

Programme Support Document

Regional project – Caribbean Region

United Nations Development Programme International Monetary Fund

Strengthening Economic and Financial Management in the Caribbean Region: Caribbean Regional Technical Assistance Centre (CARTAC) Extension, 2005–2007

Brief description

Under an extension of the Programme for the Caribbean Regional Technical Assistance Centre (CARTAC), technical assistance and training will be provided to the region in fiscal, and financial management, and the compilation and dissemination of economic statistics. Demand for other areas will depend on resources or cooperation with other donors.

The goal of CARTAC is to assist member countries to build technical capacity so as to effect improved macroeconomic management, thereby achieving stable macroeconomic environments for sustained growth. Areas to be covered include budget, treasury and debt management; tax and customs policy, and revenue administration; financial sector supervision, with increased attention being given to the domestic non-bank financial sector; capital markets development; and national accounts, balance of payments, and government finance statistics and other related statistics. In these areas, CARTAC will also provide support for regional harmonization and the Caribbean Single Market Economy (CSME) initiatives.

The project will deliver its assistance through advisory missions by a small team of advisors based in the region, as well as through a series of short-term consultancy assignments, in-country workshops, regional training seminars, and a series of short-term consultancy assignments of national staff to similar organizations in the region. The project will work in close collaboration with other development partners, technical assistance agencies, and regional organizations.

The total budget for CARTAC's extension is \$18.1 million of which \$3.6 million will be funded by the host country, the Caribbean Development Bank and the IMF; and \$14.4 million to be funded by contributions from other countries and organisations to the UNDP cost-shared account.

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I. REGIONAL PROGRAMME

A. Situation analysis

Background and challenges

The Caribbean countries present a unique combination of diversity and similarities.¹ There are significant differences as regards population and per capita income. However, the countries share many common characteristics—very open economies, limited diversity in production and dependence on tourism and/or a few export commodities which are sold, in many cases, in protected markets. Most of the economies are vulnerable to changes in external markets and severe shifts in trade, and are prone to natural disasters such as hurricanes. Annex I provides basic statistics on the countries, while Annex II provides an overview of the same countries' membership and association with regional and international groupings and bodies.

The macroeconomic context has changed considerably since the original CARTAC programme was formulated three years ago. During this period, the region suffered a series of adverse shocks, which combined with policy slippages in some countries, and led to lower growth and rising fiscal deficits.² Some recovery took place in the economies of the region in 2003, as tourism rebounded and the global economy began to strengthen. Some benefits also accrued to the region from the depreciation of the US dollar. Nevertheless, fiscal imbalances have persisted in a number of countries, leading to mounting public sector debt. In a number of countries total debt to GDP ratios exceed 100 percent, and external debt to GDP ratios are worryingly high (see Annex I).

In addition to exogenous shocks, a number of the countries in the region have been facing a difficult structural transformation as they move away from traditional agricultural crops to new sectors, typically the service sector. Traditional crops in many instances are no longer profitable on world markets, as preferential trade arrangements are being unwound, and their production has only been sustained through domestic subsidies. The changing structure of these economies has created a need for new approaches to macroeconomic management and its institutional structure.

At the regional level, the countries in the region are seeking to enhance interaction through the establishment of the Caribbean Single Market and Economy (CSME), which calls for greater harmonization of institutional structures and the regulatory framework. This harmonization will affect many aspects of the financial and fiscal sectors. Some examples are

¹ The Caribbean region in this context refers to the 20 countries and territories served by CARTAC, namely: Anguilla, Antigua and Barbuda, The Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Turks and Caicos.

² In the countries of the Eastern Caribbean Currency Union (ECCU), the slowdown in growth began earlier, in the mid-1990s.

the introduction of the Common External Tariff (CET), which requires countries to increase revenues from non-tariff sources, and the expansion and inter-linkage of banks across the region.

These developments have highlighted the importance of CARTAC's assistance in providing technical advice that contribute toward improved fiscal and financial management, and have led to help countries design home-grown adjustment programmes.

National and regional development issues to be addressed by CARTAC

The challenges faced by the governments in the region are multifaceted, requiring comprehensive approaches by governments. During the initial phase of the project, CARTAC was established, became fully operational, and responded to requests from the region's countries for technical advice in the area of macroeconomic policy analysis and management. Looking ahead to determine the issues to be addressed in this extension of CARTAC, guidance was sought from the conclusions and recommendations of the mid-term review,³ the recommendations of the Steering Committee on the re-orientation of CARTAC's work, the evolving priorities in Technical Assistance (TA) requests addressed to CARTAC and a needs assessment undertaken in early 2004.

As stipulated in the original programme document, a mid-term review of the work of the Centre was conducted in the summer of 2003. The findings of the review were very positive, and highlighted the effectiveness of the Centre. The review made a number of recommendations, some of which have a direct bearing on the extension of CARTAC:

- CARTAC should maintain a balance between regional and national activities, but CARTAC's effort could assist with regional harmonization particularly with respect to laws, codes and practices as the region moves towards the single market economy;
- CARTAC should consider extending a greater effort in areas of general concern or interest to the region, including: (a) the regulation and review of pension arrangements; and (b) training designed to help supervisors deal with troubled banks and insurance companies;
- CARTAC should be encouraged to continue to work on defining indicators of change (measuring long-term results);
- CARTAC's interventions appear to be most successful when they are fully integrated into a strategy and work plan that is developed and owned by the participating country; and
- CARTAC should strive for a balance between a responsive and proactive approach, and could be more proactive in some areas, with the agreement of the governments concerned.

³ The mid-term review is available on the CARTAC website at www.cartac.com.bb

Other findings and recommendations of the review touch upon CARTAC's delivery modalities, prioritisation of requests, dissemination of reports, and wider country coverage. CARTAC is actively addressing these issues. Some are also referred to under the project strategy below.

Based on the results of the review, the Steering Committee decided that the Centre's operations should be extended beyond its initial 3-year mandate. The Steering Committee requested that in preparation for the extension of the Centre, a review of regional needs be undertaken, since significant economic changes had occurred since 2000. During February–May 2004, a team comprising staff from the Centre, the IMF, and the region visited a number of member countries and surveyed officials of central banks, ministries of finance and statistical organizations, as well as regional organizations and donors to review their needs. The team also discussed modes of TA delivery and training to best address capacity-building in these institutions, and institutional strengthening of their operations. The remaining countries were invited to indicate their future priorities by responding to a questionnaire. Those discussions are reflected in this document in the design of the composition and work activities of the Centre over the coming three years.

The needs assessment confirmed that the broad macroeconomic policy and management areas addressed by the Centre in the first phase are still valid. Nevertheless, compared with the initial needs assessment four years ago, the countries sampled did express some shift in needs. Specifically, they expressed a need for assistance in the areas of debt management, financial programming (macroeconomic projections), and supervision of non-bank financial institutions. Fewer needs were expressed for assistance in off-shore banking supervision. Some countries expressed a need for assistance in the area of pensions (both the fiscal implications of current commitments, and the supervision of pension funds). Regional and sub-regional organizations such as CARICOM and OECS expressed a need for continued emphasis on harmonization. Most of these shifts reflect trends also observed in the requests received by CARTAC over the last one to two years, and some re-orientation of activities has already taken place.

Against this background, and within its area of expertise, CARTAC will address the following areas, with a view to contributing towards the countries' own efforts to improve their macroeconomic policy analysis and management as well as facilitating harmonized approaches:

- Improving public finance management, including budgeting, treasury operations, and debt management;
- Improving revenue policy and more effective revenue administration, including issues related to the introduction of VAT and the challenges faced by accession to the Free Trade Area of the Americas (FTAA);
- Improving financial sector regulations and supervision, with increasing emphasis on the supervision of non-bank financial institutions and assistance in enhancing the region's capital markets;

- Improving the capacity to collect, process, analyse, and publish economic statistics, in the same areas as in the first phase;⁴ and
- Improving countries' capacity to undertake macroeconomic projections and policy analysis.

Institutional framework and intended beneficiaries

CARTAC serves the members of the Caribbean Community and Common Market (CARICOM) and the Dominican Republic.⁵ CARICOM pursues a range of objectives aimed at enhancing the livelihood of the citizens of the member countries, including the achievement of accelerated, coordinated and sustained economic development and convergence of the economies of the countries in the Community. Its main bodies in regard to macroeconomic affairs are the Council for Finance and Planning (COFAP), which coordinates economic policy and financial and monetary integration of member states; and the Council for Trade and Economic Development (COTED), which promotes trade and economic development of the community and oversees the implementation of the CSME. The CSME aims to integrate the economies of the CARICOM countries into a single market with free movement of people, goods, services and capital and into a single economy with coordinated and harmonized economic policies. Progress in its implementation has been made in abolishing duties on intra-regional trade and harmonizing duties on external trade under the Common External Tariff (CET). The FTAA has been legally established but major challenges in its implementation still exist. The CARICOM Statistics Unit compiles a range of statistics on the member countries and seeks to promote good practices in statistics including harmonized approaches through the Caribbean Standing Committee of Statisticians.

The Eastern Caribbean Central Bank (ECCB) is responsible for the monetary policies of the member countries of the Organization of Eastern Caribbean States (OECS),⁶ as well as the supervision of domestically licensed banks. The newly established Eastern Caribbean Securities Exchange Regulatory Commission (ECSERC) oversees the regulatory framework for the Eastern Caribbean Securities Exchange. Furthermore, the ECCB has established a Macro-Fiscal Coordinating and Monitoring Unit, which will assist member states in modelling structural adjustment and stabilization programmes.

A number of other regional and sub-regional organizations, institutions, and associations are active in supporting coordination and/or harmonizing policy approaches in fiscal policies, revenue collection, financial sector supervision and statistics. Annex III provides a list of such regional institutions and bodies.

⁴ Countries also expressed needs that are not within the core areas of competence of CARTAC, such as assistance in the areas of labor market and social statistics. These needs will be met through cooperation with other TA providers with expertise in these areas.

⁵ See Annex II for CARICOM members and associated members.

⁶ The OECS member countries comprise: Anguilla, Antigua and Barbuda, British Virgin Islands, Dominica, Grenada, Monserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines.

At the national level, macroeconomic policy analysis and management is the responsibility of central banks in the independent jurisdictions, financial sector regulatory bodies, ministries of finance, ministries of planning, tax authorities, customs authorities, and statistical organizations.

The intended immediate beneficiaries of the technical assistance provided by CARTAC will continue to be the technical staff of the national agencies mentioned above. At the regional level, CARTAC will coordinate its TA with the activities of regional organizations and institutions concerned.

Brief description of previous assistance

The concept of a Caribbean Regional Technical Assistance Centre (CARTAC) to provide technical advice and support for the strengthening of fiscal and financial management in the region was first discussed by COFAP and the development community in early 2000. Following a needs assessment among potential beneficiary countries, formulation of a project, and approval of the project by multilateral and bilateral agencies providing funding for and cost-sharing of its budget, the Centre was officially opened in November 2001. Barbados hosts the Centre, while the IMF provides the Centre Coordinator and the Caribbean Development Bank (CDB) seconds an economist to the Centre. Member states also contribute to the Centre; and the UNDP administers the cost-sharing account. A Steering Committee comprising donor representatives and representatives of member states meets every six months to review work completed by the Centre, and sanction work plans for the upcoming six months.

Since its inception, CARTAC has provided TA that would contribute to improved economic and financial management at the request of member states. This has taken place through advice by the resident advisors (who cover public finance management (PFM), revenue policy and administration, financial sector supervision, and statistics); assignment of short-term experts; delivery of national, sub-regional, and regional workshops and seminars; and attachments for professional staff from member countries.

(i) Public Finance Management (PFM): In the PFM area, CARTAC has provided support to individual countries, ranging from introducing manual-based commitment control systems to supporting the review of the management of existing Integrated Financial Management Information Systems (IFMIS) and the introduction of full accrual accounting. Assistance has also been provided to develop a new organic budget law, to introduce output based budget management and multi-year budgeting, and to prepare functional specifications for an IFMIS. To date, important vehicles for region-wide support have been the establishment of the Caribbean Public Finance Association (CaPFA), the conduct of region-wide workshops (IFMIS management, cash management, and auditing in a computerized environment), the output of which will assist in establishing and disseminating Caribbean best practices. CARTAC has also facilitated existing regional groups, such as the Smartstream Users Group, to promote cross-country synergies including knowledge sharing and training. In the near term, workshops are planned on programme budgeting and cash management.

(ii) Revenue policy and administration: In this area, CARTAC has assessed the tax policy and administration of 11 of its participating countries (Anguilla, Antigua and Barbuda, The Bahamas, Barbados, Dominica, Grenada, Guyana, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and the Turks and Caicos Islands), and made recommendations for improvements. These assessments were prepared in close collaboration with country authorities and with assistance from IMF Headquarters. At CARICOM's request, CARTAC also prepared surveys of the tax systems of its 20 countries. The surveys consist of a summary of the tax systems, information on revenue by tax in the last 14 years, as well as cross-country comparisons, and will be presented to COFAP in July 2004.

CARTAC has also helped a number of countries in the region to decide to move toward a VAT. To this end, CARTAC organized seminars, formed partnerships with regional stakeholders, and prepared papers. CARTAC has also been active in ensuring a coordinated approach in VAT implementation, and supported the preparatory work for the VAT or its implementation in Dominica, Grenada, Guyana, and St. Vincent and the Grenadines. Specifically, CARTAC helped prepare VAT introduction plans, VAT and excise tax draft legislation (with support from IMF Headquarters), trained staff on Basic VAT (with help from CIDA (ECEMP III) and IMF Headquarters), and prepared VAT sensitivity studies (funded by the USAID).

Training in best practices in tax administration, tax audit, and VAT has been another successful area of CARTAC, which has also provided a series of professional attachments in the tax area.

(iii) Financial sector supervision: In the area of financial sector supervision, CARTAC initially focused its work on strengthening the regulation and supervision of the domestic and offshore banking sectors, but in response to requests from member countries, it has expanded its assistance to include non-bank sector supervision. TA has been concentrated on drafting of legislation, advice and assistance in preparing supervisory procedures and manuals and training workshops, seminars and attachments. Specifically, CARTAC has reviewed and upgraded a number of financial sector laws, conducted feasibility studies for establishing single regulatory units in the OECS and drafted enabling legislation for their creation. Also, studies to enhance the regulatory structure were carried out at the ECCB and in other member countries. Deposit insurance studies have also been performed to determine the feasibility of introducing such schemes.

Within the OECS countries legislation has been drafted to upgrade international banking laws, to modernize insurance legislation, and to regulate the operations of money transmitters. To support the legislation, supervisory procedures and manuals have been prepared to assist banking supervisors.

In other countries, the TA provided has focused on upgrading the legislation currently in place, and enhancing supervisory processes. Regional seminars and workshops covering supervisory best practices for banks, trusts, insurance companies and credit unions, have been carried out to sensitise supervisors to international best practices and to provide techniques to enhance day-to-day supervisory activities. CARTAC has arranged for hands-on training of credit union supervisors as well as hands-on training with the examination of

offshore banks. Throughout the region, corporate governance seminars have been conducted to promote good corporate governance among the financial sector participants. A consolidated supervision workshop was conducted, and is expected to be used as a basis for future efforts in consolidated supervision covering cross border financial institutions as well as cross-sector institutions, such as banks and insurance companies.

So that regional supervisors may gain the benefit of obtaining practical experience, CARTAC has sponsored regional and international attachments for supervisors from a number of jurisdictions, assisted by the Federal Reserve and the Toronto Centre.

(iv) Economic statistics: In the area of economic statistics, CARTAC has assisted countries in improving the compilation of national accounts through the integrative mechanism of supply and use tables, improving data collection procedures, methodologies and coverage of the balance of payments, updating the consumer price index and developing a methodology for computing import and export price indices. In addition, CARTAC undertook diagnostic missions, advised on the preparation of GDDS metadata and assisted in the preparation of short- and medium-term action plans. In the near term CARTAC will be providing advice in the area of compilation of government finance statistics according to the guidelines of the Revised *Government Finance Statistics (GFS) Manual*.

Training has formed an integral part of the statistics activities. On-the-job instruction given as part of the diagnostic and advisory TA work has complemented the formal training provided through three regional workshops and seminars on national accounts and balance of payments statistics. These activities sensitised participants to harmonized approaches to the compilation of macroeconomic statistics based on international standards and codes of good practice. A regional trade statistics workshop on EUROTRACE is planned for delivery shortly.

(v) Financial Programming: This programme was conceptualised within the context of increasing overall fiscal deficits and rising debt and external current account deficits in member countries of the Eastern Caribbean Currency Union (ECCU). The Stabilization and Adjustment Technical Assistance Programme (SATAP) was initiated by the Monetary Council of the ECCU with the financial and technical support of CARTAC, and with the critical support of a special contribution from DFID. SATAP was designed to assist the ECCU countries in designing and implementing stabilization and adjustment programs, while at the same time building local capacity in macroeconomic policy analysis. Under SATAP, teams comprising experienced macroeconomists provided by CARTAC, lead economists from the ECCB, and the beneficiary countries were formed and engaged in live financial programming exercises. These included both passive projections and active policy scenarios that included, in some cases, quarterly monitoring criteria and specific structural reforms to underlie the scenario. The programme was initially limited to the six independent members of the ECCU,⁷ where the exercise was started. More recently the programme has been

⁷ These countries comprise Antigua and Barbuda; Dominica; Grenada; St. Kitts and Nevis; St. Lucia; and St. Vincent and the Grenadines. (The other two members of the ECCU are Anguilla and Montserrat.)

extended to other CARTAC members at the request of their authorities. Recently one non-ECCU country, Suriname, also engaged in the programme.

Major technical assistance by other providers

The countries of the Caribbean region are cooperating with a number of donors and TA providers to enhance their economic and financial outlook.⁸ Some of the most important on-going projects and planned initiatives are briefly described below by area of intervention.

In **PFM**, the most significant on-going project is the Eastern Caribbean Economic Management Programme (ECEMP) funded by the Canadian International Development Agency (CIDA). ECEMP's objectives are complementary to those of CARTAC as ECEMP delivers assistance in public finance management and tax administration including software systems. In addition, the Inter-American Development Bank (IDB) is supporting public sector reform programmes in several countries, including Guyana, Suriname (public service reform including overhaul of procurement systems), with other projects in the pipeline. Through an umbrella loan to the Caribbean Development Bank (CDB), the IDB is providing funding for TA in the fiscal sector to several small OECS countries. The World Bank is working on a series of Public Sector Reviews in several jurisdictions. Bilateral assistance is also noted from the Netherlands to Suriname.

In the area of **revenue administration**, USAID is a major donor, providing funding for initiatives relating to VAT and more productive property tax systems. CIDA (through ECEMP) and CIAT (Inter-American Association of Tax Administration) provide assistance for limited improvements to revenue administration procedures and computer software (SIGTAS and Tax-Solutions). The Spanish tax administration is also providing some TA in tax audit to the Dominican Republic. DFID has provided assistance for customs administration and information management.

A number of donors are currently involved in ongoing programmes for strengthening **financial sector** management and supervision in the Caribbean region. Notably, the IDB is providing a major, broad-based programme of assistance to the Dominican Republic, and also other countries including Guyana, Jamaica, and Trinidad and Tobago. Narrowly focused assistance is provided by FIRST to the ECCB for the reform of payment systems and mechanisms to foster stability of credit unions in OECS countries, including supervision. Credit unions also received assistance through a project sponsored by CIDA through the Caribbean Regional HRD Programme for Economic Competitiveness (CPEC). Studies of a specialized nature are being sponsored by the CDB such as the feasibility of a Single Regulatory Unit for OECS pension funds, and a single regulatory unit for non-bank financial

⁸ Inflow of ODA to the region is uneven though, as those countries categorized as low-income countries have access to more ODA on more concessional terms including grants, than those categorized as middle-income. Small island states also face difficulty in attracting donors. Due to the generally higher income level and development of the region as a whole, it does also not receive as much foreign assistance as other regions.

institutions (Barbados). DFID is assisting St. Vincent in supervision of unit trusts and mutual funds.

In **statistics**, the major donor-funded projects include an European Union (EU) statistics component for the CARICOM Secretariat. Within an IDB public sector reform programme to Trinidad and Tobago, one of the pilot entities targeted for early reform is the National Statistics Office. In Guyana, the IDB is sponsoring a project for social statistics and policy analysis, while the World Bank is also assisting the statistics office of that country. Other donors and TA providers in statistics include CIDA, DFID, ECLAC, ILO, and the UNDP.⁹

The Commonwealth Secretariat (CS) is assisting the region in various ways in improving debt management, notably through the introduction of the CS Debt Recording and Management System (DRMS). A long-term advisor is to be placed at the ECCB.

Finally, the IMF is providing an appreciable amount of TA to the Caribbean countries directly from headquarters. Together with the assistance provided through CARTAC, this has resulted in better coverage and focus of the TA provided to the region by the IMF.

B. Project goal and strategy

Goal of the project

CARTAC will contribute toward the long term goals of the countries of the region for accelerated, coordinated, and sustained economic development. These goals include a higher level of economic growth with equity in a globalised economy, good governance through transparency in public affairs, and reducing vulnerability to external shocks.

In line with its core competences and mandate, CARTAC's services will assist countries in programmes contributing towards:

- a) Sound and transparent public resource allocation and efficient public finance management based on modern government budgeting, effective budget execution and accounting, and adequate auditing and scrutiny;
- b) The establishment of simpler, more efficient and effective revenue administrations with modern organizations, systems and procedures for providing services to taxpayers and enforcing compliance with tax laws;
- c) Confidence in the financial sector based on transparent, consistent and effective supervisory regimes, and the expansion of the capital markets to

⁹ In the area of social statistics, the UNDP maintains a matrix of current and pipeline donor-supported poverty monitoring systems in the Caribbean, by donor, type of intervention, country/region, and purpose of the intervention. (Produced for the Eastern Caribbean Poverty and Social Sector Donor Coordination Group.)

serve increased demands in areas such as venture capital, mortgages, insurance, etc.;

- d) Improving the capacity for effective monitoring of economic developments and macroeconomic policies based on accurate and timely statistics; and
- e) Achievement of sustainable debt-ratios, based on use of better medium-term macroeconomic policy frameworks, and improved management of public debt.

Project strategy

In contributing toward these goals, CARTAC will pursue a strategy of assistance at the national level and will work closely with national agencies on their initiatives. CARTAC will deliver outputs and activities that support the national plans and priorities of the requesting countries, thereby contributing towards their own goals.¹⁰ At the regional level, CARTAC will stand ready to assist regional bodies and institutions in pursuing region-wide development issues, with a view to harmonizing approaches and practices, as appropriate.

CARTAC's main strengths in pursuing this strategy are its prompt and flexible response to requests for assistance from countries in the region; knowledge of cross-regional issues; generation of synergies between technical areas covered; its proximity to country counterparts; capacity to closely follow-up on implementation of recommendations, and provide additional assistance when required; the grant nature of the resources, which are not tied to conditions; and its perceived independence from multilateral institutions and bilateral donors.

While CARTAC's TA in the initial phase was provided mostly in a responsive mode, the Centre during the second phase will take a more proactive stance in some areas, including more exploratory visits to countries that have used CARTAC resources relatively less. Such visits have recently been made to Belize and Haiti, and another is scheduled for Jamaica in June/July. The vehicle of the ECCU Tax Commission also serves as a model for inviting counterpart institutions of the region to come together to promote common approaches. CARTAC is supporting some countries' efforts to educate the public and business community about the introduction of a VAT.

To ensure flexibility, CARTAC's area of support is framed in five broadly defined technical components, while its actual activities are identified, planned and delivered according to a rolling work plan, that is reviewed and approved by the Steering Committee, reflecting changing needs and demands.

¹⁰ Some countries set their national priorities within Poverty Reduction Strategies (PRSs) like Guyana and Dominica, while others follow medium-term strategic development strategies or medium-term economic strategies. In addition, some beneficiary departments work within corporate strategic plans (e.g. Grenada and Barbados revenue departments) within which they request TA from CARTAC.

To ensure sustainability, CARTAC will seek to work closely with regional organisations and institutions whenever possible, and encourage sharing of laws, regulations, systems, and training facilities. An illustrative list of such institutions is provided in Annex III. Furthermore, CARTAC will promote regional professional networks, and seek to use regional expertise whenever possible.

At the same time, in order to achieve the national and regional goals, a framework of partnership between responsible national counterpart agencies and/or regional counterpart agencies and CARTAC will help to ensure sustainable change. To this end, it is suggested that TA by CARTAC be agreed and provided within a four-pronged approach involving:

1. strong governmental backing;
2. an appropriate legal framework supporting changes to be made;
3. human and institutional capacity to implement and maintain change; and
4. provision of necessary resources to sustain change.

While CARTAC and other development partners can assist with the preparation of laws, the strengthening of institutions, methodologies, and human capacity (items 2 and 3), the country officials in charge must provide policy direction, strong backing, and continued commitment.¹¹

Finally, in delivering its services, CARTAC will coordinate its assistance with that of other TA providers in order to complement overall efforts. It is envisaged that the Centre will play a role, within its area of specialization, as and when needed, in coordinating TA work in the region. This worked well during the first phase of the project since the members of the donor community are well known to each other, and because donors are also participating in supporting the Centre.

CARTAC's delivery modalities will largely follow those applied during the first phase. A brief description of their main characteristics is provided in Annex IV.

• ¹¹ Government commitments are mostly reflected as “assumptions” in the logical frameworks for each technical component that accompanies this project document.

II. PROJECT COMPONENTS AND OBJECTIVES

A. Component 1. Public Finance Management

Objective 1: Improved management of public finances, including budgeting, treasury operations, and debt management

In the area of public finance management, CARTAC focused on strengthening member countries' systems and operations that support budget implementation. While some countries have reformed and improved their systems with inputs from CARTAC, public expenditure management remains weak in many countries in the region. CARTAC will continue to focus on meeting individual countries' requests in this area, including for strengthening commitment control systems, cash-management reporting, and internal audit requirements. The work to help countries modernize legislation will also continue along with assistance on the introduction of multi-year budgets. In this context, CARTAC will help address the countries' needs in the area of debt management, in line with the need to give attention to the fiscal implications of the rising debt stock in many countries of the region. At the regional level, CARTAC facilitated the establishment of the Caribbean Public Finance Association (CaPFA), an effective regional association for exchange of information and promotion of the public finance profession.

Public Finance Management encompasses all aspects of the government budget cycle, including budget development (multi-year planning and annual budget formulation), budget implementation, accounting and reporting, auditing and other matters related to fiscal transparency, and public debt management.

Many countries in the Caribbean region have, either through their own efforts or with cooperation from donor projects, begun the introduction of wide-ranging public finance reforms such as computer-based IFMISs, multi-year budgeting and programme budgeting. Achievement of the full objectives of these reforms varies across the region, and in many cases, it is too early to assess.

Financial management in many, but not all, countries is characterized by non-existent or inadequate commitment control systems (and in many cases, domestic payment arrears), and significant numbers of supplementary and off-budget (below the line) transactions. In some countries, budget management is characterized by unplanned borrowing and inadequate management of the debt stock. Some countries follow quite sophisticated managerial practices, including commitment control systems, while other countries apply systems that are inadequate, opaque and out-of-date. The introduction of programme budgeting (and similar practices), where it has occurred, typically identifies programme outcomes and outputs but does not systematically analyse year-to-year outcomes, that is, measuring the plans against the actual achievement. Nor are programme statements typically used to determine budget allocations that are, in the end, the purpose for preparing such statements.

All countries in the region are looking to improve existing public finance management systems. However, the initial levels of their PEM systems vary. Some reforms are well

advanced, while others are only beginning, in some cases prompted by the adverse economic circumstances of recent years. Some are attempting to introduce very sophisticated systems, such as the introduction of full accrual accounting, while others are struggling with the most basic budgeting and cash control requirements. Accordingly, the technical assistance required in public finance management, notwithstanding the relatively small size of the economies in the region, covers the full gamut of public finance management reform.

To date, CARTAC public finance management support has focused on meeting individual country requests for assistance together with building regional capacity and public finance management networks that share expertise across countries. It has also been involved in marshalling donor resources to meet needs outside its short-term assistance mandate and in supporting donor programs such as in the case of Haiti. Diagnostic work has also been performed through the Fiscal Machinery Exercise centring on the ECCU countries. CARTAC also supported CaPFA and the development of regional expertise, for example, by Barbados supporting other countries in the use of the Smartstream IFMIS software.

Future public finance management activity will continue to focus on meeting individual country requests, particularly in the area of budget implementation and the associated cash management, commitment control, reporting, and internal audit requirements in the central agencies as well as in line ministries. The PFM component of CARTAC will seek to further the awareness of external requirements for fiscal transparency. Several countries in the region also expressed the need for assistance in integrating capital and current budgets along with improved debt-management. Given the rapid growth and high level of public debt in many countries of the region, CARTAC will take a proactive approach to offering assistance in the area of debt management. Pension reforms and improved procurement were also highlighted as emerging areas of concern. Due to the already wide ranging areas of support requested from CARTAC, the Centre will seek to facilitate the identification of additional sources of expertise and assistance for these two latter areas. Progressively, CARTAC will also complete the regional diagnostics.

In the area of fiscal impact analysis, CARTAC will continue to collaborate with other agencies, such as it has done with the IMF in Guyana analyzing the fiscal impact on poverty. CARTAC will also collaborate in this area with the UNDP, which is supporting capacity building activities in conjunction with the Eastern Caribbean Poverty and Social Sector Donor Coordinating Group for analyzing the fiscal impact on human development and Millennium Development Goals.

At the regional level, CARTAC will support training seminars and workshops. In the near term, workshops are planned on programme budgeting and cash management. A feature of these workshops will be the development of an understanding of regional best practice, and, in due course, identification and addressing the deficiencies in existing practice. In many cases, it is expected that this will require CARTAC or donor assistance. Other cross-country issues will include IFMIS introduction, roll-out and support. CARTAC will also continue to promote PFM professionalism through support for CaPFA, and cooperation with regional institutions such as the Caribbean Centre for Development Administration (CARICAD).

CARTAC will continue to work closely with Ministries of Finance officials, accountant generals, treasury departments, and government auditors. Work in the PFM component will benefit from synergies with activities performed in the Financial Programming component related to debt management. Likewise with the Statistics components, there will be cooperation in introducing the *GFS Manual* for government finance statistics.

CARTAC will also coordinate closely with other TA providers in the PFM area, in particular the ECEMP III supported by CIDA as well as the IDB, the World Bank, and other bilateral programmes (CIDA/Guyana, Netherlands/Suriname).

Logical framework 1 in Annex IX shows the objective, outputs, activities, and inputs for this component.

B. Component 2. Revenue Policy and Administration

Objective 2: Improved revenue policy making and more effective revenue administration to meet challenges of FTAA, regional efforts and satisfy domestic revenue requirements

During the initial phase, CARTAC undertook, in cooperation with the authorities of the concerned countries, a survey of the tax system in eleven countries.¹ This contributed to a better knowledge of the challenges facing the individual jurisdictions in the area of tax policy and administration, as well as a better understanding of future needs. In the OECS countries, CARTAC sponsored a tax commission made up of regional experts from academia, private and public sectors. The commission made a series of visits to OECS countries where it discussed various aspects of tax reforms with the national authorities, private sector and civil society.

CARTAC will continue assisting countries in the region to carry out improvements identified in the initial phase. This will also include support to countries seeking to shift the revenue base from tariffs to other sources, as a consequence of their accession to the Free Trade Agreement of the America (FTAA). In this context, CARTAC was instrumental in facilitating the decision by a number of countries in the region to move toward a VAT. CARTAC will continue to work with countries in this regard while also assisting in the area of reforming and streamlining tax concessions. Emphasis will also be paid to other cross-country issues and working toward harmonised approaches.

The revenue sectors in countries of the region, while operating relatively well, have room for improvements. Compliance with tax laws varies across countries and type of tax, but on average, compared to similar indicators for Latin American and African countries, tax compliance can be viewed as medium to high. The tax burden in the region ranges from 16-32 percent. In many countries, however, the recent increase in public debt and the need to

¹ Anguilla, Antigua and Barbuda, The Bahamas, Barbados, Dominica, Grenada, Guyana, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Turks and Caicos.

protect social expenditure and infrastructure investment require more efficient revenue mobilization.

Historically, countries in the region have relied heavily on import duties as a key revenue source, but have been forced by the obligation of the Common External Tariff (CET) of CARICOM to look more to domestic resources. Moreover, the countries' accession to the FTAA will require duties on intra-area (and potentially other) trade to be eliminated over a period of 15 years. The FTAA participation will therefore necessitate reforms of national tax systems in the Caribbean region, including introducing broad-based consumption taxes, VAT, reducing tax exemptions and concession regimes, as well as simplifying income taxation. The consumption tax in place in many countries is complex, distortionary, and inefficient, but VAT-like systems combined with excises taxes on a few items, are under consideration in some countries. In several countries which have already implemented a VAT system, a re-examination with a view to eliminating exemptions and zero-rates on some goods and services would be opportune.

Tax concessions are another area of concern, as countries lose important amounts of revenue. Compliance with the conditions for tax concessions is not always effectively monitored and studies have not been made to assess whether the tax concessions are worthy. Harmonization in the area of tax concessions among CARICOM countries would be likely to provide significant benefits in the short-medium-term. In the longer term, as countries proceed in their plans for regional integration, harmonization issues are likely to also involve general policy design issues for both income tax and sales tax.

In the area of revenue administration, computerization of both customs (Automated System for Customs Data (ASYCUDA) in some 15 countries) and inland revenue departments constitute major challenges. Although some countries have reasonable systems in place for the inland revenue departments, current customs systems are outdated and not integrated. Despite computerization, procedures are predominately manual, which is inefficient and opens the door for corruption.

Tax audit in many of the countries needs to be strengthened, and most tax administrations are understaffed in terms of auditors. IT support to audit in most countries is not sufficient. Information crosschecking is seldom used nor are computer-assisted audit techniques. Auditors require a considerable amount of training.

Generally, turnover in tax administration staff in the region is high as the salaries paid by the public service cannot match the ones paid by the private sector. Some countries have moved to the introduction of revenue authorities as a way to reduce this problem in order that salaries can be elevated above that of the public service.

FTAA membership will result in a significant reduction in revenues (import duties will be eliminated for imports from FTAA countries) ranging from 10–50 percent. CARTAC countries will have to look for alternative sources of revenue. A regional study on the revenue impact of trade liberalization will be developed by CARICOM with CARTAC support.

Looking ahead to areas in which CARTAC can provide assistance in the coming three-four years, a number of subjects emerge. Assistance with the introduction of VAT in a number of countries will be an important part of CARTAC's work. In addition to the countries that have already decided to introduce a VAT, it is expected that more will follow. This evolution is also linked to the preparation for FTAA membership. The introduction of revenue authorities is under consideration in three jurisdictions in order to increase the efficiency and effectiveness of revenue collection. Where the revenue authority model is found to be the most appropriate to the circumstances of the country, (in terms, for example, of timing, and capacity), support to these initiatives would be one of the tasks in the coming phase. Similarly, considerable CARTAC resources are expected to be devoted to the enhancement of audit and enforcement systems. This will include helping member countries in redesigning their audit systems and training auditors. At the same time, many countries are in need of modernizing their systems for selecting taxpayers for tax audit and for screening tax refunds. The implementation of new audit strategies and techniques is likely to increase compliance. In the area of computerization of inland revenue and customs, CARTAC will continue to assist through support to the organizational and procedural reform that must accompany such computerization.

Review of income tax legislation and the introduction of tax administration legislation that would centralize all the provisions for the relationship between taxpayers and tax administrations into one unique act and, removing them from the different tax acts, is another area of importance. In addition, CARTAC will assist in reviewing income tax legislation with the aim of simplifying such legislation.² Training is expected to focus on best practices, tax audit, and tax collection, with coverage of more sophisticated issues such as transfer pricing.

CARTAC will continue to work with inland revenue departments, customs departments, and revenue authorities, and will coordinate work with regional institutions, and make use of regional resources whenever applicable, such as the University of the West Indies. The University recently conducted a "Training-of-Trainers" workshop for tax officials based on technical material developed by CARTAC.

Logical framework 2 in Annex IX shows the objective, outputs, activities, and inputs for this component.

² Where required, CARTAC will seek the assistance from IMF's legal department in these areas.

C. Component 3. Financial Sector Management and Supervision

Objective 3: Strengthened capacity for financial sector supervision and growth

The financial sector component of CARTAC has focused on assisting countries in the region in putting into place supervisory policies and procedures for financial institutions, particularly banks including off-shore banks, that are more consistent with international best practices. Also, during the initial phase of the project, CARTAC provided technical assistance to a number of countries to review existing banking laws and draft upgraded versions, improve on-site and off-site supervisory procedures and train supervisory personnel, mainly in the banking sector. Improvements have been noted in a number of countries.

In keeping with the evolving priorities of the region in respect to financial institutions management and supervision, CARTAC will complement its work in the banking sector with assistance to improve the supervisory policies and procedures for non-banking financial institutions, such as insurance companies, credit unions, building societies and finance companies that manage deposits from a wide cross-section of the population.

CARTAC member countries in recent years have been improving the management and supervision of their financial sectors. These improvements were prompted by the need to guard against financial vulnerability and to conform to best practices for the regulation and supervision of financial institutions, as recommended by international agencies, as well as the need to develop the region's capital markets. Following the Financial Action Task Force (FATF) listing of a number of Caribbean countries as non-cooperative, priority was given to the review and upgrading of laws governing the operations of banks, as well as improving their supervision, primarily those banks operating in the offshore sector. CARTAC provided significant assistance to these efforts during the initial phase of the project.

Member countries have now identified the enhanced regulation and supervision of the domestic non-bank financial institutions as a critical need, as well as the need to foster economic growth through a diversified range of financial products. To complement the improvements made in the supervision of the offshore and domestic banking sectors, country officials have now stressed the importance of strengthening the regulation and supervision of domestic non-bank financial institutions including credit unions, insurance and pensions companies, and securities dealers. During the second phase of CARTAC, technical assistance to member countries will expand its focus on strengthening laws governing the operations of these institutions, improving and documenting procedures for their supervision, and training regulators to effectively and efficiently implement relevant laws and procedures. Assistance will also be provided to supervisory agencies in the region to develop frameworks for prompt corrective action.

A number of member countries are committed to restructuring and strengthening the agencies responsible for financial sector supervision. In some cases these efforts include establishing integrated supervisory units and enhancing supervisory skills. CARTAC will continue to assist member countries with this work. Feasibility studies for establishing integrated units

have been carried out and legislation is being amended and drafted. As governments restructure their supervisory agencies, upgrade and strengthen existing ones, and recruit appropriate staff, CARTAC will continue to provide assistance through strengthening institutional and human capacity. This includes the development of a cadre of suitably trained regulators, through seminars and workshops as well as hands-on training. Wherever possible, training will be regional and/or sub-regional with emphasis placed on training trainers to facilitate sustainability and the future transfer of knowledge.

Efforts are also underway to harmonize the region's supervisory practices, especially in light of the expansion of financial institutions across the region and the introduction of the proposed CSME. A number of initiatives have been taken by the CARICOM Secretariat and other regional groups (e.g. CGBS, CAIR, CGSR) to harmonize financial sector laws and to promote compatible supervisory standards relating to such areas as capital adequacy, consolidated supervision (cross-border supervisory issues and conglomerates), and risk management. CARTAC will assist these efforts by working closely with the regional entities in developing and implementing proposed procedures, and ensuring that technical assistance provided to member countries is in keeping with international best practices (e.g. those issued by the Bank for International Settlements (BIS), the International Association of Insurance Supervisors (IAIS), IOSCO, the Caribbean Financial Task Force (CFATF), and the (FATF).

In the OECS, where there is already common legislation governing the operations of the domestic banking sector and a commitment to the establishment of a single financial space, CARTAC will assist the sub-region by working closely with the ECCB, the jurisdictions, and as appropriate, with the OECS Secretariat as well as with other donors in a collaborative approach to strengthening the management and supervision of the financial sector.

In order to promote sustainable economic growth, the development of the region's capital markets needs to be enhanced, with regional governments creating the necessary infrastructure for the creation of new capital instruments. CARTAC will contribute toward the introduction of such new instruments¹ through the drafting of requisite legislation, preparation of simplified and transparent procedures and training of staff to efficiently manage and supervise the processes.

CARTAC will continue to work closely with central banks and other regulatory agencies in member countries, emphasizing regional approaches and solutions where possible. Training of staff will take place through workshops and seminars which highlight topical regional issues through case studies and complement those of other agencies such as CEMLAC. Hands-on technical assistance will be provided through attachments and the use of short-term consultants, drawing on regional resources whenever possible and in general on its partners within and outside the region. CARTAC will closely coordinate its technical assistance efforts with concerned regional organizations as well as with other donors, such as the World

¹ Depending on the jurisdiction these instruments may be such ones as: secondary mortgage markets, collective investment schemes, and venture capital funds

Bank, FIRST, CIDA, DFID, and USAID to create synergy among TA efforts and avoid duplication and overlap.

Logical Framework 3 in Annex IX shows the objective, outputs, activities, and inputs for this component.

D. Component 4: Economic Statistics

Objective 4: Enhanced capacity to collect, process, and publish economic data for analysis and effective macroeconomic and fiscal management based on international methodologies and standards

The statistics programme of CARTAC has focused on strengthening the capacity of member countries to produce statistics of the quality and coverage necessary for effective public and private sector planning and decision-making. Most of the national statistical offices, however, continue to face significant challenges of producing relevant, comprehensive, reliable, and timely official statistics. CARTAC will continue to assist countries with an approach that encompasses statistical legislation, institutional organization, and core economic data sets.

All the statistical offices in the region have the legal authority to collect specific types of information. Most of the legislation, however, dates back to the 1970s and may not empower the offices to exploit advances in information and communication technologies for collecting and disseminating statistical data, or even to make optimal use of government administrative records for statistical purposes. In addition, the legislation does not explicitly enable statistical offices to realize efficiencies through outsourcing certain types of activities, e.g., statistical surveys.

They suffer from inadequate budgetary and human resources, weak legislative and organizational structures and inadequate skill complements. These deficiencies limit their ability to provide basic data suitable for informing the direction and measuring the impact of the policies of government and the business community. Furthermore, the fast-changing economic, social, and technological environment has been inducing perpetual shifts in statistical emphases, methodologies and classifications, and the resource-deficit statistical offices find themselves hard pressed to meet the statistical demands of this ‘new economy.’

A limited managerial and technical skills base has also placed severe constraints on the ability of some statistical offices to maintain effective communication with data providers, official data users and other stakeholders. Inadequate managerial capability has also been reflected in tardiness in accessing available technical assistance for building statistical capacity, in the absence of statistical awareness programmes and strategies for increasing response rates, while reducing respondent burden. In some instances where output has not been insignificant, statistical offices have often not been sufficiently assertive in putting the stamp of authorship on their products by making them available through printed reports or electronic information systems, or by introducing value-added features such as data assessment and statistical analysis.

The longstanding statistical problems of the region are not amenable to simple solutions, and the areas of greatest need cannot be adequately addressed by “fire-fighting” type interventions. CARTAC is aware that capacity and institution building is a long-term and on-going process and is committed to giving effective assistance in statistical capacity building by staying engaged with a particular programme or issue over an extended period of time.

Based on lessons learned during the first phase of the project, CARTAC is well placed to employ a proactive approach to designing work programmes that combine national priorities and commitments with CARTAC initiatives. The sustainability of improvements in the statistical system is likely to be enhanced by an approach that encompasses statistical legislation, institutional organization and a core data set. The core data set should be informed by the GDDS framework in the dimensions of data, quality, integrity and access by the public to the extent possible. The data set will also comprise components identified by individual countries, the CARICOM Secretariat and ECCB. Adherence to standard and harmonised definitions, classifications and applications ensure that country and regional activities support the integration objectives of CARICOM and meet the requirements of the international community for transparency and data comparability.

TA for assisting in the review and revision of the Statistics Acts will ensure that issues that have an impact on the production and accessibility of statistics are addressed. These include the use of information and communication technology for minimising the burden on respondents (and breaches in confidentiality that may arise from the use of such technology) and for disseminating information. The imposition of realistic penalties for non-compliance by data providers and unlawful disclosure by the statistical authorities, as well as arrangements for the possible outsourcing of statistical functions, will also be important elements of the revised legislation.

Country needs during the second phase of CARTAC continue to cluster around national accounts, balance of payments statistics, government finance statistics (GFS), price indices (consumer, producer and import and export price indices), and international trade in goods and services, with special emphasis on tourism statistics. Other areas of importance include censuses and surveys, and social statistics.² As requested by member countries, CARTAC will also cover statistics such as central government aggregates, central government debt, money and banking statistics, external debt and debt service schedule, international reserves, and investment statistics.

TA designed for strengthening institutional statistical capacity will cover organizational restructuring, the use of information technology, including statistical applications software, human resource management and upgrading of overall management skills.

CARTAC will continue to develop human capacity through a series of training programmes, comprising on-the-job instruction, short-term attachments and regional workshops and

² Although not within the purview of CARTAC, authorities stressed their need for enhanced social statistics relating to education, health, living conditions and poverty reduction, as well as environmental and demographic statistics.

seminars, including training for middle-level staff and persons at lower skill levels. Since the beneficiary countries are at different stages of statistical development, country-specific training will be given. Programmes for training the trainers will ensure some measure of sustainability. Training modules will include national accounts, balance of payments, data analysis and sampling, and survey techniques and procedures. CARTAC's statistics component will work in close coordination with other CARTAC components such as the public finance management component in respect to GFS, (government aggregates, central government debt), the financial sector component in respect to banking statistics and the SATAP component in respect to statistics required for financial programming exercises.

CARTAC will continue to work closely with the staff of national statistical offices, the staff of central banks, ministries of finance and to a lesser extent with other providers of economic data in government departments. Furthermore, they will collaborate with the CARICOM Secretariat, CDB, ECCB, the OECS Secretariat, UWI, and other regional institutions. Close coordination will also be maintained with other donors engaged in the statistical sector, such as the EU, IDB, UNDP, ECLAC, ILO and the World Bank. In regard to social statistics, UNDP will keep CARTAC up-dated on the on-going and pipeline poverty monitoring systems and related projects. In turn, CARTAC will facilitate requests for social statistics to the appropriate project.

Logical framework 4 in Annex IX shows the objective, outputs, activities, and inputs for this component.

E. Component 5. Financial Programming

Objective 5: Enhanced capacity for undertaking macroeconomic projections and policy analysis

CARTAC initiated a series of financial programming exercises through the SATAP programme in the ECCB countries. This included the formation of teams of macroeconomists that engaged in live financial programming, including preparation of passive projections as well as alternative policy scenarios. This led to the establishment of a Macro-Fiscal Coordinating and Monitoring Unit at the ECCB. CARTAC will fully support this unit as well as the Unit's work in the OECS member countries. This work will be expanded to other countries during the next phase in line with countries' requests. This component of CARTAC will also address debt management issues as they relate to macroeconomic management, and link with the public finance component on other aspects of debt management.

As noted earlier, many Caribbean countries are faced with high and rising debt in relation to GDP, in essence caused by high fiscal deficits that have not been matched by increased productive capacity. The underlying factors influencing this phenomenon are myriad, and include, *inter alia*, a variety of external shocks, inadequate economic management and systemic deficiencies. In the Organization of Eastern Caribbean States (OECS), concern for this rising debt-to-GDP ratio resulted in a decision to undertake Stabilization and Adjustment Programs (SAPs). At the same time, during the first phase of the CARTAC project, many of the deficiencies in economic management were identified and corrective measures were

taken under CARTAC's Public Finance Management (PFM) activities. As part of this process, a programme of PFM reform was initiated, under which countries would assess their PFM systems and develop a timetable for improving them. These developments resulted in CARTAC being asked to supervise the process of designing SAPs, while at the same time providing training for members of macroeconomic units in the OECS in macroeconomic projections and policy analysis.

The process of capacity building and the implementation of the SAPs is continuing. However, the implementation has been slower than anticipated. The training in macroeconomic projections and policy analysis has been slowed by a number of factors, including competition from alternative duties. The implementation of the SAPs has been affected by systemic deficiencies and, at times, insufficient political will. Therefore, OECS countries have expressed a need for continuing assistance in this area. Moreover, the Eastern Caribbean Central Bank (ECCB) has established a Macro-Fiscal Coordinating and Monitoring Unit that will coordinate the implementation of the SAPs at the sub-regional level. The Unit will also coordinate a number of other reforms in which CARTAC is involved that require coordination at the sub-regional level. CARTAC is continuing to provide assistance to this unit (primarily with the help of a special contribution from DFID), and the unit will be a key partner of CARTAC in the process of capacity building in the OECS. In addition, a demand for training and other forms of technical assistance in undertaking macroeconomic projections and policy analysis has been articulated in non-OECS countries. In its work in this area in all countries in the region, CARTAC will encourage approaches that foster regional economic cooperation and harmonization, and coordinate with CARICOM where appropriate.

An urgent need for assistance in debt management has been indicated by a number of countries. Some of the debt management issues are embedded in macroeconomic management, and others relate to organisational structures. CARTAC will collaborate through the PFM Advisor in assisting countries to enhance organisational structures related to debt management, and will collaborate with other agencies in advising countries on organisational enhancements that are critical to the improvement of macroeconomic management. Countries also identified the need for assistance in managing debt in other areas, including central recording, ongoing calculation of repayment options in relations to interest, and coordinating among agencies. CARTAC can assist in this area in coordination with work being done by other agencies, in particular the Commonwealth Secretariat.

During the first phase of CARTAC, there has been collaboration between the IMF Institute and CARTAC in the staging of regional training programmes. The IMF Institute has an ongoing programme of providing training in macroeconomic analysis and financial programming. CARTAC will continue to collaborate with the IMF Institute in designing and delivering these regional courses on issues in macroeconomic projections and policy analysis. CARTAC plans to support an IMF Institute course for the Caribbean region in late 2004 on the Macroeconomic Impact of the Budget.

Logical framework 5 in Annex IX shows the objective, outputs, activities, and inputs for this component.

III. MANAGEMENT AND OTHER ARRANGEMENTS

A. Management arrangements

Oversight

As a UNDP cost-shared project, executed by the IMF, the IMF is responsible for the technical as well as administrative management of CARTAC. The CARTAC Steering Committee was formed during the first phase to provide strategic direction for the Centre as well as to review, and contribute to, the rolling six-month work plan. The signatories of this document, CARICOM, UNDP, and the IMF are all permanent members of the Steering Committee. As host country to CARTAC, Barbados will continue to assume the chairmanship of the Steering Committee. Further details about the Steering Committee's membership are provided in Annex V.

Day-to-day operations of the Centre will be managed by a full-time resident programme coordinator who will be a staff member of the IMF. The coordinator will work closely with all bilateral and multilateral development partners to ensure the smooth integration of related technical assistance work being done in the region.

Backstopping

The IMF is responsible for all substantive technical support and backstopping of the Centre's long-term advisors. For the placement, and replacement of long-term advisors, the IMF will forward to the Chairperson of the Steering Committee the names of at least two candidates, and in the case of the replacement of an advisor, forward to the Steering Committee chairperson a statement of the proposal to replace the long-term advisor at least three months in advance of the intended change. For expediency, short-term experts shall be recruited by the Centre and/or IMF headquarters technical assistance departments without consultation with the Steering Committee.

Whenever possible, long-term advisors and short-term experts will be recruited from within the region. CARTAC will continue to maintain and use its database of regional experts. Regional experts will serve as visiting advisors to broaden and deepen the range of specialized advice, while reducing the burden of recruitment and administration.

Administration

As part of its Executing Agency functions, the IMF will manage all financial arrangements such as the contracting of staff, payment of travel expenses, seminar costs, operating expenses of the office, etc., with the exception of the lease of the office facilities, which is provided by the government of Barbados. UNDP will manage the contributions from donors and member countries.

B. Monitoring and evaluation

Work of the Centre will be directly monitored by the coordinator on a daily basis and in close consultation with the Steering Committee chairman, by the IMF technical assistance departments, the Western Hemisphere Department, and the Office of Technical Assistance Management regarding technical and substantive work by the Centre's advisors and experts, and by the Centre's Steering Committee for the setting of strategic direction and priorities. Each six-monthly Steering Committee meeting also serves as an opportunity to review the work of CARTAC.

In addition, an independent review of the work and operations of the Centre will be conducted approximately 18 months following the initiation of this project to consider the quality and appropriateness of technical assistance delivery; efficiency of operations; receipt and impact of technical assistance. Details of the review requirements are provided in Annex VI.

C. Work plan

Six-month work plans will be prepared by the Centre for discussion and approval by the Steering Committee. The work of the Centre is planned and executed upon receipt of a request by a member country. Upon such receipt, in order to ensure that the work proposed does not duplicate or conflict with the current or planned work of another agency, and that it integrates and builds upon ongoing work, careful consideration will be given to country strategy, regional approaches and donor coordination as well as optimisation of resource requirements.

The job descriptions of the long-term advisors are provided in Annex VII. Job descriptions for short-term experts will be developed as required.

D. Legal context

This programme support document shall be the instrument referred to as the project document.

E. Cost sharing arrangements

The project benefits from a financing arrangement whereby a number of donors contribute funds towards a cost-sharing account maintained by the UNDP. In the case of the European Union (EU), a trust fund is maintained by the UNDP.

- The IMF will contribute the Centre coordinator, and the operating expenses of the Centre;
- The host country will contribute the offices of CARTAC;
- The CDB will second a macro-economist to the Centre; and

- Participating countries will pay a counterpart contribution of US\$10,000 each per year.

F. Budget

The budget presented in Annex VIII reflects anticipated country requests, following experience during the first two years of CARTAC's operations and a needs assessment conducted in March–April 2004.

The budget also incorporates targeted interventions (ECCB Macro-Fiscal Unit and VAT) for which earmarked contributions have been deposited into the cost-sharing account.

SIGNATURE PAGE

List of Acronyms

ASYCUDA	Automated System for Customs Data
BIS	Bank for International Settlements
BoP	Balance of payments
CAIR	Caribbean Association of Insurance Regulators
CARICOM	Caribbean Community
CARTAC	Caribbean Regional Technical Assistance Centre
CCCU	Caribbean Conference of Credit Unions
CCLEC	Caribbean Customs Law Enforcement Council
CCMS	Caribbean Centre for Monetary Studies
CDB	Caribbean Development Bank
CEMLA	Centre for Monetary Studies of Latin America & Caribbean
CET	Common External Tariff
CFATF	Caribbean Financial Action Task Force
CGBS	Caribbean Group of Banking Supervisors
CGSR	Caribbean Group of Securities Supervisors
CIAT	Inter-American Centre of Tax Administrations
CIDA	Canadian International Development Agency
CPEC	Caribbean Regional HRD Programme for Economic Competitiveness
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
CSME	Caribbean Single Market & Economy
DFID	Development Fund for International Development
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
ECEMP	Eastern Caribbean Economic Management Programme
ECLAC	Economic Commission for Latin America and the Caribbean (Subregional Headquarters for the Caribbean, located in Trinidad)
ECSRC	Eastern Caribbean Securities Regulatory Commission
EU	European Union
EUROSTAT	Statistical Office of the European Union

EUROTRACE	System comprising software and training for compiling external trade statistics, with a national module for countries that have introduced ASYCUDA
FATF	Financial Action Task Force
FTAA	Free Trade Agreement of the Americas
GDDS	General Data Dissemination System
GDP	Gross Domestic Product
GFS	Government Finance Statistics
HIPC	Highly Indebted Poor Country
IAIS	International Association of Insurance Supervisors
IDB	Inter-American Development Bank
IFMIS	Integrated Financial Management Information System
IFSA	International Financial Services Authority
ILO	International Labour Organization
IMF	International Monetary Fund
MCCSR	Minimum Continuing Capital Surplus Requirement
OECS	Organisation of Eastern Caribbean States
PFM	Public Finance Management
PRSP	Poverty Reduction Strategy Paper
PSIP	Public Sector Investment Programme
SATAP	Structural Adjustment Technical Assistance Programme
SCCS	Standing Committee of Caribbean Statisticians (CARICOM)
SNA 93	1993 System of National Accounts
UNDP	United Nations Development Programme
UNSD	United Nations Statistics Division
USAID	United States Agency for International Development
UTech	University of Technology (restructured and renamed College of Arts Science and Technology – CAST – Jamaica)
VAT	Value Added Tax

Annex I. Overview of countries

Country	Size (sq km)	Population	HDI 1/ Rank 2002	GDP per capita (US\$) 2003	Debt Ratio 2/ (total/external) 2003	Currency Pegged- p floating-f
Anguilla	102	12,738	...	9,000	17.8/9.3	EC\$ p
Antigua & Barbuda	443	67,897	56	11,000	114.3 / 76.1	EC\$ p
The Bahamas	13,939	318,000	49	16,300	47.0	B \$ 1:1
Barbados	431	271,000	27	9,000	83.8	BDS\$ 2:1 p
Belize	22,960	258,000	67	3,500 (2001)	92.2	BLZ\$ p
British Virgin Islands	150	21,730	...	35,913	...	US\$
Cayman Islands	160	41,934	...	37,440	...	CY\$
Dominica	754	69,655	68	3,800	109.8 / 77.7	EC\$ p
Dominican Rep.	48,730	8.6 m	94	1,945	56.8 / 37.9	RD\$ f
Grenada	344	89,258	93	4,700	113.3 / 81.5	EC\$ p
Guyana	197,000	850,000	92	1,000 (2001)	178.3	Guy\$ 94.3:1
Haiti	27,750	8.4 m	150	400 (2002)	33.8	G f
Jamaica	10,990	2.6 m	78	2,900	143	JAM\$ 61:1
Montserrat	102	8,995	...	4,100	17.2/13.9	EC \$ p
St. Kitts & Nevis	261	38,763	51	9,500	161.6 / 86.7	EC \$ p
St. Lucia	616	162,157	71	4,200	64.7 / 42	EC \$ p
St. Vincent & G.	389	116,812	80	3,200	73.4 / 50.7	EC \$ p
Suriname	163,820	441,356 (2001)	77	1,700	51.0 (2002)	SRD\$ floating
Trinidad & Tobago	5,130	1.3 m	54	5,900	66.5	TT \$6.25:1
Turks & Caicos	430	19,350	...	7,693	...	US\$

1/ Human Development Index Ranking, 2002

2/ Debt ratio equals public and publicly guaranteed debt over GDP. Ratios are listed for total debt and for external debt. One ratio only indicates external debt ratio

Annex II. Membership of Regional and International Grouping

Country	CARICOM	CDB	IDB	IMF	EU/ ACP	OECS/ ECCB	Overseas Territories
Anguilla	am 1/	√				√	√
Antigua & Barbuda	√	√		√	√	√	
Bahamas, The	√		√	√	√		
Barbados	√		√	√	√		
Belize	√	√	√	√	√		
British Virgin Islands	am					√ 2/	√
Cayman Islands	am						√
Dominica	√	√		√	√	√	
Dom. Rep.	Observer		√		√		
Grenada	√	√		√	√	√	
Guyana	√	√	√	√	√		
Haiti	√		√	√	√		
Jamaica	√		√	√	√		
Montserrat	√	√				√	√
St. Kitts & Nevis	√	√		√	√	√	
St. Lucia	√	√		√	√	√	
St. Vincent & Grenadines	√	√		√	√	√	
Suriname	√		√	√	√		
Trinidad & Tobago	√		√	√	√		
Turks & Caicos	am						√

1/ Associate member.

2/ Member of OECS only.

**Annex III. Institutions in the region with which CARTAC will cooperate
or coordinate various activities**

Caribbean Community and Common Market (CARICOM) and its organs:

Council for Finance and Planning (Committee of Central Bank Governors reporting to COFAP)	COFAP
Council for Trade and Economic Development	COTED
CARICOM Single Market and Economy	CSME
CARICOM Secretariat	CCS
Caribbean Standing Committee of Statisticians	CSCS
CARICOM Legislative Drafting Facility	CLDF
Regional Negotiating Machinery	RNM
Organization of Eastern Caribbean States	OECS
Eastern Caribbean Central Bank	ECCB

Institutions associated with CARICOM

Caribbean Organization for Tax Administration	COTA
Caribbean Development Bank	CDB
Caribbean Centre for Development Administration	CARICAD
Inter-American Center of Tax Administrations	CIAT
University of the West Indies (UWI) Sir Arthur Lewis' Institute for Social and Economic Research	
Caribbean Law Institute / Caribbean Law Institute Centre	CLI/CLIC

Other regional institutions and associations:

Caribbean Customs Law Enforcement Council	CCLEC
Caribbean Confederation of Credit Unions	CCCU
Centre for Monetary Studies of Latin America & Caribbean	CEMLA
Caribbean Centre for Monetary Studies	CCMS
Caribbean Tourism Organization	CTO
Caribbean Public Finance Association	CaPFA
Caribbean Association of Insurance Regulators	CAIR
Caribbean Group of Banking Supervisors	CGBS
Caribbean Group of Securities Regulators	CGSR
Eastern Caribbean Securities Regulatory Commission	ECSRC
University of Technology (UTech - restructured and renamed College of Arts Science and Technology – CAST, Jamaica)	

Annex IV. CARTAC delivery modalities

CARTAC technical assistance includes technical advisory services, training (in-country/regional), seminars, professional attachments, and access to networks.

TA delivery modalities will include advisory services by long-term advisors and by short-term experts. Regional expertise for short-term assignments and training will be used wherever possible. The Centre will establish a roster of regional experts in different sectors to be used for appropriate assignments. Consideration will also be given to how each assignment by the long-term, as well as short-term experts, can be most effective and have the greatest impact. For example, where appropriate, at the end of the assignment, the expert will leave behind manuals or work procedures and/or conduct a short briefing/training session for concerned national staff, beyond those directly trained on the job.

Training organized by the Centre will be in the form of regional seminars and workshops, as well as in-country, country-specific training. In order to be most effective, training will be executed under a 3-tier approach whenever possible: (a) first, a general theoretical overview of the topic, and analysis of the issues will be presented; (b) next, the theory will be demonstrated through case studies, and hands-on application and manipulation of data by participants, and (c) finally, transfer and application of theory and generic case study to country-specific situations will be made. Such an approach will help to ensure that generalized theoretical knowledge is applied to real life situations. Whenever appropriate, manuals and other materials will be prepared for participants to share with colleagues and made available for new staff. “Training of trainers” will be given careful consideration for workshops and seminars. Nominating authorities will be encouraged to ask seminar participants to brief their colleagues upon return to their home country. Gender balance will be sought in participation at seminars, workshops, and attachments.

Whenever feasible, staff of regional organizations will be asked to participate in seminars and workshops—either as trainers or as trainees whichever is appropriate, such that knowledge is shared and developed within the region. Such participation will not only serve to strengthen regional organizations, but will reinforce the work of those organizations in member countries.

Professional attachments of one to two weeks duration of national staff to sister organizations have been very effective in the first phase of CARTAC and will be continued in the second phase. Such exchanges have allowed an open sharing of knowledge and experience, and have strengthened collegial networks of staff addressing similar issues in different countries. Additionally, gender impact will be considered in the design and analysis of fiscal programs.

In delivering its services, CARTAC will coordinate its assistance with that of other TA providers in order to complement overall efforts and avoid overlap. Specifically, the staff of the Centre will closely plan and schedule TA interventions, seminars, workshops, and secondments with the ongoing and planned work of development partners and regional institutions/associations. Such coordination worked well during the first phase of the Centre since the members of the donor community are well-known to each other, and because donors are also participating in support of the Centre.

Annex V. Working of the Steering Committee

A Steering Committee of the Centre has been established comprised of representatives of member states, regional institutions, and cost sharing partners to guide the work of the Centre. The Committee is chaired by the Governor of the Central Bank of Barbados. The Committee is instrumental in setting the strategic direction of the Centre, and reviewing and contributing to the rolling six-month work plan.

During the first phase of the Centre's operations, it was agreed that because of the large number of participating donors and member states, permanent seats and representational groups would be established for the Steering Committee as shown below. Within each representational group, seats will rotate every 12 months. If the organization holding the seat is not able to attend a particular Steering Committee meeting, that organization will ensure that the group is represented by another organization in the group. It is also expected that the organization holding the seat at any given time will circulate work plans, minutes, reviews, etc. within their group. Originally the total membership was set at 12, but this was raised to 13 after the February 2003 plenary session held in Trinidad, when the World Bank asked for, and was given a permanent seat on the Committee.

For the second phase of the Centre, it has been agreed that the composition of the Steering Committee groups will remain the same as during the first phase of the Centre, unless agreed otherwise by the Steering Committee at a later time, but permanent seats will be reconsidered by the Steering Committee when the financing for the second phase is finalized, in the context of the guideline approved by the Committee stipulating that donors that provide more than 20 percent of the Centre's financing will be given permanent seats. The project coordinator will serve as the Secretary to the Committee.

Permanent Seats:	CARICOM, CDB, ECCB, CIDA, IMF, UNDP, the World Bank	
		Current Representation
Group 1:	EU, IDB, DFID, USAID	DFID
Group 2:	OECS countries	Anguilla
Group 3:	Belize, Overseas British Territories, Suriname	Cayman Islands
Group 4:	Jamaica, and Trinidad & Tobago	Trinidad & Tobago
Group 5:	Guyana and Haiti	Haiti
Group 6:	Bahamas, Barbados, Dominican Republic	Barbados

As during the first phase of the Centre, the Steering Committee will meet every six months, more frequently if necessary, with every third meeting, that is every 18 months, being a meeting-of-the-whole or plenary session, in which all participating donors and member states are invited to attend. In advance of all Steering Committee meetings, the Centre's coordinator, in consultation with the Steering Committee Chairperson, will prepare for the Committee a summary of all work conducted during the previous six months, an outline of

work planned for the coming six months, as well as an agenda of any outstanding issues to be discussed by the Committee.

Annex VI. Proposed issues for consideration of review

The review will consider whether the continuation of the Centre for the delivery of TA with its corresponding overhead costs, is more effective than delivery of TA by the IMF or a similar organization from its headquarters office. Consideration will be given to see if the following advantages have been observed:

- Timeliness of delivery and follow-up has been enhanced. Needs and requests have been responded to promptly
- Country ownership and accountability of TA activities have been strengthened
- TA delivery has been more closely integrated with activities of development partners, with fewer gaps and overlaps observed
- TA has been more closely aligned with national priorities
- Regional integration and knowledge-sharing has been enhanced through workshops, collegial coordination, and other mechanisms.
- Regional economic organizations have been strengthened
- Regional knowledge and greater familiarity with regional issues by advisors has been enhanced by field residency
- Interaction of advisors from different sectors (fiscal, financial, and statistics) working together in the Centre has strengthened TA delivery
- Use of regional experts has strengthened delivery, and has been a positive factor in developing local expertise
- A broader, more strategic approach to TA in the economic sector has been established.

The review will also be asked to examine the feasibility and desirability of having the Centre become an independent organization at the end of this 3-year project, that is, to have the Centre become a regionally supported and operated entity.

JOB DESCRIPTION

Post Title: Public Finance Management Advisor, CARTAC

Duration: One year, with possible extension to three years

Date Required:

Duty Station: Barbados

Purpose of Position: To assist participating countries to improve their current public finance management practices including in the area of budget development and implementation and fiscal transparency. The position will cover:

1. Budget preparation including programme/performance budgeting and multi-year expenditure programming.
2. Budget implementation including cash and debt management and commitment control.
3. Accounting including legislation and related statutory requirements and accountability and control systems.
4. Public finance transparency, including external and internal audit and parliamentary and other public scrutiny.

Duties: The Public Finance Management Advisor is responsible for:

1. providing direct technical support to authorities by way of advice, guidance and research to facilitate PFM reform, including the promotion of fiscal transparency;
2. fostering the development, as appropriate, of a regional approach to PFM reform;
3. facilitating region-wide assessment of PFM needs as opportunity permits.
4. providing on-the-job training and organizing in-country and regional workshops, regional seminars, and attachment schemes.
5. assessing the need for, and assisting in the selection of, short-term consultants for specialized training and technical tasks; supervise and coordinate their work.

Qualifications: Extensive knowledge and experience across the range of PFM activity. Demonstrated experience in successfully implementing sustainable PFM reform.

Language: Strong competency in written and oral English. Ability to operate in Spanish and/or French will be an asset.

JOB DESCRIPTION

Post Title: Revenue Advisor, CARTAC

Duration: One year, with possible extension to three years

Date Required:

Duty Station: Barbados

Purpose of Position: To assist participating countries in improving their revenue policies, and improving their tax and customs administration.

Duties: The Revenue Advisor will be responsible for:

1. helping to formulate and update policy reform and TA framework papers for individual CARTAC member countries as requested by them. Such papers would set out reform strategies, including the streamlining and simplification of existing tax and customs regimes, for the functional areas identified by the authorities. After being cleared by IMF/FAD, these papers would serve as the basis for the prioritisation of policy action and technical assistance needs and the design of an appropriately sequenced and paced implementation plan;
2. establishing open channels of communication and close cooperation with other TA providers in the region with a view to achieving an effective coordination of policy advice and technical assistance to CARTAC countries in the area of tax and customs policy and administration;
3. providing advice to CARTAC countries, as agreed with IMF/FAD and follow up on the implementation of the recommendations made to them;
4. seeking support from IMF/FAD on the most complex/significant tax and customs policy and administration issues, especially those of a regional character;
5. when requested, assist the authorities in the design of an action programme for TA in the tax and customs areas with specified inputs, outputs, and implementation timetable;
6. proposing the hiring of short-term consultants for the performance of TA tasks, prepare their terms of reference, supervise their work and, with IMF/FAD concurrence, make recommendations to the coordinator for their dismissal;
7. facilitate access of CARTAC country authorities to information on tax matters available in the IMF/FAD knowledge base, relevant to the tax problems they face;

8. organizing seminars and workshops, with the participation of other TA providers whenever possible, to disseminate good tax practices and analyse common problems faced by the authorities;
9. organizing on-the-job training and skills transfer in the form of attachments to sister institutions in the region;
10. designing training activities for officials at regional institutions, donor countries, and counterpart government facilities, and participate as lecturer or instructor in such events, where appropriate;

Qualifications: Technical and operational expertise in tax policy design, tax and customs administration.

Language: Strong competency in written and oral English. Ability to operate in Spanish and/or French will be an asset.

JOB DESCRIPTION

Post Title: (two positions) Financial Sector Supervision Advisor¹

Duration: One year, with possibility of extension to three years

Date Required:

Duty Station: Barbados

Purpose of Position: To assist the participating countries in their efforts to improve legislation, supervisory practices and technical skills in the supervision of the financial sector. Also to provide institutional upgrades to the supervisory offices, to promote usage of supervisory best practices and effective supervisory regimes.

Duties: The Financial Sector Advisor shall:

1. Provide advice to the authorities on required changes to the legal framework for the regulation and supervision of the financial sector,
2. assist countries in implementing systems for the prudential supervision of the financial sector, including the international standards and best practices, the establishment of regular reporting systems, on-site inspection, off-site analysis and audit operations.
3. provide advice on the development of appropriate laws and procedures for dealing with insolvent institutions
4. provide advice on the upgrade of laws and procedures for addressing anti-money laundering and counter-terrorism activities (Is this still valid?)
5. provide advice, including feasibility assessments, development of appropriate legislation and practical development of 'safety nets', including deposit protection schemes
6. assist the authorities with advice and guidance to strengthen institutional and human capacity, through hands-on training, organizing in-country workshops, regional seminars and attachments at regional institutions and counterpart government facilities where appropriate, for the practical training of officials.

¹ Financial Sector participants include commercial banks and other deposit taking institutions (such as licensed finance companies, credit unions, building societies); insurance companies; pensions and securities market participants, and other financial institutions.

7. assess the need for, and assist with the selection and supervision of short-term consultants for specialized training and technical expertise; supervise and coordinate their work.

Qualifications: Experience, including in a management position, from one or more of the following: a central bank and/or bank supervision agency employing modern practices and procedures for the supervision of banks and other deposit taking financial institutions, and/or a financial services supervision agency employing modern practices and procedures in the supervision of insurance companies, pension funds and/or securities companies. Extensive knowledge of regulation and supervision techniques is required. Experience in training methods and familiarity with developments in the region's financial sector is desirable.

Language: Strong competency in written and oral English. Ability to operate in Spanish and/or French will be an asset.

JOB DESCRIPTION

Post Title: Multisector Statistics Advisor, CARTAC

Duration: One year, with possible extension to three years

Date Required:

Duty Station: Barbados

Purpose of Position: To assist participating countries to improve their current practices in the collection, compilation, and dissemination of statistics and to provide the technical and institutional skills necessary to produce timely, reliable, and comprehensive macroeconomic data.

Duties: The Multisector Statistics Advisor will be responsible for:

1. providing and/or coordinating technical advice in national accounts and price indexes, external sector statistics (balance of payments, external debt, international investment position, and measurement of international reserves) government finance statistics, and monetary and financial statistics. Included will be advice on (a) the establishment and maintenance of the underlying basic data collections; (b) concepts and internationally accepted methodologies; (c) compilation procedures, including data preparation, verification and computerization; and (d) dissemination of data. In providing this assistance, the MSA will be guided by internationally accepted methodologies for the compilation of statistics.
2. assisting the authorities with advice and guidance in implementing measures to promote transparency and wider participation in the collection and use of economic statistics.
3. providing training, or arranging for training, in each statistical area, as required, through formal courses and seminars, professional attachments and on-the-job training, including familiarization with “best practices” observed by statistical institutions in the region.
4. assessing the need for and assisting in the selection of short-term consultants for specialized training and technical assistance.
5. supervising and coordinating the activities of short-term experts who may be hired to undertake assessments or to provide detailed advice in specific areas of official macroeconomic statistics.

6. Assisting with the implementation of the recommendations of STA missions and making proposals for the timing, form, and content of additional technical assistance.

Qualifications: Technical and operational expertise in external sector statistics, national accounts (including experience with the 1993 System of National Accounts) and other economic statistics. Knowledge of survey methodologies and data analysis is required. Experience with designing and conducting training is desirable.

Language: Strong competency in written and oral English. Ability to operate in Spanish and/or French will be an asset.

JOB DESCRIPTION

Post Title: Macroeconomics Adviser, CARTAC.
(On secondment from the Caribbean Development Bank)

Duration: One year, with possible extension to three years.

Date Required:

Duty Station: Barbados

Purpose of Position: To assist participating countries in improving the quality of macroeconomic management and macroeconomic management systems.

Duties: The Macroeconomics Adviser will be responsible for:

1. training members of staff of the Macroeconomic Units of the Ministries of Finance and the Research Departments of the Central Bank of participating countries to undertake internally consistent macroeconomic projections for the balance of payments, the fiscal account including debt, as well as the monetary and national accounts for baseline and alternative scenarios.
2. training members of staff of the Macroeconomic Units of the Ministries of Finance and the Research Departments of the Central Bank of participating countries to assess the impact of policy changes;
3. providing advice to the governments of participating countries on the impact of various policy measures;
4. providing advice in the development of systems for the improvement of macroeconomic management;
5. staging regional seminars, workshops and courses in macroeconomic projections and policy analysis in collaboration with various partners.
6. assist in organising and coordinating Financial Programming activities and liaising with the Macro-Fiscal Coordinating and Monitoring Unit of ECCB.

Qualifications: Experience in undertaking comprehensive macroeconomic projections in an IMF financial programming framework and providing macroeconomic policy advice. Working knowledge of accepted data collection practices is desirable.

Language: Strong competency in written and oral English. Ability to operate in Spanish and/or French will be an asset.