



Programme Coordinator's Report to the Steering Committee

**Belize City, Belize
November 12, 2009**

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- Background
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- Programme Results/Focus
- Budget and Phase III Fundraising

Background

- Economic prospects remain grim in line with global slowdown; complicated by CL Financial, BAICO
- IMF programmes (Haiti, SVG, SL, GRE, SKN, DOM) others in negotiation (ATG, JAM)
- TA requests remain high—we are rationing, budget very tight

Recent Developments

- Former Chair, Derick Latibeaudiere has left office
- New CARTAC staff: Brian Jones, Customs Expert
- Farewell: Brian Dawe, Brian Wynter, Paul Austin
- Mid-Term Review completed

Creating results



Capacity building

Economic Stability



Growth/poverty reduction

Programme Results

- Better Insurance Supervision
- Improved tax collection
- Macro fiscal units
- PEFA action plans
- CARICOM tax treaty
- Takeover protocol
- Revised GDP, Barbados, Guyana
- CPI rebasing
- VAT implementation
- Internal Auditors
- Manuals
- Strategic Budgeting
- Internships
- DSA
- Financially Fit
- Peer led training

Capital Markets

- CMD programme has gained momentum

	2008	2009 proj'd	2010 Pipeline*
Activities (#)	12	24	24
TA (pers days)	71	318	330
Training (pers days)	382	241	347
Expenditure (\$'000)	218	520	647
*Pipeline of projects as at Nov 6, 2009			

Capital Markets

➤ Projects currently in train

- Regional cross-border takeovers protocol – drafts prepared and reviewed by regional regulators at 2 workshops and a meeting of international takeovers regulators – CGSR preparing for region-wide consultations
- 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 Policy Options for Regulating Collective Investment Schemes for Jamaica

Financial Sector

- Advance topics such as stress-testing, risk-based supervision, and Basel II
- Credit bureau progress should be more apparent and gain regional attention.
- On-site examination training for insurance supervisors. College of Regulators for specific insurance companies will gain momentum
- Program on Regional Financial Stability
- Financially Fit

Macro-Fiscal



- The core content comprises three-elements aimed at helping member states prepare
 - accurate, model-based, judgment-enhanced multi-year revenue projections
 - a medium-term fiscal frame – top-down, target-based policy-enhanced fiscal projections
 - a DSA of the fiscal projections and their sensitivity to shocks and stress tests

- Developing 4th module to help strengthen debt management and Debt Offices

Macro-Programming

- Conduct a course on *Macroeconomic Statistics for Economists: An Introduction to Macroeconomic Statistical Systems* (Trinidad and Tobago)
- Organize a regional course on *Macroeconomic Management and Fiscal Policy Issues*
- Continue training on individual basis to develop financial programming skills

Public Financial Management

- Some TA delivered in functional communities – peer assisted learning
- Mentoring programme for Internal Auditors to shift from training to more sustainable interventions
- Continue to grow regional capacity in delivering educational material – More PFM workshops, trainer the trainer and one new educational product.

Statistics

- Updating CPI market baskets and methods
- Introducing Export-Import Price Indexes
- Improve national account deflators, inflation analysis, and terms of trade analysis
- Projects ongoing in Anguilla, Bahamas, Barbados, Jamaica, Suriname, Trinidad and Tobago

Statistics

- Rebasing the GDP constant price estimates in the ECCU
- Improving NA compilation systems in Barbados, Guyana, Haiti and Suriname
- Developing SUT tables in Belize and Bermuda
- Promoting awareness of international investment position (IIP) statistics
- Assisting Jamaica/Cayman Islands in implementing the new BOP manual

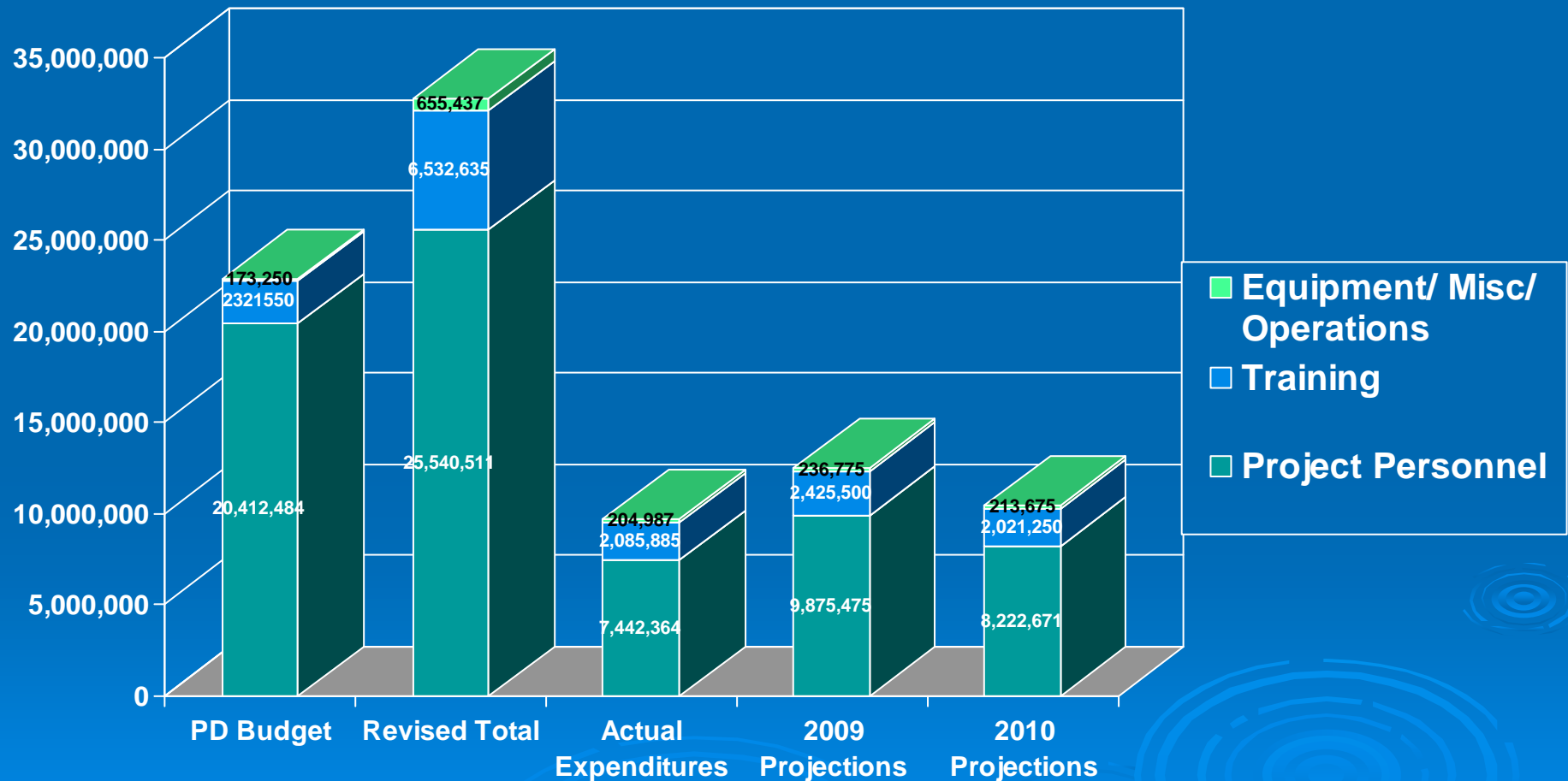
Tax & Customs

- Delivery of ECCB Revenue Authority Toolkit/Insurance Concepts course
- Assisting 8 countries on the CARICOM draft customs bill and regulations
- Development of tax audit and collection enforcement manuals

Tax & Customs

- Pre VAT – Grenada, St. Lucia, St. Kitts & Nevis, Suriname
- Post VAT — Dominica, Belize, Antigua/Barbuda, St. Vincent /Grenadines.
- Collection Enforcement —Grenada, St. Vincent, St. Kitts, Belize.
- Audit – Belize, St. Vincent, St. Kitts, and Dominica.
- Customs Reform — Barbados, Belize and ECCU

Phase III Budget



Budget Issues

Is there need to shift priorities?

- High TA demand across the board
- VAT requests (and need to supplement backstopping)
- Crisis: financial sector, debt management

Antigua



- TA sustainability poor
- PIT and ABST compliance rate below 56%
- Debt to GDP ratio is around 115%
- Current year fiscal deficit to GDP ratio in excess of 10%
- Country has requested significant assistance to support their revenue administration reforms (+100 weeks)
- What do we do?

Phase III Funding

- Efforts continue to diversify
- Concern: Euro 3.5 million under 10th EDF/EU, no date on disbursement
- Track record generates support from donors (WB offer for SRU work in ECCU; DFID)
- Overall: CIDA remains the big player

2008-2010 Budget	Actual Commitments		Status	Comments
	As of October 2009			
Donor	Donor Currency	US Dollars		
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

NB. US\$426,040.64 interest earned on cost sharing for 2008

Conclusion



Looking ahead,

- Do SC members agree with the focus for the next six months?
- Budget is at the limit for Phase III, total around US\$34 million: Is there room for more resources (Antigua?)
- Staff: replace the CMD Adviser with same skill set?

Discussion

www.financialliteracycaribbean.com

<http://www.cartac.org>