

TC Document

I. Basic Information for TC

▪ Country/Region:	TRINIDAD AND TOBAGO
▪ TC Name:	Digital Transformation of Public Procurement in Trinidad and Tobago
▪ TC Number:	TT-T1159
▪ Team Leader/Members:	Harper, Leslie Elizabeth (IFD/FMM) Team Leader; Kevish, Maria Lorena (IFD/FMM); Lopez Aragon, Carmen Carolina (VPC/FMP); Brathwaite, Neeca N. (CCB/CTT); Blanco Urbina Luz Inmaculada (IFD/FMM); Vila Saint Etienne, Sara (LEG/SGO) Neeca N. (CCB/CTT); Blanco Urbina Luz Inmaculada (IFD/FMM); Vila Saint Etienne, Sara (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	01 Apr 2024.
▪ Beneficiary:	Office of Procurement Regulation (OPR)
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Institutions(W2C)
▪ IDB Funding Requested:	US\$100,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months, including execution period
▪ Required start date:	June 1, 2024
▪ Types of consultants:	Individual Consultants
▪ Prepared by Unit:	IFD/FMM-Fiscal Management Division
▪ Unit of Disbursement Responsibility:	CCB/CTT-Ctry Off Trinidad & Tobago
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment with the IDB Group's Institutional Strategy Transformation for Greater Scale and Impact:	Environmental sustainability; Gender equality; Institutional capacity and rule of law

II. Objectives and Justification of the TC

- 2.1 **Objective.** The objective of this Technical Cooperation (TC) is to increase the efficiency of public spending through the strengthening of the public procurement system in Trinidad and Tobago.
- 2.2 Trinidad and Tobago has attained an important milestone in building a modern and efficient public procurement system that is grounded in the core principles of good governance. The Public Procurement and Disposal of Public Property Act (PPDPPA) of 2015 and its amendments were fully proclaimed and took legal effect on April 26, 2023, providing an overarching legal instrument for public procurement. The suite of procurement regulations was also approved by Parliament in 2022, to support the PPDPPA as the secondary legal instrument under the Act. The introduction of these regulations, provided for a clear hierarchy in the suite of procurement documents comprising the PPDPPA, the Regulations and the Guidelines and Handbooks developed by the Office of Procurement Regulations (OPR). However, the magnitude of the changes imposed by the enactment of the law will require a significant

investment in technology, institutional strengthening and system-wide reform of processes.

- 2.3 **Justification** The public sector plays a critical role in Latin America and the Caribbean as a consumer of goods, services and public works, representing around 4.7% of GDP.¹ As a result, public procurement is a major area where governments in the region are striving to improve effectiveness in the delivery of public services and at the same time to serve them efficiently according to their national budgets.
- 2.4 In the case of Trinidad and Tobago, public procurement accounts for approximately 12% of GDP. Despite this importance in the economy and recent advances in the legal and regulatory environment, there are still areas which need to be addressed.² To that regard, the current system in Trinidad and Tobago has the following opportunities for improvement: 1) Absence of electronic processes means that there is no centralized data and information on public procurement from the public bodies. This makes it difficult to have modern procurement models that favor the aggregation of demand, which is key for fiscal savings; 2) limited centralized data also hinders transparency and monitoring of public expenditure as each public body does reporting on its own; 3) absence of a centralized electronic procurement platform to conduct bidding processes is critical for greater efficiency and transparency as well as facilitate the participation of small businesses in the public procurement market and finally 4) institutional arrangements that could be improved and a need for fostering a culture of change resistance to change.³
- 2.5 In addition, there are gaps in the area of gender in terms of labor force participation and pay. Men and women have a 18 percentage point gap in labor force participation⁴ while the pay gap between men and women range from 8.9 per cent for technicians and associate professionals and up to 34.7 per cent for service and shop sales workers.⁵ In the area of climate change, the country is facing a warming of air and sea temperatures, rising sea levels with coastal erosion, and rainfall patterns that are intensifying dry season droughts and wet season flooding. By 2030, air temperatures are likely to rise by an average of 0.5 degrees Celsius and by approximately one degree Celsius by 2050.⁶
- 2.6 Given that the full enactment of the PPDPPA involves centralized monitoring and oversight and decentralized operations (with the disappearance of the Central Tenders Board), the OPR in its role as regulator of the system will require significant institutional strengthening as well as support for change management.
- 2.7 This TC will help address the above-mentioned gaps by supporting the country with the tools and capacity needed to be more transparent and efficient and in line with a modern and sustainable procurement system. Bringing the country up to international standards should result in short and longer-term benefits including costs savings in purchases (both purchase price and transaction costs) that could conservatively reach

¹ IDB (Inter-American Development Bank). 2016. Better Spending for Better Lives: How Latin America and the Caribbean Can Do More with Less.

² MAPS Partial Assessment of Trinidad & Tobago Procurement Framework. 2023.

³ World Bank, World Governance Indicators. 2023

⁴ World Bank, Trinidad and Tobago Gender Landscape. 2022.

⁵ International Labor Organization. 2018

⁶ Vulnerability and Capacity Assessment (VCA) Report 2018 and Coastal Zone Vulnerability and Adaptation Assessment 2020

5-10% of spend,⁷ and will strengthen national capacity for leveraging the purchasing power of the government to drive positive social and environmental impacts.⁸

- 2.8 **Strategic Alignment.** The TC is consistent with the IDB Group's Institutional Strategy 2024-2030: Transformation for Greater Scale and Impact (GN-3159-11) particularly the objective of reducing poverty and inequality. It will do so by improving public procurement, which is critical for ensuring the quality of the country's public goods and access to services which are essential for addressing poverty and inequality. The TC also aligns with the following operational focus area(s): (ii) gender equality, as it will strengthen national capacity for the incorporation of G&D in the design of public procurement management systems.⁹ Additionally, it aligns with the Integrated Strategy for Mitigation and Adaptation to Climate Change and Sustainable and Renewable Energy (GN-2609-3), by strengthening the country's institutional capacity to face the challenges of climate change,¹⁰ and is consistent with the IDB Group's Climate Change Action Plan 2021-2025, (GN-2848-8) by working with public expenditure management agencies in the mainstreaming of climate change objectives in the reform of public procurement. The TC also aligns with the operational focus area of Institutional Capacity, Rule of Law and Citizen Security, by supporting actions related to strengthening public management and the digital transformation of the public sector. Finally, it is consistent with the Sectoral Framework Document for Fiscal Policy and Management (GN-2831-13) promoting medium-term fiscal sustainability through improvements to public procurement.
- 2.9 **Country Strategy.** The TC is aligned with the Country Strategy for Trinidad and Tobago (GN-3071), specifically with regards to the fostering of fiscal sustainability and a more efficient public sector and the strengthening of national systems. It will also

⁷ [Does e-procurement save the state money?](#)

⁸ The challenges of gender inequality and climate change are interconnected with the efficiency of a procurement system in the following ways: 1) Supplier Diversity and Inclusion: A gender-responsive procurement system can promote diversity by encouraging the inclusion of women-owned businesses and enterprises led by marginalized groups. This can contribute to broader economic empowerment and resilience against climate change impacts, as diverse suppliers may bring innovative solutions and perspectives to environmental challenges.; 2) Product and Service Specifications: Integrating gender considerations into procurement specifications can lead to the procurement of goods and services that are more sustainable and resilient to climate change impacts. For example, specifying energy-efficient products or eco-friendly materials can reduce carbon footprints and enhance environmental sustainability, benefiting both genders equally; 3) Impact on Vulnerable Groups: a gender-responsive procurement system can address disparities by prioritizing climate adaptation and resilience measures that benefit vulnerable communities, thereby promoting equity and reducing gender gaps exacerbated by environmental challenges; and 3) Policy Alignment: Aligning procurement practices with broader gender equality and climate action goals can foster synergies across policy areas. By integrating gender and climate considerations into procurement policies and practices, governments and organizations can contribute more effectively to sustainable development objectives and ensure that procurement decisions support inclusive and environmentally sustainable outcomes.

⁹ Gender-responsive public procurement refers to a strategic approach where governments and organizations integrate gender considerations into all stages of their procurement processes. This includes planning, sourcing, contracting, and monitoring of goods, services, and works. The aim is to promote gender equality and address gender disparities by ensuring that procurement practices do not reinforce or perpetuate existing inequalities. This approach seeks to create opportunities for women-owned businesses, consider gender-specific needs in product specifications, and evaluate the impact of procurement decisions on gender equality and social inclusion.

¹⁰ This will be achieved through green procurement whereby the need for goods, services, and works are met in a way that achieves value for money on a life-cycle basis while addressing equity principles for sustainable development, therefore benefiting societies and the environment across time and geographies.

contribute to the Strategy for Strengthening and use of Country Systems (GN-2538-31) with regards to the cross-cutting issues in terms of helping countries close gaps with international standards and adopt best practices. It is also in line with the Fiscal Management Sector Framework Document (GN-2831-13) document as the program will support activities aimed at strengthening public procurement and digitalization.

- 2.10 Finally, the program is in line with the objectives and activities of the priority area of "Effective, Efficient and Transparent Institutions" of the Strategic Program for Development Financed with Ordinary Capital (GN-2819-14), which has the following expected results: (i) strengthen the quality of institutions and policies as well as the provision of services and implementation of policies, to improve public management; and ii) leverage digital transformation to promote more effective, efficient and transparent governments, better and more equitable opportunities for citizens, and more productive and innovative companies.
- 2.11 **Alignment with IDB operations.** By strengthening public procurement in the country, the TC will complement the programs related to public sector reform and modernization as well as digitalization currently under execution, including: Program to Accelerate the Digital Transformation Agenda (5841/OC-TT); Organizational and Technological Innovation of Public Investment in Trinidad and Tobago (ATN/OC-20443-TT); Securing the Digital Transformation of Trinidad and Tobago (ATN/JF-20080-TT). In addition, it will complement the regional TC program Integrating Climate Action into Public Procurement in the Caribbean (ATN/FC-20408-RG).

III. Description of components and budget

- 3.1 **Component 1. Institutional strengthening. (US\$40,000).** The objective of this component is to support the OPR in the establishment of a robust organizational plan and development strategy in line with requirements of the legal and regulatory framework. The activities that will be financed include a revised strategic plan, an organizational restructuring strategy and a revised organizational structure with functional areas clearly defined and detailed, a performance dashboard with KPIs to monitor the operations of the OPR and the public procurement system and at least one training program on a key area for public procurement such as value for money.
- 3.2 **Component 2. Digital transformation. (US\$20,000).** The objective of this component is to support the OPR in the preparation of a strategy with an implementation plan for the development of electronic government procurement (eGP). The activity that will be financed will be an implementation plan for eGP.
- 3.3 **Component 3. Change management. (US\$40,000).** The objective of this component is to support the OPR with a strategy for implementing change management activities. The strategy will include activities that will support needed changes in behavior, values and cultures that are required with the changes to the procurement system. The activities that will be financed will include a change management strategy, communication plan and training.
- 3.4 **Expected results.** After the program's outputs are successfully implemented, the country will have a more transparent and efficient public procurement strategy for electronic government procurement implementation.

- 3.5 **Indicative Budget.** The total cost of the TC is US\$100,000, which will be financed entirely by the Bank through window 2, priority area 3: Effective, efficient, and transparent (W2C), of the Strategic Development Program financed with Ordinary Capital (OC-SDP). No local counterpart contribution is expected.

Table 1. Indicative Budget (US\$)

Activity/Component	Description	IDB/W2C
Component 1. Institutional Strengthening	Support for an organizational restructuring strategy, strategic planning and training	40,000
Component 2. Digital Transformation	Support for a strategy for the development of electronic government procurement.	20,000
Component 3. Change management	Support for a change management and communications strategy, training and awareness building.	40,000

- 3.6 **Supervision, monitoring, and evaluation.** The project team leader of IFD/FMM will be responsible for supervising, monitoring and for the financial execution of the operation. A project completion report will be prepared summarizing the activities carried out and the achievement of the expected results. This report will be shared through the Convergence system. The project team leader will closely coordinate the activities of this TC with the country office during the execution.
- 3.7 **Learned lessons.** In the monitoring and evaluation of the TC, the lessons learned, and good practices derived from the proposed interventions will be identified and systematized. These lessons learned will be disseminated in workshops and publications. For example, lessons from ATN/OC-20276-BA and ATN/FC-20408-RG will be taken into account, including the importance of on-going technical assistance and follow-up.

IV. Executing agency and execution structure

- 4.1 **Executing agency.** The Bank will be the executing agency through IFD/FMM at the request of the beneficiary country, in accordance with the Bank's Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of TC Operations (OP-619-4), since the Bank has the necessary technical, operational and institutional capacity to duly and timely execute the planned activities in this operation. Furthermore, the OPR is requesting that the Bank execute the program given the Bank's highly specialized technical knowledge and experience implementing similar programs in the topic in the region.
- 4.2 **Structure.** The technical and fiduciary responsibility of this TC will be led by the team leader, who will coordinate closely with the OPR.
- 4.3 The knowledge products generated within the framework of this TC will be the property of the Bank and may be made available to the public under a Creative Commons license. However, at the beneficiary's request, the intellectual property of said products may also be licensed to the beneficiary through specific contractual commitments that will be prepared with the advice of the Bank's Legal area.
- 4.4 **Procurement.** All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual

consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines.

V. Major issues

- 5.1 The main risk to the TC achieving its objective is that the country would not have the capacity to carry out the activities of this TC given the multiple demands on the OPR. This will be mitigated by the Bank executing the program as well as providing continuous technical support on behalf of the project team. In addition, Trinidad and Tobago participates in the regional program to support public procurement in the Caribbean (ATN/FC-20408-RG). This program facilitates south-south collaboration among the countries, which will enable Trinidad and Tobago to have the support of other Caribbean countries in their modernization process. Finally, this TC includes capacity building activities, including a train-the-trainer program which will contribute to sustainability and country ownership of proposed activities.

VI. Exceptions to Bank policy

- 6.1 The TC does not foresee any exceptions to Bank policy.

VII. Environmental and Social Aspects

- 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 Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client_25483.pdf](#)

[Results Matrix_11030.pdf](#)

[Terms of Reference_5727.pdf](#)

[Procurement Plan_4290.pdf](#)