

Address delivered by

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Minister of Housing and the Environment
and
Acting Minister of Foreign Affairs

On behalf of
the Honourable Winston Dookeran
Minister of Finance

at the
Trinidad and Tobago Transparency Institute
Anti-Corruption Agencies Conference

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1st November, 2011
at the
Trinidad Hilton and Conference Centre

SALUTATIONS:

Good Morning, it is my pleasure to address you at this Anti-Corruption Agencies Conference. Let me first extend a warm welcome to all our specially invited guests to what I am sure will be a very informative session.

Trinidad and Tobago is committed to eliminating corruption by improving Governance and Transparency. Government's policy, commits to "good governance through effective representation, participation, transparency and accountability". Amongst our many commitments in this regard, is the implementation of the Extractive Industries Transparency Initiative (EITI) and Reform of the Public Sector Procurement Regime.

EITI

The Revenue Watch Institute, in its 2010 Revenue Watch Index which measures revenue transparency, and evaluates the availability of information in seven key areas of natural resource management ranks Trinidad and Tobago 15th of the 41 countries assessed. Based on this Index Trinidad and Tobago is seen to have "Partial Revenue

Transparency” which means that our citizens have information on revenue from the extractive sector, however there are important transparency gaps.

Our goal as a Government is to move Trinidad and Tobago to the highest designation on this index which is “Comprehensive Revenue Transparency”. This will impress upon us to provide substantial amounts of information about revenue from the extractive sector to our citizens.

As present, information on revenues from our extractive sector can be obtained through the Freedom of Information Act, our Annual Budgetary Statements of Revenues and Expenditures, and other documents produced by the Ministry of Energy and Energy Affairs, the Ministry of Finance, the Ministry of Planning, the Central Statistical Office (CSO), and the Central Bank. However, these publications provide fragmented revenue data without the degree of accountability required for “Comprehensive Revenue Transparency”.

The EITI is the mechanism which Trinidad and Tobago will use to bring us closer to achieving “Comprehensive Revenue

Transparency". This is a global initiative which supports improved governance in resource-rich countries, through the full publication and verification of receipts and payments between governments and companies with civil society being actively engaged as a participant.

At present, Trinidad and Tobago is working towards obtaining EITI Compliance this means Government will publicly declare annually all revenues received from companies engaged in the extractive industries, (commencing with oil and gas companies and eventually expanding to include the quarrying sector) and companies in turn, will publicly declare monies paid to the Government. Discrepancies between the two reported figures will be subjected to an independent audit to reconcile the differences and the results will be published and widely disseminated.

On March 1st 2011 Trinidad and Tobago became an EITI Candidate Country. This means that we have satisfied the five sign-up requirements:

- 1. Issue an unequivocal public statement of an intention to implement the EITI.** This was done on December 8th 2010 by the Minister of Energy and Energy Affairs.

2. **Commit to work with civil society and companies on the implementation of the EITI.** This was also achieved on December 8th, 2010 when the public announcement was made.

3. **Appoint a senior individual to lead on the implementation of the EITI.** Mr. Victor Hart, former Chair of the Trinidad and Tobago Transparency Institute, was appointed in this capacity.

4. **Establish a multi-stakeholder group to oversee implementation.** A multi-stakeholder Steering Committee comprising a tripartite mix of representatives (Government – Industry - Civil Society) was appointed to oversee the implementation of EITI. The Trinidad and Tobago EITI Steering Committee (TTEITI) is made up as follows:

6 Government representatives (3 ministries and 3 state-owned extractive companies):

Ministry of Energy and Energy Affairs

Ministry of Finance

Board of Inland Revenue

Petroleum Company of Trinidad and Tobago Limited

The National Gas Company of Trinidad and Tobago Limited
National Quarries Company Limited

4 privately owned energy companies:

bpTT LLC

BG Trinidad and Tobago Limited.

BHP Billiton Trinidad and Tobago.

EOG Resources Trinidad Limited

8 Civil Society representatives:

The Trinidad and Tobago Chamber of Industry and Commerce

The Energy Chamber

Trinidad and Tobago Transparency Institute

Oilfield Workers Trade Union

The National Youth Council of Trinidad and Tobago

The Cropper Foundation

The Fishermen and Friends of the Sea

The Network of NGO's for the Advancement of Women.

- 5. Agree to and publish a fully costed work plan, containing measurable targets, and a timetable for implementation**

and incorporating an assessment of capacity constraints.

The TTEITI Steering Committee agreed to and published a Work Plan to fulfill the final sign-up requirement.

In addition the Ministry of Energy and Energy Affairs and the TTEITI Secretariat has:

- appointed an Interim Head charged with the responsibility of establishing an operational EITI Secretariat to be housed at the Ministry of Energy and Energy Affairs,
- co-hosted with The World Bank TTEITI's inaugural Capacity Building Workshop on 26 and 27 September, 2011.
- launched the TTEITI website (www.tteiti.org.tt) which provides historical and current EITI information.

In light of these the EITI International Board of Directors has set a target date of 28th August, 2013 to achieve EITI Compliant Country status. In becoming EITI compliant we expect that our investment climate will improve; political and reputational risks will be mitigated and there will be more information on revenues in the public

domain. Ultimately, EITI will create an environment for a reduction in corruption in Trinidad and Tobago by making our Government more accountable for revenue flows from the extractive sectors.

PROCUREMENT

Transparency International's, 2010 Corruption Perceptions Index (CPI) ranked Trinidad and Tobago 73rd of the 178 countries assessed. This Index captures information about the administrative and political aspects of corruption including bribery of public officials, 'kickbacks' in public procurement, embezzlement of public funds, and the strength and effectiveness of public sector anti-corruption efforts. This is by no means a favourable position. This Government has a responsibility to the people of Trinidad and Tobago and where necessary, due diligence must be exercised so as to boost public confidence in the management of the nation's resources.

It is in this context that we have commenced the Reform of the Public Procurement Regime. To date:

- a Joint Select Committee (JSC) was appointed to consider and report on the Legislative Proposal to provide for public procurement and disposal of public property together with the Legislative Proposal to repeal and replace the Central Tenders Board Act.

- the JSC met with key stakeholders and technical experts including the Ministry of Finance, the Joint Consultative Council for the Construction Industry (JCC) and the Legal Consultant from the Chief Parliamentary Council's Department.
- interim reports and a final report have been prepared by the JSC. Recommendations were made on a way forward and for the appointment of a new committee which will continue the work of the former JSC.

It is envisaged that the new procurement legislation will govern procurement in all Ministries, Departments and Statutory Bodies; this will ensure oversight throughout the procurement cycle and allow for more stringent monitoring. The new procurement regime is expected to allow for Public Private Partnership (PPP) models, greater use of electronic systems through electronic registration of contractors and bidders, the inclusion of a complaints mechanism and penalties for breaches.

This reform, though ongoing, has not hindered the decision making process, in the interim we are ensuring that we adhere to the

fundamental principles of 'good governance' under the current system:

- **The Ministry of Finance in examining the procurement practices of State Enterprises has introduced the e-Auction initiative.** E-Auction is a tool that uses web-based software which allows suppliers to bid online, in real time. This initiative will enhance transparency, ensure value for money and accountability in the procurement of goods and services within State Agencies. This initiative has proven to be advantageous as it has already resulted in time savings and economies of scale. Since inception twenty eight State Enterprises have participated in e-auctions saving approximately TT\$115 Million on items such as computers, papers, pipes, personal protective equipment and generators.
- **The Ministry of Finance is in the process of establishing a Public Private Partnership** unit via a technical co-operation agreement with the Inter-American Development Bank. Public Private Partnerships are expected to alleviate infrastructure bottlenecks in Trinidad and Tobago. While the Government has some experience with PPP models, this project envisages that a

greater level of commercial and operational risks will be assigned to the private sector. A key element of focus in this area is strengthening execution and delivery capacity which are necessary for ensuring transparency, accountability, participation and effective representation. The programme will foster good governance by strengthening execution and delivery capacity for infrastructure development.

- **In addition to these initiatives, the Ministry of Finance has revised its Performance Monitoring Manual.** This document outlines the framework for the oversight of the State Enterprise Sector by Corporation Sole. It is designed to support enhanced transparency, accountability and compliance by State Enterprises in the execution of their mandates. It provides guidelines for reporting expenditure and actual performance data, strategic plans and proposals for significant capital expenditure. The manual also includes revised Standard Procurement Procedures to govern procurement and establishes a project management protocol for the Performance Management of Projects by State Enterprises.

- Procurement practices of State Agencies are also monitored through the examination of monthly returns of award of contract by the Central Audit Committee, Ministry of Finance. The Central Audit Committee is mandated to evaluate and analyse the procedures and practices of State Agencies as they relate to the procurement of goods and services. To improve internal controls in State Enterprises, the Ministry of Finance has mandated all State Enterprises to establish Audit Committees, the Central Audit Committee is represented on these Committees.

This Government recognizes that corruption has a direct negative impact on how our nation grows, achieves stability and develops. Citizens have a moral right to demand transparency and accountability and we the Government must have the political will to eliminate corruption at all levels. I therefore wish to reiterate this Government's commitment to eliminating corruption in Trinidad and Tobago. We have a responsibility to our people.

Ladies and Gentlemen, I thank you.