



PARLIAMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

**Tenth Parliament
[2010/2011 Session]**

SECOND REPORT

of the Joint Select Committee on Ministries,
Statutory Authorities and State Enterprises

(Group 1)

on

THE ADMINISTRATION OF THE GREEN FUND

Ordered to be printed with the
Minutes of Proceedings and Notes of Evidence

PAPER NO: /2011

PARL. NO. 14/5/14

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Table of Contents

THE COMMITTEE	5
Establishment	5
Membership	5
Secretariat Support	6
Powers	6
Background	7
Objectives	7
Conduct of the Inquiry	7
THE EVIDENCE	9
Purpose of the Green Fund	9
Status of the Fund	9
Management of the Green Fund	9
Operation of the Green Fund	11
The Green Fund Advisory Committee	11
Application procedures	12
Financial Monitoring	12
Administrative Resources	13
The Fondes Amandes Reforestation Project	14
Inter-Ministerial Coordination	14
Public Education Campaign	14
Challenges	15
OBSERVATIONS/FINDINGS	17
RECOMMENDATIONS	19
APPENDIX I	21
APPENDIX II	27
APPENDIX III	35

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

THE COMMITTEE

Establishment

In pursuance of the directive encapsulated at section 66 of the Constitution of the Republic of Trinidad and Tobago, the House of Representatives and Senate on September 17, 2010 and October 12, 2010, respectively agreed to a motion, which among other things, established a **Joint Select Committee to inquire into and report to Parliament on Ministries with responsibility for the business set out in the Schedule as Group 1, and on the Statutory Authorities and State Enterprises falling under their purview with regard to:**

- **their administration**
- **the manner of exercise of their powers**
- **their methods of functioning; and**
- **any criteria adopted by them in the exercise of their powers and functions.**

The business, as well as the entities which fall under the purview of the Committee is attached as ***Appendix I***.

Membership

The current membership of the Committee is comprised as follows:

- Mrs. Corinne Baptiste-Mc Knight - Chairman
- Prof. Harold Ramkissoon - Vice-Chairman
- Mrs. Carolyn Seepersad-Bachan, MP
- Mr. Emmanuel George
- Mrs. Rudrawatee Nan Gosine-Ramgoolam
- Dr. Delmon Baker, MP
- Mr. Jairam Seemungal, MP
- Ms. Stacy Roopnarine, MP
- Mr. Danny Maharaj
- Dr. Amery Browne, MP
- Mrs. Patricia Mc Intosh, MP
- Mr. Faris Al-Rawi

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Secretariat Support

Secretariat support for the Committee is provided as follows:

Mrs. Nataki Atiba-Dilchan	-	Secretary
Ms. Khisha Peterkin	-	Assistant Secretary
Mrs. Katharina Gokool-Mark	-	Graduate Research Assistant

Powers

Standing Orders 71B of the Senate and 79B of the House of Representatives delineate the core powers of the Committee which include *inter alia*:

- to send for persons, papers and records;
- to adjourn from place to place;
- to appoint specialist advisers either to supply information which is not otherwise readily available or to elucidate matters of complexity within the Committee's order of reference; and
- to communicate with any other Committee of Parliament on matters of common interest.

INTRODUCTION

Background

The Green Fund was first established in 2002 with the objective of assisting organizations involved in activities related to reforestation, remediation and environmental conservation. Input into the Fund comes from taxes on the gross sales or receipts of companies carrying on business in Trinidad and Tobago.

After eight years, there is limited public knowledge on the operations of the Fund; the procedures for accessing the Fund and the projects that have been financed since the implementation of the levy.

As such, your Committee considered an inquiry into the administration of the Green Fund was warranted.

Objectives

Your Committee identified the following as the primary objectives of the inquiry into the administration of the Green Fund:

- To determine the accessibility arrangements in place with regard to the Green Fund.
- To ascertain what measures have been put in place to ensure accountability and transparency in management of the Green Fund.
- To determine the effectiveness of the accountability and transparency measures applied in the operation of the Fund.

Conduct of the Inquiry

A public hearing was conducted with representatives of the Ministry of Housing and the Environment and the Green Fund Project Execution Unit on Friday February 18, 2011.

As part of the preparatory work for this meeting, the inquiry objectives of your Committee were communicated to the Ministry to solicit initial written responses.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

These responses were used as the basis for supplementary questioning pursued at the hearing.

The representatives from the Ministry of Housing and the Environment comprised:

Ms. Veronica Belgrave	Permanent Secretary
Mrs. Joy Creese	Deputy Permanent Secretary
Mr. Richard Laydoo	Project Coordinator - GFEU
Mrs. Savita Jagger	Accounting Executive II
Mrs. Elsa Christopher	Internal Audit Specialist - GFEU
Ms. Sharla Ramsaroop	Project Accountant - GFEU
Mr. Ibrahim Abdullah	Project Officer – GFEU
Ms. Leslie Ann Dillon	Community Liaison Officer - GFEU
Mrs. Sarah Briggs	Director -Economic Research & Planning Unit

The draft of this Report was considered and approved with specified amendments at the meeting of the Committee held on Friday May 06, 2011.

The Minutes of the meetings of the Committee with regard to this inquiry are attached as ***Appendix II.***

The Notes of Evidence of the hearing held on Friday February 18, 2011 are attached as ***Appendix III.***

THE EVIDENCE

Based on the areas detailed in its inquiry outline, the Committee was provided with the following information by Ministry Officials.

Purpose of the Green Fund

The Green Fund was first established under the Finance Act 2000. Other legislative provisions which apply to the operation of the Fund include the Miscellaneous Taxes Act, the Green Fund Regulations, 2007 and the Finance Act, 2010.

The purpose of the Green Fund was to financially assist organizations and community groups that are engaged in activities related to the remediation, reforestation and conservation of the environment.

Status of the Fund

The Fund is capitalized by a tax of 0.1% on the gross sales or receipts of companies carrying on business in Trinidad and Tobago.

The Green Fund is not part of the Consolidated Fund but is established under Treasury Head 719 and is deposited and managed in the Central Bank.

The Green Fund balance at December 31st, 2010 was TT\$ 2,193,668,242.31.

Management of the Green Fund

A Green Fund Execution Unit has been established to manage the Green Fund. The core functions of the Green Fund Execution Unit are:

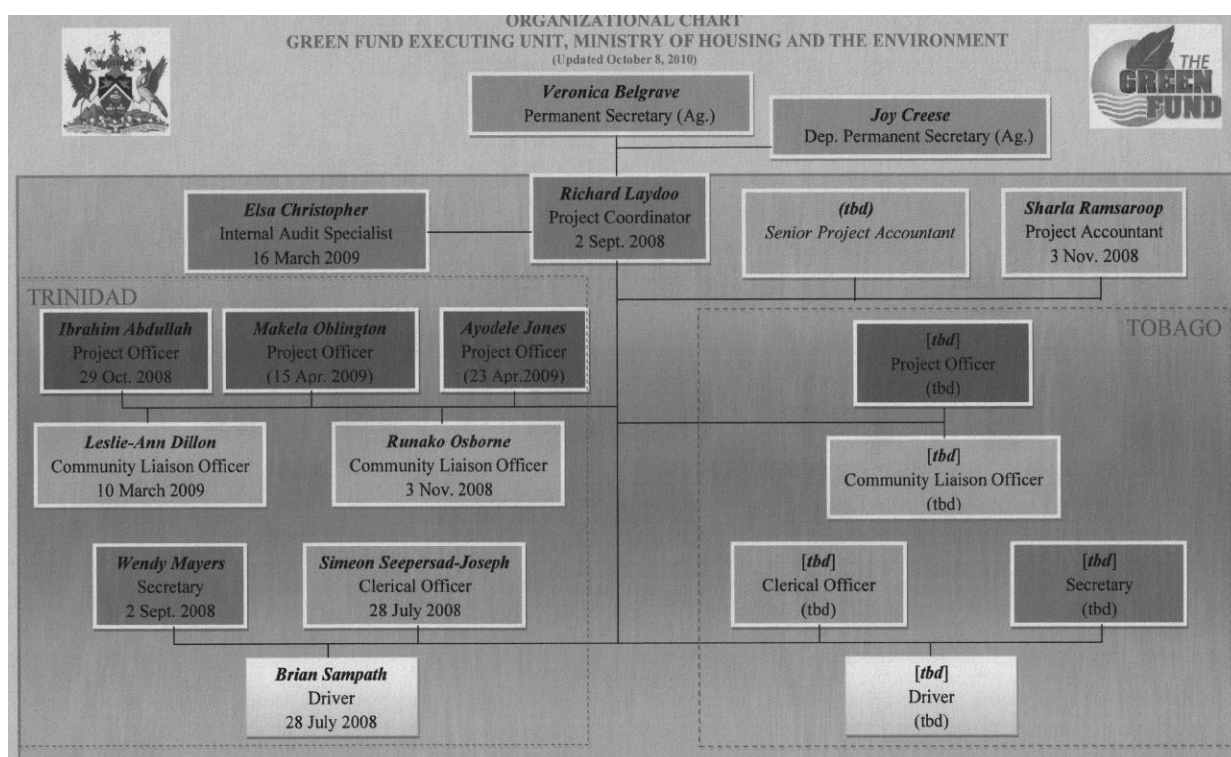
- advising the Minister with responsibility for the environment with respect to certification of activities and disbursement of monies under the Green Fund;
- co-ordinating all activities with respect to the administration of the Green Fund;

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

- receipt, processing, screening and evaluation of projects submitted for funding from the resources of the Green Fund;
- monitoring the implementation of projects approved for funding, including evaluation of performance, auditing and reporting;
- financial management, including maintenance of an appropriate financial system in keeping with requirements of the Ministry of Finance;
- provision of timely reports in conformity with requirements of the Finance Act, 2004;
- networking with community organizations and other intended beneficiaries of the Green Fund.

All Staff of the GFEU are currently employed on 3-year contracts from their respective date of assumption of duty.

The Organizational Structure of the GFEU is diagrammatically displayed below:



Operation of the Green Fund

To date, there were only three projects financed through the Green Fund. The details are as follows:

Project Name	Certified Amount \$TT
Greenlight Network - <i>Plastikeep</i>	852, 282.00
Fondes Amandes Community Reforestation Project (FACRP)- <i>Sustainable Community Forestry Initiative</i>	1,914,806.00
Environmental Management Authority (EMA) <i>Nariva Swamp Restoration, Carbon Sequestration and Livelihoods Project</i>	68,545,511.00

The limited extent to which the Fund has been operated has been attributed to the lack of enabling legislation. The Regulations regarding the Fund were only formalized in 2007. The amendment of the interpretation section with regard to certain definitions (such as “primarily”) which placed a constraint on the organizations which were eligible to apply to the Fund, was only achieved in February 2011.

The recent amendment also rectified the ineligibility of organizations incorporated as non-profit companies under the Companies Act and organizations and community organizations registered by the Tobago House of Assembly, allowing them to access the Green Fund.

Prior to these amendments, it was estimated that 100-150 registered non-profit organizations were denied eligibility.

The Green Fund Advisory Committee

The role of the GFAC is to advise the Minister with responsibility for the environment on the certification of activities related to remediation, reforestation and conservation of the environment.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

The GFAC was due to be formally established in the week succeeding this inquiry.

Application procedures

The Green Fund Executing Unit operated a public office that provides assistance with the application process to persons who walk-in, have appointments or communicate via telephone, fax and email correspondence. The Unit also liaises with 11 of 14 Regional Corporations on public access to information on the Green Fund and the application process.

A **Community Liaison Officer** is assigned to applicants to provide support and assistance during the project, inclusive of site visits and to finalize the application for submission to the Green Fund Advisory Committee (GFAC).

Every application submitted to the GFEU is reviewed for compliance with eligibility criteria of the applicant and activities for which financial assistance from the Green Fund is requested as provided for in the Green Fund Regulations 2007. The completion of the application with all the necessary supporting documents and justifications for the project is a lengthy process. However, once an application has been approved, funds could be disbursed within one month.

There was no threshold on the funds provided for a project and each application was based on merit, cost effectiveness and value for money.

Upon certification of the activity by the Minister with responsibility for the environment, a **Memorandum of Agreement** (MOA) is executed between the Minister and the group.

In considering the specimen of the Memorandum of Agreement provided to the Committee, several legal deficiencies were drawn to the attention of the officials.

Financial Monitoring

Prior to actual spending, approved books and records are provided to the organizations and the Project Accountant of the Executing Unit, GFEU would meet and explain what was

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

required of them, in terms of reporting schedules, report content and documents to be submitted, etc.

A **Project Officer** is assigned to each group, to assist them during the implementation phase of their project and to monitor and verify, through site visits, that the details of all expenditure are properly recorded.

Upon approval of a project a bank account is opened for the beneficiary with an initial start up sum. As progress reports are reviewed additional funds are disbursed. No interest is accrued on unused funds that remained in the chequing accounts.

An **Internal Audit Specialist** is assigned to assist the Administering Officer in ensuring the effective discharge of responsibilities within the GFEU and within the organizations to whom grants have been given, in keeping with laws and regulations, policies and procedures.

Annual reporting to Parliament is mandated by Section 68 of the Miscellaneous Taxes Act, Chapter 77:01 and Regulation 13(b) of the Green Fund Regulations, 2007. This has been complied with for the financial year ending September 30, 2010.

Administrative Resources

There was no fixed formula for expenditure on administrative functions as a percentage of the project cost. For instance, it was estimated that for the EMA project labour costs accounted for some 20-30% of the budget.

The organizations that received grants, thus far, were already engaged in reforestation and had considerable experience in the field. Where a deficiency in expertise was identified, these were included as a cost in the application.

With regard to the manpower of the Unit, the resources of the Project Officers have, so far, been adequate for checking, monitoring and managing the projects under the Fund.

The Fondes Amandes Reforestation Project

The Fondes Amandes Reforestation Project was in the First Phase, which is the sustainable Community Forestry Initiative. The original application was for a much wider area but this involved WASA, State and other private lands to which the Group has no legal access.

Monies were released in tranches as the project progressed and was monitored by the assigned Project Officer. So far three releases had been made and two smaller disbursements were to follow.

In order to move to Phase Two of the Project the Community Group would have to obtain the necessary approvals and apply again for resources from the Fund.

Inter-Ministerial Coordination

The GFEU faced a challenge in the engagement of the relevant agencies to clear the hurdles for these groups to use the funds to implement the activities.

Under the previous administration there was a working committee of stakeholders which was headed by the Permanent Secretary of the Ministry of Agriculture, Land and Marine Resources to develop a fast track mechanism.

This was defunct, but there existed in-house capacity at the Ministry of Housing and the Environment which managed some of the critical agencies e.g. Forestry and National Reforestation. The only external relationship is with the Commissioner of State Lands, which has remained under the Ministry of Food Production, Land and Marine Affairs.

Public Education Campaign

Some limited advertisements were undertaken in 2008. However, with the amendments to the Regulations, a nationwide awareness campaign is being planned.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

There were ongoing efforts to form partnerships with Regional Corporations through their Regional and Social Development Councils. Additionally, links were made with the Association of Village Councils as these groups were eligible to access the Fund directly and with the Tobago House of Assembly for Tobago (THA) based groups.

Challenges

A major challenge in the management of the Fund, identified by the GFEU is that of building the capacity of the intended beneficiaries in the area of writing proposals and effecting proper monitoring and accountability activities.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

OBSERVATIONS/FINDINGS

In choosing this particular area of investigation, your Committee was concerned with what appeared to be the ineffective operation of the Green Fund over the past ten years. Although income was continually generated through the Green Fund Levy there was little evidence of the environmental benefit that was expected to be derived.

It is quite fortuitous that many of the hindrances to the proper operation of the Green Fund that have been in existence since its inception have been rectified between the announcement of your Committee of its intent to pursue the matter and the conduct of the public hearing.

Your Committee was satisfied to learn that the legal impediments have been resolved. It is therefore anticipated that, in its next report to Parliament on the Green Fund, the Ministry of Housing and the Environment will be able to inform the Houses of Parliament how it has maximized the financial resources made available to it in this regard.

The following areas have been identified by your Committee for further attention:

- Memoranda of Agreement

The draft memorandum of agreement between the Ministry of Housing and the Environment and the funded organization is not the best form of documentation to bind the kind of obligations that exist between the parties.

There is need (i) to clarify certain interpretation aspects of the current draft, (ii) to examine further the roles of the Ministry of Housing and the Environment and the Ministry of Finance since the latter is being bound by a document to which it is not a signatory and (iii) to include provisions to ensure enforceability.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

○ Capacity of the Green Fund Executing Unit

While the capacity of the Green Fund Executing Unit has been adequate during the last seven years of low activity, with the predicted increase in the number of projects to be funded, both in Trinidad and in Tobago, the present staff complement may prove insufficient.

○ Inter-Ministerial Coordination

Issues in respect of access to State and other privately owned lands will be ongoing, as new projects are embarked upon in both Trinidad and Tobago. Without inter-ministerial mechanisms in place many projects may be stymied.

○ Application Process and Accountability Activities

Both the application process and accountability activities appear to be extremely complex and time-consuming. The Committee appreciates the need for adherence to financial regulations and codes of transparency in public expenditure, but is also of the view that bureaucratic procedures can be fatal to many promising initiatives.

○ Security over Assets

Further, the Committee is concerned about the lack of appropriate security over assets purchased from the proceeds of disbursements under the Fund.

RECOMMENDATIONS

Your Committee wishes to recommend that consideration be given by the Ministry of Housing and the Environment to taking the following action in addressing the deficits previously listed:

- Memoranda of Agreement

It is urgent that legal counsel be sought in preparing a document which clearly outlines the contractual responsibilities among all the parties involved.

- Capacity of the Green Fund Executing Unit

Immediate attention should be given to assessing the present manpower capacity of the Unit, with a view to filling the vacancies and increasing the number of positions where necessary, e.g Project Officer and Community Liaison Officer, in anticipation of augmented activity.

- Inter-Ministerial Coordination

Obtaining land access approvals for grant applicants is vital to the success of many environmental projects. The Ministry of Housing and the Environment, through the office of the Permanent Secretary, should take the lead in the coordination of efforts among the key players in establishing a fast track mechanism to ensure this.

- Application Process and Accountability Activities

Consideration should be given to whether the application process and the accountability activities can be further simplified. The Green Fund Executing Unit may need to strengthen its capacity in this area to provide the extent of support required by potential beneficiaries and already funded organizations.

- Security over Assets

Appropriate mechanisms should be utilized to securitize assets purchased from the proceeds of the Green Fund to cater for situations which require recourse

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Your Committee respectfully submits the foregoing for the consideration of the Parliament.

Sgd.
Mrs. Corinne Baptiste-Mc Knight
Chairman

Sgd.
Prof. Harold Ramkissoon
Vice-Chairman

Sgd.
Mrs. Carolyn Seepersad Bachan, MP
Member

Sgd.
Mr. Emmanuel George
Member

Sgd.
Mrs. Rudrawatee Nan Gosine-Ramgoolam
Member

Sgd.
Dr. Delmon Baker, MP
Member

Sgd.
Mr. Jairam Seemungal, MP
Member

Sgd.
Ms. Stacy Roopnarine, MP
Member

Sgd.
Mr. Danny Maharaj
Member

Sgd.
Dr. Amery Browne, MP
Member

Sgd.
Mrs. Patricia Mc Intosh, MP
Member

Sgd.
Mr. Faris Al-Rawi
Member

May 13, 2011

APPENDIX I

BUSINESS ENTITIES

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

List of Ministries, Statutory Authorities and State Enterprises that fall under the purview of this Committee:

1. Arts and Multiculturalism

- Archaeological Committee
- Carnival Institute
- Naparima Bowl
- National Carnival Commission of Trinidad and Tobago
- National Cultural Commission
- National Museum and Art Gallery (Royal Victoria Institute)
- National Theatre Arts Company
- Queen's Hall Board
- Trinidad and Tobago National Steel Symphony Orchestra

2. Office of the Attorney General

- The Law Reform Commission
- Environmental Commission
- Council of Legal Education
- Hugh Wooding Law School
- Industrial Court
- Corruption Investigation Bureau
 - Anti-Corruption Squad
- Equal Opportunity Commission
- Equal Opportunity Tribunal
- Tax Appeal Board

3. Community Development

- Village Councils
- National Commission for Self-Help Limited
- Export Centres Company Limited

4. Education

- Local School Boards
- National Commission for UNESCO
- Education Facilities Company Limited
- National Schools Dietary Services Limited

5. Energy and Energy Affairs

- Lake Asphalt of Trinidad and Tobago (1978) Limited
- National Gas Company of Trinidad and Tobago Limited
- National Quarries Company Limited
- Petroleum Company of Trinidad and Tobago Limited (PETROTRIN)
- Trinidad and Tobago National Petroleum Marketing Company Limited (NP)
- Alutrint Limited
- Alutech Limited
- La Brea Industrial Development Corporation
- National Agro Chemicals Limited

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

- National Energy Corporation of Trinidad and Tobago Limited
- NATPET Investment Company Limited
- NATSTAR Manufacturing Company Limited
- NGC NGL Company Limited
- NGC Trinidad and Tobago LNG Limited
- Phoenix Park Gas Processors Limited
- Powergen
- Trinidad and Tobago LNG Limited
- Trinidad and Tobago Marine Petroleum Company Limited
- Trinidad Nitrogen Company
- Trinidad Northern Areas Limited
- TRINMAR Limited
- TRINTOC Services Limited

6. Finance

- Central Tenders Board
- National Insurance Appeals Tribunal
- National Insurance Board
- National Insurance Property Development Company Limited (NIPDEC)
- National Lotteries Control Board
- Trinidad and Tobago Unit Trust Corporation
- BWIA West Indies Airways Limited (New BWIA)
- Trinidad and Tobago (BWIA International) Airways Corporation (Old BWIA)
- Estate Management and Business Development Company Limited
- First Citizens Holdings Company Limited
- National Enterprises Limited (NEL)
- Trinidad and Tobago Forest Products Limited (TANTEAK)
- Taurus Services Limited
- Caribbean Investment Corporation
- Tourism and Industrial Development Company (TIDCO)
- Caribbean Investment Corporation
- Trinidad and Tobago Development Finance Limited
- Trinidad and Tobago Mortgage Finance Company Limited
- Caribbean Development Network Limited
- Caribbean Microfinance Limited
- First Citizens Bank Limited (FCB)
- First Citizens Mortgage & Trust Company Limited
- Trinidad and Tobago Mortgage Agency Company Limited

7. Food Production, Land and Marine Resources

- Agricultural Society of Trinidad and Tobago
- Caribbean Agricultural Research and Development Institute (CARDI)
- Cocoa and Coffee Industry Board
- Livestock and Livestock Products Board
- Caroni (1975) Limited
- National Agricultural Marketing and Development Corporation (NAMDEVCO)
- Agricultural Development Bank
- Caribbean Food Corporation

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

8. Foreign Affairs

9. Health

- Boards regulating the Practice of Medicine and Related Professions
- Children's LIFE Fund Board of Management
- Eastern Regional Health Authority (ERHA)
- North Central Regional Health Authority (NCRHA)
- North West Regional Health Authority (NWRHA)
- South West Regional Health Authority (SWRHA)
- Princess Elizabeth Home for Handicapped Children
- Trinidad and Tobago Association for Retarded Children

10. Housing and the Environment

- Chaguaramas Development Authority
- Environmental Management Authority
- Sugar Industry Labour and Welfare Committee
- Land Settlement Agency
- Housing Development Corporation

11. Justice

- Legal Aid and Advisory Authority
- Police Complaints Authority
- Sentencing Commission
- Criminal Injuries Compensation Board

12. Labour and Small and Micro-Enterprise Development

- Broilers Examiners Board
- Minimum Wages Board
- Registration Recognition and Certification Board
- Friendly Societies
- Cipriani College of Labour and Co-operative Studies
- National Entrepreneurship Development Company Limited (NEDCO)
- Occupational Safety and Health Authority
 - National Productivity Council

13. Legal Affairs

- Law Revision Commission
- Rent Assessment Board

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

APPENDIX II

MINUTES OF PROCEEDINGS

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

**MINUTES OF FOURTH MEETING OF THE JOINT SELECT COMMITTEE OF PARLIAMENT
APPOINTED TO INQUIRE INTO AND REPORT ON GOVERNMENT MINISTRIES (GROUP
I), STATUTORY AUTHORITIES AND STATE ENTERPRISES FALLING UNDER THOSE
MINISTRIES, HELD IN COMMITTEE ROOM 2, RED HOUSE, PORT OF SPAIN, ON FRIDAY,
FEBRUARY 18, 2011**

PRESENT

Mrs. Corinne Baptiste-Mc Knight	Chairman
Prof. Harold Ramkissoon	Vice-Chairman
Mrs. Carolyn Seepersad-Bachan, MP	Member
Mrs. Patricia Mc Intosh, MP	Member
Mr. Danny Maharaj	Member
Mr. Jairam Seemungal, MP	Member
Mrs. Rudrawatee Nan Ramgoolam	Member
Mr. Emmanuel George	Member
Mr. Faris Al-Rawi	Member
Mrs. Nataki Atiba-Dilchan	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Katharina Gokool - Mark	Graduate Research Assistant

ABSENT

Dr. Amery Browne, MP	Member
Dr. Delmon Baker, MP	Member
Ms. Stacy Roopnarine, MP	Member

OFFICIALS FROM THE MINISTRY OF HOUSING AND THE ENVIRONMENT

Ms. Veronica Belgrave	Permanent Secretary
Mrs. Joy Creese	Deputy Permanent Secretary
Mr. Richard Laydoo	Project Coordinator - Green Fund
Mrs. Savita Jagger	Accounting Executive II
Mrs. Elsa Christopher	Internal Audit Specialist - Green Fund Executing Unit
Ms. Sharla Ramsaroop	Project Accountant - Green Fund Executing Unit
Mr. Ibrahim Abdullah	Project Officer - Green Fund Executing Unit
Ms. Leslie Ann Dillon	Community Liaison Officer - Green Fund Executing Unit
Mrs. Sarah Briggs	Director - Economic Research & Planning Unit

COMMENCEMENT

- 1.1 The meeting was called to order at 9:30 a.m.

CONFIRMATION OF MINUTES (January 21, 2011)

2.1 The Committee considered the Minutes of the 3rd Meeting held on January 21, 2011. There being no corrections or omissions, the Minutes were duly confirmed on a motion moved by Mrs. Rudrawatee Nan Gosine-Ramgoolam and seconded by Prof. Harold Ramkissoon.

MATTERS ARISING FROM THE MINUTES

3.1 The Chairman referred Members to Item 5.4 and advised that documents were received from the Ministry of Health and had been circulated.

OTHER BUSINESS

Draft Report

4.1 Members agreed that comments/remarks on the Draft First Report of the Committee would be submitted to the Secretariat by Friday February 25, 2011. Subsequently a final report would be prepared for signatures and printing.

Public Submissions

4.2 Members considered a proposal to invite submissions from the public related to its inquiries. It was agreed that this should be done.

Next Inquiry Hearing

4.3 The Committee agreed that at the next meeting scheduled for March 18, 2011, to commence an inquiry into the administration of the Legal Aid and Advisory Authority.

4.4 After some discussion, it was also agreed that the operations of the National School Dietary Services Limited and of the National Carnival Commission would be carded May 20, 2011 and June 17, 2011, respectively.

(The meeting was suspended)

HEARING WITH THE OFFICIALS FROM THE MINISTRY OF HOUSING AND THE ENVIRONMENT on the administration of the Green Fund

5.1 The meeting was resumed in the Parliament Chamber at 10:10 a.m. and introductions were made on both sides.

5.2 The Permanent Secretary (Ag.) was invited to make an opening statement. She gave a brief background on the establishment of and purpose of the Green Fund.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

5.3 The Committee was also advised that the current balance of the Fund was TT\$2.2B which is capitalised by a levy of 0.1% on the gross sales and receipts of companies doing business in Trinidad and Tobago. So far, TT\$11M had been disbursed.

5.4 The following issues were also raised:

(a) Limited Expenditure from the Fund

There were currently three projects undertaken through the Green Fund: The Greenlight Network, The Fondes Amandes Community Reforestation Project and the EMA.

The limited expenditure from the Fund was queried. It was explained that although the Fund was established in 2000, the Regulations for delivery of the Fund were only approved in 2007.

As well, the Executing Unit which manages the Fund was not fully operational until 2008 and as such it was not until December 2009 that the first certified project was commenced.

The Coordinator of the Executing Unit also highlighted certain legislative impediments which had previously limited public access to the Fund. These included (i) the stipulation that organizations must be “primarily” engaged in activities that were related to reforestation, thereby, excluding approximately 100 to 150 non-profit companies incorporated under the Companies Act and (ii) no accommodation for any organization registered with the Tobago House of Assembly (THA).

These matters had been recently addressed by way of a Legal Notice.

(b) The Status of the Fondes Amandes Reforestation Project

Members were advised that the Fondes Amandes Reforestation Project was in the First Phase which is the sustainable Community Forestry Initiative that deals with lands to which the group has legal access.

The Committee learned that the original application was for a much wider area, which included WASA, State and other private lands. Negotiations were ongoing to obtain access to these lands. This First Phase was expected to be completed between April and June 2011.

Monies were released in tranches as the project progressed and was monitored by the assigned Project Officer. So far three releases had been made and two smaller disbursements were to follow.

In order to move to Phase Two of the Project the Community Group would have to obtain the necessary approvals and apply again for resources from the Fund.

(c) Public Education Campaign

Members were advised that limited advertisement had been done in 2008, but now that the Regulations were satisfactory a nationwide awareness campaign was being planned.

There were ongoing efforts at partnerships with Regional Corporations through their Regional and Social Development Councils. As well, links were made with the Association of Village Councils as these groups were eligible to access the Fund directly and with the Tobago House of Assembly for Tobago based groups.

It was also noted that a Memorandum of Agreement would also be entered into with the Tobago House of Assembly within the month of March 2011.

(d) The Involvement of Third Party Organisations

In response to the question of what measures existed to coordinate input needed from third parties like the Commissioner of State Lands and WASA, the Committee was told that the working committee of stakeholders to develop fast track mechanism was defunct.

(e) Financial Arrangements with Beneficiaries

The Committee was informed that upon approval of projects a bank account was opened for the beneficiary with an initial start up sum. As progress reports are reviewed additional funds are disbursed. No interest was accrued on unused funds that remained in the chequing accounts.

(f) Memorandum of Agreement

In considering the specimen of the Memorandum of Agreement provided to the Committee, several legal deficiencies were drawn to the attention of the officials. It was advised that the document be reviewed.

(g) Project Monitoring

Members were told that the applicants to date were organizations already engaged in reforestation and who had considerable experience in the field. However, where expertise deficiencies were identified, these were included as a cost in the application. Project Officers from the Green Fund Executing Unit worked along with the groups as well.

With regard to the manpower of the Unit, itself, the resources had been adequate for checking, monitoring and management of the Fund.

It was noted that there was no fixed formula for expenditure on administrative functions as a percentage of the project cost. It was estimated that for the EMA project labour costs was 20-30%.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

(h) Timeline for receipt of Funding

Members were told that once an application had been approved the funds were disbursed within one month. However, the completion of the application with all the necessary supporting documents was a lengthy process.

It was also noted that there was no threshold on the funds provided for a project. Each application was based on merit, cost effectiveness and value for money.

(i) Green Fund Advisory Committee

Members were advised that this Committee would be formally established in the following week.

(j) Financial Status of the Fund

The Committee was informed that the Green Fund was not part of the Consolidated Fund but was established under Treasury Head 719 and was deposited in the Central Bank.

(k) Challenges

The Committee was advised that one of the main challenges for the Executing Unit was building the capacity of the intended beneficiaries in the area of writing proposals and effecting proper monitoring and accountability activities.

5.5 The Permanent Secretary expressed her thanks for the opportunity to inform the Committee of the operations of the Green Fund.

5.6 The Chairman thanked the Officials from the Ministry for their attendance.

ADJOURNMENT

6.1 The meeting was adjourned at 11:54 a.m.

I certify that these Minutes are true and correct.

Chairman

Secretary

March 02, 2011

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

APPENDIX III

NOTES OF EVIDENCE

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

**OFFICIALS OF THE MINISTRY OF HOUSING
AND THE ENVIRONMENT**

Ms. Veronica Belgrave	Permanent Secretary
Mrs. Joy Creese	Acting Deputy Permanent Secretary
Mr. Richard Laydoo	Project Coordinator
	Green Fund Executing Unit
Ms. Sharla Ramsaroop	Project Accountant Green Fund Executing Unit
Mrs. Sarah Briggs	Director Economic Research and Planning Unit
Ms. Leslie Ann Dillon	Community Liaison Officer Green Fund Executing Unit
Mr. Ibrahim Abdullah	Project Officer Green Fund Executing Unit
Mrs. Elsa Christopher	Internal Audit Specialist Green Fund Executing Unit
Mrs. Savita Jagger	Accounting Executive II

Madam Chairman: Thank you very much, indeed. I am Corinne Baptiste-Mc Knight and I would be your Chair for today.

[Members of the Joint Select Committee introduce themselves]

Madam Chairman: I thank you very much. Now, first off all, I want you to know that all of these Hon. Ministers are members of the committee. Without further ado, I would just let you know briefly that the purpose of this exercise is to give you an opportunity to tell the public what you do and how you do it. This was chosen, conscious of the fact that even though you have been established for a while, you have really recently started operating. So, we thought it would be a good time for you to give yourself a little promotion and tell people how to access you and how you would help them. Thank you. You may make an opening statement if you like.

Ms. Belgrave: I want to thank you for the opportunity to be here this morning with my team to share information on the Green Fund.

The Green Fund was first established by the Finance Act in 2000. This Act was later amended in 2004. The purpose of the Fund was to provide financial assistance to organizations and community groups who were involved in activities related to remediation, reforestation and conservation of the environment. That was the primary purpose and those were the groups that were identified.

The Fund is capitalized by a levy of 0.1 per cent on gross sales and receipts of companies doing business in Trinidad and Tobago. At present, at December 31, 2010, the total amount of funds was at TT \$2.2 billion. Out of this amount, a total of \$11 million has been disbursed to date.

I would now pause and we will await your questions and as the questions come, we would try to give you some enlightenment as we go along. Thank you very much.

Madam Chairman: Who will set the ball a rolling?

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Prof. Ramkissoon: Thank you very much for the information. You, as you have said, have a fund of about \$2.2 billion. You have spent approximately \$11 million, which means that you have spent approximately .005 per cent of the fund to date. Why so little has been spent?

Mr. Laydoo: Thank you. Hon Prof. Harold Ramkissoon, first of all, I need to explain that, as the Permanent Secretary indicated, the fund was established in law in 2000. The regulations which provide the mechanism for delivering the funds through a set of rules and guidelines, were only approved and promulgated in February 2007.

Prior to that, there was an amendment to the Miscellaneous Taxes Act, which removed a then existing provision for a Green Fund Board and Green Fund Agency and replaced it with a Greed Fund Advisory Committee. Cabinet subsequently approved the establishment of an executing unit in the Ministry, with the responsibility for the environment. Previously, it was in the Ministry of Public Utilities and the Environment. It is now with the Ministry of Housing and the Environment. So, nothing could have been done prior to February 2007, when the regulations were promulgated. However, subsequent to that, there was the need to operationalize the executing unit, which started in the Ministry of Public Utilities and the Environment at the time, but was never completed until the Ministry of Planning, Housing and the Environment, the precursor Ministry to the present Ministry, established the unit.

That was done in September 2008, when the unit, basically, was launched in a media function, and staffed. So, there was a hiatus of at least seven years from the time the fund was established in law, to getting the money on the ground. I might also add that the levy, the Green Fund levy, was actually a mandatory levy by all companies doing business in Trinidad and Tobago, from the first quarter of 2001. So, the fund has been capitalized from 2001, and that is why it stands today at \$2.2 billion, but we were not able to release funds and disburse funds until the unit became operational in 2008, and then there were some administrative details, the appointment of a Green Fund Advisory Committee to advise the Minister with responsibility for environment on certification of activities for funding. That committee had to be appointed. They then had an administrative duty, in terms of detailing the evaluation criteria that they will use to assess applications for certification by the Minister and that took a period of time.

The first project was actually certified in December 2010. [*Interruption*] 2009, my apologies. December 2009. Actually, there were two projects that were certified in December 2009 and one in April 2010.

Mrs. McIntosh: Madam Chairman, I would like to take advantage of the opportunity to ask my question early, because I have to leave to go to another meeting. I would like to ask Mr. Laydoo, is it?

Mr. Laydoo: Yes.

Mrs. McIntosh: What is the status of the Fondes Amandes Reforestation Project? That project is within my constituency. I am very concerned. What is the status of the release of funds for, I think is the second

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

phase of the project? If you can tell me about that I am very interested.

Mr. Laydoo: Thank you Mrs. McIntosh. I will ask the project officer responsible for that project, Mr. Abdullah, to respond.

Mr. Abdullah: Okay, the status of the Fondes Amandes Community Reforestation Project, they were the first group to be certified under the Green Fund. They received the grant of approximately \$1.8 million to do reforestation, as well as to improve their ecotourism venture.

10.20 a.m.

As you would know they focus on reforestation as it is in a community, but they also have—they want to make the project sustainable and economically viable for the community there.

At the moment they are within the first phase, the sustainable community forestry initiative phase 1, which is to deal with the lands that they had access to, legal access to. The initial application was for the entire area that they manage, which includes the WASA lands that they have the legal authorization for, as well as some private parcels and state ownership further up the hill. The first phase of the project on the WASA lands has to do with some reforestation although not much since the area already has some forest cover, so it is just to improve the forest cover there, as well as to improve their ecotourism arm of the project. So with that they had different infrastructure to enable them to receive visitors, so in future they will start capitalizing on that and probably make some money from that venture that they have there.

With respect to moving the project up to the next phase, which is the state lands and the private parcels, they would have to have legal access to that land. I believe there was a committee appointed that includes members from Forestry Division as well as State Lands, to rationalize how land is given to community groups who want to do reforestation projects; to make the process simpler in going through the Green Fund for those communities to access lands for reforestation. The Fondes Amandes group, they would have to apply for phase 2 of the project, we always meet with them, and they know that they have this responsibility, so they will start preparing their application, so that when phase 1 is completed, which is expected to finish in April—June 2011, they will start applying for their second phase which will be to move into the state lands, and to have that state land access from the Commissioner of State Lands to go and continue their reforestation there.

At present they are reforesting the area because they have a contract with the National Reforestation Watershed Rehabilitation Programme, but it is thought that the programme should graduate from the National Reforestation Programme into the Green Fund, where the potential for expansion would be greater with the amount of money available under the Green Fund. Is that satisfactory?

Mrs. Mc Intosh: Yeah, very. So it is only upon their application for phase 2, and the approval of that application, it is only upon that approval that funding will be released?

Mr. Abdulah: Yes. At present they are currently receiving funds from the first application that they had

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

for sustainable community reforestation initiative, phase 1. And the funds are released in tranches, so right now they are on their third disbursement, and they are working on—they have two smaller disbursements to come, and that will be the end of phase 1. They will apply for phase 2 upon completing phase 1, because with the Green Fund you can apply again, once you have successfully completed a project, you can apply for another one. So the thinking is that they would complete this phase 1, and apply for phase 2 which would be the state lands and private parcels, they would have to sort out that situation in terms of getting proper land access for there. Because that is the reason why the entire area was not approved before, the only parcel that was approved was the WASA lands, and they had the permissions from WASA for that area.

Mrs. Mc Intosh: Thank you.

Mr. Abdulah: You are welcome.

Mrs. Seepersad-Bachan: Thank you, thank you, Madam Chair. I just want to return to the question originally asked by the Vice-Chairman of this committee. And that is let me just state by first of all that I note here in one of your documents that it was an excerpt from an address by Dr. Emily Dick-Ford:

‘That our national strategic plan envisions that the environment in Trinidad and Tobago will be valued as a national asset, and conserved for the benefit of future generations and the wider international community. This Green Fund is one key strategy in the achievement of this goal, and therefore this Green Fund is to financially assist organizations and community groups that are engaged in activities related to remediation, reforestation and conservation.’

I really want to get an appreciation, Madam Chair, through you, Mr. Laydoo, with all due respect as to why is it that this—here it is 0.1 per cent on the gross sales of the receipts of all companies in Trinidad and Tobago, including small businesses were taxed and this was being contributed, you had this fund capitalized since 2001 and we were not able—companies, the NGOs were not able to access this fund until 2007, a period of six years had passed with this fund being fully capitalized and continuing to be capitalized by the contributions from big businesses, small businesses and here it is we are not able to access this fund.

In addition to that Sir, what I am seeing here from since you have operationalized this fund, through the passage of the regulatory framework that from 2008 to now, all I am seeing is three projects. One is the Greenlight Network, the other one that my colleague here, the Member for Port of Spain North/St Ann’s West when she asked about the Fondes Amandes Community Reforestation Project and the third one is the EMA. I think we need to understand what is the bottleneck, what took you so long to get your regulatory framework in place to operationalize this fund, and why is there this little, still in my view, a minimal access to this fund?

Mr. Laydoo: Thank you hon. Minister. I would first address the issue of the delay as you quite rightly

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

observed, there has been a hiatus in delivering the fund from the date of collection. May I just revert to a previous statement I made that as of 2007 no money could have been disbursed because the regulations were not in place, so there was a legal encumbrance. Since the regulations were promulgated, however—

Mrs. Seepersad-Bachan: So it was only because of the regulatory framework—

Mr. Laydoo: Up to 2007.

Mrs. Seepersad-Bachan: But do you know what the problems were in getting that regulatory framework in place?

Mr. Laydoo: No Ma'am I have no idea what caused that.

Mrs. Seepersad-Bachan: So from 2001 to 2007—probably I should address this to the Permanent Secretary—2001 to 2007, Ma'am are you saying it is because of the regulatory framework not being in place?

Ms. Belgrave: That is the impression I have here.

Mrs. Seepersad-Bachan: But why, is there—can anyone on that side tell us, from your team? What caused the delay in the passage of regulatory framework?

Mr. Laydoo: Well, I could offer that there were several iterations of a draft regulation and there were some difficulties in dealing with some of the definitions and the clauses in the regulations. So there was apparently quite a lengthy period in terms of even finalizing the regulations.

Mrs. Seepersad-Bachan: But if it is that we were aware, Madam Permanent Secretary, and I do not know if you were there all the time but, if you have any information that you can share with us, my concern is that we continue to tax businesses in this country 0.1 per cent not on their profits, this is on their gross sales. And here it is, these are small businesses sometimes having to do this, but we continue to capitalize upon this fund with these receipts, and if we are aware that we were not going to be able to pass the regulations, and to implement the necessary regulatory framework, why did we not put a stop to the receipts of these funds? Because here it is that we are taxing the business community of Trinidad and Tobago and we knew that there was no way that this fund could be operationalized, until the passage of the regulations, and the implementation of the regulatory framework. Can anyone indicate? Can anyone answer that?

Madam Chairman: I suspect that is a question that really ought to be directed to the Executive of the time, because the civil servants would hardly be in a position to say why there is a delay in adopting regulations. It could be that there was a problem with the legal drafting, as was said, there were several drafts.

Mrs. Seepersad-Bachan: Okay, I take that, Madam Chair, but all I am saying is that you know, there could have been at that point in time, there could have been probably a temporary cessation to the contributions to this fund, because here it is—on a policy decision right, and I take the fact okay.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Madam Chairman: But that would have to be a decision of the Minister.

Mrs. Seepersad-Bachan: But since 2008 to now, we now have three entities that have been able to access this fund. Again too, is it because of the advertising campaign? What is really preventing the access? Because by not accessing the fund we really are not doing service to the environment of Trinidad and Tobago which is what you are saying here is for future generations. This fund is one of the pillars in order for us to achieve the goal of preserving our environment for our children and our children's children, okay.

Mr. Laydoo: Thank you, and permit me now to respond to that matter. On the establishment of the Green Fund Executing Unit in September 2008, one of the encumbrances that we encountered in the regulations, the same regulations that took so many years to be promulgated, was that the definition of organizations or the meaning given to organizations in the regulations, who will access the fund was very restricted. Let me explain, the regulations 2007 provide for community groups and organizations that are incorporated by statute other than the Companies Act, and primarily engaged in activities related to reforestation, remediation and conservation. By that definition, it excluded all the non-profit companies that were incorporated under the Companies Act.

Mrs. Seepersad-Bachan: Okay.

Mr. Laydoo: We did a query from the Ministry of Legal Affairs in terms of their database on the number of incorporated non-profit organizations, in 2009 it was close to 3,000 in non-profit incorporated companies. Now not all of those would have been primarily engaged in—which is the other part of the definition or condition criteria. But suffice it to say that on a review of the list of those companies, the majority of non-governmental, non-profit organizations that are primarily engaged in environmental activities were so incorporated. So that excluded the vehicle, the main vehicle that we had to translate the Green Fund funds to activities on the ground.

Mrs. Seepersad-Bachan: Can you say how many entities were refused or denied access because of this, as you have indicated, this restriction on the use of the fund?

Mr. Laydoo: Yes, there would have been around 100 to 150 such organizations.

Mrs. Seepersad-Bachan: That were denied?

Mr. Laydoo: That met those two criteria, they were non-profit, therefore, not eligible and they were primarily engaged in—. So the other criterion is that you had to have registration with the Ministry of Community Development if you were a non-governmental organization or a community-based organization, that was the regulation. The interpretation of that regulation, Madam Chair, meant that no organization registered with the Tobago House of Assembly and based in Tobago could be eligible to apply to the Green Fund.

Mrs. Seepersad-Bachan: So Tobago was basically—

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Mr. Laydoo: Cut out—

Mrs. Seepersad-Bachan: Cut out from the Fund.

Mr. Laydoo: Right, so, upon realization of those two main constraints, the matter was brought to the attention of the Ministry's management and by extension the hon. Minister at the time, and by letters dated June 25, 2009, and September 29, 2009, the hon. Minister communicated to the then Minister of Finance, a request to have the amendments made to the regulations to provide for those organizations to be eligible, the non-profit under the Company's Act and the groups in Tobago.

We also engaged the Minister and the management of the Ministry in a proposal to broaden the scope of the access to the fund to organizations that are not primarily engaged in environmental activities, because for it "primarily" to be met it had to be stated in their constitution, byelaws, articles of association et cetera. That, was to us, a constraint in terms of there are not many of those organizations, and given the fact that community groups are based in areas where you want to have financial and other resources available to them to make an environmental intervention on an issue, biodiversity, turtle conservation or wetlands or so, then how could they reach and embrace the partnership with the Green Fund and the Ministry if they did not have access because they were not primarily engaged, they were not set up as an environmental organization in common words. So we obtained the Minister's endorsement and that was the third request that was made to the Minister of Finance at the time, to open up the fund to groups that are not primarily but, just engaged in.

I am happy to say that through the efforts of the current Minister by letter dated July 14, 2010 to the current Minister of Finance, the amendments have now all been approved.

10.35 a.m.

Mr. Laydoo: So since those original letters were written to the new administration coming in to office, no action was ever done on those amendments, even though there was a request made. I cannot explain the reason for that, we made several attempts to engage with technical staff at the Ministry of Finance, to try to move this along but we were told that there were certain things that had to be given priority and that was not a priority.

The other part of the response is through the Finance Bill 2010 approved in December last year, the "primarily" was deleted from the definition. A legal notice is before the Government Printery as we speak, signed by the Minister of Finance for publication perhaps, next Thursday when they print to give effect to the opening up of the fund to all non profits under the Companies Act and all groups registered with the THA in Tobago.

Ms. Seepersad-Bachan: In that regard, is it that you are going out now on an awareness campaign to ensure that these companies are aware, that they are able to access this fund.

Mr. Laydoo: I thank you hon. Minister, for pointing that out, because one of the constraints that we had

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

in promoting the fund, was that—and it happened in several public fora that we were there presenting the fact that the ministry has now operationalized the fund with the unit, even at the media launch, September 2008. We had to tell the organizations, “wait we have made request for the amendments”.

Ms. Seepersad-Bachan: Okay.

Mr. Laydoo: Now, as you quite rightly point out that the amendments have been made, the ministry is embarking on a nationwide public education and awareness campaign to promote the fund and its usefulness and value to the sustainable development and livelihoods of our citizens.

Ms. Carolyn Seepersad- Bachan: Okay. Thank you, Madam Chairman.

Madam Chairman: What would be the faith of the hundreds of applications that you already have that did not qualify?

Mr. Laydoo: Those applications are in a pipe line and some of them are actually being finalized now that we have the amendments to go before the advisory committee.

Mr. Al-Rawi: Good morning, Madam Chairman, Members. Permit me, the High Court, kept me a little bit late in being able to introduce myself this morning, Mr. Faris Al-Rawi, Opposition Sen. Thank you for the excellent explanations to my learned colleague a short while ago, in fact she preempted some of the questions that I had as well. As I see it, we are starting with an establishment of a piece of legislation in the year 2000. We then had problems as a result of legal drafting rear there head, that is definitional problems et cetera. I noticed that the Minister of Housing this year in his presentation to the Parliament a short while ago, actually out most of the issues that caused obstacles before this House just a couple of weeks ago I believe it is, forgive me I do not have the date of this publication, but I do have the publication itself, so I thank you for repeating much of what the minister had presented to us as being the legal obstacles.

Those things aside, definitional issues aside, because that is what happens when legislation is passed and then it has to be retooled when the practicality sit themselves and clearly that is what has happened in the period 2008 come forward, in particular we have seen that there is an inertia to be had in achieving success, so I am grateful that there has been some unlocking of doors right now, one. To take it a step further—and this is following on from Mr. Abdulah's intervention a short while ago, there are practical concerns for workout, that concern me. I mean specifically in so far as certain third party entities are required to cooperate in the process, for instance, commissioner of state lands or certain other statutory bodies like, WASA or other parties. We have got third party consents that are going to practically hamper, roll out an administration of the efficacy of this kind of fund. What I would like to ask of you—in so far as we have a very appropriate national forum and you have a voice now to echo. What it is you wish to be said, relative to the coordination of third party interest which will affect the efficacy of this fund's management and implementation? What measures are afoot to ensure proper

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

coordination of third party issues, for instance, access to areas et cetera, legal titling issues et cetera? What coordination mechanisms are in place for that? If you do not have the answer to that, what is your recommendation as to what ought to be put in place for that?

Mr. Laydoo: May I? Thank you, hon. senator for the very appropriate question, very relevant. I need to say first up that, in implementing the Green Fund, the three focal areas and in particular the area of reforestation provided us with an impediment in terms of access to community and nonprofit organizations, civil society if you like. Traditionally, forest reserves and state lands are under the state's management, the state lands under the Commission of State Land, the forest reserves under the Conservator of Forest, they are all state lands by the way. So that embracing a program of financial and technical support to engage civil society groups and their members from all walks of life, to go into state lands and exercise certain functions and activities required approvals and authorizations. Our approach has been one of pro-activeness, we were not waiting for these things to—we knew from my previous experience at the small grants programme at the UNDP, we knew that communities were going to have certain impediments. Do we take on a case by case basis with each group or do we look at some collective kind of arrangement, where once it concerns an application to the green fund, that we coordinate through the ministry and its agencies engagement and dialogue with partner organizations, Forestry Division, State Lands, WASA, the relevant agencies and put on the table, that here is an impediment. Can we introduce or smoothen this process? And I will give you two examples. We approached the State Lands Division through the dialogue at the committee that Mr. Abdulah referred to and through that discussion, we are now in the process of identifying a fast track mechanism, for organizations that are applying to the green fund for entry into state lands, to conduct environmental activities, funded from public funds, (The Green Fund), to be given due review at the shortest possible time in terms of allowing that activity to happen.

In the case of reforestation, while the application goes to Commission of State Lands, the Commission of State Lands will not grant access to any civil society group or third party, without the endorsement of the Conservator of Forest to do any reforestation activity, usually on state lands or in forest reserves as the case may be. So we had to engage the Conservator of Forest in a discussion as to how we could fast track this.

The Conservator of Forest has indicated that they have a particular role to play and, yes, they are not opposed to civil society going into these areas, given the fact that the Forestry Division already has constraints, in terms of its Human Resources and they have a number of challenges especially, during the dry season. So they willingly embrace the opportunity for a kind of a co management of forest areas in terms of reforestation and tending with civil society. And in that regard, I am happy to say that we are now at the point where we have an MOA that has been drafted in collaboration with the conservator's

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

office. For there to be a formal engagement with such community group or civil society group entity eligible to apply to the Green Fund, to enter upon forestry lands, lands under the jurisdiction of forestry, for the purposes of reforestation, and I might just basically explain, that in that MOA there are of course conditions, that are prominent in terms of the organization complying with. It is not meant to raise any expectation of tenure or in terms of ownership, it is not meant to do any other activity, but the specific purpose of replanting and tending. But we were able in the spirit of sustainable development, and addressing that other layer of employment and poverty eradication through an environmental approach, we were able to negotiate in that MOA, that there can be certain activities that can be revenue generating, for the organization so involved, through the area of agro forestry and eco-tourism principally.

You would appreciate that many of these areas are pristine areas or access to pristine areas and that they can be the basis for very viable eco-tourism related activities. As we have good examples of already. So in the MOA, it is basically a partnership agreement, they would help the Forestry Division with its mandate to conserve the forest, reforest burnt areas and so on, but at the same time, the benefits would accrue to the community in terms of the opportunities for (1), capacity building in the area of reforestation because you need to train people to do a very technical job of planting trees and tending them, it is not just a matter of putting a plant in the ground. Reforestation in the true context of restoring the functional value of a forest as an eco-system is a technical field. And therefore, we have been working hand in hand, with forestry, and the reforestation programme, in bringing the capacity opportunities and training to the proposed applicants of the fund for reforestation activities.

There is also the dimension of micro enterprises, based around eco-tourism and agro forestry in particular, so that they can eke out a livelihood and even begin to talk about, career development, in environmental activities.

Mr. Al-Rawi: Mr. Laydoo, not to cut you—thank you very much, it shows that there is so much work that has been done by this fund. I am onto efficacy by way of coordination from unit to unit. Now as I see it, we are dealing with state lands in some instances, in the large part. What I am looking at is—I have seen the draft memorandum of agreement that have been contained in our package and that is an agreement between the Ministry of Housing and Environment, and an organization. And I have noted that you said that there is no intention to creation tenure. You know in Trinidad and Tobago we have common law and prescriptive rights and tenure can be established in certain ways. But I would imagine that an exercise of reforestation for example, undertaken by an organization may be done two ways. (1), one can come to regularize something that has perhaps, been in existence by way of allegation in the first instance, which is usually how tenure claims start in the first place, and (2), an entity may wish to be introduced for the first time into that event and may therefore, seek regulation. In either instance, the State therefore, has an opportunity to make sure that state land continues to be state land and that the

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

purpose of the fund is carried out in a legitimate way.

In terms of the national community understanding now, look if I apply for access to this fund, what is my legitimate expectation in terms of time, now that we have put regulations behind us and we have put definitional terms behind us. What would somebody from the national community be able to expect by way of a legitimate expectation the time frame to be, if you got third party consents, Commissioner of State Lands? Remember we did not have a Commissioner of State Lands for a very long time, so that we did not have a Port Authority for many, many months, and you could not get consents out of it I think until, maybe this month consents happen for the first time in 10 months and I am sure that was not intentional. The point is that, titling issues and legal issues sometimes have hick ups. Are you experiencing that? Would you be able to estimate a time frame from first application, maximum time frame to roll out a fund? Are you in a position to speak to that?

Mr. Laydoo: Thank you again for the very appropriate question and it is very relevant to the current situation and let me illustrate. We have a group in Brickfield, that prior to the Green Fund, Executing Unit being operational, had applied to the UNDP Small Grant's Program, for a grant to develop an eco-tourism program and a Wetland Conservation Restoration Program. The only way that they could have done, was to get approval to enter upon state lands, Caroni lands, to do it. The matter was referred to the Ministry of Community Development at the time, as the Ministry of Community Development had put in place a mechanism to provide access to Caroni lands for groups wishing to do such activities.

10.50 a.m.

Towards the end of last year, I learned that the responsibility for doing that has now shifted to the then Ministry of Agriculture. Therefore, since 2005-2006, this has been hanging. Your point is well taken. The issue of the engagement of the relevant agencies in clearing the hurdles for these groups to then use the funds to implement the activities is one that we constantly face. The mechanism that we use at this point without creating expectations is to work with them in terms of developing the application and seeking these approvals prior to the formal submission of the application to the advisory committee.

If we were to submit the application to the advisory committee as is—this is their plan and it is a good plan, it has all the right ingredients—then the advisory committee will simply say to us, do they have legal access to the space. Our answer is no. Go back and do your homework. So we had to go with this approach to circumvent that process. So there is a long period if you like, in actually finalizing the application, clearing all the legal issues and so on, which are the main issues that would delay it. The other issues of the activities, the methodologies, the budgeting and so on, are areas that we are comfortable with in terms of a relatively short time.

Mr. Al-Rawi: Are you aware of the current Minister of Housing and the Environment, who has some degree of management of this Green Fund?. Clearly, there is the Ministry of Agriculture now involved,

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

there is the Ministry of Housing and the Environment, is there a task force committee that has been set up by this current Government to facilitate titling issues—what I am really hearing is if we strip it down to its naked particulars, you may have a great application, you have helped and worked it through, but it is going to be hung up the on fact that you cannot get access to it potentially. That has been my experience as a lawyer in land matters for the last 15 years. So the question is: has there been a task force established, for instance, by the new Government, or previously, I am talking about the Executive or ministerial inter-coordination and management.

Mr. Laydoo: Yes, previously, and the issue at Fondes Amandes gives rise to it actually. The Permanent Secretary at the then Ministry of Agriculture had convened, I would not say a task force, but a working committee of stakeholders, even the community groups involved, in trying to develop mechanisms to fast track these applications. With respect to state lands, because state lands fell under the Ministry of Agriculture and Forestry at the time also fell under the Ministry of Agriculture, so she was able to bring together her principle officers around the table to say how can we clear—

Mr. Al-Rawi: It is still on foot? That will be my last question because I do not want to—

Mr. Laydoo: No, no, no. With the change of the last administration and the movement of Forestry and Reforestation, out of Ministry to our Ministry now, Housing and the Environment, that committee basically went defunct. but—sorry.

Mr. Al-Rawi: Madam Chairman—so just to finish it, that committee is no longer functioning and your desire would be to see it happen.

Mr. Laydoo: The committee is no longer functioning because we got to the point where we now have in-house in the Ministry, the very agencies, Forestry Division and National Reforestation that are going to help us through this. So it is really internal now. The only externality that we have to address and which we have a working relationship with already is the Commissioner of State Lands which is still under the Ministry of Food Production.

Mrs. Gosine-Ramgoolam: Thank you, Mr. Laydoo. Madam Chairman, I guess it is to Mr. Laydoo or the Permanent Secretary or anybody who could do on the other side. When one introduces a new programme, a good or a service to the benefit of the citizens of the country, one needs to engage in a comprehensive education and marketing strategy of this new initiative because it is something that is new. Did you engage in a comprehensive education and marketing exercise when you launched this programme? If your answer is in the affirmative, what do you believe are the main causes for the non-qualification, low access and low utilization of the fund? If your answer is in the negative, what do you intend to do and how are you going to address this?

Mr. Laydoo: Thank you, hon. Minister for your question. I would begin the response and invite any of my colleagues to add as we go along. You would note in Appendix 7, 8 and 9, material that has been

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

developed with the establishment of the Green Fund Executing Unit as of September 02, 2008—it was launched on September 10th. There was a media launch and that was the first attempt made by the Ministry to promulgate among the national community, the fact that this fund is now up and running with the establishment of the unit.

As I referred to earlier, we found ourselves in a situation where we were promoting a fund and a programme that many of the intended beneficiaries could not access. We were shooting ourselves in the foot, to use the phrase. So we focused rather on having the amendments made whilst still working with those organizations that could still access the fund, hence the three projects and the pipeline that we have been having to open up the fund. So we did a limited kind of PR and as I explained with the amendments made, we have been working with our Communications Unit and we will be launching a nationwide public campaign and an awareness programme on knowledge that the fund exists and who can access it, and then we go the step further. We have to be on the ground with these groups, not just telling them about the fund, but actually working with them in developing the applications.

So we have a capacity within the unit in terms of the community liaison officers to work with these groups and I will just enunciate a few of the measures that we have already undertaken and which we will expand on from here on. We initiated the discussions with all the regional corporations in terms of enlightening them as to the existence of the programme with its constraints and inviting their partnership in rolling out the programme in their particular constituencies. To our astonishment, we even learned that some of them had an environmental agenda in their development programme; some of them had no clue as to how to move into the environment; and some of them even had an environment desk for receiving queries from their constituents and referring it the relevant agencies, EMA, for response and so on.

So we found a spectrum of capacity among the regional corporations. Why the regional corporations? They are the local government bodies responsible for implementation at that level, and we felt that it was opportune to work with the local government bodies in the outreach activities and the subsequent application and workshop scenarios. Also, the Ministry of Social Development has established the regional, social and human development councils. The first word “regional” again, reflects a regional context for the rolling out of the Ministry of Social Development’s programmes with particular respect to poverty reduction. We aligned ourselves with the Ministry, with the coordinator of that programme and with the council—the committee of that programme—and last year we were invited to the launch of the reappointments of all those councils, and we made a presentation to them on the Green Fund, and we have been working with them. Even as early as next week, we are going to be involved in some activities that involve both the Ministry of Community Development and the regional councils.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

So there are opportunities that we have latched on to in the existing framework to promulgate this programme, rather than have a standalone Ministry of Housing and the Environment Communication Programme. We have to use the vehicles that exist and we have been successful to date.

A third area that we have worked with through the Ministry of Community Development is the association of village councils. I might add that village councils, because of how they are constituted, are eligible to access the Green Fund directly. All village councils and community councils are established under the Ministry of Community Development—they are all registered there—in their Articles in their Constitution, there is a particular reference to an environmental agenda. So they meet the criteria already. I will now come to one of the main constraints that we have been facing. Apart from everything that we have been doing, there is one area that we need to address collectively and, that is, building the capacity of the intended beneficiaries of the fund to be able to write their proposals, to budget their activities, to seek technical support to roll out their ideas and so on, on the ground and to even assist in the monitoring and evaluation of the activities.

Now, the Green Fund Executing Unit and the Ministry has certain capacities, limited as they are. So we have been seeking these avenues in terms of seeking ways and means of having first, interventions, and then at the application stage identifying the technical resources that are required, whether it is in finance or in reforestation or some environmental discipline, and bringing that together for them. The intention is that they can include as an application, a grant to help them to prepare an application with all the attendant, technical and financial resources and inputs that they would require; that can be an application in itself. So we can use that window to bring all the expertise to a particular problem and a particular intervention by a local community.

Now, the assumption has been too that NGOs supposedly have more capacity than community groups and we have found that not to be true. There is a spectrum. There are, of course, NGOs that have a lot of experience, a lot of capacity, and there are ones that are well-established NGOs, but you find challenges especially in terms of their governance structure. So there is spectrum and our challenge apart from everything that we can do on our side, is to somehow bring a focus to the development of capacity in terms of the organizational capacity and organizational governance to allow them to access financial public funds from the Green Fund and be accountable for it. I would like to invite any of my colleagues to—just if any of my colleagues want to add to the answer to the hon. Minister.

Ms. Belgrave: I want to add that we have included Tobago recently so that the memorandum of agreement has been drawn up with the Tobago House of Assembly and there is a plan to sign that agreement sometime next week. Is it next week?

Mr. Laydoo: Next month.

Ms. Belgrave: Next month. So Tobago is included at this stage.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Mrs. Gosine-Ramgoolam: What we have gleaned so far, Mr. Laydoo is that there were initiatives in terms of via municipal corporations, village councils, people in social development and good reasons and probably good initiatives, but I come back again to a comprehensive approach. What we gather from the response is that probably in the initial stage we lack a framework where these are specific examples that you have given really. You have given examples, but recognizing that when you initiated the process and began your implementation, probably it was done in the absence of a framework, do you hope to now take all those examples that you have pulled together? You also spoke about the importance of developing the competencies and skills, having persons write proposals, issues of linking with the Ministry of Labour and co-operatives, where they teach people how to write proposals and so on.

So, do you see the need for now, engaging in the way we move forward, engaging in developing an entire framework so that you can capture all those examples and more, in terms of education, marketing, skill development, developing competencies, awareness with respect to the population, and if that is so, how soon do you think we can really have a framework in the way forward?

11.05 a.m.

Mr. Laydoo: Thank you, hon. Minister. The answer is that currently as we speak, we are developing a communications plan in collaboration with our Communications Unit at the Ministry. That plan basically had to be informed with the legal amendments. So now that that is imminent, we are proceeding to finalize the communication strategy for awareness building and capacity building of the intended beneficiaries of the Fund and also a public education programme, as well for the general public.

As you rightly pointed out, Minister, there will be need to engage those entities and programmes of the State that provide opportunities for capacity building. And one clear agency is the Community Development Fund under the Ministry of Community Development.

However, my information is that there is some challenge to the continued operationalization of the Fund. I am seeking to get some clarification as to what is the status of that. When it was operational or more operational, there was a window for institutional strengthening in that fund and resources earmarked for that purpose. And we were proposing to have a MOU or so with the fund in terms of prioritizing applicants to the Green Fund to go through their institutional strengthening programme and all of that entails proposal writing and all of that. So that was a clear vehicle of the state that is probably still an opportunity but we are trying to clarify how soon that can be done.

And then, with the other relevant ministries and their capacity building programmes where it allows for civil society organizations to participate and graduate from those, all of those areas have to be identified in our corporate communications plan.

So, thank you for your question but I do hope that you appreciate that we are making now, a full-fledged effort finally to bring this in the public domain and to bring with it, the answers to the issues that

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

we have identified in this discussion this morning of capacity mainly, to access the Fund.

Madam Chairman: Mr. George, Mr. Seemungal and then Prof. Ramkissoon.

Mr. George: Thank you very much, Madam Chairman. This question is going to be posed to anyone on the other side who can answer, not necessarily Mr. Laydoo. You gave a document out here, coming from the Ministry of Housing and the Environment, that speaks to the summary of activities of the Green Fund and the allocations to those entities that manage to access the Fund and the table speaks to also, the expenditure from the Fund and so on. And if one is to look at this table, it suggest that out of an amount released to Greenlight network of \$814, 000 via warrant No. 2, the unspent balance —this is in 2010 — the unspent balance was nearly \$400, 000 which is nearly half of the funds that were released. In the case of the Fondes Amandes Community, there was an amount recommended of \$1.9 million, warrant apparently of releasing \$1.7 million, and the unspent balance to date of \$301,000.

Now, I want to find out: One, on what basis are funds recommended and disbursed to these organizations? Two, where are these unspent balances? Is the money released to the entity and the unspent balances kept in the entity's bank account and are they therefore making money via interest from these bank accounts and is that acceptable in your view? And my final question which has to do with something that Mr. Laydoo said and which is completely different from the other two questions but I want to ask it immediately rather than wait for a follow up. Can WASA through its Water Resources Agency which has responsibility for conservation of our water resources and preservation of our watersheds access this fund? Thank you.

Mr. Laydoo: If I may, I would like to invite our Project Accountant, Ms. Sharla Ramsaroop to response to the first two questions and then I will respond to the last.

Ms. Ramsaroop: With respect to the basis for disbursement. On signing the Memorandum of Agreement, the community group or the organization is asked to open a bank account and that bank account must only receive money from the Green Fund. So they open the account, we give them the first disbursement. They then submit progress reports. The progress reports on submission, we go through them, we ensure that the moneys that are spent are accounted for, you have all the supporting documents and once everything is transparent and everything is as recorded, we then approve the next disbursement.

With respect to where are the unspent balances and if there is any interest. The accounts that they open with the bank are checking accounts and they do not incur any interest on the account.

The unspent balances. With respect to the Greenlight Network, they do not necessarily have with them \$394,000 in their account. It is probably less than that, it depends on—because we are not giving them the entire amount that the project is certified for, we give them in tranches. So they would not necessarily have the \$394,000 in the account, they may have less. And that depends on how much they have spent to date. I think I have answered the questions. Have I?

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Mr. Laydoo: Elsa, would you like to add anything?

Mr. George: What I was trying to get at in part there was: Are these funds being properly managed so to maximize the use, even in terms of getting some benefit, if they are standing there in an account? But anyway—

Ms. Ramsaroop: The money right now is in the account, it is not bearing any interest but it is not that huge amount. When they would have submitted their proposal, they would have had the activities and the activities would have timelines then. So that is where when they did the memorandum now, the amount that we disbursed would relate to the timeline, so for period one, they may spend more money than period two, they would get more money. So it is not that the money—if you are asking that if the money is being left in the account, it is not, most times they use it out or use out a substantial amount. And then we replenish it with another disbursement.

Mr. George: Thank you.

Mr. Laydoo: Can you enlighten me because to answer the question, I would need to know how the Water Resources Agency is constituted. Is it incorporated?

Mr. George: It is operated under WASA, so I guess it is incorporated. It is a Statutory Authority.

Mr. Laydoo: If it is incorporated under the non-profit company's section, then it could be eligible. If it is not incorporated as a non-profit, then it would not be eligible.

Mr. George: Okay.

Mr. Laydoo: I could research it and follow it up with you.

Mr. Al-Rawi: It could not be non-profit.

Mr. Laydoo: Well, I do not know.

Mr. Al-Rawi: I am sure they have charitable purposes approved by the Registrar.

Mr. Laydoo: If I may offer an addendum to the response, Minister. Because an agency or an organization that could make a valuable contribution to environmental conservation in Trinidad and Tobago is not eligible directly to access the Green Fund, it does not mean that they cannot be involved.

What I would approach in your scenario that you are presenting, is to identify an eligible entity to work with the Water Resources Agency to roll-out a programme of conservation that will ensure potable water conservation and so, protection of the watershed and reforestation as the case may be, whatever the issues are, to ensure the objective of the Water Resources Agency is met, which is the provision of potable water and the storage of same.

So, that it is not necessarily a dead end that because it is an idea that it comes under the purview of the water agency, that we just kill it there. Our approach is to find partners that could partner the agency that have a similar interest and that could really develop a programme to address the issue that the Water Resources Agency is concerned with.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Mr. George: I thank you very much for that because that is what I was looking for, that we could not go down one road, we find another avenue that we can use. Thanks very much for that. I will explore it, I promise you.

Mr. Seemungal: Thank you Madam Chairman. My question basically is along the line of execution of the projects. Now, what I gather is that the Green Fund's primary focus now, right now until maybe later down, is on reforestation. Now, the reason why we have to go into this mass reforestation is because of the abundance of bush fire/slash-and-burnt type agriculture and maybe squatting to an extent. What measures are in place to ensure that groups who are accessing the fund have long term ability to manage the particular area, manage the plans that are being put in the area and to prevent the occurrence or the reoccurrence of bush fires in a particular area?

Mr. Laydoo: Thank you. Can I invite my colleague, Leslie Ann Dillon, Community Liaison Officer who works with these organizations in developing the applications and Mr. Abdullah to respond?

Ms. Dillon: Good morning. To date, our experience—well my experience has been especially with the reafforestation groups. The groups that do apply are those that are already engaged in some sort of reafforestation and have that experience in doing that job.

As to the sustainability of the project and managing the projects, as well as, what we do, we ask the groups, we encourage them, that if they do not have that capacity to manage a project, they can include in their applications provisions for project managers. Because when you do project management, it is just the project you manage itself. And what we do, we ask the groups to have an individual from that group itself work along with those in charge, say the project manager and that builds the capacity of the group.

So that in the event that they have another project or they cannot continue, they will already have that capacity built-in within the group so that they will be able to properly manage the moneys and funding as well. Internally with the Green Fund Executing Unit, we have the project officers who work along with the groups to ensure that timelines are met and we monitor what is being done during the periods which are stated within the application.

So at every step of the way, they have assistance from us. Initially, we give them advice on how to properly manage or what avenues to take to properly manage and when the project has started, they have the project officers to work with them to manage and assist them with the project, as well and keeping them within timelines and so on.

Mr. Abdullah: If I could just add, with the reforestation project because I dealt with the Fondes Amandes project and we already went through one fire season and I believe the Fondes Amandes Community Reforestation project is an example in terms of fires not occurring. In the areas that they manage, they hardly ever have fires and it is because the modality that they use, in terms of monitoring

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

the area during the fire season, they change their labour in shifts, all that kinds of thing. So the whole modality of how you go about managing the fire season has to be different from the rest of the year.

They recognize that they have different needs at that time of year and they institute a programme that will allow them to be able to monitor and make sure that—they train workers in terms of fire prevention; they have people called the wardens that they will have monitoring the land area so to make sure that if any fire starts, they could response to it as quickly as possible.

11.20 a.m.

Mr. Abdullah: They also have the experience, where they would go and they would help other areas that are adjacent to the Fondes Amandes area, because you do not want a fire starting. If a fire starts next to you, of course, you would want to go help there because it is going to go over to the Fondes Amandes area.

In terms of when implementing the project, it is all about having the proper—you outline your modality upfront, and when you are implementing it, you just go along and you have the different shifts and that sort of thing, to ensure that the fires do not occur.

In other areas, there might the problem of underfunding or understaffed. If you have, not enough workers for a big area and a fire starts and half of the staff might have gone home, but what helps, in terms of the Fondes Amandes area is that it is a community project and that is why the forest management is looked at something that should be co-managed because they are amongst the communities and they have that sort of ownership for the project. They would want to ensure that the forest does not burn.

The case that I have seen in Fondes Amandes is that they really look at it. They would say this is my water shed, “as is” how they would speak about it. They would not want to see anything happen to that area and that is what we are trying to build in the Green Fund, in terms of having communities owned, not literally own the project, but you have to have that sort of ownership and love for what you are going to do in the area.

Mr. Seemungal: Why I bring it is, I gather it will all look good on paper, but do you have the manpower to implement this reforestation on a scale such as this one?

Mr. Abdullah: The manpower would have to be shown in the application. In the application, you will have—

Mr. Seemungal: Do you have the manpower, because you are the supervisory body of this entire Green Fund? If you allow people to access the Green Fund and we are thinking whether or not they have the manpower to really carry out the exercise, the question is : do you have manpower to: (1) look at the project before it is implemented; (2) before you actually approve the project; (3) during the project and is there a retention period, as will be done in contracting services—that the group accessing the fund would have to give us a guarantee that would not have fire in the area, or we take all the necessary caution to

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

prevent fire in this area?

Mr. Abdullah: In terms of us having the capability to monitor the area, yes I believe we do. We assign project officers to each project and the project officers have their own methods of monitoring, in terms of site visits and reports. So you are engaging with basically—as the project officer you are not the manager, but you are working alongside the project team that is established by that organization, in monitoring and evaluating the project.

The second question had to do with—the first was whether we had the capability. The second was?

Mr. Seemungal: Whether you actually go out and check on the project before hand—

Mr. Abdullah: We do.

Mr. Seemungal: To determine whether or not they have sufficient manpower; the group itself.

Mr. Abdullah: Yes, we do that through our site visits. One recommendation that has come from the organization in implementing the project, is for the Green Fund to probably have a technical forestry person on board, where you would actually—their argument is that it will show the technical forestry person would be more able to appreciate reforestation than a project officer who would just be looking at results, results, results, in terms of what we see. But, in terms of the technical aspect of reforestation, that is what they would like to see more of.

Mr. Seemungal: My last question, Madam Chairman, on this same issue is whether there are any penalties for groups, and not just the groups by way of the name of the group, but by way of the individuals who fall under the group.

If a group fails, the group name may fail, but the same individuals can open another NGO and come again. Are there any penalties in place and are there sufficient checks to ensure that these groups manage the fund properly and use the fund adequately?

Mr. Laydoo: I would take that. The regulations clearly provide for infractions, in terms of the use of the Green Fund and the agreement that covers that. The use of the funds is prescribed under the memorandum of agreement, a copy of which you have been provided with; the template, but the regulations indicate, if the organization, for whatever reason, cannot use the funds or continue to use the funds or account for said funds, certain actions can be taken, in terms of legal recovery.

It also includes the opportunity—of course, there is a soft measure that precedes that. I must emphasize that. It is not that we just lay down the letter of the law. There is a way. With the system that we have, we will pick that up very early, because the officers are out in the field monitoring the projects. They are almost in weekly contact with the project manager. If there are these issues, in terms of an organization faltering or even wanting to abscond with the funds or whatever, there are ways that we have put in place. Thank God it has not happened yet, but we can detect it and we can basically seek to change

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

the direction and bring it back on track, and if that is not possible, then we have to revert to the legal measures. The legal representatives of the organization sign the MOA on behalf of the organization. Usually it is the President or the Managing Director of the organization.

Therefore, the liability for the organization, in the event that there is some litigation to be executed, would have to be determined in terms of if it signed on behalf of the organization, then it is the organization and all its members culpable or is it the individual who signed it? We have not clarified that as yet.

Mr. Seemungal: May I have one more question based on the same thing? Earlier, what I gathered is that the group can hire individuals and pay them wages to do execution on their behalf, what percentage of the fund can they access or is available for administrative functions and pay wages, as opposed to the rest of it?

Mr. Laydoo: I can answer that by saying that there is no defined formula that we use. We judge each application on its own merit, in terms of the labour, materials, equipment and inputs that they require to be given an opportunity to be successful.

The one thing that we would, of course, want to have is that any rates that are proposed for labour and stipends are market rates. They are not inflated and they have to provide evidence of that.

Mr. Seemungal: That is a policy decision that you have right now?

Mr. Laydoo: That is in practice, yes.

Mr. Al-Rawi: Madam Chairman, just a very quick question, because it flowed very nicely from the hon. Member's questions and it has to do specifically with the memorandum of agreement. I just want to state that I have had the chance, sitting here, to review the memorandum of agreement and I have a lot of concerns as to the structuring and terminology in law incorporated into the agreement.

First of all, this is a memorandum of agreement. It really is not, in terms of legal structuring, the best form of documentation to bind the kind of obligations that exist between the parties.

Secondly, this memorandum of agreement has some conflicting interpretation aspects. There is, first of all the fact that the ministry is the Ministry of Housing and the Environment, and that the Ministry's principal obligation is to recommend a payment by the Ministry of Finance. It then contemplates that the Ministry of Finance will forthwith pay upon the signing of the memorandum of agreement. So, you are binding the Ministry of Finance, which is in fact not a signatory to this document, and which is the entity which actually pays out the money to the organization.

Apart from that, the process is almost what we call in law a *scintilla temporis*, an instantaneous pause, to allow the Ministry of Finance to recommend. In essence, you are saying you have already got the recommendation because you are causing the payment on behalf of another Ministry.

The other fact is that you are actually contemplating collateralizing security in the body of the

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

document, and that is to be gleaned from 6.6 for example, where you say: “equipment purchased by the organization with funds disbursed by the Ministry shall be property of the Ministry”, but there is no collateral agreement, for instance, a mortgage bill of sale, a chattel bill, any of those collateral documents, a debenture anything that will give security of items purchased, are absent by way of collateral reference to the agreement. So, enforceability and tracing, when we get down to problematic implementation, is going to be difficult on the basis of this document itself. I borrow that from my very long experience in banking law and in collateralized security, et cetera.

The other issue is that you have dealt with terminology including licensing and copyright assignment onto yourself, which again have issues in law, in my humble opinion; serious issues in law.

The last point is that—and it was raised by the hon. Member himself, who spoke who spoke just before me—of the position of liability. This is agent, actually the concept in law is agent binds principle and, therefore, anybody who signs for and on behalf of the organization would have bound the organization itself.

Just to give some comfort on his very excellent question which is: “How does one ensure that the fund is not manipulated for mal-purpose, which is essentially the line he was on, it can be done by a number of crosschecks in law. There is the criminal law that applies. There is the civil law that applies, the Proceeds of Crime Act, the fraud. I mean, there are a number of ways for you to enforce it. The key is going to be monitoring. But the short point that I want to recommend to you, because I do not expect you to answer the points that I have just raised, is that this agreement is in need of serious review. I do not think that a memorandum of agreement approach is apposite to best purposes. I think that it ought to certainly be relooked, and if it is that you want to obtain collateral security over items purchased by virtue of the Green Fund, you have to be specific on that. It is usually incorporated that you give a specific charge over items, or that you give a general charge by way of debenture or other instruments. So, the legal framework, in my humble opinion is in need of serious attention.

Mr. Laydoo: Thank you very much hon. Senator, for that observation. What I can respond to, however, is just to clarify with respect to your first point that the disbursement of funds, the actual payment, is done by the Ministry of Housing and the Environment. What is done and is provided for in the regulations, is that the Ministry, through the Ministry—

Mr. Al-Rawi: Sorry to cut into you. Clause 4, payments:

“The Ministry of Finance shall provide the funds...”

So, I catch that you are saying it provides the funds to the Ministry of—the second Ministry, which is the Ministry of Housing.

Mr. Laydoo: Through a warrant, yes.

Mr. Al-Rawi: Right. But the question is: the recommendation being pre-requisite to the disbursement,

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

where is the room for that?

Clause 2, the Ministry agrees to recommend to the Ministry of Finance payment of funds. It may be that under your warrant, recommendations are automatically accepted, but the point is that the language used in the agreement is not clear. And if you end up in litigation over this, you are going to have a lot of interpretation issues, which are going to be a minefield for any lawyer's advantage. I am just pointing that out.

Mr. Laydoo: I appreciate it. You are referring to the actual wording of clause 2(1).

Mr. Al-Rawi: Yes.

Mr. Laydoo: Because the regulations provide for the actual mechanism and the Minister has to recommend it to the Minister of Finance and then Permanent Secretary request of the Permanent Secretary of Finance, the withdrawal of the fund.

Mr. Al-Rawi: And if there is a "no"?

Mr. Laydoo: There has not been to date.

Mr. Al-Rawi: But if there is, because it is conditional? A recommendation is not "it shall".

Mr. Laydoo: But the request is one that is also they may or may not, is what you are suggesting.

Mr. Al-Rawi: But. Let me put it to you this way, if I access this fund by an application and sign this agreement with the Ministry of Housing and the Environment and the Ministry of Finance says, for some reason, "no". You have created a legitimate right to cause the payment under the agreement and I can enforce that by way of specific performance. What I am telling you is that your documentation is going to—in the event of a mischievous litigant, or somebody who genuinely has issues—be problematic.

Mr. Laydoo: And it takes it from the regulations, and perhaps, we need to look at the way the regulation is stated, especially 7(2).

Mr. Al-Rawi: Yes.

Mr. Laydoo: Thank you.

Mr. Seemungal: May I? Anybody else?

Prof. Ramkissoon: I have two questions. They are directed to Mr. Laydoo or one of his colleagues.

11.35 a.m.

Mr. Seemungal: I have two questions and they are directed to "Mr. Laydoo" or one of his colleagues.

Mr. Laydoo: "Laydoo".

Prof. Ramkissoon: Laydoo, sorry. The first question has to do with the Green Fund itself, can you tell me, is the Green Fund like the Heritage Fund, a fund that is set aside and invested or is it a paper entry? That is the first question, I do not know if it was answered before.

The second question has to do with reforestation. Cognizant of the many constraints that you face, could there still be some collaborative effort between the Green Fund Unit, the Forestry Department

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

and probably third parties, to increase the acreage on the teak plantation which is currently between 8,000 and 9,000 hectares? This would not only assist with the reforestation programme but would also assist with the revival of the once vibrant furniture industry. I should mention to you and you probably know this that about 40 per cent of our lands are forested and most of those lands are state owned.

Thank you, Madam Chair.

Mr. Laydoo: Thank you, hon. Vice Chairman. With respect to the first question, the Green Fund is not a paper fund it is established in the Miscellaneous Taxes Act as a green fund account, under Head 719 of the treasury and it is deposited and managed in Central Bank. And I thank you for the question because it is an opportunity to clarify for our public through you, Madam Chairman, that there is a misconception that the Green Fund is part of the Consolidated Fund, it is not. It has its own machinery, and as you appreciate from the previous discussion there is a very intricate structure that is attached to how a dollar can be withdrawn from that fund, involving two Ministries.

The point that the Senator raised earlier about the actual mechanism, and the wording and the optionality in terms of the Ministry of Finance and their role needs to be reexamined I think from the comment that you have made.

Thank you for your research into the question of expanding plantations. The Forestry Division undertook some years ago this research and initiative into a teak plantation for the very purposes that you have outlined. I know that they are reviewing the rationale for continuing an expansion or even a retention of the teak plantations for some reasons, and I would basically take your point on board in terms of engaging the Conservator of Forest on whether it is, in fact, as you are suggesting an opportunity for the Green Fund to align itself with, especially with respect to benefits to communities. So thank you for that suggestion.

Mr. Maharaj: My question is: Is there a threshold of funds that could be accessed per project and, if so, what is that threshold? Additionally, there seems to be three arms of the Green Fund which is remediation, reforestation and conservation, are there separate budgets for these and how are funds coming into the Green Fund distributed if so among these budgets?

Mr. Laydoo: Thank you for your question, Member. With respect to the threshold there is no limit either minimum or maximum for the grant that can be applied for and provided to a particular certified activity. It is simply on its merit in terms of what is the activity, what are the inputs, and financial inputs in particular required, are they justified in terms of market rates, and is it cost effective and value for money? Those are the principles that we attribute when we are assessing an application, and for a very good reason because we recognize—look at the EMA project for example, it is a \$68 million project, it was scaled down from the original size of the project, because there were some other components and that had to do with access to state land, but we have—if you just look at those three projects, we have a whole

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

spectrum from \$68 million, an upper level to less than a million dollars. The quantum of resources per project, per certified activity is a function of its objectives and the impact that it is making in terms of the landscape and the national environmental policy.

With respect to the second question, there is no distinction between or no budget allocated to each of those areas, it is whatever the project is addressing, is taken into account in addressing the drawdown on the funds from the Green Fund. Thank you.

Mr. Seemungal: My question comes back to the administration of the fund itself, I just want to pay issue to the EMA \$68 million funding, who actually do the physical labour under the EMA? Do they have their own staff, or do they contract out the service?

Mr. Laydoo: The project is a novel project in terms of building the partnerships with the key stakeholders involved in that particular activity. The Nariva Wetlands is under the jurisdiction of the Forestry Division, it is a Ramsar Site and the EMA has recently designated it as an environmentally sensitive area. The area that is under the project activity for reforestation is in Block B, which was the area that was used by the rice farmers years ago and it is an attempt to bring that back into some functional area in terms of reforestation to what it was. The key stakeholders in that project are therefore the Forestry Division, with the EMA and UWI in terms of the carbon sequestration element, measuring the value of the carbon sequestered and basically developing the basis for carbon trading and carbon credits.

With respect to the reforestation, the Forestry Division is the agency through its staff, who are engaged in the technical supervision of the reforestation activity and the labour is contracted from the communities living in areas adjacent to the Nariva Wetlands, Plum Mitán, Biche, Kernahan, Cascadoux.

Mr. Seemungal: And what percentage of that allocation is administrative cost?

Mr. Laydoo: If I recall, I would say it is approximately, maybe 20 to 30 per cent of the total value of the project.

Mr. Seemungal: My question comes back to the amount of the fund that will be spent on administrative cost, if it is 20 per cent of the \$2 billion that is \$200,000,000 we are speaking about here in administrative cost, and some NGOs can live on administrative cost or they can survive on administrative cost for a long period of time. Why do we then, knowing that the administrative cost to these larger organizations which do not have the physical labour as opposed to the smaller NGOs which can actually do the work itself, and spend the money among themselves with respect to purchasing the necessary tools, trees and equipment to actually execute the work, why do we want to go by way of organizations such EMA or some of the larger organizations where you know that they really do not have the manpower to do the execution and they will be contracting out the services as they go along?

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Mr. Laydoo: I thank you for the question it is a very good question. In the particular case of the Nariva Wetlands the EMA was the agency best positioned to coordinate the reforestation, carbon sequestration and the livelihood aspect of the project; they perform a coordination role by MOUs with the Forestry Division and UWI.

Under the project, those agencies have direct responsibilities for certain activities, and I might add that while the administrative cost of 20 to 30 per cent that I alluded to may seem large, and that it may be perceived that it is going to the EMA, in fact the administrative cost is shared in the execution of the MOUs with the Forestry Division because they have administrative cost, with UWI and also with the community groups in the Nariva area who will be contracted to undertake the labour. The arrangement is that the EMA through the Forestry Division will enter into a relationship with the groups not individuals in the community, and the groups basically will be provided with an administration fee to manage their aspect of the agreement.

Mr. Seemungal: And before we close up maybe the public is looking on as well, maybe we can reemphasize who can apply, how can they apply and how long will it take an application from the physical launching of applying to the actually delivery itself?

Mr. Laydoo: Okay and permit me to put the response in the context of when the legal notice is published, hopefully next week. So after next week with the publication of the legal notice the following groups can apply:

- i All community groups registered with the Ministry of Community Development or the Tobago House of Assembly, and engaged in activities related to remediation, reforestation and conservation;
- ii All non-governmental organizations that are registered with the Ministry of Community Development in Trinidad or with the THA in Tobago and are engaged in activities related to remediation, reforestation and conservation of the environment;
- iii All organizations incorporated by statute other than the Companies Act, who are engaged in activities related to remediation, reforestation and conservation;
- iv All organizations incorporated as non-profit companies under the Companies Act, who are engaged in reforestation, remediation, and conservation of the environment;

That is the spectrum of agencies, organizations and groups that can, with the amendments, access the Green Fund. Just remind me of your final question.

Mr. Seemungal: About the time frame.

Mr. Laydoo: Reasonably and I go back to the point after all the nuts and bolts have been put together with the state agencies, once the application is finalized, within one month we can have the signing of the MOA and within a further two weeks the first disbursement.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Mr. Seemungal: The second question was really who they may apply to, where can they access and lodge the application forms?

Mr. Laydoo: With our promotion we are proposing that first of all through our website online, you download the application form and that would provide you with access to the team at the unit in terms of following up, so we will know who downloaded it, when they submitted it, and we will contact them and establish a contact in terms of helping and guiding them through the application.

Through the Regional Corporations we are proposing that they set up an environmental desk where we can have information and even a physical person or appointed days where people can come in and get information, through the Ministry of Social Development and the Regional, Social and Human Development Councils, through the Village Council system, and through the THA, of course. There are a number of electronic and physical spaces where we can make information—and we will be making information available through our communication strategy to the potential entities, beneficiaries of the fund.

Mr. Seemungal: Thank you very much.

Madam Chairman: I have just two questions; first of all have you got an advisory committee in place now?

Ms Belgrave: The committee will be established formally next week.

Madam Chairman: Very well. And the second question, how long does it really take to complete the application, because this application is a minefield, so in your experience how long does it take for a small NGO to get all of this in order?

Mr. Laydoo: Thank you for the questions, very relevant questions because we have had feedback from the process since we initiated it. There is a challenge in terms of the amount of information that is required in the application form. However, I put it to all the groups and to you, Madam Chair, that when you look at the application form it is basically asking you to justify both in terms of the activities and the budget, why you want this money to do what you want to do with it.

If you cannot justify why you want \$10 to plant a seedling, then why are we considering giving it to you? The advisory committee wants to understand how you are applying this money to the activities that you are proposing to do. Now traditionally applications have been submitted in terms of separating the activities from the financial resources and you cannot assess a proposal on the basis of reading what the activities are and then going to another page and seeing well this is the budget, it does not make sense.

One of the challenges we have had in terms of the length of time for the application is precisely helping them to think through the process of linking the dollars to the activities; that is not an area that many people are practised in. And it is the only way that we can really account best for the public funds and the impact that we want to have. So it is really a challenge in terms of orientating a mindset, even

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

among established NGOs, as to how to prepare a proposal with a budget that is directly related to the activities, and the impacts that you want to achieve, so that you can measure it.

11.50 a.m.

So that is one big challenge. The other area that we do have a challenge in terms of the time, apart from the liaising with the state agencies that may have a role to play and other agencies, the other major challenge that we have is being able to budget an exercise. This is an area especially among community groups, that they are not accustomed. Having access to a grant is one thing, but being able to say, I need to basically determine how much money I will allocate to this activity, that is an area that requires a lot of development and thinking.

So again, through our workshops and so on, we are going to be engaged with other agencies, who have the technical resources to bring these groups together in a forum, where they can understand the whole area of budgeting and accounting for it.

And finally one of the major challenges that we have had to date, in the accountability of the public funds by these beneficiaries is in the stipulation provided by the Treasury Division in the books and records that they have to submit, as part of their normal reporting. Now we did not come up with those rights. Under the regulations, the Treasury Division has to indicate for the purposes of the public fund expenditure, how those grants are being spent and the organization has been provided with the templates and you have seen them, the books and records that are required. This is an area that is totally new to civil society, those books and records are Government documents, ministries and agencies use those documents.

So there was a first challenge to adapt the books and records which we went through an iteration with the Treasury Division in terms of adapting these records to suit first of all the simplicity if you like, of the organizations and their practice and their knowledge, and then to have a further iteration of training them through our project accountant and audit specialist how to actually fill out these records and that is a challenge now. That is something that we have to comply with and by extension the organizations. So we have had to invest in a programme to basically build their capacity, not just budget and account for it but now how to fill out these records properly. And I would tell you every progress report that comes to us with these records, I guarantee it has to go back to them to do something, to fix something. So it is a challenge that we have but we have to work with what the Treasury has provided to us, because they are the ones who are going to be called upon to say this is how the funds are going to be accounted for.

Madam Chairman: So that in your experience, what is the time frame from the intention to submit to actually having it in shape to submit?

Mr. Laydoo: Madam Chairperson, it of course depends on the activity. If it is a reforestation activity I put it to you that it takes longer, because we have to work out, as I mentioned, the MOA with the Forestry

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)

Division—it is now been finalized we have to work out that arrangement. If it is a remediation or a recycling or renewable energy project, it is much shorter, because once the technology is available and the technical expertise is available to the organization who is implementing it, if this is not in-house, then it takes a relatively short time, relatively being within a month they can put together an application.

Madam Chairman: Any other questions. Well Madam Permanent Secretary, would you like to make a final statement.

Ms. Belgrave: I just want to thank you all for the opportunity of sharing this information with you, and by extension the general public, and if you have any further questions even after we have left here, you can communicate with us and we will be happy to oblige. Thank you very much.

Madam Chairman: Thank you very much indeed for a very enlightening session.

Second Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1)