



ACTIVITY REPORT

November 2009 – April 2010

FINANCIAL SECTOR SUPERVISION ACTIVITY REPORT

November 2009 – April 2010

Summary of Financial Sector Activities and Results for the Six Months November 1,2009 to April 30,2010

FINANCIAL SECTOR SUPERVISION

Financial sector activities for the past six months were focused on banking supervision, insurance supervision, the development of supervisory capacity in the ECCU Single Regulatory Units, the development of credit bureaus in the region, credit union supervision, private pension fund supervision, and the Caribbean financial literacy/education project.

I. BANKING SUPERVISION

Banking Supervision Projects and Results (Intended or Realized):

- **Bank and Bank Stress-testing Models were developed/enhanced for the Central Banks of Trinidad and Tobago (CBTT) and Guyana (BOG).** The CBTT project is not completed but involves stress-testing by the CBTT of each bank and the banking system to various shocks; the banks themselves are engaging in stress-testing self-assessments based on guidelines formulated by the CBTT. The CBTT will compare the results of their tests with those of the banks' own test to assess strengths and weaknesses. The results will be reported in the CBTT Financial Stability Report. For Guyana, the BOG found data deficiencies that restrict a thorough stress-testing analysis; these data deficiencies are being addressed. Guyana needs to move forward with full implementation as soon as possible.
- **Regional Financial Stability has been a hot topic recently in light of the CL Financial (Clico) regional debacle. CARTAC is working with the Caribbean Centre for Money and Finance (CCMF) and the Central Bank of Barbados to develop a framework for regional financial stability.** The first step was a workshop to discuss issues that needed to be included in the framework and the drafting of a framework; the workshop included the senior financial sector supervisors for banks, credit unions, insurance, and securities. The framework is currently being drafted and will be shared with CARTAC member countries for additional input/discussion. The presentations from the workshop can be found here: <http://www.cartac.org/pagesselect.cfm?page=56>. The framework will complement projects already undertaken by CARTAC to effect regional financial stability, such as harmonization of laws and regulations, harmonization of regulatory reporting to supervisors, Colleges of Regulators, and sharing of information and supervisory practices. The program also encourages each country to develop written Financial Stability Reports. Jamaica and Trinidad and Tobago are the only countries publishing

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these reports to date. The FSS Advisor is working with Barbados on the framework for developing and publishing an Annual Financial Stability Report for Barbados.

- **The Toronto Centre taught a course on Risk-based Supervision for Bermuda, Trinidad and Tobago, The Bahamas, and the ECCB.** The course was sponsored by CARTAC based on a commitment by each of these countries to move forward with risk-based supervision of banks. Bermuda and The Bahamas have already provided/discussed with CARTAC their strategic plans to fully implement risk-based supervision within the next 12-months based on the knowledge gained from the course.
- **In light of the world financial crisis, a renewed interest in strengthening existing deposit insurance regimes in Jamaica, Barbados, Trinidad and Tobago, and The Bahamas as well as implementation plans in Bermuda and Turks and Caicos culminated in a Conference on Bank Insolvency.** The conference discussed different deposit insurance regimes in various countries and identified best practices. The conference also discussed issues relating to solvency laws. As a result of the conference, Jamaica decided to develop a law for resolution of banks that would fall outside of the company bankruptcy law. Other countries in the Caribbean are currently re-examining their policy with respect to deposit insurance. The presentations for the conference can be found here: <http://conference.jdic.org/Presentations.html>.
- **The Bahamas received technical assistance in the drafting of a Credit Risk Manual.** The manual is currently being tested in three on-site examinations. The results should be that the Central Bank of the Bahamas should be better able to assess the quality of assets at banks as well as the risks in the loan portfolio and as a result, make a better assessment of the adequacy of bank capital.
- **St. Vincent and the Grenadines received technical assistance in developing policies and procedures for international banks and the development of capital regulations for international banks.** The results are that staff is now conducting on-site examinations of international banks and engaging in off-site supervision of these banks (including implementation of new regulatory reports developed by CARTAC). The authorities note that with the completion of the technical assistance, they believe they have brought their supervision of international banks from ground zero to a level that will allow them to supervise the banks in a satisfactory manner.
- **CARTAC coordinated with the World Bank on a request by the Central Bank of Haiti to assess the ability of insurance companies to pay losses on collateral held by banks that secured loans.** The project is underway, and the intended result is that the Central Bank will be able to better assess credit losses at banks as a result of the earthquake.

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II. Insurance Supervision

Insurance Supervision Projects and Results (Intended or Realized)

- **For the first time, a College of Regulators forum was held for two large regional insurance companies.** The results were (1) identification of strengths and weaknesses of the regional companies as well as an understanding of the operations in each of the Caribbean countries, (2) identification of supervisory weaknesses that need to be enhanced to ensure that these two companies are supervised proactively, and (3) learning from each other on how regional supervisor cooperation should commence.
- **An expert provided technical assistance to the Financial Services Commission (FSC) of Anguilla in the on-site examination of insurance companies.** The results are that the FSC will (1) increase the scope of future examinations, (2) assess risk more comprehensively, and (3) identify internal control weaknesses at insurance companies more systematically.
- **An assessment of the strengths and weaknesses in insurance supervision in Barbados was complete and submitted to the Government of Barbados.** No results have been obtained from this technical assistance as of yet.
- **A framework to move forward with implementation of an Insurance Act and insurance regulatory framework for Haiti was completed by CARTAC.** CARTAC is awaiting comments on the proposal from Haiti and once the document is finalized, the legal aspects of the plan will commence.
- **At the Central Bank of Trinidad and Tobago, the project continues on insurance supervision to (1) develop insurance liabilities valuation methodologies, a capital adequacy framework, (2) development of a actuarial infrastructure, and (3) develop training skills to review actuarial reports of insurance companies.** The results are (1) the regulation for Capital Adequacy and Long-term Actuarial Valuation Basis and Report is finalized, (2) reporting requirements are finalized and are awaiting implementation once the Insurance Act is passed, (3) all 2008 actuarial valuation reports have been reviewed and signed off, and (4) feedback has been given to the industry on weaknesses in some of the actuarial valuation reports. Stress-testing of insurance companies is the next step.
- **At the Jamaica Financial Services Commission, technical assistance is being provided in the area of actuarial valuations for general insurance (non-life) companies.** The project began in April, 2010 and consists of training in the review of

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analysis of actuarial valuation reports for eleven general insurance companies in Jamaica and the development of policies and procedures for such. No results have been obtained to date as the project has just started. The results of the project will be shared with other CARTAC member countries.

III. Credit Bureau Development

(In Conjunction with the IFC)

- A Legal and Regulatory Review is underway at **The Bahamas** and for **Belize** in preparation for the drafting of a credit bureau law; this is one part of the credit bureau diagnostic assessment process.
- CARTAC and the IFC met with the **Barbados Bankers' Association** and the Central Bank of Barbados to push forward the credit bureau process. A strategic plan has been developed with the help of the Barbados Bankers' Association to move forward with a credit bureau.
- The proposed Credit Bureau Law for **Guyana** is before a Joint Select Committee, and the legislation is out for public comment.
- The Credit Bureau Act in **Jamaica** was passed by the Lower House and is awaiting passage by the Upper House before being signed into law.
- For the **ECCB**, a legislative project plan is being implemented in order to draft the Credit Bureau Act.
- In **Trinidad and Tobago**, agreement was obtained that the Central Bank would supervise the credit bureaus; the Ministry of Legal Affairs has a new Permanent Secretary who needs to be brought up to speed before the credit bureau legislation can be sent to parliament.

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IV. Development of Single Regulatory Units (SRUs) in the ECCU

(8 Countries)

- **The ECCB finally and officially provided non-bank reporting forms (developed in conjunction with CARTAC) to the SRUs for money services businesses, trust businesses, mutual funds, off-shore banks, credit unions, other depository institutions, and insurance companies.** The non-banks supervised by the SRU are to begin reporting on these forms on March 31, 2010 and submission of the information to the ECCB is to done by June 15, 2010. The results will be (1) the ability to monitor non-banks off-site, (2) the development of statistical data to observe outliers that may indicate problem institutions, and (3) monitoring of inflows and outflow for monetary purposes by the ECCB.
- **A meeting of the Directors of the SRUs was held to discuss progress.** Results from the meeting where: (1) a decision to move forward with changes in the Insurance Act at all eight countries based on World Bank recommendations to Grenada and St. Lucia, (2) a decision to consider changes to the draft Credit Union Act based on recommendations by CARTAC, (3) establishment of a Memorandum of Understand to facilitate the sharing of information between and among the SRUs and the ECCB, and (4) a discussion of technical assistance projects that have been completed and the results of the technical assistance.
- There has been no results yet from the CARTAC recommendations for the organization structure for the Antigua Financial Services Regulatory Commission completed in October, 2009.

V. Credit Union Supervision

- **The process to improve on-site and off-site examinations of credit unions in The Bahamas was completed.** The results are: (1) improved on-site examination reports which better identify major safety and soundness issues, (2) a side-by-side comparison of credit unions financial ratios in order to identify ratio outliers for off-site supervision and for risk-based examinations, and (3) industry trend analysis of all credit unions.
- CARTAC is in discussions with the World Council of Credit Unions to engage in a joint training workshop in the Caribbean.

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VI. Pension Fund Supervision

- **CARTAC is working with the Financial Services Commission of Jamaica to establish a Caribbean Association of Pension Fund Supervisors.** This group will be responsible for identifying training needs and serving as the capacity builder for improvements in pension fund supervision. The organizational meeting is to take place on June 12, 2010.

VII. Caribbean Financial Literacy

www.financialliteracycaribbean.com

- The kick-off of the CARTAC Financial Literacy web site and the unveiling of the “Financially Fit” motto and logo occurred in Jamaica with participation of over 200 people. The Financial Literacy advocates from Trinidad and Tobago, Jamaica, and the ECCB participated in the kick-off. The kick-off included television and radio interviews by the CARTAC Program Coordinator and the Manager of the National Financial Literacy Program in Trinidad and Tobago.
- Currently, 13 series of Financial Literacy Radio Talk Shows are taking place in Barbados.
- The Financial Literacy Student Essay Contest is underway.
- Full page Financial Awareness articles will appear in each of the four issues of Liat magazine in 2010.
- A Facebook page was developed which now has over 250 fans. The site is:
<http://www.facebook.com/financialliteracyforthecaribbean>
- The immediate results of the program is that the FSC Jamaica is developing a financial literacy program for Jamaicans. The long-term results are hoped to be (1) financial literacy programs in all countries and (2) education of the public about personal finances. The program has also obtained significant media (television, radio, and newspaper) attention throughout the Caribbean.

MACROECONOMIC ACTIVITY REPORT

November 2009 – April 2010

Summary of Macroeconomic Activities and Results for the Six Months November 1, 2009 to April 30, 2010

MACROECONOMICS

Over the last semester, activities in CARTAC's MAC programme focused on three core areas:

- i. Building capacity in the preparation of internally-consistent macroeconomic projections
- ii. Increasing the understanding of macroeconomic programming and analysis through formal training courses
- iii. Enhancing the analytical and professional skills of regional economists through internship programmes and professional attachments.

Capacity Building

CARTAC continued to work with small groups within the ministries of finance to guide economists in the preparation of internally-consistent medium-term macroeconomic projections. These exercises involved the preparation of sectoral, current and constant-price GDP estimates, as well as fiscal projections under baseline and active scenarios to take into account new policy measures. The **expected output** of the exercise is an updated macro-fiscal framework that is used as an input in the budget process as it establishes expected revenue and hence expenditure ceilings. **Another expected outcome** is enhanced capacity of local economists to undertake this work.

During the review period, the following capacity building missions were conducted:

- i. **Anguilla:** Following a Strategic meeting between senior Ministry of Finance officials and the CARTAC Programme Coordinator and MAC Adviser, to discuss the technical assistance needs in the area of macroeconomic programming and analysis, a programme was developed to train local economists and statisticians to prepare consistent medium-term projections. During the review period, three missions were conducted to introduce the new team to different methodologies in forecasting the fiscal accounts and providing guidance to the team to prepare medium term real and fiscal sector projections. Based on feedback from the Authorities, the output from the mission will be used as a tool in the budget process which was delayed due to general elections in February 2010.

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- ii. **Antigua and Barbuda:** Following discussions with senior officials from the Ministry of Finance to provide assistance to monitor the impact of the Government's policy measures presented in the 2010 budget, two missions were conducted. The first mission was conducted from January 6- 15, 2010 and the second from February 15 – March 5, 2010. The objective of the missions was to work with the local team to prepare a framework to monitor the impact of the announced fiscal measures on the macroeconomic framework. The output of the exercise is expected to assist the Authorities in negotiations with financial institutions.
- iii. **The Bahamas:** At the request of the Central Bank of the Bahamas, a mission was organised to evaluate the Bank's current economic and financial model and present recommendations for improvement. Bank officials also received guidance from the MAC short-term expert to incorporate the recommendations and revise the model. The assignment was conducted over the period March 8 – 19, 2010.
- iv. **St. Kitts and Nevis:** A capacity building exercise was conducted in St Kitts and Nevis to train new officers in the preparation of fiscal and debt projections. This precursor to the annual exercise, is expected to strengthen the skills of the local team to facilitate emphasis on the analysis of different fiscal scenarios during the annual mission which feeds into the budget. The mission was conducted from April 7 – 16, 2010.
- v. **St. Lucia:** At the request of the Authorities, a training exercise in the preparation of fiscal projections was prepared and delivered to sixteen (16) officers from various departments within the Ministry of Finance (Budget, Customs, Inland Revenue, Research and Policy and Treasury). The exercise conducted from November 16 – 20, 2009 is expected to assist the Authorities in the preparation of the budget by providing training to all of the officers involved in the preparation of fiscal projections. The feedback from the group was overwhelmingly positive at the end of the exercise.

The annual mission to update the macroeconomic framework before the start of budget discussions commenced on January 18 for a period of two weeks.

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Formal training programmes

- i. Over the last semester, the highlight of the MAC TA Programme was a *Macroeconomic Management and Fiscal Policy Issues (MFP) Course* delivered in St. Lucia from March 17 – 30, 2010. Thirty six (36) officials from fifteen (15) member countries and central banks as well as one officer from the OECS Secretariat attended the course, which was presented by a team from the IMF Institute in collaboration with CARTAC. This was the fourth delivery of this course in the region since 2006. The objective of the course was to deepen participants' understanding of fiscal policy issues and their implications for macroeconomic management. It featured a series of lectures followed by workshop sessions and covered the interrelationships between fiscal variables and macroeconomic aggregates as well as the design and implementation of fiscal policy as an instrument to achieve macroeconomic adjustment, growth and poverty reduction.

The course met all of its objectives as confirmed in the course evaluation. This assessment is based on the positive feedback received from participants. Course value and overall satisfaction received high ratings and most participants confirmed their willingness to recommend the course to their colleagues.

- ii. CARTAC's MAC programme's foundation course, *Macroeconomic Statistics for Economists: An Introduction to Macroeconomic Statistical Systems* was delivered in Trinidad and Tobago from February 22 – 26, 2010. The course was organised in Trinidad and Tobago as an introduction for local economists involved in data analysis and economic policy, prior to the commencement of a technical assistance programme to build capacity in financial programming. This course examined the main macroeconomic accounting systems, key concepts and definitions, the relationship among the accounts and the harmonisation of the systems. The course is expected to enhance participants' understanding of macroeconomic statistics and thereby strengthen their analytical and technical capabilities in macroeconomic analysis and management. Twenty-eight (28) economists from a number of agencies attended the course including the Ministry of Finance, Central Bank of Trinidad and Tobago, Central Statistical Office and the Ministry of Planning and Development of the Tobago House of Assembly. CARTAC received positive feedback from the group regarding the usefulness and timeliness of the course.

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Internship Programme and Professional Attachment

Activities aimed at enhancing the analytical skills and professional development of regional economists included organising the third year of the CARTAC internship programme.

Internship Programme: In continued response to comments from members of the CARTAC Steering Committee regarding the inadequacy of economics graduates in the region for operational work, CARTAC successfully collaborated with the University of the West Indies, Cave Hill Campus to identify honours students for an internship programme. The programme, which aims at enhancing the analytical skills of the graduates to better prepare them for the workplace, commenced in 2008.

During the past semester, the planning of the third MAC internship programme began in earnest. CARTAC wrote to regional central banks and research centres to determine their interest in hosting students during the summer of 2010. Meetings were held with representatives of the Economics Department of the three UWI campuses. Previously all interns, with one exception, were from the Cave Hill Campus, UWI, in Barbados.

Other

Over the last semester, the MAC Adviser was required to attend a number of meetings/consultations including:

- i. The CARTAC Steering Committee meeting on November 12, 2009 in Belize
- ii. Strategic meetings at the IMF headquarters with counterpart departments from December 1 – 4, 2009
- iii. A Regional Poverty and Social Impact Analysis Consultative meeting organised by the UNDP, Barbados, from December 7 – 8, 2009.

Work commenced on the Programme Document for Phase IV and included the preparation and dissemination of questionnaires to stakeholders to ascertain their respective TA priorities in the MAC area. The Adviser also drafted a note on the way forward for the MAC component in the new phase.

MACRO-FISCAL MANAGEMENT ACTIVITY REPORT

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MACRO-FISCAL MANAGEMENT

OVERVIEW

During the last six months, CARTAC has continued to deliver workshops and other core TA to assist member states prepare model-based fiscal projections and target-based, policy-augmented medium term fiscal frames. A pension review was carried out in one jurisdiction. A considerable development effort was also deployed: following up on the strong expression of interest by participants at the joint CARTAC-ECCB Public Pension reform conference last June, a quantitative public pension reform workshop was developed; and it was delivered in 2 member states. As directed at the October 2009 Steering Committee meeting in Belize City, a comprehensive 5-part technical assistance program was developed to help strengthen Debt Office functions, institutions and inter-country networking. Following delivery, in the previous reporting period, of the first formal technical assistance intervention to help strengthen the oversight and governance of statutory bodies, the program and ways and means of delivering the quantitative workshop component were reviewed and they are now ready for wider rollout in the next reporting period. Comprehensive TA strategies were proposed to member states which had shown interest in setting up and strengthening a macro-fiscal policy and analysis unit (MFU). TA proposals were put forward or discussed in all jurisdictions. TA missions were delivered in seven member states (Barbados, BVI, Grenada, Haiti, St. Kitts and Nevis, and Suriname.)

A. Assistance to Set Up and Strengthen a Macro-Fiscal Unit in Ministries of Finance

A number of member states (including Barbados, Belize, BVI, Grenada, Montserrat, Suriname¹, Trinidad & Tobago) expressed varied degrees of interest in setting up a macro-fiscal policy and analysis unit (MFU) that would be mandated to advise the Government on appropriate fiscal targets and to develop recommended fiscal policies designed to achieve these targets. These unit are typically responsible for the preparation of medium-term fiscal frameworks, and for all related model-development, forecasting, impact analysis

¹ Suriname is one of the few member states to have a full-fledged, well functioning macro-fiscal unit in the Ministry of Finance, the “Economic Affairs Department”; it is responsible also for the oversight of statutory bodies. Trinidad and Tobago and other jurisdictions are engaged in the process of setting up an MFU.

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and reporting tasks; and they play an important role in the preparation of pre-budget consultations and Budget documents and in analytical budget execution reports. Comprehensive M-F capacity-strengthening programs - encompassing the core hands-on TA activities (revenue forecasting, MTFF preparation and DSA preparation) together with mentoring and attachments were proposed to these countries during this period. Firm plans were being fleshed out, and timelines established toward the end of the period. Execution of these plans is envisaged in Belize, Grenada and Montserrat in the next six months.

1. Preparation of Revenue Projections, a Medium-Term Fiscal frame and a Debt Sustainability Assessment

CARTAC delivers workshops or less formal TA, including mentoring, to help inter-agency teams - led by the MoF - in the preparation of:

- base-case, model-based judgment-augmented Medium-Term Revenue Projections;
- Medium-Term base-case fiscal projections, and policy-enhanced Fiscal Frameworks (MTFF);
- Debt Sustainability Assessments (DSAs), wherein baseline projections and policy scenarios are submitted to country-specific stress tests; and
- Analytical Budget execution reports focused on providing explanations for fiscal outcomes and especially for deviations from plans and their full-fiscal-year implications and for the years beyond.

This program is designed to strengthen the ability of MFUs in member countries to help the leadership team in the MoF to assess and manage fiscal risks associated with their central government operations. Building on the medium-term revenue projections prepared in BVI in the previous reporting period, an MTFF was prepared in March. Medium-term revenue projections as well as an MTFF were prepared in Montserrat and the results were submitted to the leadership of the MoF and to the Chief Minister for consideration. A DSA was prepared in Barbados; and results were presented to senior MoF officials for review.

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2. Strong Debt Strategy and Management Capacity and Well-Functioning Institutions

Capacity to design a sound debt strategy and to execute it proficiently through effective institutions also helps to assess and manage fiscal risks. In response to member states' request for assistance to strengthen their debt management capacity and institutions CARTAC developed a multi-faceted TA program which was circulated to all Financial Secretaries, Permanent Secretaries and Central Bank Governors during this reporting period. Included was an offer to carry out an institutional review of Debt Offices, which could lead to recommended measures to address gaps or weaknesses which could be addressed through CARTAC TA interventions. It also proposed mechanisms to build on the effective networking activities which the IADB and the ECCB already nurture. Three hands-on workshops were also proposed: one to assist in the interpretation of loan agreements and the translation of key provision into quantitative arguments for inclusion in debt recording and management information systems; one to assist in carrying out an analysis and assessment of the loan portfolio; and one designed to sharpen the negotiating strategies and skills of front office officials. A number of countries have expressed interest in one or more elements of this program – notably Barbados, the Bahamas, Belize, Grenada, Guyana, Jamaica, Suriname, and Trinidad & Tobago. Close coordination with the recently instituted and CIDA-funded Debt Management Advisory Services (DEMAS) Unit at the ECCB is envisaged. CARTAC participated at an IMF-HQ mission to assist the Debt office in Grenada in the preparation of a medium-term debt strategy using quantitative risk assessment templates, developed jointly by the IMF and WB. The intent was to assess whether these tools and approaches would be suitable for broader application in CARTAC TA in our member states. It was determined that further refinement of the tools and development of the accompanying user guides were warranted at this stage.

B. Effective Assessment and Management of Other Fiscal Risks

Sound fiscal management entails a comprehensive approach to fiscal risk assessment, one which extends beyond central government operations, to take into account the potential risks posed by national or public sector pension plans which are poorly structured and unsustainable and which are likely to eventually become insolvent. Risks posed by insolvent, overly indebted, or poorly managed state-owned enterprises (whose debt is typically guaranteed by the central government explicitly or implicitly) and who become unable to operate or to service their debt obligations must also be taken into account and managed.

3. Support for Reforms of National and Public Sector Pension Plans

CARTAC has carried out reviews and assessments of pension plans in member states, and recommended action if required. In some instances and when requested, CARTAC follows up by supporting member states in the quantitative analysis of alternative reform options and in the review of the enabling legal instruments. Late in 2008, CARTAC had carried out a review of the public sector pension plan in Montserrat. The report contained recommended reforms. In responding to a request for follow up assistance, in November 2009, a CARTAC pension expert and actuary carried out a mission to assist the authorities in Montserrat to move forward on the required reforms. Alternative reform options were explored and their pros and cons set out; and quantitative impact analyses were prepared for the subset of options deemed most viable. A report setting out the findings and the principal arguments for and against each of the major alternatives was submitted to the authorities for their consideration. Last June, at the joint CARTAC-ECCB, public pension reform conference in St. Kitts and Nevis, participants responded enthusiastically when canvassed on their interest in participating in in-country or regional quantitative workshops which would help “De-Mystify the Actuarial and Other Quantitative Estimates Associated with Reforms of National and Public Pension Plans”. Development of this workshop was completed and two workshops were delivered during this reporting period: in BVI and in St. Kitts and Nevis. All jurisdictions were informed that this workshop is ready to be delivered.

4. Managing Fiscal Risks Associated with State-Owned Enterprises (SOEs)

The initial structured TA intervention, including a quantitative workshop targeted to the SOE oversight team in the MoF and financial officers in statutory bodies, was delivered in St. Vincent and the Grenadines in the previous reporting period. A menu of additional TA activities focusing on strengthening different aspects of SOE oversight and governance was also submitted to the authorities at that time. Based on the experience in delivering the workshop and on the feedback from participants, a significant effort was deployed during this reporting period to refine the approach and strengthen the program. Four TA activities are scheduled for the next reporting period.

PUBLIC FINANCIAL MANAGEMENT ACTIVITY REPORT

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PUBLIC FINANCIAL MANAGEMENT

I. PFM Diagnostics and PFM Action Plans

PEFA assessments. A PEFA assessment was finalised for Montserrat after feedback from the PEFA Secretariat and donors. CARTAC also facilitated a one and a half-day workshop to develop a PFM Reform Action Plan. Both the EC and DFID attended the workshop. The plan will be completed by May after which the development partners will be invited to determine their contributions in supporting the plan. The Advisor also participated in a donor meeting to discuss the draft PEFA from Grenada. Authorities from Antigua and Barbuda agreed that CARTAC will lead on its PEFA assessment, which is scheduled to start in May.

PFM reform action plans. Antigua & Barbuda, Dominica, Grenada, St Kitts & Nevis and St Lucia have requested support from CARTAC for the development of PFM reform action plans. Suriname has also requested ongoing support in quality assurance of its PFM reform agenda.

A PEFA workshop was convened in Barbados during November, attended by over 25 participants from 17 countries and by development partners. Extensive feedback provided by participants will be used to improve PEFA processes in general. The European Commission has since committed to increasing the sensitisation and resourcing of future PEFA processes as a result of the feedback. The CaPFA Board has agreed to take a lead role in promoting the PEFA process in the region.

Antigua & Barbuda. Met with the authorities to finalise the DFID funded TA programme for 2010, which commenced in the Accountant General's office in March. Three missions have taken place to date and an action plan prepared to better manage the reform process.

Dominica. Undertook a one-week TA mission in November to assist in the preparation of an updated PFM Action Plan.

St Vincent & the Grenadines. Implementation of the country's PFM Action Plan continues. Nine interventions in seven key areas took place during the period.

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1. A two-day planning retreat was convened for treasury managers (16 officials). Margaret Sivers, Accountant General, Barbados, was a guest presenter at the event. Ms Sivers subsequently provided further TA support in implementing the outcomes from the retreat.
2. Work was finalised on the development of a largely automated bank reconciliation process. New management checklists were finalised to ensure timely action by officials in dealing with their critical workloads (three missions).
3. Support was provided to the MoFP in developing a proposal for the creation of an internal audit unit in the MoFP. This was subsequently included in the 2010 budget submissions with the new unit funded as a new policy proposal.
4. A report was prepared on the steps required by the Director of Audit to comply with the new Audit Act.
5. A two-week mission developed material for presentations on the new legislation.
6. A paper was also prepared which identified some of the issues relating to the new legislation and the requirements for the Accountant General's Instructions.
7. The PFM Reform Steering Committee met to review progress to date and to agree inputs for 2010.

Suriname. Participated in a joint mission in March with the CARTAC Macro-fiscal Advisor regarding TA requirements for PFM reform. A PFM Action Plan for 2010 was prepared for the authorities based on discussions and guided by a diagnostic report prepared jointly by the IMF/IDB and a report prepared by consultants funded by the Dutch Government.

Turks & Caicos. A three-day visit took place in Turks and Caicos to discuss CARTAC support in 2010. CDB also participated in this process.

The first draft of a paper which reviews ECCU countries in relation to PFM structural issues was finalised. This will be included in a broader expenditure paper being prepared by the IMF. The report relies extensively on the findings from six PEFA assessments in the region.

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II. Budget Execution

Support was provided to the Account General's Department in nine countries. This assistance had the objective of improving the overall quality of budget execution processes.

- **Belize.** Delivered a presentation on CoAs reform to seven officials from the Treasury, Ministry of Finance and SITO – the Information Technology unit that supports the MoF. A draft workplan was prepared for the authorities to improve the CoAs over the next 12 months;
- **Trinidad & Tobago.** A two-day workshop was convened to sensitise officials (34 attendees) to CoAs development, compliance with GFS 2001 and COFOG, results-based budgeting and compliance with cash-based IPSAS. Follow-up support may continue over the next 12 months in developing the new CoAs.
- **St Vincent & the Grenadines.** Finalised the third, fourth and fifth missions for the Accountant General (Feb–March). Improving the bank reconciliation process continued to be the focus and the process of designing a more automated bank reconciliation has been completed. A two-day retreat was convened for the management of the Accountant General's Department and a follow-up mission took place to assist the authorities implement the findings of the retreat. The Accountant General, Barbados, provided TA for this process.

Also attended the PFM Steering Committee meeting in April where progress since May 2009 was reviewed and activities planned for the remainder of 2010.

- **Grenada.** A one and a half-day workshop was convened for six officials regarding CoAs reform and compliance with GFS 2001 and COFOG. A working group was established to map the existing CoAs to GFS 2001 and COFOG. The first draft mapping of the CoAs to GFS 2001 was reviewed by CARTAC. Work will continue throughout 2010.
- **Antigua & Barbuda.** A half-day presentation on the new government accounting software was delivered in November to senior treasury officials. Advice was also provided on how to produce financial reports from the system enabling the cessation of two duplicate processes. Two one-hour presentations were also delivered to officials in January regarding the role of the

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Treasury. All staff participated. Three missions (three, two and three weeks) also took place to assist the authorities improve their processes. An action plan to guide and monitor the reforms was prepared. This involved TA input from the Accountant General from Barbados and an international advisor.

- **Jamaica.** CARTAC undertook a joint mission with the IMF to Jamaica to review existing budget execution processes. Follow-up TA will be provided.
- **Guyana.** Reviewed and provided comments on a draft report on PFM IT systems in March 2010.
- **Suriname.** Reviewed and provided comments on the draft report on PFM IT systems in April 2010.
- **Dominica.** Advice provided on the draft Procurement Law in November.

III. Budget Preparation

Results-Based Budgeting in five countries

- **Belize.** A Strategic Budgeting workshop was convened for ministers, chief executive officers and other senior finance officials promoting a more strategic approach to budgeting. This workshop was convened jointly with CARICAD and a consultant from the IADB.
- **Trinidad & Tobago.** A presentation was delivered on Results-Based Budgeting. Discussions continue regarding the delivery of a more extensive sensitisation workshop.
- **Antigua & Barbuda.** Developed a work program of six weeks TA in 2010 for budget preparation. A presentation was also given on Strategic Budgeting at the country's budget retreat in April. Over 40 people were in attendance including the Prime Minister, cabinet and permanent secretaries. The retreat was jointly supported by CARTAC and CARICAD, and a presentation was given by the Finance Secretary from Dominica. The retreat was opened by the Minister of Finance and closed by the Prime Minister.

Summary of Public Financial Management Activities and Results for the Six Months November 1, 2009 to April 30, 2010

- **Grenada.** A meeting was held with the Finance Secretary and three-week's TA agreed on for general budget improvement in May and July 2010 (two missions).
- **Jamaica.** Participated in a joint IMF/CARTAC mission in March regarding budget preparation and execution. The mission will form the basis for follow-up technical assistance.

IV. Audit

- **St Vincent & the Grenadines.** Completed one-week's TA, during which the authorities were assisted in developing a budget proposal to establish an internal audit unit in the Ministry of Finance and Planning. This proposal was approved in the 2010 budget.
- **Jamaica.** Delivered an advanced internal audit workshop for 25 country auditors. This built on the introductory workshop delivered in October. See Section V below for sustainability in the area of internal audit. An Internal Auditors Mentoring Programme will commence in May 2010.

V. Developing Sustainable Capacity Building in the Region

Caribbean Public Financial Association (CaPFA). CARTAC continues to support the Board in many areas. The draft Business Plan was edited during the period and contributions made to its newsletter. Two meetings of the Board took place. One in Barbados in November following the PEFA workshop (which a number of board members attended) and one in Antigua & Barbuda, where the Board also took the opportunity to meet with and brief the Antiguan authorities.

The Advisor also met with the Chair of the Board for CaPFA in March in St Lucia to discuss a range of issues including the possibility of enlisting a regional consultant for the development of a new course for Permanent Secretaries.

Summary of Public Financial Management Activities and Results for the Six Months November 1, 2009 to April 30, 2010

Public Financial Management (PFM) workshops. Workshops were delivered in Belize (November and February) and Nevis (December). Margaret Sivers (Barbados) delivered the first Belize workshop with Annis Horne (St Vincent & the Grenadines) and Heather Thompson, also from Barbados, delivered the second workshop. Felix Enrique and Erleen Betson (Belize) supported the facilitators. The Nevis workshop was jointly facilitated by Joan Browne (Nevis), Carla Berridge (St Kitts), and Yvette Wickham (St Vincent & the Grenadines). The Accountant General from Nevis, Colin Dore, also presented at the workshop. Evaluative feedback was again very positive for all three workshops.

Internal audit. In the case of both the introductory and advanced audit workshops delivered in Jamaica during the reporting period, the international advisor mentored two Jamaican officials through the workshop, co-facilitating both events. This resulted in Jamaican authorities delivering the workshop in February 2010 themselves, without the support of CARTAC. An Internal Auditors Mentoring Programme will commence in May 2010. The authorities are also focused on assuming responsibility for the mentoring role in the future.

CARTAC Macro-Fiscal Workshop. The Advisor presented at the two-week workshop in March to participants across the region on “Fiscal Issues in the Caribbean”.

WB/CIDA. The Advisor delivered a presentation at a regional conference in St Lucia in November sponsored by the World Bank and CIDA. The conference theme was “Maintaining Fiscal Discipline under Pressure: Sustainable Wage Bill Management Practices”.

ECCB. The Advisor participated in a video conference with the ECCB and member countries in December to discuss PFM issues. A number of countries acknowledged the support CARTAC has provided in improving treasury processes, cash management and compliance with International Public Sector Accounting Standards (Anguilla, St Vincent & the Grenadines and Antigua & Barbuda).

CIDA. The Advisor gave a presentation to CIDA in April on regional fiscal issues.

PFM donor meetings. The advisor attended three donor meetings during the period (January, February and April).

STATISTICS ACTIVITY REPORT

November 2009 – April 2010

Summary of Statistics Activities and Results for the Six Months November 1, 2009 to April 30, 2010

II. NATIONAL ACCOUNTS STATISTICS

During the past six months the CARTAC activities in **national accounts** were concentrated in three areas: (a) rebasing the national accounts to a more recent and relevant time period and (b) development of Supply and Use Tables (SUTs). These efforts will make the GDP estimates more useful to policy makers, businesses, labour unions, and other users concerned with trends in economic growth.

A. Rebasing National Accounts

The National Accounts Statistical Adviser coordinated activities with the ECCB to assist countries in rebasing their national accounts to a more current base year. Recent surveys conducted in countries throughout the ECCU can provide needed source data for this exercise. Missions on rebasing were conducted in **Anguilla** (February), **Antigua and Barbuda** (March), **Dominica** (February), **Grenada** (February), **St. Kitts and Nevis** (January), **St. Lucia** (March), and **Montserrat** (January). Assistance with rebasing was also provided to **Guyana** (January, March).

The **outputs of rebasing projects** are **improved national accounts series** that provide policy makers and economic planners with national accounts data that **are more relevant and accurate measures of countries' economic activities**.

In **Antigua and Barbuda**, the rebasing of the GDP (from base year 1990 to base year 2006) was completed in March 2010. **The overall provisional result is that the level of Antigua and Barbuda's GDP at current basic price increases annually by a range of 12-21 percent over the period 2000-2005, and 10-19 percent in the years 2006-2008.**

In **Dominica**, the rebasing of the GDP (from base year 1990 to base year 2006) was completed in March 2010. **The overall provisional result is that the level of Dominica's current price GDP increases by an annual average of 32.6 percent over the period 2000-2008.** The revised real GDP growth rates, though higher in some years, were generally in line with the trends in the existing growth rates.

Summary of Statistics Activities and Results for the Six Months November 1, 2009 to April 30, 2010

The rebasing of **Grenada's** GDP (from base year 1990 to base year 2006) was completed in March 2010, although for some important activities such as *manufacturing*, *transportation* and *other services*, the rebasing was limited to a simple transformation of the existing 1990-based estimates, without any methodological improvements. However, for *manufacturing*, the production index was rebased to 2006. **The overall provisional result is that the level of Grenada's current price GDP increases by a range of 20–25 percent over the period 2000–2007.**

In **St. Lucia**, the national accounts rebasing exercise (from base year 1990 to 2006) was completed in March 2010. **The overall provisional result is that the level of St. Lucia's GDP at current basic prices increases annually by a range of 2–8 percent over the period 2000–2005, and 10–19 percent in the years 2006–2008.**

In **Guyana** the national accounts rebasing exercise (from base year 1988 to 2006) was successfully completed in January 2010. **The new GDP series show a significant increase over previous levels (GDP at current basic prices for 2008 was 83.2 percent higher).**

In **Anguilla**, progress has been made in improving the collection of source data in some areas (in line with the data gaps identified earlier), but only limited efforts have been made in incorporating the source data for rebasing GDP. With a small staff (one person responsible for prices, trade, and national accounts), capacity constraints are impacting progress, but the Statistics Department is committed to completing the exercise, hopefully by the end of 2010.

In **St. Kitts and Nevis**, the focus has been the collection of data on industries that contribute significantly to the GDP. Compilation activities for the rebasing exercise have not yet begun, and in most cases, the national account templates designed by the ECCB were not yet being used. ECCB will be working directly with St. Kitts and Nevis in an effort to complete the rebasing by year's end.

In **Montserrat**, the lack of basic source data and weak statistical capacity are impacting progress of the rebasing effort. The constraints to source data collection is linked to the overall resource constraints on the island with most private and public sector

Summary of Statistics Activities and Results for the Six Months November 1, 2009 to April 30, 2010

agencies indicating that there are no accountants to compile financial information. Without any improvement to source data, the rebasing exercise may have to revert to re-referencing existing indicator series on a 1990 base to a 2006 calendar year base.

B. Supply and Use Tables (SUTs)

Although most technical assistance in national accounts concentrated on rebasing, a mission to Bermuda (January) completed work on developing the SUT utilizing comprehensive source data for 2004. The completed SUT provides improved accuracy and reliability for GDP estimates at current prices.

III. PRICE STATISTICS

In the area of **price statistics**, technical assistance continued in two areas: (a) revising country CPIs to a more recent market basket and introducing improved methods and (b) development of export-import price indexes (XMPI). These efforts will make the revised CPIs more useful to policy makers, businesses, labour unions, and other users concerned with inflation trends.

A. Revising Country CPIs and Introducing Improved Methods

The Price Statistics Adviser conducted missions for revising country CPIs in **Anguilla** (January), **Belize** (November, February), **Dominica** (December), **Grenada** (March), **Guyana** (November), **St. Kitts and Nevis** (February), and **St. Vincent and the Grenadines** (February). The **major outputs** of these missions were (i) **new market baskets and item structures** for the revised CPIs based on data from recent Household Expenditure Surveys (HES) and (ii) **improved methods for compiling the CPI** according to the new international standards contained in the *CPI Manual, 2004*. The improved methods largely result from **implementing the Price Index Processor System (PIPS)** as part of their CPI revision projects.

The **outputs from the CPI revision projects are a new basket of items and outlets and an updated CPI** that make the revised CPIs both **more relevant to the countries' economies and more accurate as measures of inflation**.

Summary of Statistics Activities and Results for the Six Months November 1, 2009 to April 30, 2010

In **Anguilla** and **Belize**, a new CPI market basket was developed using data from 2008/2009 Household Expenditure Survey (HES) supplemented by data from secondary sources. The PIPS software will be used for the revised quarterly CPI in June in Anguilla and December in Belize.

In **Grenada, St. Kitts and Nevis, and St. Vincent and the Grenadines** the new CPI market baskets are being used along with the PIPS software to compile the revised CPI for January through March 2010. The new indexes will be introduced after discussions are held with Finance/ Prime Ministers' offices.

In **Guyana**, the new CPI market basket is available, but the Bureau of Statistics is still testing for the new software system being developed by an external contractor. In **Dominica**, a CARTAC expert has processed and delivered updated HES data and the new market basket is under development. In **Montserrat**, data from the Living Conditions Survey and HES must be reprocessed and tabulated before work on the new market basket can begin.

B. Developing Export-Import Price Indexes

Technical assistant missions were conducted by short-term experts to continue projects for introducing XMPIs in **Anguilla** (January), the Bahamas (January), and Barbados (March). These missions developed **weights** for the XMPIs, identification of a **sample** of enterprises and commodities to provide prices, and **provision of software** for compiling XMPIs.

When the projects are completed, the output will be **XMPIs that provide the national accounts staff with better deflators to estimate constant price trade flows and enable staff to conduct terms of trade analyses on which products are most competitive in world markets**. Such analysis is useful to both economic policy makers and economic planners.

Summary of Statistics Activities and Results for the Six Months November 1, 2009 to April 30, 2010

IV. OTHER STATISTICAL ACTIVITIES

CARTAC began a project with **Turks and Caicos Islands** (February) to develop an HES and develop a CPI market basket. The end result of the project will be to introduce a CPI. CARTAC also participated in the CARICOM technical working group on national accounts and trade in services (November, March) providing updates to the group on the national accounts and prices technical assistance results and coordinating with the group on its work program.

**REVENUE ADMINISTRATION (TAX & CUSTOMS)
ACTIVITY REPORT**

November 2009 – April 30, 2010

Summary of Revenue Administration Activities and Results for the Six Months November 1, 2009 – April 30, 2010

REVENUE ADMINISTRATION (TAX & CUSTOMS)

Revenue Administration activities for the past six months focused on: **(I) Regional Collaboration and Capacity Development** – Revenue Authority Toolkit, VAT Exemptions and Zero-rating, Basic Insurance Concepts, Regional IT Systems; and **(II) Revenue Administration Reforms** — Reform of Indirect Tax Systems Strengthening Tax Administrations and Customs Modernization.

I. Regional Collaboration and Capacity Development

Developed and presented a Revenue Authority (RA) toolkit to revenue administrators from the OECS, Barbados, Belize, Haiti, Suriname and Trinidad and Tobago. The toolkit is expected to (i) guide countries’ decisions with regard to implementation of RAs by highlighting the major issues that arise in the implementation of revenue authorities; and (ii) assist countries that have decided to implement RAs with their preparations by providing a series of operational tools for countries to use in mapping out the implementation process.

Based on request by the ECCB, a presentation was made to the comptrollers of tax and customs on “Exemptions and Zero-rating under VAT – Best Practice for the Caribbean”. The presentation is expected to guide countries decision as they move to implement or strengthen their VATs and simplify the related administration.

In collaboration with Canada Revenue Authority, tax auditors from CARTAC member countries received training in Basic Insurance Concepts from an operational viewpoint as well as from a taxation perspective as it relates to the Caribbean region. As a result of the training tax administrations are expected to increase regional collaboration with regard to the auditing of insurance companies and enhance the quality of audits of insurance companies.

Completed an assessment of the tax and customs IT systems in Guyana and Suriname to provide a comprehensive strategy for the establishment or improvement and further development of the main IT components to support operations. This assessment is part of a broader Regional IT Study, responding to a request by CIDA, which was undertaken by CARTAC in ten other member countries last year.

II Revenue Administration Reforms

Reform of Indirect Tax Systems – Introduction of Value Added Tax (VAT) and Excise Taxes to Replace less efficient Indirect Taxes

Grenada introduced VAT and excise taxes on February 1, 2010; Government of the Federation of St. Kitts and Nevis announced their intention to introduce VAT and excise taxes in November 2010; St. Lucia's preparations to introduce VAT and excise taxes continue; and Suriname has commenced its initial preparations to introduce a VAT in the medium term. CARTAC is assisting with the implementation of VAT and excise taxes in these four countries.

- **Grenada** - (i) developed and assisted with the delivery of their excise tax advisory visits program; (ii) developed a post VAT implementation plan; (iii) in collaboration with DFID, conducted a poverty and social impact analysis (PSIA) of the introduction of the VAT and excise taxes; (iv) assisted with the establishment of the VAT and excise taxes collections enforcement function including development of policies and procedures for enforcement and providing training to staff; (v) made final upgrades to the IRD and Customs IT systems in preparation for VAT administration; (vi) in collaboration with the United Kingdom Revenue and Customs (HMRC) provided training to IRD staff on basic VAT auditing techniques; and (vii) provided on-site and off-site technical support on various operational aspects of VAT and excise administration.
- **Federation of St. Kitts and Nevis** – (i) completed an initial review of draft white paper; (ii) reviewed progress of the VAT and excise implementation program and made recommendations with regard to the timetable for critical VAT and excise implementation activities; and (iii) updated the 2007 CARTAC VAT and Excise Rate Studies for the Federation, to take into account the current economic environment and proposed VAT and excise tax policies.
- **St. Lucia** – (i) completed a review of the amended draft VAT legislation; and (ii) delivered a presentation on regional country experiences regarding the timing of critical VAT implementation project activities.

Summary of Revenue Administration Activities and Results for the Six Months November 1, 2009 – April 30, 2010

- **Suriname** - (i) compiled initial data required for the preparation of the draft VAT law; and (2) completed rate studies for VAT and excise taxes.

Strengthening Tax Administrations:

- **Belize, Grenada, St. Kitts and Nevis and St. Vincent and the Grenadines collections enforcement staff** continued to receive collections enforcement training and coaching to enhance their capacity and improve collections enforcement operations. TA included: (i) hands-on training regarding collections best practices in the areas of case file management and related administrative processes; (ii) testing of progressive collections enforcement techniques within the country environment; and (iii) providing suggestions for additional administrative reforms.
- **A generic Tax Collections Enforcement Manual is being developed for Inland Revenue Departments.** The intended result of this project is to produce a generic manual with uniform guidance and operational procedures, based on international best practices, for employees of a tax administration responsible for collection enforcement activities. The manual details the relevant collections skills and procedures. It includes information applicable to all tax arrears whether owed by individuals or legal business entities. The generic manual will be introduced to each Inland Revenue Department and modified to reflect their operational situation and environment with the assistance of a CARTAC expert.
- **Chapters of the CARTAC generic Tax Collections Enforcement Manual** for Inland Revenue Departments were modified for Belize, Grenada, St. Kitts and Nevis and St. Vincent and the Grenadines. The manual is based on international best practices for employees of tax administrations responsible for collection enforcement activities. The manual details the relevant collections skills and procedures.
- **Belize, St. Kitts and Nevis and St. Vincent and the Grenadines audit staff** continued to receive audit training and coaching assistance to enhance capacity and their audit operations particularly with regard to (i) best practices in the areas of risk-based file selection, establishment of audit plans, use of ratios, direct methods and advanced audit techniques, audit file review, management and related administrative processes; (iii) testing of indirect audit methods and use of third party information within the country environment; and (iii) providing suggestions for additional administrative reforms.

Summary of Revenue Administration Activities and Results for the Six Months November 1, 2009 – April 30, 2010

- **A generic Tax Audit Manual is being developed for Inland Revenue Departments.** The intended result of this project is to professionalize and standardize tax audit activity through a generic manual with uniform guidance and operational procedures, based on international best practices. The manual, for use by employees responsible for conducting audits of tax returns, provides information to develop audit skills and procedures and also covers other responsibilities of the tax auditor. The subject matter is applicable to both income tax and value added tax (VAT) audits, whether filed by individuals or legal business entities. The generic manual will be introduced to each Inland Revenue Department and modified to reflect their operational situation and environment with the assistance of a CARTAC expert.
- **Reform Plans** were prepared for: (i) Antigua and Barbuda IRD and Customs to strengthen the general operations of the Departments and improve compliance and revenue collections; and (ii) Dominica IRD to strengthen the VAT audit function and transform the VAT Unit into a large and medium taxpayer unit within IRD.
- **A code of conduct for staff, an integrity communication plan and an action plan to implement the code** were developed for the Department of General Sales Tax in Belize.
- **Jointly with the Fiscal Affairs Department of the IMF, an assessment of the post-earthquake operating environment** and available resources for Tax and Customs administrations was undertaken in Haiti. Priority needs to strengthen short term revenue generation capacity were established.

Customs Modernization:

- **A Corporate Strategic Business Plan (CSBP) and related implementation plan** were developed for the Barbados Customs and Excise Department including the VAT Division for the period 2010 - 2015. The comprehensive strategic plan reflects the political and economic environment, regional and international trends and the ability of the Department to lead and deliver on the initiatives. The Department is now positioned to share its vision and plans with stakeholders.
- **A Customs Reform Action Plan and a plan to harmonize Nevis Customs procedures and systems** with those of St. Kitts were developed for the Federation of St. Kitts and Nevis.

Summary of Revenue Administration Activities and Results for the Six Months November 1, 2009 – April 30, 2010

- **Risk-based compliance management practices have been introduced in Belize Customs including** written policies and procedures regarding compliance and enforcement measurements and appropriate selectivity techniques based on risk and training in risk assessment strategies and techniques to enhance selectivity and profiling capacities of staff. The technical assistance is expected to ensure better compliance measurement, and more selective and effective verification, leading to increased revenues for government and improved facilitation and cost containment for compliant traders.
- **Support is being provided for the Post Clearance Audit (PCA) programs in Dominica, St. Lucia and St. Vincent and the Grenadines.** The assistance includes classroom training and on-site support, and is expected to improve the effectiveness of compliance verification, the determination of revenue actually owing, and ultimately speed up the clearance of goods.
- **Customs Bills** were drafted for Barbados, Belize, St. Kitts and St. Vincent and the Grenadines based on the current draft CARICOM Harmonized Customs Bill and international best practice.
- **Support is being provided to Grenada** on various operational aspects and challenges to their Customs modernization program.
- Supported the planning and conduct of systems and inventory audits of bonded warehouses in Dominica and Grenada
- A code of conduct for staff, an integrity communication plan and an action plan to implement the code were developed for the Customs in Belize.