

Report on the second withdrawal in the amount of US\$200.0Mn from the Trinidad and Tobago Heritage and Stabilisation Fund in accordance with Section 15A(3) of the Heritage and Stabilisation Fund Act, Chapter 70:09 as amended

The Heritage and Stabilisation Fund (“the Fund”) was established by the Heritage and Stabilisation Fund Act Chapter 70:09 (“the Act”). Section 3 of the Act provides that the purpose of the Fund is to save and invest surplus petroleum revenues derived from production business in order to:

- d. cushion the impact on or sustain public expenditure capacity during periods of revenue downturn whether caused by a fall in prices of crude oil or natural gas;
- e. generate an alternate stream of income so as to support public expenditure capacity as a result of revenue downturn caused by the depletion of non-renewable petroleum resources; and
- f. provide a heritage for future generations, of citizens of Trinidad and Tobago, from savings and investment income derived from the excess petroleum revenues.

2. By Act No. 9 of 2020 which was assented to on March 26, 2020, the Act was amended by inserting the following section 15A which states:

- “ (1) Notwithstanding section 15 and any other written law and subject to subsection (2), withdrawals may be made from the Fund where:-
- (c) a disaster area is declared under the Disaster Measures Act;
 - (d) a dangerous infectious disease is declared under the Public Health Ordinance; or
 - (c) there is, or is likely to be, a precipitous decline in budgeted revenues which are based on the production or price of crude oil or natural gas.
- (2) Withdrawals under subsection (1) may be made from the Fund not exceeding one and one half billion dollars at any time during the financial year.
- (3) Where a withdrawal has been made from the Fund under this section, the Minister shall cause a report to be laid in the House of Representatives, within sixty days of that withdrawal.”

3. The outbreak of a respiratory virus of unknown cause detected in Wuhan, China was declared a Public Health Emergency of International Concern on 30 January 2020 and by section 100 of the Public Health Ordinance, Ch. 12 No. 4, the President of the Republic of Trinidad and Tobago on January 31, 2020 declared the 2019 Novel Coronavirus (2019-nCoV) now named COVID-19 to be a dangerous infectious disease.

4. As Stay-at-Home Orders began to ease from May 10, 2020 on a phased basis, Trinidad and Tobago continued in the short and medium-term to be adversely impacted by volatile commodity prices and sharp decrease in revenues. Consequently, this continued to affect Government's ability to meet its capital and current expenditures included amounts owed to service providers for goods and services, such as rent, security, janitorial, utilities, construction work and other contracted services and projected expenses by various Ministries and Departments. In addition, there continued to be outstanding payments owed to contractors by State agencies, mainly, the National Infrastructure Development Company Limited (NIDCO), the Housing Development Corporation (HDC), the National Insurance Property Development Company Limited (NIPDEC) and the Urban Development Corporation of Trinidad and Tobago (UDeCOTT).

5. Given the continued decline in revenue as a direct consequence of COVID-19, the Government of the Republic of Trinidad and Tobago approved the immediate withdrawal of US\$200.0Mn from the Trinidad and Tobago Heritage and Stabilisation Fund in accordance with section 15A(1)(b) of the Heritage and Stabilisation Fund Act Chapter 70:09. These funds were received on June 23, 2020 and credited to the Government's current account at the Central Bank.

6. It is to be noted that the sum of TT\$860.0Mn was allocated to Ministries and Departments to cover outstanding bills for goods and services, such as rent, security, janitorial, utilities, construction work and other contracted services owed, as well as projected expenses going forward. In addition, the sum of \$TT500.0Mn was allocated to NIDCO, HDC, NIPDEC and UdeCOTT, distributed according to need, to clear outstanding bills owed to contractors and suppliers.