

# Coordinator's Report to the Steering Committee (Plenary)

**Bridgetown, Barbados  
May 14, 2010**

# Mission Statement

***“Supporting Economic  
Performance in the  
Caribbean by  
Strengthening Capacity”***

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# Recent Developments



- Recovery is slow
- Financial Crisis with CLICO, BAICO
- Debt burdens rising
- IMF support to region increasing, Haiti, Jamaica
- TA demands high and steady
- New staff
- DR exit

# Supporting Economic Performance/Creating results



Capacity building

Economic Stability



Growth/poverty reduction

# CARTAC's Response

- **Haiti:** Fielded revenue administration and macro-fiscal TA missions following January earthquake
- **BAICO:** Assisting with workout and restructuring
- **Debt:** Working with a debt adviser to provide support to region

# Capital Markets-Ongoing

- Regional cross-border takeovers protocol
- Developing Capital Requirements for Bahamas
- Developing Regulatory Fee Structure for Bahamas
- Advising on Operational Procedures and Training for ECCU
- Developing a Liquidity Management Framework for ECCU
- Strengthening the Regional Government Securities Market for ECCU
- Advising on Options for Regulating Collective Investment Schemes for Jamaica

# Financial Sector-Highlights

- Issuance on March 31, 2010 of regulatory reporting forms (SRU)
- Dissemination for Parliamentary approval a Credit Union (Cooperatives) Act.
- On-site supervision of insurance companies and credit unions
- Passage of SRU Act in St. Kitts and Nevis, Insurance Act (Grenada and St. Kitts and Nevis); Money Services Act in 7 of the 8 countries
- Financial Literacy Project Region-wide

# Financial Sector-Highlights

- Bank stress-testing modules were developed for TT and Guyana
- Completed a risk-based supervision workshop for banking supervisors
- Reinvigorated discussion of the need for deposit insurance in Caribbean
- Developed a framework to establish insurance supervision in Haiti
- First College of Regulators for two insurance companies held
- Diagnostic assessments for credit bureaus in Belize and The Bahamas

# Financial Sector-Ongoing

- Development of a Regional Financial Stability Framework (CCMF/CARICOM)
- Pivotal role in the restructuring of British American Insurance Co (BAICO) in the ECCU
- Strengthening Single Regulatory Units in the ECCU
- Stress-testing of the banking sectors in the region

# Macro-Fiscal Highlights

- Quantitative Pension workshop developed and delivered in 2 member states (BVI, St. Kitts & Nevis)
- Pension reform mission and report, in Montserrat
- Reworked SOE TA and workshop
- DSA Barbados
- MTFE in 2 member states: BVI & Montserrat

# Macro-Fiscal Ongoing

- Proposals for intensive support to set up and strengthen macro-fiscal units in several member states
- SOEs TA & quantitative workshop (Jamaica, St. Kitts and Nevis, Montserrat )
- MTFE review in Belize, Montserrat, Suriname, Turks &Caicos

# MAC-Highlights

- Local teams updated macroeconomic frameworks used in budgets (Anguilla, St. Lucia)
- TA to MOF Antigua and Barbuda, to prepare a framework to assess the impact of the 2010 budget fiscal measures, on the economy.
- Macroeconomic Statistics for Economists course and TA in fiscal data compilation In Trinidad/Tob
- Support for the expansion of internship programme to include graduates from all of the UWI campuses

# MAC: Ongoing

- Enhance analytical skills of policy teams
- Post Boot Camp, assist ECCU members to establish macro-fiscal policy units to house the financial programming exercise
- Internship programme aimed at improving the analytical skills of economics graduates, all UWI
- Producing guide/manual for macro-fiscal teams

# PFM-Highlights

- Finalized PEFA and PFM Action Plan in Montserrat
- PEFA regional workshop attended by 17 countries, 30 participants and three development partners
- Completed process of automated bank reconciliation in St Vincent and the Grenadines
- Training in the Accountant General's Departments in two countries with the support of the AG, Barbados
- Strategic budgeting presentation in Antigua & Barbuda to Cabinet and Permanent Secretaries (joint exercise with CARICAD and FS Dominica)

## PFM-Highlights 2

- Extensive TA programme in Antigua and Barbuda started (DFID)
- CaPFA Board produced its first newsletter after a break of a few years
- A total of eight one-week PFM workshops delivered jointly by CARTAC/CaPFA – all by regional presenters
- Jamaican internal audit experts delivered their first one-week introductory audit workshop without external support, following-on from train the trainer activities.

# PFM-Ongoing

- PFM Workshops/PEFA Assessments
- Antigua Reform program
- St. Vincent/Grenadines program
- Audit training
- Cash management
- Treasury operations

# Statistics-Highlights

- Rebased GDP to 2006 completed in most ECCU countries
- Guyana rebased GDP to 2006 completed and disseminated at a public event
- Introduction of Export-Import Price Indexes completed in the Bahamas

# Statistics-Ongoing

- Updating CPI market baskets and methods (ECCU, Bahamas, Belize, and Guyana)
- XMPI (Anguilla, Barbados, Jamaica, Suriname, Trinidad and Tobago)
- Improving NA compilation systems (Suriname and Haiti)
- Developing SUT (Belize and Bermuda)
- BPM6 (Jamaica and Cayman Islands)

# Tax & Customs-Highlights

- VAT/Excise Tax implemented in Grenada 02/10
- Completed Poverty and Social Impact of Analysis of the VAT in Grenada
- Draft Customs Laws prepared (Barbados, Belize, St. Kitts and Nevis and St. Vincent and the Grenadines)
- Corporate Strategic Business Plan for Barbados Customs
- Codes of conduct for Belize Customs and GST Departments

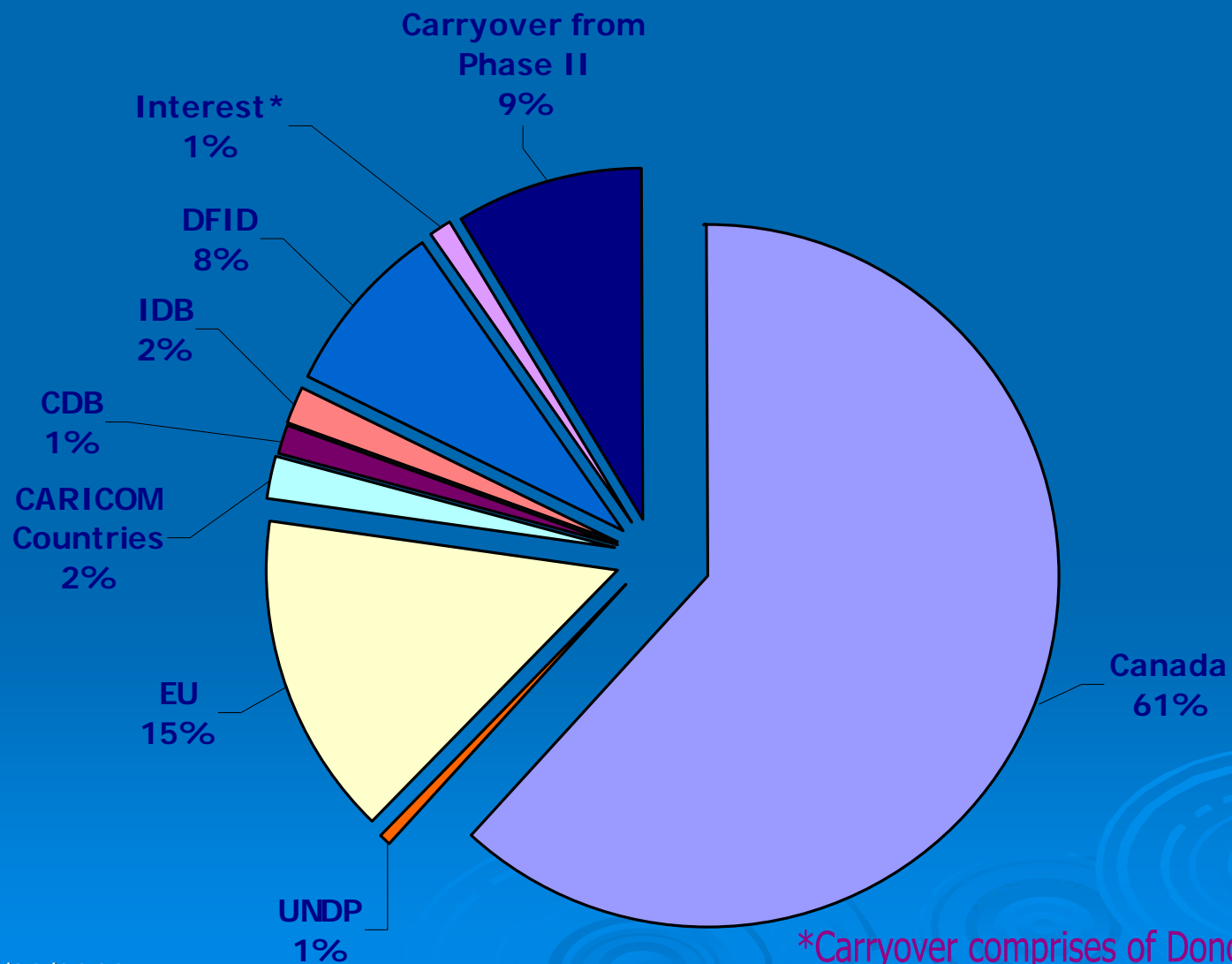
# Tax & Customs: Ongoing

- Preparations of VAT in St. Kitts and Nevis and St. Lucia
- Post VAT support for Grenada
- Strengthening compliance in Belize, St. Kitts and Nevis and St. Vincent and the Grenadines
- Support for customs reforms and modernization (e.g. risk management and post clearance audit) in ECCU, Barbados and Belize
- Development of generic audit and collections enforcement manuals

# Phase III Budget

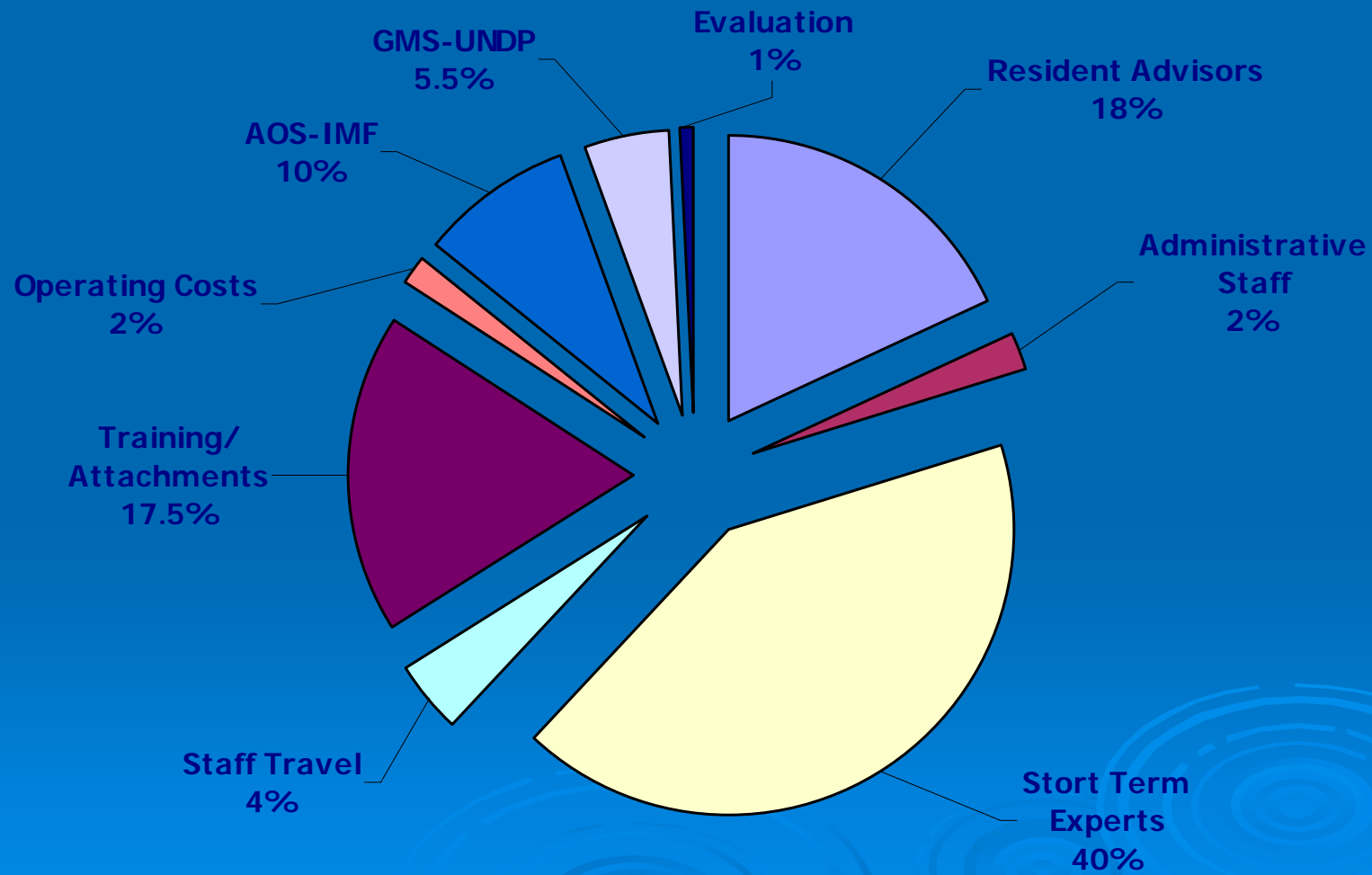
- Total cash budget projected to be around **US\$ 40 million** through end 2010, this is a tremendous achievement in fundraising in Phase III, representing a two-thirds increase over the original budget of \$24m.
- Funding for the expanded programme is being provided by increased contributions from **CIDA, DFID and the EU**

# Phase III Donor Contribution

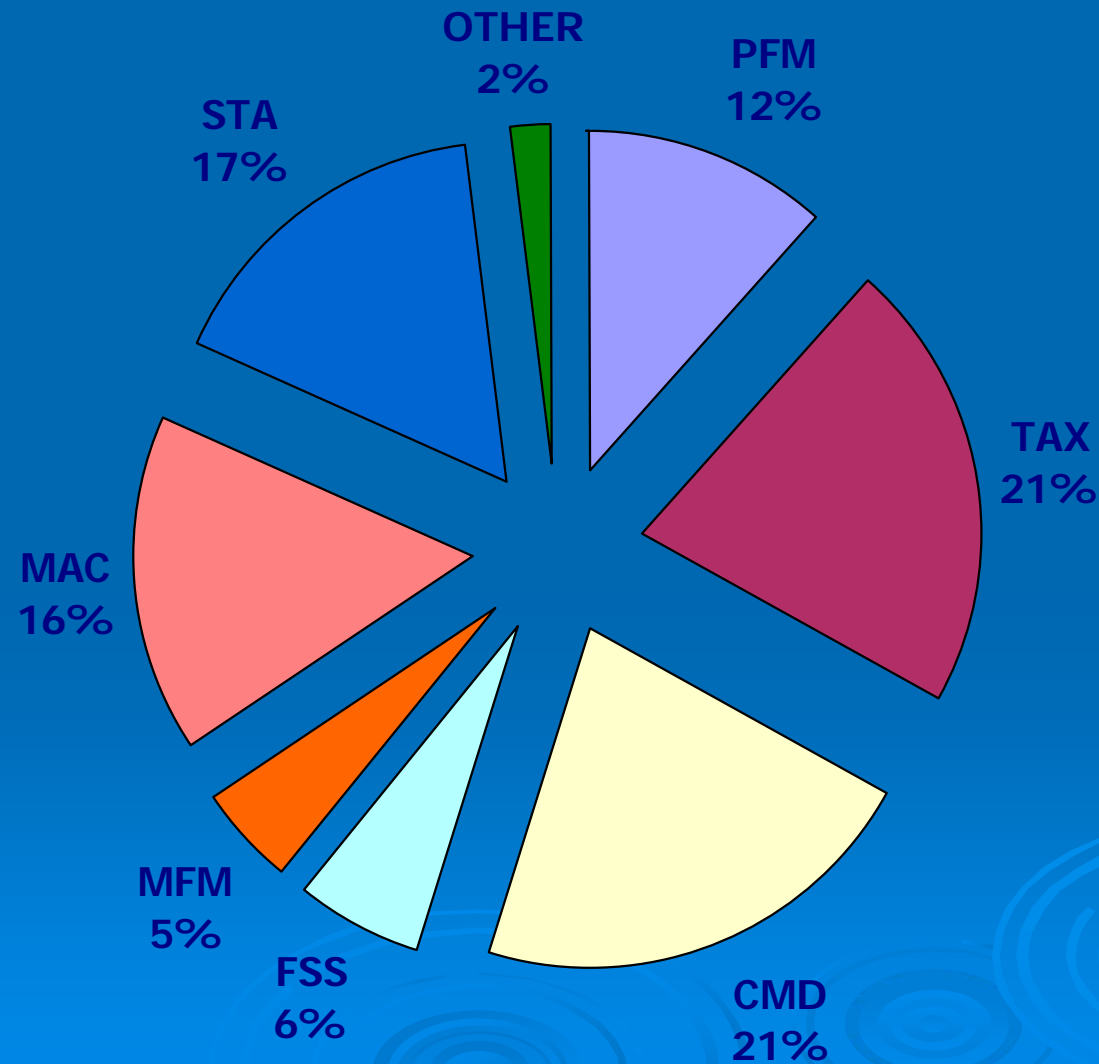


\*Carryover comprises of Donor funds and Interest

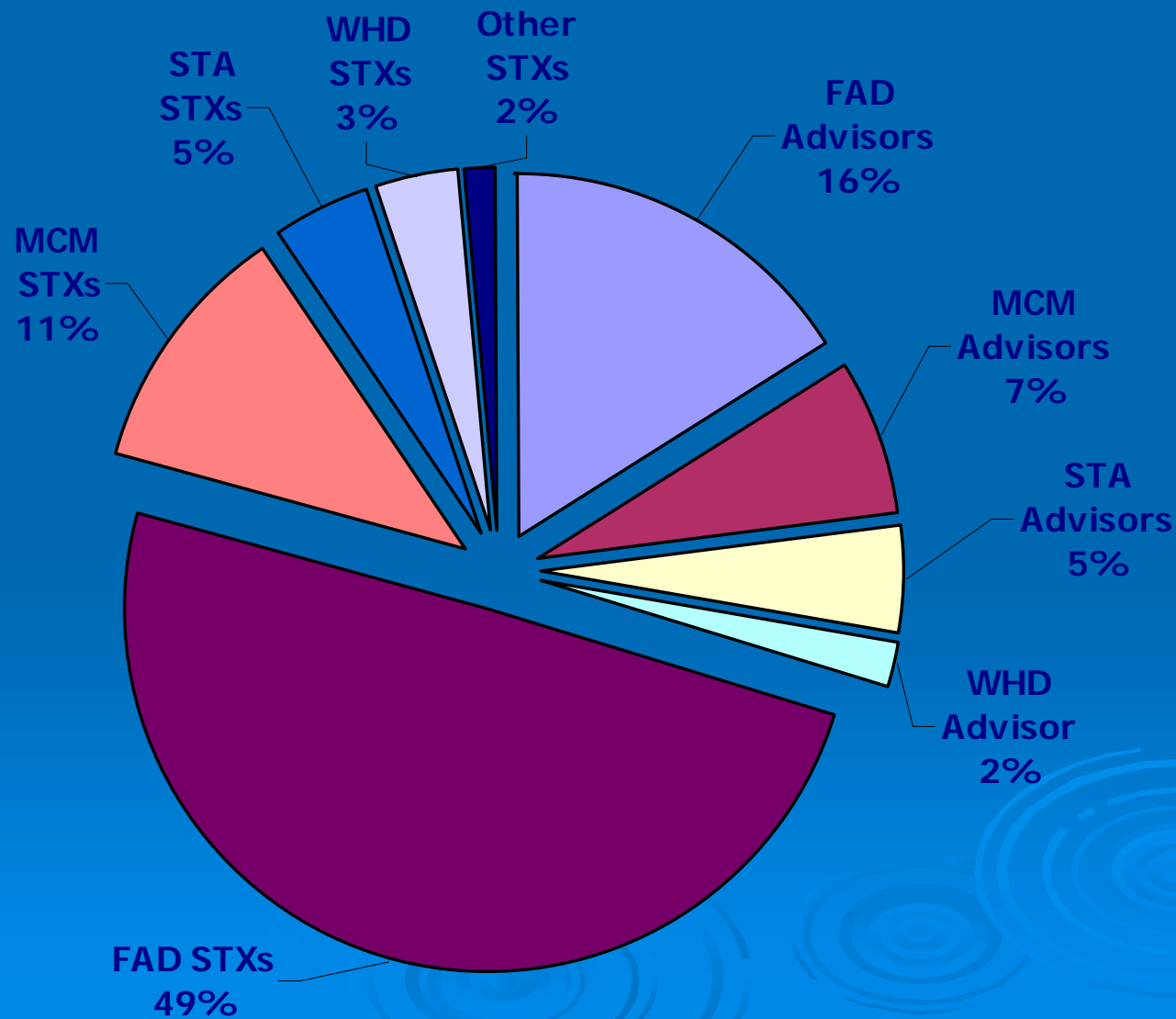
# Phase III Total Cash Budget



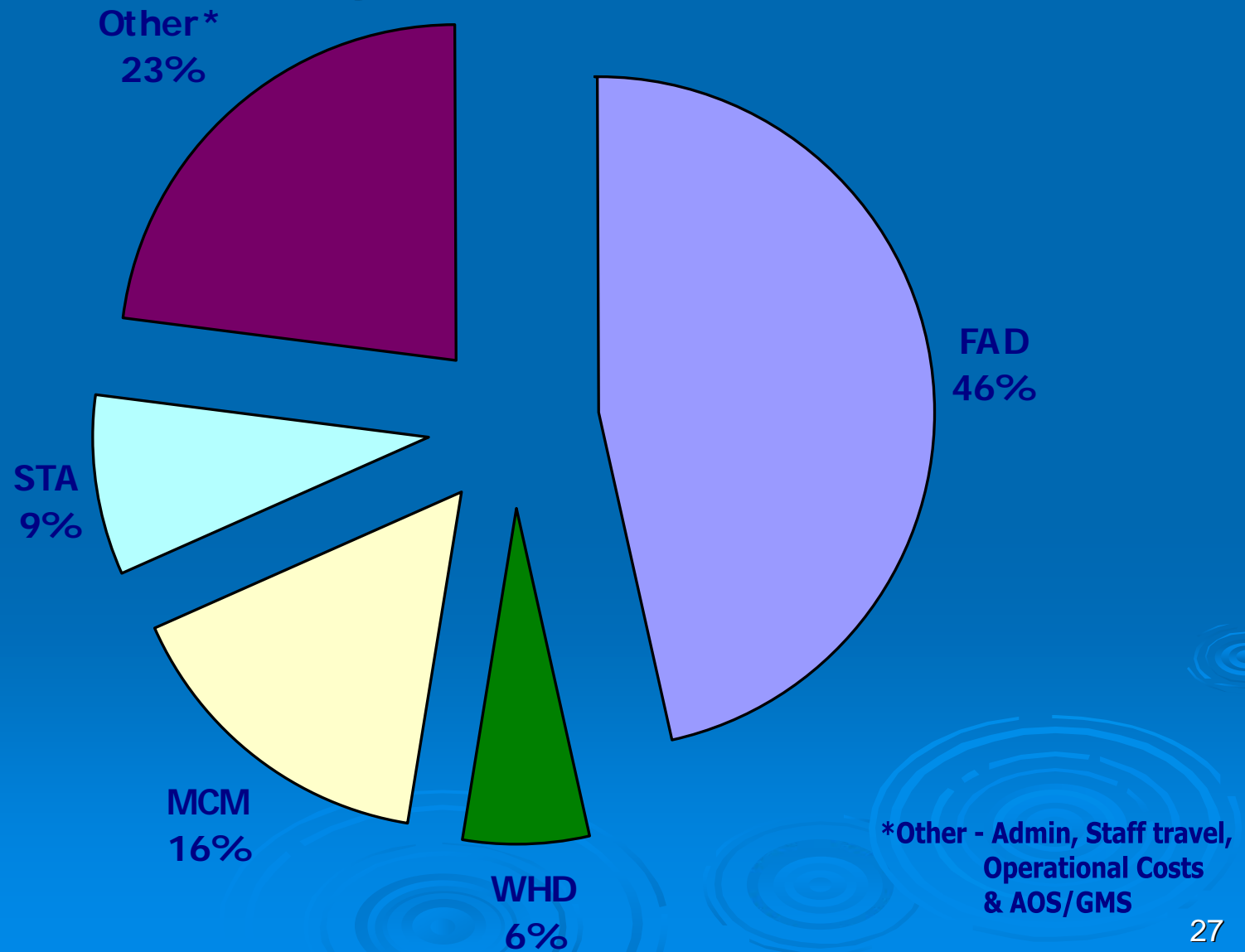
# Phase III Training Budget by Sectors



# Advisors and STXs Budget by Departments



# Total Budget By Departments



# Issues for Discussion



- Are there any obvious gaps in TA coverage?
- Are the results/highlights convincing as reported?
- Financial literacy may be expanded, is there support for this?
- Is the budget approved as presented for the remainder of 2010

# Q and A

<http://www.financialliteracycaribbean.com>

<http://www.cartac.org>