

The background of the slide features a silhouette of several construction cranes against a sunset sky. The sky transitions from a deep orange at the bottom to a light blue at the top. A dark red horizontal band is positioned across the upper portion of the image, containing the main title and subtitle. A white circular graphic is centered on the left side, containing the text for the project update.

# Strategic Plan

2016/17 2020/21

Project  
Implementation  
Update  
**YEAR 3**  
Half Year 2

## Central Bank of Trinidad & Tobago Strategic Plan 2016/17-2020/21: Overall Revisit and Progress from April 1, 2019-September 30, 2019



Project  
Implementation  
Year 3 : 2018/19  
HY2

### **Three years of the Central Bank's Strategic Plan 2016/17-2020/21 are complete.**

Most of the 23 original projects (aligned to the strategic themes of monetary policy, financial stability and internal operations) are well underway or substantially completed and attention is now focused on achieving outstanding commitments. For the most part, new priorities that emerged have already been integrated into the annual work programs, and the pace of project implementation was adjusted as necessary. The time has now come, as scheduled, to formally gauge whether there should be major changes to the Strategic Plan based on the practical experience to date and the evolution of demands on the Central Bank. At the mid-way point of the Plan (see Project Implementation Update Report to March 31, 2019 which is available online), the Implementation Report made an overview of the key achievements in the first 2.5 years. Drawing on that material, this current Report focuses on addressing 2 broad questions to guide the rest of the Plan period:

### **1. Has the Strategic Plan helped in charting the Bank's direction and improving performance?**

**The formality of the Strategic Plan and the discipline involved in semi-annual reporting to staff and to the general public have helped to maintain attention on goals and in recognizing achievements.** In terms of reach, a November 2018 staff survey showed that a large majority of staff understood the strategic priorities of the Central Bank. There has also gradually been a closer integration of the Strategic Plan into Departmental work programs, the Bank-wide Budget and Training programs, and individual staff performance plans. At the public level, the Bank reports on the Plan's performance annually and also summarized progress at the half way mark.

**The reviews to date have confirmed that the Plan remains firmly on course to achieve its objectives.** Overall, project execution maintains a confident momentum following the analysis and mobilization of year one and the more coordinated work and engagement of the second and third years. Staff at all levels continue to work together in cross-Departmental teams to move project components forward. Processes required for Plan execution are embedded across Departments as are responsibility and accountability for project outcomes.

Some specific advances in projects over the past 6 months include:

- (i) The new Portfolio Management System (PMS) has gone 'live'.** With World Bank assistance, staff are fully trained and all the foreign currency transactions are being conducted through the automated system. Early evaluation of the experience with the PMS is already underway, including via reviews by both the internal and external auditors. Consideration is being given to strengthening the staffing in this area based on World Bank recommendations.
- (ii) In the financial stability arena, the Bank completed its preparation of legislative material for bolstering regulation and supervision in a number of priority areas.** These included Basel II/III implementation, capital adequacy standards and new insurance regulations and guidelines. Supervisory and legal personnel worked closely with the Government's legislative teams to bring these issues to a close. The Bank anticipates that most of the legislative changes would be completed early in FY2019/20. With respect to market conduct, guidelines were issued to improve governance of pension funds and similar work is underway for insurance companies.
- (iii) Major strides continued to be made in improving the Central Bank's standards of communications.** The quality, reach and effectiveness of the semi-annual press conferences moved even higher in FY2018/19 with the presentation of 4 major topics of public interest at both events: November 2018 (Macroeconomic Background, CLICO/BAT Strategy, Market Conduct for Commercial Banks and Fintech/Virtual Currency Perspectives) and May

2019 (Performance of the Financial Institutions, Issues in De-Risking, the Macroeconomic Context and a Blueprint for Continued Financial Stability in Trinidad and Tobago). A dynamic cross-Departmental communications team finalized an approach to using social media and launched new sites on Facebook and Instagram. Meanwhile an "App" is being finalized to allow the public to easily know the features of the Trinidad and Tobago currency notes and is scheduled for deployment in the first half of FY 2019/20. Alongside this, the Bank is considering introducing more denominations in polymer to save costs by extending note durability, to protect further against forgery and to improve recognition by the visually impaired.

- (iv) The greater visibility of the Office of the Financial Services Ombudsman (OFSO) has helped immensely in bringing financial literacy issues to the fore.** Crisp and targeted messaging by the OFSO, drawing on collaborative relationships with other financial institutions, is gradually focusing more public attention on savings, budgeting, retirement planning and the responsibility of banks and insurance companies to treat customers fairly and with dignity. A survey, carded for the new FY, will form the basis for expansion of the work of the National Financial Literacy Program.
- (v) The staff remains the bedrock of the Central Bank and a comprehensive survey in November 2018 elicited important feedback on staff engagement.** Practical action plans were drawn up with extensive staff input through focus groups, Department meetings and individual submissions. Issues included improving emotional intelligence of managers, working from home and staff recognition. Implementation of the action plans is to be tracked and reported semi-annually.
- (vi) While not initially in the Strategic Plan, considerable work was done on the Caribbean Economic Research Team (CERT) project.** This initiative is coordinated by the Central Bank of Trinidad and Tobago and pulls together research directors from Caribbean Central Banks to work on priority topics for the CARICOM Central Bank Governors. CERT successfully completed a paper on Fintech and is currently working on proposals for reducing cash usage in the Caribbean. The Central Bank's Research

Department was also able to publish 4 Working Papers, reaching a wide national and international audience; draft a consolidated set of papers on monetary policy for publication in FY2019/20; and host an influential Research Seminar with regional participation.

**(vii) Successful streamlining of internal operations continued.** A draft of an update of the procurement policy was completed, balancing considerations of effectiveness and governance, and will be finalized early in FY2019/20. In addition, major work was done on fortifying the resilience of the information technology services, developing business continuity practices and embedding an enterprise-wide risk management culture throughout the Bank. Infrastructure work was done on several floors resulting in considerable improvement of the Bank's environment, both for staff and visitors. With respect to staff, the entire fire and emergency alarm system was replaced. Visitors are now greeted with a fresh and dynamic museum experience, a modern high-class auditorium, free Wi-Fi in the Central Bank tower and outside plaza and an engaging landscape. In the coming FY the Bank intends to further enhance its footprint in the capital city through more outreach events.

## 2. What's next—should there be major changes to the Plan based on the experience to date?

**The substantial progress over the first 3 years, clear charting of objectives, as well as the regular monitoring and reporting all suggest that the Plan framework has been appropriate.** The economic and financial background at the time the Plan was drawn up in early 2016 remain broadly relevant. At the same time, technology has continued to evolve; public expectations for greater transparency are higher; modes of communication are more far-reaching and immediate; financial institutions are more mobile, creative and dynamic; and the Trinidad and Tobago economy continues to adjust to the terms-of-trade shock.

**The Plan experience shows that new priorities can be integrated into the current framework, if necessary via a redeployment or engagement of additional financial or human resources.** The Bank would need to constantly scan the environment and be nimble in assessing and potentially integrating new priorities into its work. As noted above and in earlier Reports, there have been substantial achievements to date. On this basis, it is critical that the Bank build on its successes and assure that a new higher level of operations is sustained into the future.

**In practical terms, as some 'strategic' projects become 'operational', adequate planning and resources need to be engaged on an ongoing basis to assure a durable improvement of standards.** For example, following the introduction of the whistleblower mechanism, overall governance compliance must be elevated; similarly, the implementation of the Portfolio Management System must be accompanied by ongoing training and deployment of highly qualified staff. As the competency level of staff rises and processes become further automated with greater use of technology, it is likely that the nature of jobs would change. The Bank would need to prepare itself to embrace this evolution.



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