CARTAC Strategic Logical Framework

RTAC Strategic Objective

CARTAC Strategic Objective: "*Improved macroeconomic management including in the context of increased regional integration to foster economic growth in CARTAC member countries*"

Regional Program Objective	Verifiable Indicators (One per outcome)	*PROGRESS on INDICATORS*	General Risks/Assumptions/ Risk Mitigation
1. FSS: Financial Sector Supervisors/Regulators are able to identify financial sector risk factors and develop supervisory responses to minimize risk factors as a result of implementing adequate financial sector supervisory practices.	Survey of (1) the number of on-site examinations of domestic insurance companies (in Antigua, Grenada, Trinidad and Tobago, Barbados, St. Kitts and Nevis, and Suriname) and credit unions (in Barbados, Belize, Grenada, and St. Lucia) in 2010 vs. 2015 and a survey of (2) the number of formal and informal supervisory corrective actions put in place over the same time period for the same countries. For point (2), such supervisory corrective actions that were initiated and lifted as a result of the problem being resolved prior to 2015 will be counted. There is no preliminary benchmark available other than to say that the number of examinations of insurance companies and credit unions is very low.	*To be updated at regular intervals and completed at end*	**RISK**: Staff turnover results in staff not trained in on-site examinations; political interference in the supervisory process. A**SSUMPTION:** Supervisory agencies are sufficiently funded, staffed, and trained in on-site examinations and problem resolution. **RISK MITIGATION:** at least annual discussions with the supervisors of the benchmarks; working with the supervisors to train staff if technical weaknesses inhibit reaching goals;
2. MAC: Increased use of medium-term macroeconomic frameworks as a tool for policy formulation, and enhanced officials' skills in macroeconomic analysis, policy advice and dissemination.	Number of countries using medium-term macroeconomic frameworks to underpin annual budgets. By end 2013, at least three ECCU member countries are expected to completely adopt this framework compared to one at the end of 2011.	*To be updated at regular intervals and completed at end*	**RISK:** Inadequate staffing of Macro Policy Units **ASSUMTPTION:** Strong political commitment to the establishment of effectively functioning Macro Policy Units. **RISK MITIGATION**: Preparation of manuals to guide junior economists in the preparation of macroeconomic projections.
3. MFM: Support fiscal policy management in member states through execution of multi-year target- and priority-based macro-fiscal plans and training in macro-fiscal policy analysis.	Fiscal sustainability issues addressed and revealed in publication of actual fiscal outcomes; improvements confirmed in improved CPIA, PEFA, ROSC; Number of policy makers, government officials and government staff trained.	*To be updated at regular intervals and completed at end*	**RISK:** Weak political ownership of achieving medium-term fiscal targets. **ASSUMPTION:** Political commitment is key; and accompanied by appropriate institutional set-ups and processes and backed with adequately resourced macro-fiscal units (MFUs). **RISK MITIGATION:** CARTAC Adviser to urge strong commitment to dialogue with country authorities.
4. PFM: Enhance the capacity of country officials in the effective delivery of budget preparation, budget execution and audit in CARTAC member countries.	An overall improvement in ratings under the PEFA assessment tool (P1-12, P16 - PI22 take out procurement)	*To be updated at regular intervals and completed at end*	**RISKS:** 1. Baseline assessment for PEFA or other diagnostic assessment is incorrect (corrective action to be taken in subsequent PEFA assessment to retrospectively adjust the incorrect assessment) 2. Delays in implementation due to competing priorities and limited human resources in member countries (encourage contingency planning by authorities) **ASSUMPTION:** Strong commitment to PFM reform based on PEFA assessments. **RISK MITIGATION:** Continual sensitisation of government and opposition regarding reform agenda.

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5. REVENUE ADMINISTRATION: Strengthen the administration of domestic tax and customs regimes through increased use of harmonized regional systems and procedures that are aligned to internationally accepted good practices.	1. Increased number of countries with reformed indirect tax systems (baseline: seven). 2. Increased number of integrated domestic tax structures administering major tax types - VAT and income tax administration consolidated into single structures and organized along functional lines (baseline: five). 3. Improved average index of trading across borders (ease of doing indicators of the World Bank) (baseline: WB 2011 report). 4. Increased in tax/GDP ratios in a minimum of four countries (baseline: tax/GDP ratios for 2010).		**ASSUMPTIONS:** 1. Clients are committed to the reform agenda. 2. Countries have sufficient resources to absorb the TA and make it sustainable. 3. Countries will adopt/maintain sound tax policy to support the reform. **RISKS:** 1. Political interference in tax and customs administration and previously agreed implementation plans and timeframes. 2. Staff turnover. 3. Reduced global trade and consumption may offset efficiency gains as measured by revenue: GDP ratio. **RISK MITIGATION:** 1. Ensure there is political commitment to reform. 2. Conduct periodic review of progress in implementing reforms and where necessary, recommend changes in strategies. 3. Build capacity of a cadre of staff in various aspects of domestic tax and customs administration and encourage peer support within country and across
6. STA: To increase the use of internationally accepted statistical methodologies and practices in real and external sector statistics for macro-economic policy with focus on linkages to fiscal and monetary policy given the current environment of imbalances in the region	All ECCU countries plus Belize, Haiti, Trinidad, Suriname, Bermuda, Barbados, Cayman Islands, are applying international recommended and regional relevant methodologies in the compilation and dissemination of datasets for macro-economic policy evaluation and formulation with focus on fiscal and financial imbalances		**RISK:** insufficient support from donor agencies, and regional and international organizations to make the TA sustainable **ASSUMPTION:** countries have sufficient resources and to absorb the TA and make it sustainable **RISK MITIGATION**: create further awareness of the importance of statistics by stressing the linkages with macro-economic policy evaluation, preparation and formulation; promote cooperation between regional organisations such as Caricom, Eclac and the ECCB