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CARTAC NEWS



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Farewell to Development Partner Representatives

By Wendell Samuel, Programme Coordinator

During the last quarter, CARTAC said goodbye to three of its staunchest supporters among the development partners. We wish to put on record our deep gratitude and appreciation for the efforts of Mark George (DFID), Monique Bergeron and Leonardo Iannone (Global Affairs Canada) during their tenure, to ensure that CARTAC was adequately resourced as well as ensuring that its capacity development remained relevant and reflected the key development priorities of Caribbean countries. Their guidance and expertise have helped strengthen CARTAC's work in critical areas like the introduction of the results-based management framework, incorporating gender sensitivity, and building resilience to climate and natural disasters.

I had the opportunity to work with these three dedicated officials over the last year as they worked assiduously along with CARTAC's other partners, the Caribbean Development Bank and the European Union to close the very large financing gap. In a truly collaborative effort involving all stakeholders, the funding gap is almost closed and two new partners, Mexico and the Kingdom of the Netherlands are now onboard.

On behalf of the staff of CARTAC, I wish them the very best and much success in their new assignments. On a personal level I wish to thank them for their guidance in the initial stages of my tenure as Program Coordinator and for the strong support since then.

In the last year, Mark spent numerous hours telling anyone who would listen, about the benefits of CARTAC's work in the region, and why it would be necessary to create a CARTAC if it did not exist. He offered generously of his time to speak with prospective partners; participating in several panels at meetings; interviewing officials in member countries to verify the importance of CARTAC's work to their countries and how we could do things better. All of this was done in addition to making the same spirited intercession within DFID Caribbean to secure additional resources. His insightful interventions at Steering Committee Meetings, suggestions for how CARTAC's work program could be improved and initiatives to raise additional funding will be missed.

The farewell meeting with Monique and Leo was an occasion to reflect on the long and productive relationship between Canada and the Caribbean. Visitors to the region are reminded of that relationship first thing every morning. The 'Island Breakfast' in every hotel in the Caribbean includes servings made from

Canadian salt fish. I shared with them that I had met with Ted Patterson who had been instrumental in the creation of CARTAC when he served as the main interlocutor on technical assistance for the Canadian International Development Agency in Barbados. CARTAC was created when in 2001 he convinced other development partners operating in the region to pool their technical assistance resources to create a single institution that would deliver technical assistance more effectively. With staunch support from Ewart Williams then of the IMF and Governor Dwight Venner of the ECCB among others, CARTAC opened its doors in October 2001. Despite the obvious benefits of CARTAC, the funding model has its flaws. The five-year fundraising cycle sometimes fails due to lack of synchronization between CARTAC’s financing phases and partners’ budget cycles. The tireless efforts of Leo and Monique to help secure funding to ensure that CARTAC could continue to provide capacity development to assist countries in their development efforts come as the latest contributions in a line of dedicated Canadian officials who have cemented the Canada-Caribbean relationship over the years.

More generally relationships are only as good as the people who are charged with sustaining them. People like Ted, Mark, Leo and Monique and many others who have served on CARTAC’s Steering Committee over the years are the glue that hold these relationships together. Over the last two years I have been blessed with the opportunity to serve on a CARTAC Steering Committee with a number of officials from development partners as well as from member countries who are truly dedicated to the improvement of the lives of people in the Caribbean region. I am giving thanks and counting my blessings.



Leonardo Iannone at the Farewell Function



Mark George, presenting at the May 2019 SC Meeting, Belize



Monique Bergeron at the Farewell Function

CARTAC 2019 Summer Internship Program

By *Embert St. Juste, Macroeconomics and Programming Analysis Adviser*

CARTAC's 2019 summer internship program was successfully implemented over the period June 3 to August 30, 2019 with 8 students from the Caribbean participating in this year's program.

Background

As part of its outreach program aimed at enhancing skills and building capacity in the region, CARTAC works in close collaboration with the three UWI campuses in identifying students pursuing Masters Degree programs in the areas of economics, finance and related disciplines for sponsorship as part of its annual summer internship program.

The objective of the internship program is to build capacity among the young upcoming professionals in the region so that they can be better equipped to assume the mantle of leadership in the future.

The program is fully sponsored by CARTAC and includes airfares and accommodation (for those interns travelling from another country) and a monthly stipend.

The interns are required to complete a research assignment during the three months of their internship which is usually supervised by an officer of the assigned institution.



Renae Bogle Conducting her Final Report Presentation at CARTAC



Jelani Atkinson (far left) attending a CARTAC In-House Event

2019 Program

This year eight students from Barbados, Jamaica and Trinidad and Tobago were sponsored by CARTAC and were assigned to various institutions as shown in table 1 below.

Table 1: List of Participants in CARTAC’s 2019 Summer Internship Program

Name	Country	Assigned Institution
Karema Lynch	Barbados	Eastern Caribbean Central Bank
Ricardo Edwin	Barbados	Barbados Central Bank
Calvin Grant	Jamaica	Eastern Caribbean Central Bank
Jelani Atkinson	Jamaica	CARTAC
Nicola Boyd	Jamaica	Planning Institute of Jamaica
Priya Alexander	Jamaica	Bank of Jamaica
Renaë Bogle	Jamaica	CARTAC
Gabreila Persad	Trinidad and Tobago	Barbados Central Bank

This year the areas of research were quite diverse ranging in topics from fiscal and monetary policy to electric vehicles and cryptocurrency. Figure 2 shows the topics pursued by the interns.

Figure 2: Research Assignments for Interns

Name	Research Assignment
Karema Lynch	Considerations for a Quantitative Limit for DXCD in the ECCU Economy
Ricardo Edwin	Fiscal Deficits and Economic Growth in the Caribbean: A Panel Data Approach
Calvin Grant	The Regional Disaster Management and Resilience Fund: A Stylized Proposal
Jelani Atkinson	Creating and Improving Excel Templates for Calculating Indicators of Systemic Risk
Nicola Boyd	Electric Vehicles and Policy Considerations for Adopting Electric Vehicles in Jamaica
Priya Alexander	Impact of Changes in US Monetary Policy on the Real Exchange Rate of the Jamaica Dollar
Renaë Bogle	An Assessment of the Status of the Regulatory and Supervisory Framework for Cyber Risk Management Across CARTAC Member Countries
Gabreila Persad	An Investigation into the Diversification Benefits of Bitcoins for the Caribbean Investor

Some of the research papers were completed as part of the requirements for awarding the student’s Masters Degrees. The interns were required to present their research papers at the various institutions where they interned at the end of the internship period. They were supposed to review their papers taking into consideration the comments received at the presentations before submitting the final copy to CARTAC.

Feedback

In addition to their research assignments, some of the interns also expressed in writing their experiences during the internship and how grateful they are to CARTAC for selecting them for the internship. All those who wrote expressed complete satisfaction with the internship program.

The following are excerpts from one of the 2019 interns:

“It is my pleasure to provide a report of my internship with the Eastern Caribbean Central Bank (ECCB) family. I vividly remember that afternoon in May when I received the call from CARTAC that I will be given the opportunity to do an internship at the ECCB. I was overjoyed. I stood in my room and jumped throughout the entire phone call. Notwithstanding, I was nervous. I knew that the main reason for my travel is to conduct a research and so with much anxiety I started to search for a topic.

The staff at the ECCB made me so comfortable, everyone in the Research Department played a part in my personal development this last summer and I owe a huge debt of gratitude from my heart to theirs. I went all around the island. Visited many places and historic sites but I must say the most important resource of St. Kitts were its diverse people from the Eastern Caribbean. They made my summer a very rewarding one. I will conclude by saying a hearty thank you to CARTAC, please continue to do the very excellent job that you are doing, changing lives one summer at a time. I will meet you all one day to personally thank you.”

Regional Workshop (For Non-Bank Supervisors from the ECCU, The Bahamas and Barbados) on Implementing Risk Based Supervision, July 15-19, 2019



(From left) Narendra Sheth, CARTAC Expert; Carla James, Executive Director, Financial Services Authority-SVG; Hon. Camillo Gonsalves, Minister of Finance and Economic Planning and Ralph Lewars, Resident Financial Sector Supervision Adviser, CARTAC

Regulators across the Region (Eastern Caribbean Currency Union, Bahamas and Barbados) have this week been involved in a five (5) day Risk Based Supervision (RBS) Workshop. The Workshop was hosted by the Financial Services Authority ('FSA') of St. Vincent and the Grenadines and was sponsored by the Caribbean Regional Technical Assistance Center (CARTAC). Thirty-eight (38) participants from across the Caribbean region, including St. Vincent and the Grenadines, participated in the Workshop, which was held at the Beachcombers Hotel. The Key Note Address was delivered by the Hon. Camillo Gonsalves, Minister of Finance and Economic Planning, who, in his remarks referred to the fact that the Caribbean Region is unfairly categorized as a hotbed of high-risk activity. He reminded participants of the importance of their functions and urged them to take advantage of the very useful and beneficial

discourse, all aimed at enhancing their skills and the ability of their respective authorities to fully adopt RBS. Risk Based Supervision requires supervisors, to assess the manner in which financial institutions identify and control the risks they face in business. It requires supervisors to assess systems and individual entity risks and devise responses in line with these assessments. This allows for the allocation of scarce resources to the entities with the greatest risks and areas within individual entities that are high-risk. It dictates the regulatory effort placed on supervising these entities.

Key benefits of the Framework include inter alia:

- closer integration of macro and micro prudential supervision, with focus on early identification of emerging risks to facilitate timely interventions;
- cost-effective utilization of resources through prioritization of supervision based on risks;
- flexibility for supervisors to utilize professional judgement within a structured approach;
- reducing regulatory burden on well managed institutions; and
- encouraging a strong risk management culture in institutions.

The Workshop focused on the types of assessments that should be conducted to determine an institution's risk profile, the proper identification of the RBS methodology and documentation practices. The desired outcome is a clear understanding and correct application of the RBS practices by Regulators across the Region, including proper utilization of the RBS documents and practices.

Results Based Management

By Azziza Trotter, CARTAC Economist

What is RBM?

Results Based Management or RBM is a management strategy by which all actors contribute to achieving a set of development results. Central to this strategy is accountability, national ownership and inclusiveness. It is a systematic approach to monitoring TA and training (capacity development) used in many international organizations and government agencies. RBM is seen as a life cycle approach (see chart) with adoptive learning embedded at every stage of the cycle. It starts with planning followed by implementation and monitoring and finally project evaluation and reporting.



Source: UNDP RBM Handbook

How CARTAC uses RBM

The IMF endorsed the use of RBM in TA activities in June 2011. This was to foster improved monitoring and evaluating of successes and failures of TA and to set priorities for resource allocation by focusing on results. The RBM framework and terminology used at the Fund are based on the OECD's Development Assistance Committee (DAC) recommendations. This framework changed the focus from *input* to *outcome* and with effective implementation should lead to more effective designing, monitoring and assessments of projects. The management processes involved are outlined below:

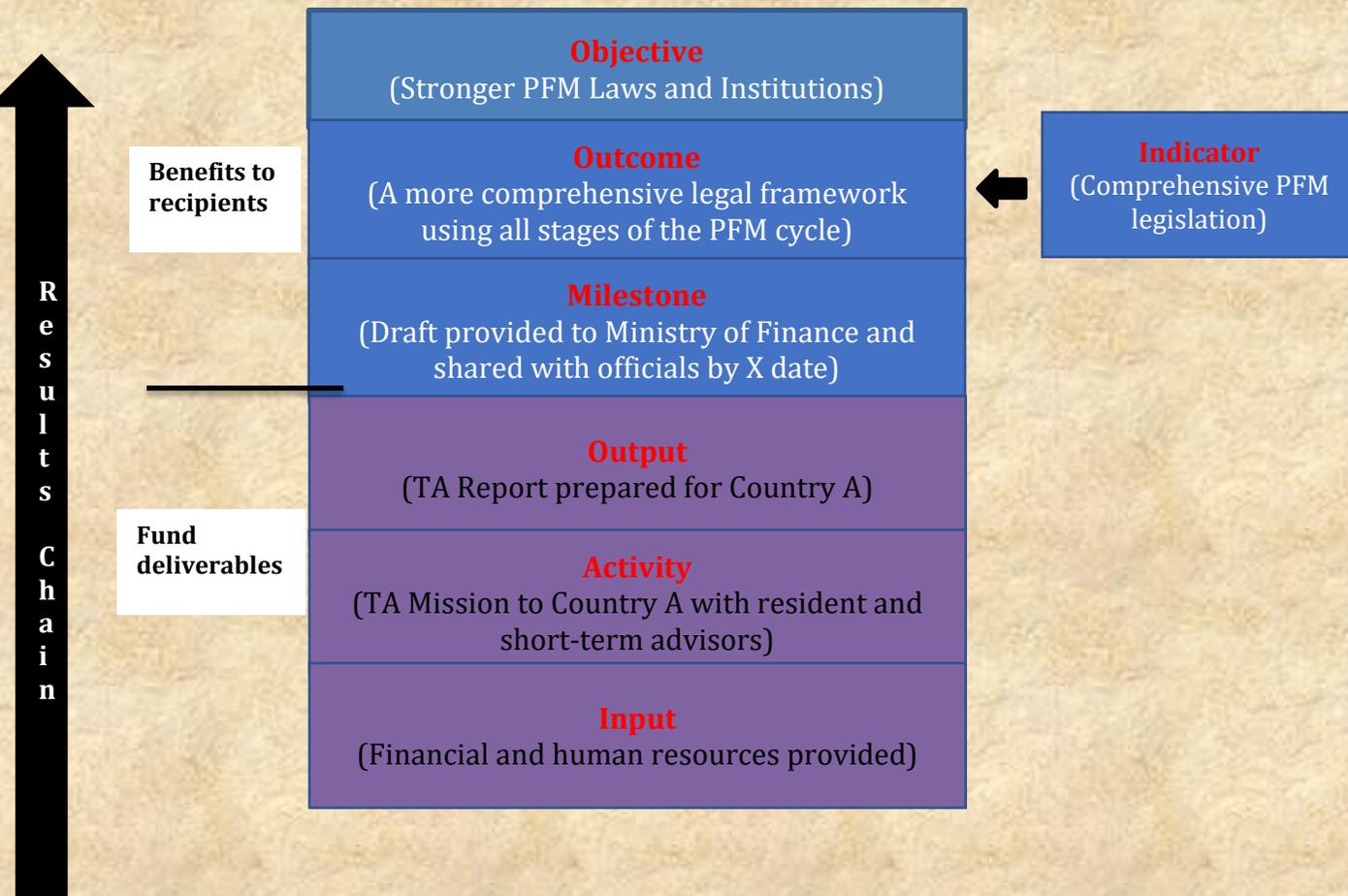
- **Strategic planning.** Project objectives are formulated to identify in a clear and measurable manner the results to be achieved, together with the means to achieve them. Based on these objectives, verifiable indicators are

specified including targets with baseline values and timelines. Indicators should be Specific, Measurable, Achievable, Relevant, and Time Bound (SMART).

- **Performance measurement.** Performance is measured based on both implementation (recording the means by which an objective is achieved) and results (recording progress toward objectives and what has been achieved relative to what had been planned). Monitoring identifies problems and, as needed, corrective action.
- **Evaluation and Reporting.** Evaluation provides complementary information on performance and assesses results against strategic objectives. Project results are reported to all stakeholders.

Example of RBM approach for Country A.

Country A has engaged CARTAC for assistance in drafting Public Financial Management (PFM) legislation. See chart below for an illustration of the logical framework for this activity.



Building a Regional Tax Audit Team

By Norris Miller, Tax Adviser



The Regional Tax Audit Team is an initiative to create a specialized team of highly skilled tax auditors from across the Caribbean region¹. This ‘specialist audit team’ would be available to countries within the region to carry out tax audits, in collaboration with in-country tax audit teams.

The FAD/CARTAC RTAT training program commenced in 2018. The first three workshops covered general audit techniques, computer assisted audit techniques, Value-Added Tax (VAT), International Taxation and tax treaties and an introduction to auditing of the financial sector. This article focuses on the fourth² and most recent in the series of workshops which explored in greater detail, the essentials of banking, developing key audit skills and a

practical approach to auditing financial institutions.

The workshop was declared open by Mr. Edward Gift, Comptroller of the St. Kitts and Nevis Inland Revenue Department. He emphasized the importance of developing the skills to audit multinationals based on the rules established by the OECD on international taxation. The training was facilitated by Mr. Patrick Goggin, a Banking Regulatory Consultant from New Zealand who shared his practical experiences from conducting tax audits of financial institutions. The sessions also included group discussions, case studies and a learning assessment. For a regional perspective, participants benefitted from a presentation by Ms. Alison Crossman, Deputy Director in the Bank Supervision Department of the Eastern Caribbean Central Bank (ECCB). She highlighted the role of central banks, and in particular the ECCB, and discussed the regulatory framework, the risk-based supervision framework and the process of reviewing financial statements and key banking ratios

The workshop concluded with a certificate ceremony. Participants were charged to go back to their respective countries and apply the knowledge gained and to prepare to embark on the next phase of the RTAT program which will be a ‘pilot’ audit of an entity across multiple jurisdictions.

It was not all work. Participants embarked on an island cultural tour, visiting the Island of Nevis and the Brimstone Hill Fortress National Park in St. Kitts.

Contributor – Ingrid Johnson³



¹ 24 Auditors from 12 Countries

² 16 – 27 September 2019

³ Ms. Johnson is a Tax Audit Manager, Tax Administration Jamaica and a RTAT participant.

WHAT'S HAPPENING?

FINANCIAL STABILITY

Caribbean Regional Financial Stability Report Meeting
October 14-18, 2019, Nassau, Bahamas

PUBLIC FINANCIAL MANAGEMENT

Internal Audit Training Workshop
November 4-8, 2019, Barbados

Fiscal Risks Regional Workshop
November 18-22, 2019, Trinidad and Tobago

CUSTOMS ADMINISTRATION

Regional Seminar on Developing a Trusted Trader Programme
November 18-22, 2019, Dominican Republic

STATISTICS

External Debt Statistics Seminar
November 25-29, 2019, St. Kitts and Nevis

FINANCIAL SECTOR SUPERVISION

Insurance Stress Testing in the ECCU
December 9-13, 2019, St. Kitts and Nevis

SPOTLIGHT on FINANCIAL STABILITY

“The Caribbean Regional Financial Stability Report Meeting”

CARTAC is organizing a technical meeting in support of preparations for the next issue of the Caribbean Regional Financial Stability Report (RFSR), within the aegis of the Regional Financial Stability Coordination Council (RFSCC) of CARICOM Central Banks. The objective of this meeting is to review the analytical content of the draft RFSR with the aim of finalizing the report for consideration by the Committee of CARICOM Central Bank Governors at its next meeting in November 2019. The target participants for this meeting are the main contributors to the draft RFSR, drawn from CARICOM central banks.

Welcome St. Maarten (*new member*) and the Netherlands (*new development partner*)



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*New Website Coming
Soon!*



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WELCOME ARNOLD AINSLEY



In August CARTAC welcomed Mr. Arnold Ainsley as the new Public Finance Management Adviser who will work alongside the present PFM Adviser Mr. Bruce Stacey to serve the needs of CARTAC's members in this sector. Welcome Arnold!

CARTAC's 23 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. Maarten	St. Vincent & the Grenadines	Suriname	Trinidad & Tobago	Turks & Caicos Islands	

*"Supporting Economic Performance in the Caribbean by
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Government of St. Maarten



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