

TC Document

I. Basic Information for TC

▪ Country/Region:	TRINIDAD AND TOBAGO
▪ TC Name:	Support to Strengthen Fiscal Policy and Management in Trinidad and Tobago
▪ TC Number:	TT-T1173
▪ Team Leader/Members:	Harper, Leslie Elizabeth (IFD/FMM) Team Leader; Centeno Lappas, Monica Clara Angelica (LEG/SGO); Martinez Aguero, Rolando Antonio (IFD/FMM); Forero Perez Maria Alejandra (IFD/FMM); Brathwaite, Neeca N. (CCB/CTT); Benedettelli, Veronica (VPC/FMP) Team Leader; Alejos Marroquin, Luis Alejandro (IFD/FMM) Alternate Team Leader; Centeno Lappas, Monica Clara Angelica (LEG/SGO); Martinez Aguero, Rolando Antonio (IFD/FMM); Forero Perez Maria Alejandra (IFD/FMM); Brathwaite, Neeca N. (CCB/CTT); Llemphen Lopez, Zoila Cristina (IFD/FMM)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A.
▪ Date of TC Abstract authorization:	24 Feb 2025.
▪ Beneficiary:	Office of Procurement Regulation of Trinidad and Tobago
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Institutions(W2C)
▪ IDB Funding Requested:	US\$200,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months of disbursement which includes the execution period.
▪ Required start date:	20 Jun 2025.
▪ Types of consultants:	Individual consultants
▪ Prepared by Unit:	IFD/FMM-Fiscal Management Division
▪ Unit of Disbursement Responsibility:	CCB/CTT-Ctry Off Trinidad & Tobago
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes
▪ Alignment with the IDB Group Institutional Strategy: Transforming for Scale and Impact:	Institutional capacity and rule of law; Institutional capacity, rule of law, and citizen security; Public sector policy and management; Digital government

II. Objectives and Justification of the TC

- 2.1 **Objective.** The general objective of this Technical Cooperation is to strengthen the institutional capacity of the Office of Procurement Regulation of Trinidad and Tobago with a view to improve the quality of expenditures in the country.
- 2.2 Trinidad and Tobago faces fiscal challenges related to maintaining a sound, sustainable and resilient fiscal position, particularly in the wake of risks arising from external factors, such as energy price volatility and climate change. A key issue in this context is to manage the country's significant reliance on the energy sector, with its associated fiscal risks and the expected impact of the global energy transition, by increasing government revenues from the non-energy sector. For instance, while the fiscal balance is expected to deteriorate from -1.1 percent in FY2023 to -2.7 percent

of GDP in FY2024, and the primary balance is expected to fall from 1.8 percent to -0.1 percent of GDP, the non-energy primary balance is expected to remain high at -17.5 percent of non-energy GDP. In contrast, tax revenue declined from 12.8% to 11% of GDP between 2018 and 2023.

- 2.3 Trinidad and Tobago has attained an important milestone in building a modern and efficient public procurement system that is grounded in the core principles of good governance. The Public Procurement and Disposal of Public Property Act (PPDPPA) of 2015 and its amendments were fully proclaimed and took legal effect on April 26, 2023, providing an overarching legal instrument for public procurement. The suite of procurement regulations was also approved by Parliament in 2022, to support the PPDPPA as the secondary legal instrument under the Act. The introduction of these regulations, provided for a clear hierarchy in the suite of procurement documents comprising the PPDPPA, the Regulations and the Guidelines and Handbooks developed by the Office of Procurement Regulations (OPR). However, the magnitude of the changes imposed by the enactment of the law will require a significant investment in technology, institutional strengthening and system-wide reform of processes.
- 2.4 **Justification.** In Latin America and the Caribbean, the public sector plays a vital role as a purchaser of goods, services, and public works, accounting for approximately 4.7% of GDP. Consequently, public procurement has become a key focus for governments across the region as they seek to enhance the efficiency and effectiveness of public service delivery while ensuring expenditures align with national budgets.
- 2.5 Trinidad and Tobago's public procurement system plays a significant role in the country's economy, accounting for approximately 12% of GDP. However, various challenges, including outdated digital infrastructure, fragmented legal frameworks, and limited data-driven decision-making, hinder its efficiency, transparency, and regulatory oversight. To address these gaps, the proposed technical assistance program will focus on three key components: strengthening database development and management, enhancing legal and regulatory frameworks, and improving research and data collection. The redevelopment of the procurement depository will create a more functional and transparent system while ensuring compliance with national laws. Additionally, streamlining procurement documentation will simplify processes and improve accessibility for procurement officers, leading to greater efficiency in public service delivery.
- 2.6 In parallel, the initiative will prioritize evidence-based procurement reforms by establishing baseline indicators and conducting sectoral analyses, particularly focusing on the construction industry and predictive analytics training. This approach will support better procurement planning and market efficiency while aligning with international best practices. Given Trinidad and Tobago's economic landscape, strengthening institutional capabilities will contribute to long-term sustainability, cost savings, and increased competitiveness. The expected results include improved fiscal management, reduced procurement costs, and greater opportunities for small businesses, ultimately enhancing governance and public trust.
- 2.7 This TC will bridge the identified gaps by equipping the country with the necessary tools and capabilities to establish a modern and sustainable procurement system. Aligning with international standards is expected to yield both immediate and long-term advantages, including cost reductions in purchases—both in terms of purchase

price and transaction costs—that could conservatively range between 5% and 10% of overall expenditure.¹

- 2.8 **Beneficiaries.** The beneficiary of this Technical Cooperation (TC) is Office of Procurement Regulation of Trinidad and Tobago. The TC seeks to strengthen the institutional capacity of the Office of Procurement Regulation of Trinidad and Tobago with a view to improve the quality of expenditures in the country.
- 2.9 **Contribution to the IDB's operational program.** By strengthening public procurement in the country, the TC will complement the programs related to public sector reform and modernization as well as digitalization currently under execution, including: Program to Accelerate the Digital Transformation Agenda (5841/OC-TT); Program to support public procurement (ATN/OC-20976-TT); Organizational and Technological Innovation of Public Investment in Trinidad and Tobago (ATN/OC-20443-TT); Securing the Digital Transformation of Trinidad and Tobago (ATN/JF-20080-TT). In addition, it will complement the regional TC program Integrating Climate Action into Public Procurement in the Caribbean (ATN/FC-20408-RG).
- 2.10 **Strategic Alignment.** The TC is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (GN-3159-12) and is aligned with the objective of reducing poverty and inequality. It will do so by improving public procurement, which is critical for ensuring the quality of the country's public goods and access to services which are essential for addressing poverty and inequality. The TC also aligns with the operational focus area of Institutional Capacity, Rule of Law and Citizen Security, by supporting actions related to strengthening public management and the digital transformation of the public sector. It will also contribute to the Strategy for Strengthening and use of Country Systems (GN-2538-31) with regards to the cross-cutting issues in terms of helping countries close gaps with international standards and adopt best practices. Finally, it is consistent with the Sectoral Framework Document for Fiscal Policy and Management (GN-2831-13) promoting medium-term fiscal sustainability through improvements to public procurement.
- 2.11 **Country Strategy.** The TC is aligned with the IDB Group Country Strategy with Trinidad and Tobago 2021-2025 (GN-3071), specifically with regards to the fostering of fiscal sustainability and a more efficient public sector and the strengthening of national systems.
- 2.12 Finally, the program is in line with the objectives and activities of the priority area of "Effective, Efficient and Transparent Institutions" of the Strategic Program for Development Financed with Ordinary Capital (GN-2819-14), which has the following expected results: (i) strengthen the quality of institutions and policies as well as the provision of services and implementation of policies, to improve public management; and ii) leverage digital transformation to promote more effective, efficient and transparent governments, better and more equitable opportunities for citizens, and more productive and innovative companies.

III. Description of activities/components and budget

- 3.1 **Component 1: Strengthening of procurement depository (US\$80,000).** This component will support the re-development of the procurement Depository to provide

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

for greater functionality, transparency and regulatory oversight, enhanced user experience and adoption, improved efficiency in contract reporting and reduced business continuity risks. The design and capacity of the new Depository will be fully aligned with the requirements of the Act. The activities that will be financed include a new system design, system development, testing, knowledge transfer and system documentation and support following launch of the system for resolving technical errors.

- 3.2 **Component 2: Consolidation of procurement documents (US\$80,000).** This component will support the review, harmonization, and integration of various existing procurement-related materials into consolidated, streamlined documents that align with the legislative framework and international best practices. Any documentation required to address gaps in existing resources will be identified. These documents will ensure standardization of language, definitions, and procedural guidance, and provide clear step-by-step workflows. Procurement officers will be able to reference consolidated documents that are clear, user-friendly, and supported by applicable procedural forms, templates, and model contracts, thereby enhancing efficiency in the conduct of procurement proceedings. The activity that will be financed will be the development of a comprehensive, consolidated package of streamlined documents.
- 3.3 **Component 3: Research and analysis for the implementation of the new regulatory framework (US\$40,000).** This component will support the development of research and analysis required for the implementation of the new regulatory framework. This component will support the OPR to develop baseline information and intelligence on the size, sectoral content and composition of public procurement at the national, sectoral and public body levels. It will involve research, data collection and analysis on the value of procurement spent by sector, public body and type of goods, works and services. The activities that will be financed include research, data collection and analysis on the value of procurement spent by sector, public body and type of goods, works and services, development of a baseline indicator set, an in-depth analysis of the market structure, capacity and dynamics of the construction sector and a training program on predictive analysis.
- 3.4 **Indicative Budget.** The total cost of the TC is US\$200,000, which will be financed entirely by the Bank through the Ordinary Capital Strategic Development Program (OCSDP), Window 2, Priority Area 3: Effective, Efficient and Transparent Institutions (W2C). No local counterpart contribution is expected. No additional costs are expected to be generated in the transaction budget of the Country Office for supervision. This TC will be executed in a period of 36 months, which includes the execution period..

Table 1. Indicative Budget (US\$)

Activity/ Component	Description	IDB/W2C	Total Funding
Component 1. Strengthening of procurement depository.	Support the re-development of the procurement Depository to provide for greater functionality, transparency and regulatory oversight, enhanced user experience and adoption, improved efficiency in contract reporting and reduced business continuity risks	US\$80,000	US\$80,000
Component 2. Consolidation of procurement documents	Support the review, harmonization, and integration of various existing procurement-related materials into consolidated, streamlined documents that align with the legislative framework and international best practices	US\$80,000	US\$80,000

Component 3. Research and analysis for the implementation of the new regulatory framework	Support the development of research and analysis required for the implementation of the new regulatory framework	US\$40,000	US\$40,000
Total		US\$200,000	US\$200,000

3.5 **Supervision, monitoring, and evaluation.** The project team leader of IFD/FMM will be responsible for supervising, monitoring and for the financial execution of the operation. A project completion report will be prepared summarizing the activities carried out and the achievement of the expected results. This report will be shared through the Convergence system. The project team leader will closely coordinate the activities of this TC with the country office during the execution.

IV. Executing agency and execution structure

4.1 **Executing agency.** The Bank will be the executing agency through IFD/FMM at the request of the beneficiary country, in accordance with the Bank's Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of TC Operations (OP-619-4). The Ministry of Planning and Development requesting that the Bank execute the program given the Bank's highly specialized technical knowledge and experience implementing similar programs in the topic in the region.

4.2 **Structure.** The technical and fiduciary responsibility of this TC will be led by the team leader, who will coordinate closely with the OPR.

4.3 **Procurement.** All procurement activities to be executed under this TC have been included in the Procurement Plan (Annex IV) and will be contracted in compliance with applicable Bank policies and regulations, as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650); and (b) Contracting of services provided by consulting firms in accordance with the Corporate Procurement Policy (GN-2303-33) and its guidelines.

4.4 **Intellectual Property.** The knowledge products generated within the framework of this TC will be the property of the Bank and may be made available to the public under a Creative Commons license, in accordance with the Procedures for the Publication of Knowledge Products (AM-331). However, at the beneficiary's request, the intellectual property of said products may also be licensed to the beneficiary through specific contractual commitments that will be prepared with the advice of the Bank's Legal area.

4.5 If it becomes necessary for the Bank to receive, manage, or use information that may contain personal data or sensitive information due to activities financed by the TC, the Data Privacy team must be consulted to ensure compliance with the Bank's Personal Data Privacy Policy (GN-3030).

V. Major issues

5.1 The main risk of the TC achieving its objective is that the country would not have the capacity to carry out the activities of this TC given the multiple demands on the OPR. This will be mitigated by the Bank executing the program as well as providing continuous technical support on behalf of the project team. In addition, Trinidad and Tobago participates in the regional program to support public procurement in the Caribbean (ATN/FC-20408-RG). This program facilitates south-south collaboration

among the countries, which will enable Trinidad and Tobago to have the support of other Caribbean countries in their modernization process. Finally, this TC includes capacity building activities. Integrity clauses and special intellectual property agreements that need to be included in TC agreement, if any, should be specified.

VI. Exceptions to Bank policy

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

VII. Environmental and Social Aspects

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

Required Annexes:

[Request from the Client_75046.pdf](#)

[Results Matrix_44802.pdf](#)

[Terms of Reference_39309.pdf](#)

[Procurement Plan_41983.pdf](#)