

## TC Document

### I. Basic Information for TC

▪ Country/Region:	TRINIDAD AND TOBAGO
▪ TC Name:	Support for Restructuring the Export and Investment Architecture in Trinidad and Tobago
▪ TC Number:	TT-T1121
▪ Team Leader/Members:	Umana, Mario Alberto (INT/TIN) Team Leader; Acevedo Calle, Daniela (LEG/SGO); Agostini, Dorri Michelle (CCB/CTT); Dorantes Gomez, Angela Carmelia (INT/INT); Esteves, Yasmin (INT/INT); Juan Mahlkecht (INT/TIN); Marquez, Christian John (INT/TIN); Oscar Dario Vasco Henao (INT/TIN); Queila Delgado (INT/TIN); Rospide, Maria De La Paz (INT/INT)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.N/A
▪ Date of TC Abstract authorization:	26 May 2022.
▪ Beneficiary:	Ministry of Trade and Industry
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Integration(W2D)
▪ IDB Funding Requested:	US\$300,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	November 2022
▪ Types of consultants:	Firms and Consultants
▪ Prepared by Unit:	INT/TIN-Trade & Investment
▪ Unit of Disbursement Responsibility:	INT/TIN-Trade & Investment
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Economic integration; Gender equality; Institutional capacity and rule of law

### II. Objectives and Justification of the TC

- 2.1 The objective of this non-reimbursable Technical Cooperation (TC) is to support the consolidation of distinct export promotion and investment attraction agencies into a single trade and investment promotion organization to rationalize and synergize the trade and investment efforts/architecture in Trinidad and Tobago.
- 2.2 At present, there are several government or government-supported institutions that provide support for internationalization of the non-energy and services sector. These include but are not limited to:
- **Ministry of Trade and Industry.** Core responsibility to grow trade, business and investment, particularly through driving the non-energy sectors of the economy;
  - **exportTT.** A special purpose company with a mandate to generate export growth and diversification in the goods and services sectors.

- **investTT**. The national focal agency for all non-oil and gas investment promotion and facilitation activities in Trinidad and Tobago. It is a wholly owned government enterprise.
  - **The Trinidad and Tobago Creative Industries Company Limited (CreativeTT)**. Responsible for the strategic and business development of the music, film and fashion industries.
  - **Trinidad and Tobago Coalition of Service Industries (TTCSI)**. Designed to function as a focal point to lobby, channel and address trade in services and services development issues.
- 2.3 These and other related entities perform and provide similar functions and services to those offered by other single international export and investment promotion agencies namely: (i) Export Capacity Building Support - assistance provided directly to firms to start exporting or improve their export competitiveness to allow them to export more effectively; (ii) Export Promotion Support - includes trade missions, market research and in-market support to help exporters penetrate new markets; (iii) Investment Promotion - activities aimed at attracting and facilitating investment; and (iv) Sector Support - the development of policy, legislation, regulations, incentives and related support, for the overall benefit or development of a domestic sector or sectors. Some government entities also perform additional roles that may distract from their core functions. This has resulted in overlap and duplication of efforts in some instances.
- 2.4 Notwithstanding the existence of these organizations, there are gaps in the existing institutional framework regarding investment attraction and promotion of international trade in Trinidad and Tobago. To strengthen the institutional framework in support of increasing export market development and penetration for goods and services from Trinidad and Tobago, the Government of the Republic of Trinidad and Tobago (GORTT) has agreed to create a new institution for improved export and investment promotion.
- 2.5 Furthermore, many global value chains are in transition and multinationals are evaluating different supply chain models, including nearshoring and onshoring, which may create opportunities for Trinidad and Tobago. Trinidad and Tobago needs higher Foreign Direct Investment (FDI) flows and exports in non-traditional sectors, and the competition will be intense. In this context, the attractiveness of the country's ecosystems, a streamlined strategy for the facilitation of exports and FDI in the country and leveraging gains of export promotion to attract foreign investors will allow Trinidad and Tobago to compete for a higher value integration in the global/regional value chains.
- 2.6 In light of the above, the GORTT approved the establishment of a Trade and Investment promotion Agency (TIPA)<sup>1</sup> to transform and increase the competitiveness of Trinidad and Tobago trade and business environment. The TIPA will be formed via a merger of exporTT, invesTT, CreativeTT and the export and investment promotion services currently conducted by the TTCSI into one body<sup>2</sup>.
- 2.7 The TIPA will strengthen and modernize the country's export and investment promotion institutional arrangements to be more 'high' profile and on par with similar

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<sup>1</sup> The name of the TIPA has not yet been determined.

<sup>2</sup> Although some functions will be assumed by the new TIPA, MTI and TTCSI will continue to exist.

regional and international agencies<sup>3</sup>. The TIPA will be the country's premier trade and investment promotion agency, staffed with highly skilled and reputable officers who are ably equipped to represent the country's strategic interests at the highest levels.

- 2.8 Cabinet agreed to the establishment of an Inter-Ministerial Committee<sup>4</sup> to address the following: (i) matters of dissolution of existing entities to be merged; (ii) registration and incorporation of the proposed TIPA; (iii) retaining of an appropriate office space; and (iv) development of the appropriate timelines for the establishment of the TIPA. Cabinet also agreed to the hiring and oversight of consultant(s) to address matters related to: (i) industrial relations; (ii) design of the organizational chart; (iii) job descriptions and salary recommendations; and (iv) other transitional related matters. The Bank will provide technical assistance to complement the work of the Ministry of Trade and Industry in Trinidad and Tobago to create and operationalize the new organization.
- 2.9 **Gender gaps in internationalization.** The lack of information about gender gaps prevents the implementation of good practices. Trinidad and Tobago has a general lack of data disaggregated by gender. Regarding shareholding composition and executive level staff of export companies and foreign-owned firms, the most recent data found is from 2010. This lack of gender-disaggregated data has been identified globally as one of the trade barriers for women, as it hinders the ability of policy makers to identify the differential impacts trade policy may have on women and men. Another trade barrier identified is that Non-Tariff Measures (NTMs) are more burdensome for women-owned exporting businesses. In Trinidad and Tobago, according to the WB Business Enterprise Survey (370 firms surveyed), 9.9% of companies with a female top manager exported directly at least 10% of their sales, while 12.7% of the companies with a male top manager did so. The average in Central America was 3.6% for companies with female top managers and 7.7% with males.
- 2.10 The TC is aligned with the IDB Group Vision 2025 (AB-3266) regarding the strengthening of regional integration through promotion of investment. The TC is consistent with the Update to the Institutional Strategy (AB-3190-2) and with the Window 2, Priority Area 4, of The Ordinary Capital Strategic Development Program (GN-2819-14) by aligning itself with the challenges of: (i) Economic Integration, by increasing participation in regional and global value chains through improving the trade and investment environment; (ii) Strengthening the Bank's borrowing member countries' capacities to engage in regional initiatives, by supporting the programs of the countries in fostering FDI and increasing their participation in regional and global value chains. The TC is consistent with the areas of intervention identified in the IDBG Country Strategy with Trinidad and Tobago 2021-2025 (GN-3071) in particular, developing a digital-friendly trade and investment climate with supporting digital infrastructure to improve the business environment and the private sector's performance. The TC is strategically aligned with the cross-cutting area of Institutional Capacity and Rule of Law, by strengthening the technical capacity of beneficiary countries in trade and investment matters, and with Gender and Diversity, as it seeks to ensure that the products developed incorporate the gender perspective. The TC is also aligned with the priorities of trade facilitation and investment promotion defined in

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<sup>3</sup> Some examples include ICEX, JAMPRO and Uruguay XXI.

<sup>4</sup> The interministerial committee is comprised of the Permanent Secretaries of the Ministry of Trade and Industry, Ministry of Planning and Development, Ministry of Public Administration and Ministry of Finance.

the Integration and Trade Sector Framework Document (GN-2715-11) and with the Concept Note: Strengthening Regional Value Chains in Latin America and the Caribbean (GN-3038) since it highlights as one of the priority actions designing and implementing Investment Promotion Agency (IPA) institutional strengthening strategies, with the aim of attracting further foreign direct investment (FDI) and increasing employment in Latin America and the Caribbean (LAC).

### III. Description of Components and Budget

- 3.1 **Component I: Fundamentals for transition to a single entity.** This component will finance support to the GORTT for the design and implementation of a new organizational structure for the TIPA. GORTT is engaging a firm to design the organizational structure and the Bank will hire an international consultant with specific experience in the design of TIPAs to support this effort. The consultant will contribute with complementary subject matter expertise on TIPAs, inter alia, to the following activities: (i) establishing with GORTT the objectives, mandates, and KPIs expected; (ii) designing the structure, operational scheme and resources required by the new TIPA disaggregated by main departments; (iii) proposing the structure of interinstitutional coordination, and with main private stakeholders, as well as their functions; and (iv) elaborating profiles per position (skills, qualifications, functions, hierarchy, KPIs). The expected **output** of this component is a report on recommendations for the design and implementation of the TIPA's organizational structure. The expected **result** is an enhanced institutional structure for promoting exports and attracting investment in Trinidad and Tobago.
- 3.2 **Component II: Operationalization of the TIPA.** This component will support activities associated with the operationalization of the new TIPA, including: (i) the development of the first strategic plan that facilitates a directional analysis for the organization and includes a roadmap to achieve the goals of the organization and GORTT; (ii) a proposal of methodologies and digital tools to improve productivity in operations including: (a) planning and reporting, and (b) monitoring and evaluation; (iii) training and capacity building to address specific skills gaps that will be identified in the HR capacity assessment and recommendations report to be provided by GORTT; and (iv) a brand design and communication plan. The expected **outputs** of this component are: (i) a strategic plan; (ii) a report of recommendations including digital tools to support planning and reporting as well as monitoring and evaluation; and (iii) a brand design and communication plan. The expected **results** are an enhanced institutional capacity and overall brand for the promotion of exports and attraction of investment in Trinidad and Tobago.
- 3.3 **Technical coordination.** The main purpose of the technical coordination component is to create a coordination point within the Bank to oversee and monitor all activities undertaken as part of this TC. In this context, the technical coordinator will coordinate the production of status reports, communication with all relevant stakeholders, logistical and content-related organization for any necessary meetings and supporting research for Components 1 and 2.
- 3.4 **Budget.** The total estimated cost of the technical cooperation is US\$300,000 financed The Ordinary Capital Strategic Development Program (W2D).

### Indicative Budget (US\$)

Activity/Component	Description	IDB/W2D	Total Funding
<b>Component 1:</b> Fundamentals for transition to a single entity	Support for the design and implementation of a new organizational structure for the TIPA	40,000.00	40,000.00
<b>Component 2:</b> Operationalization of the TIPA	Strategic Plan	50,000.00	50,000.00
	Brand design and communication plan	145,000.00	145,000.00
	Recommendations for digital tools to support planning and reporting, and monitoring and evaluation and training	15,000.00	15,000.00
	Training	20,000.00	20,000.00
Technical Coordination	Management of activities and coordination with the various counterparts	30,000.00	\$30,000.00
<b>Total</b>		<b>300,000.00</b>	<b>300,000.00</b>

- 3.5 The Trade and Investment Division (INT/TIN) of the Integration and Trade Sector (INT/INT) will supervise the TC through the team leader who will be responsible for execution with the support of other members the TIN and in coordination with the Country Office in Trinidad and Tobago.

#### IV. Executing Agency and Execution Structure

- 4.1 At the request of the beneficiary country, and in accordance with Annex II of the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), the Bank shall be the Executing Agency (EA), through the Trade and Investment Division (INT/TIN) of the Integration and Trade Sector (INT/INT). The justification for this execution structure is: (i) the Bank has the technical specialized experience and technical, operational and institutional capacity to duly and timely design, coordinate and execute the activities included in the TC; (ii) the TC will need an extensive coordination with different ministries, institutions and organizations within Trinidad and Tobago; and (iii) the beneficiary requested the Bank to be the executor given the technical difficulties related to the project. Furthermore, the Bank is experienced in working with international entities and networks to execute activities of this nature and can ensure the sustainability of the implementation of the project in line with the Operational Guidelines for Technical Cooperation Products (GN-2629-1) and Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4 Annex II, C 2.2). The counterpart for this TC is the Ministry of Trade and Industry (MTI) and the main stakeholders include MTI and the various agencies involved in trade and investment promotion.
- 4.2 the execution and disbursement period will be 36 months. All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be

contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and; (c) GN-2303-28 for logistics and other related services

## **V. Major Issues**

- 5.1 The major risk to project execution is the change management aspect involved in consolidating the agencies. The potential unwillingness of personnel to actively participate in the exercise can result in failure to realize the benefits of the amalgamation. Therefore, the focus will be placed on the change management aspects to mitigate this risk. Priority will be placed on frequent and consistent communication with all stakeholders, including the benefits to individuals and the country as a whole. GORTT will execute the main change management consultancy for this initiative. However, the project team developed TC activities with change management in mind and will ensure close coordination with the change management consultant hired by GORTT.

## **VI. Exceptions to Bank policy**

- 6.1 There are no exceptions to Bank policy in this TC.

## **VII. Environmental and Social Strategy**

- 7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Banks Environmental and Social Policy Framework (ESPF).

### **Required Annexes:**

[Request from the Client - TT-T1121](#)

[Results Matrix - TT-T1121](#)

[Terms of Reference - TT-T1121](#)

[Procurement Plan - TT-T1121](#)