



2018-2019

# Head 40: Ministry of Energy and Energy Industries

A summary of the Ministry of Energy and Energy Industries' Expenditure, Divisions  
and Projects

Financial Scrutiny Unit, Parliament of the Republic of Trinidad and Tobago

# Table of Contents

<b>Table of Contents</b> .....	<b>1</b>
<b>About this Guide</b> .....	<b>2</b>
<b>Head 40: Ministry of Energy and Energy Industries</b> .....	<b>3</b>
Ministry Overview.....	3
<b>Key Statements from 2017 Standing Finance Committee Debate</b> .....	<b>5</b>
<b>Where the Ministry spends its money</b> .....	<b>6</b>
<i>2018-2019 Estimates of Expenditure</i> .....	6
<b>Summary of Recurrent Expenditure for the period 2013-2019</b> .....	<b>7</b>
<b>Staff and Pay</b> .....	<b>12</b>
<b>Analysis and Summary of Expenditure</b> .....	<b>13</b>
<b>Analysis of Expenditure Unique to the Ministry of Energy and Energy Industries</b> .....	<b>14</b>
<b>Summary of Development Programme Expenditure for the period 2013-2018</b> .....	<b>15</b>
<b>The Ministry's total allocation as a percentage of the National Budget for the period 2013 to 2019.</b> .....	<b>17</b>
<b>Auditor General Report Findings for the Fiscal year 2017</b> .....	<b>18</b>
<b>Noteworthy Development Programme Estimates in 2017-2019</b> .....	<b>19</b>
<b>Status of New Projects from the Financial Year 2016/2017</b> .....	<b>20</b>
<b>Status of New Projects for the Financial Year 2017/2018</b> .....	<b>21</b>
<b>New Projects for the Financial Year 2018-2019</b> .....	<b>22</b>
<b>Major Programmes and Development for the Period 2017 to 2019</b> .....	<b>23</b>
<b>Committee Inquires Related to the Ministry of Energy and Energy Industries</b> .....	<b>24</b>
<b>General Useful Information</b> .....	<b>26</b>

## About this Guide

This guide provides a summary of expenditure for the Ministry of Energy and Energy Industries for the period 2013-2019. It provides Members of Parliament and stakeholders with an overview of the Ministry's responsibilities. The primary purpose of this guide is to consolidate the information contained within the various Budget Documents pertaining to the Ministry of Energy and Energy Industries and provide readers with an analysis of same. This guide is based primarily on:

- the Draft Estimates of Recurrent Expenditure;
- the Draft Estimates of Development Programme;
- the Public Sector Investment Programme; and
- the Auditor General's Report on the Public Accounts of the Republic of Trinidad and Tobago for the fiscal year 2017.

# Head 40: Ministry of Energy and Energy Industries

## Ministry Overview.<sup>1</sup>

### **Mission**

The mission of the MEEI is to contribute to Trinidad and Tobago's prosperity, through the sustainable development of energy and mineral resources.

### **Vision**

A global leader in the strategic development of the energy and mineral sectors.

**Minister:** Senator the Honourable Franklin Khan

**Parliamentary Secretary:** Ms. Nicole Olivierre

**Permanent Secretary (Ag.):** Mrs. Penelope Bradshaw-Niles

The MEEI is responsible for the overall management of the oil, gas and minerals sectors in Trinidad and Tobago. These sectors are the largest single contributors to the GDP of the country and the revenues generated provide the resources for the future development objectives of the Government of the Republic of Trinidad and Tobago. The MEEI is responsible for monitoring, controlling and regulating the energy and mineral sectors of Trinidad and Tobago.

---

<sup>1</sup> Ministry of Energy and Energy Industries website, accessed on September 21, 2018. <http://www.energy.gov.tt/about-us/who-we-are/>

In order to fulfill the diverse responsibilities that fall under the remit of the Ministry of Energy and Energy Industries, there are six (6) established Divisions as published in the Trinidad and Tobago Gazette:<sup>2</sup>

- Energy Industries;
- Energy Policy Planning and Research;
- Hydrocarbons;
- Natural Resources;
- Power Generation; and
- Quarries and Mine.

---

<sup>2</sup> Trinidad and Tobago Gazette, pg. 1095, accessed on September 21, 2018: <http://www.news.gov.tt/archive/E-Gazette/Gazette%202015/Gazette/Gazette%20No.%2097.pdf>

# Key Statements from 2017 Standing Finance Committee Debate

During the Standing Finance Committee debate of 2017, the following statement was made in relation to the emphasis of the Ministry of Energy and Energy Industries for fiscal year 2017/2018<sup>3</sup>:

*“...there are two important contracts that will be awarded this year. One is ... the Ryder Scott Report ... the natural gas reserves audit which is due this year. The last one expired last year. So that will be a major contract to again quantify the natural gas reserves of Trinidad and Tobago which is very, very fundamental to the planning process and to the national economy. There is also a major claim before the committee for the limits of the Continental Shelf in Trinidad and Tobago....”*

*... we can salvage a downstream aluminium industry based on imported ingots, and that is the rationale for the Sural initiative because in the first plan we would have been producing our ingots for downstream work at the e Teck Park in Tamana. ... The work is still being done for a downstream aluminium industry especially for aluminium wheels ..., one of the few prices in the world that has not been depressed is aluminium and that is largely because of the motor car industry....*

*...the major renewable initiative, we have proposals coming through the national energy for some wind farms in south-east Trinidad, and we are a little handicapped by solar because solar's footprint is so large, it calls for one megawatt of power, it calls for a hectare of land for solar panels. But I just want for clarification purposes to say that we have, right now, invitations for proposals for a waste to energy project which will be placed at the Beetham landfill, and that will use municipal waste to generate electrical power. ...*

*...We have a CNG station carded for Tobago, because there are some CNG buses that will be placed in Tobago and we are starting to market Tobago in a greener way, so that will be there also....”*

---

<sup>3</sup> Minister of Energy and Energy Industries, Standing Finance Committee Hansard of Ministry of Energy and Energy Industries 20Oct17, Accessed September 21, 2018.

# Where the Ministry spends its money

## *2018-2019 Estimates of Expenditure*

The budget allocation of **\$539,403,000** for the Ministry of Energy and Energy Industries is comprised of:

- The Draft Estimates of Recurrent Expenditure in the sum of **\$520,403,000**;
- The Draft Estimates of Development Programme in the sum of **\$19,000,000**
  - Consolidated Fund in the sum of **\$10,000,000**; and
  - Infrastructure Development Fund<sup>4</sup> of the sum **\$9,000,000**.

The Estimates of Recurrent Expenditure include:

- 01 Personnel Expenditure - **\$38,264,000**;
- 02 Goods and Services - **\$70,611,500**;
- 03 Minor Equipment Purchases **\$1,519,000**; and
- 04 Current Transfers and Subsidies **\$410,008,500**

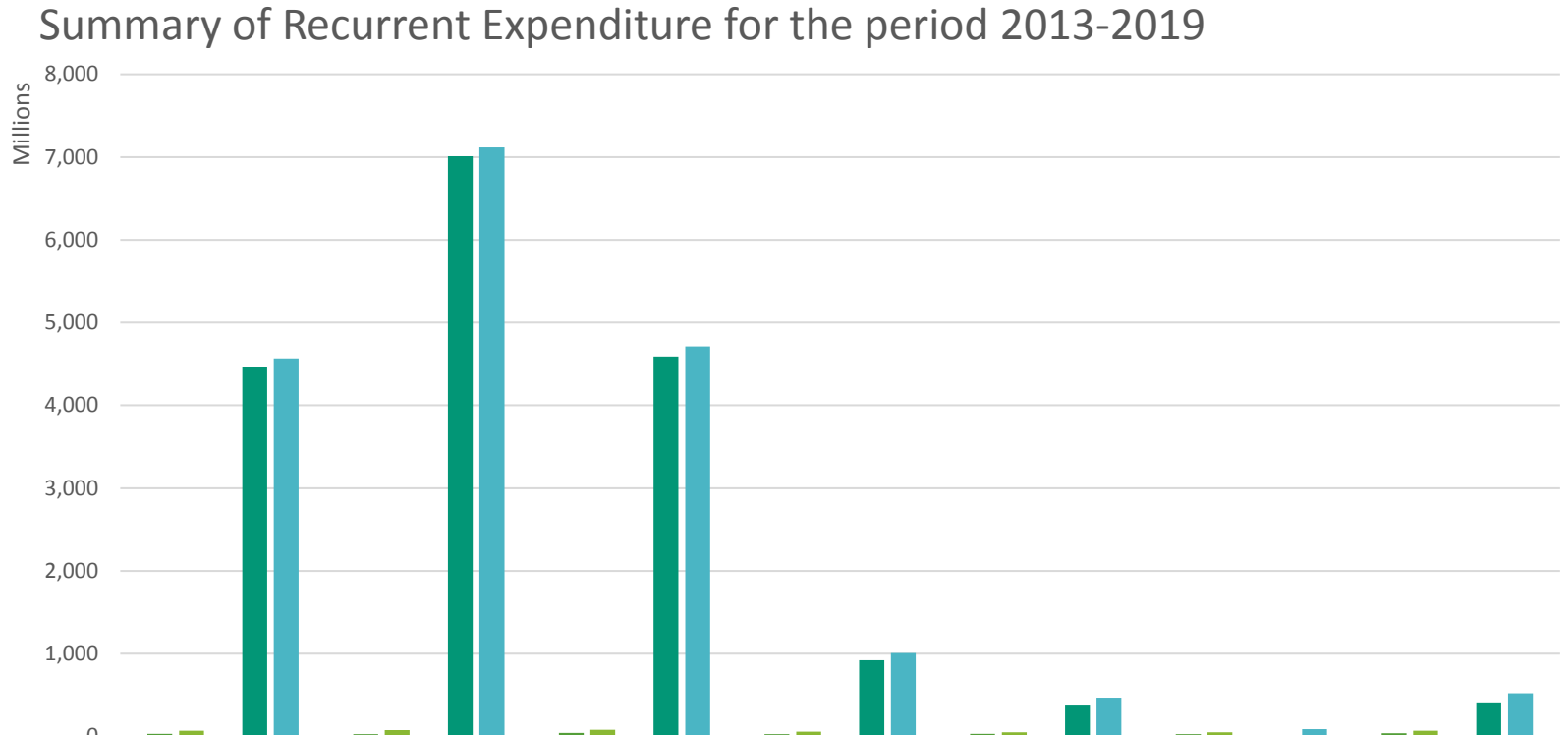
The Ministry of Energy and Energy Industries':

- Recurrent Expenditure as a percentage of the total Recurrent Expenditure budget is **0.98%**
- Consolidated Fund allocation as a percentage of the total Consolidated Fund allocation is **0.42%**
- Infrastructure Development Fund allocation as a percentage of the total Infrastructure Development Fund is **0.32%**.

---

<sup>4</sup> Head 18 -Ministry of Finance, Sub-Head 04 - Current Transfers and Subsidies, Sub-Item 11- Infrastructure Development Fund (IDF) (Infrastructure Development Fund allocation is part of the Ministry of Finance allocation for the financial year. *Therefore, the total recurrent expenditure for the Ministry of Energy and Energy Industries does not include the IDF funding.*

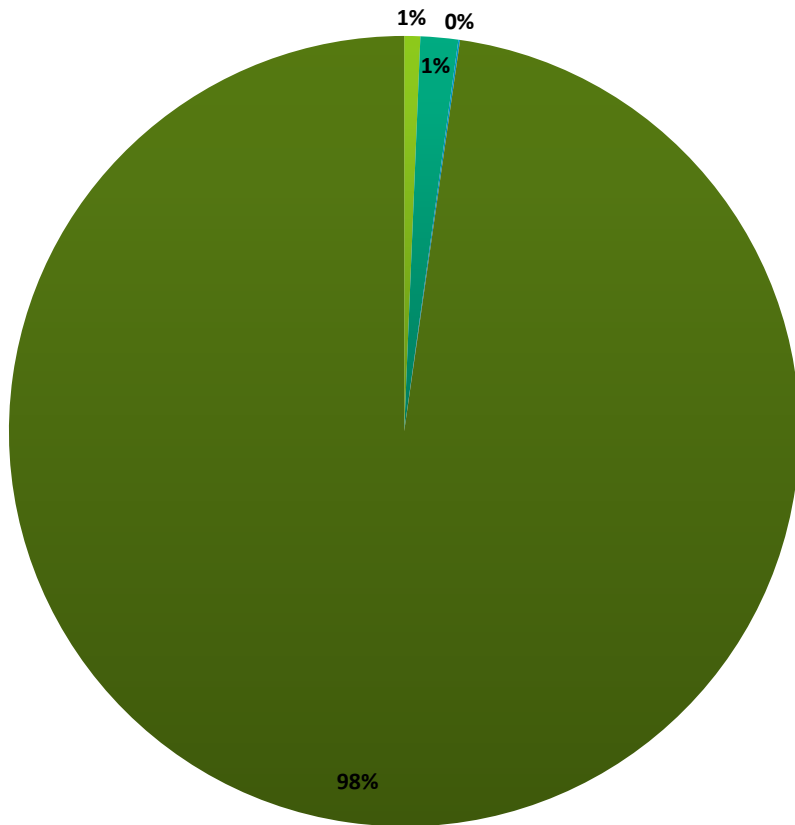
# Summary of Recurrent Expenditure for the period 2013-2019



	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Revised Estimates	2019 Estimates
■ 01 Personnel Expenditure	29,851,424	26,205,849	43,036,899	27,882,287	30,215,531	28,582,650	38,264,000
■ 02 Goods and Services	70,251,230	78,547,051	79,070,546	57,021,246	51,212,704	50,661,000	70,611,500
■ 03 Minor Equipment Purchases	3,157,473	589,644	100,363	360,414	161,870	51,750	1,519,000
■ 04 Current Transfers and Subsidies	4,465,747,951	7,009,775,566	4,590,710,510	920,769,673	385,016,549	8,854,672	410,008,500
■ Total	4,569,008,078	7,115,118,110	4,712,918,318	1,006,033,620	466,606,654	88,150,072	520,403,000

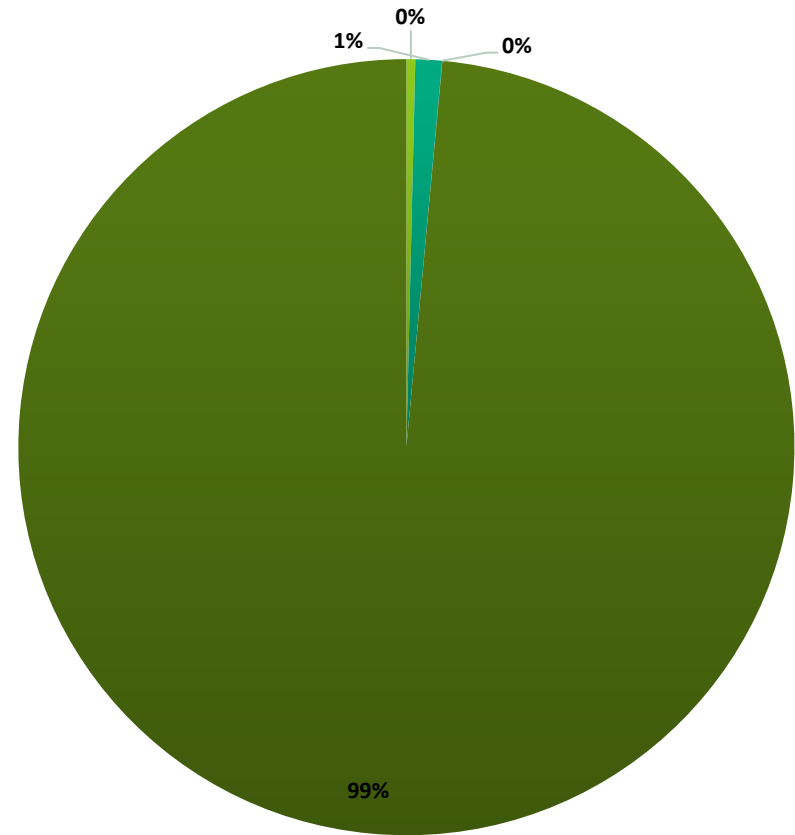


### 2013 Actual



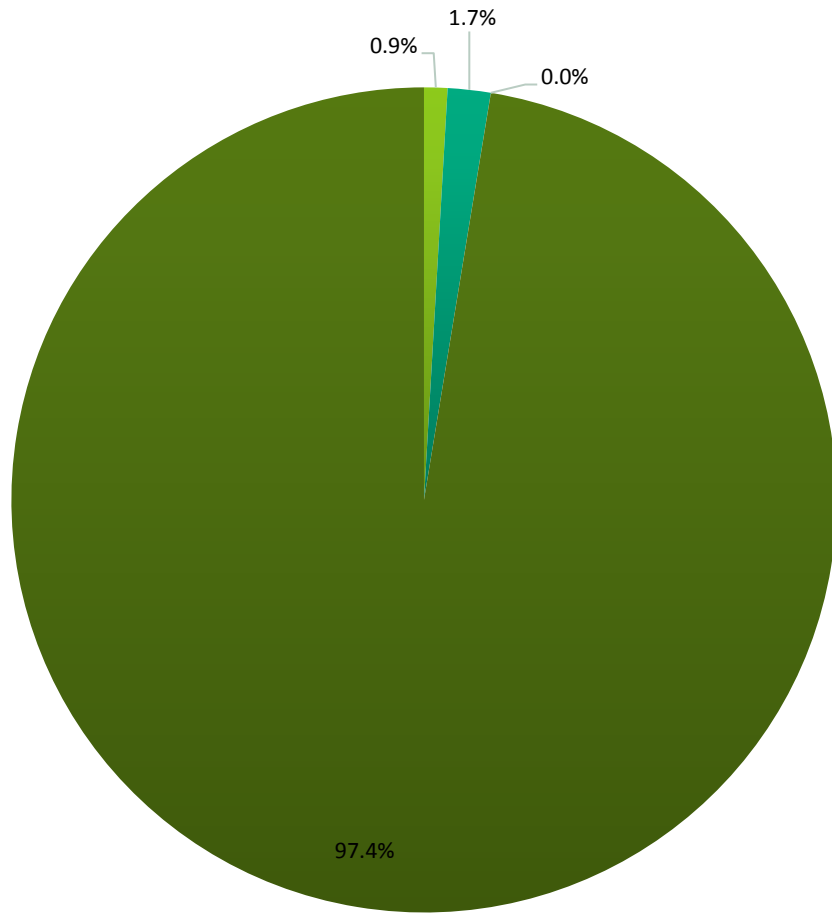
- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

### 2014 Actual



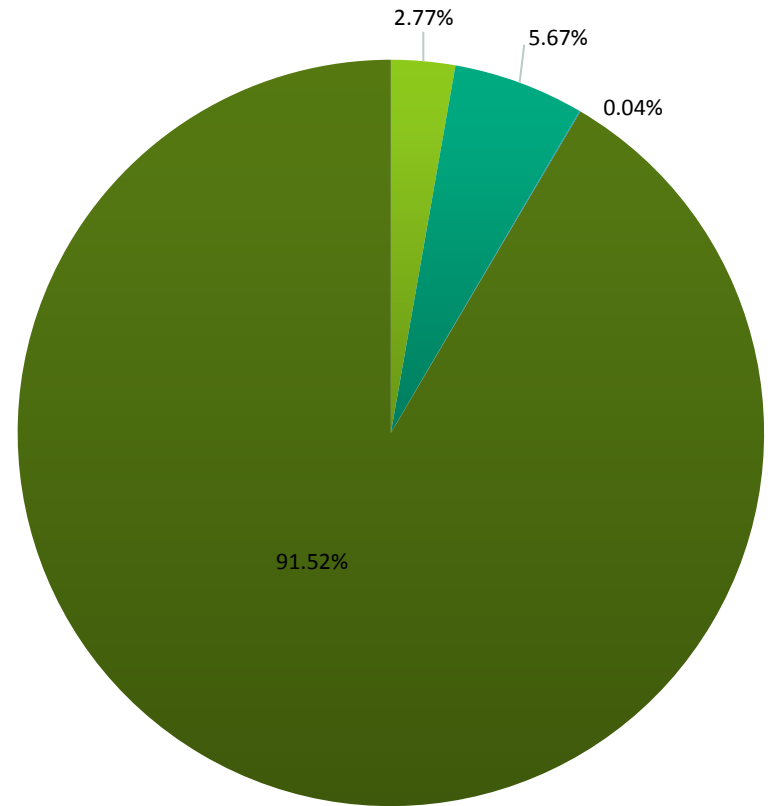
- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

### 2015 Actual



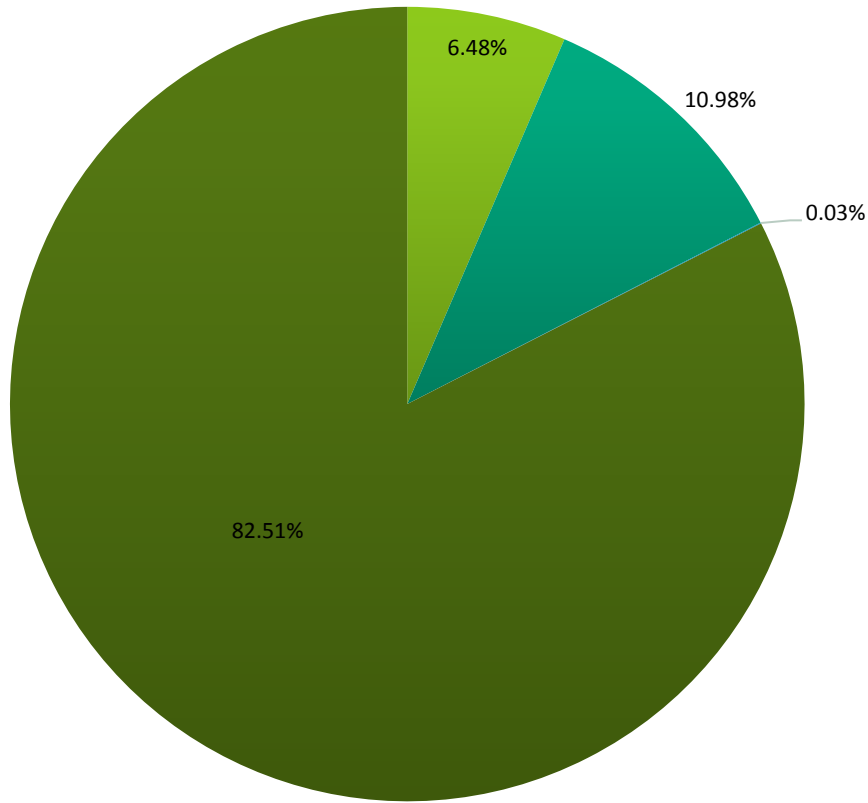
- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

### 2016 Actual



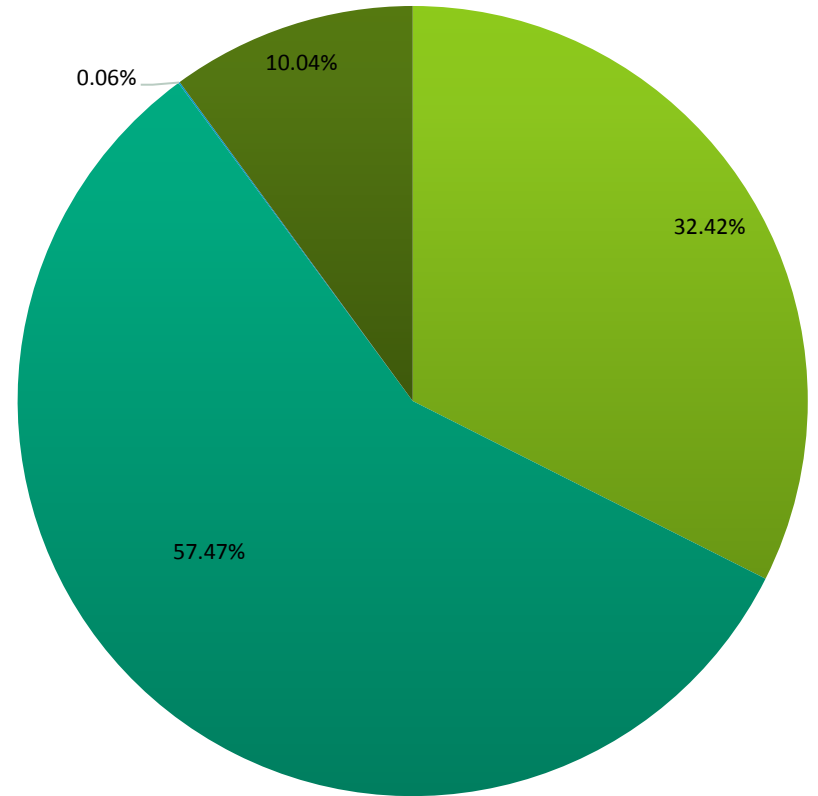
- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

### 2017 Actual



- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

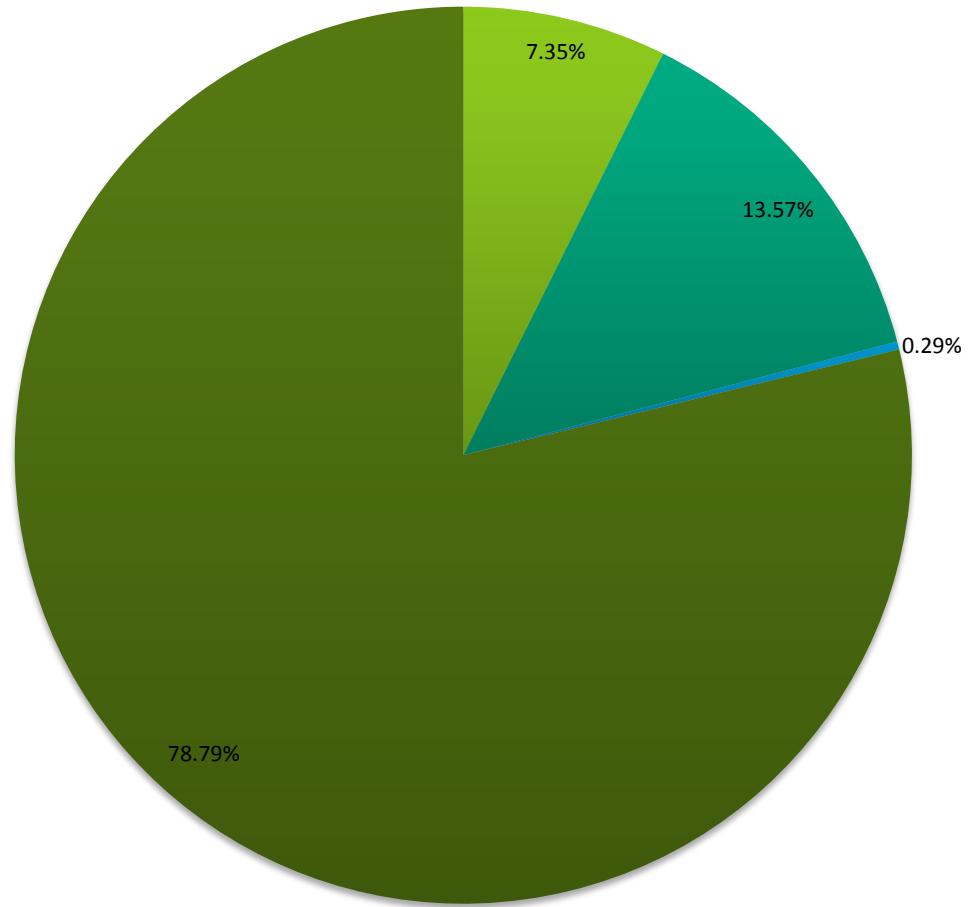
### 2018 Revised Estimates



- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

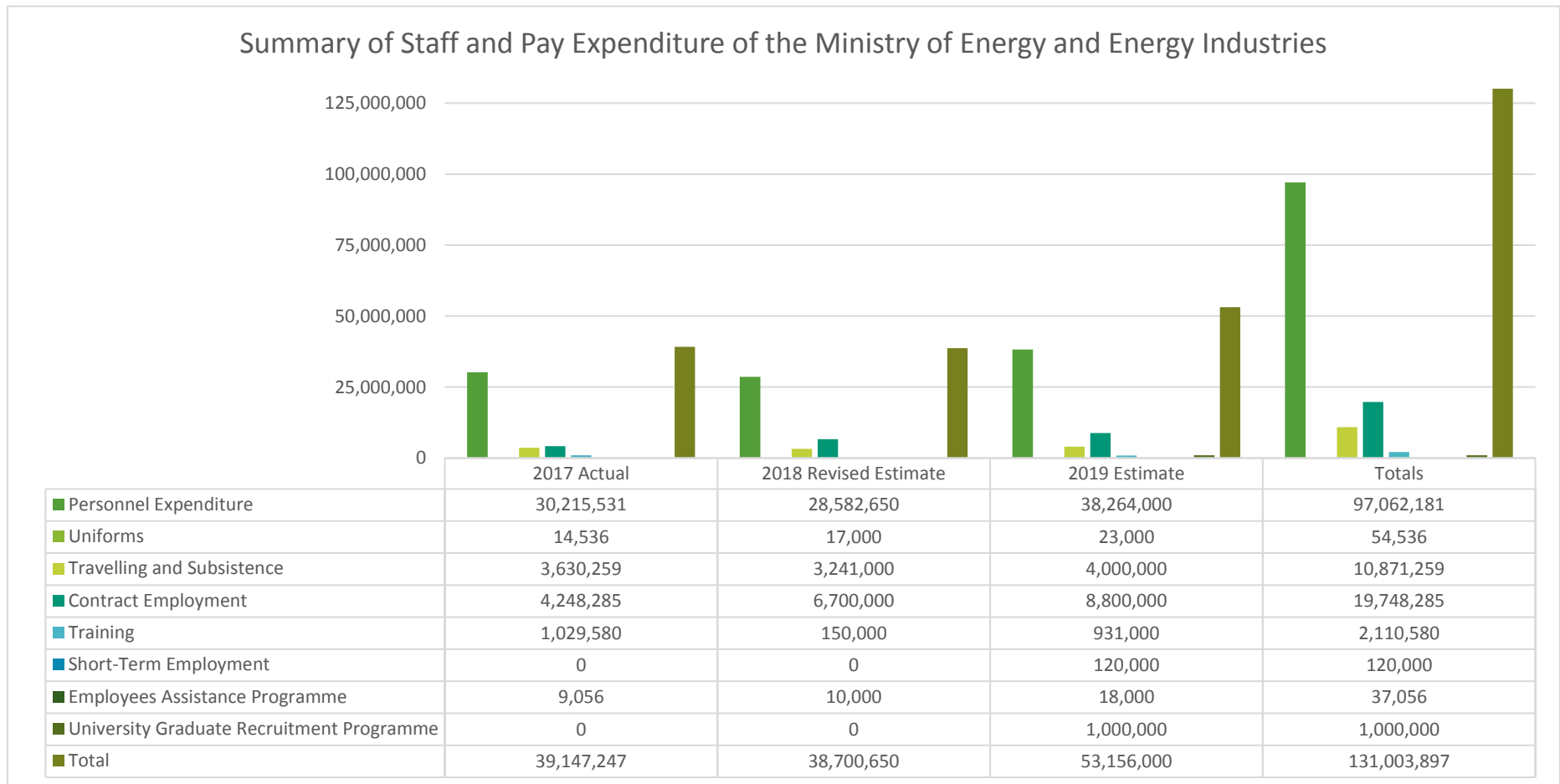
## 2019 Estimates

■ 01 Personnel Expenditure   ■ 02 Goods and Services   ■ 03 Minor Equipment Purchases   ■ 04 Current Transfers and Subsidies



## Staff and Pay<sup>5</sup>

The allocation of staff expenditure for the fiscal year 2019 was **\$53,156,000** which represents an increase of approximately **0.13%** from the last fiscal year 2018. The following chart provides a breakdown of all expenditure related to staff from 2017-2019.



<sup>5</sup> Draft Estimates of Recurrent Expenditure for the Financial Year 2019, accessed on October 2, 2018. <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Recurrent-Expenditure-2019.pdf>

# Analysis and Summary of Expenditure

Recurrent Expenditure refers to the payments for expenses which are incurred during the day-to-day operations of the Ministry for Personnel Expenditure, Goods and Services, Minor Equipment Purchases and Current Transfers and Subsidies. Recurrent Expenditure for Fiscal Year 2018/2019 is **\$520,403,000**

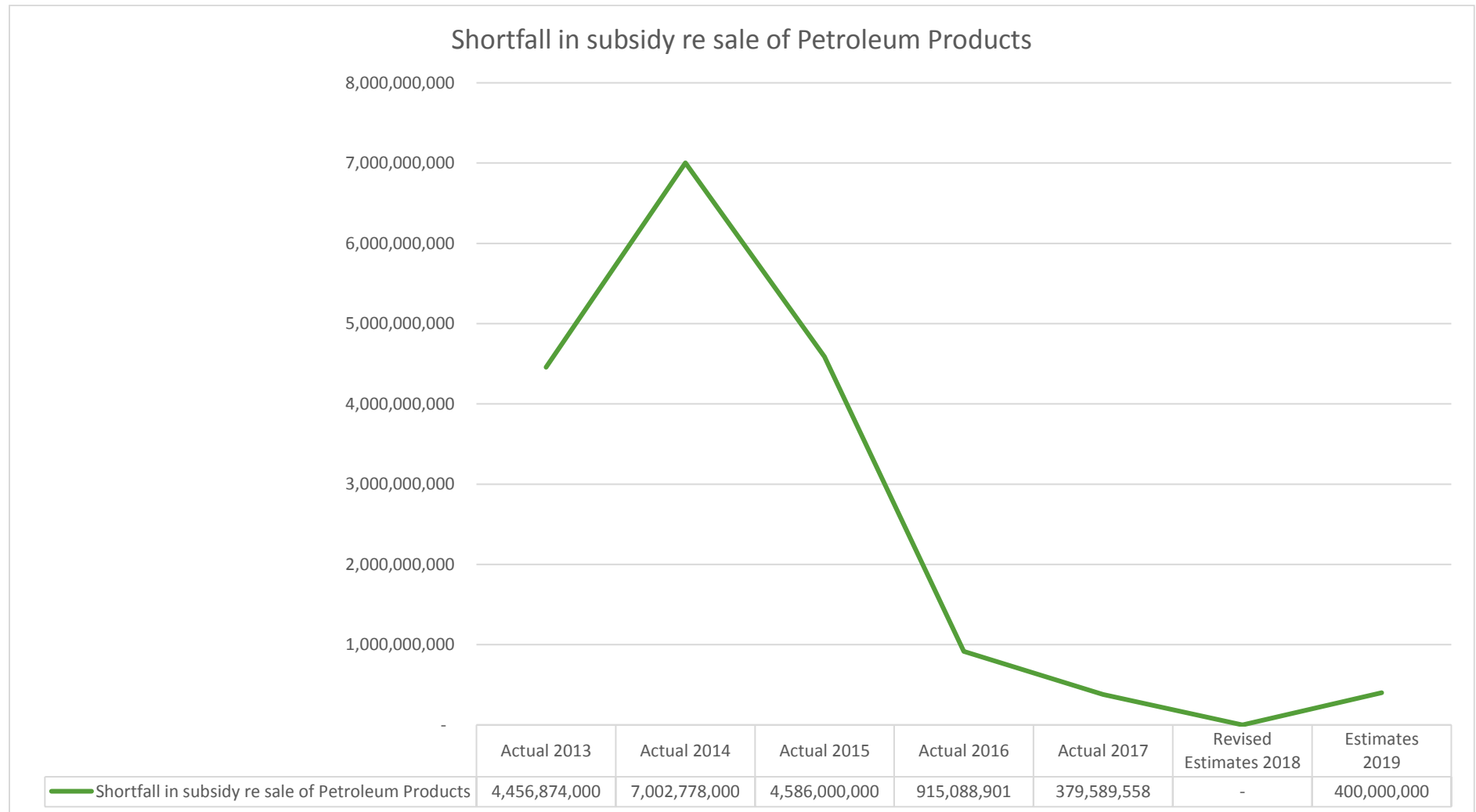
- Recurrent Expenditure (Revised) for Fiscal Year 2017/2018 was \$88,150,072. Comparing this figure with Fiscal Year 2018/2019, there is an increase of **\$432,252,928** or **490%**<sup>6</sup>.
- The largest portion of the allocation has consistently gone to Sub Head 04 Current Transfers and Subsidies for 2013 to 2017. This figure has been fluctuating over the period 2013-2019, accounting for approximately **79%** of total funding for the Ministry for fiscal year 2018/2019.
- Sub Head 03 Minor Equipment Purchases received the lowest portion of the total allocation for the Ministry over the period 2013 to 2019.
- Sub Head 02 Goods and Services received the second largest portion of the allocation and has been fluctuating over the period 2013-2019. Comparing 2017/2018 to 2018/2019, there was a decrease in the allocation by **43.9%**.
- The actual/estimated expenditure for the four (4) Sub-Heads has been fluctuating over the five (5) year period, from a low of **\$88,150,072** in 2018 (Revised) to a high of **\$7,115,118,110** in 2014.

---

<sup>6</sup> 04-007-01 Shortfall in subsidy re sale of Petroleum Products was increased by \$400,000,000 for the fiscal year 2018/2019.

# Analysis of Expenditure Unique to the Ministry of Energy and Energy Industries

Unique Expenditure refers to expenditure items incurred by the Ministry of Energy and Energy Industries that may not feature in other ministries or departments.



# Summary of Development Programme Expenditure for the period 2013-2018

Development Programme is capital expenditure aimed at improving and enhancing development in different areas of Trinidad and Tobago which includes; human resources, economic and social development.

The Public Sector Investment Programme (PSIP), which represents the capital expenditure component of the National Budget, is the instrument used by Government to effect its vision and policies. It is a budgeting and strategic planning tool made up of projects and programmes, designed to realise the goals set out in the Government's overarching policy.

The PSIP budget document provides a detailed description of the programmes and projects and includes a review of the implementation of projects and programmes in the previous financial year and highlights the major projects and programmes to be implemented in the upcoming financial year.

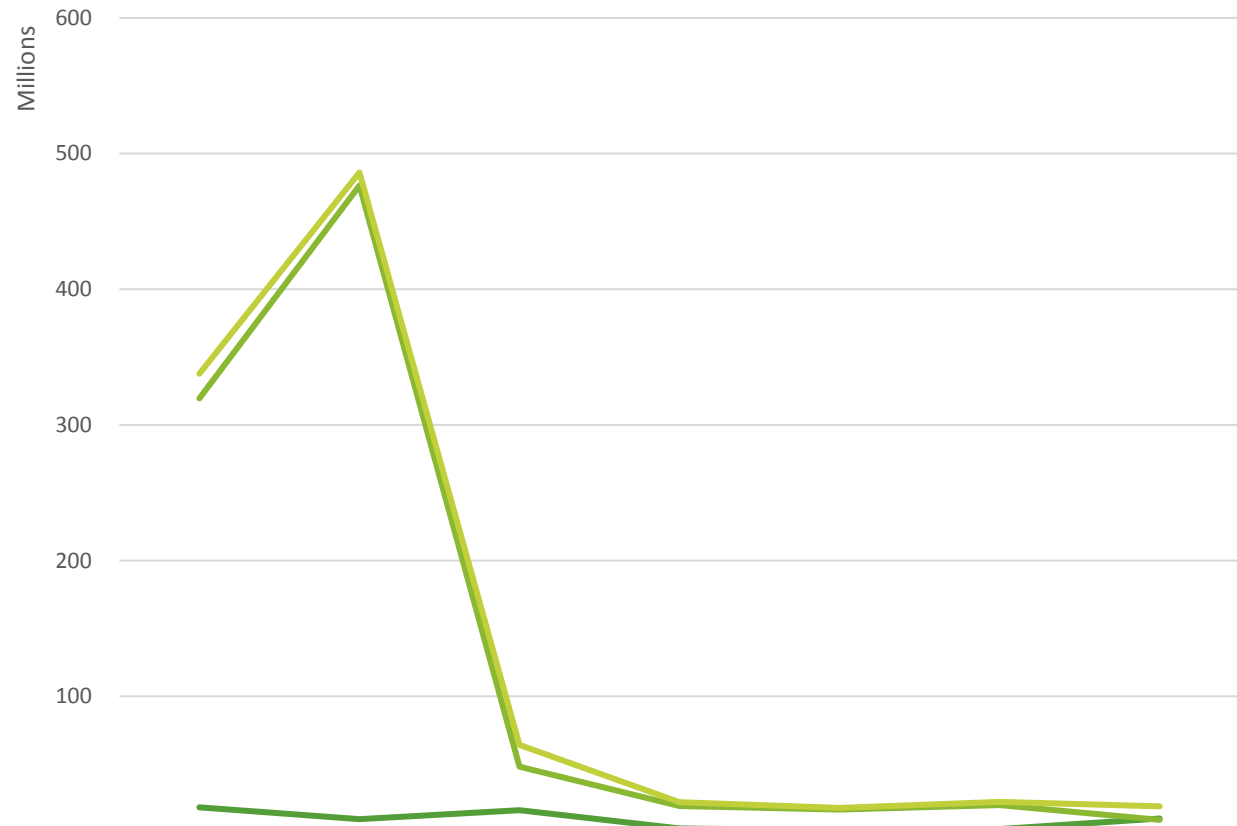
- The Public Sector Investment Programme is intended to achieve:
  - the country's social and economic development goals; and
  - enhance the quality of life of all citizens.

The allocation of **\$19,000,000** for development programmes and projects for fiscal year 2018/2019 are presented in two parts as follows:

- Funds appropriated by Parliament and disbursed directly from the Consolidated Fund **47.3%** and
- Funds disbursed from the Infrastructure Development Fund **52.6%**.



## Summary of Development Programme Expenditure for the Period 2013-2018



	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Revised Estimates 2018	Estimates 2019
Multi-sectoral and other services- Consolidated Fund	18,211,306	9,596,572	16,208,268	2,775,789	1,169,677	2,257,000	10,000,000
Economic Infrastructure- Infrastructure Development Fund	319,592,198	476,504,562	48,103,189	19,157,107	16,636,959	20,000,000	9,000,000
Total	337,803,504	486,101,134	64,311,457	21,932,896	17,806,636	22,257,000	19,000,000

Multi-sectoral and other services- Consolidated Fund

Economic Infrastructure- Infrastructure Development Fund

Total

## The Ministry's total allocation as a percentage of the National Budget for the period 2013 to 2019.

Year <sup>7</sup>	Total Allocation <sup>8</sup>	National Budget <sup>9</sup>	Percentage of National Budget
2013	\$ 4,587,219,384.00	\$ 59,174,226,196.00	7.8%
2014	\$ 7,124,714,682.00	\$ 65,020,886,424.00	11.0%
2015	\$ 4,729,126,586.00	\$ 61,966,922,675.00	7.6%
2016	\$ 1,008,809,409.00	\$ 56,573,913,053.00	1.8%
2017	\$ 467,776,331.00	\$ 54,883,153,410.00	0.9%
2018	\$ 90,407,072.00	\$ 54,330,404,592.00	0.2%
2019	\$ 530,403,000.00	\$ 55,582,977,415.00	1.0%

- Total allocation for the Ministry as a percentage of the National Budget illustrated an increase in the allocation to the Ministry of Energy and Energy Industries by 0.8% between the period 2017/2018 and 2018/2019.

<sup>7</sup> For the Financial Years 2016-2017, actual figures were used to calculate total allocation. However, estimates were used to calculate the total allocation for the Fiscal Years 2018 and 2019.

<sup>8</sup> Total Allocation for the Ministry of Energy and Energy Industries=Recurrent Expenditure + Consolidated Fund Expenditure

<sup>9</sup> The National Budget =Recurrent Expenditure + Development Programme Expenditure Consolidated

# Auditor General Report Findings for the Fiscal year 2017

Ref: Auditor General's Report<sup>10</sup>

## 40 – MINISTRY OF ENERGY AND ENERGY INDUSTRIES

### Revenue Control

#### *Royalty on Oil and Gas*

**3.9** Examination of the Draft Strategic Plan that was sent to Cabinet for approval revealed that it did not address the weaknesses related to the Ministry's inability to determine the veracity of the production data submitted by the oil and gas extraction companies. This matter has been raised in the 2016 Auditor General's Report on the Public Accounts.

#### *Royalty on Quarries, Sand and Gravel Pits*

**3.10** There was no documented system that allowed the Ministry to capture all the existing quarry operators (i.e. both registered and unregistered), for the purpose of collecting royalties due.

**3.11** Production data that was submitted by the extraction companies was not examined by the Ministry with a view of determining the accuracy of the data submitted.

**3.12** Operators in arrears were determined only from those who submitted Quarterly Returns to the Ministry. Operators in default of submission are therefore not recorded or notified of their arrears.

**3.13** The Ministry does not have a system that allows it to be notified when an illegal operator begins extraction of aggregate. Presently, the Ministry relies on the initiative taken by members of the public who may live in proximity to the extraction activity.

---

<sup>10</sup> Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year ended September 30, 2017, pg 53

<http://138.128.179.50/sites/default/files/Auditor%20Generals%20Report%20on%20the%20Public%20Accounts%202017.pdf>

## Noteworthy Development Programme Estimates in 2017-2019

The table below lists the projects that have been noted due to uncharacteristic variances in estimates for funding: <sup>11</sup>

<b>Sub-Item Head Description</b>	<b>Project</b>	<b>2017 Actual</b>	<b>2018 Revised Estimate</b>	<b>2019 Estimate</b>
005-06-A003	Renewable Energy and Energy Efficiency Initiatives	\$429,454	\$500,000	\$9,000,000
005-06-A005	Extractive Industry Transparency Initiatives	\$438,895	\$1,757,000	0
005-06-F002	Above Ground Fuel Tank Installations- La Ruffin Moruga	0	0	0
IDF 003-05-D005	Development of New Port Facilities	\$11,006,013	\$20,000,000	0
IDF 003-05-D011	Dredging of Sea-Lots Main Channel and Turning Basin	\$5,630,946	0	\$9,000,000

---

<sup>11</sup> Draft Estimates of Development Programme 2019, accessed on October 2, 2018 <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Of-Development-Programme-New-2019.pdf>

## Status of New Projects from the Financial Year 2016/2017

For the fiscal year 2016-2017, the following new projects were scheduled for implementation under the Ministry of Energy and Energy Industries, and as such require further inquiry on the progress of completion<sup>12</sup>:

<b>Sub-Head Description</b>	<b>Project -Item</b>	<b>Actual 2017</b>	<b>2018 Estimate</b>	<b>2018 Revised Estimate</b>	<b>2019 Estimate</b>
005-06-A007	Environmental Policy Grant Project (EU)	\$301,328	0	0	0

---

<sup>12</sup> Draft Estimates of Development Programme 2019, accessed on October 2, 2018 <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Of-Development-Programme-New-2019.pdf>

## Status of New Projects for the Financial Year 2017/2018

For the fiscal year 2017/2018, the following new projects were scheduled for implementation under the Ministry of Energy and Energy Industries, and as such require further inquiry on the progress of completion<sup>13</sup>:

<b>Sub-Head Description</b>	<b>Project -Item</b>	<b>2018 Estimate</b>	<b>2018 Revised Estimate</b>	<b>2019 Estimate</b>
005-06-F003	Above Ground Fuel Tank Installations	\$900,000	0	0

---

<sup>13</sup> Draft Estimates of Development Programme 2019, accessed on October 2, 2018. <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Of-Development-Programme-New-2019.pdf>

# New Projects for the Financial Year 2018-2019

The following new projects that received funding in the 2018/2019 financial year<sup>14</sup>:

Sub-Head Description	Project -Item	2019 Estimate
005-06-G001	Acquisition of Synthetic Aperture Radar (SAR) <sup>15</sup> for the Detection of Oil Spills	\$1,000,000

---

<sup>14</sup> Draft Estimates of Development Programme 2019, accessed on October 2, 2018 <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Of-Development-Programme-New-2019.pdf>

<sup>15</sup> 'Synthetic Aperture Radars (SARs) are advanced forms of side-looking imaging radar. A radar is essentially a ranging or distance measuring device. It consists fundamentally of a transmitter, a receiver, an antenna, and an electronics system to process and record the data. The same antenna is often used for transmission and reception. By measuring the time delay between the transmission of a pulse and the reception of the backscattered "echo" from different targets, their distance from the radar and thus their location can be determined. SARs are well suited to surveillance and disaster managements for:

- **Maritime surveillance:** ice detection, oil and ship detection
- **Maritime safety:** ocean wind speed, atmospheric fronts, waves, currents, eddies, internal waves
- **Geology:** accurate measurements of distance (interferometry), surface change, coastal erosion, measuring glacier motions, detecting effect of earthquakes
- **Hydrology:** estimating soil moisture, surface water content' cited from An Introduction to Synthetic Aperture Radars Observations by Marjolaine Rouault [http://www.bilko.org/eamnet/pdf/eamnet\\_SAR\\_introduction.pdf](http://www.bilko.org/eamnet/pdf/eamnet_SAR_introduction.pdf)

# Major Programmes and Development for the Period 2017 to 2019

The following table shows a list of the significant expenditure items, based on the proportion of the budgetary allocation assigned<sup>16</sup>.

<b>Development Programme 2019</b>	<b>PROJECTS</b>	<b>2017 Actual</b>	<b>2018 Revised Estimate</b>	<b>2019 Estimate</b>
003-05-001-IDF	Development of Industrial Sites	0	0	0

---

<sup>16</sup> Draft Estimates of Development Programme 2019, accessed on October 2, 2018. <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Of-Development-Programme-New-2019.pdf>



# Committee Inquires Related to the Ministry of Energy and Energy Industries

Inquiry	Report Status	Ministerial Response	Key Recommendations <sup>17</sup>
<p>1. <i>Inquiry into the Strategies and Incentives to promote new production in the Energy Industry with specific focus on the Ministry of Energy and Energy Industries</i></p>	<p>Report Presented: HOR: 09.12.16 Senate: 19.12.2016</p>	<p>Presented: HOR: 23.02.2017 Senate: 14.03.2017</p>	<ul style="list-style-type: none"> <li>• MEEI urgently engages external assistance through the supporting partnerships from such institutions as the Oxford Institute of Energy Studies and the Jackson School of Geosciences, University of Texas, Austin Bureau of Economic Geology, University of Texas to seek their assistance in reviewing some of these contracts and to provide recommendations to ensure the protection of the State’s interests in these matters.</li> <li>• Due consideration must be given to returning to the MEEI the scholarships that exist under the Production Sharing Contracts that were removed and placed under the ambit of the Ministry of Public Administration. These scholarships should be for the sole use of creating and sustaining a “pipeline” of young, recently graduated energy professionals who are required to serve the MEEI for specified</li> </ul>

<sup>17</sup> Key Recommendations relate to recommendations that may have a financial impact on the Ministry from the First Report of the Joint Select Committee on Energy and Energy Affairs, p12-38. <http://www.ttparliament.org/reports/p11-s2-J-20161209-EA-R1.pdf>

			<p>periods. The evidence is clear that many, now senior, professionals who benefited from these scholarships and returned, have made significant contributions.</p>
--	--	--	---

## General Useful Information

- Ministry of Energy, Northern Development and Mines, CAN: <http://www.energy.gov.on.ca/en/>
- Natural Resources, Canada: <http://www.nrcan.gc.ca/19501>
- World Energy Council : <https://www.worldenergy.org/>
- Energy Information Administration, USA: <https://www.eia.gov/>
- Department of Energy, USA: <https://energy.gov/oil>