

PROJECT PROFILE (PP)
TRINIDAD AND TOBAGO

I. BASIC DATA

Project name:	Social Safety Net Reform Program	
Project number:	TT-L1014	
Project team:	Ian Ho-a-Shu, Team Leader (SPH/CTT); Luis Tejerina (SPH/CES); Florencia Lopez-Boo (SPH/SCL); Denise Salabie (PDP/CTT); Javier Jimenez (LEG/SGO); Emmanuel Abuelafia (CCB/CCB); Neeca Brathwaite (CCB/CTT); Martha Guerra (SPH/SPH); and Jennifer Raffoul (CCB/CTT)	
Borrower:	Republic of Trinidad and Tobago	
Executing agency:	Ministry of Finance and Ministry of the People and Social Development	
Financing plan:	IDB (PBL component):	US\$25,000,000
	IDB(Investment component):	US\$ 5,000,000
	Total:	US\$30,000,000
Safeguards:	Policies triggered:	N/A
	Classification:	C

II. GENERAL JUSTIFICATION AND OBJECTIVES

- 2.1 **Macroeconomic Conditions.** Trinidad and Tobago is one of the wealthiest countries in the region, having grown faster than the Caribbean and the LAC-7 countries for the past 15 years,¹ the country's GDP amounts to US\$20 billion and US\$15,000 in per capita terms in 2010. However, the global economic crisis substantially impacted the country's economy, causing a contraction of 3.5% in 2009 and flat growth in 2010, as well as a deterioration in the fiscal situation, with the Central Government running deficits of around 5% in each of those two years. The slowdown to the economy and worsening in the fiscal position are mainly a result of the impact of the sharp decrease in energy revenues, which accounts for more than 50% of total revenues.
- 2.2 **Pockets of Poverty.** Trinidad has large geographic disparities with respect to poverty rates ranging from 4.5% in Borough of Arima to 39% in Sangre Grande.² There are also "pockets of poverty" which tend to have high levels of extreme poverty, in some cases twice the national average with one in every five persons not able to consume the minimum amount of food calories for good health.³

¹ 7% per year between 1993 and 2008.

² The most recent poverty rate remains substantial at 16.7% for individuals and 11% for households in 2005. Survey of Living Conditions, 2005. Ministry of Social Development, GORTT.

³ Responding to Rising Food Prices From A Social Protection Perspective. June 2009. Lorraine Blank.

Moreover the recent decline in economic activity and the substantial increase in food prices⁴ are likely to have produced additional vulnerable households.

- 2.3 **Social Safety Net Reforms.** Faced with the above and given their extensive social protection system⁵, Government is seeking to improve the efficiency and effectiveness of its social safety net (SSN) programs whose current public expenditure is estimated at 5% of GDP.⁶ Accordingly, Government intends to design and implement the following SSN reforms on a phased basis over the next three year period:⁷

a. **Consolidate its main cash transfer programs and improve targeting outcomes.**

(i) Government recognizes that the country can benefit from a more clearly articulated SSN strategy which would identify objectives and priorities; include fiscal allocations that match these priorities; identify the time frame for implementation of the strategy; and define responsibilities for implementation. As part of this strategy, Government wishes to consolidate its main cash transfer programs, namely, the Targeted Conditional Cash Transfer Program (TCCTP),⁸ (TT\$120 million budget), the Social Assistance/Public Assistance Grant⁹ (TT\$250 million budget), Disability Grants¹⁰ (TT\$302 million) and the Senior Citizens' Grant¹¹ (TT\$2.4 million budget) to focus on protecting the most vulnerable and on promoting human capital development among children, and adolescents through implementation of a reduced number of key conditions that can be enforced operationally. Despite an overlapping constituency, each individual cash transfer program currently requires the completion of a separate application, investigation, and documentation and Government expects that the consolidated program will benefit from strengthened administrative systems and program synergies.

⁴ Food prices increased 91% between January 2007 and December 2010.

⁵ Social Protection System currently comprises approximately 120 programs spread across multiple ministries and agencies. Social Sector Investment Program 2010, Ministry of the People and Social Development.

⁶ Government of Trinidad and Tobago. Draft Estimates of Expenditure for the Financial Year 2011. Table xxxviii.

⁷ Aide Memoire - Social Safety Net Identification Mission to Trinidad and Tobago, 1 – 4 February 2011.

⁸ The (TCCTP) is a food assistance and developmental program. The cash transfer is implemented through a TT “Smart” Card which provides an electronic cash transfer facility. The value of the grant ranges from TT\$410/month to TT\$700/month.

⁹ Public Assistance is a monthly subsistence grant designed to provide financial aid to adults unable to earn because of ill health. The grant ranges from TT\$850/month (one person) to TT\$1,100/month (if there are two persons in the household) to TT\$1,350/month (for three persons in the household) to TT\$1,450/month (for four or more persons within the household).

¹⁰ Disability Assistance is a monthly grant of \$1,300.00 TTD available to persons with a physical or mental disability.

¹¹ The Senior Citizens' Grant is monthly grant of TTD\$3000 given to people 65 years and over based on their income.

- (ii) Government also wishes to develop a transparent and effective targeting mechanism to be used to target households for the consolidated cash transfer program and other targeted SSN programs, including the school feeding program.
 - b. **Strengthen Monitoring, Learning and Evaluation capacity** to ensure monitoring and evaluation are consistent with best practices and follows a strategic approach so that targeting, operational and impact evaluations of key SSN programs are implemented and results are used to improve program implementation, impact and accountability.
 - c. **Institutional Strengthening of Ministry of the People and Social Development (MOPSD).** As the lead Ministry in charge of design, implementation, monitoring and evaluation of SSN programs, MOPSD is undertaking a transformation process in order to meet existing and emerging SSN demands.
- 2.4 **SSN Reform Framework.** Government's vision for SSN reform is articulated in Pillar 2 of its 2010 Manifesto. Specifically, Government will seek to provide a safety network for the poor and vulnerable. It will aim to do so by establishing a comprehensive social security system, targeting women, aged, children and differently-abled, as well as by assisting households to step up to prosperity and reduce the number of people classified as poor by 2% each year.¹² The reforms will also be guided by the 2010 legislative revisions to the Senior Citizen Grants Act and the Public Assistance Act.¹³ In January 2011, Government also established an Inter-Ministerial Poverty Alleviation Committee which is currently advising and guiding the MOPSD as it seeks to translate the Government's SSN reform intentions into operational actions
- 2.5 **Country Strategy and Bank Strategy.** The Bank's 2011-2015 Country Strategy is under preparation and is expected to be approved in August 2011. Based on on-going dialogue with Government, Bank support to improve the effectiveness and efficiency of the SSN programs in Trinidad and Tobago has been flagged as a priority in the Country Strategy¹⁴. In addition, the SSN reform program is directly linked to IDB-9 given its emphasis on improving SSN quality and access to the poor and vulnerable groups of Trinidad and Tobago.
- 2.6 **Objectives.** This is the first PBL operation of a programmatic modality series in which the overall objective is to contribute to the improvements in effectiveness, efficiency, transparency and accountability of the country's SSN programs by supporting Government's institutional and policy reforms outlined in paragraph 2.3 above. This will be achieved through a series of three PBL programmatic modality loans.

¹² Pillar 2: Poverty Eradication and Social Justice-Preference for the Poor and Disadvantaged. Peoples Manifesto, May 2010.

¹³ The Senior Citizen Grants Act-15 of 1939 and the Public Assistance Act-18 of 1951 were amended in January 2010.

¹⁴ Aide Memoire- Country Dialogue Mission to Trinidad and Tobago, November 2010.

- 2.7 **Structure of the Program.** The first operation has been structured as a hybrid operation comprising a Policy Based Loan (PBL) component (US\$25 million) and an investment component (US\$5 million). The second operation will be prepared, tentatively in 2012 for approximately US\$30 million and will support the evaluation phase of the reforms and the third operation, tentatively for 2013 in the sum of approximately US\$30 million will support the required adjustments stemming from the results of the evaluations carried out during the second operation.
- 2.8 **PBL Component: Design of Reform Activities.** The first operation will support the design and implementation of the SSN policy and institutional reforms. Among other measures, it will support: (i) the design and approval of the new consolidated conditional cash transfer program with a reduced set of enforceable conditions; (ii) the development and approval of a revised Proxy Means Test (PMT) index for the selection of beneficiaries of the consolidated cash transfer program; and (iii) the revised version of the monitoring and evaluation strategy. The operation will also support data collection and analysis for the evaluation of the operations and targeting performance of the modified PMT and an impact evaluation of the restrictions on the use of the TCCTP *smart card* for food purchases. These evaluations will be used to redesign and improve all SSN programs under the MOPSD.
- 2.9 **Investment Component: Institutional Strengthening of the MOPSD.** As a first step in its transformation process, the MOPSD has developed its draft Strategic Plan for 2011 to 2016 which outlines in broad terms: the Ministry's vision, mission, objectives and outputs. This component will finance technical assistance: (i) to finalize the MOPSD strategic plan both at the central and at the departmental level; (ii) to strengthen both the executing as well as the monitoring and evaluation capacity of the MOPSD to support, among other tasks, the roll out of a consolidated cash transfer program; (iii) to develop and put in place accountability mechanisms as well as (iv) to develop and implement impact and operational evaluation plans for specific SSN programs; and (v) to design and implement a strategy to integrate, monitor and regulate civil society organizations that deliver SSN services. The timing of the technical assistance to MOPSD will be so structured to allow the Ministry to develop the required capacity to prepare and execute the subsequent programmatic operations.
- 2.10 **Expected Results and Targets.** Both the expected results and targets related to this program are directly aligned with the expected results and targets included in the social protection priority sector of the draft Country Strategy 2011-2015. Specifically, this program is expected to produce the following results: (i) improved targeting of social safety net programs; (ii) strengthened monitoring and evaluation capabilities of the MOPSD; and (iii) improved participation and reliability of social programs managed by Civil Society Organizations (CSOs). To measure achievement with regard to these expected results, the following targets will be employed for this program: (i) a 15 percentage point reduction in the number of beneficiaries above the cut-off point for eligibility for the consolidated cash transfer program; (ii) a ten-fold increase in the number of social safety net programs

evaluated by the MOPSD, in accordance with its updated monitoring and evaluation framework; and (iii) provision of social programs by CSOs complying with an established standard or certification in 100% of cases.¹⁵

- 2.11 **Institutional Issues and Program Execution.** For the PBL component, the Ministry of Finance (MOF) will be responsible for the execution of the program. A Project Execution Steering Committee, chaired by the MOF, and comprising officials from the Ministries of Planning, People and Social Development, Community Development and members from Civil Society will be responsible for: (i) monitoring implementation progress; (ii) maintaining key stakeholder participation; (iii) ensuring the necessary resource allocation; and (iv) anticipating and appropriately resolving the strategic, technical and coordination risks and problems associated with program execution. The MOPSD will be responsible for the execution of the investment component of the program.
- 2.12 **Risks.** The Bank has identified the following main risks to program design and implementation: (i) The political sensitivity of research data/technical work; and (ii) consistent stakeholder participation from key Government agencies. To mitigate these risks, the Bank will provide technical and advisory support to Government's Steering Committee who will: (i) manage interagency coordination; (ii) maintain on-going stakeholder participation; and (iii) undertake a stakeholder communication and social marketing strategy recognizing the potential political sensitivities associated with poverty research, especially data related to ethnicity and social status. In addition, the MOPSD has instituted quality assurance measures to ensure that any technical data disseminated to the public is accurate and verifiable.

III. SAFEGUARDS

- 3.1 The safeguard policy filter report categorized the investment component of this loan as a "C" project indicating that this component's net environmental and social impacts are likely to be positive for those communities which will have increased access to social safety net programs.

IV. RESOURCES AND TIMETABLE

- 4.1 During an identification mission of February 1-4 2011 a project concept document was agreed upon with Government and information was gathered to prepare the Project Profile. Program preparation costs are US\$50,000 from administrative funds and US\$350,000 from ATN/OC-12641-TT. [Annex IV](#) describes the Project Preparation timeline and prospective activities. OPC approval is expected by August 5, 2011 and Board approval by September 28, 2011. Approximately US\$15,000 will be used for mission travel and US\$35,000 to support consultancies for project preparation during 2011.

¹⁵ 2011 to 2015 Trinidad and Tobago Country Strategy Matrix; Social Protection Pillar, Page IV.

SAFEGUARD POLICY FILTER REPORT

This Report provides guidance for project teams on safeguard policy triggers and should be attached as an annex to the PP (or equivalent) together with the Safeguard Screening Form, and sent to ESR.

1. Save as a Word document. 2. Enter additional information in the spaces provided, where applicable. 3. Save new changes.

PROJECT DETAILS	IDB Sector	SOCIAL INVESTMENT
	Type of Operation	Investment Loan
	Additional Operation Details	
	Investment Checklist	Generic Checklist
	Team Leader	Ho-A-Shu, Ian (IANH@iadb.org)
	Project Title	Social Sector Support Program
	Project Number	TT-L1014
	Safeguard Screening Assessor(s)	Guerra, Martha M. (MARTHAG@iadb.org)
	Assessment Date	2011-04-08
	Additional Comments	

SAFEGUARD POLICY FILTER RESULTS	Type of Operation	Loan Operation	
	Safeguard Policy Items Identified (Yes)	The Bank will make available to the public the relevant Project documents.	(B.01) Access to Information Policy– OP-102
		The operation is in compliance with environmental laws and regulations of the country where the operation is being implemented (including national obligations established under ratified Multilateral Environmental Agreements).	(B.02)
		The operation (including associated facilities) will be screened and classified according to their potential environmental impacts.	(B.03)
		The Bank will monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.	(B.07)

	Potential Safeguard Policy Items(?)	No potential issues identified	
	Recommended Action:	Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.	
	Additional Comments:		

ASSESSOR DETAILS	Name of person who completed screening:	Guerra, Martha M. (MARTHAG@iadb.org)
	Title:	
	Date:	2011-04-08

SAFEGUARD SCREENING FORM

This Report provides a summary of the project classification process and is consistent with Safeguard Screening Form requirements. The printed Report should be attached as an annex to the PP (or equivalent) and sent to ESR.

1. Save as a Word document. 2. Enter additional information in the spaces provided, where applicable. 3. Save new changes.

PROJECT DETAILS	IDB Sector	SOCIAL INVESTMENT
	Type of Operation	Investment Loan
	Additional Operation Details	
	Country	TRINIDAD AND TOBAGO
	Project Status	
	Investment Checklist	Generic Checklist
	Team Leader	Ho-A-Shu, Ian (IANH@iadb.org)
	Project Title	Social Sector Support Program
	Project Number	TT-L1014
	Safeguard Screening Assessor(s)	Guerra, Martha M. (MARTHAG@iadb.org)
	Assessment Date	2011-04-08
	Additional Comments	

PROJECT CLASSIFICATION SUMMARY	Project Category: C	Override Rating:	Override Justification:
			Comments:
	Conditions/ Recommendations	<ul style="list-style-type: none"> No environmental assessment studies or consultations are required for Category "C" operations. Some Category "C" operations may require specific safeguard or monitoring requirements (Policy Directive B.3). Where relevant, these operations will establish safeguard, or monitoring requirements to address environmental and other risks (social, disaster, cultural, health and safety etc.). The Project Team must send the PP (or equivalent) containing the Environmental and Social Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) as well as the Safeguard Policy Filter and Safeguard Screening Form Reports. 	

SUMMARY OF IMPACTS/RISKS AND POTENTIAL SOLUTIONS	Identified Impacts/Risks	Potential Solutions

ASSESSOR DETAILS	Name of person who completed screening:	Guerra, Martha M. (MARTHAG@iadb.org)
	Title:	
	Date:	2011-04-08

INDEX OF COMPLETED AND PROPOSED SECTOR WORK

Issues	Description	Expected Dates	References & hyper links to Technical files
Review of Social Protection Expenditures	The study will review in detail social spending in social sector, including a multiyear analysis of both budget and execution in social services and programs. Programs should be described and analyzed individually.	June 2011	
Institutional Analysis of MOPSD for Change Management and development of CTP consolidation plan	The study will analyze current institutional structure of the MOPSD and develop a proposal of how the institutions should be reorganized in order to manage a consolidated CCT.	July 2011	
Review and update the monitoring and evaluation framework	The study will review the existing M&E framework and will develop a proposal to improve it and make it more realistic in accordance to existing institutional capacity at the Ministry.	August 2011 ¹	
Analytic review of coverage, incidence and poverty impacts of key safety net programs, proposal of conditionalities for the revised program and design and supervision of the pilot testing of Proxy Means Test	The study will use the most recent Household Budget Survey (2008) in order to perform an analysis of the main social indicators, including existing coverage and incidence of social programs, educational indicators on attendance, enrollment, etc and health indicators on access and usage of health services. The consultant will use the same survey in order to develop a Proxy means Test to select beneficiaries of social programs.	August 2011 ²	
Cost Benefit Analysis of TT-L1014	This study will perform a cost benefit analysis of the reform package included in the PBL, the analysis will be comprehensive and based on a combination of administrative and household survey data.	June, 2011	

¹ While the full scope of work will be completed in August, the critical mass of technical work required to prepare the POD will be completed by July.

² Ibid

Issues	Description	Expected Dates	References & hyper links to Technical files
Impact evaluation of removal on restrictions on Smart Card	The study will perform an experimental impact evaluation of the relevance of imposing restrictions on households on the use of Smart Cards provided by the existing program. The evaluation will collect primary data on consumption at the household level in order to adequately measure the consumption of the household and if there are changes in the total consumption and not only in the funds used through the card.	December 2012 ³	
Evaluation of PMT operational implementation and targeting outcomes	The study will collect primary level data in order to analyze if the targeting of the program is being effective. This will imply primary data collection of a sample in order to measure if target population knows about the program, are applying to the program and if they are being correctly selected into the program. A mirror analysis will be done for populations who are not part of the target population of the program.	December 2012 ⁴	
Design of instruments to be used for impact evaluation, pilot and power calculations for the evaluation	This consultancy will develop the necessary studies in order to have the minimum standards that should be followed for the impact evaluation of the program in terms of sample size, quality control of the sampling and questionnaires to be used.	August, 2011	

³ While the full scope of work will be completed in December 2012, the critical mass of technical work required to prepare the POD will be completed by July 2011.

⁴ Ibid