



## Approach Paper

# Trinidad and Tobago 2011-2015

Country Program Evaluation





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## ACRONYMS AND ABBREVIATIONS

CPE	Country Program Evaluation
CS	Country Strategy
GDP	Gross Domestic Product
GNI	Gross National Income
IMF	International Monetary Fund
Km	Kilometer
HSF	Heritage and Stabilization Fund
IDB	Inter-American Development Bank (the Bank)
LAC	Latin American and the Caribbean
LNG	Liquefied natural gas
MIF	Multilateral Investment Fund
OPUS	Operations Update System
OVE	Office of Evaluation and Oversight
PBL	Policy-based loan
PPP	Purchasing power parity
TC	Technical cooperation
UN	United Nations
WDI	World Bank Development Indicators
WEO	World Economic Outlook

## I. INTRODUCTION

- 1.1 As part of its 2015-16 work plan, the Office of Evaluation and Oversight (OVE) is preparing the evaluation of the Inter-American Development Bank's (IDB) country program with Trinidad and Tobago for the period January 2011–December 2015. This paper sets out the proposed approach and methodology for the planned Country Program Evaluation (CPE), OVE's third for the country. As indicated in the Bank's Protocol for CPEs (RE-348-3), the main function of a CPE is "to provide information on Bank performance at the country level that is credible and useful, and that enables the incorporation of lessons and recommendations that can be used to improve the development effectiveness of the Bank's overall strategy and program of country assistance." Like other CPEs, this evaluation will seek to examine the Bank's relationship with the country from an independent perspective. It aims both to strengthen accountability and facilitate learning to serve as an input to the new country strategy that is under preparation for 2016–2020.

## II. CONTEXT OF THE COUNTRY PROGRAM

### A. Overview

- 2.1 **Trinidad and Tobago is a two-island, energy-rich, high-income country with relatively strong institutions and political stability.** Although small in size,<sup>1</sup> the country's per capita Gross National Income (GNI) of US\$31,970 (PPP) in 2014 is currently the highest in Latin America and the Caribbean (LAC).<sup>2</sup> Formerly an agricultural-based economy, this small island state has become the most industrialized country in the Caribbean.<sup>3</sup> The transformation of the economy was facilitated by the successful development of the energy sector, which is dominated by natural gas, oil, and related exports.<sup>4</sup> A notable difference between Trinidad and Tobago and other energy-rich countries is the fact that the state has been able to use oil and gas resources to develop the capital-intensive energy sector and to expand industries that demand large amounts of relatively inexpensive energy. This evaluation period, 2011-2015, coincides with significant macroeconomic and fiscal challenges. During this period, the Bank remained the major multilateral partner engaged in the country.

### B. Energy and the economy

- 2.2 **Trinidad & Tobago has the features of a "dual economy": the energy economy and the non-energy economy.** The energy sector accounts for about 40% of GDP,<sup>5</sup> provides roughly 50% of government revenue, and is responsible

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<sup>1</sup> Trinidad and Tobago's population is approximately 1.4 million and its territory measures 5,128 km<sup>2</sup>. About 96% of the population lives in Trinidad.

<sup>2</sup> World Development Indicators, World Bank, 2015.

<sup>3</sup> Artana, D. et al. (2007) Trinidad & Tobago: Economic Growth in a Dual Economy, IDB.

<sup>4</sup> In 2014, the country was the sixth largest exporter of liquefied natural gas (LNG) with a world market share of roughly 6%. Trinidad and Tobago has also become the most important world supplier of ammonia and methanol. Ministry of Energy and Energy Industries.

<sup>5</sup> According to the Government's 2016 Budget Statement, the contribution of the energy sector to GDP has fluctuated between a high of 50.8% in 2008 and a low of 37.2% in 2014.

for around 80% of exports; however, given its capital-intensive nature, the sector does not create a large number of jobs.<sup>6</sup> (Annex 1) Services account for around 53% of GDP, while the main-tradable non-energy activities, manufacturing and agriculture, account for around 6% of GDP. Contrary to other Caribbean countries, tourism's contribution to GDP remains marginal.

**2.3 Many structural economic issues result from this duality, including a heavy dependence on energy commodities revenue and highly pro-cyclical fiscal policies.** The latter has led to elevated macroeconomic volatility, reflecting world-energy price fluctuations<sup>7</sup> (Figure 2.1), and the former to structural risks related to the underdevelopment of non-energy sectors, typical of the “Dutch Disease” phenomenon. To ameliorate this phenomenon, Trinidad and Tobago has made efforts to diversify the economy and reduce macroeconomic volatility. These efforts include reforms aimed at eschewing pro-cyclical fiscal policies, such as those envisaged in the 2011 policy framework “Innovation for Lasting Prosperity”. The establishment of the Interim Revenue Stabilization Fund in 2000 and the Heritage and Stabilization Fund (HSF) in 2007<sup>8</sup> were important steps in this regard. However, the high-energy prices and higher hydrocarbons output in the recent past may have led to complacency and concealed constraints on the non-energy sectors. These constraints have become binding, as energy sector earnings fall and proven reserves decline.<sup>9</sup>

**2.4 High and rising energy prices, rapidly growing output of oil and gas —due to the discovery of large gas reservoirs— and new petrochemical industries led to a boom in the late 1990’s and early 2000’s, but the global financial crisis led to a period of relative stagnation.**<sup>10</sup> During the 1994-2008 period, real GDP growth averaged 6.2% and socioeconomic indicators improved considerably. Following the global financial crisis of 2008-09, the economy contracted by 4.4%, and remained sluggish through 2015, despite the recovery of energy prices during that period. (Figure 2.2)

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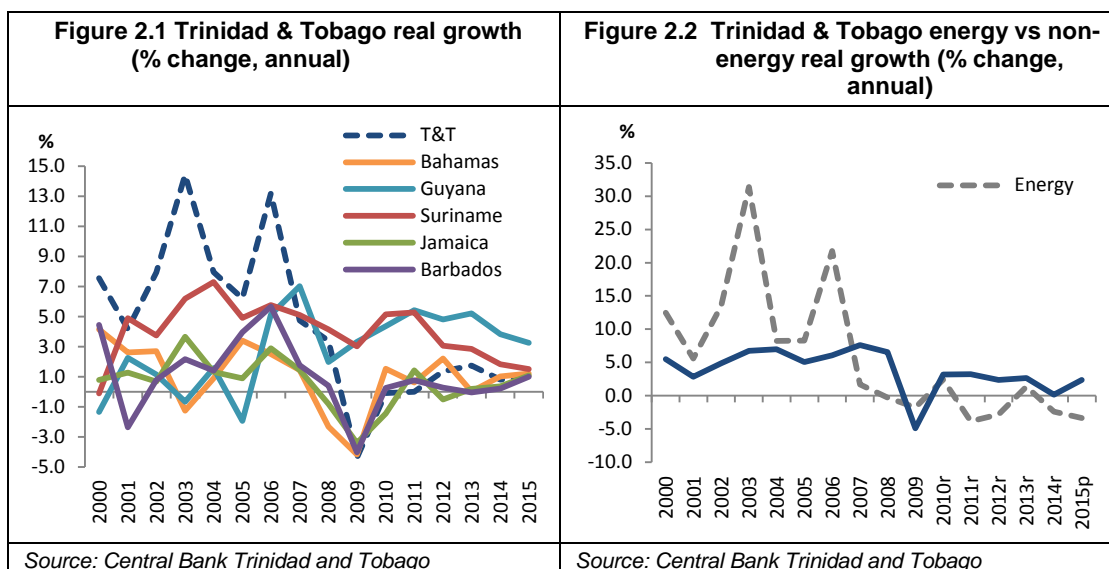
<sup>6</sup> Except for the labor-intensive plant construction phases, its labor force accounts for around 4% of total employment. IMF 2014, Ministry of Energy and Energy Affairs 2012.

<sup>7</sup> The major shocks and associated volatility that the economy has experienced has been almost always related to energy prices fluctuations. The recent economic history of Trinidad and Tobago can be divided in five periods: the first period (1950-1973) shows relatively high growth with stable international oil prices; a second period (1974-1982) with high growth and high oil prices, a third period (1983-1993) showing low growth and low oil prices; the more recent growth boom period (1994-2008); and finally, the current period of economic stagnation despite high energy prices into 2014.

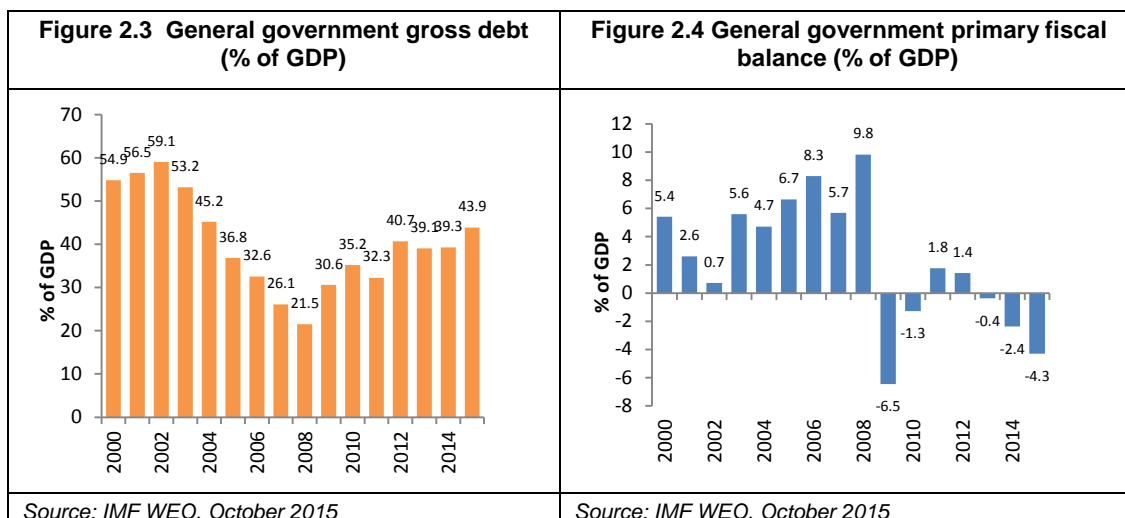
<sup>8</sup> The purpose of the HSF is to help minimize the volatility of government spending and the economy by saving excess energy revenue in boom times and providing resources when energy revenue falls. As of December 2015, the HSF had assets in excess of US\$5.5 billion, about 20% of GDP. (EIU, Country Report 3<sup>rd</sup> Quarter 2015) To date, the HSF has not been used for budget support despite the fiscal position meeting the criteria on several occasions.

<sup>9</sup> At current extraction rates and in the absence of new discoveries, proved hydrocarbon reserves would run out by around 2026. (Ministry of Energy and energy Industries)

<sup>10</sup> The economy was also adversely affected by reduced exports of LNG to the U.S. market following the development of shale gas in the U.S.



2.5 **Over the review period, the fiscal balance has shifted relative to the past decade, as expenditure exceeded revenue.** Successive deficits in recent years have increased total public sector debt from 35.2% of GDP in 2010 to 43.9% in 2015 (including contingent liabilities) (Figure 2.3). External debt increased from 8% of GDP in 2010 to 9.2% in 2015. Moreover, subsidies and transfers increased 2.6 percentage points of GDP (to 18.8% of GDP) from 2009-10 to 2013/14,<sup>11</sup> after having doubled as a share of GDP from 2003-04 to 2009-10. The burden of transfers and subsidies —primarily fuel subsidies, pensions, and transfers to public utilities and state-owned enterprises — is the highest in the region.



<sup>11</sup> Almost everything is subsidized—housing, fuel, energy, utilities, healthcare, transportation, education.

- 2.6 **The collapse of energy prices and lower production of oil and gas in 2015 led the economy to contract again, this time by 1%.**<sup>12</sup> By the close of 2015, the Central Bank announced that the economy was in recession. The reduction in export receipts led to a major deterioration in the current account balance, an overall balance of payments deficit, and a loss of official foreign reserves of US\$1.7 billion by end October 2015.<sup>13</sup> Similarly, as energy revenue fell sharply and expenditure remained virtually unchecked, the fiscal deficit ballooned to 4.3% of GDP (Figure 2.4), compared to the budgeted deficit of 2.7%. The new Government recognizes the considerable challenges to fiscal policy created by the collapse in world energy prices and indicated that revisions to the 2016 budget will be necessary to achieve the targeted 1.6% of GDP deficit and the objective of approximate fiscal balance by FY2018.
- 2.7 **In April 2015, Moody’s downgraded Trinidad and Tobago’s bond and issuer ratings from Baa1 to Baa2, and changed the outlook from stable to negative.**<sup>14</sup> The key drivers behind the downgrade were: “(i) persistent fiscal deficits and challenging prospects for fiscal reforms; (ii) decline in oil prices and limited economic diversification; (iii) weak macroeconomic policy framework given lack of a medium term fiscal strategy.” While the country was able to maintain its investment grade rating in large part due to its stable political system and strong external asset position, data issues remain a serious concern and need to be addressed decisively to improve economic policy formulation and avoid increased borrowing costs.

### C. Social development

- 2.8 **Trinidad and Tobago has achieved a relatively high human development status, ranking 64 out of 187 countries in the 2014 Human Development Index (HDI, 0.766) —the 6th highest in the LAC region.** The country has made progress in most HDI indicators, with important increases in life expectancy, mean years of schooling, and a near doubling in GNI per capita (Annex 2). Notwithstanding these achievements, Trinidad and Tobago has many structural challenges that reveal strong pockets of vulnerability. For example, the Inequality-Adjusted HDI for the twin islands was 0.649. The difference between the HDI (0.766) and the IHDI (0.649), i.e., 15.2%, is the “loss” in human development due to inequality. Poverty rates stand at 16.7% poor, 1.2% extreme poor, and 9% vulnerable to poverty (2005 Survey of Living Conditions).<sup>15</sup> National poverty programs suffer from duplication and inefficiencies, including limited coordination and lack of cost-benefit assessments, audits, or data on results.<sup>16</sup> Although the share of university graduates in the labor force has doubled from 7% in 2000 to nearly 15% in 2014, a recent Central Bank survey on labor market conditions indicates a mismatch between skills and available jobs.

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<sup>12</sup> IMF WEO, October 2015.

<sup>13</sup> In 2015, total energy exports were estimated to be US\$7.5 billion, a significant decline when compared with the average of US\$12.7 billion for 2010-2014. (Government of the Republic of Trinidad and Tobago. Budget Statement 2016)

<sup>14</sup> [https://www.moodys.com/research/Moodys-downgrades-Trinidad-and-Tobagos-government-bond-rating-and-issuer--PR\\_322939](https://www.moodys.com/research/Moodys-downgrades-Trinidad-and-Tobagos-government-bond-rating-and-issuer--PR_322939)

<sup>15</sup> Ministry of Social Development and Family Services, Social Sector Investment Programme 2016.

<sup>16</sup> IMF 2013 Article IV for Trinidad and Tobago.



- 2.9 **Climate change and environmental degradation remain major challenges.** The country experiences many environmental problems, from flooding, widespread pollution of waterways and coastal areas, illegal dumping, excessive soil erosion, and fisheries and wildlife depletion. As a small island developing state, Trinidad and Tobago is also vulnerable to natural disasters and climate change. Higher temperatures, rises in sea level, and increased rainfall and storm activity threaten lives, property, and livelihoods. As a hydrocarbon economy, the country is among the highest producers of CO<sub>2</sub> emissions (per capita) in the world.<sup>17</sup>
- 2.10 **Of relevance is Tobago, which has semi-autonomous status and is administered by the Tobago House of Assembly.** Poverty and income inequality are higher in Tobago than on the larger island, and the economy is heavily dependent on transfers and subsidies from the central government. Unlike Trinidad, Tobago's economy is based on tourism. While its privileged environment offers an opportunity to further develop the sector, its capacity to manage and mitigate environmental risks is low, which in turn affects its main economic activities. Given the structural constraints of its economy, many Tobagonians migrate to Trinidad for employment.

### III. STRATEGIC PLANNING AND THE IDB PROGRAM

#### A. The country's strategic planning instruments

- 3.1 **Trinidad and Tobago's national development framework is embodied in four core documents.** The **2010 Manifesto: Prosperity for All** identifies seven interconnected pillars that constitute the cornerstones of Government's strategy for sustainable development.<sup>18</sup> Within this context, the **Medium-Term Policy Framework 2011-2014: Innovation for Lasting Prosperity** details the strategic actions and policy shifts that are required to achieve government's social and economic goals. It also identifies five broad priority areas for action, including: (i) crime and law and order; (ii) agriculture and food security; (iii) health care services and hospitals; (iv) economic growth, job creation, competitiveness and innovation; and (v) poverty reduction and human capital development. The **National Performance Framework 2012-2015** establishes parameters and a metric to measure the developmental effectiveness of Government's program. The **Public Sector Investment Programme 2013-2015** governs the allocation of resources.

#### B. The 2011-2015 Country Strategy

- 3.2 **The 2011-2015 Country Strategy (CS) was designed to renew and increase the Bank's engagement in Trinidad and Tobago.** Compared to the previous strategy period, the proposed financing scenario implied an historic level of approvals (US\$1.5 billion) and a "substantial increase in the pace of both

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<sup>17</sup> Data for 2011. <http://data.worldbank.org/indicator/EN.ATM.CO2E.PC>

<sup>18</sup> The 7 pillars are: 1) people-centered development; 2) poverty eradication and social justice; 3) national and personal security; 4) information and communication technologies; 5) a more diversified, knowledge-intensive economy; 6) good governance; and 7) foreign policy.

approvals and disbursements". The envisaged average annual disbursement of US\$210 million per year was expected to cover roughly 60% of the country's projected gross financing needs over the strategy period.

- 3.3 **Given the scope of the reform process, the CS identified 8 areas for Bank support: (i) financial sector regulation and supervision; (ii) public sector management; (iii) education; (iv) social protection; (v) climate change; (vi) energy; (vii) water and sanitation; and (viii) transport.** Tobago's development challenges were to be addressed in a "cross cutting manner" with emphasis on energy, climate change, and water and sanitation. Private sector development and fiscal sustainability were identified as areas for continuing policy dialogue, as were topics within the Sustainable Cities initiative framework.

### **C. The Bank's operational portfolio, 2011-2015**

- 3.4 **This evaluation will focus on operations (loans and technical cooperation grants) approved between January 2011 and December 2015, as well as the portfolio of inherited operations that were active at the beginning of 2011.** During this period, the Bank was engaged in a wide range of sectors, and a large share of the lending portfolio was intended to be delivered through programmatic policy-based loans (PBLs).

- 3.5 **Over the review period, the Bank approved 42 new operations with an estimated total value of US\$883 million (Table 3.1) —roughly half of the financing envelope proposed by the CS.** About 27% (US\$240 million) of this total was in the form of budget support through 4 policy-based programmatic (PBP) loan series in the following areas: sustainable energy, climate change adaptation and carbon reduction, financial sector regulation and supervision, and social protection.<sup>19</sup> Thus far, one loan has been approved in each series. An additional 71% (US\$631 million) financed 8 investment loans and one project preparation facility. Most of these resources (US\$416.5 million) were concentrated in 3 operations that targeted the rehabilitation of wastewater infrastructure and drainage. Although all 3 loans were approved in the first 3 years of the CS cycle, just 15% of the combined resources have been disbursed. The balance of this funding was directed to 6 operations that supported improvements in public sector management, competitiveness, and health services. Twenty-nine technical cooperation (TC) grants were also approved over the period of review. The total value of this portfolio, US\$12 million, was distributed across 7 of the 8 priority areas identified by the CS. While the Bank identified transportation as a priority area in the CS, no operations were approved in the sector. Likewise, the absence of engagement by the private sector window of the Bank (SCF, OMJ, and IIC) is noted, even though the Bank maintained an active MIF program. (See Annex 3 for a complete list of all Bank operations approved from 2011-2015.)

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<sup>19</sup> The first loan of the Social Safety Net Reform series was a hybrid operation that consisted of an US\$45 million policy-based component and an US\$5 million investment component.

Table 3.1. Trinidad and Tobago. Annual Approvals (2011-2015, US\$ million)						
Instrument	2011	2012	2013	2014	2015	Total
Investment Loans	50.0	246.5	158.0	110.0	65.0	629.5
Policy-Based Programmatic Series	240.0	-	-	-	-	240.0
Project Preparation Facility	-	-	1.5	-	-	1.5
Technical Cooperation	4.2	2.2	2.6	1.1	1.9	12.0
Total	294.2	248.7	162.1	111.1	66.9	883.0

- 3.6 **In addition to the loans approved between 2011 and 2015, the portfolio under evaluation also includes 12 inherited operations (7 loans and 5 TCs) with an undisbursed balance of US\$133.6 million as of January 1, 2011.** All 12 operations were approved during earlier CS cycles, and 8 were completed during the current evaluation period. (Annex 4).
- 3.7 **The previous Country Program Evaluation for Trinidad and Tobago included the following recommendations for the Bank:** (i) support the Government's efforts by targeting specific development gaps, in order to help Trinidad and Tobago achieve developed country status by 2020; (ii) provide counter-cyclical support during downturns; (iii) engage the Government regarding the sustainability of fiscal spending; (iv) tailor the mix of instruments to the needs of the country; (v) improve the effectiveness of Bank technical assistance; (vi) provide stronger and strategic support to the private sector; (vii) ensure that IDB activities reflect more consensus, be more feasible and flexible, and more evaluable; (viii) make a large push for broad data generation and analysis. Management's comments are summarized in Annex 5.

#### IV. EVALUATION QUESTIONS

- 4.1 **The CPE will assess whether the program implemented by the Bank was consistent with Trinidad and Tobago's development needs and with the objectives identified by the Bank in its CS.** The CPE will also examine whether and how the Bank's program evolved and adapted to the country's changing macroeconomic circumstances and whether it was effective. Specific questions regarding the relevance, efficiency, effectiveness, and sustainability of Bank support to Trinidad and Tobago are detailed below.
- A. Relevance**
- 4.2 **Relevance** refers to *"the degree to which the design and objectives of the Bank strategy and program of assistance were consistent with the needs of the country and with the government's development plans and priorities"* (RE-348-3). Under this heading, the CPE will address the following questions:
- i. Was the Bank's strategy of "renewal and increased engagement" the right strategy for Trinidad and Tobago? Was it based on a solid risk analysis? Was it consistent with Government's development priorities and capacity?
  - ii. To what degree did the Bank anticipate and respond to the country's evolving macroeconomic challenges (e.g., weakening in the energy sector)? To what

extent did the Bank's country program address the development needs of the dual economy? Of subnational authorities (Tobago)?

- iii. How strategic was the allocation of Bank financial and technical support in key sectors? Was the lending envelope and mix of instruments appropriate to achieve the stated objectives?
- iv. Outside of MIF, why has the Bank not been able to engage successfully with the private sector in Trinidad and Tobago? What are the key factors?
- v. Is the current Bank business model the best match for Trinidad and Tobago? Should alternative models be considered (e.g., fee for services, rebalancing country office, etc.)?

## **B. Implementation: efficiency and effectiveness**

4.3 In assessing the implementation of the Bank's program, **effectiveness** refers to *"the extent to which the assistance instruments achieved the intentions and objectives set [in the Country Strategy and Program]"* (RE-348-3).

### **1) Implementation**

- i. What factors explain the substantial difference between the SG lending envelope included in the CS and the actual approvals?
- ii. Which factors explain the success or constraints faced during program implementation? What did the Bank do to address implementation bottlenecks, including those identified in the previous CPE?
- iii. Did the Bank promote the use of country systems? What did the Bank do to improve data generation, dissemination, and with what results?

### **2) Effectiveness**

- i. Was the Bank's strategy of "renewal and increased engagement" ultimately effective in addressing core development challenges? To what extent has progress been made towards the objectives of the Country Strategy?
- ii. To what degree have the outcomes targeted by the Bank's loan operations been achieved? Is it possible to attribute these results to the Bank's intervention?
- iii. Did implementation-related issues (e.g. lengthy implementation) lead to diminished results?
- iv. Given that only one loan in each of the four programmatic series has been approved, what are the results to date and the likelihood of effectiveness? How important were the related TCs for supporting the quality of the policy reforms?
- v. To what extent has the Bank ensured the effectiveness of its operations through the identification and timely mitigation of risks?

## C. Sustainability

4.4 **Sustainability** refers to “the likelihood that actual and anticipated results will be resilient to risks beyond the program period” (RE-348-3). The evaluation will address the following questions:

- i. What are the main risks and likelihood that the Bank’s interventions will be sustainable?

## V. METHODOLOGY

5.1 **To answer the evaluation questions, OVE will use a combination of methods**, including interviews with current and former government officials, project execution unit leadership and staff, IDB managers, operational and fiduciary staff in HQ and the country office, relevant officers of other international agencies (particularly the IMF, World Bank, and CDB), and representatives of the private sector and civil society who are familiar with Trinidad and Tobago’s development challenges. In addition, field visits will be undertaken to validate project execution, interview key stakeholders and beneficiaries, and confirm outcomes. Data and information from IDB and other government sources (notably the Central Bank, and the Bureau of Statistics) will be collected to document and interpret the extent to which targeted outcomes of the Country Strategy and IDB operations have materialized, and the possible causal relationship with Bank-supported reforms.

5.2 **OVE will also analyze current and prior CSs, Country Programming Documents, loan and grant proposals, monitoring and completion reports, project evaluations, and other relevant material produced by the Bank and executing agencies.** Internal databases used for this purpose include the following: administrative budget (BUDGET), project preparation (OPUS), contractual conditions (OPMAS), procurement (PRISM), use of staff time (TRS), and financial transactions (LMS).

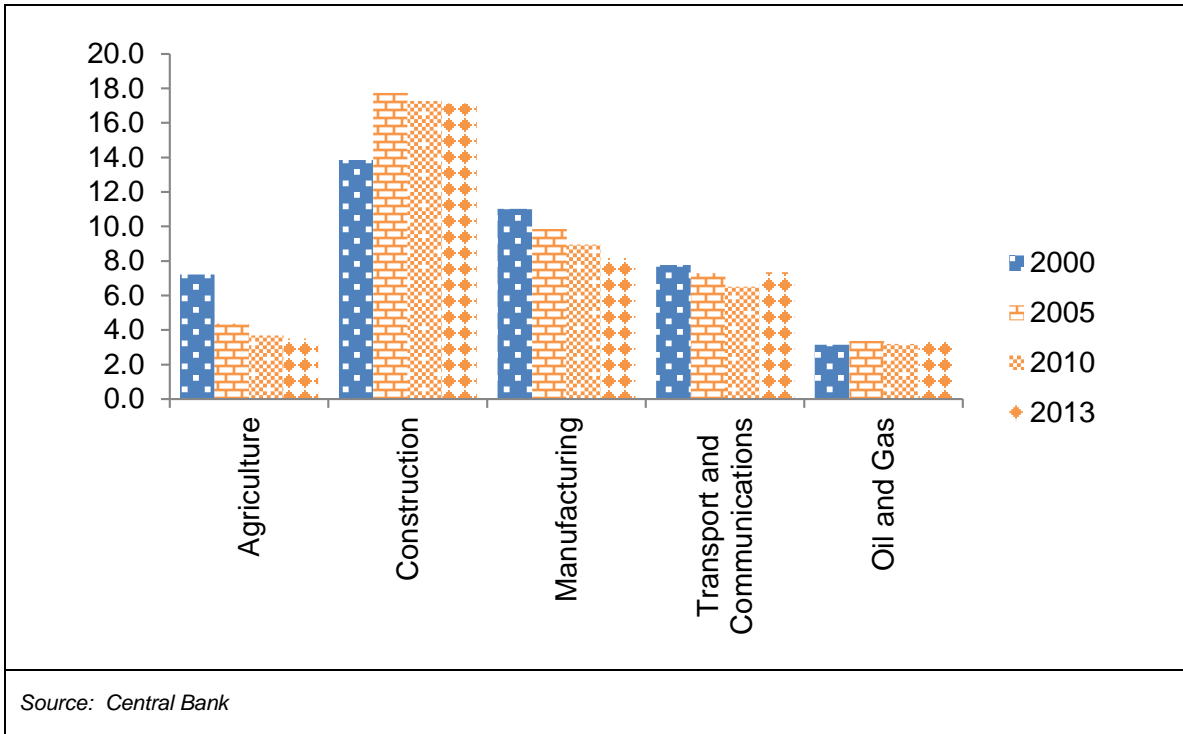
## VI. TEAM AND TIMELINE

6.1 The evaluation team is comprised of Michelle Fryer (team leader), Leslie Stone, Lynn Scholl, Chloe Fevre, Jose Claudio Pires, Ana Maria Linares, Jose Fajgenbaum, Barbara Nunberg, Maria Jose Hernandez Medina Mora, Adriana Molina, Odette Maciel, Maria Jose Vargas, and Patricia Sadeghi.

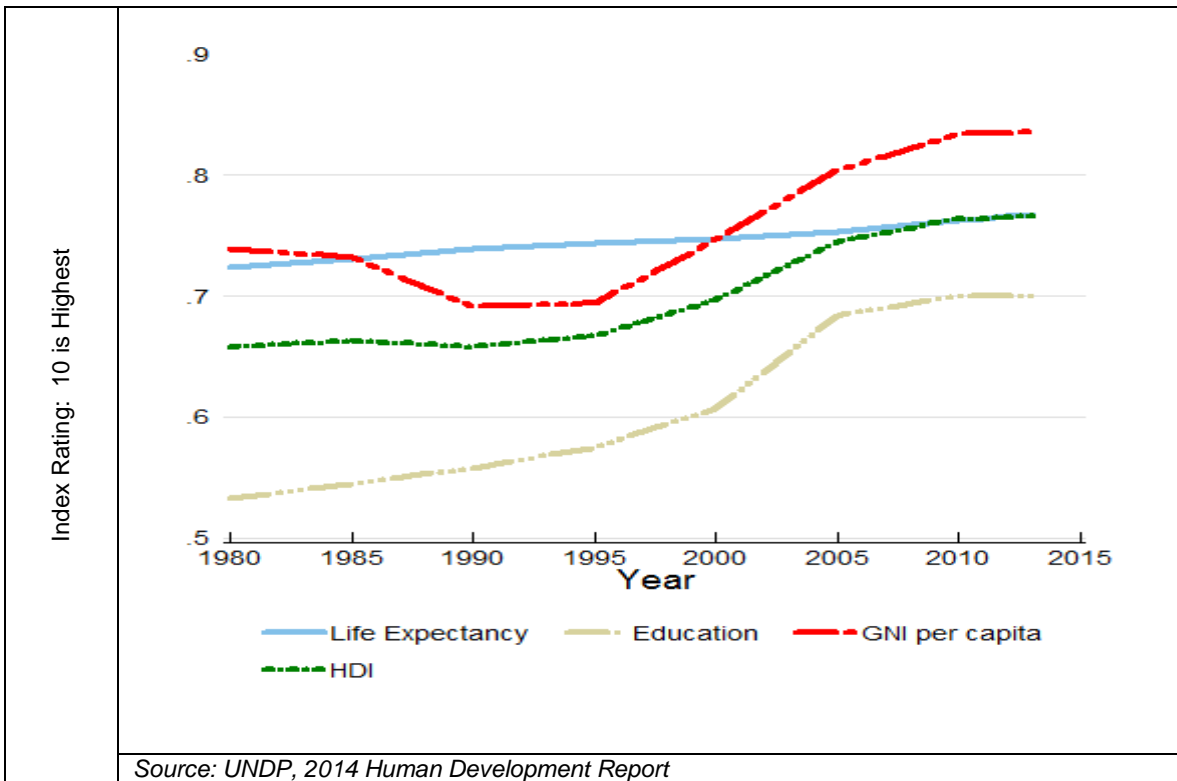
6.2 The expected timeline for the evaluation is as follows:

Activity	Date
Evaluation missions	August 2015, January 2016
Draft for OVE internal review	May 2016
Draft for Government and IDB Management review	June 2016
Delivery of CPE to the Board of Executive Directors	July 2016

**EMPLOYMENT BY SECTOR, 2000-2013**  
**(% OF TOTAL EMPLOYED)**



### TRENDS IN HDI, 1980-2014



APPROVED OPERATIONAL PORTFOLIO 2011 - 2015

SECTOR	OPERATION NUMBER	OPERATION NAME	APPROVAL DATE	ORIGINAL APPROVED AMOUNT (US\$)	AVAILABLE BALANCE (US\$) 12/31/2015	OPERATION STATUS 12/31/2015
CITIZEN SECURITY- GENDER	TT-T1052	Regional Best Practices for Establishing a National Offender Management System	3/31/14	20,000	0	COMPLETED
	TT-T1047	Support to the Design and Implementation of a T&T Women's City Centre	12/13/13	450,400	60,529	ACTIVE
	TT-T1056	Proposal for a Study Tour to El Salvador by a Delegation from Trinidad & Tobago	2/19/15	20,000	0	COMPLETED
	TT-T1050	Becoming a Woman: Creating Safe spaces for At-Risk Girls and Young Women	4/8/14	891,000	780,850	ACTIVE
	TT-T1058	Manpower Strategy for Trinidad and Tobago	10/1/15	400,000	400,000	ACTIVE
ENERGY - CLIMATE CHANGE	<b>TT-L1023</b>	<b>Sustainable Energy for Trinidad and Tobago</b>	<b>11/8/11</b>	<b>60,000,000</b>	<b>0</b>	<b>COMPLETED</b>
	<b>TT-L1022</b>	<b>Program to Support the Climate Change Agenda I</b>	<b>12/2/11</b>	<b>80,000,000</b>	<b>0</b>	<b>COMPLETED</b>
	TT-T1027	Support to the preparation of the Sustainable Energy Program (TT-L1023)	11/14/11	720,000	0	COMPLETED
	TT-T1034	Piloting the Integration of Coastal Zone Management&CC Adaptation in Tobago	7/10/12	600,000	0	COMPLETED
	TT-T1035	Institutional Strengthening of the EMA in Relation to Climate Change	8/13/12	350,000	0	COMPLETED
	TT-T1057	Piloting an innovative approach to adaptation in Tobago	10/23/15	555,000	555,000	ACTIVE
	TT-T1033	Understanding the Economics of Climate Adaptation (ECA)	7/12/12	360,000	0	COMPLETED
	TT-T1038	Feasibility Studies for a Risk-Resilient Coastal Zone Management Program	8/15/13	500,000	500,000	ACTIVE
COMPETITIVE- NESS	TT-L1044	Strengthening of the Single Electronic Window for Trade and Business Facilitation	11/10/15	25,000,000	25,000,000	ACTIVE
	TT-L1038	Global Services Offshoring Promotion Program	12/4/13	18,000,000	17,500,000	ACTIVE
	TT-T1037	Increasing Competitiveness through Business Analytics	2/5/13	260,000	153,557	ACTIVE
	TT-T1054	Strategic Roadmap for Productive Development Policy in Trinidad and Tobago	7/6/15	400,000	317,660	ACTIVE
GOVERNANCE--FISCAL	<b>TT-L1024</b>	<b>Strengthening of the Financial Sector Supervisory and Regulatory Framework</b>	<b>12/2/11</b>	<b>50,000,000</b>	<b>0</b>	<b>COMPLETED</b>
	TT-L1034	Strengthened Information Mgmt at the Registrar General's Department	10/23/13	20,000,000	18,321,870	ACTIVE
	TT-L1042	Support to Strengthen Trinidad and Tobago's Public Financial Management	5/20/15	40,000,000	40,000,000	ACTIVE
	TT-T1040	Support to Strengthen MPSD's Inst'l Capacity Economic Development Planning	4/12/13	450,000	374,000	ACTIVE
	TT-T1018	Technical Support toDesign and Implement Public Finance Management Reform	12/2/11	1,500,000	848,188	ACTIVE
	TT-T1023	Program to Support to Implementation of a new procurement framework in T&T	4/29/11	300,000	0	COMPLETED
	TT-T1024	Institutional Strengthening of the Auditor General's Department	6/21/11	300,000	0	COMPLETED
	TT-T1053	Support to Strengthen Strategic Threat Assessment	6/23/15	375,000	375,000	ACTIVE
	TT-T1046	Study Tour to National Land Registry in Jamaica	3/18/13	19,500	0	COMPLETED
SOCIAL-HEALTH HOUSING, EDUCATION	TT-L1035	Health Services Support Program	6/25/13	1,500,000	975,653	ACTIVE
	TT-L1039	Health Services Support Program	12/17/14	110,000,000	110,000,000	ACTIVE
	<b>TT-L1014</b>	<b>Social Safety Net Reform Program</b>	<b>10/19/11</b>	<b>50,000,000</b>	<b>0</b>	<b>COMPLETED</b>
	TT-T1010	Strengthening Social Service Delivery in Trinidad and Tobago	1/20/11	350,000	0	CANCELLED
	TT-T1025	Support the enhancement of the education strategy	11/10/11	902,050	569,070	ACTIVE
WATER	TT-L1018	WASA Modernization and Wastewater Infrastructure Rehabilitation Program	10/26/11	50,000,000	29,799,711	ACTIVE
	TT-L1036	Flood Alleviation and Drainage Program	12/4/13	120,000,000	120,000,000	ACTIVE
	TT-L1026	Multi-Phase Wastewater Rehabilitation Program- Phase I	12/12/12	246,500,000	202,655,102	ACTIVE
	TT-T1030	Preparation for the Rehabilitation of Sewage Infrastructure in Trinidad & Tobago	11/14/12	750,000	0	COMPLETED
	TT-T1043	Preparation for Flood and Alleviation Program in Trinidad and Tobago	12/12/13	600,000	600,000	ACTIVE
	TT-T1048	National Integrated Solid Waste Management Strategy	11/25/13	180,000	15,791	ACTIVE
C&D ACTION PLAN	TT-T1026	Action Plan for C and D Countries	6/1/11	150,000	0	COMPLETED
	TT-T1036	Action Plan for C and D Countries	1/25/12	163,913	0	COMPLETED
	TT-T1045	Action Plan for C and D Countries	1/7/13	154,858	0	COMPLETED
	TT-T1051	Action Plan for C and D Countries	1/7/14	156,376	0	COMPLETED
	TT-T1055	Action Plan for C and D Countries	1/7/15	154,014	2,730	ACTIVE

Source: OVE using IDB data warehouse

Loans are shaded

PBLs are in bold



INHERITED OPERATIONAL PORTFOLIO (1/1/2011)*						
SECTOR	OPERATION NUMBER	OPERATION NAME	APPROVAL DATE	CURRENT APPROVED AMOUNT (US\$)	AVAILABLE BALANCE (US\$) 12/31/2015	OPERATION STATUS (as of 12/31/2015)
CITIZEN SECURITY - GENDER	TT-L1003	Citizen Security Program	3/11/08	24,500,000	20,797,061	ACTIVE
	TT-T1007	Community Cottage and Kitchen and Enterprises	5/2/07	66,632	0	COMPLETED
ENERGY - CLIMATE CHANGE	TT-T1016	Mainstreaming climate change into national development	6/7/10	269,082	269,082	COMPLETED
	TT-T1017	Improving the Delivery of Comprehensive Disaster Management	9/7/10	484,882	484,882	COMPLETED
COMPETITIVENESS	TT0052	Trade Sector Support Program	3/14/03	3,831,885	1,145,864	COMPLETED
GOVERNANCE - FISCAL	TT0056	Electronic Government & Knowledge Brokering	11/29/06	26,951,571	24,265,550	ACTIVE
	<b>TT-L1019</b>	<b>Public Expenditure Management Program I</b>	<b>12/3/10</b>	<b>100,000,000</b>	<b>0</b>	<b>COMPLETED</b>
	TT0057	Public Sector Reform Program	12/17/03	4,432,822	1,371,026	COMPLETED
	TT-T1006	Strengthening the Government Capacity to Manage for Results	12/20/06	428,319	428,319	COMPLETED
SOCIAL-HEALTH, HOUSING, EDUCATION	TT-L1005	Support for a Seamless Education System Program	5/20/09	42,117,592	40,781,313	ACTIVE
	TT0023	Secondary Education Program	5/26/99	105,000,000	3,081,254	COMPLETED
	TT-L1016	Neighborhood Upgrading Program	12/1/10	40,000,000	26,844,455	ACTIVE
WATER	TT-T1019	Preparation for Wastewater Rehabilitation Program	12/4/09	749,731	749,731	COMPLETED
C&D ACTION PLAN	TC9705099	Action Plan C and D Countries	1/1/97	820,358	249,294	COMPLETED
Source: OVE using IDB data warehouse			Loans are shaded		<b>PBLs are in bold</b>	
* The inherited operational portfolio is comprised of all loan and TC operations that were approved under prior country strategies, but still actively disbursing as of the start of the current country strategy cycle.						

**MANAGEMENT'S RESPONSE TO CPE RECOMMENDATIONS**

<b>Recommendations of the CPE 2000-2008</b>	<b>Incorporation into the CS 2011-2015</b>
<p>The IDB should offer a menu of assistance to the Government of Trinidad and Tobago for the following key areas:</p> <p><b>a) Support the Government's efforts by targeting specific development gaps, in order to help T&amp;T achieve developed country status by 2020.</b> Several sectors should be strategically selected in agreement with the Government. Activities should be based on Economic Analysis and they should target both the supply and demand sides</p>	<p>The CS targets specific areas for intervention which represent the shared priorities between Government and the Bank. The reforms envisaged in the Strategy target both the supply and demand sides as they include the strengthening of enabling environments in the priority areas, as well as activities in the priority areas. The project teams will collaborate closely with SPD in order to ensure that cost benefit analyses are performed and taken into consideration for individual operations.</p>
<p><b>b) Provide counter-cyclical support during downturns.</b> Social protection programs could also be used to shelter the poorest from volatility.</p>	<p>The CS was structured to provide countercyclical support by providing fast- disbursing resources at the beginning of the strategy period, while at the same time introducing the required reforms to enhance the effectiveness of public investment, benefiting the interventions to be supported by new investment.</p> <p>The CS also addresses social protection programs via the social sector priority area.</p>
<p><b>c) Engage the Government regarding the sustainability of fiscal spending beyond the depletion of energy resources.</b> The focus should be on how to increase the effectiveness and efficiency of expenditures. If requested by the Government, the IDB should work with other multilaterals to provide research and technical assistance regarding the implementation of savings mechanisms.</p>	<p>The Bank has been supporting the Government's initiatives to increase the efficiency, effectiveness and sustainability of public investment through several Modernization of State operations, most notably, the Public Capital Expenditure Management Program PBP (which first operation was approved in 2010). The Bank will continue to provide support in this area, through the Public Sector Management priority area of the CS, and will also aim to strengthen the governance of SOEs and increase the accountability of the social safety net expenditures.</p> <p>The Bank is coordinating with other multilateral institutions in key areas of support.</p>
<p><b>The IDB should tailor its instrument mix to T&amp;T's needs.</b> Aside from countercyclical support, T&amp;T's income- level suggests it should be supported in the medium term via high quality analytical work and Technical Assistance (both as part of loans and as standalone TCs) in place of financing infrastructure. Thus the Bank should redevelop its relationship with T&amp;T to become a provider of a strategic program of higher quality Knowledge and Capacity-Building Products (KCP) and other Technical Assistance activities</p>	<p>The present strategy is the result of extensive technical work already completed and an ongoing policy dialogue. The CS contemplates the continuation of support for high quality analytical work and technical assistance both in the priority areas of the CS and others emerging areas of importance. The Bank can have additionality in financing infrastructure if the operations are designed in such a way that they focus not only on the infrastructure but also on institutional strengthening and capacity building activities to improve coordination, planning and sustainability of the investments.</p>

Recommendations of the CPE 2000-2008	Incorporation into the CS 2011-2015
<p><b>The IDB should improve the effectiveness of its Technical Assistance.</b> The portfolio of these activities should be strategically identified to maximize externalities and have the potential to be scaled up. Exchange of expertise should be encouraged. Technical Assistance should be anchored on selected long term strategic partnerships. To ensure that these activities are demand-driven and high quality, the IDB should follow the lead of the World Bank and pilot fee-for-service contracts in T&amp;T (including contingent recovery arrangements with appropriate incentives). Furthermore, these activities should put much greater emphasis on building local capacities to manage and execute activities through to successful completion. Finally, the success of these activities should be measured by systematic solicitation of client feedback as envisioned in the Development Effectiveness Framework.</p>	<p>The technical assistance to be provided under the 2011-2015 Country Strategy will be aligned with the priority areas, or the areas for further dialogue, cited in the Strategy, reflecting its demand-driven nature. As mentioned as one of the mitigating factors in the “Implementation Risks” section of the Strategy, technical assistance to support the reform process and institutional capacity building is envisaged in several of the Strategy’s priority areas. All technical assistance interventions will be consistent with the Bank’s Development Effectiveness Framework</p>
<p>The IDB should provide stronger and strategic support to the private sector. Bank activities regarding the business climate should be targeted toward the removal of market failures and constraints to competitiveness, while encouraging the diversification of the economy. The IDB should conduct research and pilot various policies proposed by the academic literature and used by other countries to stimulate private sector development, such as investing in R&amp;D, marketing abroad, mechanisms for private sector dialogue like the East Asian deliberation councils, and industrial zones, etc.</p>	<p>The Private Sector Development was identified as a key area for technical assistance during the strategy period. Support in this area will be focused on providing assistance on improving the enabling environment for business development and innovation, trade facilitation and investment attraction. Productive development policies such as those aimed at strengthening innovation and public-private dialogue are identified for technical assistance.</p>
<p><b>The IDB should tailor its instrument mix to T&amp;T’s needs.</b> Aside from countercyclical support, T&amp;T’s income- level suggests it should be supported in the medium term via high quality analytical work and Technical Assistance (both as part of loans and as standalone TCs) in place of financing infrastructure. Thus the Bank should redevelop its relationship with T&amp;T to become a provider of a strategic program of higher quality Knowledge and Capacity-Building Products (KCP) and other Technical Assistance activities.</p>	<p>The present strategy is the result of extensive technical work already completed and an ongoing policy dialogue. The CS contemplates the continuation of support for high quality analytical work and technical assistance both in the priority areas of the CS and others emerging areas of importance. The Bank can have additionality in financing infrastructure if the operations are designed in such a way that they focus not only on the infrastructure but also on institutional strengthening and capacity building activities to improve coordination, planning and sustainability of the investments.</p>

<b>Recommendations of the CPE 2000-2008</b>	<b>Incorporation into the CS 2011-2015</b>
<p><b>The IDB should make a large push for broad data generation and analysis.</b> The data deficit is so large in T&amp;T that the Bank should support data generation as a public good. This large push for data should also improve the design of activities. It will also support the efforts of the Government and the newly realigned IDB to focus on Management for Results. Furthermore, the Central Statistical Office should be strongly supported.</p>	<p>The technical assistance to be provided under the 2011-2015 Country Strategy will be aligned with the priority areas, or the areas for further dialogue, cited in the Strategy, reflecting its demand-driven nature. As mentioned as one of the mitigating factors in the “Implementation Risks” section of the Strategy, technical assistance to support the reform process and institutional capacity building is envisaged in several of the Strategy’s priority areas. All technical assistance interventions will be consistent with the Bank’s Development Effectiveness Framework</p>