



Board of Executive Directors

Short Procedure

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To: The Executive Directors

From: The Secretary

Subject: Trinidad and Tobago. Proposed reformulation of loans 3473/OC-TT "Support to Strengthen Trinidad and Tobago's Public Financial Management System", 3022/OC-TT "Strengthened Information Management at the Registrar General's Department", 3575/OC-TT "Strengthening of the Single Electronic Window for Trade and Business Facilitation", and 3112/OC-TT "Global Services Promotion Program" to Finance the Support for Vulnerable Populations Affected by Coronavirus in Trinidad and Tobago

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Remarks: The attached proposal is submitted in accordance with document CS-3953-4 (paragraph 6) "List of matters to be considered by the Board via Short Procedure. Update".

The Executive Directors are requested to inform the Secretary in writing, with copy to "**SEC-EXE**", no later than **28 January 2021 at 5:30 p.m.**, if they wish to interrupt this procedure. If no such communication is received by that date, the attached resolution will be considered adopted by the Board of Executive Directors, and a record to that effect will be made in the minutes of a forthcoming meeting.

Reference: CS-3953-4(8/18), DR-398-19(5/20), PR-4063(10/13), DE-129/13, PR-4282(5/15), DE-32/15, PR-4332(10/15), DE-35/15, PR-4105-2(12/13), DE-35/13, GN-2996(3/20), GN-2996-4(4/20), DE-27/20

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

TRINIDAD AND TOBAGO

PROPOSED REFORMULATION OF LOANS:

**SUPPORT TO STRENGTHEN TRINIDAD AND TOBAGO'S PUBLIC FINANCIAL MANAGEMENT
SYSTEM (3473/OC-TT)**
**STRENGTHENED INFORMATION MANAGEMENT AT THE REGISTRAR GENERAL'S DEPARTMENT
(3022/OC-TT)**
**STRENGTHENING OF THE ELECTRONIC SINGLE WINDOW FOR TRADE AND BUSINESS
FACILITATION (3575/OC-TT)**
GLOBAL SERVICES PROMOTION PROGRAM (3112/OC-TT)

FOR THE FINANCING OF:

**SUPPORT FOR VULNERABLE POPULATIONS AFFECTED BY CORONAVIRUS IN
TRINIDAD AND TOBAGO**

REFORMULATION PROPOSAL

(TT-L1060)

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OEL#2	Reformulation Request Letter from the Government of the Republic of Trinidad and Tobago
OEL#3	Supplemental Description of Relevant Social Protection Programs in Trinidad and Tobago
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OEL#5	Strengthened Information Management at the Registrar General's Department (3022/OC-TT)
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OEL#9	Consolidated Amortization Schedule
OEL#10	Operations Manual

ABBREVIATIONS	
APRBS	Automated Property Registration Business Solution
CAF	Corporación Andina de Fomento; Development Bank of Latin America
COTS-IFMIS	Commercial Off-The-Shelf Integrated Financial Management (COTS-IFMIS)
COVID-19	Coronavirus disease 2019, the disease caused by the 2019 novel coronavirus
EA	Executing Agency
ECLAC	Economic Commission for Latin America and the Caribbean
FCB	First Citizens Bank Limited
FMP	IDB Operations Financial Management and Procurement Services Office
GDP	Gross Domestic Product
GORTT	Government of the Republic of Trinidad and Tobago
IDB	Inter-American Development Bank
IMF	International Monetary Fund
ITeS	IT-enabled Services
LAC	Latin America and the Caribbean
LEG	IDB Legal Department
MOF	Ministry of Finance
MSDFS	Ministry of Social Development and Family Services
NIBTT	National Insurance Board of Trinidad and Tobago
NIS	National Insurance Scheme
PCS	Port Community System
PEFA	Public Financial Management Performance Measurement Framework
PFM	Public Financial Management
PPE	Personal Protective Equipment
PIU	Project Implementation Unit
PMR	Progress Monitoring Report
RGD	Registrar General's Department
RHA	Regional Health Authority
SSCMS	Social Services Client Management System of the Ministry
TTD	Trinidad and Tobago Dollar
TTPOST	Trinidad and Tobago Postal Corporation
UPIN	Unique Parcel Identification Number
USD	U.S. Dollar
WB	World Bank
WHO	World Health Organization

PROJECT SUMMARY
TRINIDAD AND TOBAGO
REFORMULATION PROPOSAL FOR THE FINANCING OF: SUPPORT FOR VULNERABLE POPULATIONS
AFFECTED BY CORONAVIRUS
(TT-L1060)

Terms and Conditions ^(a)			
Borrower:			
The Republic of Trinidad and Tobago			
Executing agency:			
Ministry of Social Development and Family Services			
Source	Original Amount (US\$)	Reformulated ^(b) Amount (US\$)	%
TT-L1042 - 3473/OC-TT	40,000,000	15,100,000	62
TT-L1034 - 3022/OC-TT	20,000,000	5,550,000	22
TT-L1044 - 3575/OC-TT	25,000,000	3,500,000	14
TT-L1038 - 3112/OC-TT	18,000,000	300,000	2
Total:		24,450,000	100
Project at a Glance			
Project objective/description: The general development objective of this program is to contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by COVID-19. The specific objective is to support minimum income for those affected by the coronavirus in the immediate period and during the recovery ¶2.13.			
Special contractual conditions precedent to the first disbursement of the loan proceeds: (i) the approval and entry into effect of an Operations Manual previously agreed with the Bank; (ii) the appointment or designation of the Project Coordinator and Financial Specialist as members of the Project Implementation Unit (PIU) of the Executing Agency; and (iii) submission of correspondence signed by Ministry of Finance (MOF) and Ministry of Social Development and Family Services (MSDFS) advising of the role and responsibility of Ministry of Finance, as payment agent/ facilitator for the Food Support Programme ¶2.33.			
Exceptions to Bank policy: N/A			
Strategic Alignment			
Challenges: ^(c)	SI <input checked="" type="checkbox"/>	PI <input checked="" type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting themes: ^(d)	GD <input checked="" type="checkbox"/>	CC <input type="checkbox"/>	IC <input type="checkbox"/>

- ^(a) The loans object to the present reformulation were granted under the terms of the Flexible Financing Facility (document FN-655-1). As explained in paragraph 1.4, in order to simplify the administration of payments related to the redirected resources of the loans, the due dates of the semi-annual payments that must be made by the Borrower to the Bank will be standardized, in accordance with a consolidated amortization schedule. Said amortization schedule does not entail a modification of the financial terms and conditions applicable to each one of the loan operations (which maintain their full validity and enforceability), nor a reprogramming of the outstanding balances (since the payments for amortization must be made within the maximum amortization periods established in each of the loans originally approved), nor a change in the individual WAL of each one of them (¶1.4).
- ^(b) The amounts redirected to finance the implementation of the activities included in this Reformulation Proposal will continue to be subject to the financial terms and conditions established in each of the corresponding loan contracts as they were duly approved by the Board of Executive Directors, as described in ¶1.4.
- ^(c) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).
- ^(d) GD (Gender Equality and Diversity); CC (Climate Change and Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. PROJECT BACKGROUND AND PROGRESS

A. Purpose and request of the Government for the reformulation of loans 3473/OC-TT; 3022/OC-TT; 3575/OC-TT; and 3112/OC-TT

- 1.1 The purpose of this document is to request the approval of the Board of Executive Directors for the reformulation of four loans: (i) Support to Strengthen Trinidad and Tobago's Public Financial Management System (3473/OC-TT); (ii) Strengthened Information Management at the Registrar General's Department (3022/OC-TT); (iii) Strengthening of the Electronic Single Window for Trade and Business Facilitation (3575/OC-TT); and (iv) Global Services Promotion Program (3112/OC-TT); to reorient undisbursed funds to support safety nets for vulnerable persons affected by Coronavirus in Trinidad and Tobago.
- 1.2 **Government request.** The Government of the Republic of Trinidad and Tobago (GORTT), through a communication dated April 3rd, 2020 ([OEL#2](#)), requested from the Bank the reformulation of loans currently in execution, in order to support measures aimed at securing the health and safety of the citizens of the Republic during the COVID-19 pandemic. After careful review with the GORTT, four projects were selected for reformulation for a total of US\$24,450,000. The government's request considered only those loans with unallocated amounts available within the current portfolio.¹ The selected loans have been performing satisfactorily, will still achieve their main objectives (with some adjustments to outputs) and offer the flexibility to optimally utilize portfolio resources within the context of the pandemic.
- 1.3 **Description of proposed change.** This reformulation proposes the reorientation of funds to support safety nets for vulnerable persons affected by the COVID-19 pandemic in Trinidad and Tobago as presented in Table 1. Proposed amounts have been validated with each project executing agency and with the Bank's primary counterpart at the Ministry of Planning and Development. The Ministry of Social Development and Family Services (MSDFS) will be responsible for executing the reformulated operation.

Table 1: Proposed loans for reformulation to support vulnerable persons

Loan name	Loan number	Approved amount (US\$)	Amount proposed for reformulation(US\$)
Support to Strengthen Trinidad and Tobago's Public Financial Management System	3473/OC-TT	40,000,000	15,100,000
Strengthened Information Management at the Registrar General's Department	3022/OC-TT	20,000,000	5,550,000
Strengthening of the Electronic Single Window for Trade and Business Facilitation	3575/OC-TT	25,000,000	3,500,000
Global Services Promotion Program	3112/OC-TT	18,000,000	300,000
Total		103,000,000	24,450,000

¹ Originally, the GORTT requested from the Bank the reformulation of five loans to redirect a total of US\$31,000,000 of undisbursed funds. The request included the Multiphase Waste Rehabilitation Program Phase 1 (2890/OC-TT). However, it was agreed that this operation required contingency funds to support interventions originally designed to mitigate potential environmental and social risks.

- 1.4 **Consistent financial terms and conditions.** It has been verified that the original financial terms and conditions and maximum amortization periods of the loans concerned will not be exceeded. To enable simpler and more efficient administration of the consolidated amount of the balances redirected toward new activities, these resources will be managed under a single registration number. This will facilitate administration and management of the resources, including disbursement processing, and accountability for their use. The maturity dates of semiannual payments to the Bank resulting from the redirected loan proceeds will also be harmonized, in accordance with a consolidated amortization schedule, which will not exceed the maximum tenors or weighted average lives initially envisaged in the approved loans.²

B. Background, progress, and description of proposed changes to programs

- 1.5 This section describes background, progress and description of proposed changes for the following four programs: (i) 3473/OC-TT; (ii) 3022/OC-TT; (iii) 3575/OC-TT; and (iv) 3112/OC-TT.
- 1.6 All four programs have changes in: (i) original activities as a result of changes in components amounts; and (ii) outcome and impact level indicators in the results matrix. One project (3575-OC-TT) has modifications in its specific objectives.
- 1.7 **Background and progress of Support to Strengthen Trinidad and Tobago's Public Financial Management System (3473/OC-TT).** On May 20, 2015, the Bank approved the financing of the project Support to Strengthen Trinidad and Tobago's Public Financial Management System for a total amount of US\$40 million. The general objective is to improve the efficiency and effectiveness of the Government of the Republic of Trinidad and Tobago to allocate public resources. The project's specific objectives are to improve: (i) strategic allocation of public resources; (ii) control and stewardship of public resources; and (iii) information management for decision making. The project has two components. Of the total amount of US\$40 million of IDB financing for the Program, US\$8,778,537 has been disbursed to date (21.9% of the original amount). Executed and committed funds add up to US\$17.2 million (43% of the original amount). Therefore, the current uncommitted balance is US\$22.8 million. From the remaining uncommitted balance, US\$15.1 million will be reoriented to the COVID-19 activities. The current disbursement expiration date of the project is December 14, 2021. The main project output targets have been already achieved.
- 1.8 **Proposed changes.** A total of US\$15.1 million will be reoriented for the COVID- 19 activities. This represents a reduction of 37.8% of the original budget of 3473/OC- TT, and 48.4% of current available resources. The amount will be redirected specifically from Component 2 (US\$13,740,202) and contingencies (US\$1,359,798). These proposed changes will not affect the general objective and specific objectives of this operation. There will be no change to the sole activity under Component 2, owing to the significant reduction in cost achieved from efficiency gains in the technology for developing IFMIS platforms such as cloud-based computing, during the four-year period between the project design and commencement of the procurement process. The current reformulation proposal

² See [OEL#9](#).

includes some modifications to outcome level indicators in the results matrix. The matrix has been updated by grouping indicators to each corresponding specific objective. Likewise, intermediate goals were eliminated. An outcome indicator for the specific development objective to improve information management for decision making was removed from the results matrix, as it no longer retained relevance due to changes in the government's strategic policy directives. In addition, the unit of measure for a second indicator of the information management specific development objective was modified. For further details on this operation, see [OEL#4](#).

- 1.9 **Background and progress of Strengthened Information Management at the Registrar General's Department (3022/OC-TT)**. On October 23, 2013, the Bank approved the financing of the project Strengthened Information Management at the Registrar General's Department (RGD) for a total amount of US\$20 million. The general objective of the operation is to contribute to increased investment in Trinidad and Tobago through greater ease of property registration. The specific objective is to streamline the property registration process. The project has two components. Of the total amount of US\$20 million of IDB financing for the Program, US\$11,206,400 has been disbursed to date (56% of the original amount). Executed and committed funds add up to US\$11.2 million (56% of the original amount). Therefore, the current uncommitted balance is US\$8.8 million. From the remaining uncommitted balance, US\$5,550,000 will be reoriented for the COVID-19 activities. The original disbursement expiration date of the project was January 27, 2019, however an extension for this date until January 27, 2021 has been approved. The program has exceeded end of program targets in several outputs. To date, the program has accomplished most of its expected outputs, exceeding 3 targets: (i) the number of title documents digitized exceeded its 1.7 million target by over 500,000 additional documents; (ii) the target for developing human resource capacity was exceeded from 4 to 10 trained staff and; (iii) the RGD new head office was completed in March 2019, including the installation of a modern vault facility to safeguard important archival records, doubling the intended target of RGD Vaults to be redesigned from one to two. Additionally, the business process mapping exercise for the RGD was also successfully completed and served as a critical input for other institutional reforms taking place within the Department.
- 1.10 **Proposed changes**. The total proposed amount to support vulnerable populations affected by Coronavirus in Trinidad and Tobago is US\$5,550,000, this represents a reduction of 27.5% of the original budget of 3022/OC-TT, and 62.5% of the current available resources. This amount will be redirected from Component 1 (US\$3,147,095), Component 2 (US\$2,027,905), and contingencies and audit (US\$375,000). The proposed reformulation will not affect the general objective and specific objectives of this operation. The targets of the outputs related to the reorientation of resources have been already achieved and will not be affected by the reformulation with the exception of "number of living persons whose names are not registered on their birth certificates who register their names on their birth certificates" which has been adjusted from 100,000 to 49,930 public registries. Additionally, the current reformulation proposal includes some modifications to impact and outcome level indicators in the results matrix. At the impact level, the calculation to assess the indicator "change in the aggregate score of Trinidad and Tobago for registration of property" was modified. Also, intermediate targets for outcome level indicators were eliminated. Originally, the matrix included the indicator "percentage of new registered property transactions that incorporate transaction

parties' PINs and names". This indicator was eliminated from the results matrix, owing to delays in resolving technical and coordination matters between the RGD and the agency responsible for the preferred personal identification number (PIN) system, the Ministry of Agriculture, which impedes the ability of the PEU to report on this measure before the end of the project. No substitutions to this indicator are made. For further details on this operation, see [OEL#5](#).

- 1.11 **Background and progress of Strengthening of the Electronic Single Window for Trade and Business Facilitation (3575/OC-TT).** On November 10, 2015, the Bank approved the financing of the project Strengthening of the Electronic Single Window for Trade and Business Facilitation for a total amount of US\$25 million. The operation's objective is to improve the trade performance and business facilitation environment in Trinidad and Tobago through the strengthening of the Single Electronic Window (SEW). The project specific objectives are to: (i) optimize and simplify foreign trade and business processes to reduce time and costs; (ii) improve domestic interoperability among national government institutions and external interoperability with trading partners; and (iii) modernize the governance and the institutional framework of the SEW. Of the total amount of US\$25 million of IDB financing for the Program, US\$10,938,464 has been disbursed to date (43.8% of the original amount). Executed and committed funds add up to US\$14.6 million (58.4% of the original amount). Therefore, the current uncommitted balance is US\$10.4 million. From the remaining uncommitted balance, US\$3.5 million will be reoriented for the COVID-19 activities. The original disbursement expiration date was April 8, 2021 however an extension for this date until October 8, 2022 has been approved. To date, the program has accomplished 9 of its expected outputs including several critical outputs: a Business Process Reengineering, Institutional/Legal Governance Reforms and Change Management program to ensure that new systems map revised processes not existing ones; the launch of an online automated system for construction permits, "DevelopTT", which has already shown reductions in time and cost and will improve their ranking in this indicator for the Doing Business index; migration from the physical infrastructure for the single window TTBizLink to a cloud-based architecture; and other small consultancies designed to strengthen the business and trade facilitation environment.
- 1.12 **Proposed change.** The total proposed amount to support vulnerable populations affected by Coronavirus is US\$3.5 million, which represents a reduction of 14% of the original budget of 3575/OC-TT, and 24.9% of the current available resources. This amount will be redirected from Component 1 (US\$1,710,800) and Component 2 (US\$1,789,200). The proposed reformulation will not affect the general objective. However, changes are proposed to specific objectives, and impact, outcome, and output level indicators. At the impact level, the original indicator - Trinidad and Tobago's overall ranking on the World Bank's ease of Doing Business Report - is being replaced due to changes implemented by the World Bank in the methodology used to construct indicators and calculate the rankings of all countries included in the report. The new impact indicator is the value of one component of the Ease of Doing Business score - the Trading Across Borders indicator - which more accurately measures the achievement of the general objective. At the outcome level, indicators measuring all three specific objectives were modified. This includes (i) the addition of new indicators to fully measure each specific objective (e.g. the original matrix did not include an indicator for specific objective #3); (ii) the removal of an indicator in line with the changes in scope of specific objective #2, and (iii) to account

- for methodological changes already mentioned above. These modifications will improve monitoring and evaluation of the programme and accurately reflect its results. For the output indicators, additional funds were reallocated to the Port Community System from an output in the original loan budget that is no longer being pursued. This output is therefore eliminated from the matrix. For further details on this operation, see [OEL#6](#).
- 1.13 **Background and progress of the Global Services Promotion Program (3112/OC-TT).** On December 4, 2013, the Bank approved the financing of the project Global Services Promotion Program for a total amount of US\$18 million. The general objective of this project is to support the advancement of Trinidad and Tobago's positioning as a renowned location for global provision of IT-enabled Services (ITeS). The project has three components. In early 2018, the loan was rescoped by the Ministry of Planning and Development to deliver a more discrete number of activities, cancelling a total of US\$11,276,820. A further cancellation of outputs and resources (US\$2.1 million) was done in December 2019. From the remaining US\$4,623,180, a total of US\$4,211,459 has been disbursed to date (23.4% of the original amount). The total available undisbursed amount is US\$411,721. Executed and committed funds add up to US\$4.2 million (23.3% of the original amount). Therefore, the current uncommitted balance is US\$411,721. From this undisbursed amount, US\$300,000 will be reoriented for the COVID-19 activities. The original disbursement expiration date was January 27, 2019 however an extension for this date until October 31, 2020 has been approved.
- 1.14 **Proposed changes.** The total proposed amount to support vulnerable populations affected by Coronavirus is US\$300,000 which represent a reduction of 6.5% of the project budget of 3112/OC-TT (after the two cancelation processes), and 72.9% of the current available resources. This amount will be solely redirected from the project management budget. Since reallocated funds are not sourced from project components, the general and specific objectives of this operation and results matrix indicators remain unchanged. For further details on this operation, see [OEL#7](#).
- 1.15 **Environmental and social risks resulting from reformulation.** The Strengthened Information Management at the Registrar General's Department (3022/OC-TT), Global Services Promotion Program (3112/OC-TT), Support to Strengthen Trinidad and Tobago's Public Financial Management System (3473/OC- TT) and Strengthening of the Electronic Single Window for Trade and Business Facilitation (3575/OC- TT) are all Category "C", and shall have no liabilities as a result of their reformulation.
- 1.16 For all projects described above, there will be no modifications to the current implementation arrangements to continue implementing the original activities. Therefore, they will maintain the same structure in their respective execution agencies.

II. PROPOSED MODIFICATIONS AND RATIONALE

A. Background, problem to be addressed, and rationale

- 2.1 **COVID-19 pandemic.** On March 11, 2020, the World Health Organization (WHO) declared the COVID-19 outbreak a pandemic. COVID-19 is a respiratory disease

caused by the 2019 novel coronavirus, or nCoV-2019. As of January 14, 2021, more than 90.7 million cases were reported worldwide, resulting in 1,963,169 deaths. The first cases in Latin America and the Caribbean were reported in late February. Since then, the number of cases and deaths have risen quickly, reaching 16,859,025 million confirmed cases and 593,072 deaths. In Trinidad and Tobago, the first confirmed case was recorded on March 12, 2020³ and the first death from COVID-19 occurred on March 25, 2020.⁴ As of January 14, 2020, there were 7,320 confirmed cases and 130 deaths.⁵

- 2.2 **Problem to be addressed.** COVID-19 is a deadly disease that can easily spread from person to person through respiratory secretions⁶ and direct contact. Social distancing and isolation measures are essential features of the public health response implemented with the goal of reducing the number of healthy people that the virus could potentially infect and save lives. However, these necessary measures, have important associated economic effects that lead to significant economic downturn with immediate manifestations and lasting consequences once the health emergency is over.
- 2.3 **Macroeconomic and social context.** Latin America and the Caribbean have made notable progress in reducing poverty over the last 30 years, reaching percentages near 30% at the end of 2019. However, while transitioning from poverty to higher levels of well-being, 37% of the population are income vulnerable, i.e., highly likely to fall into poverty in the event of major economic shocks and crisis. Poverty in Trinidad and Tobago declined over the period 2000-2014. In 2014, 11% of the population was classified as poor (living with less than US\$5 per day), and an additional 36% as vulnerable (with income between US\$5 and US\$12.40 per day), i.e. at significant risk of falling into poverty.⁷
- 2.4 The Economic Commission for Latin America and the Caribbean (ECLAC) sees at least five channels for transmission of the crisis impacts to the region's economy: (i) slowing economic activity of key trading partners that will impact the demand for exports; (ii) less demand for tourism services; (iii) interruption of global value chains; (iv) falling commodity prices; and (v) worsening financial terms.⁸ Trinidad and Tobago's economy strongly relies on its energy sector, which accounts for 40 percent of GDP and 80 percent of exports.⁹ Additionally, the strict social isolation measures adopted by the Government halted non-essential businesses, including those in the tourism industry, as well as most in the manufacturing and human-contact industries like restaurants, bars, and entertainment. As a result of the COVID-19 crisis, the International Monetary Fund (IMF) projects the Gross Domestic Product (GDP) to contract by 4.5% in 2020. As the average growth elasticity of poverty for developing countries is estimated at 3%,¹⁰ poverty levels in Trinidad and

³ Trinidad and Tobago Guardian. [Source](#).

⁴ Trinidad Express Newspapers. [Source](#).

⁵ Ministry of Health. [Source](#).

⁶ WHO. Coronavirus. June, 2020. [Source](#).

⁷ IDB, n.d. Statistics on Poverty and Inequality. Inter-American Development Bank. Mimeo.

⁸ CEPAL. [Source](#).

⁹ IndexMundi Trinidad and Tobago Economic Profile 2019. https://www.indexmundi.com/trinidad_and_tobago/economy_profile.html

¹⁰ Bourguignon, Alain Jean-Francois. 2003. *The growth elasticity of poverty reduction: explaining heterogeneity across countries and time periods (English)*. Washington, DC: World Bank. [Source](#).

Tobago could rise by 12% or more. Similar increases can reasonably be expected in the percentage of vulnerable population in the country.¹¹

2.5 Populations at risk. According to the International Labor Organization and the United Nations, nearly half of the global workforce could see their livelihoods adversely affected due to the continued decline in working hours brought on by lockdowns to curb the spread of COVID-19.¹² Similar impacts are expected in Trinidad and Tobago, where a large part of the population's well-being fundamentally relies on informal work activities. Under the current circumstances, most of the population is considered vulnerable and in need of temporary income support. This includes workers that experienced a substantial reduction in income. It also includes population groups that were already vulnerable, and are experiencing further loss of well-being because of the crisis (households with low income, elderly with low income,¹³ and individuals with disabilities). Finally, it includes vulnerable households that were benefiting from the Government's School Nutrition Programme. For these households, the meals provided in the school are either the only meals the children consume during the day, or a significant part of their daily nutrient requirements. The closure of schools causes the interruption of school feeding and leaves children with a significant risk of malnutrition. In addition, it should be noted that in Trinidad and Tobago, there is a relationship between poverty and gender which is reflected in women representing 63% of the pre-crisis beneficiaries of the Food Support Programme, the country's cash transfer program for poor households.

2.6 Government response. As per Cabinet decision of 1 March 2020, the Government kicked-off its preparation for the implementation of a series of careful measures to address the pandemic. These included the establishment of a parallel health system comprising 12 public health facilities fully dedicated to the testing, prevention, and treatment of COVID-19 cases, closing of borders, lockdown of non-essential commercial services and businesses, closure of restaurants and bars, schools, and a stay-at-home order which took effect on March 22. These measures, coupled with stringent social distancing protocols, avoided local transmission of the COVID-19 virus.¹⁴ The economy then partially reopened in 10 May 2020.¹⁵ However, borders remain closed and public health restrictions are still in place which continue to reduce economic activity and affect the most vulnerable populations.¹⁶ In order to mitigate the socioeconomic impact of these measures, the Government expanded its existing social safety net (for a description of this safety net, see [OEL#3](#)). More specifically, the Government decided to implement: (i) a temporary increase of the

¹¹ IDB, n.d. Statistics on Poverty and Inequality. Inter-American Development Bank. Mimeo.

¹² International Labor Organization (ILO). <https://news.un.org/en/story/2020/04/1062792>.

¹³ In Trinidad and Tobago, individuals over 60 years of age continue to be largely economically active. This age group has a higher risk of mortality or severe illness from COVID-19 and therefore requires remaining isolated and avoid workplace exposure.

¹⁴ COVID-19 Status Update Report from Principal Medical Officer, 22 June 2020. Ministry of Health, Trinidad and Tobago

¹⁵ Government of the Republic of Trinidad and Tobago. Reopening of Trinidad and Tobago. 9 May 2020. <http://news.gov.tt/content/reopening-trinidad-and-tobago#.X9jDLWhKhPY>

¹⁶ According to the Central Bank of Trinidad and Tobago (CBTT), despite the gradual re-opening of the economy, labour demand softened, resulting in higher retrenchments. November 2020. <https://www.central-bank.org.tt/sites/default/files/reports/monetary-policy-report-november2020.pdf>.

cash transfer value for existing beneficiaries of the Food Support Programme¹⁷ (63% of which are women); (ii) a temporary provision of cash transfers from the Food Support Programme to households with children usually receiving meals from the School Nutrition Programme¹⁸; (iii) a temporary expansion of the Food Support Programme to include workers who experienced a reduction in income, and now earn less than TTD\$10,000¹⁹ per month, due to the COVID-19 crisis, and are not registered with the National Insurance Scheme; (iv) the expansion of the Senior Citizens Pension²⁰ and the Disability Assistance Grant²¹ to include individuals who were already in the registries of these programs, but were not receiving transfers on or after March 1; (v) rental assistance²² to households where a wage earner experienced a reduction in income due to the COVID-19 crisis; (vi) additional financial support to NGOs to provide meals to socially displaced persons;²³ (vii) a

¹⁷ The Food Support Programme is a short-term food assistance and development program that targets vulnerable persons and families in need. Its target population are households who are economically challenged where their combined net income is equal to or less than the poverty line, following assessment using a Supplementary Means Test (SMT). Recipients can purchase basic items needed to meet daily nutritional requirements via the form of Food Cards. TT (Food) Cards are provided in temporary and long-term versions, and the amount allocated to each card is determined by the number of persons in a household, and ranges between TTD\$410-700 per month. The Ministry of Social Development and Family Services is the Executing Agency of this program. See [OEL#3](#) for more details.

¹⁸ The School Nutrition Programme is a national feeding program that provides over 40,000 breakfasts and almost 100,000 lunches to students enrolled in 822 pre-primary, primary, secondary, and special education schools in Trinidad and Tobago. Meals are provided through the School Nutrition Programme at no cost to parents or students. Its target population are children enrolled in the public school system who are recommended recipients of the Programme by their school Principal, based on the child's socio-economic background. The Ministry of Education is the Executing Agency of this program. See [OEL#3](#) for more details.

¹⁹ The exchange rate is US\$1 to TTD\$6.80.

²⁰ The Senior Citizens Pension provides financial assistance to persons aged sixty-five (65) years and over who have been residents of Trinidad and Tobago for twenty (20) years preceding the date of application; and whose monthly income must not exceed TTD\$5,500 per month. The pension amount ranges between TTD\$500-3,500 per month according to the monthly income. The Ministry of Social Development and Family Services is the Executing Agency of this program. See [OEL#3](#) for more details.

²¹ The Disability Assistance Grant provides financial aid to persons aged 18 years and above who, in the opinion of the Local Board, are unable to earn a livelihood due to disability; and have been certified as disabled by a Medical Officer; and whose annual income does not exceed TTD\$12,000. This grant is in the amount of TTD\$1,800 per month. The Ministry of Social Development and Family Services is the Executing Agency of this program. See [OEL#3](#) for more details.

²² The Rental Assistance Grant for retrenched, terminated and individuals/families with reduced income is a short-term assistance available to persons who are unable to meet their current monthly rental payment and arrears as a result of the impact of the COVID-19 crisis. Its target population are persons or families who were retrenched, terminated or income reduced with effect from March 1st, 2020 and where the reduced gross income (minus statutory deductions) of the family does not exceed \$TT10,000.00. This grant is in the amount of \$2,500.00 per month for a period of three (3) months initially, and up to six (6) months as required. If support is required beyond the six months, the rental assistance grant will be reduced to \$1,500.00 and then a further reduction of \$1,000.00 for any additional months required. The total period of rental assistance must not exceed twelve (12) months.

²³ Any idle person habitually found in a public place and who by reason of illness or otherwise is unable to maintain himself or has no means of subsistence or place of residence, and is unable to give a satisfactory account of himself.

temporary Salary Relief Grant²⁴ to adults between 18-65 years old who experienced a reduction in income due to the COVID-19 crisis, and are registered with the National Insurance Scheme; and (viii) food emergency hampers and food vouchers provided to families in direct need during the stay at home period.

- 2.7 **Rationale and strategy.** This operation supports the efforts of the Government to protect minimum levels of income of households and individuals that were already poor and vulnerable before the COVID-19 crisis, including the elderly, persons with disabilities, and recipients of school feeding (strategies i, ii, and iv mentioned in ¶2.6). It also supports the temporary expansion of existing cash transfers to cover informal workers who lost income due to the crisis (strategy iii mentioned in ¶2.6). The operational details of each intervention, related to registration, transfer amount, benefit duration, and delivery process are described in the components section.
- 2.8 **Bank experience and lessons learned.** This program bases its strategy to protect the most vulnerable on several evaluations that have shown that cash transfers are the most effective tool to redistribute income and support consumption in the region. These experiences include successful responses to emergencies such as the introduction of the food component of Mexico's *Oportunidades* program during the 2009 financial crisis (2103/OC-ME; 2140/OC-ME; 2425/OC-ME). The Bank has accumulated comprehensive experience in the design, implementation, and evaluation of cash transfer programs in 18 Latin American and the Caribbean countries²⁵. Lessons learned and best practices in the last 20 years show that beneficiaries' enrollment and payments require time and extensive fieldwork (2937/BL-HO). In the current context, such an approach would not allow for a rapid response and carries a risk of promoting the congregation that may contribute to the spread of COVID-19. To mitigate such risk, electronic mechanisms should be used to process applications and deliver payments to preserve social distancing. These lessons informed the design of both components of this operation. In this operation enrollment of new beneficiaries will be mainly conducted through an online system and funds will be electronically transferred through the bank system or checks mailed using a post service.
- 2.9 Additional transfers to vulnerable groups and persons who have suffered loss of income are also an approach to expand social safety nets. The Bank has experience supporting and studying the design and implementation of unemployment support programs in developing countries such as Colombia and Perú.²⁶ This experience suggests that effective income-support policies for persons who lost their jobs make it possible to smooth the loss of consumption and achieve a more effective job

²⁴ The Salary Relief Grant is a temporary assistance grant to provide additional relief to citizens whose employment is terminated or suspended without pay as a result of the impact of COVID-19 in specified sectors. Its target population are persons between the ages of 18-65 years, who are registered with the National Insurance Board of Trinidad and Tobago (NIBTT), are citizens or permanent residents, whose last employer is registered with the NIB, and whose employment has been directly impacted by the Covid-19 Public Health Regulations in 2020 and terminated or suspended without pay/furloughed after March 19, 2020. Eligible applicants must either have been terminated involuntarily or have had their income suspended without pay; and who have no other source of income. The grant is valued at up to \$1,500.00 per month for up to three months in the first instance. Its Executing Agency is the Ministry of Finance and administered through the NIBTT

²⁵ Ibararán et al. 2017. How Conditional Cash Transfers Work. IDB. <http://dx.doi.org/10.18235/0000746>

²⁶ Alaimo et al. 2015. Empleos para Crecer. IDB. <http://dx.doi.org/10.18235/0000139>

search.²⁷ In contrast, international experience shows that long unemployment insurance benefit periods may reduce job search intensity.²⁸ This program will support interventions that provide income for individuals who have suffered involuntary termination or suspension in the informal sector, with a short and fixed duration of three to six months²⁹, as many countries have seen in the face of the COVID-19 crisis.³⁰ Both lessons are reflected in the design of both components of this operation, as the Food Support Programme is expanded to provide income support for unemployed individuals, with a short and fixed duration.

- 2.10 **Coordination with other Bank projects.** In line with this support, US\$14,570,000 was redirected from the Health Services Support Program (3411/OC-TT) to procure Personal Protective Equipment (PPE), medical equipment and supplies and hire medical personnel to support Government's COVID-19 health response. In addition, this operation is aligned with the first operation of a programmatic Policy-Based Loan series (5064/OC-TT) in the sum of US\$100 million which will strengthen the efficiency and effectiveness of public policy and fiscal management in response to the health and economic crisis caused by COVID-19 through the design and implementation of effective and fiscally responsible policy measures.
- 2.11 **Coordination with other multilaterals and/or donor agencies.** The World Bank (WB) and the Andean Development Corporation (CAF) are complementing the Bank's support to the Government in its health sector response to COVID-19. Through a US\$20 million loan, the WB is focusing their support on the training of medical personnel, purchase of laboratory equipment and pharmaceuticals; and CAF through a US\$50 million loan is funding the physical infrastructure upgrade to COVID-19 health facilities. There is no direct support to Trinidad and Tobago from other donors/multilaterals for social protection measures related to the COVID-19 crisis
- 2.12 **Strategic alignment.** The operation is consistent with the Second Update to the Institutional Strategy (UIS) (AB-3190-2) and aligned with the challenge of Social Inclusion and Equality, as well as Productivity and Innovation, through support for maintaining minimum levels of income and welfare for the populations most vulnerable to COVID-19 crisis. In addition, this operation is aligned with the UIS cross-cutting theme of Gender Equality and Diversity as it specifically targets persons with disabilities through the expansion of Disability Assistance Grant. The operation will contribute to the Corporate Results Framework 2020-2023 (GN- 2727- 12) through the indicator: beneficiaries of anti-poverty programs. It is aligned with the Strategy on Social Policy for Equity and Productivity (GN- 2588-4)

²⁷ Gruber (1997). "The incidence of payroll taxation: Evidence from Chile." *Journal of Labor Economics*, Vol.15, No.3, Part 2, pages S72-S101. Tatsiramos (2009). "Unemployment insurance in Europe: Unemployment duration and subsequent employment stability." *Journal of the European Economic Association* 7:6 (2009): 1225-1260. Alaimo et al (2015).

²⁸ Huneus et al. (2012). *Unemployment Insurance and Search Effort in Chile* (June 2012). IDB Working Paper 313. <https://dx.doi.org/10.2139/ssrn.2149060>. González-Rosada et al. (2011). "[Protecting Workers against Unemployment in Latin America and the Caribbean: Evidence from Argentina](#)" *Research Department Publications* 4759, Inter-American Development Bank.

²⁹ Beneficiaries from Component 2 who have children, receive an extended benefit for a total of 6 months. See paragraph II.19 for description of specific benefits.

³⁰ Arboleda et al (2020). *¿Cómo proteger los ingresos y los empleos? Posibles respuestas al impacto del coronavirus en los mercados laborales de América Latina y el Caribe*. IDB. <http://dx.doi.org/10.18235/0002312>

in the areas of enhancing equity and supporting vulnerable populations. It is also consistent with the Social Protection and Poverty Sector Framework Document (GN- 2784-7), which underscores the importance of supporting vulnerable populations, particularly from external shocks, through responsive social protection policies. It is consistent with the Labor Sector Framework Document (GN- 2741-7), which highlights the importance of income protection mechanisms for the unemployed to smooth the loss of consumption and facilitate their return to work. This operation is consistent with the Proposal for the IDB Group's Governance Response to the COVID-19 Pandemic Outbreak (GN- 2996) and forms part of IDB's comprehensive support to the government to mitigate the health and economic impact of the COVID-19 pandemic.

B. Objectives, components, and cost

- 2.13 The general development objective of this program is to contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by COVID-19. The specific objective is to support minimum income for those affected by the coronavirus in the immediate period and during the recovery.
- 2.14 **Component 1. Protection using existing cash transfer programs (US\$8,833,698).** This component will finance expansion or additional/emergency cash transfers to beneficiaries of three existing programs delivered by the Ministry of Social Development and Family Services (MSDFS): (i) Food Support Programme³¹; (ii) Senior Citizen Pension; and (iii) Disability Assistance Grant.
- 2.15 **Food Support Programme.** Existing beneficiaries of the Food Support Programme will receive additional/emergency transfers for three months. The monthly amount of transfers is adjusted according to household size as follows: TTD\$150 for households up to 3 persons, TTD\$300 for households with 4-5 persons, and TTD\$450 for households with 6 and more persons. Since these are existing beneficiaries, there is no registration process. Transfers to the existing card are made electronically. Additionally, households with school-aged children currently registered under the School Nutrition Programme, who are not current beneficiaries of the Food Support Programme, will temporarily receive TTD\$510 per month from the Food Support Programme for three months. The benefit will be distributed per household to parents or guardians, regardless of the number of children. Persons are contacted when the temporary food card is available for collection and a declaration of receipt is signed at pick-up. Payment is done via the use of a pre-loaded debit card.
- 2.16 **Senior Citizens Pension.** This benefit will be directed to persons aged 65 and over, whose income does not exceed TTD\$2,800 a month, and who applied for the Senior Citizens Pension, were registered, but have not received transfers on or after March 1, 2020. Beneficiaries will receive three monthly payments of TTD\$1,500 each by check. The checks are delivered by the Trinidad and Tobago Postal Corporation (TTPOST).³²

³¹ Expansion of benefits under the Food Support Programme includes existing beneficiaries of the program and school-age children registered in the School Nutrition Programme. See ¶2.15 for details.

³² The Ministry has an ongoing arrangement with the TTPOST to deliver checks associated with the Senior Citizens Pension and Disability Assistance Grant.

- 2.17 **Disability Assistance Grant.** This benefit will be directed to persons 18-65 years of age who have been certified by a Government medical officer of the Ministry of Health or Regional Health Authority (RHA) as permanently disabled from earning a livelihood, whose annual income does not exceed TTD\$12,000, and who applied for the Disability Assistance Grant, were registered, but have not received transfers on or after March 1, 2020. Individuals will receive three monthly payments of TTD\$1,000 by check. The checks are delivered by the TTPOST. The beneficiaries are permanent recipients of the Disability Assistance Grant.³³
- 2.18 For the Senior Citizens Pension and the Disability Assistance Grant, the Director of Social Welfare of the MSDFS provides a listing of all outstanding applications. Data is then cross checked with the existing database of other social programs beneficiaries and payments in order to avoid double benefits.³⁴ After completion of the first three payments related to the COVID emergency, beneficiaries of these two programs will become permanent recipients of the program.³⁵ Further benefits will be funded by national resources.
- 2.19 **Component 2. Protection for the vulnerable population not on the rosters of transfer programs, working in the informal sector (US\$15,276,202).** This component will fund the temporary expansion of the Food Support Programme for households where a member working in the informal sector³⁶ experienced a loss in income due to the COVID-19 crisis, after March 1, 2020. Monthly income, after the loss, must not exceed TTD\$10,000. Beneficiaries in this group are self-identified via an online application form or are also able to submit their paper forms at a regional office of the MSDFS. All applications are processed through the Social Services Client Management System (SSCMS) of the MSDFS.³⁷ To be selected, affected persons must present a letter from their employer or, if self-employed, two letters of recommendation from a verifiable source listed by the Government. These sources include doctors, lawyers, teachers, and justices of peace. Eligible beneficiaries will receive transfers of TTD\$510 per family for a period of three months. For households

³³ Cases are also reviewed from time to time based on reports received by the office. Persons are reviewed at age 60 to check for changes in income status and/or 65 years to determine eligibility for Senior Citizens' Pension.

³⁴ Data from the hard copy applications and relevant supporting documents are extracted and entered by data entry personnel. The Ministry Social Services Client Management System (SSCMS) is utilized for mining all data relevant to measures associated with COVID-19 by data entry personnel, directors, and managers of the Information Technology Unit. All hard copy files together with the payment files are subjected to audit. Checks are done to ensure that there is no duplication and to ensure that persons are not already in receipt of benefits from other programs.

³⁵ In non-COVID times, there is a life certificate process to continue to qualify and receive the Senior Citizens Pension. Persons are required to update their life certificate once per year. This is supported by links with the Registrar General Office-Register of Births and Deaths. During the COVID-crisis, the life certificate exercise has been suspended.

³⁶ For the purpose of this project, workers who are not required to present National Insurance Scheme (NIS) registration to be eligible for the benefit or whose employer is not registered with the NIS, will be considered part of the informal sector. Formal sector workers with NIS registration are eligible for income support under the Salary Relief Grant, which is not included in this operation.

³⁷ The offline and online application process is set-up to both best follow the Public Health Guidelines regarding COVID-19, while also facilitating maximum inclusion of those who may not have internet access. To ensure crowd control and compliance with policies and procedures enunciated by the Ministry of Health, the Ministry of National Security together with the Trinidad and Tobago Police Service are present to provide on-site support. The Ministry of Social Development and Family Services (MSDFS) has also been implementing an aggressive communication strategy regarding the need for compliance with all public health advisories when visiting offices.

with children under 18 years, the transfer will be extended for a further period not exceeding three months. Only one member of the household can apply for the benefit. Existing households of the Food Support Programme are excluded from this benefit. Applicants are screened using a Means Test³⁸ to conduct a preliminary assessment to determine eligibility and overall compliance for application submission.³⁹ There are then several further levels of screening to ensure compliance.⁴⁰ Once the application meets the requirements, validators approve the grant. Payments are made either by the delivery of a pre-loaded debit card⁴¹ or by direct deposit.⁴² The TTPOST delivers cards to beneficiaries and funds are transferred electronically through the First Citizens Bank.⁴³

- 2.20 **Project administration, evaluation, and auditing (US\$340,100).** This item will fund individual consultants to establish a Project Implementation Unit (PIU) responsible for overseeing program implementation and execution. It will also finance the audit of financial statements and an evaluation of program performance.
- 2.21 **Beneficiaries.** The actions proposed in this operation will benefit households and individuals belonging to the most vulnerable groups in the country: (i) 25,101 existing beneficiary households of the Food Support Programme; (ii) 20,500 households with school-age children who received the School Nutrition Programme prior to the COVID-19 emergency; (iii) 2,000 low-income persons aged 65 and over; (iv) 500 adults 18-65 years of age who have been certified as permanently disabled from earning a livelihood; (v) 39,233 households with persons who have suffered involuntary termination, suspension, or loss of income in the informal sector. This last group is currently not included in the rosters of pre-existing social protection programs. Women are expected to represent about 60% of the beneficiaries of the expanded Food Support Programme.

C. Key results indicators

- 2.22 The program will contribute to maintaining standards of living for vulnerable households and individuals whose income levels are affected by the COVID-19 crisis. The expected outcome is the provision of income support to vulnerable households, through: (i) provision of additional cash transfers to existing beneficiaries of the Food Support Programme before COVID-19; (ii) provision of cash transfers from the Food Support Programme to households of school-age children registered in the School Nutrition Programme; (iii) expansion Senior

³⁸ See [OEL#3](#).

³⁹ Visits to applicants are not part of the program design. Queries arising out of non-compliance are done via telephone.

⁴⁰ Data from the hard copy applications and relevant supporting documents are extracted and entered by data entry personnel into the Ministry Social Services Client Management System (SSCMS).

⁴¹ The Ministry has a pre-existing contract with First Citizens Bank (FCB) for debit card services for the Food Support Programme. This contract has been in place since 2019. FCB is required to produce the following receipts: card usage by merchant, expenditure statements, account balances and reconciliation statements. According to the Contract, the Permanent Secretary can request any other reports which may be deemed necessary.

⁴² For grants associated with loss of income, payment is made by direct deposit for persons who have a bank account. For those who do not have a bank account, persons receive a debit card.

⁴³ The Ministry has a pre-existing contract with First Citizens Bank (FCB) for debit card services for the Food Support Programme. This contract has been in place since 2019. FCB is required to produce the following receipts: card usage by merchant, expenditure statements, account balances and reconciliation statements. According to the Contract, the Permanent Secretary can request any other reports which may be deemed necessary.

Citizens Pension and the Disability Assistance Grant coverage to all individuals in the respective registries; (iv) provision of economic support to households with individuals who lost income from informal labor due to the pandemic. All these households and individuals are considered to be vulnerable in the current context.

- 2.23 **Economic viability.** The monetary transfers directed to the COVID-19 vulnerable population will ensure minimum levels of quality of life through income support. Taking this into account, a cost-benefit analysis was performed to evaluate the economic justification of the project.⁴⁴ A Net Present Value of TTD\$35.1 million (equivalent to US\$5.2 million) was estimated in the base case scenario and using a social discount rate of 5%, suggesting that the set of proposed actions are economically beneficial. The analysis is robust to different assumptions regarding the discount rate and the fiscal multiplier effectiveness. This is a conservative analysis as it does not take into account the positive effects on human capital that result from the possibility of consumption smoothing, or the effects on nutrition, nor the potential reductions of COVID-19 related mortality and morbidity.

D. Costs

- 2.24 The four reformulated loans will continue as specific investment loans. The reoriented funds from those loans amount to a total of US\$24,450,000 which is financed with resources from the Bank’s Ordinary Capital. The disbursement period will be 24 months.

Table 2: Estimated program costs (US\$)

Components	IDB total	%
Component 1. Protection using existing cash transfer programs	8,833,698	36.13
Component 2. Protection for the vulnerable population not on the rosters of transfer programs, working in the informal sector	15,276,202	62.48
Program administration, evaluation, and auditing	340,100	1.39
Total	24,450,000	100

Table 3: Disbursement projections (US\$)

	Year 1	Year 2	Total
IDB	7,000,000	17,450,000	24,450,000
%	28.6%	71.4%	100%

E. Environmental and social risks

- 2.25 The operation - Support for Vulnerable Populations affected by Coronavirus in Trinidad and Tobago (TT-L1060) - has been classified as a Category “C” operation in accordance with Directive B.3 of OP-703. The activities funded by this operation are not expected to cause any negative environmental or social impacts. This operation will fund cash transfers and will not finance any physical infrastructure components. Therefore, it is not necessary to conduct an environmental and social assessment.

⁴⁴ See [OEL#1](#).

F. Fiduciary risks

- 2.26 A fiduciary assessment of the MSDFS was undertaken and the overall fiduciary risk is medium as described in Annex III. The MSDFS has limited financial management capacity as it relates to the availability of financial management staff within the Ministry to undertake additional responsibilities for financial management of the project and to MSDFS having an adequate accounting system to allow for the accounting and reporting of the project; which may create bottlenecks and delays in addressing financial management matters. This risk will be mitigated through the following: (i) recruitment of a Financial Specialist for the MSDFS; (ii) the MSDFS will implement a project accounting system to facilitate the maintenance of the project accounts in an adequate and timely manner; and (iii) the Bank will provide training to designated personnel at the MSDFS on Bank policies and procedures as it relates to the financial management of the program.
- 2.27 The execution risk is low to medium given that well-established institutions and processes will be used, such as the MSDFS conditional cash transfer programs, and food support programs. The MSDFS has sufficient capacity to execute the program; and significant risks that could affect execution have not been identified in the evaluation.

G. Other key risks and issues

- 2.28 An inherent reputational risk of cash transfers implemented during the COVID-19 pandemic lies in the potential for outbreaks due to crowding related to program applications and payments. This risk is considered low to medium, and to this end, several mitigation measures to minimize this risk are included in the project design: (i) use of information systems that receive and process the large majority of the applications online and (ii) processing of electronic payments through bank accounts, prepaid bank cards for unbanked beneficiaries, or checks mailed through the post.
- 2.29 **Sustainability.** This operation supports the efforts of Trinidad and Tobago to respond to the pandemic and mitigate the economic impacts on the most vulnerable groups. The project is sustainable as it focuses exclusively on temporary interventions. The only exception is the addition of 2,500 beneficiaries of the Senior Citizen Pension and Disability Grant, for which resources were already budgeted. In addition, information on beneficiaries will provide a useful platform for shock responsive social protection, to respond to similar situations in the future, whether health emergencies or natural disasters.

H. Summary of implementation arrangements

- 2.30 **Borrower and executing agency.** The Government of Trinidad and Tobago will remain as the Borrower. The Ministry of Social Development and Family Services (MSDFS) will be the executing agency of the reoriented resources, through its PIU. The PIU will be located at the MSDFS and will include a full-time Financial Specialist and Project Coordinator who will coordinate and oversee the activities of the program and will be supported by a Project Assistant. The MSDFS also has experience in executing internationally funded projects, having successfully completed in 2008 the execution of a European Union funded Poverty Reduction

Programme in the total amount of €6,000,000. The project achieved several results, including the training of 600 Civil Society Organizations to carry out social outreach programs which benefited more than 10,000 persons.

- 2.31 **Execution and administration.** The responsibilities of the PIU include: (i) preparation of the implementation plan; (ii) financial administration, accounting, and preparation of budgets and disbursement requests; (iii) preparation of procurement plan and procurement of consultancy services, including the selection and hiring of the external audit firm; (iv) preparation of technical reports and financial statements; and (v) monitoring of program activity progress.
- 2.32 **Interagency coordination.** In order to facilitate the efficient implementation of Components 1 and 2 of the program, the Executing agency will coordinate with the relevant Ministries as it relates to the disbursement of funds under this program. This mechanism is in keeping with existing operational arrangements. The Program Operations Manual will define the institutional and administrative framework, the role and responsibilities of the executing agency and the level of coordination with the Ministry of Finance and Ministry of Education in program implementation.⁴⁵
- 2.33 **Special contractual conditions precedent to the first disbursement of the reoriented loan resources:** (i) the approval and entry into effect of an Operations Manual previously agreed with the Bank; (ii) the appointment or designation of the Project Coordinator and Financial Specialist as members of the PIU of the EA; and (iii) submission of correspondence signed by Ministry of Finance (MOF) and Ministry of Social Development and Family Services (MSDFS) advising of the role and responsibility of Ministry of Finance, as payment agent/facilitator for the Food Support Programme. The first two conditions will ensure the PIU at the MSDFS has in place the necessary planning, organizational, and control capabilities for implementation of the project. The last condition ensures coordinated implementation of the project between the MSDFS and MOF.
- 2.34 **Reimbursement.** The use of the expense reimbursement method is anticipated for the purposes of the first disbursement request once the Amending Contract has entered into force and the disbursement of the redirected resources is declared eligible. Expenses incurred as of March 1⁴⁶, 2020 may be reimbursed to the Borrower/ Executing Agency against the redirected resources of Bank financing, for the reimbursement of Cash transfers in the form of Food Cards up to US\$7.262M (30% of the loan amount), provided that such expenses have been incurred following requirements substantially similar to those established in the loan contract.
- 2.35 **Procurement.** Procurements financed in whole or part with Bank funds will be conducted in accordance with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-15), or the policies in effect at the time of execution.

⁴⁵ See [OEL#10](#).

⁴⁶ By Cabinet decision on this date, the Government kicked-off the preparation for the implementation of social protection measures.

2.36 **Disbursements.** Disbursement will be made through reimbursement of expenditures and advances of funds based on liquidity needs, and supporting justification for advances will be provided pursuant to the provisions of the Financial Management Guidelines for IDB-financed Projects (OP-273-12) or the guidelines in effect at the time of project execution. They will be determined based on payment needs, following the provisions of the Financial Management Guidelines for IDB-financed Projects (OP-273-12) and the Fiduciary Agreements and Requirements (Annex III).

2.37 **Audit.** Throughout the loan disbursement period, the executing agency will submit to the Bank the project's annual audited reasonable assurance report within 120 days after the close of the fiscal year. The audit will be conducted by the Auditor General of Trinidad and Tobago. The scope and related considerations will be governed by the Financial Management Guidelines (OP-273-12) and the Guide for Financial Reports and Management of External Audits. Audit costs will be financed with project resources.

I. **Summary of arrangements for monitoring results**

2.38 **Monitoring.** The executing agency will be responsible of implementing the monitoring and evaluation plan (see [REL#1](#)). In light of the crisis, the mechanism to report progress of project implementation and execution for this operation will be the Progress Monitoring Report (PMR). The main sources of information to complete the PMR are the results matrix, bi-annual progress, and annual operating plan.

2.39 This proposal will have a PMR independent of the PMRs of the reformulated operations, which will allow monitoring the progress of the program in a unified way. Likewise, the proposal will prepare its Project Completion Report (PCR) independently of the completion reports of the reformulated operations, reporting the success in attaining the specific objectives detailed here. Therefore, it will not be necessary for all loans to be at operational closure (OC) to initiate its PCR. The four loans subject to partial balance reformulation will carry out their PCR independently, using as the starting point of the preparation period for their PCR the financial closing time of each of the operations, regardless of the OC of this proposal.

2.40 **Evaluation.** Given the nature of this operation, a project evaluation will assess the project's contribution to the specific objective to support minimum income levels for those affected by COVID-19 in the immediate period and during the recovery. To that end, a "before and after" analysis will be performed, using information from the registries of beneficiaries at different points in time. A consultancy has been budgeted under the administration, evaluation, and auditing costs of this operation to carry out this analysis in the third and fourth quarters of 2021. For the purpose of attributing the observed results to project interventions, the quantitative analysis will be supplemented with a review of the theory of change supported by relevant evidence of the effectiveness of similar interventions in comparable contexts.

III. RECOMMENDATION

- 3.1 Based on the information and analysis presented in this document, it is recommended that the Board of Executive Directors approve the reformulation proposal, under the terms and conditions described in this document, by Short Procedure, as established in paragraph 6 of document CS-3953-4 (List of matters to be considered by the Board via Short Procedure), through the adoption of the proposed resolution attached to this document as Appendix I.

Development Effectiveness Matrix		
Summary		TT-L1060
I. Corporate and Country Priorities		
1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Themes	<ul style="list-style-type: none"> -Social Inclusion and Equality -Productivity and Innovation -Gender Equality and Diversity 	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	<ul style="list-style-type: none"> -Beneficiaries of targeted anti-poverty programs (#) -Beneficiaries of employment support initiatives (#) 	
2. Country Development Objectives		
Country Strategy Results Matrix		
Country Program Results Matrix		The intervention is not included in the 2020 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		Section II.A. Paragraphs 2.1 to 2.5
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		9.6
3.1 Program Diagnosis		3.0
3.2 Proposed Interventions or Solutions		3.6
3.3 Results Matrix Quality		3.0
4. Ex ante Economic Analysis		10.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		3.0
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		1.0
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		7.0
5.1 Monitoring Mechanisms		2.5
5.2 Evaluation Plan		4.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium
Identified risks have been rated for magnitude and likelihood		Yes
Mitigation measures have been identified for major risks		Yes
Mitigation measures have indicators for tracking their implementation		Yes
Environmental & social risk classification		C
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, External Control.
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project		

Note: (*) Indicates contribution to the corresponding CRF's Country Development Results Indicator.

Evaluability Assessment Note:

The Government of Trinidad and Tobago requested the Bank to reorient a total amount of US\$24.5 million of balances pending disbursement and uncommitted from 4 investment loan operations currently in execution. This reorientation allows financing of the operation TT-L1060, which is part of the Bank's operational response to the COVID-19 pandemic "Support for Vulnerable Populations Affected by Coronavirus." The general objective of the reformulation is to contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by COVID-19. The specific objective is to support minimum income for those affected by the coronavirus in the immediate period and during the recovery. The reformulation proposal presents a clear diagnosis of the problem, as well as a review of international evidence. The proposed solutions are appropriate to respond to the identified problems and their contributing factors. The results matrix is consistent with the vertical logic of the project, presenting adequate indicators at the level of results. No impact indicators are included due to lack of data. The proposal clearly explains the changes to the reformulated operations and presents adjusted result matrices that are appropriate.

The economic evaluation shows that the operation is efficient with an NPV of \$US5.2 million and a benefit-cost ratio of 1.21. The analysis considers the economic efficiency of each of the three components separately, with similar benefit-cost ratio for each component. Sensitivity analyses are appropriate.

The monitoring and evaluation plan proposes to carry out a reflective analysis of the outcome indicators included in the result matrix as well as an analysis of the theory of change to establish the attribution of the observed results to the program's interventions.

RESULTS MATRIX

PROJECT OBJECTIVE:	The general development objective of this program is to contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by COVID-19. The specific objective is to support minimum income for those affected by the coronavirus in the immediate period and during the recovery.
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EXPECTED OUTCOMES

Indicator	Unit of measure	Baseline	Baseline year	Final target (2021)	Means of verification	Comments
Specific objective: To support minimum income for those affected by the coronavirus in the immediate period and during the recovery.						
Percentage of vulnerable households covered by extraordinary cash transfers funded by the project	%	0	February, 2020	43	Biannual program report to the Bank and estimates by project team	Numerator: Number of households that receive emergency/extraordinary cash transfers funded by the project (including Food Support Programme, Senior Citizens Pension and Disability Assistance Grant) as part of the strategy to counter the impacts of COVID-19. Denominator: Number of vulnerable households in the country (at baseline, February 2020: 200,593; calculated by multiplying the number of households in the country by the percentage of vulnerable households).
Percentage of pre-existing beneficiary households of the Food Support Programme that receive emergency/extraordinary transfers as part of the strategy to counter the impacts of COVID-19	%	0	February, 2020	100	Biannual program report to the Bank based on existing registry records of the Food Support Programme	Numerator: Number of pre-existing beneficiary households that received emergency/extraordinary cash transfers from the Food Support Programme as part of the strategy to counter the impacts of COVID-19. Denominator: Number of pre-existing beneficiary households of the Food Support Programme (at baseline, February 2020: 24,490).
Percentage of pre-existing beneficiary households of the School Nutrition Program that receive emergency/extraordinary cash transfers from the Food Support Programme as part of the strategy to counter the impacts of COVID—19	%	0	February, 2020	100	Biannual program report to the Bank based on existing registry records of the Food Support Program and School Nutrition Programme	Numerator: Number of pre-existing beneficiary households of the School Nutrition Program that receive emergency/extraordinary cash transfers from the Food Support Programme as part of the strategy to counter the impacts of COVID—19 Denominator: Number of pre-existing beneficiary households of the School Nutrition Program (at baseline, February 2020: 20,500).

Indicator	Unit of measure	Baseline	Baseline year	Final target (2021)	Means of verification	Comments
Percentage of individuals in the roster of the Senior Citizens Pension that receive cash transfers during the period of the COVID-19 emergency	%	97.3	February, 2020	100	Biannual program report to the Bank based on records of the Senior Citizen Pension	Numerator: Number of individuals in the roster of the Senior Citizens Pension that receive cash transfers during the period of the COVID-19 emergency. Denominator: Number of individuals in the roster of the Senior Citizens Pension (baseline, June 2020: 106,445)
Percentage of individuals in the roster of the Disability Assistance Grant that receive cash transfers during the period of the COVID-19 emergency	%	97.7	February, 2020	100	Biannual program report to the Bank based on records of the Disability Assistance Grant	Numerator: Number of individuals in the roster of the Disability Assistance Grant that receive cash transfers during the period of the COVID-19 emergency. Denominator: Number of individuals in the roster of the Disability Assistance Grant (baseline, June 2020: 23,572)
Percentage of households with individuals who were retrenched, terminated, or lost income due to the crisis and are not registered with the National Insurance Service, who receive temporary transfers from the Food Support Programme	%	0	February, 2020	52	Records of special transfers from the Food Support Programme to people retrenched / terminated / income reduced due to COVID-19, and national statistics	Numerator: Number of households with individuals who were retrenched, terminated, or lost income due to the crisis and are not registered with the National Insurance Service, who receive temporary transfers from the Food Support Programme. Denominator: Estimated by multiplying two numbers. The first is the number of households with households with individuals who worked without registration with the National Insurance Service. The second is the estimate from the literature of the percentage of these households who lose income due to the COVID-19 crisis. Ex-ante. Number of workers in the country: 603,000 (Source: Central Statistical Office, 2018). Number of NIS workers: 452,234 (Source: National Insurance Board of Trinidad and Tobago, Annual Report 2017/2018). Non-NIS workers: 150,766. Assume each household has either 0 or 1 non-NIS worker. Number of households with non-NIS workers: 150,766. Estimate that the share of non-NIS workers affected by the crisis is 50% (source: https://news.un.org/en/story/2020/04/1062792).

OUTPUTS

Output	Unit of measure	Baseline	Baseline year	Final target (2021)	Means of verification	Comments
Component 1. Protection using existing cash transfer programs						
Number of households in the rosters of social protection programs that receive emergency cash transfers from the Food Support Program as part of the strategy to counter the impacts of COVID-19	Households	0	February, 2020	45,601	Biannual program report to the Bank based on existing registry records of the Food Support Programme	This includes: (i) emergency/extraordinary cash transfers from the Food Support Programme to pre-existing beneficiary households; (ii) emergency/extraordinary cash transfers from the Food Support Programme to households of school-age children who benefited from the School Feeding Program prior to the COVID-19 emergency. "Gender tracking" (gender of the beneficiary will be tracked during execution)
Number of individuals in the rosters of social protection programs that receive emergency cash transfers as part of the strategy to counter the impacts of COVID-19	Individuals	0	February, 2020	3,406	Biannual program report to the Bank based on existing registry records of the Senior Citizen Pension and the Disability Assistance Grant	This includes: (i) Senior Citizens Pension transfers to new beneficiaries who were in the program roster but were not yet receiving transfers prior to the COVID-19 emergency; (ii) Disability Assistance Grant transfers to new beneficiaries who were in the program roster but were not yet receiving transfers prior to the COVID-19 emergency. "Gender tracking" (reported by male/female gender of the beneficiaries)
Component 2. Protection for the vulnerable population not on the rosters of transfer programs, working in the informal sector						
Number of new temporary beneficiary households of the Food Support Programme, admitted as part of the strategy to counter the impacts of COVID19 because they lost informal labor income	Households	0	February, 2020	39,233	Biannual program report to the Bank based on records of special transfers from the Food Support Programme to people retrenched / terminated / income reduced due to COVID-19	Definition of informal: workers who are not required to present National Insurance Service (NIS) registration to be eligible for the benefit or whose employer is not registered with the NIS and who presented an employer declaration or two letters of recommendation from a verifiable source listed by the Government during the application process. These sources include doctors, lawyers, teachers, justices of peace, and senior managers. "Gender tracking" (gender of the beneficiary will be tracked during execution)

Country: Trinidad and Tobago	Sector: SPH	Project Number: TT-L1060
Co-financing: N/A	Co-execution: N/A	Year: 2020

Fiduciary Agreements and Requirements

Executing Agency: Ministry of Social Development and Family Services

Project Name: Support for Vulnerable Populations Affected by Coronavirus in Trinidad and Tobago

I. Executing Agency Fiduciary Context

1. Use of Country System in the Project

Budget	<input checked="" type="checkbox"/>	Reporting	<input type="checkbox"/>	Information System	<input type="checkbox"/>	National Competitive Bidding (NCB)	<input type="checkbox"/>
Treasury	<input checked="" type="checkbox"/>	Internal Audit	<input checked="" type="checkbox"/>	Price Comparison	<input type="checkbox"/>	Advanced NCB	<input type="checkbox"/>
Accounting	<input type="checkbox"/>	External Control	<input checked="" type="checkbox"/>	Individual Consultancy	<input type="checkbox"/>	Consultancy Firm	<input type="checkbox"/>

Applicable National Laws:

- The Constitution of the Republic of Trinidad and Tobago Chapter 1:01;
- The Exchequer and Audit Act, Chapter 69:01;
- The Financial Regulations;
- The Financial Instructions 1965.

2. Fiduciary Capacity of the Executing Agency

The Project will be coordinated and implemented by the Ministry of Social Development and Family Services (MSDFS). The evaluation of the fiduciary capacity¹ of the Executing Agency is Medium. An institutional capacity assessment of the MSDFS was conducted in June 2020 using the PACI methodology complemented by an interview with key staff of the Ministry. The assessment concluded a medium risk for financial management and procurement. Supervision and mitigation actions will be focused on efforts to strengthen the fiduciary capacity. The MSDFS uses a Social Services Client Management System, an automated system, for the administration and control of its subsidies programs hence increasing the capacity of the Ministry to execute the project. On implementation of the project, the Bank would be recognizing the investment with the transfer of resources to the Beneficiaries.

3. Fiduciary Risk and Mitigation Actions

Fiduciary Risk: High Medium Low

Risk	Risk Level	Mitigation Plan
Accounting System inadequate for Project accounting and reporting.	Medium	The executing agency will implement a system for the Project to facilitate the maintenance of the Project accounts in an adequate and timely manner.
Possible delays in the Fiduciary management of the Project due to the additional workload that incorporating this project entails and	Medium	The MSDFS will recruit a financial specialist for the Project and the Bank will provide training to designated personnel on Bank policies and procedures as it

Risk	Risk Level	Mitigation Plan
to the inexperience of MSDFS as an executing agency of Bank of Bank-financed loans.		relates to the financial management of the Project.

II. Aspects to be considered in the Special Conditions of the Contract

Conditions Prior to First Disbursement
<p>Exchange Rate: For purposes of accountability and justification of expenses to the Bank, the equivalent amount to be reported in the Project currency, shall be determined using the effective exchange rate on the payment date, without regard to the source of the financing used. The applicable rate of exchange shall be the Central Bank of Trinidad and Tobago's selling rate.</p>
<p>External Audit: The type of audited financial report selected for supervision of the project is the reasonable assurance report, audited by the Auditor General of Trinidad and Tobago or an eligible independent Audit firm. This report will be submitted to the Bank within 120 days after the end of each fiscal year, beginning with the fiscal year in which the first project expenditures are incurred. The final audited report will be submitted within 120 days after the last disbursement date of the loan. The audit's scope and related considerations will be governed by the Financial Management Guidelines (document OP-273-12) and the Guide for Financial Reports and Management of External Audit.</p>

III. Agreements and Requirements for Procurement Execution

Exceptions to the Procurement Policies: No exceptions to the Bank's Procurement Policies are foreseen.

Retroactive Financing and/or Advanced Procurement	<ul style="list-style-type: none"> ▪ Not applicable.
Expenses incurred prior to the term of the Modified Agreement	<ul style="list-style-type: none"> ▪ The use of the expense reimbursement method is anticipated for the purposes of the first disbursement request once the Amendatory Contract has entered into force and the disbursement of the redirected resources is declared eligible. Expenses incurred as of March 1, 2020 may be reimbursed to the Borrower/Executing Agency against the redirected resources of Bank financing, for the reimbursement of cash transfers in the form of Food Cards up to an amount of 7.262M (30% of the loan amount), provided that such expenses have been incurred following requirements substantially similar to those established in the loan contract.
Procurement Complementary Support	<ul style="list-style-type: none"> ▪ Not applicable.
Alternative Procurement Arrangements	<ul style="list-style-type: none"> ▪ Not applicable.
Projects with Financial Intermediaries	<ul style="list-style-type: none"> ▪ Not applicable.
Procurement Agents	<ul style="list-style-type: none"> ▪ Not applicable.

Direct Contracting	▪ None.
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<p>Operational Expenses: <input checked="" type="checkbox"/></p> <p>All operating support expenses required for the implementation of the Program will be funded by Government, except for the remuneration of the Project Implementation Unit's members which will be funded by the Bank.</p>	<p>National Preference: <input type="checkbox"/></p> <p>Not applicable.</p>
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<p>General procurement supervision method of the Project: The procurement of works, goods, and non-consulting services is not expected; however, should it take place, all procurement processes will undergo ex-ante review.</p> <p>Consultants will likely be contracted using the following supervision method:</p>	
Supervision Method: Ex-ante.	For: Consulting firms and individual consultants.

Thresholds by Country: www.iadb.org/procurement.

IV. Agreements and Requirements for Financial Management

Programmin g and Budget	<ul style="list-style-type: none"> ▪ The Ministry of Planning and Development (MPD) will liaise with the MSDFS and the MOF to facilitate the assignment of a Budget Line(s) in the National Budget to allow for drawdowns under the proposed loan. The Borrower has committed to allocate, for each fiscal year of Project execution, adequate fiscal space to guarantee the unfettered execution of the program.
Treasury and Disbursemen t Management	<ul style="list-style-type: none"> ▪ The MOF will establish special bank account, denominated in US Dollars at the Central Bank of Trinidad and Tobago for project resources including the Advance of Funds disbursed by the Bank to the MSDFS. ▪ Required resources from the Project's US Dollar Bank Account will be transferred to another account, at the Central Bank, denominated in Trinidad and Tobago Dollars to be utilized for payment of expenditures in local currency. ▪ The financial plan will serve as the basis for the disbursement of funds to the EA to meet liquidity needs as justified in the project's operational instruments. ▪ The main disbursement methodology will be 1) Reimbursement to Borrower of Payments Made, and 2) the Advance of Funds based on a 6-month cash flow needs. ▪ Percentage for justification of expenditure will be 80% of outstanding balances pending justification. <p>Funds Flow for Payments under the Food Support Program of the Project:</p> <ul style="list-style-type: none"> ▪ The Ministry of Finance will support the MSDFS by facilitating payments related Food Support Program under the project. This is desired since the Food Support Program is already ongoing and the MSDFS already has an arrangement in place with the MOF to make payments. MOF already has the payment infrastructure in place. ▪ MSDFS prepares and signs off on a recommendation/instruction for payment or equivalent that i) includes a listing of the beneficiaries and related amounts

	<p>for food cards for a the specified (stated) period, and 2) requisite MSDFS internal approvals.</p> <ul style="list-style-type: none"> ▪ The funds will be advanced from the Special account of the project to the MOF based on the amount in the instructions for payment from MSDFS. ▪ MOF will then make the payment to First Citizens Bank for onward payment to Beneficiaries. Payments to Beneficiaries are done via a First Citizens Bank issued Food card/ Bank card to the amount instructed by MOF. ▪ MOF sends the supporting proof of payments to MSDFS, along with a reconciliation of amount it received (advanced) versus spent. ▪ MSDFS uses the information received from Ministry of Finance as input to the justification of the Advance of funds to the Bank and for accounting/ financial reporting.
Accounting, Information System and Report Generation	<ul style="list-style-type: none"> ▪ MSDFS will be responsible for the financial management of the Project. ▪ Accounting and reporting for the project will be facilitated using payment reports generated from the Social Services Client Management System. ▪ Project accounting will be completed under the modified cash basis, in accordance with International Public-Sector Accounting Standards (IPSAS) and the Financial Management Guidelines for IDB-financed Projects (OP-273-12). ▪ The accounting and reporting system of the project will facilitate the recording and classification of all financial transactions.
External Control	<ul style="list-style-type: none"> ▪ For each fiscal year during project execution, the MSDFS will be responsible for contracting the Auditor General of Trinidad and Tobago or an eligible independent Audit firm for the project with experience auditing transfer and subsidy programs. Due to the unique nature of this type of project, a reasonable assurance report will be required. The scope, procedures and Terms of Reference will be developed by the MSDFS and in consultation with the Bank.
Financial Supervision of the Project	<ul style="list-style-type: none"> ▪ Based on the medium-level financial management risk of this operation, supervision will include: (i) review of the bank reconciliation and supporting documentation for Advances, Justifications and Reimbursements of Expenses; (ii) compliance with procedures; and (iii) review of compliance with the lending criteria.

V. Information relevant to the operation

Policies and Guides applicable to the operation:

Financial Management	Procurement
<ul style="list-style-type: none"> ▪ <u>GN-2811 [OP-273-12]</u> 	<ul style="list-style-type: none"> ▪ <u>GN-2349-15</u> ▪ <u>GN-2350-15</u>

Records and files

It has been agreed that the MSDFS shall maintain the files and records of the Project according to accepted best practices and that these will be kept for up to three years beyond the end of the operation's Last Disbursement Date. The Bank may, at any time, verify the standards of organization, control and security of the files.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/21

Trinidad and Tobago. ___/OC-TT. Reformulation Proposal. Support for Vulnerable Populations Affected by Coronavirus in Trinidad and Tobago. (Amendment to Loan Contracts 3022/OC-TT, 3112/OC-TT, 3473/OC-TT, and 3575/OC-TT)

The Board of Executive Directors

RESOLVES:

1. To approve the amendments contained in the Reformulation Proposal “Support for Vulnerable Populations Affected by Coronavirus in Trinidad and Tobago” (the “Program”), as described in document PR-____, and to authorize that the undisbursed and uncommitted amounts of Loans 3022/OC-TT, 3112/OC-TT, 3473/OC-TT, and 3575/OC-TT be used to finance the activities of the Program, in accordance with the terms and conditions established in the aforementioned document.

2. To authorize the President of the Bank, or such representative as he shall designate, in the name and on behalf of the Bank, to enter into such amendatory contract or contracts, or other documents, as may be necessary to implement the provisions established in paragraph 1 above.

(Adopted on _____ 2021)