



**GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND
TOBAGO**

**INNOVATIVE PRACTICES TO BE CONSIDERED DURING THE
MINISTERIAL-LEVEL CONSULTATIONS OF THE TWENTY-THIRD
SESSION OF THE GOVERNING COUNCIL/GLOBAL MINISTERIAL
ENVIRONMENT FORUM, NAIROBI, KENYA, FEBRUARY 21-25, 2005**

Submitted by

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DESCRIPTION OF INITIATIVES

1. Expansion and Integrating of the Sewerage Network along the East-West Corridor of Trinidad

This initiative is aimed at expanding and integrating the sewerage network along the East-West corridor of Trinidad to address the problem of the dire state of disrepair of package sewerage treatment plants in the area and to provide adequate mechanisms for the treatment of sewage in an area which has increasing population growth and urbanization. This initiative will cover an area of 566 hectares with a total resident population of 303,600. It will involve the updating of the wastewater master plan for the area which would lay out the foundation for an investment strategy in the sewerage sector for the East-West corridor for over the next 30 years. This initiative is being undertaken by a consortium comprising SAFEGE Consulting Engineers (leading French firm) and AdeB Consultants (Trinidadian firm) as a total cost of TT\$ 4.6 Million.

2. Provision of High-quality Affordable Houses for Low and Middle Income Earners.

The initiative is aimed at facilitating the provision of affordable and acceptable housing solutions through the creation of integrated and sustainable communities. The initiative will address urban renewal and development; regularization and containment of squatting; community development; housing finance; subsidies; rental accommodation and catering for the needs of the vulnerable in society. It is envisioned that the initiative will produce 10,000 houses per annum to meet the estimated 100,000 shortfall of homes by the year 2015 and increase access to mortgages across the income spectrum, particularly amongst the low income groups.

3. Inter-American Development Bank's (IDB) Second National Settlement Programme

In June 2002, the Government of the Republic of Trinidad and Tobago entered into a three year contract (effective 2003-2006) with the IDB for financing Phase I of the Second National Settlements Programme in the sum of US\$40 Million. Under the terms of the financing agreement the IDB will provide US\$32 Million and the Government of the Republic of Trinidad and Tobago will provide US\$8 Million. The objective of this program is to establish a more equitable, transparent and sustainable system of affordable housing. The IDB Squatter Upgrade component seeks to improve living conditions and regularize the security of tenure for about 5,400 families living in squatter settlements. The IDB Subsidy Component will assist 3,000 households to purchase homes. The Home Improvement Component seeks to assist 1,100 low-income families to benefit from matching grants to undertake home improvements.

MAINSTREAMING AND SUSTAINABILITY

1. Expansion and Integrating of the Sewerage Network along the East-West Corridor of Trinidad

The initiative will improve the country's environmental sanitation and uplift the standard of living for its citizens. The initiative fits into the overall comprehensive national wastewater master plan that is being developed for the entire country and therefore can be used as an investment tool in order to ensure that:

- Future developments in the sewerage sector are undertaken in a cost effective way and are compatible with overall sector objectives
- Funding mechanisms and schemes are put in place to support the necessary expansion of the system

2. Provision of High-quality Affordable Houses for Low and Middle Income Earners.

The initiative fits into the overall strategic development trust of the Government of the Republic of Trinidad and Tobago to be a developed nation by the year 2020 and the provision of adequate housing for all citizens is one of the key deliverables of that vision. The Government of Trinidad and Tobago has traditionally been the major source of funding for housing programmes. In an effort to encourage private sector participation in the delivery of housing the Government has entered into an agreement with a Consortium of Banks (Republic Finance and Merchant Bank Limited (FINCOR), RBTT Bank, Scotia Bank of Trinidad and Tobago Ltd. and First Citizens Bank) to secure TT\$1.2 Billion in financing for the construction of housing units by way of joint ventures. The Consortium has agreed to provide financial resources to support three (3) major areas of the Government's Housing Programme:

- Construction funding for Contractors under the Joint Venture Programme;
- Mortgage financing for purchasers of the housing stock/units under the Joint Venture Programme; and
- Provision of mortgages for houses in the TT150,000 range and below under the IDB subsidized loan programme.

The Government of the Republic of Trinidad and Tobago recognizes that address the country's housing requirements and citizens homeownership aspirations is an ongoing exercise. The Government action plan for the future includes strategies such as Community Development; a Rent-to-Own Programme; Specially adapted housing units to accommodate the Physically Challenged and the Elderly; Intensification of the Urban Renewal and Redevelopment thrust and improvement of the legislative environment in the area of land management and mortgage conveyancing.

3. Inter-American Development Bank's (IDB) Second National Settlement Programme

This initiative is operating in parallel and in support of initiative 2 above, and it is therefore also in keeping with the Government's long-term strategic development trust. One of the components of the IDB Programme is a Sector and Institutional Development Study aimed at addressing strategic sectoral bottlenecks. It is envisioned that the study will introduce more efficient and focused national housing production system that better serves the needs of the lower income groups. Moreover, it will do so in a sustainable fashion, without imposing additional fiscal burden on the country.

REPLICATING THE INITIATIVES

1. Expansion and Integrating of the Sewerage Network along the East-West Corridor of Trinidad

The approach adopted by this initiative can be applied by other countries. Some of the lessons learnt from this initiative include:

- The need to have adequate institutional and regulatory framework to ensure adequate service levels and overall sustainability of the sewerage sector.
- The need for extensive field investigations and measurements in order to produce actual data relevant to existing facilities and not based upon indiscriminate use of data derived from previous studies; and
- The use of Geographic Information Systems (GIS) in the analysis and processing of the large volume of data collected.

2. Provision of High-quality Affordable Houses for Low and Middle Income Earners.

The approach adopted under this initiative can be applied by other countries whose Governments' are seeking to move away from actively bearing the burden of constructing housing units for low income persons, and adopting a new role of facilitator, with significant private sector participation. One of the lessons learnt from this initiative is that prior to the Consortium arrangement, the private sector, avoided involvement in the provision of housing for low income and to a limited extent for middle income earners. In this regard, the new partnership arrangement has facilitate the recognition by the private sector that their fears of financing low income persons, in terms of high default rates, are groundless, and it is anticipated that the private sector would continue to provide for the low income market in the long-term.

4. Inter-American Development Bank's (IDB) Second National Settlement Programme

This approach like initiative 2 above can be explored by other countries seeking international assistance in addressing housing needs. One of the lessons learnt from this initiative is that the system of direct demand driven subsidies allow for greater efficiency in the housing sector by introducing competition and mobilizing additional private resources from family savings and commercial bank loans. Therefore, funds from these two sources in effect double those that Government invested in the sector.