

The Trade Sector Reform Programme

The overall objective of the Trade Sector Reform Programme is to improve international trade performance of Trinidad and Tobago. That goal will be met by strengthening the country's technical and institutional capacity to formulate and implement trade policy, to participate effectively in trade negotiations, to implement trade agreements, and to increase and diversify exports. The following provides a brief insight into this programme, the estimated cost of which is the equivalent of US\$7,100,000 (funding secured through an IADB Loan signed on May 21, 2003 by the Government of the Republic of Trinidad and Tobago and the Inter American Development Bank (IDB))

Other objectives of the Trade Sector Reform Programme (TSRP) include:

- *to improve institutional organisation of the Ministry of Trade and Industry (MTI);*
- *to develop the technical capacity of human resources in trade-related public institutions;*
- *to improve the technical, analytical and institutional bases of trade policymaking;*
- *to provide support to the private sector's attempts to adjust to the challenges posed by the liberalisation of trade.*

Main Strategic Components of the TSRP

In pursuit of the outlined objectives, the TSRP consists of five components that will seek to:

1. Support the reorganisation and strengthening of the MTI, as well as other trade-related public institutions and the private sector;
2. Increase and update technical knowledge of trade policy issues that are of strategic interest to Trinidad and Tobago;
3. Help provide a sound technical grounding to underpin trade policy positions on priority matters, so that MTI officials and trade negotiators are better equipped to assess options, negotiate effectively, anticipate outcomes, and implement the commitments arising from negotiations;
4. Finance an assessment of trade-related information and communication needs, and thereafter the design, acquisition and installation of information and communications systems from processing, updating and transmitting trade data and information;
5. provide public and private sector agents with the information and tools necessary to clearly understand the effects of trade liberalisation on Trinidad and Tobago; promote exports and attract investment; and identify and address the adjustment needs stemming from trade liberalisation.

3. Elements of the TSRP

Component 1: Institutional Reorganisation and Strengthening

This component of the TSRP not only caters to the needs of the MTI, but also to those of other trade-related institutions, agencies and government departments, in order to improve the MTI's capacity to formulate and implement policy, as well as to improve the coordination among trade-related public institutions and

the private sector. The Institutional Reorganisation and Strengthening component is divided into two segments, namely:

1. **Preparation of a Strategic Management Plan** - the first step of which will be the conducting of an in-depth assessment, with the objective of making recommendations for changes to the Ministry's current institutional structure, as well as other trade-related institutions, agencies and government departments, with a view to developing a Strategic Management Plan for the Ministry. This in-depth assessment, to be conducted during the program design phase, will examine current trade and trade-related organisations; the relationship between trade obligations and institutional structure; procedures and functioning; budgeting; capacity to interrelate with the private sector in coordinating trade matters; and support mechanisms needed to develop and diversify external trade.

Assessment of the Ministry's internal organisation and other trade institutions will be followed by the preparation of the Strategic Management Plan for the MTI. This Plan will include, as necessary, the recommendations of the in-depth assessment and will:

- a. define duties in the areas of trade policymaking, coordination, oversight and enforcement; trade-related economic analysis; and recommendations on trade policy options;
- b. define mechanisms for inter- and intra-ministerial policy implementation, coordination and oversight;
- c. set out how the Ministry can develop from its current structure to adapt to the proposed functional changes; and
- d. draw up short- and medium-term work plans and management guidelines for the MTI as a whole and for each division within it.

A consulting team will be contracted to prepare the internal assessment and facilitate the preparation of the strategic plan for the Ministry and all its supporting agencies. Additionally, a Chief Technical Advisor will be contracted for a three-year period to work on a day-to-day basis to support and implement the activities contained in the new Strategic Management Plan. A Programme Coordinator contracted to oversee implementation of this operation will work closely with the Chief Technical Advisor to facilitate the execution of the Strategic Management Plan and to ensure full consistency in the other activities of this program.

2. **Support for implementations of the Strategic Management Plan** – The programme seeks to strengthen the MTI's capacity to monitor, plan and coordinate. To that end the operation will provide technical advice and support, through the Chief Technical Advisor, for managing institutional change, consolidating the new institutional structure, and implementing the Strategic Management Plan during the execution of the programme.

Activities to be undertaken within component one of the TSRP will be carried out according to the following sequence:

1. preparing an in-depth diagnostic to evaluate changes to the internal division of labour;
2. designing new structures;
3. developing work plans; and
4. expert support to initiate the work of the new units.

Component II: Specialised Technical Training

Activities undertaken under this component will help improve the performance of staff of trade-related public institutions by strengthening their capacity to devise and execute policy, to conduct trade negotiations, and to implement agreements.

Training will be effected by means of courses, seminars and conferences. Where possible, training courses will be on one substantive subject (such as market access), with cross-cutting references to different negotiating fora or forum-specific implementation, such as the FTAA or the WTO.

The training programme adopts a two-pronged approach. On the one hand, the technical capacity of staff in the organisation involved will be enhanced through in-depth training in specific issues. On the other, general workshops on these issues will be provided for officials responsible for international trade negotiations, officials who have trade-related functions, and representatives of civil society (the private sector, NGOs and labour).

This component has three main target groups, namely (i) newly recruited junior officials; (ii) mid-level officials; and (iii) special advisors. Additionally, officials from other government ministries would participate in training activities depending on the specific issues being addressed. The main mode of delivery will be custom-designed programmes delivered locally in Port of Spain by qualified international and national trade experts. Senior personnel will also be trained to deliver future in-house training.

The specialised training has been grouped into the following broad areas:

1. **negotiating techniques:** intended to provide current and future negotiators with tools to engage in trade negotiations, including bargaining techniques, principles of alliance formation, and assessment of strategic and tactical goals.
2. **trade negotiations and related key issues:** training to cover such areas as market access, customs and trade facilitation, services, fair trading practices, competition policy, government procurement, trade law and dispute settlement, investment, intellectual property rights
3. **market intelligence and research techniques:** training in trade policy research and analysis with the aim of building qualitative and quantitative analytical capabilities.
4. **trade agreements:** with the aim of introducing trade policy officials to the main issues involved in the legal principles, rights and commitments in regional and multilateral trade agreements.
5. **training trainers:** with a view to building an inherent element of sustainability into the programme.
6. **other areas of training:** in four additional training courses in other areas to be determined during program execution.
7. **participation at external events:** the programme will provide funding for participation at external events such as conferences and exchanges.

Component III: Technical Studies

The aim of this component is to ensure that MTI officials and trade negotiators are better equipped to assess options, negotiate effectively, anticipate outcomes, and implement the commitments arising from negotiations.

Component III is intended to complement and reinforce the areas described under training (Component II) and the Trade Assistance Program (Component V). Together, these three components will form a basis on which Trinidad and Tobago, in a four-year work program, can attend to all trade matters currently under negotiation or being implemented. This component will carry out some fifteen (15) technical studies in three (3) broad areas, namely:

1. **Technical studies to support negotiations and implementation:** in the areas of trade remedies, trade priorities, services and fiscal implications of tariff liberalisation
2. **Technical studies to support the modernisation of customs:** which will seek to assess the Customs and Excise Divisions (CED) and make recommendations for its modernisation
3. **Other technical studies as necessary:** in areas to be determined during program execution, with the aim of addressing urgencies and emerging priorities.

Component IV: Integrated Information Systems

The objective of this component is to facilitate decision-making and inter-institutional coordination by providing a constantly updated picture of the country's external sector and by ensuring that information can be exchanged easily between the various agencies active on trade matters.

The programme will thus modernise the information technology and communications infrastructure, and will create new means of processing trade information, changes that are fundamental requirements of a complete modernisation of the country's trade relations.

The main activities under this component include:

1. **Assessment of the existing trade information data infrastructure:** the goal of which is to identify the Ministry's requirements in the areas of information technology and statistics for the purposes of effective trade, investment and services policymaking, and to evaluate the linkages to trade data sources both in country and abroad.
2. **Modernisation of the internal information system of the Ministry:** this subcomponent will finance the upgrading of internal and external systems and procedures, external connections, the purchase and installation of new equipment, and the creation of a new website for the Ministry. This will be done in accordance with the recommendations of the planned assessment of the existing trade information data infrastructure.
3. **Creation of a trade information center:** based on the assessment of the existing trade information data infrastructure, this subcomponent will finance the implementation of the corresponding recommendations
4. **Database of trade in goods and services:** this will support the management and use of a trade statistics database, progressing through spread sheet applications, use for modelling in general and partial equilibrium analysis, and measuring the impact of policy changes on key socio-economic variables related to households, businesses, employment, national income and welfare.

Component V: Trade Assistance Programme

The trade assistance programme comprises of three (3) subcomponents namely:

1. an analysis of the impact of trade liberalisation on the economy as a whole on specific sectors, which will give rise to a report examining impact on sectors and industries that will benefit from trade liberalisation, and sectors and industries that will face adjustments.
2. a review of existing strategies on export promotion and investment attraction and the development of new programs in these fields, including sector-specific strategies for priority exports.
3. an action plan to help meet adjustment needs, including a program to identify and access sources of funding that might support sectors affected by trade liberalisation.

Programme execution and administration

The Executing Agency of the Trade Sector Reform Programme is the Ministry of Trade and Industry. A Program Coordination Unit (PCU) will be created within the Ministry primarily for the purposes of project execution and will be under the direct supervision of the Permanent Secretary.

A Program Coordinator, who will be responsible for day-to-day program management and the technical leadership of the PCU, will head the PCU. An Administrative/Financial Manager will assist the Programme Coordinator and will be responsible for, among other, internal coordination, liaison with the IADB and procurement. Two Assistant Coordinators will be responsible for the implementation of the individual program components: the first will be responsible for Institutional Strengthening, Training, Technical Studies and the Trade Assistance Programme, and the second for Information Technology.

The existing Technical Coordination Committee (TCC), which was created to advise the MTI and negotiating teams on strategies and negotiating positions to be adopted in international trade negotiations, as well as the implementation and review of trade and investment agreements, will have a consultative role on technical issues in the TSRP. Essentially the TCC functions as a forum for policy discussion between public agencies and consultation with private sectors and civil society.

Strategic direction, coordination and support will be provided by a Project Steering Committee (PSC), which will be responsible for

1. monitoring progress against agreed benchmarks;
2. assessing the continued viability of the program;
3. facilitating inter-agency coordination (public and private sector);
4. actively promoting high level "buy-in" to the programme by participating agencies; and

5. channelling policy and organisational issues requiring government decisions or international involvement.