MINISTRY OF WORKS AND TRANSPORT

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March 26, 2019

Ms. Jacqui Sampson-Meiguel
Clerk of the House,
Parliament, Republic of Trinidad and Tobago,
Level G-8 Tower D,
The Port-of-Spain International Waterfront Centre,
1A Wrightson Road,
Port of Spain.

Dear Ms. Sampson-Meiguel,

RE: The Sixteenth Report of the Public Administration and Appropriations Committee on an Examination into the implementation of the Public Sector Investment Programme

Your correspondence (REF: Parl 5/5/43) dated January 31, 2019 which was addressed to the Permanent Secretary, Ministry of Works and Transport on the subject at caption refers.

In this regard, the Ministry of Works and Transport has reviewed the recommendations/observations outlined at pages 22 to 25 of the report, pertaining to the Public Sector Investment Programme (PSIP) of the Ministry and submits the response attached at the **Appendix** for the consideration of the Public Administration and Appropriations Committee.

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Permanent Secretary (Ag.)
Ministry of Works and Transport

PERMANENT SECRETARY
Ministry of Works and Transport

The Sixteenth Report of the Public Administration and Appropriations Committee on an Examination into the Implementation of the Public Sector Investment Programme

Responses from the Ministry of Works and Report on the Recommendations contained within the Sixteenth Report of the Public Administration and Appropriations Committee

The Sixteenth Report of the Public Administration and Appropriations Committee on an Examination into the Implementation of the Public Sector Investment Programme

RECOMMENDATIONS:

1. The Ministry of Works and Transport should submit a status report to the Parliament of the progress made in acquiring the necessary manpower in relation to the implementation of the Ministry's PSIP by February 15, 2019

In December 2018, the Ministry of Works and Transport invited interested applicants to apply for the two (2) under-mentioned contract positions which are intended to supply crucial support to the monitoring and evaluation arm, the Central Planning Unit, of the Ministry:

- Project Manager
- Project Support Officer

The application period closed in January 2019 and the shortlisting of candidates is in progress in preparation for the conduct of interviews.

2. The Ministry of Works and Transport should submit a status update to the Parliament on the establishment and staffing of the Bridges, Landslips and Traffic Management Project Management Unit (BLT PIU) by February 15, 2019

Cabinet via Minute No. 1975 of November 16, 2018 approved the recruitment on contract of the under-mentioned positions within the BLT PIU:

- One (1) Programme Director
- One (1) Programme Accountant
- One (1) Project Accounts Officer
- Two (2) Senior Project Managers
- Three (3) Project Engineers
- Six (6) Senior Engineering Technicians
- One (1) Senior Project Officer
- One (1) Business Operations Assistant II
- Two (2) Business Operations Assistant I

- Two (2) Drivers/General Office Assistants

The Ministry is currently preparing the relevant documents to facilitate the advertisement of the positions.

3. The Ministry of Works and Transport should cause a Needs Assessment to be conducted to determine whether a Project Management Unit should be established at the VMCOTT and submit a status update of the same to the Parliament by March 31, 2019

It should be noted that the policy direction for the continued viability of VMCOTT as approved by the Cabinet consists of the identification of a strategic private partner for the Company, an effort which is being spearheaded by the Ministry of Finance.

Further to this, via Minute No. 1848 of October 25, 2018, Cabinet agreed that the various concerns which were affecting the successful engagement of a strategic partner should be addressed by the relevant responsible Ministries, namely matters such as restructuring the Company's debt and regularization of the titles to lands which its occupies.

Given the aforementioned ongoing concerns regarding the future of the Company, no consideration has been given at this time to the need for the establishment of a Project Management Unit within VMCOTT. Nevertheless, the Ministry in collaboration with VMCOTT commits to ensuring that the necessary assessments are undertaken, when or if the establishment of such a Project Management Unit is desired.

OBSERVATIONS:

1. The Ministry of Works and Transport, despite adhering to the Ministry of Finance's Call Circular and implementing the Ministry of Planning and Development's Project Screening Brief, still had an unhealthy implementation rate

The concerns of the Public Administration and Appropriation Committee (PAAC) are noted. However, the Ministry of Works and Transport wishes to clarify that a significant proportion of the projects executed under its Capital Investment Programme are large scale multi-year programmes comprised of a number of sub-projects.

While it appears that the Ministry has low rates of project implementation, this is in part due to the manner in which project status/completion is reported. The rates of project completion experienced in fiscal 2018 under some of the Ministry's multi-year programmes of works are detailed below:

Programme	Brief Description of Scope	No. of Projects Completed in Fiscal 2018
701/43/003/15/D /247 – Road Construction/ Major Road Rehabilitation	This line item facilitates the programme of works executed by the Programme for Upgrading Roads Efficiency (PURE). The programme consists of a number of projects implemented under the following categories: • Road and Bridge Rehabilitation • Provision of Alternative Accesses • Traffic Management Measures	26
701/43/003/15/D /275 – Bridges Reconstruction Programme	This is multi-year phased programme intended to rehabilitate/ reconstruct approximately 62 critical bridges on the Highways Division's road network	5
701/43/003/15/D /288 – Construction of Moruga Highway	This programme comprises the upgrade of the Moruga Road from Petit Café Junction to Marac Village via a number of sub-projects.	2

Further, it is under the Ministry's recurrent expenditure where a significant number of short term projects are completed in each fiscal year. These projects are usually smaller in scale and comprise critical maintenance and rehabilitation works such as:

- Road paving and road surface rehabilitation
- Landslip repair inclusive of retaining wall construction, and drainage rehabilitation
- Construction/maintenance of roadside drainage infrastructure
- Maintenance and servicing of traffic signals
- Rehabilitation/ installation of traffic management infrastructure (median barriers, pavement markings, traffic signs etc)
- Desilting of watercourses

- Embankment construction/ reinstatement
- River improvement/training works
- Rehabilitation of river retaining walls and improvements to drainage outfalls

In fiscal 2018, the Highways Division and Drainage Divisions completed the under-mentioned volume of projects under their respective recurrent allocations:

Division	Vote	No. of Projects Completed in 2018	No. of Projects Planned in 2019
Highways Division	Vote 28 – Other Contracted Services	26	71
Drainage Division	Vote 09 – Rent/Lease – Vehicles and Equipment	230	327
	Vote 28 – Other Contracted Services	6	33
TOTAL		**262**	**431**

2. The quantum of PSIP projects under the Ministry of Works and Transport was a significant contributor to poor implementation rates. Due to the voluminous PSIP, the Ministry found itself constantly covering arrears from previous financial years which stymied implementation for the current fiscal year

The Ministry of Works and Transport notes the concerns of the PAAC. However, the Ministry wishes to highlight that the issues regarding the non-payment of previous years' debts have not resulted from the quantum of projects being undertaken but was based on the patterns of funding supplied in fiscal 2018.

In fact, it should be noted that the value of outstanding payments brought forward from previous years has been an indication that works were being undertaken in all areas assigned under the portfolio of the Ministry of Works and Transport.

3. To add insult to injury, the Ministry would embark upon new projects to add to its already voluminous PSIP which exacerbated the Ministry's dilemma

It should be noted that new projects which are proposed for addition to the Ministry's Capital Programme undergo a rigorous process of review from Cabinet, the Ministry of Finance and the Ministry of Planning and Development before approval for is granted for inclusion in the PSIP.

In fiscal 2019, the Ministry is implementing approximately 72 projects under its Capital Programme comprising 42 projects under the Consolidated Fund (CF) and 30 projects under the Infrastructure Development Fund (IDF). Of these, approximately twelve (12) projects were newly added in this fiscal year comprising nine (9) projects under the CF and three (3) under the IDF.

Further the Ministry reiterates it is of the view that the poor implementation rates are not as a result of the volume of projects but can be attributed to the following:

- Delays in the release of funding for works completed
- Delays in obtaining statutory approvals from other Government entities for:
    - Creation of line items for new projects
    - Confirmation of availability of funding to facilitate invitation of tenders
    - Transfers and virements of savings to critical projects
    - Valuation of lands identified for acquisition to facilitate construction works

4. The Ministry of Planning and Development was of the view that a Medium Term Expenditure Framework would assist all Ministries and Departments to plan based on priority and ability to execute and therefore be more efficient in the utilization of your funds

The Ministry of Works and Transport concurs with the observation of the PAAC and welcomes the implementation of such a framework. Further to this, the Ministry routinely evaluates the implementation of its projects during the course of the year in order to:

- identify those projects which are not proceeding as planned and under which savings will be realized;
- identify projects which are critically in need of additional funds;
- reprioritize funding from under-performing projects to those projects where works are proceeding apace;
- identify issues which are impeding progress, such as, the lack of or delayed statutory approvals; and
- undertake the necessary corrective measures to ensure that implementation rates are restored.

The observations/ recommendations emanating from these periodic reviews are shared with the Ministry of Finance and the Ministry of Planning and Development throughout the fiscal year via the following mediums:

- Monthly PSIP Project Status Reports
- Mid-Year Review Exercise
- Quarterly Achievement Reports
- Ad-hoc requests for additional funding/reallocation of funding