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# Building Effective Governments

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Executive Summaries of the  
Caribbean Country Studies

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## Trinidad and Tobago



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## **Building Effective Governments**

Executive Summaries of the Caribbean Country Studies

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# Introduction

Improving public services, using resources efficiently, and managing state institutions effectively have been an ongoing concern of Latin American and Caribbean (LAC) governments since early in this century. Today, the authorities are paying close attention to the results obtained by their administrations. Citizens are demanding not only universality, but also quality in the services provided by the State.

To assess countries' institutional capacity to manage their public sectors efficiently, the Inter-American Development Bank (IDB) designed the PRODEV Evaluation Tool (PET). This instrument uses a managing for development results (MfDR) approach to analyze five pillars of the public policy management cycle: (i) planning, (ii) budgeting, (iii) public financial management, (iv) program and project management, and (v) monitoring and evaluation.

Each pillar has components that measure the maturity of institutional systems and their capacity to orient administrations toward obtaining results. These components, in turn, include indicators that measure specific aspects of management systems, which are subdivided into the minimum requirements that make up the basic unit of information gathering. The PET has 16 components, 37 indicators, and 142 minimum requirements; all of these are scored on a 0 to 5 scale, in which 5 is optimal. The ministries of Education, Health, Social Development, and Infrastructure carried out the analysis of sectoral management in the fourth pillar. However, for various reasons, in some countries, it was not possible to analyze all of these sectors.

This methodology was used to assess the situation in 24 LAC countries by comparing data obtained in 2007 to those obtained in 2013.<sup>1</sup> The cutoff date of the information for the first round was not uniform across countries, as the instrument was applied between 2007 and 2009. By contrast, the cutoff date of the reports for the second round was the same in all cases: December 31, 2012.

The information gathered was analyzed in the book entitled *Building Effective Governments: Achievements and Challenges for Results-Based Public Administration in Latin America and the Caribbean*. The present document is the executive summary of the "National Progress Report (2007–2013) on Institutional Capacity to Implement Managing for Development Results," which was prepared in each of the 24 countries covered in the study. The book, the annexes, and other information related to the study are available at: [www.iadb.org/gobiernosefectivos](http://www.iadb.org/gobiernosefectivos).

The editors wish to thank the authorities and public officials of the institutions that participated in this study for their collaboration and input. Without their contributions, this study could not have been carried out. Finally, with respect to the data reported in the figures, numbers expressed in hundredths were rounded up to decimals.

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<sup>1</sup> The countries included in this study are: Argentina, Bahamas, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Mexico, Panama, Paraguay, Peru, Surinam, Trinidad and Tobago, and Uruguay.

# Trinidad and Tobago

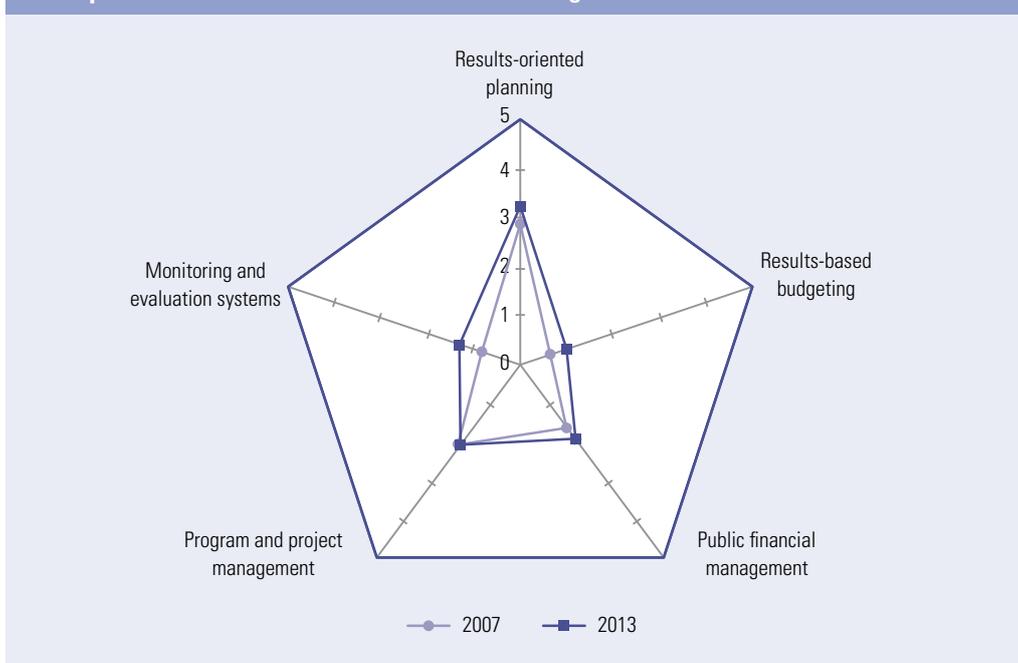
Summary of Changes between  
2007 y 2013

The greatest strength of the public management systems of Trinidad and Tobago was found in the results-oriented planning pillar since the country had managed to transform its medium-term national strategic plan into a management instrument that made it possible to align the ministries' and government agencies' actions and served as the basis for budget formulation. Public financial management and program and project management also showed significant progress. The least-developed pillars were monitoring and evaluation systems and results-based budgeting.

Scores for Trinidad and Tobago on Each MfDR Pillar for the 2007–2013 Period

PILLARS	2007	2013
Results-oriented planning	2,9	3,2
Results-based budgeting	0,6	1,0
Public financial management	1,6	2,2
Program and project management	2,0	2,0
Monitoring and evaluation systems	0,8	1,3
<b>Average</b>	<b>1,6</b>	<b>1,9</b>

Development of the MfDR Pillars in Trinidad and Tobago



### Progress on MfDR Implementation in Trinidad and Tobago

<b>Planning</b>	The Medium-Term National Strategic Plan was prepared, as well as the National Performance Framework as the instrument to monitor it. The Senate was considering approval of a legal framework to regulate the planning system. There was better linkage between planning and budgeting. Civil society participated in the discussion of certain issues included in the National Development Plan (NDP), which was also discussed by the legislative branch.
<b>Budgeting</b>	A three-year fiscal framework was drawn up.
<b>Financial Management</b>	A virtual platform was created to receive supplier bids. The coverage of external auditing expanded.
<b>Program and Project Management</b>	The Ministry of Planning was given responsibility for conducting ex ante evaluations for investment projects.
<b>Monitoring and Evaluation Systems</b>	The National Performance Framework 2011–2015 was prepared to measure progress on the National Strategic Plan.

### Results-oriented Planning

COMPONENTS	2007	2013
<b>Results-oriented planning</b>	<b>2,9</b>	<b>3,2</b>
Strategic planning capacity	3,6	3,7
Operational planning	3,3	3,7
Participatory nature of planning	0,9	1,5

Even though a long-term plan known as Vision 2020 had been formulated in 2007, the government that took office in 2010 presented its own Medium-Term Policy Framework 2011–2014 (MTP 11–14), which was not related to the previous long-term plan. The newer plan identified seven pillars for sustainable development and defined strategies with objectives, targets, and performance indicators to measure their progress. The National Performance Framework, formulated in 2012, was an instrument that could measure MTP results. Just as in 2007, the plan was being posted on the Internet. The entity responsible for planning was the Ministry of Planning and Sustainable Development. At the time of this study, the Senate was discussing the approval of a legal framework to regulate the planning system.

Progress could also be seen in the linkage between planning and budgeting as a result of improvements in the methodology for formulating the MTP 11–14. For example, 70 percent of the programs had annual production targets and identified the offices responsible for their achievement. Furthermore, 40 percent of the programs had their funding ensured in the budget.

The legislative branch participated in the discussion of the Plan for 2011–2014 and, during its formulation, civil society was consulted on specific issues, such as land use policy. However, the fact that the country did not have a law that promoted participation by the legislative branch and civil society in the planning process still posed a challenge.

## Results-based Budgeting

COMPONENTS	2007	2013
<b>Results-based budgeting</b>	<b>0,6</b>	<b>1,0</b>
Program-based budget structuring	1,5	1,5
Medium-term budgeting perspective	0,5	2,2
Evaluation of spending effectiveness	0,4	0,5
Incentives for management effectiveness	0,0	0,0
Information dissemination	1,5	2,3

There was no progress on program-based budget structuring. This hindered linkage between the plan, which was formulated with such a structure, and the budget, which was based on a functional structure. However, major improvements had been made with regard to a medium-term budget perspective. The Economic Administration Division of the Ministry of Finance was preparing a three-year fiscal framework, to be updated annually. The framework offered projections of income, expenses, GDP, rates of inflation, and debt sustainability, as well as an analysis of public spending capacity. Nevertheless, its use in budget formulation could still be improved. The country did not have a fiscal responsibility law, although the Heritage and Stabilization Fund was created in 2007 with the aim of saving and investing surpluses derived from oil in order to, among other things, fund anticyclical policies for periods of recession and strengthen public sector spending capacity at times of lower oil revenues.

Even though there was no system of performance indicators to promote effectiveness in public spending, the recently formulated National Performance Framework could serve as the basis for formulating spending quality indicators. There were no incentives to promote management effectiveness, and the budget implementation report was not posted on the Internet.

## Public Financial Management

COMPONENTS	2007	2013
<b>Public financial management</b>	<b>1,6</b>	<b>2,2</b>
Budgeting and financial management	1,7	2,2
Procurement system	1,3	1,7
External and internal auditing	1,9	2,6

In the 2009–2011 period, the average deviation between the approved budget and actual spending was 5.9 percent. The country did not perform fiscal risk analyses. The financial reports continued to include all of the information related to donor-funded projects. The budget was formulated on the basis of economic and functional classifications. The accounting reflected all of the items in the budget classifications and was based on cash flow. The practice of preparing consolidated reports on income-expenses and assets-liabilities had continued; these were subject to external auditing by the auditor general. There was a proposal to bring the accounting system into line with international standards and guidelines. The country had not yet designed an integrated financial management system.

With respect to the procurement system, the Central Tenders Board (CTB) continued to function. It was under the Ministry of Finance and was regulated by the CTB

Act of 1961, which established that public purchasing should be guided by the principles of equity and fair competition in the awarding of public contracts. The CTB participates in purchasing processes in amounts over US\$160,000. There were no statistics on public purchasing, even though information was posted on the Internet regarding the contracts awarded, the tenders, and the appointment of consultants, albeit with some delay. Nor had progress been made on the formulation and approval of a legal framework to regulate the claims process, even though in practice the CTB resolved these types of disputes. There was no electronic procurement system, but a virtual platform created in 2013 allowed suppliers to submit their bids.

The 1959 Exchequer and Audit Law regulated both the internal and external auditing systems, but it was not in line with international standards. The entity responsible for auditing was the Auditor General's Department, which had autonomy in performing its functions. Even though the Audit Law required the establishment of an internal auditing office in all public institutions, this did not occur, and the institutions that did have such offices only accounted for 33 percent of the budget. The methodology used to perform external audits was in line with INTOSAI standards. The coverage of external auditing had improved, since the statements for income-expenses and assets-liabilities were being audited for 75 percent of the total budget. However, it was necessary to strengthen the process of having audited institutions respond regarding the actions that they would take to address the problems detected and also to have auditing reports published on the Internet.

## Program and Project Management

COMPONENTS	2007	2013
<b>Program and project management</b>	<b>2,0</b>	<b>2,0</b>
Ex ante evaluation and prioritization of investment projects	1,7	2,0
Medium-term sectoral vision	3,5	3,7
Sectoral management of goods and services	1,7	1,7
Sectoral information systems	1,6	1,3

### *Ex ante Evaluation and Prioritization of Investment Projects*

In 2012, the Ministry of Planning and Sustainable Development became responsible for implementing ex ante evaluations, in keeping with the provisions of Ministry of Finance Circular No. 1/2012, which established that such evaluations should be performed for project proposals whose costs exceeded US\$5,000,000. For projects with lower costs, only their logical framework was to be verified. At the time of this study, the Ministry of Planning, specifically its Project Planning and Reconstruction Division, was developing the methodology to be applied for such evaluations. Since this responsibility had only recently been assigned to the Ministry of Planning, only 10 percent of the central government's investment projects had been evaluated.

### *Sectoral Management*

**Education:** The Ministry of Education had prepared a medium-term plan with civil society participation. Consultations were carried out with the University of the West Indies and the Principals Private Schools Association. The objectives and targets were aligned with those of the MTP 11–14. The Ministry's strategic plan identified annual and

multi-annual targets for the delivery of services and specified the responsible offices. One example of progress over 2007 was that the process of signing performance contracts between the Ministry and some of its units had begun, but there were no incentives to achieve organizational results. In 2013, with technical support from the World Bank, the process of developing a results-based management system got underway. Even though there was no explicit strategy for quality of services, standards had been formulated to regulate the production of at least 80 percent of them. The main progress related to information was that the results of some standardized tests were published on the Internet, but the information was not up to date.

**Infrastructure:** Unlike the situation in 2007, the Ministry of Works and Infrastructure had developed a strategic plan covering the 2009–2012 period. It established annual and multi-annual targets and indicated the offices responsible for achieving them. Formulation relied on scant participation by civil society. At the Ministry, performance contracts were not signed, and there were no incentives to encourage the achievement of organizational results and no results-based management strategy. With respect to the quality of services, the ISO-certified Program for Upgrading Roads Efficiency had been maintained. No progress was made on the information system, but efforts were underway to develop a roadway information system that would serve as the basis for planning.

**Social Development:** The Ministry of the People and Social Development had a strategic plan for 2011–2016. Civil society was consulted during its formulation. Because it was published prior to the MTP 11–14, its objectives were not aligned with the MTP 11–14, but efforts were underway in that regard. The plan included annual and multi-annual targets and identified the offices responsible for achieving them. Performance contracts were not signed, and there were no incentives for achieving results. Progress had not been seen in information systems and, although there was information on the historical production of goods and services, it was not available on the Internet. The Ministry's activities report was not posted on the Internet.

**Public Health:** The Ministry of Health had prepared a strategic plan with the participation of civil society. The plan's objectives were aligned with those of the MTP 11–14 and included annual and multi-annual targets for the production of goods and services. Service performance contracts were not being signed, and there were no incentives for the achievement of results. There was no results-based management strategy. Although there was no strategy for quality of services, standards had been defined for at least 80 percent of the services delivered. User surveys were no longer being applied, and the consumer feedback system whereby complaints and recommendations for improvement were received was no longer being used. However, the Ministry's website had maintained a space for citizens to submit complaints. The institutional statistics were not up to date, and limited information was offered on the costs of services. The Ministry's management report was not posted on the Internet.

## Monitoring and Evaluation Systems

COMPONENTS	2007	2013
<b>Monitoring and evaluation systems</b>	<b>0,8</b>	<b>1,3</b>
Monitoring of government management	0,6	1,9
Statistical information systems	1,8	2,1
Evaluation of government management	0,5	0,6

Progress could be seen on the monitoring system because there was now a National Performance Framework 2011–2015, an instrument that would measure progress on the achievement of the national targets established in the National Strategic Plan and that was monitoring 50 percent of the budget associated with the programs of the MTP 11–14. There was no online system for monitoring indicators, but an annual report was being published. Although there was still no evaluation system, the Ministry of Planning and Sustainable Development had created the National Transformation Unit, which had already carried out some activities in this area. There were no changes in the situation of the Central Statistical Office, which was also part of the Ministry of Planning and Sustainable Development.

