To: The Board of Executive Directors
From: The Secretary
Subject: IDB country strategy with Trinidad and Tobago (2004–2007). Report of the Chairman of the Programming Committee of the Board of Executive Directors

Inquiries to: Mr. Michel Planque (extension 3875)
Remarks: A Spanish translation of this document will be distributed shortly.

Reference: GN-2335(9/04)
The Programming Committee of the Board met on November 1, 2004 to discuss the IDB Country Strategy with Trinidad and Tobago. Directors expressed their satisfaction with the proposed country strategy and praised Management for the thorough work done. However, several Directors did regretted the long period of time, which had lapsed since consideration of the CPE and OVE’s recommendations.

Comments and questions during the discussion centered on the following points:

1. Performance indicators. A number of Directors recognized Management’s efforts to identify measurable performance indicators. Nevertheless, they would have preferred more quantitative indicators.

2. High lending scenario. Several Directors underlined that the triggers for the high lending scenario should have been more precise.

3. Diversification of the economic base. Several Directors underlined the need to diversify the economic base of the country, away from dependency on the energy sector. Management noted that, while Trinidad and Tobago had been successful in terms of backward and forward linkages around the energy sector, there is potential to further explore the energy sector, as well as the non-energy sector, thorough efforts of the PRI, IIC, and MIF.

4. Private Sector pipeline. Several Directors expressed concern with the lack of specific pipelines for PRI and IIC, particularly since private sector development is one of the main pillars of the strategy. Management responded by indicating that PRI is monitoring infrastructure projects in telecommunications, port infrastructure and distribution of gas, but that individual opportunities have not reached the financing stage and therefore have not been included in the pipeline. Regarding the IIC, Management indicated that Trinidad and Tobago has the potential to become a major value-added producer and service provider in the Caribbean region.

5. Public Sector Capacity: Several Directors emphasized the importance of strengthening the institutional capacity of the public sector to implement programs. Management mentioned the renewed commitment of the Government, as well as several initiatives taken by the Bank in the last two years that have improved portfolio performance. Furthermore, Management indicated that more improvement is expected in 2005.
(6) Poverty. Management stated that although Trinidad is likely to meet the Millennium Development Goals by 2015, it is still affected by pockets of poverty that need to be addressed. Management explained that poverty statistics were inadequate and that the Bank was focusing on strengthening the statistical base.

(7) OVE Recommendations. OVE stated that all recommendations outlined in the 2001 country program evaluation had been covered adequately in the proposed country strategy.

In my capacity as Chairman of the Programming Committee, I recommend that the Board approve the IDB Country Strategy with Trinidad and Tobago (document GN-2335).