

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	TRINIDAD AND TOBAGO/CCB - Caribbean Group
▪ TC Name:	Supporting Trade Facilitation Reforms in Trinidad and Tobago
▪ TC Number:	TT-T1162
▪ Team Leader/Members:	LUCENTI, KRISTA (INT/TIN) Team Leader; UMANA, MARIO ALBERTO (INT/TIN) Alternate Team Leader; VASCO HENAO OSCAR DARIO (INT/TIN); ESTEVES, YASMIN (INT/INT); MENDOZA BENAVENTE, HORACIO (LEG/SGO); AGOSTINI, DORRI MICHELLE (CCB/CTT); CONNEARN DIAZ MARIA FLAVIA (INT/TIN)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Trade facilitation and promotion for export diversification in Trinidad and Tobago - TT-L1068
▪ Date of TC Abstract:	20 Feb 2024
▪ Beneficiary:	Ministry of Trade and Industry
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$250,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INT/TIN - Trade & Investment
▪ Unit of Disbursement Responsibility:	CCB/CTT - Ctry Off Trinidad & Tobago
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation; Economic integration; Institutional capacity and rule of law; None

II. Objective and Justification

- 2.1 The objective of this non-reimbursable Technical Cooperation (TC) is to support the successful preparation and implementation of a new loan program TT-L1068 Trade facilitation and promotion for export diversification in Trinidad and Tobago. The loan's objective is to support TT export diversification through the strengthening of its trade digital infrastructure and other trade facilitation measures, and the broadening of its export promotion initiatives.
- 2.2 The government of TT has been making significant strides in improving trade facilitation (catalyzed by the implementation of digital solutions) and export promotion. Yet these efforts require additional support when approaching complex challenges such as export concentration which can dampen economic growth. Through diversification, investment risks are spread over a larger economic sector base which can increase income and improve efficiency of factors of production. Companies in TT are operating below their export potential as they face higher trade costs and limited access to a broad set of foreign markets. Firms – and in particular small- and medium-sized enterprises (SMEs) – face challenges from gaps in the digital infrastructure for trade, from a highly concentrated domestic market prone to abuse of dominance and collusion, as well as from a lack of robust export promotion activities.

III. Description of Activities and Outputs

- 3.1 **Component I: Technical studies to support the improvement of trade facilitation and promote insertion of SMEs in regional and global value chains.** To ensure that activities of the loan can be achieved efficiently and effectively. It will finance: (i) technical studies to ensure the feasibility of integrating the various trade and logistics systems through the Port Community System; (ii) a review of the legislation and policies for the technical and institutional operationalization of the PCS; (iii) studies for the feasibility of the SME digital marketplace; (iv) Time Release Study to prepare baseline data for measuring results.
- 3.2 **Component II: Development of preparative and operative instruments.** This component will finance support for the preparation of the technical annexes and program execution documents. These include the economic analysis, the DEM, the monitoring and evaluation framework, Program Operating Manual (POM), the PEP and the institutional assessment (PACI). The expected outputs of this component are those related to the documents mentioned above. The expected result is a robust loan design and execution framework.
- 3.3 **Component III: Technical Coordination.** The main purpose of the technical coordination component is to create a coordination point within the Bank to oversee and monitor all activities undertaken as part of this TC. In this context, the technical coordinator will coordinate the production of status reports, communication with all relevant stakeholders, logistical and content-related organization for any necessary meetings and supporting research for Components I and II.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Technical studies to support the improvement of trade facilitation and promote insertion of SMEs in regional and global value chains	US\$180,000.00	US\$0.00	US\$180,000.00
Development of preparative and operative instruments	US\$40,000.00	US\$0.00	US\$40,000.00
Technical Coordination	US\$30,000.00	US\$0.00	US\$30,000.00
Total	US\$250,000.00	US\$0.00	US\$250,000.00

V. Executing Agency and Execution Structure

- 5.1 The Bank shall be the Executing Agency (EA), through the Trade and Investment Division (INT/TIN) of the Integration and Trade Sector (INT/INT).
- 5.2 The justification for this execution structure is: (i) the Bank has the technical specialized experience and technical, operational and institutional capacity to duly and timely design, coordinate and execute the activities included in the TC; (ii) the TC will need an extensive coordination with different ministries, institutions and organizations within Trinidad and Tobago; and (iii) the beneficiary requested the Bank to be the executor given the technical difficulties related to the project. Furthermore, the Bank is experienced in working with international entities and networks to execute activities of this nature and can ensure the sustainability of the implementation of the project in line

with the Operational Guidelines for Technical Cooperation Products (GN-2629-1) and Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4 Annex II, C 2.2). The counterpart for this TC is the Ministry of Trade and Industry (MTI) and the main stakeholders include MTI and the various agencies involved in trade and investment promotion.

VI. Project Risks and Issues

- 6.1 There are no perceived risks to execution, except the preparation timeline for the Time Release Study which does not depend on the Bank or MTI, but rather the World Customs Organization and Customs.

VII. Environmental and Social Aspects

- 7.1 This TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).