



Government of the Republic of Trinidad and Tobago

**MINISTRY OF FINANCE**

**Communications Unit**

**Media Release**

1<sup>st</sup> December, 2011

**IDB approves Country Strategy and makes US\$1.5 billion available for the strategy period (2011-2015). Loan Signing of the Social Safety Net, Sustainable Energy and Waste Water projects, and corresponding Technical Assistance Programs.**

The backdrop to this occasion today is the recently approved Country Strategy 2011-2015 with the Inter-American Development Bank, which proposes a significant increase in lending and reflects the mutual agreement of a more vibrant and robust engagement. The priority areas include: 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.

The Government of the Republic of Trinidad and Tobago is pleased to announce that today it will be signing, with the Inter-American Development Bank (IDB), four loans agreements in the amount of US \$160.0 million and two grant operations totaling US \$850,000. These initiatives, which are in the areas of the social service deliver, sustainable energy, wastewater and sanitation and governance in state owned enterprises, are aligned to the aforementioned Country Strategy with the IDB.

## Social Safety Net Programme

The US \$50 million Social Safety Net Programme, which has a fast disbursing policy based component (US\$ 45 million) and an investment loan component (US \$5 million), aims to improve the transparency, accountability, efficiency and effectiveness of the social services delivery to the targeted beneficiaries. The US \$ **350,000** non-reimbursable technical cooperation will support the institutional strengthening and capacity building in the delivery of social services in Trinidad and Tobago. The Government of Republic of Trinidad and Tobago is pleased to enter into this financing arrangement with the IDB since it will also help improve the country's social safety net programs monitoring and evaluation capabilities.

Trinidad and Tobago has an extensive and complicated social protection system with more than 120 programs, comprising of social safety net programs, social insurance programs and employment protection. Of these, the social safety net is the largest component and is administered by multiple ministries and agencies which can benefit from improved coordination of safety net priorities. The lack of coordination has caused duplication of efforts and missed opportunities for economies of scale.

The PBL component will support the Ministry of the People and Social Development increase the effectiveness and efficiency of its cash grants through several mechanisms. One is the consolidation of processes, personnel and organizations to avoid redundancy. Another mechanism is the development of a transparent and effective targeting mechanism. A third mechanism involves strengthening the monitoring and evaluation capacity of the ministry.

The investment loan will support the finalization of 2011-2016 Ministry of the People and Social Development Strategic Plan and Departmental Operational Plans and the expansion of the IT systems within the Ministry to improve poverty data collection, research, and analysis.

The IDB PBL loan of \$45 million is extended for a term of 20 years, a grace period of 5 years, and a disbursement period of one year. The investment component of \$5 million is extended for a term of 20 years, a grace period of 3 years and a disbursement period of 3 years.

## **Sustainable Energy for Trinidad and Tobago**

The second loan from the IDB for US\$60 million will help Trinidad and Tobago to transition to sustainable energy sources and will propel its leadership in the Caribbean in the implementation of a more efficient, sustainable and clean energy matrix.

This programme loan seeks to strengthen the regulatory and legal framework to contribute to a more sustainable energy sector (focus on renewable energy) with increased efficiency, transparency and accountability; (ii) support the preparation of new policy and legislation for energy efficiency; (iii) support environmental sustainability of alternative energy fuels such as natural gas and compressed natural gas; (iv) promote efficient and rational production and use of fossil fuels; and (v) strengthen institutional capabilities for sustainable energy and public education awareness.

The proposed operation will address a number of important challenges facing Trinidad and Tobago's energy sector by providing technical knowledge to assess the real economic costs and benefits of potentially viable sustainable technologies that could be implemented in the country and contributing to T&T's efforts to reduce greenhouse gas emissions.

Additionally, the Program will also support public education and awareness and will help with the establishment of the Caribbean Renewable Energy Center in order to help spread cleaner energy principles throughout the region.

These two loans will be amortized over a 20-year term, with a five-year grace period, and carries a variable interest rate based on Libor.

## **WASA Modernization and Wastewater Infrastructure Rehabilitation Programme**

The third loan for US \$50 million for the WASA Modernization and Wastewater Infrastructure Rehabilitation Program, seeks to improve environmental conditions and the efficiency of the national Water and Sewerage Authority (WASA). The programme

will reduce contamination along the Caroni River Basin and provide wastewater treatment for 9,100 households.

The operation will target a number of malfunctioning or abandoned wastewater treatment plants in three sub-catchments draining into the Caroni River Basin, in the East-West Corridor, which stretches from Port-of-Spain to Arima, some 15 miles to the east.

Seven treatment plants will be interconnected with integrated systems that will draw their wastewaters into a number of larger plants, four of which will be rehabilitated. Priority works will begin in the Maloney sub-catchment.

As a result of the program, it is expected that the levels of contamination in affected rivers and streams will be drastically reduced and brought to compliance with the country's stringent Water Pollution Rules.

A total of 13 kilometers of sewers and pipes will be laid as part of the five-year operation to complement the works on the wastewater treatment plants, benefitting more than 9,000 families currently being affected by poor wastewater management. While these families are the direct target of the proposed intervention, the whole urban population of Trinidad and Tobago will benefit from the improved water quality and better environmental conditions.

Water monitoring programs and training on operation and maintenance of the rehabilitated plants will ensure the sustainability of these investments. In addition, the project aims to improve the efficiency of WASA, cutting down operating expenses within a broader personnel reorganization framework. With program resources, compensation packages and vocational training will be financed as part of this restructuring process.

The loan is for a 25-year term, with a five-year grace period, at a variable interest rate based on LIBOR.

## **FRAMEWORK FOR PUBLIC OFFERINGS IN TRINIDAD & TOBAGO**

The Government will also benefit from the Bank's regional competitiveness programme commonly referred to as, "**Compete Caribbean,**" by way of a US\$500,000.00 non-

reimbursable Technical Cooperation. The overall objective is to foster sustainable economic growth and enhance the competitiveness of T&T with specific focus on establishing a legal and institutional framework and corporate governance model to facilitate private investment in the economy through public offerings. The target beneficiaries will include Government Institutions and Private Sector Companies. The project execution period is one (1) year and will be executed by the Ministry of Finance.



**Signing Time:** left to right, Minister of Energy and Energy Industries, Kevin Ramnarine, Minister of Finance, Winston Dookeran, Prime Minister Kamla Persad Bissessar, IDB's Country Representative Iwan Sewberath Misser, Minister of the People and Social Development, Glen Ramadarsingh and Minister of Public Utilities, Emanuel George.

**THE END**

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