



*"Supporting Economic Performance in the  
Caribbean by Strengthening Capacity"*

# CARTAC Strategic Logical Framework

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**Mission Statement: "Supporting Economic Performance in the Caribbean by Strengthening Capacity"**

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

### Financial Services Sector and Capital Markets Development - Howard 'Skip' Edmonds

Topic Area Objective (One per Area)	Verifiable Indicators (Max. Two)	Progress on Indicators	General Risks/Assumptions/Risk Mitigation (as necessary)		
1. Supervisors identify financial sector risk factors and develop supervisory responses to minimize these risk factors.	1. Improvements in Basel Core Principal (BCP) Assessments and Financial Sector Assessment Reports (FSAP)	<i>To be monitored at mid-point and end of RTAC cycle</i>	1. Hinges on adequate funding and staffing of supervisory agencies and independence of the supervisory agencies.		
2. Deepen capital markets through integration of Caribbean markets in a supportive and safe and sound supervisory environment.	2. Publication of financial system stability				
	3. An increase in stock and bond listings and trades				
CARTAC Outcomes (Typically no more than four per topic)	Verifiable Indicators (One per outcome)	PROGRESS on INDICATORS	Milestones (and Date)	MILESTONE ACHIEVEMENT	Specific Risks/Assumptions/Risk Mitigation (as necessary)
1.1 Strong legal and regulatory financial sector framework	1.1 Passage of laws and regulations by Parliaments	<i>To be completed during implementation</i>	1. Passage of Insurance Acts by 2015 in Anguilla, Dominica, Montserrat, St. Lucia, St. Vincent and The Grenadines, Barbados, Belize, Guyana, Haiti, and Suriname.	<i>To be completed during implementation</i>	1. Financial industry opposes enhance regulatory practices.
1.2 Supervisory expertise in the main pillars of financial supervision	1.2 Improvements in BCP Assessments and FSAP Assessments		2. Adoption of credit union supervisory manuals by 2013 in St. Lucia, Grenada, and St. Kitts and Nevis.		
1.3 Ability to manage data to identify, measure, and stress-test risks	1.3 Positive comments on proactive responses to financial sector problems in IMF assessment reports and newspapers.		3. Regional adoption of harmonized regional actuarial standards by 2015.		
1.4 Harmonization in the Caribbean outcomes 1.1, 1.2, and 1.3 above for identification of regional risks to support and assess regional financial stability.	1.4 Adoption in regulation of harmonized regional actuarial standards		4. Adoption of Takeover Standards in the region by 2014.		
2.1 Strong legal and regulatory capital markets framework	2.1 Passage of laws and regulations that meet international standards				
2.2 Regional integration of capital markets operations and networks	2.2 Increase in cross-listing of stocks				
Outputs	<i>Not for use</i>				
1.1 Recommendations to Credit Union Acts and Regulations and to Insurance Acts and Regulations					
1.2 Manuals in off-site and on-site supervision.					
1.3 Publications on risks in the financial sector					
1.4 Adoption of harmonized regional actuarial standards					
2.1 Adoption of regional takeover standards					
2.2 Standardization of trading rules and agreements to foster regional cross-border securities purchases.					

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### Macroeconomic Programming and Analysis - *Miriam Blanchard*

Topic Area Objective <small>(One per Area)</small>	Verifiable Indicators <small>(Max. Two)</small>	Progress on Indicators	General Risks/Assumptions/Risk Mitigation (as necessary)		
1. Increased use of the financial programming framework as a tool for policy formulation, and officials' skills in macroeconomic analysis, policy advice and dissemination.	1.1 Number of countries using financial programming frameworks for policy formulation.	<i>To be monitored at mid-point and end of RTAC cycle</i>	1. The adequate staffing of Macro/Policy Units		
	1.2. Enhanced skills in macroeconomic analysis, policy advice and dissemination.				
CARTAC Outcomes <small>(Typically no more than four per topic)</small>	Verifiable Indicators <small>(One per outcome)</small>	PROGRESS on INDICATORS	Milestones (and Date)	MILESTONE ACHIEVEMENT	Specific Risks/Assumptions/Risk Mitigation (as necessary)
1.1 Advice delivered on the use of the financial programming framework	1.1 Number of missions and resident advisors' visits	<i>To be completed during implementation</i>	1. Adoption of financial programming framework to begin the preparation of budgets	<i>To be completed during implementation</i>	1. The adequate staffing of Macro/Policy Units
1.2 Advice delivered on the role and importance of macro policy units	1.2 Number of missions, assignments, resident advisors' visits, and seminars		2. At least fifty percent of former interns working in macroeconomic policy		2. Staff turnover
1.3 Advice delivered on the importance of effectively communicating economic analysis	1.3 Number of missions, assignments, resident advisors' visits, and seminars				
1.4 Internships for UWI economics graduates delivered in collaboration with regional central banks	1.4 Number of interns				
1.5 Courses delivered in the area of macroeconomic management	1.5 No and type of courses delivered				
Outputs	<i>Not for use</i>				
1. Updated macroeconomic frameworks for use by the Authorities					
2. Establishment of Macro/Policy Units in member countries					
3. Policy notes prepared by staff of the Macro/Policy Units					
4. High quality analytical papers prepared by central banks and ministries of finance following professional attachments					

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### Macro-Fiscal Management - Michel Marion

Topic Area Objective <small>(One per Area)</small>	Verifiable Indicators <small>(Max. Two)</small>	Progress on Indicators	General Risks/Assumptions/Risk Mitigation (as necessary)		
1. Support fiscal policy management in member states through execution of multi-year target- and priority-based macro-fiscal plans	1. Fiscal sustainability issues addressed and revealed in publication of actual fiscal outcomes; improvements confirmed in improved CPIA, PEFA, ROSC	<i>To be monitored at mid-point and end of RTAC cycle</i>	1. Political commitment is key; and accompanied by appropriate institutional set-ups and processes and backed with adequately resourced macro-fiscal units (MFUs)		
2. Support Governments adopting a holistic approach to fiscal risk management	2. Information and strategies are made public				
CARTAC Outcomes <small>(Typically no more than four per topic)</small>	Verifiable Indicators <small>(One per outcome)</small>	PROGRESS on INDICATORS	Milestones (and Date)	MILESTONE ACHIEVEMENT	Specific Risks/Assumptions/Risk Mitigation (as necessary)
1.1 MoF officials submit medium-term fiscal frameworks, monitor in-year progress; and update and extend them annually	1. Passage of sustainable fiscal plans by legislatures and timely publication of fiscal outcomes	<i>To be completed during implementation</i>	1. Annual budgets and publications of in-year fiscal results	<i>To be completed during implementation</i>	1. MFUs are properly staffed
1.2 MoF executes sound multi-year debt strategy (MTDS)	2. Publication of MTDS and results including explanations of deviations from plans		2. Timely publication of MTDS and MTDS updates and of outcomes		2. Government committed to undertaking institutional reforms to ensure well-functioning debt office
2.1 MoF officials prepare annual assessment of fiscal risks with recommended legislative, regulatory or other action to reduce them	3. Governments publish annual account of contingent liabilities and other fiscal exposures with corresponding risk management strategies; major contributing factors to actual fiscal outcomes also published		3. Oversight teams in place, strategies adopted and regular timely reports from SOEs, actuaries and public pension plan managers		3. SOE oversight teams are adequately staffed and trained and Governments act on their advice
2.1 MoF officials have effective oversight relationships with SOEs and public pension plan managers	4. Timely publication of SOEs plans and financial statements; and of actuarial reviews of national and public sector pension plans		4. Reviews and recommendations published at regular known intervals		4. Government committed to addressing fiscal risks and undertaking required reforms in state enterprise and national and public sector pension plans
Outputs	<i>Not for use</i>				
1. Increased use of macro-fiscal risk management and debt management tools and processes; greater awareness of fiscal risks related to state-owned enterprises (SOEs), and national and public pensions and debt management.					
2. Multi-year fiscal targets, strategies and results published					
3. MFUs follow sound methodologies in preparation of macro-fiscal projections and policies and in impact analyses					

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### Public Finance Management - Mark Silins

Topic Area Objective <small>(One per Area)</small>	Verifiable Indicators <small>(Max. Two)</small>	Progress on Indicators	General Risks/Assumptions/Risk Mitigation (as necessary)		
1. Enhance the capacity of country officials in the effective delivery of public financial management in CARTAC member countries through increased effectiveness of budget preparation, budget execution and audit.	1.1 An overall improvement in ratings under the PEFA assessment tool	<i>To be monitored at mid-point and end of RTAC cycle</i>	1. Political risk including shifting of key officials		
	1.2 An increase in the use of internationally accepted best practice in public financial management in the areas of budget preparation, budget execution and audit		2. Delays in implementation due to competing priorities and limited human resources in member countries		
CARTAC Outcomes <small>(Typically no more than four per topic)</small>	Verifiable Indicators <small>(One per outcome)</small>	PROGRESS on INDICATORS	Milestones (and Date)	MILESTONE ACHIEVEMENT	Specific Risks/Assumptions/Risk Mitigation (as necessary)
1.1 A more strategic approach to PFM Reform	1.1 A notable increase in the use of PFM diagnostics in the development of PFM reform action plans	<i>To be completed during implementation</i>	1. Five (5) countries receive direct CARTAC support in developing these plans (10 weeks TA) by end 2013	<i>To be completed during implementation</i>	1. PEFA assessments not funded by development partners
1.2 Strengthened capacity to develop medium-term results oriented budgets	1.2 An increase in the number of countries preparing medium-term results oriented budgets consistent with the fiscal framework		2. Ten (10) countries receive direct TA in preparing MTBF and programme budgets by end 2013 (40 weeks TA)		2. Political commitment to fiscally responsible budgets
1.3 Strengthened management within the treasury and the Accountant General's institution	1.3 Annual financial statements produced according to statutory timeframes and consistent with IPSAS		3. Five (5) countries receive support in any of the following areas: bank reconciliation; chart of accounts reform; moving towards a treasury single account; reengineering business processes to maximise accounting and processing in IFMIS; and IPSAS presentation - 30 weeks TA (end of 2013)		3. Corresponding reforms not in place in AGD
1.4 Independent and competent internal audit function in government	1.4 An increase in the number of audits conducted in accordance with international internal auditing standards		4. Three (3) countries receive TA and training by end 2013		4. Funding for training and mentoring programmes not available
1.5 A more sustainable education and peer-assisted learning capacity in the region established	1.5 An increase in the number of educational events delivered in the region by regional presenters		5. Eight (8) education events all involving full or partial presentation by regional presenters by end 2013		5. Funding for regional educational activities not available
Outputs	<i>Not for use</i>				
1.1 PFM reform action plans developed based on objective diagnostic assessments					
1.2.1 Annual budget estimates consistent with the medium-term fiscal framework					
1.2.2 Results based (programme) budgeting frameworks in place					
1.3.1 Monthly bank reconciliations occurring for all bank accounts					
1.3.2 Simple monthly cash flow forecast model in place					
1.3.3 Chart of accounts adapted to meet reporting requirements for GFS 2001 and CoFoG					
1.4 Number of auditors undertaking training and mentoring					
1.5 Number of educational and mentoring events involving regional presenters and peers					

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### Revenue Administration - Brian Jones, Denise Edwards-Dowe, Mark Waddington

Topic Area Objective (One per Area)	Verifiable Indicators (Max. Two)	Progress on Indicators	General Risks/Assumptions/Risk Mitigation (as necessary)		
1. Administrators improve tax and customs revenues as a % of GDP in selected Caribbean countries		<i>To be monitored at mid-point and end of RTAC cycle</i>	1. RISK: reduced global trade and consumption may offset efficiency gains as measured by revenue: GDP ratio		
2. Increased use of internationally accepted domestic tax regimes and tax and customs administrative procedures.			2. ASSUMPTION: assumed client acceptance of proposed reform agenda		
CARTAC Outcomes (Typically no more than four per topic)	Verifiable Indicators (One per outcome)	PROGRESS on INDICATORS	Milestones (and Date)	MILESTONE ACHIEVEMENT	Specific Risks/Assumptions/Risk Mitigation (as necessary)
1.1 New VAT regimes are implemented in an efficient and timely manner	1.1 Total implementation budget respected and adherence to time schedule	<i>To be completed during implementation</i>		<i>To be completed during implementation</i>	1.1 RISK: Political interferences to previously agreed implementation plans and timeframes
1.2 Strategic, risk based approaches developed and utilized to manage revenue compliance	1.2 Existence of compliance strategies and annual audit plans and work-plans for cargo inspection				1.2 ASSUMPTION: client organization is fully committed
1.3 Countries apply harmonized and standardized operational procedures for revenue assessment	1.3 Conformity with internationally recognized best practice				1.3 ASSUMPTION: Full client commitment is secured
1.4 Compliance costs for economic operators are reduced	1.4 Client surveys and regular meetings with industry associations				1.4 ASSUMPTION: immediate compliance burden reduction ensues
2.1 Taxpayers and traders have suitable information services to encourage informed compliance	2.1 Client surveys and review of websites				2.1 Client administration committed
2.2 Self assessment/ voluntary compliance approaches, supported by sanctions and vigorous verification, are used for all major taxes	2.2 Degree of compliance with registration, filing and payment requirements. Accuracy of returns.				2.2 ASSUMPTION: : fiscal instruments and regulations are in place to facilitate this
Outputs	<i>Not for use</i>				
1.1 Recommendations on request to administrations on desirable/necessary revisions to Acts and Regulations					
1.2 Manuals to support collections and audit operations					
1.3 Functional guidance for the simplification of Indirect taxes					
1.4 Staff competency and confidence improved					

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### Economic Statistics - Maureen Blokland

Topic Area Objective <small>(One per Area)</small>	Verifiable Indicators <small>(Max. Two)</small>	Progress on Indicators	General Risks/Assumptions/Risk Mitigation (as necessary)		
1. Increased use of internationally accepted statistical methodologies and practices for policy	1. Number of countries with annual and quarterly national accounts statistics (with current base year) compiled on a timely basis and in close conformity with international statistical methodology	<i>To be monitored at mid-point and end of RTAC cycle</i>	1. Availability of sufficient human and financial resources		
	2. External sector statistics (balance of payments, International Investment Position data, and quarterly external debt data) compiled on a timely basis and in close conformity with internal statistical methodology				
CARTAC Outcomes <small>(Typically no more than four per topic)</small>	Verifiable Indicators <small>(One per outcome)</small>	PROGRESS on INDICATORS	Milestones (and Date)	MILESTONE ACHIEVEMENT	Specific Risks/Assumptions/Risk Mitigation (as necessary)
1.1 Improved methodologies and compilation of Quarterly GDP (QGDP)	1.1 Increase in the number of countries with QGDP from one to five	<i>To be completed during implementaton</i>	1. QGDP compiled and disseminated by 2015	<i>To be completed during implementaton</i>	1. Insufficient commitment from the authorities to assign sufficient resources to the different statistical projects
1.2 Improved methodologies and compilation of GDP by expenditure (EGDP) on an annual basis	1.2 Increase of the number of countries compiling EGDP from one to 10		2. Improved EGDP compiled and disseminated by 2015		
1.3 Improved methodologies and compilation of GDP by production on an annual basis	1.3 Finalise rebasing annual GDP by production				
1.4 Improved methodologies and compilation of Balance of Payments (BOP) according to the 6th manual (BPM6)	1.4 Increase of the number of countries compiling balance of payments according to the BPM6		3. Improved BPM6 compiled and disseminated by 2015		
1.5 Improved methodologies and compilation of Price statistics	1.5 Increase of the number of countries compiling producers's price indices and export and import price indices		4. Improved price statistics compiled and disseminated by 2015		
Outputs	<i>Not for use</i>				
1. Strengthened human and institutional capacity to design and implement policies that promote growth and reduce poverty					
2. QGDP compiled and disseminated					
3. Improved EGDP compiled and disseminated					
4. Improved BPM6 compiled and disseminated					
5. Improved price statistics compiled and disseminated					