

# ANNUAL REPORT

October 2014



# CARIBBEAN REGIONAL TECHNICAL ASSISTANCE CENTER (CARTAC)



## A Multi-Donor Initiative Supported by Recipient Countries and the Following Donors



Government  
of Canada

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## Statement by the Chairperson of CARTAC Steering Committee



I am pleased to highlight that CARTAC continued to deliver a high quality of service to the Caribbean region in 2013, largely meeting the objectives of its work programme. Demand-led programme activities continued to be geared towards building the technical capacity and enhancing the institutional capabilities of the region's finance ministries, revenue departments, central banks and other government and public sector agencies.

CARTAC continued to help the region address the challenges to fiscal and debt sustainability, financial sector stability and macroeconomic management during the year through the development of the skills needed for effective economic and financial management. In the area of public financial management, CARTAC continued to focus on supporting countries' efforts in developing and implementing reform action plans. Emphasis continued to be placed on improving short-term and medium-term budget preparation, budget challenges, execution (including treasury management and treasury single accounts), reporting and audit. CARTAC also increased its emphasis on sustainable education and peer-assisted learning. An encouraging outcome of this process has been that more countries are committing to strategic budget reform and to undertaking public financial management ("PFM") reform.

In tax administration, CARTAC's TA programmes were delivered to support the introduction of VAT systems; to harmonise and standardise operational procedures in tax administration and customs; to improve the organisational structures of revenue administration authorities; and to increase customs and tax enforcement capacities through improved service delivery and more effective risk-based enforcement strategies.

CARTAC also continued to provide financial sector supervision (FSS) TA to assist in strengthening the legal and financial sector frameworks of member countries, particularly as they related to the implementation of Basel II frameworks. TA was also geared at enhancing supervisory and regulatory processes and strengthening financial stability and crisis preparedness frameworks. CARTAC continued to support the preparation of financial stability reports and, recognising the highly interconnected nature of the financial systems in the Caribbean, advanced the objective of preparing and publishing a regional financial stability report.

In the area of macroeconomic programming, CARTAC continued to support the deepening of capacity among member countries, particularly in the ECCU. Support was also channelled towards the region's youngest economics graduates through an internship programme in partnership with key regional institutions. CARTAC's TA was also vital to improving the quality and timeliness of member countries' macroeconomic statistics, including national

accounts, price and external sector statistics, including international investment positions (IIP) and Coordinated Direct Investment Surveys (CDIS).

This annual report continues a long tradition of transparency at CARTAC by providing detailed information on its activities during the past year. We hope that the report will continue to be received by our stakeholders and the wider public as a useful conduit of information on the operations and affairs of CARTAC.

Much of CARTAC's achievement would not have been possible without the kind support of the donors. I wish to place on record my gratitude to them for their commitment and contributions. The Canadian Government, via the Department for Foreign Affairs, Trade and Development (DFATD), continued to be the largest financial donor. Other contributors were the UK Department for International Development (DFID), Australian Agency for International Development (AUSAID), the International Monetary Fund (IMF), Caribbean Development Bank (CDB) and the European Union (EU). I would also like to thank the member countries who have committed to increasing their contributions substantially, ensuring that it will remain viable in service to the region. Our host country, Barbados, continued to provide excellent office facilities, allowing CARTAC to function effectively.

Finally, I wish to express my gratitude to the members of the steering committee for ensuring that the principles of CARTAC continued to be upheld. Looking ahead, no major programmatic changes are planned. CARTAC will continue to focus on the five key result areas and supporting countries in the implementation of their PFM reform action plans. I wish for the CARTAC team another successful year.

*Brian Wynter*

*Chairperson*

*CARTAC Steering Committee*

## Foreword by Centre Coordinator



In one of my first official duties since assuming the position of CARTAC Programme Coordinator from Dr. Arnold McIntyre, it is my pleasure and privilege to deliver the annual report for CARTAC operations for the 2014 fiscal year that spans the period May 1, 2013 through April 30, 2014. It is an honor to be stepping into the shoes of Dr. McIntyre who has so ably steered the direction of CARTAC and the delivery of its highly appreciated services over the past four years.

Over its thirteen year existence, CARTAC has evolved into a mature, effective, and highly appreciated institution delivering financial and economic technical assistance to its twenty country membership across the Caribbean. Dr. McIntyre's tenure coincided with some very difficult times for the region through which CARTAC has provided practical and meaningful assistance and advice to weather these challenges. This report covers a period where growth for the region and most countries is beginning to trend positive, albeit tepidly, and very tentative. Vulnerabilities persist, particularly with some of the tourism and service dependent economies with challenges of weak external accounts, large fiscal deficits, high public debt, and financial sector issues, particularly within the ECCU.

Notwithstanding these difficulties, progress is being made. The dedicated and professional team of CARTAC experts is helping the membership to address the challenges through programs of bilateral and regional missions, workshops, exchanges, internships, and other events that respond to country needs and reform priorities. For example, fiscal consolidation is a key priority for several members where CARTAC assistance in the areas of both revenue and PFM has been impactful. Reducing financial vulnerabilities is a core objective of CARTAC's assistance in the area of financial sector supervision. Sound policy making and economic management is enhanced through more accurate, timely, and comprehensive real sector and external sector statistics with the help of two CARTAC statistics experts, reinforced by the support of CARTAC's macroeconomic advisor who is helping members build or strengthen their macro policy units.

The CARTAC work program is a collaboratively evolving and constructed framework from the articulated needs and priorities of the members that aims to be nimble and responsive to emerging and unforeseen issues while continuing to target broad objectives derived from the Phase IV program document and the Results Based Management (RBM) framework, and the strategic and topical logframes.

This report describes and explains the execution of the FY2014 CARTAC work program and the achievement of outcomes so far, recognizing that many capacity building and reform

initiatives often have relatively long time horizons before their full impact is observed. The report is also forward looking to the anticipated FY2015 work program that is subject to the discussion, direction, and endorsement of the CARTAC Steering Committee that convenes biannually and comprises member countries (from which a chair and vice-chair are chosen), the IMF, various regional observers, and very importantly, the donors that generously underwrite CARTAC operations in addition to the country contributions, particularly the lead financier, the Canadian Department for Foreign Affairs, Trade and Development (DFATD); as well as the UK Department for International Development; the Australian Department of Foreign Affairs and Trade; the European Union; and the Caribbean Development Bank.

With three of the five years of Phase IV CARTAC operations now completed, our attention must soon turn to a possible Phase V. The first step entails an independent mid-term external evaluation of CARTAC operations over the balance of 2014 with findings and recommendations available for consideration at the May 2015 Steering Committee meeting to inform fund-raising discussions and preparation of a new Program Document. Broad stakeholder discussion will be crucial over this planning period to ensure the focus and efforts of CARTAC continue to remain relevant and impactful, and that CARTAC possesses the best possible toolkit for delivering, monitoring, and reporting outcomes, and ensuring the best possible yield on donor and country investments.

To conclude, I am pleased to share with you the FY 2014 CARTAC report that elaborates outcomes and issues under the final year of Dr. McIntyre's leadership. The report follows a consistent approach of previous years, other than a pilot initiative in the presentation of the tax and customs program. I look forward to working closely and collaboratively with all CARTAC stakeholders in the coming years and continuing the excellent work of the current and former staff and coordinators.

*David Kloeden*

*CARTAC Programme Coordinator*

## SELECTED ACRONYMS

ASYCUDA	Automated System for Customs Data
AUSAID	Australian Agency for International Development
BOP	Balance of Payments
BOJ	Bank of Jamaica
BPM	Balance of Payments Manual
CAIR	Caribbean Association of Insurance Regulators
CAPS	Caribbean Association of Pension Supervisors
CARICOM	Caribbean Community Secretariat
CARTAC	Caribbean Regional Technical Assistance Centre
CBB	Central Bank of the Bahamas
CBTT	Central Bank of Trinidad and Tobago
CCMF	Caribbean Centre for Money and Finance
CDIS	Coordinated Direct Investment Survey
CED	Customs and Excise Department
CGBS	Caribbean Group of Banking Supervisors
CGSR	Caribbean Group of Security Regulators
CIMA	Cayman Islands Monetary Authority
CoA	Chart of Accounts
CoFoG	Classification of the Functions of Government
CPI	Consumer Price Index
CSBP	Corporate and Strategic Business Plans
CTO	Caribbean Tourism Organization
DFATD	Department of Foreign Affairs, Trade and Development
DFID	Department for International Development
DI	Direct Investment
DOS	Department of Statistics
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
ECLAC	Economic Commission for Latin America and the Caribbean
EU	European Union
FAD	Fiscal Affairs Department
FMIS	Financial Management Information System
FSAP	Financial Sector Assessment Programme
FSS	Financial Sector Supervision
FY	Fiscal Year
GDP	Gross Domestic Product
GFS	Government Finance Statistics

GFSM	Government Finance Statistics Manual
HBS	Household Budget Survey
HQ	Headquarters
ICP	International Comparison Programme
IDB	Inter-American Development Bank
IIP	International Investment Position
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
IRRBB	Interest Rate Risk in the Banking Book
LMTU	Large and Medium Taxpayer Unit
MDA	Ministries/Departments and Agencies
MoF	Ministry of Finance
MTFF	Medium Term Fiscal Framework
OECS	Organization of Eastern Caribbean States
PCA	Post Clearance Audit
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
PPI	Producer Price Index
PPP	Public Private Partnerships
QGDP	Quarterly Domestic Product
RBM	Results Based Management
RTAC	Regional Technical Assistance Centre
SC	Steering Committee
SEMCAR	Supporting Economic Management in the Caribbean
SLC	Survey of Living Conditions
SME	Small and Medium Sized Economies
SNA	System of National Accounts
SOE	State Owned Enterprises
SRU	Single Regulatory Units
STA	Statistics Department (IMF)
STATIN	Statistical Institute of Jamaica
SUT	Supply and Use Table
TA	Technical Assistance
TSA	Treasury Single Account
VAT	Value Added Tax
WB	World Bank
WCO	World Customs Organization
WHD	Western Hemisphere Department (IMF)
WTO	World Trade Organization



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<b>CARTAC'S MEMBER COUNTRIES</b>			
<b>Anguilla</b>	<b>Antigua &amp; Barbuda</b>	<b>The Bahamas</b>	<b>Barbados</b>
<b>Belize</b>	<b>Bermuda</b>	<b>British Virgin Islands</b>	<b>Cayman Islands</b>
<b>Dominica</b>	<b>Grenada</b>	<b>Guyana</b>	<b>Haiti</b>
<b>Jamaica</b>	<b>Montserrat</b>	<b>St. Kitts &amp; Nevis</b>	<b>St. Lucia</b>
<b>St. Vincent &amp; the Grenadines</b>	<b>Suriname</b>	<b>Trinidad &amp; Tobago</b>	<b>Turks &amp; Caicos Islands</b>

# SECTION I:

## **The IMF's RTAC Initiative and CARTAC**

## **SECTION I. THE IMF'S RTAC INITIATIVE AND CARTAC**

### **General Information on RTACs**

Nine Regional Technical Assistance Centers (RTACs) in the Pacific, the Caribbean, Africa, the Middle East, and Central America help countries strengthen human and institutional capacity to design and implement sound macroeconomic policies that promote growth and reduce poverty.

RTACs combine local expertise and on-the-ground capacity building with strategic advice from IMF Headquarters (HQ). All technical assistance (TA) and training is integrated into the IMF's lending and surveillance operations, and coordinated with other IMF TA as well as that of other providers. All TA is backstopped by IMF HQ, ensuring quality and consistency of policy advice.

### **RTACs' Key Areas of Work and Delivery Modes**

RTACs host a team of resident advisers who assist countries in implementing their reform programs. The composition of competencies is tailored to the specific needs of the region and may include: public finance management, medium-term expenditure frameworks, tax and customs policy and administration, revenue administration, debt management, financial sector supervision and regulation, financial sector development, capital market development, monetary policy and operations, economic and financial statistics, national accounts and price statistics, financial programming, and training in macroeconomics. The work of the resident advisers is supported by short-term experts, including in areas that require specialized knowledge. Other delivery modalities include workshops and seminars, courses on key macroeconomic issues in collaboration with the IMF Institute, as well as short-term professional attachments.

### **RTACs' Regional Approach**

The IMF's regional approach to technical assistance and training allows for better tailoring of assistance to the particular needs of a region, closer coordination with other assistance providers, and enhanced ability to respond quickly to emerging needs.

RTACs develop a deep knowledge of their countries and region, including cross-cutting and regional integration issues. They are close to their clients, and RTAC resident advisers are in frequent contact and travel to recipient countries to provide step-by-step assistance with TA implementation. Given their physical proximity, they can respond promptly to urgent TA requests and follow up, and are less costly in the delivery of TA. RTACs are using and building local expertise.

## **RTACs' Governance Structure and Operational Arrangements**

RTACs are governed by Steering Committees (SC) composed of representatives of recipient countries, donors and the IMF. This governance structure has proven highly successful as it builds stakeholder ownership of work programs, facilitates peer review and networking, and provides a platform for donor coordination.

TA needs are identified and prioritized by the country authorities in cooperation with area and TA departments at IMF HQ and the centre, and the work plans are endorsed by the Steering Committee.

The day-to-day management of the center falls into the responsibility of the center coordinator who is an IMF staff member. The center's professional staff (resident advisers and short-term experts) are recruited, supervised, and backstopped by the IMF, ensuring quality and consistency of policy advice.

### **The Caribbean Regional Technical Assistance Centre**

**The Caribbean Regional Technical Assistance Centre (CARTAC)** was established in Bridgetown, Barbados in 2001. It serves 20 Caribbean island countries and territories, including Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Turks and Caicos. Its current program cycle is funded by Australia, Canada, the Caribbean Development Bank, the European Union (EU), the IMF, the United Kingdom, the host country Barbados, and beneficiary countries.

Located close to the countries/territories it serves, CARTAC offers several advantages that are typical of the IMF RTACs. These include: (i) decentralized and better tailored delivery of technical assistance to the particular needs of the region; (ii) enhanced country ownership and accountability; (iii) faster and more efficient response to technical assistance requests; (iv) more effective follow up in implementing technical assistance country strategies as designed by IMF HQ; (v) closer coordination with other technical assistance providers in the region; and (vi) more focused subject-specific and hands-on training for local officials. CARTAC's activities are complementary to other forms of IMF technical assistance, and are closely integrated into the IMF's technical assistance program. The IMF ensures accountability and quality control of CARTAC's technical assistance and training activities.

CARTAC is managed by a Centre Coordinator, and staffed by nine resident advisers, who have substantial expertise in their respective sectors. The advisers are based in Barbados and travel throughout the 20 CARTAC beneficiary countries and territories, allowing them to

establish strong regional links and a strong appreciation of national and regional needs. CARTAC's resident expertise and skill mix are also complemented by short term advisers - drawn from the IMF roster of experts - who are deployed to ensure the delivery of a technical assistance program, which is the largest among all RTACs. In addition to direct technical assistance, CARTAC conducts both regional and national workshops and seminars to further build technical capacity across the region. CARTAC also organizes professional attachments, allowing select staff from various agencies of member countries to visit other organizations, to develop their skills and observe best practices.

CARTAC has adopted a Results Based Management (RBM) framework to guide the development, implementation and assessment of its technical assistance programs. CARTAC's medium-term strategic log frame spells out clearly the Centre's core strategic objective:

*Improved macroeconomic management including in the context of increased regional integration to foster economic growth in CARTAC member countries.*

Sector log frames are fully aligned with CARTAC's strategic log frame to ensure a cohesive and well coordinated technical assistance program. In addition, the RBM framework enhances transparency and accountability in CARTAC's programs for all stakeholders.

In line with the main objectives spelt out in CARTAC's medium-term strategic log frame and endorsed by its Steering Committee, the Centre's mandate includes the following five sectors.

### ***Public Financial Management***

The Centre's assistance in this sector aims to assist member countries in building capacity for enhancing budget preparation and execution, expenditure control, and audit. This includes strengthening procedures for revenue collection monitoring; reforming treasury systems and upgrading cash and debt management procedures; modernizing financial accounts and reporting; implementing Government Finance Statistics (GFS) classification; formulating modern financial management legislation; and overall strengthening of human and institutional capacity within ministries of finance and revenue collecting organizations.

In 2009, CARTAC expanded in new directions, with the introduction of a work program on **Macro-Fiscal Management** that aims to assist member countries in developing a medium-term, top-down and policy-based approach to budget preparation and execution; and in the analysis and management of medium-term risks and contingent liabilities to the budget such as those associated with public sector pensions, state owned enterprises and debt.

### ***Revenue (Tax/Customs) Administration***

CARTAC's assistance in this sector aims to assist member countries in designing and implementing revenue administration reforms; strengthening and modernizing operations including development of the legislative framework to facilitate more effective administrative and compliance measures; and harmonizing practices across the region based on good practices.

### ***Financial Sector Regulation and Supervision***

CARTAC's work in this area focuses on assisting member countries in strengthening laws and regulations governing financial institutions and capital markets using harmonized approaches where possible. The activities are directed at enhancing bank supervisory procedures in accordance with international best practices; strengthening the regulation and supervision of nonbank financial institutions (including insurance companies, credit unions and capital markets intermediaries); and implementing international accounting standards for financial institutions and reporting issues.

### ***Economic and Financial Statistics***

With the strategic goal of enhancing the quality and timeliness of macroeconomic statistics in the Caribbean, CARTAC provides technical assistance in the areas of national accounting, price statistics, and balance of payments (BOP) statistics. The key activities include improving the efficiency and reliability of the basic data collection exercise; promoting internationally-accepted best practices; and assisting countries to develop the latest compilation and dissemination procedures, including the identification and use of new and better data sources, data preparation and verification, and the documentation of procedures and practices. In partnership with other regional and international agencies, including the Eastern Caribbean Central Bank (ECCB) and the IMF Statistics Department (STA), CARTAC also provides regional training workshops in consumer prices, national accounting, government finance statistics, and monetary and financial statistics.

### ***Macroeconomic Programming and Analysis***

The TA program is focused on building capacity on a sustainable basis in macroeconomic analysis, forecasting and performance monitoring, while providing assistance in the update of countries' macroeconomic framework. In pursuit of this objective the program assists both ministries of finance and central banks to strengthen their capacity to undertake consistent macroeconomic projections, and macro-fiscal analysis by providing hands-on training.

### **How does CARTAC fit into the IMF broad strategy and the Western Hemisphere Department's (WHD) regional strategy?**

CARTAC's operations are integral to Fund TA and consistent with WHD's objectives and strategy for the region. WHD's Regional Strategy Note provides the framework to guide the development of CARTACs TA programs. In addition, while CARTAC remains a demand driven organization, TA provision is based on mutually agreed identified needs (all parties) and whether or not CARTAC can satisfy the needs as requested by member countries. In short, TA is allocated to member countries according to needs as identified by national authorities and the IMF.

CARTAC is in its Fourth Phase (2011-2015). Independent mid-term evaluations of each of the three earlier phases have confirmed that CARTAC delivers high quality, responsive and well-targeted technical assistance to the region. The report on the findings of the most recent evaluation in October 2009<sup>1</sup> noted that "CARTAC's demand-driven model is responsive to needs rather than being supplier driven." The evaluation report noted that "there was clear feedback that CARTAC's technical expertise and support to capacity building needs are highly relevant and consistent with CARTAC's mission to *"improve members' capacity to manage macroeconomic and fiscal policies, to strengthen financial supervision and development, and to support economic growth and poverty reduction in the region."*

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<sup>1</sup> The mid-term evaluation of the fourth phase started in August 2014 and is expected to be completed by April 2015.



# SECTION II:

## **CARTAC'S Technical Assistance Activities FY 2014**

## SECTION II. CARTAC'S TECHNICAL ASSISTANCE ACTIVITIES FY 2014

### A. Public Finance Management

#### Regional Strategy

CARTAC Public Finance Management (PFM) is guided by five major result areas for the delivery of technical assistance:

1. Developing a more strategic approach to PFM reform by undertaking PFM diagnostics and supporting the development of PFM reform action plans.
2. Strengthening treasury management and the Accountant General's institution, including budget execution and fiscal reporting.
3. Strengthening capacity to develop medium-term results-oriented budgets, including budget preparation and expenditure reviews, where the first step is enhanced fiscal discipline.
4. Strengthening internal control frameworks through the improved competence of internal auditors.
5. Developing a more sustainable education and peer-assisted learning capacity in the region.

#### *FY 2013 - Major Achievements in Public Financial Management*

- ✓ Anguilla, Antigua & Barbuda and Barbados PEFA's conducted
- ✓ St. Lucia implemented the full suite of Strategic Budgeting reforms
- ✓ 3 countries largely compliant with IPSAS cash basis; a further 2 with IPSAS accrual. Ten countries working on implementation
- ✓ Gender budgeting techniques introduced
- ✓ 11 countries have largely mapped their CoA to GFSM2001 and CoFoG
- ✓ Draft model PFM legislation drafted for Grenada
- ✓ Three countries have had SOE diagnostics undertaken

CARTAC PFM also works closely with the CARTAC Macro adviser and as part of PFM, assists countries to strengthen their capacity to manage and monitor fiscal risks – specifically in the areas of state owned enterprises (SOEs) and public pension liabilities.

CARTAC's PFM program is informed by the various diagnostic reports, including recent Public Expenditure and Financial Accountability (PEFA) assessments as well as experience gleaned from technical assistance. Each country has its own characteristics and as such CARTAC adopts a country specific approach to PFM issues. It is within this context that CARTAC is most guided by the country specific PFM Action Plans to ensure our activities are addressing issues that are locally identified and owned.

In previous reports, we identified two key issues that stand out as major problems that undermine effective PFM in member countries: (i) the adoption of unrealistic and/or unfunded budgets (often compounded by unfunded post-budget spending decisions); and (ii)

the under utilization of management information systems. The adoption of unrealistic or unfunded budgets is not the issue that it once was with many countries moving to take the difficult and necessary decisions to bring their deficits under control.

This is pleasing, as CARTAC PFM has as a key strategy to focus on and undertake large scale budget preparation reform – titled *strategic budgeting* reforms. The focus of these reforms is to provide tools and implement new processes and procedures to assist countries improve their overall fiscal discipline. For multiple countries, this includes developing a simple medium term expenditure framework (utilizing rolling forward estimates) that establish hard multi-year budget constraints to which all agencies must adhere, as well as requiring agencies to provide more comprehensive information on the objectives and results of planned budget allocations. In other countries, more emphasis has been placed on exploring what programs comprise the budget. In many, it has also involved strengthening the Ministry of Finance (MoF) budget *challenge* function; that is building the skills and capacities of the MoF to effectively analyze agency budget submissions and challenge policy priorities, cost estimates, planned results and overall value for money underpinning the budget submissions.

With many countries now utilizing the new tools, processes and procedures acquired through their adoption of strategic budgeting reforms they are better placed to focus on priorities and rein in spending to match their expected revenue envelope and deficit/surplus/debt targets. Many are also accepting advice to reduce supplementary budgets to maintain the integrity of the original budget (another aspect of strategic budgeting reforms).



*St. Lucia Prime Minister Kenny Anthony and Matthew Smith, CARTAC at the workshop for St. Lucia parastatal boards on Parastatal Performance and Accountability, October 2013*

The CARTAC approach to budget execution reform is to *get the basics right*: eliminating unnecessary bank accounts and moving to a treasury single account; ensuring bank reconciliations are performed in a timely manner; cash flow forecasting is undertaken, linked to warrant releases and an effective commitment control process is in place; ensuring there is a modern and effective chart of accounts (CoA) that allocates transactions consistent with common international standards; below the line accounts are managed and reconciled; and to eliminate manual processes – including check production, by

optimum use of the Financial Management Information System (FMIS). Having these basics in place gives confidence that financial statements, especially when moving to adopt International Public Sector Accounting Standards (IPSAS) compliance, are free from

material mis-statements and faithfully represent the financial performance and position of the government.

Within macro fiscal management, our approach is to firstly understand the problem and undertake an analysis and develop a risk assessment of the state owned enterprise sector, developing a road map and building capacity within MoFs to improve oversight and monitoring of SOEs. Within pensions, it is to understand the long term pension liability and provide tools and processes to develop options to move pension schemes to a more sustainable setting.

### **Progress to date**

Over the course of the past year, three repeat diagnostic PEFA assessments were undertaken across member countries. Anguilla, Antigua & Barbuda (led by IMF Fiscal Affairs Department (FAD)) and Barbados (conducted jointly with InterAmerican Development Bank - IDB). Countries moving to undertake repeat PEFAs show a commitment to the reform agenda and this is evident in these countries moving to update their PFM Reform Action Plans following the assessment. CARTAC places a strong emphasis on encouraging countries to own their PFM reform action plans, ensuring CARTAC support is directly linked to actions and strategies contained in these plans.

The results of the PEFAs has also led CARTAC PFM to slightly revamp its key performance criteria, more explicitly linking results to key PEFA indicators. These revised indicators will be tested with the PFM Donor Group in Barbados prior to being fully adopted.

During the year, nine countries (Antigua & Barbuda, Anguilla, Bahamas, Belize<sup>2</sup>, BVI, Dominica, Grenada, Montserrat and St. Lucia) are undergoing significant budget preparation reform, with a further one (St. Vincent & the Grenadines) beginning in the 2015 budget process – following a budget diagnostic undertaken during the year. To have so many countries now committed to strategic budget reform in the region is an encouraging outcome. As previously discussed, an unrealistic or unfunded budget poses a significant risk and strain on the management of public finances especially in the management of cash, increasing debt and the



*Strategic and Gender Budgeting workshop, April 2014*

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<sup>2</sup> Delivered by SEMCAR

accumulation of arrears. Put simply, strategic budget reform aims to address the cause and source of many of the budget execution issues.

In conjunction with the SEMCAR (Supporting Economic Management in the Caribbean) project, CARTAC also introduced during the year, gender budgeting techniques through a highly interactive strategic budgeting workshop. These techniques have now being embedded as a normal part of our strategic budgeting reform program.

Within budget execution, three countries are largely compliant with IPSAS cash basis (Anguilla, Bahamas, Turks and Caicos) and a further two (Cayman Islands and Barbados) are largely compliant with IPSAS accrual basis.<sup>3</sup> Ten countries are working on adopting cash basis IPSAS over the next three years. Adopting international standards in financial reporting brings credibility to the government's financial statements and increases public confidence in treasury operations.

Eleven CARTAC countries have now largely mapped their CoA to Government Finance Statistics Manual 2001 (GFSM2001) and Classification of the Functions of Government (CoFoG) with a number of them undertaking more comprehensive reform of their CoA, following the mapping exercise. It is important for each country to report their budgets and execution reports in a common, internationally accepted format for ease of comparison and consistency in reporting. Once the CoA is mapped, CARTAC assists countries with presenting their budgets in the GFS/CoFoG compliant format and ensuring in-year budget execution reports follow the same budget format.

Finally, in conjunction with SEMCAR and IMF Fiscal Affairs and Legal departments there has been a very positive start to developing consistent PFM legislation across the Caribbean – starting with the ECCU countries (Grenada and St. Lucia). This will take some years to achieve, but already there is much interest to adopt consistent revised PFM legislation, certainly across the Organization of Eastern Caribbean States (OECS).

Further, CARTAC PFM has a focus on strengthening the capacity of member countries to manage and monitor fiscal risks. Three diagnostics of the state owned enterprise sector were undertaken in the year - Barbados, Grenada and St. Lucia. A road map was prepared for each country to move to a more proactive approach for monitoring and oversight of SOEs.

CARTAC also continues to leverage experiences in one country for use in other countries. During the year, BVI travelled to Bahamas to provide technical assistance in updating the CoA and beginning the implementation of strategic budgeting; St. Kitts provided support in

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<sup>3</sup> Largely compliant except for consolidation of financial statements

cash management to Dominica by hosting the Dominica cash management team. Jamaica delivered presentations on Internal Audit and Internal Controls for management in Barbados, various countries presented at the workshops on cash management, IPSAS accounting standards, CoA, strategic budgeting and Public Private Partnerships (PPPs) on their own country experiences.

### Summary of Technical Assistance by Country

#### Developing a more strategic approach to PFM reform by undertaking PFM diagnostics and supporting the development of PFM reform action plans.

**Anguilla:** The PFM Adviser undertook a strategic review of the Treasury department, providing a road map to continue the move towards a modern treasury system. The PFM Adviser also led the PEFA assessment mission.

**Antigua and Barbuda:** The PFM Adviser joined the IMF FAD mission in undertaking a PEFA assessment.

**Bahamas:** The renewal of PFM activities was supported by CARTAC, engaging The Bahamas in strategic budget and chart of account reforms.

**Barbados:** The PFM Advisers led and participated in the PEFA assessment mission, together with the InterAmerican Development Bank. A diagnostic was performed on the oversight of SOEs

**British Virgin Islands:** CARTAC is participating in an on-going review of the PFM action program, with monthly updates and inclusion of all workshop-prepared action plans.

**Grenada:** A banking diagnostic was undertaken to identify efficiencies in government banking arrangements and to provide a road map to fully introduce a treasury single account by 2015.

**Jamaica:** Workshops conducted on linking the PFM Reform Plan to the PEFA methodology plus on-going monitoring of PFM action plan was established with technical assistance and has been supported by quarterly visits to summarize findings and prepare presentation to donors.

*"CARTAC's assistance has been critical in helping Barbados through its PFM reform process. Recently, they provided an assessment of the existing monitoring and oversight processes relating to parastatals. Not only did CARTAC provide a framework for improvement, but they also continue to follow up on our progress and lend further assistance as necessary".*

**Nancy Headley**  
Permanent Secretary, Finance,  
Barbados

**St. Kitts and Nevis:** A diagnostic of budget preparation processes was conducted for Nevis, recommending the adoption of a road map for reform over the next two budget cycles.

**St. Vincent & the Grenadines:** A diagnostic of budget preparation processes was conducted, recommending the adoption of a road map for reform over the next two budget cycles.

**Strengthening treasury management and the Accountant General’s institution, including budget execution and fiscal reporting.**

**Anguilla:** Assistance to move to adopt IPSAS2 format for presentation of financial statements and in resolving the correct accounting treatment for prior years’ revenues, stale cheques etc.

**Antigua and Barbuda:** Provided information and familiarization with IPSAS cash basis reporting. Assisted with the production of a cash statement for 2012, consistent with IPSAS cash basis.

**The Bahamas:** Provided a review and plan to improve IPSAS reporting, including updating CoA, establishing training programs, and involving the auditors in IPSAS accounting policies.

**Belize:** Provided technical assistance for updating the CoA which was enhanced by attendance at the chart of accounts workshop.

**British Virgin Islands:** Technical assistance includes re-drafting 2010 into IPSAS2 format and developing notes to financial statements.

**Dominica:** During the year CARTAC assisted the authorities to implement a new automated bank account reconciliation tool (derived from St. Lucia); to further develop the cash management function and to continue to take strides in implementing IPSAS cash basis financial statements, including more comprehensive understanding regarding the preparation of Notes to the Financial Statement. Additional assistance was provided to facilitate the implementation of the new Public Procurement and Contract Administration Act 2012.

**Grenada:** Assisted in establishing a cash flow forecasting unit in the Accountant General’s department and in finalising a new CoA.

*“This year, CARTAC has assisted Grenada in installing a cash management and forecasting function and has helped train two key staff. CARTAC also helped streamline our banking relations closing many bank accounts and strengthened our single treasury account process. While there is much to do, we have come a long way and can look back with pride on our achievements in the area of PFM Reforms.”*

**Ambrose Obike**  
**Accountant General, Grenada**

**Jamaica:** Jamaica continues to work on updating the CoA and providing training to staff. Although implementation of the new CoA began in 2014 for the 2015 budget, there are areas where adjustments need to be made and those adjustments will be in place for the next budget cycle.

**Montserrat:** Assistance was provided in the development of IPSAS cash basis financial reporting, specifically in preparing its 2012/13 accounts and in understanding of certain concepts under IPSAS e.g. third party transactions and more detailed accounting policies and Notes to the Financial Statement in general.

**St. Kitts and Nevis:** Assistance was provided in the development of IPSAS cash basis financial reporting, specifically in creating the 2013 accounts in accordance with IPSAS2; redesigning the existing accounting policies and developing additional notes.

**St. Lucia:** Assistance was provided in the development of IPSAS cash basis financial reporting, specifically in reviewing and modifications to the Notes to the Financial Statements and accounting policies.

**St. Vincent and the Grenadines:** Assistance was provided in the development of IPSAS cash basis financial reporting, with a focus on improving the understanding of what is required to make the financial statements/reports compliant with the IPSAS cash basis format.

**Turks & Caicos:** Assistance was provided in the development of IPSAS cash basis financial reporting, and in improving familiarity with the requirements of the IPSAS2 format, and in redrafting the most recent statement in accordance with that format.





## Anguilla – the 2014 PEFA

Anguilla has recently undertaken its second PEFA assessment with the first one having been conducted in 2008. Since the first assessment, CARTAC has been Anguilla's most significant partner, providing extensive technical support in public financial management (PFM) reform. It is therefore both timely and useful to examine the extent to which technical assistance may have contributed to the results achieved in the 2014 PEFA.

Like many Caribbean countries, Anguilla has been hit hard in recent years by the economic downturn that accompanied the global financial crisis. The downturn left Anguilla's revenue base severely depleted resulting in a large and unsustainable fiscal deficit. To its credit, the Government of Anguilla, with the support of the UK Government, responded to the emerging fiscal crisis quickly implementing a number of fiscal policy measures aimed at reducing the deficit to a more manageable level including reducing civil service salaries and the introduction of an interim stabilization levy on incomes. While these measures aimed to address the immediate fiscal crisis, restoring the country's budget to a more sustainable footing in the medium term required structural changes to the way in which Anguilla prepared its budget and managed public spending. This required the introduction of new budget processes that more closely aligned expenditures to available resources while at the same time improving the efficiency and effectiveness in how those resources are used.

To address these challenges (as well as the weaknesses identified in the 2008 PEFA), Anguilla, with the assistance of CARTAC, developed a PFM action plan that set out a comprehensive program of reforms to strengthen budget planning and the management, accounting and reporting of public expenditure. Over the last five years, the Government of Anguilla has implemented many of the reforms proposed in the action plan including, *inter alia*:

- monthly cash flow forecasting to improve cash management and disbursements in line with spending program needs and availability of funds;
- commitment controls to manage future expenditures against the availability of cash;
- restrictions on the post-budget supplementary estimates;
- rolling multi-year budget estimates that underpin a medium term expenditure framework;
- the introduction of formal annual new spending requests and savings options to improve the prioritization of budget resources based on results and value for money;
- the introduction of a simple results-based budgeting system that requires ministries to present program objectives and performance indicators for each budget head; and
- the management and elimination of expenditure arrears.

The implementation of these reforms has transformed the nature of public financial management in Anguilla demonstrated by the fact that 47 percent of the PEFA indicators improved their score compared to the 2008 PEFA. Impressive improvement occurred in budget credibility and budget process indicators, together with many budget execution indicators, especially those relating to arrears, commitment control, cash and debt management. Taxpayer registration and tax assessment, together with payroll, internal controls and internal audit was also very highly rated.

The Permanent Secretary of Anguilla's Ministry of Finance, Dr Aidan Harrigan, stated that he was 'delighted with the impact that the reforms have had, particularly in refocusing the budget process on government priorities and fiscal discipline, as well as improving procedures and controls for managing the execution of budgets more efficiently and effectively'. Dr. Harrigan acknowledged the important role CARTAC has played providing technical assistance to support the implementation of the reforms. Dr. Harrigan stated that 'the effectiveness of CARTAC's assistance has not only been in diagnosing our problems and assisting us to prepare the action plan, but in providing clear, practical methods and solutions to address those problems and implement the action plan. Importantly, this has been done in a way that recognizes our resource and capacity limitations as a small island state'.

Dr. Harrigan's comments were echoed by Ms. Shona Proctor, Budget Director and Ms. Patricia Macdonna, Accountant General, two key champions of PFM reform in Anguilla. Ms. Proctor noted that 'the changes to the budget formulation process had not only simplified budget preparation but had led to a significant and positive cultural change in the relationship between the MoF and ministries, departments, agencies (MDAs). With the application of hard budget ceilings there is less need for budget analysts to 'micro-manage' line item budget allocations and an increasing focus on improving the link between budget allocations and policy priorities and results'.

Ms. Macdonna noted the significant improvements that had been made in the management of cash, with the implementation of cash flow forecasting and commitment controls. She said that these particular reforms had resulted in 'significant improvements in how efficiently we manage our cash balances as well as providing greater predictability to MDAs in their ability to access budget funds to deliver critical government services'.

A key element of the success of the reforms to date has been the governments' and the PS's role in particular, in actively managing and monitoring the implementation of the PFM action plan.

Notwithstanding the progress to date and the positive PEFA assessment, the Ministry of Finance has recently prepared, with CARTAC assistance, a new PFM Action Plan 2014-2017. The new action plan again sets out an ambitious program of reform aimed at addressing the remaining weaknesses identified in the 2014 PEFA.

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The 2008 baseline in some cases was deemed overly optimistic. The 47% improvement is based on a reassessment of the 2008 baseline where methodology had changed, and where evidence in 2008 was lacking.

**Strengthening capacity to develop medium-term results-oriented budgets, including budget preparation and expenditure reviews, where the first step is enhanced fiscal discipline.**

**Anguilla:** A comprehensive budget preparation manual was developed as a user guide to the budget process and as a training aid.

**Bahamas:** The Bahamas has re-established PFM reforms, including strategic budgeting. For 2014, the budget process included Cabinet decision summary tables and reconciliations with established budget ceilings.

**British Virgin Islands:** Work on strategic budgeting continues with the implementation of an automated system for budget preparation. Sector costing is being initiated in Ministry of Education.

**Dominica:** A comprehensive budget preparation manual was developed as a user guide to the budget process and as a training aid.

**Grenada:** Assistance provided to further integrate capital and recurrent budget processes and to improve non-financial performance information.

**Montserrat:** A comprehensive budget preparation manual was developed as a user guide to the budget process and as a training aid. A review of their macro and budget reports was undertaken with a view to streamlining reporting.

**St. Lucia:** Significant technical assistance was provided to implement strategic budget reforms during the 2014/15 budget process.

**Strengthening internal control frameworks through the improved competence of internal auditors.**

**All countries:** CARTAC convened a one week course for internal auditors (basic level). The workshop was presented by the internal audit department of Jamaica. The course included practical applications for planning, conducting, and reporting internal audits.

**Barbados:** CARTAC, in cooperation with the Institute of Chartered Accountants of Barbados, conducted a half day seminar on Sensitizing Management on Internal Controls and Internal Audit. The workshop provided an opportunity for management to understand the

*“We recognize the importance of the CARTAC continued assistance with the implementation of budget preparation and chart of account reforms. We have begun to see the improvements and are confident that when the reforms are fully implemented The Bahamas will benefit from the enhanced budgeting and reporting processes. ”*

**Simon Wilson**  
**Deputy Financial Secretary,**  
**The Bahamas**

role of internal controls and internal audit. Presentations by Jamaica internal audit department included savings achieved through internal audit findings.

**Guyana:** CARTAC conducted a one week training course for internal auditors within the country. The course provided practical applications on planning, report writing and conducting audits, with an exercise in developing an investigative audit program.

### **Developing a more sustainable education and peer-assisted learning capacity in the region**

**Dominica:** Dominica cash management undertook a study tour to St. Kitts to understand their cash management reforms and apply lessons learned to Dominica.

**Bahamas:** BVI presented on CoA reform in the Bahamas.

### **A strengthened capacity to manage and monitor fiscal risks**

**Barbados:** A risk assessment on SOEs and an analysis of the effectiveness of oversight and monitoring was conducted.

**Grenada:** A further mission, building upon an initial mission in the previous year, examining SOEs to provide advice on restructuring of SOEs, consistent with undertakings in the letter of intent with the IMF.

**St. Lucia:** A risk assessment on SOEs and an analysis of the effectiveness of oversight and monitoring was conducted.

### **Seminars / Workshops**

**Internal Audit:** Training for internal auditors was conducted together with the internal audit department from Jamaica. A total of 14 countries attended the conference, with a total participation of 59 participants (27 of these were from the Jamaican government). The aim of the course was for participants to acquire and apply the basic knowledge and skills necessary to plan, conduct, and report an internal audit.

**Strategic and Gender Budgeting Workshop:** The workshop, presented jointly with SEMCAR and the World Bank (WB), presented the latest advances in Strategic Budgeting and Gender Responsive Budgeting methodologies. Using a combination of international good practices, the presentation of regional experiences and case study, participants had the opportunity to learn and apply tools towards the implementation of strategic budgeting. Representatives from IDB, UN, EU, DFATD (Canada), and CDB were invited and attended sessions throughout the workshop.

**GFSM2001 and COA** – CARTAC convened a one week workshop for countries with the primary objective to finalize the mapping of each country’s CoA to GFSM 2001 and CoFoG. In addition, the workshop provided the vehicle for identification of structural and reporting weaknesses in a number of countries CoA structure, which will be a focus for further reform and technical assistance.

**Cash forecasting, planning and management:** The purpose of the workshop was to provide practical support for each CARTAC member country to develop and enhance its cash flow forecasting model. The workshop format was somewhat experimental, in that 70 percent of the workshop was devoted to practical work on the model. Country representatives built their model, enhanced their existing model and/or prepared analytical reports on the results of their model during the course of the workshop.

**IPSAS Cash Basis:** A one-week workshop was designed to assist countries implement the Cash Basis international public sector accounting standard.

**Public Private Partnerships:** The three-day workshop explored key issues and best practices in managing PPPs and associated fiscal risks. The workshop aimed at providing an opportunity for Caribbean governments to exchange views and experiences on key challenges they face; and providing guidance in adapting international experience and expertise to the circumstances of the region.

**State Owned Enterprises:**

Productivity, performance and accountability of SOEs are major issues for CARTAC member countries. The objective of the workshop was to identify key issues that member countries could address in improving SOE performance and accountability and initiate action plans to implement the issues.



*Improving the Performance and Accountability of SOEs workshop, October 2013*

**Coordination with Development Partners**

CARTAC has an on-going dialogue with Development Partners and consultants regionally to ensure effective integration of many elements of its programme. CARTAC PFM is an active

participant in the Barbados based development partner network focused on PFM reforms in the region which meets regularly and is currently hosted by the UK Department for International Development (DFID).

CARTAC PFM has also ensured a strong synergy with SEMCAR. In March of 2014, CARTAC and SEMCAR jointly hosted workshops on Cash Basis IPSAS and Mapping the CoA in Barbados. These workshops included presentations and hands-on exercises where participants were engaged in preparing implementation plans for their respective countries. In April of 2014, CARTAC and SEMCAR again joined forces and held a joint seminar on Strategic Budgeting and Gender Based Budgeting in Barbados for all Caribbean countries.

During the year, IDB and CARTAC PFM joined forces to undertake the Barbados PEFA assessment. High level meeting were conducted with the Caribbean Development Bank on regional PFM issues. Meetings were held with the University of West Indies on potential coordination of training events. Significant coordination efforts also occurred for TA in Jamaica, where coordination with WB, IDB, IMF, USAID and others is on-going.

## **B. Revenue (Tax and Customs) Administration**

### **Regional Strategy**

Caribbean small island states continue to have low economic growth rates particularly in the tourism dependent countries. Many Caribbean governments face financial instability. Gross public debt has risen to over 80 percent of Gross Domestic Product (GDP) in 2013 for Antigua, Barbados, Grenada, Jamaica, St. Kitts and Nevis, and St. Lucia. Many of these countries are also heavily exposed to global markets with the current account deficit over 20 percent of GDP in the Caribbean region.

The outlook for the region is not presently optimistic. Overall, economic growth has been poor, about 1.5 percent for the region, and close to stagnant for Bahamas, Barbados, Grenada and Jamaica. Many of the countries face competitiveness problems with some of the highest electricity rates in the world, unionized wage costs and high interest costs. The business climate is generally weak with poor regulatory practices.

**Table 1. TAX Revenue to GDP Ratio in Caribbean Countries**

	2011	2012	2013
Anguilla	18.3	17.6	18.2 (*)
Antigua and Barbuda	18.3	19.6	21.2 (*)
Bahamas	17.7	17.3	17.5 (*)
Barbados	25.5 (*)	25.8 (*)	27.4 (*)
Belize	23.7	23.6	23.9 (*)
BVI	-	-	-
Dominica	27.1	23.4	22.0 (*)
Grenada	18.4 (*)	18.2 (*)	18.2 (*)
Guyana	23.8	22.4	23.5
Haiti	9.9	12.8	12.7
Jamaica	23.9	23.1	24.0
Montserrat	36.7 (*)	39.7 (*)	41.7 (*)
St. Kitts and Nevis	21.1	20.3	20.9
St. Lucia	21.8	21.2 (*)	22.3 (*)
St. Vincent and the Grenadines	22.1	22.5 (*)	22.5 (*)
Suriname	20.2	20.3	20.1
Trinidad and Tobago	29.1	28.6	30.1
Turks and Caicos	-	-	-

*\*:indicates projected figure*

### IMF- Staff Estimation

Therefore, governments have to consider fiscal measures as part of their overall financing strategies and, consequently, revenue administrations are under pressure to become increasingly effective and efficient to maximize the revenue yield (see table above). Voluntary compliance by taxpayers and the trading community remains a challenge across the Caribbean and the phased reduction in import tariffs resulting from international trade agreements e.g. Caribbean Community Secretariat (CARICOM), EPA, OECS and the World Trade Organization, will have an impact on the value of duties collected by customs.

The CARTAC revenue administration technical assistance program has focused largely on reform, modernization and capacity building in both tax and customs administrations encompassing: (i) reform of indirect tax systems through implementation of Value Added Tax (VAT); (ii) structural reorganization of revenue administrations along functional and segmentation lines; (iii) strengthening revenue administrations operations by building capacity and developing compliance frameworks; and (iv) providing regional solutions to harmonizing procedures and coordinating initiatives. These activities underpin the strategic objective of strengthening tax and customs regimes by increasing the use of harmonized

regional systems and procedures, and international good practices. During this financial year, technical assistance has also been concentrating on supporting revenue administrations in strategic planning and, either updating their Corporate and Strategic Business Plans (CSBPs), or formulating new ones.

CARTAC has also been encouraging closer collaboration between the customs and tax departments, not only in the exchange and sharing of information, but by undertaking joint audits of major importers.<sup>4</sup> Moreover, a regional Data Matching (DM) project was launched and tested in one country where major risks were identified to both the integrity of the tax regime itself and to the revenue. A DM toolkit for dissemination to all regional revenue administrations is being prepared to help build capacity in this type of compliance activity. In customs administrations, technical assistance has supported regional harmonization objectives by working in partnership with CARICOM in the drafting of a regional Model Customs Legislation and Regulations and engaging with the OECS in building capacity in the member states to implement trade obligations and strengthen their economic integration arrangements.<sup>5</sup>

***FY 2013 – Major Achievements in Revenue Administration***

- ✓ Supporting the implementation of VAT in the Bahamas.
- ✓ Advancing the establishment of a Barbados Revenue Authority.
- ✓ Strengthened customs programs in risk management, post clearance audit and valuation.
- ✓ Supporting strategic planning in Dominica, Grenada, St. Kitts and Nevis and St. Lucia.
- ✓ Integration of VAT operations into mainstream tax administration in Dominica, Grenada and St. Kitts and Nevis.

TA was delivered to support reforms in five major outcome areas (see below) through a variety of approaches including: advisory and diagnostic missions; hands-on and classroom training; workshops; professional attachments; thematic peripatetic support; outcome-oriented short-term technical missions; and policy and program development support:

- Introduce more efficient, transparent, fairer and broad-based tax systems such as VAT.
- Strategic, risk-based approaches developed and implemented in both tax and customs.

<sup>4</sup> These activities are complementary to the technical assistance and advice being provided to CARTAC member countries under the SEMCAR project, which has been supporting the adoption of risk management programs in customs administrations in the region.

<sup>5</sup> One area where work is still to be done is in drafting the detailed procedures that will enable implementation of this legislation.



- Harmonized and standard operational procedures being applied in both tax and customs.
- Improve revenue administration organizational structures along functional and segmentation lines.
- Increase customs and tax enforcement capacities by promoting taxpayers' compliance through improved service delivery and more effective risk-based enforcement strategies.

## **Tax Administration**

### **Reorganizing Revenue Administrations**

Particularly during the last decades, worldwide public entities have been required to increase their effectiveness, efficiency, transparency and accountability. Revenue administrations have been at the forefront of this movement. One of the main features of this evolution is the adoption of private sector culture and mechanisms with strong focus on business planning, flexibility, customer and performance orientations. Budget constraints exacerbated by the financial crisis have been also a major driver for reducing operating costs, downsizing the workforce, integrating and centralizing operations, streamlining office networks, concentrating processes, and shifting from labour intensive to semi or fully automated tasks using new technology. In this context re-structuring revenue administrations has received increasing attention. In the Caribbean, tax administration re-organization efforts have been dominated by the integration of direct and indirect tax operations.

Historically, tax administrations in the region were organized by type of tax (sales tax, income tax and stamp/property tax), with different units (one by tax) each responsible of taxpayer service and education, audit and collection enforcement functions. When VAT was introduced, an additional unit was established to administer separately the new tax thus further stretching resources and increasing task duplications. Another common feature of tax and customs departments in the region has been the weakness of direction and guidance provided to operational activities due to the lack of an effective headquarters.

### **Guiding principles for the reforms**

The second generation of reforms supported by CARTAC consists now of moving from a tax-type to a function-based organization, integrating VAT operations into mainstream domestic tax departments, and adopting segmentation principles to organize field operations. In some cases the integration of direct and indirect tax operations has lead to the merger of tax and customs departments and the establishment of a Revenue Authority.

*A function-based organization is structured on the basis of the type of work performed, (e.g. taxpayer service, return processing, audit, collection, appeals, etc.) and generally work across taxes. The function-based organization is usually anchored by a strong headquarters organization (responsible for design planning and monitoring functions and the provision of corporate services) distinct from field units responsible of operations and delivery.*

*The segmentation model organizes service delivery and enforcement around homogeneous segments of taxpayers (large, medium, small, and high net worth individual taxpayers). Each group/segment presents different characteristics and compliance behaviour and poses different risks that require differentiated treatments. A typical feature of the segmentation model is the establishment of large/medium taxpayer units grouping key functional activities within a unified and dedicated management structure.*

*A Revenue Authority is a dedicated separate and more autonomous organization for revenue administration integrating customs administration, with general supervision/oversight by the Ministry of Finance. Typical features of a Revenue Authority include (a) separate legal status outside of normal public service (generally with a view to granting the revenue agency greater flexibility to manage its budget and human resources); (b) board with oversight functions and private sector representation; and, (c) CEO appointed by the government and fully vested with the powers established in revenue laws with authority to delegate.*

CARTAC has supported the reorganization of domestic tax departments along functional lines and the establishment of strong headquarters (design planning and monitoring functions) functions in Barbados, Dominica, Grenada and St. Kitts and Nevis. The expected outcomes of this reform are: (i) centralization and economies of scale (elimination of duplications); (ii) greater uniformity and standardization of work processes; (iii) improved strategic and operational planning; (iv) optimized resource allocation; (v) regular monitoring and better performance management; (vi) better strategic and policy guidance and assistance to field units; (vii) single point of contact to the taxpayers; and (viii) more effective enforcement activities.

CARTAC has supported the establishment of a Central Revenue Agency in the Bahamas and a Revenue Authority in Barbados. This reform not only integrates all tax-related operations, it also contributes to greater autonomy to the revenue administrations allowing more flexibility in human resource management (up to now extremely constrained by public service rules), expenditure management, and general administration.

CARTAC provided technical assistance to establish Large and Medium Taxpayers Units (LMTUs) in some tax administrations in the region. This model is designed to help tax administrations concentrate their limited resources on the most important part of the taxpaying population (large and medium taxpayers represent less than 25 percent of the total population but contribute around 90-95% of the total revenue). Therefore, any significant improvement of large and medium taxpayer compliance has a positive impact on overall revenue collection.

### ***Why is compliance management so important?***

A self-assessment system is now universally recognized as good practice for administering taxes. It relies on taxpayers *voluntarily compliance*: to register, to keep proper records, to file correct returns and to pay tax on time without the intervention of a tax official. Successful self-assessment systems are underpinned by an administrative approach which recognizes that voluntary compliance will be optimized through an appropriate balance of taxpayer education and assistance, simple laws and procedures, and risk-based enforcement programs.

Promoting voluntary compliance is one of the key strategic goals of a modern revenue administration (see examples below of ‘Contemporary Corporate and Strategic Business Plans’). The tax and customs administrations in Dominica, Barbados, Grenada, St. Lucia and St. Kitts and Nevis have recently updated their Corporate and Strategic Business Plans, with CARTAC support, and the plans underline a strong focus on compliance management. The compliance framework supported by CARTAC and being implemented by member countries is articulated around two pillars: (i) encouraging voluntary compliance; and, (ii) improving their effectiveness in fighting non compliance.

To encourage voluntary compliance tax administrations in the region are adopting a customer-centric approach: (i) using segmentation to better understand the taxpayers’ needs and adapt service delivery accordingly, (ii) publishing and monitoring new service standards to ensure that taxpayers are provided with timely, reliable and comprehensive information and receive the assistance they require to understand and fulfil their obligations, (iii) streamlining their processes and simplifying tax-related obligations to ensure that taxpayers can easily carry out their main transactions without extra-costs<sup>6</sup>. Tax administrations in the region have also recognized the need to enhance partnerships and cooperation with the taxpaying community to positively influence taxpayers’ behaviour and increase their confidence in the tax system and its administration.

To deter and address non-compliance, tax administrations in the region are continuously building their capacities and increasing the effectiveness of their enforcement programs. CARTAC has delivered technical assistance to help tax administrations improve the reliability of their data bases, introducing a DM project, designing and implementing risk-based audit and collection enforcement programs with the aim of better targeting cases and gearing resources to risk. CARTAC has also provided substantial training to the tax administrations in Dominica, Grenada and St. Lucia to increase the technical skills of auditors and collection officers. CARTAC also organized two regional seminars one for tax auditors on tax hot topics (transfer pricing, complex schemes, specific industry) another one for collection supervisors on debt management. Two comprehensive publications and tools

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<sup>6</sup> In the Doing Business (2014) for “Paying Taxes”, 14 Caribbean countries from a total of 180 worldwide have been assessed: 7 are ranked in the first half, 5 are in the top 50 but 5 are in the last 100.

for practitioners—an audit manual and a collection enforcement manual— have been drafted by CARTAC and should be disseminated throughout the region by the end of the year.

***Examples of contemporary Corporate and Strategic Business Plans***

*Australia (2012-2015): “People are helped and assisted to understand their rights and responsibilities and are able to comply easily at minimal cost....Protecting people and the community by deterring, detecting and dealing with those who have not complied...”*

*New Zealand (2012-2015): “We proactively influence voluntary compliance and address the causes of compliance risk and threats through a range of interventions....We move customers to cost-effective channels while creating an environment to make it easy for customers to self-manage...”*

*Canada (2012-2015): “The CRA’s approach to ensuring Canada’s tax laws are adhered to is to promote compliance by encouraging individuals and businesses to meet their tax obligations without our intervention...Addressing non compliance—Through risk-based processes and strategies that identify and address specific instances of non-compliance, we aim to change the behaviour of non-compliant taxpayers and to influence others to either remain or become compliant, ensuring taxpayers meet their obligations and Canada’s revenue base is protected...”*

***VAT considered as the fairest tax system?***

Sixty years after its first introduction in France, VAT and its adoption by almost 150 countries worldwide, still generates passionate debate. For some, VAT is the “Rolls-Royce” of taxes but for others, VAT is unfair, complex and penalizing.

***Situation in the ECCU (2013)***

*Tax revenue receipts were buoyed by higher collections of taxes on domestic goods and services which rose by 19.5 per cent (\$184.8m), attributable to a 54.0 per cent increase in the collections of the VAT. This development was largely fuelled by the implementation of the VAT in Saint Lucia. Also contributing to the growth in tax revenue was a rise in property tax receipts which advanced by 7.7 per cent. In contrast revenue from taxes on international trade and transactions declined by 15.6 per cent (\$117.9m), largely as a result of a reduction in yields from consumption tax in Saint Lucia related to the introduction of the VAT. Taxes on income and profits fell by 3.4 per cent, attributable to lower receipts mainly in Saint Lucia, St. Vincent and the Grenadines and Grenada. However, much of the increase in tax revenue was attributable to higher collections of non-tax revenue, which rose by 45.2 per cent (\$140.3m), largely attributable to increased collections in St. Kitts and Nevis and Dominica<sup>7</sup>*

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<sup>7</sup> ECCB economic and financial review volume 37 number 3 September 2013

***Regional newspaper articles on VAT***

***St. Lucia News - October 14, 2013:*** *President of the St. Lucia Manufacturers Association (SMA) urged government to review VAT... “She laments that the requirement to pay VAT upfront on imported raw and packaging materials, plant, tools, equipment and other supplies has adversely impacted the cash flow of many SMA members.... The SMA claims that with diminished cash flow, businesses are finding it difficult to meet their commitments, resulting in disrupted operations that impact both staff and consumers. This is exacerbated by the fact that the refund process has been slow and cumbersome, resulting in a scenario in which many manufacturers have not been refunded since the inception of VAT...”*

***Dominica News - Online March 21st, 2014:*** *President of the Dominica Manufacturers Association (DMA) is of the opinion that one of government’s main revenue earners, the Value Added Tax (VAT), is not helping the state’s financial position but is instead penalizing local manufacturers. “We believe that it is completely unfair for our cash flow that VAT is charged on raw materials, packaging materials,” he stated. “So we are going to have an initiative at the regional level and we are probably going to go to the OECS Secretariat ...to challenge the way VAT applies.”*

***Daily Nation, Barbados - Monday June 2, 2014:*** *VAT “a mess”, “controversial” and “inappropriate for Barbados” ... recommending its replacement by a simple sales tax”...*

CARTAC has always recommended that in its design the VAT law respects the following main features: a broad-base, single-rate tax with a reasonably high registration threshold. When well designed: VAT is neutral for international trade (exportations are zero-rated) unlike other consumption or sale taxes; VAT removes the cascading effect (tax on tax) thanks to the deduction mechanism (input tax is offset against output tax); a sufficiently high registration threshold (consistent with tax administration capacities) only large and medium taxpayers are subject to VAT related obligations; as VAT taxes the consumption and not income, it encourages savings and investment; VAT is more pro-growth than income or corporate tax; and, when refunds and other administrative mechanisms are in place, cash flow issues are limited. Studies conducted since 1980’s in more than 50 countries have demonstrated that the VAT does not contribute to inflationary pressures.

On the other hand, when the tax base is eroded by multiple exemptions (exemptions break the VAT chain and reduce the capacity to claim credit which in turn generate additional costs); when inappropriate zero rating is applied on domestic transactions entities supplying zero-rated goods or services do not charge VAT but can claim a VAT credit on their inputs; when multiple positive rates are introduced (in the best case they introduce confusion, in the worst case they encourage evasion); when the threshold is too low (monitoring small taxpayers stretches tax administration resource capacity with a negative impact on compliance performance and from small taxpayers point of view, VAT obligations increase their compliance burden); when poor mechanisms are in place to ensure timely and secure VAT credit refunds (cash flow issues are unnecessarily created) or simply when VAT is introduced without sufficient preparation (consultation, business education and public sensitization), the benefits (high revenue potential, neutrality, simplicity) of this tax could be legitimately discussed.

## Customs Administration

There are many challenges facing the modernization of customs administrations in the region. Perhaps two of the more significant challenges are not technical but more of a strategic, management and organizational nature although clearly there are areas needing support and attention in operations. The first topic is the mindset change needed to maximize risk management techniques to better balance trade facilitation with compliance, and secondly, the lack of resource deployment options in the smaller island states which leads to the absence of HQ functions such as a Strategic Planning and Research capability.<sup>8</sup>

The customs administrations in the region are using the risk profile module in their automated data processing system to support their risk management programs and most are using Automated System for Customs Data (ASYCUDA)-World. Although staff understands the concept of deploying resources to the greatest risk areas, the risk management programs are not always used as effectively as possible to facilitate trade and encourage voluntary compliance. Generally in the region, the volume of imports selected for physical inspection is very high, often over 60 percent and sometimes higher yielding little impact. The temptation to conduct such high numbers of inspections is largely attributable to the following factors: (i) lack of confidence by staff in the risk selectivity criteria and the overall program; (ii) potential loss of overtime by the reduced number of inspections resulting from an effective program; (iii) reduction in the opportunities for ‘rent-seeking’ by staff; (iv) an inadequately robust post clearance audit capability to underpin the shift to post importation controls; and, (v) a lack of commitment to the risk management program by senior management.

CARTAC has been promoting a change of culture in the customs organizations and emphasising to leaders that the tone has to be set from the top level. To improve staff confidence in the risk management program, CARTAC has delivered focused work place technical assistance including the evaluation of risk selectivity criteria, developing a change management strategy, a framework, policy, mandate, inspection guidelines and short-term action plans with a phased approach to reducing the number of inspections and staff overtime. Technical assistance has also been delivered to enhance the capability of Post Clearance Audit units in an effort to underpin the shift from ‘front-end’ to ‘back-end’ controls and improve the balance between trade facilitation and compliance.

In the absence of a clear division of responsibilities, international experience shows that headquarters type functions are always neglected due to the ongoing immediate demands of operations. Many of the smaller islands’ customs administrations have less than 100 staff thus there is pressure for staff to be multi-functional and the focus of the administration is,

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<sup>8</sup> CARTAC’s work in this area is being complemented by the technical assistance that is being provided to twelve Eastern Caribbean countries under the SEMCAR project. This project focuses on helping countries establish risk management and strategic management frameworks for tax and customs administration.

understandably, predominately on operations. Consequently, without dedicated HQ functions, there is limited or no monitoring of critical aspects of the organization e.g. performance management, compliance management, strategy and planning and reform progress. CARTAC has provided advice and technical assistance to help overcome this weakness by updating CSBPs e.g. Grenada and St. Kitts and Nevis and conducting organizational structure reviews e.g. Barbados, St. Lucia and Turks and Caicos Islands.

In addition to delivering technical assistance in risk management, post clearance audit, organizational structure review and strategic planning, CARTAC has also supported valuation programs by delivering training courses and facilitating workshops e.g. Antigua and Barbuda, Dominica, St. Lucia and St. Kitts and Nevis. The objectives of this assistance were to (i) support staff in preparing operational valuation policy and procedures in line with international good practices; (ii) support staff to define the organizational structure, the Valuation Unit's links with other areas like Enforcement and the integration of valuation functions and personnel within the organization; and (iii) support staff to develop a short term and long term operational plan to address valuation compliance issues and ensure effective revenue generation.

As referenced earlier, a DM project has been launched and a toolkit is being prepared for regional dissemination. The objective of the toolkit is to prepare countries in the region to implement data matching between customs and tax administrations. This will facilitate efficient migration of this very productive revenue generation tool throughout the region, as well as facilitate knowledge transfer and capacity building on how to complete a DM project on an on-going basis. The outcomes will include: (i) how to efficiently follow-up with the revenue risk targets identified from the project; (ii) how to use the new skills acquired for on-going targeting and mutual co-operation; (iii) how to identify policy and procedural weaknesses that hinder compliance (e.g. weak Tax Identifier Number controls, weak customs export control, abuse of customs processing codes to hide activity from tax, weak Memorandum of Understandings between the players); (iii) impact on audit plans and potential for more joint auditing; and (iv) options for using the results to further promote voluntary compliance.

Custom administrations' role in the regional integration programs required by CARICOM and OECS Treaties are also very topical. CARTAC is supporting some of the objectives set out in their respective integration objectives. For example, CARTAC has been providing technical assistance for many years to CARICOM in developing a harmonized draft Model Customs Bill and Regulations to reflect modern methodologies such as post clearance audit and to strengthen powers and administrative penalties relating to those methodologies e.g. audit or examination of records. CARTAC has provided technical assistance to seven CARICOM Member States to refine their draft customs legislation. Two countries, Antigua and Barbuda and Dominica, passed new customs legislation based on this draft legislation and other countries are expected to follow.

Further CARTAC recently funded and participated in the Sixth Joint Meeting of Customs Officials and Regional Chief Parliamentary Counsel held in Guyana at CARICOM in August 2013. The purpose of the meeting was to progress the harmonious application of the customs regime within the Community pursuant to Article 95 of the Revised Treaty. The Draft instrument is the basis for all customs procedures, which for the most part, will be applied uniformly throughout the CARICOM Single Market. The forum also discussed and agreed on a number of broader issues of trends in trade, national security, efficient revenue collection, international customs best practices and customs modernization standards. CARTAC continues to work in partnership with the CARICOM Secretariat in finalizing the Model Legislation and Regulations.

CARTAC is committed to providing advisory technical assistance to the OECS to develop capacity to facilitate trade and the free circulation of goods and to deepen economic integration. The areas where CARTAC will support the OECS are: (i) Develop a Common Customs Tariff; (ii) Assess trade related revenue implications for Customs and Port Operations relative to the free circulation of goods; (iii) Strengthen national oversight of standards compliance and harmonized policies for enforcement of standards; (iv) Conduct Release Time Studies on Customs Release and Clearance; and (v) Converting ad valorem Border Agency charges (e.g. Customs Service Charges). A workshop of key participants to scope and agree on Customs policies and priorities concerning the above mentioned areas has been planned for the FY 2014-15.

### **Summary of Technical Assistance Delivery by Country**

#### **Tax Administration**

**Bahamas:** CARTAC provided high level strategic advice and guidance on the establishment of a Central Revenue Agency. This assistance included preparing a revenue administration implementation plan, advice on job specifications and other human resource matters. However, the implementation of the revenue agency has been postponed as the authorities had to concentrate resources on the introduction of VAT which was originally planned for July 1, 2014. In preparation for the introduction of VAT, CARTAC prepared a draft law based on the Government's initial policy decisions with guidance from the IMF-FAD and CARTAC. A one week professional attachment by a team from the customs administration to the Dominica customs administration to observe ASYCUDA-World functionality was facilitated by CARTAC to help support its preparation for VAT implementation. These activities were complementary to the work that a FAD technical assistance mission undertook in January 2014 to advise the authorities on administrative requirements for implementing the VAT.

**Barbados:** CARTAC continued to provide high level strategic advice to support preparations for the establishment of a Revenue Authority which came into effect from April 1, 2014. The



Customs Department has yet to be fully integrated into the new organization but this is planned for late 2014.

**Dominica:** Substantial technical assistance has been provided to Dominica to assist the Inland Revenue Department in restructuring its organization: shifting from a tax-type organization to a function-based one and introducing segmentation principles. CARTAC helped strengthen headquarters' operations, notably the design planning and monitoring functions. Technical assistance has also been delivered to support the establishment of an LMTU and to assist with the implementation of a compliance program for the large and medium taxpayers.



#### **CARTAC Support for the Inland Revenue Department in Dominica**

Over the past years CARTAC has been very instrumental in providing substantial technical assistance to Dominica which has enabled the Inland Revenue Division to implement some very important reform programmes that are considered as being very successful since implementation. Two of these most welcomed programs are the implementation of the Value Added Tax in 2006 and most recently the setting up of our Large Medium Tax payer Section and the Design and Monitoring Unit. To date we continue to view the success of the VAT as the strength for our total revenue collections.

Inland Revenue was provided with the opportunity to dialog with a number of CARTAC consultants who provided guidance during the planning and implementation of the reform programs; and the delivery of important and relevant training programs.

Inland Revenue officers, particularly the Auditors have received a tremendous amount of training from CARTAC which has enhanced their auditing techniques. The skills that have been learnt have complemented the services provided in tax audit, compliance and collection enforcement.

These courses include training in Accounting, Electronic Auditing, Auditing Financial Institutions, PAYE Auditing, and Collections Training. The training has also made them more confident particularly as they have to concentrate on the activities of the larger taxpayers.

The setting up of our Large Medium Tax Payer Unit has brought about the urgency of being more efficient in serving the public and ensuring that greater attention is placed on the taxpayers who account for the greater part of the total tax collections.

The support provided by CARTAC has proven to be of great importance to Inland Revenue Dominica whereby we are able to carry out our reform programs and put our department in a position to be more effective and efficient.

**Mr. Irving Williams, Comptroller of Dominica Inland Revenue Department**

**Grenada:** IRD began the process of integrating its VAT and income tax operations in 2012 and CARTAC has provided ongoing support to complete a staff reconciliation exercise and finalize the new function-based organizational structure. The new structure was recently implemented.

**St. Kitts and Nevis:** The Fiscal Affairs Department of the International Monetary Fund (IMF) conducted a mission in December 2012 to evaluate VAT performance after two years of operations. It recognized that this reform was successful and recommended to accelerate plans to fully integrate VAT and IRD operations into a function based administration managing tax payers by segments. Consequently, CARTAC experts assisted with initial preparations (draft of an initial implementation plan) for the implementation of a function-based structure in the IRD and the integration of VAT operations within the mainstream IRD through the establishment of a LMTU.

### **Customs Administration**

**Antigua and Barbuda:** Delivery of training and mentoring programs to enhance capacity in risk management, the control of bonded warehouse and duty free stores, post clearance audit (PCA) and developing valuation procedures.

**Dominica:** Assessing the current status of the PCA Unit and providing additional support to maximize the potential of the program including classroom training and workplace mentoring and guidance.

**Grenada:** Supporting the development of a Corporate and Strategic Business Plan for 2014-2016 through face-to-face discussions and facilitating workshops. Assistance was also given in designing a system of Management Profiles and an implementation package to enhance transparency and integrity in management and operational decision making.

**Guyana:** Technical assistance was aimed at strengthening risk management in both tax and customs by developing an overarching policy framework and a risk selectivity module to support the current IT system.

**St. Kitts and Nevis:** CARTAC provided strategic advice and guidance designed to strengthen enforcement, compliance and risk management, and harmonize operational procedures and practices such as valuation within the Federation's customs operations. The technical assistance activities also included supporting the development of a new Corporate and Strategic Business Plan for 2014-17.

**St. Lucia:** An organizational structure review was carried out to determine whether the current CED structure met the present and future business demands of the trading

community. This mission included reviewing staff complement, grades and functions; undertaking a workforce review to assess program delivery needs and current gaps and developing a workforce transition plan to more effectively meet the objectives set out in the Strategic Business Plan for 2013 – 2018. Support to the valuation program through classroom training module and a workshop was also delivered by CARTAC. The advice CARTAC provided in this area was complementary to that of the FAD revenue administration mission that took place in April 2014.



**CARTAC support for the Customs and Excise Department in St. Lucia**  
**Mr. Andy Fernelon, Comptroller of Customs and Excise, St. Lucia**

CARTAC had spearheaded Saint Lucia's Risk Management initiative as far back as 2006 and continued to assist with its development. Recent technical assistance received included a valuation workshop and an organizational structure review which is critically important for our organisation at this point in time. Saint Lucia Customs Department is convinced that with the continued support of CARTAC its reform and trade facilitation measures will be successful.

**St. Vincent and the Grenadines:** CARTAC experts facilitated a DM project working closely with a local team comprised of staff from both tax and customs administrations as highlighted later in this report.

**Turks and Caicos Islands:** A diagnostic mission of the customs administration was conducted to support the reform program. Many strategic and operational recommendations emerged from this mission and these are now being implemented in a phased approach by the Collector.



**CARTAC support for the Customs Department in Turks and Caicos Islands**  
**Ms. Chawa Williams, Collector of Customs Department, Turks and Caicos Islands**

The Collector and her management team consider that CARTAC's technical assistance in supporting the reform initiatives in the Customs Department of the Turks and Caicos Islands has been of a high quality. The assistance - which has been greatly appreciated - has included a diagnostic study of the Department and support to the risk management programme.

### **Seminars / Workshops**

CARTAC also delivered a two week regional Customs Fraud and Investigations course to 29 Customs officers from 16 member countries. The course emanated from an identified business need for robust Investigations Units and training to mitigate the proliferation of customs fraud in the Caribbean region which continues to have a detrimental effect on the social and economic well-being of countries thereby depriving them of much needed

revenue. The training, the first of its kind delivered to CARTAC member countries, addressed the basic technical and administrative knowledge staff would need to undertake investigations against violations of the Customs Act and prosecute the more serious cases in the courts. Prior to this course, only a few of the participants had received general orientation training and some basic introduction to investigative concepts.



The objectives of this technical assistance were to: (i) Provide the participants with a basic understanding of the principles and procedures associated with the investigation of customs and fraud offences; (ii) Provide the participants with the tools, principles and procedures to perform their responsibilities as investigators; (iii) Provide theoretical and practical demonstrations of the investigation process; and (iv) Require the participants to complete an investigation (case study) from the point of referral through to the end of the civil assessment and/or prosecution in court. The participants engaged and participated in lively discussions, group exercises, presentations and role plays.

The World Customs Organization (WCO) participated in one module through a remote presentation on the Risk Management Compendium and the Customs Enforcement Network.

*“The facilitators did a tremendous job in delivering the concepts on topics such as gathering intelligence, steps to take when starting, conducting and completing an investigation, preparing for searches and preparing case files (just to name a few).”*

**Ms. Lisa Kelly**  
**Cayman Islands Customs**  
**Department Participant, CARTAC**  
**Regional Fraud and Investigations**  
**Course**

*“For me, this course turned out to be a great learning experience and contributed a lot to my personal professionalism. The knowledge and tools handed to us have already revealed an improvement in my skills. But of more importance, is that the training equipped me with the insight to help establish better procedures with which our Investigations Department will work. The course was based on modern and effective practices, and was provided by trainers with a lot of experience. Learning from the three trainers was truly a great experience.”*

**Mr. Remy Belliot**  
**Suriname Customs Department**  
**Participant, CARTAC Regional Fraud and**  
**Investigations Course**

### C. Financial Sector Supervision

#### Regional Strategy

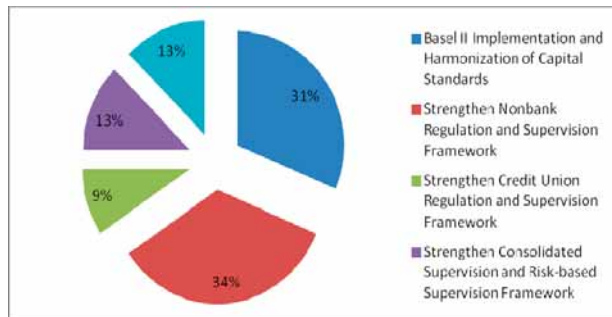
The financial sector supervision (FSS) technical assistance programme continued to focus on the strengthening of legal and regulatory financial sector framework, enhancing supervisory and regulatory processes, strengthening financial stability framework and crisis preparedness processes and enhancing supervisory expertise. Technical Assistance outcomes were aligned to the FSS strategic objective of strengthening financial sector regulation, supervision and capital markets and enhancing supervisory procedures using harmonized approaches in accordance with international standards.

In the region, the technical assistance programme was geared at progressing the financial sector reform agenda in banking, insurance, pensions, credit unions and securities supervision and regulation.

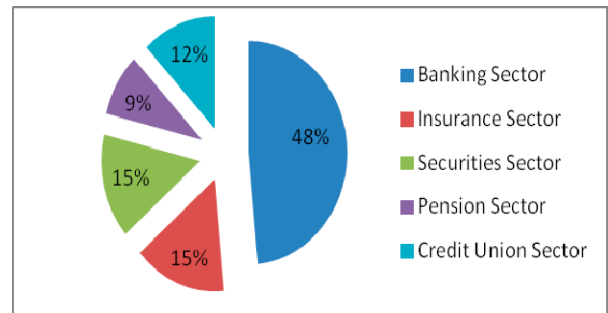
***FY 2014 – Major Achievements in Financial Sector Supervision***

- ✓ Eight countries on track to implement Basel II over the next three years
- ✓ Risk Based Supervision and Consolidated Supervision being prioritized in the region
- ✓ Supervision and Regulatory Practices in the Single Regulatory Units (SRU) in the ECCU being strengthened through onsite reviews of Insurance companies and offshore banks
- ✓ Credit union regional independent regulatory group being formed

**Figure 1. TA Delivery by Priority Areas**



**Figure 2. TA Delivery by Financial Sectors**



## Summary of Technical Assistance by Country

### **Adoption of Harmonized Standards and Strengthening Supervision and Regulation through the Implementation of Basel II for Banks**

**Barbados:** Barbados is on track to implement Basel II by Q3/2015. The country has been receiving TA to implement the revised Basel capital standards since 2012. To date Barbados has finalized its Pillar II programme which includes the development and issuing of guidance to the banking industry on supervisory review process. The current focus is on Pillar I operation and credit risks for which Guidance has been developed and is currently being reviewed. The Interest Rate Risk in the Banking Book (IRRBB) component Guidance was issued to industry for comments in November 2014 and live implementation of the market risk amendment commenced in Q1/2014. The authorities are currently working on the third pillar (market discipline – disclosure and transparency requirements).

Barbados is the chair of the Caribbean Group of Banking Supervisors (CGBS) - Basel II Implementation Technical Working Group and in this regard has been holding regular quarterly meetings with regulators to provide guidance and track implementation status. Barbados was responsible for the development of the market risk element under the regional CGBS Basel II Implementation Programme.

**British Virgin Islands:** BVI conducted their Basel II implementation industry sensitization meeting in February 2014 with CARTAC's assistance. The Authority circulated its Revised Prudential Reporting Forms to the banking industry for consultation and feedback during Q1/2014. Internal governance arrangements have been established and the Basel II implementation working group meets regularly to review the Basel Guidance that will be distributed to industry for consultation. The authority has also developed and shared its implementation road map with the banking industry. BVI was responsible for the development of the Market Discipline (disclosure and transparency requirement) element of the Basel guidance under the regional CGBS Basel II Implementation Programme. To this end, CARTAC provided technical assistance to review the draft guidelines and reporting framework for market discipline and provided recommendations to the authorities for enhancement.

**The Bahamas:** The Central Bank of The Bahamas (CBB) has been making good progress in their Basel II implementation efforts. So far the bank has had its industry briefing (October 2013) and has developed and published its Basel II implementation road map. Several project teams have been established under the Basel II Governance arrangements, with the teams focusing predominantly on the areas of national discretion. Guidance notes for operational risk and credit risk are currently being reviewed internally and will be issued for industry comments once approved. Basel II Coordinators are being identified at each licensee to serve

as liaison to disseminate information and meetings are being arranged with licensees to introduce them to the revised reporting forms. The Bahamas was responsible for the development of the IRRBB component of the regional CGBS Basel II Implementation Programme. CARTAC provided bilateral technical assistance to the CBB on the review of their Guidance on IRRBB and provided recommendations for the authorities to incorporate into the Guidance. Live implementation of Basel II is being scheduled for Q1/2016.

**Cayman Islands:** The Cayman Islands Monetary Authority (CIMA) has completed its implementation of Pillar 1 (Credit, Market and Operational Risk) of Basel II. The Pillar II aspect was implemented during 2013. Work is currently being done to solidify the internal framework for the Supervisory Review and Evaluation Process (SREP) to enable the authority to better assess the licensees Internal Capital Adequacy Assessment Process (ICAAP). The tentative date for full implementation which will include the roll out of the Pillar III/Market Discipline process is July 2015.

**Eastern Caribbean Currency Union (ECCU) / ECCB:** CARTAC provided technical assistance to the ECCB (“the bank”) in reviewing its guidelines for internal auditing of institutions licensed under the banking act and in reviewing the operational risk guidelines drafted by the bank under the CGBS Regional Basel II Implementation programme. Recommendations emanating from both reviews were made and submitted to the bank for implementation. To date, the ECCU/ECCB has participated in all the CGBS Basel II implementation training programme and Technical Working Group meetings. The territory has been making good progress on Basel II implementation and has so far established a steering committee comprising of the president of the ECCB bankers’ association, regulators of the offshore and non-banks, the ECCB Basel II implementation working group with representatives from the bank supervision, research and statistics departments. A draft road map is in place. CARTAC participated in the ECCB’s Basel II training programme, held in Q2/2014, scheduled to sensitize senior management, banking supervisors and policy specialists on Basel II.

**Jamaica:** The Bank of Jamaica hosted the first regional Basel II Implementation workshop in May 2013. This workshop had representatives from all the countries implementing Basel II and focused on the key elements of Basel II, Pillars I and II processes. These include Credit Risk, Credit Risk Mitigation, Securitization, Operation risk, Market Risk, Interest Rate Risk in the Banking Book and the Supervisory Review Process. The Bank of Jamaica was responsible for the drafting of the Supervisory Review Process (Pillar 1) Guidance under the CGBS Regional Basel II Implementation Programme.

**Trinidad and Tobago:** The Central Bank of Trinidad and Tobago (CBTT) was responsible for the drafting of the following components / Guidance under the CGBS Regional Basel II Implementation Programme.

- Credit Risk Management and Assessment
- Credit Risk Mitigation
- Securitization

CARTAC provided bilateral technical assistance to the CBTT in reviewing the draft Guidance on Credit Risk management and assessment, credit risk mitigation and securitization. Recommendations were provided to the authority for enhancement. The Central Bank has participated fully in the CGBS technical working group meetings and hosted the second Basel II Implementation training workshop in Port of Spain, September 2013. This workshop focused on Market Discipline / Disclosure and Transparency requirements as well as risk based supervision and consolidated supervision.

**Turks and Caicos Islands:** The Turks and Caicos Islands' Financial Services Commission had its Basel II implementation Industry Sensitization session at the end of 2013. The country has so far developed its implementation road map and collaborated with the Bermuda Monetary Authority on the prudential information reporting (PIR) forms to be used under the CGBS Basel II implementation Programme. CARTAC provided technical assistance on the review of the prudential information reporting forms and recommendations were communicated to the authority for enhancement.

### **Strengthen Nonbank (Insurance, Pensions and Securities) Regulation and Supervision Framework**

**Anguilla:** The Anguilla Financial Services Commission benefited from CARTAC's technical assistance programme through the onsite examination review of one of its key insurers, NAGICO Insurance Company Limited. This was a full scope review done in October 2013. Subsequent to the review, CARTAC provided the authorities with recommendations to enhance the supervision of insurance companies in Anguilla.

**Grenada:** CARTAC assisted the Grenada authorities with its onsite review programme for two of its major insurers, Sagicor Life Inc. (Grenada Branch) and Beacon Insurance Company Limited (Grenada Branch). Emanating from these on-site reviews, CARTAC provided the authorities with recommendations to enhance the supervision of insurance companies in Grenada.

**Jamaica:** Two technical assistance missions visited the Financial Services Commission in Jamaica in April 2014 to provide technical assistance on nonbank supervision, specifically, (i) the review of pension funds supervisory framework against international standards and the



review of the FSC's early warning risk assessment methodology for pension funds; (ii) review of the securities supervision framework against international standards. At the end of the review, two mission reports with recommendations will be provided to the authorities to facilitate enhancements to their supervisory system as appropriate.

**St. Vincent and the Grenadines:** St. Vincent and the Grenadines received Technical Assistance from CARTAC in October and November 2013 to conduct on-site reviews of three insurers operating in that country. These are St. Vincent Insurance Company Limited (VINSURE), Sagicor Life Inc. (St. Vincent Agency) and United Insurance Company Ltd. (St. Vincent Operations). Subsequent to these onsite reviews, CARTAC provided the authorities with recommendations to improve supervision and regulation of insurance companies in St. Vincent and the Grenadines.

**Suriname:** A technical assistance mission visited Suriname at the end of November 2013 to provide training to securities regulators at the Central Bank of Suriname on "*Building Effective Regulation of the Securities Market in Suriname*". At the end of the mission, recommendations were provided to the authorities to enhance onsite supervision of securities firms and to strengthen the investigative/enforcement powers of the Central Bank.

**Trinidad and Tobago:** In November 2013, a technical assistance mission visited Port of Spain, Trinidad and Tobago to provide assistance to the Trinidad and Tobago Securities and Exchange Commission (TTSEC). The purpose of the TA was to assist the TTSEC in preparing new risk based rules and processes governing the capital, liquidity and other resources to be required of registrants (securities firms) including transitional provisions. Recommendations emanating from the mission were submitted to the TTSEC for implementation.

### **Strengthen Financial Stability Framework**

**Regional:** Macro-prudential surveillance and Financial Stability – During 2013, CARTAC accelerated support for the work on the regional financial stability project in collaboration with the Caribbean Centre for Money and Finance (CCMF), regional central banks and the IDB. The project arose out of the realization, post the global financial crisis, that financial systems in the Caribbean were highly interconnected and as such focus should be placed on harmonization of legislations and capital standards as well as enhancing cross-border supervision. The main objectives of the project are:

- To develop and upgrade methodologies including financial soundness indicators and early warning systems to assess financial stability in the region;
- To contribute to upgrading national financial stability reports; and

- To publish a regional Financial Stability Report

CARTAC continued to provide support to countries on a bilateral basis to develop financial stability reporting frameworks and assistance in drafting financial stability reports. Additionally, CARTAC in collaboration with the CCMF hosted two financial stability workshops for regulators in the region, over the last 12 month period. The first workshop was held in Barbados, November 2013 for high level policy makers and senior regulators and the second in Guyana, January 2014, for technicians. CARTAC also supported regulators of the nonbank sectors (particularly securities, insurance and credit unions) to attend and participate in both workshops.

Since the end of April 2014, a new adviser on Financial Stability has been added to CARTAC's complement of advisers to continue building capacity in financial stability in the region including developing macro-prudential policy, training staff on stress testing, macro-prudential surveillance and establishing crisis preparedness frameworks.

**Belize:** A technical assistance mission visited the Central Bank in Belize in 2013 to provide assistance in the establishment of its financial stability unit and drafting its financial stability report.

**The Bahamas:** Three technical assistance missions visited The Bahamas in 2013 to assist the Central Bank in developing its first financial stability report. The report was published by the Central Bank at the end of December 2013.



**The Bahamas Issues First Financial Stability Report – A Success Story**  
**Alwyn Jordan, Chief Economist, Central Bank of The Bahamas**

The Central Bank of The Bahamas (the Bank), as part of its mandate to promote the stability of the financial sector, along with its associated regulators, the Securities Commission, Insurance Commission and the Department of Cooperatives, developed and published its first financial stability report at the end of December 2013. The report seeks to provide an overview of key developments within the financial sector and an assessment of the underlying risks to financial stability. The report, which is to be produced semi-annually, builds on the earlier work undertaken by the International Monetary Fund (IMF) in its Financial Sector Assessment Programme (FSAP) exercise for The Bahamas, conducted in July 2012.

During the year, the three main regulatory agencies continued to assess the health of the financial sector, via a regime of onsite and offsite monitoring, information gathering and in the case of the domestic banking sector, stress tests to ensure its resilience to unexpected shocks. Overall, the regulators concluded that the risks to financial stability were low, given the high levels of capital and liquidity in the domestic financial sector. In the few instances where issues have arisen, enhanced monitoring was implemented, and some firms were required to take measures to ensure that they continued to comply with domestic and international regulations.

With technical assistance from the Caribbean Regional Technical Assistance Centre (CARTAC) the Central Bank of The Bahamas, in conjunction with the other regulators, was able to produce the first Financial Stability Report for the country in December 2013. The consultant from CARTAC assisted in canvassing the relevant regulators, informing them of the importance of the project and getting their full cooperation. In addition, the CARTAC consultant was very instrumental in creating the templates for data collection, providing guidance in analyzing the necessary financial stability indicators and he also reviewed the various chapters of the report. Overall, the production and publication of The Bahamas' first Financial Stability Report was challenging; however, the assistance of CARTAC was critical in achieving our goals.

### **Strengthen Risk Based Supervision and Consolidated Supervision Frameworks**

**Regional:** Under the regional Basel II implementation programme being pursued in collaboration with the CGBS technical assistance was provided to regional authorities in the development of Basel II compatible risk-based supervision and consolidated supervision frameworks for commercial banks operating in the Caribbean. These Guidelines were developed by financial sector experts and shared with regulators at a workshop in Trinidad and Tobago, held September 16-20, 2013. Going forward, bilateral technical assistance will be provided to jurisdictions to tailor these frameworks to their specific needs and implement in their countries as appropriate.

**Belize:** A technical assistance mission visited Belize April 7 – 11, 2014, to assist the Belize Central Bank with developing its consolidated supervision framework. The framework covered key areas such as qualitative assessment, capital adequacy, contagion and group exposure, risk management, access to prudential information, cross border supervision and information sharing. Additionally, the mission provided training on consolidated supervision for the regulators of both the Central Bank and the Superintendent of Insurance in Belize.

**Jamaica:** A technical assistance mission visited Kingston, Jamaica, March 10 – 14, 2014 to assist the financial services authority in developing its group-wide supervision framework for insurers, securities firms and pension providers. The framework covered key areas of conglomerate supervision and included cross-border supervision and information sharing, risk management, qualitative assessment, capital adequacy, contagion and group exposure. The mission also provided regulatory training on consolidated/group-wide supervision to insurance, pensions and securities regulators.

### ***Strengthen Off-shore Banks and Credit Unions Supervision and Regulation***

**Dominica:** In response to a request from the Ministry of Finance, Financial Services Unit in Dominica, two technical assistance missions visited Roseau, Dominica during the period

December 17-20, 2013 and April 15 – 17, 2014 to provide technical assistance on bank supervision, onsite review of offshore banks. The purpose of the TA activity was to strengthen the capacity of the regulator in the conduct of onsite reviews for offshore banks and provide basic on-the-job training for the supervisory team on the supervision and regulation of offshore banks.

**Haiti:** In response to a request from the Board of Governors of the Central Bank of Haiti, a technical assistance mission visited Port-au-Prince, Haiti during the period February 3-6, 2014, to provide technical assistance on Credit Union Supervision, Onsite Review, Offsite review and Corporate Governance training. The TA was aimed at strengthening the capacity of the central bank in the conduct of corporate governance reviews, onsite and offsite reviews for credit unions operating in Haiti and provide the supervisory team with basic training on the supervision and regulation of credit unions.



**Strengthening Credit Union Supervision in Haiti**  
(Note on the Technical Assistance Received from February 3-6, 2014 )

**Overview and Context:** The Credit Unions Act of June 2002 transferred to the Central Bank of Haiti the responsibility to enforce regulatory principles, to supervise and control credit unions' activities. Based on its formal mandate, new norms have been enacted and a department has been created at the Central Bank to conduct on-site and off-site supervision in order to ensure accountability of the sector and to maintain the stability of the financial system. The department of supervision and control of credit unions faces a constant need to update the skills of supervisors to respond to risk and challenges related to its mission. A sound partnership has been developed with CARTAC to benefit from technical assistance and training programs to improve the performance of supervisors and to enforce the viability of the sector. In February 3rd to 6th 2014, two consultants from CARTAC completed a training program in Corporate Governance- On-site and Off-site supervision.

**Feedback and implication for the central bank:** The training program has been held at the training facility of the Central Bank of Haiti, located at Boutilliers. About 54 attendees from the Bank, the credit unions' Board, the federation-Le levier participated in the workshop. They have received training materials and new skills to perform better in their activities. During those four days, participants were taught how to enforce procedures for good governance; supervisors were introduced to new rating tools such as CAMEL and PEARL, and senior managers were able to gain a better understanding of their duties to maintain the efficacy and the stability of the microfinance sector in Haiti. This first initiative with CARTAC in the Haitian Credit Union sector is a step forward to enforce the quality of governance in the credit unions and to adopt better practices and processes in their activities. This technical assistance also revealed the need for accommodation by the Central Bank. A Supervisor manual has to be reviewed, and more training programs are required for supervisors to adequately use CAMEL and PEARL rating tools.

**Conclusion:** The department of supervision and control of microfinance institution is very thankful to the Caribbean Regional Technical Assistance Center team, Messrs. Courtney Christie-Veitch and Dave Grace and Ms. Aysha Springer for their outstanding contributions. Since the department is waiting for the new law on microfinance to be passed in the parliament, we stay focused on all the new challenges it may create for our team of supervisors. We are looking forward building with our partners a pool of talented workers trained to respond to new threats facing the sector.

**St. Kitts and Nevis:** A two-day training workshop was held early November, 2013, in St. Kitts and Nevis at the request of the country's Financial Services Regulatory Commission. Training was provided on corporate governance (director responsibilities) and loan review and administration for credit unions operating in St. Kitts and Nevis. Over forty directors and senior officers from the credit unions were in attendance as well as credit union regulators from the FSRC.



**CARTAC Strengthening Financial Sector Supervisory and Regulatory Framework in the ECCU – Maria Barthelmy, Adviser, Eastern Caribbean Central Bank**

CARTAC Financial Sector Supervision focus has been on strengthening the regulatory and supervisory frameworks of the non bank financial sector. In particular, the following have been some of the key achievements:

- Establishment of and continued support to single regulatory units (SRU)
- Strengthening regulatory and supervisory practices for the non bank financial sector
- Strengthening of legislation for the non bank financial sector – Insurance, Credit Union and Money Services
- In the Banking Sector, CARTAC provided a comprehensive review of the guidelines related to credit risk, market risk and operational risk; CARTAC has also been involved in the training of examiners in credit risk, market risk and operational risk; training on Basel II capital adequacy and risk management framework implementation; review of corporate Governance Guidelines and Assistance with development of a strategic plan to implement recommendations emanating from Basel Core Principles Assessment.
- Supervision and Regulation in the Insurance Sector have been strengthened by CARTAC's assistance to the ECCU countries in developing a framework for insurance supervision which includes on-site examination training, off-site analysis, licensing, and dealing with problem institutions.
- The Credit Union and Securities Sectors also benefited from CARTAC's intervention which includes the development of reporting forms and offsite and onsite supervisory manuals, assistance with onsite reviews and training/capacity building of supervisors in workshops, conferences and meetings and training in securities capital market.

## **Seminars / Workshops**

### **Basel II Conference and Workshop**

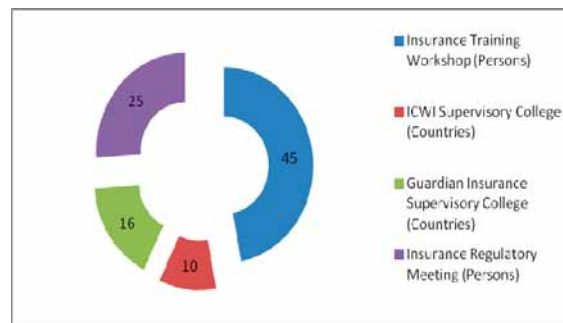
The Caribbean Group of Banking Supervisors in collaboration with CARTAC, sponsored two Basel II workshops, predominantly aimed at countries implementing Basel II over the next three years. The first workshop was held in Kingston Jamaica, May 6 – 10, 2013. The focus of this workshop was on credit risk, credit risk mitigation, securitization, market risk, operational risk, interest rate risk in the banking book and the supervisory review process. A

key component of this workshop was the “Train-the-Trainer” session which seeks to provide Supervisors with the tools/techniques to provide training to fellow regulators.

The second Basel II implementation workshop was held in Trinidad and Tobago, September 16-20, 2013. This workshop was hosted by the Trinidad and Tobago Central bank and focused on market discipline/disclosure and transparency requirements, consolidated supervision and risk-based supervision.

### Sponsorship of Regulators to attend Insurance Supervisory College

**Figure 3. Training Workshop and Regulators Meeting**



### Coordination with Development Partners

#### Caribbean Group of Security Regulators (CGSR) Conference and Workshop

The 10<sup>th</sup> Annual Conference/Workshop of Securities Regulators in the region was held in Montego Bay, Jamaica, November 6-8, 2013. The theme for the Conference and Workshop was “*Fostering Innovation, Growth & Financial Stability in the Caribbean Securities market – A Path to Recovery*”. The workshop was highly interactive with participants getting the



opportunity to share in panel discussions and work in small groups. The workshop was also quite intensive with presentations covering the following areas: (i) Overcoming the Challenges of High Debt and Low Growth (ii) Improving Cooperating and Information Exchange between Caribbean Jurisdictions (iii) Financial Sector Assessment Programme (FSAP): The Role and

Requirements of the Regulator (iv) Investigation and Enforcement (v) Corporate Governance – Facilitating Transparency, Accountability and Good Governance and (vi) Risk-based Framework for Securities Regulators.

The workshop was well attended by regional regulators and had a good mix of international and regional presenters. There were 49 participants and 13 presenters, including 4 regional presenters. Participants included regulators from 18 of the 20 CARTAC member countries.



**Securities Workshop accomplished its Objectives**  
**Cyralene Benskin-Murray, General Counsel, Financial Services Commission, Barbados**

On behalf of the members of the Caribbean Group of Securities Regulators (CGSR), it is my pleasure to thank CARTAC for the exemplary services rendered as a partner for the 10th Annual Conference and Workshop held in Montego Bay from 6 to 8 November, 2013.

The event succeeded in accomplishing its objectives and you have earned wide spread congratulations from CGSR members. We particularly wish to recognize the timelines and relevance of the topics presented, this, coupled with the professionalism and expertise of each and every presenter rendered this conference a success. The benefit of your assistance and guidance will no doubt have an impact on facilitating the development of the securities market within the region.

### **Credit Union Conference and Workshop**

The first regional meeting organized for independent regulators of credit unions in the region was held November 27-28, 2013, in St. Georges, Grenada. The high-level meeting had the dual purpose of providing training to regulators as well as to facilitate discussions on a proposal to form a regional association of independent credit union regulators. There have been a few meetings of cooperative societies in the Caribbean in the past; however these have been predominantly driven by Self Regulatory Organizations (SROs) and industry groups such as the Caribbean Confederation of Credit Unions, Credit Union Leagues or Registrar of Cooperatives Societies. Several jurisdictions in the region have been moving away from SRO supervision for credit unions with the supervision and regulation of the credit union system being assumed by independent regulators such as central banks, monetary authorities or financial services commissions. The workshop aspect of the meeting focused on corporate governance, crisis management and resolution strategies for credit unions. The workshop was attended by independent credit union regulators from thirteen of the twenty CARTAC member countries.



**Promoting Financial Inclusion through Public Education and Awareness**  
**Antoinette McKain, Chief Executive Officer, Jamaica Deposit Insurance Corporation**

On behalf of the Board of Directors, the Management and Staff of the JDIC, I express our sincere gratitude to CARTAC for partnering with the Corporation in hosting the Financial Markets Symposium and Fair, during August 29-31, 2013.

We thank you for your remarks at the Symposium, which were enlightening and well received. By our own assessment and from feedback of presenters, booth-holders, participants, and other stakeholders, the main objective of the event was realized. The target audience, small savers and investors; small and medium size businesses and the unbanked participated, consistent with the theme of the event and Corporation's focus, as it continues its public education thrust.

## **D. Economic and Financial Statistics**

### **Regional Strategy**

Economic indicators provide important insights into the health of the economy, assessing external vulnerability, the latest business cycles, the effectiveness of policy, and how consumers are spending and doing in general. Governments when setting economic policy, the private sector when making investment and hiring decisions, use them on a daily basis. The information is also used extensively by credit rating agencies in their assessment of countries.

Accurate and reliable economic data are preconditions for the effective management of the economy. Modern economies are complex as a result of growing international openness and dependencies, the expanding service sector, the increased diversity of products, and for many other reasons. Consequently, a country's national statistical infrastructure must be well adapted and have the capacity to generate economic information that is as complete as possible, relevant, accurate, reliable, and timely. Any shortcomings in these areas will compromise its ability to promptly identify adverse trends and apply the appropriate corrective measures.

According to recent research, a country's ability to produce quality economic data is now being linked with its potential for attracting foreign investment and reducing the cost of external debt. In fact, according to Enrico Giovanni (2008)<sup>9</sup>, "International investors are aware that good economic data is necessary for a country to effectively manage its affairs

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<sup>9</sup> Giovanini, Enrico, "Understanding Economic Statistics," OECD Publishing, 2008,



and, other things being equal will tend to avoid countries that do not publish such data. The public availability of reliable and up-to-date economic data also reassures international investors by allowing them to monitor economic developments and to manage their investment risk.” One can view the quality and quantity of economic data made available by a country as an indicator of how serious it is about managing its economy.

CARTAC’s statistics unit (STA) provides technical expertise and assistance to its member countries in the area of economic statistics. Through consultations and technical assistance, STA organises and conducts missions to countries in the Caribbean region with the objective of improving their range of available economic statistics and improving the quality of the existing data. Furthermore, it provides training and conducts workshops on the latest conceptual and methodological developments in the field of economic statistics and how they can be implemented in an efficient and effective manner. Not surprisingly the outcome of these exercises is better economic information in the fields of national accounting, price statistics, monetary and financial statistics, and external sector statistics (i.e., balance of payments, and international investment position (IIP) and external debt).

CARTACs medium term achievements in the field of economic statistics are as follows:

- The two central approaches to measuring the state and performance of the economy are production-based and expenditure-based GDP. Almost all countries in the Caribbean disseminate the former estimate but few of them actually produce an independently estimated version of the latter. CARTAC has been working with its member countries at improving the availability and quality of the production-based measure of GDP while developing strategies for expanding the availability of generating expenditure-based GDP measures.

***FY 2014 – Major Achievements in Economic Statistics***

- ✓ The development of a satellite tourism account in the Bahamas using an updated Supply and Use Table.
- ✓ The dissemination of export and import price statistics in Barbados and Anguilla.
- ✓ The completion and dissemination of the International Comparison Programme estimates; a first for the Caribbean!

- Expanding the tools used for monitoring, evaluating, and improving the reliability of a country’s national accounting data. Encouraging and helping statistical agencies in organising their data in a way that they can develop a supply and use tables is one of the ways that STA is using for reaching this goal. Countries such as Suriname and a few others have embraced this approach while others are working towards this end.
- Price statistics such as the Consumer Price Index (CPI) are critical elements of any system of economic statistics. CARTAC in the last year has made inroads in helping countries improve the relevancy of their CPI by updating their baskets and improving the

conceptual basis on which these data are measured. Furthermore CARTAC has been active in promoting and expanding the dissemination of producer and import and export price indexes in the region; and

- For BOP, CARTAC is assisting its members to produce their data according to the requirements of the latest guidelines (*Balance of Payments and International Investment Position Manual*, sixth edition (BPM6)) and to transition from annual to quarterly BOP producers. An external sector statistics adviser was appointed to CARTAC in October 2013 to support this work program. Currently, there are only three CARTAC members that produce BOP according to the recommendations of BPM6.

Five member states produce IIP statistics, of which three disseminate annual data and the others quarterly. In this regard CARTAC is assisting members in the development of work plans for improving their external sector statistics.

*“Thanks to the CARTAC sponsored statistics workshops I have attended, I feel I am making a more meaningful contribution in the work I do.”*

**Sabrina Williams**  
**Statistician for the Department of**  
**Economic Planning and Statistics for the**  
**Turks and Caicos.**

The specific approaches applied by STA to achieve these outcomes will vary according to the special circumstances of the country. Because many of the countries in the region are understaffed in relation to its statistical needs, STA will often provide individual Technical Assistance (TA) missions. These types of missions have proven, in many cases, most beneficial for the purpose of enhancing statistical capacity by targeting specific areas

where weaknesses exist and suggesting corrective measures. In other instances where the issues needing attention are more widespread, regional workshops have proven to be most effective at promoting capacity building. More precisely, in the last year, the following steps have been undertaken by STA for helping countries not only improve their economic statistics but also giving them the necessary tools and knowledge that will guarantee sustainable capacity in the future.

- Diagnostic-type missions that identify important data gaps and from which the countries benefit by a series of recommendations and corrective measures aimed at closing these gaps and ensuring higher statistical standards;
- Advisory and consultative missions whereby a CARTAC consultant will interact closely with officials on remedial or developmental projects to promote the efficient and effective transfer of knowledge;
- Quick-response type services where communication tools such as video-conferencing, email exchanges, and the telephone are used to rapidly address specific or less technical questions;

- Workshops and classroom training sessions, which are open to all CARTAC members where the latest concepts, methods, and techniques are presented by leading international experts;
- A bulletin that addresses a specific technical question or issue that is commonly encountered by member countries; and
- Professional attachments where one or two staff members from a statistical agency can sharpen their skills and enhance their knowledge by visiting another institution and working side-by-side for a week or more with more seasoned staff.

Countries will always stand to gain from having available to them a solid range of reliable economic indicators. They are used to gauge the effectiveness of economic and social policies and provide valuable information as to which sectors a nation should allocate its scarce resources for the greatest return.

With good quality data, governments can get feedback as to the benefits arising from public investments in the tourism or education sectors for

example. Businesses can make sounder decisions when good quality and timely economic data are available to them. Forecasting trends and business cycles in the economy are more accurate and credible when analysts and policy makers can use with confidence a spectrum of economic information. Data on exports and imports are also telling when attempting to assess sectors of the economy that are subject to structural or transitional change. The external sector statistics are used extensively by credit rating agencies, international investors and lending agencies in their assessment of the credit worthiness of countries. Without the required data for rigorous assessments, countries will be required to pay more to finance their external debt. The IIP is also an important tool in assessing the vulnerability of an economy to capital flight. Also, the BOP data are critical input in the design of monetary and foreign exchange policies. Lastly, monetary policy, and various payments such as wages, pensions, rents, and other contracts are often indexed with the price indexes such as the CPI.

*“On behalf of the Eastern Caribbean Central Bank, I highly commend the efforts of CARTAC in providing outstanding support for the further development of statistics in the currency union. In this regard, I would wish to highlight the significant contributions by CARTAC towards the strengthening of the intra-regional statistical systems to produce and disseminate timely, high quality and harmonised statistics, particularly in the areas of prices, national accounts and balance of payments, all key areas in the work programme of the ECCB Statistics Department.”*

**Sir K. Dwight Venner**  
**Governor Eastern Caribbean Central Bank**

Last year’s report made reference to the slowness of the rate of progress for improving the quality and range of economic statistics in the Caribbean region. There was also a section that explained in detail some of the factors that explain why progress in the field of economic statistics is a widespread issue for the region. Although these impediments are still present, there appears to be promising changes that are occurring on this front. Some governments and central banks are recognizing that important data gaps were hindering their ability to

implement sound and effective economic policies. This has resulted in some countries allocating more funding for the production of statistics. Statistics offices for example, in Trinidad and Tobago and in the Bahamas are now operating out of new facilities. Some agencies have hired additional staff.

Evidence also suggests that the individual training sessions and workshops that have been organized by the statistics units over the years are now paying dividends in terms of increased and sustainable capacity. Experienced consultants that are conducting missions in various countries are reporting how the statisticians and economists that work in the national statistical offices appear more knowledgeable and confident. Many can now work more independently and make more sound decisions about the proper concepts and methods to apply when compiling official statistics. In one of the last workshops of the year, staff members from statistical agencies operating in the region delivered some of the presentations.

***FY 2014 – Major roadblocks to sustainable statistical capacity in the region***

- ✓ Under-resourced statistical agencies
- ✓ Acute shortages of personnel in particular specialized and trained professionals
- ✓ Out-dated Information Technology (IT) equipment, tools, and support
- ✓ Poor physical working environments

Although shortages of specialized staff and high turnover still characterize many countries and at times, agencies are still plagued by poor working conditions due to the state of the physical facilities and lack of proper equipment, there is nevertheless a sense that the region is going through some positive transformation leading to sustainable improvements to capacity and a better overall quality of their national statistics. Consequently, the region should be, sometime in the near future, in a much better position to generate quality data for the benefit of the users.

### **Summary of Technical Assistance by Country**

There is general agreement that the statistical programmes of many CARTAC countries are moving in the right direction. This is especially obvious in the fields of national accounts, price statistics, and the balance of payments. With the addition of a resident adviser on external sector statistics during the year, emphasis will also be on other areas such as IIP, external debt and on participating in the coordinated direct investment survey. What follows highlights some of the countries that have benefited from CARTAC STA assistance and the nature of the projects that was carried out in these countries.

## **National Accounts**

### **Bahamas:** *Compilation of quarterly GDP estimates by the production and expenditure approaches*

CARTAC continued assisting the Department of Statistics (DOS) of the Bahamas by continuing the project of developing estimates of quarterly Gross Domestic Product (QGDP) at current and constant prices for that country. We are now at the second stage of the exercise which focuses on estimating QGDP by the expenditure approach.

### **Bermuda:** *Compilation of quarterly GDP by expenditure:*

One mission was dispatched to Hamilton, Bermuda in April to monitor the progress that had been made by the Bermuda DOS since the last mission, which was dedicated to improving their annual and quarterly estimates of GDP. Additional areas in the compilation of their national accounts were identified and recommendations made in order to strengthen some aspects of these estimates. Some work remains to be done at reconciling the production-based estimates with the expenditure-based estimates and deflators need to be finalized for converting the current price estimates into their constant price counterparts. The planned release of the results is June 2014.

### **St. Lucia:** *Planning mission for the national accounts.*

The authorities in St. Lucia are in the process of developing quarterly national accounts and updating their supply and use table. A three-day mission was dispatched in order to assess the condition of the data and develop a work programme for the purpose of reaching these objectives.

### **Jamaica:** *Seasonal Adjustment of Quarterly estimates of GDP:*

The Statistical Institute of Jamaica (STATIN) has been publishing quarterly GDP estimates since 2002. These GDP estimates are prepared at current and constant prices using the production approach. In June 2013, STATIN requested technical assistance to review both the benchmarking and seasonal adjustment processes thus ensuring the soundness of their estimates and to improve the quality of the analysis of these estimates. In addition, STATIN requested feedback on modernizing these procedures and introducing the use of modern software tools that would best be tailored and adapted to their particular circumstances. The technical assistance mission involved the following: 1) Review of the current seasonal adjustment method (X11ARIMA) and the methodology of the benchmarking process; 2) Training of STATIN staff on seasonal adjustment and benchmarking concepts and

methodologies; 3) Training of STATIN staff on X13-ARIMA software options; and 4) Migration to X13-ARIMA towards an Excel application for benchmarking.

**Suriname:** *Compilation of annual GDP by expenditure*

CARTAC conducted a subsequent TA mission in Paramaribo, Suriname that continued in advising the authorities on the best approach for enhancing their GDP estimates using the production approach and also made significant progress in moving the country towards adding another measure of GDP, i.e., expenditure-based GDP estimates at current prices. As a next phase, the project will provide TA to Suriname to extend the compilation of expenditure-based GDP to include estimates at constant prices.

*“Since 2008 the General Bureau of Statistics (GBS) of Suriname has received support from CARTAC. The GBS is most satisfied, as it has since vastly improved its GDP estimates (production side) and is expected to resume production of improved expenditure based GDP estimates (current prices) in the 3rd Quarter of 2014. Also the prospects for constant price EGDP and Supply and Use Tables are quite rosy, thanks to CARTAC! Keep up the good work of in-country support and Regional Training sessions!!”*

**Mr. Iwan Sno**  
**Director ABS/GBS**

**Trinidad and Tobago:** *Compilation of quarterly GDP estimates*

The CBTT requested the assistance of CARTAC for the purpose of reviewing and assessing the quality of their quarterly estimates of GDP. Consequent to this mission, the CARTAC consultant was able to identify a series of areas where improvements could be made that would lead to a more reliable and accurate indicator of short-term economic activity.

**Various Countries:** *International Comparison Program (ICP)*

CARTAC contributed its expertise and some consultancy to various countries over the year so that they satisfy their commitment to the International Comparison Programme (ICP). STA’s contribution to this endeavour played a key role resulting in all of its member countries submitting high quality price and national accounts data on time to the project and with little or no necessary revisions. The results of this project were released in May 2014 of this year and led to much better international comparisons of GDP and price level estimates.

**An Economic Statistics Success Story  
Price Statistics Workshop (September, 2013)**

Typically, the Statistics field of CARTAC conducts at least four workshops per year for its member countries. One of these was the price statistics workshop that was conducted in Basseterre (St. Kitts) in September. Experts from the region as well as from abroad spent two weeks going over the conceptual and methodological issues associated with the compilation of reliable and accurate price.

Although almost all CARTAC countries are currently disseminating the all-important consumer price index (CPI), many countries are not familiar with some of the newer and more recent developments in the field of this indicator. Furthermore, recent staff turnover means that the basic principles of compiling the CPI maybe unfamiliar to those responsible for its compilation. This workshop was designed in such a way that it would address many of these issues. Furthermore, it has been observed that other price series such as the producer price index (PPI) and the export-import price indexes (XMPI) are not compiled by many of the countries in the Caribbean. The workshop therefore spent some time introducing the participants to these concepts and how to best estimate them. About 40 participants from all CARTAC countries attended this two-week workshop, which included a number of hands-on exercises complemented by a fair dose of theory and applications.

## **Price Statistics**

### **Barbados, *Validation of the new Producers Price Index the Export-Import Price Indexes***

CARTAC continued to provide guidance and advice to the Barbados Statistical Service (BSS) with their compilation of the Producer Price Index (PPI) and the Export-Import Price Index (XMPI). As result of the latest mission conducted this year, these price statistics now conform to international standards. As a result of the continued support provided by CARTAC, the BSS will now be releasing in 2014 three new and important indicators of price trends: producer price indexes, import price indexes, and import price indexes. Moreover, the work that was accomplished in these areas will now be used as a model for other countries in the region, which are facing similar resource constraints when producing such measures.

### **Bahamas and Montserrat, *Rebasing of the consumer price index***

CARTAC conducted technical missions pertaining to the CPI. Bahamas and Montserrat were the beneficiaries of these activities. In both cases assistance was provided to the agencies in developing a new CPI basket of goods and services. An expert appointed by CARTAC continued the validation process of the data, after an initial visit in the previous year. These results were then used to derive the basket weights for the CPI for each of the detailed levels of the CPIs classification regime. The mission also updated the sample of outlets from which the prices used for the compilation of the CPI are collected. The sample of products was also

renewed. Other pertinent advice from CARTAC on optimizing the CPI was also an integral part of these missions. A training session on the CPI was also provided to staff during the missions.

**Anguilla and Barbados:** *Import – Export Price Indexes*

These missions conducted a thorough review of the price data collected by the agencies, assessed coverage of sampled establishments, filled existing data gaps, and calculated preliminary indices for imported commodities according to the proper classification systems used for these types of indexes. The missions also worked with the authorities in estimating an export travel services price index.

**Turks and Caicos:** *Building the first CPI*

Turks and Caicos is the last remaining country in the Caribbean region without its own CPI. CARTAC began providing Technical Assistance to the statistical agency in order to remedy this important data gap in its economic statistics. Work is on-going with an expected completion date towards the third or fourth quarter of 2014.

**Cayman Islands:** *Household Budget Survey and CPI*

CARTAC provided technical advice for developing and conducting their upcoming household budget survey (HBS). The mission dedicated much time to explaining to the staff of the statistical office the conceptual basis used for designing a HBS that would be compliant with the needs of the CPI. For instance, issues such as sample size, the coverage of the households and products, and tools for conducting the survey were discussed. Furthermore, training sessions on the CPI and the role of the HBS for the compilation of the CPI were provided to the staff of the agency.

**External Sector Statistics**

**Barbados:** *Improvement in the balance of payments and international investment position*

CARTAC conducted a mission to assist the Central Bank of Barbados in its efforts to produce consistent BOP and IIP statistics by providing on-the-job training in methodology and compilation practices. The mission also undertook a review of BOP and IIP statistics produced and provided recommendations for improvement.

**Bermuda:** *Improvement in the balance of payments and international investment position*

CARTAC assisted the Government of Bermuda's DOS in their efforts to improve the compilation of BOP and IIP statistics by providing training in concepts and methodology.



The mission provided training in BPM6 compilation methodology and concepts to eleven officials. There were seven participants from the DOS; three from the Bermuda Monetary Authority (BMA) and one from the Ministry of Finance. The mission also identified data gaps during the discussions/training and provided recommendations for improvements.

**Dominica:** *Compilation of International Investment Position statistics*

CARTAC and the IMF Statistics Department conducted a mission to assist Dominica in its efforts to produce IIP statistics and improve related transactions that are recorded in the financial account of the BOP. The mission reviewed available data sources, identified major data gaps, and developed with the authorities a framework for the production of IIP statistics. On the job training in the compilation of an IIP statement was also provided. A representative of the ECCB was also present.

**Guyana:** *Improvement in the balance of payments and compilation of International Investment*

A mission was conducted to assist the Bank of Guyana (BoG) in improving the coverage of their BOP statistics and in developing a framework for the compilation of IIP statistics. The mission assisted the BoG in designing a time-bound work plan for the implementation of the BOP and IIP surveys and agreed with the authorities on an action plan for the development of an IIP statement. The mission also provided on the job training on the BPM6 methodology.

**Jamaica:** *Participating in the Coordinated Direct Investment Survey (CDIS)*

CARTAC conducted a mission to assist the Bank of Jamaica in the preparation of a viable action plan for the implementation of the IMF's Coordinated Direct Investment Survey (CDIS). The mission reviewed the current status of direct investment (DI) statistics, including coverage, data sources, and estimation techniques, and provided interactive workshops and training in DI and CDIS. The mission also provided guidance on building a business register of the companies to be surveyed and on techniques to maximize the survey response rate, and agreed with the authorities on a viable action plan for the implementation of a CDIS.



**An Economic Statistics Success Story**  
**Expanding the range of available price statistics in Barbados**

Over more than a two year period, CARTAC worked with the Barbados Statistical Service (BSS) in developing a series of new price indicators which they previously did not have available. The Real Sector Adviser and a group of consultants in close collaboration with the BSS staff were able during this period to disseminate export and import price indices as well as a producer price index series. The work involved various steps including, among other things, determining a weighting and classification structure, establishing a sample of establishments, choosing an item sample, and constructing a compilation system. A training component was also included as part of this exercise, thus ensuring that these indices would be estimated according to internationally recognised standards and within a sustainable infrastructure. As a result of this project, Barbados now has available an almost complete set of macroeconomic price indicators which can now be used for better measuring economic performance and provide more accurate and timely feedback to policymakers and analysts about the state of economy.

### **Seminars and Workshops (Including On the Job Training)**

Typically, the Statistics field of CARTAC conducts at least four workshops per year for its member countries. These events are a great opportunity for participants to expand their knowledge and sharpen their technical skills in the field of economic statistics. Workshops also provide a means for participants to share their experiences, and to establish relationships with other professionals from the region that are working on compiling the same indicators. These synergies go a long way in increasing statistical capacity in the region.

The Economic Commission for Latin America and the Caribbean (ECLAC) conducted a workshop in May 2013 on the ICP with the cooperation of CARTAC. The workshop was held in Willemstad, Curacao. With the assistance of experts from CARTAC, the statistical officers from all the participating member countries were able to benefit from the type of technical assistance that resulted in much progress being made towards finalizing the impressive data requirements needed for compiling the 2011 round of the ICP. The estimates for this international endeavour were successfully released to the public in May 2014.

Price statistics are an important component to economic measurement. They are used for deflating various elements of the national accounts, monitoring price trends for exports, imports and manufacturing products. Perhaps one of the most well known is the CPI, which measures the overall rate of inflation in the economy. Accurate and reliable estimates of these indicators should therefore be the objective of any national statistical system. To this end, CARTAC went to Basseterre (St. Kitts) in September to deliver a two week large scale workshop on the topic of price statistics for the benefit of its member countries. Experts from the region as well from outside spent much time and covered at length the conceptual and methodological aspects of estimating reliable and accurate price statistics. Over 40 participants from the region attended this workshop.

In November, the Real Sector of CARTAC organised an introductory two-week workshop covering the basics of national accounting in Bridgetown (Barbados). Approximately 40 participants representing most member countries attended this intensive training course. National accounting concepts and methods are the basis for compiling estimates of GDP. These data are used for gauging the health of the economy, for business cycles



analysis, and a number of other macroeconomic applications. Given the relatively high turnover of staff in the regions statistical agencies, this introductory course was well timed and welcomed by the participating countries.

CARTAC coordinated a workshop on Financial Soundness Indicators (FSI) that was held in Bridgetown (Barbados) in January. Two STA economists from IMF HQ in Washington led the workshop. The main objectives of the course were: 1) To familiarize participants with the methodology for compiling financial soundness indicators based on the Financial Soundness Indicators Manual from the IMF; and 2) To provide hands-on training on the compilation of these indicators. 21 participants attended the course. They came from central banks and ministries of finance from many of our member countries, and the ECCB.

During January 28 – 31, 2013 an External Sector Statistics Workshop was held in Bridgetown, Barbados. The workshop addressed methodological issues in external sector statistics and assisted participants in developing work plans for improving their statistics. There were thirty-five participants from 18 CARTAC member countries and the ECCB. Participants were mid-level management and technical staff that are involved in the compilation of external sector statistics.

During the workshop, each country made a brief presentation on the status of their external sector statistics compilation, current issues and problems, and suggested main areas of technical assistance. Additionally, the representatives of Jamaica, Barbados, and the Bahamas shared their experiences in compiling International Investment Position (IIP) and participating in the Coordinated Direct Investment Survey (CDIS) and the Coordinated Portfolio Investment Survey (CPIS), respectively. Representatives from all participating economies provided an overview of the main issues and challenges in the compilation and

dissemination of their external sector statistics. The workshop was well received; participants actively asked questions and shared their experiences during the lecture sessions.

### **Professional Attachments/Internship programme**

Professional attachments and internships are a means for persons to expand their knowledge and sharpen their skills while establishing long-term relationships with professionals from other countries that work in similar areas. Here in the statistics field of CARTAC we recognize that the statistical capacity of some countries may be more developed than others. This happens for various reasons and it is usually tied to the availability of resources. The Statistics Institute of Jamaica (STATIN) has generously offered time and people in order to help foster the improvement in statistical capacity in the region. For example, during the current fiscal year, three individuals, two from Suriname and one from St. Kitts and Nevis spent a total of two weeks working with staff from STATIN. During this time, the host shared with these guests the approach they use in compiling the national accounts. It was a rewarding experience for all and CARTAC as well as the participants are grateful to STATIN for lending their time and efforts for this exercise.



#### **CARTAC's Technical Assistance to the Central Statistics Office, Grenada**

**Ms. Margaret Frame  
Senior Statistician**

I take this opportunity to extend my profound gratitude for the technical assistance CARTAC has rendered to the Central Statistics office over the years, especially in recent times. Your support continues to help in achieving our mission in providing updated, timely, reliable and accurate data to stakeholders and users of statistical information.

Commendation is extended to CARTAC for the tremendous assistance focused on building capacity in several areas of statistics and harmonizing statistical systems within the ECCU region. This is demonstrated through the hard work and commitment in successfully organizing workshops, seminars, and conducting technical missions.

I acknowledge the assistance extended and look forward to CARTAC support as we continue to collaborate in developing economic statistics in Grenada and the region as a whole.

### **Coordination with Development Partners**

Coordination and interactions between the Statistics Division of CARTAC and other organisations and agencies such as the Caribbean Community (CARICOM), ECLAC and the ECCB continue to play an important part towards enhancing the statistical capacity in the region. Various projects such as workshops and missions are often coordinated with these organisations in order to avoid duplication of activities and to ensure that the best possible

technical assistance for example, reaches the broadest group of beneficiaries effectively and efficiently. The dissemination of the results from the ICP in 2014 is a perfect example of what can be achieved when these organisation work together towards a common goal. Moreover, many workshops that are conducted by the Real Sector of CARTAC are done in partnership with these other organisations. Other joint ventures that are on-going at the present time and that are worthy of mention are the following:

### **ECCB**

Expanding the dissemination of expenditure-based GDP estimates for ECCB countries whereby the Real Sector of CARTAC works closely with the ECCB to this end.

### **CARICOM - ECLAC**

As previously mentioned, ECLAC and CARICOM served as the main regional coordinators of this World Bank sponsored program. This project came to fruition in April 2014 and in addition to expanding the number of internationally comparable indicators from the region, it had as a side effect, improving the regularly produced estimates of GDP. Furthermore, the construction of ICP estimates is a means for identifying data gaps, as well as methodological and conceptual weaknesses that are currently present in the existing approaches to compiling national accounts and price statistics.

## **E. Macroeconomic Programming and Analysis**

### ***Macroeconomic Programming and Analysis***

The Macroeconomic technical assistance programme directed its resources toward improving the analysis of macroeconomic policies and to enhance the projections of key macroeconomic and fiscal variables. Technical assistance was delivered in the form of hands-on training within ministries of finance and central banks, as well through region-wide peer-learning workshops. Support was also channelled toward the region's youngest economics graduates through an internship programme that partnered with key regional institutions.

## Regional Strategy

High levels of public debt, low rates of economic growth and persistent fiscal deficits have seen the Macroeconomics technical assistance programme support member countries fiscal consolidation efforts. Technical assistance and training during fiscal year 2014 aimed to:

- See the adoption of sound, internally-consistent macroeconomic frameworks;
- Provide assistance to policy areas within the Ministries of Finance. These policy areas are intended to support the fiscal and public sector reform agenda through the preparation of macroeconomic policy analysis and regular fiscal briefings; and
- See the implementation of easy-to-use macroeconomic and fiscal databases to be utilized in policy analysis.

### *FY 2014 – Major Achievements Macroeconomic Programming & Analysis*

- ✓ Macroeconomic and fiscal diagnostic missions undertaken in most ECCU member countries.
- ✓ Macroeconomic technical assistance expanded beyond the traditional ECCU to include BVI, Suriname, Jamaica and Bermuda.
- ✓ Internship programme placed a total of eleven students in five-regional economic institutions. The highest number since the programme began.
- ✓ Hosted IMF-run course on debt sustainability and management.
- ✓ Integrated Macroeconomic programme with PFM team to emphasize focus on medium-term fiscal planning.

Technical assistance was delivered through a number of “hands-on” training exercises that aimed to build capacity in the preparation of medium-term macroeconomic and fiscal forecasts within local teams that face a number of challenges from the dearth and timeliness of data, to the small size of teams and frequent staff turnover. In the preparation of these macro-fiscal forecasts, the training exercises sought to assist member countries in preparing a baseline set of macroeconomic and fiscal projections, test to see whether this baseline scenario was sustainable, and derive a set of policy measures to achieve sustainability. In the process of delivering this assistance, CARTAC sought to utilize the expertise of the Macroeconomic Adviser, donors, regional and international experts as well as expertise within the IMF.

During FY 2014 the CARTAC Macroeconomic Adviser updated the engagement strategy with ECCU members through a detailed review of the Macroeconomic Policy Units situated within the Ministries of Finance. This review helped to build a forward technical assistance program into the medium-term, with significant input from the ECCB. From this review, technical assistance was delivered to St. Lucia and Dominica. FY 2014 saw CARTAC’s Macroeconomics and PFM technical assistance programme join forces to implement a more integrated approach toward training and support to member countries. With this partnership, renewed emphasis was given to the need to anchor macro-fiscal projections into the Budget process. This significant initiative with CARTAC’s PFM team will culminate in several joint

workshops next fiscal year that will focus on the co-relationship between macroeconomic policy and the Budget.

Expansion of the Macroeconomics programme to non-ECCU countries was another significant new initiative this year. Needs assessments were conducted in British Virgin Islands (BVI), Suriname, Jamaica, and Bermuda and technical assistance was scheduled for next year.

### **Summary of Technical Assistance Delivery by Country**

The Macroeconomics Programme continued to promote the importance of updated macroeconomic databases as well as the use of the medium-term macroeconomic frameworks for economic analysis and policy formulation across the ECCU.

**Dominica:** With CARTAC technical assistance, a medium-term fiscal framework was prepared with staff from Dominica's Macro Policy unit in January 2014. A baseline set of projections was prepared to see if Dominica's goal of reaching a primary surplus of 2.4 percent of GDP and a debt to GDP ratio of 60 percent by 2020 was feasible. Macro Policy Unit staff were extensively trained in the operation of this new framework and accompanying spreadsheets. A needs assessment was also prepared and a forward technical assistance programme has been scheduled in the areas of macroeconomic, and revenue projections.

**St. Lucia:** To support the fiscal consolidation effort of the authorities, CARTAC provided assistance to the Ministry of Finance in the area of macro-fiscal medium-term forecasts. In November 2013 CARTAC provided a one week training course to key policy officials. Simple econometric models were constructed to produce projections for both real GDP and CPI. Officials were trained in econometric techniques as well as given detailed instructions on how to run and update econometric models. A forward technical assistance programme was compiled with officials during this November mission, and next fiscal year TA has been scheduled to support authorities need to provide a more rapid update of real sector projections.

**Grenada:** In support of an upcoming IMF supported adjustment programme, CARTAC worked with local authorities to conduct a needs assessment on all macroeconomic and fiscal activities undertaken within the Ministry of Finance. CARTAC provided authorities with suggested improvements to the responsibilities of macroeconomic and fiscal activities within the Ministry of Finance. A forward technical assistance programme was scheduled for the next fiscal year. Next fiscal year, Grenada will take part in a knowledge exchange programme where officials will be attached to the Ministry of Finance of St. Kitts for a week

to understand how the St. Kitts authorities dealt with their own IMF supported adjustment programme.

**St. Vincent and the Grenadines:** CARTAC's Macroeconomics Programme continued to support the efforts of the Ministry of Finance to update its Medium Term Fiscal Framework (MTFF). During FY 2014 the CARTAC macroeconomic adviser worked with authorities to review the existing MTFF and produce a forward technical assistance programme that will focus on strengthening the macroeconomic inputs for this MTFF. During the review mission with CARTAC's Macroeconomic Adviser, the Ministry noted the success of previous TA missions in building their spreadsheets for fiscal forecasting exercises.

**St. Kitts and Nevis:** In previous years CARTAC's Macroeconomic programme provided support to authorities during the IMF supported adjustment programme. In February 2014, CARTAC reviewed this past assistance. The review found that St. Kitts & Nevis had made significant gains in their ability to compile a consistent set of fiscal projections, as well providing sound advice to cabinet on the monthly movements in fiscal variables. The review also found that there could be improvements in their underlying data management and a strengthening of their macroeconomic analysis. Technical assistance missions for the next fiscal year have been scheduled based on these findings.

**Anguilla:** Anguilla is one of the few countries in the eastern Caribbean that does not have an established Policy Unit within their Ministry of Finance. Following a review mission in March 2014, authorities requested that CARTAC facilitate a peer-learning exercise by bringing officials from similar countries in the region to Anguilla in order to provide feedback on their own experiences in the establishment of a policy unit. This peer-learning activity has been scheduled in for FY 2015.

**British Virgin Islands:** An assessment of BVI's MTFF was completed in February 2014. Past CARTAC training had provided authorities with a strong set of tools to undertake the updating of their revenue and fiscal projections. CARTAC provided suggestions where improvements could be made to the framework, especially in the area of macroeconomic projections. A TA mission has been scheduled for next fiscal year.

## **Coordination with Development Partners**

### **A. Internship Programme**

In response to comments from members of the CARTAC SC regarding the inadequacy of economics graduates in the region for operational work, an internship programme was launched in 2008. The programme which aims at enhancing the analytical skills of the graduates is expected to facilitate their seamless entry into the workplace. Three-month



attachments at regional central banks were organized to allow interns to work on research projects together with experienced economists within the banks as well as their jointly-financed research institution.

In 2013, CARTAC successfully collaborated with the University of the West Indies to identify honour students enrolled in their BSc and MSc Economics Programmes at the three campuses. Those students were hosted by the Bank of Jamaica, the Central Bank of Barbados, Central Bank of Trinidad and Tobago and the ECCB.

During the internship, students were provided with the opportunity to present their research to economists at the host institutions for feedback.

<p><b>Statement on CARTAC's Macroeconomics Internship Programme</b>  <b>Winston Moore, Senior Lecturer,</b>  <b>Department of Economics/ Coordinator MSc Financial and Business Economics Programme.</b>  <b>The University of the West Indies, Cave Hill, Barbados.</b></p> <p>“The CARTAC Internship programme has become an integral part of regional training in the area of economics. It provides an opportunity for the best graduate/undergraduate students to obtain exposure to a research and/or policymaking institution in the Caribbean, offering valuable insights into the applied aspects of economics that nicely complements the solid theoretical training received at the University of the West Indies. Many of these CARTAC Interns have gone on to take up full-time positions as economists within the ministry of finance, central bank and other entities throughout the region. The feedback that I have received from these students was that this early exposure to the world of applied economics was quite useful and helped significantly when they took up full-time posts.”</p>
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## **B. Other Training**

A regional course on *Macroeconomic Management and Debt Issues* was delivered from March 31 – April 4, 2014. This course was run by the IMF's Institute for Capacity Development and complemented CARTAC's hands-on capacity building in member countries. The week long course in St. Lucia gave participants the skills to undertake Debt Sustainability Analysis, understand the issues involved in debt restructurings, as well as produce Medium-term Debt Strategies. The IMF presenters facilitated theoretical discussions along with practical exercises within Microsoft Excel. The course had representation from all member countries, and typically there were a



mixture of officials from Central Banks as well as from Ministries of Finance. This was the first time that a course of this kind was run in the region, and the feedback from participants was overwhelmingly positive. Since this training course, a number of participants have sought out CARTAC assistance to implement many of the issues discussed during the course.

# SECTION III:

## **Overview of FY 2015 Work Plan**

### SECTION III. OVERVIEW OF FY2015 WORK PLAN

#### A. Public Finance Management

CARTAC will continue to focus on the five key result areas and supporting countries in the implementation of their PFM Reform Action Plans with a primary focus on major activities in the treasury and budget areas. Further integrating the macro-fiscal component with PFM will also continue to be a focus in the coming year.

CARTAC's work plan for 2014/15 will focus on providing support for the following activities:

- Participation in PEFA's and/or PFM Action Plan development in those countries scheduled for a PEFA in next 12 months - Dominica, Grenada, Montserrat, St. Kitts & Nevis and Turks & Caicos.
- Assistance with developing PFM Action plans in 3 countries that undertook PEFA in past 12 months – Anguilla, Antigua & Barbuda and Barbados.
- Enabling countries to establish PFM monitoring activities that can summarize achievements, identify areas of risk, and prepare self-corrective actions where processes are lagging in Barbados, Jamaica.
- Providing assistance to countries to update PFM Action Plans based upon action plans prepared in CARTAC workshops, indicating a country commitment to continual process improvements and a desire to improve based upon workshop learning experience.

#### *Accountant General Department*

- Assist in the ongoing adoption of international public sector accounting standards in member countries.
- Provide support to consolidate banking arrangements, including the continuation of progress towards a treasury single account in Anguilla, Dominica, Grenada and Montserrat.
- Develop skills to enhance techniques for cash forecasting and management in Antigua & Barbuda, Trinidad and Tobago.
- Business process review to redesign processes and strengthen internal controls through enhanced use of government accounting systems in Belize.
- Continue to support on-going efforts to improve CoA implementation and training in Anguilla, Bahamas, Belize, and Jamaica.
- Support efforts to implement and provide training on functional classification in Barbados.

### *Budget*

- Improve budget preparation processes with a focus on improving fiscal discipline and strengthening of the MoF budget *challenge* function through the implementation and/or refinement of a forward estimates processes, budget scorecards and reconciliation tables, and new policy and savings proposals in Anguilla, Bahamas, Bermuda, BVI, Dominica, Grenada, Montserrat, St. Lucia, St. Vincent & the Grenadines and Suriname.

### Macro-Fiscal

- Undertake SOE diagnostics in Anguilla, BVI, Dominica, St. Vincent & the Grenadines.
- Undertake Pension diagnostic in Grenada.
- Develop an SOE toolkit and conduct training on oversight of SOE (to SOE units, accounting officers and board members) on improving performance and accountability in Anguilla, Dominica, Grenada, Barbados and St. Vincent & the Grenadines.

### Workshops/Training

- Deliver a workshop on developing a medium term fiscal framework; medium term expenditure framework and medium term economic and fiscal outlook statement.
- Deliver a workshop on cost benefit analysis and assessing the economic impact of government policies.
- Deliver an intermediate internal audit workshop covering risk assessment, payroll audit, report writing and fraud/investigation.
- Conduct a workshop for internal auditors on value for money audits.
- Conduct a workshop on assessing pension plans and undertaking actuarial assessments of pension liabilities.
- Conduct workshop on implementation of IPSAS accounting standards.
- Conduct a workshop on understanding Public Expenditure and Financial Accountability assessments.

CARTAC PFM will also actively seek opportunities for peer-assisted learning between countries, sharing lessons learned and better practices.

CARTAC PFM will continue the strong relationship with SEMCAR and will maintain strong relationships with other development partners including CARICAD, CDB, DFTAD, Commonwealth Secretariat, EC, IDB, NZAID and the World Bank.

### **B. Revenue (Tax and Customs) Administration**

The strategic objective of the revenue administration program over the next three years is to strengthen the administration of domestic tax and customs regimes through increased use of harmonized regional systems and procedures that are aligned to international good practice. This objective is consistent with the needs, demands and priorities of member countries. There will be continuing collaboration with regional partners including CARICOM and the OECS and support to countries in developing new or updating Corporate and Strategic Business Plans. The FY 2014 Work Plan has been designed to contribute towards achieving this objective and will focus on the following:

- Preparation for VAT implementation in **Anguilla and Suriname**.
- Post-VAT capacity building in **The Bahamas and St. Lucia**.
- Supporting the Risk Management programs in **Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadine and Turks and Caicos Islands CED**, for IRD in **St. Kitts and Nevis** and **Revenue Authority in Guyana**.
- Advancing the establishment of **Barbados, Grenada, St. Lucia and St. Kitts and Nevis** LMTUs.
- Design and implement a Taxpayers' Strategy in **Grenada and Trinidad and Tobago**.
- Building tax audit capacity in **Barbados, Grenada, St. Kitts and Nevis** and **St. Lucia**.
- Building capacity in Customs post clearance audit in **St. Kitts and Nevis** and **St. Lucia**.
- Enhancing Customs valuation capacity in **Antigua and Barbuda, St. Lucia** and **St. Kitts and Nevis**.
- Supporting the development of Corporate and Strategic Business Plans in **Barbados** Revenue Authority, **Grenada and St. Kitts and Nevis** CED and **St. Lucia** and **St. Kitts and Nevis** IRD.

## Workshops / Training

- Regional Tax Procedure Code Workshop
- Main Trends in Tax Administration Reform Workshop
- Tax Auditors' Training
- Revenue Collection Enforcement Training
- Data Matching Workshop for Revenue Administrations
- CARTAC-CARICOM Regional Harmonized Model Customs Legislation Workshop
- CARTAC-OECS Harmonization of Customs Procedures

**Figure 2. Modalities for Delivery of Revenue Administration Sector TA in FY 2015**



## C. Financial Sector Supervision

For the financial year 2015, the financial sector work plan will focus on regional and individual country technical assistance needs. Continued focus will be on Basel II implementation in the region, enhancing nonbank supervision and regulation and financial stability and crisis preparedness.

The following are some of the highlights of the proposed work plan:

- Basel II implementation in Barbados, British Virgin Islands, The Bahamas, Cayman Islands, ECCU/ECCB, Jamaica, Trinidad and Tobago and Turks and Caicos Islands.
- Assistance to countries to develop and implement financial stability reports and crisis preparedness plans.

- Assistance to regulatory authorities to develop and implement consolidated / group-wide supervision guidance.
- Assistance to regulatory authorities to develop and implement risk-based supervision processes.

### **Workshops/Training**

- Basel II Implementation regional training on supervisory review process (Pillar II) and transition to Basel III.
- Workshop on Corporate Governance for financial institutions.
- Workshop on Credit Union Supervision and Regulation, including financial soundness indicators for credit union assessments.
- Workshop on financial interdependency and contagion.
- Workshops on financial stability and crisis preparedness.
- Bilateral training on risk-based supervision and consolidated supervision.
- Support for workshops and regulators meetings organized by the CGBS, Caribbean Association of Insurance Regulators (CAIR), Caribbean Association of Pension Fund Supervisors (CAPS) and Caribbean Group of Securities Regulators.
- Support for Insurance Supervisory Colleges organized by the CAIR.

### **D. Economic and Financial Statistics**

The upcoming projects will focus on the following areas:

#### ***National accounts: Ongoing projects***

##### **GDP by expenditure**

- **St. Vincent and the Grenadines:** There will be a closing mission to assist the authorities in the revision of the expenditure-based estimates of GDP at current prices and constant prices. This project will be conducted in close collaboration with the ECCB.
- **Grenada:** Closing mission to assist the authorities in implementing changes that will lead to a new expenditure-based estimate of GDP at current prices. A subsequent mission will tackle the issue of compiling expenditure-based GDP at constant prices. Collaboration from the ECCB will be included in this exercise.



- **Suriname:** One more mission to assist the authorities in moving towards the final methodological changes that will lead this country to disseminate estimates of expenditure-based GDP at current prices. Technical assistance for estimating GDP at constant prices will follow afterwards.

### **Quarterly GDP compilation**

- **St. Lucia:** A mission will investigate with the authorities the statistical agencies state of readiness for compiling quarterly estimates of GDP. Depending on the outcome of this mission, a project could be initiated that will add yet another values economic indicator to those already available.
- **Bahamas:** Technical assistance aimed at the DOS to carry on with their project of compiling quarterly estimates of GDP by the production and expenditure approaches based on the methods and concepts found in the IMF Quarterly National Accounts manual.

### *National accounts: New projects*

- **Anguilla, Dominica, and St. Kitts and Nevis:** An initial exploratory mission to evaluate the resource and data needs required to initiate a programme for developing estimates of expenditure-based GDP.
- **Anguilla, Haiti and Montserrat:** An initial diagnostic-type mission with the authorities in order to plan the future validation of the methods used to compile their GDP.
- **British Virgin Islands, Tobago, Trinidad and Tobago, and Turks and Caicos:** A series of missions will be conducted to improve the quality of their national accounts estimates.
- **Suriname and St. Lucia:** These countries have expressed a need for assistance in order to update their supply and use tables or initiate such a program.

### *Price Statistics: On going projects*

- **Montserrat and Turks and Caicos:** A final technical assistance mission to rebase the CPI using the latest available expenditure weights and an updated sample of items to price and outlets from which to collect prices.

- **Trinidad and Tobago:** A technical mission to update the CPI basket and its weights. The project includes an update of the outlets and items to reflect more current consumption patterns of the population.

*Price Statistics: New projects*

- **Antigua and Barbuda, Barbados, Haiti, Guyana, Trinidad, and the Bahamas:** An initial CPI revision mission that will use data collected from their latest completed HBS to update their basket weights. Refreshing the sample of items and outlets will also be part of this exercise. The methodological and conceptual approach will follow the most recent international standards and guidelines.
- **Anguilla, and the Bahamas:** A series of two missions each to update the sample of items and the weights used for compiling their import – export price indexes.
- **Cayman Islands:** Continued support for conducting field work in the implementation of their HBS from which the information derived is used to update their CPI basket weights.

*External Sector Statistics*

- **Turks and Caicos:** An initial exploratory mission to assist and guide the authorities with their project on developing BOP statistics.
- **Barbados, Bermuda and Jamaica:** TA on improving the quality and the coverage of the BOP and IIP statistics that are produced.
- TA in producing international investment position statistics for the following countries: **Guyana and Dominica**
- TA in producing BOP statistics according to the recommendations of the sixth edition of the Balance of Payments and International Investment Position Manual for the following organisation and countries: **ECCB, Antigua and Barbuda, Anguilla, The Bahamas, Dominica, Guyana, Grenada, Haiti, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.**

### *Workshops*

At least five workshops are planned for the coming fiscal year.

- In May 2014, the Real Sector of CARTAC will be hosting a 5-day workshop for its member countries for which the topic will be: An Introduction to Supply and Use Tables (SUTs). The target audience for this workshop will be staff of the national statistics offices that have worked in the national accounts areas for a number of years and seasoned users of the SUT. SUTs are gaining much popularity among statistical agencies as a tool for improving the quality of the national accounts estimates.
- The Real Sector will also be conducting a workshop on 2008 SNA (System of National Accounts) and its implementation in the Caribbean region.
- A three-day mini workshop for five ECCB countries in July to discuss and decide on the best course of action for improving the measure of expenditure-based GDP in the region.
- A one-week workshop on price indexes other than the CPI. The focus will be import – export price indexes and producer price indexes with an emphasis on the special circumstances and requirements for the region.
- A two-week workshop on balance of payments and international investment position statistics to be delivered in late 2014. Emphasis will be placed on concepts and methodology as well as on the transition to the sixth edition of the Balance of Payments and International Investment Position Manual.
- A one-week workshop on external sector statistics to be delivered in early 2015 which will focus on specific components of the BOP and IIP, such as tourism and direct investment. The workshop will also follow up on the work program to improve the compilation of external sector statistics.

### **E. Macroeconomic and Programming Analysis**

As countries in the region continue to grapple with a slow and uncertain economic recovery, improving the policy making architecture is regarded as a priority. To this end, CARTAC will respond to the demand from member countries to strengthen and create strong Macro Policy Units which are viewed as the “think tank” of the ministries of finance. Work will focus on enhancing the skills of economists to maintain a medium-term macroeconomic framework and to strengthen their ability to prepare concise yet comprehensive macro-fiscal reports to keep policy makers abreast of economic developments. The Internship Programme, aimed at improving the analytical and professional skills of young regional economists, will also be organized. Consistent with the implemented results-based management framework endorsed by the CARTAC Steering Committee, the Macroeconomics work plan for FY 2015 will focus on the following:

- **ECCU:** Further strengthen the medium-term macroeconomic framework through capacity building exercise.
- **ECCU:** Support establishment of Macro Policy Units to help strengthen macroeconomic and policy analysis by providing guidance on the role, functions and requirements for effective Units.
- **ECCU:** Strengthen the ability of local staff to analyze macroeconomic developments and effectively present same to senior Ministry of Finance officials.
- **ECCU:** Strengthen the framework to monitor fiscal and debt developments.
- **British Virgin Islands:** Support the Macro Fiscal Policy Unit analysis of macroeconomic data.
- **Suriname:** Technical assistance to enhance macroeconomic frameworks.
- **Jamaica:** Provide a training session to Bank of Jamaica officials on advanced macroeconomic modelling techniques.
- **Bermuda:** Support the establishment of detailed real-sector projection frameworks.

# ANNEXES

## Annex I: Existing Regional Technical Assistance Centres

### Existing RTACs

**The Pacific Financial Technical Assistance Center (PFTAC)** was established in Suva, Fiji, in 1993, now serves 16 Pacific island countries and territories, including the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tokelau, Tonga, Tuvalu, and Vanuatu. Its current program cycle is funded by the Asian Development Bank, Australia, the EU, the IMF, Korea, New Zealand, and the host country Fiji.

**The African Regional Technical Assistance Centers (AFRITACs)** are part of the IMF's Africa Capacity-Building Initiative, launched in May 2002. Responding to calls from African leaders, including under the New Partnership for Africa's Development (NEPAD), the Initiative promotes strengthening the capacity of African countries to design and implement their poverty-reducing strategies, as well as to improve the coordination of capacity-building technical assistance in the Poverty Reduction Strategy Paper (PRSP) process. As part of the Initiative, five African Regional Technical Assistance Centers (AFRITACs) have been established. AFRITAC East was opened in Dar es Salaam, Tanzania, in 2002, now serves seven countries in East Africa (Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda). AFRITAC West was opened in Bamako, Mali, in 2003 and moved to Abidjan, Côte d'Ivoire, in mid-2012 to serve ten countries in West Africa (Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo). AFRITAC Central was opened in Libreville, Gabon, in 2007, to serve countries in the CEMAC group, plus Burundi and the Democratic Republic of the Congo. AFRITAC South was opened in Port Louis, Mauritius, in June 2011, to serve 13 countries in Southern Africa (Angola, Botswana, Comoros, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Zambia, and Zimbabwe). AFRITAC West 2, based in Accra, Ghana, started operations in December 2013, covering the non-francophone countries from the *Economic Community of West African States (ECOWAS)* that are not served by the current AFRITAC West: Cape Verde, The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone. The AFRITACs are financed by contributions from a number of donors, the IMF, as well as host and beneficiary countries. Current donors include the African Development Bank, Australia, Brazil, Canada, the European Investment Bank, the EU, France, Germany, Italy, Kuwait, Luxembourg, the Netherlands, Switzerland, and the United Kingdom.

**The Middle East Regional Technical Assistance Center (METAC)** was established in Beirut, Lebanon, in 2004 to serve ten countries/territories in the Middle East: Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Syria, West Bank and Gaza, and Yemen. METAC's main objective is to help strengthen capacity for effective macroeconomic and financial management in the region, and to support the region's integration into the world economy. A particular focus is to help post-conflict countries in the region achieve macroeconomic stability and develop basic institutions for policymaking. METAC is

designed to enhance coordination among development partners and to promote effective implementation of economic initiatives within the Middle East region. METAC's current program cycle is financed by contributions from the European Investment Bank, the EU, France, Germany, the IMF, Kuwait, Oman, the United States, the host country Lebanon, and beneficiary countries.

**The Central America, Panama and the Dominican Republic Regional Technical Assistance Center (CAPTAC-DR)** started operations in May 2009 in Guatemala. It serves Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. The Center's technical assistance is focused on financial sector supervision, tax and customs administration, medium-term expenditure frameworks and public financial management, money markets, and macroeconomic statistics. Improved institutions and increased regional integration are the objectives. The Center's new program phase is currently funded by the EU, Luxembourg, the IMF, the host country Guatemala, and beneficiary countries. Mexico has also made a firm pledge to continue funding the Center. Negotiations with other donors of Phase I (Canada, Germany, the Central American Bank for Economic Integration, the Inter-American Development Bank) as well as potential new donors are ongoing.

## Annex II: Members of CARTAC Steering Committee

Steering Committee Heads
<b>Chairperson</b>
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<b>Deputy Chairperson</b>
<b>Mr. Jwala Rambarran</b> Governor Central Bank of Trinidad & Tobago Email: Harris.jrambarran@central-bank.org.tt
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<b>International Monetary Fund (IMF)</b>
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### Annex III: CARTAC Staff

<b>Programme Coordinator and Resident Advisers</b>		
<b>Sector</b>	<b>Name</b>	<b>Email</b>
<b>Centre Coordinator</b>	Mr. David Kloeden	dkloeden@imf.org
<b>External Sector Statistics</b>	Mr. Chandar Henry	chenry@imf.org
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<b>Public Finance Management</b>	Ms. Celeste Kubasta	ckubasta@imf.org
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<b>Administrative Staff</b>	
<b>Position</b>	<b>Name</b>
<b>Office Manager</b>	Ms. Jessica Lloyd
<b>Executive Assistant to Programme Coordinator and I.T. Coordinator</b>	Ms. Lisa Squires
<b>Senior Administrative Assistant</b>	Ms. Sally-Ann Barrow
<b>Finance Assistant</b>	Ms. Bonnie Savannah-Rose
<b>Administrative Assistants</b>	Ms. Shirley-Ann Lovell Ms. Aysha Springer Ms. Renée Springer
<b>Chauffeur</b>	Mr. Everton Blackett

# **STATISTICAL APPENDICES**

## Appendix I: CARTAC Missions FY 2014

### PUBLIC FINANCE MANAGEMENT

MISSION ACTIVITY	LTX/STX	START	END
<b>REGIONAL</b>			
To attend Steering Committee Meeting FAD/EU	LTX	5/27/2013	5/28/2013
To attend Steering Committee Meeting	LTX	5/29/2013	5/29/2013
To attend Steering Committee Meeting	LTX	5/29/2013	5/29/2013
To attend Internal Audit Training	LTX	7/1/2013	7/3/2013
To attend Internal Audit Training	LTX	7/2/2013	7/4/2013
Undertake Budget Diagnostic and Smartstream Implementation Review	LTX	7/14/2013	7/22/2013
To present at Cash Flow Forecasting Planning and Management Workshop	STX	8/26/2013	9/6/2013
EU Presentation	LTX	10/15/2013	10/18/2013
To conduct SOE Workshop	LTX	10/23/2013	10/25/2013
To conduct SOE Training	LTX	10/23/2013	10/25/2013
To attend Steering Committee meeting	LTX	10/28/2013	10/29/2013
To attend Steering Committee Meeting	LTX	10/29/2013	10/29/2013
To attend Annual Meetings	LTX	12/3/2013	12/6/2013
<b>ANGUILLA</b>			
Review 2013 Budget process and undertake a desk review of 2014 budget submissions.	STX	9/8/2013	9/13/2013
To review Treasury and 2013 budget process	LTX	9/9/2013	9/12/2013
PEFA Mission	LTX	3/10/2014	3/24/2014
To conduct PEFA Mission	STX	3/10/2014	3/21/2014
To conduct PEFA	STX	3/10/2014	3/24/2014
<b>ANTIGUA &amp; BARBUDA</b>			
Finalize budget books	STX	7/24/2013	7/30/2013
To conduct Budget Workshop	LTX	7/25/2013	7/30/2013
Resource person on team to undertake PEFA for Antigua & Barbuda	LTX	2/24/2014	2/28/2014
To determine the technical blockages to the FMIS reconciliation resolve them and train end users	STX	3/3/2014	3/7/2014
<b>BAHAMAS</b>			
Introduction including determining status of PFM reform program	LTX	9/23/2013	9/27/2013
To establish PFM reform program	LTX	11/24/2013	11/30/2013
Review and update mapping process of GFS 2001. Conduct workshop on implementation of CoA	STX	11/25/2013	12/6/2013
Improvements in the budget preparation process.	STX	11/25/2013	12/6/2013
Review and amend CoA and train staff	STX	4/7/2014	4/10/2014
To assist with strategic budget	LTX	4/24/2014	5/6/2014
To assist with the strategic budget	STX	4/24/2014	5/2/2014
To assist with strategic budget	LTX	4/29/2014	5/5/2014
<b>BARBADOS</b>			
PEFA Briefing Work Plan Development and Meetings	STX	8/28/2013	9/13/2013
SOE Consultation	STX	1/20/2014	1/31/2014
To present the final PEFA report and prepare the proposed PFM reform program for Barbados	STX	3/23/2014	3/28/2014
<b>BELIZE</b>			
Introduction discussion on chart of accounts implementation progress	LTX	10/7/2013	10/10/2013
Introduction of CoA STX and review treasury functions	LTX	1/12/2014	1/17/2014

To review outdated CoA and prepare a draft CoA	STX	1/13/2014	1/24/2014
<b>BRITISH VIRGIN ISLANDS</b>			
To perform budget monitoring training for BVI MoF	LTX	5/14/2013	5/26/2013
Budget & Cash Flow	STX	10/8/2013	10/14/2013
To follow up on work of STX E. Browne and attend exit meeting	LTX	10/14/2013	10/15/2013
<b>DOMINICA</b>			
To deliver workshop on cash flow forecasting and planning	LTX	6/10/2013	6/13/2013
To restructure the cash flow unit & continue to build capacity and expertise in bank reconciliation	LTX	11/26/2013	11/27/2013
To investigate and resolve data integrity issues with SmartStream	STX	1/6/2014	1/17/2014
To wrap up bank reconciliation mission and to ascertain further need in this area	LTX	1/16/2014	1/16/2014
To work with M. Smith to review Dominica	STX	3/5/2014	3/8/2014
Follow up to earlier TA on bank account reconciliation	STX	3/10/2014	3/14/2014
To introduce new Adviser		3/17/2014	3/21/2014
To assist the authorities in building capacity for their new Procurement staff	STX	3/17/2014	3/28/2014
To assist Dominica procurement in continuing to navigate and implement the action plan.	STX	4/30/2014	5/8/2014
<b>GRENADA</b>			
strengthen the capacity of Ministries to improve capital budget submissions	STX	9/2/2013	9/6/2013
To launch Banking Diagnostic and ensure new Adviser is in position	LTX	1/6/2014	1/7/2014
To undertake a banking diagnostic	STX	1/6/2014	1/17/2014
To join SOE Mission	LTX	4/22/2014	4/25/2014
SOE Mission	STX	4/22/2014	5/7/2014
<b>GUYANA</b>			
To Conduct Internal Audit Training	STX	4/7/2014	4/11/2014
To assist with technical assistance training on Internal Audit	LTX	4/10/2014	4/11/2014
<b>JAMAICA</b>			
To participate in the Jamaica Fiscal Rules FAD follow-up Mission	LTX	6/12/2013	6/20/2013
Make presentations do analysis and set up the monitoring framework	STX	9/19/2013	10/4/2013
Introduction review work of STX and Assistant and present STX work to officials	LTX	9/29/2013	10/4/2013
To attend Annual Meetings	LTX	12/3/2013	12/6/2013
Discussions with the monitoring team on proposed chart of accounts and donor coordination activities	LTX	12/11/2013	12/13/2013
Public Financial Management	STX	1/13/2014	1/20/2014
Quarterly Monitoring Visit [BTB 14FAN21]	STX	1/22/2014	2/3/2014
Meet with STX and attend exit conference	LTX	2/6/2014	2/7/2014
Quarterly review of the PFM monitoring team activities	STX	4/28/2014	5/8/2014
<b>MONTSERAT</b>			
To consolidate strategic reporting refine program and performance platform of budget	STX	10/15/2013	10/18/2013
<b>ST. KITTS AND NEVIS</b>			
Consolidate the application of 3 year budget and build capacity in the budget unit	STX	10/20/2013	10/25/2013
To facilitate at SOE Workshop	STX	10/23/2013	10/25/2013
<b>ST. LUCIA</b>			
To lead Budget Mission	LTX	6/17/2013	6/28/2013
Budget Reform Mission	STX	6/17/2013	6/28/2013



To launch diagnostic on SOE.	LTX	10/8/2013	10/8/2013
To undertake a diagnostic of the SOE sector	STX	10/9/2013	10/21/2013
To attend concluding revenue estimation workshop and meet with FS/Macro Head on results next steps.	LTX	10/10/2013	10/11/2013
To attend stakeholder workshop and meet with FS PS and OPM to discuss results of SOE diagnostic	LTX	10/21/2013	10/22/2013
To meet with country officials	LTX	11/4/2013	11/4/2013
Budget Mission - Half Day Workshops and Meetings with PS's	STX	11/4/2013	11/15/2013
Meeting with Fs to ndiscuss progress with Budget reform and future CARTAC assistance	LTX	11/14/2013	11/15/2013
Review and provide a comprehensive report of the existing and proposed PFM Legislation in St. Lucia	STX	12/16/2013	12/20/2013
Build Capacity and Final Review of Budget Submissions [BTB 14FA719]	STX	1/13/2014	1/17/2014
Final Budget preparation Reform Mission	LTX	1/14/2014	1/14/2014
Assist with finalizing annual budget estimates document	STX	2/24/2014	2/28/2014
<b>ST. VINCENT AND THE GRENADINES</b>			
To undertake a systematic review of the treasury operations	STX	8/19/2013	8/23/2013
To undertake a budget diagnostic mission		2/10/2014	2/14/2014
Budget Diagnostic Mission	STX	2/10/2014	2/14/2014
<b>SURINAME</b>			
To review existing reforms including the chart of accounts and IFMIS implementation	LTX	10/31/2013	11/4/2013
<b>TRINIDAD AND TOBAGO</b>			
Met with officials to determine technical assistance objectives	LTX	4/8/2014	4/8/2014
<b>TURKS AND CAICOS ISLANDS</b>			
To assist with Budget Diagnostic and Review the SmartStream Implementation	LTX	7/15/2013	7/19/2013
Budget Diagnostic/review of Budget Development System	STX	7/15/2013	7/22/2013
To build capacity in revenue estimation forecasting and build a revenue forecasting model	STX	9/23/2013	10/11/2013

## REVENUE (TAX AND CUSTOMS) ADMINISTRATION

MISSION ACTIVITY	LTX/STX	START	END
<b>REGIONAL</b>			
Attend CARTAC Steering Committee Meeting	LTX	5/29/2013	5/29/2013
Assist with development of VAT collections procedures & deliver collections enforcement training	STX	6/24/2013	7/5/2013
Mission to Bahamas to assess it's readiness for the introduction of VAT	LTX	7/1/2013	7/5/2013
FAD mission to Trinidad	LTX	7/10/2013	7/24/2013
Work at home: to assist with drafting the VAT legislation for The Bahamas and Anguilla	STX	7/17/2013	7/20/2013
Participate in meetings with FAD re FAD CARTAC and SEMCAR's Regional Revenue Administration Program	LTX	7/29/2013	7/31/2013
Attend CARICOM/CARTAC Customs officials meeting	LTX	8/6/2013	8/9/2013
Work at home: to assist with drafting the VAT legislation for The Bahamas and Anguilla	STX	8/14/2013	8/16/2013
Work at home: to assist with drafting the VAT legislation for The Bahamas and Anguilla	STX	9/16/2013	9/18/2013
Attend Meeting of Regional EPA Implementation Partner	LTX	10/16/2013	10/18/2013

Institutions			
Attend CARTAC Steering Committee Meeting	LTX	10/29/2013	10/29/2013
Attend CARTAC Steering Committee Meeting	LTX	10/29/2013	10/29/2013
Attend CARTAC Annual Meetings at HQ	LTX	12/2/2013	12/5/2013
Attend CARTAC Strategic Meetings at HQ	LTX	12/3/2013	12/6/2013
Attend CARTAC Annual Meetings at HQ	LTX	12/3/2013	12/6/2013
To assist with development of material for workshop on Tax Audit Hot Topics in the Caribbean Part II	STX	12/9/2013	12/18/2013
Work at Home - Collections Enforcement Manual	STX	1/6/2014	1/25/2014
Work at Home - Development of Audit Manual	STX	1/6/2014	1/17/2014
Work at home: Draft VAT Regulation (BHS) and Legislation Support (LCA)	STX	1/6/2014	1/10/2014
To discuss TA needs with St. Vincent's Customs department	LTX	1/21/2014	1/22/2014
To attend WCO-Donor Working meeting	STX	1/30/2014	1/31/2014
Assist with delivery coordination backstopping CARTAC/COTA Auditing MNE Workshop	LTX	2/10/2014	2/14/2014
To co-facilitate Auditing of Multi-National Enterprises Workshop	STX	2/10/2014	2/14/2014
Work at Home - Development of Audit Manual	STX	3/17/2014	3/26/2014
<b>ANGUILLA</b>			
To begin reviewing the newly drafted VAT bill with authorities	LTX	6/11/2013	6/14/2013
Assess Anguilla's readiness for the introduction of VAT	STX	9/9/2013	9/13/2013
Assess VAT Implementation preparations progress	LTX	9/12/2013	9/13/2013
To assess VAT implementation preparations progress	LTX	9/12/2013	9/13/2013
<b>ANTIGUA AND BARBUDA</b>			
CARTAC: Meeting with Comptroller of Customs and Excise Division	LTX	9/23/2013	9/24/2013
Risk Management & bonded Warehouse TA to Antigua Customs & excise Dept	STX	10/28/2013	11/8/2013
Post Clearance Audit TA Antigua Customs & Excise Dept	STX	11/25/2013	12/6/2013
Auditing Electronic Records Course	STX	4/7/2014	4/11/2014
<b>BAHAMAS</b>			
To assist with VAT implementation preparation	LTX	5/13/2013	5/16/2013
Assist the authorities with preparations for the formation of a Central Revenue Agency	STX	5/21/2013	5/31/2013
Mission to the Bahamas (work from home)	STX	6/3/2013	6/6/2013
To draft VAT regulations for the Bahamas	STX	6/10/2013	6/15/2013
To deliver a Train-the-Trainers Workshop to Bahamas VAT implementation team	STX	6/24/2013	6/28/2013
To assess readiness for the introduction of VAT in the Bahamas	STX	7/1/2013	7/5/2013
To assist with VAT implementation preparation	LTX	7/4/2013	7/5/2013
To support preparation for the establishment of Central Revenue Agency	STX	7/29/2013	7/31/2013
To support the VAT Implementation preparations	LTX	8/26/2013	8/26/2013
To support preparation for the establishment of Central Revenue Agency	STX	9/9/2013	9/13/2013
To support preparation for the establishment of Central Revenue Agency	STX	10/17/2013	10/18/2013
To support preparation for the establishment of Central Revenue Agency	STX	11/11/2013	11/15/2013
Support for establishment of collections enforcement function	STX	1/13/2014	1/17/2014
To participate in the last few days of FAD diagnostic mission	LTX	2/2/2014	2/4/2014
VAT Rate Study	STX	3/17/2014	3/21/2014
Revenue Estimation Results and Finalize recommendations.	STX	4/21/2014	4/24/2014
Revenue Estimation Results and Finalize recommendations.	STX	4/21/2014	4/24/2014
<b>BARBADOS</b>			
TA to Barbados Customs & Excise Department	STX	9/9/2013	9/20/2013

HQ visit	LTX	7/29/2013	8/2/2013
VAT Rate study	STX	2/19/2014	2/22/2014
<b>DOMINICA</b>			
Tax and Customs Administration	STX	6/9/2013	6/28/2013
Tax and Customs Administration	STX	6/10/2013	6/21/2013
To work on outline for the Regional Audit Manual with STX Brian Dawe	LTX	6/17/2013	6/17/2013
To support the CARTAC/SEMCAR Risk Management mission	LTX	8/19/2013	8/21/2013
To assist Dominica Inland Revenue and Customs Divisions	STX	8/19/2013	8/30/2013
To assist Dominica Inland Revenue and customs divisions	STX	8/19/2013	8/30/2013
To assist Dominica Inland Revenue and Customs Divisions	STX	8/19/2013	8/30/2013
To continue to assist with IRD reorganization and capacity building in audit	STX	9/16/2013	9/27/2013
Introductory Meetings with Senior IRD Officials; liaise with STX Dawe on IRD reorganization	LTX	9/25/2013	9/27/2013
To introduce new LTX Adviser to Senior IRD Officials; liaise with STX Dawe on IRD reorganisation	LTX	9/25/2013	9/27/2013
To liaise with STX MacLeod on PAYE Administration support	LTX	10/3/2013	10/4/2013
To deliver PAYE audit training; assist with development of Audit program and procedures circulars	STX	10/3/2013	10/16/2013
Work at home: Development of Audit Manual	STX	11/3/2013	11/7/2013
To co-facilitate regional seminar on Tax Arrears Collections and Enforcement	STX	11/5/2013	11/8/2013
To co-facilitate the Regional Collections Enforcement Seminar for Supervisors	LTX	11/6/2013	11/8/2013
To continue to assist with IRD reorganization and capacity building in audit	STX	11/11/2013	11/22/2013
To assist the development and upgrade of collections enforcement procedures	STX	11/11/2013	11/22/2013
Supporting the development of Valuation procedures and policy	STX	11/11/2013	11/22/2013
To help design the IRD Corporate Strategic Plan	LTX	1/14/2014	1/16/2014
To help design the IRD Corporate Strategic Plan	LTX	1/14/2014	1/16/2014
Post Clearance Audit Training and Support	STX	3/10/2014	3/21/2014
Extension of Tax Administration Adviser	LTX	4/8/2014	4/9/2014
Project Management Support & Building Audit Capacity - IRD reorganization project	STX	4/23/2014	5/2/2014
<b>GRENADA</b>			
To deliver Electronic Audit Training Course	STX	5/6/2013	5/10/2013
Technical Assistance mission at Grenada's customs department	STX	7/15/2013	7/19/2013
Extension of Customs Admin. Regional Adviser	LTX	11/18/2013	11/22/2013
To assess the progress made and actions undertaken since FAD mission in January 2012	LTX	11/20/2013	11/21/2013
To help IRD finalise Strategic Plan at request of Comptroller	LTX	2/3/2014	2/7/2014
To help the IRD design a comprehensive taxpayer service program and action plan	STX	4/1/2014	4/11/2014
<b>GUYANA</b>			
To attend CARICOM/CARTAC Customs officials meeting	STX	8/6/2013	8/9/2013
CARTAC: Risk Management Programme	LTX	10/7/2013	10/11/2013
CARTAC: Risk Management Programme	STX	10/7/2013	10/18/2013
Meeting with Guyana Revenue Authority	LTX	10/18/2013	10/18/2013
Steering Committee Meeting	LTX	10/29/2013	10/29/2013
<b>ST. KITTS AND NEVIS</b>			
To assist with IRD reorganisation in coordination with STX (Dawe) mission	LTX	10/7/2013	10/10/2013
To assist with IRD reorganisation in coordination with STX (Dawe) Mission	LTX	10/7/2013	10/9/2013
To assist with IRD reorganization	STX	10/7/2013	10/25/2013

To assist with IRD reorganization	STX	12/2/2013	12/20/2013
Extension of Customs Admin. Regional Adviser	LTX	1/14/2014	1/15/2014
Meeting to assess technical assistance needs	LTX	1/14/2014	1/15/2014
Project Management Support	STX	2/17/2014	3/14/2014
To deliver Valuation (Policy & Procedures) TA to the Customs department	STX	2/17/2014	2/28/2014
To provide support with IRD reorganisation programme	LTX	2/24/2014	2/26/2014
To update the department's Corporate and Strategic plan	LTX	2/26/2014	2/27/2014
CARTAC: Formulate Corporate and Strategic Business Plan (CSBP)	LTX	3/24/2014	3/28/2014
CARTAC: Formulate Corporate and Strategic Business Plan (CSBP)	STX	3/24/2014	4/4/2014
CARTAC: Post Clearance Audit (PCA)	STX	4/28/2014	5/9/2014
<b>ST. LUCIA</b>			
To provide Insurance Audit training to St. Lucia IRD staff	STX	6/19/2013	6/28/2013
Review post VAT Implementation programs & performance; build capacity in audit function STX Mintrum	LTX	10/14/2013	10/16/2013
CARTAC: Valuation Training for the Customs Department	STX	10/14/2013	10/23/2013
To deliver VAT Audit Training and Mentoring	STX	10/14/2013	11/1/2013
Conduct Valuation Training	LTX	10/21/2013	10/22/2013
To facilitate a seminar on the VAT Legislation	LTX	11/11/2013	11/15/2013
To work with authorities to update the Strategic Business Plan	LTX	1/27/2014	1/30/2014
To deliver VAT Audit Training and Mentoring	STX	2/10/2014	2/21/2014
Extension of Tax Administration Adviser	LTX	2/18/2014	2/20/2014
To participate in the last two days of FAD mission to Tax and Customs Administration	LTX	4/14/2014	4/15/2014
FAD mission to St. Lucia	LTX	4/14/2014	4/15/2014
<b>ST. VINCENT AND THE GRENADINES</b>			
To support the Data Matching project to the Customs and Excise Dept and Inland Revenue Dept	LTX	3/17/2014	3/19/2014
To support the Data Matching Project-Customs & Excise	LTX	3/17/2014	3/19/2014
To Facilitate a Data Matching Support project	STX	3/17/2014	3/28/2014
<b>SURINAME</b>			
To deliver Electronic Auditing Course	STX	1/13/2014	1/17/2014
<b>TRINIDAD AND TOBAGO</b>			
To review the status of the FAD July 2013 Tax Recommendations and discuss future CARTAC TA	LTX	3/6/2014	3/7/2014
To review the status of the FAD July 2013 Tax Recommendations and discuss future CARTAC TA	LTX	3/6/2014	3/7/2014
Extension of Tax Administration Adviser	LTX	4/1/2014	4/1/2014
<b>TURKS AND CAICOS</b>			
Technical assistance to the Customs & Excise Department	STX	8/13/2013	8/23/2013
Extension of Tax Administration Adviser	LTX	1/27/2014	1/28/2014

## FINANCIAL SECTOR SUPERVISION

MISSION ACTIVITY	LTX/STX	START	END
<b>REGIONAL</b>			
CARTAC: Bank Supervision- Training Workshop	LTX	5/6/2013	5/10/2013
CARTAC: Basel II Implementation in the Caribbean	STX	5/6/2013	5/10/2013
CARTAC: Basel II Implementation in the Caribbean	STX	5/6/2013	5/10/2013
CARTAC: Pension Supervision - CAPS Conference	LTX	5/22/2013	5/24/2013
CARTAC: Steering Committee Meeting	LTX	5/29/2013	5/29/2013

CARTAC Steering Committee Meeting	STX	5/29/2013	5/29/2013
CARTAC: Bank Supervision - CAIR Conference	LTX	6/2/2013	6/7/2013
CARTAC: CAA Advisory Council Meeting	STX	6/5/2013	6/6/2013
CARTAC: Basel II Implementation Workshop	STX	9/17/2013	9/20/2013
CARTAC: Basel II Implementation Workshop	STX	9/17/2013	9/20/2013
CARTAC: Basel II Implementation Workshop	STX	9/17/2013	9/20/2013
CARTAC: Steering Committee Meeting	LTX	10/29/2013	10/29/2013
CARTAC: Caribbean Group of Securities Regulators (CGSR) Conference	LTX	11/5/2013	11/8/2013
CARTAC: Credit Union Regulators Meeting	LTX	11/27/2013	11/28/2013
CARTAC: Advisers Annual Meeting at HQ	LTX	12/2/2013	12/5/2013
CARTAC: Training - Financial Stability Workshop	STX	1/15/2014	1/16/2014
CARTAC: International Financial Services Conference	LTX	3/31/2014	4/2/2014
<b>ANGUILLA</b>			
CARTAC: ECCU Onsite for Insurance Companies	STX	10/7/2013	10/11/2013
CARTAC: ECCU Onsite Inspection Programme	LTX	10/10/2013	10/11/2013
<b>BAHAMAS</b>			
CARTAC: Work at Home - Bank Supervision and Regulation	LTX	11/7/2013	11/17/2013
<b>BARBADOS</b>			
CARTAC: Financial Analysis and Risk Management	STX	6/24/2013	6/28/2013
CARTAC: Banking and Regulation	STX	11/25/2013	11/26/2013
<b>BELIZE</b>			
CARTAC: Financial Stability Framework	STX	7/8/2013	7/12/2013
CARTAC: Consolidated Supervision	LTX	4/7/2014	4/9/2014
<b>BRITISH VIRGIN ISLANDS</b>			
CARTAC: Banking and Supervision	LTX	1/15/2014	1/17/2014
CARTAC: Banking and Supervision - Meeting	LTX	2/11/2014	2/11/2014
<b>DOMINICA</b>			
CARTAC: Insurance Supervision and Credit Union Supervision	STX	12/18/2013	12/19/2013
Follow up mission - onsite review of offshore banks and continued training of Supervisors	LTX	1/6/2014	1/10/2014
CARTAC: Consolidated Supervision - Training	LTX	4/14/2014	4/16/2014
<b>GRENADA</b>			
CARTAC: ECCU Onsite Inspection Programme	LTX	9/23/2013	9/24/2013
CARTAC: ECCU Onsite for Insurance Companies	STX	9/23/2013	9/27/2013
CARTAC: Work at Home - ECCU Onsite Supervision	STX	10/24/2013	11/13/2013
<b>HAITI</b>			
CARTAC: Training - Credit Union on-site and off-site Supervision	LTX	2/3/2014	2/6/2014
CARTAC: Training - Credit Union On-site and Off-site Supervision	STX	2/5/2014	2/6/2014
<b>JAMAICA</b>			
CARTAC: QIS Insurance Supervision Project	STX	7/1/2013	7/12/2013
CARTAC: Work at Home - Basel II Implementation	STX	7/26/2013	7/31/2013
CARTAC: JDIC Financial Markets Symposium and Fair	LTX	8/26/2013	8/31/2013
CARTAC: Financial Sector Supervisory Reform Agenda	LTX	9/30/2013	10/2/2013
CARTAC: CGSR Conference	STX	11/8/2013	11/8/2013
CARTAC: Investments and Capital Markets Conference	LTX	1/21/2014	1/28/2014
CARTAC: Work at Home - Basel II Implementation	STX	1/27/2014	2/2/2014
CARTAC: Caribbean Group of Securities Regulators (CGSR) Conference	LTX	3/10/2014	3/14/2014
CARTAC: Review of the FSC Securities and Pensions Framework	LTX	4/22/2014	4/25/2014
CARTAC: Review the Securities Supervisory Framework	STX	4/22/2014	4/25/2014
CARTAC: Review of the Pension Supervisory Framework	STX	4/28/2014	5/1/2014
<b>ST. KITTS AND NEVIS</b>			

CARTAC: Supervisory and Regulatory Framework	LTX	4/29/2013	5/2/2013
CARTAC: Bank Supervision FSAP	LTX	7/17/2013	7/19/2013
CARTAC: Credit Union Corporate Governance Training	LTX	11/12/2013	11/14/2013
<b>ST. VINCENT AND THE GRENADINES</b>			
CARTAC: ECCU Onsite Inspection Programme	LTX	10/16/2013	10/18/2013
CARTAC: ECCU Onsite for Insurance Companies	STX	10/16/2013	10/18/2013
CARTAC: ECCU Onsite for Insurance Companies	STX	11/1/2013	11/1/2013
CARTAC: ECCU Onsite for Insurance Companies	STX	11/6/2013	11/6/2013
<b>SURINAME</b>			
CARTAC: Deposit Insurance Programme	STX	6/6/2013	6/7/2013
CARTAC: Work at Home	STX	7/28/2013	7/28/2013
CARTAC: Deposit Insurance Programme	STX	7/29/2013	7/31/2013
CARTAC: Capital Market Development	STX	11/25/2013	11/29/2013
<b>TRINIDAD AND TOBAGO</b>			
CARTAC: Basel II Implementation Workshop	LTX	9/17/2013	9/20/2013
CARTAC: Risk Based Capital Adequacy Framework	STX	10/30/2013	11/5/2013

## ECONOMIC AND FINANCIAL STATISTICS

MISSION ACTIVITY	LTX/STX	START	END
<b>REGIONAL</b>			
CARTAC: Training: National Accounts - UN Regional Workshop	LTX	5/14/2013	5/17/2013
CARTAC: Training: National Accounts - ECLAC Workshop	STX	5/28/2013	5/31/2013
CARTAC: Training: National Accounts - ECLAC Workshop	LTX	5/30/2013	5/31/2013
CARTAC: Consumer Price Index	LTX	7/17/2013	7/19/2013
CARTAC: Final High Level Meeting ICP Round 2011	LTX	9/9/2013	9/10/2013
CARTAC: National Accounts	LTX	9/15/2013	9/26/2013
CARTAC: National Accounts	LTX	11/4/2013	11/6/2013
CARTAC: Annual Meetings In Washington	LTX	12/3/2013	12/6/2013
CARTAC: External Sector Statistics Workshop for CARTAC members	STX	1/28/2014	1/31/2014
CARTAC: External Sector Statistics Workshop for CARTAC members	LTX	1/28/2014	1/31/2014
<b>ANGUILLA</b>			
CARTAC: Price Statistics	STX	3/3/2014	3/7/2014
<b>BAHAMAS</b>			
CARTAC: Consumer Price Index	LTX	7/22/2013	7/25/2013
CARTAC: Consumer Price Index	STX	7/22/2013	7/26/2013
CARTAC: National Accounts - Quarterly	STX	7/25/2013	7/31/2013
CARTAC: National Accounts	STX	8/26/2013	9/6/2013
CARTAC: National Accounts		9/2/2013	9/4/2013
<b>BARBADOS</b>			
CARTAC: National Accounts	LTX	6/17/2013	6/20/2013
CARTAC: National Accounts	STX	10/22/2013	10/25/2013
CARTAC: National Accounts	STX	10/22/2013	10/25/2013
CARTAC: Facilitator at Introduction to National Accounting Workshop	STX	11/11/2013	11/21/2013
CARTAC: Facilitator at Introduction to National Accounting workshop	STX	11/11/2013	11/21/2013
CARTAC: Price Statistics	STX	3/10/2014	3/14/2014
<b>BERMUDA</b>			
CARTAC: National Accounts	STX	7/1/2013	7/12/2013

National Accounts Statistics	STX	3/17/2014	3/28/2014
National Accounts Statistics	LTX	3/24/2014	3/26/2014
<b>CAYMAN</b>			
CARTAC: National Accounts	LTX	10/21/2013	10/21/2013
CARTAC:Price Statistics	STX	3/10/2014	3/14/2014
CARTAC:Price Statistics	LTX	3/10/2014	3/14/2014
<b>DOMINICA</b>			
CARTAC: National Accounts - Quarterly	STX	5/6/2013	5/10/2013
<b>GRENADA</b>			
CARTAC: National Accounts	LTX	6/4/2013	6/6/2013
CARTAC: National Accounts	STX	8/26/2013	8/30/2013
<b>GUYANA</b>			
CARTAC: Steering Committee Meeting	LTX	10/29/2013	10/29/2013
CARTAC's Steering Committee Meeting	LTX	10/29/2013	10/29/2013
CARTAC: Introductory Meeting with Country Officials	LTX	11/25/2013	11/27/2013
External Sector Statistics	LTX	2/10/2014	2/14/2014
<b>HAITI</b>			
Consumer Price/Producer Price Index	LTX	6/17/2013	6/21/2013
Consumer Price/Producer Price Index	STX	6/17/2013	6/21/2013
<b>JAMAICA</b>			
CARTAC: National Accounts	STX	7/24/2013	7/30/2013
CARTAC: National Accounts	STX	1/6/2014	1/8/2014
CARTAC: National Accounts	STX	1/20/2014	1/31/2014
CARTAC:Balance of Payments Statistics	STX	4/28/2014	5/9/2014
<b>MONTSERRAT</b>			
CARTAC: Producer Price Index	STX	5/21/2013	5/27/2013
CARTAC: Producer Price Index	STX	6/17/2013	6/21/2013
Consumer Prices/Producer Price	STX	9/2/2013	9/4/2013
<b>ST. KITTS AND NEVIS</b>			
Consumer Prices/Producer Price	STX	8/19/2013	8/22/2013
CARTAC: Facilitator at Price Statistics Workshop	STX	9/16/2013	9/21/2013
CARTAC: Price Statistics Workshop in St. Kitts	STX	9/19/2013	9/24/2013
CARTAC: Consumer Price/Producer Price Index	STX	9/23/2013	9/26/2013
CARTAC: Attend the 38th Meeting of the SCCS	LTX	11/1/2013	11/1/2013
<b>ST. VINCENT AND THE GRENADINES</b>			
CARTAC: National Accounts	STX	8/12/2013	8/16/2013
<b>SURINAME</b>			
CARTAC: National Accounts	LTX	6/12/2013	6/14/2013
CARTAC: National Accounts - GDP by Expenditure	STX	7/8/2013	7/12/2013
CARTAC: Balance of Payments Statistics Assessment	LTX	2/6/2014	2/7/2014
CARTAC:Complete a project on Expenditure based GDP	STX	2/10/2014	2/21/2014
<b>TRINIDAD AND TOBAGO</b>			
CARTAC: National Accounts - Quarterly	STX	5/13/2013	5/17/2013
CARTAC: Consumer Price Index and Steering Committee Meeting	LTX	5/27/2013	5/29/2013
<b>TURKS AND CAICOS</b>			
CARTAC: Consumer Price Index	STX	6/24/2013	6/28/2013
Consumer Prices/Producer Price	STX	8/12/2013	8/16/2013
CARTAC: National Accounts	LTX	10/22/2013	10/24/2013
CARTAC: Price Statistics	STX	3/17/2014	3/21/2014
CARTAC: Price Statistics	LTX	3/17/2014	3/21/2014

## MACROECONOMIC PROGRAMMING & ANALYSIS

MISSION ACTIVITY	LTX/STX	START	END
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<b>REGIONAL</b>			
To attend steering committee meeting	LTX	5/29/2013	5/29/2013
To attend Annual Monetary	LTX	10/2/2013	10/4/2013
To attend Steering Committee meeting and meet country officials	LTX	10/28/2013	10/29/2013
Present papers at the Caribbean Group of Securities Regulators Conference and Workshop	STX	11/6/2013	11/7/2013
To attend Annual Meetings	LTX	12/3/2013	12/6/2013
To attend Macroeconomic course	LTX	3/31/2014	4/4/2014
<b>ANGUILLA</b>			
To continue assessment of the Macro Policy Units in the ECCU	LTX	4/7/2014	4/8/2014
<b>BRITISH VIRGIN ISLANDS</b>			
Introductory visit and to assess the medium term fiscal framework	LTX	2/17/2014	2/21/2014
<b>DOMINICA</b>			
To attend Commercial Banks Conference	LTX	11/26/2013	11/26/2013
To assist with Financial Programming and briefing/policy writing	LTX	1/13/2014	1/17/2014
<b>GRENADA</b>			
To continue assessments of the Macro Units in the ECCU	LTX	2/24/2014	2/25/2014
SOE Review Mission	LTX	4/22/2014	4/25/2014
<b>ST. KITTS AND NEVIS</b>			
Introduction to Country Officials	LTX	10/23/2013	10/25/2013
To Assess the Macro Policy Unit as well as liaise with ECCB Economists	LTX	2/10/2014	2/14/2014
<b>ST. LUCIA</b>			
Introduction to Country Officials	LTX	10/8/2013	10/9/2013
To attend stakeholder workshop and meet with country officials	LTX	10/21/2013	10/21/2013
To assist with strengthening GDP forecasting methodology	LTX	11/14/2013	11/22/2013
<b>ST. VINCENT AND THE GRENADINES</b>			
To continue assessments on the Macro Policy Units in the ECCU	LTX	2/27/2014	2/27/2014
<b>SURINAME</b>			
Introduction to Country Officials	LTX	10/31/2013	11/1/2013
<b>TURKS AND CAICOS</b>			
Introduction to country officials	LTX	10/11/2013	10/11/2013



## Appendix II: CARTAC Technical Assistance Reports FY 2014

### PUBLIC FINANCE MANAGEMENT

Country	Report Description	Date
<b>Anguilla</b>	Anguilla Budget Preparation Manual	July 31, 2013
<b>Anguilla</b>	Review 2013 Budget process and assess 2014 budget submissions for compliance with strategic budgeting	September 29, 2013
<b>Anguilla</b>	Diagnostic of Accountant General Department operations	October 14, 2013
<b>Anguilla</b>	Public Expenditure and Financial Accountability (PEFA) Performance Assessment	March 14, 2014
<b>Antigua &amp; Barbuda</b>	Overview of Strategic Budgeting reforms in the ECCU and application for Antigua & Barbuda	August 7, 2013
<b>Antigua &amp; Barbuda</b>	Finalizing 2013 Bank Reconciliation	March 7, 2014
<b>Bahamas</b>	Strategic Budgeting and Chart of Accounts Reform	December 6, 2013
<b>Bahamas</b>	Strengthening Budget Planning and Preparation in the Bahamas	May 5, 2014
<b>Bahamas</b>	Chart of Accounts Reform	April 10, 2014
<b>Barbados</b>	Better Monitoring Barbados Parastatals	March 27, 2014
<b>Barbados</b>	Public Expenditure and Financial Accountability Performance Assessment	April 1, 2014
<b>Belize</b>	Reform of Chart of Accounts	January 24, 2014
<b>British Virgin Island</b>	Linking Development Strategy to Budget	October 15, 2013
<b>Dominica</b>	Cash flow forecasting, planning and management	June 24, 2013
<b>Dominica</b>	Budget preparation manual	June 30, 2013
<b>Dominica</b>	Bank Account Reconciliation	December 12, 2013
<b>Dominica</b>	Bank Account Reconciliation	January 27, 2014
<b>Dominica</b>	Bank Account Reconciliation	March 20, 2014
<b>Dominica</b>	Building capacity in public procurement and development of an Action Plan to guide implementation of new procurement law	March 27, 2014
<b>Dominica</b>	Assistant to implement public procurement action plan	April 30, 2014
<b>Grenada</b>	Strengthening performance budgeting	September 17, 2013
<b>Grenada</b>	Assessment of efficiency of banking operations	January 20, 2014
<b>Grenada</b>	Improving oversight of state owned enterprises in Grenada	March 19, 2014
<b>Grenada</b>	Review of financial performance of SOEs and analysis of restructuring options	May 27, 2014
<b>Guyana</b>	Internal Audit Training	April 2014

<b>Jamaica</b>	Monitoring the PFM Action Plan	October 16, 2103
<b>Jamaica</b>	Update on PFM Action Plan	February 3, 2014
<b>Montserrat</b>	Budget preparation Manual	June 30, 2013
<b>Montserrat</b>	Consolidate strategic budget reporting	November 8, 2013
<b>St. Kitts &amp; Nevis</b>	Assess budget process and outline budget preparation reform program for Nevis	November 11, 2013
<b>St. Lucia</b>	Strengthening budget planning and preparation with the 2014/15 budget – mission I	June 29, 2013
<b>St. Lucia</b>	Improving the accountability and performance of parastatals	November 8, 2013
<b>St. Lucia</b>	Strengthening budget planning and preparation with the 2014/15 budget – mission II	November 18, 2013
<b>St. Lucia</b>	Diagnostic of PFM legislation	January 8, 2014
<b>St. Lucia</b>	Strengthening budget planning and preparation with the 2014/15 budget – mission III	January 22, 2014
<b>St. Lucia</b>	Strengthening budget planning and preparation with the 2014/15 budget – mission IV	March 3, 2014
<b>St. Vincent &amp; the Grenadines</b>	Review chart of accounts and map chart to GFS and CoFoG	September 2, 2013
<b>St. Vincent &amp; the Grenadines</b>	Budget Diagnostic Mission	February 17, 2014
<b>Turks &amp; Caicos</b>	Strengthening budget formulation in Turks and Caicos	July 24, 2013
<b>Turks &amp; Caicos</b>	Building capacity in revenue estimation forecasting and build a revenue forecasting model	October 17, 2013

## REVENUE (TAX AND CUSTOMS) ADMINISTRATION

Country	Report Description	Mission Dates
<b>Antigua &amp; Barbuda</b>	Strengthening the Bonded Warehouse and Risk Management Programs in the Customs Administration	October 28 – November 8, 2013
<b>Antigua &amp; Barbuda</b>	Strengthening The Customs - Post Clearance Audit (PCA)	November 25-December 6, 2013
<b>Bahamas</b>	Establishing A Central Revenue Authority	May 21-31, 2013
<b>Bahamas</b>	Establishing A Central Revenue Authority	September 9-13, 2013
<b>Bahamas</b>	Establishing a Central Revenue Agency	November 11-15, 2013
<b>Bahamas</b>	Establishing a Central Revenue Agency	January 13-17, 2014
<b>Barbados</b>	Strengthening Customs Administration - Organizational Structure Review	September 9-20, 2013

<b>Dominica</b>	Building Audit Capacity and Supporting the Establishment of the Large and Medium Taxpayer Unit	June 10-28, 2013
<b>Dominica</b>	Supporting Revenue Administration Risk Management Program	August 19-30, 2013
<b>Dominica</b>	Building Audit Capacity and Supporting the Establishment of the Large and Medium Taxpayer Unit	September 16-27, 2013
<b>Dominica</b>	Building Capacity in the Audit PAYE Area	October 3 - 16, 2013
<b>Dominica</b>	Building Audit Capacity and Supporting the Establishment of the Large and Medium Taxpayer Section	November 11-22, 2013
<b>Dominica</b>	Collection Enforcement Procedures	November 11-22, 2013
<b>Dominica</b>	Strengthening Customs - Post Clearance Audit	March 10-21, 2014
<b>Dominica</b>	Building Audit Capacity and Supporting the Establishment of the Large and Medium Taxpayer Section	April 23-May 2, 2014
<b>Grenada</b>	Electronic Auditing Training	May 6-10, 2013
<b>Grenada</b>	Strengthening Customs Enforcement, Compliance and Risk Management Programs - Review of Bonded Warehouses and Duty-Free Shops	July 15-19, 2013
<b>Grenada</b>	IRD Taxpayer Service Strategy	April 1-11, 2014
<b>Grenada</b>	IRD Taxpayer Services 2014 Program and Implementation Plan	June 11 - 27, 2014
<b>Guyana</b>	Strengthening Tax & Customs Administration - Risk Management	October 7-18, 2013
<b>St. Kitts &amp; Nevis</b>	Reorganization of IRD and Establishment of the Large and Medium Taxpayer Section	October 7-25, 2013
<b>St. Kitts &amp; Nevis</b>	Reorganization of the IRD and Establishment of the Large and Medium Taxpayer Section	December 2-20, 2013
<b>St. Kitts &amp; Nevis</b>	Strengthening Customs Administration in Valuation	February 17-25, 2014
<b>St. Kitts &amp; Nevis</b>	Reorganization of the Inland Revenue Department and Establishment of a Large and Medium Taxpayer Section	February 17-March 14, 2014
<b>St. Kitts &amp; Nevis</b>	Strengthening Customs Administration - Developing a Corporate Strategic Business Plan	March 24-28, 2014
<b>St. Kitts &amp; Nevis</b>	Strengthening Customs Administration - Supporting Risk Management	March 31-April 4
<b>St. Kitts &amp; Nevis</b>	Strengthening Customs Administration - Post Clearance Audit	April 28 - May 9, 2014
<b>St. Kitts &amp; Nevis</b>	Reorganization of the Inland Revenue Department and Establishment of a Large and Medium Taxpayer Section	May 14-30, 2014
<b>St. Lucia</b>	Strengthening Audit Capacity - Supporting the Audit of Insurance Companies	June 19-28, 2013
<b>St. Lucia</b>	Collection Enforcement Training and Support for the Establishment of a Collection and Enforcement Function	June 24 - July 5, 2013
<b>St. Lucia</b>	Strengthening Customs Administration in Valuation	October 14-23, 2013
<b>St. Lucia</b>	Building Capacity in the VAT Audit Department	October 14 - November 01, 2013
<b>St. Lucia</b>	Building Capacity in the VAT Audit Department	February 10-21, 2014

<b>St. Lucia</b>	Strengthening Customs Administration - Organizational Structure Review	May 12-23, 2014
<b>St. Vincent</b>	Data Matching Project	March 17-28, 2014
<b>Turks &amp; Caicos</b>	Measures to Enhance the Performance of the Customs Department	August 13-23, 2013
<b>Turks &amp; Caicos</b>	Strengthening Risk Management in the Customs Department	May 19-30, 2014

## FINANCIAL SECTOR SUPERVISION

<b>Country</b>	<b>Report Description</b>	<b>Date</b>
<b>Anguilla</b>	Onsite Examination Report: NAGICO Insurance Company Limited	October, 2013
<b>Bahamas</b>	Bahamas Financial Stability Report 2012	March, 2013
<b>Bahamas</b>	Guidelines for the Management of Interest Rate Risk	February, 2014
<b>Barbados</b>	Consolidated Supervision Guideline	September, 2013
<b>Barbados</b>	Risk-based Supervisory Framework	September, 2013
<b>Barbados</b>	Review of Basel II Draft Credit Risk Guidelines	February, 2014
<b>ECCB</b>	Review Guidelines for Internal Auditing of Institutions Licensed Under the Banking Act	December, 2013
<b>Grenada</b>	Onsite Examination Report: Beacon Insurance Company Limited (Grenada Branch)	September, 2013
<b>Grenada</b>	Onsite Examination Report: Sagicor Life Inc. (Grenada Branch)	September, 2013
<b>St. Vincent &amp; the Grenadines</b>	Onsite Examination Report: Sagicor Life Inc. (St. Vincent Agency)	November, 2013
<b>St. Vincent &amp; the Grenadines</b>	Onsite Examination Report: St. Vincent Insurances Company Limited – VINSURE	October, 2013
<b>St. Vincent &amp; the Grenadines</b>	Onsite Examination Report: United Insurance Company Ltd. (St. Vincent Operations)	November, 2013
<b>Trinidad &amp; Tobago</b>	Development of a Risk Based Supervisory Framework	October, 2013

<b>Trinidad &amp; Tobago</b>	Review of Basel II Draft Credit Risk Guidelines	February, 2014
<b>Turks &amp; Caicos Islands</b>	Review of Basel II Draft Capital Adequacy Prudential Information Reporting Forms	February, 2014

## ECONOMIC AND FINANCIAL STATISTICS

<b>Country</b>	<b>Report Description</b>	<b>Date</b>
<b>Jamaica</b>	CARTAC TA Report on the Coordinated Direct Investment Survey Mission	April 28 - May 9, 2014

### Appendix III: Seminars and Workshops FY 2014

Title	Beneficiary	Dates	Location	No. of Participants
<b>Public Finance Management</b>				
Cash Flow Forecasting, Planning & Management	Local	June 10-14, 2013	Dominica	5
LAC Debt Management Meeting	Regional	June 12-14, 2013	Peru	6
Internal Audit Training	Regional	July 1-5, 2013	Jamaica	65
Budget Workshop	Regional	July 25-26, 2013	Antigua	4
Cash Flow Forecasting, Planning & Management	Regional	August 25-September 6, 2013	Barbados	38
VII Thematic Workshop of the LAC Group	Regional	October 7-8, 2013	Washington	3
SOE Workshop	Regional	October 23-25, 2013	St. Kitts	23
Internal Audit Workshop	Local	November 22, 2013	Barbados	75
Chart of Accounts & Strategic Budgeting	Local	November 26-27, 2013	Bahamas	117
IPSAS Financial Reporting Cash Basis	Regional	March 3-7, 2014	Barbados	29
Mapping Chart of Accounts	Regional	March 10-14, 2014	Barbados	15
PEFA	Local	March 10, 2014	Anguilla	25
Budget Reform & Gender Budgeting	Regional	April 2-4, 2014	Barbados	11
<b>Revenue (Tax and Customs) Administration</b>				
Electronic Audit Training	Local	May 6-10, 2013	Grenada	20
Train the Trainers	Local	June 24-28, 2013	Bahamas	13
Collections Enforcement Training	Local 5 Regional	June 24-28, 2013	St. Lucia	20
6th Meeting of Customs & Parliamentary Counsel	Regional	August 25-September 6, 2013	Guyana	27
PAYE Audit Training	Local 4 Regional	October 7-11, 2013	Dominica	20
Collections Enforcement Training	Regional	November 6-8, 2013	Dominica	23
VAT Legislative Training	Local	November 11-15, 2013	St. Lucia	20
Audit Training	Local	January 13-17, 2014	Suriname	20
Auditing Multi-National Enterprises Workshop	Regional	February 10- 14, 2014	Trinidad	27
Electronic Audit Training	Local	April 7-11, 2014, 2014	Antigua	23
Public Private Partnership Workshop	Regional	January 27-29, 2014	Barbados	39
<b>Macro-Fiscal Management</b>				
Public Private Partnership Workshop	Regional	January 27-29, 2014	Barbados	39
<b>Financial Sector Supervision</b>				
Basell 11 - Train The Trainers Workshop	Regional	May 6-10, 2013	Jamaica	22
Caps Conference and Annual General Meeting	Regional	May 23-24, 2013	Grenada	29
CAIR Workshop, Conference & Meeting	Regional	June 3-7, 2013	Turks & Caicos	26
Financial Analysis Workshop	Regional	June 24-28, 2013	Barbados	40

Basell 11 - Train The Trainers Workshop	Regional	September 16-20, 2013	Trinidad	30
CGSR Conference	Regional	November 6-8,2013	Jamaica	49
Credit Union Supervision	Local	November 13-14,2013	St. Kitts	79
Macro-Prudential Surveillance & Financial Stability Workshop	Regional	November 25-26,2013	Barbados	8
Caribbean Credit Union Regulators Meeting	Regional	November 27-28,2013	Grenada	18
Financial Stability in the Caribbean	Regional	January 15-16, 2014	Guyana	9
Credit Union Supervision	Local	February 3 - 6, 2014	Haiti	50
<b>Macroeconomics</b>				
Macroeconomics Course and Debt Issues	Regional	March 31- April 4,2014	St. Lucia	35
<b>Statistics</b>				
Price Statistics Workshop	Regional	September 16-20, 2013	St. Kitts	35
Introduction to National Accounting	Regional	November 11 - 21, 2013	Barbados	41
External Sector Statistics	Regional	January 28- 31 ,2014	Barbados	35
Financial Soundness Indicators	Regional	April 7-11, 2014, 2014	Barbados	20

## Appendix IV: CARTAC Mission Activity Planned FY 2015

### Public Finance Management

TERRITORY	ACTIVITY
<b>Regional</b>	To attend Steering Committee Meetings
<b>Regional</b>	CARTAC Steering Committee (FAD)
<b>Regional</b>	To make a presentation on IPSAS
<b>Regional</b>	Inspection of PFM long-term residents (FAD)
<b>Regional</b>	To attend ILAC Debt group Meeting
<b>Regional</b>	To meet with Backstopper
<b>Regional</b>	To present at IPSAS Workshop
<b>Anguilla</b>	Deliver workshop on results of the PEFA exercise and work with Directors to develop PFM reform plan
<b>Anguilla</b>	To conduct workshop on Medium Term Economic and Fiscal Outlook
<b>Bahamas</b>	To assist with strategic budget
<b>Bahamas</b>	To review progress on budget reforms
<b>Bahamas</b>	To work on Strategic Budgeting
<b>Bahamas</b>	To attend Annual Meetings
<b>Barbados</b>	Preparation of Reform Plan
<b>Barbados</b>	To present SOE report to Cabinet and train Management Accounting Unit
<b>Barbados</b>	To present at Internal Audit Workshop
<b>Belize</b>	To provide off-site TA on Chart of Accounts
<b>Bermuda</b>	To review strategic budget process and documentation
<b>British Virgin Islands</b>	Update PFM reform Programme Review Budget preparation process & review findings of payroll process
<b>British Virgin Islands</b>	Diagnostic mission on SOE's
<b>British Virgin Islands</b>	Examine and provide recommendations to strengthen oversight and monitoring of SOE's
<b>Dominica</b>	To assist Dominica procurement in continuing to navigate and implement the action plan.
<b>Dominica</b>	To finalize the implementation of the updated automated bank reconciliation software
	To assist in the closure of 2013/14 financial year and carry forward unreconciled discrepancies
<b>Dominica</b>	Review second draft of implementing regulations update work program and conduct training
<b>Dominica</b>	Assist with re-drafting 2015/16 budget call circulars
<b>Dominica</b>	Re-drafting Budget Call Circulars and Modernizing budget documentation to PEFA compliant
<b>Dominica</b>	Diagnostic mission on SOE's
<b>Dominica</b>	Examine and provide recommendations to strengthen oversight and monitoring of SOE's
<b>Dominica</b>	To attend annual meetings
<b>Grenada</b>	SOE Mission
<b>Grenada</b>	Budget Mission
<b>Grenada</b>	To Finalise SOE Policy Reform
<b>Jamaica</b>	Quarterly review of the PFM monitoring team activities



<b>Jamaica</b>	To participate in FAD mission
<b>Jamaica</b>	To provide additional on-site TA on Chart of Accounts
<b>Jamaica</b>	To participate in FAD mission
<b>Jamaica</b>	To attend IFMIS Workshop
<b>Jamaica</b>	To provide off-site TA on Chart of Accounts
<b>St. Vincent And The Grenadines</b>	Budget Preparation Reform
<b>St. Vincent And The Grenadines</b>	To implement Strategic Budget reforms
<b>St. Vincent And The Grenadines</b>	Review and provide feedback on the draft program budgets
<b>Suriname</b>	To provide assistance on MTEF and the Budget Process also present at the ICAC conference
<b>Trinidad And Tobago</b>	To improve treasury problems
<b>Trinidad And Tobago</b>	To look at the processes related to cash management and bank reconciliation
<b>Trinidad And Tobago</b>	To attend the exit conference for TA mission on cash management and bank reconciliation
<b>Trinidad And Tobago</b>	Participate in the presentation and review of Microsoft Dynamics software for government
<b>Trinidad And Tobago</b>	To conduct workshop on Medium Term Economic and Fiscal Outlook
<b>Trinidad And Tobago</b>	To present at Medium Term Economic and Fiscal Outlook Workshop
<b>Turks And Caicos</b>	Budget Mission

## REVENUE ADMINISTRATION

<b>TERRITORY</b>	<b>ACTIVITY</b>
<b>Anguilla</b>	CARTAC: To assist with the Establishing Collection Enforcement Unit
<b>Bahamas</b>	CARTAC: Tax Administration - VAT Training
<b>Bahamas</b>	CARTAC: Support for post VAT Implementation
<b>Bahamas</b>	CARTAC: Support for Establishment of collections enforcement function
<b>Barbados</b>	CARTAC: TA to help establish the Barbados Revenue Authority
<b>Regional</b>	CARTAC: Attend meeting with TAX officials in Jamaica and the CARTAC Steering Committee Meeting
<b>Regional</b>	CARTAC: Support to CARICOM in drafting the Model Harmonized Customs Legislation
<b>Regional</b>	CARTAC: To develop a Data Matching Toolkit for Revenue Administrations
<b>Regional</b>	CARTAC: Facilitator at the CARICOM Harmonised Customs Bill Meeting with Heads of Customs and Chief Parliamentary Counsels
<b>Regional</b>	CARTAC: Preparation for a Tax Collections Manual
<b>Regional</b>	Attend CARTAC Annual Strategic Meetings at HQ

<b>Dominica</b>	CARTAC: Project Management Support & Building Audit Capacity - IRD reorganization project
<b>Dominica</b>	CARTAC: Review and develop a Tax Collections Enforcement Procedures
<b>Dominica</b>	CARTAC- Support to IRD -Measure LMTS performance and help enhance DMS
<b>Grenada</b>	CARTAC: Support to IRD - TPS Reform Plan and Start Segmentation
<b>Grenada</b>	CARTAC: Support to IRD - Strengthening the Design Plan and Monetary Unit
<b>Grenada</b>	CARTAC: To participate in FAD diagnostic mission
<b>Grenada</b>	CARTAC: Support to IRD - Detailed Organizational Structure and Reform Implementation Plan
<b>Haiti</b>	CARTAC: Participate in FAD mission to discuss TA needs with new Director of Tax
<b>Jamaica</b>	CARTAC: Assess TA program and visit overlap with FADmission
<b>Montserrat</b>	CARTAC: TA to Monserrat Customs and Revenue Service to review current processes and procedures in the Customs Department
<b>Montserrat</b>	
<b>Montserrat</b>	CARTAC:To develop a Procedures Manual for the Customs Department in the Montserrat Customs and Revenue Service
<b>St. Kitts And Nevis</b>	CARTAC: Post Clearance Audit (PCA) TA to Customs and Excise Department
<b>St. Kitts And Nevis</b>	CARTAC: Support to IRD in Org Structure, MOU, DMS
<b>St. Kitts And Nevis</b>	CARTAC: Hlp update IRD Strategic Business Plan
<b>St. Kitts And Nevis</b>	CARTAC: Strengthen LMTS and DPMS in the IRD
<b>St. Lucia</b>	CARTAC: Organizational Structure Review of the Customs and Excise Department
<b>St. Lucia</b>	CARTAC: Assess TA needs with new IRD Comptroller
<b>St. Lucia</b>	CARTAC: IRD Organizational Structure review
<b>St. Lucia</b>	CARTAC: To undertake taxpayer segmentation in the IRD
<b>St. Lucia</b>	CARTAC: To establish LMTS Audit Collections and Non-Filer Programs in the IRD
<b>St. Lucia</b>	CARTAC: To deliver Electronic Auditing Course to tax auditors
<b>St. Lucia</b>	CARTAC: VAT Revenue Review
<b>St. Vincent And The Grenadines</b>	CARTAC: TA to support the Risk Management programme in the Customs and Excise Department
<b>St. Vincent And The Grenadines</b>	CARTAC: To strengthen the Collection Enforcement Operations
<b>Trinidad And Tobago</b>	CARTAC: TA to strengthen Debt Management in the IRD
<b>Turks And Caicos</b>	CARTAC: Tax Audit Support

<b>Turks And Caicos</b>	CARTAC: To assist in building audit capacity in IRD
<b>Turks And Caicos</b>	CARTAC: Risk Management TA to Customs Department

## FINANCIAL SECTOR SUPERVISION

<b>Territory</b>	<b>Activity</b>
Regional	CARTAC: Steering Committee Meeting
Regional	CARTAC: Basel Core Principles Implementation
Regional	CARTAC: Training - CAPS Workshop
Regional	CARTAC: Training - CAIR Workshop
Regional	CARTAC: CGBS and CCMF Meetings
Regional	CARTAC: Meeting of CARICOM Central Bank Governors
Regional	CARTAC: Regional Financial Stability Co-ordination Council Workshop
Regional	CARTAC: Credit Union Supervision Training
Regional	CARTAC: Credit Union Workshop
Regional	CARTAC: Credit Union Training Workshop
Regional	Financial Sector Supervision
Regional	CARTAC: Financial Stability to the ECCU
Regional	CARTAC: Annual Meetings at IMF HQ
Bahamas	CARTAC: Meeting with the Central Bank
Belize	CARTAC: Meetings with the Central Bank
Guyana	CARTAC: Meeting with the Central Bank
Jamaica	CARTAC: Review of the Pension Supervisory Framework
Jamaica	CARTAC: Review Insurance Supervisory Framework
Jamaica	CARTAC: Insurance Supervisory Review
Jamaica	CARTAC: Review of the Pension Supervisory Framework
Jamaica	CARTAC: Meetings with the Central Bank
Jamaica	CARTAC: Review the Securities Supervisory Framework
Jamaica	CARTAC: Review Insurance Supervisory Framework
St. Vincent And The Grenadines	CARTAC: Capital Adequacy Review
Suriname	CARTAC: Meeting with the Central Bank

## ECONOMIC AND FINANCIAL STATISTICS

<b>Territory</b>	<b>Activity</b>
Regional	CARTAC Steering Committee Meeting and TA Mission

Regional	CARTAC Steering Committee Meeting
Regional	CARTAC: Facilitator at SUT and SNA 2008 Workshops
Regional	CARTAC -Training SUT Workshop
Regional	CARTAC: Training SNA 2008 Workshop
Regional	CARTAC: CARICOM Second High Level Advocacy Forum
Regional	CARTAC: Balance of Payment Statistics - Meeting with ECCB Officials
Regional	HQ Working Visit of STA RTAC Advisers
Regional	CARTAC: Regional Workshop on Tourism Statistics
Regional	CARTAC: National Accounts Quarterly
Regional	External Sector Statistics Adviser to CARTAC
Regional	CARTAC: Regional Training on Balance of Payments Statistics
Regional	Management/Supervisory
Regional	CARTAC: Regional training
Anguilla	CARTAC: Balance of Payments
Antigua And Barbuda	CARTAC: Consumer Price Index
Bahamas	CARTAC: Price Statistics
Bahamas	CARTAC: Complete project about producing quarterly estimates of GDP
Bahamas	CARTAC: Developing a framework for converting the BOP Stats to BPM6 format and producing IIP accounts
Bahamas	CARTAC: Consumer Prices/Producer Price
Bahamas	CARTAC: National Accounts - Quarterly
Bahamas	CARTAC: External Sector Statistics
Barbados	CARTAC: International Investment Position
Barbados	CARTAC: Consumer Price Index
Barbados	CARTAC: National Accounts - Quarterly
Barbados	CARTAC: National Accounts - EGDP
Barbados	CARTAC: Consumer Prices/Producer Price
Barbados	CARTAC: Consumer Prices/Producer Price
Bermuda	CARTAC: Balance of Payments Statistics
Bermuda	CARTAC: National Accounts Statistics
Bermuda	CARTAC: Price Statistics
Cayman Islands	CARTAC: Real Sector Statistics - HBS
Dominica	CARTAC: External Sector Statistics
Grenada	CARTAC: National Accounts Statistics - Grenada
Grenada	CARTAC: National Accounts Statistics - EDGP
Grenada	CARTAC: Balance of Payments
Guyana	CARTAC: To join CHC in Guyana to discuss strategies for improving GDP Estimates
Guyana	CARTAC: External Sector Statistics
Haiti	CARTAC: National Accounts Statistics Haiti
Haiti	CARTAC: Balance of Payments Statistics
Haiti	CARTAC: Price Statistics
Haiti	National Accounts Statistics
Jamaica	CARTAC: Balance of Payments Statistics
Jamaica	CARTAC: National Accounts Statistics - EGDP Constant Prices

Jamaica	CARTAC:Balance of Payments Statistics
Montserrat	CARTAC:Balance of Payments
St. Kitts And Nevis	CARTAC: To assess the data gaps and readiness to start expenditure-based GDP
St. Kitts And Nevis	CARTAC:National Accounts Statistics
St. Kitts And Nevis	CARTAC:Balance of Payments Statistics
St. Kitts And Nevis	CARTAC: ECCB External Sector Statistics
St. Kitts And Nevis	CARTAC:National Accounts Statistics Quarterly
St. Lucia	CARTAC:Balance of Payments Statistics
St. Lucia	CARTAC: National Accounts
St. Lucia	CARTAC: National Accounts Statistics - SUT
St. Vincent And The Grenadines	CARTAC: National Accounts Statistics - EGDP
St. Vincent And The Grenadines	CARTAC:Balance of Payments
Suriname	CARTAC: National Accounts Statistics - SUT
Suriname	CARTAC: External Sector Statistics
Trinidad And Tobago	CARATC:Consumer Prices/Producer Price
Trinidad And Tobago	CARTAC:Balance of Payments Statistics
Turks And Caicos	CARTAC: Balance of Payments
Turks And Caicos	CARTAC:Assist TCI in compiling their 2013 GDP estimates
Turks And Caicos	CARTAC: Consumer Price Index

### Appendix V: Statement of Financial Contributions

Donor/Country	Pledged in donor currencies	Pledged in USD	Cash Received	Date of LOU Signed
<b><u>Donors:</u></b>				-
Australia	AUD 6,500,000	\$6,604,540	\$6,604,540	May-5-2011
Canada	CAD 20,000,000	\$20,133,316	\$20,133,316	Feb-24-2011
Caribbean Development Bank	USD 1,000,000	\$1,000,000	\$1,000,000	Jul-11-2011
European Commission	EUR3,500,000	\$4,637,016	\$4,175,640	Dec-12-2012
European Commission	EUR2,000,000	\$2,709,618	\$1,391,400	Oct-4-2013
United Kingdom	GBP 4,500,000	\$7,196,142	\$7,196,142	Feb-18-2011
United Kingdom	GBP 4,000,000	\$6,325,107	\$4,666,182	Mar-18-2013
<b>Total Donors:</b>		<b>\$48,605,739</b>	<b>\$45,167,220</b>	
<b><u>Recipients:</u></b>				-
Anguilla	USD 350,000	\$350,000	\$170,000	Jan-31-2012
Antigua and Barbuda	USD 350,000	\$350,000	\$150,025	Mar-18-2013
Bahamas	USD 350,000	\$350,000	\$150,000	Apr-30-2012
Belize	USD 350,000	\$350,000	\$250,000	Nov-4-2011
Bermuda	USD 350,000	\$350,000	\$250,000	Oct-24-2011
British Virgin Islands	USD 350,000	\$350,000	\$250,000	Jun-18-2013
Dominica	USD 350,000	\$350,000	\$250,000	May-21-2012
Grenada	USD 350,000	\$350,000	-	Aug-28-2013
Guyana	USD 350,000	\$350,000	\$149,980	Dec-6-2012
Haiti 1/	USD 350,000	\$350,000	\$150,000	Pending
Jamaica	USD 350,000	\$350,000	\$250,025	Jul-11-2011
Montserrat	USD 350,000	\$350,000	\$150,000	Mar-16-2012
St. Kitts & Nevis	USD 350,000	\$350,000	\$250,000	Oct /31/2013
St. Lucia	USD 350,000	\$350,000	\$250,000	Dec-13-2011
Suriname	USD 350,000	\$350,000	\$150,000	Mar-18-2013
Trinidad & Tobago	USD 350,000	\$350,000	\$220,646	May/13/2013
Turks And Caicos	USD 350,000	\$350,000	\$250,000	Dec-22-2011
<b>Total Recipients:</b>		<b>\$5,950,000</b>	<b>\$3,290,676</b>	
<b>Grand Total</b>		<b>\$54,555,739</b>	<b>\$48,457,896</b>	

Source: IMF, Institute for Capacity Development, Global Partnerships Division

1/ LOU pending signature.

### Appendix VI. Budget and Expenditure FY 2014

	FY2011-FY2016 Program Document	FY2011- FY2016 Operational 1/ Budget USD	FY11-14			
			Expenditures			
			Feb. 2011 - Jan. 2012	Feb. 2012 - Apr. 2013	May 2013 - Apr. 2014	Total
<b>Long-term Experts</b>	14,077,764	14,530,649	2,438,234	2,543,924	2,214,418	7,196,576
<b>Short-term Experts</b>	22,154,288	19,673,282	1,293,383	2,929,900	2,611,617	6,834,899
<b>Diagnostic Interventions</b>	829,720	517,215	-	-	37,709	37,709
<b>Training/Seminars</b>	6,692,787	11,521,156	323,973	1,592,232	2,086,624	4,002,830
<b>Travel</b>	3,581,598	3,337,621	352,162	551,233	504,796	1,408,191
Regional travel Advisers	2,500,000	2,646,654	352,162	534,491	479,668	1,366,322
Local Staff travel	-	14,473	-	14,473	-14,473	-
Staff Travel HQ	1,081,598	676,494	-	2,268	39,602	41,870
<b>Backstopping/Project Management</b>	5,257,729	2,788,836	196,265	269,653	262,486	728,403
Backstopping	3,380,435	1,624,764	105,591	162,590	184,591	452,772
Project Management	1,877,294	1,164,072	90,674	107,063	77,895	275,631
<b>Other</b>	2,500,544	2,529,663	253,847	610,913	389,062	1,253,822
Evaluation	310,000	370,632	-	60,632	-	60,632
Miscellaneous/Office Communication	2,190,544	2,159,031	253,847	550,281	389,062	1,193,190
<b>Subtotal TA Expenses</b>	<b>55,094,430</b>	<b>54,898,423</b>	<b>4,857,863</b>	<b>8,497,855</b>	<b>8,106,712</b>	<b>21,462,431</b>
Trust Fund Management	3,856,610	3,842,890	340,050	594,850	567,470	1,502,370
<b>Subtotal Expenses</b>	<b>58,951,040</b>	<b>58,741,312</b>	<b>5,197,914</b>	<b>9,092,705</b>	<b>8,674,182</b>	<b>22,964,801</b>
<b>IMF/Host Country in Kind Contribution</b>	<b>3,284,000</b>	<b>3,732,728</b>	<b>772,938</b>	<b>912,672</b>	<b>844,082</b>	<b>2,529,691</b>
IMF	2,659,000	3,053,654	639,648	741,888	637,692	2,019,228
Host Country	625,000	679,074	133,290	170,784	206,390	510,463
<b>Total CARTAC 2/</b>	<b>62,235,040</b>	<b>62,474,040</b>	<b>5,970,852</b>	<b>10,005,377</b>	<b>9,518,263</b>	<b>25,494,492</b>

Source: IMF, Institute for Capacity Development, Global Partnerships Division.

1/ Operational Budget scaled up to Program Document Level.

2/ Total scaled up budget slightly exceeds the Program Document budget as cost of in-kind facilities is higher than budgeted.

Total Expenses Feb. 2011- Apr. 30, 2014	22,964,801
Total Contribution received	48,203,700
Interes Received	31,556
<b>Account Balance BIS =</b>	<b>25,270,455</b>

## **Appendix VII: CARTAC's Logical Frameworks**

Please visit CARTAC's website at <http://cartac.org/reports/category/logical-framework-reports> to view the following documents:

- 1) **CARTAC's Strategic Logical Framework**
  
- 2) **CARTAC's Topic Area Logical Framework**



