

## Technical Cooperation Document

### I. Basic Information for TC

▪ Country/Region:	TRINIDAD AND TOBAGO
▪ 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; Mendoza Benavente, Horacio (LEG/SGO); Agostini, Dorri Michelle (CCB/CTT); Chaitram Samantha Selina Sobrina (INT/TIN); Vasco Henao Oscar Dario (INT/TIN); Connearn Diaz Maria Flavia (INT/TIN); Esteves, Yasmin (INT/INT)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	TT-L1068
▪ Date of TC Abstract authorization:	20 Feb 2024
▪ Beneficiary:	Ministry of Trade and Industry
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Integration(W2D)
▪ IDB Funding Requested:	US\$250,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	May 1, 2024
▪ Types of consultants:	Consulting Firms and Individual Consultants
▪ 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 IDB Group Institutional Strategy 2024-2030: Transforming for Scale and Impact.	Economic integration; Institutional capacity and rule of law; Productivity and innovation through the private sector

### II. Description of the Associated Loan

- 2.1 On March 5, 2024, the loan TT-L1068 “**Trade facilitation and promotion for export diversification in Trinidad and Tobago**” became eligible for disbursement and is scheduled for Board approval on July 31, 2024. The program will improve trade performance and promote export diversification. The specific objectives are to (i) reduce the time and cost of trade processes for imports and exports at ports of entry; (ii) increase traceability of cargo at ports of entry; and (ii) strengthen support services for firms in the non-energy sector. The loan amount is US\$ 20 million and is aligned with the Country Strategy with Trinidad and Tobago 2021-2025.

### III. Objectives and Justification of the TC

- 3.1 The objective of this non-reimbursable Technical Cooperation (TC) is to generate technical inputs that support the conditions necessary for the preparation, prompt execution and successful implementation of the operation. The TC will also ensure adequate supervision of the portfolio in Trinidad and Tobago.
- 3.2 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.<sup>1</sup> Through diversification, investment risks are spread over a larger economic sector base which can increase income and improve efficiency of factors of production.<sup>2,3,4</sup> Companies in Trinidad and Tobago are operating below their export potential<sup>5</sup> 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 limited set of export promotion activities.<sup>6</sup>
- 3.3 Technical inputs are required to close the gap in information on the current status quo of the time and cost of clearing goods at ports and airports in Trinidad and Tobago. No baseline exists, nor recommendations, that can help Customs and Excise to improve their processes and operations. In addition, there is a lack of information on the proposed sustainability of the Port Community System, financed under both TT-L1044 and TT-L1068. Finally, the portfolio in Trinidad and Tobago requires stronger monitoring by a specialized consultant. The Government of Trinidad and Tobago requested this assistance and for Bank execution.
- 3.4 The beneficiaries of this TC is the Ministry of Trade and Industry and Customs and Excise of Trinidad and Tobago.
- 3.5 **Strategic alignment.** This TC is consistent with the IDB Group Institutional Strategy 2024-2030: Transforming for Scale and Impact, aligned with: (i) Economic Integration, by enhancing digital trade infrastructure, increasing export markets for firms and lowering trade costs; (ii) Institutional capacity, rule of law and citizen security, by supporting the ecosystem for entrepreneurship, investment and private sector development; and (iii) Productive and innovation through the private sector, by facilitating trade and investment through assistance to local firms for increasing their competitiveness and realizing their export potential. This TC also aligns with trade facilitation and export promotion priorities in the Integration and Trade Sector Framework Document (GN-2715-11), as well as regional priorities of private sector engagement and food security highlighted by ONE Caribbean. There is further

---

<sup>1</sup> [Hesse, H. \(2008\).](#)

<sup>2</sup> [Sannasse, V, Boopendra S, and Lamport, M. \(2014\).](#) See also: Bahar (2016); Bida (2015); Hodey, Oduro, & Senadza (2015); Ivanov (2018). Higher income countries export a larger base of products.

<sup>3</sup> [Bruckner, M. \(2023\).](#)

<sup>4</sup> See Acemoglu and Zilibotti (1997); Romer (1990).

<sup>5</sup> According to [ITC's export potential map](#), TT's potential is \$3 billion, driven by traditional products, e.g. ammonia, methanol, urea. Non-energy sectors such as fruits and vegetables and other processed foods and snacks showed early potential.

<sup>6</sup> [Marcela Eslava et al \(2021\).](#)

alignment with the IDB Group Country Strategy with Trinidad and Tobago 2021-2025 (GN-3071), as it is supporting an operation that will develop a digital-friendly trade and investment climate and digital infrastructure to improve the business environment and the private sector's performance. It is also aligned with the National Development Strategy - Vision 2030 of TT, specifically with Strategic Initiative 3.1 improving service delivery through e-Government; and 2.1 strengthening entrepreneurship development system. Finally, this TC is aligned with priority area 4: Global and regional competitive integration of the Strategic Program for Development Financed with Ordinary Capital (GN-2819-14) in: (i) supporting the harmonization of policies and procedures for greater integration productive; (ii) strengthen the capacities of the Bank's borrowing member countries to participate in regional initiatives; and (iii) deepen knowledge on regional and global integration.

#### IV. Description of Components and Budget

- 4.1 **Component I: Technical studies to support the improvement of trade facilitation and promote insertion of SMEs in regional and global value chains (US\$170,000).** The aim of this component is to ensure that activities of the TT-L1068 loan program can be achieved efficiently and effectively. It will finance: (i) a Port Community System (PCS) integration and operationalization study which would include: conceptual design for the integration of various trade and logistics systems through the PCS; a review of the legislation and policies for the technical and institutional operationalization of the PCS; recommendations for the governance model and sustainability; (ii) technical support to the Executing Agency for implementation of the PCS; (iii) Time Release Study to prepare baseline data for measuring the results of the program. The expected **outputs** of this component are: 1 integration and operationalization study of the PCS; 1 consultancy to support the implementation of the PCS; 1 Time Release Study. The expected **result** is achieving a higher level of success in executing the TT-L1068 loan program activities.
- 4.2 **Component II: Technical and consultative workshops (US\$30,000).** This component will finance technical and consultative workshops related to the TT-L1068 loan activities, importantly, the Port Community System, the Time Release Study, and the SME Marketplace. The objective is to build and maintain consensus and ownership of the program, ensuring sustainability of investments. The beneficiaries will be all relevant actors in the trade community, both public and private, including *inter alia*, the Ministry of Trade and Industry, Customs and Excise, InvesTT, ExporTT, the Port of Port of Spain, the Port of Point Lisas, the Shipping Association of Trinidad and Tobago, the Chamber of Commerce. The expected **result** is greater consensus-building and ownership from all stakeholders in the project.
- 4.3 **Component III. Technical coordination (US\$50,000).** 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 and the lending operation TT-L1068. In this context, the technical coordinator will oversee the production of status reports, facilitate communication with all relevant stakeholders, manage logistical and content-related organization for essential meetings, and supportive research for Components I and II. The expected **result** is to bolster the monitoring of the TT-L1068 loan's execution.
- 4.4 **Budget.** The total estimated cost of the technical cooperation is US\$250,000 financed by OC SDP, Window 2 - Integration (W2D).

**Indicative Budget (US\$)**

<b>Activity/Component</b>	<b>Description</b>	<b>Financing (IDB/W2D)</b>
<b>Component 1:</b> Technical studies	Technical studies to support the activities to be implemented under the loan program	170,000
<b>Component 2:</b> Workshops	Technical and consultative workshops to ensure ownership and buy-in from all stakeholders, and to transfer knowledge of loan's activities.	30,000
<b>Component 3:</b> Technical Coordination	Management of activities and coordination with the various counterparts	50,000
<b>Total</b>		<b>250,000</b>

**V. Executing agency and execution structure**

- 5.1 At the request of the beneficiary country, and in accordance with Annex II of the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), the Bank shall be the Executing Agency (EA), through the Trade and Investment Division (INT/TIN) of the Integration and Trade Sector (INT/INT). 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.
- 5.2 The execution and disbursement period will be 24 months and the UDR will be the Country Office in Trinidad and Tobago (CCB/CTT). All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature; and (c) GN-2303-28 for logistics and other related services.

**VI. Major issues**

- 6.1 There are no perceived risks to execution, except the preparation timeline for the Time Release Study given that it is contingent on a collaboration between Customs and Excise of Trinidad and Tobago and the World Customs Organization. The Bank is not a participant or actor in the study but will provide a technical consultant to support. Nonetheless, the Bank will ensure close supervision and collaboration with all entities.

**VII. Exceptions to Bank policy**

- 7.1 There are no exceptions to Bank policy in this TC.

**VIII. Environmental and Social Aspects**

- 8.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

**Required Annexes:**

[Request from the Client\\_68514.pdf](#)

[Results Matrix\\_42920.pdf](#)

[Terms of Reference\\_9258.pdf](#)

[Procurement Plan\\_76360.pdf](#)