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11th February, 2021

His Excellency, Governor Pearce
Governor's Office, 8 Farara Plaza
Brades
Montserrat, MSR 1310

Hon. Premier Taylor-Farrell
Office of the Premier
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Montserrat, MSR 1110

Your Excellency Governor Pearce and Hon. Premier Taylor-Farrell,

This past weekend, all of Montserrat was appalled to learn that our social distancing measures to try to control or keep out the Covid-19 virus have failed. As of the time I am writing this, we face six (6) known cases of Covid-19 and are currently in lockdown. We are all concerned about the potential for greater spread to more persons identified through contact tracing, and possibly others beyond that. Equally urgent is the need, amidst the 25-year-long volcano recovery efforts, for adequate economic assistance for the People and businesses on Montserrat due to extended lockdowns. We are nearly a year behind the curve of the pandemic crisis in providing this lockdown assistance.

To be clear, I fully understand the Government of Montserrat's ("GoM's") decision to go into a tighter lockdown for 14 days to break the chain of local transmission. This 14-day lockdown will hopefully allow us an opportunity to carefully re-examine and adjust our protective measures against the virus. We must especially monitor and manage how travelers who arrive here are tested and quarantined.

The lockdowns and other protective measures being enforced, create a concurrent governmental responsibility to also address the serious economic challenges our People and businesses continue to face. During the past ten (10) months, an inadequate financial support package was given to people and businesses in three disbursements April, May and June 2020 to people and businesses.

In the May 2020/21 annual budget presentation, the Hon Premier Taylor-Farrell announced in the budget speech, an EC \$22 million budget shortfall and that a favorable response was expected from HMG in addressing it. For the past eight (8) months, I have repeatedly asked the GoM, through private letters, and in parliament, on the status of the budget shortfall. During those months, I have also challenged the GoM to address hardships faced in the aftermath of the various lockdowns imposed. I have been stonewalled at every turn. I therefore have no evidence to confirm whether there are reserves, or what is the difficulty being experienced in negotiating for lockdown assistance to businesses and people.

When I recently discussed these issues with the GoM and FCDO, I had a confusingly bright picture painted of the effect of shutting our borders and the repeated lockdowns on Montserrat's economy. I am confused as to whether the GoM has had reserves over the past eight (8) months with which to address the obvious needs of our constituents and failed to do so, or whether they currently now have funds to address the urgent needs arising from the current lockdown we are facing. Sadly, because of the lack of transparency of the GoM on all accounts, it is unclear whether the FCDO is holding back in granting additional aid requested, or if the GoM proposals are faulty or inadequately supported.

One thing I know for sure, there is an urgent and obvious on-the-ground need that has not been met over the past 8 months, and now during this sudden lockdown, is unlikely to be met. Clearly, immediate action needs to be taken.

In this letter, I am proposing an urgently needed Lockdown Stimulus of at least EC \$7.5 million (£2.0 million sterling) as further described below.

BACKGROUND

As an initial matter, we must not forget that in fulfilling its governmental responsibility to provide financial support for basic and development needs, Montserrat has long had first call on the UK Overseas Development Aid (“ODA”) budget as explained in the [UK DfID Budget Aid Business Case \(the “Business Case”\) for Montserrat’s 2019/20 – 2021/22 recurrent budget](#)¹. Furthermore, it is well acknowledged that the UK’s internationally binding legal responsibility under UN Charter Article 73 to Montserrat and all British Overseas Territories is of a higher and different order than first call on the ODA budget. Thus, cuts announced in the UK to its ODA budget ought not to adversely affect the availability of funds for a British Overseas Territory like Montserrat.

Montserrat’s economy is in intensive care. While economy-transforming infrastructure has been identified as key to get Montserrat back on its feet economically, the monies that would make this possible have been persistently held back. As a result, Montserrat has consistently been kept in bare-survival mode, currently dependent on the UK for 60% of its recurrent budget for the past 25 years. Again, this is not due to any shortfalls in the ODA budget -- In the last 10 of the nearly 25 years of desperate need for the replacement of relatively low costing key economy transforming infrastructure lost to the volcano, the UK government has had nearly £100 billion sterling in its Overseas Development Aid (ODA) budget.

Over the past two years, we have had encouraging deliveries from the UK Government, supported by the EU, through a renewed commitment to put Montserrat on the right footing with funding for a long-awaited new hospital, seaport and breakwater, undersea fiber optic cable, etc. that replace facilities lost to the volcano. However, the present delay in providing a robust economic response to the urgent needs of Montserrat due to pandemic, has overlaid a new crisis over the over the volcano crisis that we had hopes of recovering from.

Today many individuals, families, businesses and the economy as a whole, are at breaking point. The suggestion that cuts in civil servants’ salaries are being contemplated as part of the present 2021/22 budget negotiations is itself a further damaging stress. Many persons have already been either underemployed or unemployed in the past nine (9) to ten (10) months. Also, many, including single mothers and children, live from day to day, hand to mouth, and simply cannot do without assistance through a 14-day lockdown and beyond. With an already financially limited social services budget and no unemployment benefit scheme, they have nowhere to turn. The GoM, on its own, simply does not have the resources to address the economic and social hardship resulting from the pandemic-related lockdowns, social distancing measures and border closing it has imposed on its people.

It appears that many businesses have suffered heavy losses in sales. Many have exhausted their overdrafts and have significantly cut the working hours and already low wages and working hours of staff. Some have literally gone out of business and some staff, especially in the tourism sector, have been unemployed since March 2020 with little or no assistance since then. The present sudden lockdown only makes matters worse for most after struggling on their own, largely unaided, for the past 7 to 10 months.

The UK and Montserrat Governments knew in advance of the Pandemic who the vulnerable were likely to be. Written just one year before the Pandemic started, that very 2019/20 – 2021/22 UK DfID Budget Aid Business case referenced above made a strong argument for shovel ready projects and economic assistance; assistance to vulnerable adults and disadvantaged children “*from households where there is no wage, or a very low wage; from single/female headed households; or from migrant households*” (para. 1 and 48), the heavily taxed working people, as well as a small private sector largely dependent on government spending. How much more would the same challenged People and businesses, two years later, need further relief on taxes and economic assistance over the past 7 months amidst a hard hitting worldwide pandemic?

The People of Montserrat have been patient and understanding of the GoM’s rapid action in shutting down the country at this point and on several occasions in the past. We all understand that, to protect life, the government has decided to err on the side of caution to act quickly rather than delay, given the possibility that the disease may have begun to spread because of reduced vigilance concerning protective measures.

The same speed of response should be applied to addressing the economic hardship being faced by the people and businesses on Montserrat.

Time is of the essence. Going through a complicated, time-consuming, bureaucratic process to try to decide who should

get assistance at this stage of an emergency is not practical and may be counterproductive. We are already in lockdown mode with most public offices on reduced staff and the private sector largely closed except for those who provide essential services. A reasonable person would agree that a financial assistance package for the public and should always be included in any decision to lockdown Montserrat.

PROACTIVE LOCKDOWN STIMULUS

I therefore suggest that providing a package of assistance to every household within the next 5 (five) days, as is done in the US and elsewhere, would be the best and only fair option available. As a start, as little as at least \$7.5 million (£2.0 million sterling), the “Lockdown Stimulus” could be used to minimally ease the accumulated shortfalls caused by the multiple lockdowns faced over the past year, including the current 14-day lockdown we are experiencing. This Lockdown Stimulus should be provided to every household on island (National and Non-National residents, all working adults, all elderly and unemployed and all school-age children). Certainly, we must avoid the obvious pitfalls experienced during past lockdowns outlined in the attached June 16, 2020 letterⁱⁱ.

This all-impacting Lockdown Stimulus is also needed to bolster the shut-down economy on every economic level, and therefore should not be rigidly means tested. This Lockdown Stimulus could assist every household with a voucher or cash for basic necessities such as food, cooking gas, and essential utilities as well as assistance with housing costs (rent or mortgage). Clearly, this Lockdown Stimulus will not address the losses and hardships experienced over the past 7-month-long wait for assistance.

At another stage (sooner rather than later) there needs to be a more robust calculation to better target assistance where needed most to address similar lockdowns in the future. Specifically, this Lockdown Stimulus is proposed for individuals, and not businesses. It is important that a similar provision of financial assistance/stimulus needs to be carried out without delay to help businesses which will be negatively impacted by the pandemic so far.

Having a metric supported by funding to provide lockdown assistance each time emergency measures are announced allows the Montserrat government to act responsibly on behalf of UK citizens and residents living in Montserrat, in the same way citizens and residents of the UK are treated by their Government on the mainland. In facing the very same pandemic crisis, the Government and People of Montserrat face, the UK Government took a proactive radical step of committing £200 billion as early as March 2020. This was committed in advance to address obvious and critical needs which they anticipated would arise in the year ahead from the negative impact laws and regulations imposed would have on all sectors of their society and economy -- amounting to record UK Government spending since World War 2.

On the other hand, the GoM was challenged to make cuts to its recurrent budget. The first and only disbursement of £2.5 million sterling came in the middle of a three-month (April, May and June) long lockdown and strict social distancing period that began in March 2020. That £2.5 million provided economic relief for a portion of the population, and for only the months of April, May and June. It provided minimal support to businesses (mainly those in the tourism sector) as well as, some funds for Covid-19 related medical equipment, additional medical doctors, and nurses, etc. As outlined in the attached June 16 letter, this relief package was significantly inadequate, untimely, and bureaucratically administered. In most cases, children were completely left out and many, including single mothers, had to choose between paying rent and utilities over buying food and basic needs for themselves and their children.

Since June 2020, there has been no further assistance to businesses and people. An additional £1 million sterling was provided to supplement various other aspects of the Covid relief effort. Many have been completely or partially out of work for the seven months since. With no increase to the already inadequate social welfare benefit scheme and no unemployment benefit programme, the absence of assistance since June has meant, for example, that taxi drivers, single mothers who relied on low paying jobs in the tourism and other sectors, who have been out of work for the past seven months have been left to fend for themselves; sometimes forced to choose between paying rent, mortgages, utilities, food and other basic needs.

It is my understanding that negotiations for further assistance since June 2020, have been ongoing for the past 7 months. This delay must end. It is only reasonable that, just as the UK Government can be proactive and address lockdown assistance in the UK, the GoM must be able to do the same.

WHY THE PERSISTENT DELAY?

It is obvious that the GoM has been experiencing difficulty in negotiating with the UK's Foreign and Commonwealth Development Office ("FCDO") for urgently needed aid to address the impact of the pandemic on our people and businesses. The many assurances over the years by the UK government through its repeated policies and laws, coupled with bold and favourable statements of commitment to the socio-economic well-being of the People of Montserrat are yet to materialise. The recent notable [promises of the UK Prime Minister in November 2020](#)ⁱⁱⁱ are yet to be backed up by a favourable outcome of negotiations between the UK FCDO officials and the GoM for the 2021/22 recurrent budget.

While I sympathize with you both, as lead local representatives for the GoM and the FCDO, I have no reasonable explanation for the 7-month delay of urgently needed economic assistance. Nearly a year ago, the GoM invited me to participate in one or two internal meetings. Since then, I have not been invited to participate in any such meetings, nor has the Opposition been informed of financial negotiations and decisions made throughout this pandemic. We have no idea of how and where cuts have been made in attempts to address underfunding in the 2020/21 recurrent budget. The only information gained concerning such negotiations was from the Opposition's recent meeting with the FCDO on Tuesday, February 9, 2021.

So far, the GoM has stated that the FCDO is responsible for the delay due to red tape and for treating British citizens on Montserrat as inferior to British citizens in the UK. The FCDO officials, on the other hand, constantly highlight economic hardship in the UK and cuts to the UK ODA budget, as well as having to wait on data which the GoM promises to compile by May 2021, a whole three (3) months from now.

Whatever the reason is for the current delay, I am sure that both you and the FCDO would agree that a 7-month wait for urgently needed aid, added to another three (3) month wait is unreasonable and way behind the curve of the economic crisis we face.

What is disturbing, is that the delay in addressing the urgent needs of the People and businesses itself, is creating a further crisis of its own; a crisis on the verge of becoming an international embarrassment. This would be a repeat of the delay and negligence on the part of the UK and Montserrat Governments that led to loss of life, economy, and population, and to much social harm during the volcano crisis, which was denounced by Her Majesty's Coroner in 1998 and for which they were held responsible. Then, that delay and negligence ultimately led to thousands living in involuntary exile overseas, mainly in England, and hundreds of evacuees on island still waiting after 20 plus years for proper, hurricane resistant housing speaks volumes. Now, the current failures may lead to similar avoidable after-effects.

Where there is no lack of funds to provide basic needs especially during a disaster, what we need is to restore the broken partnership that caused us to fail in the past and to invigorate the collective will to implement obviously needed actions.

RESTORE BROKEN PARTNERSHIP

Regrettably, as I write this letter, UK Prime Minister Boris Johnson may very well not be fully aware of the avoidable plight of the British citizens of Montserrat over the past year. His recent promise to all British Territories leaders during the November 2020 Joint Ministerial meetings to continue to intensify a partnership based "*on deep ties of kinship and friendship and history and values*" desperately needs to materialise on Montserrat under his watch. Surely, he and the UK Chancellor would want to "*look back on this time and remember how in the face of a generation-defining moment, we undertook a collective national effort and we stood together.*"

Many, like myself, believe that the present Government is partly at fault for not having the confidence in approaching the UK Government on the strength of our legal right to fair and equal assistance as British citizens. Some are convinced that the British Government does not care about them because of past funding shortages and delays.

However, based on my personal as well as professional political experience, receiving good will from Members of the UK Parliament, its officials, People, and media over many years, I personally believe that the FCDO can be influenced to treat British Citizens on Montserrat as having equal human value to British Citizens in the UK, just as UK PM Boris Johnson stated in November 2020 to all British Overseas Territories leaders. I remember too well the dark and early days of the volcano crisis when several UK Members of Parliament, their People and media rose up in support of their fellow British

citizens on Montserrat. All British Citizens, wherever located, face an unprecedented, hard hitting, worldwide pandemic and will understand the need for all of us to stand up for Montserrat once again.

I therefore call on you, Your Excellency Governor Pearce, Honourable Premier Taylor, and the FCDO to end the inexcusable delay in coming to the aid of the British citizens and residents of Montserrat, which stands in sharp contrast to the generosity and promptness with which British citizens and residents of England, Wales, Scotland, and Northern Ireland have been cared for. The Government, People and businesses of Montserrat have nowhere else to turn, given our British dependent territories status.

In conclusion, I not only look forward to a prompt response that brings speedy and favourable change to the lives and livelihood of the People of Montserrat. May God richly bless you in all of your endeavours on behalf of the People.

Sincerely,

Donaldson Romeo /s/

Donaldson Romeo
Independent Member of the Montserrat Legislative Assembly

cc: Rt. Hon Boris Johnson, UK Prime Minister
Rt. Hon Dominic, Secretary of State for FCDO and First Secretary of State
Lord Ahmad, Minister for South Asia and the Commonwealth at the FCDO
H. E. Ms. Keisha A McGuire, Chair UN Special Committee on Decolonisation
Montserrat Legislative Assembly and the People of Montserrat

ⁱ Click to download [Montserrat Financial Aid 2019/20 – 2021/22 Business Case's Programme Summary](#) which is to support the provision of all public services to the people of Montserrat, including health, education and securing air and sea access, given self-sufficiency is currently not a viable option for this UK Overseas Territory.

See also **ANNEX H, 2009 Legal Context and UK Government Policy** (DFID St. Helena Consultation Document) explaining why the UK Government provided £280 Million Sterling for the Airport Project in the British Overseas Territory, St. Helena which has a 5,000 population like Montserrat (in attachment).

ⁱⁱ See **June 16, 2020 Letter to HE Gov Pearce regarding COVID 19 Policy Response** describing the only disbursements of economic assistance to People and Businesses during the April, May, and June 2020 lockdown period (in attachment).

ⁱⁱⁱ See <https://www.gov.uk/government/news/pm-reiterates-commitment-to-overseas-territories>