

Independent External Evaluation

February 2010



Caribbean Regional Technical Assistance Centre

CARTAC



**CARIBBEAN REGIONAL TECHNICAL ASSISTANCE
CENTER (CARTAC) – INDEPENDENT EVALUATION
(AGREEMENT 1544)**

Mid-Term Evaluation Report

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Preface/Acknowledgements

This evaluation was carried out by a team from Oxford Policy Management comprising Kathy Mansfield (Organisational and Management Specialist), Ashley Schofield (Team Leader) and Mark Watson (Governance Specialist). We were also supported by Stephen Jones (Survey Design) and Simone McCarthy (Data Analysis) in the design and analysis of the survey instruments. The team would like to thank all those who provided information and assistance during the evaluation, including staff of CARTAC, at IMF Headquarters, and the Steering Committee members and beneficiary organisations.

All findings, interpretations, conclusions and recommendations reflect the views of the consultants, and should not be attributed to the IMF or any other organisation.

Executive summary

Introduction

This is the third mid-term evaluation report since CARTAC's establishment in 2001. Oxford Policy Management, a UK based independent consultancy, was contracted to undertake it.

The evaluation comprised of a desk review, surveys and visits to the IMF headquarters, CARTAC's Barbados headquarters, and a further six CARTAC countries. The surveys covered beneficiaries, steering committee members and training participants. The evaluation period covered activity for the period April 2006 to April 2009.

CARTAC's Purpose and Context

CARTAC is in its third three-year phase, from January 2008 to December 2010. It is a UNDP project¹ executed by the IMF and financed through a pool by donors and beneficiary countries. As at October 2009, total commitments amounts to US\$29.2 million for Phase III. CARTAC's purpose and strategy are contained in the Phase III Programme Document.

CARTAC undertakes building technical capacity in six technical areas: to strengthen tax and customs administration, public financial management, financial sector regulation and supervision, statistics and macroeconomic analysis. It has a core team of resident advisers, complemented by short-term consultants. It undertakes capacity development at national and regional levels. It builds regional capacity utilising, and supporting the development of, expertise within the region. Its approach is demand-led, but also proactive. CARTAC focuses on a technical role rather than advocacy or explicit policy guidance.

CARTAC is operating against an evolving backdrop. The IMF is instituting reforms to improve its effectiveness; its IMF's Executive Committee has reaffirmed its commitment to delivering TA through RTACs. It is seeking greater coherence between its TA and surveillance activities; strengthening medium term planning and improving coherence.

Evaluation Criteria

The key criteria used for this review were: Relevance; Effectiveness; Efficiency and Sustainability. In accordance with the Terms of Reference specific issues were also reviewed including: the role and performance of the Steering Committee; assessing key strategic issues for CARTAC and organisational effectiveness, efficiency and sustainability.

Evaluation Findings

Overall, CARTAC performs a good service, with high quality inputs from an extremely motivated resident adviser team, which is led by a very capable programme coordinator. Feedback from interviews and survey results identified a very high level of satisfaction with the performance of CARTAC.

The overall assessment is that the performance of CARTAC is **Good**.

¹ The United Nations Development Programme (UNDP), through its Multi-Donor Trust Fund Office (MDTF Office) is often called upon to play the role of Administrative Agent (AA) for Multi-Donor Trust Funds (MDTFs) and Joint Programmes (JPs) that use the pass-through fund management model, established by the UN system.

Relevance

There was clear feedback that CARTAC's technical expertise and support to capacity building needs are highly relevant and consistent with CARTAC's mission.

The contribution to the programme objectives varies across the six technical areas, and in some cases is imputed rather than explicit. Typically, contribution is difficult in cases where CARTAC's support has focused on only one strand of capacity building, for example, statistics, and where parallel activities are required to support the objective of higher economic growth and/or poverty reduction. Therefore, better statistics alone doesn't lead to higher growth but should be a useful factor in contributing to better policy decisions. No project or initiative was identified which lies outside CARTAC's purpose and objectives. The demand-led model and distance maintained from providing explicit policy recommendations means that CARTAC has successfully avoided becoming involved in political or policy disputes. The key points on the relevance of CARTAC are:

- The overall findings from the Training Participants survey indicated participants scored the relevance of CARTAC training to be **very good**. Feedback from the counterpart (beneficiary) survey for the effectiveness of CARTAC was **good**.
- CARTAC's demand-driven model is responsive to needs rather than being supplier-driven. The resident advisers work collaboratively with national and regional institutions to understand their needs and develop a capacity building approach that is based on a shared analysis.
- CARTAC has avoided over-extending itself into areas which lie beyond its core expertise with a form of prioritisation filters. The broad areas of CARTAC's support reflect areas of focus as part of the IMF's surveillance.
- CARTAC's approach is based on impressive and personal relationship management. The resident advisers engage very well and in a collegiate manner with their opposite numbers in partner countries.
- CARTAC's approach is consistent with the intentions of the Paris Declaration. Whilst alignment with country led needs is very sound at a project or mission level, at a country programme level the situation is somewhat uneven regarding **harmonisation** with other donors. CARTAC supports country activities based on the agreed six regionally defined programme areas. Harmonisation is more challenging in the Caribbean than in more aid dependant regions. Whilst CARTAC is undoubtedly demand-led at project level, it is more challenging to be fully coherent in national engagement, particularly in the larger, more aid dependent countries.
- CARTAC is committing effort to ensure that support is coherent and aligned to strategic reform needs at the country level. It has mobilised a number of inter-disciplinary missions to key countries. CARTAC has missions planned to Suriname and Haiti, both two non-English speaking countries. It is important that greater focus is placed on Haiti, given the large population; that it is the poorest country in the Western hemisphere and has considerable capacity constraints and supports the CARTAC mission of economic growth and poverty reduction. In terms of CARTAC resourcing, a doubling of TA will have minimal effect as current support is very low.

Effectiveness

CARTAC is an effective provider of technical assistance to the region. We evaluated the effectiveness of CARTAC in relation to:

- The provision of TA
- The provision of training, and
- Support to regionally based institutions and professional associations.

The key points on the effectiveness of CARTAC are:

- CARTAC's model of working with countries to support their own capacity development was strongly endorsed. The approach deepens and builds capacity through high quality mentoring. The ability to make short visits to follow up on initial work is appreciated. RAs play an active technical role and have high credibility in their fields. They are technically proficient, enthusiastic and committed.
- CARTAC's services are free at the point of contact, making them particularly appealing to Government departments and other recipients. Some projects, for example, introducing a Financial Management Information System (FMIS) would be too resource intensive for CARTAC to lead on and CIDA's proposed SEMCAR programme will cover this in the future. The CARTAC model does not allow for a continuous adviser engagement that would be required for an FMIS implementation.
- Feedback from the Training Participants Survey indicates a **good** for effectiveness.
- CARTAC supports regional technical oversight associations that play a vital role in establishing appropriate and uniform oversight and regulatory standards. These should help to manage risk in the Caribbean region and ensure sustainability in the long term.
- CARTAC's lack of a suitable performance management process and its focus on low level inputs limits its ability to be able to regularly demonstrate to all stakeholders that it is doing a good job. The only way it can demonstrate effectiveness is through an independent evaluation².

Efficiency

The logic underpinning the CARTAC model is particularly strong given the large number of small, open and interlinked Caribbean economies facing similar issues and challenges. CARTAC is a regionally located provider of technical assistance to address common macro-economic issues that face several Caribbean economies either simultaneously or are occurring in one country and also likely to be faced by other economies. CARTAC is able to leverage on regional issues and provide solutions at the country level. CARTAC is physically well located on Barbados, which is a regional transport hub.

We can confirm that CARTAC is efficient in terms of location and timely response to regional and country needs:

² UNDP and CIDA have previously supported the introduction of an RBM based system of reporting (Polius RBM Report) in an attempt to strengthen and replace the activity based reporting to the Steering Committee.

- CARTAC's regional technical advisers travel extensively and ensure that geographic biases are minimised. IMF headquarters staff are not expected to travel more than 50 days per annum but most of the CARTAC staff make multiple shorter visits appropriate to the needs of the region and possible due to their geographic proximity.
- There is a quick response to requests for assistance. Regional advisers have strong technical expertise and sound relationships with their clients. Those interviewed in recipient organisations invariably knew the Resident Advisers with responsibility for their focal areas personally, and maintained regular contact.
- Relatively more of CARTAC's assistance is to smaller countries and Overseas Territories, with a more limited cadre of professional staff. This is an efficient approach. However, we do make the comment that there is a need to have a coherent strategy to increase support to Haiti. In terms of economic growth and poverty reduction, increased capacity building in Haiti has the potential to improve living standards for a greater number of the poor rather than focusing on smaller numbers in more middle income countries.
- The roster system appears to be working well. Resident Advisers are able to engage new consultants and it appears able to attract an appropriate calibre of candidate.
- Institutional memory within programme areas is good, with no reports of a loss of continuity when one resident adviser was replaced by another. There is potential to improve detailed knowledge between portfolio areas. Some RAs had a relatively low awareness of their peers' activities.

The lack of output focused reporting and timely financial management reports has limited our ability to provide an overall assessment of the efficiency of CARTAC for the period of the review. We do make the following points:

- CARTAC is a lean organisation with high levels of external and internal accountability at an operational level and a flat organisational structure. We have costed CY2008 technical assistance at \$1,897 per day based on a simple model.
- CARTAC's management has sought to address information sharing through monthly professional staff meetings and shared country missions.
- The IMF uses surprisingly crude financial management and cost attribution system that is generally not fit for purpose and this has an impact on CARTAC.
- CARTAC is also not assisted by the UNDP's financial management system, which fails to produce reports that contain comprehensive and timely financial data³.

Sustainability, Exit Strategy and Phase IV

The review considered whether there was a continuing need for regional technical assistance and whether there should be a Phase IV extension to CARTAC. The CARTAC model of technical assistance is sustainable within the region. The proposed SEMCAR

³ The UNDP noted that there were compatibility issues between CARTAC (IMF) and the UN systems which were resolved to some extent when UNDP HQ transitioned to a PeopleSoft platform programme called ATLAS which had a higher degree of compatibility with the IMF HQ systems. However, gaps between the two corporate systems still exist.

initiative will dovetail into the CARTAC programme and provide the longer term technical assistance as a complement to demand driven shorter term programme deployed by CARTAC. Key points are:

- The countries covered by CARTAC are at different stages of capacity. There is a continuing need for support of the wider country and regional reform agenda. Whilst CARTAC as a donor funded programme is finite, there is medium term need to continue to deliver technical assistance. CARTAC may progressively become a regionally owned organisation in the longer term.
- There is a need for an extension of CARTAC into a Phase IV.
- The survey result for the effectiveness of CARTAC TA indicated that 20 percent rated the sustainability as excellent, 50 percent rated it as good, 12 percent as modest with 2 percent rating it as poor.
- There is a shift in some programmes to more downstream activities including revenue administration.
- Feedback from the interviews indicated differing perspectives regarding the sustainability of CARTAC TA. For example, one respondent pointed out that CARTAC was effectively the only TA provider in that area and therefore, by implication, any assistance contributed to sustainability. Another respondent felt that CARTAC technical assistance was sustainable by virtue of its regional (Small Island) approach and that it had supported regional bodies for financial regulation of banks and financial institutions. Conversely, some responses felt it was little too early in their respective reform programmes to comment on the sustainability as a number of issues were outside the control of CARTAC.
- There is a need to develop results based reporting to manage the programme.

Steering Committee

The Steering Committee and the perception of independence from the IMF have contributed to CARTAC's success. Key points are:

- In practice, there has been an imbalance with more donor than country representatives present when reviewing the attendance.
- The Steering Committee requires reports that focus on outputs and outcomes and report at a level where it can assess progress, without being swamped with detailed activity reports.

Organisational Effectiveness

The Review used a management framework to examine the organisational effectiveness of CARTAC. From an organisational perspective the weak link within CARTAC is the reporting-there is a large quantity of activity level reporting with little connection to the goals and objectives of CARTAC. The review team found the following:

- All technical staff are highly skilled, experienced, enthusiastic and engaged with their counterparts. IMF backstopping is an important source of technical support.
- There is no performance management reporting process operational. Several previous reviews have all made recommendations in this area and proposed reforms

in the Fund are also focusing on this. The Steering Committee should require this within an agreed timeframe. The review team has provided a format to strengthen performance reporting to enable CARTAC to make more coherent, bigger picture reports to the Steering Committee, and on the construction of indicators. These are congruent with the IMF's own reforms measures in relation to considering longer term outcomes against TA inputs.

- The review team found a paucity of timely financial reporting to support effective decision making. There appears to be a lack of clarity as to who is ultimately responsible for providing timely financial management reporting.
- The website should be updated to reflect the core objectives and mission of CARTAC rather than being only a statement of technical expertise and source of information.
- CARTAC is developing and installing an office automation database, AutoCartac, to support staff in the administration and management of TA delivery.

The role of the UNDP

The UNDP has contributed to the success of the CARTAC model facilitating the management of multi-donor pooled funding to the point where CARTAC, supported by the Fund, is capable of managing those responsibilities at the commencement of Phase IV. These include all administrative, reporting and consular activities currently undertaken by the UNDP. A portion of the existing management fee could be considered to cover increased administrative and management costs. The bulk should be applied to more technical assistance in the region. The UNDP should continue its relationship with CARTAC as a donor focusing on ensuring that the attainment of CARTAC goals and objectives within a wider social and development context.

Recommendations

The review team recommends the following:

1. CARTAC should re-consider the current reporting requirements with the IMF to reduce the burden of compliance with Fund reporting. The IMF is going through a reform process, in part intended to make it leaner and more client focused. This is therefore an appropriate moment for CARTAC, perhaps in conjunction with other RTACs, to streamline the reporting requirements.
2. The country strategy meetings should be formalised and followed by a clear process for the resident advisers to integrate the outcomes into their respective workplans. The country strategy meetings should also link in with the wider Fund TA programme for the country through the RSNs. Given the large number of countries, it may be that only countries with lower levels of capacity are included such that this does not become onerous for CARTAC.
3. CARTAC should develop a country-level window on its website to summarise what it is doing and planning for each of the CARTAC countries and include the country strategy meetings summary.
4. The website should be updated to reflect the core objectives and mission of CARTAC rather than being only a statement of technical expertise and source of information.

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5. CARTAC should ensure a particular focus is placed on Haiti, given that it is the poorest country in the Western hemisphere and faces considerable capacity constraints. CARTAC should develop a coherent strategy to increase TA delivery in Haiti to the extent possible within current resourcing.
6. CARTAC considers a more equitable approach to cost recovery for TA delivery in middle income countries, including charging and/ or larger annual contributions. The planned changes to TA delivery that the Fund is implementing will also have an impact on this area.
7. There should be an exit strategy for CARTAC in terms of donor support. CARTAC may progressively become a regionally owned organisation in the longer term.
8. There should be an extension into Phase IV (2011- 2013).
9. The Steering Committee should consider the following:
 - Ensuring that donors do not swamp meetings, by providing multiple attendees;
 - Implementing incremental improvements to reporting formats and document sharing in order to increase the accessibility of information;
 - Encouraging networking between Steering Committee members, in particular to enhance the effectiveness of new members.
 - Minute taking is formalised with numbering and dating agenda items with a note, action point and responsible officer in the minutes.
 - Draft minutes should be released for comment by steering committee members/ attendees and revised prior to finalisation as a record of the meeting.
10. CARTAC should adopt a basic performance management reporting structure that aligns activities to the goal and programme objectives. Ultimately, we would see CARTAC shifting to a full performance management reporting once the Fund has developed and embedded a framework.
11. CARTAC's financial reporting and management information should be modernised to ensure that it adequately reflects resources being put into individual programmes and projects. Ultimately, any financial management reporting will be integrated into an overall performance management framework.
12. CARTAC should assume all administrative, reporting and consular activities currently undertaken by the UNDP at the commencement of Phase IV.
13. A portion of the existing management fee could be considered to cover increased administrative and management costs, including improved performance reporting. The bulk should be applied to more technical assistance in the region.
14. The UNDP continues to engage with CARTAC on the steering committee.

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Abbreviations

ASYCUDA	Automated System for Customs Data
BIS	Bank for International Settlements
BOP	Balance of payments
CAIR	Caribbean Association of Insurance Regulators
CAPFA	Caribbean Public Finance Association
CARICAD	Caribbean Centre for Development Administration
CARICOM	Caribbean Community and Common Market
CARTAC	Caribbean Regional Technical Assistance Centre
CCCU	Caribbean Conference of Credit Unions
CCLEC	Caribbean Customs Law Enforcement Council
CCMS	Caribbean Centre for Monetary Studies
CDB	Caribbean Development Bank
CEMLA	Centre for Monetary Studies of Latin America and the Caribbean
CET	Common External Tariff
CFATF	Caribbean Financial Action Task Force
CGBS	Caribbean Group of Banking Supervisors
CGSR	Caribbean Group of Securities Regulators
CIAT	Inter-American Centre of Tax Administrations
CIDA	Canadian International Development Agency
CMD	Capital Market Development
COFAP	Council of Ministers of Finance and Planning
CPEC	Caribbean Regional HRD Programme for Economic Competitiveness
CRNM	Caribbean Regional Negotiating Machinery
CS	Commonwealth Secretariat
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
CSME	Caribbean Single Market & Economy

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DFID	Department for International Development, United Kingdom
EC	European Commission
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
ECEMP	Eastern Caribbean Economic Management Programme
ECLAC	Economic Commission for Latin America and the Caribbean (sub-regional headquarters for the Caribbean located in Trinidad)
ECSRC	Eastern Caribbean Securities Regulatory Commission
EU	European Union
EUROSTAT	Statistical Office of the European Union
FAD	Fiscal Affairs Department, IMF
FATF	Financial Action Task Force
FSAP	Financial Sector Assessment Program
FSI	Financial Soundness Indicator
FSS	Financial Sector Supervision
FTAA	Free Trade Agreement of the Americas
GDDS	General Data Dissemination System
GDP	Gross Domestic Product
GFS	Government Finance Statistics
HIPC	Highly Indebted Poor Country
IAIS	International Association of Insurance Supervisors
IDB	Inter-American Development Bank
IDB	Inter-American Development Bank
IFMIS	Integrated Financial Management Information System
IFSA	International Financial Services Authority
ILO	International Labour Organization
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions

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LEG	Legal Department, IMF
MAC	Macroeconomic Programming
MCM	Monetary and Capital Markets, IMF
OECS	Organisation of Eastern Caribbean States
OPM	Oxford Policy Management
PCU	Macro-Fiscal Policy Coordinating and Monitoring Unit
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
PRSP	Poverty Reduction Strategy Paper
PSIP	Public Sector Investment Programme
RA	Resident Adviser
SATAP	Structural Adjustment Technical Assistance Programme
SCCS	Standing Committee of Caribbean Statisticians (CARICOM)
SDDS	Special Data Dissemination Standard
SIGTAS	Standard Integrated Government Tax Administration System
SNA	System of National Accounts
STA	Statistics Department (IMF)
TA	Technical Assistance
UNDP	United Nations Development Programme
UNSD	United Nations Statistics Division
USAID	United States Agency for International Development
VAT	Value-Added Tax
WTO	World Trade Organisation

1 Introduction

1.1 Overview of the evaluation

The terms of reference (Annex A) identify four key objectives for this evaluation:

- The contribution of CARTAC to addressing the region's problems and capacity constraints in each of the six functional areas assessed by focusing on CARTAC's operational efficiency and effectiveness, and gains resulting from synergies between its operations and those of other donors in the region.;
- The mid-term review also expected to comment on the organisational efficiency and effectiveness of CARTAC;
- The efficiency of the harmonised/pooled funding mechanism; the role and effectiveness of the UNDP arrangements and the role and effectiveness of the IMF as CARTAC's "executing" agency, and
- The review should record any significant lessons that can be drawn from the experience with the third phase of CARTAC.

The evaluation covers the period since the completion of the last mid term review in October 2006. In terms of the technical assistance, we looked at the period April 2006 to April 2009 based on the activity reports presented to the Steering Committee. These only provided activity information and a list of TA inputs. We managed to obtain reasonable data from CARTAC for CY2008 to underpin some output and costing information.

The evaluation has involved the following components and sources of information:

- Initial review of documentation.
- Interviews at IMF HQ (September 2009) with staff of OTM, WHD and the three functional departments, FAD, MCM and STA.
- Three online surveys of (i) CARTAC Steering Committee members, (ii) counterparts, and (iii) training participants in CARTAC workshops, seminars and training courses.
- A Field visit to Barbados to meet with CARTAC staff and other stakeholders, and case study visits undertaken to Dominica, Grenada, Jamaica, St. Kitts, St. Lucia and St. Vincent and the Grenadines to interview staff in beneficiary organisations, and representatives of other donors.
- Preparation of a draft report on which comments were received both in relation to identifying factual inaccuracies and on the interpretation of the findings.

1.1.1 Structure of the report

The remainder of this report is structured as follows. Section 2 provides a background and overview of CARTAC. It also discusses the findings of the Mid Term Evaluation (MTE) of CARTAC which was undertaken in 2006. Section 3 provides more details on the evaluation approach. Section 4 presents the findings of the evaluation in terms of the principal evaluation criteria (relevance, effectiveness, efficiency and sustainability). Section 5 looks at the findings of the evaluation in terms of organisational effectiveness and the role of the UNDP. Section 6 provides overall conclusions of the evaluation and addresses specific questions in the terms of reference in relation to CARTAC's future strategy and the role of the Steering Committee. Section 7 presents recommendations.

2 Background and Overview of CARTAC

The Caribbean Regional Technical Assistance Center (CARTAC) is one of ten regional technical assistance centres (RTACs) (seven existing and three proposed centres) set up by the IMF to support economic and financial management technical assistance in 21 countries within the Caribbean region.

CARTAC was established to assist member countries in building technical capacity to strengthen tax and customs administration, public financial management, financial sector regulation and supervision, statistics and macroeconomic analysis. The work of the Centre is implemented by a core team of long term advisers, complemented by TA from short-term experts, regional seminars, and consultancies and attachments of officials to partner institutions in the region and abroad.

CARTAC works in close collaboration with other development institutions, technical assistance agencies, and regional organisations, in support of regional policy harmonization and, in particular, the CARICOM Single Market and Economy initiative.

The institutional framework for CARTAC is contained in the Phase III programme document⁴, dated January 2008. This document focuses on the programme goals and strategy, the programme components, and the governance, management and operational arrangements of CARTAC.

2.1 Governance, organisation and management of CARTAC

CARTAC is a United Nations Development Programme (UNDP) project executed by the International Monetary Fund (IMF) and financed by a pool of resources contributed by donors and beneficiary countries. More details can be found in Annex B.

Essentially, the UNDP has been mainly responsible for negotiating donor agreements, receiving and managing contributions, making disbursements to the IMF as required, and validating the budget and the accounts for the Programme.

CARTAC is funded jointly by a range of contributors, including donor institutions, member countries and multilateral organisations as shown in **Error! Reference source not found.** Financing consists of both cash and in-kind contributions with, for example, the Government of Barbados supporting CARTAC through the provision of offices.

⁴ International Monetary Fund, 2008, 'Strengthening Economic and Financial Management in the Caribbean Region: CARTAC Regional Technical Assistance Centre (CARTAC) Extension, 2008-10', January

Table 2.1 CARTAC Contributions up to October 2009⁵

2008-2010 Budget	Actual Commitments As of October 2009			
Donor	Donor Currency	US Dollars	Status	Comments
Total Budget		34,486,398		
IMF		1,423,470	Definite	In-kind contributions
CDB		34,345	Definite	In-kind contributions - 1st quarter 2008
Host Country		300,000	Definite	In-kind contributions
Total in-kind		1,757,815		Total in-kind contributions
Total Cash Budget		32,728,583		Incl. 15% overhead
Canada	Ca\$20,000,000	19,544,613	Definite	Ca\$15mil received
European Union	€ 3,500,000	5,131,000	Definite	Under discussion - Via 10th EDF
European Union	€ 500,000	733,000	Definite	PEFA/PFM special assignment for St. Vincent & Grenadines
UNDP		200,000	Definite	Confirmed
Interest		840,936	Definite	appr 4% interest on total donor budget
CARICOM Countries		760,000	Definite	\$10k for 2008; \$15k for 2009-10
CDB		600,000	Definite	Confirmed
IDB		650,000	Definite	Confirmed - special arrangement - direct payment for training activities
DFID	£455,000	746,200	Definite	confirmed
Total Definite Commitments		29,205,749		Signed agreements and country contributions
Carry-over		3,386,338		<i>Unspent balance from Phase 2 [1].</i>
Total available		32,592,087		
Funding Surplus/ Gap		(136,496)		Cash budget minus definite pledges

Authority for the policy direction of the Centre rests with the Steering Committee, which is composed of representatives of member countries and donor institutions. The Secretary General of the Caribbean Community chaired the inaugural meeting of CARTAC in November 2001 and supported the institutional arrangements for the operation of the

⁵ Source: CARTAC.

Centre⁶. He noted *‘the management structure comprised a Steering Committee made up of officials of the participating governments, regional institutions, the IMF and the UNDP, and annual meetings of a Review Committee comprising the IMF, the UNDP, representatives of participating countries and of donors, would be able to guide CARTAC on the path necessary to ensure its maximum contribution to the Region’.*

A governance review in 2007⁷ recommended a number of changes to the structure and membership of the Steering Committee including increasing the country representation and with the Chairperson being elected by simple election. Some of the recommendations of the 2007 report were pending for Phase III and, to date, have not been implemented. The Steering Committee currently meets half yearly and the agenda would normally include the budget and an update of activities undertaken by the resident advisers and proposed workplans (by programme). The Programme Coordinator functions as the Secretary to the Steering Committee and is responsible for the day to day administration of CARTAC’s work programme. CARTAC technical assistance delivery is supported by nine resident advisers. Administrative staff provide support to CARTAC including the negotiations and arrangements for courses and seminars, travel arrangements and support for resident advisers, and preparing contracts and travel documents for the deployment of both short term experts into the region.

The selection process for proposed resident advisers is managed by the IMF with Steering Committee consultation. The Programme Coordinator will recommend a resident adviser to the Chairperson of the Steering Committee, who will then take that recommendation to the Steering Committee. It is unclear whether the Steering Committee is able to reject a proposed candidate that the Fund strongly supports. The governance report appears to suggest that the Steering Committee has responsibility for “key operational decisions such as staffing, budget and procurement issues (hiring of the Programme Coordinator (PC), long term advisers and experts)⁸”. However the programme document refers to ‘consultation with steering committee’. Based on interviews, we understand that the steering committee is responsible for the selection of the programme coordinator and is consulted in the selection of the resident advisers. More details of the Steering Committee are discussed in the evaluation section and we make a number of suggestions.

The IMF is responsible for all administrative and financial arrangements in connection with the Centre and technical assistance delivery, including contracts for CARTAC staff and payment of expenditures. The fund is also responsible for budget execution and cashflow management. The Fund also maintains a short term expert roster through which all short term experts are provided. This roster is managed by each functional area (FAD, MCM, and STA) and each CARTAC mission must use this roster. If a particular resident adviser wishes to deploy an expert onto CARTAC missions, s/he must first get that expert registered with the relevant functional department and signed off by the backstopper for inclusion in the register.

One of the questions that must be raised is where the responsibility lies for liaison with donors in order to attract additional and diversified funding, and to follow up on pledges. The

⁶ Remarks by Edwin Carrington, Secretary-General, Caribbean Community, at the inauguration of CARTAC, 5 NOVEMBER 2001,

⁷ Barnett, C., 2007, Final Report: Review of CARTAC Governance, October

⁸ Barnett, C., 2007, Final Report: Review of CARTAC Governance, October, page 14.

programme document indicates that ‘resource mobilisation’⁹ is the preserve of the UNDP. However, we understand that both the Office of Technical Management (OTM) and the CARTAC Programme Coordinator are engaging in this activity in order to maintain a reasonable cashflow.

The Fund is the executing agency for CARTAC and has succeeded in providing high quality technical advisers to support CARTAC. In terms of quality assuring the technical assistance provided by CARTAC, the Fund provides technical support and backstops the resident advisers. CARTAC is in effect part of the Fund’s broader technical assistance programme and the Fund appears to have successfully worked with the CARTAC model to ensure that technical assistance is, to the extent possible, coordinated. CARTAC could pose a reputational risk to the Fund and therefore the backstopping is important to ensure that technical assistance is delivered consistent with Fund strategic objectives. It appears that the balance between the Fund strategic objectives and the role and independence of CARTAC is reasonable.

CARTAC utilises the TAIMS system; a structured approach to project management that contains a series of templates for each mission. It contains the project terms of reference, guidance details, timeliness indicators, briefing papers, mission reports and back to office reports. It is a project management tool that guides a project to the end- it is not a planning tool¹⁰. Our impression is that the level of compliance with TAIMS varies between resident advisers.

There are several reforms occurring in the IMF¹¹ and which will have a flow on effect to CARTAC. Broadly, these focus on:

- The integration of TA with surveillance and Fund lending operations which will prioritise TA to meet a country’s economic objectives. Greater use of the regional strategy notes to align the strategic objectives of the recipient country and the Fund.
- A shift to a medium term technical assistance plan and alignment with the Fund’s medium-term budget process, which makes priority-setting easier.
- The Fund-wide introduction of performance indicators will make TA more transparent and accountable. TA will be primarily organized as projects, with each project having clear objectives and deliverables against which progress will be measured and which will distinguish between areas within Fund control and those that require action by the authorities.
- Fund evaluation of TA is expected to become more systematic in monitoring and assessing results and to better disseminate lessons learned.
- Better costing of TA projects will help ensure efficient allocation of resources, better inform management decisions and enhance accountability. Costing will make TA stakeholders aware of both the absolute cost of TA and the relative cost of TA services

⁹ Assuming that ‘resource mobilisation’ entails liaison with donors to attract additional funding and negotiate conditionality.

¹⁰ Resident Adviser, METAC, August 2009- comment as part of an interview for the METAC Evaluation

¹¹ International Monetary Fund, 2008, Enhancing the Impact of Fund Technical Assistance, International Monetary Fund, Washington, April, Page 5
<http://www.imf.org/external/np/exr/key/tech.htm>

compared with other TA providers. It will also provide a basis for charging and billing of donors.

- The introduction of charging for technical assistance for those countries not on an IMF programme. Other countries will be charged on a sliding recovery scale for technical assistance. Therefore, high income countries will be charged at 100% of the cost.
- Through fundraising, the Fund will strengthen its partnerships with donors. External financing for TA will be facilitated by bundling TA in product lines, which better highlight links to donor development strategies. Partnerships will be developed on a broader, longer term, and more strategic basis, focused on topical trust funds and on expanding TA delivery through Regional Technical Assistance Centres (RTACs).
- In addition to CAPTAC, three new RTACs will be opened.

Overall, the structure of CARTAC has not changed with that reported in the 2006 MTR.

2.2 CARTAC objectives and performance management

The mission of CARTAC is clearly articulated in the programme document¹² *'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'*.

The programme document articulates five (plus one) objectives which are broadly aligned with the functional departments within the IMF. A logframe has been produced that takes these objectives and develops some OVIs (Objectively Verifiable Indicators) as a performance measurement framework. However, the logframe relates to Phase II. It is not used in Phase III and the existing reporting framework is not linked back to the Phase III programme document.

Currently, each resident adviser develops a workplan for the following six months prior to the next steering committee meeting. This workplan is developed, prima facie, on the requested needs of an organisation. Whilst CARTAC operates a successful demand driven model, the resident advisers can influence both the individual country activities and the direction of the overall country led reform programme. This, in some cases, is by virtue of being the only regional expert available.

Once the workplan has been developed, it is sent to the relevant functional department backstopper at the Fund for approval. The backstopper will confirm that the workplan is consistent with the scope of Fund activities, cross reference any country led Fund reviews (including Article IV summaries) and approve the workplan. The workplan will then be presented to the Steering Committee for approval. Each workplan details the proposed timing, location and a short narrative. The workplan also provides key capacity objectives for each programme. However, these are not linked to specific activities until the reporting of progress to the steering committee at the following meeting after the work plan is actioned. We are unclear as to how these capacity objectives feed back into the overall existing performance measurement processes.

¹² Programme Support Document - Strengthening Economic and Financial Management in the Caribbean Region: CARTAC Regional Technical Assistance Centre (CARTAC) Extension, 2008-10, January 2008

The workplan does not allocate resources to each activity and it is difficult to judge, based purely on the plan, whether the resident adviser is fully utilised and/ or has an over ambitious plan. In developing a plan of activity, it would be normal to allocate some resourcing value to support the allocation or resources over the period of the plan. It has been argued that sufficient flexibility needs to be built into the plan to be able to respond to ad hoc urgent requests and, if recipient organisations do not have capacity or have not achieved required processes to support reform, to deploy to other activities. Therefore, in our opinion, the workplan is more of a proposed list of activities rather than a complete resource plan.

During each six month period, the resident adviser undertakes the plan through organising a series of short term inputs for consultants. The resident adviser will also undertake some of these assignments and conduct training sessions and join in regional meetings with professional bodies and associations as part of the overall technical assistance programme. In some cases, organisations will request urgent support. We were impressed with one example cited. Dominica requested an IT auditing course which was a little outside CARTAC's normal TA ambit. There had been some slippage in the workplan and thus resources could be re-deployed with the approval of the Programme Coordinator. It took approximately two days to consider, shift resources and obtain requisite approvals. It then took two months to get the course designed and delivered in Dominica. The responsiveness of CARTAC to this request is impressive and highlights the comparative advantage of the CARTAC model- it is regionally located, able to respond quickly and demand driven.

At the end of the six month workplan period, an activity report is developed for presentation to the steering committee. This activity report is essentially in the same format as the workplan and indeed could be the workplan with a change of title. The activity report details the month of activity, the donor or country, a short narrative of the mission, training or activity and a reference to the applicable capacity development objectives. In general, there is no comparison with the original workplan and there is no indication of the resources¹³ (whether in time or dollars) for each activity. There is a programme narrative that provides some information as to achievement for the period. However, some resident advisers provide a good summary of the period and/ or resources (see footnote below) and others appear to repeat the tabular information. That is, the activity report is inconsistent. The current reporting processes are only informational at the input level- they do not provide any information to assess performance against plans.

Our point is that the activity report can be improved, be consistent between all programmes, and provide more information for the Steering Committee to be able to judge progress/ performance. We suggest an alternative reporting format in our recommendations that will build on the existing reporting processes.

CARTAC does not have a functioning performance management process to demonstrate the achievement of goals and objectives. A more detailed analysis of this issue is discussed in Section 5.

2.3 Overview of CARTAC's activities

CARTAC has delivered a substantial level of technical assistance in the period under review which is Phase III and some of Phase II activity.

¹³ To be accurate, Tax and Customs provide a detailed breakdown of resources (weeks) that are applied to each country. This is good information and is very useful however as the others do not provide the information we cannot use it.

Table 2.2 presents a summary of CARTAC's TA activities in terms of days of TA provided by programme, in terms of occasions of technical assistance (missions and activities), number of countries visited over the three year period, the number of visits to Haiti and the Dominican Republic and the regional exercises. This table was manually derived from resident adviser activity reports.

The second part of the table represents the same information during the period that it occurred. This information is limited in that the missions and activities could be one day or two weeks. There is no indication of the resources or effort applied to each input. A total of 1265 missions and activities occurred from April 2006 to April 2009 with Tax being responsible for over 47 percent of the activity. Tax projects were evidently longer in that they were responsible for 599 missions and 71 country visits, whereas PFM was responsible for 177 missions and in that time they made 80 different country visits over the same period. Financial Services Supervision has the greatest level of regional bodies' interaction over that period. The bulk of the country visits were to the higher income countries.

Table 2.2 CARTAC Estimated Technical Assistance FY2007 to FY2009¹⁴

Programme	Programme short name	Number of Missions/ Activities	Number of Country visits over period	Low Income Country visited	Regional Focus for TA
Capital Markets	KMKT	93	16	2	9
Financial Sector Supervision	FSS	147	55	2	31
Macro Economic	MAC	95	43	1	14
Macro Fiscal	MFISC	4	2	0	1
Public Financial Management	PFM	177	80	5	19
Statistics	STA	150	62	5	19
Tax and Customs	TAX	599	71	6	6
TOTALS		1265	329	21	99
April 2006 to October 2006		195	57	3	12
November 2006 to April 2007		190	51	4	14
May 2007 to October 2007		169	51	2	15
November 2007 to April 2008		185	59	5	25
May 2008 to October 2008		237	55	4	19
November 2008 to April 2009		289	56	3	14
TOTALS		1265	329	21	99

¹⁴ Resident Adviser reports for Steering Committee meetings. This table has been developed by manually counting all activities and countries, as no database or spreadsheet information was available.

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Table 2.3 provides more useful information including the number of persons trained over the period; the number of training sessions conducted the number of missions by internationals and regional consultant and the number of attachments during the three year period. During the period April 2006 to April 2009, 4087 people participated in CARTAC technical assistance. There were 659 missions in addition to the work of the resident advisers and 200 training activities. In terms of breakdown between programmes, Tax delivered 47 percent of all missions, with PFM (14 percent), FSS (12 percent) and STA (12 percent) being the next biggest areas.

The MTR 2006 note that ‘during the period reviewed the Centre reported some 230 missions, 218 of which included regional or foreign consultants and 74 of which were training activities. In addition 57 persons were supported on 65 attachments for a total of 340 days, and some 1,627 persons attended CARTAC sponsored training and workshop sessions¹⁵.

There is an increase in the level of activity from the review period of the 2006 MTR and the current period of this review. The MTR 2006 focused on a two year period whilst this review has looked at a three year period. However, even accounting for that, there is a large increase in the level of technical assistance although we are not in a position to establish whether the length of missions was shorter in Phase III than in Phase II.

Table 2.3 CARTAC Activity Summary FY2007 to FY2009¹⁶

	Missions	Countries/ Regional Visited	Training Activities	Persons Trained	Internationa l Experts Missions	Regional Experts Missions	Attachment s-Persons	Attachment s-Days
Apr 2006- Oct 2006	195	72	17	426	42	30	25	134
Nov 2006- Apr 2007	190	69	29	581	69	33	10	61
May 2007- Oct 2007	169	68	31	559	75	24	7	63
Nov 2007- Apr 2008	185	89	37	639	72	23	14	182
May 2008- Oct 2008	237	78	43	956	122	34	24	507
Nov 2008- Apr 2009	289	73	43	926	102	33	25	152
TOTALS	1265	449	200	4087	482	177	105	1099

¹⁵ Bobb, E., and Osborne, N., 2006, ‘Second mid-term review of the Caribbean Regional Technical Assistance Centre (UNDP RL A/01/011), September, page 10

¹⁶ Programme Coordinator’s report for the relevant periods

Table 2.4 provides an overview of the amount of actual and planned delivery over the period CY2005 to CY2010 and was derived from the Jensen report on VAT. The planned CY2008 days of 4694 in Table 2.4 is consistent with the actual days delivered in CY2008 in Table 2.5.

Table 2.4 CARTAC TA Delivery CY2005 to CY2010 ¹⁷

		CY2005	CY2006	CY2007	CY 2008	CY 2009	CY 2010
TA delivery		Use	Use	Allocation	Allocation	Allocation	Allocation
PFM	Days	315.4	435.0	739.5	480.3	478.5	478.5
REV	Days	522.0	1457.3	1870.5	2751.0	978.8	478.5
FSS/CMD	Days	733.0	822.2	733.0	545.8	543.8	543.8
STA	Days	330.6	450.2	513.3	458.5	456.8	456.8
MAC	Days	478.5	463.3	609.0	458.5	456.8	456.8
Total	Days	2379.5	3627.9	4465.3	4694.2	2914.5	2414.3

Overall, the above tables point to a high level of activity. However, we are not in a position to match resources with outputs at this stage as different reporting periods are used for financial management and TA delivery. The following table focuses on CY2008 and the number of actual days allocated to TA delivery. Coupled with some specific purpose financial data provided by OTM for CY2008, we are able to provide some basic costing analysis in the next section.

Table 2.5 TA for Calendar Year 2008 only

Short title	Number of TA activities: CY2008	Estimated number persons trained: CY 2008	Number of countries/ regional covered	Total number of days for all activities: CY2008	Estimated number of days for reporting obligations	Residual days including leave, meetings, admin, etc
PFM	25	330	14	379	50	30
REV	190	958	16	3116	434	90
FSS	33	276	21	491	15	30
STA	50	83	16	508	50	60
MAC	35	167	61	423.5	20	60
CMD	22	99	26	166	40	30
	355	1913		5083.5	609	300

¹⁷ Jensen, J., 2008, CARTAC- Results-Based Monitoring & Reporting and associated appendices, spreadsheets.

2.4 CARTAC's use of resources

The Phase III programme document for CY2008 to CY2010 envisaged total funding, including in-kind support, of just under US\$25 million, plus a Phase II carry-over of \$3.3 million.

Phase II Expenditure \$19,098,338 (Estimated)

Phase III Expenditure \$24,939,844 (Phase III Programme Document)

Total in-kind contributions amounted to US\$2,032,560 with the Fund providing \$1.4million for the cost of the programme coordinator and some administrative support. The Government of Barbados provides office accommodation support for CARTAC for \$300,000 for the three years.

Donor funding provides US\$15,854,000 for technical assistance delivery through the funding of resident advisers and short term experts. Donor contributions also fund administrative costs, regional travel and centre operations totalling \$4 Million. Donor contributions also fund the Executing Agency AOS fee of almost \$2 million and the UNDP GMS fee of just over \$1 million.

Phase III envisaged a total of 378 months of TA delivery¹⁸ by existing and proposed resident advisers plus another 313 months of short term expert inputs. If we assume that all CARTAC costs are focused on TA delivery, then this assumes that the cost per month of TA delivery is US\$36,092¹⁹. However, if we assume that only 60 percent of resident adviser time is allocated to TA delivery and support, which is probably more accurate, then total TA delivery is 540 months over Phase III at a cost per month of TA delivery is US\$46,185 or **\$2,100 per day**. On that basis and in terms of the original Phase III budget, (and given that we are not charging for the opportunity cost of those funds or any additional costs of IMF backstopping) it would appear that CARTAC is a reasonably lean organisation. Further analysis below for CY 2008 indicates that the daily cost is \$1,897, which is consistent with the above analysis.

As at October 2009, the Programme Coordinator had revised the Phase III budget upwards to a total of US\$34,486,398 with a cash budget of \$32,728,815. Funding available including identified funding, country contributions and including the Phase II carry-over of just under \$3.4 million amounted to \$32,592,087, an indicative shortfall of just under \$136,500. Information on total actual costs borne by the IMF was not available at the time of writing.

For Calendar Year 2008, total budget cost was US\$9,641,314 including all management fees. An analysis of CARTAC activity for CY2008 identified 5083.5 days of technical assistance and 1913 persons trained. Therefore, the cost of technical assistance for CY 2008 was on average **\$1,897 per day** and **\$5040 per person trained**. Using a simple attribution formula for overheads, the following costs per programme can be ascertained:

¹⁸ On the assumption that all resident advisers time are devoted to TA delivery, which is clearly not correct. We do not have data at this stage that identifies the delivery at that level of detail. However, by contrast, data employed by Jette Jensen in the RBM report indicated a total of 460 months of TA delivery over Phase III. If we extrapolate this and assume the number of STX inputs is the same, which means that RAs are only doing 147 months of TA delivery or only 40 percent of their time.

¹⁹ A total of 691 months of TA Delivery with a total Phase III budget of US\$24,939,844.

Table 2.6 Costing Analysis for CARTAC programme

PROGRAMME	DAYS	PERSONS TRAINED	TOTAL ESTD COST	COST PER DAY	COST PER PERSON
PFM	379	330	\$1,581,443	\$4,173	\$4,792
TAX	3116	958	\$4,777,124	\$1,533	\$4,987
FSS	491	276	\$1,061,859	\$2,163	\$3,847
STA	508	83	\$1,012,250	\$1,933	\$12,196
MAC	423.5	167	\$634,498	\$1,498	\$3,799
CMD	166	99	\$574,141	\$3,459	\$5,799
TOTAL	5083.5	1913	\$9,641,314	\$1,897	\$5,040

There may be an issue over the number of days for PFM as the cost per day seems quite high in comparison. Otherwise the short term experts were substantially more expensive. The high cost per person for STA suggests a smaller pool of experts and more intense one-on-one training.

Further information can be found in the table at Annex G.

2.5 Mid Term Review 2006 Summary of Recommendations

Table 2.7 Recommendations from the 2006 MTR

MTR 2006 Recommendations	CARTAC response	MTR 2009 Update
We recommend that consideration be given to continuing the program into a third 3-year phase.	The Steering Committee supported the Extension	Phase III commenced in January 2008
Financing in phase 3, particularly from bilateral donors, should be invited on the basis of the principles of the Paris Declaration on Aid Effectiveness, specifically: <ul style="list-style-type: none"> ▪ Pooling of cash pledges ▪ Assured multi-year funding, preferably with front-loaded disbursements to the program ▪ Accountability based on results to be tracked by indicators developed within an agreed logical framework of program goals. 	The Steering Committee proposed that clear conditions should be set out on the governance structure of CARTAC and the rules of its operation. There seemed to be a consensus that some preconditions could be set, but explicit support was not given to any particular requirements. The Steering Committee supported the proposal for pooling of cash pledges, and a number of donors voiced support. The only SC member to voice concerns was Mr. Juba (IDB), who said that the IDB could not engage in such funding.	Phase III programme document provides clear governance direction. Pooled funding is employed. IDB still cannot do this and provides funding indirectly through suppliers to accommodate its own procurement rules. The EU also provides funding which is not pooled with the other funds.
The sources of financing the	There was some support to	There are currently no non-

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program should be diversified.	approaching non-traditional donors, including Venezuela. The UNDP was also prepared to seek out non-traditional donors outside of the region.	traditional donors, including Venezuela. The extent to which the UNDP approached non traditional donors is unknown.
CARTAC should give greater emphasis to attachments and use of regional consultants as means of building human resource capacity in the region for 'best practice' economic management.	There was support for this.	Regional experts are being deployed. However, we have limited comparative data to assess whether this has increased from Phase II. The level of engagement by regional experts has remained constant for Phase III and has increased from Phase II.
The Steering Committee should continue to insist on management reporting in a manner that facilitates the tracking of sustainable results from CARTAC's activities.	The Steering Committee said better management reporting would be useful. Both DFID and UNDP offered to support more focus on poverty reduction through the use of social impact analysis. There was some concern at the cost and whether this would divert CARTAC resources.	It is difficult to be able to judge whether CARTAC has focused on poverty reduction as it currently does not report on outputs/ outcomes. A number of reports including gender analysis have been undertaken. The management reporting is focused on inputs and does not provide contextual performance information for SC members.
By the inception of a third phase, there will be a sufficiently long track record to be stricter in using performance in implementing TA advice as an important criterion for allocating scarce resources, except of course for countries where CARTAC has had minimal activity in previous phases	CIDA said that there should be a balance between these two approaches, and CARTAC should seek to maintain its demand-driven character, but within a broader strategic framework. The discussion then turned to whether CARTAC should give lower priority to members with a poor implementation record. The PC noted that CARTAC often counsels countries which are having trouble implementing TA, and it may withhold TA pending the implementation of previous assistance, often because the subsequent TA is dependent on the earlier TA being implemented.	The demand driven model employed by CARTAC is part of its apparent success. However, the TA needs to be focused on the overall project aims as embodied in the programme document. The IMF TA plans to shift to a medium planning approach with funding over the same horizon. Previous recommendations have also pointed to CARTAC activities being considered as higher level projects which will mean less reporting by activity, more project alignment with goals and objectives AND a medium term TA strategic plan. However, at this point, the reporting needs to be improved to support this.
Major bilateral donors emphasize the importance to their constituencies of a focus on poverty reduction, already incorporated as an overarching goal in CARTAC's logical framework. The Steering Committee should take ownership of this strategic	Ms. Pepera (DFID) said that it would be useful to use some measures of Social Impact Analysis. The UNDP and DFID might work together on this. The Chairman agreed that it would be useful to accommodate these concerns, but cautioned that CARTAC	Whilst there is increased effort to engage with Haiti, there is no current overt focus on poverty reduction, even though the Phase III goal does state this (see also Section 4). There is a perception that IMF and hence by implication CARTAC don't do poverty reduction. The key

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<p>concern by taking steps to ensure that it is highlighted in management reporting based on the logical framework.</p>	<p>should minimize the resources it devotes to this effort.</p>	<p>interim issue is to align the projects and TA activities towards a programme objective and CARTAC goal. Once this is in place, the shift to consider the poverty implications of say capital market regulation can start to be considered. This form of reporting is still not happening- it is still activity based.</p>
<p>Based on demand and performance, the reviewers see a strong case for switching resources to public finance embracing revenue, expenditure, investment programming and debt management functions. We think that financial sector supervision does not require two full-time advisers.</p>	<p>Strong support was voiced for continuing the MAC position by the Chairman, Mr. Towe (IMF) and Ms. Pepera (DFID). Mr. Dalrymple (CDB) also said that this position, which is CDB funded, is not fungible.</p>	<p>There have been more resources to PFM and a new capital markets resident adviser. The need for FSS is evident in the amount of requests for assistance.</p>
<p>CARTAC should become proactive in forging relationships outside the English speaking Caribbean where it has developed strong ties over the last few years. Haiti and Suriname are members of CARICOM and the Dominican Republic is a participant in the CARTAC program.</p>	<p>The minutes of the steering committee do not explicitly consider this point.</p>	<p>Dominican Republic is shifting to CAPTAC. There has been increased engagement with Haiti. However, in terms of TA delivery, Haiti receives very little CARTAC support.</p>
<p>CARTAC should not become a legal entity. Acquiring a legal personality would not of itself improve prospects of additional financing. Concerns about administrative efficiency should be addressed in a direct and transparent manner with the UNDP.</p>	<p>The Chairman thought that CARTAC should not become a legal entity, and no disagreement was voiced.</p> <p>Ms. Mohamed (UNDP) said that the role of the UNDP had evolved into a more administrative one. She suggested that the UNDP provide regular reports at SC meetings on financial issues, its administrative support of CARTAC, and possibly on resource mobilization. Ms. Ablack (CIDA) suggested that UNDP could also help more on coordination, and on monitoring the impact of CARTAC activities, both by topic and by country.</p>	<p>The UNDP has supported the Gender Analysis study and the RBM review.</p> <p>The UNDP does not provide timely reports to the SC.</p>

3 Evaluation Approach and Methodology

3.1 CARTAC’s results framework

As discussed above, CARTAC does not have a results framework which sets out in an explicit and measurable way its objectives, the way in which the outputs it produces are expected to contribute to achieving these objectives, how the specific activities that it undertakes lead to the production of the outputs, and the conditions that are required to hold for the activities selected to lead to the achievement of CARTAC’s objectives as detailed in the Phase III programme document. The absence of such a framework (including a predefined and agreed set of performance indicators) limits the extent to which a satisfactory evaluation can be undertaken.

The lack of an explicit results framework or of any formalised process of reporting beyond the level of activities undertaken is an important weakness particularly as this issue had been raised previously in the MTR 2006, Governance report and VAT implementation report. The weaknesses in the IMF’s own TA performance reporting have also been identified and the Board have adopted important reforms to improve this area in 2008. However, progress is slow at the Fund level and has yet to filter down to CARTAC. A participatory process of developing such a framework with stakeholders can also be an important way of broadening ownership as well for making a realistic and informed judgement of what can be achieved and the internal and external conditions for success which can sharpen the identification of lessons from experience.

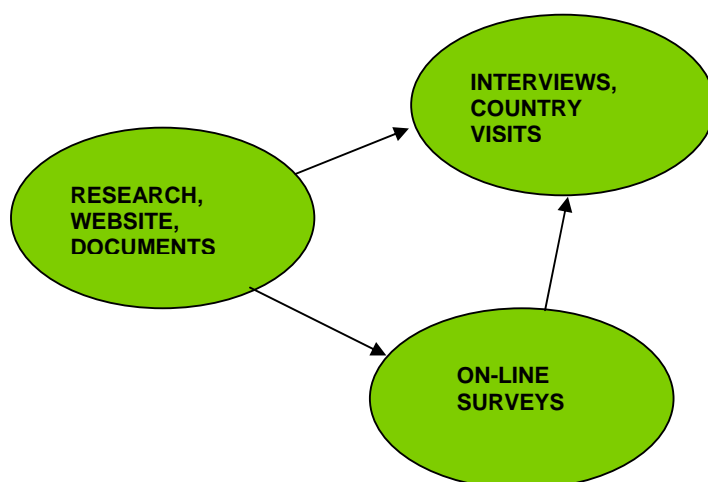
3.2 Evaluation approach

In broad terms, the Terms of Reference required us to look at three key areas of CARTAC:

- The evaluation of technical assistance provided to the region as part of CARTAC achieving its goals and objectives
- The organisational effectiveness
- An evaluation of a project including the VAT programme²⁰

We approached the evaluation through developing three approaches:

²⁰ One of the issues we have encountered was that “project” is not a well-defined concept for the IMF – information was only really available in relation to “missions”.



Planning: Research and data gathering

As part of the planning process and during the field visits, including to the IMF in Washington, we undertook research and analysis of CARTAC through the website and available documentation including previous studies and mid term evaluations. Some of the documents or information references were:

- CARTAC Website
- Mid-term review of the Caribbean Regional Technical Assistance Centre (CARTAC) (UNDP RLA/01/011) by James Bucknall and Neville Grant, 2003
- Second mid-term review of the Caribbean Regional Technical Assistance Centre (UNDP RL A/01/011) by Osborne Nurse and Euric Bobb, 2006
- Preparation of the second programme extension for the Caribbean Regional Technical Assistance Centre (CARTAC) Gender Analysis by Caddle, 2007
- Programme for the Caribbean Regional Technical Assistance Centre (CARTAC) Extension Programme Support Document: Phase III, 2008
- Review of CARTAC Governance by Carla Barnett, 2007
- CARTAC- Results-Based Monitoring & Reporting by Jette Jensen, 2008
- CARTAC Workplans for 2007 to 2009 (Website)
- CARTAC Activity reports 2007 to 2009 (Website)
- OTM TA Analysis 2007 to 2010 (Actual plus Baseline for 2009 and 2010)
- Steering Committee minutes (including October 2003 response to first MTR and October 2006 response to second MTR)
- Appendices to Programme Coordinators Report (Website)
- Enhancing the Impact of Fund Technical Assistance by Alfred Kammer, 2008
- OTMS CARTAC Main CY2008- CY2010 Budget Spreadsheet

In addition, we were supplied with many documents from the resident advisers including the assessment of CARTAC technical assistance to support VAT implementation. CARTAC administrative staff and the Office of Technical Management (OTM) also provided documents and data to support the review.

An evaluation matrix (Annex I) was developed to provide a framework for the review of CARTAC. These are based on the terms of reference (though with some reformulation for clarity and completeness) and consistent with the DAC Criteria for Evaluation Development Assistance²¹. The key criteria used for this review were:

- Relevance
- Effectiveness
- Efficiency
- Sustainability

We also looked at specific issues including:

- Role and performance of the Steering Committee
- Strategic issues for CARTAC
- Organisational effectiveness, efficiency and sustainability

Fieldwork: Interviews and Country Visits

The fieldwork phase took place from 22 September 2009 to 6 October 2009. The team visited CARTAC and then visited a number of countries to conduct interviews with counterparts. The fieldwork visit took place at the same time as the Commonwealth Finance Ministers Meeting in Cyprus, the G20 Advanced and Emerging Market Economies in Pittsburgh and the World Bank- IMF Annual meetings in Istanbul, Turkey. This meant that key stakeholders including the Governors of Central Banks and Ministers for Finance and the Principal Secretaries within the Region were absent or unavailable for interview²².

The first part of the field visit focused on meeting with and interviewing the CARTAC Programme Coordinator, available resident advisers (RAs) and the administrative support staff. We were able to meet with almost all resident advisers on an individual basis. The second stage involved country visits to interview counterparts as to their perspective on the relevance and effectiveness of CARTAC. We visited the following countries:

- Dominica
- Grenada
- Jamaica
- St. Kitts and Nevis
- St. Lucia
- St. Vincent and the Grenadines

We also undertook a desk review of Haiti and interviewed key stakeholders in Barbados. The choice of countries focused on where the greater proportion of technical assistance delivery had occurred and this was supported in communication with CARTAC and OTM. We added Jamaica as this was a larger country with a relevant history with the Fund's operations in the region to establish whether CARTAC had contributed to a changed perspective to the IMF.

²¹ OECD, 2007, DAC Criteria for Evaluating Development Assistance

²² We were able to follow up on a number of issues by teleconference in Mid October 2009.

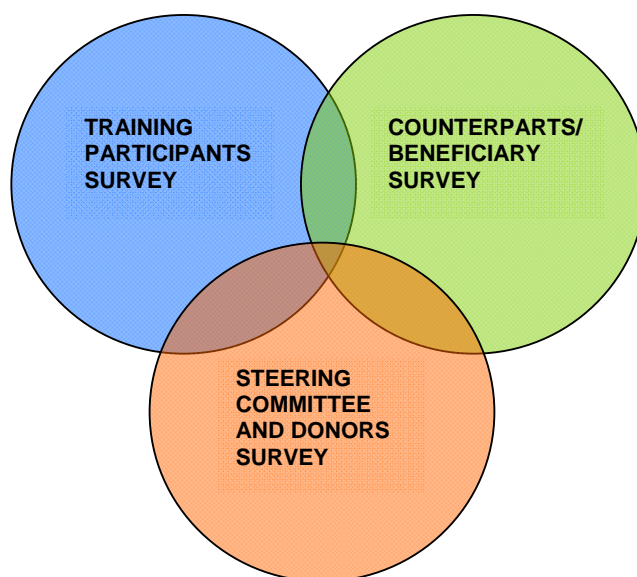
Haiti was important as it is one of the poorest countries in the region and is currently receiving a lot of donor assistance from the US, Canada, the United Kingdom and France. Given the technical assistance provided to Haiti, what niche role could CARTAC play in liaison with other donors? Haiti also poses language issues for CARTAC and we were interested whether this played any role in the level of support provided and the strategies employed to overcome this barrier.

The final stage of the fieldwork involved interviewing donors and other regional actors that were part of, or linked to the role that CARTAC was playing in the region. Some teleconferences were organised from the United Kingdom for those key stakeholders that were unavailable during the field visits.

A complete list of interviewees appears in the Annex K.

On-Line Surveys

The surveys were focused on obtaining a snapshot of counterparts and training participants as to their thoughts and views on the role that CARTAC is playing in the region. Each survey focused on one key stakeholder group with a view to establishing whether CARTAC was meeting their capacity needs and whether it was linked into the strategic vision of the organisation and the country. Some of the respondents appeared in each survey by virtue of their position on the steering committee, as a counterpart and a recipient of training.



We developed three surveys utilising SurveyMonkey.com²³ which provides a standard system to produce surveys and allows for basic analysis of the results. This had the advantage of enabling standard surveys to be administered in a relatively simple and quick way to potential respondents.

The short period of time available for preparing and administering the surveys limited the quality and breadth of respondents that could be reached, as well as time for follow up

²³ www.surveymonkey.com

particularly as a significant amount of cleaning and correction of email addresses had to be undertaken.

The focus of each survey is discussed below:

- The training participant survey focused on the respondent's perspective on the quality of training delivered by CARTAC and the extent to which it has been applied in their respective work place. We received a list of training participants from CARTAC amalgamated the lists and sent an invitation through survey monkey for each to respond to a short survey. This survey was successful with a reasonable response.
- The counterpart survey looked at the relevance between CARTAC technical assistance and the needs of beneficiary organisations. It reviewed the effectiveness of the TA and how it is delivered, how to improve the effectiveness of CARTAC TA and the role of the steering committee.
- The final survey, the Steering Committee survey, focused on strategic issues and the effectiveness of the committee in providing regional guidance to CARTAC. This survey was sent to all current and alternate members of the committee

The surveys are seen as supportive to overall evaluation process in that they focus on a narrower range of issues but capture a wider cross-section of individuals, organisations and countries within the region. As such they are a valuable adjunct to the evaluation process and are consistent with our overall findings.

4 Evaluation Findings

4.1 Relevance

The relevance of CARTAC's activities and the context in which it operates may be assessed taking account of the following factors:

- CARTAC's programme goals, as reflected in the Programme Support document, which acts as its strategic and operational plan;
- The evolving economic needs and context in the Caribbean, including the impact of the 2008/09 world financial and economic crisis;
- The evolution of donor best practice, including implementation of the Paris Declaration;
- CARTAC's position in relation to alternative providers of Technical Assistance (TA), including the IMF's direct provision of TA;
- The findings of the 2003 and 2006 mid-phase reviews of CARTAC; and responsiveness of the demand-based model, governance and Steering Committee oversight.

CARTAC's purpose and objectives are identified in the Phase III Programme Support Document as follows:

Box 1: CARTAC's Purpose and Objectives for Phase III²⁴:

CARTAC's purpose is 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. In line with its core competencies and mandate, CARTAC's objectives will include:

- Promoting sound and transparent public resource allocation, and efficient public finance management based on modern government budgeting, effective budget execution and accounting, and adequate auditing and scrutiny.
- Establishing simpler and more efficient revenue administrations with modern organization, systems and procedures for serving taxpayers and enforcing tax laws.
- Promoting healthy financial institutions through robust supervisory regimes with broad coverage, including deposit-taking institutions, insurance companies, securities market participants, other financial service providers and offshore financial centres.
- Strengthening capacity for monitoring and analyzing economic and policy developments based on accurate and timely statistics;
- Improving the capacity of countries to effectively formulate, implement, and monitor macroeconomic policies.

In addition, strong interest has been expressed in the region for work on developing capital markets and enhancing the environment for financial development more generally.

The direct contribution to the high level programme purpose varies across the six technical areas, and in some cases the contribution is imputed rather than made explicit. Typically this was in cases where CARTAC's support has focused on only one strand of capacity building, for example, in statistics, and where other parallel activities are required to support the

²⁴ Programme Support Document - Strengthening Economic and Financial Management in the Caribbean Region: CARTAC Regional Technical Assistance Centre (CARTAC) Extension, 2008-10, January 2008

overall objective of higher economic growth and/or poverty reduction. Therefore, better statistics alone doesn't lead to higher growth but should be a useful factor in contributing to better policy decisions. No project or initiative was identified which lies outside CARTAC's purpose and objectives.

CARTAC makes a distinction between its technical role in building capacity at national and regional level, and the role of others, including the IMF, in providing policy guidance. There was clear feedback from those interviewed and from survey respondents, that its technical expertise and support to their capacity building needs are highly relevant. Furthermore the demand-led model and the distance maintained from providing explicit policy recommendations mean that CARTAC has successfully avoided becoming embroiled in controversial political or policy disputes.

Evidence Demonstrating Relevance

The country reviews undertaken as part of the evaluation identified project activities that were, without exception, relevant both to the needs of the country and consistent with CARTAC's purpose and objectives. In the course of the country reviews the evaluation team did not identify any activities that lay outside CARTAC's remit or objectives.

This overall finding is supported by the survey results. Feedback from the Training Participants Survey indicates a very high degree of satisfaction that the training provided is relevant. The average result to the question: "To what extent did the training, workshops and seminars you have attended is **"relevant to your job" is 3.51** where 3 is "good" and 4 is "excellent".

The relevance of CARTAC's work may be illustrated by the examples presented in Table 4.1. Since CARTAC is supporting nationally owned projects and capacity building initiatives, many of the examples do reflect an **attribution issue**: whilst CARTAC's support has been relevant or highly relevant, other factors, including national effort and in some cases the work of other donors/ serviced providers is also contributing.

Table 4.1 Examples of CARTAC Projects Demonstrating Relevance

N o	Objective	CARTAC Project Examples	Evidence of Relevance
1	<i>Promoting resource allocation, efficient public PFM etc.</i>	Jamaica: Strengthening internal audit function	Internal audit had been neglected under other PFM strengthening initiatives in Jamaica. CARTAC is supporting an ongoing GoJ/Min of Finance & Public Service initiative to address this weakness. The Deputy Financial Secretary observed that improvements in internal audit are contributing to a reduction in audit queries in the [external] Auditor Generals report. Relevance: high; will be maximised as part of Jamaica's broader PFM reform effort
2	Establishing simpler and more efficient revenue administrations	Grenada: i) Support to Customs Service	i) Assisting preparation of a modernisation plan; support in preparing new Customs legislation and regulations (previous Act was passed in 1960); supporting establishment of Customs Risk Management unit ²⁵ .

²⁵ UNCTAD is providing complementary support to introduce ASYCUDA World.

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No	Objective	CARTAC Project Examples	Evidence of Relevance
		ii) Introduction of VAT	ii) VAT is becoming the norm in CARICOM, promoted as <i>“an instrument that would facilitate investment, provide incentives to exporters and in general make country internationally competitive”</i> ²⁶ Grenada has large fiscal deficits, highlighting need to broaden the tax base. Relevance of both projects: Very High
3	Promoting healthy financial institutions through robust supervisory regimes	Support to Caribbean Association of Insurance Regulators(CAIR) GARFIN	Caribbean facing uneven regulatory capacity. Key issues of protecting life assurance policies/investors; assessment of risks; fragmented financial reporting by conglomerates. CARTAC funding regional training and conferences at least twice a year. Proactive (e.g., organised emergency regulators meeting when CLICO failed). Supporting establishment of GARFIN as integrated regulatory body ²⁷ . Relevance: Very High
4	Strengthening capacity for monitoring and analysing economic and policy developments based on accurate and timely statistics;	Barbados: National Accounting Strengthening statistics in the region	Re-estimation of nominal and real GDP based on revision of input-output tables. This upward revision lowered debt to GDP ratios, which in turn has implications for the cost of government borrowing. ECCB rebasing of national accounts; strengthening price statistics in Grenada and Jamaica. Mentoring statistics specialists from stats authorities to provide capacity building in other Caribbean countries. Relevance: Very High.
5	Improving capacity to formulate, implement & monitor macro econ policies.	ECCB/ regional “boot-camp” in macro-economic modelling	Important contribution to deepening technical expertise. Results have potential to contribute to better informed policy making. Relevance: Very High.
6	Developing capital markets	Support for Caribbean Group of Securities Regulators (CGSR)	Example: work to develop regional protocol for cross-border mergers; support for risk management strategies . Relevance: Very High. Linked to 3 above.

How has CARTAC been so successful in demonstrating that its work is relevant to its mission purpose and objectives? Three contributory factors have been identified which have assisted CARTAC:

²⁶ Government of Grenada, Proposal for a Value added Tax (VAT), May 2009

²⁷ CIDA has also played a role in supporting establishment of GARFIN.

- **Demand-led model:** CARTAC generally responds to needs that have already been identified by the recipient. The model is responsive to needs rather than the supplier-driven. Furthermore there is ample feedback from recipients that CARTAC RAs have taken the time to work collaboratively with national and regional institutions to understand their needs, for example through Training Needs Assessments (TNAs), (for example, Jamaica's STATIN /Statistics Institute) and supporting preparation of medium term capacity development plans (e.g., Grenada's Customs Service). The provision of TA and related capacity building, for example, to regionally based professional associations, has been based on a **shared analysis of needs and mutually agreed inputs**.
- **Prioritisation filters:** CARTAC has avoided over-extending itself into areas which lie beyond the core expertise. The broad areas of CARTAC's TA support reflect areas of focus as part of the IMF's overall surveillance (both Article IV and those countries under IMF programmes). For example the focus on statistics has been on national accounts, price and trade statistics. CARTAC has avoided socio-economic statistics such as census and demographic analysis, household or social sector statistics. However, CARTAC generally seems to have presented its capabilities and focus well to external parties and has avoided over-committing and it has also avoided the impression of being too closely linked to IMF surveillance activities.
- **Relationship management:** CARTAC's approach to its technical support is based on impressive and personal relationship management. The RAs engage very well and in a collegiate manner with their counterparts in partner countries. Where expectations have been raised, CARTAC has retained focus and delivered effectively. The interviews conducted demonstrate a genuine two-way empathy. RAs appreciate, and are believed to understand the human resource constraints of small island economies – for example that statisticians cannot be working on updating national accounts at a time when their primary focus is census preparation.

CARTAC's Contribution to Implementing the Paris Declaration

Overall the approach is consistent with the intentions of the Paris Declaration. Whilst **alignment** with country led needs is very sound at a project level, at a country programme level the situation is somewhat uneven regarding **harmonisation** with other donors. Harmonisation between donors is generally more challenging in the Caribbean than in more aid dependant regions, because coordination mechanisms are typically less well developed and most donors are covering multiple countries from regional offices.

Does relevance at a project level equate to relevance at a country and/or regional programme level? Whilst CARTAC is undoubtedly demand-led at a project level, in many ways it is more challenging to be fully coherent in terms of national engagement, particularly in the larger and more aid dependent countries (such as Haiti, Jamaica and possibly Guyana). In these cases there are more donor programmes and coordination, unless government led, is inherently more difficult.

Some Caribbean countries have been rather sceptical about joined-up donor approaches and have resisted aid harmonisation. In this regard the situation is quite different to parts of Africa, such as Tanzania and Mozambique, which have well organised, Government-led donor coordination.

It was also noted in the country evaluations that many respondents were surprised to learn about full range of activities being undertaken by CARTAC. For example, the Planning Institute of Jamaica, (PIOJ), which has a lead mandate for donor coordination, was unfamiliar with all CARTAC's activities in Jamaica. As a consequence the **visibility** of

CARTAC has been less than the sum of its individual parts. We have made some recommendations to support a higher visibility including a country resource area on the CARTAC website.

CARTAC is committing considerable effort and resources to ensure that its support is coherent and strategic at a country level. One concrete step has been to mobilise a number of inter-disciplinary missions to key countries. This is a welcome initiative and generally has worked well, although it is resource intensive for CARTAC to administer.

There have been occasional setbacks: whilst a wide range of CARTAC staff visited Jamaica in February 2009, the quality of engagement was somewhat disappointing in terms of coordination at the national level. Jamaica now has a new and very experienced Financial Secretary, the former Executive Director of PIOJ, and further engagement by CARTAC is likely to be well received and beneficial.

It is particularly welcome that CARTAC has missions planned to Suriname and Haiti, the two non-English speaking CARTAC countries which have different traditions and systems, and are as a consequence more challenging. It is important that a particular focus is placed on Haiti, given that it is the poorest country in the Western hemisphere and faces considerable capacity constraints.

4.2 Effectiveness

CARTAC is an effective provider of technical assistance to the region. We evaluated the effectiveness of CARTAC in relation to:

- The provision of TA
- The provision of training, and
- Support to regionally based institutions and professional associations.

i) Provision of TA

CARTAC's effectiveness is supported by the forms of assistance provided. The basic model of working with countries to support their own capacity development received a strong endorsement. Stakeholders in partner countries observed that:

- CARTAC's approach helped to deepen understanding. A shared analysis is central to the approach: CARTAC RAs sit with department heads and the technical staff to plan activities, explain techniques, address current challenges and discuss data issues. This is mentoring at its best.
- The quality of mentoring by both RAs and short term experts recruited from the roster is high.
- The ability to make short visits to follow up on initial work is also appreciated.

One distinguishing factor of CARTAC's contribution in comparison to that of other providers of TA is that the RAs play an active technical role themselves, and have high credibility in their technical fields. By contrast most other donors are largely staffed by individuals playing a substantively administrative role.

Although this did not come out as a dominant theme in interviews, the fact that CARTAC's services are free at the point of contact makes them particularly appealing to Government

departments and other recipients. *Inter alia*, it means that the focus of engagement with the partner Government can be on technical service provision rather than on contractual or financing issues.

Whilst this model of support is effective in CARTAC's chosen areas of focus, it would not meet all needs. For example the introduction of a Financial Management Information System (FMIS), which may be central to strengthening PFM, is likely to require longer term and sustained technical inputs and would be too resource intensive for CARTAC to lead on. There is some concern – see efficiency below – that the rather prescriptive TA model used by the IMF (for example, standard length TA missions and heavy reporting requirements in terms of back to office reports) is too rigid and inflexible for CARTAC's needs. CIDA are proposing a new programme SEMCAR with the World Bank and IMF to implement jointly a tax, customs and public financial management support project providing policy advice, technical assistance, and linked ICT development to twelve Caribbean countries²⁸.

ii) Provision Training, Seminars and Internships

CARTAC facilitates capacity building through training courses in several ways:

- Courses and workshops are organised where appropriate on a regional basis, and this is particularly appreciated because it creates a forum for experiences to be shared. An example is the recent macroeconomic programming “boot-camp” organised in St. Kitts and Nevis, which had a strong technical focus.
- Conferences, seminars and workshops, such as those organised through CAIR covering the regulation of insurance markets, allow specific themes to be discussed. CARTAC is able to obtain the inputs of leading international experts to speak at such conferences.
- Internships are organised that allow continuing professional development across the region, such as the recent internships for economists at the Bank of Jamaica, Central Bank of Barbados, ECCB and CCMF.

Feedback from the Training Participants Survey indicates a high degree of satisfaction with the training provided. The average result to the question: “To what extent did the training, workshops and seminars you have attended [contribute to] the effectiveness in improving your ability to do your job” was **3.27**, where 3 is “good” and 4 is “excellent”.

iii) Supporting Regionally Based Institutions and Professional Associations

CARTAC supports or is supported by a number of regional organisations with the following sitting on the Steering Committee. The Caribbean Community (CARICOM) is an organisation of 15 Caribbean nations and dependencies with main purposes are to promote economic integration and cooperation among its members, to ensure that the benefits of integration are equitably shared, and to coordinate foreign policy. In addition, CARICOM supports regional technical oversight associations such as:

- Caribbean Group of Banking Supervisors (CGBS);
- Caribbean Group of Securities Regulators (CGSR); and,

²⁸ Joint World Bank (WB) – International Monetary Fund (IMF) Proposal for Canadian International Development Agency (CIDA) Regional Development Project “Support for Economic Management in the Caribbean” (SEMCAR)-CIDA Funded Initiative- This proposal would build on the successful implementation of previous regional interventions financed by CIDA. The activities would be coordinated with and complementary to CARTAC activities in these fields

- Caribbean Association of Insurance Regulators (CAIR).

Other regional entities include:

The Organisation of Eastern Caribbean States (OECS) is an inter-governmental organisation dedicated to economic harmonisation and integration, protection of human and legal rights, and the encouragement of good governance between countries and dependencies in the Eastern Caribbean.

The Eastern Caribbean Central Bank (ECCB) is the Monetary Authority for a group of eight island economies; Anguilla, Antigua and Barbuda, Commonwealth of Dominica, Grenada, Montserrat, St Kitts and Nevis, St Lucia, and St Vincent and the Grenadines. The purposes of the Bank are:

- To regulate the availability of money and credit.
- To promote and maintain monetary stability
- To promote credit and exchange conditions and a sound financial structure conducive to the balanced growth and development of the economies of the territories of the Participating Governments.
- To actively promote through means consistent with its other objectives the economic development of the territories of the participating governments

These play a vital role in facilitating development of appropriate standards of oversight and supporting the move towards more uniform and consistent regulatory standards. Some were established under the aegis of regional bodies – for example the CGBS was mandated in 1983 at the behest of CARICOM Central Bank governors. Eleven out of its 13 members are CARICOM members²⁹. Higher regulatory standards should help to manage risk in the Caribbean region and thereby reduce the risk premium in the region, bringing down the cost of capital for investment whilst protecting savings and pensions. This is potentially very high value-added for CARTAC, with no obvious alternative providers.

The secretariats of each of these associations highlight the crucial role that CARTAC plays. Typically secretariats perform this function as part of their national responsibilities, and CARTAC's technical and financial support has been considered vital to strengthening their work.

Much of the focus of these associations is on agreeing what standards should be applied, reflecting on the experience of trading partners in the USA, Canada and Europe. This is particularly relevant due to the increasing international pressure for more appropriate financial regulations, and improved disclosure and compliance as a consequence of the 2008 international financial crisis. CARTAC has brought in short term expertise to provide advice on international best practice. One interviewee cited a trainer who had written the guidelines on best international practice, highlighting the high level of international expertise CARTAC can mobilise.

Regional conferences and seminars provide an opportunity for information sharing and networking. CARTAC's grant funding has enabled attendance by smaller and financially weaker members. It is of note that the quality of professional oversight varies between sector and the strongest countries in one area are not necessarily the strongest in another. This is helpful because it contributes to avoiding a "performance league table" mentality.

²⁹ The remaining two are Aruba and Netherlands Antilles.

Where deficiencies have been identified CARTAC has provided support to enable countries with weaker regulatory standards to catch up with the leading actors in the region. Where appropriate this support has been provided by regional members, for example in relation to establishing GARFIN, to improving insurance reporting and addressing credit union issues.

CARTAC appears to have done a good job avoiding the impression of being partisan. Whereas in the 1990s the IMF was heavily criticised by Caribbean states for pursuing solutions that were not considered to reflect adequate national and regional ownership, the interviews and surveys conducted as part of this evaluation did not draw similar findings.

The Case for Cost Recovery in Support for Regional Regulators

One concern is that benefits from improved regulation may fall disproportionately amongst countries in the region: it is quite probable that those that are already wealthier will capitalise disproportionately more from improvements in banking, securities and insurance regulation than poorer countries in the region. It is likely that the Cayman Islands, British Virgin Islands and Bahamas have more to gain from this initiative than Guyana and Haiti, at least in the short term.

The former economic cluster has comparable GDP per capita to Canada, CARTAC's largest donor. Is it reasonable that they should be cross-subsidised by CIDA? Arguably in these high value added areas, a more equitable cost recovery mechanism should be put in place whereby middle income countries contribute more to CARTAC whether as increased contributions or through cost recovery

VAT Implementation Project

CARTAC has assisted four countries to establish VAT Units: Dominica, Belize, Antigua and Barbuda and St. Vincent and the Grenadines. The assessment report describes the TA intervention as exemplar. It was designed and delivered by CARTAC to the highest of technical standards. CARTAC and the IMF delivered 12 person years of TA and training between 2005 and 2008, estimated to cost approximately US\$5.7 million with *realized appreciable revenue increases from VAT revenue of more than US\$300 million in 2008 for the four countries together*".

The report found that CARTAC has been effective in achieving its intermediate outcome of establishing functioning VAT Units and increasing VAT revenue. The evaluation team can only commend the quality of TA that has driven this exercise forward within a remarkably short time frame. The issue of sustainability raises concerns in the report: the capacity to keep the VAT units functioning well and that of political pressure.

The introduction of a VAT is a political exercise with major social implications. Clearly, these are not questions that CARTAC technical staff should be addressing. We suggest two things which are consistent with our findings:

1. The Steering Committee might want to raise these issues as legitimate areas of interest and make sure that they receive attention across the region.
2. CARTAC reports could include indicators at this level, i.e. against CARTAC's Goal statement.

The long term outcomes for the introduction of VAT Units could be *allocation of VAT revenues to social spending*– a poverty reduction policy outcome. Discussion with recipient countries at the Steering Committee about the formulation of outcomes on work plans would raise the dialogue from the technical to the policy level– and this is CARTAC's goal.

Jensen, J., Mullins, P., Weekes, A., 2009, 'Assessment of CARTAC Technical Assistance to Support VAT Implementation in Antigua and Barbuda, Belize, Dominica, and St. Vincent and the Grenadines', July

for TA delivery³⁰. The planned changes to TA delivery that the Fund is implementing will also have an impact on this area.

Performance Management Reporting

Whilst the projects undertaken under each programme are typically effective, CARTAC's reporting is too disaggregated to demonstrate effectiveness. Information reaching the Steering Committee is over-dominated by planned inputs and activity reporting. The logic of the approach is described, but is typically hidden in back-to-office reports of individual RAs. Whilst this may have some operational value to the IMF it is not seen by the Steering Committee and therefore does not strengthen governance or regional ownership. Performance management issues are discussed in more detail under section 5.0 Organisational Effectiveness.

Balance between CARTAC and other TA Programmes

At present there is no comprehensive database of donor activities in the region, and it is not possible to calculate what share of total TA is being provided by CARTAC. However it is clear that CARTAC's role varies very considerably between programme areas. It probably has the highest comparative advantage in the areas of macro-economic programming, national income statistics and in financial sector regulation. In each of these areas it appears to be the market leader in terms of both share and quality of provision.

Conversely CARTAC has the lowest share of activities in the area of PFM, because all the donors supporting the Caribbean are active in PFM³¹. In addition some countries commission TA from non-aid funded sources, for example in the area of financial accounting and audit. There are, however:

- Strong synergies between elements of PFM support and other areas of CARTAC's work. For example ensuring an appropriate Chart of Accounts is in place has macroeconomic, public finance management and statistics dimensions.
- Having a PFM capability also enables CARTAC to respond positively to requests from Financial Secretaries, many of whom are concerned about PFM related issues.

It is therefore entirely appropriate that CARTAC should retain a PFM dimension to its work.

4.3 Efficiency

Location and Geographic Focus

As noted by one of the RTA's: *"RTAC's were created to leverage the efficiencies of both proximity to the beneficiaries and commonality of the issues"*. This logic is particularly strong in the Caribbean, with its large number of small, open and interlinked economies. CARTAC is physically well located on Barbados, one of the regional transport hubs of the Caribbean.

³⁰ The counter-argument to this is that Bermuda along with many other small island states face similar problems with capacity as well, irrespective of the PPP analysis. If the macro-economic reforms in one small island state can be easily introduced into another small island state like Bermuda, is that not an efficient outcome?

³¹ FAD have commented that due to increased demand a second PFM advisor (macro-fiscal area) had to be added to CARTAC, reflecting the relevance of the work as well as work pressure despite the presence of many other donors.

CARTAC's staff make substantial effort to visit the projects and countries in the region, and to ensure that geographic biases are minimised. Whereas IMF headquarters staff are not expected to travel more than 50 days per annum, most of the CARTAC staff make multiple shorter visits, which is appropriate to the needs of the region and is possible due to their geographic proximity.

Transport links on the Caribbean are not as good as might be expected – for example it difficult to get to Belize from elsewhere in the Caribbean, CARTAC seeks to rebalance these potential imbalances as is demonstrated by the Steering Committee, which scheduled its November 2009 meeting to take place in Belize City.

CARTAC's level of support does not bear a direct relationship to whether the country is, or is likely to receive IMF programmes. Currently St Kitts and Nevis and Belize are receiving funding under the Emergency Relief Facility; St Vincent and the Grenadines and St Lucia under the exogenous shock mechanism; Grenada has a PRGF and further IMF programmes are under preparation for Antigua and Jamaica. The balance of support is not geared towards the poorest countries – Haiti, for example, which has the lowest GDP per capita in the Western Hemisphere, is receiving only a small share of the total, less than one half of one percent over the last few years.

Some of those interviewed in Jamaica expressed the opinion that CARTAC is more focused on the smaller countries of the Eastern Caribbean. Those interviewed also expressed surprise at how many projects CARTAC has ongoing within Jamaica. It appears that despite the activity reports (which do report by country to the Steering Committee) and the CARTAC newsletter there may be opportunities for awareness-raising regarding CARTACs current and potential activities.

It is both inevitable and appropriate that relatively more of CARTACs assistance should be on smaller countries and Overseas Territories, as these typically have a smaller cadre of professional staff in key CARTAC focal areas. However it is informative to map TA activity against population and GDP per capita (in this case estimated in PPP terms) in order to see where CARTAC resources are being allocated. This is contained in Table 4.2.

Table 4.2 CARTAC’s Contribution Relative to Population and Income of Selected Countries in the Region³²

Country	Estimated population (June 2009)	Regional Population %	GDP per capita at PPP	Estimated % of CARTAC TA FY2007- 2010	Over/Under Represented
Dominican Republic	9,650,054	37.63%	\$8,200	1.11%	Under
Haiti	9,035,000	35.23%	\$1,300	0.55%	Under
Jamaica	2,825,000	11.01%	\$7,500	5.88%	
Trinidad & Tobago	1,229,000	4.79%	\$23,600	2.77%	
Guyana	772,000	3.01%	\$3,800	0.35%	
Suriname	481,000	1.88%	\$8,900	1.41%	
Belize	308,000	1.20%	\$8,400	7.40%	
Bahamas	284,000	1.11%	\$29,600	2.50%	
Barbados	284,000	1.11%	\$19,100	5.66%	
St Lucia	160,000	0.62%	\$11,100	5.24%	
St Vincent and the Grenadines	104,000	0.41%	\$10,200	9.84%	Over
Grenada	90,739	0.35%	\$12,900	6.41%	Over
Antigua & Barbuda	85,000	0.33%	\$19,600	6.51%	Over
Dominica	72,000	0.28%	\$9,900	5.05%	Over
Bermuda	67,837	0.26%	\$69,900	1.97%	
Montserrat	5,0000	0.19%		1.04%	
Cayman	49,000	0.19%	\$43,800	0.35%	
St Kitts & Nevis	40,000	0.16%	\$19,500	6.69%	Over
BVI	24,000	0.09%	\$38,500	1.97%	
Turks and Caicos	22,942	0.09%	\$11,500	0.38%	
Anguilla	14,000	0.05%	\$8,800	1.01%	
Regional TA Delivery				25.92%	

³² Caution must be exercised with the percentage data as CARTAC has rejected it as indicative of CARTAC TA delivery. Furthermore, it mixes actual with planned technical assistance. Therefore, we can say with accuracy that the level of TA support to Haiti is low as we have manually compiled this information from activity reports (21 visits to Haiti and the Dominican Republic in the last 3 years for all RAs). We cannot say with any degree of accuracy what support is in comparison to other countries in terms of total missions and the length of missions and total resources applied to lower income countries and/ or the highest populations.

Source: CIA Yearbook, 2009 and analysis of OTM supplied TIMS TA data

Engagement with Haiti

The 2006 Mid-Term review identified a need for further support for the poorest countries in the region, most notably Haiti. Haiti has a population of nine million, more than triple that of Jamaica, the CARTAC's next most populous country, and more than 50% of the population of the entire CARTAC region. GDP on a Purchasing Power Parity (PPP) basis of Haiti is estimated at US\$1300 per annum, less than half that of the next poorest country, Guyana (PPP of US\$3,800)³³. Haiti has recently reached its HIPC Completion point, and a reform programme is ongoing there, although major capacity weaknesses remain. Other countries requiring additional focus were identified in the 2006 review as Suriname and the Dominican Republic³⁴. CARTAC is engaged in Haiti, and has been making use of conduits such as participating in CIDA missions to the country. Success in reaching the Western Hemisphere's poorest country and allocating an appropriately broad range of inputs will only be achieved with a joined-up and coherent strategy³⁵. Western Hemisphere Department pointed out that the niche role of CARTAC supports growth and macroeconomic stability, and hence, indirectly, poverty reduction. However, CARTAC does not have expertise in poverty reduction strategies and would require additional areas of expertise, such as in the implementation of PSiAs, to support TA focused on poverty reduction. FAD point out that while Haiti does need strong support for capacity building, it is not obvious that a relatively small and demand-driven entity like CARTAC is well-placed to do the heavy lifting required there. Our proposals point to increasing the level of engagement for the poorer countries within the region. However, we do not suggest that CARTAC steps outside its niche role and we support the WHD comment that ultimately macroeconomic stability can support poverty reduction. However, we believe that if TA delivery to Haiti is increased, it will have a greater flow-on impact on poverty reduction than increasing support to a small middle income country within the region.

It is noted that there is no requirement that recruits to CARTAC should speak French, and the language barrier is likely to be an impediment. Options suggested for consideration include the following:

- Ensuring that when the high level engagement takes place later this year, a small number of priority focal areas are identified and agreed with the Government of Haiti, and bilingual RAs are recruited in this area. The big drawback of this is that it is a very slow

³³ CIA World Factbook 2009

³⁴ As at the last Steering Committee meeting, the issue of whether the Dominican Republic could remain a member of two RTACs was discussed. The IMF confirmed that within the existing rules, the Dominican Republic could remain a member of both and receive technical assistance from each RTAC. The extent to which TA should be coordinated was not clarified.

³⁵ CARTAC perspective was that there are plenty of donors (Canada's budget alone is around US\$100 million annually for this single country, compared to our roughly \$10 million for 21) supporting Haiti. CARTAC could easily be swamped with just Haiti requests, so CARTAC is particular about the interventions that it can meet. The Steering Committee meeting, held 12 November 2009, recognised the needs of Haiti but did not support considerable CARTAC resources being used in TA interventions for Haiti. The team's perspective is that the existing CARTAC TA commitment to Haiti is so small in comparison to other Caribbean countries that a doubling of TA delivery to Haiti will have negligible impact on overall delivery but potentially have the greatest impact in terms of overall poverty reduction. Our key recommendation is that CARTAC has a coherent strategy to support Haiti and that this is debated and approved by the Steering Committee.

response, and it would be regrettable to eliminate strong candidates for CARTAC posts because they lacked French language skills.

- Providing intermittent / part-time contracts, perhaps on a framework or draw-down basis to regionally based consultants who can strengthen CARTAC's engagement with Haiti on specific issues. Otherwise, there could be a case for having the TA delivery in another (bilingual) country, especially Canada.
- Collaborating with a Francophone RTAC to act as a conduit to provide appropriate resources to Haiti in priority areas.
- New RTACs are being established, most recently the Guatemala based "Central America, Panama and the Dominican Republic Technical Assistance Centre" (CAPTAC), in May 2009. Whilst the working language of this RTAC is likely to be Spanish, a collaborative approach to address the needs of Haiti on a shared basis might be appropriate.
- The balance of TA between the RTACs and that commissioned by the IMF itself is evolving. Consideration could be given to establishing a Haiti Special Interest Working Group that could fuse the expertise from the IMF's disparate resources.

All of these options have drawbacks, but could form part of a coherent strategy.

CARTAC's Coherence between Operational Areas

In essence, CARTAC is a lean organisation with high levels of external and internal accountability at an operational level. In the interviews conducted with CARTAC recipient organisations, respondents invariably knew the RAs with responsibility for their focal areas personally, and maintained regular contact. Respondents observed that e-mails were typically replied to quickly and telephone messages were returned. Institutional memory within programme areas appeared to be good, with no reports of a loss of continuity when one RTA was replaced by another RTA. In terms of explaining the composition of portfolios, several RAs identified projects and activities that they had inherited.

Concern may, however, be expressed about the lack of detailed understanding between portfolio areas. Some RAs had a relatively low awareness of their peers' activities. We interviewed both current and former IMF staff members and one commented that *'the silo management style is inherited from Headquarters, and reflects the fact that, in the first instance, the advisers are recruited by their HQ departments and to a considerable extent are accountable to them as opposed to the Programme Coordinator'*. CARTAC's management has sought to address information sharing through initiatives such as monthly professional staff meetings as well as shared country engagement missions such as the forthcoming trips to Suriname and Haiti. The reasons for this may be linked to four main problems:

- The IMF technical departments place high demands on RAs for information such as back-to office reports and updating of the widely derided Technical Assistance Information Management System (TAIMS). The process of meeting bureaucratic obligations is estimated by one RA to take 30 percent of his time, although others suggest that it is closer to 20 percent. This reduces client-focused effort. In particular, IMF reporting requirements focus on activity reporting rather than reporting on progress towards higher level goals and objectives. Whilst back-to-office reports are also available for internal CARTAC use, RAs carry a high technical and administrative workload and the form of documentation is not very digestible.
- Individual RAs travel frequently and are not often in the office together. For example the September CARTAC meeting, attended by the evaluation team, only had only two disciplines present – Revenue and Statistics with other RAs travelling or running courses.

- Unlike most donors CARTAC does not currently have Country Assistance Strategies/Plans and there is not a direct link into the regional strategy notes (RSN)³⁶. This may be appropriate – CARTAC's strength is its demand responsiveness, but it means that there is no intermediate level planning document which sits below the three year Programme Support Document. This may constrain both recipient countries and other donors in terms of knowing the extent and purpose of CARTAC's support. The explicit link to the country RSN would support this.
- CARTAC has an excellent website, but this fails to present a story of what CARTAC is doing at an individual country level³⁷. The IMF's own website, and that of other development bodies such as the World Bank, provides direct access to country level information. This is generally the first point of reference for anybody investigating country level engagement and we suggest that CARTAC should consider this.

In addition to placing a heavy reporting burden on CARTAC, the IMF uses surprisingly crude cost attribution models that are generally not fit for purpose. Financial management information is scarce, and cost attribution is difficult. CARTAC is also not assisted by the UNDPs financial management system, which fails to produce comprehensive and timely financial data concerning income to CARTAC or accruals concerning what is due and when.

From a financial perspective, CARTAC support is free at the point of provision, although CARTAC member states do make a flat US\$15,000 annual contribution to CARTAC's operating costs. CARTAC inputs are therefore off-budget at national level, which is sub-optimal from a national resource planning perspective.

The challenge is to identify a reporting format that would be informative to beneficiaries and to other donors thereby supporting both alignment and harmonisation objectives whilst minimising the additional requirement for reporting by RAs. This issue is discussed in more detail in Section 5.

Quality Assurance, Backstopping and Use of the IMF Roster

The overriding evidence from interviews with recipients and from survey results is that there is a high degree of satisfaction with the quality of CARTAC's inputs, both from RAs and from short term consultants and trainers. One of the key recommendations of the 2006 Mid-Term review is that there should be greater emphasis on the use of regional consultants: this appears to have been achieved, based on our interviews, and in most cases satisfaction was expressed about the mix of consultants. Whilst the evidence is limited, our analysis indicates increased usage of regional experts in comparison to MTR 2006. There are numerous examples where CARTAC has created opportunities for national experts, for example

³⁶ However, the IMF Technical Departments through the backstopping facility would use RSNs in their analysis and approval of RA proposed workplans. Our point is that other donors and indeed country recipients do not have reference to an overarching country document in terms of explaining the proposed direction that CARTAC, through individual RAs, is taking. A reference to an overarching country strategy would provide a context for all RA workplans.

³⁷ WHD have suggested that the enhancement to the country-level window in CARTAC's website could take place at two levels. One, to provide to the wider public a clear vision of the relevance of the engagement of CARTAC in the region. Second, it could also be used for provision of data to insiders through a protected website. This could be available to members to the Steering Committee and Fund staff, allowing some new reporting mechanisms to be used by both audiences (and thus reducing the overload). It would also facilitate achieving the objective of knowledge sharing for the Steering Committee.

working in regulatory authorities and statistics institutes, to undertake short term consultancy and training assignments.

The roster system appears to be working well. RAs seem able to facilitate getting new consultants approved. Perhaps partly on account of the relatively high rates that the IMF can pay individuals, it appears able to attract an appropriate calibre of candidate. Although this is not a central issue to CARTAC, interviews revealed that the tax position of short term regional consultants appears to vary according to the tax jurisdiction under which they are operating.

4.4 Sustainability

The review considered whether there was a continuing need for regional technical assistance and by implication whether there should be a Phase IV extension to CARTAC. The review also considered whether there was any indication as to whether there should be an exit strategy for the CARTAC programme.

Does the CARTAC programme require an exit strategy? With any well designed development programme, it is generally accepted that there should be a point at which the recipient takes full responsibility for the activity and is able to manage to an internationally acceptable standard within available resources. The TA delivered by CARTAC is no exception and therefore by implication CARTAC is a finite programme. When should CARTAC finish? The answer is dependent on a range of mostly exogenous variables that influence whether a country, indeed a region, has achieved a level of capacity to undertake the full ambit of responsibilities. This needs to be considered at the end of each phase of the project as a distinct exercise by both the Steering Committee and donors and whether the direction of CARTAC needs to be channelled to other more pressing issues or countries. For example, in terms of the engagement with Haiti, we see a need for greater resources to be allocated to support the reform process perhaps at the expense of other developed middle income countries. We have made some recommendations in this area for the development of a coherent strategy for CARTAC's engagement in Haiti.

The countries within the CARTAC programme are at different stages of capacity development. Therefore, within the current structure of CARTAC there is a continuing need for support but within the varying levels of capacity and as part of the wider country reform programme. We believe that CARTAC is a finite programme but there is medium term need for CARTAC to continue to deliver technical assistance within the region.

Is there a case for a Phase IV? Clearly, there is a need for a 'CARTAC-like' organisation to support the reform process within the region. CARTAC is sustainable as long as donors are prepared to fund it. As a service model, it is hugely popular and we were told repeatedly that 'there will always be a need for a CARTAC'. In one interview, CARTAC was likened to 'a godsend for the Caribbean'. Whilst that is a rather extreme example, invariably the surveys and our more in-depth interviews all point to a need for CARTAC to continue. In many cases, the niche role that CARTAC plays coupled with the expertise and enthusiasm of the resident advisers means that CARTAC is effectively the only technical assistance provider that can respond quickly to the needs of organisations within the region and/ or develop a regional initiative. We suggest some possible alternative models to the existing CARTAC model. If we look beyond donor funding in its current form, there are other models that the region could look to if and when, at some point in the future, there is a need to look for a more internally sustaining approach.

- It could be a semi-autonomous agency of CARICOM, like CARICAD³⁸, with a Steering Committee, responsible for recruitment and staff and financial support. Countries pay subscriptions and donors are sought to support various 'projects' as well as for some core funding
- It could be an independent organisation, like CCLEC³⁹ to which member countries pay subscriptions, it has a Steering Committee and International organisations are represented to monitor quality control and adherence to international standards. It has full time staff complement, who deliver training and arrange regional conferences.

Both of these models attract donors. However, at no stage do we suggest that there is not a need for CARTAC.

What is the evidence to support the sustainability of CARTAC technical assistance?

The technical assistance programmes indicate a vertical shift to more downstream activities. For example, the VAT programme is one of the flagship TA interventions of CARTAC. The shift to TA for revenue administration is now a larger focus for CARTAC. The VAT review team found that overall the VAT programme was sustainable although they do highlight a number of risk factors to be considered⁴⁰. This study also pointed to the other lessons to ensure that CARTAC programmes continue to be sustainable including longer term inputs (which CIDA's proposed SEMCAR may effectively support) and developing results based reporting to manage the programme, an issue that we have also addressed in this report.

The feedback from the interviews indicated differing degrees of satisfaction with the sustainability of CARTAC TA. For example, one respondent pointed out that CARTAC was effectively the only TA provider in that area and therefore, by implication, any assistance contributed to sustainability. Another respondent felt that CARTAC technical assistance was sustainable by virtue of its regional (Small Island) approach and that it had supported regional bodies for financial regulation of banks and financial institutions. Conversely, some responses felt it was little too early in their respective reform programmes to comment on the sustainability as a number of issues were outside the control of CARTAC. Another respondent commented that they drive the reform process and they will determine whether what is proposed is possible in terms of capacity and will let CARTAC know where it can assist.

The survey result for the effectiveness of CARTAC TA indicated that 20 percent rated the sustainability as excellent, 50 percent rated it as good, 12 percent as modest with 2 percent rating it as poor. There was a 17 percent response to 'no opinion' for this question.

A proposed donor initiative to dovetail into the CARTAC programme and provide the longer term technical assistance as an adjunct to demand driven programme deployed by CARTAC⁴¹ is being proposed by CIDA. If and when this programme is implemented, it will actively support the overall sustainability of reform in the Caribbean and technical assistance

³⁸ Caribbean Centre for Administration and Management, based in Barbados

³⁹ Caribbean Customs Law Enforcement Council

⁴⁰ Jensen, J., Mullins, P., Weekes, A., 2009, 'Assessment of CARTAC Technical Assistance to Support VAT Implementation in Antigua and Barbuda, Belize, Dominica, and St. Vincent and the Grenadines', July, page 44

⁴¹ SEMCAR programme funded by CIDA with the World Bank and IMF providing the longer term inputs to support the overall reform process.

from CARTAC. There will be a need to coordinate between the two programmes to ensure a seamless response to the overall reform agenda.

How does the capacity building role of CARTAC support sustainability? CARTAC is to be commended on its efforts to build technical capacity within the region and it uses a range of capacity building approaches to do this. There is a wide awareness of this responsibility of CARTAC among the regional officers/participants spoken to in the review. Respondents spoke of their appreciation of capacity building efforts, and where it is not being carried through to the level expected, this was commented on.⁴²

Table 4.3 Capacity Building approaches employed by CARTAC

Delivered by CARTAC resident advisers; short term international experts; regional experts; IMF experts		
In-Country hands-on TA	Using files and current figures; one to one; one to a group – delivering a concrete output + skills transfer to individuals and groups	Identification of regional officers to become trainers, experts, speakers
Regional training courses	Technical content delivered – in-country follow-up by advisor/short term expert	
Regional workshops to debate current issues	Use of international and regional speakers.	
In-country attachments	Staff are attached to relevant departments in sister countries across the region	
Cascade training (train the trainer)	CARTAC and a regional officer design and deliver a course in-country for country A. Country B trainers observe.	Identification of 'trainers' from country B
	Country A and Country B trainers deliver in Country B. CARTAC QA	Identification of trainers from country C
	Country B and Country C trainers deliver in Country C	Identification of trainers from Country D
Pilot Projects	A project 'modelled' in Country A then rolled out as requested	
Strengthening regional institutions	Encouragement to re-vitalise regional associations; working with regional associations to run workshops and conferences	e.g. COTA (Caribbean Organisation of Tax Administrators) etc.
Build up of networks and regional associations	Encouragement for regional officers to build networks, share knowledge, experience, contacts	e.g. CAPSUG (Caribbean Public Sector User Group – for accountants)

The focus on building regional capacity and support (including professional) organisations is a sustainable approach to capacity building.

⁴² There was only one example of this 'dissatisfaction' when the review was told that the delay in arranging the October 09 regional workshop on double taxation was a result of some problems in resolving the mix of regional and international speakers at the workshop. The regional officers involved wanted more regional speakers.

4.5 Role and performance of the Steering Committee

This section is split into two parts, covering the structure, relevance, effectiveness and efficiency of the:

- CARTAC Steering Committee; and
- Other elements of governance, including the oversight role of IMF departments and contribution of the Government of Barbados in its role as host to CARTAC;
- The contribution of UNDP is discussed in 5.2.

The governance of CARTAC has been subject to a systematic and comprehensive assessment, entitled “Review of CARTAC Governance”⁴³. As noted in the report, the primary objective of that review was *“to enhance the structure of the SC in order to increase country ownership and participation in CARTAC; and to clarify its decision-making process as the project seeks to move into its third phase and its sixth year of operation.”* The review focused on the following specific issues:

- The composition of the current Steering Committee,
- The existing constituency groupings,
- The status of observers,
- The decision-making process of the Steering Committee,
- Membership contributions, and
- The role of the host country,

The findings of this review, both from interviews and from surveys, are broadly consistent with the findings of the Governance report, which provided a valuable input.

Steering Committee

CARTAC’s governance structure reflects its conception as a regional initiative. As a consequence, its Steering Committee has had a greater role in determining the priorities, choosing the experts to be employed and overseeing the work of the Centre. In contrast to the other RTACs, which were founded and continue to be managed by the IMF, as its technical assistance arms, CARTAC has displayed more autonomy. This reflected the concern of regional authorities that CARTAC should respond to the needs as defined by the region and not function as an extension of the IMF.

The Steering Committee’s composition had been subjected to careful consideration and scrutiny with the twin aims of achieving regional balance and maximising regional ownership. In addition, the relative role of the funding donors with regard to the regional representatives has been explicitly considered.

It comprises of 12 seats, with both permanent and rotating members. Member countries in some cases also nominate alternatives, typically the Governor of the Central Bank and the Permanent Secretary (or equivalent) from the Ministry of Finance. Membership composition for 2009 is as follows:

⁴³ Barnett, C., 2007, Final Report: Review of CARTAC Governance, October, page 5.

Box 4.1 CARTAC Steering Committee Membership for 2009

- Chairman of the Steering Committee: Governor of the Bank of Jamaica, Mr. Derick Latibeaudiere.
 - CARICOM, CIDA, IMF, UNDP - one seat each
 - CDB (and all other donors) - one seat
 - ECCB - one seat, representing the ECCB member countries of Antigua & Barbuda, Dominica, Grenada, St. Kitts & Nevis, St. Lucia and St. Vincent & the Grenadines
 - Barbados - one seat (as host country)
 - OECS - one seat representing non-ECCB OECS countries and the British Overseas Territories of Anguilla, Bermuda*, the British Virgin Islands, the Cayman Islands, Montserrat and the Turks & Caicos Islands, filled on a rotating basis
 - Belize and Guyana* - one seat alternating
 - Jamaica* and Trinidad & Tobago - one seat alternating
 - Suriname* and Haiti - one seat alternating
 - The Bahamas* and the Dominican Republic - one seat alternating
- Notes: * = Members representing their group for 2009.
- Observer status: ECEMP/SEMCAR Secretariat; OECS Secretariat; CARICAD.

Source: CARTAC website

The composition has been adjusted somewhat since CARTAC's formation in 2001 although the core model remains unchanged. Those changes are described in Dr Barnett's report and are not repeated here.

It should be noted that actual attendance at Steering Committee meetings does not reflect the balance of membership very closely. The May 2008 meeting was attended by four IMF staff members; three UNDP staff and two CDB staff. By contrast and with the exception of Jamaica which provided two in addition to the Chair, the regional organisation and country members provided single representatives. The consequence of this is that, excluding the Chair, there were eight Country representatives at this meeting and 13 donor representatives. This suggests that the Steering Committee balance is less good in practice than it is in theory. The potential over-dominance of Steering Committee meetings by donors is not in the interests of good regional governance, and it is recommended that a stronger line is taken to ensure that donors harmonise and limit their presence to the agreed cycle⁴⁴.

This recommendation may conflict with the objective of diversifying sources of CARTAC's funding. Some donors may perfectly reasonably wish to reconnoitre CARTAC's Steering Committee before pledging funds. However if this is the objective, it may be more appropriate if they attend as observers and limit their contributions accordingly.

How is continuity of Steering Committee engagement promoted? One of the strengths of this is to highlight the high level engagement and participation in CARTAC's oversight.

⁴⁴ CARTAC have suggested that there should be clear delineation between observers and representatives. Only representatives should have a seat at the table and a voice. Observers could be seated behind the table as is usually done in other regional meetings.

However, a drawback is that in practice it means that there is a high level of turnover of those actually attending meetings.

A comparison has been made between attendance at the May 2008 meeting and the June 2009 meeting. This revealed that out of the 22 attendees (excluding observers, consultants and CARTAC RAs) at the May 2008 meeting only seven attended the June 2009 meeting. This highlights quite a serious challenge to the functioning of the Steering Committee: governance may be weakened by the relative lack of institutional memory.

This concern is reinforced by the review consultation process. Both the 2006 and current Mid-Term Reviews faced limited feedback to surveys and requests for telephone interviews from Steering Committee members. Some reticence is to be expected – very senior officials are naturally reluctant to commit time to completing surveys. However some of those who were met felt unable to comment in detail on the workings of the Steering Committee, citing their limited experience of meetings.

Some turnover is inevitable due to the revolving composition of the SC. Furthermore Governors of Central Banks and Permanent Secretaries have multiple responsibilities and face acute pressures on their time. Donor representatives also change fairly often. But if the Committee comprises members who are not very familiar with its purpose and all CARTAC's functions they are less likely to be able to conduct their oversight role efficiently. A parallel may be drawn with the role of non-Executive Directors on the Board of a company: reasonable continuity is important if the executive management is to be held to account.

It would, however, be regrettable if more junior officials were to attend in order to improve continuity as this would undermine a cornerstone to CARTAC's credibility in the region. Therefore it is appropriate that a mini-strategy should be developed to ensure that Steering Committee members are very well briefed in advance of meetings, in order to maximise their effectiveness.

How does CARTAC manage knowledge management for the Steering Committee?

CARTAC should be complimented for the quality and openness of its Steering Committee window on its website. This provides an excellent resource concerning current and past meetings and issues. Furthermore the inclusion of presentation and reports mean that stakeholders, including but not limited to Steering Committee members, have the opportunity to follow progress. The observations below should be seen as a way to improve access to strategic information still further, and is not a criticism of what has already been achieved.

It is particularly important that documents prepared are in an easily digestible form so that participants can easily see what decisions have occurred in the past. This could be through improved mentoring and information sharing, in particular through providing very concise summaries of the Minutes of previous meetings and improved knowledge management.

By contrast CARTAC SC Minutes are extremely detailed and report verbatim what was said at the meeting. The June 2009 SC meeting note is 16 pages long, with no summary. In practice no new member is likely to read the hundred plus pages of meeting reports covering the last three years/six meetings. In order to understand the major issues over time, it would be helpful to have a concise one page Executive Summary of the main points of each meeting.

There may be opportunities to improve knowledge sharing and networking between Steering Committee members. Many companies and academic institutions implement a "buddy" system, to provide a first point of contact. Consideration could be given to a similar

arrangement, so that new steering committee members are given the name of a previous member and informal preparatory contact is encouraged. This would be particularly useful for rotating members (for example between Belize and Guyana). No doubt it already happens informally, but encouraging a slightly more formal expectation that SC members may anticipate being contacted by new SC members could be beneficial in terms of maximising knowledge management and the effectiveness of SC oversight.

What about the chairing of Steering Committees? CARTAC has been chaired by the Governor of the Bank of Barbados during its first years of operation, and recently by the Governor of the Bank of Jamaica. It has been fortunate to benefit from such strong Chairs. Since CARTAC is likely to continue to operate as a quasi-project for the foreseeable future, no rotation arrangements have been made for the Chair. However it might be appropriate to consider putting an expected minimum and maximum term for Chairs, perhaps between three and five years, in order to find an appropriate balance between the benefits of continuity and the need to ensure that Chairs are not over-burdened and have an exit strategy.

Is the frequency of meetings and venues appropriate? The CARTAC Steering Committee meets twice a year, and each meeting lasts one full day. The case for altering the frequency of meetings was examined as part of the Barnett report, and on balance it was felt that the twice yearly schedule was optimal. There is no suggestion that this finding has changed in the past two years and therefore this has not been re-examined. Care has been taken to use different venues for SC meetings. Recent meetings have taken place in the following locations:

Table 4.4 CARTAC Steering Committee Venues

Date	Location
November 2009	Belize City, Belize
June 2009	Montego Bay, Jamaica
November 2008	Nassau, Bahamas
May 2008	Kingston, Jamaica
November 2007	Basseterre, St Kitts and Nevis
May 2007	Port of Spain, Trinidad and Tobago
October 2006	Bridgetown, Barbados
April 2006	Kingston, Jamaica
September 2005	Bridgetown, Barbados
March 2005	Castries, St Lucia
October 2004	Nassau, Bahamas
May 2004	Christ Church, Barbados

It is evident that in recent years an effort has been made to diversify the location of Steering Committee meetings, and it is clearly equitable to use a range of locations. CARTAC and the Steering Committee, including the Chair, should be complemented for this.

Travel times in the Caribbean are high and there are only a limited number of natural hubs, all of which have been used in recent meetings. It will be interesting to see if attendance holds up at the forthcoming meeting in Belize, which does not have good direct flight connections with other parts of the Caribbean.

Oversight Role of the IMF

The IMF is already undergoing a reform process to enhance its governance and management of technical assistance, and to improve its efficiency and effectiveness. Key objectives are:

- to enhance transparency and accountability;
- to improve integration of TA with surveillance and lending operations; and,
- to improve prioritisation of TA in line with the strategic objectives of both the recipient countries and the Fund.

Box 4.2 below contains extracts from a 2008 Executive Board meeting which reviewed the status and objectives of the reform programme. It is against this backdrop, that this CARTAC review has been undertaken. It may be noted that although it is 18 months since this Board meeting was held, progress with these reforms seems to have been slow. One comment from an IMF staffer was that the lack of performance management reporting reflected, to some extent, *'serious shortcomings in the systems used at the IMF's headquarters for monitoring activities. This may be addressed to some extent as the Fund moves towards charging for technical assistance, but progress is very slow'*. For example, as noted below, improvements to the Technical Assistance Information Management System (TAIMS) system, as discussed by the IMF Executive Board, have yet to be introduced and/or to benefit CARTAC. The shift to results-focused management has been frustratingly slow. However, it must be pointed out that results-focused management should be distinguished from other major TA reforms as these are not only in place, but are starting to achieve the desired results. For example,

- TA prioritisation has been changed with the area departments leading,
- The new TA costing is in place since 1 May 2009 and applied to all new instruments (at this stage AML/CFT TTF, CAPTAC, AFRITAC East and AFRITAC West, and all other arrangements coming on line in the near future), and:
- The external financing framework has been changed with the Executive Board adoption of a new trust fund instrument in March 2009. In addition, donor partnerships are being strengthened, including through the establishment of new RTACs (CAPTAC in May 2009, AFRITAC South, AFRITAC West 2 and CASTAC in 2010), and the new trust funds which will also rely on a Steering Committee structure (AML/CFT TTF is already in place since May 2010 and we aim to start Topical Trust Funds for Revenue and Managing Natural Resource Wealth in May 2010).

Box 4.2 IMF Executive Board Discussions Regarding Reforms to Enhance the Impact of Fund Technical Assistance⁴⁵

Executive Directors discuss[ed] reforms to enhance the impact of the Fund's TA, and to consider how the provision of TA—a core activity of the Fund—should be adapted in light of the strategic directions in the medium-term budget. Directors noted that Fund TA has been widely appreciated and demanded by the membership, and that it has been of high quality and broadly effective in helping member countries develop and strengthen their institutional capacity, acting as a complement to the Fund's surveillance and financial support. Directors saw the proposed reforms as comprehensive, substantive, and broadly appropriate. The reforms involve enhanced transparency and accountability, further integration of TA with surveillance and lending operations, and improved prioritization of TA in line with the strategic objectives of both the recipient countries and the Fund. Directors considered that, if fully implemented, these reforms should go a considerable way toward enhancing the effectiveness of Fund technical assistance.

Directors generally agreed that area departments should play the leading role in preparing TA strategies, as they are the primary link between the Fund and member countries, and accordingly are well placed to integrate the reform agenda of countries with the Fund's own policy and surveillance perspectives, drawing on the technical expertise of TA departments. Directors agreed that Regional Strategy Notes (RSNs) are a useful vehicle for prioritizing TA across countries in the region over the medium term. At the same time, they emphasized the need to take into account country-specific circumstances and priorities to ensure that the Fund is able to respond quickly and flexibly to TA needs as they arise in individual countries. Directors noted that more work is needed to make RSNs fully operational, including as a tool for facilitating coordination with country authorities, other TA providers, and regional institutions.

Directors welcomed the ongoing efforts to integrate TA resource planning more fully into a medium-term framework, including by making TA more responsive to changes in priorities and resources. They stressed that in translating country and regional strategies into dollar budgets and aligning the TA planning cycle with the medium-term budget preparation cycle, short- and medium-term considerations will need to be balanced carefully.

Directors acknowledged that implementation of such a shift to assessing tangible outcomes will require time and resources, particularly to further refine output indicators. They underlined the importance of the careful implementation of the revisions to the Fund's Technical Assistance Information Management System (TAIMS) going forward, in order to increase the reliability and effectiveness of the system in providing meaningful underlying project data for evaluations, consistent with results-focused management.

From a CARTAC governance perspective, the contribution of IMF headquarters is somewhat nebulous. At their best IMF headquarters departments can be extremely supportive to the RAs and individual projects, in terms of providing:

- Backstopping;
- Identifying appropriate experts for short term missions, and,
- Quality assurance and guidance.

At the other extreme, some CARTAC RAs feel considerable frustration at some aspects of their interaction with headquarters, particularly:

⁴⁵ International Monetary Fund, 2008, extracted from IMF Public Information Notice (PIN) No. 08/58 22 May
<http://www.imf.org/external/np/sec/pn/2008/pn0858.htm>

- The time required to fulfil reporting requirements;
- Rather uneven oversight and support.

The nature of the IMF's bureaucratic processes and onerous reporting requirements causes the greatest frustration. It was noted that these reporting requirements are largely designed around the model of "standard" two week missions undertaken by headquarters staff, who are expected not to travel for more than 50 nights per annum. By contrast CARTAC RAs make multiple but typically brief visits; one adviser citing a typical workload of 20 missions in a year.

A RA expressed concern that typically 30% of his time was spent preparing "back to office" reports and fulfilling other bureaucratic processes⁴⁶. Whilst it is widely acknowledged at both headquarters and CARTAC levels that the TAIMS system has deficiencies, some technical departments, such as Statistics, follow the reporting requirements in a rigid manner whilst other departments, including FAD, appear to adopt a more pragmatic approach. This divergence suggests that IMF reporting obligations are unevenly distributed between CARTAC RAs and impose uneven costs onto CARTAC. There did not appear to be an overriding consensus amongst CARTAC advisers about the degree of follow-through on these back-to office reports by IMF headquarters. However it is evident that there is an inherent tension between reporting to IMF headquarters and maximising accountability to the "client" base in the region – the countries and departments that CARTAC serves.

Implementation of the Paris Declaration implies that alignment with country requirements should be maximised, although this should not be at the cost of jeopardising the quality of service provision by CARTAC. It is appropriate that IMF headquarters should be engaged in and supportive of CARTAC's operations. There appears, however, to be considerable scope to streamline the reporting mechanisms. The IMF is committed to the RTAC model, and with seven now in operation and further RTACs planned, it is essential that a coherent reporting and oversight model is developed that enhanced both effectiveness and efficiency. However, it will be important that the streamlining does not stop the needed flow of critical information from CARTAC to the Fund, including to country teams⁴⁷.

If the burden of reporting could be reviewed and potentially reduced, this would have a major contribution to improving efficiency. This may be an extreme example and may not be replicable across all advisers (and across all RTACs), but given the widely acknowledged deficiencies in TAIMS, improved and streamlined reporting mechanisms should provide an opportunity to facilitate greater efficiencies.

Financial Reporting and Oversight

The review team and CARTAC's own staff have faced extreme difficulties identifying what inputs (both time and finance) have been provided in which technical areas and in which CARTAC countries. The data available from headquarters could not be adequately reconciled with the information held by individual RAs. Efforts to identify ad-hoc allocations have been time consuming, partial and unsatisfactory to both CARTAC and to the Review team. This appears to be a serious deficiency and a systemic failure that weakens governance and oversight. It also inhibits achieving value for money, a core efficiency measure. An audit report on CARTAC's operations would need to be qualified given the lack

⁴⁶ It must be pointed out that the responses from resident advisers varying from 5 percent to 30 percent with the average about 15 percent.

⁴⁷ Comment from Western Hemisphere Department.

of timely management (financial and resourcing) information. The team believe that it is unacceptable that this situation is permitted, and recommend that it is addressed as a matter of urgency.

As noted above, from the Board PIN, the IMF is already committed to reforms to enhance the governance, accountability and management of the IMF's technical assistance. However progress appears to have been disappointingly slow. The lack of adequate financial reporting is a major shortcoming.

This has been frustrating for CARTAC's staff. CARTAC is such a well run RTAC that it would be the ideal organisation to lead on developing and implementing improved systems. For this reason, it is recommended that consideration should be given to treating CARTAC as a "pathfinder" in order to lead the way to introducing a more accountable, transparent system that enables all stakeholders (those at IMF headquarters, those working for CARTAC; Steering Committee members; donors and other interested parties) to see what resources are being applied. A further challenge is to link this financial data to the simplified results based management system (as endorsed by the IMF Executive Board) in order to improve relevance, effectiveness and efficiency over the short and medium term for the revision of TAIMS and development of more appropriate and efficient reporting and accountability protocols. These could be tested for utilisation more widely by other RTACs.

Government of Barbados as host to CARTAC

The Government of Barbados plays an important role hosting CARTAC. As noted in previous reports it performs this role well and this is appreciated by CARTAC and by other stakeholders. We have no further observations to make.

4.6 Survey Overview

As we indicated in section 3.2, surveys were conducted to support the evaluation process. The surveys were focused on obtaining a snapshot of counterparts and training participants as to their thoughts and views on the role that CARTAC is playing in the region. Each survey focused on one key stakeholder group with a view to establishing whether CARTAC was meeting their capacity needs and whether it was linked into the strategic vision of the organisation and the country. The overall scoring is a simple average of the individual functional area scores and not weighted to the number of responses. Furthermore, where one question had a number of sub-questions, we have not weighted the responses. We have used a simple average of each sub-question result. Some of the respondents appeared in each survey by virtue of their position on the steering committee, as a counterpart and a recipient of training. There were three surveys:

- the training participant survey
- the counterpart survey
- the steering committee survey

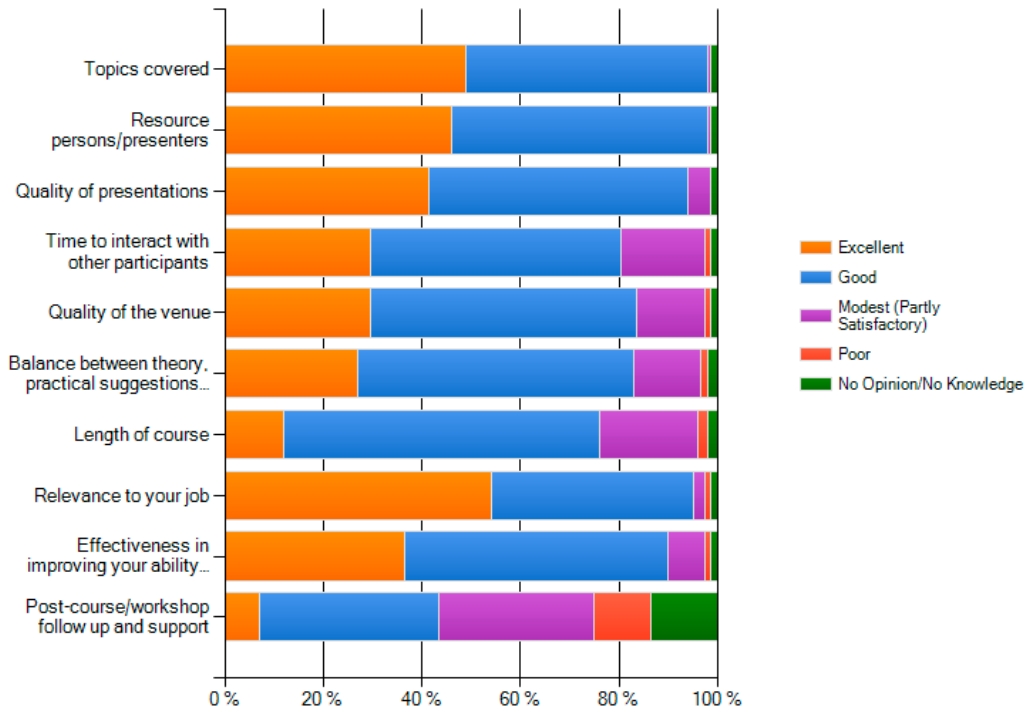
The scoring used for the responses was:

Excellent	4
Good	3
Modest (Partly Satisfactory)	2
Poor	1

No Opinion/No Knowledge	* and so excluded from calculations
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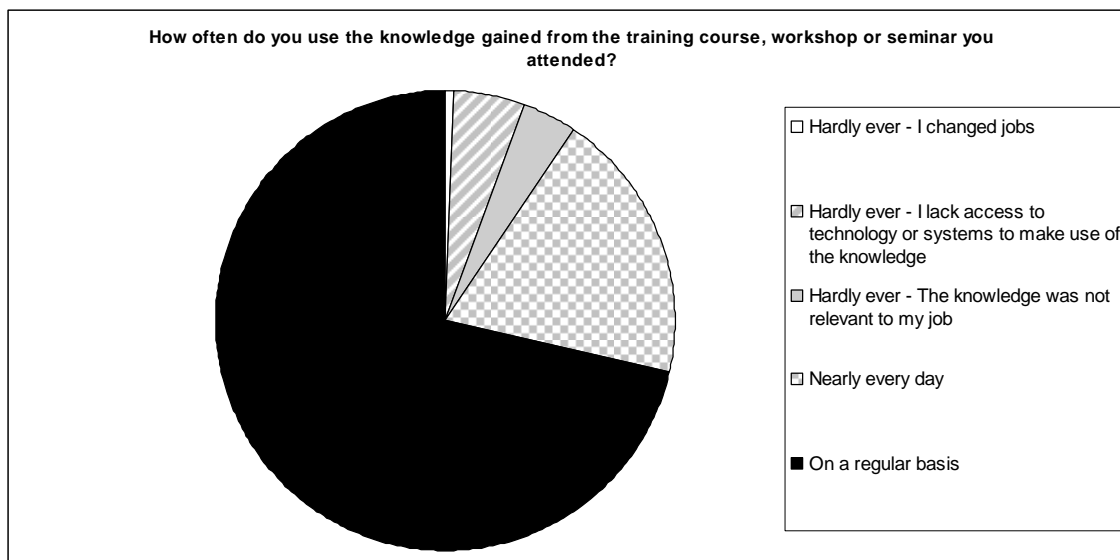
The **training participant survey** considered the respondent’s perspective of the quality of training delivered by CARTAC and the extent to which it has been applied in their respective work place. The respondents rated the quality of CARTAC’s training as ‘good’ and above.

Table 4.5 Quality of CARTAC training by technical area



We also looked at the usefulness of the training once the respondent had returned to work. We were particularly interested in determining whether the training was being applied in the workplace. Overall, **71 percent** considered that they were using the knowledge gained from the training course, workshop or seminar *on a regular basis*.

Figure 4.1 Usefulness of CARTAC training

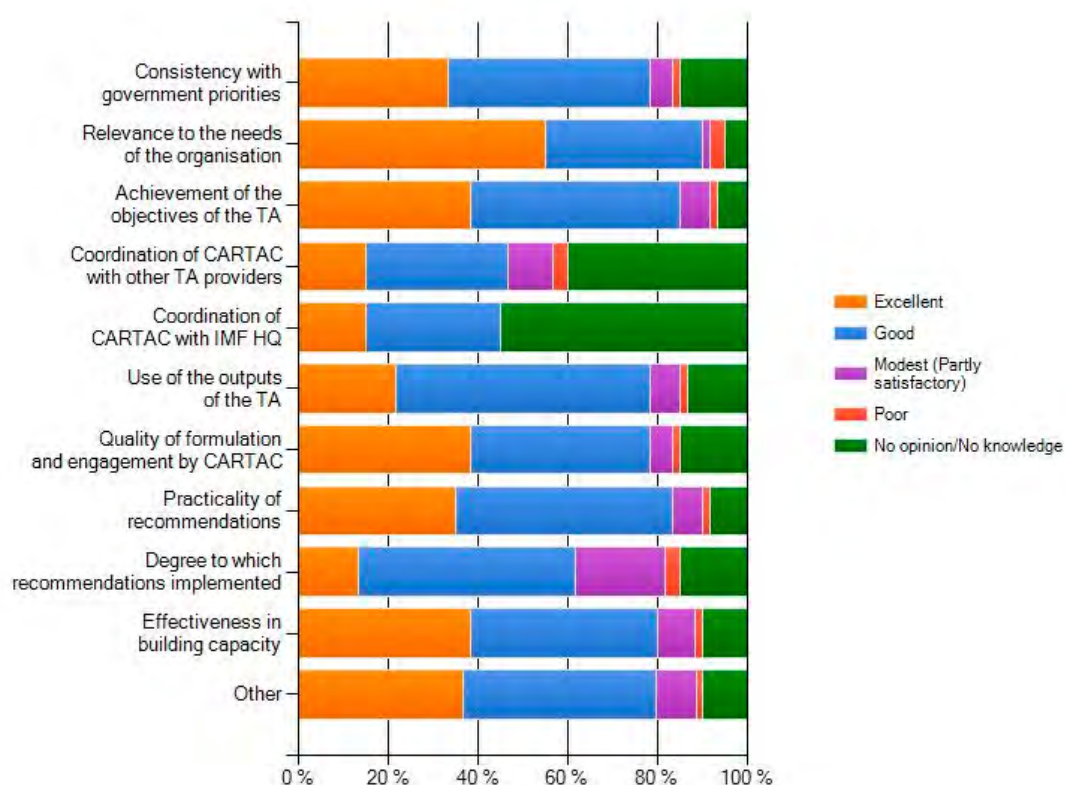


The **counterpart survey** looked at the relevance between CARTAC technical assistance and the needs of the organisation. It also looked at the effectiveness of the TA and how it is delivered, how to improve the effectiveness of CARTAC TA and the role of the steering committee.

Overall, the respondents rated the technical assistance provided to their (beneficiary) organisation as **'good'** and above. The highest score of **3.49** was awarded to the *quality and expertise of the technical assistance provided* and to *the relevance to the organisation*. This survey result is consistent with the team's view that CARTAC are providing a good service to the region and high quality and focussed technical assistance. A lower result of **2.84** was achieved for *the degree to which recommendations implemented*⁴⁸. If it had been closer to 2, we would consider that this pointed to an issue that should be explored. However, it does not sufficiently deviate from the overall score to warrant further investigation.

⁴⁸ CARTAC make the point that 'the degree to which recommendations (are) implemented' is beyond their control. The recommendations themselves appear to be good, but the outcome not as good. Measurement of outcomes becomes more difficult for CARTAC to measure because it is the country's responsibility to implement them. However, the risks or impediments to implementation must also be considered as part of any TA and follow-up will identify progress with reforms.

Figure 4.2 Rating the technical assistance provided by CARTAC to beneficiary organisations



The survey asked beneficiaries to evaluate the effectiveness of the different methods of CARTAC assistance delivered. The overall effectiveness of CARTAC technical assistance is rated as 'good'. However, the scoring for the resident advisers was lower than expected in that the review team considered the resident advisers as the key to CARTAC's success.

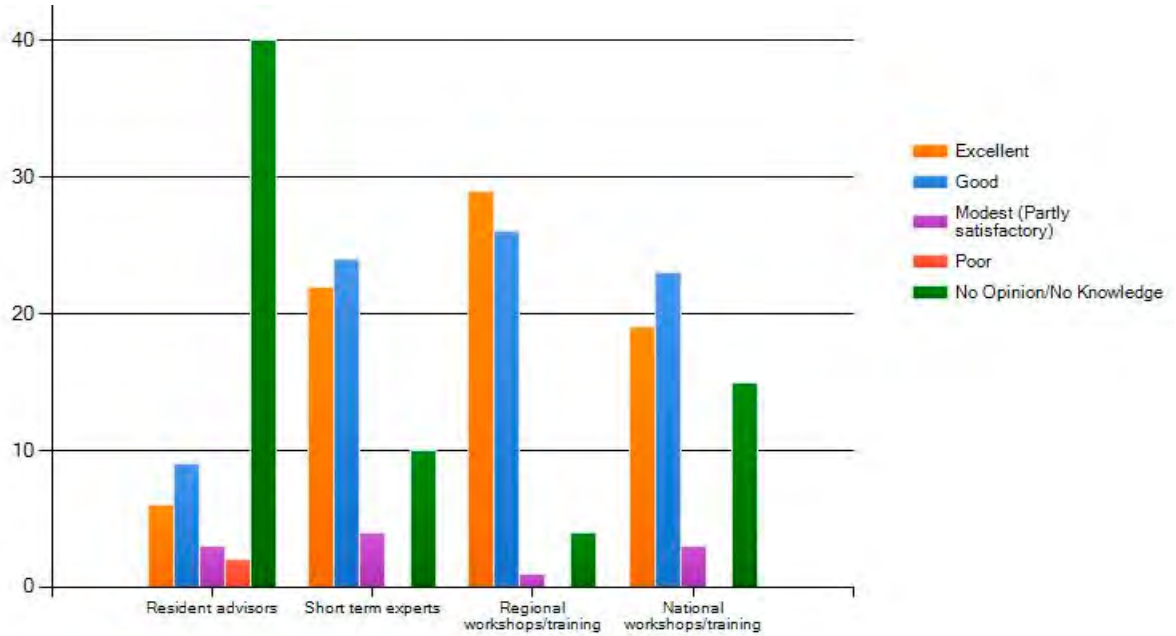
Table 4.6 appears to indicate that respondents felt that CARTAC resident advisers were only a modestly effective method of delivering CARTAC assistance, particularly in the area of MCM. Moreover, the majority of respondents (66.7%) expressed no opinion or knowledge of the effectiveness of resident advisers.

Table 4.6 Effectiveness of different methods of CARTAC delivered assistance

	All	FAD	MCM	STA
Resident advisers	2.95	3.17	2.50	2.86
Short term experts	3.36	3.38	3.23	3.23
Regional workshops/training	3.50	3.44	3.56	3.38
National workshops/training	3.36	3.37	3.09	3.36
Overall	3.29	3.34	3.10	3.21

Furthermore, on closer investigation the review team found that respondents misinterpreted ‘resident adviser’ to mean a long term adviser working within the beneficiary organisation with the respondent rather than a CARTAC based adviser managing one of the programmes. Therefore, we believe that the overall results are understated in terms of the overall effectiveness of CARTAC TA and wholly understated and unrepresentative for the specific question regarding resident advisers.

Figure 4.3 Effectiveness of different methods of CARTAC delivered assistance

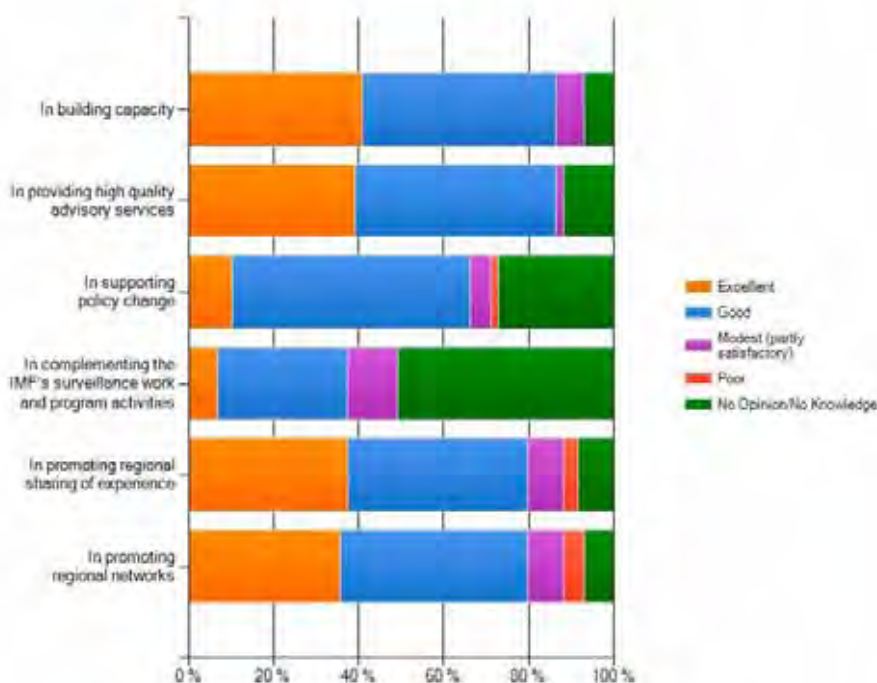


CARTAC technical assistance is rated as **good** or above. A comment from one financial sector respondent noted that CARTAC is responsible for a large part of their staff’s regional interaction and networking in the last 15 months which may explain the high scoring from the financial sector in respect to promoting regional sharing of experience and networks.

Table 4.7 Rating CARTAC’s overall effectiveness

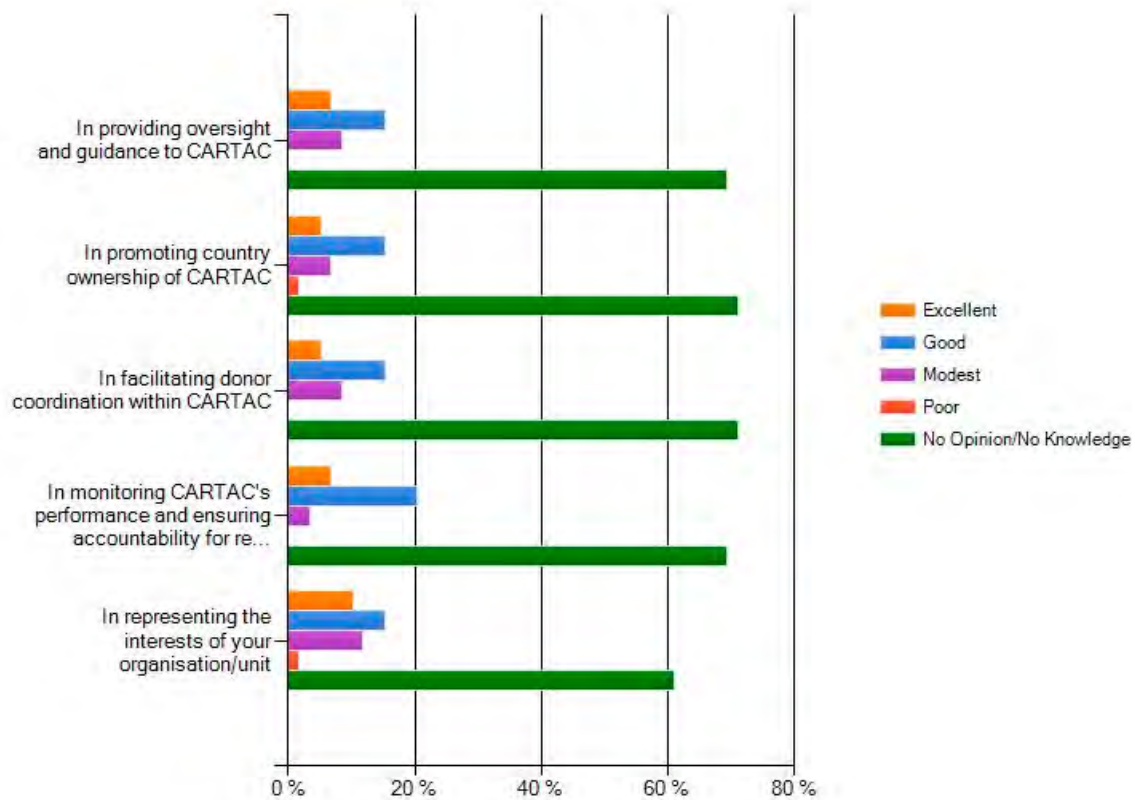
	All	FAD	MCM	STA
In building capacity	3.36	3.32	3.44	3.43
In providing high quality advisory services	3.42	3.39	3.57	3.31
In supporting policy change	3.02	3.00	3.17	2.57
In complementing the IMF’s surveillance work and program activities	2.90	2.89	3.14	2.78
In promoting regional sharing of experience	3.24	3.13	3.56	2.93
In promoting regional networks	3.18	3.19	3.50	2.79
Overall	3.19	3.15	3.40	2.97

Figure 4.4 Rating CARTAC’s overall effectiveness



The final key question within the **counterpart survey** was their perspective on the Steering Committee. The results of this question are more interesting in illustrating the lack of knowledge of the Steering Committee rather than the results themselves. There was a high no opinion/ no knowledge response to this question. One respondent commented that they were unable to answer the questions about the Steering Committee because of lack of participation.

Figure 4.5 Steering Committee performance rating



The final survey, the **Steering Committee survey**, focused on strategic issues and the effectiveness of the committee in providing regional guidance to CARTAC. The Steering Committee rated the performance of CARTAC as **good**. The highest score under this category was a **3.5** for *providing high quality advisory services*, which is consistent with the other survey results and with the evaluation team’s findings.

We then asked the respondents to rate the performance of the CARTAC Steering Committee.

Table 4.8 Rating the performance of the CARTAC Steering Committee

In providing oversight and guidance to CARTAC	In promoting country ownership of CARTAC	In facilitating donor coordination within CARTAC	In monitoring CARTAC's performance and ensuring accountability for results	In representing the interests of your organisation	Overall
3.1	3.1	2.9	2.5	2.7	2.9

The respondents have questioned the steering committees performance *in monitoring CARTAC's performance and ensuring accountability for results* with a score of **2.5**. Again, this is consistent with our own findings that it is difficult to monitor performance as the reporting is all input focused and not on the objectives of CARTAC. There are also delays in getting current financial management information to support resourcing decisions without considerable effort to obtain the data.

Finally, we asked the respondents whether they saw a need for an exit strategy for CARTAC. Almost **80 percent** said ‘no’ and that CARTAC should be envisaged as continuing to operate beyond the next funding phase. The question perhaps could have been better phrased in that we were not proposing to close CARTAC at the end of Phase III but as we discuss in this report, any technical assistance must reach a point where the countries (or organisations) should be able to meet better international practice and thus the need for CARTAC will diminish over time.

Committee members were asked to indicate actions that they think would improve CARTAC's effectiveness. The general responses were:

- Better reporting of CARTAC’s results
- Focusing on the impact of technical assistance
- Better planning

Overall, the survey results supported the findings of the evaluation team.

5 Organisational Effectiveness

5.1 Organisational Framework Analysis

An organising framework was selected to examine the components of organisational effectiveness relevant to CARTAC's mission in the region. The McKinsey's 7S framework⁴⁹ was used as the basis for the analysis.

5.1.1 Strategy

CARTAC's mission has been discussed previously in Box 1. CARTAC's objectives⁵⁰ are:

- a. Promoting sound and transparent public resource allocation, and efficient public finance management based on modern government budgeting, effective budget execution and accounting, and adequate auditing and scrutiny.
- b. Establishing simpler and more efficient revenue administrations with modern organization, systems and procedures for serving taxpayers and enforcing tax laws.
- c. Promoting healthy financial institutions through robust supervisory regimes with broad coverage, including deposit-taking institutions, insurance companies, securities market participants, other financial service providers and offshore financial centres.
- d. Strengthening capacity for monitoring and analysing economic and policy developments based on accurate and timely statistics
- e. Improving the capacity of countries to effectively formulate, implement, and monitor macroeconomic policies.

A sixth objective, under paragraph 22 can be expressed as:

- f. Developing capital markets and enhancing the environment for financial development

The review looked for congruencies between the mission and objectives, the organisational structure and the monitoring and reporting systems used by CARTAC. In the latter the review was looking for indicators to allow the Steering Committee and staff to measure, after almost nine years of effort and hundreds of activities and missions and whether there are tangible achievements at the strategic level.

We looked for an overarching link between CARTAC's goals and objectives and the TA activity (workplans). We established that CARTAC have introduced a country strategy meeting where the Programme Coordinator and a number of Resident Advisers that are available will hold high level meetings with counterparts in the country. This provides the opportunity for CARTAC to engage at the highest level with each country to work together on addressing capacity needs. We note that this has only occurred in a few countries to date but it is the intention of the Coordinator to continue on with this programme. We recommend

⁴⁹ McKinsey's 7S framework was developed in the 1980's by the McKinsey and Company consulting firm and has persisted as a model for examining organisational effectiveness. Its most basic premise is that there are seven internal aspects of any organisation that need to be aligned – that require effort and attention – if the organisation is to be successful

⁵⁰ Source: Programme Support Document - Strengthening Economic and Financial Management in the Caribbean Region: CARTAC Regional Technical Assistance Centre (CARTAC) Extension, 2008-10, January 2008, paragraph 21

that an important base document for these discussions would be one that delineates CARTAC's Goal and Objectives and that country officers are encouraged to refer to their own policy level documents (Budget Speeches, Vision Statements and Plans, Ministry Strategic Plans etc) in planning for CARTAC inputs so that there is a more formal alignment between an individual country's strategic framework and CARTAC inputs.

The Review team is of the view that adopting and strengthening the initiative to hold country strategy meetings will in any case be entirely congruent with the IMF's internal reforms described in a 2008 report⁵¹, in particular:

- *The integration of TA with surveillance and Fund lending operations which will prioritise TA to meet a country's economic objectives. Greater use of the regional strategy notes to align with the strategic objectives of the recipient country and the Fund.*
- *A shift to a medium term technical assistance plan and alignment with the Fund's medium-term budget process, which will make will priority-setting easier.*

At the moment it is not clear how this important initiative feeds into CARTAC's overall work plan as there is no written summary of the meeting nor a series of action points for resident advisers to consider in framing the context of the half- yearly work plans presented to the steering committee. Our recommendation is that the country strategy meetings are formalised with a written record followed by a clear process for the resident adviser to integrate the decisions into their respective work programmes⁵². A further recommendation is that the results of these meetings should be presented to the Steering Committee.

5.1.2 Structure

It is an immediate indicator of organisational effectiveness that CARTAC activities and staff are structured around the Objectives, i.e. staff are recruited with the technical competence to deliver the objectives. These in turn mirror the IMF functional departments in Washington.

CARTAC has a flat structure with all advisory staff reporting directly to the Coordinator. There is no organisational chart and it was not possible to see the line management structure for the administrative staff. The structure suits the collegiate nature of the organisation and the way it delivers its services and the review does not suggest this structure should be altered. The organisation is structured around technical areas based on the objectives and advisory staff are clear about their job descriptions. It could be argued however, that the severe distinction between disciplines has led to a silo structure and that the staff meetings, when staff are frequently absent on missions, are not sufficient to ensure that CARTAC has a consolidated vision that is shared between staff. This is exacerbated by two other aspects of the organisation:

- The close ties back to IMF functional departments limit the extent of information sharing and the flow tends to be vertical rather than horizontally within CARTAC. The strictures of the functional departments provide high degrees of technical expertise and support but inhibit a cross functional exchange of non technical information in terms of networks,

⁵¹ Kammer, A., 2008, Enhancing the Impact of Fund Technical Assistance, International Monetary Fund, Washington, April, Page 5

⁵² CARTAC do make the point that this is easier said than done and have suggested that it would take between 1 and 2 extra weeks per country per adviser. In general, we have recognised that this exercise could be time consuming for CARTAC and have suggested only countries with lower levels of capacity are included such that this does not become onerous for CARTAC.

technical assistance and an overarching coordination of TA effort to maximise available resources to meet country specific needs. For example, if financial regulation is critical to macro-economic stability, why divert resources to supporting the integration of internal audit into the Ministry of Finance? Whilst the demand driven model would support both missions being undertaken, it would be more appropriate from a country perspective to channel extra resources into financial regulation and reduce internal audit activity. Within the strictures of the IMF functional departments and the vertical reporting relationship, this does not seem, prima facie, possible except where resident advisers and the coordinator are continually exchanging information and the country strategies are integrated.

- The reporting formats, including the work plans, with their emphasis on missions and inputs do not easily facilitate an overview of a common vision and progress towards it. We see as critical that CARTAC can clearly identify that their technical assistance is focused on their core objectives. The lack of reporting in this area leads us to believe that CARTAC is actually underselling its contribution to the region.

5.1.3 Systems

CARTAC systems, both formal and informal, were considered.

Generation of Activities

CARTAC uses the IMF formal departmental systems to manage and account for activities – integrated with a fairly informal and personal response system whereby individual officers in client countries may call an individual RA to make a request, as well as using the formal application system. This interface with its clients through personal contacts and networks is a strong feature of CARTAC and many respondents mentioned this as an indication of its organisational responsiveness. There does not appear to be any difficulty attached to the systems that manages and integrates the formal and informal aspects of this process.

Work Plans and reporting systems

The review considered the formal systems concerned with reporting and information management, particularly with regard to the kind of information the Steering Committee needs to fulfil its role.

Given that the organisational goal and strategic level objectives are so clearly stated there is something of a dissonance in that these are not used as the monitoring or reporting framework for CARTAC's activities. This is an issue which sits within the context of wider debates and changes within the IMF's Technical Assistance role. There is no guidance in the RTAC Guidance notes⁵³ on developing work plans, that these should be developed against the strategic objectives of the organisation. The guidance states that work plans should be based: *on early inputs and requests of assistance from the beneficiary countries' authorities, as well as on early and close consultation between the resident advisors and their backstoppers* (ibid, section V).

This guidance is adhered to, but it means that there is not the coherence in the picture of CARTAC's work and achievements presented that there could be if there was a more strategic formulation of work plans and their subsequent monitoring.

⁵³ IMF Regional Technical Assistance Centers Operational Guidance Note for Staff January 11, 2006, Prepared by the Office of Technical Assistance Management, in consultation with the members of the Task Force on Technical Assistance.

On the other hand, the review is aware that introducing this is a work in progress and the IMF is seeking to measure TA achievements against more strategic indicators than the inputs measured by the current work plans. The 2008 IMF report: *Enhancing the Impact of Fund Technical Assistance (ibid)*, though not exclusively addressing TA delivered through RTACs, speaks to this issue.

Measuring Performance

The VAT report noted that ‘workplans give a fragmented picture of the intended effort. CARTAC could assign and record a set of indicators, by which the outcomes will be recognised’⁵⁴. This is a key organisational issue for CARTAC and is summarised in the TA report below:

“62. TA management will become more accountable and TA more cost-effective by:

- ***Moving to results-focused management of TA projects.*** *Benchmarks on project outputs and outcomes make it possible to assess their success, thus fostering a culture of accountability and results orientation at every level of TA management. Performance measurement will be unified across departments for project evaluation and make it possible to distil lessons learned for continuous improvement.”(ibid)*

Although this paragraph speaks to accountability and cost-effectiveness rather than performance effectiveness in this instance, the emphasis on outcomes, results orientation and performance management is the point being addressed here.

It is important to be clear, in delivering TA and in seeking to build capacity, that the performance that is being measured is that of the receiver of the TA- that legislation, institutions and programmes are put in place and operate, as a result of the TA received. This is the measure of TA success. An ultimate measure, as described by CARTAC’s Goal statement, is that the region experiences economic growth and that poverty is reduced. The complexity of measuring and attributing this outcome is left to another debate, but at the least the organisational effectiveness of CARTAC should be deliberated within this strategic environment and not ‘simply’ as a number of inputs delivered or even as outputs, for example, improving Balance of Payments statistics or introducing a VAT. How do these activities support the overarching programme objective and CARTAC’s mission? A suggestion for a simple format to allow staff to do this and enable the Steering Committee to see a broader picture, as they have requested, is described below.

Reporting Formats

One way to drive attention towards strategic planning and monitoring, as distinct from reporting on activities/inputs, is the requirements of the reporting format required from the advisors and experts. CARTAC has explored the introduction of a Results Based Management System (RBM). A report and suggested formats were delivered in a report in May 2008.⁵⁵ With the best will in the world, it would be difficult for any busy adviser to use the formats suggested and it is not surprising that CARTAC has not yet introduced the system recommended in the report. However, it is an important weakness in CARTAC’s overall robust reporting system and although not of its own making (CARTAC follows IMF reporting

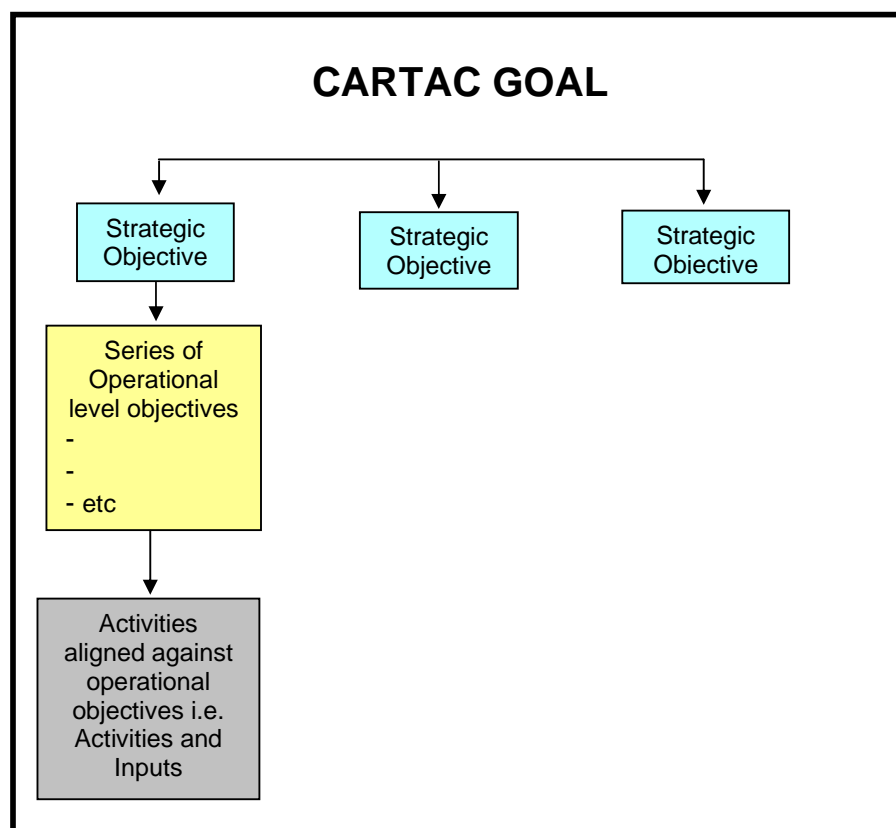
⁵⁴ Jensen, J., Mullins, P., Weekes, A., 2009, ‘Assessment of CARTAC Technical Assistance to Support VAT Implementation in Antigua and Barbuda, Belize, Dominica, and St. Vincent and the Grenadines’, July, page 51

⁵⁵ Results Based Monitoring and Reporting prepared by Jette Jensen, May 2008

requirements), the review feels that some innovation in reporting along the lines requested by the Steering Committee, would help to:

- Enable the Steering Committee to see a more coherent strategic overview of CARTAC activities and achievements
- Encourage advisers and experts to locate their work within a strategic framework
- Allow the monitoring of cumulative activities/inputs towards their strategic goal
- Provide a long term framework into which activities/inputs can fit
- Encourage advisers to develop generic indicators against which they can judge CARTAC and the region's progress
- Illustrate the generic advances being made across the region

Because CARTAC has a clear Goal and set of Strategic Objectives it is not difficult to devise a performance management system based on this. The approach is to disaggregate each level and develop a format based on this flow:



In this model a series of indicators would be developed at the Operational level which cumulatively will measure medium term Outcomes against each Strategic Objective. The Operational Objectives and Indicators in the example are given as an example for 'Strategic

Objective iii: Promoting healthy financial institutions⁵⁶. The complete version is contained in Annex H.

Example of a Draft Strategic Monitoring Framework for CARTAC (FSS) Activities

<p>Goal: Improve members' capacity to manage macroeconomic and fiscal policies, strengthen financial supervision and development, and support economic growth and poverty reduction in the region.</p>		<p>Indicators: (attributable to CARTAC), for example;</p> <ul style="list-style-type: none"> - macro-economic stability - domestic savings and investments growing - increasing FDI - reduction of risks associated with capital and insurance markets - poverty reduction policies in place across region's countries 	
Strategic Objectives	Operational Objectives	Key Performance indicators	Progress against Indicators
<p>3. Promote healthy financial institutions through robust supervisory regimes.</p>	<p>3.1 Identify and address key areas in banking supervision where assistance is needed to move the banking supervision departments toward international standards.</p>	<p>3.1 *Improvement in compliance with the 25 Basel Core Principles for Banking as identified in the FSAPs. *Revisions to the Basel I Regulation that move the country toward full compliance with international capital standards. *Positive press over restructuring of problem banks. Should a bank have financial difficulties, press coverage will ultimately praise or condemn the actions of the regulators.</p>	
	<p>3.2 Identify and address key areas in insurance supervision where assistance is needed to move the insurance supervision departments toward international standards.</p>	<p>3.2 *Improvement in compliance with the IAIS Core Principles for Insurance Supervision as identified in the FSAPs. * An increase in the number of examinations conducted on insurance companies. *The development of a dynamic Insurance Regulators group to take up the responsibility of capacity building for insurance regulators.</p>	

We have also suggested some examples of indicators at the Goal level in this format; these would measure long term outcomes. The argument against drawing up indicators at this level is well rehearsed and acknowledged by the review team, among these: there are so many

⁵⁶ Developed by Howard C. Skip Edmonds CARTAC Financial Sector Advisor September 2009 in response to a request from the review team

other agencies and exogenous factors involved in, for example, reducing poverty, that it makes the Indicator meaningless. The review team simply suggests that unless there is a beginning and a goal, it is not possible to tell the story. CARTAC has a good story to tell. Its institutional memory may be lost, given the input based nature of the current reporting, and the fairly high turnover of advisory staff in some areas, unless there is a more strategic framework adopted for planning, measuring and reporting progress. Adoption of this kind of format would be completely in line with the IMF's own current intentions.⁵⁷

CPI Updating in Jamaica

The Statistical Institute of Jamaica (STATIN) wanted to improve CPI compilation methods to meet international best practices. The CPI basket should be updated every 5 years, but in Jamaica the CPI basket was nearly 20 years old, raising serious questions about the relevance and accuracy of the CPI as a measure of current inflation.

This project was consistent with IMF (Articles of Agreement, VIII, sec.5 and IMF Standards and Codes) and the CARTAC goal of strengthening economic governance. As a result of CARTAC support, the CPI now meets international standards of best practices. The key factor influencing this project was the strong support and management from STATIN and timely technical assistance at various stages in the project from CARTAC.

The most important stake-holders are the Ministry of Finance and the Bank of Jamaica. However, the labour unions, professional organisations, and corporations have also benefited from having better inflation information for use in planning, budgeting and wage negotiations. In summary, the revised CPI continues to be produced and released. The staff also continue to make improvements by working toward developing an "all income" CPI that includes the low/middle income CPI (head-line figure) and the upper income CPI.

Agenda and minutes of Steering Committee

Obviously the Agenda and Minutes of the Steering Committee are vital documents and provide the written institutional memory of CARTAC. Minutes can be seen, not only as a record of a meeting, but as a monitoring tool to follow up progress against decisions made at the meetings. It might help to tighten up the Agenda and Minutes by numbering/ dating agenda items and cross-referencing the minutes against these. Each appropriate minute could include an 'action point' at its conclusion, with a note made of any action and responsible person. This would encourage follow up and a rolling forward of Steering Committee concerns and decisions in the Matters Arising session at subsequent meetings.

We also recommend that draft minutes should be released for comment by steering committee members/ attendees and revised prior to finalisation as a record of the meeting.

Financial management

The financial management reporting for the project is between three organisations, the IMF, the UN and CARTAC. The UNDP HQs role is to record and reconcile expenses reported by both the executing and implementing

agents of a project. The IMF's role (IMF Finance) is similar to that of the UNDP HQs. IMF Finance record and reconcile expenses incurred by the IMF, bill the UNDP HQ and then report to them on a quarterly basis. The PDR report is also sent to the UNDP Barbados field office and the IMF CARTAC office. The combined delivery report (CDR) is then prepared by the UNDP Barbados field office and details all spending against the project. However, the

⁵⁷ (See particularly Box 3: Results Focused Project Management, in TA Reform report 2008 – The Framework for Performance Management and the Fund-wide introduction of performance indicators).

review team was informed that actually UN HQ now undertakes the CDR reporting direct to the IMF.

The UN has a different reporting period to the IMF and therefore the financial information would have to be adjusted to reconcile IMF, CARTAC and UNDP financial reports. The review team found a paucity of timely financial reporting to support effective decision making. We did not identify an overall responsible officer in all three organisations that could provide any financial reports. The IMF said it was the UN's role, the UN headquarters said it was the UN field office and the field office said it was the UN headquarters responsibility. There appears to be a lack of clarity as to who is ultimately responsible for providing timely financial management reporting.

Information Systems

CARTAC is currently developing and installing an Office Automation Database: AutoCartac. It will be a data base, available selectively to staff, that stores in one place all CARTAC information, from tracking expenditure and time commitments, to listing contact details for short term experts, country national staff, and donor contributions. It will contain information on Mission IDs and Consultants and is expected to save hours of advisory time as well as administration time. No other RTAC has installed this feature. It should be evaluated after some time of operation to assess its efficacy. The website should be updated to reflect the core objectives and mission of CARTAC rather than being only a statement of technical expertise and source of information.

5.1.4 Shared Values

The level of enthusiasm and commitment apparent among technical staff respondents was immediately apparent and to make sure that a demanding work schedule of visits, follow up and reporting is delivered at a highly professional level there is a core team of administrators. This team manages the very complex travel programme and ensure that the back-up systems are in place. This seems to work with efficiency and there appears to be little dissonance between the technical and the administrative staff. There is a clear pride in working within a team that delivers a high level of performance. *The shared values of professionalism and responsiveness to clients are perhaps the defining feature of CARTAC as an organisation.*

5.1.5 Skills and Staff

Skills lie at the centre of any organisation and CARTAC's high reputation is based on this component. All technical staff are highly skilled and experienced and across the region there was not a single suggestion or comment from any respondent that staff skills were not entirely pertinent to the work they are expected to do. This positive view of CARTAC staff extends to Resident Advisers and short term experts alike. It is clear that the complex travel programme is underpinned by an efficient administration.

The IMF quality assurance process, delivered through the functional departments and the backstopping arrangements delivered by them, ensure that resident advisers and short term experts are supported technically and contribute to the wider agenda to sustain regional macro-economic stability.

The proximity of CARTAC advisers to the countries they work in and therefore the development of their understanding of the region's challenges and needs, and its institutions, is another major source of strength.

This is coupled with a huge enthusiasm for the job, which is an immediately observed attitude across the staff. The heavy travel timetable is a demanding feature of being a CARTAC Resident Advisor and this enthusiasm is another powerful positive aspect of the organisation. There are many examples where staff members go the extra mile from their job descriptions: a recent one is the establishment of a technical website for regional practitioners; another is the establishment of a user group based on workshop attendees in another technical area. In these ways, CARTAC staff are building up and will leave a legacy of networks run by and for, regional technicians.

5.1.6 Style

The working style in CARTAC is collegiate with informal support and networks across the departments. The atmosphere is professional, led by a Coordinator from the region that is highly regarded. Comments were made in interviews that CARTAC was able to deliver in the relevant way that it does, because there is a person who 'understands' the needs and nature of the region. The 'demand led' feature of CARTAC's operating style (paragraph 26, Project Support Document) is adhered to and the organisation has a good reputation for being highly responsive to requests. The review heard many examples of where CARTAC staff had responded to pleas for emergency assistance, as well as scheduling longer term projects in response to requests.

5.2 The role of the UNDP

The UNDP is the project manager for CARTAC with the IMF as the executing agency. Since the inception of the Centre, the UNDP's role has been somewhat narrower than had been initially envisaged, since it was mutually agreed that many specific project support functions fell properly to the Fund as executing agency⁵⁸. The responsibilities of the UNDP under Phase III are detailed in the box and now primarily centre on consular focused activities and managing contributions from donors which are carried out by the field office in Barbados and

Phase III UNDP institutional support arrangements

CARTAC, mandated as a UNDP project, receives specific support as follows:

- Resource mobilization, review and supervision of donor agreements and related disbursement of cost-sharing contributions/finances, including tracking contributions to headquarters.
- Assistance with the logistics of purchasing and selling vehicles for office and staff.
- Security.
- Preparation of letter and vehicle registration for CARTAC office.
- Customs clearance of shipments for CARTAC office and personal staff.
- Liaison with Ministry of Foreign Affairs to facilitate diplomatic entitlements for CARTAC staff in Barbados, i.e., issuing, resubmission, transferal and extension of resident visas, notification of arrival and departure of staff/consultants and family, as well as renewal requests for identification cards/passports, and UN Laisser Passez.
- Preparation of travel letters; visa requests for workshop participants and preparation of supporting documents.
- Work permits arrangements and requests for household support staff.

the Regional Bureau for Latin America and the Caribbean in New York. This narrower role was formalized in the Project Extension Document⁵⁹.

The IMF became responsible for all financial arrangements including contracting of staff, payment of travel expenses, seminar costs and the operating expenses of the office. It is interesting to note that the counterparts generally expressed surprise that the UNDP was the titular project manager for CARTAC.

The UNDP receives five percent of total donor contributed funds as a management fee.

Phase I: \$384,491 Estimated

Phase II: \$664,112 Actual

Based on the financial information received, total management fees are for Phase III⁶⁰:

2008	\$459,236 Actual
2009	\$399,501 Budgeted
2010	\$327,794 Budgeted

5.2.1 UNDP activities

There is some question as to whether the UNDP adds value to the financial management and governance of CARTAC. This issue was raised in the MTR 2006 and indirectly in MTR

⁵⁸ Bobb, E., and Osborne, N., 2006, 'Second mid-term review of the Caribbean Regional Technical Assistance Centre (UNDP RL A/01/011), September, page 26

⁵⁹ Strengthening Economic and Financial Management in the Caribbean Region: Caribbean Regional Technical Assistance Centre (CARTAC) Extension, 2005–2007, Programme Support Document, 2005, page 23

⁶⁰ Note that this is about US\$1.2 million which is touch above the Phase III overall budget of US\$1.1 million.

2003 and the 2007 Governance report⁶¹. The Review Team sought to establish the weight and number of activities undertaken by UNDP in support of the financial management and governance of CARTAC. CARTAC and the UNDP both supplied data that could not be reconciled and which appears in Annex K.

There appears to be a level of professional tension between CARTAC and the UNDP, which is effectively limiting resolution of any issues. The view was expressed to us that most activities undertaken by the UNDP are effectively backstopped by CARTAC anyway. We put this to the UNDP to clarify what activities they actually undertake as part of their core responsibilities. In their opinion, their role is time-consuming in terms of diplomatic interaction, administrative agent functions and ensuring that the (regional) bureaucracy is moving and liaison with the Ministry of Foreign Affairs. The key role of the UNDP Governance Programme Manager is to provide special reports, support EU budget requirements and a parallel budget process for CARTAC. The UNDP points to a high level of documents that are incorrectly completed by CARTAC which exacerbates the progress of key consular related activities.

There is a sense of frustration from both CARTAC and the UNDP which, even though there are regular meetings, does not seem to have moved forward. For example, the evaluation team requested 2008 financial information. CARTAC informed us that the annual financial management report for 2008 (CDR 2008) had still not been received. We queried the UNDP (Barbados) who expressed surprise and concern that it had not been received and suggested that this was the responsibility of the UN headquarters in New York. The review team also requested the financial management report detailing actual revenue for Calendar Year 2008, including donor payments, interest payments and miscellaneous revenues. We requested UNDP Barbados to provide the information and they quickly responded that they would refer the request to the UNDP Contributions Unit in New York. We also sent the same request to the IMF Finance Department hoping to pick up the information in a PDR report. IMF Finance responded that they had referred the request to the UNDP in New York. The UNDP HQ advised IMF Finance to approach the UNDP Barbados for the details. IMF Finance then rang the UN HQ and was advised that those questions could only be answered by the Field Office.

Apparently, UNDP HQs role is to record and reconcile expenses reported by both the executing and implementing agents of a project. Any other tasks related to the project are handled locally by the field offices. The IMF's role (IMF Finance) is similar to that of the UNDP HQs. IMF Finance record and reconcile expenses incurred by the IMF, bill the UNDP HQ and then report to them on a quarterly basis. The PDR report is also sent to the UNDP Barbados field office and the IMF CARTAC office. The combined delivery report (CDR) is then prepared by the UNDP Barbados field office and details all spending against the project. However, the review team was informed that actually UN HQ now undertakes the CDR reporting direct to the IMF. We are not sure what value the UN adds to the financial management reporting process as there appears to be some duplication. There is a distinct lack of clarity and responsibility within this financial reporting process and to complete the example, we never received the information we requested.

We raise the point not to discuss this incident but to highlight what appears to be a breakdown in the processes to support timely and accurate project management (financial) information. We would suggest that having the UNDP responsible for financial reporting when it could be undertaken by the Fund, is a duplication of effort.

⁶¹ Barnett, C., 2007, Final Report: Review of CARTAC Governance, October, page 21.

5.2.2 Is there a role for the UNDP as project manager?

The fundamental question is whether the UNDP has a continuing role for any extension of CARTAC into Phase IV. In the opinion of the team, the current role of the UNDP should end with Phase III. There are three reasons for this position:

- Essentially the original rationale for the UNDP to act as project manager has passed. The IMF had poor relationships within the region and it was felt that the UNDP as project manager would act as almost a ‘Chinese wall’, to separate the proposed CARTAC from the IMF. This process would allow greater regional ownership and exhibit a greater level of independence than if the IMF overtly managed it. This process has worked, in our opinion, to the extent that the UNDP has developed a regional standalone brand, CARTAC, that is capable of being seen as regional technical assistance centre and with a degree of independence from the Fund that other RTACs do not exhibit. The UNDP is to be commended for supporting CARTAC to develop its capacity to stand on its own feet and be accepted as the regional technical assistance centre par excellence.
- CARTAC administration confirms that it can handle the consular requirements of the organisation. CARTAC is able to take responsibility for these functions with the IMF supporting the administrative UN passport process.
- If we accept the argument that CARTAC is able to manage the functions undertaken by the UNDP, the justification for the pooled funding mechanism can also be questioned. The pooled fund managed by the UNDP can be equally well managed by the IMF. CARTAC can also do an accounting/ reporting adjustment to match the annual financial management reporting period to the Funds reporting year such that the reporting periods are aligned.

5.2.3 The wider development agenda

Does this mean that the role of the UNDP with CARTAC should end with Phase III? On the contrary, the role of the UNDP assumes a far greater and important mandate within CARTAC. The UNDP should continue with CARTAC to sustain the underlying mission of CARTAC to support economic growth and poverty reduction. The role of the UNDP should be to ensure that CARTAC continues to consider the wider social implications of solutions to regional and country problems. VAT implementation is widely regarded as a major success of CARTAC, yet it is also a regressive tax. We would see the role of the UNDP to act as a check to technical solutions to consider the wider social implications of each programme:

- Education
- Gender
- Health
- Poverty

However, the UNDP should not be involved in administrative, consular and project management functions in Phase IV- that time has passed. CARTAC is able to take responsibility for these functions with the Fund supporting the administrative UN passport process.

The UNDP (GMS) management fee and the IMF (AOS- 10 percent) fee amount to an additional cost of 15 percent of actual CARTAC expenditure. If the UNDP project management ends with Phase III, then there will be savings for any proposed Phase IV. A portion of the existing management fee (GMS) charged by the UNDP could be applied to

support a slightly increased administrative function within CARTAC for Phase IV to cover the functions currently undertaken by the UNDP. However, we would expect that any additional costs imposed on CARTAC/ IMF for increased administrative and management functions would be accurately costed for the Steering Committee before any savings from the UNDP management fee were applied. The bulk of the fee should be applied to supporting more technical assistance in the region. It would be regrettable if the additional funds from the ending of the UNDP GMS were viewed as an opportunity to increase other management fees and costs, without appropriate and accurately costed information.

6 Conclusions, Assessment and Strategic Issues for CARTAC

6.1 Conclusions and assessment

The Caribbean Regional Technical Assistance Centre (CARTAC) is one of eight centres (with three new ones planned) set up by the IMF to support economic and financial management technical assistance in 21 countries within the region. The project works in close collaboration with other donors, technical assistance agencies, and regional organisations, in support of regional policy harmonisation and, in particular, the CARICOM Single Market and Economy initiative. CARTAC is guided by a steering committee with country and donor representatives.

CARTAC is making a positive contribution to addressing the regions problems through engagement with regional organisations, country reform programmes and at the organisational level. CARTAC is adaptive and responsive to the needs of the region. The recent financial crisis has seen an upsurge in requests for greater financial supervision and CARTAC is supporting this through several initiatives. CARTAC support the regional and national level through technical assistance, it does not provide policy guidance. The feedback from the interviews and survey respondents was that its technical expertise and support to their capacity building needs are highly relevant. Furthermore, the demand-led model and the distance maintained from providing explicit policy recommendations has meant that CARTAC has successfully avoided becoming embroiled in policy disputes. The project activities were without exception relevant to needs of the country and consistent with CARTAC's goals and objectives. CARTAC has conducted a number of interdisciplinary missions to key countries to ensure that support is coherent and strategic at the country level.

CARTAC TA is effective in the areas of its core expertise. The model of working closely with counterpart organisations and the ability to make visits at short notice received strong endorsement from the stakeholders. CARTAC resident advisers are also technically proficient and have high credibility with counterparts, whereas other donor contacts are not necessarily technical. CARTAC have also fostered regionally based institutions and professional associations including the Caribbean Group of Banking Supervisors and the Caribbean Association of Insurance Regulators. Through the various levels of engagement, CARTAC is contributing to increased knowledge sharing and regional cooperation. The feedback from CARTAC training indicated a high degree of satisfaction to the extent that the rating for the relevance to the job was **good**.

CARTAC is physically located in the Caribbean, a region with a large number of small open and interlinked economies. Coupled with the demand driven TA model and the close professional relationships with counterparts, CARTAC advisers are able to make quick and regular trips to countries to support any requests. The demand driven model and the regional location has a flow on effect in terms of where the largest portion of technical assistance is being delivered. The bulk of TA is directed to the Eastern Caribbean which would have the smallest cadre of counterparts, whereas the needs from a poverty reduction perspective would be with the poorer and heavily populated countries. In some cases, the poorer countries may not be at the level where CARTAC assistance, which is quite specialised, can be usefully provided and at a sustainable level. However, we do note that CARTAC is increasing the level of engagement with the poorer countries including Haiti. We have made a number of recommendations regarding the lack of a clear and accountable performance management process. We also note that these issues have been raised before

in a number of independent reports and that CARTAC has looked at results based monitoring.

The steering committee is one part of the success of CARTAC in that it is seen as regionally representative, even though donors sometimes out-number country representatives. Our main concern with the steering committee is that it receives information focused on the objectives of CARTAC such that it is in a position to assess the progress and identify any problems for which it can provide management with guidance. Country ownership, or the perception of country ownership, is an important influence on the success of CARTAC.

We considered the organisational efficiency and effectiveness of CARTAC and found that it is a lean and efficient organisation in so far as sufficient information is available to allow such a judgement to be made in the absence of any output or outcomes information, the lack of a timely financial management reporting and the poor links to CARTAC's overall goal and objectives. We have made a number of recommendations in this area.

The role of the UNDP has been questioned by other stakeholders. We considered that the UNDP had contributed to the success of CARTAC through creating a firewall between the IMF and the region. However, we feel that the need for the UNDP to act as project manager has passed as CARTAC is able to manage all functions currently carried out by the UNDP. Any other 'consular' activities can be effectively backstopped by the Fund in Washington. However, it is important that the UNDP continues to be engaged with CARTAC through the steering committee to ensure continued consideration of wider poverty reduction issues. The pooled funding can equally be managed by the Fund. The Fund should consider enhanced financial reporting on a quarterly basis to facilitate improved and timely financial management reporting.

The lessons from Phase III are threefold. There should be a continuing focus on diversifying donor funding and confirming the commitment of that funding over the medium term. There is also a need to ensure that the demand driven model is consistent with CARTAC's prioritisation filters and with a country strategy which may be linked to country, regional and a wider IMF programme needs. It is important that CARTAC does not stray into technical areas where it does not have a comparative advantage. There is also a need to be able to demonstrate that CARTAC is doing a good job and is focused on the goal and programme objectives to all stakeholders.

CARTAC can be judged a regional success story although more tangible programmatic outcome based evidence will allow a more definitive judgement of what has been achieved. Any well designed donor programme must have an exit strategy and CARTAC is no exception. Nevertheless, there is a continuing need for CARTAC and by implication the team is recommending an extension into Phase IV. In the longer term, the reliance on donor funding could be reduced and CARTAC could become more of a regionally owned organisation.

6.2 Strategic issues for CARTAC

The strategic issues for CARTAC can be broadly categorised into four areas:

Coordination

The IMF is slowly shifting to integrating TA resource planning more fully into a medium-term framework, including by making TA more responsive to changes in priorities and resources. There is a focus of aligning TA more directly to regional strategy notes. The IMF is also moving towards measuring the performance of Fund TA as a critical aspect of institutional accountability and governance. This shift in thinking is to more results-focused management of TA projects, whereby project success would be assessed against benchmarks on outputs and outcomes, in line with international best practice. The Fund is also looking at higher level of coordination with donors and other TA providers, but without straying from the core expertise of the Fund. The very issues that we have raised about CARTAC are being addressed at the Fund. We believe that there is a case to move beyond the 'silo management' within CARTAC to a more integrated country strategy based as part of the multi-disciplinary CARTAC visits and the regional strategy notes of the IMF. The linking of country activities to a wider strategic TA vision will ensure that CARTAC remains focused; that it maximises limited resources and works within an overall vision for each country and is coordinated with the Fund's TA activities. It is important that mission creep, that is, the extension of CARTAC activities, into areas that it does not have a comparative advantage does not occur. For example, there are a lot of donors with some form of PFM programme. However, CARTAC is often the only TA provider available that can deliver a professional technical assistance in a relatively short time. It is important that, given scarce resourcing, that CARTAC continues to apply prioritisation filters.

The new proposed CIDA funded SEMCAR programme is an important project that should dovetail into the demand driven model of CARTAC. It will be important to manage the coordination between both projects to ensure that CARTAC resources continue to focus on short term and timely responses, whereas SEMCAR acts to support the longer term implementation issues. It will be important that CARTAC has strong communication links and/ or observer status with the SEMCAR management committee.

Funding

CIDA is the by far the largest donor to CARTAC. If CIDA decided to not continue with CARTAC, approximately 67 percent of funding would be gone. There is a continuing need to attract further funding from new multilateral and bilateral sources. In terms of the sustainability of CARTAC beyond the current envisaged phases, it is important that the Fund finds new avenues for funding which diversify the funding sources and perhaps lead to better cashflow management. We provide no suggestions as to which bilateral, multilateral donors and private philanthropic organisations should be approached. Our point is that CARTAC needs to diversify its funding sources in order to be able to plan effectively over the medium term. The role of the programme coordinator and OTM could be to jointly pursue other possible donors as part of overarching strategy to diversify and confirm funding sources. Given that most of the beneficiaries are middle income countries, then there is also opportunity to look at higher levels of country support (and therefore ownership) and consideration of cost recovery for TA, especially as the IMF moves toward cost recovery on TA.

TA delivery

The needs of the poorer countries require an active programme for CARTAC, again consistent with any wider Fund programme and other donor initiatives. Whilst we do not propose some form of quota, we do suggest that CARTAC increases the level of commitment to Haiti to the extent possible given capacity constraints and the political will to implement reforms. The Dominican Republic is technically a member of both CARTAC and CAPTAC. It would be appropriate that the needs of this country are addressed by one RTAC.

Organisational initiatives

Consistent with the wider reforms envisaged by the Fund, CARTAC should adopt a performance management reporting system, linked to the goal and objectives of each Phase. We further suggest that financial management reporting is ultimately linked to the programmes such that steering committee members can get a better picture of what CARTAC is doing, how it is fitting into the overall goal and objective and what resources it is consuming to achieve this. We have suggested a simple format for CARTAC to adopt as an interim measure. We also suggest that the Fund manages the CARTAC pool trust funds on behalf of the donors.

The Fund is proposing to charge for technical assistance for those countries that are currently not on an IMF programme. It is possible that if the Fund is charging and CARTAC remains a 'free' TA provider, there may be an increased demand for CARTAC TA from middle income countries within the region. We are proposing that the alignment with a country strategy and the continued application of string prioritisation filters should manage this risk. However, it is important that CARTAC does not lose its regional and demand driven focus, so it could be a delicate balancing (resourcing) act to manage this.

We also believe that CARTAC should develop a succession plan for the programme coordinator to ensure a seamless transition and of at least equal calibre.

7 Recommendations

The review team recommends the following:

1. CARTAC should re-consider the current reporting requirements with the IMF to reduce the burden of compliance with Fund reporting. The IMF is going through a reform process, in part intended to make it leaner and more client focused. This is therefore an appropriate moment for CARTAC, perhaps in conjunction with other RTACs, to streamline the reporting requirements.
2. The country strategy meetings should be formalised and followed by a clear process for the resident advisers to integrate the outcomes into their respective workplans. The country strategy meetings should also link in with the wider Fund TA programme for the country through the RSNs. Given the large number of countries, it may be that only countries with lower levels of capacity are included such that this does not become onerous for CARTAC.
3. CARTAC should develop a country-level window on its website to summarise what it is doing and planning for each of the CARTAC countries and include the country strategy meetings summary.
4. The website should be updated to reflect the core objectives and mission of CARTAC rather than being only a statement of technical expertise and source of information.
5. CARTAC should ensure a particular focus is placed on Haiti, given that it is the poorest country in the Western hemisphere and faces considerable capacity constraints. CARTAC should develop a coherent strategy to increase TA delivery in Haiti to the extent possible within current resourcing.
6. CARTAC considers a more equitable approach to cost recovery for TA delivery in middle income countries, including charging and/ or larger annual contributions. The planned changes to TA delivery that the Fund is implementing will also have an impact on this area.
7. There should be an exit strategy for CARTAC in terms of donor support. CARTAC may progressively become a regionally owned organisation in the longer term.
8. There should be an extension into Phase IV (2011- 2013).
9. The Steering Committee should consider the following:
 - Ensuring that donors do not swamp meetings, by providing multiple attendees;
 - Implementing incremental improvements to reporting formats and document sharing in order to increase the accessibility of information;
 - Encouraging networking between Steering Committee members, in particular to enhance the effectiveness of new members.
 - Minute taking is formalised with numbering and dating agenda items with a note, action point and responsible officer in the minutes.
 - Draft minutes should be released for comment by steering committee members/ attendees and revised prior to finalisation as a record of the meeting.

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10. CARTAC should adopt a basic performance management reporting structure that aligns activities to the goal and programme objectives. Ultimately, we would see CARTAC shifting to a full performance management reporting once the Fund has developed and embedded a framework.
11. CARTAC's financial reporting and management information should be modernised to ensure that it adequately reflects resources being put into individual programmes and projects. Ultimately, any financial management reporting will be integrated into an overall performance management framework.
12. CARTAC should assume all administrative, reporting and consular activities currently undertaken by the UNDP at the commencement of Phase IV.
13. A portion of the existing management fee could be considered to cover increased administrative and management costs, including improved performance reporting. The bulk should be applied to more technical assistance in the region.
14. The UNDP continues to engage with CARTAC on the steering committee.

Annex A Terms of reference for Independent Evaluation of the Caribbean Regional Technical Assistance Center (CARTAC)

Background

1. The Caribbean Regional Technical Assistance Centre (CARTAC⁶²) is a regional resource, based in Barbados, which provides technical assistance and training in core areas of economic and financial management at the request of its 21 participating countries and territories.⁶³ The CARICOM Council of Ministers of Finance and Planning (COFAP) took the decision to establish the Centre in September 1999. It began activities in November 2001 and is currently in Phase III of its operations, which is scheduled to end in December 2010. CARTAC's mission is to "enhance the institutional and human capacities of the countries in the Caribbean region to achieve their macroeconomic, fiscal, and monetary policy objectives".

2. Countries in the region face similar problems in meeting the standards of economic and financial governance expected of them by their citizens, and by domestic and international investors. CARTAC was created to help develop skills in the specialised areas required to design and implement measures to meet these standards at both the national and regional levels.

3. CARTAC is a multi-stakeholder institution with a pooled funding mechanism, one of the first in the region. Its largest contributors are the Canadian International Development Agency (CIDA), and the International Monetary Fund (IMF). The Caribbean Development Bank (CDB), the Department for International Development (DFID, United Kingdom), European Union (EU), Inter-American Development Bank (IDB), Ireland, the United Nations Development Programme (UNDP), the United States Agency for International Development (USAID), and the World Bank (WB) have also been contributors over time. The Government of Barbados finances the costs of CARTAC's office facilities, while the other 20 beneficiary countries make annual contributions to the budget.

4. CARTAC operates as a UNDP-sponsored project with the IMF as executing agency. Its priorities are set by a Steering Committee, which is currently chaired by the Governor of the Central Bank of Jamaica and includes representatives from six participating countries (on an alternating basis), and six bilateral and multilateral donors/agencies.

5. CARTAC provides technical services in six core areas, namely:

- Public finance management (PFM);
- Tax/customs policy and administration;

⁶² One of Six Regional Technical Assistance Centers (RTACs) of the International Monetary Fund (IMF), CARTAC is operated as a UNDP project.

⁶³ The 21 countries and territories served by CARTAC, include Anguilla, Antigua and Barbuda, The Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and the Turks and Caicos Islands.

- Financial sector regulation and supervision, including off-shore financial operations;
- Capital market development
- Economic and financial statistics; and
- Macroeconomic programming and policy analysis.

Purpose of the Evaluation and Issues to be Addressed

6. This mid-term review is being undertaken to review CARTAC's performance and results since the last review in 2006, including the appropriateness of the current institutional arrangements, modalities concerning CARTAC's work and mandate, and efforts to promote accountability for performance. The mid-term review will ascertain results to date during Phase III and help the Steering Committee determine optimal strategies for the project's continuation in a fourth phase -- or possible exit strategy if that is considered appropriate.

Program efficiency, effectiveness and synergy gains

7. The contribution of CARTAC to addressing the region's problems and capacity constraints in each of the six functional areas it covers (public finance management, tax and customs reform, financial sector regulation and supervision, capital market development macroeconomic programming and policy analysis, and economic and financial statistics) will be assessed. This should be done by focusing on CARTAC's operational efficiency and effectiveness, as well as gains resulting from synergies between its operations and those of other donors in the region. The primary issues in this section should include:

- i. The extent to which the timeliness of delivery and follow-up has been enhanced, and whether needs and requests have been responded to promptly.
- ii. The effectiveness, timeliness and impact of CARTAC's overall TA, vis-à-vis CARTAC's mission. This should include an evaluation of one or two CARTAC projects (and draw on the recently completed evaluation of VAT work at CARTAC);
- iii. The extent to which CARTAC has proved responsive in adapting to the region's changing needs. In doing so, the following questions should be addressed:
 - a. Does a purely responsive approach to TA demand remain appropriate?
 - b. Should the distribution of resources between program components be reconsidered?; and
 - c. Is there need to reassess prioritization filters?
- iv. The extent of country ownership of CARTAC's TA agenda, and the accountability of both the centre and recipient countries for the results, including efforts in results based reporting.
- v. The extent to which CARTAC has contributed to the integration of TA delivery by national and multinational development partners, and the extent to which CARTAC has fostered improved donor cooperation and coordination (progress with respect to items iii-iv should be considered in the context of the objectives of the Paris Declaration); and

- vi. CARTAC's contribution to enhanced regional integration and knowledge-sharing. The evaluation may also make recommendations regarding steps CARTAC might take to improve the sustainability of knowledge-sharing aspects of its assistance to member countries, including coordination with other TA-delivery agencies.

Organizational efficiency, effectiveness and sustainability

8. The mid-term review will also be expected to comment on the organizational efficiency and effectiveness of CARTAC, as well as the need for a further extension of CARTAC's activities and the institutional modalities for such an extension. The primary issues in this section will include the following:

- i. The efficiency of the harmonized/pooled funding mechanism under the UNDP arrangement;
- ii. The role and effectiveness of the UNDP arrangement, including accepting, managing, and accounting for the cost-sharing contributions, including an assessment of the respective roles of UNDP and CARTAC in fulfilling reporting requirements under funding arrangements;
- iii. The role and effectiveness of the IMF as CARTAC's "executing agency"; and
- iv. If a fourth phase of CARTAC is recommended, the review will offer suggestions on its future governance and mission.

9. The review should record any significant lessons that can be drawn from the experience with the third phase of CARTAC, highlighting aspects that worked well and should be continued, and any that have worked badly and should be phased out. The reviewers will take note of suggestions received during the course of the review on the future direction of CARTAC's work areas and operational modalities. The reviewers should also identify unmet needs in the region that fall within CARTAC's mandate.

Evaluation Deliverables and Methodology

10. The review will include meetings with a broad cross-section of CARTAC constituents and stakeholders, including funding agencies. The fieldwork is expected to be three and one half (3.5) weeks in duration. A briefing with funding agencies, the CARTAC Coordinator and advisory team will take place in Barbados before other visits in the region. At some point the review will include a visit or consultation with relevant headquarters personnel in the IMF, UNDP and World Bank.

11. The evaluators will prepare a report that puts forward the findings, recommendations and lessons learned. The report will be:

- i) Prepared in English only;
- ii) Submitted electronically and in hard copy format.

12. The proposed work is expected to take approximately thirty-nine (39) days per consultant. It is estimated that one (1), five day, week will be required for preparatory considerations; three and a half (3.5) weeks including travel for field work; and one (2) weeks for report writing at home base.

The Evaluation Team

13. It is proposed that the mid-term review would be carried out by two (2) senior consultants, one with a solid background in economics, governance, and technical assistance, and the other with skills in technical assistance and project evaluation.

14. The first resource should have a background in economics, public sector fiscal operations, and public sector management, or financial sector regulation and supervision (of banks and non-bank financial institutions) and be able to provide professional economic capacity development and evaluation services. In addition, the proposed resource must have a background in economic policy reform/development. This consultancy will be termed the Professional Economic Advisor.

15. The second resource should have a strong background in technical assistance and project evaluation. This person will be termed the Professional Project Evaluator.

Timeline of the Evaluation

16. It is anticipated that each evaluator will spend a minimum of 25 working days over the course of seventeen weeks from early August 2009 to early November 2009 to complete the evaluation. The following timeline is proposed:

- Week 1–2 (8/3-8/17): OTM to provide relevant materials to the evaluation team. Desk review, submission and approval of the work plan, and organization of travel.
- Week 3 (8/18-8/24): Meetings at Fund HQ - focus Work Plan.
- Week 4-6 (8/25-9/18): Field work in the region, with selected representatives of the member countries, donors, agencies, and CARTAC staff. Team will meet together in Barbados, and then separately visit a sample of countries
- Week 7-9 (9/19-10/02): Preparation and submission of the draft evaluation report.
- Week 10-11 (10/05-10/16): Internal IMF review of draft evaluation.
- Week 12 (10/19-10/23): Incorporate comments in draft.
- Week 13-14 (10/26-11/06): Draft out to Steering Committee for comments.
- Week 15-16 (11/9-11/12): Finalize Report

Annex B CARTAC Background

B.1.1 Establishment of CARTAC

The Caribbean Regional Technical Assistance Centre (CARTAC) was established in September 1999 and began activities in November 2001 following a decision by the CARICOM Council of Ministers of Finance and Planning (COFAP)⁶⁴. The centre is currently implementing its 3rd phase of operations due to end in December 2010. CARTAC is a regional resource, based in Barbados, one of the International Monetary Funds (IMF) six Regional Technical Assistance Centres (RTACs). The Centre provides technical assistance and training at the request of its 21 participating countries and territories which includes:

- Anguilla;
- Antigua and Barbuda;
- The Bahamas;
- Barbados;
- Belize;
- Bermuda;
- British Virgin Islands;
- Cayman Islands;
- Dominica;
- Dominican Republic;
- Grenada;
- Guyana;
- Haiti;
- Jamaica;
- Montserrat;
- St. Kitts and Nevis;
- St. Lucia;
- St. Vincent and the Grenadines;
- Suriname;
- Trinidad and Tobago; and,
- Turks and Caicos Islands.

B.1.2 Mission statement

CARTAC's mission statement is to “enhance the institutional and human capacities of the countries in the Caribbean region to achieve their macroeconomic, fiscal, and monetary policy objectives”.

Countries in a region often face similar problems in meeting the standards of economic and financial governance expected of them by their citizens, and by domestic and international investors. CARTAC was therefore created to help develop skills at both the national and regional levels by designing and implementing measures to meet these standards by providing technical services in five core areas, namely:

- **Public Finance Management** by means of enhancing budget execution, expenditure control, and revenue collection monitoring; reforming treasury systems and upgrading cash and debt management procedures; modernising financial accounts and reporting; the implementation of GFS financial statistics classification; formulation of modern financial management legislation; and , overall strengthening of human and institutional capacity within Ministries of Finance and revenue collecting organisations.

⁶⁴ The agreement establishing CARTAC was signed by Barbados' Prime Minister Owen Arthur on May 8, 2001 in his capacity as Chairman of the CARICOM Conference of Heads of Government

- **Tax/customs policy and administration** through assessments of tax systems and assisting with the design and implementation of tax reforms; suggesting simplification of tax operations; assisting with the preparation of the legislative framework for tax and customs administration; assisting with the implementation of more effective compliance control tools for tax and customs legislation; and, proposing adaptation of customs operations to meet international agreements.
- **Financial Sector Regulation and Supervision & Capital Markets** by strengthening laws and regulations governing financial institutions and capital markets, using harmonised approaches where possible; enhancing domestic and off-shore bank supervisory procedures in accordance with international best practices; strengthening the regulation and supervision of non-bank financial institutions, including insurance companies, credit unions and capital markets intermediaries; implementing international accounting standards for financial institutions and reporting issues; enhancing corporate governance standards and transparency regimes for the benefit of investors; assisting with the introduction of depositor protection mechanisms; and, assisting with the preparation and implementation of an anti-money laundering/terrorism laws and procedures.
- **Economic and financial statistics by means of** assisting the improvement of the quality of macroeconomic statistics, including: national accounts and price indices, balance of payments, external debt, and monetary and financial statistics; establishing and maintaining underlying basic data collection; guiding in the use of concepts and internationally accepted methodologies; developing compilation procedures, including data preparation, verification and computerisation; and, assisting in the dissemination of data.
- **Financial programming** through the provision of hands-on training in the preparation of macroeconomic projections and analysis of policy options.

B.1.3 How is CARTAC funded?

CARTAC is funded by means of a pooled mechanism, one of the first in the region, and is a multi-stakeholder institution. It's main funders are the IMF and CIDA though many agencies have made contributions over time as noted below:

Main Contributors	<ul style="list-style-type: none"> • Canadian International Development Agency (CIDA) • International Monetary Fund (IMF)
Other contributors	<ul style="list-style-type: none"> • Caribbean Development Bank (CDB) • Department for International Development (DFID, United Kingdom) • European Union (EU) • Inter-American Development Bank (IDB) • Ireland • United Nations Development Programme (UNDP) • United States Agency for International Development (USAID) • World Bank (WB)

CARTAC operates as a UNDP-sponsored project with the IMF as the executing agency. Meanwhile the Government of Barbados finances the costs of CARTAC's office facilities, and

the remaining 20 beneficiary countries make annual contributions of US\$10,000 each towards the budget for CARTAC’s operating costs.

Phase I Funding

Phase II Funding

Phase III Funding

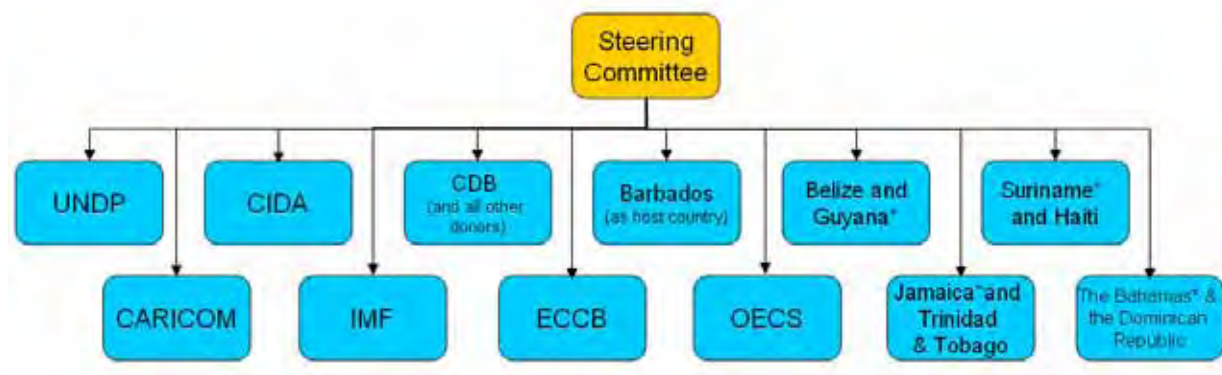
B.1.4 Steering Committee

CARTAC’s priorities are set by a Steering Committee. It meets every six months to review the work plan proposed for the coming six months, and to review activities completed previously. All CARTAC countries and participating donors to keep them fully briefed on the activities of the Centre as notification of meetings, the meeting agenda, and meeting minutes are sent circulated. One can also find much of this documentation on CARTAC’s website for reference. Once every eighteen months a plenary meeting of all countries and organisations involved with the work of the Centre is convened.

There are 12 members on the Steering Committee in addition to the Chairman, which consists of representatives from six participating countries (on an alternating basis), and six bilateral and multilateral donors/agencies. The membership composition of the Steering Committee for 2009 is demonstrated by Figure 7.1 (* denotes the member currently represented on each seat). The ECCB seat, which is used to represent the ECCB member countries of Antigua & Barbuda, Dominica, Grenada, St. Kitts & Nevis, St. Lucia and St. Vincent & the Grenadines, and the OECS seat, which represents non-ECCB OECS countries and the British Overseas Territories of Anguilla, Bermuda*, the British Virgin Islands, the Cayman Islands, Montserrat and the Turks & Caicos Islands, are filled on a rotating basis. Furthermore, observers from countries and donors not currently holding membership are free to attend meetings if they so choose and the ECEMP/SEMCAR Secretariat; OECS Secretariat; CARICAD also hold steering committee observer status.

The current Chairman of the Steering Committee is the Governor of the Bank of Jamaica, Mr. Derick Latibeaudiere and is supported by the deputy Chairman, Mr. Ewart Williams, Governor of the Central Bank of Trinidad & Tobago.

Figure 7.1 Steering Committee members



B.1.5 Website Review

The CARTAC website (<http://www.cartac.com.bb/>) holds contains a substantial amount of information and resources on the following topics:

- background information about CARTAC;
- resources including institutional reports and general information and forms for consultants providing services to CARTAC and those receiving training from CARTAC;
- Steering Committee information and specific resources;
- press releases for the media;
- an event calendar for the centre;
- details of training events and relevant documentation; and,
- useful links for other relevant websites.

From the website, one is able to find a wealth of background information on CARTAC including it's goals and objectives, biographies for current staff; and, a whole host of reports, work plans, steering committee outputs and the previous mid term reviews.

It is noted that some links on the website, including those to download more recent activity reports and work plans do not work. In addition, the downloadable brochure found on the home page⁶⁵ seems to be some what out of date as some named technical advisers on the brochure do not appear within the technical assistance staff page⁶⁶ which may cause some confusion when attempting to identify the appropriate technical adviser to direct a query.

On the whole CARTAC's website appears to be a sufficient base to get a feel for what the centre does as well as being relatively straight forward to navigate. The website all seems to be generally well maintained aside from reflecting a restructure of technical areas and staffing changes. Perhaps details of specific outputs of the centre's activities are something that is lacking since one is unable to explore what CARTAC has achieved in the technical area and/ or member countries the centre works in without manually collating the data available on various reports on the website.

⁶⁵ <http://www.cartac.com.bb/Userfiles/File/CARTAC-brochure-English.pdf>

⁶⁶ <http://www.cartac.com.bb/pageselect.cfm?page=3>

Annex C Evaluation Survey Results

In order to supplement and corroborate the team's evaluation findings the team developed three surveys utilising SurveyMonkey.com⁶⁷. The surveys are seen as supportive to overall evaluation process in that they focus on a narrower range of issues but capture a wider cross-section of individuals, organisations and countries within the region. As such they are a valuable adjunct to the evaluation process and are consistent with our overall findings.

The surveys focused on obtaining a snapshot of counterparts and training participants as to their thoughts and views on the role that CARTAC is playing in the region. Each survey focused on one key stakeholder group with a view to establishing whether CARTAC was meeting their capacity needs and whether it was linked into the strategic vision of the organisation and the country. Some of the respondents appeared in each survey by virtue of their position on the steering committee, as a counterpart and a recipient of training.

C.1 CARTAC Evaluation Survey Results Narrative

The main evaluation survey was sent to CARTAC technical assistance beneficiaries and a summary of the responses can be found in Figure 7.2. The distribution of respondents can be found by country and technical area in Figure 7.3.

This counterpart survey looked at the relevance between CARTAC technical assistance and the needs of the organisation. It also looked at the effectiveness of the technical assistance and how it is delivered, how to improve the effectiveness of CARTAC technical assistance and the role of the steering committee.

The overwhelming response when rating CARTAC was “good” or above.

Figure 7.2 CARTAC technical assistance beneficiaries survey response

Number of email invites sent	225
Number of bounced emails for initial invitation	26
Number of bounced/ delayed emails for second invitation (after initial invitation bounces removed)	30
Number of survey responses	65

Figure 7.3 CARTAC technical assistance beneficiaries survey respondents distribution

Country	All	FAD	MCM	STA	Other
Antigua & Barbuda	1	1	0	0	0
Anguilla	2	1	1	0	0
The Bahamas	3	1	1	1	0
Belize	2	2	1	0	0
Barbados	2	2	0	0	0

⁶⁷ www.surveymonkey.com

Country	All	FAD	MCM	STA	Other
Bermuda	1	1	0	0	0
British Virgin Islands	3	2	0	0	1
Cayman Islands	4	0	1	3	1
Dominica	5	4	2	2	0
Dominican Republic	1	1	0	0	0
Grenada	2	2	0	0	0
Guyana	2	1	1	0	0
Haiti	2	1	0	1	0
Jamaica	7	2	4	1	0
Montserrat	1	1	0	0	0
St. Kitts & Nevis	10	4	3	3	0
St. Lucia	7	5	1	1	0
Suriname	3	2	2	1	0
St. Vincent & the Grenadines	4	1	2	1	0
Trinidad & Tobago	2	1	0	1	0
Unknown	1	1	0	0	0
Total	65	36	19	15	2

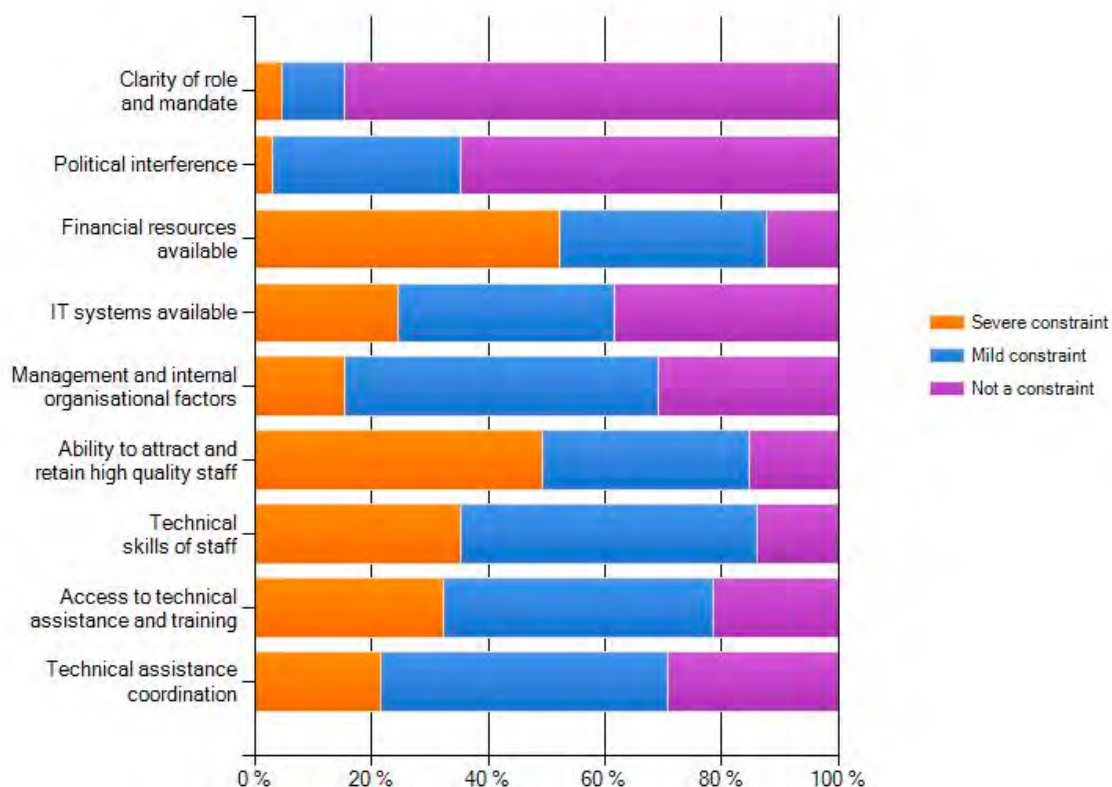
Note: Some respondents indicated they worked in more than one technical area and so were double counted when aggregating survey results by technical area.

C.1.1 Beneficiary organisations and technical assistance

C.1.1.1 Organisational constraints

Respondents identified the availability of financial resources (52.3%) and ability to attract and retain high quality staff (49.2%) as severe constraints on the effectiveness of their organisation or unit within their organisations. Whilst management and internal organisational factors (53.8%); technical skills of staff (50.8%); access to technical assistance and training (46.2%); and, technical assistance coordination (49.2%) were viewed as mild constraints.

Figure 7.4 Factors constraining the effectiveness of beneficiary organisations (or units within the organisation)



C.1.1.2 Specific areas of attention and CARTAC support

Several specific areas were highlighted by respondents as functions that organisations are not currently carrying out as effectively as required. These functions included: audit and financial reporting; conducting surveys; proper use of IT tools; market surveillance; risk assessments; public relations; and, monitoring tax payer compliance. Respondents indicated that CARTAC support has been relevant in addressing some of these specific requirements though not in others, such as public relations; conducting surveys and market surveillance, possibly through lack of CARTAC mandate or “neglect” as one respondent commented.

C.1.2 Technical assistance from CARTAC

C.1.2.1 Rating CARTAC technical assistance

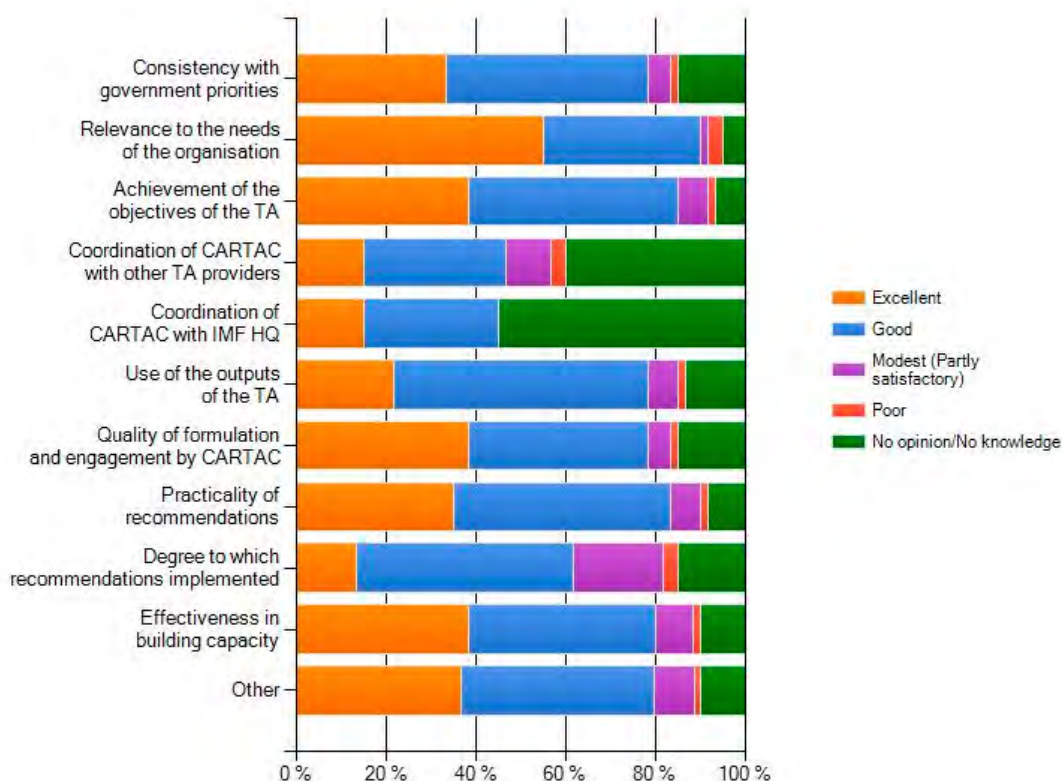
Respondents were asked to rate the technical assistance provided by CARTAC from several perspectives. The mean rating scores can be found in Table 7.2 and are aggregated by technical area and all respondents. Overall, CARTAC technical assistance is rated as good or above almost across the board. A few respondents noted that better coordination with other providers and more follow up support from CARTAC after training is needed.

Table 7.2 Rating the technical assistance provided by CARTAC to beneficiary organisations

	All	FAD	MCM	STA
Consistency with government priorities	3.29	3.25	3.38	3.17
Relevance to the needs of the organisation	3.49	3.48	3.63	3.33
Achievement of the objectives of the TA	3.30	3.30	3.38	3.14
Coordination of CARTAC with other TA providers	2.97	2.85	3.27	2.82
Coordination of CARTAC with IMF HQ	3.33	3.24	3.33	3.40
Use of the outputs of the TA	3.13	3.07	3.31	3.00
Quality of formulation and engagement by CARTAC	3.35	3.24	3.60	3.31
Practicality of recommendations	3.27	3.09	3.50	3.23
Degree to which recommendations implemented	2.84	2.65	3.23	2.77
Effectiveness in building capacity	3.30	3.19	3.31	3.29
Quality of expertise and assistance provided	3.49	3.45	3.44	3.40
Timely response to assistance requested	3.34	3.20	3.47	3.36
Sharing of regional experience	3.20	3.25	3.38	2.64
Sustainability of the results of the TA	3.06	2.90	3.40	2.92
Overall	3.24	3.15	3.40	3.13

Key: Excellent – 4, Good – 3, Modest (Partly Satisfactory) – 2, Poor – 1, No Opinion/No Knowledge - * and so excluded from calculations

Figure 7.5 Rating the technical assistance provided by CARTAC to beneficiary organisations



C.1.2.2 Effectiveness of CARTAC technical assistance delivery

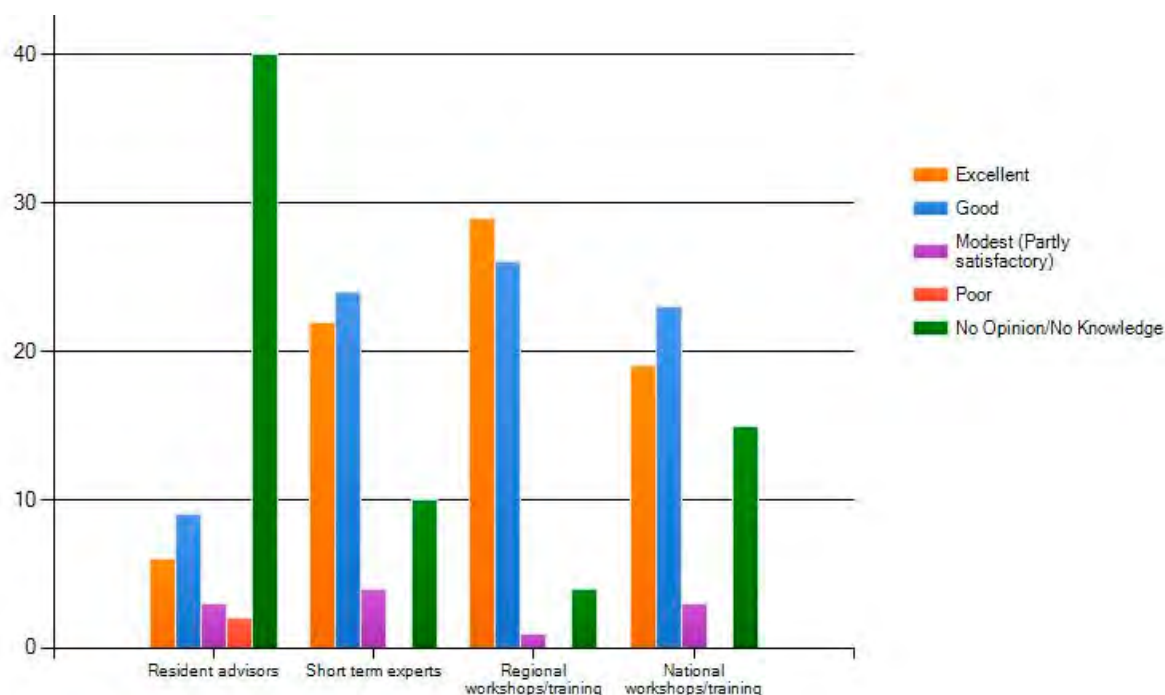
The survey asked beneficiaries to evaluate the effectiveness of the different methods of CARTAC assistance delivered. Whilst the overall effectiveness of CARTAC technical assistance is rated as good, Table 7.3 appears to indicate that respondents felt that CARTAC residential advisers were only a modestly effective method of delivering CARTAC assistance, particularly in the area of MCM. Moreover, the majority of respondents (66.7%) expressed no opinion or knowledge of the effectiveness of residential advisers, see Figure 7.6. This indicates that the lower rating with regards to residential is statistically insignificant. Furthermore, on closer investigation the evaluation team found that respondents misinterpreted ‘resident adviser’ to mean a long term adviser working within the beneficiary organisation with the respondent rather than a CARTAC based adviser managing one of the programmes. Therefore, we believe that the overall results are understated in terms of the overall effectiveness of CARTAC TA and wholly understated and unrepresentative for the specific question regarding resident advisers. Nevertheless, the results are still good and above for this question.

Table 7.3 Effectiveness of different methods of CARTAC delivered assistance

	All	FAD	MCM	STA
Resident advisers	2.95	3.17	2.50	2.86
Short term experts	3.36	3.38	3.23	3.23
Regional workshops/training	3.50	3.44	3.56	3.38
National workshops/training	3.36	3.37	3.09	3.36
Overall	3.29	3.34	3.10	3.21

Key: Excellent – 4, Good – 3, Modest (Partly Satisfactory) – 2, Poor – 1, No Opinion/No Knowledge - * and so excluded from calculations

Figure 7.6 Effectiveness of different methods of CARTAC delivered assistance



C.1.3 Improving the quality of CARTAC technical assistance provision to organisations

Respondents were invited to rate the importance of different actions to improve the quality of technical assistance provided by CARTAC. 48% of those surveyed said that CARTAC’s formulation and design of activities is currently satisfactory. Whilst over a third of respondents (37%) stated that more follow up to help to implement CARTAC recommendations is very important to “periodically to help [beneficiaries] verify that [they] are on the right track”. Nearly half of respondents noted that more use of regional experts (48%) and progression to address other constraints faced by their organisations (47%) are quite important. The importance of using more regional experts was reinforced as one respondent

noted that “many advisers come from larger jurisdictions and from different cultures and put forward recommendations that are not sustainable in a small island economy”. Another comment was from Haiti that “the language of communication is often a major constraint. French should also be considered as an official language of CARICOM / CARTAC”.

Table 7.4 The importance of action in different areas to improve the quality of technical assistance provision by CARTAC to respondent’s organisations

	Very important	Quite important	Already satisfactory	Not relevant	No Opinion/No Knowledge
More frequent visits by CARTAC coordinator to countries	20%	33%	22%	3%	22%
More frequent visits by Resident Advisors to countries	15%	35%	12%	12%	27%
Increase number of staff at CARTAC	13%	10%	12%	5%	60%
More use of short-term experts	27%	37%	18%	0%	18%
More use of regional experts	20%	48%	15%	5%	12%
Use of long term, in-country advisors	20%	27%	5%	13%	35%
More sharing of regional experience through CARTAC	32%	40%	18%	0%	10%
More sharing of information about CARTAC activities	30%	28%	35%	0%	7%
Better formulation and design of CARTAC activities	15%	18%	48%	0%	18%
More follow up to help on implementation of recommendations	37%	35%	10%	3%	15%
Better coordination with other development partners	23%	28%	13%	0%	35%
Better coordination with IMF HQ	5%	15%	17%	7%	57%
Better monitoring and evaluation of TA outcomes and impacts	18%	42%	22%	0%	18%
Progress in addressing other constraints faced by your organisation/unit	22%	47%	8%	8%	15%

C.1.3.1 Comparing CARTAC technical assistance with other providers

Over half of respondents (57%) said that CARTAC technical assistance was more, or much more, effective in comparison to technical assistance from other providers. 52% of respondents expressed no opinion/no knowledge with regards to whether CARTAC was more effective in comparison to technical assistance from IMF HQ, a few respondents from the MCM technical stream noted that CARTAC is their sole provider of technical assistance Under 4% of respondents noted that CARTAC was any less effective than other providers whether the IMF HQ or otherwise.

C.1.4 CARTAC’s overall performance

C.1.4.1 Rating CARTAC’s overall performance

CARTAC technical assistance is rated as good or above, with marginally lower scores for STA and FAD beneficiaries in Table 7.5. A comment from one financial sector respondent noted that CARTAC is responsible for a large part of their staff's regional interaction and

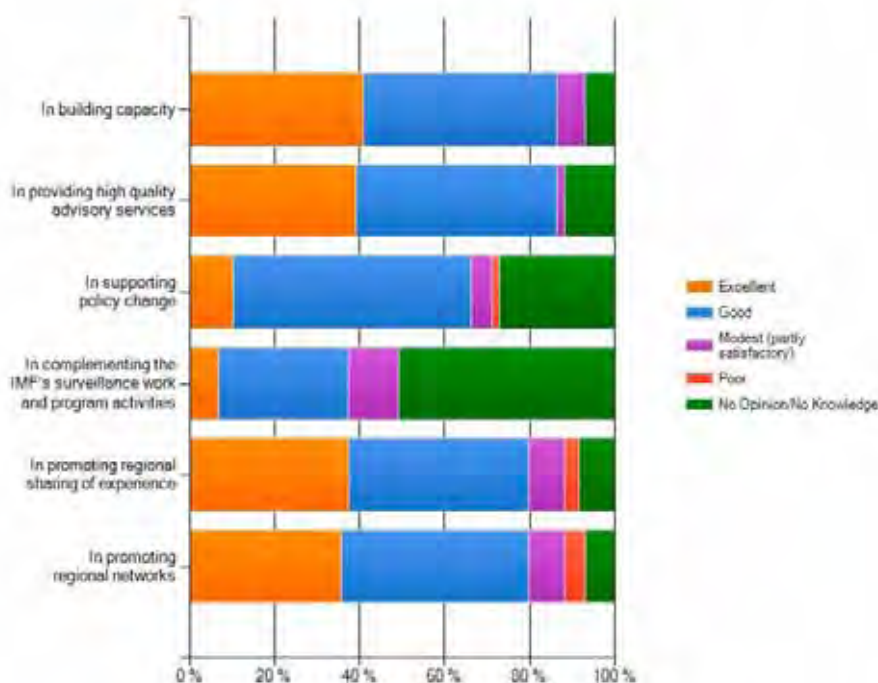
networking in the last 15 months which may explain the high scoring from the financial sector in respect to promoting regional sharing of experience and networks.

Table 7.5 Rating CARTAC’s overall effectiveness

	All	FAD	MCM	STA
In building capacity	3.36	3.32	3.44	3.43
In providing high quality advisory services	3.42	3.39	3.57	3.31
In supporting policy change	3.02	3.00	3.17	2.57
In complementing the IMF's surveillance work and program activities	2.90	2.89	3.14	2.78
In promoting regional sharing of experience	3.24	3.13	3.56	2.93
In promoting regional networks	3.18	3.19	3.50	2.79
Overall	3.19	3.15	3.40	2.97

Key: Excellent – 4, Good – 3, Modest (Partly Satisfactory) – 2, Poor – 1, No Opinion/No Knowledge - * and so excluded from calculations

Figure 7.7 Rating CARTAC’s overall effectiveness

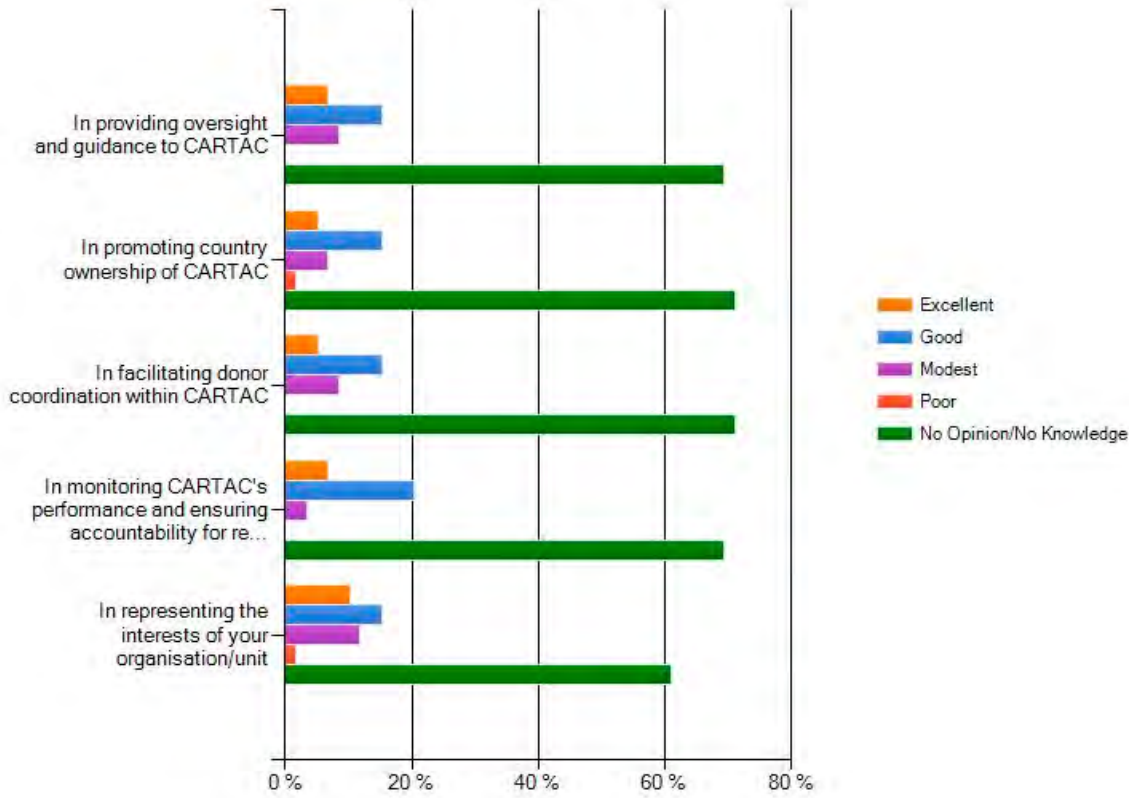


C.1.4.2 Rating the CARTAC Steering Committee performance

Respondents were asked to consider the effectiveness of the Steering Committee. About 60 percent of respondents did not have an opinion or have any knowledge of the Steering Committee. The evaluation team considered that this result emanated from more less senior officers completing the survey and that the steering committee and its role is not as well known as it should be. One respondent commented that they were unable to answer the

questions about the Steering Committee because of lack of participation. One of the recommendations we have supported is production of an annual report for all beneficiary organisations. We have also considered the current membership and considered ways to increase country participation and ownership.

Figure 7.8 Steering Committee performance rating



C.2 Steering Committee Survey Narrative

Two surveys were distributed to all current and alternate Steering Committee members; one to non-beneficiary members, and, one to beneficiary members. The results of these two surveys are combined here. The Steering Committee survey focused on strategic issues and the effectiveness of the committee in providing regional guidance to CARTAC.

The team would like to note that there was reluctance from senior steering committee members to complete the survey, whether from lack of time or a feeling that senior staff don't complete surveys. There was also a sense that some respondents had already completed a survey by virtue that they were also a beneficiary; so there may be an element of survey fatigue. This has meant a lower response rate than should have been expected. We followed up, where we could, with invitations to teleconference to follow through on the questions raised in the surveys.

Number of email invites sent	34
Number of bounced emails for initial invitation	0
Number of survey responses	14

C.2.1 Assessment of CARTAC's Performance

All respondents to the survey either agreed or strongly agreed that CARTAC's activities are appropriately focused in terms of subject areas taking into account the IMF's expertise and the priority needs of CARTAC member countries.

When asked if there an appropriate match between CARTAC's size and objectives, 50% of respondents said that CARTAC's activities need to be scaled up to achieve its objectives (29% said CARTAC has the right size to achieve its objectives and the remaining 21% expressed No Opinion/No Knowledge)

More generally, committee members rated CARTAC's overall effectiveness (see Table 7.6) and performance (see Table 7.7) as good or better, particularly with respect to the quantity of technical assistance and advisory services. Though CARTAC's promotion of regional experience sharing was felt to be slightly less effective with more moderate ratings.

Table 7.6 Steering Committee rating of CARTAC's overall effectiveness

In building capacity	In providing high quality advisory services	In supporting policy change	In complementing the IMF's surveillance work and program activities	In promoting regional sharing of experience	In promoting regional networks	Overall
3.2	3.5	3.0	3.3	2.7	3.0	3.1

Key: Excellent – 4, Good – 3, Modest (Partly Satisfactory) – 2, Poor – 1, No Opinion/No Knowledge - * and so excluded from calculations

Table 7.7 Steering Committee rating of CARTAC's performance in relation to set criteria

Achievement of CARTAC's objectives	Achievement of your agency's/country's objectives from involvement in CARTAC	Effectiveness of work planning and prioritisation of CARTAC assistance	Quality of technical assistance provided	Overall
3.2	3.0	2.9	3.5	3.2

Key: Excellent – 4, Good – 3, Modest (Partly Satisfactory) – 2, Poor – 1, No Opinion/No Knowledge - * and so excluded from calculations

C.2.2 Strategic Issues for CARTAC

When asked if an exit strategy for CARTAC be prepared over three-quarters (79%) of respondents said No - CARTAC should be envisaged as continuing to operate beyond the next funding phase (14% said Yes - An exit strategy for CARTAC should be prepared and 7% expressed No Opinion/No Knowledge).

Committee members were asked to indicate actions that they think would improve CARTAC's effectiveness and better reporting of CARTAC's results, impact and work planning was the recurring theme of responses.

C.2.3 Performance of the Steering Committee

When asked to rate the effectiveness of CARTAC Steering Committee meetings, respondents noted that the meetings were good. However, they felt that the meetings could be made more effective with stronger reporting and better, more active participation from members.

Table 7.8 Rating the performance of the CARTAC Steering Committee

In providing oversight and guidance to CARTAC	In promoting country ownership of CARTAC	In facilitating donor coordination within CARTAC	In monitoring CARTAC's performance and ensuring accountability for results	In representing the interests of your organisation	Overall
3.1	3.1	2.9	2.5	2.7	2.9

Key: Excellent – 4, Good – 3, Modest (Partly Satisfactory) – 2, Poor – 1, No Opinion/No Knowledge - * and so excluded from calculations

C.3 Training participants Survey Narrative

CARTAC provided a list for each training course, seminar and workshop for which we had then had to aggregate. An invitation to complete a survey was distributed to a consolidated list of CARTAC training participants.

The training participant survey focused on the respondent's perspective of the quality of training delivered by CARTAC and the extent to which it has been applied in their respective work place. This survey was successful in that we had a reasonable response in a timely manner as were able to close the survey down as planned, rather than extending the timeframe as with the others.

Number of email invites sent	869
Number of bounced emails for initial invitation	55
Number of survey responses	200

C.3.1 Quality of CARTAC training

Training participants were asked to rate the quality of CARTAC training courses, workshops or seminars that they had attended on several different factors. The finding of this query can be found in Figure 7.9 and Table 7.9 which emphasise the high levels of satisfaction amongst CARTAC training participants with the vast majority of respondents describing all areas of CARTAC training as excellent or good quality. It is worth noting that recipients found that the topics covered and relevance of training to the participant's job was rated particularly well. However, when comparing each aspect of training individually the length of courses and post-course/workshop follow up and support were rated only as modest (partly satisfactory).

Participants were asked to make suggestions to improve future CARTAC training courses, workshops or seminars and noted that they would like:

- courses to be held over a longer time period as material covered is often compact;
- to see more time and effort dedicated to practical exercises and examining case studies; and,
- more after course follow up information and support provided by CARTAC.

Figure 7.9 Quality of CARTAC training

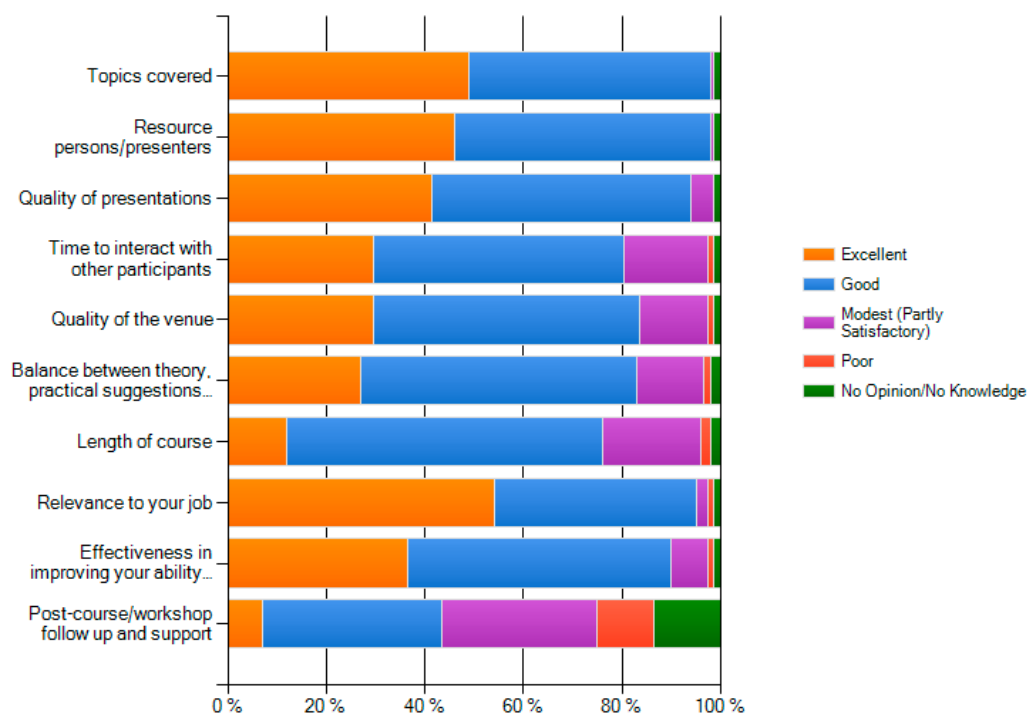


Table 7.9 Quality of CARTAC training by technical area

	Overall Average	STA Average	FAD Average	MCM Average
Topics covered	3.50	3.53	3.40	3.60
Resource persons/presenters	3.46	3.45	3.45	3.49
Quality of presentations	3.38	3.33	3.40	3.37
Time to interact with other participants	3.11	3.10	3.10	3.13
Quality of the venue	3.14	3.20	3.02	3.30
Balance between theory, practical suggestions and country studies	3.11	3.16	3.04	3.12
Length of course	2.88	2.80	2.81	3.03
Relevance to your job	3.51	3.53	3.47	3.51
Effectiveness in improving your ability to do your job	3.27	3.24	3.25	3.28
Post-course/workshop follow up and support	2.45	2.46	2.45	2.40
	3.18	3.18	3.14	3.22

Key: Excellent – 4, Good – 3, Modest (Partly Satisfactory) – 2, Poor – 1, No Opinion/No Knowledge - * and so excluded from calculations

C.3.2 Usefulness of CARTAC training

Training participants were asked to rate the usefulness of CARTAC training according to how often participants used knowledge gained from the training course, workshop or seminar they had attended. The results of this line of enquiry can be found in Figure 7.10 and Table 7.10 where it can be noted that over four-fifths of training participants indicated that they use the knowledge gained from the courses nearly everyday or on a regular basis. Furthermore, whilst there is no real difference between recipients of CARTAC training in each of the technical areas there is a marginal suggestion that recipients of MCM and STA training lack access to technology or systems to make use of the knowledge acquired during training.

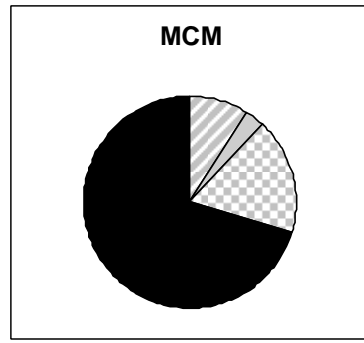
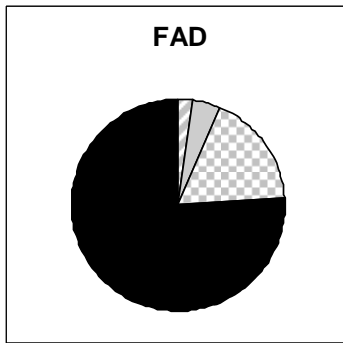
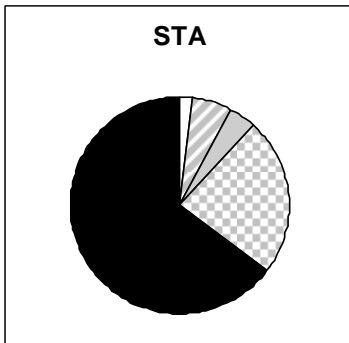
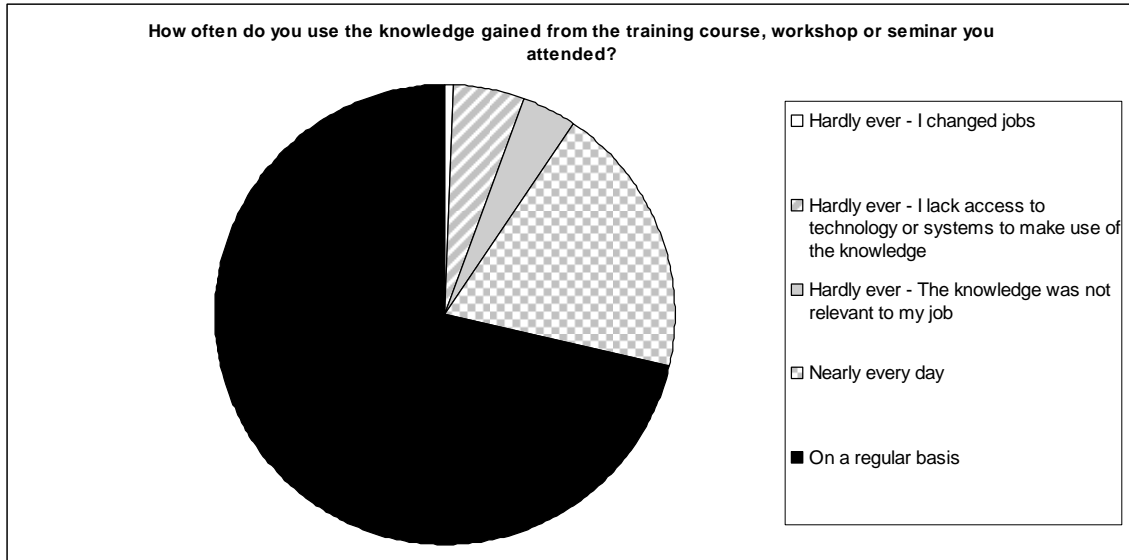
When asked to comment further on CARTAC training provision the overwhelming feedback revealed that participants were happy with the courses, seminar and workshops they attended and found them to be useful. Moreover, though some participants noted that the material covered by the courses was not directly applicable to their day to day duties, the knowledge gained was good background for their job. In addition, participants thought the courses offered great opportunities for networking. Some participants would like to training to be reinforced with extra support and general follow up, or even more specialised training.

A few course attendees note that the training provided was not relevant to them since different laws applied or software was used in country.

Table 7.10 Usefulness of CARTAC training

How often do you use knowledge gained from the training course, workshop or seminar that you attended?	Overall count	Overall	STA	FAD	MCM
Hardly ever - I changed jobs	1	0.5%	2.0%	0.0%	0.0%
Hardly ever - I lack access to technology or systems to make use of the knowledge	11	5.1%	5.9%	2.1%	9.0%
Hardly ever - The knowledge was not relevant to my job	8	3.7%	3.9%	4.2%	3.0%
Nearly every day	41	19.2%	23.5%	17.7%	17.9%
On a regular basis	153	71.5%	64.7%	76.0%	70.1%
	214	1	1	1	1

Figure 7.10 Usefulness of CARTAC training



Annex D The Seven Elements of the McKinsey Framework

An organising framework was selected to examine the components of organisational effectiveness relevant to CARTAC's mission in the region. The McKinsey's 7S framework⁶⁸ was used as the basis for the analysis. The McKinsey 7S model involves seven interdependent factors which are categorised as either "hard" or "soft" elements:

Hard Elements	Soft Elements
<ul style="list-style-type: none"> • Strategy • Structure • Systems 	<ul style="list-style-type: none"> • Shared Values • Skills • Style • Staff

The elements are all interdependent, as shown in Figure 1.

Figure 1: The McKinsey 7S Model



"Hard" elements are easier to define or identify and management can directly influence them: These are strategy statements; organisation charts and reporting lines; and formal processes and IT systems. "Soft" elements, on the other hand, can be more difficult to describe, and perhaps less tangible and more influenced by the organisational culture. However, these soft elements are as important as the hard elements if the organisation is going to be successful in achieving its core objectives and goals.

⁶⁸ McKinsey's 7S framework was developed in the 1980's by the McKinsey and Company consulting firm and has persisted as a model for examining organisational effectiveness. Its most basic premise is that there are seven internal aspects of any organisation that need to be aligned – that require effort and attention – if the organisation is to be successful

Annex E Recommendations of the 2006 Mid Term Review Report

Osborne Nurse and Euric Bobb, Second Mid-Term Review of the Caribbean Regional Technical Assistance Centre (UNDP RL A/01/011), September 2006

1. We recommend that consideration be given to continuing the program into a third 3-year phase. CARTAC is a highly valued partner of countries in the Caribbean seeking to enhance capacity for sound economic management. Users stress its closeness, readiness to listen, rapidity of response and practical advice as key characteristics that have enabled this program of technical assistance to gain high acceptance and to be embraced as a key promoter of the interests of countries striving to cope with structural changes. Beneficiaries believe that there is more useful work for CARTAC to do.
2. Financing in phase 3, particularly from bilateral donors, should be invited on the basis of the principles of the Paris Declaration on Aid Effectiveness, specifically:
 - Pooling of cash pledges
 - Assured multi-year funding, preferably with front-loaded disbursements to the program
 - Accountability based on results to be tracked by indicators developed within an agreed logical framework of program goals.
3. The sources of financing the program should be diversified. Since it is perceived as a valuable regional public good, a starting point may be to seek reallocation of resources already directed to the region. In particular, approaches should be made to Venezuela and Trinidad and Tobago. Moreover, the program should explore ways for beneficiaries to increase their contribution while still not paying anywhere near full cost for technical assistance. Among possibilities are an increase in the flat contribution paid by all beneficiaries and/or some partial recovery from users based on their individual demand for technical assistance.
4. CARTAC should give greater emphasis to attachments and use of regional consultants as means of building human resource capacity in the region for 'best practice' economic management. Building credible public institutions staffed by adequate numbers of suitably trained people is a long-term endeavour. CARTAC has made good progress in creating networks and fostering a climate for on-the-job training. However, there needs to be more emphasis on attachments as an institutional priority across all functional areas. This would require beneficiaries to cooperate by releasing staff for longer periods than the 4 or 5 days that is now typical for attachments. CARTAC under the guidance of the Steering Committee should also embrace a wider concept of building capacity in the region to include more intensive use of regional consultants than has been the case to date. Regional consultants constitute a pool of human resources that can underpin common services in the area of economic management on a sustainable basis for countries that may be too constrained to keep highly skilled staff on the public payroll.
5. The Steering Committee should continue to insist on management reporting in a manner that facilitates the tracking of sustainable results from CARTAC's activities. In this connection, the Steering Committee can play a pivotal role to ensure that while CARTAC, like any other RTAC, fits within the strategic framework of overall IMF technical assistance that its work continues to be seen as reflecting the enlightened demands of its users and not the imposition of an agenda. In any event, it bears emphasizing that independent evaluation of the Fund's technical assistance has strongly recommended that it be framed within country-driven priorities.

6. By the inception of a third phase, there will be a sufficiently long track record to be stricter in using performance in implementing TA advice as an important criterion for allocating scarce resources, except of course for countries where CARTAC has had minimal activity in previous phases.
7. Major bilateral donors emphasize the importance to their constituencies of a focus on poverty reduction, already incorporated as an overarching goal in CARTAC's logical framework. The Steering Committee should take ownership of this strategic concern by taking steps to ensure that it is highlighted in management reporting based on the logical framework.
8. Based on demand and performance, the reviewers see a strong case for switching resources to public finance embracing revenue, expenditure, investment programming and debt management functions. We think that financial sector supervision does not require two full-time advisers. In practice, the PC oversees work of short-term consultants in the MAC area, therefore consideration should also be given to eliminating the position of MAC long-term adviser, particularly if the resources are fungible.
9. CARTAC should become proactive in forging relationships outside the English speaking Caribbean where it has developed strong ties over the last few years. Haiti and Suriname are members of CARICOM and the Dominican Republic is a participant in the CARTAC program. To live up to its name, the Caribbean Area Technical Assistance Center ought to give growing attention to demand from outside the English speaking Caribbean.
10. CARTAC should not become a legal entity. Acquiring a legal personality would not of itself improve prospects of additional financing. Concerns about administrative efficiency should be addressed in a direct and transparent manner with the UNDP.

Moreover, creating a legal entry may imply an open-ended technical assistance program with the attendant risk of beneficiary countries falling into a comfortable habit of seeking extensions of TA support rather than seriously undertaking the job of building viable institutions.

Annex F Recommendations of the 2003 Mid Term Review Report

James Bucknall and Neville Grant, 2003, Mid-term review of the Caribbean Regional Technical Assistance Centre (CARTAC) (UNDP RLA/01/011)

1. The CARTAC project was well designed, its execution, management and governance is good, it has struck a good balance between national and regional activities and a reactive and proactive stance, and its outputs are prodigious, professional and popular in the region. The Centre is working well, nothing major needs fixing and the reviewers recommend that the Centre stay the course for the next 18 months.
2. CARTAC should continue to maintain a balance between regional and national activities. CARICOM is moving the region towards a single market economy and CARTAC's efforts could assist the region in the pursuit of the larger issues. In that regard, CARTAC, within those areas for which it has a mandate, should make every effort to assist with regional harmonisation, particularly with respect to laws, codes and practices.
3. CARTAC should be invited to make presentations to the CARICOM Council for Finance and Planning (COFAP). This is in recognition of the importance of CARTAC in the region. The Chairperson of the Steering Committee could make the presentation. A similar presentation could be made to the Meeting of Officials, which is held preparatory to the COFAP meeting.
4. Where CARTAC produces reports as a result of its work in the region, such reports should be made widely available to relevant bodies and governments within the region. A wider dissemination of reports would mean that more people would benefit from CARTAC's work.
5. As agreed at the February 2003 Steering Committee, there should be greater transparency of employment for CARTAC posts. With respect to future replacement of long-term Advisors, the IMF should give reasons for the proposed change and give the Steering Committee at least three candidates from which to choose.
6. CARTAC long-term Advisors should continue to concentrate on small to medium sized activities, which involve at most two to three months of technical assistance. Any activity that will require more of the long-term Advisors time should be sub-contracted. It should continue to keep its resources flexible and not get involved with activities that will consume a disproportionate amount of resources.
7. Donors should be encouraged to coordinate even more of their efforts through CARTAC. There is considerable merit in using CARTAC as a channel for special-purpose contributions for specific projects or programs. They must, of course, be fully funded, have sufficient funds to cover incremental overhead costs and be within CARTAC's core area of expertise. This approach would increase effectiveness, help foster donor and participating country coordination, and keep down donor and recipient overheads.
8. CARTAC should consider extending a greater effort in areas of general concern or interest to the region, including: (a) the regulation and review of pension arrangements; and (b) training designed to help supervisors deal with troubled banks or insurance companies.
9. In order to avoid donor overlap, particularly in the areas for which CARTAC has a mandate, there should be a central list of all projects being undertaken by donors in the region. This would assist the persons charged with the implementation of projects to coordinate their efforts. There is some sentiment in the region for an organisation like the CDB or CARICOM to undertake such a task.

10. The *outputs* from CARTAC's activities in the first 18 months are impressive. In the longer run, the success of the Centre will be judged on *outcomes, results* and *impact*. The measurement of these longer-term *outcomes* and *results* will be a challenge. CARTAC should be encouraged to continue the work of defining the *Indicators of Change* as these could be an important yardstick in measuring longer-term results.
11. Some CARTAC expenses for an activity are paid out of Washington and some are paid out of the CARTAC offices in Barbados. This occasionally results in delays in reconciling expenses for some activities. The reviewers recommend that the IMF and CARTAC review the situation with a view to speeding up information flow between Washington and CARTAC.
12. Canada donated USD5 million to fund CARTAC in the very early days of the project. The interest on this money has not accrued to the CARTAC project but is being used for other UNDP projects. The reviewers recommend that Canada consider making a request to have the interest on its donated funds accrue to the CARTAC project.
13. The reviewers recommend that all monies expended in 2003 be allocated to those donors that are donating in tranches before money is allocated to Canadian funds. The reviewers also recommend that the UNDP try to allocate funds on a six-monthly basis until this issue is regularised. Finally, there are significant delays, often of several months, between when funds are received by the UNDP and when they are recorded in the financial system. The reviewers recommend that the UNDP speed up this process as it is thus difficult, at any given moment in time, to get an accurate picture of the status of total contributions.
14. The reviewers recommend that the size and make-up of the Steering Committee remain as is for the remaining months of the current phase. However, if there is a second phase of the project, the reviewers suggest that the question of the number and representation of the Steering Committee be revisited.
15. CARTAC has an informal system of prioritisation of activities although the task has not been too difficult as the Centre has not yet had a significant resource constraint. Moving forward, the demand for resources may start to outstrip the supply of resources. Perhaps now is the time to make the process of prioritisation more formal for greater transparency, improved allocation of resources, and protection for CARTAC.
16. The reviewers recommend that a further effort be made to improve the work of the Technical Panels. Each long-term Advisor should arrange a face-to-face meeting with the members of the panel to discuss the program, his or her expectations and obtain feedback from them.
17. Local experts should be used by CARTAC wherever possible. Regional resources are often more effective simply because they know the region. Moreover, in using and building up local expertise, the capacity, knowledge and skills in the region will be enhanced. The reviewers believe that the capacity building and utilisation exercise in the region would benefit from a region-wide database of courses and individuals who attend courses.
18. Based on the above analysis the reviewers conclude that this is a successful project. Capacity building is a long-term and on-going process. It will not be finished at the end of the current phase. The reviewers recommend, therefore, that donors fund a follow on phase and that all of the donors currently funding the Centre continue that funding in the follow-on phase.

Annex G Allocation of TA by Country and Technical Area CY2008

CARTAC SHORTENED OBJECTIVES	SHORT TITLE	NUMBER OF TA ACTIVITIES: CY2008	ESTIMATED NUMBER PERSONS TRAINED: CY 2008	NUMBER OF COUNTRIES/ REGIONAL	TOTAL NUMBER OF DAYS FOR ALL ACTIVITIES: CY2008	ESTIMATED NUMBER OF DAYS FOR REPORTING OBLIGATIONS	RESIDUAL DAYS INCLUDING LEAVE, MEETINGS, ADMIN, ETC	COSTS	COST PER DAY OF TRAINING \$\$\$	COST PER PERSON TRAINED \$\$\$	COST PER ACTIVITY OR MISSION
1	Promoting efficient public finance management PFIM	25	330	14	379	50	30	\$1,581,443	\$4,173	\$4,792	\$63,258
2	Establishing more efficient revenue administrations TAX	190	958	16	3116	434	90	\$4,777,124	\$1,533	\$4,987	\$25,143
3	Promoting healthy financial institutions FSS	33	276	21	491	15	30	\$1,061,859	\$2,163	\$3,847	\$32,178
4	Strengthening Statistical capacity STA	50	83	16	508	50	60	\$1,012,250	\$1,993	\$12,196	\$20,245
5	Macroeconomic policies. MAC	35	167	61	423.5	20	60	\$634,498	\$1,498	\$3,799	\$18,129
6	Developing capital markets KMKTS	22	99	26	166	40	30	\$574,141	\$3,459	\$5,799	\$26,097
TOTAL CY 2008		355	1913		5083.5	609	300	\$9,641,314	\$1,897	\$5,040	\$27,159

Sources: CY2008 CARTAC Activity and OTMS- CARTAC Main_CY08-10 (AKW) Spreadsheet. Simple costing applied: overheads are attributed to each programme on the basis of direct cost of programme. Expenditure costs for CY2008 only recognised.

Annex H Draft Strategic Monitoring Framework for CARTAC Activities

Goal: Improve members' capacity to manage macroeconomic and fiscal policies, strengthen financial supervision and development, and support economic growth and poverty reduction in the region.			
Strategic Objectives	Operational Objectives	Key Performance Indicators	Progress
1. Promote sound and transparent public resource allocation and efficient public finance management			
2. Establish simpler and more effective revenue administrations			
3. Promote healthy financial institutions through robust supervisory regimes.	3.1 Identify and address key areas in banking supervision assistance is needed to move the banking departments toward international standards.	3.1 *Improvement in compliance with the 25 Basel Core Principles for Banking as identified in the FSAPs. i.e. increasing number of ratings identified as "compliance" and "partial compliance". *Revisions to the Basel I Regulation that move the country toward full compliance with international capital standards. *Positive press over restructuring of problem banks. Should a bank have financial difficulties, press coverage will ultimately praise or condemn the actions of the regulators.	
	3.2 Identify and address key areas in insurance supervision assistance is needed to move the insurance departments toward international standards.	3.2 *Improvement in compliance with the IAIS Core Principles for Insurance Supervision as identified in the FSAPs. i.e. an increasing number of ratings identified as "compliance" and "partial compliance". * An increase in the number of examinations conducted on insurance companies. *The development of a dynamic Insurance Regulators group to take up the responsibility of	

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	<p>3.3 Address regional needs in the area of AML.</p> <p>3.4 Focus relationship development on non-English speaking CARTAC member countries and on new CARTAC member countries</p> <p>3.5 Identify and address key areas of weakness in the supervision of nonbanks (other than insurance and securities) in order to enhance consolidated supervision and provide resources to address supervisory needs</p> <p>3.6 Move the Caribbean region toward the establish goal of harmonization of financial laws and supervisory practices.</p>	<p>capacity building for insurance regulators.</p> <p>3.3*A reduction of the number of countries on the grey or black list are prepared by the FATF. * A higher number of AML typologies published on an annual basis.</p> <p>3.4* The countries engaging CARTAC in discussions on potential TA programs and greater participation in regional training programs. *An increase in the number of projects for the non-English speaking countries.</p> <p>3.5*Institution of quarterly reporting requirements for nonbanks. *An increase in the number of examinations of nonbanks *Passage of laws relating to the supervision of nonbanks.</p> <p>3.6*Passage of the Financial Services Agreement. *Specifics steps taken by the CGBS and CAIR to move the supervisory regimes in the region to harmonized laws, regulations, and practices. *Harmonized regulatory reporting forms.</p> <p>3.7*Increased collaboration with the private sector through meetings and conferences</p>	
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<p>4. Strengthen the capacity to monitor and analyze economic and policy developments based on accurate and timely statistics</p>	<p>3.7 Provide occasional assistance to the private sector when the assistance is associated with capacity building in the region.</p>	<p>*Nos. of Speeches to the private sector that identify areas in need of improvement in the financial sector in the region.</p>	
<p>5. Improve the capacity of countries to effectively formulate, implement and monitor macroeconomic policies 6. Assist the region to develop capital markets</p>	<p>4.1 improve the quality of macroeconomic statistics, 4.2 establish and maintain underlying basic data collection 4.3 encourage the use of concepts and internationally accepted methodologies 4.4 develop compilation procedures, including data preparation, verification and computerization 4.5 assist in the dissemination of data.</p>		

Annex I Evaluation Matrix

Evaluation Questions	Sources of Evidence	Short Findings	External Factors/Assumptions
4.1 Relevance of CARTAC			
What are the objectives of CARTAC (and/ or your thematic area)?	Programme Document Phase III	The PD provides the objectives.	
Are CARTAC's objectives clearly defined and measurable?	Programme Document Phase III	CARTAC objectives are not clearly defined and measurable. There is no nexus between input reporting and CARTAC goals and objectives.	Exogenous technical factors influence poverty reduction and economic growth indicators.
What types of activities (in the region/ in your country) has CARTAC carried out to fulfil its objectives?	Programme Document Phase III, activity reports, PC reports, steering committee minutes	Basically the six thematic areas of PFM, FSS, TAX, MAC, KMIKT and STA	
How relevant is CARTAC to the needs of the region/ country- (today and in 5- 10 years)?	Interviews, surveys, some country documentation	CARTAC is relevant, there is a greater need for CARTAC in some areas, perhaps less so in PFM as other donors can provide this.	
How relevant is CARTAC to your agency's objectives? Are you able to comment on the achievement of your agency's/country's objectives from involvement in CARTAC?	Survey	Rated as Good.	
Distinguish between CARTAC's objectives and the IMFs overall objectives in the region?	Programme Document Phase III	CARTAC technically focused, not involved in policy (although they can influence policy through the RAs).	
Does a demand driven TA programme remain the appropriate model for CARTAC to support	Interviews, surveys	Yes, although we see a need for increased focus on Haiti and less support to middle income	Rather than CARTAC leading the agenda that prioritises perhaps greater

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Evaluation Questions	Sources of Evidence	Short Findings	External Factors/Assumptions
regional needs?		countries.	international conformity?
How are CARTAC activities prioritised to meet region/ country needs?	Programme Document Phase III, interviews	TA is based on a request from country.	
Are you able to comment on whether CARTAC activities are consistent with the intended impact or effects?	Project evaluations, surveys	Support to regional organisations and professional associations	Example, a VAT programme can lead to increased levels of poverty due to regressive tax nature?
Consider the role of other regional organisations. Is TA coordinated with other donors and consistent with the Paris Declaration?	SC minutes, donor interviews	Often only provider, overall yes.	
4.2 Effectiveness of CARTAC			
To what extent has CARTAC achieved these objectives?	Q3- SC Survey	CARTAC is effective but without decent reporting it is subjective comment.	Cross-reference with Relevance question
What are the major factors influencing the achievement or non-achievement of the objectives?		Country willingness to introduce and RA quality, available time to implement.	
Explain the reporting and monitoring on the activities and outputs of CARTAC?	SC minutes	Limited, at best	
Consider the effectiveness of work planning and prioritisation of CARTAC assistance. How responsive to ad hoc and urgent requests for technical assistance is CARTAC?	Q3- SC Survey	Very responsive, see Brian's Tax auditing course, designed and running in two months.	

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Evaluation Questions	Sources of Evidence	Short Findings	External Factors/Assumptions
How committed are member countries to maintain/ sustain reforms?	Interviews	Caribbean are mostly middle income countries and have skills if not the people and experience for the reform.	
Can you comment on the quality of the TA provided by CARTAC?	Q3- SC Survey	Good (survey)	
4.3 Efficiency of CARTAC			
Has CARTAC TA proven to be cost-effective, especially in relation to other comparable TA delivery modes?	FM reports, PM reports, SC minutes, strategic plan, Programme Document Phase III	There are no reports to provide data to analyse efficiency. We managed to get CY2008 and match with CY2008 Financials to derive costs per day and person trained.	UNDP FM reporting, IMF FM reporting
Is the quality, timeliness, modalities, and cost of management and backstopping of CARTAC activities by IMF headquarters-based staff an impediment?	Interviews	The reporting requirements are an impediment as it is all bottom up with no or limited reporting down to RAs. TAIMS is only completed because they have to and to varying degrees of compliance.	
Consider the timeliness of CARTAC activities undertaken, and outputs produced?	FM reports, PM reports, SC minutes, strategic plan, Programme Document Phase III	Reporting is activity basis and not on outputs.	
Are there plans for cost sharing and charging?	IMF plans	There may be a case to cost recover (or partial) middle income countries considering Canada is subsidising them. Wouldn't be popular measure.	
Restrictions on donor funding including tied funding and delays in receiving tranches. What proposals do you have to manage this?	Interviews	CDB and EU have different trust account measures to circumvent the management fees imposed by UNDP/ IMF	

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Evaluation Questions	Sources of Evidence	Short Findings	External Factors/Assumptions
Are we able to analyse actual expenditure against planned Phase III expenditure to support estimates of efficiency?	FM reports/ PM reports/ Activity reports	No	
The UNDP are project managers for CARTAC and take a management fee for this. Do you have any opinion on the contribution that the UNDP has to supporting CARTAC?		The rationale for the UNDP's involvement has passed	
What performance management processes are in place to support the efficiency of CARTAC?	interviews	Limited PM systems, focused on activity.	
4.4 Sustainability of CARTAC			
To what extent has CARTAC TA led to tangible and lasting results in member countries?	Interviews, survey,	The CARTAC model of technical assistance is sustainable, ceteris paribus, within the region. The proposed SEMCAR initiative will dovetail into the CARTAC programme and provide the longer term technical assistance	
What are the major factors which influenced the achievement or non-achievement of the sustainability of CARTAC supported reforms?	Interviews	Government support to wider reform, numbers of people, retention of trained staff, sometimes access to systems and hardware (SEMCAR)	
What followup to programmes/ projects is undertaken by CARTAC?		The technical assistance programmes indicate a vertical shift to more downstream activities. For example, the VAT programme is one of the flagship TA interventions of CARTAC. The survey result for the effectiveness of CARTAC	

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Evaluation Questions	Sources of Evidence	Short Findings	External Factors/Assumptions
		TA indicated that 20 percent rated the sustainability as excellent, 50 percent rated it as good, 12 percent as modest with 2 percent rating it as poor.	
What results based reporting is there to support the sustainability of CARTAC TA?		None	
How effective has CARTAC been in deploying local and regional TA experts?		There has been an increase from MTR 2006	
To what extent does CARTAC promotes regional integration and knowledge sharing?		Strong regional links	
4.5 Role and Performance of the Steering Committee			
Please rate the performance of the CARTAC Steering Committee.	Q2- SC Survey	2.9 where '3' is good	
Do you think that the objectives of CARTAC are close to being achieved?	Q6- SC Survey	Not yet	
Should an exit strategy for CARTAC be prepared?	Q6- SC Survey	20% said yes, 80% said No	
Is information and reporting provided to the Steering Committee appropriate to achieve its objectives of guidance?	Q8- SC Survey	Activity based- 50% said excellent, on results, 30% said it was modest	
Does the Steering Committee communicate with beneficiary organisations on a regular basis (and prior to the annual work planning)?	Interviews	No evidence to support this, most respondents did not know anything of the SC	
Please rate the effectiveness of CARTAC Steering Committee meetings	Q9- SC Survey	70% said good	
What three actions do you think would improve the effectiveness of the Steering Committee?	Q10- SC Survey	<ul style="list-style-type: none"> Better reporting of CARTAC's results Focusing on the impact of 	

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Evaluation Questions	Sources of Evidence	Short Findings	External Factors/Assumptions
		technical assistance <ul style="list-style-type: none"> Better planning 	
4.6 Strategic Issues for CARTAC			
What are the lessons that can be drawn from the current Phase (III)?		Organisational PM reporting, focus on low income, greater coordination	
What is the appropriate size and mix of advisers for CARTAC to support demand <u>within</u> resourcing?		Prioritisation is employed. The RAs currently provide a technical as well as a management of STX role. It may be that demand will increase as IMF charges and more demand on CARTAC- no need for more advisers, more regionally based STX.	
What are the priorities for CARTAC in the future?		Haiti and low income countries, more efficient application of TA to support lower income, not middle income.	
What are the opportunities for increasing the value of CARTAC?		See report	
Should CARTAC continue to provide technical assistance in the long term or should an exit strategy be prepared?	Q6- SC Survey	See report	
If a fourth phase of CARTAC is recommended, what suggestions on future governance and mission should be considered.		See report	

Annex J CARTAC Budget status

2008-2010 Budget	Actual Commitments As of October 2009			
Donor	Donor Currency	US Dollars	Status	Comments
Total Budget		34,486,398		
IMF		1,423,470	Definite	In-kind contributions
CDB		34,345	Definite	In-kind contributions - 1st quarter 2008
Host Country		300,000	Definite	In-kind contributions
Total in-kind		1,757,815		Total in-kind contributions
Total Cash Budget		32,728,583		Incl. 15% overhead
Canada	Ca\$20,000,000	19,544,613	Definite	Ca\$15mil received
European Union	€ 3,500,000	5,131,000	Definite	Under discussion - Via 10th EDF
European Union	€ 500,000	733,000	Definite	PEFA/PFM special assignment for St. Vincent & Grenadines
UNDP		200,000	Definite	Confirmed
Interest		840,936	Definite	appr 4% interest on total donor budget
CARICOM Countries		760,000	Definite	\$10k for 2008; \$15k for 2009-10
CDB		600,000	Definite	Confirmed
IDB		650,000	Definite	Confirmed - special arrangement - direct payment for training activities
DFID	£455,000	746,200	Definite	confirmed
Total Definite Commitments		29,205,749		Signed agreements and country contributions
Carry-over		3,386,338		Unspent balance from Phase 2 [1].
Total available		32,592,087		-
Funding Surplus/ Gap		(136,496)		Cash budget minus definite pledges

Source: CARTAC Programme Coordinator

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	Total			CY2008		CY2009		CY2010
	Program Doc	Exp	Balance	Bud	l Exp	Bud	Exp (June)	Bud
IMF 01 Contributions / Cash Budget	1,476,460	1,346,158		482,000	459,343	491,800	395,014	502,660
Program Coordinator (STD)	1,188,000	787,558		388,000	219,933	396,000	171,625	404,000
Field Staff Salary		163,594			92,912		70,682	
Travel		80,201			47,850		32,351	
Build. Occupancy/Maint/Rental	288,460	235,236		94,000	67,441	95,800	71,995	98,660
Other (UTIL)		65,793			26,369		39,424	
Other (REPRE)		7,074			4,838		2,236	
Other (Equipment) Car Purchase		25,546			-		25,546	
Donor Contributions / Cash Budget								
Core Team of Resident Advisors	3,940,898	1,942,305	1,998,592	1,275,000	1,196,453	1,313,250	745,853	1,352,648
11.01 Public finance management advisor	788,180	373,695	414,484	255,000	199,816	262,650	173,879	270,530
11.02 Revenue administration advisor	788,180	334,384	453,795	255,000	244,904	262,650	89,480	270,530
11.03 Financial sector advisor	788,180	369,300	418,879	255,000	216,190	262,650	153,111	270,530
11.04 Capital Market advisor	788,180	373,070	415,109	255,000	242,263	262,650	130,808	270,530
11.05 Statistics advisor	788,180	371,613	416,567	255,000	173,038	262,650	198,575	270,530
EU- Trust Fund								
11.01 Public finance management advisor		19,275	(19,275)		19,275			
11.02 Revenue administration advisor		5,649	(5,649)		5,649			
11.03 Financial sector advisor		83,333	(83,333)		83,333			
11.04 Capital Market advisor		-	-		-			
11.05 Statistics advisor		11,986	(11,986)		11,986			
Additional Advisors in Phase III	3,517,189	1,132,823	2,384,366	1,275,000	645,450	1,430,600	487,373	811,589
11.19 VAT advisor	788,180	326,593	461,587	255,000	210,469	262,650	116,124	270,530
11.24 Tax admin advisor	445,000	310,786	134,214	255,000	209,137	190,000	101,648	-
11.07 Tax admin advisor (FAD HQ based)	445,000	209,943	236,057	255,000	140,767	190,000	69,176	-
11.13 PFM advisor	533,180	98,788	434,392	-	-	262,650	98,788	270,530
11.09 Macro-economic advisor	788,180	178,576	609,604	255,000	85,076	262,650	93,500	270,530
11.12 Statistics advisor [Tourism]	517,650	8,137	509,513	255,000	-	262,650	8,137	-
Short-term Experts	8,396,000	5,158,157	3,237,843	3,831,000	3,605,817	2,622,000	1,552,339	1,943,000
11.06 PFM Experts	840,000	818,372	21,628	270,000	674,486	280,000	143,886	290,000
11.08 Revenue Admin experts	4,130,000	1,982,619	2,147,381	2,430,000	1,517,724	1,120,000	464,894	580,000
11.10 Customs Experts	0	684,086	(684,086)	-	357,216	-	326,870	-
11.11 Financial Sector /Capital Market Experts	1,122,000	659,662	462,338	324,000	300,470	392,000	359,192	406,000
11.22 Capital Markets	0	134,815	(134,815)	-	79,621	-	55,194	-
11.14 Debt Management Experts	252,000	-	252,000	81,000	-	84,000	-	87,000
11.20 Pension Reform Experts	0	2,528	(2,528)	-	2,528	-	-	-
11.21 Economic Statistics experts	840,000	510,474	329,526	270,000	386,936	280,000	123,537	290,000
11.16 Financial Programming Experts	840,000	366,551	473,449	270,000	287,785	280,000	78,766	290,000
11.18 ECCU Macro-fiscal (DFID)	0	(14,345)	14,345	-	(14,345)	-	-	-
11.25 CCF (Grenada VAT)	0	13,395	(13,395)	-	13,395	-	-	-
Revenue administration consultant	372,000	-	372,000	186,000	-	186,000	-	-
Other cost								
Administrative support staff	637,000	303,279	333,721	206,000	222,800	211,000	80,479	220,000
16.01 Regional travel for advisors	1,050,000	651,736	398,264	350,000	451,892	350,000	199,844	350,000
15.01 Evaluation and PD formulation	185,000	225,790	(40,790)		31,930	125,000	193,861	60,000
Training								
32.01 Professional attachments	450,000	115,993	334,007	150,000	106,856	150,000	9,137	150,000
32.02 Seminars (Participants/materials)	1,560,000	1,824,975	(264,975)	520,000	1,416,398	520,000	408,577	520,000
45.01 Project Equipment (Non-expendables)	30,000	9,880	20,120	10,000	9,467	10,000	413	10,000
45.02 Office space & equipment	30,000	52,711	(22,711)	10,000	39,656	10,000	13,055	10,000
53.01 Miscellaneous	90,000	216,632	(126,632)	30,000	161,283	30,000	55,349	30,000
Center Operations	150,000	279,223	(129,223)	50,000	210,406	50,000	68,817	50,000
Total Direct Cost	21,362,547	12,980,438	8,251,806	8,139,000	8,347,344	7,263,650	4,141,294	5,959,897
IMF: AOS - 10%	2,136,255	1,298,044	838,211	813,900	834,734	726,365	414,129	595,990
UNDP: GMS - 5%	1,174,940	713,924	461,016	447,645	459,104	399,501	227,771	327,794
Total Cash Budget	24,673,741	14,992,406	9,681,335	9,400,545	9,641,182	8,389,516	4,783,195	6,883,680

Source: OTMS- CARTAC Main_CY08-10 (AKW) Updated Spreadsheet dated 15 January 2010

Annex K List of UN Activities to support CARTAC

CARTAC Transaction Records of UN Activities				
Nature of transaction	2007	2008	2009	Total
Renewals for long term advisors <ul style="list-style-type: none"> ▪ Visas 	10	10	11	31
Processing new long term advisors <ul style="list-style-type: none"> ▪ Processing personal shipments imported ▪ Processing duty free purchase of vehicles ▪ Processing Customs documentation for the 6 month duty free allowance 	2	1	4	7
Processing UN L/P				Approx 25
Security	Inspection of new CARTAC building	Inspection of 1 LTA domestic premises		2
Shipments from IMF HQ to CARTAC	2- 3	2- 3	2- 3	6-9

UNDP Transaction Records of UN activities	2008	2009	Total
Renewals for long term advisors			
• Visas:			
- Application for Multi-entry Visas	9	9	18
- Renewal of Visas	9	6	15
- Entry visas for participants for meetings	2	4	6
• Licenses:			
- Renewal of License – CARTAC official vehicle	1	1	2
Processing for new long term advisors/Processing Customs documentation for the 6 month duty free allowance (Includes customs clearance of personal effects, duty-free vehicles, IDs)			
• Processing personal shipments Imported (see below)*			
• Processing duty free purchase of vehicles	4	4	8
• Request to dispose of vehicles	0	3	3
• Processing of Special Barbados Identification Cards	8	12	20
• *Personal Shipments:			
- Importation of live animals	0	1	1
- Processing of Duty Free Wines and Spirits	7	2	9
- *Customs clearance – household & personnel effects	4	5	9
- *Customs Clearance of Goods	4	2	6
Processing UN L/P			
- Renewals of UN LPs	6	5	11
Security	1	1	2
*Shipments from IMF HQ to CARTAC (same as Customs clearance items)			
TOTAL REQUESTS		110	

Annex L List of Interviewees

Name	Title	Department	Org/Country
Alexander, Mrs.	Accountant General	Funds Management and Treasury	St Lucia
Alleyne, Trevor	Division Chief	Western Hemisphere Department	IMF
Anderson, Leon	Head of Financial Regulation,	Financial Services Commission,	Jamaica
Anthony, Deirdre	Supervisor	Ministry of Finance and Planning	St Vincent and the Grenadines
Austin, Paul	National Accounts Statistics Adviser	CARTAC	Barbados
Bain, Laurel	Senior Director,	Statistics Department	St Kitts
Baldwin, Barbara	Deputy Division Chief	Statistics Department	IMF
Barnett, Rohan I	Executive Director	FSC	Jamaica
Belle, Georid	Deputy Comptroller	IRD	St Kitts
Blake, Hope	Head, internal Audit Directorate	Min of Finance and Public Service	
Blanchard, Miram	Macroeconomics Adviser	CARTAC	Barbados
Bolton, Corine	Senior insurance Analyst	FSC	Jamaica
Bonnette, Avril James	Director	Audit Department	St Lucia
Bowes, Cam	Counsellor Development (CIDA)	CIDA	Barbados
Burton, Oliver	Deputy Comptroller	IRD	Dominica
Carrette, Prayna	Chief Statistician	Central Statistics Unit	Dominica
Carrette, Samuel	Chief Development Planner	Ministry of Finance and Planning	Commonwealth of Dominica
Cashin, Paul	Advisor	Middle East and Central Asia Department	IMF
Casinin, Rahelle	Deputy Comptroller	IRD	Dominica
Charles, James	Comptroller	Inland Revenue department	St Lucia
Cheasty, Adrienne	Senior Advisor	Fiscal Affairs Department	IMF
Christensen, Brian	Section Chief	Fiscal Affairs Department	IMF
Davis, Adolphus	Comptroller of Customs	Ministry of Finance	Dominica
Dawe, Brian	Tax & Customs Adviser	CARTAC	Barbados
Douet, Elise	Director, Financial Institutions	Bank of Jamaica	Jamaica
Dusauzay, Ms.	Supervisory Division, Deputy Director		St Lucia
Edmonds, Howard	Financial Sector	CARTAC	Barbados

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Name	Title	Department	Org/Country
"Skip"	Adviser		
Edwards, Rosamund	Financial Secretary	Ministry of Finance and Planning	Commonwealth of Dominica
Edwards-Dowe, Denise	Tax Adviser	-	CARTAC
Emile, Benson	Assistant Accountant General	Treasury	St Lucia
Felix, Carlyle	Comptroller of Customs	Customs and Excise Department, Grenada	Grenada
Fitzpatrick, Ingrid	Senior Assistant Controller	Accountant General	St Vincent and the Grenadines
Forde, Frank	Deputy Commissioner	IRD	Barbados
Frame, Margaret	Statistician	Ministry of Finance	
Garlick, David	Short term expert		St Kitts
Grey, Rolda	Deputy Financial Secretary	Ministry of Finance and Public Service	Jamaica
Gyles-McDonnough, Michelle	Resident Representative	UNDP Barbados and the OECS	UNDP
Hansen, Stein	Deputy Resident Representative	UNDP Barbados and the OECS	UNDP
Harris, Janet	Financial Secretary	Ministry of Finance	St Kitts
Harris, Richard	Statistician	Statistics Dept	St Lucia
Horgant, Harry		DFID	Barbados
Jackson, Sonia M	Director General,	Statistical Institute of Jamaica	Jamaica
Jensen, Jette	Retired	OTM	IMF
Jessen, Anneke	Representative	Inter-American Development Bank	Barbados
Kammer, Alfred	Director	Office of the Managing Director	IMF
Layne, William	Permanent Secretary of Finance	Ministry of Finance & Economic Affairs	Barbados
Leon, Calixte	Director	Financial Services Unit Caribbean	St Lucia
Lewis-Bynoe, Denny	Director	Development Bank	Barbados
Lockhart, Christine	Assistant Controller	Ministry of Finance	Dominica
Lofton, Felicia	Finance Officer	Finance Department	IMF
Louis, Magella	Statistician	Statistics Dept	St Lucia
Ludlow, Graeme	Deputy Division Chief	Fiscal Affairs Department	IMF
Lynch, Claremonte	Coordinator ASCUDA	Customs and Excise Department	St Vincent and the Grenadines
Marion, Michel	Macro-Fiscal Adviser		CARTAC
Marshall, L	Deputy Commissioner	Customs and Excise Department, Grenada	Grenada
Medeiros, Carlos	Division Chief	Monetary and Capital Markets Department	IMF
Mendis, Harish	Senior Technical Assistance Officer	OTM	IMF

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Name	Title	Department	Org/Country
Meredith, Guy	Retired	Western Hemisphere Department	IMF
Mills, Eliza	Collections Supervisor	Inland Revenue	St Kitts
Mohamed, Paula	Programme Manager	UNDP Barbados and the OECS	UNDP
Monelle, Al	Manager	Ministry of Finance and Planning	Commonwealth of Dominica
Montrose, Maria	Accountant General		St Lucia
Morgan, Murna	Senior Advisor to Executive Director for Canada, Ireland and the Caribbean		CIDA
O'Brian, Marc	Division Chief	Monetary and Capital Markets Department	IMF
Owusu Boamah, Daniel	Senior Director		Central Bank of Barbados
Pascal, Francesca	Budget Controller	Ministry of Finance Fiscal Affairs	Dominica
Perry, Victoria	Division Chief	Department of Inland Revenue	IMF
Peters, Pauline	Assistant Comptroller	Division	Government of Grenada
Phillips, Rose M	Budget Director, Min of Finance and Public Service		
Phills, Irwina	Senior Assistant Controller	Customs and Excise Department	St Vincent and the Grenadines
Pinon, Marco	Advisor	Western Hemisphere Department	IMF
Pompy, Kevin	Comptroller Counsellor Development (CIDA) and Alternate Canadian Director to the Caribbean Development Bank	IRD	St Vincent and the Grenadines
Racine, Lynne		CIDA	Barbados
Roberts, Gatlin	Chief Statistician	Ministry of Planning and Economic Development	St Vincent and the Grenadines
Rose, Mintrue	Senior Compliance Officer	Ministry of Finance & Economic Planning	Jamaica
Royer, Reynette	Programme Associate	UNDP Barbados and the OECS	UNDP
Sherestha, Manik Lal	Deputy Division Chief	Statistics Department	IMF
Silins, Mark	Public Financial Management Adviser	CARTAC	Barbados
Silvester, Mike	Deputy Financial Secretary Government of Grenada		
Sinanan-Bollers, Sharda	Executive Director	Ministry of Finance International Financial Services Authority	Grenada St Vincent & the Grenadines

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Name	Title	Department	Org/Country
		Grenada Authority for the Regulation of Financial Institutions (GARFIN)	Grenada
Smith, Angus	Executive Director		
Sondawle, Bhaiya	Insurance consultant	Financial Services	St Lucia
Sonson, Adria Rose	Deputy Comptroller	IRD	St Lucia
	Comptroller Customs Dept.	Customs Department	S Lucia
St. Helene, Herman	Director	Ministry of Finance	St Lucia
St. Juste, Embert	Programme Coordinator	CARTAC	Barbados
Turner-Jones, Therese	Technical Assistance Officer	OTM	IMF
Warburton, Alan	Comptroller Internal Revenue Department	IRD	St Kitts
Williams, Beverly	Accountant General (Ag)	Ministry of Finance	Dominica
Williams, Dorella	Capital Markets Adviser	CARTAC	Barbados
Wynter, Brian	Advisor	Monetary and Capital Markets Department	IMF
Zendamella, Rogerio	Chief	Statistics Department	IMF
Zieschang, Kimberly			

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