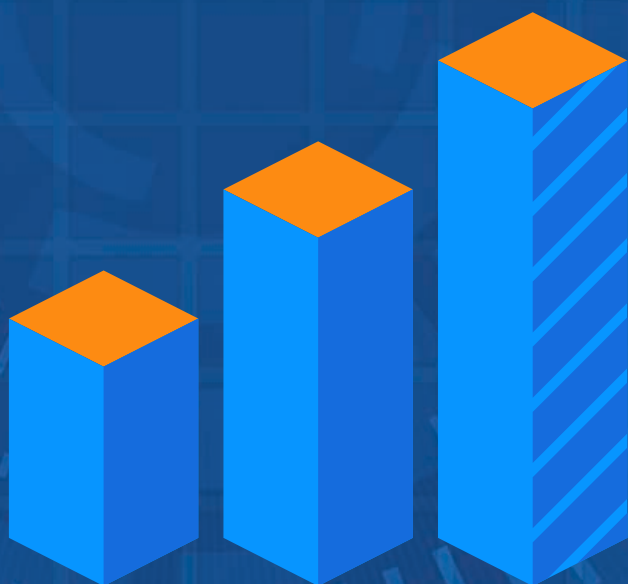




GUIDE TO THE

BUDGET

2021



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WHAT IS THE BUDGET





What is the budget?

The National budget is the Government's financial plan for a given period. The budget states how much money the Government intends to spend during a year (expenditure), what it intends to spend it on (appropriation), and where it expects to get the money to pay for that spending (revenue). The budget usually covers one year which is known as the fiscal year. In Trinidad and Tobago, the fiscal year begins on October 1 and ends September 30

How Is The Budget Prepared And Adopted?

The budget outlines all the revenue and expenditure for a given period and is the most important economic policy tool used by the Executive for the allocation of resources to the various State institutions. It is prepared by the Ministry of Finance – Budget Division in consultation with other Ministries and Departments, and is based on the Government's priorities and macroeconomic assumptions.

The budget cycle commences with the formulation of policy, and includes planning, implementation and auditing. The Minister of Finance presents the Appropriation Bill, Draft Estimates and other budget documents to the Parliament.

Following Parliamentary approval, the Bill is forwarded to the President for assent. If required, the Executive adopts a supplementary/ Variation budget during the year following a similar procedure.

Proposals for Variation move funds from one Head of Expenditure to another. Proposals for Supplementation withdraw funds from the Consolidated Fund and add them to a specific Item under a Head of Expenditure.



Drafting

Ministry of Finance

Between February and March, the Minister of Finance issues a request in the form of a Call Circular to all Ministries and Departments for the submission of draft estimates of revenue and expenditure. The Draft Estimates take into consideration the Government's Development Strategy. All Draft Estimates are required to be submitted to the Ministry of Finance by April 30, of each year.

Budget Division - Ministry of Finance

The Budget Division of the Ministry of Finance examines, analyses and holds discussions with Ministries and Departments to seek justification for expenditure.

Cabinet Approval

The Minister of Finance seeks Cabinet's Approval of the Draft Estimates of Expenditure and Revenue





Legislative

Parliament

The Minister of Finance presents the Appropriation Bill, Draft Estimates and other budget-related documents to Parliament. The Minister of Finance reviews the performance of the Economy and indicates the plans of the Government for future national development. He also states the date on which the budget debate will resume.

Standing Finance Committee

This is a Committee of the whole House chaired by the Speaker. It is an important mechanism of ex ante budgetary scrutiny. The Committee examines the Heads of Expenditure over the five (5) days allotted.

*ex-ante - based on forecasts rather than results

Parliament Approval and Presidential Assent

Following Parliamentary approval, the Appropriation Bill is forwarded to the President for assent. It then becomes the Appropriation Act for that fiscal year.





Implementation and Auditing

Government Executive

The Ministry of Finance plays a major role in ensuring that funds are allocated to the Ministries and Departments in line with the approved budget. The implementation of the budget is governed mainly by the Exchequer and Audit Act Chapter 69:01 and the Financial Regulations. Each Accounting Officer receives releases and is responsible for the use of public funds

Public Administration and Appropriations Committee (PAAC)

The PAAC monitors the Government's execution of the budget and its actual spending during the fiscal year to ensure that funds are used for the approved purpose and to enable the detection of any challenges during implementation.

Audit

In accordance with Section 25 (i) of the Exchequer and Audit Act, the Auditor General is required to audit the accounts of Ministries, Departments and other Government Agencies to ensure that expenditure was carried out in accordance with the Appropriation Act. This independence is necessary for an unbiased opinion on the accounts examination.





WHAT ARE MACRO-ECONOMIC ASSUMPTIONS?

Macro-economic assumptions refer to expected economic trends in the designated period. When preparing the budget, it is necessary to assess the value of Gross Domestic Product (GDP), the inflation rate, employment tendencies, etc.

Macroeconomic projections are particularly important for revenue planning. For example, if private consumption is expected to increase, Value Added Tax and excise revenues are also expected to rise. Also, an expected increase in employment should translate into an increase in tax revenues (VAT, excise taxes, personal income tax) and social security contributions.

Fiscal Year	Real GDP (2012=100) Growth - Total (%)	Annual Average Percent Change in the Index of Retail Prices - Inflation Rate (%)	Unemployment Rate (%)	Central Government Total Revenue (TT\$Mn)	Central Government Total Expenditure (TT\$Mn)	Overall Fiscal Balance (TT\$Mn)
2019	n.d	1	n.d	n.d	n.d	n.d
2018	-0.2	1	n.d	44540.1	48720.9	-4180.8
2017	-2.3	1.9	4.8	37223.4	48529.9	-10404
2016	-6.3	3.1	3.9	41752.5	51381	-9628.5
2015	1.8	4.7	3.4	55703.4	59516.9	-3813.4
2014	-0.9	5.7	3.3	55686.2	63950.4	-8264.1
2013	2.2	5.2	3.7	57617.8	58369.8	-752
2012	n.d	9.3	4.9	47062	52284.2	-5222.2
2011	n.d	5.1	5.1	50084.5	48993.5	1091
2010	n.d	10.5	5.9	45064	43606.5	1457.4

The Central Bank of Trinidad and Tobago website (<http://www.central-bank.org.tt>) accessed on 11.09.20

Important Terms

Real GDP growth rate is the most important indicator of a country's economic growth and is driven by personal consumption, business investment, Government spending and net trade.

Gross Domestic Product (GDP) is the total value of the production of final goods and services within the country during one year.

Private Consumption is the amount of money that households spend on goods and services

Investments show the amount of money that the private sector and the Government spend on capital goods: equipment, buildings, infrastructure, etc.

Inflation is an increase in the level of prices



BUDGET REVENUES

Budget revenue comprises of the amount of money collected by the Government that is used to fund its activities. The Ministry of Finance is responsible for developing the Revenue Estimates for the Budget.

The principal revenue estimates are received from the Inland Revenue Division, the Customs and Excise Division and the Ministry of Energy and Energy Industries.

TAX REVENUES

TAXES ON INCOME AND PROFITS :

- Oil Companies (Chap. 75:04)
- Other Companies (Chap. 75:02)
- Individuals (Chap. 75:01)
- Withholding Tax (Chap. 75:01)
- Insurance Surrender Tax (Chap. 75:01)
- Business Levy (Chap. 75:02)
- Health Surcharge (Chap. 75:05)

TAXES ON PROPERTY

- Lands and Building Taxes (Chap. 76:04)
- Property Tax (Act No.18 of 2009)
- Industrial Tax

TAXES ON GOODS & SERVICES

- Purchase Tax
- Excise Duties
- Betting and Entertainment Taxes
- Liquor & Miscellaneous Business Licences & Fees
- Motor Vehicles Taxes and Duties (Chap. 48:50)
- Value Added Tax
- Alcohol and Tobacco Taxes
- Tax on online purchases

TAXES ON INTERNATIONAL TRADE

- Import Duties (Chap. 78:01)
- Stamp Duty on Bills of Entry
- Special Tax – Household Effects (Chap.77:01)
- Import Surcharge (Chap. 77:01)

OTHER TAXES

- Stamp Duties (Chap. 76:01)





NON-TAX REVENUES

PROPERTY INCOME

- Rental Income
- Interest Income
- Royal ties
- Profits from Non-financial Enterprises
- Profits from Public financial Institutions
- Other Property Income

OTHER NON-TAX REVENUE

- Administrative fees and Charges
- Fines and Forfeitures
- Pension Contributions
- Non-Industrial Sales
- Other (Miscellaneous)

REPAYMENT OF PAST LENDING

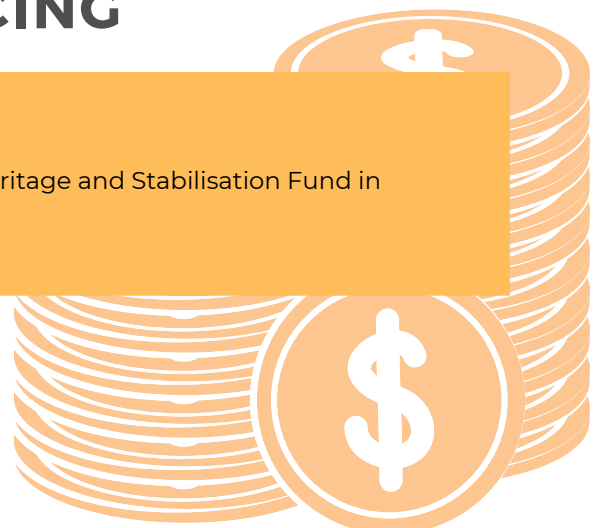
- Repayment of Loans by Public Enterprises
- Repayment of Loans by Other Enterprises
- Repayment of Other Loans

CAPITAL RECEIPTS/ REVENUE

CAPITAL REVENUE include proceeds from transactions under the Government's Sale of Assets Programme, related mainly to the repayment of debt owed to the Government of Trinidad and Tobago by Colonial Life Insurance Company (Trinidad) Limited (CLICO).

FINANCING

- Borrowing
- Financing includes withdrawal from the Heritage and Stabilisation Fund in 2020





BUDGET EXPENDITURE

Budget expenditure is the sum of money spent by the Government for various purposes.

PERSONNEL EXPENDITURE

Salaries of employees in the Public Service.

GOODS AND SERVICES

Goods and Services include office supplies, contract employment, maintenance of vehicles etc.

OTHER MINOR EQUIPMENT

Other Minor Equipment includes wireless equipment, cell phones, vacuum cleaners, etc

CAPITAL EXPENDITURE

Capital Expenditure is used for the construction of public roads and other infrastructure projects.

SUBSIDIES

A subsidy is a form of financial aid or support extended to an economic sector (or institution, business, or individual) generally with the aim of promoting economic and social policy.

CURRENT TRANSFERS

Current Transfers include allocations to non-profit institutions, organizations and other institutions

DEVELOPMENT PROGRAMME

Expenditure such as Pre-Investment, Productive Sectors, Economic Infrastructure, Social Infrastructure and Multi-Sectoral and other services.

PUBLIC DEBT

Servicing of debt owed to local and foreign lenders



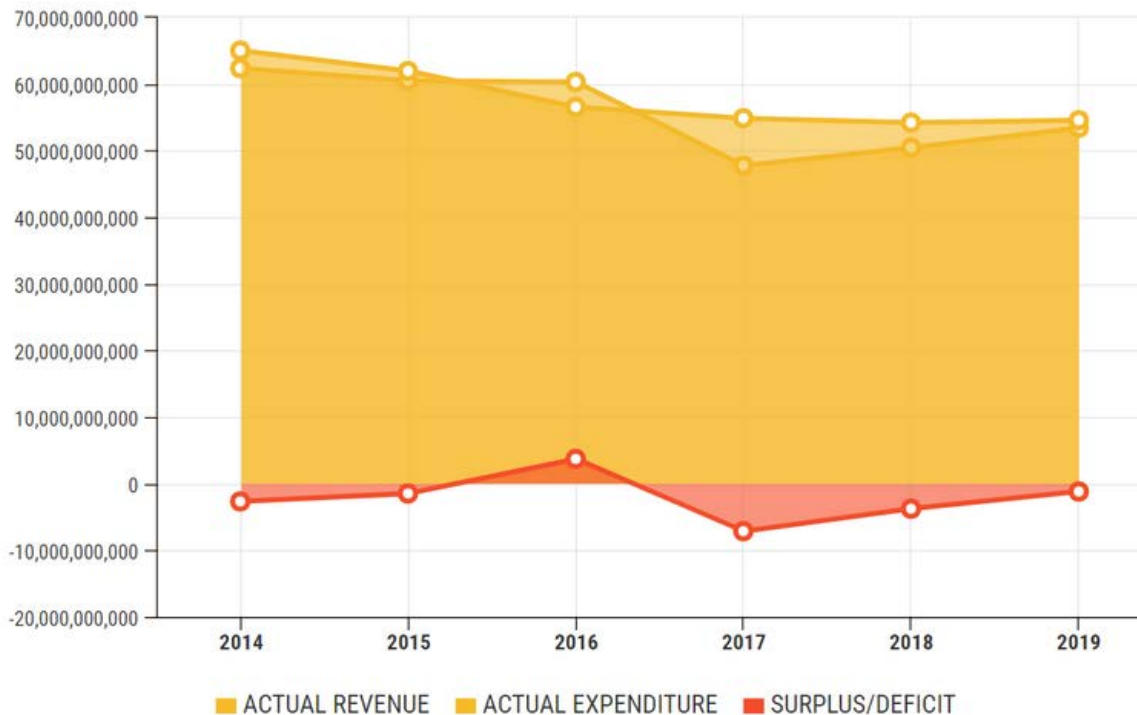


FISCAL SURPLUS & DEFICIT

CURRENT FISCAL STATUS:

In Trinidad and Tobago there has been a fiscal deficit for the past three (3) years.

COMPARISON BETWEEN TOTAL REVENUE AND TOTAL EXPENDITURE FOR THE FINANCIAL YEARS 2014 TO 2019



FINANCIAL YEAR	ACTUAL REVENUE	ACTUAL EXPENDITURE	SURPLUS/DEFICIT	% OF SURPLUS/DEFICIT TO REVENUE
2014	\$62,380,635,000.00	\$65,025,770,000.00	-\$2,645,135,000.00	-4.24
2015	\$60,519,665,000.00	\$61,964,263,000.00	-\$1,444,598,000.00	-2.4
2016	\$60,313,756,000.00	\$56,574,649,000.00	\$3,739,107,000.00	6.2
2017	\$47,777,198,000.00	\$54,883,151,000.00	-\$7,105,953,000.00	-14.9
2018	\$50,477,117,000.00	\$54,211,711,000.00	-\$3,734,594,000.00	-7.4
2019	\$53,423,353,000.00	\$54,581,187,000.00	-\$1,157,834,000.00	-2.2

Public Accounts of the Republic of the Republic of Trinidad and Tobago for the Financial Year 2019, Volume 1, Accounts of Treasury and Receiver of Revenues accessed on September 11, 2020 pg xiv : <http://138.128.179.50/sites/default/files/volume-i-accounts-of-the-treasury.pdf>

Important Terms

WHAT IS A FISCAL SURPLUS?

A fiscal surplus occurs when collected revenue exceeds expenditure.

WHAT IS A FISCAL DEFICIT?

A fiscal deficit occurs when expenditure exceeds collected revenue.



PUBLIC DEBT

What is public debt?

Public debt is the debt owed by the Government. It comprises balances on long-term loans and credit instruments raised on the domestic and foreign markets.

How does the Government deal with deficit?

If total expenditure exceeds collected revenue, the Government may decide to cover the deficit by:

- borrowing money; and or
- reducing spending, which is often referred to as “tightening the belt”.

How does the Government borrow money?

The Government may borrow money domestically using three (3) types of instruments: Treasury Bills, Treasury Notes and Government Loans raised by bonds. Over an agreed period of time, the Government is obliged to repay the money, including interest charges. The Government may also borrow funds internationally through loans secured from foreign financial institutions such as the World Bank and International Monetary Fund.



PUBLIC DEBT TO TOTAL REVENUE



The following table provides a comparison of the Public Debt and Government Revenue and Expenditure for the period 2015 to 2019.

FINANCIAL YEAR	PUBLIC DEBT	TOTAL REVENUE	TOTAL EXPENDITURE	%OF PUBLIC DEBT TO TOTAL REVENUE
2015	\$48,672,953,634.00	\$60,519,665,417.00	\$61,964,263.00	81
2016	\$58,273,318,867.00	\$60,313,756,178.00	\$56,574,649.00	97
2017	\$65,450,617,657.00	\$47,777,197,583.00	\$54,883,151.00	137
2018	\$68,977,535,489.00	\$50,477,117,276.00	\$54,211,711.00	137
2019	\$75,080,958,413.00	\$53,423,353,342.00	\$54,581,187.00	141

Public Accounts of the Republic of the Republic of Trinidad and Tobago for the Financial Year 2019, Volume 1, Accounts of Treasury and Receiver of Revenues accessed on September 11, 2020 pgs.31 and 33 : <http://138.128.179.50/sites/default/files/volume-i-accounts-of-the-treasury.pdf>



DOMESTIC & EXTERNAL DEBT

DOMESTIC DEBT BY TYPE OF INSTRUMENTS AS AT SEPTEMBER 30, 2019

Instruments	2018		2019	
	Million \$	%	Million\$	%
Government Development Loans	37,547.9	83.6	41,300.9	83.3
Others	5,451.9	12.1	4,962.2	10.0
Treasury Bills	1,905.0	4.2	3,340.0	6.7
Treasury Notes	0.0	0.0	0.0	0.0
TOTAL	44,904.8	100.0	49,603.1	100.0

EXTERNAL DEBT OUTSTANDING BY SOURCES OF FINANCING (2018 AND 2019)

TYPE	Debt as September 30, 2018		Debt as September 30, 2019		Change
	Million \$	%	Million \$	%	Million\$
IADB	4320.90	18.86	4133.70	17.15	(187.20)
CDB	245.00	1.07	207.05	0.86	(37.95)
EIB	22.30	0.10	19.35	0.08	(2.95)
Notes and Bonds	13,175.00	57.51	12,176.15	54.65	1.15
Japanese Banks	693.00	3.03	710.60	2.95	17.60
Chinese Banks	735.30	3.21	644.70	2.67	(90.60)
Other	3,716.70	16.22	5,217.83	21.64	1,501.13
TOTAL	22,908.20	100.00	24,109.38	100.00	1,201.18

Public Accounts of the Republic of the Republic of Trinidad and Tobago for the Financial Year 2019, Volume 1, Accounts of Treasury and Receiver of Revenues accessed on September 11, 2020 pgs.21 and 24 : <http://138.128.179.50/sites/default/files/volume-i-accounts-of-the-treasury.pdf>



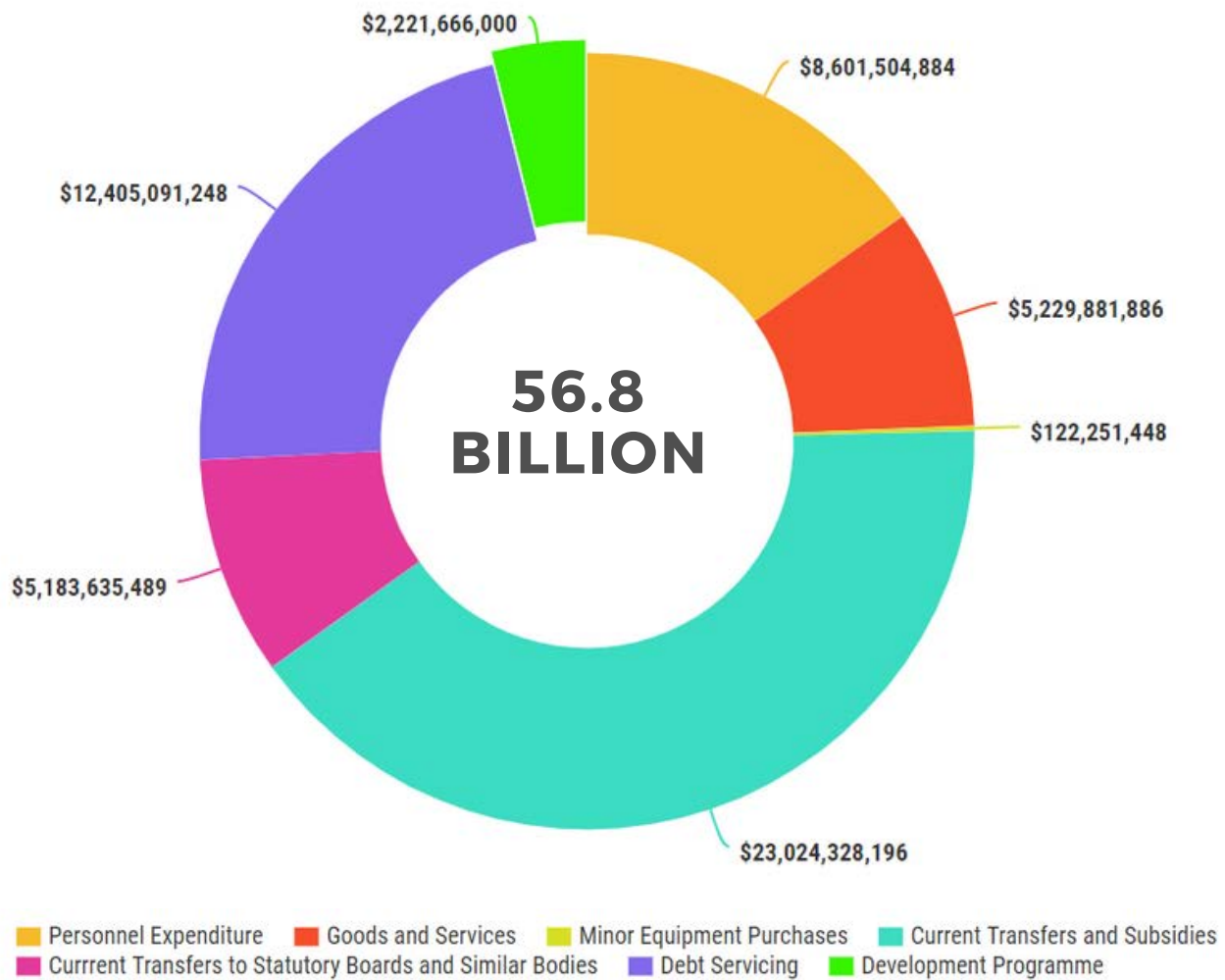
BUDGET OVERVIEW 2021





NATIONAL BUDGET 2021

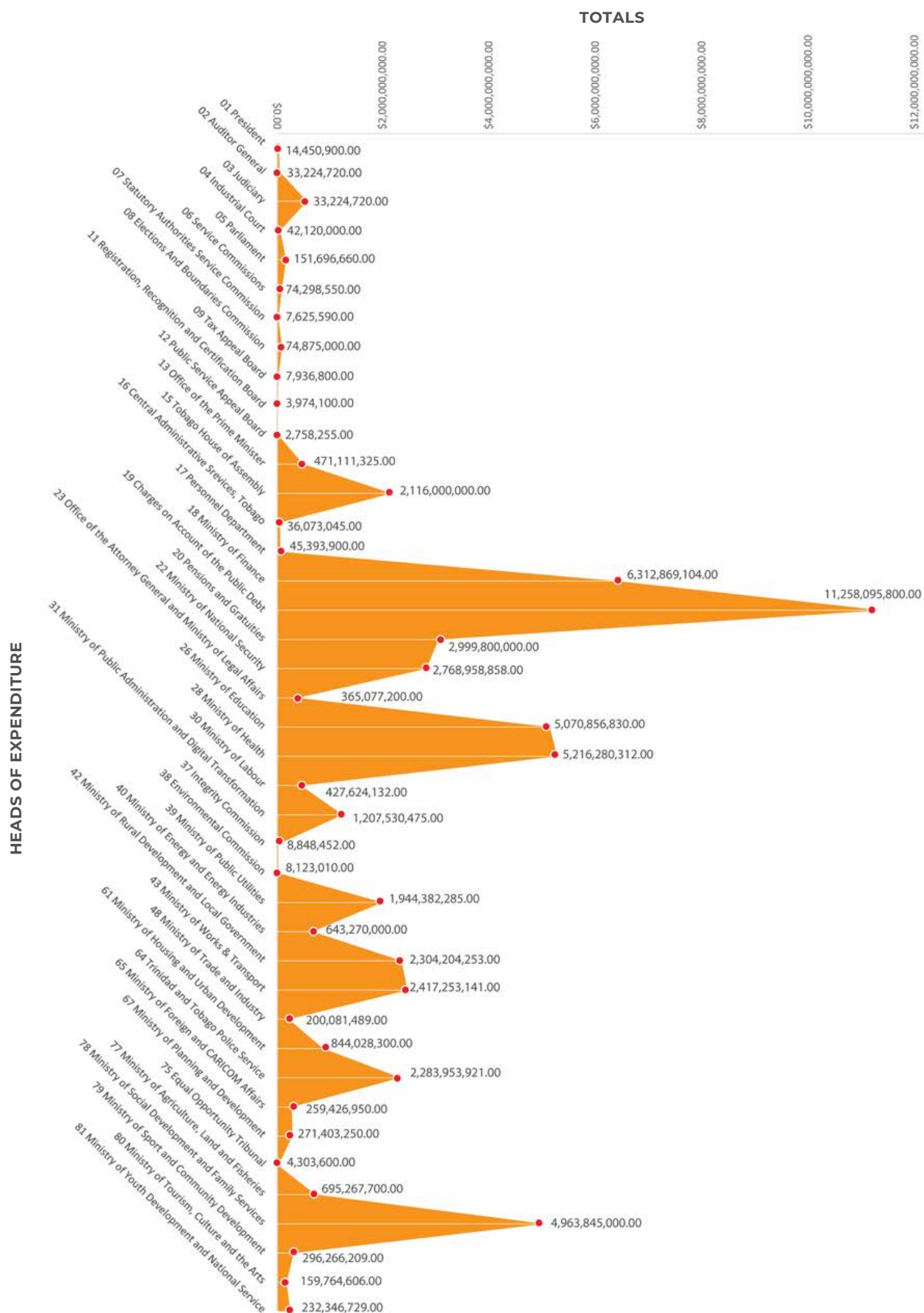
\$56,788,359,151.00



HEAD	AMOUNT	PERCENTAGE %
Personnel Expenditure	\$ 8,601,504,884.00	15%
Goods and Services	\$ 5,229,881,886.00	9%
Minor Equipment Purchases	\$ 122,251,448.00	0.22%
Current Transfers and Subsidies	\$ 23,024,328,196.00	41%
Current Transfers to Statutory Boards and Similar Bodies	\$ 5,183,635,489.00	9%
Debt Servicing	\$ 12,405,091,248.00	22%
Development Programme	\$ 2,221,666,000.00	4%
Total	\$ 56,788,359,151.00	100%



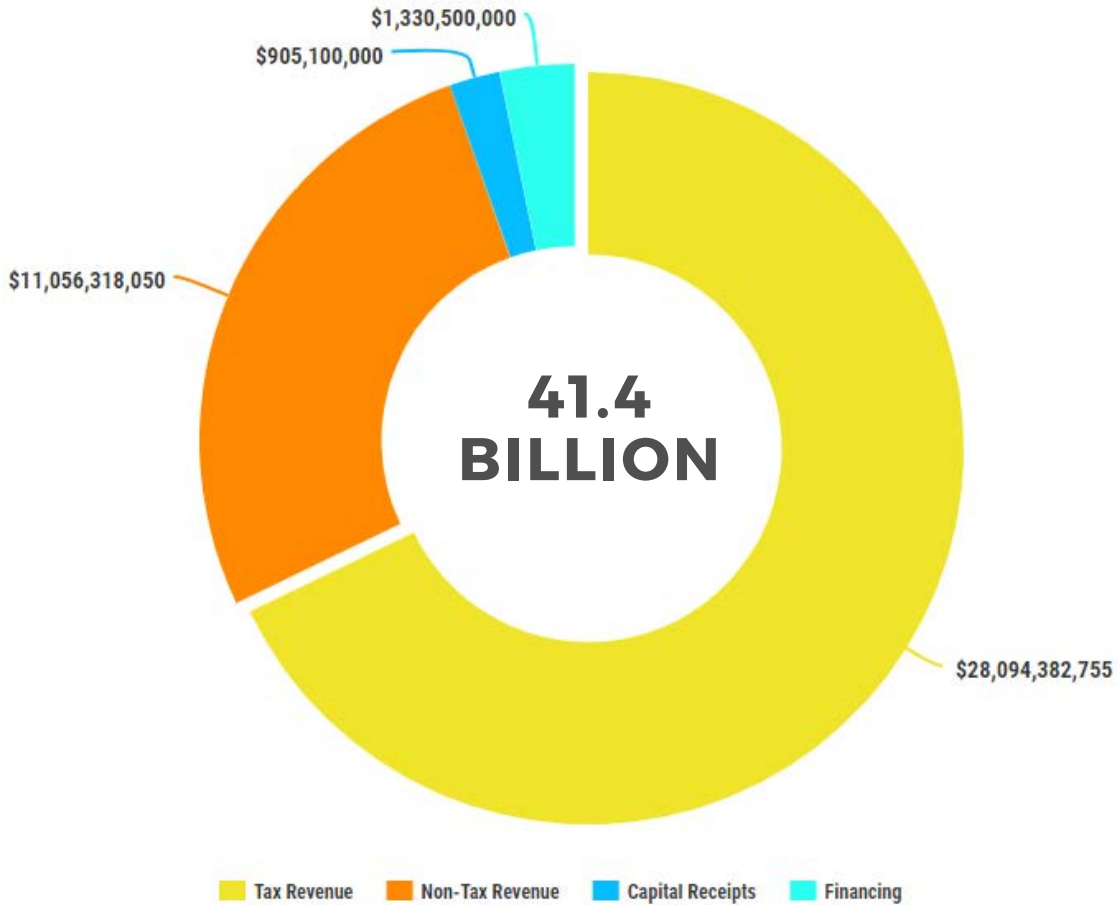
DIAGRAM 01: HEADS OF EXPENDITURE - BUDGET 2021





REVENUE- BUDGET 2021

\$41,386,300,805



TAX REVENUE
UP 10%
 UP BY \$2,615,088,990

NON-TAX REVENUE
UP 58%
 UP BY \$4,043,028,000

CAPITAL RECEIPTS
UP 27%
 UP BY \$191,677,303

FINANCING
DOWN 6%
 DOWN BY \$1,330,500,000

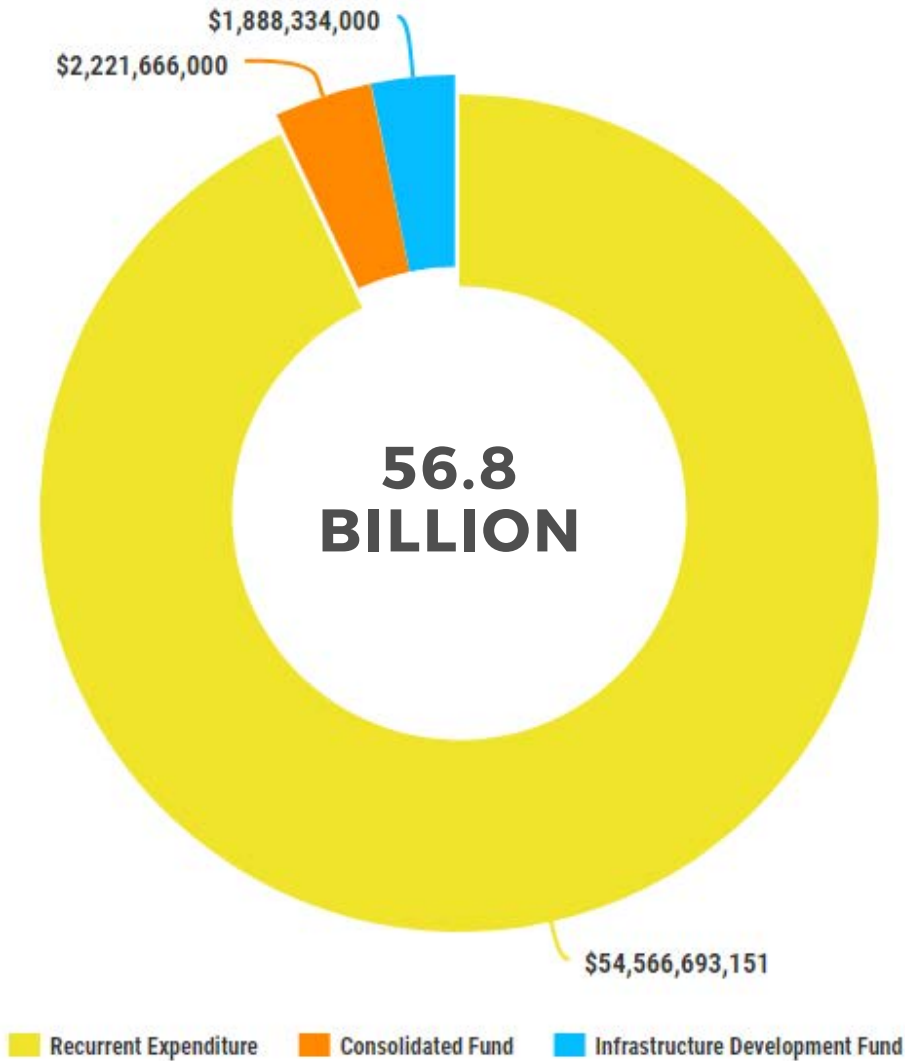
The 2019 Actual and 2020 Revised Estimates when compared, revealed an overall decrease in Revenue in the sum of \$ 2903265270.

However, 2020 Revised Estimates and 2021 Estimates when compared revealed an overall decrease in revenue of \$14940317807.



EXPENDITURE- BUDGET 2021

\$56,788,359,151



	RECURRENT EXPENDITURE	DOWN 2%	DOWN BY \$878,476,678
	CONSOLIDATED FUND	UP 23%	UP BY \$414,392,475
	INFRASTRUCTURE DEVELOPMENT FUND	DOWN 17%	DOWN BY \$381,909,030



Recurrent Expenditure

Recurrent Expenditure refers to the payments for expenses which are incurred during the day-to-day operations of the Ministry for Personnel Expenditure, Goods and Services, Minor Equipment Purchases, Current Transfers and Subsidies and Current Transfers to Statutory Boards and Similar Bodies.

Development Programme

Development Programme is capital expenditure aimed at improving and enhancing development in different areas of Trinidad and Tobago, which includes; human resources, economic and social development.

These funds are presented in two parts as follows:

Development Programme - Consolidated Fund¹

The allocation for the implementation of projects and programmes by Ministries, Statutory Boards, Local Government and the Tobago House of Assembly within the Public Sector Investment Programme (PSIP) was provided under the Consolidated Fund.

Development Programme – Infrastructure Development Fund²

- The IDF was established by Legal Notice No. 347 of December 29, 1997, under section 43(2) of the Exchequer and Audit Act, Chap. 69:01³ to finance wholly or partially, certain capital projects under the Government's capital programme. • It is the approval of additional resources for transfer from the Consolidated Fund to the Infrastructure Development Fund (IDF);
- Operationally, the IDF is the mechanism used, in the main, to finance projects being implemented by existing and newly established special-purpose state entities to execute projects assigned to them by ministries, the Tobago House of Assembly and other state agencies. Importantly, moneys are only utilized in this Fund by the approval of the Parliament; and

A mechanism to facilitate the acceleration and provide flexibility in the implementation of its capital development programme.

¹ The Constitution of the Republic of Trinidad and Tobago Accessed on October 05, 2020: https://www.oas.org/juridico/english/mesicic3_tto_constitution.pdf

² The Parliament of Trinidad and Tobago Website, debate on Friday September 8, 2006, accessed on September 19, 2019: <http://www.ttparliament.org/hansards/hh20060908.pdf>

³ The Exchequer and Audit Act : http://rgd.legalaffairs.gov.tt/laws2/alphabetical_list/lawspdfs/69.01.pdf





Sports and Community Development

Sports (Upgrading of Swimming Pools and Other Facilities)

Youth Development (Refurbishment of Youth Training Facilities, Refurbishment of the Youth Development and Apprenticeship Centres)



Healthcare System

Special Education
Hospitals and Other Services
Welfare Services
Public Buildings
Health Facilities
Equipment and Vehicles



Energy and Energy Industries

Renewable Energy and Energy Efficiency Initiatives
Environmental Policy Grant Project (EU)
Public Buildings



Public Utilities

Electricity
Postal Services
Major Water Sources
Transmission and Distribution Mains
Sanitary Services
Water and Sewerage
Welfare Services



Labour

Business Services
Recreation and Culture
Youth Development
Development Institution



DEVELOPMENT PROGRAMMES FUNDED FROM THE BUDGET



Agriculture, Land and Fisheries

Environmental Protection and Rehabilitation
Production and Marketing
Fishing
Forestry
Land Management Services
Research and Development
Drainage and Irrigation
Improvement and Expansion Works, Emperor Valley Zoo
Other Economic Services

Works and Transport

Drainage and Irrigation
Sea Transport
Major River Clearing Programme
Infrastructure Rehab. And Flood Mitigation
Flood Alleviation and Drainage Programme
Coastal Protection
Air Transport
Bus Transport
Roads and Bridges
Road Systems and Operations and Services
Sea Transportation
Development Institution
Public Buildings



National Security

Defence

Coast Guard
Regiment
Air Guard
Defence Force HeadQuarters
Defence Force Reserves
Prison Service
Immigration
Fire Service
Lifeguard Service
Forensic Laboratory and Pathology Services



Social Development and Family Services

Welfare Services
Establishment of a Data Centre and Storage Area
Public Buildings



Tourism, Culture and the Arts

Tourism Sites and Attractions Upgrade
Cruise Tourism Initiative
Tourism and Industrial Development Co. of T&T
Maracas Beach Facility Improvement Project



Education

Vocational and Technical
Educational Services (Scholarships)
Science, Technology and Applied Arts
Public Buildings
Pre-Primary
Primary
Secondary
Special Education



MONITERING & EVALUATION

Food Security and Sustainability

Agriculture continues to be a strategic priority of Government. Transformation of the sector is imperative to achieving national food security and sustainability; supporting economic diversification; and generating employment opportunities. As such, the following key targets have been set to measure our performance against each of these areas:

Key Performance Indicator	Target 2021
Food Import Bill (\$)	Reduce the Food Import Bill to \$4.48B
Percentage Employment in Agriculture Sector	Increase employment in the agriculture sector to 4.2 percent
Percentage Contribution of Agriculture to National GDP.	Increase the contribution of the Agriculture sector to National GDP to 1.3 percent

Tourism

The tourism industry is another strategic area for expansion and development. In fiscal 2021, Government will seek to address the expansion of domestic/community tourism to support SME development; and increase Foreign Direct Investment (FDI). Accordingly, the following targets and key performance indicators have been identified to support measurement towards success in these areas.

Key Performance Indicator	Target 2021
Average expenditure (TT\$) at tourist attractions in Trinidad and Tobago	Increase average expenditure at tourist attractions in Trinidad and Tobago by TT\$3,500.00.
Value of Non-energy FDI (TT\$)	Increase the Value of Non-energy FDI to TT\$30M.





Citizen Safety and Security

Citizen safety and security remains a top priority of Government to improving the quality of life of all citizens. As such, in fiscal 2021, Government will continue its efforts on creating a safe and secure place to live, visit and do business in Trinidad and Tobago. Thus, using selected performance indicators to monitor and measure performance, Government anticipates to achieve the following targets by the end of fiscal 2021:

Key Performance Indicator	Target 2021
Crime Rate (Violent Crime, Serious Crime, and White Collar Crime) per 100,000	Reduce the Crime Rate (per 100,000) to 340.45 per 100,000 (Violent Crime); 838.5 per 100,000 (Serious Crime); and 36.0 per 100,000 (White Collar Crime)
Detection Rate (Violent Crime, Serious Crime, Murder and White Collar Crime)	Increase Detection Rate to 30 percent (Violent Crime); 35 percent (Serious Crime); 25 percent (Murder); and 30 percent (White Collar Crime)
Percentage of arrests leading to convictions	Increase arrests leading to convictions to 2 percent
Average time (mins) taken to respond to calls by the TTPS ERP	Reduce in the average time (mins) taken to respond to calls by the TTPS Emergency Response Patrol (ERP) to eight (8) mins
Level of confidence in the TTPS on a scale of 1-10	Increase level of confidence in the TTPS on a scale of 1-10 to 5.5/10
Percentage of persons feeling safe on the streets of their neighbourhood during the day and at night (average of both measures)	Increase persons feeling safe on the streets of their neighbourhood during the day and at night to 45 percent
Percentage of joint border security operations between the TTPS and the TTDF	Increase in joint border security operations between the TTPS and the TTDF to 34.83 percent
Percentage of joint border security operations resulting in captures and seizures	Increase joint border security operations resulting in captures and seizures to 25.83 percent

Additionally, to improve the justice system and ensure fair and equal justice for all, it is anticipated that the following key targets to improve the timely access to justice for citizens will be achieved:



Key Performance Indicator	Target 2021
Percentage of hearings (Remand and Bail) via video conferencing	Increase in hearings (Remand and Bail) via video conferencing to 35 percent
Percentage of hearings (Civil High Court, Criminal High Court, Family Court and Children Court) conducted via video conferencing	Increase in court hearings (Civil High Court, Criminal High Court, Family Court and Children Court) conducted via video conferencing by 35 percent



Putting People First- Human Capital Formation

The development of the mental, physical and intellectual state of the citizens of Trinidad and Tobago remains a priority on the agenda of Government. In this regard, Government intends to increase its investment in education as well as health for the continued development of our human capital. Therefore, the following targets have been identified for each of these areas:

Education

Key Performance Indicator	Target 2021
Participation Rate in Technical and Vocational Education and Training (TVET) Programmes	Increase in the Participation rate in TVET Programmes by 5 percent

Health and Wellness

Key Performance Indicator	Target 2021
Client Satisfaction Rate	Increase Client Satisfaction Rate to 85 percent
*Proxy measure of Number of deaths related to mental health illness will support measurement	Premature mortality from mental health related issues reduced by 2 percent

Accessing and Recovery Services in the Community

Government remains focused on bringing government services closer to the citizenry and ensuring that there is an efficient and direct response to the people who need these services the most. As such, Government intends to improve accessibility and responsiveness to social services delivery. Key targets have been identified for this expected goal along with measures to track progress.

Key Performance Indicator	Target 2021
Percentage of ease of access to social services	Increase ease of access to social services by 10 percent
Percentage of Government’s Responsiveness to citizen needs	Government’s responsiveness to citizens needs increased by 15 percent

Building Smart and Quality Infrastructure

Government remains committed to the provision of high quality, sustainable infrastructure that supports all economic activity. Specifically, in addition to many other strategic areas, in fiscal 2021, crucial emphasis will be placed on Expanding/Upgrading Transportation Systems; Reducing Flooding; and Improving the Supply of Water to communities throughout Trinidad and Tobago. As such, to ensure the attainment of these expected results, Government progress will be monitored through the use of selected key performance indicators against specific targets.

Key Performance Indicator	Target 2021
Percentage in the kilometre (Km) of roads repaved per year	Increase km of roads repaved per year by 10 percent
Percentage of the average age of Public Transport Service Corporation (PTSC) bus fleet in years	Average age (years) of PTSC bus fleet reduced by 10 percent
Percentage in the number of buses in the PTSC bus fleet	Increase number of buses in the PTSC bus fleet by 10 percent



Key Performance Indicator	Target 2021
Percentage in the number of incidences of flooding per year	Reduce incidents of Flooding by 40 percent
Percentage of Non-Revenue Water (NRW) lost per year	Reduce NRW lost per year by 10 percent
Percentage of the population with 24/7 water supply	Increase supply of 24/7 water to the population by 10 percent

No Child Left Behind

The nation's children continue to also be a priority of Government. The focus is on ensuring that they are well protected and served. Government expects in fiscal 2021 to refine the overall performance of our nation's students and promote transformational teaching. Progress in attaining the following expected result will be monitored via performance of the following key performance indicators.



Key Performance Indicator	Target 2021
Percentage of student participating in online classes	100 percent student participation in online classes
Percentage of students with access to online classes	100 percent student access to online classes
Percentage of curriculum delivered online at all levels of education (primary, secondary, post-secondary, tertiary)	100 percent of curriculum delivered online at all levels of education

Economic Recovery: Building Lives and Livelihoods

Economic diversification, in conjunction with innovation, is vital to achieving economic sustainability and stability. As such, Government in fiscal 2021 will seek to promote macroeconomic recovery and accelerate the pace of development. Consequently, progress in attaining the expected will be monitored via the performance of the following selected key performance indicators against specific targets.

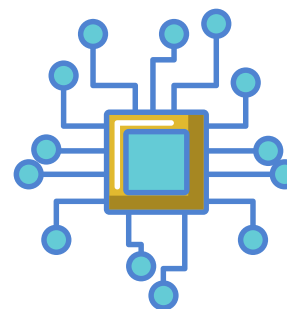


Key Performance Indicator	Target 2021
Value of Non-Energy Exports (US\$)	Increase the Value of Non-Energy Exports to US\$900M
Unemployment Rate	Reduce the Unemployment Rate by 1percent
Youth Unemployment Rate	Reduce Youth Unemployment Rate to 5 percent
Value of Non-energy Foreign Direct Investment (FDI)	Increase the Value of Non-Energy FDI to TT\$30M
Real GDP Growth Rate	Increase Real GDP Growth by 1 percent



Retooling and Restructuring the Economy – Digital Transformation

In fiscal 2021, strategic focus on will be placed on retooling and restructuring the economy through Digital Transformation. As such, Government will seek develop ICT as a foundational pillar for socio-economic transformation; and develop ICT as an industry to generate wealth and employment. In this regard, Government has outlined several key results and targets aimed at this transformation. The measurement of the attainment of these results against the targets will be undertaken with the use of the following selected key performance indicators.



Key Performance Indicator	Target 2021
Global GITR Overall Government usage of ICT Score	Increase Overall Score in the Global IT Report (GITR) 8 th pillar that relates to Government usage of ICT to 3.8/7
Global GITR Government Online Service Index Score	Increase GITR score in Government Online Service Index to 0.7/7
Global GITR Impacts of ICTs on New Services and Products Score	Increase GITR Score in the area of Impacts of ICTs on new services and products to 4.2/7
Global GITR Impact of ICTs on Access to Basic Services Score	Increase GITR score in the area of Impact of ICTs on access to basic services to 4.0/7
Percentage in the number of new ICT businesses registered	Increase number of new ICT based businesses registered by 5 percent
Percentage in the ICT sector contribution to GDP	Increase the contribution of the ICT sector to national GDP by 5 percent

Improving Public Sector Management

Public institutions are critical to ensuring that national development is achieved and the needs of citizens are met. Therefore, throughout fiscal 2021, special emphasis will be placed on increasing the efficiency and effectiveness of the delivery of Government services; and creating a public sector that is robust, relevant, dynamic, customer-focused through radical transformation and adaptable to the global environment. For this reason, the following performance indicators and targets have been selected to monitor the progress of Government in achieving the expected results.



Key Performance Indicator	Target 2021
Corruption Perception Index Score (CPI) Score	Improve the Corruption Perception Index Score (CPI) Score to 46/100
GITR Public Sector Performance: E-Participation Score	Increase GITR Score (Public Sector Performance: E-Participation) by 5 points
Percentage of government services online; and	Increase Government services online by 10 percent
Percentage of government transactional services online	Increase Government transactional services online by 5 percent



To determine whether the results of Government have been achieved with the implementation of several initiatives in the PSIP to create a public sector that is robust, relevant, dynamic, customer-focused it is anticipated, Government intends to:

Key Performance Indicator	Target 2021
Perception rate of the public service	Increase customer satisfaction ratings of the public service to 5.5/10

Building Climate and Environmental Resilience

Contributing to a circular economy and building climate and environmental resilience remains an underlying pillar essential to the social and economic growth of Trinidad and Tobago. Given the significant importance of building climate resilience as well as keeping in mind international obligations, progress in attaining the expected results over fiscal 2021 will be monitored via the performance of the following selected key performance indicators.



Key Performance Indicator	Target 2021
Quantity of waste requiring final disposal (tonnes per day)	50 percent reduction in waste requiring final disposal
Percentage of implementation plans in all vulnerable sector which incorporates climate risks	100 percent implementation of plans in all vulnerable sector which incorporates climate risks
Percentage share of renewable energy power generation	Increase in the share of renewable energy used for power generation to 10 percent
Percentage of reduction in habitat loss	20 percent reduction in habitat loss
Percentage of terrestrial and inland water managed	Manage 17 percent of all terrestrial and inland waters
Percentage of coastal and inland waters managed	Manage 10 percent of all coastal and marine areas

Source: Ministry of Finance website -Public Sector Investment Programme 2021 accessed on October 06, 2020, pages 191-196:

<https://www.finance.gov.tt/wp-content/uploads/2020/10/Public-Sector-Investment-Programme.pdf>



ECONOMIC COMPARISONS 2021





COVID-19 SPENDING GLOBAL COMPARISONS

The COVID-19 pandemic placed immense pressure on the social and economic structures of many economies and continues to test their resilience, irrespective of their status. In March 2020, the Government of Trinidad and Tobago coordinated and implemented a suite of initiatives to address labour, employment and socioeconomic challenges resulting from the pandemic.

In May 2020, it was announced that Trinidad and Tobago's projected COVID-19 relief spending would be TT \$6 billion (US \$0.9 billion). This represents 3.7% of national GDP (valued at US \$24.1 billion in 2019). The table below shows that this is mostly on par with – and in some cases ahead of – other countries with similar population size and / or GDP to Trinidad and Tobago.

COUNTRY	CASES ⁴	DEATHS ⁵	POPULATION (MILLIONS) ⁶	CASES PER 100,000 POPULATION	GDP (\$ US BILLION) ⁷	SPENDING (% GDP) ^{8,9}
Trinidad and Tobago	4,846¹⁰	83	1.39	349	24.1	3.8
Bahrain	73,116	261	1.64	4,458	38.6	4.2
Botswana	3,172	16	2.3	138	18.3	1.1
Cyprus	1,847	22	1.19	156	24.6	4.5
Equatorial Guinea	5,052	83	1.36	372	11.1	2.0
Gabon	8,808	54	2.17	406	16.7	2.0
Eswatini	5,579	112	1.15	485	4.4	1.9
Mauritius	387	10	1.27	31	14.2	3.4
AVERAGE	12,851	80	1.56	800	19.0	2.9

Sources

International Monetary Fund, Policy Responses to COVID-19 <<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>> accessed September 14, 2020
 Ministry of Health, COVID-19 News and Updates <<http://www.health.gov.tt/sitepages/default.aspx?id=293>> accessed September 14, 2020
 World Bank, Population <<https://data.worldbank.org/indicator/SP.POP.TOTL>> accessed September 14, 2020
 World Bank, GDP (current US\$) <<https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>> accessed September 14, 2020
 World Health Organization, WHO Coronavirus Disease (COVID-19) Dashboard <<https://covid19.who.int/>> accessed September 14, 2020

Trinidad and Tobago's COVID-19 death toll is roughly equivalent to the average for the countries presented, which all have similar population size to Trinidad and Tobago. Government spending to address the pandemic in Trinidad and Tobago proportional to GDP was higher than the average allocated by the countries listed. Of the 7 countries listed above,

Cyprus is most closely matched with Trinidad and Tobago both in terms of population and GDP. Cyprus has committed a higher percentage of GDP to COVID-19 relief measures, meanwhile reporting only around two-fifths the number of cases found in Trinidad and Tobago and a lower death toll thus far.



⁴ World Health Organization, WHO Coronavirus Disease (COVID-19) Dashboard, accessed October 4, 2020: <https://covid19.who.int/>

⁵ Figures for cases and deaths as at October 6, 2020.

⁶ World Bank, Population, accessed October 4, 2020: <https://data.worldbank.org/indicator/SP.POP.TOTL>

⁷ World Bank, GDP (current US\$), accessed October 4, 2020: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

⁸ International Monetary Fund, Policy Responses to COVID-19, accessed October 4, 2020: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>.

⁹ As at August 28, 2020: includes social, health and economy-related spending

¹⁰ Ministry of Health, COVID-19 News and Updates, accessed October 6, 2020: <http://www.health.gov.tt/sitepages/default.aspx?id=293>



TT-CARICOM COVID 19 COMPARISON

COUNTRY	CASES ¹¹	DEATHS	POPULATION (MILLION)	CASES PER 100,000 POPULATION	GDP (US\$ billion)	SPENDING (% GDP) ¹²
Trinidad and Tobago	4,846 ¹³	83	1,390,000	349	24.1	3.8%
Anguilla	3	0	14,000	22	--	--
Antigua and Barbuda	107	3	97,000	111	1.7	0.5%
Bahamas	4,452	96	390,000	1,082	12.8	1%
Barbados	199	7	287,000	70	5.2	--
Belize	2,196	30	390,000	563	1.9	1%
Bermuda	181	9	64,000	283	5.6	--
British Virgin Islands	71	1	30,000	237	--	--
Cayman Islands	213	1	65,000	328	5.5	--
Dominica	31	0	72,000	43	0.6	--
Grenada	24	0	112,000	22	1.2	--
Guyana	3,093	87	783,000	395	4.3	--
Haiti	8,819	229	11,260,000	79	8.5	4.0%
Jamaica	7,012	120	2,950,000	238	16.5	1.1%
Montserrat	13	1	5,000	260	--	--
St Kitts and Nevis	19	0	53,000	36	1.1	4.3%
St Lucia	27	0	183,000	15	2.1	3%
St Vincent and the Grenadines	64	0	111,000	58	0.8	4%
Suriname	4,941	106	581,000	851	4	2%
Turks and Caicos	695	6	38,000	1,829	1	--
AVERAGE	1,851	39	945,000	344	5.7¹⁴	2.5¹⁵

Trinidad and Tobago has recorded the 4th highest number of COVID-19 cases and the 6th highest number of COVID-19 deaths among the twenty CARICOM member countries and territories. The number of cases in Trinidad and Tobago sits right at the CARICOM average in terms of cases per 100,000 population, but the total number was almost three times the regional average as at October 6, 2020.

Data on government COVID-19 relief spending in relation to GDP was only available for ten (10) of the twenty (20) CARICOM Members. Out of these, the average government spending was 2.5%. Trinidad and Tobago – which had the largest nominal GDP in CARICOM – was therefore ahead of the known CARICOM average, with spending amounting to 3.8% of GDP.

In a written submission dated June 17, 2020 to the PAAC, the Ministry of Finance explained that greater percentage spending in Trinidad and Tobago compared to other CARICOM countries and territories was “partly because in some CARICOM countries announced spending only relates to healthcare whereas Trinidad and Tobago’s total covers social, economic and health-related spending”.

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¹¹ Cases and deaths as at October 6, 2020.

¹² Figures not available for Anguilla, Barbados, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Montserrat and Turks and Caicos Islands.

¹³ Ministry of Health. COVID-19 News and Updates, accessed October 6, 2020: <http://www.health.gov.tt/sitepages/default.aspx?id=293>

¹⁴ Average of the 17 countries and territories for which information was readily available.

¹⁵ Average of the 10 countries and territories for which information was readily available.





RELIEF AND SUPPORT MEASURES IMPLEMENTED IN RESPONSE TO COVID-19 PANDEMIC



SALARY/INCOME SUPPORT

- Salary Relief Grants (\$490 million) - administered by the National Insurance Board, this grant was provided to persons who were terminated, suspended or had suffered loss of income as a result of the COVID-19 pandemic with \$1,500 per month for three (3) months.
- Cultural Relief Grants - administered by Ministry of Community Development, Culture and the Arts, a \$5,000 cultural relief grant was provided to artists and creative persons who lost income as a result of measures implemented to combat COVID-19.
- Income Support Grants - administered by the Ministry of Social Development and Family Services, this grant provides income support to persons who were not part of the National Insurance Scheme and have been terminated, lost income or earning a reduced income.



SOCIAL PROTECTION

- Social Support Programme (\$400 million) included the following measures:
 - Food Cards - additional support to existing beneficiaries of food support, persons who were retrenched, terminated or income reduced, as well as to households that receive meals from the School Feeding Programme but are not current beneficiaries of food support.
 - Income Support - support to current beneficiaries of the Public Assistance and Disability Assistance Grant.
 - Senior Citizens Pension - food support to persons who applied for Senior Citizens Pension but their applications not yet finalized.
 - Disability Assistance Grant - food support to persons who applied for Disability Assistance Grant but their applications not yet finalized.
 - Hampers - executed in collaboration with the Municipal Corporations, emergency hampers were provided to families in urgent need during the stay at home period.
 - Food Vouchers - food vouchers and market boxes of fresh produce, inclusive of two chickens, were provided to families, in collaboration with the Ministry of Agriculture, during the stay at home period.
- VAT Bonds (\$3 billion) - issuance of bonds to businesses owed VAT refunds.



FOREIGN EXCHANGE RELIEF

- EXIMBank FX Facility (US\$150 million) - Increased allocation of foreign exchange through the Export-Import Bank of Trinidad and Tobago (EXIMBANK) to established importers of food, pharmaceuticals, personal protective equipment and other essential goods.



PERSONAL PROTECTION

- Distribution of Face Masks (\$5 million) - Masks distributed free of charge to the public. Measure targeted to support seamstresses, with a focus on small businesses.
- Expenditure on personal protective equipment (PPE) (\$18.3 million) - for use by the Trinidad and Tobago Police Service and the Ministry of National Security.
- Sanitization of public spaces (\$16 million) - through the Ministry of Rural and Local Government.
- Health Expenditure under the various Regional Health Authorities and designated quarantine facilities (\$250 million) and under the Tobago Regional Health Authority (\$50 million) - increased spending on consumables, staffing, equipment and infrastructure.



HUMANITARIAN ASSISTANCE

- Nationals Stranded Abroad (US\$1 million) - Up to US\$1,000.00 per eligible person would be paid to T&T nationals stranded abroad.
- UWI Students - Assistance through grants provided to Trinidad and Tobago nationals students at UWI Mona and Cave Hill campuses.



DEFERRED PAYMENTS AND INTEREST RELIEF

- Government-owned Mortgage Banks and Housing Development Corporation (HDC) were directed to defer mortgage and rent payments for two or three months (April to June 2020).
- Commercial Banks were asked and agreed to defer customers' mortgage and other loan payments for a three-month period and to give relief in the form of reduced credit card interest rates as well as waive penalty interest on overdrawn accounts and late payments on credit cards.
- CBTT lowered the reserve requirement to 14% from 17% and the repo rate to 3.5% from 5%.

Source: Ministry of Finance website -Review of the Economy 2020 accessed on October 06, 2020, pages 99-100:
<https://www.finance.gov.tt/wp-content/uploads/2020/10/Review-of-the-Economy-2020.pdf>



ECONOMIC SNAPSHOTS FROM THE CARIBBEAN

Major economic drivers in the Caribbean region are tourism, financial services, agriculture, and manufacturing. While oil importing countries in the region tend to benefit from decreased oil prices, as oil producers, both Trinidad and Tobago and Suriname derive economic benefits from increased oil prices. The steep drop in oil prices is hurting commodity exporters through a loss in exports and fiscal revenues.

- In 2020, Guyana experienced positive growth in the timber and gold industries. Guyana is now making its first steps into the energy sector as a result of successful oil exploration efforts in 2015.¹⁶
- The Barbados economy contracted slightly due to delays in the start of major private sector projects, despite gains in tourism.
- Haiti experienced a decline in tax revenue due to its weak informal economy.
- Caribbean countries are extremely vulnerable to climate change and natural disasters. However, the Bahamas, Anguilla and Dominica sustained tourism activity on islands unaffected by Hurricane Dorian.¹⁷
- The Trinidad and Tobago economy continues suffer setbacks including the economic downturn caused by the spread of COVID-19.¹⁸

Major Factors affecting Caribbean countries are:

- climate change;
- natural disasters;
- weak energy sector;
- USA- China trade tensions;
- Geopolitical concerns in the Middle East, where half of the Members of the Organisation of Petroleum Exporting Countries (OPEC) are located and which is the leading region for global oil and gas production;¹⁹
- Drought in Belize, Haiti and Jamaica;
- Social unrest in Haiti, which is home to around 60% of CARICOM's population;²⁰
- and Fragile construction sector.

¹⁶ Caribbean Development Bank, 2019 Caribbean Economic Review and 2020 Outlook Fact Sheet <<https://www.caribank.org/publications-and-resources/resource-library/fact-sheets/2019-caribbean-economic-review-and-2020-outlook-fact-sheet>> accessed on September 8, 2020.

¹⁷ The World Bank website, The World Bank in the Caribbean <<https://www.worldbank.org/en/country/caribbean/overview>> accessed on September 8, 2020.

¹⁸ Focus Economics, Trinidad and Tobago Economic Outlook <<https://www.focus-economics.com/countries/trinidad-tobago>> accessed on September 8, 2020.

¹⁹ OPEC website, OPEC share of world crude oil reserves <https://www.opec.org/opec_web/en/data_graphs/330.htm> accessed September 15, 2020.

²⁰ The World Bank, Population Total <<https://data.worldbank.org/indicator/SP.POP.TOTL>> accessed September 15, 2020.



ECONOMIC THREATS TO MITIGATE AGAINST

THREATS

The COVID-19 pandemic has affected economic activity in every sector. GDP could decrease by as much as 3.7% on average in the Latin America and Caribbean region²¹. At the same time, Government spending has increased in order to deal with the economic effects of the economic slowdown. Trinidad and Tobago and all of its trading partners are affected.

Climate change poses a serious threat to sustainable human development, impacting negatively on productive sectors. For the small island developing States (SIDS) of the Caribbean, the threat is even more severe due to their geographic location and the concentrations of their populations and economic infrastructure in coastal zones.²³ Data for carbon dioxide (CO₂) emissions for selected Caribbean countries show that Trinidad and Tobago is the largest per capita contributor.

MITIGATING STRATEGIES

“Governments may be forced to curtail public expenditure at a time when they need to ramp up spending to contain the pandemic and support consumption and investment”²².

Continue to implement robust measures through the National Environmental Policy²⁴ in order to reduce the national carbon footprint.

- ²¹ World Bank, The Potential Impact of COVID-19 on GDP and Trade <<https://openknowledge.worldbank.org/bitstream/handle/10986/33605/The-Potential-Impact-of-COVID-19-on-GDP-and-Trade-A-Preliminary-Assessment.pdf?sequence=1&isAllowed=y>> accessed September 11, 2020.
- ²² United Nations, COVID-19 likely to shrink global GDP by almost one percent in 2020 <<https://www.un.org/sustainabledevelopment/blog/2020/04/covid-19-likely-to-shrink-global-gdp-by-almost-one-per-cent-in-2020/>> accessed September 11, 2020.
- ²³ UNCTAD, The Economics of Climate Change in the Caribbean <https://unctad.org/meetings/en/Contribution/cimem7_2014_C1_ClimateChange_Caribbean_Summary_en.pdf> accessed September 11, 2020.
- ²⁴ Environmental Management Agency, National Environmental Policy <<https://www.ema.co.tt/-emacott/images/Files/policies/Nep2018V01Ema20181102.pdf>> accessed September 11, 2020.





CREDIT RATING

A credit rating is used by sovereign wealth funds, pension funds and other investors to gauge the credit worthiness of a country's borrowing costs.

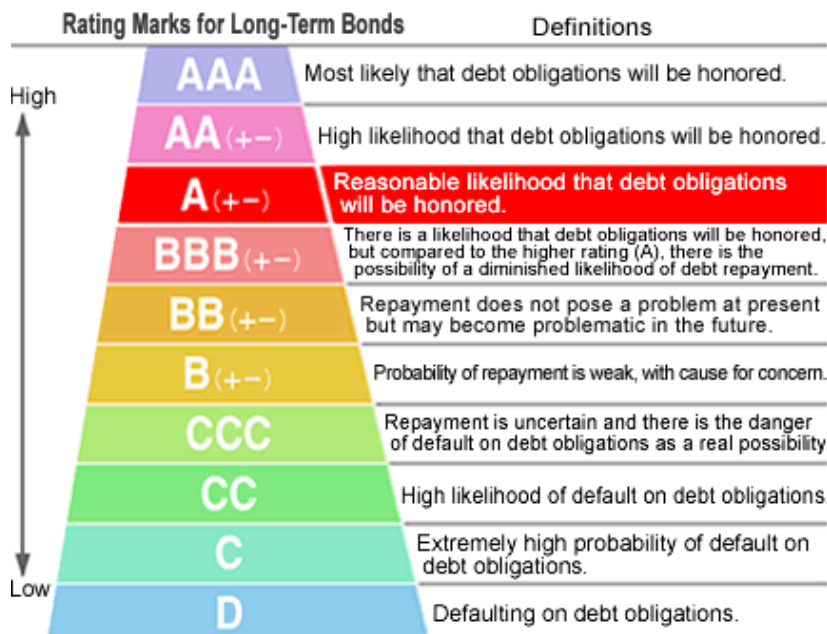


Table 9: Trinidad and Tobago Credit Rating History by Moody's Investors Service: 2007 - 2020

Year	Outlook	Foreign Currency Ceiling				Government Bond Ratings	
		Bonds and Notes		Bank Deposits		Foreign Currency	Local Currency
		Long term	Short term	Long term	Short term	Long term	Short term
July 2020	Negative	Baa3	...	Ba2	...	Ba1	Ba1
June 2019	Stable	Baa3	P-3	Ba2	NP	Ba1	Ba1
May 2018	Stable	Baa3	P-3	Ba2	NP	Ba1	Ba1
Apr 2017	Stable	Baa3	P-3	Ba2	NP	Ba1	Ba1
Apr 2016	Negative	Baa2	P-3	Baa3	P-3	Baa3	Baa3
Apr 2015	Negative	A3	P-2	Baa2	P-3	Baa2	Baa2
Jan 2014	Stable	A1	P-1	Baa1	P-2	Baa1	Baa1
Jan 2013	Stable	A1	...	²⁹ Baa1	...	Baa1	Baa1
Aug 2012	Stable	A1	...	Baa1	...	Baa1	Baa1
July 2011	Stable	A1	...	Baa1	...	Baa1	Baa1
Jun 2010	Stable	A1	...	Baa1	...	Baa1	Baa1
Jun 2009	Stable	A1	...	Baa1	...	Baa1	Baa1
Dec 2008	Stable	A1	...	Baa1	...	Baa1	Baa1
Oct 2007	Stable	A1	...	Baa1	P-2	Baa1	Baa1

Source: Moody's Investors Service (2020)



Table 10: Trinidad and Tobago Credit Rating History by Standard and Poor's Ratings Services: 2008 - 2020

Year	Outlook	Foreign currency		Local currency	
		Long term	Short term	Long term	Short term
March 2020	Stable	BBB-	A-3	BBB-	A-3
July 2019	Stable	BBB	A-2	BBB	A-2
Apr 2018	Negative	BBB+	A-2	BBB+	A-2
Apr 2017	Stable	BBB+	A-2	BBB+	A-2
Apr 2016	Negative	A-	A-2	A-	A-2
Dec 2015	Negative	A	A-1	A	A-1
Dec 2014	Stable	A	A-1	A	A-1
Jan 2013	Stable	A	A-1	A	A-1
Jan 2012	Stable	A	A-1	A	A-1
Aug 2011	Stable	A	A-1	A	A-1
Jan 2011	Stable	A	A-1	A+	A-1
Dec 2009	Stable	A	A-1	A+	A-1
April 2009	Negative	A	A-1	A+	A-1
Aug 2008	Stable	A	A-2	A+	A-1

Source: Standard & Poor Global Ratings Services (2020)

TRINIDAD AND TOBAGO CREDIT RATINGS

- Trinidad and Tobago is currently assigned ratings of non-investment grade by Moody's (Baa3, Ba2 and Ba1) and investment grade by S&P (BBB-/A-3).
- CariCRIS maintained both its regional and national investment grade ratings of CariAA+ and ttAAA.
- S&P maintained its stable outlook for Trinidad and Tobago.
- Moody's and CariCRIS have downgraded their outlook from stable to negative.



GLOSSARY OF TERMS

Appropriation Act

Any enactment authorizing the issue of moneys from the Consolidated Fund to meet expenditure of the Government, and includes a provision of any enactment or of the Constitution which charges expenditure on that Fund.

Appropriation Bill.

An Appropriation Bill gives power to the government to disburse funds from the Consolidated and Infrastructure Development Fund for meeting the expenditure during the financial year. The government can only withdraw money from the Consolidated Fund after receiving approval from the Parliament. The Appropriation Bill specifies the quantum and purpose for withdrawing money and which Head of Expenditure the monies will be appropriated to.

Accounting Officer

Any person appointed by the Treasury and charged with the duty of accounting for any service in respect of which moneys have been appropriated by the Constitution or by Parliament, or any person to whom issues are made from the Exchequer Account.

Audit

A systematic and independent examination of books, accounts, statutory records, documents and vouchers of an organization to ascertain how far the financial statements as well as the non-financial disclosures presents a true and fair view of the concern.

Auditor General

An auditor general is the head of a supreme audit institution and independent from the Executive and responsible for assisting Parliament in its scrutiny of public expenditure.

Balanced Budget

A budget where total revenues equal total expenditure for a given fiscal year. When the budget is not balance, it is either in deficit or surplus.

Budget

An itemized summary of estimated or intended expenditures for a given period along with proposals for financing them. The budget is the main economic policy tool of the government and indicates how it plans to use public resources to meet policy goals.

Budget Process

The sequence by which a budget is drafted, approved by the legislature, executed and audited.

Budget Speech

A presentation made in the House by the Minister of Finance introducing the Government's plans concerning fiscal, economic and social policy (the budget).

Budget Statement

A listing of planned revenue and expenditure for a given period of time.

Cabinet

The executive of the Government, consisting of those MPs and Senators appointed by the President on the advice of the Prime Minister. It is responsible for the administration of the Government and the establishment of its policy.

Cabinet minister

A member of the executive, appointed by the President on the advice of the Prime Minister. Chosen from among existing MPs and Senators, Ministers are responsible to Parliament for their official actions and those of their Departments. Cabinet Ministers are given the title "Honourable".



GLOSSARY OF TERMS

Call Circular

The call circular sets out the requirements that must be followed in the preparation of the draft estimates for the financial year. The preparation of the estimates should take into consideration the policy strategies which outlines Government's perspective and intent on the socio-economic transformation for the period.

Capital Revenue

Capital Revenue include proceeds from transactions under the Government's Sale of Assets Programme, related mainly to the repayment of debt owed to the Government of Trinidad and Tobago by Colonial Life Insurance Company (Trinidad) Limited (CLICO).

Committee

A body of MPs, or Senators or both, selected to consider such matters, including bills, as the House/s may refer to it or empower it to examine. There are several types of committees: sessional, special and joint committees as well as Committees of the Whole.

Committee Clerk

The procedural Clerk acting as administrative officer and adviser on parliamentary procedure to a committee. The Committee Clerk takes the minutes of proceedings at all committee meetings and may draft rulings on procedural questions as well as the reports for the committee chairman.

Committee hearing

The receiving of oral evidence by a committee either publicly or in camera.

Committee of the Whole

All of the Members of the House sitting in the Chamber as a committee. Such committees usually sit to scrutinize a bill, clause by clause.

Committee stage

(of a bill). Detailed study of the clauses of a bill by a committee (could be a committee of the Whole or a select committee). This stage, which may include the taking of evidence or the receiving of documents, is the first at which amendments may be proposed to specific provisions of the bill.

Committee Report

A Committee's Report contains all the opinions and observations of the Committee, and is accompanied by the Minutes of each meeting and all evidence taken before the Committee. Once approved by all members, such report is presented to the House or Senate by the Chairman or any other Member deputed by the Committee along with any minority reports where applicable.

Consolidated Fund

This fund refers to all revenues (taxes, custom duties and interest) or other moneys raised or received by Trinidad and Tobago. Funds appropriated by Parliament and authorized for meeting expenditure for the service of Trinidad and Tobago are taken from the Consolidated Fund.

Contingency Fund

A reserve of money set aside to cover possible unforeseen future expenses.

Contingent Liability

Obligations that are not recognized in the balance sheet because they depend upon some future event happening.

Corporation Tax

Tax payable by companies, based on the taxable profits of the period.

Exchequer and Audit Act (Chap 69:01)

An Act to provide for the control and management of the public finances of Trinidad and Tobago; for the duties and powers of the Auditor General; for the collection, issue and payment of public moneys; for the audit of public accounts and the protection and recovery of public property; for the control of the powers of statutory bodies; and for matters connected therewith.

Excise Taxes

Taxes on the manufacture or sale of certain domestic or imported products that are often charged on products such as alcoholic beverages, tobacco and petroleum.

Expenditure

Spending to fulfill a government obligation, generally by issuing a cheque or disbursing cash. Expenditure is sometimes distinguished between capital and current. Capital expenditures are investments in physical assets, such as roads and buildings that can be used for a number of years. Current expenditures reflect spending on wages, benefit payments, and other goods or services that are consumed immediately.



GLOSSARY OF TERMS

Departments

Departments refer to governmental organizations not headed by a Minister that deal with a particular area of interest that generally cover matters where direct political oversight is inappropriate or unnecessary.

Development Programme

Development Programme refers to capital expenditure aimed at improving and enhancing development in different areas of Trinidad and Tobago which includes; human resources, economic and social development. The monies used to fund Development Programme expenditure are derived from two sources namely the Consolidated Fund and the Infrastructure Development Fund.

Direct Tax

A tax paid directly to the government, for example a tax imposed on the income of individuals or companies.

Draft Estimates of Revenue

This document shows a detailed listing of the inflows to the Consolidated Fund (CF) according to Receivers of Revenue and a summary showing the various Revenue classifications - Tax Revenue, Non-Tax Revenue, Capital Revenue and Financing for a three year period.

Draft Estimates of Expenditure

This document provides a Summary of all Expenditure (Recurrent and Development Programme (DP) including the Infrastructure Development Fund (IDF)) by Heads and Sub-Heads for each Ministry/Department for a three year period and details of the Establishment for each Ministry/Department for a two year period.

Draft Estimates – Details of Estimates of Recurrent Expenditure

This document provides details at sub-item level for a three year period of the Recurrent Expenditure Budget for each Head of Expenditure and a Summary of Recurrent Expenditure totals by Head. It also includes a Chart of Accounts and classification of Expenditure Sub-items under the Personnel Expenditure, Goods & Services and Minor Equipment Purchases Sub-Heads.

Draft Estimates of the Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly

This document provides details of the Budget (Revenue/Income and Expenditure) at sub-item level for all Statutory Boards and other Similar Agencies and the Tobago House of Assembly (THA). It also includes a Chart of Accounts and classification of Expenditure Sub-items under the Personnel Expenditure, Goods and Services and Minor Equipment Purchases Sub-Heads.

Draft Estimates of Development Programme

This document provides a summary and details of all projects for the Consolidated Fund for a three year period according to Heads of Expenditure of Ministries/Departments and the THA. It also includes a summary and details of projects falling under Head 701 - IDF for the same three year period.

Executive

The person or persons in whom the supreme executive power of a government is vested. Executive power lies with the Prime Minister and his Cabinet which is appointed from Members of Parliament.

Fiscal Discipline

The control of key measures of fiscal performance, including total spending, total revenue, the fiscal balance and the public debt.

Fiscal Policy

Policy on tax, spending and borrowing by the government, which is used to influence macroeconomic conditions. Example of fiscal policy to stimulate short term economic growth is to increase government spending or increase taxes intended to restrain inflation

Fiscal year (FY)

The twelve-month period, from October 1 to September 30, used by the Government for budgetary and accounting purposes.

Fixed Interest Rate

When the interest rate of a loan remains the same for the term of the loan or an agreed timeframe.

Grants

Funds that the national government disburses directly to lower levels of government, corporations, nonprofit organizations and individuals. Some grants are given for specific purposes, requiring the recipients to meet certain conditions or requirements.



GLOSSARY OF TERMS

Government Funding

Money given by government agencies to non-governmental organizations and individuals. Funding may come in the form of grants, loans or government assistance.

Gross Domestic Product (GDP)

A measure of total national output, income and expenditure in the economy. GDP per head is the simplest overall measure of welfare, although it does not take account of the distribution of income, nor of goods and services that are produced outside the market economy, such as work within the household.

Government Subvention

A grant of money in aid or support. This term is commonly used in the Budget.

Head of Expenditure

This refers to all Ministries / Departments or State Agencies that make up the Schedule to the Appropriation Bill.

Incremental Budgeting

A budget formulation process that focuses only on one year and how the budget for each program differs from the levels adopted in the previous year.

Indirect tax

A tax paid to a second party, for example a shop owner, who then passes it on to the government.

Inflation

The rate of general price increase.

Infrastructure Development Fund (IDF)

This fund refers to the mechanism used, in the main, to finance projects being implemented by existing and newly established special-purpose state entities to execute projects assigned to them by ministries, the Tobago House of Assembly and other state agencies. Importantly, monies utilized from this Fund must be approved by the Parliament.

Loan

A finance agreement where a business borrows money from a lender and pays it back in instalments (plus interest) within a specified period of time.

Macroeconomics

A branch of economics dealing with the performance, structure, behaviour, and decision-making of an economy as a whole, rather than individual markets. This includes national, regional, and global economies.

Medium term expenditure framework (MTEF)

A multi-year framework of rolling budgets where forward estimates produced with the annual budget, usually covering another two to four years, serve as the starting point for preparing the following annual budgets.

Microeconomic

A branch of economics that studies the behavior of individuals and firms in making decisions regarding the allocation of limited resources. Typically, it applies to markets where goods or services are bought and sold.

Ministry

A ministry is a high governmental organization headed by a Minister, that is meant to manage a specific sector of public administration

Money Bill

A Bill which contains provisions dealing with matters such as the imposition or regulation of taxation, the imposition or variation of charges on the Consolidated Fund or any public fund, grant of money to the Government, appropriation and investment of public money, and the raising or guarantee of any loan. Every money bill that is sent to the Senate must be endorsed with the certificate of the Speaker signed by him that it is a money bill.

Progressive Tax

A tax that increases as a percentage of income as one's income increases. For example wealth or property tax, sales tax on luxury goods.



GLOSSARY OF TERMS

Public Sector Investment Programme (PSIP) 2020

The Public Sector Investment Programme (PSIP) is a strategic investment management tool used by the Government of the Republic of Trinidad and Tobago to transform its vision and policies into tangible programmes and projects. These projects and programmes are designed to realise the goals set out in Government's overarching National Development Strategy (NDS) 2016 – 2030 (Vision 2030).

The PSIP plays a fundamental role in the sustainable development of Trinidad and Tobago's economy by creating infrastructural and socio-economic frameworks that seek to transform Trinidad and Tobago into a developed country. Public investment budgeting which is aligned to national priorities and plans provides a transparent platform for the efficient allocation of resources while maintaining the principles of accountability, transparency, good governance and environmental sustainability.

Vision 2030 comprises five (5) Development Themes that focus on development efforts up to the year 2030. They are

- Putting People First: Nurturing Our Greatest Asset
- Delivering Good Governance and Service Excellence
- Improving Productivity Through Quality Infrastructure & Transportation
- Building Globally Competitive Businesses
- Placing The Environment At The Centre Of Social & Economic Development

Recurrent Expenditure

Recurrent expenditure refers to all payments other than for capital assets. Recurrent Expenditure for Trinidad and Tobago is broken down into the following subheads:

- Personnel Expenditure includes salaries of employees in the Public Service;
- Goods and Services includes office supplies, contract employment, maintenance of vehicles etc.
- Minor Equipment Purchases includes wireless equipment, cell phones, vacuum cleaners, etc.
- Current Transfers and Subsidies includes allocations to non-profit institutions, regional organizations, state enterprises, etc.
- Current Transfers to Statutory Boards and Similar Bodies includes allocations to the Tobago House of Assembly, statutory boards and all local government bodies.

Referral (to a committee)

The sending of a bill (before or after second reading), paper, instrument or a question to a committee for study and report. Depending on the objectives of the referral, it may be made to a sessional, special or joint committee.

Regressive Tax

A tax that decreases as a percentage of income as one's income increases. For example, a tax on the basic necessities (which form a larger percentage of the expenditure of the lower income population).

Revenue

The amount earned before expenses, tax and other deductions are taken out.

Revenue Account

Fees earned from providing services and the amounts of merchandise sold.

Reversionary Budget

The default budget that is implemented should the Legislature not approve a budget for the fiscal year.

Standing Orders (SOs)

The collection of the permanent written rules adopted by the House to govern its proceedings.

Statutory Authority

"Statutory Authority" means a local authority and any commission, board, committee, council or body (whether corporate or unincorporated) established by or under an Act other than the Companies Act declared by the President under section 3 to be subject to the provisions of this Act;

State Enterprises' Investment Programme (SEIP)

The State Enterprises' Investment Programme (SEIP) focuses on capital infrastructure projects undertaken by State Enterprises in the following areas: energy, electricity, transport, tourism, communication, education and training, community, housing, health, public order and safety and public administration.

The SEIP is financed by funds generated by the State Enterprises and loans raised and serviced by either the Enterprises or Government.

Subsidies

A form of financial aid or support extended to an economic sector (or institution, business, or individual) generally with the aim of promoting economic and social policy.



GLOSSARY OF TERMS

Supplementary Estimates

An expenditure plan introduced to provide funds to the Government to meet new or increased costs. The Government may introduce as many sets of Supplementary Estimates in a given fiscal year as it deems necessary.

Surplus

The amount by which revenues exceed outlays or expenditures.

Tax

Money extracted from the public by the government on the basis of its sovereign powers.

Tax Invoice

An invoice required for the supply of goods or services over a certain price.