

August - December 2018
Volume 40

CARTAC NEWS



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CARTAC Mid-Year Steering Committee Meeting, November 1, 2018, Bridgetown, Barbados

By Wendell Samuel, Programme Coordinator



CARTAC's finances have strengthened over the last six months with a first-time contribution from Mexico and several other potential sources under negotiation. The meeting reaffirmed the significant contribution that CARTAC has been making to improved performance of Caribbean economies. Continuing demand for core capacity, development services as well as demand emerging from new challenges faced by the region points to a large unfinished agenda. This makes a compelling case for continued partner support and medium-term adjustment in CARTAC's work program.

CARTAC's financial situation: CARTAC's finances have strengthened since the last Steering Committee (SC) meeting. A US\$3 million contribution from Mexico and the approval of a 50 percent increase in member contributions from most countries has pushed the time before deficits emerge to December 2020 from December 2019.

Meanwhile, the equivalent of US\$11 million is at various stages of negotiation with Canada; the Netherlands; the UK and the European Union. If all of these materialize, in addition to the FY19 budget cuts a budget gap of about US\$6 million will remain, and the cashflow will last until December 2021, four months short of the April 2022 end-date for Phase V.



Therese Turner-Jones (IDB) addresses the Steering Committee

Importance of CARTAC's work: Guest speakers, development partners and member countries all reaffirmed the importance of CARTAC and the high quality of the technical assistance provided. In her opening remarks, Minister of Economic Affairs, Masha Caddle commended CARTAC for CD services provided to Barbados and identified several other areas in which the government will seek assistance as it undertakes its Fund-supported reform program. Mark George representing the donors and Therese Turner-Jones Caribbean Country Manager for the IDB echoed the commendations and the latter identified a few ways that CARTAC and member countries could use technology to enhance the delivery and absorption of CARTAC CD services.

Member country interventions underscored the value they place on CARTAC's assistance, answering the question posed by one representative "Where would the countries be without CARTAC?" Break-out groups provided inputs to help identify high priority core and emerging CD areas to be pursued and for scaling back low priority ones.

Work program: The FY19 CARTAC work program is about 60 percent complete and reallocation of work during the rest of the year reflects budgetary changes and country preferences. Guyana, Trinidad and Tobago, St. Vincent and the Grenadines and the Bahamas were the largest users of CARTAC TA during the first half of FY19, with tax administration, financial sector supervision and PFM being the programs in largest demand. The passage of fiscal responsibility legislation in the Bahamas and a very successful first ever joint CARTAC and PFTAC workshop on tax administration were key achievements during the first half. The delivery of CD in FY19 has reduced by 20 percent compared to FY18, reflecting budget cuts which affected short-term delivery of TA and regional workshops. TA delivery in the rest of FY19 will be stepped up to respond to additional resources provided by the EU to help strengthen the legal framework for harmful tax practices and base erosion and profit shifting (BEPS), as well as to assist Barbados with reforms under the IMF-supported program. Other reallocations reflect changes in country preferences like a TADAT assessment for Antigua and Barbuda; and lack of readiness of some countries to absorb the TA.

Next Steps: CARTAC and the IMF will continue the fund-raising activities to conclude the ongoing negotiations and bring in potential new donors, while following up on the remaining member countries to approve the increase in contributions and clear any remaining arrears. CARTAC's mid-term evaluation in FY20 will provide additional input to help frame the medium-term work program.

Helping Barbados Achieve the Customs Objectives of the IMF Program

By Stephen Mendes, Customs Administration Adviser

The Customs and Excise Department of Barbados has four key objectives that it is required to achieve as part of the Barbados-IMF Loan arrangement agreed to in October 2018. These are to deploy staff to the exemption monitoring unit and undertake at least 8 exemption verification assignments in 2019; train and deploy at least 6 officers in the post clearance audit unit and undertake at least 8 field audits in 2019; establish a trusted trader program that gives defined benefits to program members by the end of 2018 and have at least 8 companies participating by the end of 2019; and undertake post release verification of entries and subject at least 3500 entries to this control by the end of 2019.



These are challenging targets and CARTAC has provided significant support to Barbados Customs to help them plan and execute the necessary work. A project team assembled by Customs has been working closely with the CARTAC Resident Customs Administration Adviser to develop a detailed action plan as to how the work will be carried out and progress measured. Following this the team, with the help of the CARTAC adviser, has been working on the development of a trusted trader program (TTP) for Barbados that will give defined benefits to importers with a track record of compliance. This is the most time sensitive of the four program elements and urgent action was required by Customs.

The team looked at similar schemes in the region and further afield and after consulting with importers, brokers and other Customs stakeholders designed a scheme that will give tangible benefits to members and help secure revenue. The Barbados TTP includes a framework for discreet monitoring and rapid intervention in case of deviation to ensure that compliance by TTP members is maintained. This emphasis on revenue protection as well as facilitation makes the program unique in the region and gives government and Customs confidence to implement the TTP fully.

The TTP will be formally launched in early 2019 and CARTAC will continue to support its implementation as well as the other tasks required of Customs under the Barbados IMF agreement.

Planning Workshop For Improving Real Sector Statistics in the Caribbean, St. Lucia, October 1-4, 2018

Submitted by Zia Abbasi, Real Sector Statistics Adviser

The Caribbean Regional Technical Assistance Center (CARTAC) of the IMF and the Canadian Government funded Project for the Regional Advancement of Statistics in the Caribbean (PRASC) conducted a regional Planning Workshop on Real Sector Statistics in St. Lucia during October 1-4, 2018. The objectives of the workshop were to assess progress in expanding and improving national accounts and price statistics, share experiences, and identify good practices for implementation going forward. In addition to representatives from the Eastern Caribbean Central Bank and the Organization of Eastern Caribbean States, 32 officials from 20 member states participated in the discussions. Good progress has been made by several member states in improving their real sector statistics. Since April 2015 and with CARTAC technical support, 8 more member states are now producing quarterly GDP estimates, two countries have finalized supply and use tables (SUTs), three countries have disseminated rebased constant price GDP estimates, institutional sector financial balance sheets have been produced for Jamaica, and consumer price indices have been improved and/or reweighted for four countries. Several countries have benefited from PRASC support in establishing national accounts advisory committees, improving gross capital formation and GDP by expenditure estimates, compiling SUTs, and developing export and import price indices. The participants shared experiences and the factors contributing to the successful outcomes. Several good practices were identified that are to be implemented by member states.

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Staff Corner



CARTAC held what we hope would be the first in a series of *Pop Quizzes* and based on comments received, an enjoyable time was had by all.

Special mention is made of to the Quiz Master – **Mr. Stephen Mendes**, who took his job quite seriously, down to the smallest detail, along with his Arbiter, **Ms. Bonnie Savannah-Rose**. There were two teams, the **TorMENTors** and the defeated **SMARTinis** (which is looking to reverse the final decision next round). Questions were on a range of topics, history, sports, the Fund, music, the Caribbean along with anything else the Quiz Master decided to throw in.

The next quiz was scheduled for December 18 but has now been postponed to the new year. Contestants are advised to brush up on their trivia skills and come as prepared as they possibly can and given the Quiz Master's love for history, that would be a good place to start.



The Quiz Master



The SMARTinis



The TorMENTors

TIS THE SEASON....

It is the season of giving and the staff of CARTAC were once again honored to be able to support the families of the AIDS Society of Barbados (ASOB) with a presentation of grocery hampers. ASOB is a non-governmental organization founded in 1990 and its primary objective is to champion the needs, concerns and rights of those living with and affected by HIV/AIDS.



WHAT'S HAPPENING?

WORKSHOP CALENDAR (JAN - MAR 2019)

FINANCIAL SECTOR SUPERVISION

Regional Workshop on Cyber Risk Supervision
January 17-18, 2019
Trinidad and Tobago

MACROECONOMICS

*CARTAC/WB/ECCB Regional Workshop on
Climate Change and Resilience Building*
January 21-23, 2019
St. Kitts & Nevis

PUBLIC FINANCE MANAGEMENT

Regional Workshop on PFM Oversight of SOE's
February 11-15, 2019
St. Lucia

REAL SECTOR STATISTICS

Regional Workshop on Quarterly National Accounts
February 18-22, 2019
St. Lucia

EXTERNAL SECTOR STATISTICS

Regional Workshop on Balance of Payments
March 25-29, 2019
St. Lucia



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New Website Coming Soon!
www.cartac.org



www.facebook.com/cartacbarbados

Welcome to Mexico, CARTAC's Newest Partner



CARTAC's 22 Member Countries

Anguilla	Antigua & Barbuda	Aruba	The Bahamas	Barbados	Belize
Bermuda	British Virgin Islands	Cayman Islands	Curaçao	Dominica	Grenada
Guyana	Haiti	Jamaica	Montserrat	St. Kitts & Nevis	St. Lucia
St. Vincent & the Grenadines	Suriname	Trinidad & Tobago	Turks & Caicos Islands		



“Supporting Economic Performance in the Caribbean by Strengthening Capacity”