.

As discussed in the previous sections, there are bottlenecks that should have been handled in the pre-process before starting the operation. Furthermore (and sometimes in connection with the previous) there are a number of bottlenecks that have been encountered in the operation of the ferry.

a. Number of small bottlenecks in operation of the ferry

During the first year of service, some smaller bottlenecks were noted. These included:

- departure delays in St. Maarten due to conflicting schedules with other vessels and additional/new immigration procedures;
- limited staffing of the operator;
- booking system with limited capacity and delays in launching;
- delayed sharing of prearrival information from St. Maarten and St. Kitts, which would assist with making the border control process smoother.

Efforts have already been taken to overcome these bottlenecks. Some of these efforts, such as the launching of the booking system and information sharing, will have quicker results than others, such as adjustments to the facilities which will take some time and investment to implement. Next to this, a number of additions to the services were made such as investing in the equipment needed to get Wi-Fi on board of the Ferry.

Conclusion on bottleneck a: these smaller bottlenecks within the operation of the ferry will need to be resolved if the ferry is to be continued in the future. It can be expected that these points can be addressed before the current subsidy ends in December 2023.

b. Infrastructure in the harbors

Separation seaside/landside

At this moment there is no physical barrier between landside and seaside. This leads to security threats since there is most of the time only one officer of the KMar and Customs on Duty. Since these colleagues need to pay attention at the same time to the passenger flow and the immigration/custom process the islands face a possible security threat and errors can come into place. This also leads to delays since the officers can't just focus on their immigration/customs task.

Facility for border checks

The harbors of Saba and St. Eustatius were never designed for large passenger flows but only for some crewmembers and pleasure yachts. This is reflected to the facilities that are currently present at the two harbors. This means that there are no interview rooms, inspection rooms, waiting rooms, covered waiting areas and that there is just one computer available per border control agency.

Adjustments to the harbor facilities would have to allow for better passenger flow management. Improvements to the immigration facilities could also allow for quicker processing times.

Conclusion on bottleneck b: infrastructure in the harbors on Saba and St. Eustatius needs to be adjusted so that a smooth and secure border control and customs process is ensured. Without necessary changes, the service may be severely impacted and limitations may be imposed.

c. Process of the border control agencies



In October 2021 the border control agencies were briefed of the planned ferry in December of that year. This meant that the border control agencies had to work with the limited staff that they had on the islands and no additional funds were allocated for extra capacity. Because no additional staff was accounted for in the subsidy the border control agencies are very limited in the staff that they can deliver. This results in limited opening times for the harbor, long ques for the passengers, delays for the ferry and possible security threats when proper infrastructure is not in place.

Conclusion on bottleneck c: depending on if and how the ferry service is to be continued (in terms of schedule) and on the choices made concerning infrastructure, a potential plan for Ferry continuation an analysis has to show how much additional personnel the border control agencies need.

d. Schedule and important considerations for potential changes

However, there is one particular problem/bottleneck that is the most complex and has to do with: the routing, the opening times of the harbor, the times it takes to process, delays etc. This leads to less connectivity than would be desired (and therefore also impacts the revenue of the ferry) but also to dissatisfaction with the border control agencies as they feel that they can't properly (in connection with bottlenecks mentioned under 'b' and 'c' fulfil their tasks). Some more detailed explanation is necessary to get this problem across.

Looking at point 4a (routes and schedule) there are two same day routes, one for Sint Maarten and one for St. Kitts.



On the St. Eustatius-Saba-Sint Maarten route (three days per week) there is serious congestion in the harbor on Saba. The congestion is caused because in the current system all passengers have to be processed by border control on Saba. That is caused because the passengers traveling from Sint Maarten to St. Eustatius and Saba to St. Eustatius cannot be separated in a safe way on the ferry. Therefore, all passengers must be processed on Saba. That means the more people go on the ferry, the more time the check will take. This leads to large and structural delays, customer dissatisfaction and higher costs due to overtime of employees (both in the operation as well as for border control). These delays also mean that a day trip to Saba from Sint Maarten can no longer realistically be offered, which means that connection to Saba for tourism is limited (while this was an important goal). In addition and as mentioned previously, while the process is time-consuming it is also not completely secure.

On the St. Eustatius – Sint Kitts – Sint Maarten route (two days per week) Saba currently has to be bypassed in the connection with St. Maarten in the current schedule, leading to less connectivity for Saba. This means in practice that instead of 5 days, Saba is connected to Sint Maarten on only 3 days. If this route were to also include Saba, the Ferry would come into harbor outside of the opening times of the border control agencies.



While there are multiple potential ways to overcome this bottleneck, it is essential that the same mistake on not including border control agencies when developing the service and schedule (section 2 of this evaluation) is not made again. Currently, the amount of passengers, the time at the border control, the turnaround time and the traveling time are not attuned to each other. This leads to delays and overwork for the ferry as well as the harbor and border control agencies, that is described in the section above.

Furthermore a potential new schedule with new routes has to consider how free travel between Saba and St. Eustatius is to be arranged. Caribisch Nederland is considered to be one area where people can freely travel in between. That means that if a person travels from Saba to St. Eustatius or Bonaire there should not be structural border checks. In the past there was no structural connection between the three islands of Caribisch Nederland which meant that the different agencies had limited experience with this. With the ferry such a connection was introduced, people could buy tickets in between Saba and St. Eustatius. This means that additional measures need to be taken to ensure a safe connection with a third country (St. Maarten and St. Kitts) as well as free travel between Caribisch Nederland. Since this connection was new and that there hadn't been any consultation between the agencies and the ferry before commencing, some people were checked that weren't supposed to be checked and the schedule had to be adjusted to check all passengers on the first point of entry to Caribisch Nederland. This has also lead twice to political questions from the *Tweede Kamer*.

Conclusion on bottleneck d: a new and improved schedule is needed to improve the desired connectivity on the two islands, as the current schedule leads to customer dissatisfaction and limited connectivity, but also to limited passenger numbers and limited revenue for the operator. Furthermore, in connection with bottlenecks b and c, it leads to dissatisfaction with the border control agencies. It is therefore necessary that a new schedule is thought out with the operator, public entities and border control agencies. The latter has to be involved in particular considering that we need to make sure that mistakes are not repeated and that we ensure free travel within the Caribbean Netherlands. As will be outlined in the plan of approach document, the schedule adjustments could be minimal such as with later departure times, or could have a larger impact, such as with a separation of some of the routes to allow for border control processes to occur in the relevant ports.



6. Conclusion and recommendations

All stakeholders see the potential for the service and the benefit that it has for the residents of Saba and St. Eustatius in regards to additional connectivity between the islands, at more affordable rates, and the opportunity for economic development. While the current bottlenecks (section 5) are a nuisance for customers, there is a general satisfaction with the availability of the prices and the services offered. Passenger numbers are growing and are expected to continue to grow.

The operator has indicated that they view the operation as having a successful start with the potential to become viable. The service is not predicted to be viable and self-sustainable by 2024, and the operator is uncertain if it can continue without subsidy until the operation is viable. The current subsidy ends in December 2023 and therefore additional subsidy for a limited amount of time can be considered.

While the goals of the request and subsidy were met and that the ferry as a good perspective, key elements were not included in the pre-process, which in the end lead to long waiting lines, long delays and possible security threats for the islands. This was also voiced by the border control agencies. Their perspective was acknowledged by the other involved parties and discussed extensively in section 3 and in the discussion of bottlenecks that need to be resolved (section 5).

Considering that in the end all involved stakeholders support a continuation of the Ferry service in an adjusted form, it is recommended to write a plan of approach for the continuation of the ferry. This plan should take into account the following main points that follow from this evaluation document:

- The plan of approach should propose a plan for a sustainable continuation of the ferry service in the future after the subsidy ends in 2023.
- The plan of approach is to be drafted by the Public Entities, supported by the ministries and the border control agencies in the advisory group.
- The plan will outline two possible scenarios for the way forward on how we can work towards a self-sustaining service and safe additional connectivity. The plan should be supported by all relevant stakeholders. Both scenarios should include the financial impacts for the operational and border control processes.
- The plan should consider all four relevant bottlenecks in section 5 of this evaluation, but focus on:
 - a) making sure that the necessary border control and customs checks can run in a secure and smooth way (e.g. by making plans for improved infrastructure); and
 - b) should indicate what the most important points of reference will be for a new schedule (e.g. harbor times, early-departure from Sint Maarten, more direct connections). The details of a potential new schedule and routing can be worked out in a potential new PSO (if there is funding) together with the operator and the border control agencies. It is recommended that the new schedule be negotiated and implemented by October 1st, which would allow for a period of marketing before the tourism high season begins in mid-November.
- Based on the plans for schedule and infrastructure, a financial paragraph is to be included (including the costs of running the proposed schedule with an operator).
- **The plan will have to be established before the Summer of 2023.** Negotiations with the operator will have to start in August 2023.
- Currently, no funding is available for the operator, the harbors and the border control agencies. Therefore, the plan needs to be delivered on this short notice. Since there is no funding available for the continuation of the ferry the plan of approach will need to be discussed on a high level.