

## TECHNICAL COOPERATION PROFILE

### TRINIDAD AND TOBAGO

MAYO 3, 2006

#### I. BASIC PROJECT DATA

<b>Project name:</b>	Strengthening the Government of Trinidad and Tobago's Capacity to Manage for Results		
<b>Project number:</b>	TT-T1006		
<b>Project team:</b>	Leader: Adrienne Pratt (RE3/SC3); Gonzalo Afcha (RE3/ SC3); Michael Baptiste (COF/CTT), and Ana Lucía Saettone (RE3/SC3).		
<b>Date of request:</b>	Letter of Agreement dated July 21, 2005		
<b>Beneficiaries:</b>	The Ministry of Planning and Development (MPD)		
<b>Executing agency:</b>	The Ministry of Planning and Development (MPD)		
<b>Financing plan:</b>	IDB: (PRODEV, Sub-Account A)	US\$	450,000
	Local:	US\$	<u>50,000</u>
	Total:	US\$	500,000
<b>Technical and basic responsibility:</b>	The Ministry of Planning and Development (MPD)		
<b>Tentative dates:</b>	Orientation mission:	June 2006	
	Loan Committee:	August 2006	
	Approval by President:	August 2006	

#### II. BACKGROUND

##### A. Background

- 2.1 On the 9<sup>th</sup> March, 2005, the Bank approved a program to implement the external pillar of the Medium-term Action Plan for Development Effectiveness (PRODEV). PRODEV provides non-reimbursable technical cooperation funds for the support of development effectiveness initiatives in borrowing member countries. It focuses upon the design, implementation, monitoring, and evaluation of policies, strategies, budgets, programs and projects, consistent with the efficient allocation and use of resources. Associated areas of interest include the strengthening of country systems, including the planning and evaluation of

investment programs, project cycle management, budgeting, procurement, financial management, auditing, control and oversight.

- 2.2 In accordance with the regulations for accessing PRODEV funds, the Government of Trinidad and Tobago (GOTT) and the Bank signed a Letter of Agreement on July 21, 2005, setting out the framework for the implementation of PRODEV in that country. Through the agreement, the Bank and the GOTT committed to work together to strengthen performance capacity and enhance development effectiveness by designing and implementing systems for improved resource management and administration. It was agreed that during the first phase of PRODEV, the Bank will assist the GOTT to complete relevant diagnostic work and develop a comprehensive Action Plan for enhancing the country's development effectiveness.

## **B. Results-based management in Trinidad and Tobago**

- 2.3 A number of steps have already been taken Trinidad and Tobago towards the introduction of a more results-based framework for public management. Most notably, at the national level, Cabinet has recently approved a strategic plan to support the achievement of the Government's goal of achieving developed country status by the year 2020 (Vision 2020). Vision 2020 was prepared through a participatory process, which engaged not only the public sector, but also the wider national community through consultations with regional, community and special interest groups. A key challenge now is to ensure that government policies and programmes are fully integrated with this plan.
- 2.4 One element in this process will be a major Public Sector Reform Programme (led by the Ministry of Public Administration and supported by IDB operation 1523/OC-TT), which is in the first phase of implementation. The programme answers to the need to define in greater detail the public sector reform process recommended under Vision 2020, and to ensure adequate political support for the approach. Accordingly, the first phase involves the preparation of a nationally acceptable, long term strategy for reform, the objective of which is to remove the structural rigidities that hinder the effectiveness, economy and transparency of public sector institutions.<sup>1</sup> A study for the identification of issues and policy options (supported by the Bank operation) recently got underway, and as part of this study assessments will be carried out of core public sector management functions (including financial management, audit and control, and monitoring and evaluation). Specific reform projects for the strengthening of these functions will also be prepared, and a policy position and implementation plan for financial management reform will subsequently be developed.
- 2.5 Another critical element in the implementation of the Vision 2020 strategy will be strengthening of the tools of the national planning system and commencement of the process of monitoring and evaluation of the policies and programs. The

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<sup>1</sup> The Bank operation also provides resources to support the institutional strengthening of the public sector agencies which have a critical role to play in the management of the overall reform effort.

recently approved plan of action to guide implementation of the strategy includes provisions for the introduction of such systems through the establishment of a Program Management Office within the Ministry of Planning and Development (MPD), which will have overall responsibility for ensuring effective implementation of Vision 2020. The Program Management Office will also provide assistance to individual ministries and public sector agencies, each of which will be required to establish a Vision 2020 liaison office incorporating expertise in the areas of policy development, project development and monitoring and evaluation.

- 2.6 At the departmental level, several initiatives are ongoing. Noteworthy among these is the initial work by the Ministry of Finance on the introduction of an Output-Based Management system, an important objective of which is to promote a closer alignment between departmental planning processes and the budgetary and reporting system and the facilitation of consistent measurement and evaluation of outcomes by Government and civil society. Operationally, this system will require the strengthening of linkages between the budgeting and planning systems. Work undertaken to date has focused on sensitization training for line ministries and the dissemination of basic guidelines for use in the preparation of business and corporate plans.
- 2.7 Other related initiatives aimed at strengthening the results based management capabilities of Government include: the increase of the staff complement at the MPD with the recent appointment of new project monitoring specialists; continuing efforts by the Auditor General's office to strengthen its operational capabilities in the field of comprehensive auditing; and work by the Ministry of Public Administration on the development of a national monitoring and evaluation policy, which is in its embryonic stages. The Social Development Ministry has completed work on the development of a monitoring and evaluation system to support the design and delivery of an increasing portfolio of social sector programs while, with UNDP technical assistance, the Central Statistical Office (CSO) is establishing a system to support monitoring progress towards achievement of the Millennium Development Goals (MDGs). Finally, plans for comprehensive reform of the procurement system have been approved by Cabinet and legislation is currently under preparation for submission to Parliament.
- 2.8 Nonetheless, the initiatives described have emerged largely in response to the individual agendas of the respective public sector agencies. Notably, the regulatory framework and institutional support structures needed to support an overarching results-based management strategy are absent.

#### **C. Bank's strategy**

- 2.9 The Bank's strategy for Trinidad and Tobago, which was approved in November 2004 (GN-2335), embraces the long-term developmental goals set out under the Vision 2020 strategy and focuses upon three main areas: (i) the promotion of private sector development to increase economic diversification; (ii) the promotion of public sector modernization to improve efficiency, effectiveness and upgrade

capacity; and (iii) the promotion of social public services for social development, including poverty reduction and improvements in social and economic equity.

- 2.10 This operation supports the second strategic objective and is also compatible with the strategy's criterion for identification and prioritization of new Bank projects/programs in the area of public sector modernization: consistency with the preparation and implementation of the reform road map currently being supported under the Bank-financed Public Sector Reform Initiation Program. The strengthening of results-based management processes is not directly contemplated under the PSRIP, yet it is entirely consistent with its objectives of improving the composition of public expenditure and optimising the size, management, structure, organization, functioning, human resources, legal framework and accountability and service delivery mechanisms of the public sector. Care will be taken to avoid duplication and ensure full coordination between the two operations.

### **III. THE PROGRAM**

#### **A. Objective**

- 3.1 In keeping with the Bank's commitment to improve development effectiveness in member states and the GOTT's desire to build upon existing initiatives in the country, the current technical cooperation seeks to strengthen results-based management in Trinidad and Tobago by supporting the preparation of a MTAP for the Strengthening of Results-Based Management (RBM). The preparation of the Action Plan will be accompanied by consensus-building activities to disseminate RBM concepts within the public sector. Other activities will include initial steps to improve systems and build capacity at the MPD.

#### **B. Description**

- 3.2 The Technical Cooperation will be implemented through the following components:

##### **1. Medium Term Action Plan (MTAP) for the Strengthening of Results-Based Management**

- 3.3 Existing initiatives by GOTT to introduce RBM provide the starting point for a MTAP aimed at the development of a comprehensive legal and institutional framework for RBM within the context of the Vision 2020 strategy. In coordination with the diagnostic activities currently being carried out under the Bank-financed Study of Issues and Policy Options, this component will finance additional assessments necessary for preparation of the MTAP as well as development of the Plan itself. The Plan will recommend a series of prioritised activities to unite and strengthen the overall framework for RBM in Trinidad and Tobago. A programme of capacity strengthening for subsequent implementation will also be defined.

## 2. Consensus building for the implementation of results-based management

- 3.4 Stakeholder support for the introduction of RBM will be essential for the systems to gain acceptance across the public sector and yield anticipated benefits. The component would help to build consensus about the challenges and benefits of RBM within the context of Vision 2020 implementation by supporting a programme of training and workshops for senior civil servants, parliamentarians and, where appropriate, civil society organisations. The programme would help to disseminate RBM concepts, methodologies and tools, and build support for the final Action Plan developed under Component 1.

## 3. Strengthening of the Ministry of Planning and Development

- 3.5 The MPD has identified the need for improved systems and capacity building for the mainstreaming of projects and programmes into the Vision 2020 exercise. The component would provide support to three relevant divisions of the MPD: the *Programme Management Office (PMO)*, which will be responsible for the preparation of a MTAP for the implementation of the Vision 2020 strategic plan and establishment of a monitoring framework; the *Project Planning and Reconstruction Division (PPRD)*, which is responsible for preparation and monitoring of the Public Sector Investment Programme; and the *Social and Economic Policy Planning Division (SEPP)*, which is responsible for the evaluation of policies and programmes for national development.
- 3.6 Activities would support initial steps to improve institutional frameworks; the interface between project planning and budgeting functions; methodologies for the identification, prioritisation, formulation and evaluation of investment projects; information systems; and human resource management.

## IV. COST AND FINANCING

- 4.1 The cost of the program has been estimated at US\$500,000, of which the Bank would finance up to US\$450,000 of the costs on a non-reimbursable basis from the funds allocated to PRODEV. The Government of Trinidad and Tobago will contribute the equivalent of US\$50,000 as counterpart funds.

BUDGET (US\$)			
	IDB	GOTT	TOTAL
1. Medium Term Action Plan	120,000		120,000
2. Consensus Building Activities	80,000	20,000	100,000
3. Strengthening of MPD	170,000	20,000	190,000
4. Administration and Contingencies	80,000	10,000	90,000
<b>TOTAL</b>	<b>450,000</b>	<b>50,000</b>	<b>500,000</b>

## V. EXECUTION

- 5.1 The MPD will be the executing agency for this program. The estimated timeframe for execution is 18 months.

## **VI. MAJOR ISSUES**

- 6.1 Previous Bank support for the improvement of project management systems was provided under a \$770,000 component of a Multisectoral Preinvestment Programme (764/OC-TT, approved 1993 and concluded 2002). The operation did not achieve its development objective of improving the allocation of public sector investment resources owing to a failure to develop the anticipated programme for the institutional strengthening of beneficiary agencies involved in the pre-investment process. A lack of political commitment was the underlying reason for this weak outcome.
- 6.2 The current context in Trinidad and Tobago appears quite different. Buoyant oil revenues have led to a significant expansion in public sector investment, yet with the approval of the Vision 2020 strategy the authorities have demonstrated a desire to avoid the mistakes of previous booms, during which investment did not produce sustainable growth nor reduce the economy's dependence on oil. The Vision 2020 strategy has provided a solid foundation and renewed impetus to the planning process, and there is now a growing commitment within the relevant ministries to the creation of results-based public management systems.
- 6.3 In addition to these changes in the local context, during the design of this operation two main approaches will be adopted to further reinforce the level of political commitment. The first will be the design of a solid coordination mechanism for preparation of the Action Plan that ensures full participation and buy-in from all relevant public sector entities. The second will involve an emphasis on consensus-building activities to strengthen the demand for results, both in parliament and among relevant civil society groups.

## **VII. ACTION PLAN**

- 7.1 It is expected that an orientation mission will take place in June 2006 to begin preparation of the Plan of Operations, expected for approval in September 2006. For the preparation of the Plan of Operations, the GOTT and the project team will be assisted by a consultant with demonstrated expertise in project management systems. The consultancy will be financed with PRODEV Sub-Account C funds provided by the Bank.

## **VIII. ENVIRONMENTAL AND SOCIAL ASPECTS**

- 8.1 Given the focus of this program upon institutional strengthening activities, no social or environmental issues are foreseen.