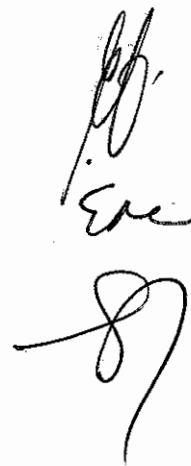


Final

Trinidad and Tobago - European Community

**Country Strategy Paper
and
National Indicative Programme**

2008 - 2013

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The Government of Trinidad and Tobago and the European Commission hereby agree as follows:

- (1) The Government of Trinidad and Tobago, represented by the Senator the Honourable Dr. Emily Gaynor Dick-Forde, Minister in the Ministry of Planning, Housing and the Environment and Mrs Esmé Rawlins-Charles, Permanent Secretary and NAO in the Ministry of Planning, Housing and the Environment and the European Commission, represented by Mr. Stylianos Christopoulos, Minister-Counsellor and Chargé d' Affaires a.i., hereinafter referred to as the Parties, held discussions in Port of Spain from September 2006 to March 2008 with a view to determining the general orientations for cooperation for the period 2008 –2013.

During these discussions, the Country Strategy Paper and an Indicative Programme of Community Aid in favour of Trinidad and Tobago were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000 as revised in Luxembourg on 25 June 2005. These discussions complete the programming process in Trinidad and Tobago.

The Country Strategy Paper and the Indicative Programme are annexed to the present document.

- (2) As regards the indicative programmable financial resources which the Community envisages to make available to Trinidad and Tobago for the period 2008-2013, an amount of €25.5 million is foreseen for the allocation referred to in Article 3.2(a) of Annex IV of the ACP-EC Partnership Agreement (A-allocation) and of € 0.4 million for the allocation referred to in Article 3.2 (b) (B-allocation). These allocations are not entitlements and may be revised by the Community, following the completion of mid-term and end-of-term reviews, in accordance with Article 5.7 of Annex IV of the ACP-EC Partnership Agreement.
- (3) The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects in support of the focal or non-focal areas of Community Assistance. The Indicative Programme under Part 2 concerns the resources of the A-allocation. It also takes into consideration financing from which Trinidad and Tobago benefits or could benefit under other Community resources. It does not pre-empt financing decisions by the Commission.
- (4) The B-allocation is destined to cover unforeseen needs such as emergency assistance where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate adverse effects of instability in export earnings. The B-allocation shall be triggered according to specific mechanisms and procedures and therefore does not yet constitute a part of the Indicative Programme.
- (5) Resources can be committed within the framework of the present Country Strategy Paper and Indicative Programme upon the entry into force of the 10th EDF multi-annual financial framework for the period 2008-2013 of the revised ACP-EC Partnership, but not before 1 January 2008. Financing decisions for projects and programmes can be taken by the Commission at the request of the Government of Trinidad and Tobago within the limits of the A- and B-allocations referred to in this document. Financing decisions can also be taken on the basis of

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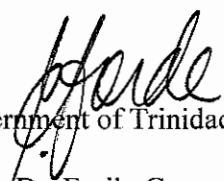
taken and implemented according to the rules and procedures laid down in the EC Council regulations on the implementation of the 10th EDF and on the financial regulation applicable to the 10th EDF and in Annex IV to the ACP-EC Partnership Agreement.

- (6) The European Investment Bank may contribute to the implementation of the present Country Strategy Paper by operations financed from the Investment Facility and/or from its own resources, in accordance with Paragraphs 2(c) and 3 of Annex Ib to the ACP-EC Partnership Agreement regarding the 10th EDF multi-annual financial framework for the period 2008-2013.
- (7) In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the National Authorising Officer and the Head of Delegation shall annually undertake an operational review of the Indicative Programme and undertake a mid-term review and an end-of-term review of the Country Strategy Paper and the Indicative Programme in the light of current needs and performance.


The mid-term review shall be undertaken in 2010 and the end-of-term review in 2012. Following the completion of the mid- and end-of-term reviews, the Community may revise the resource allocation in light of current needs and performance. Without prejudice to Article 5.7 of Annex IV concerning reviews, the allocations may be increased according to Article 3(5) of Annex IV in order to take account of special needs or exceptional performance.

- (8) The agreement of the two parties on this Country Strategy Paper and the National Indicative Programme, subject to the ratification and entry into force of the revised ACP-EC Partnership Agreement and the 10th EDF multi-annual financial framework of for the period 2008-2013, will be regarded as definitive within eight weeks of the date of the signature, unless either party communicates the contrary before the end of this period.

Port of Spain, 4 December 2008

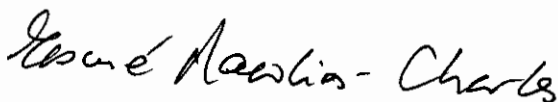

For the Government of Trinidad and Tobago

Sen. the Hon. Dr. Emily Gaynor Dick-Forde
Minister in the Ministry of Planning, Housing
and the Environment



For the European Commission

Mr. Stylianos Christopoulos
Minister-Counsellor and
Chargé d' Affaires a.i.



For the Government of Trinidad and Tobago

Mrs. Esmé Rawlins-Charles
Permanent Secretary/National Authorising Officer
Ministry of Planning, Housing and the Environment

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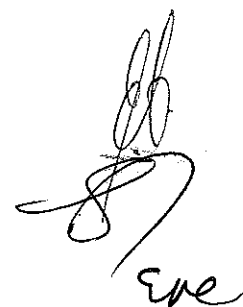
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ABBREVIATIONS

ACP	Africa, Caribbean and Pacific
ACS	Association of Caribbean States
BTWC	Biological and Toxins Weapons Convention
CBSL	Caribbean Business Services Ltd
CCJ	Caribbean Court of Justice
CDB	Caribbean Development Bank
CDE	Centre for the Development of Enterprises
CDERA	Caribbean Disaster Emergency
COP	Congress of the People
COSTAATT	College of Science Technology and Applied Arts of TT
CSME	Caribbean Single Market Economy
CSP	Country Strategy Paper
EC	European Commission
ECLAC	Economic Commission for Latin America & the Caribbean
EDF	European Development Fund
EIB	European Investment Bank
EITI	Extractive Industries Transparency Initiative
EPA	Economic Partnership Agreement
EU	European Union
EU-LAC	European Union – Latin America/Caribbean
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
HDI	Human Development Index
IDB	Inter-American Development Bank
ICT	Information and Communication Technologies
ILO	International Labour Organisation
IMF	International Monetary Fund
IPR	Intellectual Property Rights
LNG	Liquid Natural Gas
MDGs	Millennium Development Goals
MFA	Ministry of Foreign Affairs
NAO	National Authorising Officer
NGOs	Non-Governmental Organisations
NIP	National Indicative Programme
NSAs	Non-State Actors
NTBT	Nuclear Test Ban Treaty
OAS	Organisation of American States
OCTs	Overseas Countries and Territories
OSHA	Occupational Safety and Health Administration
PFM	Public Finance Management
PNM	People's National Movement
SME	Small and Medium-Sized Enterprises
TRIPS	Trade Related aspects of Intellectual Property Rights
UNC	United National Congress
UN-HDR	United Nations Human Development Report
UNDP	United Nations Development Programme
UTT	University of Trinidad and Tobago
UWI	University of the West Indies
WB	World Bank
WTO	World Trade Organisation



Summary

Trinidad and Tobago (T&T) is a twin island republic with a population of 1.3 million. Most of its citizens can trace their ancestry to Africa and India, with smaller percentages of the population who are descendants of Amerindians, Latin Americans, Chinese, Middle Easterners and Europeans.

GDP per capita is USD 12,182 (UN-HDR 2006) and the country ranks 57th on the HDI (2004) index. The economy is driven by natural gas and petro-chemical exports but there are well-developed industrial and financial sectors. T&T is a middle-income state, but social indicators lag behind economic growth and there are substantial pockets of poverty.

Political situation: T&T is a stable parliamentary democracy headed by a titular President who is elected by Parliament. Although it is a unitary state, the smaller island of Tobago has a measure of autonomy under the 'Tobago House of Assembly Act'. The (PNM) government has a parliamentary majority. Civil rights are respected and corruption is prosecuted.

Socio-economic situation: The LNG and petro-chemical sectors account for 40 percent of GDP, 90 percent of exports, and 60 percent of government revenue in 2006 but gas reserves are forecasted to decline rapidly in 15-20 years. The economy has shown growth for over a decade and grew by 12 percent in 2006. Inflation is moderate but rising, and unemployment (6.2 percent and falling) is relatively low but economic restructuring, especially in primary agriculture (sugar) poses major social challenges. There is a serious and rising problem of income differentials and persistent levels of structural poverty (estimated at 17 percent).

Adult literacy is 98.5 percent (although functional literacy is lower), there is near universal secondary education and increasingly good access to tertiary. Ninety (90) percent of the population has access to safe drinking water (2000). Life expectancy is 70 years. Violent crime levels are very high.

The 9th EDF bilateral allocation was €17m (A) plus €0.9m (B); substantial unused funds from previous EDFs were added to the A budget. The two major 9th EDF programmes are Post Secondary Education (€ 27.3 m.) and HIV/AIDS (€ 7.1 m). There are several ongoing 8th EDF projects (e.g. Poverty Reduction Programme and CBSL) and two major regional projects (Medlabs and Regional Weather Radar).

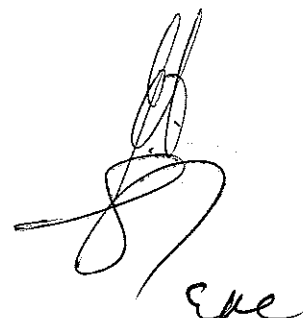
10th EDF programming is consistent with and supportive of T&T's 'Vision 2020 National Strategic Plan' to use the country's large but finite energy resources to achieve 'developed country status' within 20 years. This will require the upgrading of physical and social infrastructure and the rapid expansion of a modern non-energy sector to reduce T&T's dependency on energy-related activity.

The 10th EDF CSP proposes a budget support package with socio-economic transition as the 'focal area', among other things through measures to:

- Support new knowledge-based sectors through enterprise-university cooperation (building on the 9th EDF tertiary education programme).
- Promote higher value-added, innovative and export-oriented activities by SMEs (building on the achievements of the 8th EDF CBSL programme).
- Promote the concept of an 'innovation culture' to develop and link risk capital, market-oriented R&D, and entrepreneurial skills.

The "non-focal" actions will support

- Good governance and administrative reforms linked to the achievement of broad social and political '2020' objectives.



PART 1: STRATEGY PAPER

CHAPTER I: THE FRAMEWORK OF RELATIONS BETWEEN THE EUROPEAN UNION (EU) AND TRINIDAD & TOBAGO (T&T)

I.1.1. General objectives of the EC's external policy

In accordance with Article 177 of the Treaty establishing the European Community, Community policy in the sphere of development cooperation is designed to foster:

1. The sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
2. The smooth and gradual integration of developing countries into the world economy;
3. The campaign against poverty in the developing countries.

Europe should project a coherent role **as a global partner**, inspired by its core values in assuming regional responsibilities, promoting sustainable development, and contributing to civilian and strategic security

The European Union has developed a broad spectrum of external relations tools in the shape of the common trade policy, cooperation under bilateral and multilateral agreements, development cooperation, humanitarian aid and financial assistance as well as the external aspects of internal policies (energy, environment, transport, justice and home affairs, etc).

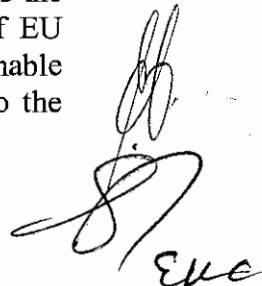
EU external action, including the common foreign and security policy, common trade policy and cooperation with third countries, provides a framework both for integrating all EU instruments and for developing gradually a set of common actions based on common positions in the broader sphere of political relations.

Enlargement has entrusted the EU with even greater responsibilities as a regional leader and global partner. It should therefore strengthen its capacity to promote human rights, democracy and the rule of law as well as its capacity to focus on the fight against poverty, both in its neighbourhood and through its multilateral and bilateral policies, which are mainly aimed at sustainable development and political stability. Thus, the EU will achieve genuine coherence between its domestic and its external agendas, contributing thereby to global security and prosperity.

I.1.2. Strategic objectives of cooperation with the partner country

The Treaty objectives are confirmed in Article 1 of the *ACP-EU Partnership Agreement*, signed in Cotonou on 23 June 2000 and revised in Luxembourg on 25 June 2005. The overarching objective of the *Cotonou Agreement* is to promote the development of a common strategic approach to poverty reduction, consistent with the objectives of sustainable development and the gradual integration of ACP countries into the world economy. Cooperation between the Community and Trinidad and Tobago will pursue these objectives, taking into account the fundamental principles set out in Article 2, in particular the encouragement of "ownership" of the strategy by the country and populations concerned, and the essential elements and fundamental element defined in Articles 9 and 11b of the Agreement.

While the Treaty and the Cotonou Agreement provide the legal basis for EC cooperation with ACP countries, the recently adopted *European Consensus on Development* sets the general policy framework at EU level. The primary and overarching objective of EU development policy is the eradication of poverty in the context of sustainable development, in line with the international agenda, and with particular attention to the



Eve

Millennium Development Goals (MDGs). Human rights and good governance are recognised as other important objectives.

Better aid effectiveness is essential to achieving poverty eradication. Therefore, the EU will advance coordination, harmonisation and alignment. It will promote better donor complementarity by working towards joint multi-annual programming based on partner country strategies and processes, common implementation mechanisms, joint donor-wide missions, and the use of co-financing arrangements. The EU will take a lead role in implementing the Paris Declaration commitments on improving aid delivery and will capitalise on new Member States' experience to strengthen their role as donors.

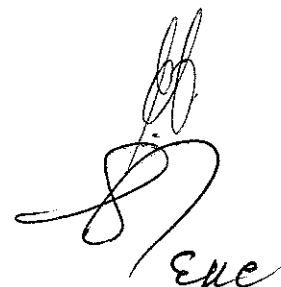
Policy coherence for development will advance in a number of areas. The aim is for all EU non-aid policies to make a positive contribution to developing countries' efforts to attain the MDGs.

The principle of concentration will guide the Community's country and regional programming. This means selecting a limited number of priority areas for action, through dialogue with partner countries, rather than spreading efforts over too many sectors. In this context, the Community will be primarily active in the following nine areas, taking into account its comparative advantages in a number of these: trade and regional integration; the environment and the sustainable management of natural resources; infrastructure, communications and transport; water and energy; rural development, territorial planning, agriculture and food security; governance, democracy, human rights and support for economic and institutional reforms; conflict prevention and fragile states; human development; and social cohesion and employment.

The mainstreaming approach will be strengthened for four cross-cutting issues: democracy, good governance, human rights, the rights of children and indigenous peoples; gender equality; environmental sustainability; and the fight against HIV/AIDS.

I.1.3 Main bilateral agreements (see Annex 8 for list provided by the MFA)

The main agreement governing relations between the EU and Trinidad and Tobago is the Cotonou Agreement (including the revisions of 2005), which T&T has ratified, and the bilateral 9th EDF-CSP which derives from it. T&T, as a member of CARICOM, is also fully associated with the current negotiations on a regional Caribbean EPA. In addition, there are many bilateral (e.g. investment) and multilateral (e.g. the UK- CARICOM Security Agreement) treaties and agreements between T&T and individual EU-MS.

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CHAPTER II: COUNTRY DIAGNOSIS

II.1. Analysis of the political, economic, social and environmental situation in T&T

II.1.1 Political and institutional situation

▪ The form of government

The twin island Republic of Trinidad and Tobago (T&T) is a stable parliamentary democracy headed by a titular President who is elected by Parliament. Although it is a unitary state, the smaller island of Tobago has a measure of autonomy under the 'Tobago House of Assembly Act'. T&T is a member of the U.N., the Commonwealth (see also section II.1.5), the OAS, and CARICOM.

The country's system of government comprises three independent arms —the Legislature, the Executive, and the Judiciary. Legislative power resides in a bicameral Parliament: a House of Representatives, which has 41 elected members as corresponds with the number of constituencies and a Senate with 31 members appointed by the President; sixteen of whom are appointed by the President acting in accordance with the advice of the Prime Minister and 16, with the advice of the Leader of Opposition. There is a parliamentary committee system with three Joint Select Committees (JSCs), a Public Accounts Committee (PAC), and a Public Accounts Enterprise Committee.

There are 14 Municipal Corporations and a *Draft White Paper on Local Government Reform* with emphasis on decentralisation of the Local Government system, and promotion of greater citizen participation in the affairs of Local Government has been published for public comment.

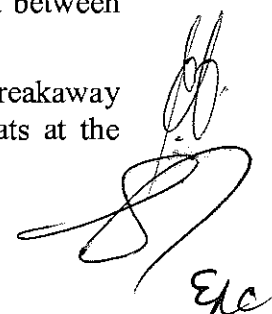
Executive authority lies with the Prime Minister and Cabinet (which is drawn from Parliament). The civil service is non-partisan and a Public Service Commission monitors all substantive appointments.

The Chief Justice heads the Judiciary and its independence is guaranteed in the Constitution. An independent Judicial and Legal Services Commission vets all judicial appointments. T&T is also a signatory to the Caribbean Court of Justice, which sits in the capital, Port of Spain.

▪ The results of past elections, and information about coming elections

General elections (last held in November 2007) must be held at least every 5 years. Local elections were due in 2006 but have been postponed. A number of political parties contest each election but two dominate the political landscape. The 2007 election was won by the ruling People's National Movement (PNM), which gained 26 of the 41 seats, a similar working majority to that achieved in their victory in the 2002 elections. The United National Congress (UNC), which had been in power during the period between 1995-2001, won the remaining 15 seats.

A new third party, the Congress of the People (COP) recently emerged from a breakaway faction of the UNC in alliance with other groups and despite winning no seats at the

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recent election they did receive 23 percent of the votes cast. It remains to be seen whether they will remain important to the current political arena or whether, like some third parties in the past that have done well, they will regress and leave T&T effectively as a two-party system. There is a deep and strong tradition of free and fair elections, politics are discussed widely and openly in a free media, and the democratic transfer of power is peaceful and routine. It should be noted that no T&T administration has served two full consecutive terms in office since 1981.

▪ **Social make-up**

Trinidad and Tobago is one of the world's most complex societies, as evidenced in its social make-up, its cuisine, its art (music, dance, and painting), its national festivals, and its language. Although most Trinidadians and Tobagonians trace their ancestry to Africa and India, a smaller but significant percentages of the population are descendants of Amerindians, Latin Americans, Chinese, Middle Easterners and Europeans. In addition, a substantial and growing part of the population is of mixed heritage. Individuals from all of the various ethnicities are politically active and well-represented across the political spectrum and all of the political parties court their support. However, the rising socio-economic gap between the top and bottom halves of the society is cause for concern and potentially destabilising as this division feeds alienation and violence, helps facilitate the rise of criminal gangs and anti-social behaviour, and undermines social cohesion.

▪ **Human rights**

Human rights are assured by the Constitution and are also broadly respected, although there have been serious concerns expressed at the levels of overcrowding in prisons and the numbers of shootings by police in the line of duty; in both cases the recent situation has improved in recent time. Although the death penalty is mandatory for murder (and a recent Privy Council ruling upheld that it is constitutional), there has been a *de facto* moratorium since 1999. T&T is the site of the Caribbean Centre for Human Rights, which receives some support from the EIDHR. T&T also has a robust human rights lobby.

▪ **Gender**

Women are well represented in Parliament with ten (10) female cabinet ministers along with a recently appointed female Attorney General. There are well-organised gender NGOs in T&T and the largest recently undertook a programme to train and promote women candidates to contest the next local elections. Women are also well-represented in the senior levels of the civil service and in important representational roles (several of T&T's senior ambassadors are women). However, violence against women, especially sexual violence against young women and girls, is present in the society.

▪ **Human trafficking and illegal migration/immigration**

Although there are large T&T immigrant communities in the UK and North America, there is no serious issue of **illegal** Trinidadian migration. However, there has been a modest flow of illegal immigrants (mainly Guyanese and illegal Chinese migrants entering from Suriname) transiting T&T. There is a serious problem of human trafficking in the region but recent US reports specifically exclude T&T from the list of countries involved. T&T does have its own illegal immigration problem, mainly illegal entrants from Guyana but also small numbers from West Africa. In addition, there is a steady stream of T&T nationals deported from the US and Canada following conviction, and who are reputedly one factor in the rapid rise in serious crime (see below).

▪ **Crime and security.**

Trinidad and Tobago is the lead country in CARICOM for regional security issues and

hosts the CARICOM Security Task Force renamed, the Implementing Agency for Crime and Security (IMPACS) and the Caribbean Financial Action Task Force. Like most islands of the Eastern Caribbean, T&T is a major transit route for Class A drugs (primarily cocaine but recently also heroin) originating from South America and destined for the US and Europe. The drugs trade and the associated increase in illegal guns are directly linked to the high and rising levels of serious crime; murders have tripled since 2000 to 386 in 2005 (30 per 100,000 p.a.) and T&T has one of the LAC region's highest per capita rates of kidnapping for ransom (although rates are falling).

'Integrity' legislation is in place to ensure that those in public office are subject to financial scrutiny, but economic crime and corruption are certainly perceived as serious problems in some sectors (T&T has seen a steady fall in its Transparency International rankings), although there has been frequent prosecution at the highest level. T&T is a signatory to key anti-corruption agreements, including the EITI and the UN's global compact. There is an assumption that money laundering remains a problem despite the existence of solid legislation and an active FIU to combat it.

Economic and violent crime, threats to security and drugs represent serious challenges to the country as it seeks to achieve 'developed country' status by 2020. T&T authorities cooperate closely with the US and others on the prosecution of cases with an international dimension and a large team of UK police personnel is in place to provide technical assistance.

II 1.2 Economic and commercial situation

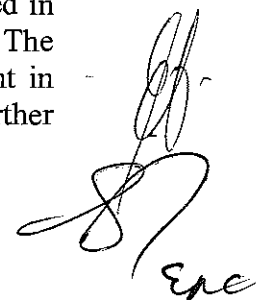
▪ Macro-economic performance

Trinidad and Tobago has the second highest per capita income in Latin America and the Caribbean and this wealth stems primarily from vast oil and gas reserves. The economic growth is driven largely by the natural gas and petro-chemical sectors which accounted for over 40 percent of GDP, about 90 percent of exports, and 60 percent of government revenue in 2006. There are also well developed industrial and financial sectors.

The economic performance continues to be underpinned by a favourable international environment. The economy has shown growth for over a decade and in 2006, real GDP grew about 12 percent and is estimated to move to 6 percent in 2007 as energy output stabilizes (IMF Article IV 2007 Consultation). In contrast, the non-energy sector recorded a less robust growth rate of 6 percent in 2006 supported by public infrastructure spending and rapid credit growth, which fuelled private spending. This sector is projected to increase by less than 8 percent, supported by strong expenditure in the construction and manufacturing sectors.

In 2006, the current account surplus stood at around 26 percent of GDP, the budget posted sizeable surpluses, and net public debt has fallen sharply. However, the current account surplus also inched downwards as demand for imported capital goods related to large-scale construction increased.

There is little immediate risk of serious financial instability, although there is concern that rising inflation and the size of the non-energy deficit, both of which were highlighted in 2005 and 2006 by the IMF and the T&T Central Bank are priorities for attention. The inflation rate is modest but rising, and unemployment is relatively low (6.2 percent in 2006) but the restructuring in the sugar industry poses major social risks. Of further

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concern is the gender divide, with female unemployment standing at over twice the rate of males. There is concern for the working poor for whom real wages remain dampened and have not kept pace with inflation.

The IMF (*ibid*) predicts that T&T's short-term outlook remains favourable but tighter macroeconomic policies are needed to control inflation. The medium-term projections, based on strong energy revenues and current macroeconomic policies, envisage robust economic growth, albeit at declining rates. Public Finance Management is deemed satisfactory. The EU-funded PFM study undertaken in May 2006, reported that although the budgetary systems are considered old-fashioned and there is no systematic public expenditure review (PER) or medium-term expenditure framework (MTEF) apart from the '2020' Operational Plan 2007-2010. (See Annex 11 for more details).

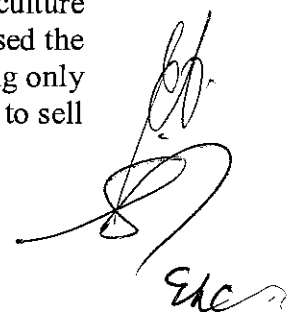
The EU considers that T&T's current strong economic position and financial management make for an ideal country for support via budget support. However, the government is aware that a 'satisfactory' PFM is only the starting point to assistance and more regular and detailed policy dialogue is needed to maintain eligibility for the proposed financing modality and make it a better success than the previous project approach. The government continues to deploy strengthened public finance management and sector policy monitoring to maintain surpluses and decrease public debt. An important development has been the establishment of the Heritage and Stabilisation Fund (HSF). The budgetary surplus, due to the build up of international reserves, was used to reduce the external debt to a comfortable level of 18 percent of GDP in 2006, and to cushion against expected falls in energy earnings.

▪ Trade

Following the discovery of substantial offshore gas reserves in the mid-1990s, T&T has benefited from over a decade of consistent GDP growth driven by energy exports, which have seen major increases in both volume and value. T&T is now responsible for over 75 percent of all LNG exports to the USA and is one of the world's largest exporters of methanol, urea and ammonia. The energy sector has also attracted substantial direct foreign investment from energy multi-nationals (mainly European) and surplus energy revenues are now invested in a revenue 'stabilisation' fund (HSF) to cushion revenue fluctuations and the transition to a non-energy based economy in the future.

The current dominance of the energy and energy-related sector (90 percent of exports, 40 percent of GDP and 60 percent of government revenue in 2006) has contributed to T&T's position as CARICOM's most dynamic economy. Its strong industrial sector and a thriving financial sector make T&T the regional financial hub and a significant source of capital flows in the Caribbean. It is CARICOM's major trading economy, responsible for over 75 percent of CARICOM's intra- CARICOM and international trade. The non-energy sector is undergoing important changes in response to increased energy revenue (e.g. construction, retail), regional economic development (e.g. tourism in Tobago, boat building/yacht services); and energy-related services (e.g. geological services, rig construction).

Another important sectoral change has been the rapid decline of the primary agriculture sector, in general, and of the sugar industry in particular. In 2003, government closed the large but heavily loss-making Caroni (1975) Limited, state sugar company, retaining only one sugar refinery (the only one in CARICOM), which it has tried but so far failed to sell

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to the private sector. Primary agriculture is now marginal in GDP and employment terms. The social costs of getting out of sugar have been considerable and the process of social adjustment to the restructuring exercise is still on going. T&T is an ACP 'sugar protocol' state eligible for EU accompanying measures for sugar protocol countries conditional on the adoption of a viable sugar adaptation strategy.

Trinidad and Tobago has one of the more attractive business environments in the region, with well-organised and influential business clusters (including several regional CARICOM 'social partner' groups) and a supportive and powerful Ministry of Trade and Industry. Sector strategies are in place to support successful private sector growth such as a lively capital market, a good graduate business school, the region's largest standards institute, regional industrial research laboratories, and a growing consultancy sector. Government is eager to attract high value-added and high-technology investment and has been successful in attracting international partners for downstream petrochemicals.

Government is also encouraging non-energy, high-technology start-ups through the construction of a major new science park and higher education complex. T&T is currently ranked 60/117 on the World Economic Forum's 'competitiveness index' (compared with 70 for Jamaica and 115 for Guyana), which is down from previous ratings but still high for the region. The 'market environment' index rating (54) for ICT development is only marginally below several EU Member States (e.g. Greece 51 and Poland 50) and there is a small but competitive and growing ICT sector.

▪ **Economic and trade relations**

Trinidad and Tobago is highly dependent on external trade and its chances of successful economic transition will depend heavily on its ability to develop new exports for new markets. Although 90 percent of its exports are energy-based (mainly natural gas and petrochemicals) and destined for North America, regional and other export markets are critical for the growth of the non-energy sector, for which the domestic market is too small. For many medium-sized companies, not only is the domestic market too small but so too is the CARICOM market covered by the CSME (The Caribbean Single Market and Economy). It is therefore an explicit objective of government to increasingly integrate the T&T economy into the wider Latin American market.

Trinidad and Tobago is the region's major trading partner with the EU although the balance of trade is strongly in the EU's favour (EU imports Euro467,000, and exports Euro1,215,000 – source Comext 2004). Oil and petrochemicals dominate T&T exports to the EU by value (over 60 percent) but the EU also sources 14 percent of its imports of direct-reduction steel products from T&T. EU exports are overwhelmingly capital goods linked to the energy and chemical sectors (EU enterprises dominate FDI in these sectors), although transport and the yachting and boatbuilding sectors are also important markets for EU companies. Among the European trading partners, the United Kingdom and France are the main markets for T&T products, while 80 percent of T&T imports from the EU are sourced from Denmark (DE), Spain (SP), Italy (IT), and the United Kingdom (UK) (Comext 2004). Subsequent to T&T's high-profile appearance in the 2006 football World Cup a large trade mission to the EU was mounted and return missions from Ireland, Germany, and Spain were expected.

Trinidad and Tobago values its ACP trade and investment relationship with the EU (its traditional EU partner is the UK, and the UK, DE, BE, FR and SP are all important

sources of FDI, mainly for the energy sector). Within CARIFORUM (CARICOM and the Dominican Republic), and managed by the CARICOM Regional Negotiating Machinery (RNM) based in Barbados, T&T has been actively involved in the preparation and negotiations for an EU- Caribbean Economic Partnership Agreement (EPA).

Many measures proposed for the development of the non-energy sector explicitly target export-oriented sectors (for example, food processing and music/entertainment) or encourage inward investment (new science parks, prioritisation of downstream industries, etc.). T&T is also investing heavily in essential trade infrastructure with improvements to ports and airports, customs modernisation, and the further development of such services as export-import banking, standards and testing, and trade promotion. Government cooperates closely with the main business clusters in promoting exports and investment through trade missions and by hosting major regional trade and investment events.

Trinidad and Tobago is an active member of the WTO and, for a small state, has a robust approach to such issues as IPR (Intellectual Property Rights) and the need for special and differential trade arrangements for small states (which it strongly champions in all international trade and development fora). T&T underwent a broadly positive WTO Trade Policy Review (TPR) in September 2005, which confirmed the critical role played by international trade in its development. The TPR noted T&T's active programme of notifications, its attractive investment climate and predictable trade regime (despite significant gaps between bound and applied tariff rates), the elimination of most import surcharges, and up-to-date domestic IPR legislation in conformity with TRIPS and other international engagements (T&T's IPR office has recently tripled in size and the regional WIPRO office is based in Port of Spain).

▪ **Economic reform process**

There is an ongoing process of public sector reform supported by the IDB and UNDP. There are elements of sector strategies that are prerequisites for budget assistance for example: the Ministry of Energy and Energy Industries has been restructured to reflect the organisation of the energy sector; the Ministry of Trade and Industry has moved to concentrate on trade facilitation, export-oriented SME support and public sector divestiture; and the Ministry of Information plays an important role in liberalising the telecom sector and promoting ITC. The United Nations Development Programme (UNDP) is assisting government in many areas of economic reform, including public procurement and economic governance.

The government of T&T is currently implementing, with advice from the IMF, a major financial system reform, which will contribute significantly to T&T's stated ambition to become the Caribbean's main financial centre although there are aspects of supervision and governance that still need to be addressed. With respect to money laundering and economic crime, there is already a solid legal structure in place (including 'integrity' legislation for those in public office, and anti-money laundering and financing of terrorism legislation in line with international obligations). There are institutional structures to ensure compliance (e.g. an Integrity Commission, an efficient financial investigation unit – FIU - to monitor suspect money transfers, and a well-staffed Fraud Squad).

There is also a well-established framework of planning and environmental legislation, although neither has evolved sufficiently to meet the demands of a rapidly expanding

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industrial and commercial state. Environmental legislation, and the role of the Environmental Management Authority (EMA) in ensuring compliance has been the subject of much criticism (for instance, of the penalties for illegal mining and the planned location of heavy industry in populated or environmentally sensitive areas). A revision of the legislation is under way.

II.1.3 Social situation, including decent work and employment (see also section II.2)

Trinidad and Tobago has a population of 1.3 million people. Trinidad (1.25 million) and Tobago (55,000) is the most populous Anglophone Caribbean state after Jamaica. Population growth rates are under 1 percent and 45 percent of the population is under 24 years who are most vulnerable to unemployment.

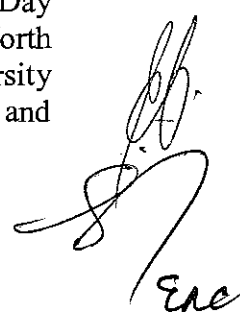
The decline of primary agriculture and rapid industrial and service sector growth have led to rapid and substantial urbanisation, and increasing disposable income levels have encouraged substantial urban sprawl into previously agricultural and environmentally sensitive upland forest areas with predictable and negative environmental results. Government plans to construct 100,000 new homes per annum in three new areas to significantly increase the housing stock. This should help spread urbanisation away from already overdeveloped urban areas.

Outward migration to North America and the UK has been substantial throughout the post-war period and there are significant T&T expatriate populations in London, New York, Toronto and Miami. Most immigrants from T&T are skilled and highly valued by their host countries and there is a steady (but smaller) flow of retired skilled returnees. (See also 'migration', section II.1.5).

▪ Education

Trinidad and Tobago has universal primary and secondary education, much of it public, although there is an important and mainly denominational private education sector. Free tertiary (undergraduate) education was introduced in 2005. Despite allegations of falling secondary standards, attainment levels are still relatively high although there is a growing problem of under-achievement by some secondary students. While female students outnumber males at the undergraduate education level, women are still underrepresented in the sciences at tertiary level. There have been major reforms of the primary and secondary school systems with WB and IDB support, respectively, but much remains to be done in terms of curriculum and examination reform (increasingly based on CARICOM models developed regionally).

The tertiary sector is experiencing a rapid expansion driven by strong demand for higher education skills on the part of students and employers alike. The domestic university sector was previously limited to the T&T campus of the regional University of the West Indies (UWI), but it now includes the University of Trinidad and Tobago (UTT), a new state institution with a technology bias, a graduate business school (nominally part of UWI), and the University of the Southern Caribbean (an upgraded regional Seventh Day Adventist institution). There are also many private colleges offering franchised North American and UK degree and diploma programmes, a large multi-campus non-university state tertiary institution (COSTAAT), which will become a 'community college', and



many other mainly private non-university institutions offering a wide range of courses. Ninth (9th) EDF focal sector funding is supporting a comprehensive reform programme to reorganise and rationalise the tertiary sector (See section III.1.1).

▪ **HIV/AIDS**

Trinidad and Tobago's health profile has changed significantly in the last 20 years with the highest incidence of HIV/AIDS within the Caribbean (the official rate is 3.2 percent) The predominant mode of HIV transmission is heterosexual, with a male to female ratio of 55:45. There have been promising indicators with declines in both the incidence of new HIV infections by 17 percent from 2003 to 2006 and the annual mortality rate by 50 percent from 2001 to 2006. Free anti-retroviral drugs have led to dramatic decreases in mortality, and effective prevention campaigns are decreasing the rate of increase in new infections, but there is a disturbing rise in the number of young women affected (in 2004, more females than males were diagnosed with HIV in the 15-34 age cohort).

The National HIV/AIDS Coordinating Committee (NACC) under the Office of the Prime Minister coordinates the government response, and in particular, the implementation of the multi-sector National HIV/AIDS Strategic Plan 2004-2008 (NSP), which outlines the principles and strategies to fight the epidemic. The Commission supports the NSP under the 9th EDF with a €7.13 million grant and the World Bank has granted a USD 25 million loan (plus USD 5 million in counterpart funds).

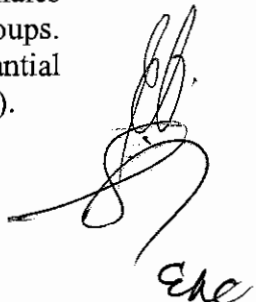
▪ **Employment**

The labour force participation rate stood at about 60 percent in 2005 with the largest participation rate (73 percent) among the 25 to 44 age group. However, women are less represented than men in the labour force and most often work in low paying service sector jobs. The male employment rate (67 percent) is higher than the female rate (49 percent).

Employment is found mainly in the expanding construction and finance sectors fuelled by the rapid growth in the energy sector. Large government job creation schemes (URP and CEPEP) target the unemployed and provide a real alternative to informal sector employment. These schemes have made some positive impact by creating work for unskilled youth and women, but they are also criticised for mismanagement and for depriving relatively low wage sectors, like agriculture, of labour. There is also minimum wage legislation and an active trade union movement, which is strongest in the public sector.

Until recently, there was no comprehensive system of health and safety legislation in place, but that has now been addressed (in part because of well-reported industrial accidents) and government and the social partners are discussing detailed issues of implementation.

Despite rapidly increasing GDP per capita, there is a serious problem of inequity in income distribution, with a growing and highly visible wealthy elite, a large middle class increasingly pressured by inflation, and a sizable underclass of unskilled and unemployed poor who feel disenfranchised from T&T's consumer-driven society. It is young males from this latter sector who provide 'cannon fodder' for criminal and anti-social groups. Government is well aware of the social risks involved and has responded with substantial social sector budgets and social protection. (See also poverty reduction in section II.2).



Poverty is strongly correlated with low education levels, domestic violence and high levels of crime. Interventions to address this problem must be addressed in part through education reform and other measures, including early childhood development, parenting initiatives and transition courses to prepare capable and qualified secondary students for tertiary-level education.

Vulnerable groups like the disabled, single parents (mostly women), the mentally challenged and the elderly are covered by a basic social security system and some NSAs in this sector benefit from a measure of government support. State expenditure on social and community services is increasing and a new national policy on persons with disabilities was recently approved. The rights of the child are covered by the constitution and by the law, and child labour is not a serious issue although not unknown, especially in rural areas. However, children are vulnerable to sexual abuse, often within the family but also commercially and criminally.

▪ **Millennium Development Goals (MDGs) (See Annex 1)**

UNDP reports suggest that T&T is well on target to meet most MDGs, although the original MDGs were never specifically designed for middle-income countries like T&T. The UNDP is now working with the Ministry of Planning, Housing and the Environment to define modified MDGs more relevant to the needs of T&T. The UNDP has completed a new Human Development Report for T&T (still awaiting approval for publication), which will significantly improve the quality of data available, especially with respect to health and HIV/AIDS. The incomplete MDG data in Annex 1 reflect the difficulty in agreeing precise and up-to-date indicators on the ten millennium development goals because of:

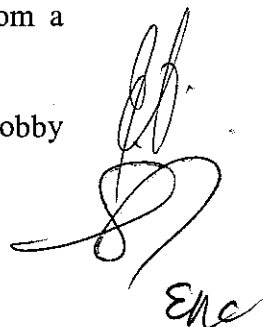
- i) lack of consensus on customised national poverty and social development goals;
- ii) failure by ministries and statistical services to track MDG targets & indicators.
- iii) failure to see incomplete data or inconsistent definitions as a serious problem.

II.1.4 Environmental situation

Trinidad and Tobago has an unusually complex and rich natural environment. It has an extremely vulnerable environment because of natural risks (mainly flooding and tropical storms) and man-made activities (urban growth, excessive logging and quarrying, hill farming, heavy industrialisation, water usage and pollution). Other environmental risks include annual flooding (which adversely affects agriculture), the destruction of Tobago's coral reefs (a major tourist attraction), the devastation of environmentally important areas of the northern uplands through illegal logging and quarrying, pollution in the form of polluted rivers and beaches and the existence of massive solid waste land fills, and occasional emissions of dangerous chemicals.

Responsibility for environmental protection and land-use planning is spread over several ministries and agencies. T&T does have an Environmental Management Authority (EMA), which operates with a measure of autonomy to encourage environmentally responsible behaviour and to develop and enforce environmental legislation, however, its powers are considered inadequate and sanctions imposed by the courts are seldom a deterrent.

There is an increasingly well organised and vocal environmental movement, which lobby



and advocate often in cooperation with the environmental authorities (e.g. the 'Northern Range Project' sponsored by the EMA, the Cropper Foundation and UWI; or the 'Nature Seekers' leatherback turtle protection project). Recent animated debate on the environmental impact of establishing heavy industry (aluminium smelting) in the extreme south-west of Trinidad has led to the environment becoming an important political issue for the first time in recent political history.

There is a clear link between the protection of the environment and disaster preparedness. T&T lies at the southern end of the hurricane belt. Although hurricanes are extremely rare, tropical storms and very heavy rains are not. Serious flooding and storm damage is common and catastrophic hurricane damage is a real possibility for which preparedness measures are required. The government has now entrusted disaster management to a new authority the Office of Disaster Preparedness and Management(ODPM) to coordinate the national response.

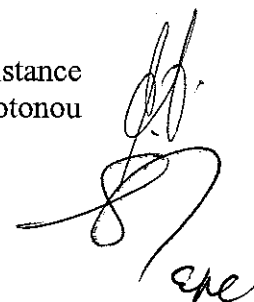
II.1.5 T&T in its international context

Trinidad and Tobago is involved in the negotiations and implementation of multilateral trade agreements. T & T is a signatory to the World Trade Organisation and is one of three CARICOM countries in "ready status" for the implementation of the CSME. T&T is one of the few CARICOM members with the financial, organisational and physical assets to provide sufficient and timely support to CARICOM partners in times of crisis. T&T has provided trade promotion and development assistance for CARICOM partners financed from energy revenue, and has also extended the services of its 'trade and investment office' in Cuba to CARICOM partners and to extend its maritime border surveillance systems to cover Grenada).

Trinidad and Tobago has an important Latin American agenda and an explicit intention to partially integrate the T&T economy into the wider Caribbean and Latin American system. T&T has also devoted considerable attention to its relations with nearby Venezuela, irrespective of the government in power, and this key pillar of T&T's external policy is unlikely to change despite the sensitivities raised by Venezuela's strong promotion of the Petro-Caribe initiative in CARICOM (which will substantially erode T&T's current market position as the major supplier to CARICOM of petrol and derivatives). Perhaps, the most concrete indications of T&T's commitment to a Central and Latin American policy are its support of the Association of Caribbean States (based in Port of Spain), and the lead it has taken in forging new CARICOM trade agreements with third countries, notably the Dominican Republic and Costa Rica to date and possibly Mercosur and others in future.

The two other pillars in T&T's external relations are North America and the EU. A close relationship with the USA is critical for T&T. This country supplies over 70 percent of all US imports of LNG and cooperates closely with the US on a wide range of issues including regional security, measures to combat drug smuggling and organised crime, and anti-terrorism. T&T implicitly recognises a special security relationship between the US and CARICOM. Relations with Canada are extremely close and of long standing, and this is reflected in trade and an easy and familiar relationship.

Trinidad and Tobago, in its post colonial era, has benefited from development assistance from the EU under four successive Lomé Conventions and the current Cotonou

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Agreement. Under Cotonou, there is more stress on trade, private sector development, political dialogue, and regional integration, and this welcome re-orientation has been reinforced by the Commission's recently adopted Communication on the EU's relations with the Caribbean.

Trinidad and Tobago is an active and responsible member of the international community. In the WTO it lobbies strongly for the economic interests of small and vulnerable island states; it plays a pivotal role in the OAS and several other international organisations where its status as a CARICOM member close to Latin America is seen as especially useful; and it is a strong supporter of the UN system. With respect to the latter, it has provided peacekeeping troops for UN operations (as part of the CARICOM battalion in Haiti) and played a pivotal role in the creation of the ICC, which it strongly supports (one of the first judges appointed is Trinidadian). It is an important regional player in anti-terrorism and the fight against organised crime - until recently, it chaired OAS-CICTE. Currently, it hosts the Caribbean Financial Action Task Force (CFATF) and the CARICOM Crime and Security agency (IMPACS), and has a comprehensive anti-terrorism legislative infrastructure in place.

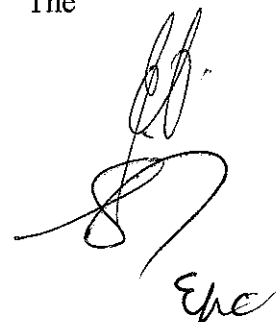
The Greater Caribbean region is seriously affected by the illegal trafficking of drugs, small arms and illegal immigrants. T&T is particularly vulnerable with its excellent international sea and air links, and close proximity (17 km) to the South American mainland.

Trinidad and Tobago is a signatory to most key international conventions and has worked hard to incorporate their provisions into domestic law, which is a considerable challenge for a small state. In certain cases, ratification is still pending on treaties considered academic for T&T (e.g. the NTBT and BTWC). In other areas, such as the ICC, (see above) and the Extractive Industries Transparency Initiative (EITI), T&T is an 'early adopter'. The only significant area of disagreement on human rights between the EU and T&T concerns the death penalty, which is mandatory and which T&T intends to restore after an informal moratorium.

▪ **Migration (see also Annex 4)**

The IMF and the IOM have recently reported on the high emigration from the Caribbean and their conclusions are broadly relevant to all CARICOM states. Migration statistics are unreliable, but T&T's net migration rate is an estimated -10.87 migrants per thousand with an especially high rate for the highly skilled (notably teachers and medical and IT professionals), who are welcomed in North America and the UK. In turn, remittances accounted for about 6 percent of household income in 2005. Many middle-class Trinidadians undertake part or all of their tertiary-level education abroad and many such students do not return to Trinidad and Tobago. In all, 320 000 persons are estimated to have left T&T between 1960 and 2000. The impact of skilled emigration on the local labour markets and on the social welfare needs further study.

There is some illegal immigration from poorer CARICOM neighbours but also occasionally from West Africa. Trinidadian deportees, mainly convicted criminals returned from the US, find resettlement difficult and some drift back into crime. The IOM has set up a Caribbean regional office in T&T.



Diplomatic links and membership of regional organisations

There are 26 missions in Port of Spain, of which 11 are Latin American, 9 are 'Greater Caribbean', 6 are EU Member States (including the EC), and 5 are Commonwealth partners. Two thirds are regional.

Trinidad and Tobago is a founder member of the Caribbean Community (**CARICOM**) and the EU-sponsored **CARIFORUM**, and of many other regional organisations and institutions (of which many have their regional base in Port of Spain). See Annex 10 for details. T&T is a member of the Andean Development Bank (**ADB**), the Group of Latin American and Caribbean Sugar Exporting Countries, and **MERCOSUR** (observer).

II.2. Poverty reduction analysis

While high levels of GDP per head (USD 12,182 in 2004) and a high HDI (0.809 in 2004) imply that poverty in T&T is limited, a 2004 study suggested that the poverty rate was as high as 24 percent with 11 percent living below the minimum level of dietary consumption. However, the most recent statistics (still to be analysed) suggest poverty has fallen to 17 percent.

The data on living conditions and income levels in T&T date from 2005 identified children and unemployed youth in rural areas as the most vulnerable groups, which seems well supported by empirical observation. Welfare provision is limited except for those in public service, and old age pensions, disability grants, and other forms of public assistance for those unable to work are considered insufficient to cover basic needs (food, clothing, shelter and medication).

Efforts to reduce poverty in the last decade have concentrated on a range of developmental programmes to empower communities and individuals. Although these programmes have certainly contributed directly or indirectly to some improvements in the welfare of vulnerable groups, their overall impact on the incidence of poverty has been limited. An 'electronic' food stamp system has recently been introduced for the poorest and a wide range of social cohesion grants (many financed from donor funds) are available. Women in employment tend to earn less than men and although the difference is relatively insignificant, gender is a factor in the incidence of poverty.

The 8th EDF Poverty Reduction Programme (PRP) has established structures for decentralised social services delivery based on collaboration between government, non-state actors and the private sector in promoting pro-poor programmes. The PRP is also undertaking a long, overdue, Cost of Living survey, which will be comprehensively analysed and has already provided more accurate poverty data than was previously available.

Statistics (UNDP Human Development Report 2006):

Indicator	
Human Development Index	0.809
Live expectancy at birth (years)	69.8
Adult literacy rate	98.5
GDP per capita (PPP USD)	12,182
Population undernourished (percent) 2001-2003	11
Unemployment (percent)	6

Human Development Index - trend

1975	1990	1985	1990	1995	2000	2004
0.751	0.783	0.790	0.793	0.791	0.801	0.809

Human poverty index (HP-1)		Population below income poverty line (percent)		
Rank	Value	USD 1 a day 1990-2004	USD 2 a day 1990-2004	National Poverty line 1990-2003
17	8.8	12.4	39	21

II.3 Trinidad and Tobago's socio-economic development strategy

Trinidad and Tobago's medium-term socio-economic planning is tied to the 'Vision 2020' Draft National Strategic Plan derived from sectoral strategic plans drafted by 28 subcommittees, each with a membership drawn from a representative cross-section of stakeholders.

The Vision 2020 planning process is managed by the Ministry of Planning Housing and the Environment (MPHE). The 28 reports were broadly accepted by government as the basis for a medium-term National Strategic Plan, and the MPHE under the managerial authority of the Permanent Secretary (who is also the EDF-NAO) was responsible for drawing up a detailed and costed Vision 2020 Operational Plan for 2007-2010. The priorities are grouped around five broad 'development pillars':

- **Competitive Business** (Sound Economic Fundamentals, Agriculture, Energy, Financial Services, Industry, Tourism, Trade)
- **Innovative People** (Education, Skills Development, S&T and Innovation)
- **Effective Government** (Justice, Governance, National Security, Public Safety)
- **Caring Society** (Poverty Reduction, Health & HIV/AIDS, Housing, Gender, Youth and Culture)
- **Sound Infrastructure** (Environment, Public Utilities, Infrastructure)

The objectives of the 'Vision 2020' Draft National Strategic Plan can be broadly summarised as 'reaching developed country status by 2020' through the investment of energy-derived funds into transforming the economic, the social and physical infrastructure, and the education and training systems. More specifically, government is committed to the consolidation of T&T's position as the financial and industrial hub of CARICOM and to the development of a substantial and modernised non-energy economy to assure the country's future when oil and gas reserves contract. These objectives are broken down in considerable detail, together with indicative budgets, in the December 2006 'Vision 2020 Operational Plan 2007-2010'.

II.4. Analysis of the viability of current policies and the medium-term challenges

The 'Vision 2020' Draft National Strategic Plan is comprehensive. It embodies T&T's macroeconomic, social, environmental and governance policy objectives from 2007 to 2010. The policies therefore emphasise the need for prudent financial management, promotion of private sector development and good and effective governance.

Some of the key building blocks are already in place. The Ministry of Trade and Industry has seven non-energy industrial and service 'sector groups' working with the private sector and a new R&D development facility. The tertiary education sector is being firmly

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oriented towards economic growth with an enlarged business school, a new technology-oriented university (UTT) and a more proactive approach by the well-established UWI – St. Augustine campus. The T&T financial sector is becoming more active in its support for economic growth; and government schemes provide concrete business development and employment creation support to the SME sector.

But the medium-term challenges are also clear. T&T's small and dynamic economy will not easily become sufficiently competitive in the global environment. In the longer-term, the challenges center on the depletion of gas reserves, which, if exhausted earlier than forecasted, could precipitate an economic decline before an alternative non-energy economy is sufficiently established to reduce the country's vulnerability to energy shocks.

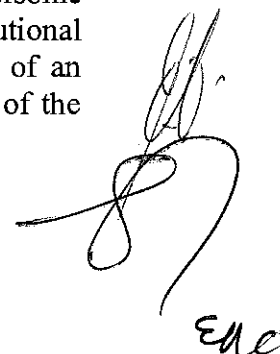
CHAPTER III: OVERVIEW OF PAST AND PRESENT EC COOPERATION, COMPLEMENTARITY AND CONSISTENCY

III.1 Overview of past and present EC cooperation (lessons learned)

Several international agencies and governments currently assist the government of Trinidad and Tobago (GORTT) in meeting its development goals. Most donor agencies (World Bank, IDB, Caribbean Development Bank, European Investment Bank, UNDP, etc) either provide loan funding or services against full or partial recovery. The European Commission has been the principal source of grant funds under successive Lomé Conventions and Cotonou Agreements since 1976 and no EU Member State currently funds a substantive bilateral grant programme with T&T.

In addition to the bilateral NIP currently covered by the 9th EDF, T&T also benefits from Caribbean regional programmes, of which some (e.g. 'Strengthening Medical Laboratories' and 'Regional Weather Radar') are coordinated from T&T. Although there have been some highly successful bilateral and regional projects based in T&T, there has been an overall pattern of under-utilisation of project funds under the last four EDFs. Infrastructure projects have been especially problematic, although the 7th EDF Structural Adjustment Programmes (SAP), which provided foreign exchange cover for essential imports and released counterpart funds for educational infrastructure, community centres and recreational facilities, were particularly successful. This was an early indication that traditional projects managed under EDF procedures tend to be less successful than budgetary support and SAP programmes that can be disbursed relatively quickly and can be implemented using government's standard administrative procedures.

Recent EDFs have concentrated on transport infrastructure, poverty alleviation, economic diversification and employment creation. Disbursements under the 8th EDF were especially disappointing. The 8th EDF was allocated in two tranches with the second conditional on achieving mid-term performance targets. The mid-term review (MTR) in 1999 concluded that although T&T had broadly respected its NIP policy commitments, commitment rates and progress in meeting NIP targets were unsatisfactory. The second tranche was therefore not released. Poor implementation was ascribed to cumbersome EDF procedures, too many small projects, and human resource and institutional constraints within the T&T administration. This latter factor led to the creation of an EDF Unit within the Ministry of Planning and Development to support the work of the NAO.



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III. 1.1 Focal sectors (and macroeconomic support)

Some of these past experiences were taken into account in the programming of the 9th EDF, the first financial protocol informed by the new policy orientations of the Cotonou Agreement. It was concluded that infrastructure development was best left to government and that poverty reduction and SME support were already taken in hand under existing 8th EDF projects. Therefore, 9th EDF funds would still target economic diversification and employment creation, but would do so by fostering human and skills development. This led to education, notably science education and the post-secondary/non-university sector, being identified as the only focal sector. Health (specifically HIV/AIDS) was selected as the non-focal sector because of T&T's rate of HIV infection, amongst the highest in the Caribbean region.

The 2003 Joint Annual Review confirmed the government's commitment to the existing focal and non-focal areas and no change of strategy was proposed. The 9th EDF Mid-Term Review (MTR) in 2004/5 reached the same conclusion on the basis of the government's continued and strong commitment to tertiary education reform and the fight against HIV/AIDS, although concern was expressed at delays in programming, committing and disbursing 9th EDF funds.

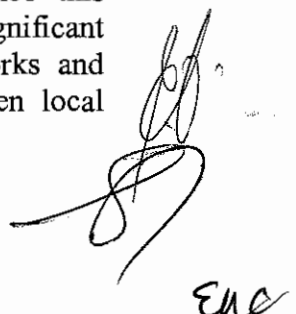
The proposed Sector Policy Support Programme (SPSP) for the focal area of tertiary education is of particular importance because it is the first EDF action of this type negotiated with T&T, an ACP partner whose solid macroeconomic fundamentals and evolved institutional capacity appear well-suited to this approach. Indeed, it is the EU's hope that this precedent will lead to the adoption of budgetary sector support as the standard model for programme delivery in future.

However, serious delays in preparing the focal area Financing Proposal, in signing 8th EDF Financing Agreements, and in handling day-to-day project issues suggest that there are still institutional constraints to the effective management of development cooperation that need to be addressed.

III.1.2 Projects and programmes outside focal sectors

The 8th EDF NIP prioritised economic diversification, employment creation and poverty reduction, and its most successful project has been Caribbean Business Services Ltd-Phase II (CBSL, €2.0 m), which supports private-sector SME development.

- CBSL is structured as a non-profit company with key business clusters and financial institutions as 'shareholders' and has worked closely with the CDE and its own pool of contacts in assisting medium-sized industrial enterprises on production, quality control, and marketing issues. There are two key lessons to be learnt from CBSL: (i) the approach (the provision to SMEs of demand-driven consultancy and training services sourced locally and from the EU) provides an excellent basis for a more ambitious intervention; and (ii) however, a successful and well-managed project can be brought to its knees by existing EDF procedures.
- The 'Poverty Reduction Programme' (€6.0 m) began very slowly, in part because it required a significant commitment by government to work with the NGO/NSA sector and to decentralise the provision of social services. But once this commitment was operationalised, the project has had some significant achievements to its credit; most notably the creation of NGO networks and regional 'social and human resource councils' based on T&T's fifteen local



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government districts. But the project approach and problematic interplay between EDF and government procedures have made it a difficult project to manage.

Similar administrative problems, combined with a failure by the implementing agency to give it serious priority and management time, resulted in very unsatisfactory progress with 'Rural Electrification –Phase II' (€1.8 m). Unspent funds were de-committed.

9th EDF support for the non-focal area of 'Health' takes the form of a €7.13 million project entitled, '*Support the National Strategic Plan*' for combating HIV/AIDS. The EDF contribution, along with a complementary World Bank USD 20 million loan, is channelled through the National Aids Coordinating Committee (NACC) secretariat, and there is provision for a PMU within the NACC to handle EDF project funds. In hindsight, it is clear that sector budget support rather than project funding would have been a far better model given the existence of a comprehensive policy framework in the form of a national strategic plan adopted by government and a management structure in the form of the NACC secretariat.

However, the HIV/AIDS and 8th EDF 'Poverty Reduction' projects both significantly address and support the role of NGOs, and CBSL works closely with business clusters and economic NSAs. The proposed 10th EDF non-focal area of 'Good Governance' assumes a significant NSA role.

III.1.3 Utilisation of Envelope B

The 9th EDF B envelope was not used because the release conditions (serious natural or political disasters) have not occurred.

III.1.4 Other instruments

Stabex and Sysmin are not applicable. T&T stands to benefit substantially from special EU measures to assist sugar protocol countries to adapt their sugar sectors to the realities of the reformed EU sugar market provided a viable 'adaptation strategy' is adopted.

Regional cooperation

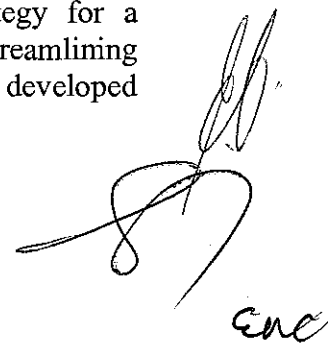
Although Regional Cooperation programming is arranged with the CARICOM Secretariat in Guyana, the following regional programmes are currently managed and/or monitored from Trinidad and Tobago:

- Strengthening Medical Laboratories (Med-Labs, €7.5 million).
- A parallel programme associating the EU OCTs with Med-Labs (€1.425 million).
- Regional Radar Early Warning Network System (€13.2 million).
- Support for the CCJ and IMPACS.

Institutions in T&T are also sometimes beneficiaries of other regional Caribbean programmes (e.g. the rum support programme) managed from other CARICOM countries.

ECHO

The EU will continue to assist in developing and implementing a strategy for a comprehensive disaster management plan and to seek means of further streamlining responses to natural disasters. Support will give continuity to the programmes developed by ECHO, through the DIPECHO.



Community budget lines

Two programmes (the Caribbean Centre for Human Rights and CANARI, an environmental NGO) currently benefit from thematic budget lines.

European Investment Bank (EIB)

The EIB is increasingly active in T&T, both locally but also in its use of partners in the T&T financial sector to assist in its regional activities (e.g. micro-credit in the OECS, Guyana and Suriname). It is also increasingly active in undertaking substantial loan activities linked to T&T's industrial expansion.

III.2 Information on the programmes of the Member States and other donors (complementarity)

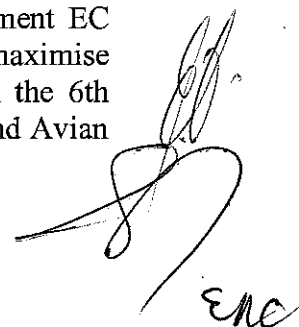
There are no major bilateral Member State programmes with T&T beyond small grant schemes. The IDB is very active with a USD 403 million loan portfolio and a substantial small technical cooperation grant programme. The CDB and the WB are active with outstanding loans of USD 66 and 51 million, respectively, and the UNDP is currently managing projects valued at USD 17 million. (See Annex 2 - Donor Matrix)

III.3 Other EC policies (Policy Coherence for Development)

Trade policy is the prime area of EU-T&T relations, with T&T being the region's major trading partner with the EU. A move away from over-reliance on energy is deemed essential for the long-term growth of T&T, so the 10th EDF focal area will be a sector budget support programme for 'Support to Economic Transition. The EPA negotiations conducted by the Caribbean Regional Negotiating Machinery, on behalf of CARICOM comprise the other current main area of discussion regarding trade relationships with the EU.

Primary agriculture now makes up only a small percentage of T&T's GDP, so EU policies such as CAP have less influence than on other neighbouring countries. The change in the EU's sugar policy has had some effect and T&T is eligible for EU accompanying measures for sugar protocol countries, although T&T closed down its state-owned sugar production in 2003.

Although no specific policies supporting research and innovation and the 'information society' have been undertaken between the EU and T&T, both areas are covered by the 9th EDF focal area and will also be covered under the 10th EDF focal area. T&T has identified the establishment of a research and development facility as part of their Vision 2020 operational plan and has pledged to institutionalise a national innovation system. Furthermore, the 9th EDF focal area of education includes indicators for increased investment in science and technology and the enhancement of the sector's capacity to deliver S&T-oriented education through improved facilities, new programmes and staff training. Moreover, in accordance with Article 149 of the Treaty, the T&T Delegation has made good contacts with UWI and UTT and has actively encouraged links between them and European institutions. The universities have also submitted applications to take advantage of schemes like Edulink. All of T&T's goals in this area complement EC policies and it is anticipated that stronger synergies can be built in this area to maximise the impact of the policies outlined above. Furthermore, T&T benefited from the 6th Research Framework Programme (2002-2006) (in the areas of fish ecosystems and Avian



influenza) and may also benefit from the 7th Research Framework Programme (2007-2013) which is open to all ACP countries. The 7th RFP covers areas including 'knowledge and technology' which may complement the proposed focal area.

Up to now, policies affecting the environment, specifically climate change, have not been discussed in any detail between T&T and the EU. Considering that T&T is currently ranked as the 9th highest contributor of greenhouse gas per capita (UN figures for the period 1990–2003), dialogue in such an area could be highly beneficial, particularly for a small island state like T&T.

As for the other major EU policy areas of transport, energy, migration, the social dimension of globalisation, fisheries and security, none of these have as yet played any notable role in EU-T&T relations. It is worth noting, however, that Prime Minister Manning has recently (June 2007) shared with MS missions in T&T details of his broader plans for security in the Caribbean region and this may be an area for further dialogue with the EU and CARICOM.

III.4 Political Dialogue with Trinidad and Tobago

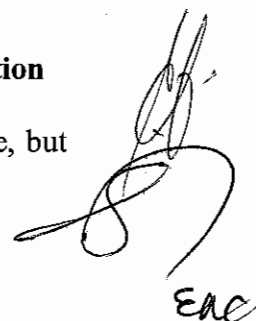
Political dialogue with T&T takes place on two distinct levels, with T&T as an independent state with significant energy resources and a favourable trade and investment environment and as CARICOM's most dynamic economy and potentially most interesting regional partner. This needs to be seen in context; individually, CARICOM States are small, but as a group, they constitute a significant block vote in international fora. To the extent regional integration is an important priority for both the Caribbean and the EU, T&T should be seen as an increasingly important partner in political dialogue. T&T has well-articulated positions on several key international issues prioritised by the Commission under policy coherence (see III.3 above).

Human rights and governance is frequently discussed. The EU, acting collectively, regularly notifies the T&T authorities through normal channels of its concerns about the proposed restoration of capital punishment and reportedly poor prison conditions. Member States (MS) also pursue issues where T&T's position is seen as highly encouraging, for example, ex-president Arthur Robinson was recently honoured with the Orange Order by the Netherlands for his role in creating the ICC, and T&T has committed to the EITI, an initiative strongly promoted by the UK.

Member States, in particular the three MS with naval and other forces stationed in the Caribbean, work closely with T&T counterparts on the control of illegal drug smuggling and there have been notable successes in recent years, including joint operations leading to significant drug seizures, and successful technical assistance to detect and to deter drug 'mules' transiting T&T to Europe. Policy dialogue on security issues has considerable potential, in part because of T&T's established security coordination role in the Caribbean and also because of EU corporate involvement in the processing and transport of T&T-sourced LNG destined for export.

III.5 The state of the partnership with T&T and progress towards harmonisation

Trinidad and Tobago and the Caribbean are less strategically important than before, but



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there are significant areas of common ground where developmental and political cooperation already contributes to policy coherence. In the development of the global (WTO) and regional (EPA) trade agenda, T&T plays a key role reflecting its dominant economic and trade position within the 15-member CARICOM and has taken initiatives to promote LAC relations, notably through strong support of the OAS, hosting the ACS secretariat, and hosting the next Summit of the Americas.

▪ **Relations with the NAO and other national authorities**

Relations with the NAO in the Ministry of Planning Housing and the environment (MPHE) are constructive, as is the operational interaction between the EDF Unit in the MPHE and the cooperation section in the EC Delegation, although there are resource and EDF procedure training issues to be addressed in both. Effective cooperation and programming also requires close collaboration with other key Ministries involved, and this is readily forthcoming and supportive. With respect to regional programmes managed from T&T, the government nominates sector ministries such as DRAO, which brings strong sector competence to bear, but administrative support and knowledge of EDF procedures is sometimes weak. There can also be operational problems in getting inter-ministerial consensus on certain complex programming issues (e.g. an agreed sugar sector strategy).

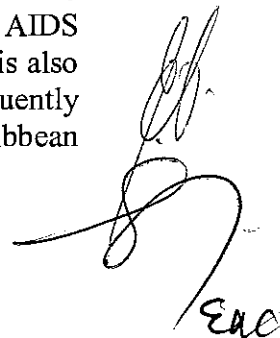
▪ **Dialogue with non-state actors (NSAs)**

The involvement of NSAs in programming has been more substantial than previously, in part because NSAs in T&T are becoming better organised but also because their contact with the Delegation and the NAO is much improved (in part through the 15 NGO networks set up by the Poverty Reduction Programme and also through improved links with business and other professional clusters). The EU has long held that NSAs are increasingly important partners in such areas as good governance, human rights, and environmental protection. The government is also increasingly open to working with NSAs across a wide range of developmental issues from community development to collaboration with business clusters on SME development through structured dialogues with key Permanent Secretaries. NSAs have been explicitly involved by government in the 'Vision 2020' medium-term planning process and are systematically involved by the NAO and the EC Delegation in the preparation of specific programmes at programme identification stage. The EC Delegation and the NAO have held two NSA consultations on 10th EDF programming, one of which was in Tobago.

▪ **Donor coordination**

Informal donor coordination in T&T, usually initiated by the donors themselves, is very good and the EC Delegation is regularly involved in coordination discussions on policy and programming with key partners (e.g. with ECLAC on regional support for ICT, with IDB on overall programme issues, with UNDP on poverty reduction programmes). Relations between the EC Delegation and the five Member State missions are close, although none has a substantial bilateral cooperation programme with T&T; there is thus no proposal to adopt a 'harmonisation road-map'.

There is structured coordination on HIV/AIDS, initially through an 'extended' HIV/AIDS theme group organised by UNDP and subsequently through the National AIDS Coordination Committee (NACC), on which the Delegation is represented. There is also an 'extended theme group' on the MDGs. The EC Delegation has collaborated frequently with the NL embassy on the promotion of human rights and on support for the Caribbean



Water Partnership, and with others on an ad-hoc basis (with the UNIC on human rights briefings for journalists for instance). At an operational level, donors involved in small grant activity meet to share information and there are bi-annual policy exchanges and coordination meetings organised by UNDP and IDB for heads of mission and heads of agencies most actively involved in bilateral cooperation. The July 2006 meeting was specifically devoted to discussing the likely direction of the 10th EDF programming.

There are also other meetings (e.g. mini-Dublin meetings or meetings called by the CTU or the IFRC) which are not strictly donor coordination but are certainly relevant.

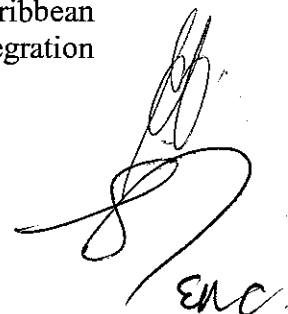
CHAPTER IV: 10th EDF RESPONSE STRATEGY

The response strategy is designed to be consistent with, and supportive of the 'Vision 2020: Draft National Strategic Plan' (NSP) to use its large but finite energy resources to achieve 'developed country status' and a diversified economic base within 20 years. In addition to upgrading the country's physical and social infrastructure, this will require a successful and rapid expansion of the modern non-energy sector to reduce T&T's current dependency on energy-related activity, which will decline as gas reserves deplete. It cannot be overemphasised that unless this short-term objective is achieved, the broader medium-term objectives of a wealthier and more equitable society will remain academic.

The response strategy will also be coherent with the EU's Caribbean regional priorities, which are expected to focus on strengthening the capacity of CARICOM and other regional and sub-regional institutions, accelerating the timely conclusion and implementation of the CSME and the EU-Caribbean EPA, and addressing the vulnerabilities of the region through actions to improve disaster preparedness, public health and education and to combat HIV/AIDS, drugs and crime. The response strategy will build on the achievements of existing EU-T&T cooperation in tertiary education reform, HIV/AIDS, SME development and poverty reduction. The response strategy will also include special measures to assist the T&T sugar sector to adapt to changing EU and world market conditions, within the context of additional EU funding for all ACP 'sugar protocol' countries, of which T&T is one. This additional money will be used to fund 'areas' that will complement those using EDF funds and will be an integral part of the response strategy.

In line with Commission policy to maximise the impact of EDF-funded cooperation activity by concentrating financial and managerial resources on a limited number of priority areas, there will be a single focal area, accounting for 64 percent of available funds under the 10th EDF bilateral budgetary envelope for T&T, plus one non-focal area. Trinidad and Tobago will also have access to other EU resources, notably through global EC programmes, EIB funds, CDE/Proinvest, and its participation in regional Caribbean programmes.

Through the CRNM, the government is actively participating in the EPA process and together with Barbados and Jamaica is one of the leading countries in the regional integration process. T&T should be among the main beneficiaries of the Caribbean Single Market and Economy (CSME), which is the backbone of Caribbean integration and is actively supported by the 9th EDF Caribbean Regional Programme.



There will be no specific amount reserved in the NIP to support capacity building of NSAs because the ongoing 8th EDF Poverty Reduction project more than adequately fills this need. The project includes a micro-credit component that supports grass roots organisations as well as providing other kinds of assistance to build capacity.

Building upon lessons learnt from previous cooperation and taking into account the socioeconomic and governance profile of the country, it is proposed that both 'focal' and 'non-focal' programmes be funded through budget support programmes. Indeed, budget support will allow for a more policy-driven cooperation with T&T. A PFM study funded by the EU, undertaken in early 2006 confirmed that T&T has the financial management and budgetary institutions in place to support such an approach. The 9th EDF focal area programme is already funded through sector budget support.

Focal Area – Support for Economic Transition

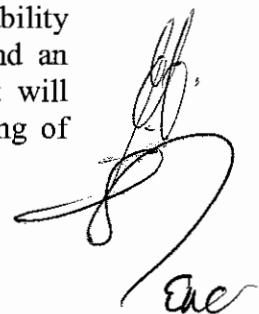
The limits to T&T's non-reimbursable energy reserves, and the likely impact on T&T's non-energy economy of increased global competition, make it essential that its economy and society are radically transformed in a relatively short time if the challenges of the future are to be met. The scope and timescale of this transition are not unlike those faced by the new Member States of the EU in the preparatory period leading to enlargement, and there are useful lessons to be learned from that process.

The overall objective of the agreed focal area programme is to support T&T's overriding priority of developing a modern and sustainable non-energy economy as outlined in the country's 'Vision 2020 Draft National Strategic Plan'. Given the inevitability of a decline in the energy-based economy, the success or otherwise of this economic transition will almost entirely determine T&T's socio-economic future.

The **specific objectives** of the focal sector programme will be to:

- **support the development of knowledge-based industrial and service sectors** through enterprise-university cooperation (this will build on the 9th EDF focal programme for tertiary education reform and will draw on significant EU experience in promoting such university-industry linkages);
- **promote high value-added, innovative and export-oriented activities** by T&T's SME sector (this will build on the achievements of the 8th EDF CBSL programme and be complementary to the activities of government and the main business clusters in maintaining and expanding T&T's manufacturing and export capacity);
- **promote the adoption of an 'innovation culture'** to develop and link risk capital, market-oriented R&D, entrepreneurial skills and the appropriate market and regulatory environment (this will draw upon the outcomes of the '2020' committee on innovation, and the work of business clusters in the same area).

Such focal area intervention is entirely consistent with T&T's development strategy and with the EU's own cooperation priorities. The programme will also complement and overlap in some areas the sector budget support programme implemented through the 'sugar funds' which aims *inter alia* to promote economic diversification of sugar dependent areas. It will also contribute significantly to regional economic stability because T&T is also CARICOM region's main trade and investment partner, and an important regional partner for the EU on trade and energy security issues. It will furthermore reinforce the efforts towards the economic transition and repositioning of



T&T and hence the regional integration efforts of the Caribbean.

Non-focal area - Good and Effective Governance

'Good and effective governance' is not only an increasingly important determinant of the political and cooperation relationship between the EU and its partners, but also an essential 'development pillar' in T&T's 'Vision 2020' NSP with implications for almost every sector, whether the delivery of social services, the supervision of the financial sector, the reform of the police and the judiciary, the protection of the environment, or the development of an attractive environment for ICT and high-technology investment.

The **overall objective** is to strengthen democratic values, support administrative reform and improve the quality of life. The **specific objectives** will be

- **improvement in the criminal justice system, including** better control of drugs trafficking and improved interdiction of illegal guns
- **improved efficiency and effectiveness of the police,** judicial and prison systems;
- **improvements in the protection of the physical environment** through legislation, stronger institutions and effective compliance mechanisms;
- **results-based management** for government services.

The legal basis of several of these objectives is already either in place or in preparation (i.e. new legislation on police reform and on money-laundering and the financing of terrorism), but in some areas existing legislation and compliance mechanisms are clearly inadequate. The programme will complement a proposed UNDP programme scheduled for 2008-2011 which will aim to strengthen effective participatory governance in the areas of good governance and human rights.

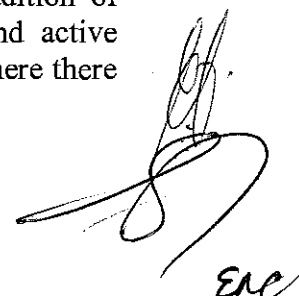
Cross-cutting issues

Several key cross-cutting issues (notably democracy, good governance, human rights, workers' rights, and the environment) will be specifically addressed by the non-focal area, and care will be taken to ensure that cross-cutting issues are consistently integrated within the indicator matrices used for the focal area programme. The cross-cutting issue of HIV/AIDS is already and substantially addressed by the 9th EDF programme in Support of the HIV/AIDS National Strategic Plan to combat HIV/AIDS, delivered through the NACC. The issue of gender equality is also specifically addressed in the 9th EDF non-university education programme as there has been a shortfall in young men attending tertiary institutions and an under-representation of women enrolled in the sciences.

Risks and Assumptions

Political risks: The overall objectives of the 'Vision 2020 Draft National Strategic Plan' to lay the basis for a strong non-energy future are so fundamental that it is forecasted that these objectives are likely to be sustained in the medium-term., and the Commission's preference for focal area programming with budget support linked to sector policy commitments is far more appropriate than the project approach.

With respect to the non-focal areas, 'Good and Effective Governance' should not be an unduly sensitive political issue in the Caribbean, where there is a strong tradition of commitment to good governance sustained by long democratic traditions and active NSAs. In the case of T&T, the CSP specifically targets areas of governance where there is broad consensus on what needs to be done.

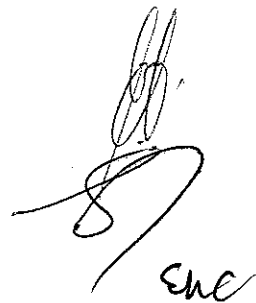


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Economic Risks: In the medium term (the period covered by the 10th EDF), T&T will almost certainly continue to experience solid GDP growth based on high international prices for LNG and petro-chemicals. This and the continued balance of payments and budgetary surpluses are likely to ensure that the resources required for social and infrastructural investment under the 'Vision 2020' Draft National Strategic Plan are not in question. However, inflationary pressures and structural economic changes (most notably in the agricultural and industrial sectors adversely affected by globalisation) could exacerbate existing income disparities and undermine government attempts to address poverty reduction and crime.

There are indications that high rates of serious crime may already be affecting tourism and certain types of inward investment. Equally seriously, there is a real threat that many of T&T's most dynamic citizens, who are expected to drive the new non-energy economy, will emigrate unless there is a clear reversal of present trends.

Environmental risks: Trinidad and Tobago is a twin island state with a rich natural environment at risk from unplanned residential, business and industrial growth. Both islands are at frequent risk from natural and man-made hazards like flooding and storm damage and at real risk of hurricane and seismic damage, and of industrial pollution (T&T's petro-chemical industry is both large and located very close to populated areas). These risks are probably manageable, and so too are floods and tropical storm damage. However, the country has to enhance its preparedness and response strategy for the eventuality of a serious hurricane or a severe earthquake.

A handwritten signature in black ink, consisting of a stylized, cursive name. Below the signature, the initials 'ENC' are written in a similar cursive style.

10TH EDF PROGRAMMING ORIENTATIONS

PART 2: NATIONAL INDICATIVE PROGRAMME

1. INDICATIVE PROGRAMME

1.1 Introduction

On the basis of the cooperation strategy presented in Part One and in accordance with Article 4 of Annex IV to the Cotonou Agreement, the Parties have agreed on the Indicative Programme has been drawn up as a set of tables showing the intervention framework for each sector, the financial programming timetable and a detailed schedule of activities for all listed programmes over a rolling three-year period.

The amounts mentioned in this chapter indicate the overall breakdown of funds between the focal sector(s), macro-economic support and other programmes. The breakdown may be adjusted in the light of the operational, mid-term, final or ad hoc reviews. However, for any adjustment resulting in a substantial change to the structure of the response strategy, a formal decision in the form of an addendum to the strategy document will be required.

1.2 Financial instruments

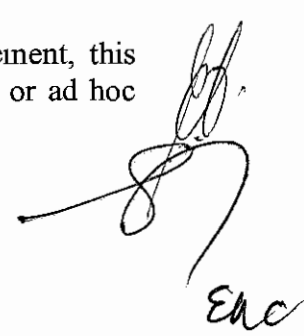
The implementation of the EC's cooperation strategy with Trinidad and Tobago will be financed from several financial instruments. The following is an indication of their mobilisation as currently envisaged.

1.2.1 10th EDF A envelope (€ 25.5 million): this envelope will cover long-term programmable development operations under the strategy, as follows:

	Amount (million)	percent of total	Financial instruments
Focal Sector			
Support for Economic Transition	€16.34 *	64	EDF Sector Budget Support
Other Programmes			
Good Governance	€8.00		EDF Sector Budget Support
Technical Cooperation Facility	€1.00		EDF Project Support
Reserve	€0.16		
<i>Total other programmes</i>	<i>€9.16</i>	36	

1.2.2 10th EDF, B envelope, €0.4 million: this envelope will cover unforeseen needs such as emergency assistance where such assistance cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate adverse effects of instability in export earnings.

In accordance with Article 3(5) of Annex IV to the Cotonou Agreement, this amount may, if necessary, be increased in the light of the operational or ad hoc reviews.



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1.2.3 Investment Facility: in addition to the financial instruments mentioned above, of which the A envelope is the main programmable basis for the NIP, the 10th EDF also includes an Investment Facility, which is an instrument managed by the **European Investment Bank (EIB)**. The Investment Facility is not part of the NIP.

Some specific activities may be supported by the **Centre for the Development of Enterprise (CDE)** and the **Centre for the Development of Agriculture (CTA)**.

1.2.4 10th EDF regional indicative programme: this allocation will cover long-term programmable development operations under the regional strategy for CARIFORUM countries. The allocation is not part of the National Indicative Programme but may have repercussions at national level depending on the participation of Trinidad and Tobago in the programmes proposed under the regional framework.

1.2.5. Other financial instruments:

Specific activities may be supported by external actions funded by the general budget of the European Community carried out under the financial framework for 2007-2013 subject to special procedure and availability of funds, and out of the own resources of the EIB. Actions funded by the general budget include, among others, programmes funded under the Development Cooperation Instrument such as the thematic programmes "investing in people", "non state actors in development", "migration and asylum", "environment and sustainable management of natural resources" and "food security" and the programme for accompanying measures for ACP Sugar protocol countries, as well as, actions funded from other instruments such as the stability instrument, the instrument for the promotion of human rights and democracy or the instrument for humanitarian and emergency assistance.

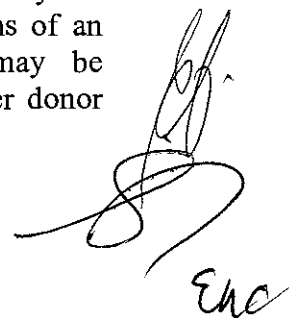
T&T benefited from the 6th Research Framework Programme (2002-2006) (in the areas of fish ecosystems and Avian influenza) and may also benefit from the 7th Research Framework Programme (2007-2013) which is open to all ACP countries. The 7th RFP covers areas including 'knowledge and technology' which may complement the proposed focal area.

For the Sugar Protocol countries benefiting from accompanying measures, the actions envisaged in that context shall be complementary to above financial instruments.

1.2.6. Monitoring and evaluation

Monitoring of results and evaluations of impact of individual activities (programmes, projects, sectors) under this CSP will be undertaken in line with the Technical and Administrative Provisions that are attached to each individual Financial Agreement prepared to implement this CSP.

The results and impact of the Community's cooperation with Trinidad and Tobago implemented through the NIP and through other external actions funded by the general budget of the European Community, will be assessed by means of an independent external evaluation. This country-level evaluation may be undertaken jointly with EU Member States and possibly also with other donor agencies.



1.3 Focal sector – Support for Trinidad and Tobago’s Economic Transition

The following overall objective will be pursued: **Support for the development of a modern and sustainable non-energy economy.** As an indicative amount, approximately €16.34 million will be set aside for this field. Some of the main areas to be considered may include:

- **Enterprise-university cooperation** to support the development of knowledge-based industrial and service sectors.
- **Technical assistance to SMEs** to encourage competitive, high value-added, innovative and export-oriented activities.
- **Educational and regulatory initiatives to stimulate an innovation culture** to develop and link risk capital, market-oriented R&D, and entrepreneurial skills.

The main implementing instrument will be Sector Budget Support (SBS), *subject to compliance with eligibility criteria.*

The main sectoral policy measures to be taken by government as a contribution to the implementation of the response strategy in this field are set out in the draft ‘Vision 2020 National Strategic Plan’ and are further elaborated in the December 2006 ‘Vision 2020 Operational Plan 2007-2010’.

Within the core areas outlined above the sector budget support programme will assist the government in achieving some of the stated goals of the operational plan for 2007-2010, notably:

- maintaining macroeconomic stability;
- creating a business climate that attracts investors and encourages competitive businesses to start and grow; and
- assisting the transformation of T&T into a diversified economy with a variety of growth opportunities.

1.4 General budget support/Sector budget support

It is envisaged that assistance under the 10th EDF NIP (EU-T&T) will be channelled through **Sector Budget Support (SBS)**, subject to compliance with eligibility criteria.

1.5 Other programmes

An indicative amount of €9.16 million is set aside for the following actions:

Non-focal sector – Good and Effective Governance (€ 8 million)

The funds for the non-focal sector of good and effective governance will also be channelled through **Sector Budget Support** *subject to compliance with eligibility criteria.*

The objective is to strengthen democratic values, support administrative reform and improve the quality of life. The indicative list of actions includes, among others:

- **improvement in the criminal justice system;**
- **improved efficiency and effectiveness of the police,** judicial and prison systems;
- **improvements in the protection of the physical environment** through legislation and effective compliance mechanisms;

- **results-based management** for government services.

The programme will complement a proposed UNDP programme scheduled for 2008-2011 which will aim to strengthen effective participatory governance in the areas of good governance and human rights.

The Technical Cooperation Facility (€1 million)

These funds do not include contributions to regional programmes and projects. No financial contribution is envisaged to be funded under the regional programme, although T&T will continue to contribute by hosting PMUs of regional programmes/projects that are most logically managed from T&T.

Reserve for insurance against possible claims and to cover cost increases and contingencies (€0.16 million)

When required, appropriate environmental assessments (SEA or EIA) will be carried out.



1.6 Intervention Framework & Performance Indicators

1.6.1 Focal Sector - Support for Economic Transition

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objectives	Support for the development of a modern and sustainable economy	Non-energy sector GDP growth approaching or exceeding that of the energy sector.	CSO and Central Bank statistics	A stable macro-economic environment and an attractive investment and business climate.
Programme Purpose	To reduce T&T's dependence on the energy sector by assisting in the development of high value-added non-energy alternatives.	The adoption of pro-SME policies by government and an increase in the number of non-energy start-ups and inward investment.	Budget statements, reports from Chambers of Commerce, SME support programmes, and TTMA (T&T Manufacturers Association)	A willingness by the financial sector and local investors to invest locally. Adequate state funds to implement SME support strategies
Results	<ul style="list-style-type: none"> • More effective tertiary education and public R&D sector involvement in addressing the needs of the industrial and service sectors; 	<ul style="list-style-type: none"> • New university-enterprise cooperation structures; • Increased private sector funding for public R&D spending and university consultancy services 	<ul style="list-style-type: none"> • Reports from TTMA, UWI, UTT, Chambers of Commerce; • CSO and university statistics. Reports from business sector 	<ul style="list-style-type: none"> • Enterprises are receptive to the new structures • Willingness of academics to work with the private sector. Required skills available.
	<ul style="list-style-type: none"> • A more competitive, export-oriented and innovative SME sector supported by a strong domestic consultancy sector 	<ul style="list-style-type: none"> • Increases in productivity and in the export of goods and services. Increased number of domestic business consultants 	<ul style="list-style-type: none"> • CSO production and trade statistics. Chamber of Commerce and TTMA reports. National policy documents' 	<ul style="list-style-type: none"> • An external trade environment within which small states and relatively competitive and well-motivated SMEs can compete.
	<ul style="list-style-type: none"> • The adoption and promotion of an innovation culture by government, enterprises and the higher education sector 	<ul style="list-style-type: none"> • Increased risk capital spending. Increased private-sector R&D. Innovation incorporated into business education curricula 	<ul style="list-style-type: none"> • Central Bank and CSO statistics. Company returns. University annual reports. 	<ul style="list-style-type: none"> • A willingness by stakeholders to embrace change. A less risk-averse financial sector.
	<ul style="list-style-type: none"> • Rationalisation of the sugar cane and sugar sectors and the transfer of non-productive human and physical assets to viable economic activity. 	<ul style="list-style-type: none"> • Production and employment statistics. Divestitures. • No of sugar sector workers employed by other sectors. 	<ul style="list-style-type: none"> • CSO and SMCL. • CSO, and SMCL, 	<ul style="list-style-type: none"> • Government will adopt a viable sugar sector adaptation strategy.

1.6.2 Non-Focal Sector – Good and Effective Governance

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective	Improve good governance	National, regional and international good governance indicators	Legal, administrative and compliance frameworks.	Political will by government to commit to a good governance agenda and to enforce compliance
Programme Purpose	Strengthen democratic values, support administrative reform and improve the quality of life.	Progress on programme of reforms and data and information on results achieved.	The legislative programme. Reports of the relevant ministries, agencies, international organisations and civil society.	Political will by government to modernise the administrative machinery and translate economic growth into a better quality of life for all.
Results	Create more effective criminal justice, police, prison and judicial systems.	Implementation of a criminal justice reform programme Progress on implementation of police reforms. Decrease in serious crime rate. Progress on implementation of improvements in the prison system. Progress in the speed of judicial process and of throughput in the courts, including the handling of appeals.	International reports (e.g. A.I.) Reports from the relevant agencies and associations of legal professions. Police complaint statistics. Statistics on crime rate Reports from relevant agencies and associations, including civil society	Government and the police and judiciary are committed to improving the effectiveness and efficiency of existing systems as one way of addressing the rise in serious crime.
	Better protection for T&T's relatively fragile environment	Revised environmental legislation and progress on compliance mechanisms	The legal agenda State-of-the-environment reports International and NSA reports and reports from civil society.	Govt prepared to enforce compliance. The new 'non-energy' economy will respect good practice.
	Promote the culture of results-based management	Progress in the quality and speed of delivery of administrative and basic social services	CSO statistics and data from the relevant agencies, civil society organisations, and international organisations on the provision of services	Govt committed to achieving the MDG and the agenda 2020 objectives.

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1.7 Indicative timetable for commitments and disbursements

1.7.1 Indicative timetable of global commitments

	Indicative allocation	2008		2009		2010→	
		1	2	1	2	1	2
FOCAL SECTOR – Support to Economic Transition	€m						
- Budget Support	€m			16.34			
NON-FOCAL SECTORS -	€m						
- Non-Focal Area: Good and Effective Governance	€m			8			
- Technical Cooperation Facility (TCF).	€m		1				
Total Commitments:	€m		1	24.34			
Total Cumulative Commitments:	€m			25.34			

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1.7.2 Indicative timetable of disbursements

	Indicative allocation	2008		2009		2010		2011		2012	
		1	2	1	2	1	2	1	2	1	2
FOCAL SECTOR – Support for Economic Transition	€m										
- Sector Budget Support (SBS)	€16.34m			3.0	3.0		5.84		2.5		2.0
NON-FOCAL SECTORS	€m										
- (a) Good and Effective Governance (SBS)	€8.00m			2.0		2.0		2.0		2.0	
- Technical Cooperation Facility (TCF)	€1.00m	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1		
Total Commitments:	€m	0.1	0.1	5.1	3.3	2.1	5.94	2.1	2.6	2.0	2.0
Total Cumulative Commitments:	€m	0.1	0.2	5.3	8.6	10.7	16.64	18.74	21.34	23.34	25.34

* Decision on the indicative budget conditional on the outcome of the 9th EDF- ETR.

1.8 Schedule of activities

1 st FOCAL AREA (16.34 M €)	Indicative allocation	2008				2009				2010→			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
- Budget Support for Economic Transition	€16.34m	FS	FP	FP	FD	ζ	ζ	ζ	ζ	ζ	ζ	ζ	ζ
NON-FOCAL AREAS (€9.06m)		2008				2009				2010→			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
- Technical Cooperation Facility.	€1m	FD	ζ	ζ	ζ	ζ	ζ	ζ	ζ	ζ	ζ	ζ	ζ
- Contrib. to regional programmes													
- Good and Effective Governance	€8m	FS	FP	FP	FD	ζ	ζ	ζ	ζ	ζ	ζ	ζ	ζ

FS: Feasibility Study

FP: Financing proposal

FD: Financing decision

ζ : Project implementation

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Annexes

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ANNEX 1: "COUNTRY AT A GLANCE" TABLES

Table of macroeconomic indicators

	2000	2001	2002	2003	2004	2005	2006	2007
Basic data								
1 Population (in 1000)	1.262	1.266	1.275	1.282	1.291	1.3	1.3	
- annual change in percent	0.3	0.4	0.7	0.5	0.6	0.3		
2a GDP (US \$ billions)		8.8	8.9	10.5	11.5	13.3		
3 Real GDP growth - annual change in percent		0.1	6.8	13.2	6.5	7.2	10.0	5.5
4 Gross fixed capital formation (in percent of GDP)	17.0	19.4	19.2	17.7	16.8			
International transactions								
5 Exports of goods and services (in percent of GDP)	59.2	56.3	50.3	54.3	54.8	59.1		
- of which the most important: energy sector (in percent of GDP)								
6 Trade balance (in percent of GDP)	13.9	10.7	5.5	14.9	16.2			
7 Current account balance (in percent of GDP)	5.0	0.8	8.9	8.9	14.5	18.8	21.2	17.8
8 Net inflows of foreign direct investment (in percent of GDP)	8.0	8.8	7.5	5.4	7.9			
9 External debt (in percent of GDP)	20.5	18.8	17.1	14.4	11.0	8.9		
10 Service of external debt (as percent of GDP)	4.6	2.1	2.2	1.9	2.7	1.3		
11 Foreign exchange reserves (in months of imports of goods and non-factor services)		6.3	6.3	6.9	7.3	7.0	7.4	8.7
Government								
12 Revenues (in percent of GDP)	27.4	24.3	26.7	27.5	26.8	32.1	33.4	
- of which: energy (in percent of GDP)	9.2	5.7	10.3	11.2	15.8	21.0		
13 Expenditure (in percent of GDP)	23.8	24.2	23.5	23.2	23.3	25.0	26.7	
- of which: capital expenditure (in percent of GDP)		1.4	1.3	1.5	2.1	3.1	3.3	
14 Public Sector Debt (in percent of GDP)		55.0	58.4	54.7	49.1	41.3	31.8	23.2
- of which: external (in percent of total public debt)		18.8	17.0	14.4	11.0	9.0	6.6	5.9
Other								
15 Consumer price inflation (annual average change in percent)		5.5	4.2	3.8	3.7	6.9	6.6	6.2
16 Interest rate (for money, annual rate in percent)								
17 Exchange rate (year end TT\$ per 1 €)	5.82	5.58	5.90	7.13	7.80	7.44	8.61	8.64
18 Unemployment (in percent of labour force, ILO definition)		10.8	10.4	10.3	8.3	8.0	7.5	7.3

Sources: Based on material from the Ministry of Finance, IMF Article IV Report 2005, World Bank development indicators (www.worldbank.org) and Economist Intelligence Unit Country report 2006.

Figures in italics are projections/estimates.

Table of indicators for the MDGs

	Indicator	1990	2000	2001	2002	2003	2004	2005	2006	2013	2015
Impact	1. Proportion of population living on less than USD 1 per day			12.4	12.4	12.4					
	2. Prevalence of underweight children (under-five years of age)		5.9	7							
	3. Under-five mortality rate		5.17	5.62	6.11	6.5					
Outputs	4. Net enrolment ratio in primary education		92	92	93	91	<i>97.1</i>	<i>94.8</i>			
	5. Primary Completion Rate	<i>99.6</i>	99.4	99.7	99.7	<i>89.0</i>	<i>94.2</i>				
	6. Ratio of girls to boys in: - primary education	<i>99.9</i>	96.6	94.7	95.5	99.9	<i>99.97</i>	<i>99.97</i>			
	-secondary education	<i>105</i>	110.1	103.8	107	108	<i>107</i>	<i>104</i>			
	- tertiary education	<i>89</i>	96.4	96	96	156	<i>126</i>	<i>127</i>			
	7. Proportion of births attended by skilled medical personnel		99.03	99	99	96					
	8. Proportion of one-year-old children immunised against measles	<i>70</i>	90	91	90	88	<i>95</i>	<i>93</i>			
	9. HIV prevalence among 15- to 24-year-old pregnant women		5.70	2.5							
	10. Proportion of population with sustainable access to an improved water source	<i>92</i>	90	91			<i>91</i>				

Source: United Nations 'Human Development Report' 2006

Figures in italics sourced from UN Millennium Development Goals official website used by Eurostat <http://mdgs.un.org>

ANNEX 2: DONOR MATRIX

PROJECT	CURRENCY	APPROVED AMOUNT EURO (M)	APPROVED AMOUNT US \$ (M)	MODALITY	STATUS
Currency Conversion: Euros to \$TT / TT to US	7.0141	6.2999			
European Union					
i) Support to Caribbean Business Services Ltd - Phase II Continuation of the programme of demand-driven technical support to the Small and Medium Enterprise (SME) sector in manufacturing, construction, tourism and industrial services sectors. Assistance will be in the areas of Quality Management Systems, Health Safety as well as Environmental and Food Safety Management Systems.	Euros	2.00	2.23	Grant	On-going (2003-2007) Extensions to Financing Agreement, Programme Estimate and Grant Agreement have been approved.
ii) Poverty Alleviation Programme Decentralisation of the social services delivery system through the operationalisation of Regional Social and Human Development Councils, implementation of micro-project and micro-credit fund, completion of Survey of Living Conditions 2005, establishment of a network of information and resource centres to support entities in the delivery of social services to the poorest segments of the population.	Euros	6.00	6.68	Grant	Began 2001, currently ongoing. Monitoring Mission reports great progress with the project and recommends and extension from projected expiry of Financing Agreement end date 2007
iii) Support to Post Secondary/Tertiary level Education	Euros	28.00	31.17	Grant	Financing Agreement signed by the Commission in May 2006. Tranche payments to commence upon signature of the Financing Agreement by T & T.
iv) Support to National Strategic Plan for HIV/AIDS	Euros	7.13	7.94	Grant	Financing Proposal signed 13th May 2005. Currently in process of recruiting staff for the PMU.

v) Rural Electrification	Euros	2.00	2.23	Grant	Financing proposal signed July 2004; supply tender failed; combined supply-works contract possible but programme close to N+3 closure.
vi) Technical Cooperation Facility	Euros	1.00	1.11	Grant	Approved November 2004. Programme Estimate ongoing. Recruitment process for Technical Assistance ongoing.
vii) Institutional Strengthening of the Ministry of Planning and Development. Provision of technical assistance for short and medium term studies, conferences, seminars and staff training to support the formulation and implementation of the EDF funded projects.	Euros	0.54	0.61	Grant	Completed May 2005. Programme Estimates are currently being audited for closure.
viii) Disaster Preparedness (in preparation)	Euros	Up to 2.00	2.23	Grant	Finalising draft Financing Proposal. Consultant visited T&T in July
TOTAL (European Union) - National Projects	Euros	48.67	54.20		
viii) Strengthening of Medical Laboratories (through CAREC - regional)	Euros	7.50	8.35	Grant	On-going (2002-2007). CAREC Council meeting to be held in July 2006
ix) Strengthening of Medical Laboratories - OCTs	Euros	1.40	1.56	Grant	Programme Estimate implemented and currently recruiting staff for PMU.
x) Regional weather radar warning system project	Euros	13.20	14.70	Grant	Sites identified. Equipment contract awarded, construction tendering in progress.
TOTAL (European Union) - Regional Projects	Euros	22.10	24.61		
TOTAL (European Union)	Euros	70.77	78.80		
Inter-American Development Bank					
ACTIVE LOANS IN EXECUTION					
i) National Highway Program	US\$		120.00	Loan	Approved June 1996
ii) Health Sector Reform Program	US\$		134.00	Loan	Approved July 1996
iii) Secondary Education Program	US\$		105.00	Loan	Approved July 1999
iv) Second Stage Settlements Program	US\$		32.00	Loan	Approved May 2002

v) Trade Sector Support Program	US\$		5.00	Loan	Approved May 2003
vi) Public Sector Reform Program	US\$		5.00	Loan	Approved March 2004
vii) PROPEF for Information & Communication Technologies	US\$		1.50	Loan	Approved April 2006
viii) PROPEF for Citizen Security	US\$		0.75	Loan	Approved May 2006
TOTAL Loan (IADB)	US\$		403.25		
MIF/Small TCs GRANTS IN EXECUTION					
i) Health & Safety Standards for the Energy Sector	US\$		415.00	Grant	Approved July 2005
ii) Image Skills Centre Project	US\$		41.00	Grant	Approved September 2005
iii) Production of educational multimedia for conservation of Tobago's marine environment	US\$		70.00	Grant	Approved September 2005
iv) Video and Sound Engineering Skills Training Program	US\$		61.00	Grant	Approved September 2005
v) Diagnosis of Caribbean Private Sector Organisations	US\$		110.00	Grant	Approved August 2004
vi) CAROSAI Long Term Training Program for Caribbean Organisation of Supreme Audit	US\$		250.00	Grant	Approved December 2004
vii) Development of Internet-based Port and Maritime Database	US\$		150.00	Grant	Approved May 2004
viii) Support for a Seamless Education System	US\$		630.00	Grant	Approved May 2006
ix) Computer Programming Training for Development of Tobago ICT Sector	US\$		22.00	Grant	Approved May 2006
x) "Adopt a Farmer" Program	US\$		36.00	Grant	Approved May 2006
xi) Secured Transactions Project	US\$		650.00	Grant	
xii) Modernisation of Telecommunications	US\$		990.00	Grant	Approved July 2002
xiii) Strengthening Airport Security	US\$		500.00	Grant	Approved March 2003
xiv) Improving Application of and Compliance with IAS and ASI standards	US\$		665.00	Grant	Approved March 2003
TOTAL Grant (IADB)	US\$		4 590.00		
TOTAL (IADB)	US\$		9 583.25		

Caribbean Development Bank				
Southern Roads Development Programme	US\$	35.00	Loan	Completed
Private sector program to the banking sector for on-lending to small and medium enterprise in the agricultural and tourism sectors including a First Agricultural and Industrial Credit, a US\$5 million loan 80 percent disbursed, and the follow-up to the previous loan, Second Agricultural and Industrial Credit, also for US\$ 5 million	US\$	21.00	Loan to the private sector	On going
Technical Assistance in institutional strengthening to the Tobago House of Assembly. Commencement of consultancies to improve the project cycle management framework, facilitate the establishment of a Treasury Management Unit to manage financial affairs; and enhance operational and institutional capabilities in the area of procurement and contract negotiations	US\$	0.60	Loan	Signed 2004, currently TOR being finalised
Buccoo Integrated Community Development Programme Commencement of feasibility studies for the construction of an integrated facility for goat racing, beach and fishing facilities and recreational jetties at Buccoo and environmental impact assessment	US\$	0.51	Loan	Began 2005 Pre-qualification for consultants being undertaken
Development of a Master Plan for COSTAATT (Post-Secondary Education) including an assessment of the adequacy of resources and a physical development programme.	US\$	1.00	Loan	Began 2003
Establishment of the Trinidad and Tobago Institute of Technology (TTIT) Completion of outfitting the TTIT- (renamed as the University of Trinidad and Tobago) at Brechin Castle, Couva.	US\$	7.54	Loan	Began 2000, was implemented and currently repayment efforts are being undertaken
TOTAL (CDB)	US\$	65.65		
IBRD/GEF				
Postal Sector Reform Project	US\$	14.80	Loan	Started 1998, currently in final stages
HIV/AIDS Prevention and Control Project	US\$	20.00	Loan	Began 2003, ongoing

Continuation of development works to establish two national parks at Buccoo Reef and Caroni Swamp.	US\$	4.20	Grant	Ongoing
Establishment of a National Park and Wildlife Authority	US\$	12.40	IBRD (to be arranged) Grant	2002
TOTAL (IBRD/GEF)	US\$	51.40		
UNDP				
i) Poverty Alleviation: Establishment of a Micro-credit system in Trinidad and Tobago	US\$	0.40	Grant and Government Cost Sharing	1998
ii) Institutional Strengthening and support to the Ministry of Health	US\$	12.80	Government Cost Sharing	(Ongoing May 2003 - June 2008) In 2006 there are plans for an orientation programme for the last batch of UN Volunteer Medical Doctors. There will be a tripartite project review as well as coordinated and structured monitoring activities.
iii) Assistance to the Ministry of Health in the Upgrading and Institutional Strengthening of its Emergency Health System	US\$	3.02	Government Cost Sharing	(Ongoing 2003 - 2006)
iv) Preparation of a National Gender Policy and Action Plan	US\$	0.06	Jointly funded UNDP Core funds, CIDA and Government Cost Sharing	2003
v) Preparation of the Second National Human Development Report	US\$	0.03	Jointly funded UNDP Core funds, CIDA and Government Cost Sharing	(Ongoing 2002 - 2006)
vi) HIV/AIDS: UN chairs a THEME Group on HIV/AIDS where all UN Branches participate (i.e. PAHO, ILO etc.) Mainstreaming - US \$10 000 NHDR - US \$61 034 Leadership - US\$12 000	US\$	0.08	Jointly funded by UNDP and all UN Branches	Ongoing

vii) Small Grants Programme (UNDP/SGP) for poverty alleviation; and GEF/SGP for Environmental and Energy Practice.	US\$	0.30	Grant	Ongoing 2005 -2006
TOTAL (UNDP)	US\$	16.69		
OAS/IACD				
Enhancement of Labour Inspection Functions in Selected Caribbean Countries	US\$	0.45	Grant	Project resubmitted in 2004, currently project under execution. Executing period: 1st July 2005 - 30th November 2006
TOTAL (OAS/IACD)	US\$	0.45		
ILO				
a) Social Dialogue Programme for the Promotion of Management Labour Cooperation (PROMALCO) Phase 1 - US \$1 862 096 Phase 2 - US \$1 590 000	US\$	3.45	Grant	Phase 1 (completed) Start: November 2000 End: 30 September 2005 (extension) Phase 2 (completed) Start: January 2003 End: 31 October 2005 (extension)
b) Child Labour National Programme for the Prevention and elimination of Child Labour in Jamaica US\$562,687	US\$	0.91	Grant	Completed Start: October 2001 End: June 2004 (extension)
c) Child Labour Identification, Elimination and Prevention of Worst Forms of Child Labour in the Anglophone and Dutch-speaking Caribbean Phase 1 - US \$597 082 Phase 2 - US \$750 000	US\$		Grant	Phase 1 Start: October 2001 End: 30 June 2006 (extension) Phase 2 Start: June 2003 End: 30 June 2006 (extension)

d) Labour Market Information Caribbean Labour market Information System (CLMIS) US\$1 075 000	US\$	0.01	Grant	Completed Start: September 2001 End: 31 October 2004
e) HIV/AIDS HIV/AIDS Workplace Education Programme in the Caribbean (Umbrella Project) Guyana (US\$ 308,000) Belize (US\$311,000) Jamaica & Barbados; Trinidad and Tobago (US\$1,600,000))	US\$	2.22	Grant	Guyana: Oct 2003 - Sep 2007 Belize: Nov 2003 - Dec 2006 Jamaica: May 2004 - Apr 2007 Barbados: May 2004 - Apr 2007 Trinidad and Tobago: Sep 2005 - Jun 2008
TOTAL (ILO)	US\$	6.59		
EIB				
TOTAL (EIB)				
IICA				
TOTAL (IICA)				
ACS				
TOTAL (ACS)				

PAHO				
TOTAL (PAHO)				
ECLAC				
Regional programme on Population and Development in Latin America and the Caribbean, 2005-2007. United Nations Population Fund (UNFPA)		0.14		(Ongoing Mar 2005 - Dec 2007)
Newsletter on Caribbean Action on Population and Development, 2005 - 2006. United Nations Population Fund (UNFPA)		0.45		(Ongoing Jan 2005 - Dec 2006)
Policies for the development of competitiveness of the Small and Medium Sized Enterprises in the Caribbean Subregion		0.30		(Ongoing June 2006 - Dec 2006)
Elaboration of Gender Indicators for English-speaking Caribbean Countries United Nations Population Fund (UNFPA)		0.16		(Ongoing Sept 2005 - Mar 2007)
TOTAL (ECLAC)		1.05		
ALL AGENCY TOTAL:	US\$	845.15		
Filename: Multilateral Agencies Donor Matrix				
Updated: July 3, 2006				

ANNEX 3: TRINIDAD AND TOBAGO ENVIRONMENTAL PROFILE

A concise and up to date county environment profile (as outlined by the Environment Helpdesk) for Trinidad and Tobago (T&T) is not available. This summary review of the environmental sector has been drawn from the Draft Final Report on the "Long Term Development Planning Study towards Vision 2020 – Environment and Natural Resources Management for Trinidad and Tobago " funded by the Inter-American Development Bank (IADB) in 2004.

T&T (an archipelagic state which includes the islands of Trinidad and Tobago) is the most southerly of the Caribbean islands, northeast of Venezuela. It is located on the continental shelf of South America and immediately adjacent to the outflow of the Orinoco River. This determines to a great extent the nature and form of its coastal and marine environment. Its location on the continental shelf explains why much of its exclusive economic zone lies in shallow enough depths to permit exploitation of petroleum, natural gas and other seabed resources. The outflow of the Orinoco River delivers land-derived nutrients and sediments to the shelf which supported significant fisheries resources although over-fishing has considerably depleted stocks.

Trinidad is separated from Venezuela at its nearest points on the north-western and south-western peninsulas by about 13 kilometres and from Tobago by 32 kilometres. Owing to its southern location, the country is less exposed to tropical storms and hurricanes than most of the Caribbean. Its marine ecosystems are much influenced by Orinoco River discharges while its terrestrial biota is largely South American.

The total land area is 5,128 sq km (Trinidad 5123 km² and Tobago 300 km²) with a coastline of 362 km. The marine area over which the State has sovereignty or jurisdiction comprises a total sea area of some 75,000 square kilometres, approximately 15 times the land area. These areas are bordered by the waters of Venezuela, Grenada and Barbados.

Trinidad extends 80 kilometres from north to south, and 59 kilometres from east to west. There are three mountain ranges; the Northern Range which crosses the entire width of the north of the island, the Central Range which runs diagonally across the middle of the island, and the Southern Range which runs intermittently along the southern section of the island. The Northern Range forms the highest elevation on the island (highest point 941 metres).

The climate of Trinidad and Tobago is categorised as tropical maritime with two distinct seasons. The dry season occurs between January and April and the wet season extending from June to November. May and December are generally considered to be periods of transition between the two seasons. In most years there is a short dry spell, the 'petit careme', in September/October.

Approximately two thirds of all precipitation is recorded in the rainy season. In Trinidad average annual rainfall is 2,200 millimetres. However, and depending on location and topography, there can be wide variations between different areas on the island. For example, rainfall can reach 3,500 millimetres in the eastern Northern Range and for the same period be as little as 1,300 millimetres on the off-shore islands of the north-west peninsula and in the south-west peninsula of Trinidad. The pattern for Tobago is comparable to Trinidad in amount, seasonality and spatial distribution. The country is technically in the hurricane zone.

The mean annual average air temperature varies between 28 degrees Celsius (day) and 22.5 degrees Celsius (nighttime). Average relative humidity is approximately 80 percent but ranges from 50 percent in the dry season to 100 percent in the rainy season. During the dry season there is wide diurnal fluctuation in relative humidity.

Land and Biological Resources

The biological resources of T&T are the most diverse in the Caribbean archipelago, due to the continental origin of the islands. The terrain is mostly plains with some hills and low mountains with 15 percent of the land being used for arable farming and 10 percent used for permanent crops. The primary natural resources are petroleum, natural gas and asphalt. T&T's population density of almost 236 per/km² (one of the highest in the Western Hemisphere), ongoing development demands, and an annual population growth rate of 1.2 percent apply pressure on the country's natural areas and biological resources. Increasing urbanisation and industrialisation lead inevitably to encroachment onto the remaining natural ecosystems and agriculture in T&T is at risk since it has been relegated to poorer soils areas. Complete reform and re-energising of the sector is needed to ensure its survival.

Forest resources in T&T which protect critical water resources have been reduced from 60 percent of the land mass to 45 percent over the past 30 years. Half is designated as "protected" although there are no national parks, protected areas legislation or pro-active management plans for such areas. Moreover, illegal logging and mining continues unabated. Despite GoRTT's sensitivity to the issues surrounding limited natural resources, environmental management and sustainability, there is still no legislation on the sustainable use of limited natural resources and on managing human activities to ensure that economic activities are within the "carrying capacity" of terrestrial resources. Additionally there is no effective legislation for the conservation and active management of endangered or threatened species. As a consequence the overall physical environment continues to deteriorate.

Fresh Water Resources and Wastewater

Water availability in T&T is approximately 2,500 m³ per year per person which is much higher than the international criterion for water scarcity (less than 1000 m³/year/person). Current water demand in Trinidad and Tobago is estimated to be 368 MCM/yr while water supply (77 percent surface water) amounts to 346 MCM/yr. Deficits in water supply exist spatially despite an apparent abundance of water. Per Capita water usage is high but so too is wastage (50 percent of water supplies are unaccounted for). The RIC is currently imposing performance targets on WASA to reduce leakage to 20 percent and to achieve universal metering by 2011.

Deforestation of the watershed areas and consequent fast run-off of rainfall causes reduced recharge of the aquifers, resulting in reduced availability of water. Thus, the demand for water is rising, while the supply from sources on land is shrinking.

There is no comprehensive assessment of the quality of the water resources but a number of independent studies (of variable reliability) have been conducted. Most water quality studies (mostly by WASA) have focused on the Caroni River Basin which accounts for 30 percent of the drinking water in Trinidad and is a major source of pollution in the Gulf of Paria. Most pollution is attributed to inadequately treated domestic wastewater but additional pollution originates from agricultural and industrial sources.

Water resource issues are addressed directly or incidentally in a substantial body of national

legislation and international treaties which T&T has adopted but there is no integrated and coordinated approach to water resource management and water pollution control. There is a multitude of agencies and institutions involved in the water sector and in its management. These include the Environmental Management Authority (EMA); Ministry of Health, Ministry of Agriculture, Land and Marine Resources; Tobago House of Assembly (THA); Town and Country Planning Division; Water and Sewerage Authority (WASA), Drainage Division, Water Resources Agency; and the Institute of Marine Affairs. The primary water resources institution, (the Water Resources Agency) is inappropriately lodged in WASA.

The main threat to the quality and quantity of water availability is increasingly serious water pollution. Only 30 percent of the population is connected to wastewater collection/treatment systems. Approximately 101,000 m³/day of wastewater effluent is discharged into the watercourses in Trinidad and Tobago from the 12 aging WWTP's owned by WASA. There are also 18 NHA plants and about 200 small plants built by private developers, and many of these are abandoned or malfunctioning. WASA has started an ambitious programme building and rehabilitating WWTPs and Government has initiated a number of legal and institutional measures to protect fresh water resources. But a massive investment programme is called for.

Energy

In the medium term, the energy sector will continue as the main driver of the economy with a continued shift in production from oil to gas (the sector's share of GDP jumped from 18 percent in 1998 to 40 percent in 2005). The GORTT plans to enhance energy transmission and increase downstream activity including increased LNG production. This expansion of energy activity and exploration has the potential to conflict with natural resources conservation, risk to human and ecosystem health and other land uses such as tourism.

To address some of the environmental issues thrown up by the energy sector, the GORTT is pursuing several initiatives in the context of sustainable development including: alternative energy and renewable energy projects; considering policies to reduce carbon dioxide emissions; promoting compressed natural gas (CNG) as an alternative fuel; and banning lead additives in petrol. Despite these initiatives, water and land pollution through oil exploration and related activities continues, and there is a need for enhanced monitoring and management as well as better legislation to promote energy efficiency and alternative energy sources.

Coastal and Marine Resources

T&T's coastal resources include unique ecosystems of global significance, including the Nariva Swamp (one of the largest freshwater wetlands in the Caribbean) and Speyside Marine Area (largest continuous reef system in the region) in Tobago. T&T also has jurisdiction over 75,000 km² of ocean which contain diversified species common with northeast SA countries plus migratory fish stocks within the Caribbean. All these resources are vulnerable to water pollution from agricultural chemicals, industrial wastes, and raw sewage; whilst oil pollution is a threat to beaches and deforestation and soil erosion increasingly have a negative impact on the surrounding environment.

National Environmental Policy

Article 4 of the constitution of Republic of Trinidad & Tobago declares that every person in Trinidad & Tobago has the fundamental rights of life and enjoyment of property. By extension the National Environmental Policy (NEP) dated September 19th 2005 asserts that "the Government therefore accepts the responsibility to adopt policies and measures with a view to improving human health and the quality of life and also acknowledges the basic

environmental, health and development principles are interdependent and in harmony with the Constitution of the Nation.”

The first National Environmental Policy (NEP) was laid before Parliament on September 2nd, 1998. Section 18(5) of the Environmental Management Act provides that “policy may be revised from time to time.” A second National Environmental Policy (NEP) dated September 19th 2005, has since been adopted.

Environment - international agreements

Party to: Biodiversity, Climate Change, Climate Change-Kyoto Protocol, Desertification, Endangered Species, Hazardous Wastes, Law of the Sea, Marine Life Conservation, Ozone Layer Protection, Ship Pollution, Tropical Timber 83, Tropical Timber 94, Wetlands *signed, but not ratified:* none of the selected agreements.

Priorities

GORTT has enacted basic environmental legislation and signed most international environmental treaties, but needs to better address current environmental, social and economic challenges. Further legislation is required and environmental laws need to be enforced.

Urban pollution in Port of Spain, and its negative impact on human health needs to be addressed. The most pressing issues are water supply, waste management, sanitation and municipal waste disposal (nearly all of which is currently landfill). Currently, industrial waste and the poor management of sewage treatment plants and of domestic and commercial waste water leads to the pollution of water courses and the marine environment. Urbanisation is also leading to previously organic solid waste being replaced by less biodegradable waste typical of consumer societies. Biomedical waste management also needs improving.

Overall planning and development must be better managed. Housing and other land use are encroaching on the foothills of the Northern Range and 0.8 percent of the upland forest cover is being lost each year (Agard and Gowrie 2003 T&T Environmental Vulnerability Index). As a consequence there is an increase of soil erosion, increased and faster run-off of ground water in the rainy season, and increasingly severe flood damage in the low lying areas.

The increase in the already high number of motor vehicles is a major source of air pollution and only the construction of an efficient public mass transport system will reverse the trend.

Given its geology and location at the southern end of the Caribbean Hurricane zone, T&T is vulnerable to a range of natural disasters and disaster management needs to shift from relief to preparedness.

The most current environmental controversy relates to heavy industry and the proposed construction of two aluminium smelters and another steel smelter. In the absence of strong legislative rules to govern air and water pollution many would argue that such proposals present considerable risks to Trinidad’s fragile environment.

There is also the global issue of climate change. Climate change is already having significant and serious impacts on developing countries as highlighted in the recent reports of the Intergovernmental Panel on Climate Change (IPPC). These impacts will increase over years and decades to come and are projected to include wide-scale flooding, increased risk of epidemics and famine due to water contamination and loss of arable land, massive population

displacement, and, significantly for the island nations, an increase in extreme weather events such as cyclones and hurricanes. Projected sea level rise will affect coastal areas. Climate change is a threat to development and diminishes the chances of achieving the Millennium Development Goals. In this context, adaptation to climate change becomes a pre-condition for sustainable development.

ANNEX 4: COUNTRY MIGRATION PROFILE

[N.B. This is an all-Caribbean profile prepared by the T&T Delegation. In our judgement this is a more instructive background document than a limited T&T migration profile provided that, as is the case, the T&T specific points are picked up in the main CSP text]

Inventory data

Introduction

Caribbean countries are source, transit and final destination of migrants. Patterns of migration vary from seasonal movements within the region, to long-term migration to find work abroad, reunite with family, study or seek asylum or other type of protection. Historically more men migrated among the islands, but female migration is growing steadily, with new opportunities opening in the health and education sectors in North America and the United Kingdom. The less qualified migrants hope to find work in agriculture and construction, or end up in prostitution.

Different Caribbean countries are affected in various ways by migration. The oil boom in the 1970s attracted many migrants from the smaller and less developed islands to work in the oil refineries in the dependencies of the Netherlands and the United States. Also the booming energy sector in Trinidad and Tobago was a magnet for many in search of employment. The growing tourism sector in the Caribbean in the 1990s increased the demand for workers in some of the smaller Caribbean islands. Workers from other islands and neighbouring countries in Latin America, particularly Columbia and Venezuela, came to fill in the gaps

The emigration from the Caribbean has occurred in two waves. The first wave happened during the post World War II economic boom to fill labour shortages for unskilled and semi-skilled jobs in western economies. The second wave took place in the late 1970s and 1990s as a result of an increase in the demand for service workers and professionals (e.g. domestics, teachers, nurses, doctors) in North America, as well as of a social decline in Caribbean countries.

Analysis of the Caribbean migration patterns is hampered by the lack of timely and reliable data. Very little data are available on the in- and outflow of people from and to Caribbean countries. Also monitoring the in-and outflow of resources (in cash and kind) from and to the region requires more attention. Data collection systems are weak and the information available on migration in the Caribbean is often outdated and does not adequately reflect the situation at present.

Migration within the Caribbean sub-region

The intra-Caribbean migration is a dynamic phenomenon, with possibilities of change in the pattern depending upon any emerging foci of growth in any of the islands, and the subsequent increase in the need for workforce. Also, any major environmental hazard can lead to out-migration.

On average, about 3 percent of the Caribbean population can be considered migrants. This, however, varies considerably from country to country, with the lowest percentage found in Jamaica, Guyana, Cuba and the Dominican Republic, the highest proportions reported for the British Virgin Island, the Cayman Island, Anguilla, the Netherlands Antilles, Aruba and the

United States Virgin Islands. The majority of migrants originate in just a few countries, mainly in the smaller member states of the Organisation of Eastern Caribbean States (OECS), with the exception of Anguilla, but also Jamaica, Guyana, Suriname and Haiti.

In recent years the intra Caribbean migration flows have been towards islands where tourism has expanded over the past decade, such as Antigua-Barbuda, the British dependent states of Anguilla, the British Virgin Islands (BVI) and Cayman Islands and the Netherlands Antilles and Aruba. Emigrants from Guyana have been settling throughout the Eastern Caribbean, especially in islands with significant tourism sectors, such as Barbados, Antigua and St. Kitts and Nevis. Migrants from the Dominican Republic have been settling in St. Kitts and Nevis under citizenship entitlements based on the nationality of their grandparents who migrated from St. Kitts-Nevis to the Dominican Republic in the 1920s and 1930s.

Migrants establish or move into niche occupations in response to the existing opportunities in the host country. In the Bahamas and the BVI, most non-nationals are involved in unskilled work. Most of the non-nationals in Jamaica are in the professional (45.9 percent), managerial (16.3 percent) and technical (12.0 percent) categories. This is to large extent replacement population for Jamaicans who have migrated to North America.

Migration from the Caribbean

The Caribbean has one of the largest Diaspora communities in the world, in proportion to the population. For example, it is estimated that the Cubans and the Dominicans in the USA are equivalent to 8 percent of their respective populations of origin. In some of the mini states in the region, like St. Kitts and Nevis, Grenada and Belize, annual labour migration accounts for as much as 12 percent of the population, thereby transferring their population growth. In total over the last 50 years, the Caribbean, with a present population of about 37 million people, has lost more than 5 million people.

The top labour exporting countries from the Caribbean are Cuba, the Dominican Republic, Haiti, Jamaica and Guyana. Other major sending countries are non-independent territories like Puerto Rico, the French Overseas Departments and the Netherlands Antilles.

Migration from the Caribbean happens largely to the North and to the former coloniser countries in Europe. Family ties, geographic proximity (i.e. low migration cost) and the use of the same language make the United States and Canada and, to a lesser extent, the United Kingdom preferred destinations for Caribbean migrants.

The US is the number one destination by a significant margin, and is estimated to account for as much as 75 percent of the Caribbean-born and first generation diaspora. Dominican Republic provides the highest number of highly skilled personnel, craft and repair workers, while Haiti chiefly contributes to the less specialised skill categories and farming, forestry and fishing. Jamaica contributes most to the service sector, but also at professional, executive and managerial groups.

The next largest receiving country is Canada. Between 1990-1996 Jamaica ranked highest source, with a total of 17,522 emigrants to Canada. Trinidad and Tobago came second with over 11,000 emigrants.

Migration and Development

Issues related to the root causes of migration

Migration from the Caribbean countries has been driven by number of pull and push forces. Firstly, the growing demand for qualified labour in Northern America and Europe opened new opportunities for the highly qualified. The US, Canada and UK introduced legislation that favours the admission of skilled workers to fill the gaps in selected sectors of the domestic labour market. This has led to a mass exodus of Caribbean professionals, particularly skilled women in health and education.

Also, the US and Canada have opened programs for short term seasonal work, available to Caribbean, Mexican and Central American countries. Currently short term temporary work programs include Farm Worker Programs to the USA and Canada, Hotel Worker Program in the USA for waiters and chambermaids, Factory Worker Program to Canada and Programme for miscellaneous workers to Guantanamo Bay.

In addition to the growing nurse shortage in the United States, Canada and the United Kingdom, the pull factors for the Caribbean exodus of health care sector workers include

- Attractive payments and benefits
- Modern human resource management
- Professional work environment
- Possibility of permanent residency in the receiving country
- Financial support and immigration procedures provided by foreign employers
- Supportive network of family and friends
- Opportunities for professional development and career advancement
- Professional recognition
- Improved quality of life for self and family

The main push factors for migrants in the Caribbean region have traditionally been linked to deteriorating economic and social conditions, high unemployment and low prospects for improvement of living conditions. Remittances sent by migrants provide important benefits to the immediate family members as well as to the national economy of the receiving country.

The major push factors for migration of the health sector workers include

- Inadequate remuneration and benefits
- Unfavourable working conditions and lack of management and leadership
- Insufficient training and professional development
- Insufficient career perspectives and under-utilisation of acquired skills
- Burn-out due to increased workload as a consequence of resignations
- Lack of recognition of profession

The contribution of migration and migrants to the development of countries of origin

Remittances

The IMF (IMF Working paper WP/06/25) figures indicate that the region is the world's largest recipient of remittances as a percentage of the GDP (13 percent in 2002). Jamaica, the Dominican Republic and Haiti are among those that benefit worldwide most from the remittances received.

Table 2. Remittances to the Caribbean, 2002 (US\$m)

Country	Remittances
Barbados	84
Cuba	1138
Dominical Republic	2111
Guyana	119
Haiti	931
Jamaica	1288
Trinidad and Tobago	59
Total	5370

Source: MIF/IDB 2003 in Focal Policy Paper FPP-04-6

Remittances have emerged to be the fastest growing and most stable source of capital flow and foreign exchange in the last decade. According to the policy paper by the Canadian Foundation for the Americas (FPP-04-6) remittance flows outstrip Foreign Investment (FDI) and Official Development Assistance (ODA). Over the period 1996 to 2001 remittances grew by 2.1 billion. FDI rose by US\$ 2 billion while ODA declined by US\$ 200 million. Remittances to the Caribbean grew by 20.7 percent between 2001 and 2002 was 20.7 percent.

Table 3: Remittances compared to other inflows and key economic sectors, 1999

Country	Remittances US\$m	ODA percent	FDI percent	GDP percent	Tourism percent	Agro Exports percent	Total Exports &
Dom. Rep	1747	1150	129	10.0	69	290	34
Haiti	720	458	2400	17.0	1241	5455	220
Jamaica	781	3442	150	11.7	63	12	52

Source: IDB/MIF 2001 in Focal Policy Paper FPP-04-6

On the other hand, FPP-04-6 observes that remittances and other transfers of goods increase external dependency, promote western consumption styles and cause inflationary pressures. After expenditures on food, education and housing, not enough remain to be invested in productive assets, although remittances are being used to fund some small business investments. Importantly, rather than stemming the tide of migrants, remittances encourage the outflow of new migrants.

Unfortunately, research suggests that remittances for most Caribbean countries are not sufficient to compensate for the loss due to skilled migration, which includes emigration loss, externality effects, and government expenditure on educating the migrants.

Brain Drain

Whereas some governments favour the exodus of their skilled in exchange for desired remittances to boost their economies, many countries suffer tremendous constraints in their capacities to provide equal, qualitative and affordable social services to their populations. The problem for the Caribbean is that it is not the surplus of the under-employed labour that is the main group of migrants, but the highly skilled and educated especially in the health and education sectors. Many countries have lost more than 70 per cent of their labour force, with

more than 12 years of completed schooling – among the highest emigration rates in the world. The majority of Caribbean countries have lost more than 50 per cent of the labour force in the tertiary education segment and more than 30 per cent in the secondary education segment.

Table1. *Percent of labour force that has migrated to OECD member countries 1965-2000, by level of schooling*

	Primary	Secondary	Tertiary
Antigua and Barbuda	9	64	67
Bahamas	3	10	61
Barbados	18	28	63
Belize	7	28	65
Dominica	19	67	64
Dominican Republic	6	33	22
Grenada	25	71	85
Guyana	18	43	89
Haiti	3	30	84
Jamaica	16	35	85
St. Kitts and Nevis	32	42	78
St. Lucia	12	21	71
St. Vincent and the Grenadines	18	33	85
Suriname	39	74	48
Trinidad and Tobago	8	22	79
Average	15	42	70

Source: Docquier and Marfouq 2005 in IMF working Paper (WP/06/25)

The Caribbean is losing approximately 400 nurses per annum through out-migration to Canada, the United Kingdom and the United States. The cost of training these nurses is estimated to be US\$ 15 to 20 million per annum. Therefore, the loss of trained nurses is a significant transfer of resource from the Caribbean countries. Remittances only partly go into national budget while the cost of training is in some cases fully financed from the government resources.

In addition to the fiscal loss Caribbean countries also suffer by not having adequate nursing personnel to ensure the delivery of quality health care, which undermines the sustainability of Caribbean health care systems. The present nursing crisis in the Caribbean is critical, since the ageing of the population and the HIV/AIDS crisis increases the demand for nursing care considerably in the near future. International initiatives to control recruitment and to stop poaching from already drained countries seem to have had only temporary impact

The departure of highly skilled migrants reduces productivity in specific sectors of the economy and creates labour gaps even in a context of high unemployment. The loss of human resources is not easily replaced in the education and health sectors. The magnitude of the migration has a significant impact on the local labour markets and on the welfare of those who stay behind in the Caribbean countries. The negative impact of a severe shortage of professionals has begun to hamper development efforts in some Caribbean countries.

Issues related to the management of migration flows

Irregular migration and human trafficking

While opportunities to migrate legally have increased for those with specific skills, many semi- or unqualified labourers find it more and more difficult to legally enter the labour markets in the developed world. Nevertheless, the continued and growing demand for cheap labour in the formal and informal sectors in Northern America, parts of Europe and the Caribbean have continued to attract large numbers of illegal migrants from poorer countries. This also includes women and girls who are trafficked as commercial sex workers to tourist destinations within the region and to major cities in North America and Europe. The movement of sex workers is widespread in the Caribbean. While the Dominican Republic has been the largest contributor, most countries in the Caribbean are sources of sex workers.

Many legal migrants may also become illegal when their visas expire or their status changes otherwise. Then, they easily run the risk of becoming deported or of losing access to health care services and education for themselves and their families. This is also a particular problem for undocumented migrants who, in fear of being expelled, often hide in inaccessible squatters and illegal settlements. Undocumented migrants work under unregulated conditions without access to protective recourse mechanisms.

In addition to illegal immigrants, deportees constitute a group of migrants that are of special concern in the Caribbean. The introduction of anti-crime and anti-terrorism policies in the 1990s has led to the growth of this group, which is involuntarily repatriated to home country following a conviction of a criminal or civil offence. 22,397 persons were deported to the Caribbean between 1994-1998, mainly from the US, but also from Canada and the UK.

Deportees cause a considerable strain on the national health and social services in the receiving countries. Many deportees would like to obtain work and reintegrate back into society, a difficult endeavour without the appropriate support at the destination. Many of these deportees have left their country of birth at young age and therefore do not have any family or community network at return.

The impact of deportation policies on the Caribbean is claimed by governments to be among the main causes for the increased incidence of violent crime. It is argued that the deportees are introducing new skills and trans-national networks into the region that contribute to drug trafficking, money laundering, kidnapping and immigrant smuggling. Caribbean Governments have also expressed concerns that the repatriation of criminals has occurred without proper notification and identification of deportees and there are no support mechanisms to reintroduce them into Caribbean society. However, Canadian Foundation for the Americas (FPP-04-6) found no significant statistical relationship between criminal deportation and the increase in crime in these territories.

Regular flows - Immigration regulations in the Caribbean

The Basis of Caribbean integration is the Caribbean Single Market Economy (CSME). Thirteen CARICOM member States of the Caribbean Community (CARICOM) are committed to establishing the Single Market with effect of 1 January 2006 or shortly thereafter. 6 CARICOM Countries have now done so. The Single Economy is due to come into effect by 31 December 2008. Free movement of nationals from member and associate member States is one of the goals of the CSME. However, until today only free movement of skilled labour, such as university graduates, artists, musicians, media workers and

sportspersons has been implemented by most member States. For the movement of services, the Revised Treaty includes the movement of services against remuneration other than wages. CARICOM nationals have the right to move to another member State on a more permanent basis to produce goods and services. This also includes bringing along technical, managerial and supervisory staff. The inclusion of other groups of workers into those who are allowed to move freely was discussed by the CARICOM member States in early 2005, but no final decision has yet been taken. Issues like spouse and dependant movement are not yet clear. In order to monitor labour movement within the CSME, the CARICOM Secretariat is discussing the establishment of a "Movement of Skills Database".

Management Issues

According to United Nations figures, only five out of 16 countries reported in 2000 that they perceived immigration as too high and, in total six countries reported that they wished to lower the inflow of non-nationals. However, recognition of the need for managed migration is reflected in the growing number of intergovernmental platforms that are established to provide policy makers with an opportunity to discuss strategies to respond to the challenges of the migration. Puebla Process is a consultative process at the regional and international levels to stem the flow of undocumented migrants. Regional resources available to governments include the Global Emergency Fund and the Caribbean Counter Trafficking Initiative, which offers training and technical assistance, including outreach and awareness campaigns.

While the brain drain is a matter of serious concern for almost all countries in the Caribbean, the region, in a joint effort by the Regional Nursing Body (RNB), CARICOM, PAHO and the Commonwealth Secretariat, have begun to seek solutions to maximise the benefits and minimise the losses encumbered. Initiatives have been launched to promote nursing, to retain qualified professionals and to encourage the return of those already living abroad.

The International Organisation for Migration (IOM) and the UNHCR Seminar in Tobago on 23-27 October 2005 on "Mixed Migratory Flows: Promoting Orderly Migration and Protecting Vulnerable Populations" was an opportunity for governments, civil society, and international and regional organisations to share their ideas on mixed migratory flows, particularly the promotion of orderly migration and the provision of adequate protection to refugees and other vulnerable populations that comprise part of the migratory flows.

The seminar recommended creating a task force for specific issues, monitoring international adoptions to reduce the potential for trafficking, identifying points of contact to share experiences and information among countries, providing witness protection and rehabilitation programs for victims, offering legal status to victims in host countries, offering assistance with voluntary repatriation, adapting national legislation to local problems and using International Protocols as guidelines in drafting national laws.

It was recognised that training is essential for all officials who have contact with migrants, including police and security officials, legal aid and social services providers and consular and immigration officials. To combat "brain-drain", it was suggested that migration needs to be included as an issue in global trade negotiations; the region should explore methods to encourage development rooted in science and technology such as Cuba's efforts to train professionals and offer scholarships regionally.

ANNEX 5: COUNTRY STRATEGY PAPER DRAFTING PROCESS

The drafting process began with a series of discussions and brainstorm meetings with MS missions and the NAO, linked initially to the 2006 JAR-ETR process but subsequently geared to preparing preliminary programming proposals to be discussed with Commissioner Michel in April 2006 in Santo Domingo. In parallel, and very much as part of the Delegation's continuous contact with NSAs and the authorities, a series of contacts and discussions took place to define key priority areas for cooperation, and this included participating in conferences and workshops on innovation and SME support organised by the Ministry of Trade & Industry and the University of Trinidad and Tobago (UTT), the Ministry of Labour and SME Development, and the T&T Chamber of Commerce and Industry (notably its 'Inno' sub-committee), the World Economic Forum (on ICT and Development), UN-ECLAC and several others.

The raw ideas from these meetings informed the preliminary drafts of the 'EU response' sections of the first CSP draft, and summaries were used to animate an informal NSA consultation (see report below), two formal 'stakeholder' consultations in Trinidad and Tobago, and a high level policy meeting donor of all key donors operating in T&T.

The present CSP text is based very much on preliminary ideas agreed between the Commission and the NAO at the Santo Domingo meeting with Commissioner Michel, and also draws heavily on agreed government policy with which the CSP is compatible. The actual drafting was done first by the T&T Delegation on the basis of comprehensive documentation sent from Brussels, and it drew hardly at all on the agreed JAR 2005 text which is by its nature far less appropriate as a programming document than the programming instructions suggest. The initial draft text was modified considerably on the basis of internal discussions and one to one meetings with the NAO and his staff. The text on the sugar sector reflects the state of discussions between the Commission and the GORTT (notably the Ministry of Agriculture) on support available to implement a sugar sector adaptation strategy.

The drafting of the governance profile (annex 6.1) followed a very different route. Given the requirement (and very short deadline) that it be prepared **before** the ETR Country Team Meeting, it was first prepared by the Delegation in draft, and then circulated to all four MS Missions and the regional Delegation in Guyana for comment; no substantive comments were received. Two extensive and fruitful but informal consultations were then arranged with NSA representatives with a recognised involvement on governance issues. Before it is finalised, it is the Delegation's intention to get further input from contacts in the Judicial system and the government's human rights establishment; but this is a sensitive process as the governance profile, unlike the CSP, is clearly a document for which the Delegation ultimately takes overall responsibility.

ANNEX 6. EC-T&T DEVELOPMENT COOPERATION PROGRAMMING, 10TH EDF

**MINUTES OF THE INFORMAL NSA CONSULTATION MEETING
SAGICOR FINANCIAL BUILDING, PORT OF SPAIN 22 JUNE 2006 at 9-12 AM**

A SAMPLE OF 29 NSAS WAS INVITED. THE FOLLOWING WERE PRESENT:

Name	Organisation	Interest in participating
Aljoscha Wothke	Environment Tobago	EU supported actions play a pioneering role in environmental & social development
Joseph Meharris	Centre of Hope	The Centre of Hope is an EC funded project for drug addicts and the homeless. EC funds and actions fill the gaps left by government.
Allison Haynes Wilson	Servol	Servol works with low income families and implements development and education programmes to assist people out of poverty
Elisabeth Nicholas	CCC (Caribbean Conference of Churches)	CCC has not worked with the EDF in T&T but interested to know EC cooperation and specific possibilities for funding.
Yolanda Simon	CRN+ (Caribbean Regional Network of People Living with HIV/AIDS)	Aims to mobilise, develop and empower persons living with HIV/AIDS. EC support was instrumental in helping CRN+ become operational and opened doors to other technical and financial resources.
Dona Da Costa	FPATT - Family Planning Association.	Continued dialogue on health in general and HIV in particular.
Reginald Potter and Carrall Alexander	COPE (Council of Presidents of the Environment. An umbrella for NGOs)	COPE is part of CCA, which received money from the EDF CREP regional programme. Interested in what EC can offer for work on the environment
Hollis Charles	TTGPA (T&T Group of Professionals Associations) Hollis Charles also spoke for T&T CAN!	TTGPA does not yet feature in national development discussions. In the 1980's Mr. Charles championed the idea of grassroots organisations being consulted on national development policy but donors and national authorities were not receptive for the idea
(Bishop) Winston Clarke	CSN San Fernando (PRP-Civil Society Network)	In addition to representing a PRP-CSN, he wished to see what role the church could play in defining national development policy.
Lasana Kwesi	CSN Laventille (PRP-Civil Society Network) SALNET	Can, through EC and government agencies, NSA's be empowered as agents of development, rather than just recipients
Nelcia Robinson	CAFRA (Caribbean Assoc for Feminist Research and Action)	Concerned that the policy dialogue should focus on basic needs (e.g. access to water), gender, and primary education. HIV/AIDS programme should continue.
Ann McCarthy	CSN Sangre Grande (PRP-Civil Society Network)	Wanted to open up NSA and Government minds to networking and to enhanced NSA participation and empowerment. Promote export capacity in SME's.
Angela Emmanuel Williams	CSN Piarco (PRP-Civil Society Network)	Find out more about poverty reduction to take it back to the networks
Helen Williams	Goodwill Industries (for the handicapped)	EC has much to offer on public health and HIV/AIDS. Would like to know more about funding opportunities.
Donald Peters	Costaatt (T&T's 'community college' and main non-university higher education institution.	Hopes to see EC cooperation prioritising poverty reduction and empowering people through education. Creating better access to higher education gives access to careers and helps people help themselves

Vera Edwards	Toco Foundation	The foundation focus is poverty reduction, environment, and HIV. Its main interest is how to partner with EC on poverty reduction
Nicole Leotaud	CANARI (Caribbean Natural Resources Institute)	EC an external agent able to influence and catalyze local priorities and policies. Canari wants equitable and effective stakeholder participation in policy conceptualisation and identification of needs in linking national resource management to poverty reduction. Promote livelihood opportunities.
Hazel Brown	T&T Network of NGO's for the Advancement of Women & CSN (PRP-Civil Society Network) for Diego Martin.	Believes programming and implementation of 10th EDF NIP can be improved c.f. the 9th. Hopes to see EC governance support covering gender and local government. Wants to see capacity building of the PRP CSNs to make them a driving force for development when EDF funds for PRP end.
Marlene Antoine	EDF Unit – Min. of Planning & Development.	
Anthony Smallwood	EC Delegation (Acting HoD)	
Terhi Karvinen	EC Delegation (Program Officer)	
Alvaro Bordallo-Sainz	EC Delegation (Young Expert)	
Calistra Gregoire	EC Delegation Cooperation Asst.)	

AGENDA

The discussion was chaired by Acting HoD Anthony Smallwood around the following agenda which evolved considerably during the meeting:

- Welcome by the EC Delegation and a tour de table to allow participants to introduce themselves and explain what they hoped to achieve by attending
- Introduction to Commission NSA policy – implications for T&T and the Caribbean.
- Recent developments in cooperation policy – from project support to budget support.
- A summary of current EDF actions in T&T.
 - Caribbean Business Support Ltd
 - Poverty Reduction Programme
 - Tertiary Education Reform
 - Support to the National HIV/AIDS Programme
- Brainstorming on possible/probable 10th EDF concentration areas:
 - Focal Area: economic transition and developing the non energy sector
 - Non Focal Area: Governance
 - Cross Cutting Issues
- Closing remarks

THE FOLLOWING GUIDELINES WERE GIVEN TO ORIENTATE THE BRAINSTORMING:

- EC support must be consistent with the National Development Plan (vision 2020).
- Concentrate on cooperation issues where the EU can bring real value added.
- Think big — outline desirable structural changes rather than proposing individual development projects (this was a consultation not a forum for requests for funding).
- The CSP is limited to 1 focal area and 1 non focal area: are the 2 proposed relevant?

MATERIAL TABLED AT THE MEETING.

- Broad Orientation Lines for the 10th EDF Programming
- PPT presentation on the EC development aid
- The European Consensus on Development – Summary
- Guidelines on Principles and Good Practices for the Participation of Non-State Actors in the Development Dialogues and Consultation

SUMMARY MINUTES

BRAINSTORMING ON THE PROBABLE FOCAL AREA (SOCIO-ECONOMIC TRANSITION AND THE DEVELOPMENT OF THE NON ENERGY SECTOR).

- **General:**

- The energy boom will inevitably end, but the overwhelming public sector stress on developing the oil and gas sector disadvantages other sectors. The energy sector also impacts negatively on some livelihoods (such as fishing) and on the environment. (*CSN Sangre Grande*)
- The government's heavy industry led model of development is imposed top down, is not consistent with the local needs, and creates wider divisions between rich and poor (*Canari*).
- Government plans for the development of the non energy sector pay insufficient attention to rural and local community development (*Canari*)
- T&T's 'social safety nets' are inadequate (*CSN San Fernando*)

- **Water and sanitation.**

- Most WASA water treatment facilities do not work and many private developments dispose their waste waters without treatment. (*CSN Laventille*)
- The investment required to upgrade T&T's water and sanitation infrastructure was far too big for any 10th EDF envelope in T&T. However the EIB has a record of loan funding for initiatives in this sector (*A. Smallwood*).

- **Renewable energy**

- T&T will need alternative forms of energy when the oil runs out (e.g. sugar/ethanol, solar, coconut oil). This requires new skills and knowledge. A role for education and R&D (*Hazel Brown*).

- **SME development**

- SME Development should also consider the role of cooperatives (*TTGPA*)
- The development of small family businesses based on food production would contribute both to food security and to rural community development.
- Dangers of over-centralising industries. Decentralisation of light industry essential for balanced development (*CSN Sangre Grande*).

- **Agriculture** (a long and relatively unstructured discussion).

- Trinidad and Tobago was now an industrial nation, where agriculture was marginal for the GDP and employment, but it was still important for food security and as a source of additional income for disadvantaged groups.
- Some participants felt that a modernised agriculture sector still had potential for significant job creation provided land, and sufficient technical and financial resources were made available (x-ref Carom).
- The Min. of Agriculture had a plan to revitalise agriculture, but the education system directed the youth towards the industrial sector. Young people do not want to work in agriculture sector despite government incentives.

- The Poverty Reduction Programme had helped establish some successful box farming initiatives which provided additional food for the families involved, and additional revenues from selling the surplus in the markets.
- **Education**
 - The tertiary education system needs to focus more on small business and entrepreneurship to help individuals become self-employed. (*Centre of Hope*)
 - UTT over-focuses on the needs of the petrochemical sector. More attention should be given to high value added/ knowledge based non energy sectors that will survive when the gas runs out (*CRN+*).
 - The Jamaica cluster model for secondary level technical training. Each school only covered 3-4 technical training sectors and children were transported from school to school for the sector classes they needed (*CSN Laventille*).
 - Concern was expressed at the impact of brain drain.
 - The EC is involved with the tertiary education under the current NIP, and the IDB is engaged in the secondary education reform. How best could these issues be addressed under existing programmes? (*A Smallwood*)
- **Tourism**
 - Tobago was not the only tourism opportunity. Better marketing was needed to enhance tourism also in Trinidad (*Goodwill & Toco Foundation*)
 - The European market is well informed, poor security and not poor promotion affecting Tobago tourist numbers. Traditional tourism limited in Trinidad, but potential elsewhere (e.g. business visitors, conferences etc) (*A Smallwood*)
- **Micro Finance**
 - Development of a viable and active micro finance sector must be linked to the promotion of savings. There should be more focus on pooling resources and on savings mechanisms. (*Hazel Brown*)
 - The EDF has distanced itself from direct involvement in micro finance. The current focus was on structural reform and institutional capacity building (*EC*)

BRAINSTORMING ON THE PROBABLE NON FOCAL AREA (GOVERNANCE)

Civil Society Networks created by the Poverty Reduction Programme (PRP)

- Under the EDF supported Poverty Reduction Programme (PRP) T&T's civil society organisations have been mobilised. Additional capacity building for the PRP-Civil Society Networks (CSNs) would contribute to good governance (*CSN Laventille*).
- The Poverty Reduction Programme was already working on empowering NSA's, developing databases and decentralising public social services delivery.

The proper role of NGOs and NSAs

- Government/NGO relations are problematic. When NGOs raise issues, governments often see it as opposition rather than constructive contributions to the common good.
- Was there a role for the Commission as mediator between governments and NSAs? (*TTGPA*). [Commission's position is to encourage NSAs and governments to work together on good governance and development, not to mediate between the two].
- Democratically elected governments represent those who elect them and inevitably question the mandate of some NGO's. NSAs must also adopt 'good governance' procedures and be clear about who and what they represent (*A. Smallwood*).
- Governments are often reluctant to give more power to NGOs, claiming they lack capacity, transparency and accountability (*Canari*).

- NSAs have a duty to influence govt agendas and be good watch dogs. NSAs should create strategies/options, specialise and cooperate to avoid duplication (*CRN+*).

The capacity of NGOs and NSAs to operate

- The assumption of a global lack of capacity among the NGOs is misleading. Some NGOs and NSAs in T&T were very professionally run and could serve as examples of best practice for others (*CRN+*).
- More attention should be given to helping NGOs strengthen their capacity to influence and affect change (*FPATT*).
- Capacity building to empower NSAs to participate in setting the local government agenda should be part of the process of decentralisation (*FPATT*).
- The legal status of NGOs was not entirely satisfactory. In T&T NGOs currently operate as non profit companies under the Companies Act.
- CARICOM model legislation to regulate the NSA sector exists and could be modified by individual governments to reflect local requirements. Registration under such legislation raises important issues of coordination, supervision, and responsibility.

Local Government and Decentralisation

- Was decentralisation a different issue and challenge in small island states than in large states with sizeable populations and landmass? (*A. Smallwood*).
- Even in T&T each region varied in terms of needs and profile. Regional differences mattered in small countries and decentralisation should therefore still be prioritised.
- Local government reform should include participatory budgeting to encourage and finance local government – NSA interactions (*Hazel Brown*).
- Despite the rhetoric some government agencies do not believe in decentralisation.
- Decentralisation was a key to Central government accountability. Central government should not dictate regional priorities. (*CSN Sangre Grande*).

The Rights and Obligations of citizens

- Mr. Hollis briefed participants on the T&T CAN! initiative on the rights and responsibilities of citizens, which was central to good governance.
- Concern was expressed at delays in the judicial process, notably in trial delays and even long delays in sentencing.

CROSSCUTTING ISSUES:

- **Gender.**
 - The old NIP did not sufficiently focus on gender which needed to be better integrated in the focal and non focal sectors in the new NIP (*Hazel Brown*).
 - Gender still a serious socioeconomic development issue for T&T; there were inequalities in the education system and tertiary technical education still had intake quotas for boys which disadvantaged girls (*Hazel Brown*).
- **Environment**
 - The Environmental Management Authority (EMA) should be expanded (*COPE*), although *Canari* noted that EMA was perceived by most citizens as being ineffective.
 - The existing National Physical Development Plan (NPDP) was totally outdated. A new NPDP should constitute the official route for dealing with all environmental issues when planning for industrial development (*COPE*),

- Watershed management and pollution were important (*Environment Tobago*).
- Re-investment in the water and waste water sectors (? Role for EIB),
- A better balance between industry, agriculture and the environment.

CONCLUSIONS AND CLOSING REMARKS:

There was little consensus on the perceived ability of stakeholders to influence development and governance issues through NGOs and NSAs. Some participants thought that there had been real progress while others felt the opposite and complained that the authorities increasingly preferred a top-down approach and lacked accountability and transparency. But all saw a real and viable role for the NSA sector.

Perhaps inevitably much of the brainstorming revolved around the role and status of NGOs and NSAs rather than the key cooperation priorities to be addressed by the 10th EDF CSP. And some of the suggestions and ideas raised can be (or are already) sufficiently addressed under existing EDF funded cooperation projects and programmes. However others can and should inform the drafting of the 10th EDF CSP.

The participants broadly concurred with the likely choice of focal and non-focal areas although there was a surprising stress on the potential role of agriculture. An important source of funds for actions in this sector (and for actions to help farmers in sugar move into other areas) is available under the EU's 'sugar adaptation' programme for sugar protocol countries but this can only be made available to T&T if there is rapid progress to agreeing upon a 'Sugar Adaptation Plan' that can be submitted to the Commission.

In the discussion on governance, there was surprisingly little discussion on human rights, judicial and police issues, and corruption and a lively discussion on the environment.

The EC Delegation explained the trend away from individual projects in favour of sectoral and structural reforms leveraged through budget support.

It was concluded that this was an informal consultation to feed ideas in the development of the next five year programming document. Ms. Antoine from the EDF Unit in the Ministry of Planning and Development assured that the ministry is going to organise another consultation later in the programming phase, though the timelines for the programming exercise are extremely tight.

FEEDBACK

- All the participants appreciated the opportunity to dialogue on development objectives and believed that development cooperation between the EC and Government had an important role to play.
- Most participants hoped that such meetings could be repeated (in fact meetings with smaller groups of NSAs are fairly frequent).
- The EDF Unit and the Delegation assured participants that the CSP process and the subsequent elaboration of new programmes required such meetings to be held).
- Some participants felt that the time reserved for the meeting was too short (although others noted that ideas were beginning to dry up before the end).
- The material distributed at the meeting should have been sent a week in advance.

ANNEX 7: HARMONISATION ROAD MAP – NOT APPLICABLE

September 2007

ANNEX 8: TRINIDAD AND TOBAGO'S POSITION IN RELATION TO KEY INTERNATIONAL CONVENTIONS
 (Provided by Legal and Marine Affairs Division, Ministry of Foreign Affairs, 5 November 2006)

<i>Name of Convention</i>	<i>Date of Signature</i>	<i>Trinidad and Tobago's Position</i>	<i>Date of Position</i>
<u>AGRICULTURE</u>			
Union for the Protection of New Plant Varieties (UPOV)		Accession	31 Dec. 1997
International Tropical Timber Agreement 1994		Accession	29 Dec. 1998
<u>AIR TRANSPORT</u>			
1995 Protocol Relating to an Amendment to the Convention on International Civil Aviation		Ratification	18 Feb. 1999
<u>CUSTOMS</u>			
International Convention to Facilitate the Importation of Commercial Samples and Advertising Material, done at Geneva on 7 November 1952		Succession	11 Apr. 1966
Convention concerning Customs Facilities for Touring, done at New York on 4 June 1954		Succession	11 Apr. 1966
Additional Protocol to the Convention concerning Customs Facilities for Touring, relating to the Importation of Tourist Publicity Documents and Material, done at New York on 4 June 1954		Succession	11 Apr. 1966
Customs Convention on the Temporary Importation of Private Roads Vehicles, done at New York on 4 June 1954		Succession	11 Apr. 1966
Customs Convention on Containers, done at Geneva on 18 May 1956		Succession	11 Apr. 1966

Customs Convention on the Temporary Importation for Private Use of Aircraft and Pleasure Boats, done at Geneva on 18 May 1956		Succession	11 Apr. 1966
Custom Convention concerning facilities for the Importation of Goods for Display or use at Exhibitions, Fairs, Meetings or Similar Events		Accession	05 Jan. 1981
Customs Convention on the A.T.A. Carnet for the Temporary Admission of Goods (A.T.A Convention)		Accession	13 May. 1981
Customs Convention on the Temporary Importation of Professional Equipment		Accession	05 Jan. 1981
Customs Convention on Containers, 1972. Concluded in Geneva on 2 nd December, 1972		Accession	23 Mar. 1990
<u>ENVIRONMENTAL</u>			
Montreal Protocol on Substances that Deplete Ozone Layer. Concluded at Montreal on 16 December 1987		Accession	28 Aug. 1989
United Nations Convention on the Desertification. Concluded 17 June 1994		Accession	01 Jan. 2000
Amendment of the Montreal Protocol on Substances that Deplete the Ozone Layer. Copenhagen, 25 November 1992		Ratification	10 Jun. 1999
Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer. London, 29 June 1990		Ratification	10 Jun. 1999
Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer by the Ninth Meeting of the Parties. Montreal, 17 September 1997		Ratification	10 Jun. 1999

Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer. Beijing, 3 December 1999		Ratification	29 Oct. 2003
Vienna Convention for the Protection of the Ozone Layer. Concluded at Vienna on 22 nd March, 1989		Accession	28 Aug. 1989
Kyoto Protocol to the United Nations Framework Convention on Climate Change	07 Jan. 1999	Ratification	08 Jan 1999
Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, Cartagena, 24 March, 1983		Accession	24 Jan. 1986
Protocol concerning Specially Protected Areas and Wildlife to the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region (SPAW)	18 Jan. 1990	Ratification	10 Aug. 1999
Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Concluded at Washington in March, 1973		Accession	19 Jan. 1984
Convention on Wetlands of International Importance Especially as Waterfowl Habitat		Accession	21 Dec. 1992
Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the purposes of Patent Procedure. Concluded at Budapest on 28 April 1997		Accession	10 Dec. 1993
United Nations Framework Convention on Climate Change Concluded at New York on 9 May 1992	11 Jun. 1992	Ratification	24 Jun. 1994
Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal. Concluded at Basel on 22 nd March, 1989. (Ban Amendment, 1995)		Accession	18 Feb. 1994
Amendment to the Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal. Geneva, 22 September 1995		Ratification	12 Jan. 2000

Convention on Biological Diversity. Concluded at Rio de Janeiro on 5 June 1992	11 Jun. 1992	Ratification	01 Aug. 1996
Convention on Nature Protection and Wild Life Preservation in the Western Hemisphere	24 Apr. 1969		
<u>HAGUE CONVENTION</u>			
Hague Convention Abolishing the Requirement of Legislation for Foreign Public Documents		Accession	03. Dec. 1998
Hague Convention on Child Abduction		Accession	7 Jul. 2000
<u>HEALTH</u>			
Constitution of the World Health Organisation New York, 22 July 1946		Accession	3 Jan. 1963
<u>HUMAN RIGHTS</u>			
Convention on the rights of the Child Adopted by the General Assembly of the United Nations on 20 November 1989	30 Sept. 1990	Ratification	05 Dec. 1991
International Covenant on Economic, Social and Cultural Rights. Adopted by the General Assembly of the United Nations on 16 December 1996		Accession	08 Dec. 1978
Protocol Relating to the Status of Refugees, New York, 31 January 1967		Accession	10 Nov. 2000
International Covenant on Civil and Political Rights New York 16 December, 1966		Accession	21 Dec. 1978
International Convention on the Elimination of all forms of Racial Discrimination New York, 7 March 1966	9 June 1967		4 Oct. 1973

<u>INTELLECTUAL PROPERTY</u>			
The Patent Cooperation Treaty (PCT) (1970)		Accession	10. Mar. 1994
Paris Conventions for the Protection of Industrial Property (1983)		Accession	01 Apr. 1988
The Lorcano Agreement Establishment International Classification for Industrial Designs (1968)		Accession	20 Mar. 1966
Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks (1973)		Accession	20 Mar. 1966
Convention Relating to the Distribution of Programme carrying Signals Transmitted by Satellite. Done at Brussels on 21 st May, 1974		Accession	22 Jul. 1996
The Strasbourg Agreement Concerning the International Patent Classification (1971)		Accession	29 Dec. 1996
<u>INTERNATIONAL HUMANITARIAN</u>			
Treaty on the Non-Proliferation of Nuclear Weapons		Ratification	30. Oct. 1986
Convention on the Prohibition of Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction. Geneva, 3 September 1992. Opened for signature at Paris 13 January 1993		Accession	24 Jun. 1997
United Nations Convention on the Prohibition of the Use, Stockpiling and Transfer of Anti- Personnel Mines and on Their Destruction.	04. Dec. 1997	Ratification	15 Apr. 1998
Convention on the Prevention and Punishment of the Crime of Genocide New York, 9 December 1948		Accession	13 Dec. 2002
Rome Statute of the International Criminal Court. Rome, 17 July 1998	23 Mar. 1999	Ratification	06 Apr. 1999

<u>LABOUR</u>			
Convention (No. 144) Concerning Tripartite Consultations to Promote the Implementation of International Labour Standards		Ratification	07 Jun. 1995
The Vocational Rehabilitation and Employment (Disabled Persons) Convention 1983		Ratification	26 May 1999
<u>LAW OF THE SEA</u>			
Convention on the Territorial Sea and the Contiguous Zone, done at Geneva on 29 April, 1958		Succession	11 Apr. 1966
Convention on the High Seas, done at Geneva on 29 April 1958		Succession	11 Apr. 1966
Convention on Fishing and Conservation of Living Resources of the High Seas, done at Geneva on 29 April, 1958		Succession	11 Apr. 1966
United Nations Convention on the Law of the Sea (with annexes and final Act). Concluded at Montego Bay on 10 December 1982	10 Dec. 1982	Ratification	25 Apr. 1986
Agreement for the implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 Relating to the Conservation and Management of Straddling Fish Stock and Highly Migratory Fish Stocks	04. Dec. 1995	Accession	22. Aug. 2006
<u>MARITIME</u>			
International Convention on Tonnage Measurement of Ships, 1969 (with annexes and final Act of Official translations in the Spanish and Russian Languages) 23 rd June, 1969		Accession	15 Feb. 1979
International Convention for the Safety of Life at Sea, 1974		Accession	15 Feb. 1979
Convention on the International Regulations for Preventing Collisions at Sea, 1972		Accession	15 Feb. 1979

International Convention on Standards of Training, Certification and Watch-keeping for Seafarers, 1978. Concluded at London on 7 July 1978		Accession	03 Feb. 1989
International Convention on Maritime Search and Rescue, 1979. Concluded on 27 April 1979		Accession	04 May 1989
Convention for the Suppression of Unlawful Acts against Safety of Maritime Navigation. Concluded at Rome on 10 March 1988		Accession	28 Aug. 1989
Convention and Statute on the International Regime of Maritime Ports. Geneva, 9 December 1923		Accession	14 Jun. 1966
The Merchant Shipping (Minimum Standards) Convention 1976		Ratification	26 May 1999
International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties 1969. Concluded 29 November 1969		Accession	28 Feb. 2000
Protocol of 1978 of the International Convention for the Prevention of Pollution from Ships, 1973, as amended. Concluded 17 February 1978		Accession	28 Feb. 2000
Convention on Limitation of Liability for Maritime Claims 1976		Accession	28 Feb. 2000
International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC), 1990. Concluded 30 November, 1990		Accession	28 Feb. 2000
Protocol of 1992 to Amend the International Convention on Civil Liability for Oil Pollution Damage 1969		Accession	06 Mar. 2000
1996 Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972. Concluded 7 November, 1996		Accession	28 Feb 2000

<u>PENAL MATTERS</u>			
United Nation Convention Against Transnational Organised Crime. New York, 15 November 2000	26 Sept. 2001		
Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organised Crime. New York, 15 November 2000	26 Sept. 2001		
Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the United Nations Convention against Transnational Organised Crime New York, 15 November 2000	26 Sept. 2001		
International Convention on the Suppression and Punishment of the Crime of Apartheid	07 Apr. 1975	Ratification	26 Oct. 1979
Slavery Convention, signed at Geneva on 25 September 1926 and Amended by the Protocol signed at the Headquarters of the United Nations, New York, on 7 December 1953		Succession	11. Apr. 1966
Convention on the Transfer of sentenced persons. Concluded at Strasbourg on 21 st March, 1983		Accession	22 Mar. 1994
Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery, done at Geneva on 7 September 1956		Succession	11. Apr. 1966
Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, including Diplomatic Agents		Accession	15 Jun. 1979
International Convention against the taking of Hostages 17 December 1979		Accession	01 Apr. 1981

<u>PRIVILEGES AND IMMUNITIES</u>			
Convention on the Privileges and Immunities of the United Nations, adopted by the General Assembly of the United Nations on 13 February 1947		Accession	19 Oct. 1965
Agreement on the Privileges and Immunities of the International Criminal Court. New York, 9 September 2002	10 Sept. 2002	Ratification	06 Feb. 2003
Vienna Convention on Diplomatic Relations Vienna, 18 April, 1961		Accession	19 Oct. 1965
Vienna Convention on Consular Relations Vienna, 24 April, 1973		Accession	19 Oct. 1965
<u>REGIONAL</u>			
Convention Establishing the Association of Caribbean States (with annexes). Concluded at Cartagena de Indias, Colombia, on 24 July 1994		Ratification	21 Sept. 1994
Protocol on Privileges and Immunities of the Association of Caribbean States	15 Sept. 2000	Ratification	21 Jul. 2006
Convention on the Sustainable Tourism Zone of the Caribbean	27. Jul. 2004	Ratification	26 Oct. 2006
Revised Treaty of Chaguaramas Establishing the Caribbean Community including CARICOM Single Market and Economy		Ratification	27 Jun. 2003
Protocol on Privileges and Immunities of the Association of Caribbean States	15 Sept. 2000	Ratification	21 Jul. 2006
Agreement for the Establishment of the Latin-American and Caribbean Program on Commercial Information and Support to Foreign Trade (PLACIFEX). Concluded at Caracas on 29 May	27 Jul. 2004	Ratification	26 Oct. 2006

<u>STATUS OF WOMEN</u>			
Convention on the Nationality of Married Women, done at New York on 20 February, 1957		Succession	11 Apr. 1966
Convention on the eliminations of all Forms of Discrimination against Women New York, 18 December 1979	27 Jun. 1985		12 Jan. 1990
Inter- American Convention of the Prevention , Punishment and Eradication of Violence against Women	14 Sept. 1995	Ratification	11 Jan. 1996
<u>TRANSPORT</u>			
Convention of Road Traffic, signed at Geneva on 19 September 1949		Accession	08 Jul. 1964
<u>MISCELLAENOUS</u>			
Universal Postal Convention		Accession	16 Nov. 1978
Postal Parcels Agreement		Accession	16 Nov. 1978

ANNEX 9: DEBT SUSTAINABILITY ANALYSIS – NOT APPLICABLE

**ANNEX 10: REGIONAL AND INTERNATIONAL AGENCIES AND ORGANISATIONS
OF WHICH T&T IS A MEMBER. (* = based in T&T).**

- Association of Caribbean States (ACS*),
- Caribbean Court of Justice (CCJ*),
- Caribbean Development Bank (CDB),
- Caribbean Agricultural R&D Institute (CARDI*, hosts the CTA regional office),
- Caribbean Epidemiology Centre (CAREC*),
- Caribbean Financial Action Task Force (CFATF*),
- Caribbean Meteorological Organisation (CMO*),
- Caribbean Telecommunications Union (CTU*),
- Inter-American Development Bank (IDB),
- Organisation of American States (OAS),
- Inter-American Institute for Cooperation on Agriculture (IICA).

The international system is well represented. T&T hosts Caribbean regional offices of:

- UNDP (T&T and Surinam)*
- UN-ECLAC*
- ILO*
- UNIC*
- UNAIDS*
- FAO (T&T, Guyana, Surinam)*
- IFRC (International Federation of the Red Cross)
- International Committee of the Red Cross - IFRC*
- IFC (World Bank)*
- CABI (Caribbean and Latin America)*
- IOM (International Organisation of Migration)

ANNEX 11: PUBLIC FINANCIAL MANAGEMENT (PFM)

Trinidad and Tobago's economic fundamentals and foreign reserves benefit from high and rising energy revenues and substantial fiscal and trade surpluses.

An independent PFM study (funded by the EC) was undertaken in May 2006. It concluded that T&T's PFM is satisfactory and it was considered promising that the Government is willing to take further initiatives to improve identified weaknesses. The delegation continues to strengthen contacts at the Ministry of Finance and Central Bank but is already looking to secure a second PEFA assessment in the first half of 2008 to carry out a detailed and independent analysis of the progress made by the government since the initial study.

Despite some identified weaknesses there is little immediate risk of serious financial instability although there is concern at rising inflation and the size of the non-energy deficit, both of which were also highlighted in 2005 and 2006 by the IMF and the Central Bank of Trinidad and Tobago as priorities for attention. The budgetary systems are also considered old fashioned and there is no current systematic public expenditure review (PER) or medium term expenditure framework (MTEF) apart from the "Vision 2020: Operational Plan 2007-2010". The Ministry of Finance is in the process of introducing output based budgeting, which cabinet discussed in July 2007.

Taxation reform underway is to introduce one revenue authority according to the Canadian model. The reform will include streamlining and simplification of the taxation policy and will increase the tax collection capacity of the GORTT.

An important development has been the development and restructuring (with IMF advice) of an economic "stabilization" fund financed from budgetary surpluses. In FY/1999/2000 an Interim Revenue Stabilisation Fund (IRSF) was set up pending the formalization of the Fund by way of legislation. Later, in FY 2004/05, GORTT decided to restructure the IRSF and a Heritage and Stabilisation Fund (HSF) was established. The HSF is expected to provide GORTT with an institutional mechanism to reduce the vulnerability of its finances to sudden changes in energy prices and to save some of the revenue for future generations.

The government has also promised to strengthen the debt management unit at the Ministry of Finance and the Central Bank have several initiatives planned to promote the development of the local capital market, including a secondary market for government securities.

IADB funded loan support for a Public Sector Reform Initiation Programme comes to an end September 2008. This programme lays the groundwork for the necessary human resources and information management systems, and introduces a road map for the achievement of the public sector reform strategy. A white paper was introduced on procurement but remains under discussion for time being.

The most recent independent analysis of T&T's economy has been carried out by the IMF. The initial overall impression of their Article IV consultations in T&T is largely

positive. Despite the temporary reduction in energy output in the early months of 2007, the economy is still expected to expand over 6 percent. The external current account is projected to post another solid surplus and FDI inflows to increase. Importantly, the fiscal accounts are expected to remain in surplus allowing a further decline in public debt and accumulation of assets in the Heritage and Stabilisation Fund.

However the IMF warns that fiscal policy needs to be tightened in response to signs that the economy is operating at full capacity. Although acknowledging the efforts of the government to contain inflation and recurrent expenditures there is also a need to concentrate on reducing the non-energy deficit which has widened in recent years to nearly 16 percent of GDP. The mission estimated that a non-energy deficit not exceeding 10 percent of current GDP is needed to prevent large policy reversals when energy income declines. As moving toward such a non-energy target needs to be gradual to avoid disruptions in the economy the adoption of an MTEF would facilitate this process and allow a more efficient management of public resources. This complements the delegation's discussion with government and it has been proposed by the IMF that a good initial step towards a MTEF would be the publishing of a fiscal sustainability report along with the FY2007/08.

As the budget has recently been announced it will be interesting to note the government's actions are in line with its promises.

ANNEX 12: GOVERNANCE PROFILE – LIST OF GOVERNMENT COMMITMENTS

	Governance area	Prospective commitments
1.	Political democratic governance	
	- Human rights	<ul style="list-style-type: none"> • Improved provisions for HR are foreseen in the new draft constitution, recently submitted to parliament to stimulate debate on reform. • T&T is committed to lobbying for the ICC in the Caribbean. • The recent granting of a ‘Chinese arrival day’ (albeit only for 2006 only) is part of a process to rationalise formal recognition to the range of ethnic and religious traditions in T&T.
	- Fundamental freedoms	<ul style="list-style-type: none"> • T&T has taken the lead in fast tracking the mobility provisions of the CSME. • Draft press and information legislation to be revised to reflect stakeholder views. • All ministries and government agencies required to give greater access to information via the internet.
	- Electoral process	<ul style="list-style-type: none"> • The GORTT is committed to increasing in the number of parliamentary seats. • The new draft constitution provides for greater use of the electoral process in the selection of mayors (local government) and senators (currently appointed).
	- Principles of constitutional democracy	<ul style="list-style-type: none"> • The new draft constitution provides for a clearer separation of powers through the adoption of an executive presidency and a revised upper and lower house. • The GORTT is committed to introducing new legislation to regulate the activities of the new police-army ‘SAUTT’ unit.
2.	Political governance – rule of law	
	- Judicial and law enforcement system	<ul style="list-style-type: none"> • The GORTT has already launched a programme to upgrade court, police station and prison facilities. • The authorities have signalled their intention to cut court delays by improving judicial discipline and increasing the numbers of magistrates and prosecutors. • The prison authorities have made a start in reducing overcrowding and introducing a more enlightened prison

		<p>regime.</p> <ul style="list-style-type: none"> • The GORTT is committed to disciplining rogue policemen and there have already been successful prosecutions of serving officers and the early retirement of others.
3.	Control of corruption	<ul style="list-style-type: none"> • The GORTT will work with the UNDP to improve the effectiveness of the 'Integrity Commission' and widen its scope. • New legislation for the financial sector (based on WB/IMF recommendations) should tighten up on money-laundering. • Proposed revisions to public procurement procedures aim to simplify the system and provide for greater transparency. • The current practice of vigorously prosecuting corruption cases at the highest level is expected to continue. • The new willingness of T&T authorities to extradite suspects has increased the risks for economic criminals. • T&T is committed to incorporating the EITI (which it signed in 2005) and the UNCAC into domestic legislation. • T&T will continue to host the CFATF.
4.	Government effectiveness	
	- Institutional capacity	<ul style="list-style-type: none"> • GORTT is committed to the progressive introducing human resource reforms (derived from a cooperation programme with Canada) into the public service. • The Ministry of Planning and Dev. will beef up its programme management capacity (on the advice of the IADB). • The GORTT has created the posts for a new disaster preparedness structure for Trinidad (currently under recruitment). • After extensive 'green and white paper' consultations, new legislation for local government reform will be introduced.
	- Public finance management	<ul style="list-style-type: none"> • Output based budgeting is being progressively (but slowly) introduced. • New legislation on the 'heritage fund' (a 'fund for the future' financed from energy revenue) has recently been passed and will be implemented. • The '2020' Plan will be the basis of

		T&T's economic and social planning and will introduce some aspects of a medium term economic framework to PFM.
5.	Economic governance	
	- Private sector/market friendly policies	<ul style="list-style-type: none"> • The role of the Business Development Council in promoting a better business environment will be enhanced. • New legislation on the governance of the financial sector (based on WB/IMF advice) is ready and will be introduced. • The Ministry of Trade and Industry has set up task forces to develop seven key 'non energy' sectors. • The GORTT is setting up a Science Park, new university areas and new Business Parks to attract 'knowledge based' DFI.
	- Management of natural resources	<ul style="list-style-type: none"> • The GORTT is a signatory to EITI (see above) and will bring its provisions into domestic legislation. • New environmental legislation, including tougher legislation to regulate illegal quarrying, is promised.
6.	Internal and external security	
	- Internal stability / conflict	There is some ethnic tension but no conflict.
	- External threats and global security	<ul style="list-style-type: none"> • T&T is committed to cooperating with its EU and US allies in the fight against illegal drug and small arms trafficking. • The expansion and re-equipping of T&T armed forces implies an enhanced PK and regional disaster response capacity. • T&T is a key contributor to regional security and anti-terrorism planning (in both the OAS and CARICOM contexts). • T&T is a signatory to most (but not all) key WMD conventions and enforces their provisions where relevant (i.e. the CWC). • T&T hosts INPACS (CARICOM security), CFATF (anti-money laundering) and OAS-CITE (for 2005-6).
7.	Social governance	<ul style="list-style-type: none"> • T&T is already a signatory to key ILO conventions and recently passed a new Occupational Health and Security Act. • T&T is committed to its HIV/AIDS