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TRINIDAD AND TOBAGO AND THE IDB GROUP STRATEGIC AGREEMENT COUNTRY STRATEGY

2026 – 2030

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This document is being released to the public and distributed to the Bank's Board of Executive Directors simultaneously. This document has not been approved by the Board. Should the Board approve the document with amendments, a revised version will be made available to the public, thus superseding and replacing the original version.

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ELECTRONIC LINKS

[Country Diagnostics for Impact \(CDI\)- Trinidad and Tobago](#)

[Fiduciary Technical Note](#)

[Monitoring and Evaluation Capacity Analysis](#)

[Trinidad and Tobago Portfolio Summary 2026](#)

[Trinidad and Tobago Civil Society Consultation](#)

[IDB Group Strategic Positioning](#)

[National Adaptation Plan for the Republic of Trinidad and Tobago](#)

[DEM TT 2026-2030](#)

ABBREVIATIONS

AI	Artificial Intelligence
CAF	Development Bank of Latin America and the Caribbean
CAsA	Capacity Building, Advisory, and Portfolio Management Program
Cat DDO	Deferred Drawdown Option for Catastrophic Risks
CBTT	Central Bank of Trinidad and Tobago
CCF	Contingent Credit Facility
CCLIP	Conditional Credit Lines for Integrated Projects
CDB	Caribbean Development Bank
CDI	Country Diagnostic for Impact
CIIP	Critical Information Infrastructure Protection Plan
CS	Country Strategy
CSEC	Caribbean Secondary Education Certificate
CSO	Central Statistical Office
DRM	Disaster Risk Management
EFF	Extended Fund Facility
EIB	European Investment Bank
EM-DAT	Emergency Events Database
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
FFF	Flexible Financing Facility
FIAT	Foundations of Intelligence Analysis Training
FY	Fiscal Year
GCF	Green Climate Fund
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
HDI	Human Development Index
HSF	Heritage Stabilization Fund
IAELIA	International Association of Law Enforcement Intelligence Analyst
ICT	Information and Communications Technologies
IDB	Inter American-Development Bank
IF-DDO	Investment Financing with Deferred Drawdown Option
IFPG	Innovation, Firm Performance, and Gender Survey
IMF	International Monetary Fund
ITU	International Telecommunication Union
IZCM	Integrated Coastal Zone Management
JIT	Joint Investigation Teams
LAC	Latin America and the Caribbean
M&E	Monitoring and Evaluation

MDB	Multilateral Development Banks
MDBs	Multilateral Development Banks
MEAL	Monitoring, evaluation accountability and learning
MICS	Multiple Indicator Cluster Survey
MIF	Multilateral Investment Fund
MMC	Multi-Hazard Mitigation Council
MPEA	Ministry of People Empowerment and Elder Affairs
MSMEs	Micro, Small and Medium-Sized Enterprises
NCD	Non-Communicable Disease
NDC	Nationally Determined Contributions
NEET	Not in education, employment, or training
NGOs	Non-Governmental Organizations
NISSS	National Insurance and Social Security Service
NSG	Non-Sovereign Guaranteed
OPR	Office of Procurement Regulation
OVE	Office of Evaluation and Oversight
PEF	Post-Emergency Finance
PEFA	Public Expenditure and Financial Accountability
PEU	Project Execution Unit
PFMS	Public Financial Management Systems
PIU	Project Implementation Unit
PMO	Project Management Office
PPCM	Project Preparation Coordinating Mechanism
PPO	Principal Payment Option
PPP	Public-Private Partnership
PwD	Persons with Disabilities
RRA	Ready and Resilient Americas
RSF	Resilience and Sustainability Facility
S&I	Strategy and Innovation
SDGs	Sustainable Development Goals
SG	Sovereign-guaranteed
SME	Small and Medium Enterprise
SOE	State-Owned Enterprise
T&T	Trinidad and Tobago
TTPS	Trinidad and Tobago Police Service
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNDRR	United Nations Office of Disaster Risk Reduction
US	United States
UWI	University of the West Indies
WASA	Water and Sewerage Authority
WB	World Bank

INTRODUCTION

A NEW APPROACH FOR IMPACT

Trinidad and Tobago Potential

Trinidad and Tobago stands at a pivotal moment to harness its significant economic and institutional strengths to advance toward a more sustainable and inclusive development path. Trinidad and Tobago, a high-income country, has built strong technical capabilities, advanced infrastructure, and solid institutional capacity through its legacy as a global leader in natural gas and petrochemical production. At the same time, evolving global energy markets and the gradual depletion of mature hydrocarbon reserves are creating impetus for a new phase of growth centered on broadening economic activity and expanding private sector participation. Emerging opportunities coupled with untapped potential for increased scale in areas such as manufacturing, position Trinidad and Tobago to enhance competitiveness, expand its role as a platform for regional investment, exports, and business services, and strengthen supply chain linkages while reducing vulnerability to external shocks and driving local development. However, realizing this potential will require leveraging existing strengths to foster innovation, strengthen the business environment, and promote more inclusive and environmentally sustainable development.

A New Country Strategy Approach

The Country Strategy for Trinidad and Tobago (CS) 2026–2030 reflects a renewed approach to engagement, anchored in the opportunity to deepen the partnership towards the achievement of development outcomes. The strategy builds on the analysis of the Country Diagnostic for Impact (CDI), Trinidad and Tobago 2025, stakeholder consultations, the IDB Group's institutional strategy, as well as regional programs such as ONE Caribbean and IDB Invest's Small and Island (S&I) Roadmap. The CS highlights the complementary roles of IDB, IDB Invest and IDB Lab in providing layered solutions to address the country's unique development challenges. It emphasizes a differentiated value proposition centered on the provision of specialized financing, technical expertise, knowledge generation and the mobilization of private capital, through IDB Invest and IDB Lab. In line with recommendations from the IDB Group's Office of Evaluation and Oversight (OVE), the new approach balances an expanded scope of engagement while still strategically selecting priority development challenges, which if addressed could support sustainable economic growth and maximize development impact.

Identified Pillars of Intervention and Expected Impact

The CS encompasses three priority pillars: (i) Supporting Private Sector Growth; (ii) Strengthening Fiscal Management and Service Delivery; and (iii) Enhancing Social Well-Being and Human Capital. Under the **first pillar, Supporting Private Sector Growth**, the IDB Group will support the expansion of private investment and productive activity while advancing infrastructure modernization and resilience, particularly in the water and sanitation and transportation sectors. The **second pillar, Strengthening Fiscal Management and Service Delivery**, focuses on strengthening public sector performance with improved transparency, governance, and service delivery, leading to higher efficiency in public administration through expanded access to digital services, and strengthened cybersecurity capacity. The **third pillar, Enhancing Social Well-Being and Human Capital**, aims to improve

**Partnership
Trinidad and
Tobago-IDB
Group**

quality of life by addressing challenges in citizen security, quality and access to healthcare, and affordable housing, including strengthened water service delivery. Cross-cutting themes of *Disaster Risk Management*, *Resilience*, *Sustainability*, as well as *Fostering Inclusion and Equal Opportunities for Vulnerable Groups* will be mainstreamed throughout all interventions. The IDB Group's support will be delivered through (i) new operations with high-impact potential (sovereign and non-sovereign), (ii) the ongoing project portfolio, which in the case of sovereign-guaranteed operations increasingly relies on blended finance, and (iii) non-reimbursable technical cooperation, advisory services, and knowledge products.

The long-standing partnership between Trinidad and Tobago and the IDB Group has played an important role in supporting the country's development agenda through a combination of financing, technical expertise, and knowledge sharing. Over the most recent two country strategy periods, the IDB Group's support has focused on key areas including water and sanitation, health, housing, fiscal management, digital transformation, and private sector development, while providing critical assistance during crises, such as support for vulnerable populations during the COVID-19 pandemic. The IDB Group has also contributed to strengthening institutional capacity and service delivery, including improvements in digital public services, trade facilitation, and social protection systems. At the same time, IDB Invest has established a strong presence in the country, mobilizing private capital and delivering scalable solutions in areas such as housing finance, manufacturing and sustainable supply chains, thereby reinforcing the Group's position as a key partner for supporting private sector development. Complementing these efforts, IDB Lab has supported private sector development through targeted interventions that promote innovation, entrepreneurship, market development, and greater access to finance, helping strengthen the foundations for a more competitive, resilient, and diversified economy. Building on this collaboration, the CS 2026-2030 aims to support Trinidad and Tobago's journey towards sustainable and inclusive development.



I. BUILDING A NEW COUNTRY

STRATEGY: PURPOSE AND APPROACH

A. UNLOCKING OPPORTUNITIES FOR INCLUSIVE AND RESILIENT GROWTH

- 1.1 Trinidad and Tobago's macroeconomic landscape is shaped by several structural challenges which limit growth potential and weaken long term resilience.** The energy sector's maturity has led to a gradual reduction in output, income and foreign exchange earnings, placing long-term growth and fiscal sustainability at risk. Simultaneously, investment in non-energy sectors remains hindered by structural barriers including difficulties accessing foreign exchange and finance, regulatory complexities, and social challenges in citizen security, health, water and sanitation and housing. While the country remains one of the higher-income economies in the Caribbean, with GDP per capita estimated at US\$18,072 in 2025 and a Human Development Index of 0.807 (in 2023), this performance has been largely underpinned by the country's natural resource endowment, mainly hydrocarbons. The energy sector has historically been a major contributor to economic activity, fiscal stability, and external performance. On average, 31% of GDP between 2014 and 2024 was generated from energy sector production, 32% of Government revenues were energy related, and 80% of goods export earnings were derived from the hydrocarbon sector. Reliance on energy exports, coupled with high volatility in energy prices¹ in the recent past, increases vulnerability of the entire economy to external shocks. This affects the competitiveness of the non-energy sector directly by undermining economic activity, and indirectly by creating social and institutional distortions. Specifically, energy sector GDP fell by 40% in real terms between 2014 and 2024. At the same time, GDP growth in the non-energy sector during that period was hindered due to structural challenges such as a distorted foreign exchange market and difficulties accessing credit.
- 1.2 Constraints to private sector growth and diversification persist.** Limited access to foreign exchange, driven by lower export earnings, rising demand and stringent allocation procedures, increases operational costs and delays investment, especially for firms reliant on imported machinery and raw materials. Given that the energy sector is estimated to generate three-quarters of the country's foreign exchange earnings, the decline in crude oil and natural gas production has significantly reduced the supply of foreign currency entering the economy. Although the country's external position remains robust and above conventional adequacy benchmarks, with the Heritage and Stabilization Fund (HSF) totaling US \$6.3 billion and international reserves estimated at approximately 6.3 months of import cover (US \$5.4 billion) at the end of 2025, this represents a marked decline from 12.9 months of import cover in 2011. The private sector faces additional competitiveness constraints highlighted by survey evidence, particularly an inadequately educated labor force (93% of IFPG respondents), customs and trade regulations (88%), crime (65% of World Bank respondents), access to finance (58%), and competition from the informal sector (49%) (IFPG, 2021; World Bank, 2025). These challenges disproportionately impact MSMEs (which comprise around 78% of the private sector) and new entrants and contribute to growing levels of informality and declining labor force participation rates.² At the same time, the market for private investment in infrastructure remains underdeveloped, with limited

¹ See [Estimating the Effects of Energy Price Shocks in Trinidad and Tobago](#)

² Labor force participation peaked at 64% in 2006 and has declined to 53% in 2025, below the LAC average of around 63%.

experience in private participation mechanisms, constraining the country's ability to mobilize private capital and expertise to address infrastructure gaps, enhance productivity, and support long-term growth.

- 1.3 Crime has become one of the most serious development barriers.** The homicide rate climbed consistently from 31 per 100,000 population in 2015 to a peak of 45 per 100,000 population by 2024, above the LAC average of 33. From an operational standpoint, crime increases costs for firms through expenditure on private security and insurance expenses but also discourages domestic and foreign investment while contributing to the loss of skilled human capital and reducing the country's ability to attract and retain talent. This issue also compromises other social indicators due to diversion of limited resources away from other important sectors such as education and health, while exacerbating existing inequality in delivery of these services.
- 1.4 Improving performance in social indicators is imperative to sustainable human capital development.** Substantial strides have been made over the past decades in increasing access to education at all levels in Trinidad and Tobago. The country also continues to perform above regional averages on several education indicators. In 2025, 51% of students passed more than 5 subjects in the CSEC examination, above the 44% Caribbean average while the share of youth not in education, employment or training was estimated at 15% in 2025, below the LAC average of 19%. However, gaps remain in learning quality and overall performance by gender, particularly the lag in educational outcomes of males compared to females which contributes to the marginalization of young males. Moreover, Trinidad and Tobago's demographic profile continues to evolve. Recent policy measures, including the expansion of the Migrant Registration Framework (MRF) in December 2025, provide an opportunity to promote equity and maximize available human capital while strengthening national security and oversight of the migrant population. On the labor market front, women's participation remains significantly lower than men's (48% vs. 63% as of 2024). The unemployment rate remained relatively stable between 4-5% in the post pandemic years (2022-2025), however dependence on contract renewals,³ especially for public sector related jobs, leaves the market open to volatility and stifles personal investments decisions. The prevalent skills gap through misalignment between the educational system and labor market demands also contributes to declining productivity, competitiveness, and innovation.⁴ Health outcomes remain above many regional averages, but non-communicable diseases (NCDs) continue to pose a major challenge. NCDs account for more than 62% of deaths, with roughly 75% classified as premature (occurring in people under 70).⁵ Combined with incidence of violence—including gender-based violence affecting 30% of women—, fragmented service delivery and limited digital health systems, the public health system is put under undue pressures which contribute to fiscal strain through social spending.⁶ Persons with Disabilities (PwD) face systemic exclusion, with limited access to services, compounded by poor accessibility and fragmented support, and widening with population aging.
- 1.5 The fiscal framework has been facing constraints over the past decade with declining energy revenue from production and lasting effects of pro-cyclical spending.** Trinidad and Tobago amassed substantial buffers during the natural gas boom which fed into the foreign reserve position and the country's sovereign wealth fund, thereby creating some stability in periods of declining energy production. Retaining an investment grade sovereign rating also contributed to investor confidence and relatively low interest borrowing on the capital markets. However, these buffers are showing signs of waning following more than a decade of almost successive fiscal deficits and the debt ratio surpassing the government's soft target. Institutional modernization and improved management of State-Owned Enterprises (SOEs) (which accounted for 19% of public sector debt in 2025) can help to improve tax

³ See parliament motion on [Socio-Economic Impact of Increased Unemployment](#)

⁴ UWI tracer survey for 2023/2024 found that 7.5% of respondents who were not employed could not find a job with their degree and 21.3% cited limited job opportunities.

⁵ See PAHO report on [Empowering communities to prevent and self-manage noncommunicable diseases](#)

⁶ See more [here](#)

collection (tax-to-GDP ratio was approximately 22% in 2022 compared to the LAC average of 26%). Moreover, removal of cumbersome administrative bottlenecks can improve the business environment and encourage tax compliance and private sector investment.

- 1.6 Climate and disaster resilience infrastructure will support growth and reduce economic disruption.** Investing in resilient roads, utilities, and drainage systems would improve efficiency, strengthen business activity, and support more sustainable long-term development. While progress has been made, persistent gaps remain in utilities access,⁷ severe traffic congestion, transport connectivity, flood management, disaster preparedness and risk management and coastal protection. These vulnerabilities disrupt economic activity, raise maintenance costs for both the public and private sectors, and weaken productivity, particularly in sectors such as tourism and agriculture that are highly exposed to climate and infrastructure shocks.

B. MAIN LESSONS LEARNED FROM THE PREVIOUS COUNTRY STRATEGY 2021-2025

- 1.7 The sovereign and non-sovereign portfolio operational review exercises, progress and completion reports as well as the Independent Country Program Review (ICPR)** of the 2021-2025 Country Strategy period conducted by the Office of Evaluation and Oversight (OVE) provided valuable insights and informed the preparation of the 2026-2030 Country Strategy. These lessons will guide the execution of the new country strategy at the strategic, operational and development effectiveness levels.
- 1.8 At the strategic level, the previous CS (2021-2025) highlighted the limitations in having a highly selective single pillar strategy which excluded critical areas of engagement.** While the single pillar of digital transformation was aligned to national priorities at the time, the narrow scope did not sufficiently allow for consideration of the legacy portfolio and other essential areas of opportunity. Taking this into account, the following strategic lessons were considered in the development of the new strategy.
- a. Improve strategic selectivity and relevance.** The ICPR noted that the CS (2021-2025) relevance was limited as the single pillar focused on promoting digitalization, while a key enabler, is not sufficient to support economic transformation. In addition, it overlooked key structural constraints that hinder productivity, moved away from areas with portfolio operations, and introduced new areas where the Bank had minimum presence. The new CS 2026-2030 uses the Bank's selectivity framework to ensure alignment between the Group and national priorities, as well as considerations for the existing portfolio to deliver the highest value with meaningful impact. The CS, while remaining focused, widens the scope of the Group's engagement to three pillars with strategic objectives for sectors where there is an existing portfolio, an indicative pipeline and/or dialogue on areas of engagement with the Government. This ensures not only continuity of long-term programmatic engagements, such as interventions in the water and sanitation sector, but allows the Group to build on the strategic dialogue in relevant areas such as public sector management. In addition, wider strategic engagement will support productivity gains and holds potential for positive spillover effects across sectors. For example, interventions to improve citizen service delivery would benefit productivity in all sectors. Further, the Group's structure affords the ability to simultaneously support required upstream public sector interventions while directly supporting the private sector, through the complementary roles of IDB Group windows.
 - b. Strengthen dialogue and coordination with government counterparts.** Considering the prevailing dialogue and borrowing patterns over the previous CS periods, the new CS takes a more conservative and realistic approach to the estimated engagement with the country compared with

⁷ Only 25-29% of the population accessed a 24/7 water supply in 2024.

the previous strategy. IDB's declining SG loan approvals and the Government's increasing preference for fast disbursing financing to meet its development needs were underestimated during the last CS period. The new CS considers the government's development financing preferences and offers a diverse range of instruments to meet the immediate and long-term strategic goals of the country. In addition, the Group is focused on expanding and strengthening dialogue with government counterparts to ensure that all new operations are co-developed in priority areas to encourage stronger ownership of the interventions. The Bank will continue to offer relevant technical expertise with targeted technical cooperation assistance that seeks to generate knowledge and build technical capacities to encourage progress from dialogue to implementation.

- c. **Enhance collaboration with other development partners.** The previous CS acknowledged collaboration with other development partners but did not define coordination mechanisms. The Bank did not clearly articulate its specific value added in its area of engagement nor define coordination with other partners to build on its comparative advantage and mobilize added resources. The absence of a formal donor coordination mechanism limits the IDB Group's ability to position itself vis-à-vis other partners. During the last CS period the Bank engaged with development partners on an ad hoc basis and was able to partner with donors also active in relevant sectors, including Development Bank of Latin America and the Caribbean (CAF), Caribbean Development Bank (CDB), the European Union, PAHO and the United Nations agencies including the United Nations Development Programme (UNDP). Going forward the Bank will clearly define its role and build on its comparative advantage in the priority areas of the CS. The Bank will also seek to strengthen donor coordination and leverage partnerships to expand in new areas and boost resource mobilization through the establishment of a structured Donor Coordination Committee in the country which will include CAF, CDB, UNDP, World Bank, and other donors.
- d. **Sustained engagement.** Sustained engagement and capacity building of counterparties enable more complex and scalable market solutions, particularly in small and capacity constrained contexts. Over time, this approach can deepen markets, support financial innovation, and mobilize private capital, as illustrated by IDB Invest's housing operations in Trinidad and Tobago, including the first social bond issued in the English-speaking Caribbean.
- e. **Improve the coordination mechanisms within the IDB Group.** Collaboration between the IDB Group windows is essential for leveraging strengths, reducing redundancies, and strengthening the value proposition of the Group to deliver relevant solutions. Given the importance of strengthening engagement with government counterparts, promoting an enabling environment for private sector growth and mobilizing private resources, a more deliberate approach to collaboration will be articulated in the new CS. Combining sovereign operations, non-sovereign financing, and innovation support creates a more comprehensive approach to development solutions, increasing the likelihood of successful reforms and investments. The CS 2026-2030 outlines a holistic framework which defines respective roles and areas of collaboration and complementarity among the group to achieve the CS objectives.

1.9 At the operational level, persistent implementation barriers and limited evidence on results undermine the Group's ability to accelerate implementation. The following lessons learned will help to ensure that operational goals are met during the new CS period.

- f. **Strengthen technical capabilities of executing units.** Program delivery was constrained by limited implementation capacity, procurement bottlenecks, and coordination challenges. The Bank will work with implementation units to build on the lessons learned during the previous CS to fast-track execution by providing targeted training and technical support. These include procurement and financial management, project implementation, monitoring and evaluation, stronger technical

on the ground support and knowledge sharing between executing units. The high staff turnover in executing agencies severely impacts the execution of projects and change management training will help to mitigate impact of staff movement. The deployment of instruments such as Project Preparation, Execution and Evaluation Facility (PROPEF), could support the preparation of new operations and catalyze portfolio execution and evaluation. In addition, the Bank will continue to have periodic assessments such as results-based portfolio reviews to assess implementation challenges and take time sensitive corrective measures.

- g. Deploy early-stage advisory support.** Advisory support by IDB Invest to private sector clients is critical to strengthening project preparation and investment readiness. Addressing technical and institutional gaps upstream has proven key to building a pipeline of bankable projects and reducing execution risks, while strengthening sustainability considerations.
- h. Provide local currency solutions to mitigate currency risk and support FX access.** The persistent foreign exchange constraints in Trinidad and Tobago are primarily a consequence of the sustained contraction of the energy sector, which remains the country's main source of export earnings and foreign currency inflows. For private clients with predominantly local currency revenues, local currency financing by IDB Invest is critical to reducing currency mismatches. At the same time, facilitating access to foreign exchange is critical for firms reliant on imported inputs, as shortages disrupt operations, increase costs and weaken competitiveness.⁸
- i. Support inter-agency coordination.** The Bank promotes a programmatic approach in priority sectors to support long-term development objectives. This approach often offers solutions that require inter-governmental agency coordination. Delays in decision making, unclear roles and responsibilities, and inadequate communication guides result in unnecessary impediments to project execution. The Bank is supporting inter-agency coordination to facilitate open communication, information sharing and prompt feedback loops and decision making for execution. The CS 2026-2030 envisions interventions that are multisectoral and will require strong coordination between Government Agencies as well as within the IDB Group. The approach developed to support this internal coordination will be essential in preparing and implementing projects.

1.10 At the development effectiveness level, the CS will consider the following lessons:

- a. Strengthen results measurement and evidence generation.** Being able to demonstrate impact through reliable and measurable indicators is critical for improving effectiveness and maximizing impact. The Bank has introduced measures to improve project preparation, enhance quality at entry and support implementation through specialized teams and technical cooperations. The Bank will continue to provide technical training in monitoring and evaluation methods with a series of monitoring, evaluation accountability and learning (MEAL), as well as storytelling with data training courses which will be continued during this new CS period. In addition, utilizing the development effectiveness framework of the Bank and IDB Invest's Impact Framework, the IDB Group will ensure that quality at entry is rigorously evaluated and that interventions are achievable, measurable, meaningful and impact the lives of the citizens of Trinidad and Tobago.
- b. Fully implement results-based portfolio reviews.** During the first portfolio review of 2026, Trinidad and Tobago applied the new results-based portfolio assessment with enhanced focus on achieving results through improvements in execution and supervision over physical and financial outputs. Fully implementing results-based portfolio reviews across the portfolio will significantly enhance the Bank's development effectiveness by improving monitoring, managing risks and defining corrective measures, enabling timely interventions, and fostering greater accountability within executing units.
- c. Strengthen delivery capacity to enhance effectiveness.** The limited evidence from project completion and mid-term reports for the sovereign operations in execution during the previous CS suggests that low effectiveness was driven by poor indicator quality and slow execution. There is a

⁸ Since its creation in 2016, 77% of the number of operations financed by IDB Invest have been in local currency.

need to support sector performance frameworks linked to strategic outcomes and national priorities as well as deploying M&E tools for delivery based on data analytics. To strengthen Government effectiveness and improve the performance of prioritized interventions, the Bank will support more agile execution arrangements during this CS period to facilitate execution for impact.

C. FOCUS ON SELECTIVITY TO DELIVER TANGIBLE IMPACT

1.11 Strategic alignment of priorities and Country Diagnostic for Impact. The strategic alignment IDB's proposed interventions are grounded in areas identified in the Country Diagnostics for Impact (CDI), national priorities articulated by the Government,⁹ as well as IDB Group institutional priorities outlined in IDBStrategy+, IDBInvest+ and IDBLab+. These areas are embedded in the Group's regional initiatives such as ONE Caribbean and IDB Invest's S&I Roadmap. From this analysis the strategic areas identified include (i) private sector investment, (ii) enabling business environment, (iii) fiscal management, (iv) crime and citizen security, (v) human capital and public health, (vi) infrastructure and (vii) disaster risk and environmental management.

1.12 IDB Group Strategic positioning. The IDB remains a relevant development partner for Trinidad and Tobago, as the second largest multilateral creditor¹⁰ while IDB Invest is the leading non-sovereign guaranteed lender. Notwithstanding IDB's position as a trusted technical partner, since 2016 the Bank faced declining engagement as the country has shown a preference for faster, flexible and sector-wide investment instruments. IDB's share of multilateral debt declined from 93% in 2016 to 31% in 2025 while the country's appetite for development financing remained consistent. The reduced SG engagement stemmed primarily from the country's borrowing pattern preference which increasingly favored fast-disbursing instruments. Despite these challenges, the Bank is providing on-going support in critical sectors such as water and sanitation, housing, health, state modernization and fiscal reforms. Interventions in these areas, backed by evidence and on-the-ground technical support, are crucial to addressing key development challenges affecting the achievement of the overarching objective of economic diversification. Between 2020 and 2025, the IDB approved 6 operations amounting to \$296 million and covering 5 sectors.¹¹ The IDB's strong presence on the ground, technical expertise, operational experience, knowledge generation and diverse range of instruments give it an advantage above other MDBs for providing long-term development financing. Renewed and increasing engagement across a range of sectors offers continuity in areas within the current portfolio and emerging opportunities in new sectors. IDB Invest has consolidated its position as the leading private-sector-focused international financial institution in Trinidad and Tobago. IDB Invest's comparative advantage is anchored in its ability to deliver long-term financing, local-currency solutions, advisory services, and programmatic client engagement, while also mobilizing additional resources through syndication and partnerships. This position is particularly relevant as constrained fiscal space increases the importance of scalable non-sovereign and private-capital solutions. Complementing these efforts, IDB Lab has established itself as a key catalyst for innovation and entrepreneurship, supporting private-sector-led solutions, strengthening access to finance for MSMEs and startups, and fostering ecosystem development to accelerate economic diversification and sustainable growth. Through strategic investments and technical support, IDB Lab has also contributed to the development of circular economy value chains, capital market innovation, and the commercialization of new business solutions.

1.13 Operational experience and effectiveness. The IDB's evidence-based delivery methodology,¹² evaluates four dimensions (i) operational performance, (ii) effectiveness, (iii) scale of the bank's

⁹ The Government is currently preparing its Strategic National Development Plan 2026-2030; Government priorities are identified from relevant budget statements and strategic documents including the National Adaptation Plan and the Revitalization Blueprint.

¹⁰ In terms of the share of total multilateral debt

¹¹ Excluding technical cooperations and investment grants. The operations approved refer to one PBL (US \$100 million) and five investment loans (US \$196 million).

¹² Evidence-Based Delivery Methodology was applied to all sovereign-guaranteed operations approved and implemented under the previous two Country Strategies, as well as operations that closed during the last strategy period.

involvement in the sector and (iv) prospective analysis. The assessment shows that the water and sanitation, housing, and fiscal sectors presented the strongest potential for impact due to strong operational performances during implementation and long-term programmatic approach. In addition, building on the technical assistance provided during the last CS period, there are new opportunities in the areas of transport, institutional capacity and disaster risk management. Despite, the small portfolio, Trinidad and Tobago performs well across the dimensions assessing performance but there is room for improving the effectiveness of projects. To address weaknesses in the performance, support to institutional strengthening, more technical expertise during implementation, and capacity building for PEUs are necessary. The new CS will apply the results-based portfolio review for early intervention in slow moving projects, ensure cocreation in proposed interventions as well as further improve the quality at entry of operations and provide greater monitoring and evaluation support with MEAL training. Regarding IDB Invest's portfolio, housing operations benefited 2,691 households between 2021-2025. At the same time, increased competition in the mortgage market deepened private sector participation in housing finance, reducing demand for the government-backed low- and middle-income housing portfolios supported by IDB Invest.

1.14 Risk assessment. This component of the selectivity framework integrates public and private sector risk analysis in the CS to enhance effectiveness and quality of its interventions. The multi-risk assessment identified prioritized risks in the areas of macroeconomics, institutional, environment and climate change, social and private sector development. The CS articulates mitigating strategies for these prioritized risks to minimize their potential effect on implementation progress. The macroeconomic risk stems from the high vulnerability of the economy to external shocks primarily oil and gas prices and the resulting impacts, especially foreign exchange currency earnings pressures. In addition, the country is also vulnerable to natural hazards including coastal and inland flooding which impacts lives and livelihoods. Strengthening disaster risk management will reduce vulnerability to extreme weather events. The institutional risks articulate the constraints that might impact executing units in effectively implementing projects such as shifting priorities, poor coordination mechanisms and human resource constraints. The private sector remains vulnerable to limited progress in policy reforms to support economic diversification and improve the business environment, compounded by low investment readiness and underdeveloped markets for private investment, including in infrastructure and agribusiness. IDB Invest will deploy project and market upstream support to enhance investment readiness. Complementarily, IDB Lab is targeting solutions for increasing investment readiness and entrepreneurial capabilities. These identified risks increase the vulnerability of both private and public sector performance. Section IV presents the risks associated with the implementation of the country strategy and the associated mitigation measures.

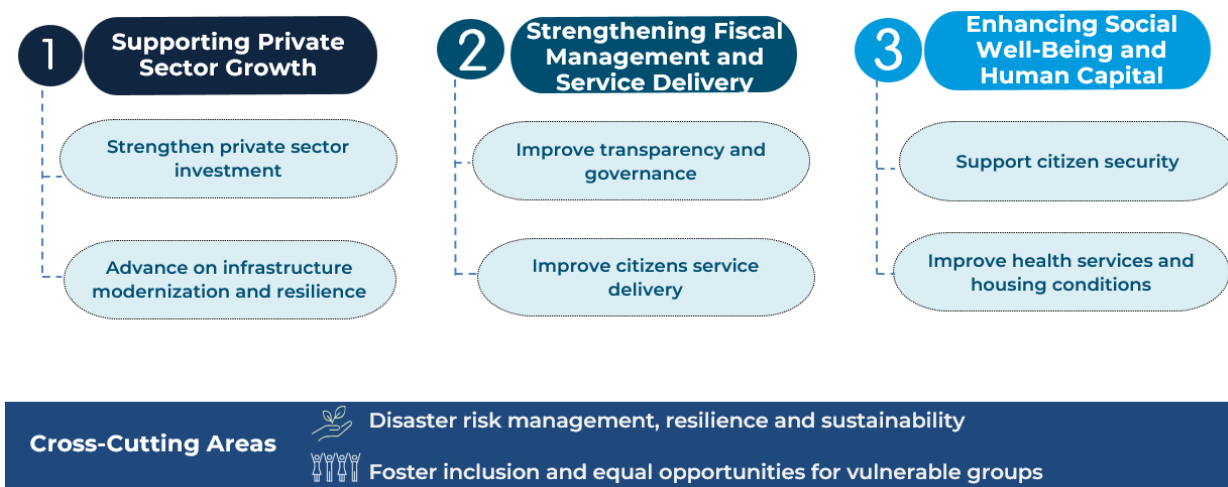
1.15 Strategic selectivity framework results. The selectivity framework uses the results from the alignment of priorities including the CDI, strategic positioning analysis, evidence-based delivery and the multi-risk assessments to identify and prioritize areas of engagement that will deliver the highest impact for the country. Taken together the strategic selectivity results show that the Bank is well placed to support Trinidad and Tobago in private sector growth, fiscal management and service delivery, and social well-being and human capital. These areas align the country's development priorities with the IDB Group's strategic vision. The Bank will utilize its capabilities and resources including a range of flexible lending instruments, regional programs, technical assistance and knowledge products to promote the implementation of the CS. Moreover, combining specialized financing mechanisms with technical expertise and knowledge generation, strategically positions the IDB Group to support Trinidad and Tobago's long-term transformation.



II. BUILDING MAIN PILLARS OF ACTION AND EXPECTED IMPACT

2.1. The Country Strategy (CS) 2026–2030 for Trinidad and Tobago aims to support the country's journey towards a path of sustainable economic development by addressing key structural constraints to growth while incorporating the foundations for inclusive and resilient development and leveraging the private sector's potential as a source of regional investment, export capacity, services, and supply chain linkages, generating broader economic opportunities for the population. Guided by the outcomes of the strategic selectivity framework, the active portfolio, pipeline operations, and the IDB Group's comparative advantages, interventions under CS 2026-2030 will be arranged under three overarching pillars: (i) Supporting Private Sector Growth; (ii) Strengthening Fiscal Management and Service Delivery; and (iii) Enhancing Social Well-Being and Human Capital. These pillars are complemented by two cross-cutting themes: (i) disaster risk management, resilience and sustainability, and (ii) fostering inclusion and equal opportunities for vulnerable groups, which will be systematically integrated across all interventions. The pillars are interlinked and contribute to the broader objectives of economic expansion, improved public sector performance, and enhanced quality of life. Supporting Private Sector Growth (Pillar 1) aims to unlock private investment and boost productivity, supported by necessary improvements to infrastructure and access to finance. Strengthening Fiscal Management and Service Delivery (Pillar 2) will reinforce institutional effectiveness, transparency, and the efficient provision of public services, creating an enabling environment for growth. These foundations support investments in citizen security, healthcare and housing conditions (Pillar 3), contributing to improved social outcomes and a more resilient workforce. Cross-cutting efforts on resilience and inclusion will ensure that these gains are sustainable, reduce vulnerability to climate and macroeconomic shocks, and expand opportunities for vulnerable populations, including women, at-risk youth, and PwD. Figure 1 below summarizes how each pillar connects to the expected outcomes included in the Results Matrix (Annex I).

Figure 1: Pillars and Strategic Objectives for IDB Group



PILLAR 1. SUPPORTING PRIVATE SECTOR GROWTH

WHY IT MATTERS

2.2. This pillar aims to stimulate economic activity and strengthen private sector-led growth in Trinidad and Tobago by addressing the main constraints that limit investment, productivity, and diversification. Pillar 1 focuses on easing key constraints to firm expansion, such as limited access to finance, foreign exchange shortages, weak logistics, and regulatory bottlenecks, while promoting greater private investment and improving competitiveness. The pillar will support MSME growth through enhanced credit access, and provide direct support to private sector investments, innovation, and entrepreneurship. In parallel, it will advance infrastructure modernization and resilience required for private sector growth.

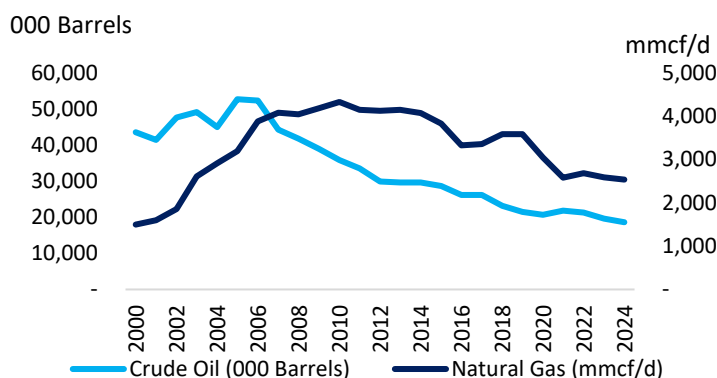
2.3. The economy remains highly concentrated in the energy sector. The energy sector continues to account for a substantial share of GDP, government revenue, exports, and foreign exchange earnings (31% of GDP, 32% of Government revenue and 80% goods exports on average between 2014 and 2024), underscoring its central role in the economy. However, oil and gas production has been on a downward trajectory since peaking in 2007 and 2011, respectively, (figure 2), reducing growth prospects and highlighting the urgency to strengthen private sector engagement. This concentration has constrained the development of non-energy sectors, reflected in a narrow, energy-linked manufacturing base and weak productive linkages, resulting in a limited export base and reduced scope for private sector expansion. Persistent foreign exchange constraints further limit diversification by restricting access to imported inputs, equipment, and investment goods. Delays in obtaining foreign currency create uncertainty for firms across sectors and reduce their capacity to invest, expand production, and compete in external markets. As a result, exports remain heavily concentrated in hydrocarbons and petrochemicals, while firms in non-energy sectors, particularly MSMEs, face constraints in scaling up, innovating, and integrating into global markets.

2.4. The expansion of the private sector is constrained by structural barriers. Firms face persistent barriers to expansion, including limited access to credit in local currency—particularly for MSMEs, which account for around 78% of the private sector—as well as constrained access to foreign exchange, reflecting shallow and risk-averse financial markets. Fully credit constrained firms account for 16.7%, over twice the LAC average (World Bank Enterprise Survey, 2025). These constraints are compounded by stringent collateral requirements, widespread informality, the lack of a movable collateral registry, and limited adoption of digital financial and e-commerce solutions. Despite a sizable institutional investor base, capital markets remain shallow, with limited liquidity and corporate bond issuance. Regulatory constraints and foreign exchange shortages continue to limit the mobilization of long-term private financing, particularly for infrastructure investment. In parallel, the business environment remains burdensome, with regulatory quality at the 48th percentile, nascent frameworks for private participation in infrastructure (Infrascope score of 25.5/100) and sector regulations that remain incompatible with private investment.¹³ At the firm level, productivity and innovation are further constrained by limited capacity to adopt and use new technologies and weak innovation systems, including limited knowledge transfer between academia and firms, and insufficient early-stage financing. Women-led firms face higher credit constraints and lower access to networks and markets, limiting their ability to scale. The skills gap is a persistent issue consistently highlighted by firms. The Compete Caribbean Innovation, Firm Performance, and Gender (IFPG) 2020–2021 Survey indicates that two out of three employees were considered unskilled by firms. The main reasons for skills shortages reported by firms include: 69% citing the quality of education and training offered by local institutions; 59% identifying a shortage in the number of locally trained professionals; and 54% highlighting the lack of necessary personal and soft skills. Additionally, a recent IDB/World Bank-funded employer survey found that nearly 80% of manufacturing firms struggle to fill vacancies due to a lack of adequately skilled workers. These challenges are compounded by women shouldering a

¹³ See Caribbean Economics Quarterly Report on [Catalyzing Capital: Public Private Partnerships for Resilient Growth](#)

disproportionate share of unpaid care and domestic responsibilities, limiting their ability to enter, remain in, or advance within the workforce. Insufficient availability of early childhood development and childcare services increases caregiving burdens, reducing working hours, constraining entrepreneurship opportunities, and contributing to lower labor force participation among women. At the same time, PwD face systemic barriers to skills development and employment, constraining their participation in productive sectors.

Figure 2: Trinidad and Tobago Oil & Gas Production¹⁴



Sources: Trinidad and Tobago Central Statistical Office

2.5. Transport constraints and weak resilience undermine productivity and increase logistics costs.

Persistent congestion, gaps in disaster risk management, unreliable public transport, and infrastructure gaps raise logistics costs, with road congestion alone estimated at 1.37% of GDP annually (Guerrero et al. 2023; Phillips et al. 2024). Public transport is a critical enabler of productivity and social inclusion, directly shaping access to employment, education, healthcare, and essential services. Main transit terminals are outdated and lack adequate amenities, accessibility, and safety features, increasing risks for women and other vulnerable groups, particularly at night. (MOWT, 2019). These constraints contribute to congestion, raise household transportation costs and disproportionately affect vulnerable groups, including low-income households, women and PwD, by limiting access to jobs and services, and reducing labor market participation. The affordability gap is particularly significant where commuters must rely on higher-cost alternatives to formal bus services, increasing the share of household income spent on transport and limiting regular access to services. Despite the country's strategic location, port and logistics inefficiencies further raise trade costs and undermine competitiveness, with overall logistics performance remaining modest (World Bank Logistics Performance Index (LPI) score of 2.5, ranked 115 of 168 countries). Weak long-term infrastructure planning and underfunded maintenance exacerbate these issues, while disaster risk management governance continues to face challenges related to coordination among multiple institutions and limited technical capacity for disaster and climate risk analysis, data, use of digital tools, and investments in resilience. Increasing exposure to hazards—including flooding, coastal erosion, and extreme weather—continues to disrupt infrastructure and supply chains, particularly given gaps in drainage, risk informed land-use planning, and climate-resilient coastal protection, with disproportionate impacts on vulnerable populations, including women, and PwD.

2.6. Access to water and sanitation services are near-universal but shortcomings in quality, reliability, and environmental sustainability exist.

Despite near-universal water coverage (98%), service quality remains weak: only 58% of the population has access to safely managed drinking water and just 25–29% of households receive continuous 24/7 supply, with persistent water quality concerns

¹⁴ Mmcfd million cubic feet per day, is used to quantify natural gas production, consumption, and reserves.

and associated public health risks, particularly menstrual hygiene for women. These gaps are driven primarily by aging infrastructure and limited maintenance, low metering rates (approximately 5% of customers) contributing to high volume of physical losses, compounded by a low/fixed-rate tariff system and high levels of non-revenue water (50-60%), weak cost recovery and system inefficiency. Limited municipal wastewater collection and insufficient wastewater infrastructure remain critical challenges. Currently, only about 35% of the population has access to sewage collection systems, additionally approximately 90% of wastewater is discharged without proper treatment. Solid waste management is also inadequate, with only 2% of municipal solid waste being recovered. These contribute significantly to environmental degradation, including the deterioration of rivers, coastal ecosystems, and marine resources (Araya et al., 2023). These issues are exacerbated by rapid built-up area expansion and the prevalence of informal settlements, where residents tend to lack adequate access to appropriate wastewater and drainage systems.

- 2.7. Tackling the water sector's operational efficiency is critical to support sustainable private sector development and national competitiveness.** Institutional and planning constraints, including limited use of digital monitoring systems and fragmented data, hinder service delivery. All this constrains improvements in public health and overall living conditions and weaken the enabling environment for private sector growth. Intermittent water supply also results in lost time for education and work, leading to reduced labor productivity. For businesses, unreliable water services raise operating costs and disrupt production processes, particularly in water-intensive sectors such as agriculture, agro-processing, manufacturing, hospitality, and health services. Firms are often compelled to invest in costly storage, treatment, and backup water systems, which erodes the competitiveness of domestic enterprises and deters private investment.

WHAT WE WILL DO

- 2.8. The IDB Group will support private sector-led growth and job creation in Trinidad and Tobago** by enabling economic expansion beyond the energy sector including through increased competitiveness and exports, advancing productive modernization, innovation, skills, and trade; expanding access to finance and simplifying regulations; and strengthening resilient infrastructure, to support sustained and resilient growth of the country and the Caribbean region. Through a coordinated approach, the IDB Group will work collaboratively to strengthen regulatory frameworks to improve the business environment, while liaising directly with the private sector to facilitate private investment, capital mobilization and innovation.
- 2.9. To advance these objectives, the IDB Group will support access to finance and productive sector development.** Interventions will focus on expanding access to finance for MSMEs, innovative firms, and underserved segments while strengthening financial intermediation, entrepreneurial ecosystems, and capital markets. Through financial institutions and market-based instruments, IDB Invest will expand the reach of financial services to underserved segments, particularly women, rural, and low-income populations, through risk-sharing mechanisms, alternative credit assessment tools, trade finance, and digital financial solutions. IDB Invest will also support the development of US dollar and local currency financing instruments to broaden funding sources for productive investment. IDB Lab will complement these efforts by supporting private sector development through innovative market-based solutions that expand access to finance for MSMEs, startups, and high-growth firms, including through venture debt and equity financing. Leveraging regional platforms such as CARIBEQuity, IDB Lab will also strengthen innovation and entrepreneurship ecosystems by connecting entrepreneurs with capital, networks, and markets, helping scale innovative solutions and crowd in private investment. The IDB Group's proposed interventions are pertinent to contribute to an enabling environment for

productive sector development, ultimately supporting long-term fiscal and growth sustainability given the country's socio-economic context.

2.10. The Bank will promote private sector expansion through initiatives to boost exports and competitiveness. The IDB Group will support the diversification and competitiveness of non-energy exports in both goods and services, including manufacturing, tourism, creative industries, and digital services, while strengthening Trinidad and Tobago's role as a regional source of investment, business services, and supply chain linkages. This will include strengthening sector governance and enabling conditions, investment attraction and facilitation, standards and certification, skills development, digitalization, market intelligence, export promotion, MSME participation and integration into regional and global value chains. It will also support trade facilitation and the strengthening of trade-related regulatory frameworks, promote public-private dialogue and capacity building to improve competitiveness, and streamline cross-border processes. Beyond its role as a driver of domestic diversification, Trinidad and Tobago's private sector is increasingly positioned as a source of regional investment, export capacity, and services for the wider Caribbean. Firms in manufacturing, financial services, distribution, and construction-related professional services have expanded their operations across CARICOM markets, leveraging the country's manufacturing base, capital markets depth, and technical capacity to supply goods, services, and capital to neighboring economies. Strengthening this regional export and investment role — rather than treating it solely as a byproduct of domestic private sector development — offers a channel through which Bank support to the private sector in Trinidad and Tobago can generate spillover benefits across the Caribbean, reinforcing the country's position as a regional hub for manufacturing, financial services, and professional services. In this context, IDB Invest will support firm productivity and economic diversification through financing and advisory services that promote innovation, technology adoption, value chain integration, and investment in value-added manufacturing, agro-industry, digital infrastructure, and digitalization. In parallel, IDB Lab will promote the adoption of digital technologies, cybersecurity solutions, and other productivity-enhancing innovations to strengthen firm competitiveness and accelerate economic diversification.

2.11. The IDB Group will support strengthening infrastructure resilience and disaster risk management. The IDB Group will prioritize improving the quality, reliability, and climate and disaster resilience of infrastructure. In roads, the IDB will support enhanced infrastructure planning, integrating resilience, accessibility standards, and gender-responsive safety measures into project design, and strengthening traffic management systems to reduce congestion, improve mobility, and increase connectivity between key economic centers. Complementarily, IDB Invest will seek to support private investment in strategic infrastructure, including port expansion and modernization to strengthen trade, connectivity, and export competitiveness. The Group will also support modernization of public transport by strengthening service planning, route coverage, operational improvement and reliability, passenger information systems, digital payments and data for monitoring performance and demand, and coverage gaps. These interventions will be complemented by climate-resilient infrastructure investments aimed at reducing the vulnerability of transport networks to flooding and extreme weather events, which frequently disrupt economic activity and damage critical assets. In addition, the IDB will support disaster risk management as a cross-cutting priority by strengthening risk informed governance frameworks, across sectors, promoting climate- and disaster-resilient investment mechanisms, and enhancing preparedness, including strengthening early warning systems ensuring they are accessible and responsive to the differentiated needs of women, PwD, and other vulnerable populations. The Bank will also support the management of residual disaster risks through financing and policy-based instruments, such as the Deferred Drawdown Option for Catastrophic Risks (Cat DDO), as well as post emergency financing (PEF), to help the country better prepare for, respond to, and recover from natural disasters.

2.12. Efforts to strengthen water sector operational efficiency will be sustained by the Bank. The IDB will continue to support improving efficiency, quality, sustainability, and resilience of potable water services by building on the ongoing reforms in the sector. Interventions will feature a comprehensive package of infrastructure investments to enhance service reliability and expand access, including the construction and upgrading of water treatment plants, development of new desalination plants in water-scarce and coastal areas, and rehabilitation of key assets, alongside expansion of transmission and distribution networks through strategic pipeline upgrades. Targeted interventions to reduce non-revenue water and improve supply continuity—including network optimization—will complement these investments. As sector performance improves, the IDB Group will assess opportunities for private sector participation in selected areas—such as performance-based contracts, desalination, digital metering, energy efficiency, wastewater treatment, and other service or infrastructure solutions—provided that regulatory conditions, tariff and payment mechanisms, risk allocation, and institutional capacity support bankability and long-term sustainability. In parallel, the program will strengthen the operational and financial performance of the Water and Sewerage Authority (WASA) through institutional modernization, digital monitoring systems, and capacity building, while supporting improvements in integrated water resource management, climate resilience, and sector governance. These interventions will expand access to safe and reliable water services for underserved communities across Trinidad and Tobago, reduce the operational costs for private sector businesses and improve competitiveness, reduce service intermittency, and enhance the long-term financial, operational and environmental sustainability of the country's water sector.

2.13. Programmatic approach. Under this pillar, the program will adopt a coordinated, multisectoral approach to unlock private investment, while strengthening resilience and competitiveness. The IDB Group will combine sovereign-guaranteed (SG) operations—focused on improving enabling conditions, institutional capacity, and strategic infrastructure. Through its operations in portfolio IDB Invest will continue supporting the expansion of manufacturing and export-oriented activities, while seeking to additionally support value-added and exportable services, agro-industrial development, and scale digitalization across sectors. Through new operations, IDB Invest will contribute to expanding access to credit for MSMEs and underserved populations. Upstream interventions by IDB Invest will support a solution to alleviate foreign exchange constraints that hinder private investment, export growth, and private sector competitiveness. The IDB will support the reduction of skills gaps by supporting improvements in safeguarding student trajectories, learning outcomes, and transitions to higher levels of education. The program will also support the expansion of access to high-quality early childhood development (ECD) services through center-based programs, family support interventions, workforce development, and strengthened quality standards, helping to improve school readiness and educational outcomes while enabling greater labor force participation among women. Furthermore, the Bank, through the Flexible Financing Facility (FFF) and the independent derivative instruments, can contribute to strengthening public debt management by mitigating financial vulnerabilities and the effects of natural disasters. In parallel, the CS will support infrastructure modernization and resilience, particularly in transport and water and sanitation, combining public investments with upstream work to enable private participation through PPP and other modern contractual frameworks, support project preparation, and improved regulatory environments. IDB Lab will play a central role in supporting innovation, entrepreneurship, and financial inclusion, while helping crowd in private capital and scale market-based solutions. The CS will also leverage technical cooperations and knowledge products to strengthen the investment climate. Implementation will be supported by regional initiatives such as ONE Caribbean and the S&I Roadmap, ensuring alignment with regional priorities and promoting knowledge exchange and coordination across the IDB Group.

2.14. Key actions under regional initiatives. Under the ONE Caribbean regional program, the IDB Group will support Trinidad and Tobago in strengthening private sector growth by improving access to regional capital markets and leveraging regional platforms, partnerships, and financing instruments. Through the Project Preparation Coordinating Mechanism (PPCM) and regional technical assistance facilities, the program will strengthen firm capabilities development of bankable, climate-resilient projects and access finance. Regional initiatives such as Compete Caribbean+ will promote export diversification, foster climate-resilient and inclusive business models, and support entrepreneurship among women- and youth-led enterprises. The CS will also facilitate knowledge exchange and peer learning across Caribbean countries to improve the investment climate, enhance digital transformation, and strengthen participation in regional and global value chains. IDB Invest will leverage resources for technical assistance in the context of the S&I Roadmap implementation to support upstream efforts under this pillar.¹⁵ In addition, CARIBEquity will help expand access to early-stage and growth capital by strengthening connections among entrepreneurs, investors, and ecosystem actors across the Caribbean, helping high-potential firms scale and attract investment. These efforts will be complemented by the mobilization of concessional and non-reimbursable resources from the IDB, as well as collaboration with IDB Invest and IDB Lab to crowd in private investment and scale innovative solutions.

EXPECTED OUTCOMES

Expanded credit supply. Expanded access to finance for MSMEs, reflected in a higher share of firms with access to formal credit and a reduction in financing gaps. Improved availability of credit is expected to enable firms to scale operations, invest in productivity-enhancing assets, and expand into new markets.

Increased capacity of firms to adopt new technologies. Greater adoption of digital and advanced technologies by firms, including MSMEs. Interventions will expand access to financing for technology investments, strengthen technical assistance, and enhance linkages between firms, academia, and innovation ecosystems.

Increased private investment in priority sectors. Higher levels of private investment in priority sectors with export potential, such as manufacturing, agro-processing, and tourism. Improvements in the business environment are expected to mobilize greater volumes of private capital supporting the development of higher value-added activities, export diversification, and job creation.

Strengthened water sector operational efficiency and institutional sustainability. Improved operational efficiency and financial sustainability of the water sector, reflected in reduced non-revenue water, expanded metering, and stronger asset management systems. Investments in infrastructure modernization and governance will enhance service continuity and quality while increasing cost recovery and institutional sustainability of the utility.

Improved climate and disaster resilient infrastructure. Enhanced quality, resilience, and efficiency of critical infrastructure, particularly transport systems, resulting in reduced congestion, improved mobility, and lower logistics costs. Investments and preparedness measures will increase the reliability of infrastructure networks, reduce disruptions from climate- and disaster-related events, and strengthen connectivity between economic centers, supporting productivity and private sector activity.

¹⁵ IDB Invest's TC financing aims to enhance the development impact of its investments and pipeline by strengthening intentionality through targeted market studies, market-building activities, client capacity building, and operational support.

PILLAR 2. STRENGTHENING FISCAL MANAGEMENT AND SERVICE DELIVERY

WHY IT MATTERS

2.15. This pillar seeks to strengthen fiscal sustainability and improve public sector effectiveness by enhancing public financial management and modernizing service delivery. It will prioritize reforms to reduce reliance on volatile energy revenues, including strengthening medium-term fiscal planning, improving tax administration, and increasing the efficiency and transparency of public spending. These initiatives will be complemented by continued efforts in digital transformation and systems to streamline processes and enable more data-driven decision-making. Together with strengthened institutional capacity and governance frameworks, these actions aim to deliver higher-quality, citizen-centered services.

2.16. Structural vulnerabilities hinder effective fiscal management and sustainability. Public revenues remain highly dependent on the energy sector—accounting for an average of 32% of government revenues between 2014 and 2024. Consequently, fiscal outcomes are exposed to fluctuations in international energy prices, creating significant volatility in revenue collection and fiscal balances: revenues to GDP can go from 15% in 2016 to peaks of 58% during commodity price booms such that experienced in 2022. This dependence is further compounded by the natural decline of oil and gas production, which threatens long-term fiscal sustainability. Fiscal sustainability challenges are worsened by the lack of timely and detailed published fiscal data for decision-making, oversight, and public accountability. Strengthening transparency in revenue administration and public financial management can support more effective resource allocation, improve accountability, and reinforce confidence in fiscal institutions. At the institutional level, public financial management is hindered by the absence of a medium-term fiscal framework, limiting the government's ability to plan expenditures, manage fiscal risks, and respond to shocks. At the same time, administrative systems for revenue collection and public service delivery remain dated and characterized by low levels of digitalization. These constraints reduce efficiency, increase compliance costs, and weaken service delivery, undermining the effectiveness of public institutions and their ability to finance development needs.

2.17. The delivery of citizen services is hampered by uneven digital transformation which limits efficiency. At the operational level, public and private service delivery is hindered by fragmented digital systems, limited data sharing, and weak system interoperability, which prevent the adoption of streamlined “once-only” processes and increase duplication of procedures. Cybersecurity gaps further undermine the reliability of modern service delivery systems. A significant digital divide persists for PwD, who report half the internet access of the general population (40% vs. 80%) (Telecommunications Authority of Trinidad and Tobago (TATT), 2022). These digital and cybersecurity shortcomings are accompanied by administrative bottlenecks, slow permitting processes and cumbersome registration procedures, all of which increase transaction costs and reduce efficiency in interactions with the public sector. As a result, weaknesses in service delivery contribute to higher compliance costs, discourage firm formalization, and ultimately undermine productivity and private sector-led growth.

WHAT WE WILL DO

2.18. The Bank will support efforts to strengthen fiscal management and improve efficiency and transparency in the use of public resources. On the revenue side, operations will focus on modernizing tax administration and transparency through the adoption of digital tools, risk-based

approaches, and simplified compliance processes to enhance revenue mobilization and reduce administrative burdens. On the expenditure side, the IDB will support reforms to improve public investment management, public procurement, and the performance of state-owned enterprises, with the objective of increasing efficiency and aligning spending with national development priorities. At the macro-fiscal level, the IDB will promote the development of a Medium-Term Fiscal Framework and strengthened debt management practices to enhance fiscal sustainability and improve planning capacity. The IDB will support measures to strengthen transparency and accountability in fiscal management including improving accessibility of tax administration and fiscal data. These actions will complement efforts to strengthen tax administration, revenue forecasting, and public expenditure management. The IDB will support the digital transformation of public financial management systems, including upgrades to electronic platforms for revenue collection, procurement, and investment management, alongside strengthened cybersecurity and institutional capacities. The FFF's debt management options and its independent derivative instruments support the strengthening of financial resilience and financial and disaster risk management.¹⁶ Additionally, the CAsA program (Capacity Building, Advisory, and Portfolio Management) facilitates institutional support to governments and official entities to develop public sector capacities in treasury management, financial risk management, and investment governance. Through this integrated approach, the Bank will contribute to more effective, accountable, and data-driven public institutions. The proposed reforms aim to improve service delivery through more efficient tax administration, reduce energy sector dependence to promote fiscal sustainability, and enable the government to better respond to fiscal risks and private sector development demands.

2.19. Accelerating digital transformation is a key supporting activity for improving the enabling business environment in Trinidad and Tobago. Modernizing service delivery in the public sector will contribute to more efficient and user-centered public services. The program will modernize public sector service delivery and digital government architecture to provide more efficient, integrated, and user centered services to citizens and firms, including through upgrading and connecting state information systems to enable interoperable, reliable and streamlined service delivery. Additionally, the IDB will support the enhancement of cybersecurity policies and institutional capacities to ensure secure and trusted digital interactions between citizens, businesses, and the public sector. Efforts will also ensure digital inclusion by expanding digital solutions and providing tailored digital skills training for PwD. The program will also strengthen the strategic and operational capacity of the Ministry of Public Administration and Artificial Intelligence to lead and coordinate reforms, including the development of policies, regulatory frameworks, and implementation tools for digital government. In parallel, it will support the expansion of the digital economy by enhancing digital capabilities of the workforce and firms, promoting technology adoption, and fostering innovation through collaboration with the private sector and academia, while strengthening national cybersecurity capacities. Together, these interventions are expected to improve accessibility, reliability, and efficiency of public services, reduce transaction costs, and contribute to increased productivity and a more dynamic, digitally enabled economy. Enabling collaboration between government and startups, IDB Lab will deploy a digital program, GovTech,¹⁷ to connect government and government service needs with innovative startups who can bring public services closer to citizens. The proposed reforms seek to improve service delivery, effectively reducing compliance costs for the private sector while broadening the tax base, all with the aim of promoting fiscal sustainability and private sector development.

2.20. Programmatic approach. The IDB Group will build on its ongoing engagement to strengthen fiscal management and modernize public service delivery in Trinidad and Tobago. Under the existing portfolio, support will continue to enhance digital transformation across the public sector. In parallel, dialogue with the government will focus on improving the efficiency and transparency of tax

¹⁶ The Country can benefit from a strategic approach using the FFF financial instruments and the independent derivative instruments that allow it to benefit from the AAA credit rating of the IDB. This approach not only maximizes access to favorable financial conditions but also provides support and guidance in the management of these tools. While the use of the FFF does not require an ISDA agreement (International Swaps and Derivatives Association), the Bank also provides the possibility of signing ISDA agreements to execute independent derivatives that allow the management of debt exposures not linked to financing granted by the Bank to the Government and/or the Central Bank.

¹⁷ [GovTech in Latin America and the Caribbean](#)

administration and public spending by advancing a medium-term fiscal framework, strengthening non-energy revenue mobilization, and addressing inefficiencies in public investment and expenditure management, including procurement and state-owned enterprises. The IDB will deploy a mix of policy-based reforms and investment operations to upgrade core public sector platforms, and technical cooperations to strengthen institutional capabilities to enhance implementation potential, while IDB Lab foster collaboration between government and startups with innovative solutions. Delivery will be coordinated to strengthen linkages between fiscal sustainability, digital transformation, and service delivery, while integrating cross-cutting priorities such as climate-informed fiscal planning. The program will also seek to generate synergies with private sector windows, particularly in strengthening enabling frameworks for digital services, and in leveraging opportunities for greater private participation.

2.21. Key actions under regional initiatives. The IDB Group will leverage regional platforms, including ONE Caribbean, to strengthen Trinidad and Tobago's fiscal management and public sector performance. Through ONE Caribbean's pillars on digital transformation and institutional strengthening, the Bank will support the modernization of public financial management systems, expansion of digital government services, capacity building of SOEs to deliver efficient, high-quality services that meet the evolving demographic demands and enhancement of cybersecurity frameworks to safeguard critical public infrastructure and improve service delivery. Regional knowledge exchange, through initiatives such as the Fiscal Research Center, will facilitate the adoption of best practices in tax administration, expenditure management, and results-based budgeting, while strengthening institutional capacity and transparency. In parallel, the S&I Roadmap and broader IDB Group collaboration will support reforms to improve the governance and financial sustainability of SOEs, promote more efficient public service provision, and mobilize private sector participation where appropriate. These efforts will be complemented by regional partnerships that enhance crisis preparedness and fiscal resilience, enabling Trinidad and Tobago to better manage macro-fiscal risks while delivering high-quality, efficient, and citizen-centered public services.

EXPECTED OUTCOMES

Higher transparency and efficiency in the public sector. The Bank will support reforms to improve public sector performance, strengthen coordination across agencies, and streamline administrative processes that affect firms and individuals. Reducing processing times for key business procedures such as permits, business registration, and customs clearance can lower compliance costs and improve the overall business environment.

Increased access to digital services. The Bank will support the availability, accessibility, quality, and uptake of digital government services to improve interactions between firms and the public sector. Efforts are expected to increase the share of government services delivered online and usage of online platforms for transactions such as registrations, licensing, tax payments, and procurement, providing more efficient service delivery for businesses and households.

Strengthened cybersecurity public capacity. The Bank will support the development and implementation of a robust national cybersecurity framework to protect digital infrastructure and enhance trust in online services. Specific outcomes will include strengthened institutional capacity to manage cyber risks, enhanced legal and regulatory frameworks for data protection

and digital security, and increased awareness and adoption of cybersecurity practices among public institutions and private firms, thereby reducing vulnerabilities and supporting the safe expansion of digital economic activity.

PILLAR 3. ENHANCING SOCIAL WELL-BEING AND HUMAN CAPITAL

WHY IT MATTERS

2.22. This pillar addresses persistent social vulnerabilities that affect inclusive development. Key challenges include rising citizen insecurity and gender-based violence, uneven education outcomes, skills mismatches and limited access to quality health services. These issues are compounded by disparities in access and outcomes across population groups—particularly affecting women, PwD, and vulnerable communities, —and by the growing burden of NCDs. Together, these constraints weaken human capital formation and perpetuate cycles of exclusion and vulnerability, underscoring the need for integrated interventions to improve safety, strengthen service delivery, and expand opportunities for all.

2.23. Citizen insecurity is a growing concern with high and rising levels of violent crime. Annual homicide rates have reached an all-time high, going from 31 to 45 homicides per 100,000 persons between 2015 and 2024 (Central Statistical Office). The expansion of gangs and criminal organizations are the main drivers of the surge in violent crime with over 40% of the 2024 homicides linked to gang related activities. This is one of the highest homicide rates in Latin America and the Caribbean, where the average rate between 2015 and 2023 was 27 per 100,000 population (UN Office of Drugs and Crime). Gender-based violence remains highly prevalent, with 30% of women reporting physical and/or sexual intimate partner violence (Pemberton & Joseph),¹⁸ and femicide rates among the highest globally, estimated at 7.21 per 100,000 women (UN Office on Drugs and Crime). Porous borders and weak enforcement capacity facilitate illegal entry of firearms, drugs, and contraband contributing to the increasingly lethal criminal activity. Institutional weaknesses further exacerbate these dynamics, such as limited investigative capacity, outdated technology, and inefficiencies in the justice system. Only 22% of crimes advance to prosecution and just 3.8% result in convictions, with detection rates for homicides as low as 12.5% (Central Statistical Office). Detection and prosecution rates for domestic violence are even lower, with only 7.4% of cases resulting in charges and 1.3% in prosecutions (Trinidad and Tobago Police Service). There is limited inter-agency coordination, capacity, and survivor-centered services (Watson-Williams).¹⁹ These challenges also disproportionately impact young men, who are both the primary perpetrators and victims of violence. Harmful gender norms and attitudes that normalize violence, together with educational and economic marginalization of young men, contribute to this dynamic (Thailinger et al.; Heilman et al.).²⁰ Additionally, high levels of crime also impose significant costs on the private sector through increased spending on security, insurance, and private protection, raising the cost of doing business, reducing competitiveness and deterring

¹⁸ Pemberton & Joseph (2018). [National Women's Health Survey for Trinidad and Tobago: Final Report](#)

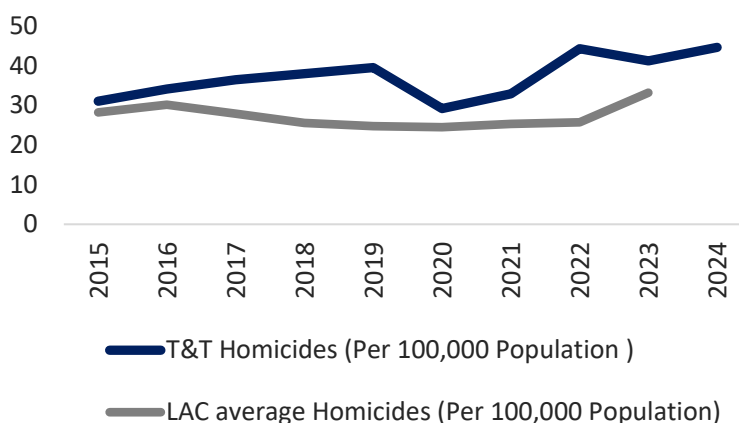
¹⁹ Watson-Williams (2025). *Report on desk review and consultations with IDB Caribbean member states on prevention and response to Domestic and Sexual violence* [unpublished].

²⁰ Thailinger et al. (2023). [Gender Gaps in the English-speaking Caribbean: Education, Skills, and Wages](#).

Heilman et al. (2024). [True to Them, True to Myself" Understanding Restrictive Masculinity in Guyana, Suriname, and Trinidad and Tobago](#).

investment. Together, these factors undermine public trust, weaken economic activity, and reinforce cycles of violence and social exclusion.

Figure 3: Homicides in Trinidad and Tobago (per 000)



Sources: Trinidad and Tobago Central Statistical Office and UN Office of Drugs and Crime

2.24. Health outcomes suffer from shortcomings in the system and a growing burden of non-communicable diseases (NCDs). Challenges in this area weaken human capital outcomes, strain public finances, and underscore the need for a shift toward preventive, accessible, and high-quality health systems. NCDs account for approximately three-quarters of these deaths occurring among individuals under 70—reflecting significant premature mortality and productivity losses. Cardiovascular diseases, diabetes, cancer, and stroke are the leading causes, driven by behavioral risk factors, including poor diet, physical inactivity, obesity, and substance use, which continue to increase population health risks over time. Demographic pressures further compound these challenges, as an aging population—where 17% of individuals aged 65 and over are care-dependent (Aranco et al., 2022)—raises demand for long-term care and increases fiscal pressures on health and social protection systems. Structural and operational constraints in the public health system also undermine effective service delivery. Access to digital health services is limited, in 2024, a population-based survey revealed that only 1 in 10 persons reported access to telehealth services; 1 in 5 reported using digital appointment scheduling and fewer than 1 in 10 reported accessing lab results, refilling medication, or personal health information online. Core systems for integrated service delivery, including interoperability standards, enterprise architecture, performance monitoring, and strategic planning, remain underdeveloped. Public spending remains heavily oriented toward curative care rather than prevention, limiting the system’s ability to reduce the long-term disease burden. At the same time, shortages of healthcare personnel, limited medical equipment, and infrastructure gaps contribute to overcrowding and inequitable access to primary healthcare services. These constraints disproportionately affect vulnerable populations, including women and PwD, who face additional barriers in accessing quality care, such as limited accessibility and insufficient integration of gender-based violence screening and response services.

2.25. Weak enforcement of housing regulations, alongside infrastructural deficiencies and affordability challenges, undermines quality of life. Housing development is characterized by low-density urban expansion, informal construction, and limited enforcement of planning and building regulations, which have contributed to fragmented settlements and increased exposure to environmental risks, particularly in flood-prone and coastal areas. Affordability constraints further compound these challenges: homeownership is increasingly out of reach for working and middle-class households, with demand for subsidized housing far exceeding supply, while access to mortgages remains limited for lower-income and informal households despite the sector's large footprint. Housing deficits are compounded by unreliable basic services in underserved communities, including intermittent water supply with less than 30% of households receiving 24/7 service, coupled with poor water quality. Sanitation services face similar gaps with approximately 35% of the population accessing sewage collection systems. Deficiencies in housing quality, water supply, and sanitation infrastructure undermine health, safety, and resilience, and disproportionately affect vulnerable populations including women-headed households and PwD, highlighting the need for integrated improvements in infrastructure planning, service delivery, and urban development.

WHAT WE WILL DO

2.26. A comprehensive approach, encompassing institutional strengthening and prevention efforts, is required to tackle citizen security. Efforts will focus on strengthening the criminal justice system through support to key institutions, including enhancing the capacity of the Ministry of Homeland Security and the Trinidad and Tobago Police Service, improving investigative capabilities in areas such as cybercrime and financial crime, and promoting more effective case management and asset recovery. At the same time, the Bank will scale prevention-oriented approaches, including evidence-based interventions targeting men and at-risk youth, rehabilitation and reintegration programs, and community-based initiatives to address gender-based and domestic violence. Support will also prioritize survivor-centered health and frontline services, strengthened referral systems, and institutional capacity, including support to the Ministry of the People, Social Development and Family Services in operationalizing national frameworks to address gender-based violence. In parallel, the Bank will strengthen data systems and analytics to improve decision-making, monitoring, and coordination across agencies, while fostering research and knowledge partnerships to better understand drivers of crime and violence. These efforts will be complemented by engagement with the private sector, as well as regional and institutional collaboration, including engagement through the Alliance for Security, Justice and Development and ONE Caribbean, alongside alignment with broader justice sector reforms, contributing to improved effectiveness, trust in public institutions, and safer communities.

2.27. Patient-centered health systems will support improved health outcomes. The program will strengthen governance, institutional capacity, and digital infrastructure by deploying interoperable health information systems and establishing a national health information exchange to enable secure data sharing and coordinated service delivery across all levels of care. At the service delivery level, the IDB will support the redesign and scaling of integrated models of care for NCDs, improving prevention, early detection, diagnosis, treatment, and long-term management through strengthened referral pathways, standardized clinical protocols, and the integration of digital tools into clinical and administrative workflows. In parallel, the program will expand telehealth, remote monitoring, and patient-centered digital services to improve access, particularly for underserved and vulnerable populations, including women and PwD. To ensure sustainability and impact, the IDB will also promote behavioral change and strengthen workforce adoption by scaling health promotion and prevention programs, enhancing digital literacy, and supporting providers in the routine use of integrated care

models and evidence-based practices. Together, these interventions are expected to strengthen health system performance, improve continuity and quality of care, expand equitable access to services, and reduce NCD-related morbidity and premature mortality, thereby enhancing human capital outcomes in Trinidad and Tobago. In advancing health services, IDB Lab will support the silver economy to connect government and health care providers to supply services for the elderly. They can also provide training in digital tools, entrepreneurship, and relevant skills to enhance economic participation of the elderly population. This helps to improve the quality of life, generate livelihoods, and ensure that all citizens are included in the economic progress of the country.

2.28. An integrated approach will be implemented to support housing development and urban upgrading.

Interventions will target low-income households living in inadequate housing conditions, with the objective of reducing spatial fragmentation, expanding access to essential services, and strengthening resilience to environmental risks, thereby contributing to more inclusive and sustainable urban development. The IDB will focus on improving living conditions in underserved urban areas by upgrading informal settlements, expanding access to affordable housing, and revitalizing urban spaces. These include investments in basic infrastructure and services, the provision of housing subsidies to facilitate home construction and improvement, and measures to enhance the use and quality of public spaces. The institutional capacity of the Ministry of Housing and other stakeholders will be strengthened to better plan, regulate, and manage housing and urban investments. Ongoing support from IDB Invest will complement these efforts by expanding access to affordable housing solutions, with a particular focus on underserved segments and gender-responsive approaches. This includes the mobilization of private capital through capital market solutions for affordable mortgages. IDB Invest will also seek to support private developers in scaling up the provision of housing for underserved population.

2.29. Programmatic approach.

The program aims to enhance social well-being and human capital in Trinidad and Tobago through an integrated, multisectoral approach addressing key constraints in health, citizen security, housing, and access to basic services, while leveraging synergies to improve inclusion, productivity, and resilience. Building on the existing portfolio, including [3411/OC-TT](#), and ongoing coordination with partners such as the Pan-American Health Organization (PAHO),²¹ the IDB will continue supporting improvements in primary and digital healthcare, affordable and climate-resilient housing, and institutional strengthening in citizen security and justice systems. Through its operations in portfolio, IDB Invest will continue to support affordable mortgage financing. New operations from IDB will scale up digital health transformation—including interoperable systems and patient-centered care—while strengthening the prevention and management of NCDs. They will also modernize housing policy and financing frameworks, mobilize private sector participation in housing delivery with support from IDB Invest, and expand evidence-based violence prevention, reintegration programs, and survivor-centered services, with a particular focus on at-risk youth and survivors of gender-based violence. Complementary investments will improve water and sanitation services in underserved areas, enhancing links between social infrastructure, health outcomes, and climate resilience. Across all interventions, the pillar will prioritize expanding opportunities for vulnerable populations, including women, youth (particularly at-risk young men), and PwD, while addressing spatial and gender disparities in access to services. Through the coordinated approach, the program seeks to deliver sustained improvements in human capital and social outcomes while strengthening resilience to economic, social, and climate-related shocks.

2.30. Key actions under regional initiatives. Regional initiatives will play an important role in supporting Trinidad and Tobago's efforts to enhance social well-being and human capital. Through ONE Caribbean, the Bank will advance regional solutions in digital health, citizen security and cybersecurity, including ONE Safe Caribbean and Digital Citizen LAC Initiative, supporting regional collaboration on digital health solutions, crime prevention, data analytics, and institutional capacity building to

²¹ The IDB will coordinate with the Pan-American Health Organization (PAHO) on health system strengthening and digital health transformation, aligned with Information Systems for Health (IS4H) and Pan-American Highway for Digital Health (PH4H)

strengthen support services for vulnerable populations to address gender-based violence and youth-at-risk. In parallel, the Alliance for Security, Justice, and Development will provide a platform for coordinated regional action to tackle crime and violence through strengthened justice systems, enhanced law enforcement capacity, and evidence-based prevention strategies, with a focus on at-risk youth, communities and survivors of gender-based violence. Together with PAHO the Bank created Pan-American Highway for Digital Health (PH4H) aimed at secure health data sharing within and across borders to strengthen preparedness for future pandemics and other health threats. At the CARICOM level, heads of state are poised to approve regional policy frameworks on migration and labour mobility, providing guidance in modernization of these policies to better promote safe, orderly, and regular migration in line with workforce needs. Together, these initiatives will help advance more inclusive, resilient, and sustainable human capital outcomes.

EXPECTED OUTCOMES

Enhanced citizen security through strengthened institutional capacity and increased support services for gender-based violence (GBV) and domestic violence. The program will support the expansion and strengthening of institutional capacity to deliver coordinated, integrated, survivor-centered services, including data and referral systems and the implementation and monitoring of national GBV frameworks, to improve access to protection, psychosocial, and health services. Interventions are expected to increase the number of reported cases, expand service coverage for survivors, and strengthen overall system capacity for prevention and response. Beyond GBV, the program will support a comprehensive crime and violence prevention agenda by strengthening coordination among law enforcement, justice, social protection, education, and community institutions; improving crime data systems, and monitoring and evaluation frameworks; and enhancing institutional capacities for prevention, investigation, and case resolution. Complementary efforts will focus on early prevention, including initiatives targeting men and at-risk youth. Over the medium term, these interventions are expected to contribute to safer communities, reduced risk factors associated with crime and violence, and improved outcomes for women, children, youth, and other vulnerable groups.

Improved access to digital healthcare services. The program will support the adoption of telehealth, remote monitoring, patient portals, and other digital health services to make digital healthcare services more accessible and convenient, improve continuity of care, and reduce geographic and administrative barriers to care. These investments will also strengthen primary healthcare by improving access to early detection, diagnosis, treatment and long-term management of NCDs, particularly among high-risk groups, including women, PwD, older adults, rural communities and populations with lower digital literacy.

Increased access to quality housing. Expanded access to affordable housing, including through reforms to improve land use planning, housing regulation, and development processes, alongside targeted investments to expand access to affordable housing solutions and mortgage financing. Interventions are expected to promote more efficient and resilient patterns of urban development, including higher-density and better-planned communities, while reducing the prevalence of informal and unregulated construction. Improvements in housing quality and location are expected to enhance resilience to climate and disaster risks, reduce exposure to

flooding, and improve living conditions for low-income and vulnerable populations, including women-led households and PwD.

Enhanced water service delivery. The program is expected to improve the reliability, quality, and sustainability of water supply services by supporting infrastructure rehabilitation, operational efficiency, and sector governance reforms. Interventions will contribute to increasing the proportion of households with continuous (24/7) water supply and safely managed drinking water, while reducing system losses and improving water quality. At the same time, investments in sanitation infrastructure are expected to expand sewer network coverage and improve wastewater management, particularly in underserved communities. These efforts will enhance public health outcomes, environmental sustainability, and overall service delivery performance.

CROSSCUTTING ISSUES

WHY THEY MATTER

➔ **2.31. Disaster risk management, climate resilience and sustainability.** The Country Strategy will incorporate disaster risk management, resilience and sustainability across public and private investments and policies in all pillars. Strengthening disaster risk management and ensuring climate resilience enhance productive sector development and inclusive development outcomes. The country is highly exposed to multiple natural hazards including floods, landslides, coastal erosion, and earthquakes, while climate change is intensifying these risks. Between 1990 and 2025, Trinidad and Tobago experienced 12 major disasters affecting more than 250,000 people and causing an estimated US\$55 million in losses (EM-DAT). Beyond these large-scale events and over 1,300 smaller-scale events have repeatedly disrupted local communities and economic activity (UNDRR). Risk exposure is particularly acute in coastal zones, where 70% of the population and 80% of industrial activity are concentrated, making even localized hazard events highly disruptive to socio-economic life (Trinidad and Tobago IZCM Framework, 2019). Flooding episodes, such as those triggered by intense rainfall in 2025, caused widespread disruptions to transport, water supply, and productivity. The growing frequency and intensity of natural disasters reduces the lifespan of infrastructure and productive assets, increasing the need for expenditure on emergency response, rehabilitation, and repairs. This places additional fiscal pressure while also raising costs and uncertainty for the private sector, particularly for MSMEs that are more vulnerable to shocks and have limited capacity to absorb losses. At the same time, institutional capacity gaps, limited financial protection mechanisms, and inadequate data and regulatory frameworks constrain effective disaster risk management and climate adaptation efforts. Environmental degradation, including loss of coastal ecosystems such as coral reefs and mangroves, in turn reduces natural protection against hazards. Women, PwD, and other vulnerable populations face disproportionate risks due to differential exposure, mobility constraints, and limited access to disaster risk management information and resources. These interconnected vulnerabilities highlight the need to strengthen disaster risk management, climate resilience, and environmental sustainability as fundamental enablers of resilient infrastructure, productive sector development, economic continuity, and inclusive development outcomes.

➔ **2.32. Foster inclusion and equal opportunities for vulnerable groups.** Disparities across gender, age and disability status reflect the underutilization of Trinidad and Tobago's human capital, limiting productivity and constraining the country's ability to achieve diversified and inclusive growth. This manifests across many fronts. Citizen insecurity and gender-based violence and uneven education

outcomes are compounded by disparities in access and outcomes across population groups. Vulnerable groups in Trinidad and Tobago—including women, PwD, and youth (particularly at-risk young men) and migrant communities—continue to face significant and overlapping barriers to accessing economic opportunities, quality services, and safety, restricting inclusive economic growth and human capital development. Women's labour force participation is substantially lower than men's and has dipped to 47% in 2024 from 52% in 2014 (Central Statistical Office). Women also face structural constraints in both economic participation and safety: they are 40% less likely than men to access finance and have domestic violence cases lead to prosecutions. At the same time, gaps in care services provision, and limited accessibility to services disproportionately affect women and PwD, reducing their ability to participate fully in the labour market. Harmful gender norms negatively affect men and boys, particularly young males who face higher exposure to violence and increased likelihood of being out of education, employment, or training (NEET), driven in part by weak school-to-work transitions. Boys consistently underperform compared to girls in education, with a 3.4 percentage point gap in primary completion, an 11.5-point gap in secondary completion, and nearly 10 points in post-secondary enrollment (Ministry of Education). PwD face systemic exclusion across multiple dimensions, including limited access to education, employment, transport, digital services, health, and public infrastructure, compounded by inadequate accessibility standards and fragmented service provision (GoRTT; UNPRPD). Migrant communities, particularly children, face additional constraints in accessing education and other essential services, limiting their full social and economic inclusion and the country's ability to fully leverage its future workforce. Demographic trends suggest these challenges will intensify, with the share of PwD projected to increase significantly due to population aging from 18.4% in 2020 to 24.6% in 2025 (Berlinsky et al.).

WHAT WE WILL DO

2.33. Disaster risk management, climate resilience and sustainability. The Country Strategy will mainstream disaster risk management, climate resilience, and sustainability across all pillars. Under Pillar 1, the IDB Group will support the integration of climate and disaster risk considerations into infrastructure planning and investment, including the adoption of resilient infrastructure standards, risk-informed infrastructure planning, and climate-and-disaster- risk screening tools to reduce the vulnerability of transport, water, and other critical infrastructure to flooding and extreme weather events. Complementarily, IDB Invest will promote climate resilient private investments in the productive sector and reduce exposure to climate risks through advisory support. Under Pillar 2, the strategy will strengthen the institutional and fiscal frameworks required for effective resilience building by integrating climate and disaster risk into macro-fiscal planning, public investment management, and procurement systems, thereby reducing long-term fiscal liabilities associated with disasters. The IDB will support the development of disaster risk financing strategies and instruments—including Cat-DDO and other contingent financing mechanisms—while strengthening data systems, digital tools, and inter-agency coordination to improve risk monitoring, preparedness, and response capacity. Under Pillar 3, efforts will focus on enhancing the resilience of households and communities by strengthening adaptive social protection systems, improving housing resilience and promoting risk-informed urban development in high-risk areas, and integrating resilience into health, security, and social services to ensure continuity during shocks. Targeted interventions will support vulnerable populations disproportionately affected by disasters, including women and PwD. Across all pillars, the IDB Group will complement national efforts through regional initiatives and technical assistance aimed at improving risk data and analytics, strengthening early-warning systems improving risk information analytics, and promoting ecosystem-based adaptation. These interventions will enhance the country's capacity to anticipate, absorb, adapt to and recover from shocks, while supporting sustainable, resilient, and inclusive development outcomes.

2.34. Fostering inclusion and equal opportunities for vulnerable groups. The Country Strategy will mainstream inclusion and equal opportunities for vulnerable groups across all pillars to expand access to economic opportunities and essential services for vulnerable populations, including migrant communities where relevant. Under Pillar 1, efforts to strengthen private sector development will expand access to finance, promote innovation, and support MSMEs, especially those led by women—complemented by IDB Invest and IDB Lab—while improving transport connectivity and infrastructure resilience to reduce barriers to mobility that disproportionately affect women, PwD, and underserved communities. Under Pillar 2, modernization of public financial management and service delivery will expand access to digital government services, simplify administrative processes, and improve transparency, reducing barriers faced by small firms and vulnerable populations in accessing public services and participating in economic activity, while expanding digital inclusion for PwD. Under Pillar 3, targeted interventions will strengthen citizen security through prevention programs targeting men and at-risk youth, as well as services for survivors of gender-based violence, expand access to integrated health services—including telehealth and patient-centered care—, initiatives that support the inclusion of vulnerable migrant children and increase access to affordable housing and basic services for low-income households and underserved communities, including women and PwD. Across all pillars, the strategy will leverage regional initiatives and partnerships to scale inclusive solutions, strengthen institutional capacity, and ensure that vulnerable populations benefit equitably from development gains, positioning inclusion as a core driver of more resilient and sustainable growth.



III. HOW WE WILL ACHIEVE THIS

A. PROGRAMMATIC APPROACH

- 3.1 The Country Strategy 2026–2030 will adopt a cohesive, multi-year programmatic approach that links the existing portfolio, the continuation of ongoing interventions, and new operations across the three pillars.** The Bank will coordinate appropriate instruments such as sovereign guarantee loans, technical cooperations and knowledge products to offer interconnected solutions to sustain reforms and achieve development objectives. Multi-phased instruments such as Conditional Credit Lines for Integrated Projects (CCLIPs) are already used in the current portfolio²² to support long-term sectoral and multisectoral investments. Policy-Based Financing (PBF) operations provide continuity through a sequenced approach to the reform agenda and that builds on prior work from technical cooperations under the priorities pillars. The programmatic approach is also incorporated in individual investment projects to ensure that they build-on lessons learned, enhance synergies between sectors and complement operations in the portfolio.²³ The approach adopted in this CS will foster intersectoral coordination, strengthen data-driven decision-making and monitoring systems, integrate public and private sector risks as well as corresponding mitigation actions, and promote partnerships with the private sector. Under Pillar 1, CS will adopt a coordinated, multisectoral approach to unlock private investment, while strengthening resilience and competitiveness, including through operations in portfolio and new operations. IDB Invest will build on its existing portfolio in manufacturing and supply chains and scale its support including through new operations expanding support to agribusiness and digitalization, while exploring potential support to private investments and selective SOEs in infrastructure modernization and resilience as market conditions evolve. Through new operations, IDB Invest will expand access to finance for MSMEs by partnering with financial institutions. Under Pillar 2, the Bank will deploy a mix of policy-based reforms and investment operations to strengthen public financial management and upgrade public sector platforms, technical cooperations to strengthen institutional capacity to enhance implementation and the instruments of the FFF and independent derivatives to strengthen financial resilience. Under Pillar 3, the Bank will continue supporting improvements in quality and access to healthcare, affordable and climate-resilient housing with ongoing operations from IDB and IDB Invest, and institutional strengthening in citizen security and justice systems. IDB Lab will continue to be a catalyst for private sector development by continuing to provide technical support at scale to enhance private sector growth. Under Pillar 1, IDB Lab will support access to finance for MSMEs, promote competitiveness, and strengthen productivity-enhancing innovations to accelerate economic diversification. Under Pillar 2, Lab will coordinate with the Bank to connect public service delivery with innovative startups to bring citizen services closer to citizens and under Pillar 3 IDB Lab can help to support quality of life by leveraging innovative startups to support the silver economy.

²² TT-O0011 Conditional Credit Line for Investment Projects (CCLIP) for the National Digital Transformation Program and TT-L1061 Programme to Accelerate the Digital Transformation Agenda; and TT-O0007 Conditional Credit Line for Investment Projects (CCLIP) for the National Water Sector Transformation Program and TT-L1055 Trinidad and Tobago National Water Sector Transformation Program

²³ The health sector stand-alone investment loan proposed under the new CS to improve continuity of care and strengthen healthy system resilience builds on the previous health operation TT-L1039 Health Services Support Program

B. SYNERGIES

- 3.2 The three windows across the IDB Group will collaborate to deliver a holistic approach to achieving the strategic objectives of the CS 2026-2030.** Synergies will be strengthened through the sequencing of operations, complementary instruments, knowledge sharing, and selective joint operations, leveraging the comparative advantages of each window.
- 3.3 Under Pillar 1, the IDB Group will combine public sector reforms, private sector financing, and innovation to mobilize investment, expand economic activity, and improve productivity.** In access to finance, IDB Invest will support financial institutions to expand financing for MSMEs and underserved segments through risk sharing mechanisms, trade finance, and tailored financial solutions. IDB Lab will support private sector development through innovative market solutions, and access to finance particularly for MSMEs, with tailored instruments through lending and venture capital. In addition, the Compete Caribbean+ program will also support fostering the entrepreneurial ecosystem. Enabling conditions include the establishment of a centralized movable collateral registry and the development of frameworks for the use of nontraditional collateral. In water and sanitation, the IDB will anchor sector transformation through large-scale investments in water treatment, network rehabilitation, and reductions in non-revenue water, alongside institutional strengthening and regulatory reforms and will seek to crowd in private investment. As sector performance improves and market conditions evolve, IDB Invest will assess supporting private participation in areas such as performance-based contracts and desalination, including through blended finance structures where appropriate. IDB Lab will complement these efforts by piloting innovative technologies, including digital metering and data systems, as well as circular economy models. This sequencing—from public sector strengthening to private investment and innovation—will help crowd in private capital while ensuring sector sustainability and efficiency.
- 3.4 Under Pillar 2, synergies will center on strengthening government capabilities and enhancing service delivery through digital transformation and innovation.** The IDB will support the strengthening of the government's digital architecture, institutional capacity, and cybersecurity frameworks, laying the foundation for improved service delivery. IDB Lab will support digital tools and other innovative solutions that improve connections, networking and collaboration between the private and public sectors.
- 3.5 Under Pillar 3, the IDB Group will combine public interventions, private financing, and innovation to improve access to quality housing and health services.** In affordable housing, the IDB will continue to support public efforts to improve housing conditions, address infrastructure deficits, and strengthen quality standards and oversight. Complementarily, IDB Invest is executing support to affordable housing finance through local currency instruments and capital market solutions, and will seek to work with developers, financial institutions, and institutional investors to expand both supply and demand. Across the Group, operations will promote ESG standards, improved construction quality, and sustainability, including solutions for citizens with disabilities.

C. SUPPORT TO REFORMS

- 3.6 The IDB Group will support the reform agenda with technical expertise and relevant instruments.** Under this CS, the Bank will seek to advance the reform agenda in the prioritized areas

of business climate, public utilities, disaster risk management, public financial management, public sector effectiveness, citizen security and social inclusion.

- 3.7 Aligned with Pillar 1, reforms that will be supported will continue to improve the business environment, resilient public infrastructure and disaster risk management.** The IDB Group can support business climate reforms to improve the investment climate and encourage innovation of MSMEs. Strengthening the regulatory framework to support an entrepreneurial ecosystem through improvements by streamlining business regulations, improving access to credit and removing trade barriers. Improvements in the efficiency of public infrastructure and utilities will further support private sector development. Aligned with prior technical work in transportation and disaster risk management, the IDB is already supporting climate-resilient road infrastructure through transportation planning with integrated resilience measures, reducing congestion, improving mobility, and increasing connectivity. Further reforms in disaster risk management governance reforms can enhance the country's preparedness and provide added guardrails for private sector activity.
- 3.8 Under Pillar 2, reforms will support the Government's fiscal consolidation efforts. Reforms to strengthen fiscal policy and the medium-term position are advancing but additional efforts are needed.** Building on current dialogue, programmatic policy loans can support public expenditure management reforms including adopting a medium-term fiscal framework supported by fiscal rules to manage macroeconomic volatility. To improve expenditure management, reforms to SOEs, public procurement and public investment can improve efficiency and transparency. Reforms to tax policy and management can enhance revenue management and accountability. Reforms to the regulatory framework for digital transformation and artificial intelligence will greatly enhance the efficiency of public service delivery and improve government effectiveness. There are opportunities for the Bank to support policy-based interventions in social programs to create social safety nets for the most vulnerable in the population, including women, PwD and the elderly. The Bank can support building capacity within the social protection system, implementation of a social services management information system, the creation of a digital national registry of vulnerable persons, and a public transport system that is inclusive for elderly and PwD.
- 3.9 In Pillar 3 there are opportunities to support the reform agenda under citizen security and social protection. The citizen security and social protection reform agenda is at the initial stage, with progress.** Under this CS, the Bank can offer strategic institutional support to the Ministry of Homeland Security for a criminal justice reform program as well as to the Ministry of the People, Social Development and Family Services to update and strengthen the national GBV regulatory and policy frameworks. Reforms to the regulatory framework for utilities can improve efficiency, reduce redundancies, increase access for vulnerable groups and strengthen service delivery. Improvements in the water and sanitation regulatory framework can increase access, improve reliability and enhance efficiency in utilities management for economic activity. The second operation under the national water sector transformation CCLIP proposes activities on integrated water resource management which sets the basis for future policy interventions in the water sector.

D. REGIONAL INITIATIVES

- 3.10 Under the CS 2026-2030, Trinidad and Tobago will benefit IDB regional programs and platforms further enhancing the opportunity to scale programs, drive impact and increase resource mobilization.** Under these regional initiatives there are opportunities to connect the country with

regional experiences, share knowledge and expertise to generate innovative solutions. Under ONE Caribbean the country will benefit from regional interventions to scale impact in shared regional challenges including climate adaptation, disaster risk management, citizen security, private sector development and food security. In collaboration with ONE Caribbean, Trinidad and Tobago also benefits from the Alliance for Security, Justice and Development. Crosscutting priorities of disaster risk management, resilience and sustainability and fostering inclusion and equal opportunities for vulnerable groups are also aligned to regional priorities of the Group and will be supported under Bank led regional initiatives. Under Ready and Resilient Americas (RRA), the regional impact program will enhance and boost resilience to disasters in Trinidad and Tobago by strengthening regional knowledge sharing and data collection, strengthen coordination between countries and offer financial innovative solutions. The Compete Caribbean+ program of the Bank will continue to support inclusive and sustainable private sector development with solutions that support climate action and open opportunities for vulnerable populations. Additionally, Trinidad and Tobago will also continue to benefit from CARIBEQuity, a regional blended finance mechanism led by IDB Lab that supports private sector development by strengthening the innovation ecosystems. The mechanism focuses on supporting startups and high-growth SMEs, enhancing the capacity of ecosystem actors, and fostering public-private collaboration for innovation.

3.11 The ONE Caribbean regional program is mainstreamed in the strategy across the three pillars to support strategic areas.

Under the ONE Caribbean program, regional interventions will support activities aligned with the country's priorities in private sector development, institutional strengthening, and social development. Under Pillar 1, support for private sector growth the Project Preparation and Coordination Mechanism (PPCM) and the establishment of a regional Small and Medium Enterprise (SME) Technical Assistance Facility will strengthen firm-level capabilities, promote innovation, and expand access to finance across priority sectors. Under Pillar 2 strengthening fiscal management and service delivery ONE Caribbean will deploy nowcasting tools to strengthen economic monitoring and inform more timely and effective policy decision-making; as well as directly strengthen the capacity of SOEs to better manage fiscal risks and the evolving demographic landscape. ONE Caribbean will continue its support to digital transformation, and institutional capacity building. This includes initiatives in cybersecurity preparedness and incident response, poverty and market analytics and digital health solutions. Under Pillar 3, enhancing social well-being and human capital, ONE Caribbean strengthens citizen security through a dedicated ONE Safe Caribbean regional initiative to combat transnational crime and gender-based violence; while enhancing sustained resilience across the energy and water sectors; and advancing health system innovation. These interventions will help to improve government responsiveness, reinforce institutional resilience, and enable Trinidad and Tobago to benefit from regional knowledge, shared platforms, and economies of scale in areas where coordinated action can enhance national development outcomes.

3.12 Trinidad and Tobago is also a member of the regional platform Alliance for Security, Justice and Development²⁴ which is coordinated under ONE Safe Caribbean.

The ONE Safe Caribbean Against Organized Crime project is the mechanism through which the Bank supports CCB countries on the matter of combatting organized crime. Trinidad and Tobago law enforcement personnel have received training delivered on the Foundations of Intelligence Analysis Training (FIAT) by the International Association of Law Enforcement Intelligence Analyst (IAELIA) as well as training on joint investigation teams (JITs) for financial investigation and asset recovery. Under the Alliance, Trinidad and Tobago will continue to benefit from improved data generation mechanisms on transnational organized crime; regional intelligence-sharing and analysis; specialized investigative and prosecutorial capabilities to combat transnational organized crime; and increased civil society engagement against transnational organized crime.

²⁴ [Alliance for Security, Justice and Development](#) is a regional platform for dialogue, cooperation, knowledge exchange and resource mobilization to prevent and respond to organized crime in Latin America and the Caribbean

3.13 The IDB Invest Small and Island (S&I) Roadmap (2026–2031) aims to catalyze scalable, high-impact private sector solutions. In alignment with the CS 2026–2030, its implementation in Trinidad and Tobago will focus on deploying programmatic solutions to expand access to finance for MSMEs, while supporting industrial productivity and competitiveness, including in manufacturing and agro-processing, to foster economic expansion. The Roadmap also promotes private investment in digitalization and resilient infrastructure, including through modern contractual frameworks for strengthening service delivery and climate resilience. Delivery will leverage upstream engagement and IDB Group synergies to structure bankable projects and strengthen frameworks for private sector participation, including operationalizing solutions to sustain local currency financing alongside mechanisms to facilitate USD access. Support will combine financial and non-financial instruments, including loans, guarantees, risk-sharing mechanisms, advisory services, and project preparation, tailored to local market conditions and mobilizing private capital at scale.

E. STRATEGIC ALLIANCES

3.14 Forming new strategic alliances and maintaining existing relationships will help to increase the IDB Group's scale and effectiveness. The Group will continue to be a leader in knowledge generation by expanding its relationship with academia, including the University of the West Indies. Aligned with Pillar 1, IDB Invest has partnered with the University of the West Indies (UWI) St. Augustine Campus Faculty of Law to deliver a postgraduate course offering certificates in Development Financial Institutions Transactions Law LAC. Supported under Pillar 2, the Bank continues to partner with UWI on the Fiscal Research Centre which is a regional think tank and centre of excellence focused on fiscal policy, public finance, and economic policy research, training, and capacity building in the Caribbean. Further, engagement with the private sector entities, non-governmental organizations and civil society including private sector chambers of industry and commerce will serve to deepen the Bank's knowledge and understanding of the challenges being faced and offer innovative, targeted solutions. During the CS 2026-2030, the Bank will continue to foster strategic partnerships with and collaborate with other development agencies to maximize impact. The Bank has a collaborative relationship with UNICEF and UNHCR, for coordination and joint advocacy on migration and with Pan-American Health Organization (PAHO) on the Pan-American Highway for Digital Health to improve access to quality health services (Pillar 3). The Bank will continue to engage with other partners such as the Caribbean Public Health Agency (CARPHA), the Caribbean Community Implementation Agency for Crime and Security (CARICOM IMPACS), CAF, the World Bank Group, the Caribbean Development Bank, the European Union, relevant United Nations agencies and bilateral partners relevant to Trinidad and Tobago to leverage investments and mobilize resources for greater scale.



IV. CONSIDERATIONS FOR IMPLEMENTATION AND CAPACITY BUILDING

A. KNOWLEDGE

- 4.1 The IDB Group will continue to complement its strategic engagement in Trinidad and Tobago's priority pillars and cross-cutting areas with an evidence-based and operational knowledge agenda.** Annex VI presents the specific knowledge products that have been identified to significantly strengthen evidence based decision-making and improve the effectiveness of public investments based on the Country Diagnostic for Impact (CDI) and structured consultations with key experts. This knowledge agenda is designed to support the formulation of effective and sustainable public policies aligned with Trinidad and Tobago's national development priorities and the CS 2026-2030. These include: (i) firm-level productivity and innovation analysis to identify drivers of performance in non-energy sectors, including value chain assessments and business registry development to overcome barriers to MSME competitiveness; (ii) private sector financing and enabling environment studies to assess capital market constraints, foreign exchange scarcity and differentiated risk assessment tools for startups and growth firms, including trade facilitation and the role of AI in transforming the entrepreneurial ecosystem; (iii) labor market and skills mismatch diagnostics to bridge the gap between education outputs and the requirements of emerging non-energy industries, as well as to incorporate migrant human capital into the labor market; (iv) infrastructure resilience assessments across water and transport sectors to inform long-term climate resilience planning and investment alongside the evaluation of contractual modalities for private participation; (v) fiscal management and governance studies encompassing updated methodologies for public expenditure and procurement and an in-depth assessment of state-owned enterprises to improve transparency, public investment efficacy and service delivery; (vi) digital transformation and cybersecurity readiness assessments of public agencies, including a maturity assessment and national data audits; (vii) evaluation of Fragility, Conflict, and Criminal Violence (FCCV) indicators in the country and an assessment of citizen security (including gender-based and youth violence) and institutional impact evaluations to ascertain the socioeconomic costs of crime on human capital and evaluate policy interventions; and (viii) production of sociodemographic data encompassing, for example, updated statistics on persons with disabilities, gender-disaggregated data across all sectors, care economy assessments, and analysis of barriers faced by migrant children in accessing education and services.
- 4.2 To enhance its operational value, the agenda will be closely articulated with the three strategic pillars and cross-cutting areas of this strategy.** Studies on productivity, private sector financing, and skills gaps will inform actions under Pillar 1 on supporting private sector growth and Pillar 3 on enhancing social well-being and human capital. Research on fiscal management, digital transformation, and cybersecurity will support improvements in service delivery and governance under Pillar 2. Cross-sectoral interventions to strengthen production and timely publication of data and basic statistics will also contribute to institutional strengthening under Pillar 2. Inclusion and equity knowledge products will feed directly into both the cross-cutting areas of disaster risk management and resilience and the fostering of equal opportunities for vulnerable groups. This alignment will maximize the value added of knowledge

products, promote evidence-based policymaking, and improve the effectiveness of interventions across the strategy cycle.

B. MONITORING AND EVALUATION (M&E) CAPACITY

- 4.3 Trinidad and Tobago's institutional and legal framework for public financial management establishes core rules for budgeting, fiscal reporting, and expenditure control, but no defined national monitoring and evaluation (M&E) system is in place.** National priorities are expressed through strategic documents and political mandates, yet there is no binding process that ensures their translation into ministerial plans, budget submissions, or performance frameworks. A more unified approach to M&E, supported by standardized tools, clear governance, and improved information systems, is needed to strengthen alignment between national objectives, resource allocation, and implementation outcomes.
- 4.4 National initiatives are laying the groundwork for a more structured approach to performance monitoring with stronger linkages to planning and budgeting.** The update of the national planning framework aims to incorporate measurable objectives and indicators, providing a more consistent basis for ministries to articulate expected results. Work is also underway to enhance investment management instruments so that projects can be more clearly linked to national priorities and monitored beyond financial execution. Within ministries, internal efforts, including the creation of indicators, digital reporting tools, and administrative data systems, are helping to organize monitoring practices and increase the availability of performance information. These initiatives demonstrate progress toward building a more coordinated monitoring environment, even though ministries currently rely on different tools and data sources, and information sharing across institutions remains limited.
- 4.5 Trinidad and Tobago can build on existing institutional arrangements to establish a robust, government-wide M&E system.** Ongoing reforms provide an opportunity to establish a more coherent M&E framework that supports planning and budgeting processes. The IDB can assist in designing a governance framework aligned with these systems and in strengthening coordination capacities. In the short term, efforts can focus on clarifying the institutional arrangements for M&E, enhancing monitoring practices across ministries through standardized indicators, clearer documentation of expected results, and more structured data collection. Over the medium term, IDB could support the strengthening links between planning documents and budget allocations, as well as the development of integrated information systems that consolidate a national M&E system capable of informing decision-making, guiding resource prioritization, and reinforcing accountability for results. Investments in analytical capacity, data quality, and the interoperability of information systems will be essential to achieving these objectives.

C. NATIONAL FIDUCIARY SYSTEMS

- 4.6 Use of National Systems.** Recent evaluations of Trinidad and Tobago's public financial management systems (PFMS) found that accounting, reporting, internal controls, and procurement all require improvement to meet standards for Bank-funded project management. Despite the PFM system's reliance on manual and paper-based methods, the Budget, Treasury, and External Controls subsystems are functioning adequately and support all sovereign guaranteed operations. The Public Procurement and Disposal of Public Property Act, 2015 was fully enacted in 2023, replacing Trinidad

and Tobago's partially centralized procurement system with a decentralized, regulated framework. During the period prior to proclamation (2015–2023), entities prepared for implementation, while the establishment of the Office of Procurement Regulation (OPR) shifted the focus from centralized control to regulatory oversight, standard-setting, and accountability among procuring entities. Despite the Act being fully operational, the system remains in an early implementation phase during the 2026–2030 Country Strategy period, with residual risks related to inconsistent application across entities, uneven institutional capacity, and regulatory demands that continue to exceed operational readiness.

- 4.7 Strengthening national systems.** Throughout the 2026-2030 Country Strategy, the Bank will maintain its support in advancing public financial management reform initiatives. This approach may lead to greater adoption of Country Systems by the Bank, whether fully or in part. The Bank will conduct an evaluation of the development and utilization of the Public Financial Management System, utilizing the Bank's Guide (GUS). Discussions will be initiated to propose the PEFA assessment as a baseline to guide future reform efforts. For external oversight, support will be provided to the Auditor General Department in conducting an institutional diagnostic and formulating a strategic plan. Similarly using the GUS, the Bank will progressively consider the use of Trinidad and Tobago's national procurement system, beginning with the Shopping method as a low-risk entry point, subject to the satisfactory completion of fiduciary assessments and demonstrated implementation capacity. It will support: (i) the assessment of the national Shopping procedures against IDB core procurement principles; (ii) the approval and use of these procedures in Bank-financed operations, subject to the Bank's internal review and clearance processes; and (iii) targeted dissemination and training for executing agencies to support effective implementation. Further interventions include capacity building and technical assistance for governmental agencies, enabling their participation in regional initiatives focused on peer learning and the exchange of best practices.

D. DISASTER AND EMERGENCY RESPONSE

- 4.8 The CS 2026-2030 offers a range of options to enhance disaster risk management and emergency health response.** The natural disasters that impact Trinidad and Tobago are characterized as chronic events with high frequency and often manifest as localized road collapses, landslides, and repeated flooding along coastal and urban roadways. Their cumulative effect generates sustained socio-economic costs through transport disruptions, logistical delays, and constraints on local economic activity. Over time, this pattern increases fiscal pressure through higher maintenance and emergency expenditures and may limit the fiscal space available for long-term resilience investments. Under Pillar 1 the strategy promotes interventions in resilient infrastructure, early warning systems and community preparedness, particularly through the resilient transport infrastructure and community based resilient and inclusive shelters. Under Pillar 2 the Bank can support fiscal resilience through improvements in the governance framework for disaster risk management and the incorporation of strategic disaster risk financing in fiscal planning. Under Pillar 3, resilient investments extend beyond local infrastructure into strategic, multi-sector opportunities such as integrated coastal zone management. Further, Trinidad and Tobago will continue to benefit from the regional technical corporation aimed at reducing the public health impact of pandemics with the Caribbean Public Health Agency (CARPHA). To ensure continuity of critical infrastructure and social service delivery the Bank can support Government's investment in critical infrastructure, citizen security and well-being while supporting livelihoods. While investing in resilience reduces risk, it does not eliminate it entirely, this is why resilient investments must be complemented by financial instruments that manage residual risks. This is where the Bank is innovating and expanding its support on ex-post risk financing. The

Group now offers a range of options to support the country in its disaster and public health emergency framework from preparation and risk reduction to response and recovery: (i) to strengthen disaster preparedness, the Deferred Drawdown Option for Catastrophic Risks (CatDDO) supports policy reforms to improve disaster risk management; (ii) to provide not only post emergency response but also rehabilitation and long-term recovery funding the Investment Financing with Deferred Drawdown Option (IF-DDO) provides immediate funding upon satisfaction of a pre-defined triggers in the event of a disaster or emergency; (iii) the Emergency Response Option embedded in investment options and the Contingent Credit Facility for Natural Disaster and Public Health Emergencies (CCF) are post disaster funding mechanisms together the Principal Payment Option (PPO) of the FFF and the CAT Swaps and Bonds can support building resilience through different layers of risk coverage and (iv) the Post-Emergency Financing (PEF) can be approved after an emergency occurs to finance urgent response efforts and recovery actions aimed at restoring or improving pre-disaster living conditions. These instruments aim to ensure rapid access to liquidity to support long-term resilient recovery effectively without compromising fiscal sustainability.

E. MULTI-RISK ASSESSMENT

MACROECONOMIC FACTORS

4.9 Risks. The economy remains vulnerable to external shocks. Hydrocarbons comprise roughly a third of the economy, making the country vulnerable to commodity prices shocks which impact fiscal performance. Volatile fiscal performance and a rising debt-to-GDP ratio constrain government policy options. Declining oil and gas production, and delays in new gas field production pose additional risks. The external position has weakened due to a sustained decline in international reserves. Net official reserves fell to US\$5.4 billion at the end of 2025, equivalent to 6.3 months of import cover, down from a peak of US\$11.5 billion in 2014 or 12.9 months of import cover. This gradual decline has contributed to ongoing foreign exchange shortages and placed pressure on the sustainability of the country's de facto exchange-rate peg. Notwithstanding the Heritage and Stabilization Fund (HSF), which stood at US\$6.3 billion at the end of 2025, rating agencies have identified the erosion of external liquidity buffers as key vulnerability weighing on the sovereign credit profile. The rising external challenges are compounded by global uncertainty, trade disruptions and continued geopolitical tensions. Previous geopolitical tensions added to the constraining macroeconomic position, including delays with key gas projects. The issuance of the US license in early 2026, will allow for the country to advance with the development of the Dragon gas field which straddles the maritime border with Venezuela, and together with other major gas projects should support higher production and strengthen external balances over the medium term.

4.10 Mitigation. The country has robust fiscal buffers such as the Heritage Stabilization Fund (HSF) as well as further buffers to external shocks anchored in the country's well-developed energy sector. Structural reforms to the exchange rate regime and state owned enterprises could support long-term private sector growth. In addition, new hydrocarbon projects may support foreign exchange inflows, providing relief to the prevailing currency challenges. The IDB Group will work with the government to strengthen public financial and fiscal management and will continue to monitor prudent macroeconomic indicators. The returns on resilience investments coupled with the layered risk financing strategy are made visible in the debt dynamics and credit profiles that underpin sovereign risk assessments are becoming recognized regionally and internationally. This is how the IDB Group is supporting increased creditworthiness and what the cross-cutting DRM theme embedded in this country strategy commits

to delivering. Importantly, since some macroeconomic risks cannot be fully mitigated, such as those stemming from commodity-price volatility and the natural decline in hydrocarbon production, continuous monitoring of debt sustainability and prudential macroeconomic indicators will remain relevant throughout the Country Strategy period.

INSTITUTIONAL RISKS

4.11 Risks. Institutional capacity constraints, including shifting government priorities, poor inter-agency coordination, and human resources constraints heighten implementation risk. The absence of a defined national development plan heightens the risk of programming and execution delays stemming from unpredictable shifts in government priorities. Furthermore, poor internal coordination, weak governance structure for decision making, unclear roles and responsibilities coupled with limited human resources and frequent movement within the public sector are added complications for project implementation.

4.12 Mitigation. The IDB Group will support the strengthening of institutional capacity through targeted technical assistance, training and on-the-ground implementation support, including the establishment and operationalization of a Project Delivery Unit. Recognizing that effective implementation of the Country Strategy will require strong coordination across multiple government entities, the Bank will support efforts to strengthen the coordination role of the Ministry of Planning and Development in the planning, execution, and monitoring of development initiatives. This will include enhancing data-sharing arrangements, stakeholder engagement processes, and monitoring and evaluation systems to improve collaboration across ministries and agencies. The Bank will also support the development of interoperable digital and statistical systems and stronger national information management frameworks to facilitate information sharing, reduce duplication of effort, and provide a common evidence base for policy decisions. In addition, the Bank will support the strengthening of monitoring and evaluation frameworks through the introduction of shared indicators, regular performance reviews, and clear accountability arrangements across participating institutions. The Bank will continue to facilitate information sharing, timely feedback loops, and decision-making processes, while providing technical support to complement ongoing assessments aimed at developing a coherent and comprehensive national development plan. Notwithstanding these measures, a residual implementation risk will remain due to the complexity of coordinating reforms and investments across multiple institutions with varying capacities and mandates. Delays in decision-making, policy coordination, or execution could affect the pace and sequencing of Country Strategy interventions and the timely achievement of expected development results.

ENVIRONMENTAL AND CLIMATE CHANGE

4.13 Risks. Trinidad and Tobago remains vulnerable to multi-hazard natural disaster risks such as extreme weather events, flooding, temperature changes, sea level rise and changes in rainfall patterns. Climate change represents a significant sovereign risk to T&T.²⁵ ²⁶ Given its location along an active tectonic boundary zone, Trinidad and Tobago is also exposed to earthquakes. According to the Bank's index of Governance and Public Policy in DRM diagnostic tool Trinidad and Tobago is below the regional average and ranks among the lowest in its DRM governance implementation.²⁷ The country has made progress in strengthening environmental and social governance through national policies aligned with global frameworks such as the Sustainable Development Goals (SDGs) and the Paris Agreement, however environmental pressures remain significant. Risks related to water pollution, oil pollution, deforestation, and soil erosion continue to affect environmental sustainability and resilience. These challenges are compounded by climate change, coral reef degradation, habitat loss, and ongoing solid

²⁵ [Trinidad and Tobago National Adaptation Plan \(NAP\) 2024](#)

²⁶ The IDB has estimated GDP reductions of 8.1% by 2030 and 20.8% by 2050. [Climate Change and Sovereign Risk: A Regional Analysis for the Caribbean, 2024](#)

²⁷ [iGOPP: Index of Governance and Public Policy in Disaster Risk Management](#)

waste pollution, all of which pose risks to the nation's environment, economy, and communities. Strengthening disaster risk management governance, including emergency preparedness and response capacities for both climate-related and seismic hazards, will therefore remain critical to reducing vulnerabilities and enhancing national resilience during the strategy period and beyond.

4.14 Mitigation. Disaster risk management and sustainability are integrated throughout the three pillars of the CS. The IDB Group will finance resilient infrastructure and enhance institutional capacity for improved governance and service delivery in the public and private sector. The Bank will work with the country to strengthen disaster risk management and resilience through interventions to reduce vulnerability to extreme weather events and strengthen DEM Governance. The Bank offers a mix of DRM instruments for disaster risk reduction, preparedness, recovery and risk financing. Support to interventions that will improve climate resilience such as coastal erosion protection, promoting resilient infrastructure, smart agriculture, and integrating technology for risk identification and response are vital steps. The IDB Group will work to support the country's policy framework for climate change adaptation, including the National Adaption Plan (NAP). The NAP outlines the nation's strategic approach to addressing climate change impacts, emphasizing adaptation in key sectors: coastal resources, agriculture, water, health, biodiversity, infrastructure and financial services.

SOCIAL

4.15 Risks. The country faces social challenges such as high levels of crime, socioeconomic inequality, youth unemployment, barriers to access secondary education and persistent issues linked with gender-based violence, and discrimination against LGBT+ individuals. These persistent social issues create a complex environment for insecurity and slow process towards achieving development goals despite the abundance of natural resources.

4.16 Mitigation. Within the context of the regional SDG blueprint Trinidad and Tobago remains committed to advancing justice sector reform, strengthening child protection systems, promoting women's rights, and enhancing cybersecurity. Citizen security as well as transparency are priority development challenges for the Bank and aligned with the Government's development agenda. Policy dialogue is on-going for the IDB to lend support in this area.

PRIVATE SECTOR DEVELOPMENT

4.17 Risks. Limited progress in strengthening enabling conditions for private investment and private sector expansion beyond the energy sector remains a key risk. A nascent PPP market, constraints in access to finance and FX, and a fragmented entrepreneurial support ecosystem continue to hamper private sector dynamism in areas such as infrastructure, agribusiness, and tourism. Slower progress in these areas could further constrain investment, diversification, job creation and a pipeline of bankable projects supported by IDB Invest.

4.18 Mitigation. IDB Invest will deploy targeted advisory services and upstream support for investment readiness, and in coordination with IDB articulate an integrated view of upstream work seeking to strengthen regulatory, contractual and financing frameworks to unlock private investment. IDB Lab will continue to support the entrepreneurial ecosystem, while IDB will continue to support sector transformation and assess bankable private sector projects in the water sector.

ANNEX I – RESULTS MATRIX

Government Priority ²⁸	Pillar	Strategic Objective	Expected Outcome	Indicator	Baseline (Unit of measurement)	Source
Unlocking Productive Investment and Jobs	1. Supporting Private Sector Growth	1.1 Strengthen private investment	1.1.1 Expanded credit supply to alleviate growth constraints for MSMEs	MSMEs benefiting from financial and/or non-financial support (#)	2024/264 (number)	IDB Group Impact Framework
			1.1.2 Increased capacity of firms to adopt new technology	Knowledge absorption (Business sophistication subcomponent)	2025: 10.72 (Score)	Global Innovation Index (World Intellectual Property Organization - WIPO)
			1.1.3 Higher rates of firm level fixed capital formation in the productive sector	Annual Percentage of firms that make investments in fixed assets	2025: 26.5% (%)	World Bank Enterprise Survey
			1.1.4 Increased skilled workforce	Percentage of skilled employees (%)	2024: 76.8% (%)	Labour Force Survey (LFS) Continuous Sample Survey of the Population, International Labour Organization (ILO)
Modernizing Infrastructure, Transport and Digital Services		1.2 Advance on infrastructure modernization and resilience	1.2.1 Strengthened water sector operational efficiency	Yearly volume of physical losses due to leakages in the WASA service area	2026: 215iMGD ²⁹ (Imperial gallons)	WASA report/Ministry of Public Utilities
			1.2.2 Improved resilient transport infrastructure	Quality of trade and transportation infrastructure ³⁰ (component of the Logistics Performance Index)	2022: 2.4 (score)	World Bank Logistics Performance Index (LPI)
Restoring Confidence and Fiscal Stability	2.Strengthenin g Fiscal Management and Service Delivery	2.1 Improve transparency and Governance	2.1.1 Enhanced public spending efficiency management and transparency	Contribution to government tax revenue forecasting process	2024/C ³¹ Score	IMF, The Tax Administration Diagnostic Assessment Tool (TADAT)
				Publication of activities, results, and plans	2024/D (score)	IMF, The Tax Administration Diagnostic Assessment Tool (TADAT)

²⁸ Priorities as identified by the Government of Trinidad and Tobago; The Strategic National Development Strategy is in preparation.

²⁹ The baseline value is preliminary, and the final number will be confirmed jointly with the Water and Sewerage Authority (WASA)Trinidad and Tobago

³⁰ [Logistics performance index: Quality of trade and transport related infrastructure](#). (1= low to 5= high)

³¹ The Tax Administration Diagnostic Assessment Tool uses a four-point "ABCD" scale. 'A' denotes performance that meets or exceeds international good practice; 'B' represents sound performance (i.e. a healthy level of performance but a rung below international good practice); 'C' means weak performance relative to international good practice; and 'D' denotes inadequate performance and is applied when the requirements for a 'C' rating or higher are not met. Furthermore, a 'D' score is given in certain situations where there is insufficient information available to assessors to determine and score the level of performance.

Government Priority ²⁸	Pillar	Strategic Objective	Expected Outcome	Indicator	Baseline (Unit of measurement)	Source
Commercializing and Optimizing Public Assets		2.2 Improve citizens service delivery	2.2.1 Increased access to digital services	E-Governance Development Index (UN EGDI)- Online services Index	2024: 0.60 (score)	UN E-Government knowledge database
			2.2.2 Strengthened cybersecurity public policy and capacity	CMM (Cybersecurity Capacity Maturity Model for countries, by Oxford University's global center for cybersecurity capacity)	2025: 123 (score)	https://publications.iadb.org/en/2025-cybersecurity-report-vulnerability-and-maturity-challenges-bridging-gaps-latin-america-and
Protecting People through Social Investment and Safety Nets	3. Enhancing Social Well-Being and Human Capital	3.1 Support citizen security	3.1.1 Increased access to support services for GBV and domestic violence	Number of persons accessing GBV support services	2026: TBC ³²	Administrative records, Ministry of the People, Social Development and Family Services (Gender Affairs Division)
			3.1.2 Improved crime detection	Crime Detection Rate ³³	2025: 33% (%)	Trinidad and Tobago Police Service
		3.2 Improve health services and housing conditions	3.2.1 Improved access to digital healthcare	% of population using digital health services ³⁴	2024:25% (%)	IDB Regional household survey
			3.2.2 Increased access to adequate-quality housing	Proportion of households that live in houses with adequate quality	2022/81.35 (%)	Multiple Indicator Cluster Survey (MICS), Central Statistical Office
				(#) households benefited from housing and urban development solutions	2024: 650 (number)	IDB Group Impact Framework
			3.2.3 Enhanced water service delivery	% of population with 24/7 water supply	2025: 27% (%)	WASA report/Ministry of Public Utilities

³² The Baseline will be jointly established with the Ministry of People, Social Development and Family Services Division.

³³ This indicator uses the standard international Crime Clearance Rate formula. It calculates the proportion of reported serious crimes that law enforcement resolves through the arrest of a suspect or gathering of sufficient evidence for prosecution

³⁴ Percentage of the target population that used at least one digital health service (e.g., telehealth, patient portal, e-prescription, digital appointment system, remote monitoring) during the reporting period.

ANNEX II – PORTFOLIO ALIGNMENT AND INDICATIVE PIPELINE 2026 - 2027

Priority Area	Strategic Objective	Portfolio Alignment	Indicative Program 2026-2027
Pillar 1: Supporting Private Sector Growth	Strengthen private investment	IDB Invest: 14703-01 15493-01 IDB Lab: TT-L1072 TT-L1074 TT-T1172 TT-T1151	IDB Lab: - RG-T4882 LAC Nascent Ecosystems Fund Managers Launchpad - TT-G1010 Sargassum Agri-Products
	Advance on infrastructure modernization and resilience	TT-L1055	TT-L1071 Trinidad and Tobago National Water Sector Transformation Program - Phase 2 Improve the efficiency, sustainability and resilience of potable water supply service and water security TT-L1073 Climate-Resilient Local Infrastructure in Trinidad Contribute to the resilience of Trinidad's socioeconomic activities against Extreme Weather Events (EWE) TT-L1077 Climate-resilient Coastal Infrastructure and Management Program Build resilience to coastal and climate risks through innovative coastal protection infrastructure and promotion of sustainable livelihoods
Pillar 2: Strengthening Fiscal Management and Service Delivery	Improve transparency and Governance	TT-L1061	TT-L10XX Support to Reform State Owned Enterprises
	Improve citizens service delivery		
Pillar 3: Enhancing Social Well-Being and Human Capital	Improved quality and access to healthcare	TT-L1039	TT-L1075 Integrated Health Services Strengthening Program Develop an integrated, patient-centered health system
	Support citizen security		TT-L10XX Program to enhance Institutional Capacity for Crime and Security
	Increased access and quality of affordable housing	TT-L1056 TT-L1057	

Portfolio alignment and indicative pipeline

		IDB Invest: 13065-02 14232-01 15131-01	
	Enhanced water service delivery	TT-L1055	TT-L1071 Trinidad and Tobago National Water Sector Transformation Program - Phase 2 Improve the efficiency, sustainability and resilience of potable water supply service and water security

ANNEX III – NATIONAL SYSTEMS MATRIX

Strategic Objective	Expected Impact	Indicator	Unit of Measure	Baseline	Base Year	Main Goal	Time Distribution
Strengthening of National Systems	Closed gaps with ISSAI Organizational Requirements	Progress in the implementation of the SAI strategic plan aligned with ISSAI Organizational Requirements	% progress of ISSAI - Organizational Requirements	35%	2026	70%	End of CS
	Closed gaps with ISSAI Audit Standards	Progress in the implementation of the SAI strategic plan aligned with ISSAI Audit Standards	% progress of ISSAI - Operational Audit standards	80%	2026	100%	End of CS
	Closed gaps with IPSAS	IPSAS training	Number of IPSAS training	0	2026	2	End of CS
		IPSAS certification	Number of IPSAS certified staff	0	2026	100	End of CS
	Strengthened capacity of Executing Agencies to apply national procurement procedures	Number of training sessions and dissemination activities conducted for Executing Agencies	Number of trainings / workshops delivered	0	2027	Minimum 5 sessions over the CS period	Throughout the CS period

Strategic Objective	Expected Impact	Indicator	Unit of Measure	Baseline	Base Year	Main Goal	Time Distribution
Improve Operational Efficiency of the IDB portfolio	Maintained use of the SAI	Active portfolio using the SAI Subsystem for external audit	Percentage of active portfolio using the SAI for external audit	75%	2026	75%	End of CS
	IFMIS Module used by all Bank-financed lending operations	Active Portfolio using the Accounting and Reporting Subsystem	Percentage of active portfolio	0%	2026	30%	End of CS
	Reduced number of ex-ante processes due to the use of National Systems for Shopping if approved	Number of reduced ex-ante processes	Reduction in processes	0	2027	15% reduction	End of CS
Increased Use of National Systems	Adoption of national Shopping procedures in Bank-financed operations	% of contracts using national Shopping procedures under approved framework	Percentage (%) of total eligible Shopping contracts	0	2027	15%	End of CS

ANNEX IV – ILLUSTRATIVE FINANCING FRAMEWORK

Annex IV presents an illustrative lending framework for the IDB Group's approvals over the CS 2026-2030 implementation period. The total illustrative approvals are estimated at US\$1.5 billion over the period with US\$768 million from IDB for the sovereign-guaranteed financing, US \$750 million for IDB Invest estimated activity and US\$15 million IDB Lab. Strengthening its position as a key development partner, the Group is expected to increase its support to the country over the CS period, with expanded activity under the sovereign guaranteed program to support key reforms and investment needs, while private sector lending is expected to remain consistent with previous years.

Total IDB Group estimated financing for Trinidad and Tobago 2026-2030 (US\$ Millions)

IDB Group Windows	2026	2027	2028	2029	2030	Total Approvals 2026-2030	% of Total
IDB	355	175	60	148	30	768	50
IDB Invest	150	150	150	150	150	750	49
IDB Lab	1.4	3.4	3.4	3.4	3.4	15	1
Total	506.4	328.4	213.4	301.4	183.4	1,533	100

For the 2026–2030 period, IDB Lab envisages an indicative approval envelope of approximately US\$15 million (including regional operations), subject to MIF resource availability and the mobilization of additional financing. IDB Invest estimates an indicative level of support for Trinidad and Tobago of approximately US\$750 million in total activity. This reflects IDB Invest's level of ambition in the country over the coming years, supported by expected demand, increased capital availability following the recent capital increase, a stronger programmatic approach under the institutional matrix, and closer coordination and synergies with the public sector in originating bankable transactions. It is also underpinned by the implementation of IDB Invest's New Vision and Business Model and the S&I Roadmap, which enables a greater risk appetite and enhanced mobilization of third-party resources. The realization of this level of ambition will depend on external factors beyond IDB Invest's control, including those outlined in the risk section of this document.

IDB Invest Disclaimer: Annual estimates for IDB Invest total activity are presented for illustrative purposes only. Expected total activity should be assessed over the full Country Strategy implementation period. Realized annual activity may vary from the estimates shown, as the implementation of the IDB Invest business model is expected to evolve over the strategy period and market conditions, client demand, and investment opportunities will change over time. Accordingly, annual figures should not be interpreted as annual targets.

IDB Lab Disclaimer: The indicative approval ambition, including regional projects that Trinidad and Tobago would be a beneficiary, is subjected to the Multilateral Investment Fund IV resource replenishment and the mobilization of additional financing. Annual estimates for IDB Lab are presented for illustrative purposes only.

The illustrative sovereign-guaranteed financing framework for Trinidad and Tobago over the period CS 2026–2030 estimates total approvals of US \$768 million. This figure is based on government financing needs, current disbursement schedules for the current portfolio and estimated approvals from pipeline operations. Further this baseline scenario is defined based on strategic dialogue with the authorities and ongoing operational dialogue across sectors. To increase the impact of results, strategic alliances with external partners will also be leveraged to expand to financing envelope. Notwithstanding the IDB offer, the financing framework is subject to further validation by the Government as part of the annual programming dialogue with the Bank.

(US \$M)	Country strategy 2021-2025					
	2021	2022	2023	2024	2025	Total
Approvals	21	80	42	-	-	143
Disbursements	57	38	21	16	37	169
Repayments (Principal)	62	57	59	59	53	291
Net capital flows	(6)	(20)	(38)	(43)	(16)	(122)
Interest and Fees	72	72	100	105	91	441
Net cash flows	(16)	(34)	(79)	(89)	(54)	(273)

IDB Debt	751	732	694	651	635
Multilateral Debt	1,937	1,958	2,025	2,055	2,013
External Debt	4,836	4,852	5,182	5,576	5,457
Total Debt	19,198	19,035	20,281	20,869	21,703
IDB debt/multilateral debt	39%	37%	34%	32%	32%
IDB debt/total external debt	16%	15%	13%	12%	12%
IDB debt/total public debt	4%	4%	3%	3%	3%

Country strategy 2026-2030- Illustrative Scenario					
2026	2027	2028	2029	2030	Total
355	175	60	148	30	768
31	228	80	128	107	574
48	61	62	64	63	298
(16)	167	18	63	44	276
25	43	44	46	48	206
(41)	123	(26)	17	(4)	69

Source: IDB, IMF and Central Bank of Trinidad and Tobago

ANNEX V – DEVELOPMENT EFFECTIVENESS MATRIX

COUNTRY STRATEGY DEVELOPMENT EFFECTIVENESS MATRIX

COUNTRY STRATEGY

STRATEGIC ALIGNMENT

Refers to the degree to which the design and objectives of the CS are consistent with the country development challenges and with the government's development plans and priorities.

EFFECTIVENESS

This measures whether the country strategy is likely to achieve its intended objectives, through an examination of three dimensions: (i) the quality of the diagnostics on which Bank action is based in each area of work; (ii) the quality of the results matrix for the strategy; (iii) the use and build up of country systems.

Effectiveness dimensions	
I. Country Diagnosis - Country Diagnostic for Impact (CDI)	Yes/No
- The CDI clearly identifies the main development challenges prioritized by the CS	Yes
- The CDI's main development challenges are based on empirical evidence	Yes
II. CS Priority Areas Diagnostics**	%
- identify the priority area's main constraints and challenges	100%
- identify the main factors /causes contributing to the specific constraints and challenges	100%
III. Results matrix*	%
- The strategic objectives are clearly defined	100%
- The expected outcomes are clearly defined	100%
- The strategic objectives and expected results are directly related to the main constraints identified in the Diagnosis	100%
- The indicators are outcome indicators and are SMART	100%
- The indicators have baselines	100%
IV. Vertical logic	
- The CS** has vertical logic	Yes

ANNEX VI – COUNTRY STRATEGY KNOWLEDGE AGENDA BY PILLAR

Sub-Pillar	Knowledge products identified	IDB area lead
Pillar 1: Supporting Private Sector Growth		
Strengthen Private Sector Investment Knowledge to help identify and inform innovation and scale-up of businesses, especially in the non-energy sector	Develop a framework for redefining "investable" projects to attract layered capital (financial, intellectual, social) beyond traditional bankability criteria.	IDB Invest
	Improve our understanding and measurement of the concept of multi-dimensional value creation for the private sector actors.	
	Establish a mechanism to assess instruments suitable for early-stage/startup financing (reimbursable grants, quasi-equity) to bridge the "Valley of Death", and review of how comparable models function in other LAC countries.	IDB Lab
	Develop differentiated risk-assessment tools enabling non-bank institutions (e.g. credit unions) to evaluate growth of companies beyond traditional collateral and audited financials.	IDB Lab
	Evaluate how the AI wave is reshaping the entrepreneurial landscape in T&T and the wider Caribbean.	IDB Lab
	Produce a comprehensive assessment of financial constraints faced by the non-energy business sector (collateral requirements, foreign exchange scarcity, cost of financing, and other barriers preventing private sector diversification of the economy).	IFD/CMS
	Study value chains to assess spillovers and identify sectors with productive potential beyond oil and gas. This could be done by promoting the updating of input-output tables and establishing a professional network for Nowcasting economic activity.	ICS/IFD, CCB
	Conduct a World Customs Organization Time Release Study (customs end-to-end process review) to identify remaining barriers to trade efficiency following the implementation of the single electronic window.	PTI/CTI
	Assess tourism (including Carnival) and other non-energy productive sectors with export and growth potential.	
Advance Infrastructure Modernization & Resilience Knowledge to understand service deficiencies in the water and transport sectors, and mapping	Data gaps: Create a comprehensive business registry Work with statistical agencies to minimize delays in publication of census and country-level survey data which can complement firm-level surveys (e.g. IFPG, WB Enterprise).	IFD/ICS, CCB
	Technical feasibility and cost study on desalination as a water source for T&T, with comparative analysis of alternatives such as wastewater reuse and regional experience.	INE/WSA
	Knowledge development on PPP strategic framework and contract templates for the water sector, drawing on Jamaican experience and similar advanced markets.	INE/WSA
	Assess performance-based contracts (PBCs) and co-management models for Non-Revenue Water (NRW) reduction, including documentation of WASA's digitalization and SCADA Command Center as a regional model.	INE/WSA

Sub-Pillar	Knowledge products identified	IDB area lead
of infrastructure weak links.	Collect and analyze data on public transport routes, frequency, and ridership to inform policy on the PTSC network and affordability for low-income households.	INE/TSP
	Systematic mapping of infrastructure weaknesses across transport, energy, and water systems to plan for disruptions and protect vulnerable communities.	INE
Pillar 2: Strengthening Fiscal Management and Service Delivery		
Improve Transparency & Governance Update detailed fiscal and financial performance indicators of the public sector	In-depth assessment of state-owned enterprises examining financial performance, governance, and fiscal risks.	IFD/FMM
	Updated Public Expenditure and Financial Assessment (PEFA). Evaluate current public financial management systems. Introduce Methodology Assessment for Procurement Systems (MAPS).	
	Investigate the systemic lag in publication of key macroeconomic indicators and updating outdated national statistics to support evidence-based policy and programming.	
Improve Citizen Service Delivery Knowledge to increase digitization of citizen services, e-government and cyber-security	Conduct assessment of cybersecurity preparedness of Ministries, Departments, and Agencies (MDAs) and public utilities, to quantify gaps and prioritize investment in cyber-resilience.	IFD/ICS, PTI/CTI
	Assess maturity of digital transformation of public agencies and municipal corporations to gauge readiness to deploy digital services.	PTI/CTI
	Perform data audits of Ministries, Departments, and Agencies to inform a national data governance and interoperability framework, as a foundation for integrated digital public infrastructure.	PTI/CTI
	Research and document Trinidad & Tobago's digital identity system (VerifyTT) as a leading Caribbean case study, for knowledge sharing and potential replication across the region.	PTI/CTI
Pillar 3: Enhancing Social Well-being and Human capital		
Support Citizen Security Improve knowledge base regarding schools, youth, incidence of violence behavior, etc. to inform policy on citizen security	Evidence on effective initiatives ("what works") to prevent gender-based violence.	SCL
	Study the evidence on what are the effective school-based initiatives to prevent violence in schools.	SCL, CCB
	Identify effective school climate models and value-added school approaches to reduce violence, with comparative evidence from Barbados and Jamaica.	
	A comprehensive assessment of the availability, accessibility, affordability, and quality of childcare, eldercare, and disability-related care services.	
	Data gaps: Update nationally representative statistics on gender-based violence (most recent survey: 2017). Collect and match administrative data from justice, health, and social sectors, including data on perpetrators, to support social policy.	SCL
	Assess homelessness in T&T: scale, causes, and policy recommendations.	
	Develop a national registry for vulnerable populations to improve targeting and coherence of social protection policies.	SCL

Sub-Pillar	Knowledge products identified	IDB area lead
	Updated nationally representative data on unpaid care and domestic work, including through a time-use survey.	SCL
	Improved statistics and administrative data on gaps affecting persons with disabilities across sectors.	SCL
Improve Health Services & Housing Conditions	Assess housing conditions and impact of land use planning, if any. Identify the vulnerable households and whether land rights are being enforced.	CSD/HUD
	Data gap: Conduct time-use surveys to quantify unpaid care and domestic work (disproportionately borne by women) to inform labor force participation policies; Assess availability, accessibility, and quality of childcare, elderly care, and disability care services in T&T.	SCL
	Study whether there is a misalignment between workforce skills supply and emerging private sector demand, particularly in non-traditional sectors	
Crosscutting Areas		
Disaster Risk Management, Resilience & Sustainability Foster Inclusion & Equal Opportunities for Vulnerable Groups	Disaggregate disaster resilience datasets by gender and disability status to enable targeted response planning for vulnerable groups.	SCL, CSD
	Data gap: Update statistics on persons with disabilities using international standards	
	Match administrative data on access to health, education, labor, housing, and transport.	
	Assess of barriers faced by migrant children in accessing schools.	
	Study the viability of including migrants in household and labor force surveys, with specific application to T&T context.	