CARIBBEAN REGIONAL TECHNICAL ASSISTANCE CENTRE



PROGRAM DOCUMENT

FOR PHASE VI (May 2024-April 2029)

June 6, 2024



Caribbean Regional Technical Assistance Centre (CARTAC), a multi-development partner initiative supported by member countries and partners:







Antigua and Barbuda



Aruba



The Bahamas







Belize



Bermuda



British Virgin Islands













Cayman Curaçao Islands





Haiti





Montserrat

Guyana





Jamaica





St. Kitts and

Nevis

St. Lucia

Sint

Maarten

St. Vincent and the Grenadines









Turks and Tobago Caicos Islands









Ministry of Foreign Affairs of the Netherlands



Ministry of the Interior and









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SECTION I

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This program document outlines the proposed capacity development (CD) strategy for Phase VI of the IMF's Caribbean Regional Technical Assistance Center (CARTAC). It highlights the main achievements during the current phase and lays out the strategic vision for Phase VI (May 2024-April 2029) to help member countries achieve strong, sustainable, and inclusive growth and make progress on their Sustainable Development Goals (SDGs).

CARTAC provides tailor-made capacity development (CD) support to 23 countries1 in the Caribbean, including one fragile state (Haiti), and one regional institution (the Eastern Caribbean Central Bank). The Center celebrated its 20th anniversary in 2021. Its CD addresses the capacity constraints of many of its member countries owing to their small size. The Center's CD integrates the high exposure of many countries in the Caribbean region to natural disasters and climate change. Successive independent evaluations have shown that CD provided by the Center is high quality and closely tailored to the member countries' needs. CARTAC climate-related work was rated A+ by the United Kingdom Foreign Commonwealth and

Development Office - Annual Review 2022 - Strengthening Disaster Recovery and Resilience in the Caribbean. It is entirely demand-driven and integrated with the IMF's lending and policy advice, which ensures that member country institutions are up to date on global innovations and risks and empowered to address crisis-related challenges and spillovers.

The implementation of CARTAC's work program over Phase V since January 2017 has been resilient despite the COVID-19 pandemic.

The Center maintained its activities during the pandemic by switching to virtual delivery. 1193 activities were conducted during January 2017-October 2022: 989 technical assistance (TA) missions and 204 seminars and webinars that trained about 7,000 people. In addition, there were 45 professional attachments (i.e., the inclusion of member country staff in technical assistance missions in other member countries or the facilitation of study visits from one member country staff to correspondent institutions in another member country), and 25 internships for students graduating from Caribbean universities. The Center has responded flexibly to changing needs, such as climate resilience, gender equity, or digitalization, including central bank digital currencies. The Center has maintained a pool of resident advisors with knowledge of the local conditions, with 11 advisors, or 41 percent of the total, from the Caribbean region during Phase V.

countries to make progress towards their Sustainable Development Goals during Phase V. Capacity development is a core function of the IMF and is fully aligned with CARTAC member countries' Sustainable Development Goals (SDGs). With their expertise on macroeconomic and financial issues, the IMF and CARTAC support the development efforts of their member countries by helping strengthen their economic and financial stability, which is a crucial precondition for reaching the SDGs. Member countries' finance ministries, central banks, statistical offices, and other government agencies have strengthened their performance during Phase V in line with the objectives set at the start of the phase. About half of the 737 outcomes expected because of the implementation of the Center's recommendations by the member countries have been fully or largely achieved in Phase V. As documented in Section II B, this has translated in many countries into higher or safeguarded revenue collection with lower compliance cost at tax and customs administrations, modernized public financial management (PFM) processes at ministries of financeconsidering climate-related risks and genderequality when relevant, enhanced capacity of financial sector supervisors to monitor systemic risk, significant improvement in the scope and frequency of reporting by the regulated financial institutions, improved knowledge of debt-conversion transactions like debt-for-climate swaps among

CARTAC CD has helped member

¹ Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Curação, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Sint Maarten, St Vincent and The Grenadines, Suriname, Trinidad and Tobago, and Turks and Caicos Islands.

debt managers, enhanced macroeconomic forecasting and policy analysis by central banks or macro-fiscal units, more frequent and timely estimates of GDP by statistical offices, and dissemination by central banks of more balance of payments and international investment position in accordance with international standards.

CARTAC Program for Phase VI in 2024-29 builds on the recommendations of the last mid-term independent evaluation. A key area for development flagged by the last evaluation is the sustainability of the implementation of the Center's recommendations by member countries, i.e., the rate of implementation of the recommendations and the sustainability of their implementation overtime. To address this development area, the evaluation recommended that the Center's recommendations be grounded even more in Results-Based Management (RBM) and in country development strategies, taking climate risks into account. In response, the Center has shared the current ratings of each country's outcomes with the relevant member of the Steering Committee (SC), with the objective of intensifying the dialogue on the need to achieve results with the CD delivered by the Center. In addition, on each mission, resident advisors are setting time aside to discuss the relevant ratings of the results and ways to improve them with their counterparts. To better align its work with country development strategies, the Center has been strengthening the coordination of its CD activities with the surveillance and program priorities of the country teams of the IMF Western Hemisphere Department (WHD) that work on the Center's member countries. The semi-annual meetings of the Center's SC have also served as another opportunity to discuss the results achieved by countries with the Center's CD and the alignment of the Center's CD activities with country development strategies.

The overarching policy objectives during Phase VI will be to rebuild fiscal space and support high, inclusive, and sustainable growth, while building resilience to climate change.

After the necessary fiscal expansion to address the consequences of the pandemic, it will be critical to reduce public debt and rebuild fiscal space, while protecting social and infrastructure expenditure though higher revenue mobilization, strong PFM processes, and more efficient spending. Improved macro-fiscal modelling will help navigate climate-related and other risks and conduct debt sustainability and fiscal space analysis. Improved government debt management will also have a role to play to regain market access, while using the latest innovations such as green or gender financing, and debt-for-nature swaps. Reducing vulnerabilities to shocks, including climate change, will require deeper and sounder financial systems based on up-to-date financial stability tools and financial sector supervision and regulations. More timely and frequent macroeconomic statistics will be needed to set macroeconomic policies on a stronger footing. Critically, all workstreams will integrate aspects related to climate change, digitalization, and, when relevant, gender.

To achieve these objectives, the Center's stakeholders have identified the following priority work programs for Phase VI:

- domestic revenue mobilization, i.e., tax and customs administration,
- public financial management,
- financial sector stability,
- financial sector supervision and regulation,
- debt management,
- · macro-modelling, forecasting and policy analysis, and
- macroeconomic statistics.

Complementary legal technical work related to these work program priorities will be delivered, as needed. The Center's resident advisors will provide technical assistance and training to member countries in these areas, in collaboration with the IMF capacity development departments (CDDs), i.e., the Fiscal Affairs Department (FAD), the Institute for Capacity Development (ICD), the Legal Department (LEG), the Monetary and Capital Markets Department (MCM), and the Statistics Department (STA).

The Center will continue supporting its member countries in building resilience against climate-related risks. The Center has incorporated climate work in most of its workstreams namely in building more resilient PFM systems (mainstreaming greenclimate/environmental-issues into budgeting processes and procedures and carrying the Climate Modules of the Agile Public Expenditure and Financial Accountability [AgilePEFA] assessment and Public Investment Management Assessment [PIMA]), designing business continuity plans in revenue administrations, assessing climate risks in the financial system, incorporating climate shocks in the financial programming models, and providing training on green financing instruments. The Center is also supported by the IMF in executing its climate work program as the Fund has made it a priority to help member countries address climate change. Climate tools developed by the IMF include the C-PIMA framework, and climate tools for the financial sector including principles guiding insurance companies and financial regulators to assess climate risks. To capture the progress of any projects that include a climate component, there are now climate-specific objectives and outcomes in the IMF RBM Catalog, which indicates a clear strategy to better incorporate climate in project results. These specific

climate components will be featured in CARTAC RBM objectives and outcomes over time.

The Center will continue to integrate gender equality considerations in its activities where relevant. The IMF strategy towards mainstreaming gender has the following four pillars:

- to empower country teams with access to relevant data and modeling tools to conduct policy analysis;
- to set up a robust governance framework to ensure that macro critical aspects of gender are integrated in country work based on an evenhanded approach across members and create a supportive internal organizational structure;
- to establish collaboration with external partners to benefit from knowledge sharing and peer learning; working closely with other institutions, such as the World Bank Group and UN Women, will be important to enhance the IMF's efficiency and leverage impact; and
- to efficiently utilize resources allocated to gender by realizing economies of scale and avoiding duplication of effort.

The vision is to integrate gender into the IMF's core activities, including capacity development (CD). This, together with the Fund's continued emphasis on strengthening the integration of country surveillance and lending work with CD, will inform CARTAC gender-related CD.

Close coordination and consultation with all development partners and CD providers will continue during

Phase VI. The development partners will continue to play a pivotal role in the Center's contribution to CD in the region. They work with the Center to ensure that its priorities are aligned to support the broad objective of economic growth, poverty reduction, and climate resilience in the Caribbean. They participate in the semi-annual Center's SC meetings when they review its work program and results and endorse the work plans and budgets. They provide feedback on strategic CD issues such as strengthening collaboration with CD recipients and improving RBM. The Center will continue to engage with them on a regular basis to discuss topical issues such as climate resilience, incorporating gender equality in CD, financial innovation, and digitalization. CARTAC is a member of the UN-hosted Eastern Caribbean Development Partners Group. This group includes all active UN agencies, the World Bank, the Interamerican Development Bank, the Caribbean Development Bank, Canada, the United Kingdom, the European Union, the United Sates, and various embassy representatives.

The overall volume of CD is expected to increase owing to the addition of one macroeconomic advisor and the inclusion of a debt management advisor for the full length of Phase VI.

Twelve resident advisors are proposed for Phase VI, which is one more than during Phase V, with the addition of a second macroeconomic advisor to answer to the excess demand observed at the end of Phase V. The twelve advisors will be allocated as follows: two in tax administration, two in PFM, two in macroeconomic forecasting and policy analysis, one

in customs administration, one in financial sector stability, one in financial sector supervision, one in debt management, one in real sector statistics, and one in external sector statistics. The management of the RBM framework will continue to be supported by the Center's economist. The Center has been moving back to in-person delivery, as requested by all member countries, while using remote delivery for more frequent follow up of implementation CD recommendations and the organization of generic training courses.

The Phase VI budget envelope is proposed to be US\$76 million. The budget would be mostly financed by development partners (US\$53 million) and member countries (US\$17 million). It is proposed to keep the overall member countries' contribution to about 20 percent of the total financing needs, as in Phase V. The balance would be financed by the IMF (US\$5 million) and the in-kind contribution of the host country Barbados with office space (US\$1 million).

Contributions from development partners and member countries will be for the sole use of CARTAC and their use will be subject to audits.

A Subaccount of the IMF's Framework Administered Account for Selected Fund Activities (SFA) will be used to receive and disburse financial contributions for the Center's activities; all resources contributed to the Subaccount will be for the sole use of CARTAC. The operations and transactions conducted through the Subaccount during the financial year of the IMF will be audited as part of the SFA. CARTAC is also subject to audits by the IMF's Internal Audit Office.

SECTION II

RESULTS DURING PHASE V

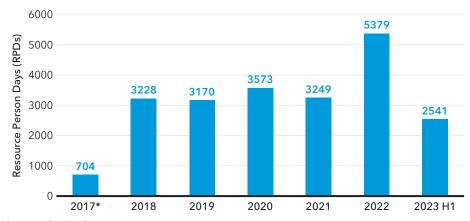


CAPACITY DEVELOPMENT ACTIVITIES

During Phase V, the Center conducted 1,193 CD activities. These comprised 989 technical assistance (TA) missions and 204 training workshops. Close to 7,000 persons benefitted from these training events. The Center also facilitated 45 professional attachments, i.e., the inclusion of member country staff in technical assistance missions in other member countries or the facilitation of study visits from one member country staff to correspondent institutions in another member country and provided summer internships to 25 graduating student interns.

Close to 22,000 resource person days (RPDs) have been executed during the phase. CARTAC CD activities were delivered by the resident advisors, short-term experts, and IMF staff. There was a general upward trend in capacity development (CD) delivery over Phase V with the greatest execution observed in FY2022 (Figure 1). Fiscal year² (FY) 2017 only covered the period January to April 2017, making FY2018 the first complete year in the phase. There was a slight dip in CD delivery in FY2019 as CARTAC faced a funding shortfall and adjusted the work program accordingly. When funding improved in FY2020, the Center was

FIGURE 1. CD DELIVERED DURING PHASE V, JANUARY 2017 - OCTOBER 2022



Source: CARTAC. *Jan - April 2017

able to return to a full CD program. The ramifications of the COVID-19 pandemic were most evident in FY2021 as travel stopped and all resources needed to adapt to a virtual CD environment. By FY2022, the necessary systems were in place to continue to deliver CD virtually. RPDs increased in that year by nearly 70 percent compared to the year before. The new debt management program also picked up pace in FY2022, as CD demand increased during its second year. The number of RPDs executed between January 2017 and October 2022 amounted to 21,844.

All 23 member countries benefited from CD during Phase V (Figure 2). The average RPDs per country amounted

to 713. Barbados (2,361), Belize (1,1513) and St Vincent and the Grenadines (1,115) were the largest CD recipients. While Sint Maarten (146), Haiti (208) and the Cayman Islands (253) received the least direct TA support, they have all benefitted from regional training events where the most RPDs were deployed (4,723).

PFM, Tax Administration and Customs Administration accounted for the majority (55 percent) of CD delivered during the period (Figure 3). 40 percent of CD was accounted for by the Statistics, Financial Sector Supervision and Stability, and Macroeconomic work programs. The remaining 5 percent were expended by the debt management program

² The Center's fiscal year runs from May 1 to April 30 of the following year.

Region Barbados Belize St. Vincent and the Grenadines St. Lucia Jamaica Guyana Trinidad and Tobago Anguilla Turks and Caicos Suriname Dominica St. Kitts and Nevis Bahamas Curacao Grenada Montserrat Antigua and Barbuda Bermuda Aruba **ECCB** British Virgin Islands Cayman Islands Haiti Sint Maarten 1000 1500 5000 500 2000 2500 3000 3500 4000 4500

FIGURE 2. CD DELIVERED BY BENEFICIARY, JANUARY 2017 - OCTOBER 2022

Source: CARTAC.

(started in FY2021) and the IMF-led financial and fiscal law program, providing complementary legal technical work related to the sectoral priorities, and training provided by the IMFs Institute for Capacity Development (ICD).

In FY2020, CARTAC began integrating climate across its work programs. By the end of the phase, climate related activities were executed in 8 out of its 11 work programs (Figure 4). Some of the climate work carried out were:

- Post Hurricane Reviews in PFM,
- Creating a Disaster Preparedness and Business Continuity Plan in Tax and Customs Administrations.
- Medium term Macro-economic Forecasting Framework and Debt Sustainability Assessment in the Macroeconomic Program,

Developing a Stress Testing
 Framework for the Insurance Sector in Financial Sector Supervision and Financial Stability,

Resource Person Days (RPDs)

- Inclusive Insurance Training Climate Risk in Financial Sector Supervision, and
- Debt-for-Climate Swaps in Debt Management.

CARTAC climate-related work has recently been rated A+ under the 2022 Annual Review of the United Kingdom Foreign Commonwealth and Development Office.³

In FY022, CARTAC incorporated a gender component to its workplan

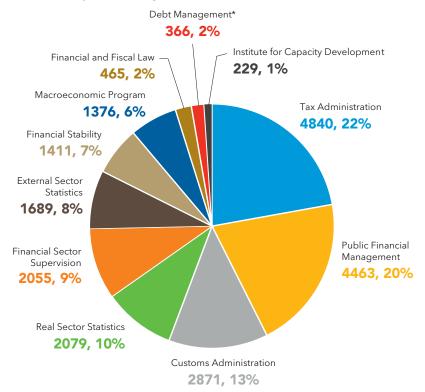
(Figure 6). The Center has monitored the gender breakdown of workshop trainees since the start of the phase. Most trainees were female, accounting for 67 percent of participants (Figure 5). The activities carried out in FY2022 were:

- Gender Budgeting and Internal Auditing in the PFM work program,
- Developing Performance Targets and Strengthening Performance Management Regarding Informal Trade Operators who are mostly women in the Customs Administration work program, and
- Webinar on Gender Inequality and COVID Recovery in the Macroeconomics work program.

³ United Kingdom Foreign Commonwealth and Development Office - Annual Review 2022 - Strengthening Disaster Recovery and Resilience in the Caribbean.

FIGURE 3. CD DELIVERED BY WORK PROGRAM, JANUARY 2017 - OCTOBER 2022

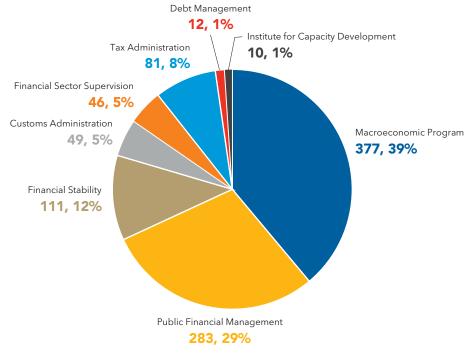
In Resource Person Days and Percentage



Source: CARTAC.

FIGURE 4. CLIMATE CD BY WORK PROGRAM, JANUARY 2017 - OCTOBER 2022*

In Resource Person Days and Percentage



Source: CARTAC.

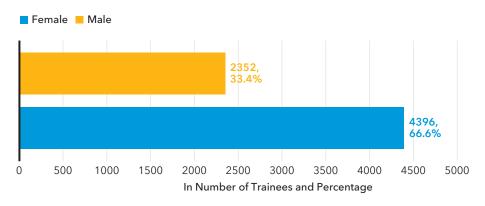
About half of the outcomes aimed at the start of the phase were fully or largely met at end-October 2022.

The Center implements the IMF Results Based Management (RBM) methodology to measure project results. A logical framework (log frame) for each project is developed using the IMF RBM catalog. Annex II presents the log frame for Phase VI per country. Each activity is part of a project with one or several objectives (e.g., raising tax revenue), outcomes (e.g., implementation of a large taxpayers' unit at the Tax Directorate), and milestones (e.g., decision by the Tax Directorate to create a large taxpayers' unit by year end). As CD is delivered and the resident advisors monitor the implementation of CD recommendations, project results are updated in the IMF Capacity Development Management and Administration Program (CDMAP). The Center work program for Phase V includes 268 projects, 268 objectives and 737 outcomes. At end October 2022, 367 outcomes, or 50 percent of the total, were fully or largely achieved, 37 per cent were partially achieved, and 13 per cent were not achieved (Figure 7).

^{*}Program started mid-way in FY2021.

^{*}Climate program began in FY2020.

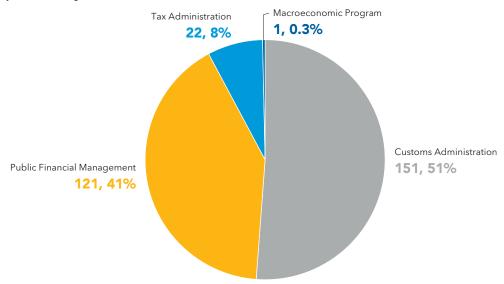
FIGURE 5. GENDER COMPOSITION OF CARTAC TRAINEES, JANUARY 2017 - OCTOBER 2022



Source: CARTAC.

FIGURE 6. GENDER RELATED CD BY WORK PROGRAM, JANUARY 2017 - OCTOBER 2022*

In Resource Person Days and Percentage

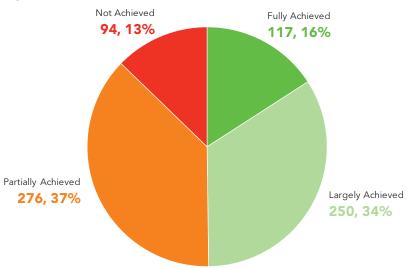


Source: CARTAC.

*Gender program began in FY2022.

FIGURE 7. CARTAC RESULTS: STATUS OF OUTCOMES, JANUARY 2017 - OCTOBER 2022

In Number of Outcomes and Percentage



Source: CDMAP.

SECTION II

B

KEY RESULTS BY WORK PROGRAMS

OVERVIEW

The following examples illustrate well the results achieved with the Center's CD in the Caribbean during Phase V:

- Tax Administration. The Center's work on revenue administration in *Guyana* during 2017-20 is estimated to have increased revenue by US\$210 million or 4 percent of GDP.
- Tax and Customs Administration.
 The Center helped countries implementing measures to ensure business continuity and protect tax and customs revenue collection during the pandemic.
- PFM. The Center's post-hurricane reviews of PFM systems in Antigua and Barbuda, the British Virgin Islands, Dominica, and the Turks and Caicos Islands and the Center's participation in PIMA and C-PIMA reviews in Anguilla have driven PFM reforms in these and other countries.
- Financial Sector Stability and Supervision. Thanks to the Center's CD activities with supervisory agencies in the Caribbean, there has been significant improvement in the scope and frequency of reporting by the regulated entities. This has allowed for continuous monitoring of

the bank and non-bank sector and proactive supervisory intervention in keeping with the supervisors' objectives of ensuring public confidence, protection of investors and stability in the financial system.

- Debt Management. The Center has provided capacity development on Debt-for-Climate Swaps and Genderrelated bonds.
- Macroeconomics Program.
 The Center CD has improved macroeconomic forecasting in Curacao.
- Real Sector Statistics. The Center has promoted the development of more frequent estimates of GDP, with ten countries now regularly producing quarterly series.
- External Sector Statistics. Almost all member countries have upgraded their balance of payments following the latest international standards. More international investment position (IIP) statistics have also become available as nine more members started to produce such data in Phase V.

The sections below zoom in on the results reached in each of the work programs of the Center during Phase V.

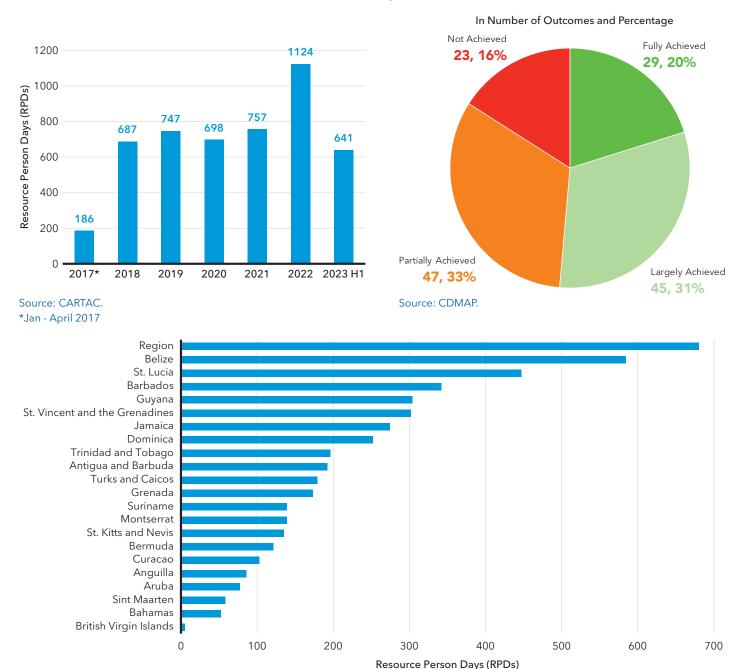
They include nine success stories of the tangible results reached with the Center's CD.

TAX ADMINISTRATION

The Tax Administration program contributed to strengthening administration, management and governance and building capacity in core functions. Leveraging the opportunities presented by the COVID pandemic which struck in the middle Phase V, a combination of in-person and virtual CDs were delivered to meet the growing demands of tax administrations. 51 percent of the 144 outcomes were fully or largely, i.e., up to 75 percent, met until October 2022 (Figure 8). As an example, improving the management of tax compliance in the large taxpayer unit allowed the Guyana Revenue Authority (GRA) to increase revenue by USD 210 million or 4 percent of GDP (Box 1).

The Center supported tax administration improvements in management and governance arrangements and core tax functions. Several countries benefited from assistance in compliance risk management and data analytics (Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, St. Kitts and Nevis, St. Lucia,

FIGURE 8. TAX ADMINISTRATION PERFORMANCE INDICATORS, JANUARY 2017 - OCTOBER 2022



Source: CARTAC.

St. Vincent and the Grenadines, and Trinidad and Tobago). As countries improved the use of information technology in tax administration, many received Information and Communication Technology (ICT) support as they sought to upgrade their IT system (Anguilla, Barbados, Belize, Curaçao, St. Kitts and Nevis, St. Lucia, Sint Maarten, St. Vincent and the Grenadines and Turks and Caicos Islands). TA to support reform of

strategy, organizational arrangements and strategic management framework was provided to Antigua and Barbuda, Anguilla, The Bahamas, Curação, St. Lucia, Guyana, Jamaica, Dominica, Belize, and Turks and Caicos. Antiqua and Barbuda received TA on HR management and succession planning, while St. Vincent and the Grenadines received TA to develop a client relations management program for their large and medium taxpayers. CD

was also provided to strengthen HQ functions and large taxpayers' units, review of organizational arrangements to integrate various tax departments as well as explore the possibility of creating a single revenue authority. The tax administrations receiving assistance in these areas were Curação, Guyana, St. Kitts and Nevis, St. Vincent and the Grenadines, Belize, and Turks and Caicos Islands. CD also supported improvements in the following areas:

BOX 1. SUCCESS STORY: INTRODUCING TAXPAYER SEGMENTATION IN GUYANA

The Challenge: Until 2017, Guyana had no risk-based compliance management strategy for large taxpayers, who account for about 70 percent of domestic tax revenue. This operating environment imposed high compliance costs for all taxpayers and created significant risks for tax revenue collection.

The Response: The Guyana Revenue Authority established a Large Taxpayer Division (LTD) with CARTAC assistance. The LTD implemented a risk-based compliance strategy that targeted

dominant economic sectors, improved staff competence, and allocated resources in line with the fiscal evasion risk represented by taxpayers. Key to success was explaining and discussing the new strategy with large taxpayers. After a file clearing exercise was conducted in 2018, the LTD created a database to monitor collections for the 244 large taxpayers it oversees in real-time.

The Results: During 2017-20, targeted audits of the accuracy of large taxpayers' declarations led to

an increase of tax assessment by GYD 43 billion (USD 210 million, or 4 percent of annual GDP). Moreover, during 2017-18, LTD tax return audits led to an average upward revision of VAT and Corporate Income Tax declarations by close to 90 percent, which is expected to have acted as an incentive for more accurate future tax declarations. On-time filing and payment performance by taxpayers managed by the LTD have also improved over the same period.

(i) the integrity of taxpayer registers in Sint Maarten and Montserrat; (ii) audit performance in Antigua and Barbuda, Belize, Dominica, Guyana, Jamaica, Montserrat, St. Lucia, St. Vincent and the Grenadines, and St. Kitts and Nevis; (iii) dispute resolution in St. Lucia, Trinidad and Tobago, Grenada, Antiqua and Barbuda; and (iv) arrears management in Belize, Bermuda, and Dominica).

The Center supported some countries in reforming their tax legislation. CD was provided to: Belize, St. Lucia, and Montserrat to develop a tax administration procedures act; Anguilla to implement the valued added tax (named Goods and Services Tax) and strengthen the Inland Revenue Department Tax Administration Act in line with modern practice; Turks and Caicos Islands to reform of its sales tax and introduce the value added tax (VAT); Suriname to introduce the VAT.

The Center supported improvements in performance management, monitoring, and reporting. The following countries benefitted from assistance in this area: Antigua and Barbuda, Barbados, Belize, Guyana, St. Lucia, St. Kitts and Nevis, and St. Vincent and the Grenadines.

The Center used the Tax Administration Diagnostic Tool (TADAT) to identify CD needs.

Comprehensive diagnostic missions using the TADAT methodology were conducted in seven countries (Antigua and Barbuda, Barbados, Dominica, Guyana, Jamaica, St. Lucia and Trinidad and Tobago) to identify areas of strengths and development where CD is needed. Each mission was followed up with TA to develop a plan to address the development areas.

Regional seminars played a significant role in learning and sharing experiences among member countries during the pandemic. During the early days of the pandemic, a series of COVID round tables were held to monitor the revenue performance among the countries and share their experiences in moving to virtual modes of work. The main identified need was to enhance the use of information technology to communicate with taxpayers and perform core tax administration functions. Webinars were held on the following topics: Supporting effective ICT Development; The impact of COVID 19 on Financial Institutions; Leadership and Management Development; Joint Tax and Customs

Exchange of Information and Risk Management; and Business Continuity and Disaster Recovery Planning.

The adoption of climate resilient practices is an emerging topic that the Center has been supporting.

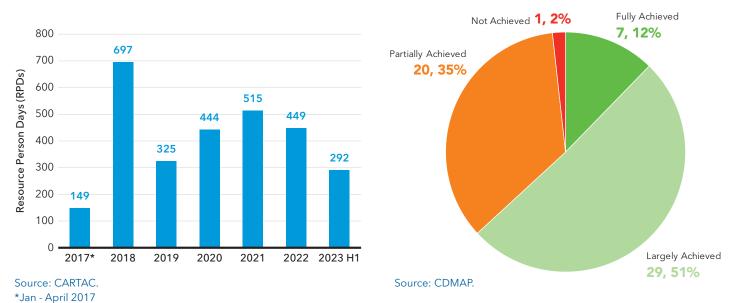
CD has been provided to strengthen ICT infrastructure, development and enhancement of business continuity and disaster preparedness plans in tax administration.

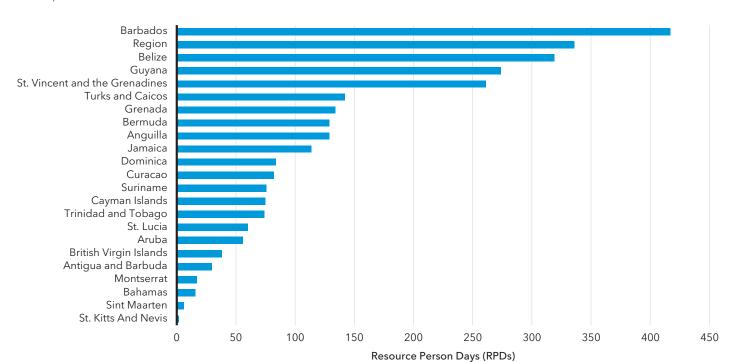
CUSTOMS ADMINISTRATION

Recognizing that customs revenue is a significant contributor to total revenue and the cost of trade is high in the region, the Customs Administration work program focused on enabling customs to both optimize revenue and facilitate trade. Achieving this has involved helping customs administrations to build capacity to collect, organize and effectively make use of data to allow for risk-based decision making supported by effective audit and enforcement. These objectives are reflected in the strategic objectives, outcomes, and verifiable indicators in the RBM framework for the customs component. 63 percent of the 57 outcomes were fully or largely met until October 2022 (Figure 9).

FIGURE 9. CUSTOMS ADMINISTRATION PERFORMANCE INDICATORS, JANUARY 2017 - OCTOBER 2022







Source: CARTAC.

Ten countries established or strengthened operational risk management units (Anguilla, Barbados, Belize, Bermuda, Dominica, Grenada, Guyana, St. Vincent and the Grenadines, Trinidad and Tobago, and Turks and Caicos Islands). CARTAC provided help to five countries (Barbados, Belize, Bermuda, Curação and Guyana) to develop Trusted Trader Programs (TTP) that

give defined benefits to companies assessed as being highly compliant. This work is particularly advanced in Belize where approximately 80 percent of imports are now by TTP companies and revenue from these companies has increased exponentially; and Barbados where the TTP has expanded and now accounts for most imports. In both countries, there is now faster

clearance and fewer examinations. Post clearance audit (PCA) capacity was strengthened with CARTAC help in six countries (Barbados, Belize, Bermuda, Dominica, St. Vincent and the Grenadines, and Jamaica), and despite significant restraints imposed by the pandemic, active PCA units are a key part of customs controls in the countries. In Jamaica, it is the cornerstone

of customs revenue control activities. A common feature of the work in these areas has been the strengthening of the administration's ability to extract, analyze and make use of data to support risk management with missions providing practical guidance on how to extract and analyze data taking place in six countries (Anguilla, Barbados, Belize, Guyana, St. Vincent and the Grenadines, and Turks and Caicos Islands). This has been a key element enabling both the creation of TTPs and the expansion of PCA.

Strategic plans were developed in four countries (Anguilla, Belize, St. Vincent and the Grenadines, and Turks and Caicos Islands). These plans were part of a larger component in the customs component of CARTAC to strengthen performance management. As well as strategic plans, operational plans, performance targets and key performance indicators were developed in seven countries (Anguilla, Barbados, Belize, Cayman Islands, Grenada, Guyana, and St. Vincent and the Grenadines) and work in this area has begun in a further four (Aruba, Antigua and Barbuda, St. Lucia and Trinidad and Tobago). These together with Standard Operating Procedures (SOP) which were drafted in three countries (Anguilla, Jamaica and Turks and Caicos Islands), help to ensure that the work of customs is consistent and predictable; as well as being focused and purposeful towards achieving government policy objectives and departmental priorities. An associated area of assistance has been to assess the workload and resource allocation in Grenada where the completion of the strategic plan was followed by a rigorous evaluation of how scarce resources could be more effectively and efficiently utilized.

Customs reform and modernization programs were developed in five countries (Jamaica, Barbados, Grenada, Belize, and Suriname). TA missions gave governments and administrations

practical guidance on how to reorientate customs to make them more effective, efficient, and accountable.

Help was given to review and update customs laws in three countries

(Anguilla, Jamaica, and St. Vincent and the Grenadines). A common challenge in implementing effective reform and modernization strategies has been weak or outdated laws. The Customs Administration in Jamaica now relies on a law that fully enables all tenets of modern customs administration. Anguilla and St. Vincent and the Grenadines are well on the way to enacting fully modern legislation. This work complements the longer-term contribution of the Center over phase IV and V to developing a common customs legislation for the Caribbean Community (CARICOM).

The training function was strengthened in three countries (Barbados, Cayman Islands, Grenada and Turks and Caicos Islands) and training was provided to strengthen the middle management cadre in two countries

(Cayman Islands and Turks and Caicos Islands). In the Cayman Islands this included comprehensive and very practical training in risk-based controls for 30 new recruits. In the Turks and Caicos Islands, training focused on preparing a cadre of managers in change management techniques so that they can now more effectively implement a challenging modernization program.

The Center leveraged opportunities for peer-to-peer learning by organizing regular seminars for officials from all member countries. Some of these have also involved tax administrations officials where there are common interests and opportunities for enhanced collaboration. The topics of these joint seminars included Disaster Preparedness and Business Continuity Planning and Information Exchange to Strengthen Risk Management. Other, customs only, regional seminars and workshops included Strengthening

Risk Management, Performance Management and Developing Trusted Trader Programs.

The Customs Administration Work Program has also closely supported the reform agendas in countries with an IMF program. Significant technical assistance was provided to Jamaica, Grenada, Barbados, and Suriname to complement the Fund programs there with TA being specifically targeted to support the achievement of program structural benchmarks, including strengthening audit in Jamaica, developing a trusted trader program and other objectives in Barbados, and assisting with VAT implementation in Suriname.

In FY2022, the Customs Administration introduced a gender focus in some of its activities on a pilot basis (Box 2).

PUBLIC FINANCIAL MANAGEMENT

The work program focused on strengthening countries' PFM systems to enhance fiscal sustainability, transparency, and efficiency. It concentrated on traditional PFM areas and supported countries in improving budget preparation, execution, financial reporting, auditing, accounting, and treasury management. In addition, the work program also conducted PFM diagnostics and helped countries to develop PFM reform action plans. The Center was involved in Public Expenditure and Financial Accountability (PEFA) assessments and Public Investment Management Assessment (PIMA), including with the new Climate module (C-PIMA). Regional training remained a core element of CD delivery with a variety of courses delivered: Budget Green/Gender/Post Hurricane, Cash management, Fiscal Risks, Oversight of SOEs, Treasury management and Internal Audit. 27 percent of the 157 outcomes were fully or largely met at end October 2022 (Figure 10).

BOX 2. SUCCESS STORY: INTRODUCING A GENDER FOCUS IN THE CUSTOMS ADMINISTRATION WORK PROGRAM

The Challenge: Assisting Customs Administration across the region in instituting changes in Customs policies and practices that impact on gender equality in society.

The Response: In discussion with administrations, it was agreed that an important area where customs can make a difference to promote gender equality is in the interaction with the informal sector. This sector tends to be dominated by women with limited resources. In the past, Customs CD in trade facilitation was aimed at larger, established companies, who often have

a much less pressing need for facilitation than the informal sector. But larger companies are easier to deal with, they understand cargo clearance rules and procedures, and importantly, they have a voice that they raise and is heard. The main initiative in FY2022 was to get Customs CD more focused and purposeful and to do this CARTAC has been helping Customs Administrations to establish performance targets and key performance indicators (KPI). This included establishing a performance target and KPIs centered on helping the informal sector by developing simplified procedures for cargo

clearance. The logic being that if the informal sector is helped, then the women who dominate this sector are more supported in trade facilitation.

The Results: This has been part of the work with Anguilla, Belize, Cayman Islands, Dominica, Grenada, St. Lucia and St. Vincent and the Grenadines. In coming years, a pilot program will be developed in at least one administration to design a practical and useful gender-focused approach that is the most effective in facilitating trade for the informal and small and medium size enterprises (SME) sectors.

Climate change emerged as an area of increasing importance, with PFM Post Hurricane reviews being carried out in four countries (Box 3: Antiqua, British Virgin Islands, Dominica, and Turks and Caicos Islands). Turks and Caicos Islands also received support in gender and green budgeting. Work has been ongoing to make PFM systems in the region more disaster-resilient (St Vincent and the Grenadines). The Center has built its CD on climate change through PIMA and C-PIMA assessments in Anguilla, Grenada, and Haiti.

Accounting and fiscal reporting were key areas of CD. Countries' treasuries benefitted from TA to improve capacity in financial reporting (Anguilla, Belize, Barbados, and Trinidad and Tobago), through the implementation of Government Financial Statistics Manual 2014 (GFSM 2014) and International Public Sector Accounting Standards (IPSAS). Countries also sought to revise their chart of accounts to make it GFSM 2014 and IPSAScompliant to contribute to better financial reporting and traceability of expenditure (Montserrat, Suriname). Two Countries were supported to

improve their reporting and budget communication on fiscal management (Anguilla and Montserrat). Three countries (The Bahamas, Barbados, and Belize) also benefited from support to implement fiscal rules.

PFM Reform Action Plans were also given attention. Cash management and cash forecasting are linked to budget credibility and some countries developed Action Plans to address this (Barbados, Belize, Trinidad and Tobago) with the Center's support.

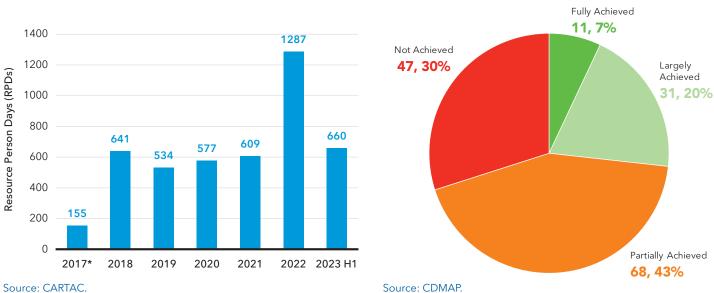
The Center helped countries to build internal audit capacity. TA was provided to improve internal audit in member countries through training and capacity building (Anguilla, Barbados, Montserrat). Further regional training was provided to all 23 countries through a series of remote audit training courses covering over 14 subject areas. These were well received with remote attendance of over 60 participants at each of the three-day training events.

The Center implemented PEFA assessments. PEFA assessments allow countries to benchmark their

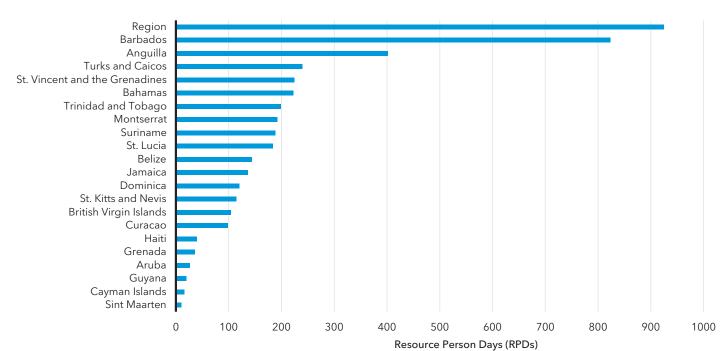
PFM practices and is a key input in the development of PFM Reform Action Plans. PEFA-informed PFM Action Plans are integrated into project documents by other international development partners and facilitate donor coordination and coherence. The Center implemented two PEFA assessments in St Lucia and Anguilla. One AgilePEFA assessment is planned during the final year of the work program (St Kitts and Nevis). The Center has built its CD on PIMA assessments conducted by the IMF in Guyana and Belize.

Completed and ongoing projects have supported most of the core **PFM functions.** These included: implementing modern PFM legislative frameworks (The Bahamas, Dominica, St Lucia); strengthening budget preparation and execution (Anguilla, Montserrat, Turks and Caicos); strengthening internal audit capacity using risk-based auditing practices (Anguilla, Barbados, Montserrat); and strengthening treasury function, cash management and budgetary control practices (Barbados, Belize, Montserrat, Suriname).

FIGURE 10. PFM PERFORMANCE INDICATORS, JANUARY 2017 - OCTOBER 2022



*Jan - April 2017



Source: CARTAC.

FINANCIAL STABILITY

The Center has contributed to enhancing financial stability frameworks in the Caribbean countries by providing continuous support to authorities to strengthen their systemic risk assessment frameworks. Over the years, member countries and

the Center have worked together to

achieve the goals set up at the start of Phase V: develop indicators, extend systemic risk analysis including stress testing (ST) also covering the non-bank financial sector (Box 4), assess the structural dimension of systemic risk (concentration risk and interconnectedness) and build up the elements of macroprudential policy framework.

The work program provided CD to the 14 countries and the Eastern Caribbean Central Bank (ECCB). This was complemented by the regional workshops and webinars that covered all countries. 50 percent of the 73 outcomes were fully or largely met at end October 2022 (Figure 11).

In Number of Outcomes and Percentage

BOX 3: SUCCESS STORY: POST-HURRICANE REVIEW OF PUBLIC FINANCIAL MANAGEMENT IN THE CARIBBEAN REGION

The Challenge: Hurricane Irma and Maria ravaged the Caribbean region during the early fall of 2017. As both storms were Category 5 hurricanes with wind speeds of more than 185 mph (300 km/h) and accompanied by heavy rains, governments struggled to manage operations with no power or internet and the clean-up required to return to a semblance of normalcy.

The Response: Through funding provided by the Government of the United Kingdom, CARTAC launched a PFM Post-Hurricane Review of Antigua, the British Virgin Islands, the Commonwealth of Dominica and the Turks and Caicos Islands. The aim was to examine how governments managed their PFM processes post hurricane and to learn from their experiences,

which could then be shared with the region as well as other hurricane-prone areas throughout the world.

The Results: The review produced six lessons that were shared and have been informing disaster-resilience policies by governments in the Caribbean as well as other regions exposed to severe weather events. Lesson one: Governments felt prepared for such disasters given their history, but climate change has increased the intensity of the storms from what was Category 3 to Category 5, causing much more damage. Lesson two: PFM legislation must provide the flexibility in procurement and spending rules as following normal process significantly slowed recovery. Lesson three: Fixed-asset records were incomplete, inaccurate, or nonexistent, making it

difficult to determine what assets had been lost or damaged. Lesson four: It was essential to safeguard computer servers, systems, and data for critical PFM process such as financial management, revenue, and customs. Lesson five: Governments need disaster management legislation, policies, and plans that are up to date, adequately resourced, and complied with. Lesson six: better data-based models are needed to forecast the financial impact of major natural disasters on the budget and economy so those projections can be built into medium-term forecasts. The resulting report has been shared widely throughout the world, and its results have been presented at the 2020 Annual Meetings of the World Bank Group and the International Monetary Fund (see video in attached link).

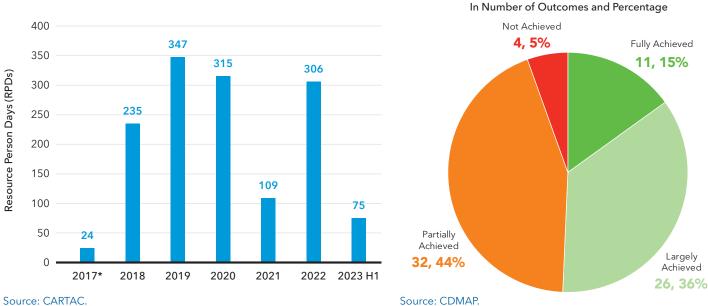
Following diagnostic missions, various thematic financial stability projects were launched to reach the main goals allowing enhanced systemic risk monitoring and assessments to be utilized within the macroprudential framework targeting at mitigating risks identified. In this respect, five countries (Barbados, Belize, Cayman Islands, Grenada, and Suriname) successfully set up or enhanced their banking ST frameworks including credit unions, especially in credit risk modelling. To help advancements in bank solvency ST, a new ST template has been developed by the Center, which has been tailored to the needs of the region. Moreover, three countries (Cayman Islands, Guyana, and Jamaica) and the ECCB received a targeted TA to include or enhance financial stability assessment of insurance sectors. The overall progress was achieved by several CD missions facilitating the implementations of new elements of financial stability frameworks. Furthermore, in response to the outbreak of the COVID-19 pandemic,

CARTAC provided remote CD to help to assess the impact on the sector. Finally, CD also focused on institutional frameworks advising on the best organization structure defining its core tasks, responsibilities, and the departments to be involved as well as the employed macroprudential policy framework.

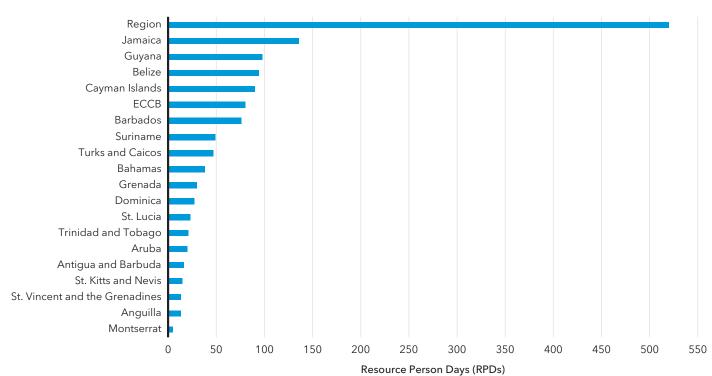
Several countries have made important progress. It is a welcome development that several countries decided to produce their first Financial Stability Report (FSR), while others relaunched their FSR following a break in publication (e.g., Barbados, Cayman Islands, Curação and Sint Maarten, Suriname). Most of the countries run a regular stress test for banking sector and some also for credit unions. However, the framework is rather static, the use of macro scenarios is rare, and single-factor shocks are the norm. A few countries have completed or are currently developing satellite credit risk models to support stress

testing. In this respect, CD on bank solvency ST was provided to individual countries (Guyana, Grenada, Jamaica, Belize, Trinidad and Tobago). Interconnectedness is a major financial stability issue in the Caribbean region dominated of large, complex financial conglomerates and the regional presence of foreign and Caribbean financial institutions. Several countries - among them Barbados, Belize, Jamaica, Suriname, and Trinidad and Tobago - collected data on interconnectedness and used it to map exposures and identify potential contagion channels, to run contagion simulations, and to identify systemically important financial institutions (SIFIs). CD contributed by delivering several trainings and capacity building on interconnectedness analysis and SIFI identification. Moreover, given the exposure to climate events, a few countries have started work on assessing the materiality of climate risk (e.g., Aruba, Trinidad and Tobago).

FIGURE 11. FINANCIAL STABILITY PERFORMANCE INDICATORS, JANUARY 2017 - OCTOBER 2022



*Jan - April 2017



Source: CARTAC

FINANCIAL SECTOR SUPERVISION AND REGULATION

During Phase V, the CD priorities were:

 for both, the banking and the insurance sectors, implementation of risk-based supervision and technical assistance on drafting and review of new regulations and supervisory guidelines; interactive learning on stress-testing;

 for the banking sector, a significant number of CD missions concerned the implementation of the Basel II/III framework, with the completion of Pillar 1 (capital charges based on standardized approaches for credit, market, and operational risk) and technical assistance related to the implementing of Pillar 2 requirements. For the latter, some delays are observed for the issuance and publication of the corresponding guidelines, essentially due to the constraints involved by the COVID-19 pandemic;

BOX 4: SUCCESS STORY: IMPROVING INSURANCE RISK ASSESSMENT AND BUILDING RESILIENCE AGAINST **CLIMATE CHANGE**

The Challenge: The Caribbean region is one of the world's most disaster-prone regions, with the annual average cost of damage from natural disasters estimated at about 2.5 percent of GDP, which is six times higher than for non-small states and three times higher than for other small states. Low insurance penetration, especially among low-income households has been identified as one of the challenges for post-hurricane recovery. In that context, the challenge was to build resilience against climate risk and strengthen risk assessment capability of insurance supervisors to mitigate financial stability risk.

The Response: The Center developed a Financial Analysis and Risk Assessment (FARA) model with input and feedback from member countries. The FARA model was the outcome of TA and training on insurance risk assessment, which commenced in 2015. In 2020, CARTAC conducted several remote workshops with insurance supervisors from 14 of the

23 member countries to discuss potential adverse scenarios arising from the COVID-19 pandemic and the potential effects it might have on the insurance sector using the FARA model. The scenarios included a combination of the pandemic's effects on life and health claims, economic downturn, impact of a natural catastrophe (such as hurricane) on technical provisions. Post-workshop TA support included responses to follow-up questions, feedback on country specific scenarios for conducting risk assessments to incorporate the potential impact of the pandemic, and feedback on draft industry questionnaire survey to assess impacts and action plans in response to the pandemic. In late 2020, CARTAC in collaboration with the Toronto Center, Access to Insurance Initiative (A2ii), and the International Association of Insurance Supervisors conducted a Regional Workshop on Inclusive Insurance-Advancing Financial Inclusion and Dealing with Climate Risks.

The Results: Following the insurance risk assessment workshop, the Financial Services Commission (FSC)-Jamaica conducted a top-down risk assessment using 2018 data and incorporated scenarios relating to the pandemic. The FSC-Barbados has commenced process of incorporating climate risks into its risk assessment framework, is finalizing its natural disaster stress testing guideline following consultation with the insurance industry in January 2021 and has mandated companies to submit the results of their internal stress tests from December 2021. The workshop on Inclusive Insurance served to spur initiatives to introduce regulations for microinsurance in Belize and Guyana; and legislative provision for parametric insurance (Belize, St. Lucia). Some central banks have expressed interest in integrating climate-related and environmental risks into prudential supervision.

- · concerning the insurance sector, the focus was on implementing and strengthening of the risk-based supervisory approaches as well as training provided on International Financial Reporting Standard (IFRS) 9 (financial instruments) and IFRS 17 (insurance);
- regarding securities markets, some workshops have been organized on risk-based supervision and TA has been provided for the drafting of new laws and regulations; and
- consolidated supervision has mainly been addressed at regional level with the Caribbean Group of Banking Supervisors (CGBS), but some supervisory authorities, like Jamaica, benefitted from bilateral assistance.

The key results achieved in the different sectors were:

- In the Insurance Sector, significant progress could be achieved with the finalization of the IFRS 17-based reporting and the move to an actuarial approach of risks (life insurance). Several workshops have been organized with the Caribbean Association of Insurance Regulators (CAIR), and twelve countries will adopt the new reporting format starting January 2023 (Antiqua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St Kitts and Nevis, St Lucia, Suriname and Trinidad and Tobago). This significant move will also support Risk-Based Supervision
- (RBS), help supervising insurance groups and conglomerates on a consolidated basis (Box 5), and lead to adopt risk-based capital requirements within the region. Peer learning and experience sharing proved very effective, notably by capitalizing on experience acquired by some authorities (notably Jamaica and Trinidad and Tobago).
- Concerning banking regulation and supervision, noticeable progress is observed for both, implementation of RBS and Basel II/III implementation. Capacity development delivery benefitted various countries (Belize, Grenada, St Vincent and the Grenadines) moving to RBS and adopting

BOX 5. SUCCESS STORY: STRENGTHENING REGULATION AND SUPERVISION OF NON-BANKS IN GRENADA

The Challenges: Prior to the establishment of the Grenada Authority for the Regulation of Financial Institutions (GARFIN), there was no single regulatory authority for the oversight of the non-bank financial sector in Grenada. Regulatory and supervisory oversight of the non-bank financial sectors (credit unions and insurance) and pension plans was scattered among several supervisors or lacking. The insurance companies were supervised by the Supervisor of Insurance and Ministry of Finance; credit unions were supervised by the Registrar of Co-operatives, and pension plans were not supervised. More recently, the GARFIN was faced with the challenge of developing and introducing a systematic methodology for assessing the risk profile of credit unions and insurance firms, planning, and executing risk-based supervisory strategies.

The Response: CARTAC played a key role in the establishment of the GARFIN by providing technical assistance (TA) on organizational structure, and the development of policies and procedures at inception. GARFIN is a Statutory agency created by the

Parliament of Grenada in 2007 and is referred to as the Single Regulatory Unit (SRU) for the non-bank financial sector in Grenada. In 2008, in addition to enhanced supervisory powers, the scope of responsibilities of the GARFIN was expanded to administer several financial sector legislations. The GARFIN staff complement has grown since its inception. The agency currently provides regulatory and supervisory oversight of 10 Credit Unions and 25 Insurance Companies. Following its establishment, GARFIN has regularly sought and received capacity development (CD) assistance from CARTAC to improve its supervisory procedures and processes. In recent years, GARFIN has received technical assistance on top-down stress testing, implementation of Risk-based Supervision across insurance firms and credit unions and conducting risk-focused examinations of the retail portfolios at credit unions.

The Results: The GARFIN Act consolidated supervision of the non-bank financial sectors and pension plans under one authority. With the consolidation of regulatory and supervisory

oversight of the non-bank sector, GARFIN is now responsible for the administration of 10 sets of financial sector legislation, including the Virtual Assets Act which provides for supervision of digital financial businesses. GARFIN has made significant progress in the implementation of risk-based supervision over the last two years. The TA provided has enabled GARFIN to plan and conduct risk-focused monitoring and onsite reviews at credit unions and insurance forms and assess and document the risk profile of these entities using a standardized documentation template.

There has been significant improvement in the scope and frequency of reporting by the regulated entities. Financial health and stability indicators of the non-bank sectors are now closely monitored and top-down stress tests are conducted. This has allowed for continuous monitoring of the non-bank sector and proactive supervisory intervention in keeping with GARFIN's objectives of ensuring public confidence, protection of investors and stability in the financial system.

a more consolidated approach. Recently, the Center provided additional training and assisted the authorities in implementing the new RBS framework to a series of pilot assessments of significant institutions and groups (Curação and Sint Maarten). Missions on Basel II/III implementation were undertaken (Central Bank of Belize, Central Bank of Curação and Sint Maarten, ECCB and Central Bank of Trinidad and Tobago). Although the scope of the TA provided varies from a country to another, such assistance included finalization of frameworks for Pillar 1 (ECCB), review of regulatory guidelines and achieving

progress in the implementation of Pillar 2 (including Internal Capital Assessment and Allocation Processes [ICAAP], Supervisory Review (and Evaluation) Process [SRP], and Interest Rate Risk in the Banking Book [IRRBB]).

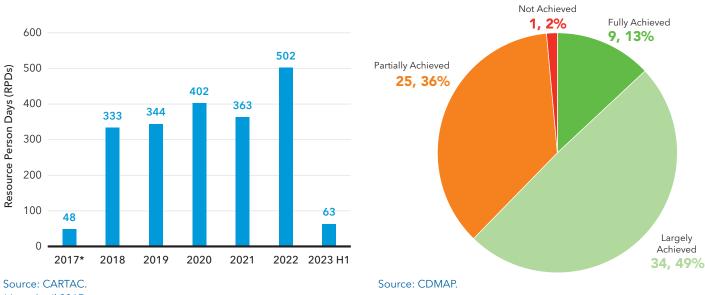
 In the Securities Markets sector, the Center provided TA to the ECCU member countries and Belize by reviewing and providing feedback on the draft investment funds regulations. The Center helped the Financial Services Commission of Belize to finalize the regulatory framework for the implementation of the Belize Securities Industry Act, issued in 2021, with the drafting of two regulations on Capital and Liquidity requirements and the final review of the regulatory framework, after consultation with the securities industry.

62 percent of the 69 outcomes were fully or largely met at end October 2022 (Figure 12).

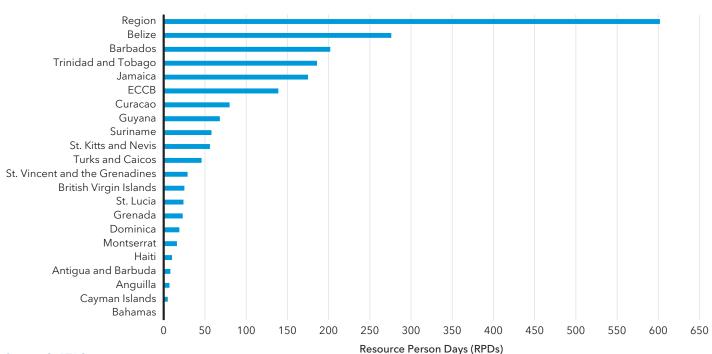
DEBT MANAGEMENT

The debt management work program began in October 2020. Funded by the government of Canada and integrated into CARTAC, the program makes available resources for capacity

FIGURE 12. FINANCIAL SECTOR SUPERVISION AND REGULATION PERFORMANCE INDICATORS, JANUARY 2017 - OCTOBER 2022



*Jan - April 2017



Source: CARTAC.

development in debt management. It supports member countries to: (i) manage the cost and risk of public debt through the formulation and implementation of medium-term debt management strategies and annual borrowing plans and through effective institutional arrangements for debt policy and operations; (ii) raise

market-based financing through the development of local-currency government securities markets, the diversification of financing sources, and innovations in climate-resilient debt instruments and financing for environmental-protection, climate-action, gender-equity, and social-inclusion objectives; and (iii) ensure debt

transparency through reporting and monitoring of debt stocks and flows, both direct and contingent, as well as debt policies.

In Number of Outcomes and Percentage

Since the launch of the work program, there has been close engagement with country authorities to understand their CD priorities, establish a relationship

as a trusted adviser, and deliver assistance as demands arise. Discussions with other resident advisors, notably in the areas of macroeconomics and public financial management, occur to ensure logical sequencing and consistent advice on issues that span work program boundaries.

The bilateral technical assistance and regional training activities under the program contributed to outcomes in several areas. The Center supported the analysis of portfolio costs and risks and financing instruments in Barbados, and the development of a medium-term debt management strategy in Trinidad and Tobago. The eight countries of the ECCU and the ECCB received training in estimating and interpreting fiscal financing gaps and in preparing annual borrowing plans. At the regional level, the Center

delivered training in reporting and monitoring debt stocks and flows in member countries, implementing new reference rates for floating-rate debt in CARTAC countries, and executing debt-conversion transactions like debt-for-climate swaps (Box 6). 40 percent of the five outcomes were largely met at end-October 2022 (Figure 13).

MACROECONOMICS PROGRAM

Member countries achieved significant progress towards monitored outcomes, and these results will continue to improve as the phase draws to a close, with several large projects progressing towards their endpoints. 54 percent of the 79 outcomes were fully or largely met at end October 2022 (Figure 14). CD during the current phase was done through a series of bilateral

TA projects, as well as co-delivery of training with the IMF's Institute for Capacity Development. The COVID-19 pandemic gave rise to considerable virtual delivery, which is being partly preserved as a modality of engagement, even as travel resumes. Such virtual deliveries will be used especially for more generic regional training engagements and for targeted short follow-ups to in-person deliveries and even as travel resumes.

Projects under the macroeconomics program have been delivered to 21 of 23 member countries, and all countries have been involved in at least one regional activity. These engagements developed capacity in the areas of: (i) macroeconomic and macro-fiscal projections and policy analysis; (ii) macroeconomic frameworks capable of considering

BOX 6. SUCCESS STORY: BUILDING CAPACITY IN THE CARIBBEAN FOR DEBT-FOR-CLIMATE SWAPS

The Challenge: Caribbean countries have limited access to concessional financing, debt levels are elevated, but most countries are not eligible for debt relief under existing international initiatives. At the same time, their economies are exposed to climate-related risks, with implications on their fiscal and debt position. Caribbean countries need innovative instruments for mobilizing or redirecting financing for climate-related objectives while keeping debt at sustainable levels.

The Response: CARTAC delivered an online seminar on debt-for-climate swaps in April 2022. The primary purpose of these transactions is to channel funds into climate-related spending, while reducing debt burdens. In a typical debt-for-climate swap, a creditor forgives debt or funds a debt buyback, often with the involvement of a non-governmental actor or the provision of a guarantee by a third party. In exchange for the

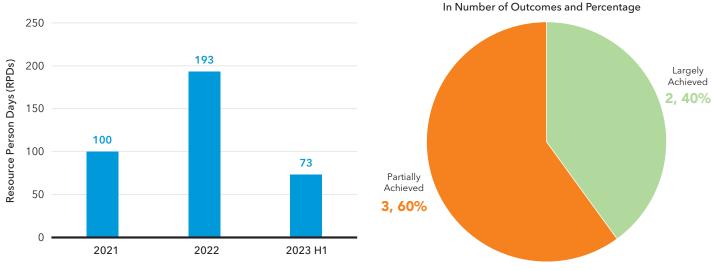
debt reduction, the debtor dedicates resources to climate adaptation or mitigation, protection of nature, or environmentally sustainable or enhancing investments, by redirecting resources that would otherwise have been allocated to debt service.

The seminar drew on cross-country experiences and recent IMF policy work. Capital market advisors, country representatives, and IMF staff in the Monetary and Capital Market and Strategy and Policy Review departments discussed the practical steps, preconditions, and challenges for executing debt-for-climate swaps. The speakers explored how these transactions have been negotiated or are being considered, with varying degrees of success, in Belize, Antiqua and Barbuda, Barbados, and other countries. Through the discussions, the participants gained a better understanding of how debt-for-climate swaps can offer financial and climate-related

benefits for both debtors and creditors. The event also underscored how these transactions remain a niche instrument since they require the alignment of financial and environmental objectives on both sides, the availability of suitable projects, and often the provision of guarantees or funding from third parties.

The Results: From the perspective of results-based capacity development, the seminar strengthened the capacity of Caribbean debt managers to execute operations linking debt relief to resource mobilization for climate adaptation or mitigation, protection of nature, or environmentally sustainable or enhancing investments. In a postevent evaluation survey, 88 percent of respondents agreed that the seminar was timely and relevant to Caribbean countries, and there was overwhelming agreement that the material presented was appropriately tailored to the Caribbean environment.

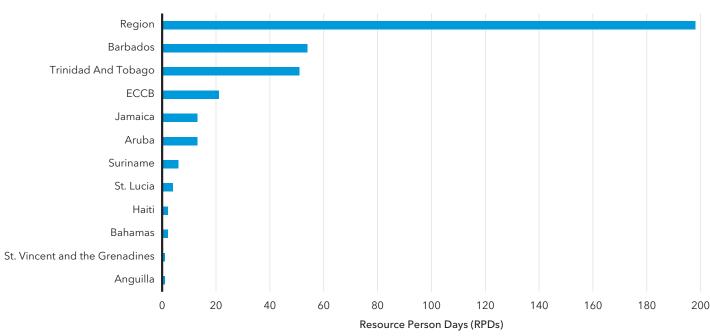
FIGURE 13. DEBT MANAGEMENT PERFORMANCE INDICATORS, OCTOBER 20 - OCTOBER 2022



Source: CARTAC.

Debt program started in mid FY2021

Source: CDMAP.



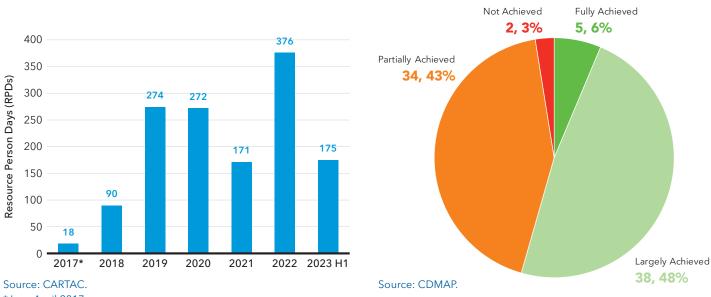
Source: CARTAC.

'economy-wide' projections and simulation (risk) analyses—including relating to climate shocks—for all four economic sectors (real; fiscal; external; monetary); and (iii) analysis and risk scenarios regarding mediumterm public debt dynamics (to help assess a country's fiscal sustainability). Highlights include the development of fully consistent macroeconomic frameworks for *Barbados*, *Curaçao* (*Box 7*), and *Jamaica*, as well as

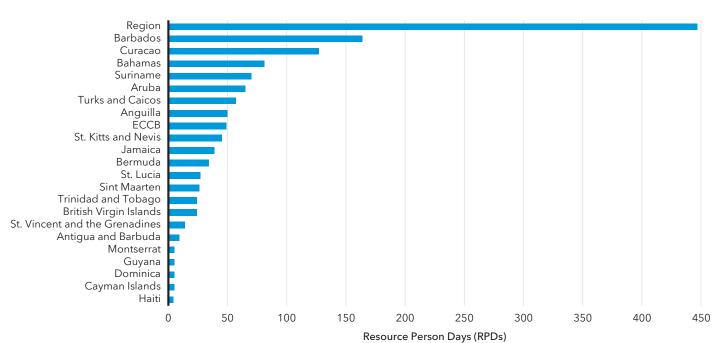
enhancements to capacity to analyze medium-term debt dynamics among Eastern Caribbean Currency Union (ECCU) countries and staff of the *ECCB*, and the development of tools to support macro-fiscal projections in *Anguilla, Trinidad and Tobago*, and the *Turks and Caicos Islands*.

Delivery of CD rose significantly throughout Phase V, peaking in FY22, demonstrating strong demand for the CD options currently provided. This uptick in delivery reflects improved traction with country counterparts, a deepening complexity of projects—especially those relating to developing full macroeconomic frameworks—and more prolonged engagements in the latter years of the funding phase. Virtual delivery, which dominated efforts in FY21 and FY22, improved the flexibility of scheduling, making an increased number of engagements possible.

FIGURE 14. MACROECONOMICS PROGRAM PERFORMANCE INDICATORS, JANUARY 2017 - OCTOBER 2022



*Jan - April 2017



Source: CARTAC.

REAL SECTOR STATISTICS

Assistance on real sector statistics has focused on improving source data, harmonizing methodologies with international standards, and supporting improvements to the quality of estimates. During Phase V, the Center has supported rebasing of GDP in 18 of the 23 CARTAC countries, and 12 countries (Anguilla, The Bahamas, Barbados, Belize, Bermuda, British Virgin Islands,

Cayman Islands, Grenada, Montserrat, Saint Kitts and Nevis, St. Vincent and the Grenadines, and Trinidad and Tobago) now produce national accounts statistics broadly in line with the 2008 System of National Accounts standards, notably the adoption of the International Standard Industrial Classification Revision 4. CARTAC has also promoted the development of more frequent estimates of GDP, with

ten countries (The Bahamas, Barbados, Belize, Bermuda, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, and St. Vincent and the Grenadines) now regularly producing quarterly series. The Center helped to improve and simplify the compilation of national accounts in St Maarten (Box 8). In the domain of Price Statistics, CARTAC has supported rebasing consumer price indices in ten of the member

In Number of Outcomes and Percentage

BOX 7: SUCCESS STORY: ENHANCING MACROECONOMIC FORECASTING IN CURAÇÃO

The Challenge: The COVID-19 pandemic increased the urgency of enhancing macroeconomic forecasting techniques. Sound forecasts were critical to understanding the likely recovery of economic activity and medium-term fiscal and monetary policy implications.

The Response: A project led by CARTAC to develop a customized macroeconomic forecasting framework for Curação was launched in

March 2021. The near-term focus is on linking forecasts of tourism arrivals and spending to activity in different sectors of the economy, which then drives key fiscal variables (revenues and expenditures). This approach facilitates an assessment of fiscal sustainability, which informs policy decisions. In the future, the framework will also be extended to improve monitoring of external-sector (balance of payments) risks and monetary variables.

The Results: The project is in its infancy, but a prototype is already being used to inform forecasts of economic activity. Virtual delivery has enabled participation across multiple institutions, including the Central Bank (main counterpart) and government officials in Curaçao, creating a group learning environment and enhancing macroeconomic forecasting capacity.

BOX 8. SUCCESS STORY: IMPROVED QUALITY OF NATIONAL ACCOUNTS IN SINT MAARTEN

The Challenge: Estimates of Gross Domestic Product (GDP) are a key variable in policy analysis in Sint Maarten. Historically, the processing and quality assurance of the annual data needed to compile these estimates required significant manual editing and intervention. This put a considerable burden on the small team of compilers, leaving less time for analysis of the results and slowing down the finalization of the estimates.

The Response: CARTAC worked closely with the economic statistics team in the Department of Statistics in Sint Maarten to review the workflow, simplify the data management tasks, and introduce improved quality assurance into the GDP compilation system. This led to a fundamental redesign and redevelopment of the system, which now includes original data validation tools, analytical tables, and improved

methods for imputation for survey non-response in the datasets used to compile estimates of GDP. A single template workbook was established for processing all relevant data, which was then used to create individual workbooks for estimating value added for households, non-financial corporations, financial corporations and for non-market activities. The system has provided significant gains in terms of the quality of the estimates and the time required for compilation. After the development, the team leader commented: 'We are a small team of two in the National Accounts team and were struggling with our outdated system. The CARTAC real sector advisor came in, looked at our processes, recommended changes and assisted in redesigning a new streamlined process. The benefits have been instant in that the new system allows us to quickly locate and rectify any anomaly in the

data and report in a much timelier fashion. What has been equally great is the support given by CARTAC after the implementation of the streamlined process. The CARTAC expert was always easily accessible and quick to respond and assist when needed."

The Results: The national accounts team in Sint Maarten used the new system to successfully compile the estimates of GDP for 2020 and 2021. The development of the new system also significantly reduced the time required for compilation from several days to just a few hours and provided an opportunity to extend the capacity and skills of the national accounts team to improve data management and analysis more generally. In addition, the system will reduce considerably the work needed to undertake rebasing of GDP in the future.

countries during Phase V. In addition, import-export indices were established in five of the countries (*The Bahamas*, *Barbados*, *Haiti*, *Jamaica*, and *St. Vincent and the Grenadines*) and producer price indexes in a further ten (*Anguilla*, *Antigua and Barbuda*, *The Bahamas*, *Barbados*, *Bermuda*, *Dominica*, *Grenada*, *Guyana*, *Jamaica*,

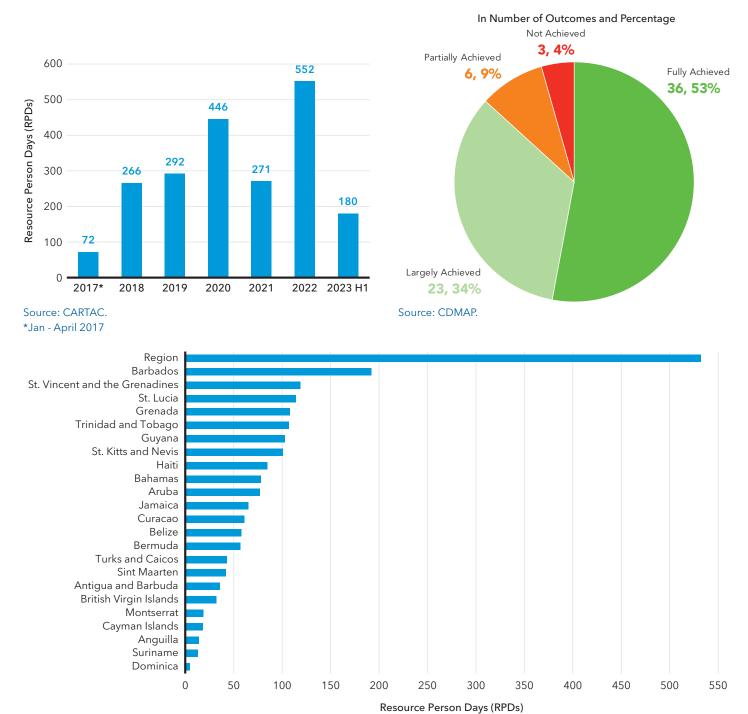
Saint Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines). Towards the end of the phase, there has also been significant demand for the development residential property price indices in three countries (The Cayman Islands, Suriname, and Turks and Caicos Islands). The Center has provided CD to improve member countries' ability to produce quality economic statistics through both formal missions and in-country and virtual workshops. Workshop topics have included improving the frequency of publication of estimates of GDP, rebasing national accounts and price statistics,

and measuring the quality of these statistics. In the latter half of the phase, a series of on-line seminars and workshops was developed following discussions with the heads of economic statistics in each member country on

their anticipated needs. These events have addressed capacity needs such as improving analytical skills, leveraging administrative data sources, developing higher frequency estimates of GDP, and quality assurance

of economic statistics. In total, around 300 staff have benefited from these virtual events during the period. 87 percent of the 68 outcomes were fully or largely met at end October 2022 (Figure 15).

FIGURE 15. REAL SECTOR STATISTICS PERFORMANCE INDICATORS, JANUARY 2017 - OCTOBER 2022



Source: CARTAC.

EXTERNAL SECTOR STATISTICS

The general objective of the External Sector Statistics (ESS) workstream is to strengthen the compilation and dissemination of data on ESS according to the relevant international statistical standard, that is the sixth edition of the Balance of Payments and International Investment Position (IIP) Manual (BPM6). The work program included actions to improve:

- data sources (business and visitor surveys, use of administrative sources),
- statistical techniques including to deal with data sources, and/or assessment and validation of intermediate data and statistical outputs,
- the coverage and scope of the data,
- the timeliness of data made available internally and/or disseminated to the public (shorter delays),
- the compilation new data sets and made them available internally and/or disseminated to the public,
- data access to the public through better formatting/framework presentations and/or assistance to users, and
- serviceability and metadata.

During Phase V important achievements were made and reflected in the ESS statistical products disseminated by member countries. 21 countries of the 23 CARTAC member countries currently disseminate the BPM6-based balance of payments, and 20 countries disseminate the BPM6-based IIP, 11 of which for the first time (Cayman Islands, Anguilla, Antiqua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Guyana, and Turks and Caicos). Seven countries disseminate public external debt position in the World Bank's Quarterly External Debt Statistics (QEDS) website (Antigua and Barbuda, The Bahamas, Belize, Dominica, Suriname, Saint Lucia and Trinidad and Tobago), three countries disseminate the IMF's Coordinated Direct Investment Survey (CDIS; Aruba, Curação, and Sint Maarten), six countries disseminate the Coordinated Portfolio Investment Survey (CPIS; Aruba, The Bahamas, Bermuda, Cayman Islands and, jointly, Curação and Sint Maarten) and two countries are participating in the IMF's Special Purpose Entities (SPEs) database (Bermuda and The Bahamas). 11 countries produce quarterly balance

of payments (Aruba, The Bahamas, Curação, Belize, Bermuda, Guyana, Haiti, Jamaica, Sint Maarten, Suriname and Trinidad and Tobago). Five countries produce quarterly IIP statistics (Bermuda, Guyana, Jamaica, Suriname, Trinidad and Tobago) and 13 disseminate the metadata for the balance of payments and the IIP (Aruba, The Bahamas, Barbados, Belize, Bermuda, Cayman Islands, Curação, Guyana, Haiti, Jamaica, Sint Maarten, Suriname, Trinidad and Tobago). The Center helped The Bahamas to make significant improvement in the dissemination of external sector statistics (Box 9).

Progress toward the achievement of important IMF Result-based Management (RBM) outcomes has been also notable. The Center's ESS work program focused on enhancing priority IMF's Data Quality Assessment Framework (DQAF) dimensions reflected as outcomes in the RBM system. 36 percent of the 85 outcomes were fully or largely met at end-October 2022 (Figure 16). However, outcomes were partially achieved for the improvement of coverage and scope of the data,

BOX 9. SUCCESS STORY: DEVELOPING KEY EXTERNAL SECTOR STATISTICS IN THE BAHAMAS

The Challenge: Until 2021, The Bahamas did not produce the balance of payments statement under the sixth edition of the Balance of Payments and International Investment Position (BPM6) even though many offshore banks and insurance companies operate in the country and can be classified as Special Purpose Entities (SPEs), their cross-border transactions were not identified. Consequently, key stakeholders for the development of the country, lacked comparable and complete data for assessing the country's external sector situation and developments.

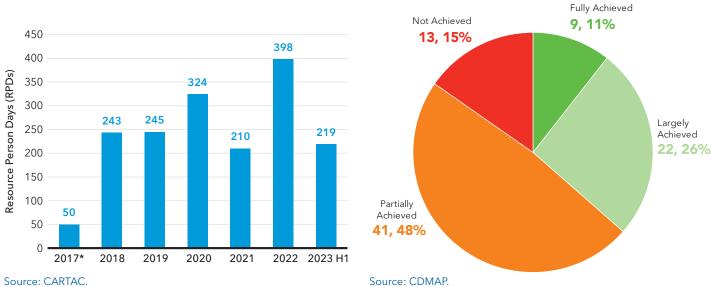
The Response: Assisted by CARTAC since 2014, the Central Bank of The Bahamas improved data sources, data-sharing agreements and coordination with data producing agencies to collect administrative information to develop the compilation framework for the migration to BPM6. During FY2021 CARTAC provided two hands-on technical assistance missions regarding the main elements of the operational guidance for the implementation of the data collection initiative for cross-border transactions on SPEs focusing on the statistical definition and the application of the decision tree for deciding which entities meet

the definition. Additional challenges remain for the sustainability and consistency of data developments for the compilation and dissemination of the International Investment Position (IIP), so CARTAC remains responsive to requests for further support.

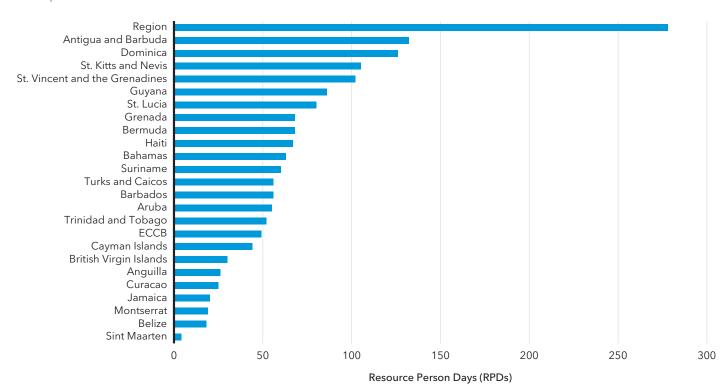
The Results: In March 2021, the Central Bank of The Bahamas started to disseminate the quarterly BPM6-based balance of payments from 2019-Q1 onwards and, in February 2020, the SPEs data template for 2020. These data are currently available on the IMF publications site (Balance of Payments and International Investment Position - Search - IMF Data).

FIGURE 16. EXTERNAL SECTOR STATISTICS PERFORMANCE INDICATORS, JANUARY 2017 - OCTOBER 2022

In Number of Outcomes and Percentage



Source: CARTAC. *Jan - April 2017



Source: CARTAC.

timeliness and/or the dissemination of the metadata for the balance of payments and the IIP.

Resources are not commensurate with statistical needs in most of the countries. Key challenges are mainly the insufficient staff for compilation purposes (update business registries, follow up with nonrespondents, validation procedures), or no formal systems for data sharing among data producing agencies. The nonresponse to business surveys is a relevant issue for most countries as well. The Center's

TA has reinforced the need of support of senior management to improve the response to the ESS surveys as well as to use available administrative data through close inter-agency cooperation to fill data gaps.

SECTION II

THE INDEPENDENT MID-TERM EVALUATION

In June 2021 the consulting firm DevTech Systems completed its independent evaluation of the Center's operations during the first half Phase V, i.e., January 2017-June 2019.4 The evaluation assessed the extent to which CARTAC achieved its objectives along the criteria of relevance, effectiveness, efficiency, sustainability, and impact of the **Development Assessment Committee** (DAC) of the Organization for Economic Cooperation and Development (OECD). According to the evaluation, the Center's strength is the relevance of its CD for member countries, and its main development area is the sustainability of its recommendations, that is, the rate of their implementation over time by recipient countries. To improve sustainability, the evaluation recommends grounding the Center's work program in country-owned development strategies and RBM.

The Steering Committee (SC) of CARTAC endorsed the assessment and recommendations of the evaluation. The SC discussed the assessment and recommendations of the evaluation at its meetings in November 2020 and June 2021. Development partners agreed with the evaluation's recommendations: they requested stronger links with country-owned development strategies and more focus on results-based management.

For member countries, securing commitment at the highest level will also help improve the sustainability of the Center's recommendations. Member countries emphasized the crucial contribution of the Center to capacity development in their countries over the past 20 years. They cautioned that the period of the evaluation was too short to capture the long-term impact of the Center's operations on capacity improvement in their countries. They suggested that encouraging countries to rank CD requests based on national priorities and securing commitment at the highest level would further improve the sustainability of the Center's recommendations.

The assessment and recommendations of the mid-term independent evaluation in Phase V will guide the CD provision of the Center during Phase VI. To ground even more its CD in RBM, the Center has shared the current ratings of each country's outcomes with the relevant member of the Steering Committee, with the objective of intensifying the dialogue on the need to achieve results with the CD delivered by the Center. In addition, on each mission, resident advisors are setting time aside to discuss the relevant ratings of the results and ways to improve them with their counterparts. To better align its work with country development strategies, the Center has been strengthening the coordination of its CD activities with the surveillance and program priorities of the country teams of the IMF Western Hemisphere Department (WHD) that work on the Center's member countries. The semi-annual meetings of the Center's Steering Committee (SC) have also served as another opportunity to discuss the results achieved by countries with the Center's CD and the alignment of the Center's CD activities with country development strategies. In addition, member countries will report annually on the results they have achieved with the Center's CD activities. Their reports will be published in the Center's annual reports. To facilitate the implementation of this commitment, each member country will appoint a staff responsible to draft its annual country results report and empowered by their national government to gather the information to do so. The annual country reports will remain evolutive, with all member countries, development partners, the IMF and CARTAC to remain engaged to improve this reporting process where possible. Finally, the Center will implement improvements of the RBM framework that the IMF will carry out following the IMF's Capacity Development Strategy Review that the IMF Executive Board completed in April 2024, including possibilities of piloting the implementation of a strategic results framework and other Fund RBM and results reporting innovations.

As in previous phases, independent experts will carry out an external evaluation of the work of the Center mid-way though Phase VI.

⁴ The <u>last mid-term independent evaluation</u> and <u>CARTAC response</u> to it are posted on <u>CARTAC website</u>. CARTAC response is also summarized in Annex I.

SECTION III

RECENT MACROECONOMIC DEVELOPMENTS AND FUTURE CHALLENGES



CONTEXT

The Caribbean economies entered the pandemic with important vulnerabilities (Figure 17). Economic growth was low, with real GDP per capita barely expanding in both the tourism-dependent economies and the other economies (mostly commodity exporters).5 Fiscal space was limited, especially in the tourism-dependent countries where public debt averaged 91 percent of GDP during 2010-19. Public debt was lower in the other Caribbean countries, but it almost doubled from 23 percent of GDP in 2010 to 42 percent in 2019. The external position was weak for the tourism dependent countries, which had large current account deficits during 2010-19, and stronger in the other Caribbean economies, which experienced large current account surpluses in the first half of the decade driven by high commodity prices.

The COVID-19 pandemic hit the Caribbean countries hard, resulting in a deep economic contraction and

⁵ The tourism dependent economies include Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines. The other economies include Haiti, Guyana, Suriname, and Trinidad and Tobago.

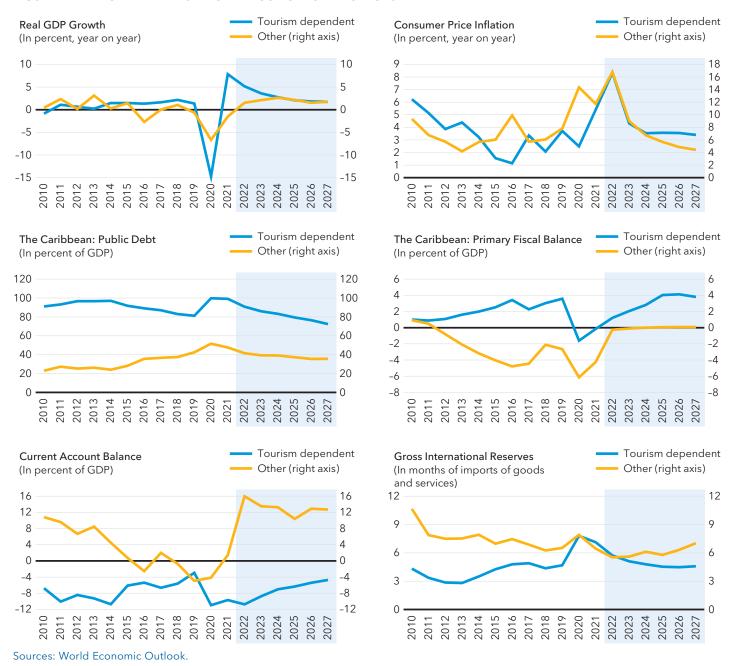
large fiscal and external imbalances. Real GDP contracted by 14.7 percent

in the tourism dependent economies in 2020 as tourism flows stopped for several months and lockdowns were implemented to contain the spread of the virus. The contraction was smaller in the other Caribbean countries, excluding Guyana, where real GDP declined by 6.7 percent on average, driven by lower commodity prices and national lockdowns.6 The economic contraction and pandemic related spending widened the primary fiscal deficit to 1.6 percent of GDP in the tourism dependent economies and 6.1 percent of GDP in the other Caribbean economies. As a result, public debt rose to near 100 percent of GDP in the former and above 50 percent in the latter. The current account deficit also widened in both groups, but it was more than offset by an increase in financing from multilateral institutions, which led to a rise in international reserves. The financial sector remained broadly stable due to loan moratoria programs.

Guyana's real GDP expanded by
 43 percent in 2020 as recently discovered oil fields started production.

The authorities implemented forceful and timely measures to limit the socio-economic impact of the pandemic. Governments implemented discretionary fiscal measures, including increased health care spending, support to agriculture and fishery sectors, social transfers to vulnerable households, income support for displaced workers in tourism and other sectors, and tax and import duty deferrals. To preserve financial stability, central banks implemented exceptional forbearance measures such as loan moratoria programs, cuts in liquid asset and cash reserve requirements, and reductions in risk weights for loans to some sectors. These measures were effective to avoid a spike in non-performing loans (NPLs) and keep the credit flow.

FIGURE 17. THE CARIBBEAN: SELECTED ECONOMIC INDICATORS¹⁷



SECTION III

RECENT DEVELOPMENTS AND OUTLOOK

With economic activity slowly recovering from the pandemic, the impact of Russia's invasion of Ukraine and global financial tightening are a setback to the nascent recovery. Economic activity remains below pre-pandemic levels in most Caribbean countries. Real GDP in the tourism dependent economies expanded by 7.8 percent in 2021 and is projected to grow by 4.5 percent in 2022-23 led by a gradual recovery in tourism that more than offsets the drag from higher food and fuel prices and tighter financial conditions. The recovery has been weaker in the other Caribbean economies (excluding Guyana), for which real GDP fell by 1.5 percent in 2021 and is projected to grow by 1.8 percent in 2022-23.7 Over the medium term, growth in both groups is projected to fall below 2 percent, which is insufficient to lift per capita income.

Inflation has risen due to higher food and fuel prices. Global food and fuel prices started rising in 2021 as the world economy was emerging from the COVID-19 pandemic. This trend intensified in 2022 following Russia's invasion of Ukraine. As a result, inflation in the

tourism dependent economies rose to 5.4 percent in 2021 and is projected at 8.3 percent in 2022, while in the other Caribbean economies it rose to 12 percent in 2021 and is projected at 17 percent in 2022. The current high level of inflation is hurting the poor disproportionally.

The fiscal position is strengthening but remains weaker than before the pandemic. In the tourism- dependent economies, the primary balance rose to near zero in 2021 and is projected to gradually rise to 4 percent of GDP over the medium term. As a result, public debt is projected to fall to 91 percent of GDP in 2022 and 72 percent in 2027, remaining above the 60 percent of GDP target that many of these countries have. In the other Caribbean economies, the primary balance rose to near zero in 2022 and is projected to remain at this level in the medium term, with public debt falling to 42 percent of GDP in 2022 and 36 percent of GDP in 2027.

The external position remains weak in the tourism-dependent economies, but it has strengthened the other economies. The current account deficit in the tourism-dependent economies is projected at 11 percent of GDP in 2022 as high global food

and fuel prices keep the import bill elevated, but it is projected to halve over the medium term as tourism recovers and commodity prices fall. External financing is also expected to fall, with international reserves falling from 7 months of imports in 2021 to 4.5 months by 2025-27. In the other Caribbean economies, the current account surplus is projected to average 13 percent of GDP in 2022-27 due to still high commodity prices and increased oil production in Guyana. As a result, international reserves are expected to increase over the medium term.

The financial system has remained broadly stable so far, but NPLs remain high and could rise further following the expiration of moratoria programs. With the expiration of the COVID-19

forbearance measures, NPLs have started to rise in some countries and profitability has fallen. However, capital positions are above minimum requirements with improved liquidity. Financial soundness is expected to gradually improve over time as economic activity recovers.

Guyana's GDP is projected to continue growing strongly as oil production expands.



Risks to the outlook remain tilted to the downside. The main risks for the tourism dependent economies include a sharp slowdown in advanced economies, further increases in food and fuel prices, and climate-related disasters, which could derail the tourism recovery. The stronger US dollar could erode competitiveness in countries

with currency pegs. The main risks for the other Caribbean economies include lower commodity prices and natural disasters. Tighter global financial conditions as global interest rates rise are another key risk, which would make it difficult for the Caribbean economies to finance large fiscal deficits and rollover debt.



POLICY PRIORITIES

A key priority for the Caribbean economies is to achieve higher and more inclusive growth. This will require implementing growth enhancing structural reforms that improve the business climate, ease access to credit, enhance human capital and physical infrastructure, and strengthen resilience to natural disasters and climate change. It will also require strengthening well targeted social programs. Implementing these reforms will entail significant fiscal costs, and thus will require reprioritizing public expenditure and enhancing revenue. It will also require having a well-functioning financial sector that can provide financing for investment.

A second key priority is to strengthen the fiscal position. Reducing public debt to more manageable levels while maintaining expenditure in priority areas such as social programs to protect the most vulnerable and public investment, requires implementing multi-year fiscal consolidation, which would also help reduce inflation.

This calls for enhancing revenue by strengthening revenue and customs

administration, broadening the tax base, and adjusting tax rates in some cases. It also calls for containing expenditure by better targeting social benefits, removing programs that have outlived their usefulness, and improving spending efficiency. Improving debt management practices and enhancing access to climate financing and debt for nature swaps would also help reduce the debt burden. Anchoring this package on a medium-term fiscal strategy with clear targets and specific measures to achieve them would enhance its credibility. However, such a strategy would require improving PFM systems and procedures.

A third key priority is to enhance financial sector supervision and regulation. Following the deterioration in financial soundness after the COVID-19 pandemic, efforts should focus on ensuring that banks have appropriate capital buffers, adequate provisions for problem loans, and processes to deal with nonviable loans. In this respect, it will be key to continue implementing the Basel II/III framework. It will also

be important to expand supervision to non-bank financial institutions, update the macro stress testing tools, and strengthen the risk-based supervisory framework to include risks related to climate change and digital currencies. Strengthening the AML/CFT framework will also be key to protect the financial sector's correspondent banking relationships.

A fourth key priority is to enhance the macroeconomic framework and data.

Making well informed policy decisions requires improving the quality of real, fiscal, and external statistics, expanding the number of high-frequency indicators for which data is published, and enhancing the timeliness of the data releases. It is also key to have adequate macroeconomic frameworks that focus on macro-fiscal forecasting and risk analysis, including those related to climate change, inflation, and rising interest rates, as well as analysis of how macroeconomic shocks and fiscal policy decisions feed into mediumterm debt dynamics.

SECTION IV OBJECTIVES AND PRIORITIES FOR PHASE VI



OVERVIEW

The overarching policy objectives will be to rebuild fiscal space and support high, inclusive, and sustainable growth, while building resilience to climate change, as explained in Section III. After the necessary fiscal expansion to address the consequences of the pandemic, it will be critical to reduce public debt and rebuild fiscal space, while protecting social and infrastructure expenditure though higher revenue mobilization, strong PFM processes, and more efficient spending. Improved macro-fiscal modelling will help navigate climate-related and other risks and conduct debt sustainability and fiscal space analysis. Improved government debt management will also have a role to play to regain market access, while using the latest innovations such as green or gender financing, and debt-for-nature swaps. Reducing vulnerabilities to shocks, including climate change, will require deeper and sounder financial systems based on up-to-date financial stability tools and financial sector supervision and regulations. More timely and frequent macroeconomic statistics will be needed to set macroeconomic policies on a stronger footing. Critically, all workstreams will integrate aspects related to climate change, digitalization, and, when relevant, gender.

To achieve these objectives, the Center's stakeholders identified the following priority work programs for Phase VI:

- domestic revenue mobilization, i.e., tax and customs administration,
- PFM,
- financial sector stability,
- financial sector supervision and regulation,
- debt management,
- macro-modelling, forecasting and policy analysis, and
- macroeconomic statistics.

Complementary legal technical work related to these work program priorities will be delivered, as needed. The Center's resident advisors will provide technical assistance and training to member countries in these areas, in collaboration with the IMF capacity development departments (CDDs), i.e., the Fiscal Affairs Department (FAD), the Institute for Capacity Development (ICD), the Legal Department (LEG), the Monetary and Capital Markets Department (MCM), and the Statistics Department (STA).

An inclusive process in the lead-up to the 2022 December SC meeting identified the priority work programs and themes for Phase VI. During the first half of 2022, the Center sent 10 different surveys to the member country SC members and the member country recipients of the Center's CD in each of the work programs about their anticipated CD needs in 2024-29. The SC discussed the results at its meeting on June 3, 2022. Member countries expressed unanimous support for the continuation of CARTAC current work programs in 2024-29, with a clear preference for the resumption of in-person missions and opportunities for peerto-peer learning. WHD country mission chiefs also got an opportunity to fill the survey sent to SC members and they also expressed support for the continuation of the existing work programs during Phase VI. The Center's director met with all development partners over the summer to collect their views. [The SC endorsed the Program Document for Phase VI at its meeting on December 2, 2022.] All stakeholders urged the Center to intensify its CD activities to help countries build climate resilience.

The Center will continue supporting its member countries in building climate resilience. The Center has incorporated climate work in most of its workstreams namely in building more resilient PFM systems (mainstreaming greenclimate/environmental-issues into budgeting processes and procedures and carrying the Climate Module of the Agile PEFA and PIMA assessments), designing business continuity plans in revenue administrations, assessing climate risks in the financial system, incorporating climate shocks in the financial programming models, and providing training on green financing instruments. The Center is supported by the IMF in executing its climate work program as the Fund has made it a priority to help member countries address climate change. Climate tools developed by the IMF include

the C-PIMA framework, and climate tools for the financial sector including principles guiding insurance companies and financial regulators to assess climate risks. To capture the progress of any projects which include a climate component, there are now climatespecific objectives and outcomes in the IMF RBM Catalog, which indicates a clear strategy to better incorporate climate in project results. These specific climate components will be integrated in CARTAC RBM objectives and outcomes over time.

The Center will continue to integrate gender equality considerations in its activities where relevant. The IMF strategy towards mainstreaming gender⁸ has the following four pillars:

- to empower country teams with access to relevant data and modeling tools to provide tailored and granular policy advice;
- to set up a robust governance framework to ensure that macro critical aspects of gender are integrated in country work based on an evenhanded approach across members and create a supportive internal organizational structure;
- to establish collaboration with external partners to benefit from knowledge sharing and peer learning. Working closely with other institutions, such as the World Bank Group and UN Women, will be important to enhance the IMF's efficiency and leverage impact; and
- to efficiently utilize resources allocated to gender by realizing economies of scale and avoiding duplication of effort.

The vision is to integrate gender into the IMF's core activities, including CD. This, together with the Fund's continued emphasis on strengthening the integration of country surveillance and lending work with CD, will inform CARTAC gender-related CD.

CD resources will continue to be allocated in priority to program countries while considering surveillance priorities of other countries, the track record of implementing past CD recommendations, and the changing realities on the ground. The criteria to allocate CD will continue to include:

- IMF program support, especially where TA is essential to help the authorities meet program conditionality, and
- ownership and track record of implementing past CD recommendations.

As countries borrow from the IMF (and other sources) to deal with the consequences of the COVID-19 pandemic, respond to the surveillance recommendations of the WHD country teams, or seek access to Climate Financing, the Center will, inter alia, assist member countries to strengthen debt management capacity and PFM processes to ensure the transparent and effective use of funds. The Center will continue to quickly react to changing circumstances as when it pivoted to heightened country priorities and adjusted to the realities of effectively delivering and receiving remote CD during the COVID-19 pandemic.

The Center will take the specific fragile state condition of Haiti into account.

Haiti is the only fragile state among the Center's 23 member countries. In line with the IMF's new Fragile and Conflict-Affected States Strategy, the Center will help the authorities tackling governance weaknesses, while complementing the efforts of other actors and organizations supporting Haiti, and carefully calibrate and sequence CD, considering Haiti's huge needs and limited administrative capacity.

⁸ IMF Strategy Toward Mainstreaming Gender, 2022.

The overall volume of CD is expected to increase owing to the addition of one Macroeconomics advisor and the inclusion of a Debt Management advisor for the full length of Phase VI.9

Twelve resident advisors are proposed for Phase VI, which is one more than during Phase V, with the addition of a second macroeconomic advisor to answer to the excess demand observed at the end of Phase V. The twelve advisors will be allocated as follows: two in tax administration, two in PFM, two in macroeconomic forecasting and policy analysis, one in customs administration, one in financial sector stability, one in financial sector supervision, one in debt management, one in real sector statistics, and one in external sector statistics. The management of the RBM framework will continue to be supported by the Center's economist. The Center will move back to in-person delivery, as requested by all member countries, while using remote delivery for more frequent follow up of implementation CD recommendations and the organization of generic training courses.

The Center will continue to host the Legal Department's regional advisor in anti-money laundering and combatting the financing of terrorism (AML/CFT) for the Western Hemisphere. The work of that regional adviser is financed by the AML/CFT Topical Trust Fund (TTF). Concurrent with the work program endorsed by the Steering Committee of the AML/CFT TTF, this regional adviser can respond to TA requests from the 9 out of 23 CARTAC member countries that are eligible for Official Development Assistance.¹⁰ The regional advisor could respond to requests from other countries on an exceptional basis provided a strong case can be made to the AML/CFT TTF Steering Committee. All CARTAC member countries can benefit from regional training organized by this advisor.

There will continue to be synergies among the work programs in Phase VI.

The CD activities implemented under the Macroeconomics work program with the macro-fiscal units at Ministries of Finance will help the budget officials in these ministries to implement the recommendations of the PFM

work program to apply fiscal rules and improve budget preparation and execution. Progress in macroeconomic forecasting will help officials at macro-fiscal units to conduct more realistic debt sustainability analyses that set the stage for debt managers to analyze their options for optimizing debt management with the help of the Debt Management work program. The Tax and Customs Administration work programs will continue to hold joint activities with tax and customs administrations officials to discuss how to improve the exchange of information between their respective administrations to strengthen taxpayers' compliance and ultimately improve revenue performance. The progress achieved by National Statistical Offices in improving national accounts and price statistics, and by central banks in improving balance of payments and IIP, will allow the macro-fiscal units to make better informed macro-economic projections and financial sector supervisors to conduct more educated stress tests of the financial sector to real and external sectors-related risks.

⁹ The current Debt Management resident advisor started during the second half of Phase V.

¹⁰ Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, and St Vincent and the Grenadines.

MAINSTREAMING CLIMATE CHANGE

Climate change is one of the most critical macroeconomic and financial stability challenges facing IMF members. Going forward, climate change will affect macroeconomic and financial stability at national and global levels and risks widening economic disparities.

Guided by its 2021 IMF Climate Strategy, the IMF and CARTAC are addressing the growing demand for climate-informed CD. Since the Caribbean region is highly exposed to climate-related risks, the share of climate-related CD in countries of the Western Hemisphere Department (WHD) was the second highest among the IMF area departments in FY2023 (Figure 18).

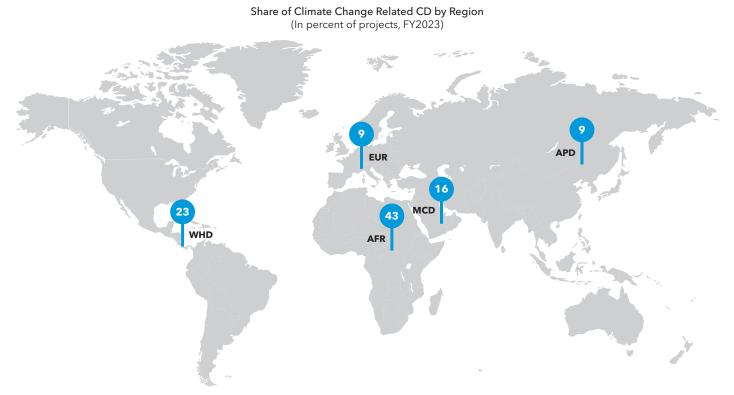
The IMF and CARTAC are providing climate-related CD by: (i) bolstering TA on fiscal, financial, statistical, legal, and macroeconomic issues; (ii) designing new training and micro-learning; and (iii) developing and scaling-up analytical tools and modeling. The work encompasses all areas of Fund expertise, including:

• Fiscal Management: IMF and CARTAC CD provide support on mitigation, green PFM, identification of fiscal risks related to climate

change, climate-responsive PFM assessments, the climate module of the Public Investment Management Assessment (C-PIMA), and other related analytical tools (see Box 3).

- Financial Sector and Public Debt Management: The IMF and CARTAC have integrated climate issues into its financial sector toolkits and provide tools and capacity building for country analysis of financial sector climate risk, including in prudential frameworks in the financial sector, and for strengthening the climate information architecture and access to climate finance (see Boxes 4, 5 and 6).
- Data and Statistics: An IMF multicountry pilot project provides CD to develop policy-relevant climate statistics. This is supported by ongoing work on methodological and data reporting frameworks, including under the G-20 Data Gaps Initiative 3, to gauge the impact of climate reform measures. The IMF also uses its climate change indicators dashboard and innovative data collections to better assess climate shocks.
- Legal Frameworks, Financial Integrity, and Anti-Corruption: The IMF provides guidance on

FIGURE 18. SHARE OF CLIMATE-CHANGE RELATED IMF CD BY REGION



AFR: Sub-Saharan Arfica, APD: Asia & Pacific, EUR: Europe, MCD: Middle East and Central Asia, WHD: Western Hemisphere Source: CDMAP, Fund Staff Analysis.

legal frameworks, financial integrity, and anti-corruption related to climate change.

 Macroeconomic Framework and Modeling: The IMF's and CARTAC's CD help countries build macro scenarios that reflect climate change shocks, mitigation, and adaptation policies including through the streamlined Climate Macroeconomic Assessment Program and Climate Policy Diagnostics. These resources help integrate adaptation to climate change in macro-fiscal planning and frameworks.

This work is closely informed by member needs and surveillance priorities, while supporting program work design (e.g., programs supported by the Resilience and Sustainability Facility-RSF) and implementation where relevant.

Partnerships and coordination are critical to meeting member demand and scaling up CD. The IMF and CARTAC work closely with bilateral and multilateral partners such as the World Bank, the OECD, WTO, UN agencies, the European Commission, regional developments banks and international fora (e.g., Financial Stability Board).

Staff also partner with researchers, academic institutions, civil society, and climate experts, among others, to shape policies and share expertise. The recent augmentation of the IMF budget allowed a modest increase in specialized staff to bolster this effort as increasing demand stem from the reform commitments of the countries under the RSF arrangements.

As the IMF further develops climate-related CD activities, CARTAC will promote them to, and implement them with, interested member countries.



MAINSTREAMING GENDER

Closing gender gaps enhances economic growth, fosters stability, promotes inclusion, and yields positive externalities for societies. Recognizing the macro critical impacts of gender inequality, the 2022 IMF Strategy Toward Mainstreaming Gender calls for a gradual, systematic integration of gender considerations into the IMF's core work of surveillance, lending, and CD. During FY2023, 22 staff reports across countries in various stages of development included gender analysis, well above the target of 11 countries set out in the strategy.

The IMF and CARTAC are well placed to continue providing TA and training to support the implementation of macro critical gender- related reforms to member countries that request them. The IMF has been responding to demand from country authorities for gender-related CD in areas such as:

- Data: Strengthening data collection and analysis to better understand and address gender-related economic disparities, particularly for countries that lack sufficient data to assess gaps.
- Gender-responsive budgeting and public financial management (PFM): Promoting the integration of gender into budgetary processes; applying

a gender perspective to fiscal policies and the budget process; and enhancing PFM systems to ensure gender-responsive budget execution. This is the area where CARTAC has been providing the most genderrelated CD so far.

- Taxation: Advising on designing gender-responsive tax policies, including labor, capital, wealth, personal income, and consumption taxes.
- Revenue administration: Applying a gender lens when administering tax or trade laws to help reduce barriers to women's employment, entrepreneurship, and trade; and developing gender-balanced and inclusive workforces with policies and procedures that ensure equal employment opportunities. CARTAC has also been providing CD is this (see Box 2).
- Legal barriers: Addressing legal issues that emerge when countries design fiscal and tax measures to address gender inequality; and implementing reforms to promote women's economic empowerment.

Such CD can be particularly impactful when provided to assist countries with implementing reforms recommended

in surveillance, or where needed to help the member implement conditionality under an IMF-supported program.

External collaboration is a critical pillar of the gender strategy. Continuous deepening of collaboration with development partners and other organizations, such as the World Bank Group and UN Women, supports knowledge sharing and peer learning, leveraging complementarities, and maximizing the impact on the ground. A dedicated unit in SPR serves as the initial point of contact between

country teams and external partners. The unit will continue to help CARTAC expand its gender-related CD. External collaboration is also aided by two external advisory groups, one of well-known academics and another of civil society organizations and think tanks. Furthermore, resident representatives and the CARTAC director have coordinated their efforts with authorities and local partners.

As the IMF further develops gender-related CD activities, CARTAC will promote them to, and implement them with, interested member countries. CARTAC will continue to closely follow all innovations that may emanate from the implementation of the 2022 IMF Strategy Toward Mainstreaming Gender, or from the Fund's Inclusion and Gender Unit in the Strategy and Policy Review Department, multilateral partners, UN agencies, development partners and external advisory groups, to include them in CARTAC work streams proactively when feasible.

TAX ADMINISTRATION

GENERAL CONSIDERATIONS AND STRATEGIC OBJECTIVES

Priorities in tax administration will be to structure CD to address needs identified through systematic diagnostics using analytical tools to support tax administration reforms such as the Tax Administration Diagnostic Assessment Tool (TADAT)¹¹ and the International Survey on Revenue Administration (ISORA)¹². This structured approach will ensure sustainability, continuity, and a high implementation rate of recommendations from CD deliveries to meet country demands for revenue mobilization, modernization, and tax reforms. Moreover, the overarching focus of CD

deliveries will be on the recovery from the COVID-19 impact on revenue and building resilient tax administrations by utilizing technology to effectively address the economic and financial needs of government, provide relevant and timely service to taxpayers and respond to socio-economic needs of all stakeholders.

The two strategic objectives are: (1) strengthened revenue administration management and governance arrangements; and (2) strengthened core tax administration functions and will be supported using analytical tools to support tax administration reforms. TADAT assessments in the region have identified weaknesses in critical areas like unreliable taxpayer registers, weak compliance risk management, low electronic(e)-filing, and e-payment rates, and limited use of third-party data in compliance management. Analysis of ISORA data provided by CARTAC members during Phase V indicates improvements for most of the outcomes under the two strategic objectives. However, the analysis also shows room for improvement. The Center will use TADAT assessments and ISORA data as input in the design of CD to build resilient tax administrations during Phase VI.

¹¹ A TADAT assessment is a diagnostic to assess the relative strengths and weaknesses of the system of tax administration as it provides a standardized assessment of the health of key components of a country's tax administration system in the context of international good practice. The results facilitate a shared view on the condition of the system of tax administration and help setting the reform agenda, including reform objectives, priorities, initiatives, and implementation sequencing.

¹² ISORA is designed to collect and present data for tax administrations and provides a large set of comparable and standardized data on tax administration performance and institutional arrangements.

EMERGING ISSUES

More emphasis will be given to the design of the CD delivery to be flexible and tailored to the needs of each individual country. The concept of change management will play an important role in CD delivery to support implementation of recommendations as it is an important enabler for managing the human side of organizational changes and reforms and a key driver to create the desired climate for change and to prepare the organization for reform initiatives.

More focus will be given to medium term reform programs, including reforms related to digital transformation, climate resilience, IT systems, and gender. The Center will continue to strengthen tax administrations climate resilience through supporting modern IT infrastructure and business continuity and disaster preparedness plans. The Center will continue to promote gender equality in compliance management through tailored taxpayer education programs. Work will continue in strengthening all core business functions and developing centers of excellence among CARTAC member countries to enhance collaboration within the region while, at the same time, promoting an environment where member countries can continue to share experiences and learn from each other.

CD will be coordinated with other development partners such as the OECD, World Bank, the Inter-American Development Bank (IDB), the Inter-American Center of Tax Administrations (CIAT) who are actively providing CD in the Caribbean. Cooperation and collaboration with other development

partners is critical to avoid duplication and to make the best use of limited resources in the most critical areas. CARTAC will also strengthen the collaboration and working relations with regional organizations that already have a forum for collaboration for tax administrations. These include the ECCB which hosts a quarterly meeting for head of tax administrations and the CARICOM Secretariat that co-ordinates the forum call Caribbean Organization of Tax Administrators (COTA).

Virtual means of communication will be used for holding regional events and sharing experiences among tax officials from different countries. Strong focus will be placed on hosting regional activities using the virtual space, to provide a platform for countries to work together and share experiences. One such activity is the development of a cadre of expert auditors from the CARTAC members who can provide the relevant support to other members countries in auditing complex cases and cases involving financial institutions which operate through the region as well as telecommunications companies. Joint events with other CARTAC work programs have made a major positive contribution in Phase V and will continue to be an important component of Phase VI to reflect the needs of the member countries.

With no resident tax policy advisor in CARTAC, the tax policy component of the tax workstream will continue to be delivered through joint FAD Tax Policy and CARTAC Tax Administration missions, with support from LEG for related legal work.

EXPECTED OUTCOMES

The expected outcomes are grouped under two strategic objectives.

Strategic objective (1) is "strengthened revenue administration management and governance arrangements". Strategic objective (2) is "strengthened core tax administration functions". To meet the first strategic objective, the Center will aim for the authorities to implement the following outcomes: (a) developing business cases to demonstrate the net benefits to governments arising from tax administration modernization and digital transformation initiatives; (b) support initiatives of whole-of-government approach in exchange of administrative data between governmental agencies; (c) expanding the number of TADAT assessments in the region; (d) provide support in completion of future ISORA data collections and use of data for performance management; (e) assisting with emerging areas such as extractive industries; (f) build capacity to comply with international exchange of information protocols and international tax issues; and (g) raising awareness of Human Resource Management. To meet the second strategic objective, the Center will focus on the implementation of the following outcomes: (a) strengthening the integrity of the taxpayer base through the use of thirdparty data; (b) increase the use of a broad range of e-services, including electronic filing and payment of taxes; (c) increase the capability to audit large and international corporations; (d) expand the use of third-party data to identify inaccurate reporting; and (i) supporting voluntary compliance through taxpayer education and communication initiatives. Annex II delineates these objectives and outcomes per country.

CUSTOMS ADMINISTRATION

GENERAL CONSIDERATIONS AND STRATEGIC OBJECTIVES

Customs focused work will continue to focus on facilitating trade and optimizing revenue with additional emphasis on trade facilitation initiatives. These objectives reflect the fact that customs in the region remains a significant source of tax revenue for governments; and that regional and international agreements including the Word Trade Organization (WTO) Trade Facilitation Agreement (TFA), the CARICOM agreement on the Single Market and Economy, and the European Union (EU) and Caribbean Economic Partnership Agreement (EPA) have made easier and guicker trade a high priority for governments. This work will be managed using the strategic objectives, outcomes, and verifiable indicators in the RBM framework for the customs component, primarily focusing on the strategic objectives of improved customs administration core functions and strengthened revenue administration management and governance arrangements. These, together with the outcomes of: "Trade facilitation and service initiatives better support voluntary compliance", "Capacity to reform increased due to clear reform strategy and strategic management

framework adopted and institutionalized" and "Audit and anti-smuggling programs more effectively ensure enforcement of customs laws", will form the core of the customs program for Phase VI. These objectives and outcomes will be achieved by helping to design and implement programs that make cargo clearance quicker and easier with fewer consignments being subject to intervention by customs and enhance revenue compliance by identifying and acting against the non-compliant economic agents. This will involve executing strategies that rely heavily on the effective management of risk. The aim is to achieve several inter-connected outcomes, overall emphasizing that: "Fewer import consignments are subject to intervention by customs during cargo clearance by implementing post clearance audit (PCA) and trusted trader programs (TTP)"; and "Revenue loss from the misuse of exemptions is reduced by increased supervision and verification".

EMERGING ISSUES

Post-COVID revenue recovery will require risk-based management of importers and progress in trade facilitation. The downturn in tradebased revenues due to the COVID-19 pandemic will continue to have

a significant bearing on customs administrations as it will require continuing and energetic efforts to secure revenue. This requires a greater emphasis on segmenting importers to identify the compliant and non-compliant so that appropriate risk treatments can be put in place. This in turn will require greatly increased capacity to assess risk using evidence based on the analysis of data, an area where it is recognized that significant strengthening is required. Facilitation efforts will be expanded to include the informal and small and medium-sized enterprises (SME) sector, often not a high priority for trade facilitation initiatives, but is an area with great potential for economic growth, especially for informal businesses owned by women.

EXPECTED OUTCOMES

To support the achievement of the strategic outcomes for Phase VI, work in the customs component is grouped by the two strategic objectives of:

Improved customs administration core functions: CD will help building capacity in customs administrations to collect, organize and effectively make use of data to allow for a riskbased management of importers. This will be supplemented by building

audit capacity and focusing the work of customs administrations on government policy objectives and departmental priorities.

Work will therefore focus on:

- Strengthening risk management in Guyana, Belize, Barbados, St. Vincent and the Grenadines, St. Lucia, Cayman Islands, Suriname, and Grenada.
- Developing PCA capacity in Belize, Barbados, Bermuda, Dominica, Guyana, St. Lucia and St Vincent and the Grenadines.
- Strengthening capacity in the monitoring, verification and enforcement of exemptions, duty concessions and waivers, warehousing, and duty-free sales regimes, including the import and distribution of petroleum products, in Barbados, St. Vincent and the Grenadines, St. Lucia, Suriname and Grenada.
- Building capacity to extract, analyze and utilize data in Aruba, Guyana, Barbados, St. Vincent and the Grenadines, Bermuda, Dominica, Suriname and Trinidad and Tobago.

 Developing TTP, including those focusing on the informal and SME sectors, in Belize, Anguilla, Trinidad and Tobago, Guyana and St. Vincent and the Grenadines.

Strengthened revenue administration management and governance arrangements: CD will assist governments

in ensuring that customs administration focus efforts and resources on achieving government policy objectives, and ministry and departmental priorities to ensure effectiveness and cost effectiveness. This will be done by developing or completing realistic strategic plans that include performance targets and measurable performance indicators, ensuring legislation, regulations and procedures are up to date especially regarding the CARICOM Model Legislation for Customs, and CARICOM Model Regulations, where needed with LEG support, and that these are reflected in accurate and realistic Standard Operating Procedures. This will include:

 Embedding strategic planning and performance management in Anguilla, Aruba, Barbados,

- Cayman Islands, Dominica, Grenada, Guyana, St. Lucia, St. Vincent and the Grenadines, and Turks and Caicos.
- Designing customs focused reform and modernization plans in Aruba, Curação, Dominica and St. Lucia.
- Strengthening customs legislation in Anguilla, Grenada, and St. Vincent and the Grenadines.
- Conducting or completing workload assessments and resource deployment analysis in Grenada, St. Lucia, and St. Vincent and the Grenadines.

Annex II delineates the objectives and outcomes per country.

In addition, to strengthen the capacity development activities outlined above, regional seminars on cross cutting issues, including joint seminars with tax, will be held and peer to peer learning opportunities will be exploited. Together, the combined program will significantly strengthen customs capacity to secure revenue, protect society and facilitate legitimate trade.



PUBLIC FINANCIAL MANAGEMENT

GENERAL CONSIDERATIONS

Phase VI will build upon the progress made during Phase V, with many ongoing projects continuing to further strengthen PFM practices in core and emerging PFM priority areas. Areas for support during Phase VI include:

- fiscal management, medium term budget framework,
- ongoing work on climate and gender,
- public investment and asset management,
- governance,
- accounting and fiscal reporting,
- fiscal risks,
- financial oversight of SOEs,
- internal and external auditing,
- internal controls for expenditure management (salary and non-salary),
- treasury operations: cash and debt management, and
- arrears management.

In countries that benefitted from CARTAC TA during Phase V, work will continue to leverage previous capacity building efforts. In countries that did not benefit from CARTAC TA, work will largely be demand-driven but also diagnostic-based to ensure that TA is not only what countries think they need but additional areas that might be overlooked and where gaps that could undermine PFM efficacy.

The clarity and comprehensiveness of budget documentation is still an area where there are varying levels of capacity among Caribbean countries. Many Caribbean countries would benefit from a simplified and easily understood budget framework, with clear budget documentation, integration of recurrent and development budgets, presentation in accordance with international standards and through the publication of a Citizen's Budget. In the past two years, Montserrat, Turks and Caicos Islands and Anguilla, respectively, have received CARTAC support to develop their Citizens' Budgets.

Newer areas of work, which will gain greater prominence in Phase VI, are the management of fiscal risks, Public Investment Management (PIM), and climate related PFM activities such as the PEFA and PIMA Climate modules. Additionally, there has been a growing demand for TA on state-owned

enterprises (SOEs). The SOE Health check tool can help countries establish metrics on how SOEs are performing with a view to improving and enhancing existing corporate governance frameworks.

An area of continued focus is PEFA assessments. Most countries have not had PEFAs in the last five years. Of the 23 member countries, six have never had a PEFA - four British Overseas Territories (Bermuda, British Virgin Islands, Cayman Islands and Montserrat) and two countries which are part of the Kingdom of the Netherlands (Curação and Sint Maarten). Of the 17 member countries that have had PEFA assessments, only eight have had PEFA assessments in the last six years (Anguilla, Dominica, Guyana, Jamaica, St Kitts and Nevis, St Lucia, Suriname, and Turks and Caicos Islands) using the 2016 PEFA Framework. Only five made their last PEFA assessment public (Anguilla, Antigua and Barbuda, Belize, Haiti, and Jamaica). There is, therefore, a need for countries to undertake newer PEFA assessments, using the most recent framework, to gauge progress in their PFM performance and develop new PFM Reform Action Plans.

CD will build on progress in Phase V.

Good progress has been noted in countries which benefitted from TA during Phase V, especially through the direct delivery CD mode. This progress will be built on in Phase VI. Missions will continue to be designed around the objectives and outcomes from the RBM catalog, which has been instrumental in maintaining an overview of the whole PFM cycle and providing a mechanism for measuring progress in between PEFA assessments.

Strengthening transparency and accountability throughout the PFM cycle will be key to mitigating fraud and corruption risks. These principles are based on implementing internationally accepted good practice

and international standards for fiscal reporting (GFSM2014), accounting (IPSAS), and Internal Audit (Institute of Internal Auditors, IIA), as well as the transparency practices as listed in the IMF Fiscal Transparency Code.

Hybrid CD delivery will build on the lessons of remote delivery in Phase V. The hybrid level of CD delivery where part is undertaken at the duty station and part in the member country will be utilized more in Phase VI.

PFM Advisors will also use the results of CARTAC's survey of members on CD delivery to tailor their assistance country needs including Haiti. They will use all communication channels to better understand constraints to countries' take up of CD and facilitate a more even distribution in the levels of support provided to individual member countries. Special effort will be made to come up with innovative ways to provide support to Haiti, including providing CD for staff in other countries given travel restrictions that may exist.

EMERGING ISSUES

The Center will continue to provide CD on building resilience to climate risks. Given the need of the region to access climate financing, it is likely that countries will see the PEFA climate module to make their PFM systems climate-finance ready and gain access to climate financing. Additionally, the Center plans to implement C-PIMA and green PFM/green budgeting.

The Center will continue incorporating gender considerations into its PFM CD delivery. Much work has been done on gender mainstreaming in the region. The AgilePEFA Gender Module could be instrumental in helping countries plan for and direct resources to address the performance disparities between males and females, starting with the education sector.

STRATEGIC OBJECTIVES AND **EXPECTED OUTCOMES**

The Center's PFM CD will continue to have the following RBM strategic objectives:

- Improved PFM laws and effective institutions. All member countries will have PEFA assessments generally no older than 6 years, which will drive the updating, reprioritizing and resequencing of PFM roadmaps and action plans based on progress, outcomes, and issues arising during implementation. Where it is a country priority, the PEFA assessments will incorporate the climate and gender modules to assess the responsiveness of PFM systems to these important areas. The AgilePEFA, with the PEFA check, will be the preferred modality for assessments in the Caribbean.
- · Comprehensive, credible, and policy- based budget preparation. Work will seek to have the country authorities achieve the following outcomes: (i) a more comprehensive and unified annual budget is published; (ii) a more credible medium-term budget framework and medium-term fiscal framework is integrated with the annual budget process; (iii) information on resources and performance by program is included in budget documentation; and (iv) planning and budgeting for public investments is more credible. In mainstreaming gender considerations, a gender lens will be applied across all areas of PFM. All countries should enhance transparency and clarity in budget documentation, specifically through presentation of an integrated (recurrent and development) budget aligned to the GFSM2014 format for economic and functional classifications and strengthening capital budgeting practices. Medium-term budgeting frameworks

- will be strengthened, specifically through establishing sound revenue and forecasting models, analysis and explanation of successive budget forecasts and building local capacity to maintain the models (Anguilla, Barbados). Presentation of performance information in budget documentation will be enhanced in (The Bahamas, Montserrat, Suriname, Turks and Caicos).
- Improved budget execution and control. In some countries, emphasis will be on building capacity for cash management and cash forecasting to enhance budget credibility and predictability (Barbados). Other countries will continue to develop risk-based internal auditing practices and implementation of IIA standards and strengthening the institutional support arrangements for Internal Audit (Anguilla, Barbados, Dominica, Montserrat, St Vincent and the Grenadines). Activities will also address the strengthening of internal control in expenditure and arrears management, which remains an issue in several countries (Aruba, Curação, Haiti, and Suriname).
- Improved coverage and quality of fiscal reporting. Timely publication of audited annual financial statements prepared according to international standards will significantly enhance fiscal transparency. Most countries are consolidating their accounting practices using cash based IPSAS (Barbados, Belize), with many progressively presenting information in accordance with the IPSAS 'encouraged disclosures', with a view

- to a longer-term adoption of accrual accounting (Belize, Trinidad and Tobago, Turks and Caicos).
- Improved asset and liability management. More accurate and timely cash flow forecasts will be pursued. Barbados intends to establish a Cash Management Unit for this purpose and will begin the process to consolidate IPSAScompliant financial statements. Asset management, specifically, public asset management will be an area of focus especially as it relates to disaster and climate change risk considerations and building climate resilience.
- Strengthened identification, monitoring, and management of fiscal risks. COVID-19 has significantly impacted governments' State-Owned Enterprises (SOE) sectors, in particular requiring larger subventions or other transfers. Better oversight of SOEs and the fiscal risks emanating therefrom will be key during the recovery from the pandemic. Anguilla, Barbados, and Grenada aim to extend coverage and disclosure of SOE fiscal risks. Other countries will also initiate strengthened oversight and reporting on SOEs performance and risk. The CD will assist countries in strengthening the management of fiscal risks and in the use of the FAD fiscal risk assessment tool (FRAT). among others.
- Improved PIM. To date, there have been two PIMAs undertaken, in Anguilla and Grenada. Future

assessments are planned for Montserrat and Barbados in FY 2024. Given the emphasis on green PFM and green public investment management, the intention is to field climate PIMAs (C-PIMAs) in the region to help countries evaluate their readiness to implement public investments that integrate climate mitigation and adaptation considerations. Support to PIM will include planning resilience into infrastructure from the outset. As countries seek access to climate finance, the C-PIMA will take prominence to help them diagnose their capacity needs and develop strategies to make their PFM systems more climate-resilient. There will be interlinkages with other strategic PFM objectives, for example comprehensive, credible, and policy-based budget preparation and strengthened identification, monitoring, and management of fiscal risks to ensure that both recurrent and capital costs associated with public investment are integrated in the project cycle. This extends to the stock of physical public assets and public asset management. Public assets need to be identified and their risk and exposure to climate events evaluated and quantified. Capacity to evaluate the impact and cost of climate change, especially on large scale infrastructure projects, will be a priority.

Annex II delineates these objectives and outcomes per country.



FINANCIAL STABILITY

GENERAL CONSIDERATIONS

The recent COVID crisis and new challenges have revealed the need to further develop macroprudential frameworks to capture both traditional as well as new emerging risks. Recent developments have been dominated by the impact of the pandemic and the Russian invasion of Ukraine. Inflationary pressures built up with pandemic-related disruptions, expansionary policies, rebounding demand and the negative impact of the Russian invasion of Ukraine on energy and food prices create new challenges for macroprudential policies. Small open Caribbean economies strongly dependent on tourism have been negatively impacted by the pandemic as well as the ongoing financial tightening amidst the reduced fiscal maneuver and associated increased sovereign risk. The Center's CD will help to take these risks into account in macroprudential policies.

EMERGING ISSUES

Addressing climate, cyber security

risks, digital currencies and Fintech will be more important in Phase VI. There will be more CD activities in climate risk assessment both for transition and physical risks provided that climate-relevant data will be available. The availability of climate-relevant data is a prerequisite for climate risk assessments. Regional cooperation between the authorities and scientists. needs to be facilitated to that end. Cyber security risk, Fintech and the regulation of digital currencies are another emerging issue that will be addressed, possibly through awareness building workshops. Moreover, a lot of emphasis will be put on enhancing cooperation between macro and micro prudential oversight and supervision as a key ingredient to safeguard financial stability.

STRATEGIC OBJECTIVES AND EXPECTED OUTCOMES

Alignment of financial stability frameworks of the member countries with the best existing practices is already underway and will remain a focus during Phase VI. CD that has been delivered by CARTAC helped the countries to gradually build up and enhance their financial stability frameworks. However, the current macro-financial situation makes it critical to continue strengthening financial stability analyses and assessments. This effort should be especially focused on: (i) enhancements of financial stability reports to serve as a macroprudential policy communication tool; (ii) further work on solvency macro-stress testing towards dynamic balance sheet frameworks with sovereign risk captured and improved credit risk satellite models, (iii) enhance or set-up financial stability frameworks for non-banks; and (iv) reflect on new emerging risks especially in climate-related risks. The outcomes of those activities should allow to better assess the key systemically relevant risks and potentially form appropriate macroprudential policies to ensure financial stability of the entire financial sector. Overall, CD activities should facilitate informed macroprudential discussion within the government. The log frame in Annex II presents all objectives and outcomes per country during Phase VI.



FINANCIAL SECTOR SUPERVISION AND REGULATION

GENERAL CONSIDERATIONS

While progress has been made, there is room for improvement in banking regulation and supervision. Progress has been achieved regarding the implementing of the Basel II/ III framework and moving further towards effective risk-based supervision. However, keeping pace with the reforms proved difficult and resulted in delays. Besides the consequences of the COVID-19 pandemic, the supervisory and regulatory authorities were also confronted with other issues such as resources constraints, pandemic-related priorities to address and sometimes lengthy processes to pass the needed bills in Parliament. Current banking regulations address new minimum capital requirements (Pillar 1), and such solvency requirements are generally implemented. Progress achieved in implementing Pillar 2 standards and requirements vary significantly within the region. If regulatory guidelines and requirements were issued on risk-management, stresstesting, Internal Capital Assessment and Allocation Processes (ICAAP), Interest Rate Risk in the Banking Book (IRRBB), notably, were issued or drafted, progress is lagging for the implementation of the new Basel III liquidity standards (Liquidity Coverage Ratio - LCR - and Net Stable Funding Ratio - NSFR).

Moving from a mainly compliance-oriented approach towards risk-based supervision remains challenging. The Center has provided the member-countries with a framework derived from the one developed by Office of the Superintendent of Financial Institutions of Canada (OSFI) to promote harmonization, which in turn should foster cooperation among authorities and lay the foundation for consolidated supervision of banking groups and financial conglomerates operating in the region. The move to risk-based supervision is a major step involving new concepts, effective implementation and enforcement of new regulatory requirements, increased assessment capacity and professional judgment. In addition, the methodologies will need updating in pace with new applicable requirements supported by capacity building and effective enforcement. In turn, effective enforcement also points to the need for effective on-site examination processes and adequate resources.

Supervision and regulation of Credit Unions need to be enhanced.

Concerning Credit Unions, the regulatory and supervisory mandates are generally not entrusted to the central banks. Whereas some Credit Unions, having pursed aggressive development strategies, are now of systemic importance, applicable regulations and

effective supervision are limited, mainly due to resources constraints. However, awareness of potential systemic risk has developed and led to increased cooperation with the central banks in charge of Financial Stability. In addition, some authorities are considering requesting the assistance of the Center to enhance their regulatory frameworks and supervisory processes. A few countries have started considering deposit-quarantee schemes. In Barbados for example, the Financial Services Commission has engaged reflections on this subject in concertation with the Central Bank on possible options (specific scheme vs. inclusion to the broader banking scheme, the latter being likely to result in the need for increased convergence for applicable regulatory and supervisory regimes among the authorities in charge). The same issue is likely to arise within the ECCU, where sub-regional convergence of applicable regimes is looked for.

Training and workshops on risk-based and forward-looking supervision will emphasize supervisory awareness and readiness to cope with crisis conditions. Due to the harmful potential of recent developments, the Center will therefore prioritize assistance requested by countries willing to reassess and upgrade their early warning systems, prompt corrective actions, and resolution frameworks.

In the Insurance sector, there is also room for improving supervision and regulation. Only a few authorities have risk-based capital requirements so far. Over the past two years, priority has been given to implementing the International Financial Reporting Standards (IFRS 17 - Insurance contracts - and IFRS 9 - Financial Instruments). The Center has provided significant assistance at the regional level in cooperation with the Caribbean Association of Insurance Regulators (CAIR). The Center has delivered CD on a common approach whereby IFRS 17 will serve for the regulatory reporting framework. Cooperation among countries has remained constrained by available resources.

Awareness of climate-related risks has been stronger among insurance regulators and supervisors. Prone to increasingly devastating natural disasters such as tropical storms or hurricanes, the region has experienced losses that have raised awareness of the potential consequences of climate change, especially for smaller islandstates. This awareness is generally shared among the supervisory and regulatory authorities, due to experiencing of the detrimental impacts for their financial systems, even though such awareness is generally stronger among insurance regulators and supervisors. As a matter of fact, insurance

companies need to factor such risks and subsequent losses into their policies' pricing.

EMERGING ISSUES

There is still some way to go for supervisors to tailor the potential impacts of climate change into their assessments of risks and vulnerabilities of the institutions operating in the financial sector. Participation in annual conferences of the Caribbean Association of Insurance Regulators (CAIR) will continue to be an avenue to raise awareness of the need to assess climate risks in the insurance sector and the Center will provide further CD in this area. TA and training on updating financial supervision and regulation for climate risks in all segments of the financial sector will be priorities.

STRATEGIC OBJECTIVES AND EXPECTED OUTCOMES

Based on the identification of further CD needs with country authorities and international standards issued by international standards-setting bodies, the Center will assist in both consolidating progress already achieved and improving the regulatory and supervisory frameworks. This will notably lead to intensified efforts to enhance risk-based supervision by including

climate related financial risks as well as cyber-threats into the supervisory risk-profile assessments and methodologies, notably for the supervision of the banking sector. Concerning the insurance sector, the priority is to provide additional TA with the aim of consolidating the supervisory approaches and promoting bottom-up stress-testing as a risk management and increased risk-awareness tool for both, management of regulated institutions and supervisors. These efforts are also likely to promote sound and effective disclosure in general and, more specifically on environmental, social, and governance (ESG). In this perspective, the principles (Basel Committee on Banking Supervision, June 2022) and abundant standards issued at international level (such as IFRS S1 and S2, currently in draft version, for example) will provide increased support to achieve these objectives related to Climate Change and effective assessment of the related financial risks involved. In addition, such new requirements will also lead to consider the progressive implementation of Pillar 3 (Disclosure, Market Discipline) for the Banking Sector and to move forward with an enhanced implementation of the Basel II/III framework. The log frame in Annex II presents all objectives and outcomes per country during Phase VI.

DEBT MANAGEMENT AND CLIMATE FINANCE

GENERAL CONSIDERATIONS

Caribbean countries have made progress in developing strategies to raise financing and manage the stock of debt over the medium-term, but implementation remains challenging.

Most countries are now able to identify and quantify key risks in their debt portfolios, and many prepare strategies that take those risks into account, along with the availability and relative costs of financing from different national, regional, and external sources. They, however, continue to have difficulty in translating the strategies into credible and feasible annual borrowing plans that are coherent with the adopted strategies. Coordination with cash management is often a development area or subject to lengthy delays, which impedes planning and execution of issuance calendars that balance debt management, cash management, and market development objectives. The investor relations function, which will be crucial for taking advantage of innovations in sovereign financing or opportunities to restructure existing debt, is underdeveloped in nearly all countries. Strong and effective debt management policies and operations are undermined in many countries by excessive fragmentation of functional responsibilities across different units of

government, small debt management units that are constrained in terms of human and technological resources, and outdated legal frameworks for borrowing and managing debt.

Transparency of debt stocks, debt flows, and debt management operations is low in most Caribbean countries. Fewer than half of the countries publish reports on debt policy and operations, such as debt management strategies and debt bulletins. The reports that are published often suffer from limited coverage, uneven data quality, and lengthy delays between the reporting date and public release. As a result of limited debt transparency, Caribbean countries may be subject to relatively higher borrowing costs, and their access to marketbased funding may be constrained. In addition, weaknesses in debt reporting, particularly in respect of debt coverage and timeliness, may impede the early detection of emerging debt problems and contribute to a greater risk of debt distress.

EMERGING ISSUES

Caribbean countries have significant financing needs, debt levels are already elevated, and the outlook is challenging, a situation that raises

the stakes for ensuring debt sustainability. The economic contraction due to the worldwide pandemic led to deteriorations in fiscal balances and reversed the trend in some countries of declining debt levels. More recent events in the global economy and financial markets mean that commercial, market-based financing is becoming even more expensive, and possibly less available, for Caribbean countries. They need to mobilize funds for climate adaptation and mitigation, for the protection of nature, and for environmentally sustainable and enhancing investments. That will involve accessing financing available to the public sector through both official sources and domestic and international capital markets, as well as using government borrowing to catalyze financing to the private sector.

STRATEGIC OBJECTIVES AND **EXPECTED OUTCOMES**

Phase VI will build on foundations laid in Phase V. It will seek to strike a broad balance of delivery in respect of strategic objectives and across beneficiary countries considering their different characteristics and constraints-size of economy, maturity of the domestic market, access to international markets and creditors, and so on. Although fiscal policy is the main driver of public

debt levels and public debt vulnerabilities, effective debt management is an important element of a country's toolkit of prudent macroeconomic policies aimed at safeguarding debt sustainability. Phase VI will acknowledge the role of debt management capacity development toward achieving the overarching objective of long-run debt sustainability.

The work program will support member countries in updating their debt management strategies and annual borrowing plans in an environment of continuing macroeconomic stress, elevated financing requirements, and substantial changes in the terms and availability of financing from domestic and international markets and other creditors, while still being attentive to medium and longterm debt sustainability goals. To that end, areas of focus will be the development of local government securities markets, the diversification of financing sources, and improving coordination between debt and cash management and the government's balance sheet more widely. The integration of medium-term debt management strategy tools with debt sustainability tools will also be prominent.

The program will build capacity among member countries to take advantage of innovations in sovereign financing, including climate-resilient debt instruments and financing arrangements aligned with achieving the environmental, social equity and inclusion, gender, and governance objectives of both sovereign issuers and investors-for instance, green and blue bonds, gender bonds, sustainability-linked debt instruments, and debt-for-nature swaps. To that end, an area of focus will be building capacity to identify, analyze, and transact in these innovations, consistent with the debt management strategy and fiscal policy. The program will also assist member countries in strengthening the investor relations function, by cultivating greater relationship-building and information-sharing with investors, credit-rating agencies, and other stakeholders.

In addition, transparency of debt policies and operations will be a priority for capacity development.

The program will support member countries in improving the completeness, accuracy, and timeliness of the compilation and reporting of debt stocks and flows, both direct and contingent. The log frame in Annex II presents all objectives and outcomes per country during Phase VI.

MACROECONOMICS PROGRAM

GENERAL CONSIDERATIONS AND STRATEGIC OBJECTIVES

Under CARTAC's Phase VI, the macroeconomics program will focus on macroeconomic forecasting and policy analysis, supported by a second advisor to meet excess demand. This additional position comes in response to excess demand for TA towards the end of Phase V that the current advisor could not meet.

The program will continue to leverage tools developed by the IMF's Institute for Capacity Development for its technical assistance work and facilitate IMF-ICD courses as well as CARTAChosted regional seminars, thereby providing valuable training for officials in member countries. Current global and regional economic circumstances call for the program to have a strong emphasis on macro-fiscal forecasting, nowcasting and risk analysis-including risks relating to climate change, inflation, and rising interest rates—as well as support analysis of how macroeconomic shocks and fiscal policy decisions feed into medium-term debt dynamics. Delivery is expected to be primarily in-person, with some virtual engagements relating to generic regional training, and targeted

follow-ups on selected TA projects. The key elements of the work program are as follows:

- the development of macroeconomic frameworks to produce forecasts for an economy's real, fiscal, external, and monetary sectors, as well as risk and policy scenarios around a baseline projection;
- construction and use of tailored tools to assess medium-term debt dynamics, with an emphasis on how macroeconomic and fiscal shocks impact a country's fiscal sustainability;
- short-term macroeconomic forecasting (nowcasting), with an emphasis on building tools to facilitate in-year forecast updates of key variables (e.g., GDP; inflation);
- macro-fiscal forecasting, emphasizing the need for interlinkages between projections for economic activity and fiscal revenues, and transparent and welldocumented assumptions in cases where projections deviate from standard economic determinants. This will involve close integration with CARTAC's PFM workstream, and participation in missions relating to, for e.g., fiscal-risk, fiscal-rules,

medium-term fiscal framework (MTFF), and PEFA missions. The goal here is to support member country ministries of finance to develop forecasts and risk scenarios which can support their fiscal policy process;

 integration of policy analysis into public and internal economic and fiscal reports, with a focus on inputs to the budget process, fiscal risk statements, etc.

Numerous countries have made substantial progress in these areas under Phase V (as detailed in Section II), but periodic support to these countries will remain necessary to maintain capacity-development gains and build from the knowledge base established. Numerous additional member countries stand to benefit from 'new' technical support and have expressed interest in deepening their knowledge base through engagement with CARTAC's macroeconomics program under Phase VI.

EMERGING ISSUES

The Caribbean economy is emerging from its sharpest downturns in recent memory, which contributed to a marked increase in public debt, and heightened economic uncertainty, among many member countries. In coming years, these challenging circumstances will likely be exacerbated by rising interest rates, higher oil prices, and the potential for additional economic shocks, including those related to natural disasters and climate change. In this context, there has been a steady increase in demand by member countries for the Center's support in the areas of medium-term macroeconomic and fiscal forecasting, and the identification and quantification of risks around 'baseline' projections. Tools to support analysis in these areas will be critically important in informing appropriate and sustainable policy choices. The

construction of the appropriate tools (outlined above) to support these forecasts and risk analyses is already well underway in some countries (Anguilla, The Bahamas, Barbados, Curação, the ECCB, Jamaica, Sint Maarten, Suriname, and Turks and Caicos Islands) and will begin in others under Phase VI.

In all CARTAC member countries,

continued collaboration, support for

tool usage, and discussion of how these emerging global economic circumstances are impacting medium-term projections and risks is vital. Translating the insights obtained from tools developed via technical assistance into policy advice (in the form of both public and internal government documents) will also be an essential feature of the macroeconomics program under Phase VI, and one which is urgently needed given the complex global economic environment. Gains made during Phase V are expected to be consolidated in Phase VI through the formation of Caribbean regional 'user groups' for the key tools developed-most notably, the macro-

economic frameworks foundations tool

(MFT) and the public debt dynamics

tool (DDT).

To promote training and skill acquisition through hands-on experience, the regional internship program will be revived, after going on hiatus during the COVID-19 pandemic. Partnering with academic and policy institutions in the region, graduating student interns will be vetted, selected, and 'embedded' with host institutions during the summer months (June-August, subject to alignment with their academic calendars), with costs covered by CARTAC's macroeconomics program. This is an important way for graduating professionals to obtain real-world experience as macroeconomists, as demonstrated by the fact that numerous past CARTAC interns are now working at policy institutions in the region.

Capacity development on climate change and the macroeconomy will deepen the knowledge base in the region regarding how policies on mitigation, adaptation, and managing the transition to a low-carbon economy can best be managed. CD in this area will take its cues from IMF headquarters, as they work to develop a training and technical-assistance agenda in this area.

EXPECTED OUTCOMES

The macroeconomics program will focus on deepening skills in the areas of forecasting and policy analysis, developing different tools based on the needs and current capacity levels of counterpart institutions. When new requests for TA support are received, they will be addressed via preliminary 'scoping' meetings with country counterparts, which will assess the current state of capacity, and discuss how this relates to best practice in the area. In addition to being necessary for new projects, such assessments are needed with all countries on a periodic basis, as frequent staff turnover often erodes some past knowledge gains. Proper documentation of tools and processes, which is a focus of CARTAC CD support, can partly (though not fully) offset these knowledge losses by promoting continuity of tool usage and knowledge. A variety of tools will continue to be developed to support different aspects of the policy process, including:

 'Full' macroeconomic frameworks, focusing on all four sectors of the economy. These support the construction of baseline scenarios, and the consideration of risk analyses relating to macroeconomic shocks-including those emanating from climate change, or rising global inflation and interest rates—and (monetary/fiscal/other) policy changes;

- Tools to support near-term forecasting (nowcasting). By building tools which formalize relationships between highfrequency indicators (such as monthly data on tourist arrivals, or information from Google trends) and lower-frequency economic data (such as GDP), policy makers can be better informed about the current position of the economy;
- Frameworks for macro-fiscal forecasting, focusing on linking projections of economic activity and policy changes to projections of government revenues, and more hands-on work with ministry of finance counterparts to develop these projections and analyses. Elements of this capacity development area would be closely related to CARTAC's PFM workstream, with involvement of a
- macroeconomic advisor in selected PFM missions where their skills would be most useful; and
- Tools to examine a country's medium-term debt dynamics, and the implications of a variety of alternative shock scenarios-including related to climate change-for fiscal sustainability.

The log frame in Annex II presents all objectives and outcomes per country during Phase VI.

REAL SECTOR STATISTICS

GENERAL CONSIDERATIONS AND STRATEGIC OBJECTIVES

Real Sector Statistics are essential for evidence-based economic policymaking. Estimates of Gross Domestic Product provide information on the level of production and consumption within a national territory as well as on the changes in the volume of economic activity over time. They provide the government and other stakeholders with important inputs in their decision-making. The compilation of the estimates requires access to relevant data, typically from sample surveys and administrative sources, as well as the technical capacity to compile and analyze the core statistics. Price statistics, the other part of real sector statistics, are required to inform about inflationary developments, and are also used in the compilation of the real measures of economic activity.

The level of development of the statistical systems in the CARTAC member countries varies considerably. Larger countries are typically better staffed, allowing them to maintain operations when there are inevitable changes in personnel, while many small countries have very limited capacity and can struggle with the regular production of basic economic statistics. The support

provided by the Center has therefore needed to be flexible to cope with the different needs of the countries.

EMERGING ISSUES

During Phase VI, the focus will be to continue to improve the capacity of the economic statistics teams to leverage administrative data to a greater extent. This will be particularly relevant in relation to producing higher frequency indicators of economic activity and more frequent and timely estimates of GDP. The methodologies used for compiling national accounts estimates will be brought more closely in line with international standards, which will enable greater comparability of the statistics across the region and with the rest of the world. CD would also aim to: strengthen the statistical infrastructure using supply use tables and quality business registers; assist national accountants in measuring the digital and informal economy; and ensure that price statistics remain relevant and aligned to policy needs.

EXPECTED OUTCOMES

Regarding the measurement of estimates of real GDP, the Center will continue to promote and support the use of an expanded range of relevant

price indicators required in estimation.

A priority here will be the development of estimates of real GDP by components of expenditure (notably for the household and general government sectors). Use of supply use tables and quality business registers are also important for assuring better statistical coverage.

For price statistics, support will continue for improving the quality and timeliness of consumer price indices.

This will include sampling and estimation techniques, quality adjustment, and managing changes to the basket of goods being measured. In addition, CARTAC will continue to support an expansion to the range of price

statistics being complied to include producer price indices (for both goods and services), import and export price indices, and residential property price indices.

For both national accounts and price statistics emphasis will be given to ensuring that series are founded on robust and up to date estimates of base year levels. Some ground was lost during the pandemic on the data collections required for updating these base year levels and it will be important during the next phase to ensure that all countries in the region are able to update the relevant base years.

Across the board, work in national accounts and price statistics will continue to reflect the limited absorptive capacity of several national statistical offices. A key aspect here will be to provide support to harness information technology to improve data management and develop more efficient systems for compiling economic statistics. This will be particularly important to enable the typically small teams engaged in the production of economic statistics to make the most effective use of available technologies, including databases and the advanced foundationally available in the software systems used. The log frame in Annex II presents all objectives and outcomes per country during Phase VI.

EXTERNAL SECTOR STATISTICS

GENERAL CONSIDERATIONS

External sector statistics (ESS) are key elements of economic statistics and the external sustainability analysis. There are evolving challenges associated with these data due to the economic development and new analytical requirements. Globalization of trade and financial systems, the incorporation of offshore entities in the economies or the growing relevance of new production activities where public-private sharing agreements are in place impose new requirements for assessing their impact on the current and financial accounts of the balance of payments and the external assets and liabilities stocks of the economies.

The COVID 19 pandemic highlighted the importance of administrative data.

The pandemic showed that administrative data would be among the most accessible and relatively reliable data sources to ensure the continuity in the production of ESS during the onset of similar situations like the impact of climate-driven shocks. However, their accessibility requires data-sharing arrangements in place between compiling statistical institutions and central banks and other government

agencies as well as additional trained human resources to provide adequate validation processes.

STRATEGIC OBJECTIVES AND EXPECTED OUTCOMES

The ESS Work Program for Phase VI will continue to build capacity and support the improvement and adequacy of methodologies and compilation practices, focusing on addressing data gaps and promoting best practices to produce ESS in a timely manner. The work program will include:

- improving the timeliness of the balance of payments and the IIP;
- closing data gaps in the current and the financial accounts and further develop cross-border position data;
- developing external debt statistics;
- developing the Coordinated Direct Investment Survey (CDIS) and the Coordinated Portfolio Investment Survey (CPIS) where relevant;
- developing source data to compile the Special Purpose Entities (SPEs) Reporting Template. The proper

- identification and separately compilation of SPEs activities is relevant in CARTAC members with large offshore financial centers;
- developing quarterly balance of payments and IIP statistics; and
- disseminating the metadata for ESS.

TA missions will continue to be designed around the objectives and outcomes of the RBM catalog. TA will be tailored according to the progress on the recommendations provided with gradual assistance depending on the absorptive capacity of the countries. The log frame in Annex II presents all objectives and outcomes per country during Phase VI. The way forward on dissemination considered to date is:

- Aruba: further work with the Central Bank of Aruba on the dissemination of external debt, quarterly IIP and enhancement of CDIS and CPIS.
- The Bahamas: assistance to the Central Bank of The Bahamas on the dissemination of a first IIP and quarterly external debt statistics.
- Barbados: further assistance to the Central Bank of Barbados on the timely dissemination of balance of payments and IIP, external debt statistics and the SPEs data template.
- Belize: additional work with the Central Bank of Belize on the compilation of the IIP.
- Bermuda: additional work with the Department of Statistics on the coverage of the quarterly

- balance of payments and IIP to include nonfinancial international business companies (IBCs) with physical presence.
- British Virgin Islands: further assistance to the Central Statistics Office on the development of balance of payments statistics.
- Cayman Island: further work with the Economic and Statistics Office and the Cayman Islands Monetary Authority on the coverage of the balance of payments and IIP data to include data for the financial sector (including entities with no physical presence).
- Curação and Sint Maarten: assistance to the Central Bank of Curacao and Sint Maarten on the compilation of the SPEs data template.
- ECCU countries: assistance on the dissemination of external debt, CDIS, quarterly balance of payments and IIP. Due to the joint work program between the ECCB and the ECCU national statistical offices, CARTAC missions will continue being scheduled right after the ECCB missions to ECCU countries for data collection and compilation with the objective of benefiting members of all the working teams in the most efficient way possible.
- Guyana: further work with the Bank of Guyana on the consistency between BPM6-based annual balance of payments and IIP and domestic presentations, data collection and compilation issues for

- the relevant oil sector will be further addressed and quarterly external debt statistics.
- Haiti: further work with the Central Bank of Haiti on the dissemination of the BPM6-based quarterly balance of payments and IIP statistics and quarterly external debt statistics.
- Jamaica: additional work with the Bank of Jamaica on the dissemination of the external debt and the CDIS.
- Suriname: further work with the Central Bank of Suriname on the inclusion of the data of offshore exploration companies in the balance of payments and IIP.
- Trinidad and Tobago: further work with the Central Bank of Trinidad and Tobago on data collection and compilation issues for the relevant oil sector.
- Turks and Caicos: additional work with the Department of Statistics on the timely dissemination of the balance of payments and IIP.

Basic and specific training options and modalities will be offered to member countries. Basic training on ESS will be designed for new staff through seminars that include concepts and statistical techniques as well as workshop style training and practical experience. Specific trainings according to the progress on dissemination will be offered as well capacity development to compile high frequency data and to expand sectoral coverage, granularity, and counterpart data.



TRAINING AND OTHER REGIONAL ACTIVITIES ON EMERGING ISSUES

GENERAL CONSIDERATIONS AND STRATEGIC OBJECTIVES

At CARTAC, there is a close integration between training and TA support. Training provides the basic knowledge on which technical assistance can build. Technical assistance follows up on learning gains achieved through training to enable country officials to implement new approaches and techniques learned in training into their work. In addition, workshops and courses play important roles in fostering peer-to-peer sharing of experiences and challenges, and such events often generate interest by member countries for reform initiatives, which often gives rise to requests for follow-on bilateral TA support.

Training topics and workshop themes are tailored to regional needs, while also covering emerging issues of importance, benefiting from the IMF's unique global macroeconomic coverage and mandate. They range from providing regional policy makers with the latest global developments and innovations in policy and research methods across workstreams (more on this below), to building and reinforcing fundamental capacity in technical areas such as compilation of statistics, managing taxpayer compliance,

enhancing fiscal transparency, supervising the financial system to international standards, and macroeconomic and fiscal forecasting and risk analysis.

The Center will continue to encourage member country participants to participate in IMF ICD courses.

Offerings include self-paced virtual courses, regionally tailored courses offered in partnership with CARTAC, as well as application to in-person courses provided at IMF HQ. The successful collaborative efforts with ICD, whose course programs and materials draw from relevant country case studies, have been well received. Enhanced integration of training and technical assistance is expected to be a key characteristic of the expanded Macroeconomics program at CARTAC.

EMERGING ISSUES

Climate change and disaster resilience, the impact of fast-moving technology developments (Fintech, Govtech, 'big data', digitalization, digital currencies, crypto currencies, cyber security, ...), gender, inclusive growth, and post-pandemic issues of macro-critical importance to the region such as tourism-dependence and increased fiscal risks will be featured in the

Center's training. These topics will be covered by drawing upon the support and expertise of all of IMF's Capacity Development Departments (CDDs), i.e., the Fiscal Affairs Department, the Information and Technology Department, the Institute for Capacity Development, the Legal Department, the Monetary and Capital Markets Department, and the Statistics Department. The Center will use the new ICD course on Macroeconomics of Climate Change, scheduled for March 2023.

A regional virtual conference on **Central Bank Digital Currencies** (CBDC) in May 2022 was well-received

and provides a preview of the sorts of events which will be offered during Phase VI covering topics of emerging importance. The conference provided an opportunity for countries to exchange knowledge and experiences, as well as practical lessons learned from early innovators such as the Central Bank of The Bahamas, the Central Bank of Jamaica, the ECCB, and the Central Bank of Nigeria.

Virtual regional training will continue, and in-person regional training will resume. Virtual training has been a very successful and cost-effective delivery modality during the COVID-19 pandemic. Virtual delivery innovations

have enhanced the learning experience by making it possible to include more presenters and participants from anywhere in the world. Participants in virtual training events have appreciated the flexibility offered by this modality. In-person regional training will be gradually resumed to allow more opportunities for peer-to-peer exchanges of experiences and best practices and facilitate the formation of community of practices among member countries' officials.

SECTION V

GOVERNANCE, RISKS AND RISK MANAGEMENT, OPERATIONS, FINANCIAL MANAGEMENT, AND FINANCIAL NEEDS



GOVERNANCE

A Steering Committee composed of representatives of member countries, development partners, and the IMF provides strategic guidance to the Center.¹³ This composition helps promote member country ownership and development partner involvement and strengthens the Center's accountability. One of the key functions of the Steering Committee (SC) is to ensure that the CD provided by the Center is well coordinated with CD delivered by other providers and well-integrated with IMF lending and surveillance activities. The SC meets every six months. It sets the priorities of the Center, endorses workplans and annual budgets, steers the mid-term independent review, monitors the implementation of its recommendations, provides feedback on CD, and provides a platform to share best practices and maximize the results of the CD recommendations of the Center. The SC also invites other stakeholders, including regional and international organizations and prospective donors, to attend its meetings as observers. Before the pandemic, the SC met twice a year in-person. Given the benefits of SC virtual meetings observed during the pandemic, such as the increased attendance of member countries and

the easiness for potential new donors, observers, and IMF Headquarter-based staff to attend, it is expected that the SC will continue to virtually meet at least once a year during Phase VI and that hybrid meetings, allowing both in-person and virtual participation, will be tested too.

The Center director is responsible for the administration of the Center, with strategic guidance from the SC and general oversight from the IMF. This entails managing day-to-day administrative, travel, budget, reporting, procurement, and accounting operations. In consultation with the SC, the IMF Western Hemisphere Department (WHD), and the IMF Capacity Development Departments (CDDs), the director leads the preparation of the workplan and budgets and monitors their implementation. The director is in regular contact with country authorities, relevant regional organizations, development partners, and other CD providers in the region to keep them fully informed of the Center' activities and to facilitate coordination.

The CDDs are responsible for the TA and training delivered by CARTAC.

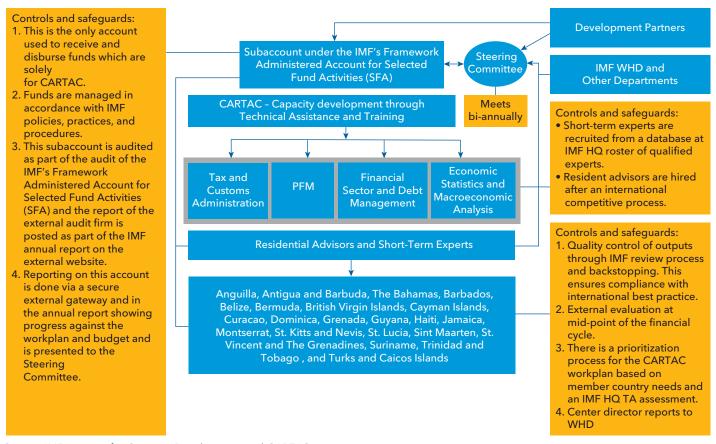
At CARTAC, the CDDs are the Fiscal Affairs Department (FAD), the Institute for Capacity Development (ICD), the Legal Department (LEG), the Monetary and Capital Markets

Department (MCM), and the Statistics Department (STA). Working in conjunction with the director and resident advisors, they hire the resident advisors, design, approve, and direct the CD programs delivered by the resident advisors and short-term experts, and provide quality control, monitoring, backstopping, and supervision. They lead the drafting of the sectoral workplans and supervise the technical content of the work program.

Financial controls and safeguards, technology and quality control are all done at IMF Headquarters, while work program implementation risks are managed at the level of the Center (Figure 18). CARTAC is governed by, and administered in accordance with, the provisions of the IMF's Framework Administered Account for Selected Fund Activities (the "SFA Instrument"), the Essential Terms and Conditions for the administration of the CARTAC subaccount, and the CARTAC program document. The Center is further guided by, and follows the policies, principles, and procedures outlined in, the IMF's Regional Technical Assistance Centers' (RTAC) Handbook (updated in 2022) that sets aspects of governance, program management, fundraising, communication, human resource issues, administration, finance, and evaluation.

¹³ The <u>current members of CARTAC Steering</u>
<u>Committee</u> are listed on CARTAC website.

FIGURE 19. CARTAC GOVERNANCE



Source: IMF Institute for Capacity Development and CARTAC.

SECTION V

B

RISKS AND RISK MANAGEMENT

Potential risks for the implementation of CARTAC Phase VI Program are:

- Travel restrictions. The projected sharp ramp up in in-person CD delivery is vulnerable to potential travel restrictions, including in the event of new waves of the pandemic. This can also compromise the mobilization of short-term experts and new resident advisors.
- Economic and political risks.
 Economic shocks, including the impact of the ongoing monetary and financial tightening in advanced countries, can lead to increased
 CD demand and/or changes in CD priorities. Social unrest and political instability could lead to higher turnover of senior policymakers, limiting the countries' ability to own and implement reforms and
 CD recommendations.
- Financing risks. While CARTAC
 has benefited from its steadfast
 partnership with its development
 partners and member countries
 over the past 21 years new demands
 on development partners' funding
 and the deterioration of the world
 economic outlook may pose
 challenges for raising the financing
 for Phase VI.

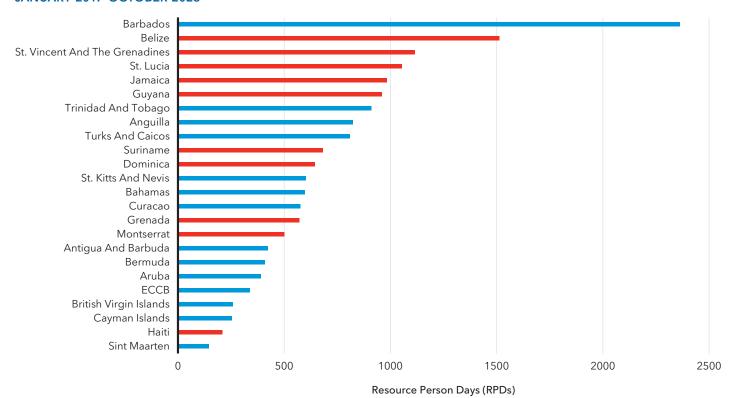
 Implementation risks. Lack of absorption capacity, high staff turnover, mixed implementation track-record, and insufficient buy-in of CD recommendations in some countries.

Mitigating factors will be:

- Virtual CD delivery. If new travel restrictions prevent in-person CD delivery, the Center will build on its success during the pandemic to continue virtually delivering CD.
- Continuous dialogue. Continuous dialogue between member countries, CARTAC resident advisors, WHD country teams, IMF CDDs, and development partners will be used to quickly identify changes in CD demand, prioritize, allocate, and deploy resources, accordingly, adapt CD delivery to countries' absorption capacity, and address political economy considerations that may hamper the traction of the Center's CD recommendations.
- Flexibility. Some added flexibility
 in the provision of CD (e.g., by
 hiring short-term experts [STXs]
 on underserved topics such as
 expenditure policy or new ones such
 as digital money) could facilitate

- quicker responses to changes in CD demand. In this regard, significant unallocated resources in Phase VI proposed budget will provide some budget flexibility to respond to new or changed demands.
- Coordinated efforts to promote traction. Coordinated efforts by SC members, development partners, resident advisors, IMF WHD country teams, IMF CDDs, and other CD providers, can help enhance the impact of CD activities. In addition to TA reports, the Center will produce other kind of documents to address the challenges posed by high staff turnover in recipient countries, such as procedures' manual or technical notes highlighting good practices in member countries uncovered through the Center's or the IMF's CD. The Center will also continue to mitigate implementation risk through a programmatic approach to planning, careful selection of the most relevant topics, flexibility in mission timing and delivery modalities, and sustained engagement between missions.
- Special efforts toward ODA-eligible countries. During Phase V, CARTAC has delivered 51 percent of its

FIGURE 20. CARTAC CD DELIVERY TO ODA (RED) AND NON-ODA (BLUE) ELIGIBLE COUNTRIES, JANUARY 2017-OCTOBER 2023



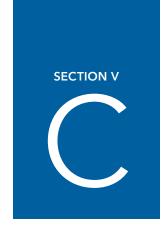
Source: CARTAC.

CD measured in RPDs to the 10, or 43 percent, of its 23 member countries that are eligible for official development assistance (ODA, Figure 20).14 The Centre will stay in constant dialogue with its ODA-eligible member countries to understand why some members request less CD than others to make sure that every ODA-eligible member country uses CARTAC to the fullest of its administrative capacity.

 Coordinated efforts to raise financing. IMF senior management engagement with existing and new development partners and member countries will play an important

role in support of fundraising. SC members will also have an important role to play to highlight the role of the Center's CD in building more resilient government economic and financial institutions in the Caribbean region with development partners, heads of government, and their public opinion.

¹⁴ Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, Saint Vincent and the Grenadines, and Suriname.



OPERATIONS

DIRECTOR

The director maintains close contacts with all stakeholders of the Center.

The director is a staff member of WHD. The director is selected by WHD, reports to WHD, and ensures that the work of the Center is consistent with the overall strategy of WHD and the IMF. The director maintains continuous contact with the SC members, development partners, WHD, and CDDs to identify broad strategic priorities and emerging issues and country needs.

STAFF

The Center staff comprises resident advisors with international and local experience in each of the relevant TA areas and support staff. CDDs, in consultation with the Center director, select and hire the resident advisors through external international advertising, providing them with the substantive support and backstopping required to ensure quality and consistency in their advice and activities. The Center has maintained a pool of resident advisors with knowledge of the local conditions, with 11, or 41 percent, from the region during Phase V. CDDs are also responsible for hiring STX for peripatetic assignments, who are backstopped by the resident advisors. Efforts to identify suitably

experienced and qualified experts from member countries in the Caribbean are encouraged to facilitate a pipeline of regional experts for the expert roster and to enhance CARTAC effectiveness. Support staff is selected and managed by WHD and the Center director, who is responsible for all Human Resources (HR) issues. All selections and other HR decisions are in accordance with IMF HR policies and procedures.

WORKPLAN

The director leads the implementation of the annual workplan, in consultation with member countries and within the context of the IMF's TA prioritization processes, managed against the WHD Regional Strategy Note (RSN) and broader IMF CD resource allocation. This process considers the macroeconomic circumstances and priorities of each beneficiary country and their reform needs. The WHD country teams and resident advisors maintain a continuous dialogue with member countries to provide the basis to identify the key CD needs and priorities and to formulate detailed country CD programs. This ensures that CD activities are fully integrated with country reform agendas. The development of the annual workplan is also coordinated with the

broader budget cycle and resource allocation processes of the IMF to ensure timely and predictable delivery of CD.

The workplan consists of the TA programs for member countries, in-country training, and regional workshops and seminars. The Center director seeks strategic guidance from SC members on the workplan including by asking them to send their requests for TA needs, prior to seeking their formal endorsement. At each SC meeting, the Center director delivers a report on the progress of the activities outlined in the workplan and lays out, in consultation with the chairperson of the SC, any strategic issues for the SC to consider.

The delivery of CD is carefully coordinated with other IMF multi-partner vehicles and other CD providers.

These include CARTAC activities are closely coordinated and integrated with other IMF delivered CD whether internally or externally financed, such as the thematic trust fund on antimoney laundering and countering the financing of terrorism (AML-CFT TTF) that finances the posting of the Legal Department's AML/CFT regional adviser for the Western Hemisphere at CARTAC's office. Collaboration with

other CD providers is accommodated to provide complementarity and synergies with the activities of the Center.

INTEGRATION OF CARTAC CD WITH IMF SURVEILLANCE AND **PROGRAM PRIORITIES**

CARTAC workplans are demanddriven and reflect the surveillance or program priorities that are identified by WHD country teams. WHD country teams and CARTAC resident advisors identify CD priorities arising from their respective interactions with member countries. To foster the integration of CARTAC CD with the IMF program and surveillance priorities, the resident advisors and all the relevant WHD country teams meet each December to compare notes on the countries' priority needs and reach agreement on CARTAC work plan for the next fiscal year. In addition, WHD program country teams and CARTAC resident advisors debrief each other on each program mission, which tend to happen at least every six-months. WHD surveillance country teams and resident advisors also meet in-between the December meetings as needed.

COORDINATION WITH DEVELOPMENT PARTNERS AND OTHER CD PROVIDERS

Close coordination and consultation with all development partners and CD providers will continue during Phase VI. The development partners will continue to play a pivotal role in the Center's contribution to CD in the region. They work with the Center to ensure that its priorities are aligned to support the broad objective of economic growth, poverty reduction, and climate resilience in the Caribbean. They participate in the semi-annual Center's SC meetings when they review its work program and results and endorse the work plans and budgets. They provide feedback on strategic CD issues such as strengthening collaboration with CD recipients

and improving RBM. The Center will continue to engage with them on a regular basis to discuss topical issues such as climate resilience, incorporating gender equality in CD, financial innovation, and digitalization. CARTAC is a member of the UN-hosted Eastern Caribbean Development Partners Group. This group includes all active UN agencies, the World Bank, the Interamerican Development Bank, the Caribbean Development Bank, Canada, the United Kingdom, the European Union, the United Sates, and various embassy representatives.

ACCOUNTABILITY

CARTAC operations are designed and operated to ensure that CD is delivered in a manner that is responsive and accountable to the recipient countries and development partners. CARTAC maintains the high-quality standards that are expected of IMF CD. The IMF's CD dissemination policy¹⁵ on sharing TA reports further supports accountability and facilitates coordination. Under the policy, TA reports may be shared with the SC and IMF Board members with consent of the TA recipient on a no-objection basis, and on the understanding that such information shall be kept confidential. Sharing of TA reports with other institutions will be determined on a case-by-case basis based on whether the institution in question has a legitimate interest in the TA report in question, for example through its engagement in related activities in the recipient country. TA reports may additionally be published with the explicit consent of the TA recipient, which is encouraged to maximize transparency. High-level summaries of strategic CD output will be made available to the public unless the authorities who received the CD expressly object. The dissemination

The frequent interactions of country authorities with the IMF constitute a feedback loop to check that CARTAC CD provision is aligned with countries' needs. The inputs of beneficiary countries are sought at various stages of the planning and operations of CARTAC. The countries' CD needs are discussed during WHD surveillance and program missions, CDDs and CARTAC diagnostic missions, meetings between country authorities and CDDs on the sidelines of the IMF/World Bank Spring and Annual Meetings in Washington, DC, and through the input and oversight of CARTAC's SC at its semi-annual meetings. Alle these interactions constitute a feedback loop between member countries, CARTAC, and the WHD country teams to regularly check the Center's CD provision is in line with the countries' priority CD needs.

The semi-annual SC meetings provide an additional forum for accountability.

Member countries can provide immediate feedback and recommendations on CD delivery and value. All SC members receive the information that allows them to exercise oversight and guide CARTAC's work well ahead of the semi-annual meetings.

VISIBILITY OF CARTAC AND ITS DEVELOPMENT PARTNERS

The Center's director leads the planning and execution of outreach activities of the Center in collaboration with WHD, ICD, the IMF Communications Department, development partners and member countries to communicate how CARTAC helps countries to meet their Sustainable Development Goals (SDGs) and build resilience to climate risks.

The Center's outreach has substantially increased in Phase V to highlight the impact CARTAC activities on capacity building in the Caribbean region

policy also covers country specific RBM data, which can be shared with the countries' consent.

¹⁵ See <u>IMF Staff Guidance on the</u> Dissemination of CD Information.

in collaboration with development partners and member countries. The most notable communication activity during Phase V happened on June 16, 2022, when the IMF Managing Director marked the occasion of CARTAC's 20th anniversary with her participation in Barbados in a high-level panel discussion with Barbados' Prime Minister Mia Amor Mottley, Canada's Minister for International Development, Harjit Sajjan, and ECCB Governor and Chairperson of CARTAC's Steering Committee Timothy Antoine. This panel discussion confirmed CARTAC's continued relevance to help countries meet their SDGs and bolster their resilience to climate risks.

The following tools will continue to be leveraged to ensure the visibility of CARTACs work during Phase VI:

- CARTAC website. It features the program documents, annual reports, quarterly newsletters, sector workplans, independent evaluations, and upcoming events. All development partners and member countries are acknowledged on the home page.
- The quarterly newsletter. It is disseminated via email to all members and partners and is available on the website. The Center uses this publication to share updates with

- stakeholders on technical assistance and training activities as well as to highlight key upcoming events. The newsletter was revamped in FY2022 to provide a more user-friendly digital experience.
- The annual report. The annual report is disseminated via email to all members and development partners and posted on the website. Since FY2021, it features at least one success story with tangible results for each of the work programs of the Center that reflect the shared priorities of the member countries, development partners, and the IMF.
- Social Media. The Center maintains. a Facebook account which provides brief highlights of TA missions, training, and meeting with development partners. CARTACrelated content is also shared regularly with posts from CARTAC cross-promoted via IMF HQ-led accounts such as the Twitter and Facebook accounts of IMF Institute for Capacity Development for greater outreach. A strategic plan for Phase VI will be developed with the IMF Communications Department to take greater advantage of the social media platforms to enhance communications and outreach.
- Standardized logo. To ensure partner visibility, CARTAC uses a standardized logo string throughout all communication materials - from CARTAC's letterhead, standardized templates for power point presentations, published reports, as well as the certificates of completion for workshop and course participants. As the Center has transitioned to a virtual working environment, it has continued highlighting the presence and support of its partners via the online platforms with virtual meeting backgrounds featuring the flags/logos of its members and partners.
- IMF-wide platforms. CARTAC also leverages IMF-wide platforms such as the IMF Weekend Read, one of the main newsletters of the IMF, which has featured stories related to CARTAC (e.g., May 21, 2021, on CARTAC's TA on green budgeting). CARTAC stories are also featured in the IMF ICD publications.

CARTAC works closely with IMF HQ Creative Department to ensure the highest quality of all outreach materials.

SECTION V

FINANCIAL MANAGEMENT

Contributions from development partners and recipient countries will be made into the CARTAC Subaccount established under the Instrument for the Framework Administered Account for Selected Fund Activities (the "SFA Framework Instrument"). This Subaccount will be used to receive and disburse financial contributions for the Center's activities. All resources contributed to the Subaccount will be for the sole use of CARTAC. The IMF provides development partners and member countries with reports on the Subaccount's expenditures, liquidity and commitments through a secure external gateway (PartnersConnect). Financial reporting on the execution of the Center's budget will be provided at each SC meeting. Costs will be on an actual basis.

Letters of Understanding will form the basis for the financial arrangements between the IMF, member countries, and donors. These will establish the purposes of the contributions related to this Program Document and will state that the activities financed under the Subaccount will be governed by the terms and conditions of the Subaccount and that the administration of resources will be governed by the SFA Framework Instrument.

The operations and transactions conducted through the Subaccount during the financial year of the IMF will be audited as part of the IMF's Framework Administered Account for Selected Fund Activities (SFA). CARTAC is also subject to audits by the IMF's internal audit office and complies with IMF procurement practices and other applicable IMF policies, practices, and procedures.

SECTION V

FINANCIAL NEEDS

The Phase VI budget envelope is proposed to be US\$76 million

(Table 1). The increase of the Phase VI budget compared to Phase V stems from the addition of a second macroeconomic advisor and the inclusion of the debt management advisor, who joined the Center during the second half of Phase V, for the full length of Phase VI. The budget also takes the impact of inflation that is expected to be compensated by the efficiency gains of moving to virtual delivery for part of the CD, considering the lasting efficiency gains learned from two years of full virtual delivery during the pandemic. The budget includes a strategic reserve of US\$1.5 million for unanticipated needs.

To strengthen the financial sustainability of the Centre, it is proposed to increase the share of member countries in the funding of the Center from 23 percent in Phase V to 30 percent in Phase VI and intensify all efforts to increase funding from existing development partners as well as source funding from new development partners. If we kept the shares of the different stakeholders unchanged in Phase VI, the budget would be mostly financed by development partners (US\$54 million, or 71 percent) and member countries

(US\$17 million, or 23 percent), including the in-kind contribution of the host country Barbados with office space (US\$1 million). The balance would be financed by the IMF (US\$5 million, or 6 percent). In Phase V, the member countries' contribution to the Center's budget was the highest among a select group of IMF regional capacity development centers (RCDCs), reflecting the relatively high-income level of the Center's member countries compared to those of other IMF RCDCs (Figure 21). Nevertheless, to strengthen the financial sustainability of the Center at a time when competing calls are made on official development assistance, it is proposed to increase the overall share of member countries' contribution to about 30 percent of the total financing needs of Phase VI, or US\$23 million, with development partners financing US\$48 million, or 62 percent, and the IMF still financing US\$5 million.

To ensure financial sustainability and liquidity in the first operating years, the Center will strengthen outreach to existing development partners and work to broaden the partner base. To unlock development partner financing that is earmarked to specific themes, development partner outreach will be pegged to themes like climate

TABLE 1. CARTAC: PHASE VI INDICATIVE BUDGET

(in USD)

Wed Berry	Phase V	Phase VI
Work Programs	Working Budget	Program Document
Public Financial Management	9,648,109	10,351,586
Tax Administration	9,289,296	10,220,296
Macroeconomics Program ²	3,868,505	8,041,639
Financial Sector Supervision and Regulation	5,814,136	6,050,512
Financial Sector Stability	4,997,181	5,330,883
Real Sector Statistics	5,090,077	5,161,046
Customs Administration	4,791,383	5,148,951
Debt Management ¹	1,459,412	4,030,378
External Sector Statistics	3,360,879	3,727,052
Administration	3,289,894	3,427,229
Strategic Budget Reserve	239,956	1,500,000
Training	963,039	1,097,751
Financial and Fiscal Law	729,935	788,330
Governance and Evaluation	354,293	390,128
Sub Total	53,896,095	65,265,781
Trust Fund Management	3,772,727	4,568,605
Total (IMF 02)	57,668,822	69,834,386
IMF Expenses (IMF01)	4,352,430	4,736,631
Host Country In-kind	1,067,177	1,152,551
Total	63,088,429	75,723,568

Source: ICD GP

resilience, gender equality, and debt that are shared priorities member countries, development partners, and the IMF. Securing continued support from major development partners is a key priority and fundraising efforts will focus on existing and new development partners.

The proposed budget for Phase VI will further strive to strike the delicate balance of keeping CARTAC operations cost-effective, and achieving results on the ground, while maximizing value for money. The Center will continue to seize every opportunity to reduce the costs of its operations by integrating lessons learned from virtual CD delivery during the

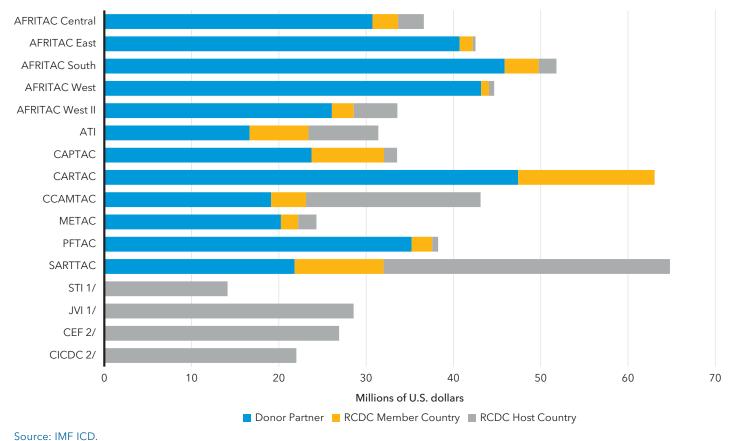
COVID pandemic, such as holding regional conferences and missions virtually when deemed applicable and feasible. These opportunities will be documented throughout the various workstream workplans. Recognizing the demand-led nature of CARTAC, the IMF, development partners and member countries will continue to look for ways to improve financial sustainability of the program model and to explore contingency measures, if budget adjustments are required. Options to address contingencies (short term) and to improve financial sustainability of the model (medium-long term) that could be explored further include reducing the number of short-term experts hired to complement the delivery of the Center's resident advisors, increasing the share of CD delivered virtually as was done during the COVID pandemic, or re-prioritizing the work program presented in this program document in close consultation with all the Center's stakeholders.

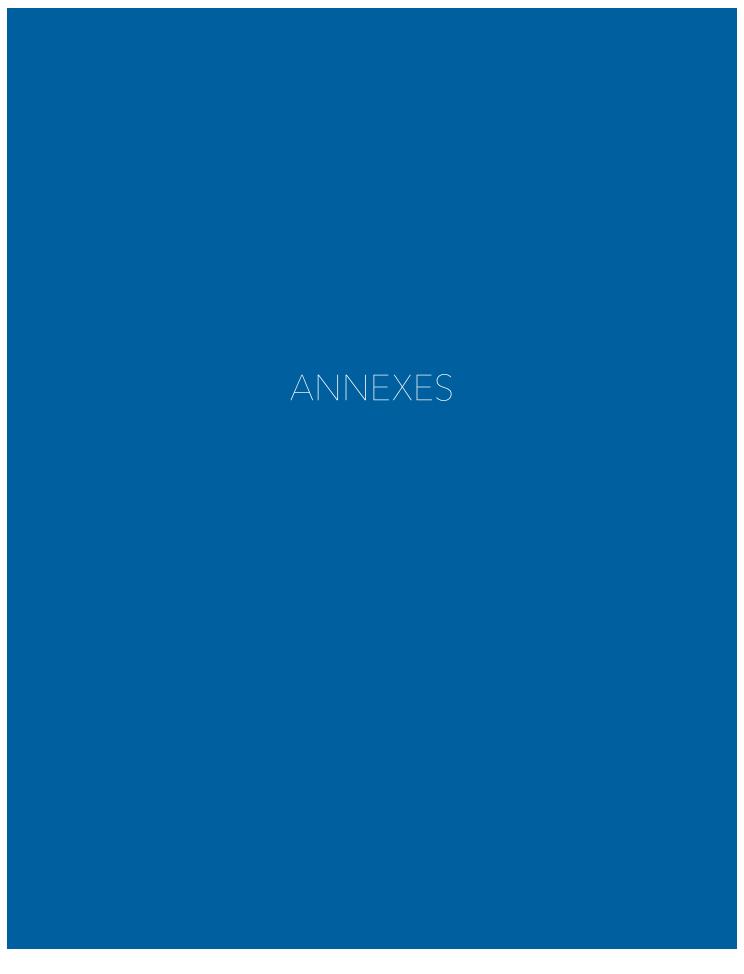
CARTAC will also continue to prioritize the implementation of any recommendations or innovations that emanate from the IMF's Capacity Development Strategy Review, or any other related IMF institutional changes, which relate to the funding model for all externally financed vehicles.

¹ Started in October 2020. Planned for 5 years in Phase VI.

² Phase VI budget is for 2 Macroeconomic advisors.

FIGURE 21. IMF SELECT RCDCS' AND AFRICAN TRAINING INSTITUTE' RECEIVED CONTRIBUTIONS BY FUNDING **SOURCE, CURRENT PHASES**





ANNEX I: ACTION PLAN IN RESPONSE TO PHASE V MID-TERM INDEPENDENT EVALUATION

Recommendation	Status (2022)	Comments	Owners
Recommendation 1: Strengthen the results-based orientation of assistance.	Ongoing	In April 2022, CARTAC shared all the detailed projects RBM log frames of the current phase (January 2017-October 2022), including the ratings of all outcomes, to all member countries Steering Committee members to strengthen the dialogue on the results of CARTAC CD. When implementing an activity, resident advisors discuss the project log frame with the authorities, including the ratings on the expected outcomes and what needs to be done to improve the ratings.	CARTAC ICD CDDs WHD
Recommendation 2: Strengthen the use of medium-term country strategies that include identification and mitigation of exogenous risks.	Ongoing	Integration of IMF capacity development, surveillance, and program work, with WHD country teams leading the development of Capacity Development (CD) country strategies. Annual workplan discussions between CARTAC and WHD country teams assist with CD prioritization and identifying risks and risk mitigation measures. Continuous contacts between CARTAC and WHD country teams in between annual work plan discussions.	CARTAC
Recommendation 3: Strengthen financial efficiency and improve outcome reporting to maintain donor partner contributions.	Ongoing	Efficiency gains observed during FY2022 as most CD was delivered virtually. CARTAC and IMF will continue to assess effectiveness of virtual vs in-person CD delivery with a view to make savings while maintaining CD effectiveness. CARTAC now presents all RBM results on an outcome basis and highlights success stories for all work programs in the annual report.	CARTAC ICD CDDs
Recommendation 4: Strengthen engagement with authorities during implementation process.	Ongoing	CARTAC resident advisors periodically check in with implementation authorities. IMF country teams discuss implementation challenges with authorities during Article IV consultations, staff visits or program negotiation or review missions. Country authorities meet with IMF functional departments and country teams to discuss CD implementation challenges during the IMF/WB Spring and Annual meetings.	CARTAC WHD
Recommendation 5: Enhance Steering Committee effectiveness.	Ongoing	CARTAC shared the country RBM log frames in April 2022 with all members Steering Committee representative. That way the SC is kept abreast with project progress. CARTAC also surveyed SC members about CD needs for the next phase. The semi-annual meetings of the Steering Committee also include presentations from senior civil servants on selected CD topics to learn from peer-to-peer exchanges how to make the best use of CARTAC CD.	CARTAC
Recommendation 6: Develop and implement an explicit policy to develop a cadre of regional experts through student internships in partnership with UWI, inter-island professional placements, and/or Centers of Excellence.	Ongoing	IMF CDDs continue to develop rosters of short-term and long-term experts from all over the world including the Caribbean islands to implement CD in CARTAC member countries. CARTAC internship program was put on pause during the COVID pandemic and should resume in FY2024.	CARTAC CDDs
Recommendation 7: Enhance coordination with other development partners	Ongoing	Development partners participate in CARTAC semi-annual Steering Committee meetings. CARTAC also has periodic meetings with development partners on areas of mutual interest. The workplan and annual reports are shared widely with all partners.	CARTAC

Recommendation	Status (2022)	Comments	Owners
Recommendation 8: Mainstream gender, climate change, and financial inclusion in programming.	Ongoing	The IMF RBM catalog has been revised to include outcomes on climate and gender in some work programs. All work programs are making strides to insert gender- and climate-related components in their activities as the IMF develops new tools in these areas.	CARTAC ICD CDDs

CARTAC: Caribbean Technical Assistance Centre; CDDs: IMF Capacity Development Departments, i.e., the Fiscal Affairs Department, the Institute for Capacity Development, the Legal Department, the Monetary and Capital Markets Department, and the Statistics Department; ICD: IMF Institute for Capacity Development, WHD: IMF Western Hemisphere Department.

Source: CARTAC.

ANNEX II: SECTORAL LOGICAL FRAMEWORKS (LOG FRAMES) PER COUNTRY FOR PHASE VI

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Caribbean Central Bank	Grenada	Guyana	Hait	Jamaica Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
Strengthened core	A larger proportion of	1) Management of filing compliance	•	•	•	•	•	•	•	•		•	•	•	•	•		• •	•	•	•	•	•	•	•
tax administration functions (SDG	taxpayers meet their filing obligations as	improved (TADAT 2019 POA4-13)																							
17.1) - TAD	required by law	2) On-time filing ratio improved (TADAT 2015 POA4-10/TADAT 2019 POA4-12)																							
	A larger proportion of taxpayers meet their payment obligations as required by law	1) Management of refunds improved (TADAT 2015 POA8-24/TADAT 2019 POA8-28) 2) Management of tax arrears	•	•	•	•	•	•	•	•		•	•	•	•	•		•	•	•	•	•	•	•	•
		improved (TADAT 2015 POA5-15/ TADAT 2019 POA5-18) 3) On-time payment ratio improved (TADAT 2015 POA5-14/TADAT 2019 POA5-17)																							
	Audit and other verification programs more effectively ensure accuracy of reporting	1) Appropriate range of tax audits and other initiatives used to detect and deter inaccurate reporting and fraud (TADAT 2015 POA6-16/TADAT 2019 POA6-19)	•	•	•	•	•	•	•	•		•	•	•	•		•	•	•	•	•	•	•	•	•
		2) Automated cross-checking used to verify return information (TADAT 2015 POA6-16/TADAT 2019 POA6-20) 3) Sound methodologies used to monitor the extent of inaccurate reporting and tax gaps (TADAT 2015 POA6-18/TADAT 2019 POA6-22, RA-GAP results)																							

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Caribbean Central Bank	Grenada	Guyana	Haiti -	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
	Taxpayer services initiatives to support voluntary compliance are strengthened	1) Scope, currency, and accessibility of information for taxpayers improved (TADAT POA3-7) 2) Taxpayer perceptions of service monitored and improved (TADAT POA3-9) 3) Promote gender equality in compliance management through tailored taxpayer education programs (TADAT POA 3-8)	•	•	•	•	•	•	•	•		•	•	•		•						•	•	•	•	•
	The integrity of the taxpayer base and ledger is strengthened	1) Knowledge of taxpayer base and potential taxpayers improved through robust taxpayer registration policies and procedures (TADAT POA1-2) 2) More accurate and reliable taxpayer information held in centralized database (TADAT POA1-1)	•	•	•	•	•	•	•	•		•	•	•		•					•	•	•	•	•	•
Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM	Authorities have a baseline understanding of the current state of the government's revenue administration, management, and governance arrangements and core revenue administration operations	Procedures for internal and/or external review of revenue administration management, governance, and operations are established to produce baselines and identify opportunities for improvement	•	•	•	•	•	•	•	•		•	•	•		•						•	•	•	•	•

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Castern Caribbean Central bank	Guvana	Haiti	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
	Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	1) Key performance indicators established, regularly reported and monitored 2) Reform management capacity strengthened or in place for reform implementation, including dedicated resources 3) Strategic and operational plans prepared and adopted 4) Multi-year reform implementation plan, with supporting resource plan, adopted and well communicated	•	•	•	•	•	•	•	•		•				•	•	•	•	•	•	•	•	•	•
	Corporate priorities are better managed through effective risk management	1) Better identification, assessment and mitigation of institutional risks including strengthening tax administrations climate resilience through supporting modern IT infrastructure and business continuity and disaster preparedness plans (TADAT POA2-6) 2) Better mitigation of risks through a compliance improvement program TADAT POA2-4) 3) Improved identification, assessment, ranking and quantification of compliance risks (TADAT POA2-3) 4) Improved monitoring and evaluation of compliance risk mitigation activities (TADAT POA2-5)	•	•	•	•			•	•		•					•					•	•	•	•

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Caribbean Central Bank	Grenada	Guyana	Haiti	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
	More independent, accessible, effective, and timely dispute resolution mechanisms adopted	Existence of an independent, workable, and graduated dispute resolution process. (TADAT 2015 POA7-19/TADAT 2019 POA7-23)	•	•	•	•	•	•	•	•		•	•	•	•		•	•	•	•	•	•	•		•	•
	Organizational arrangements enable more effective delivery of strategy and reforms	1) Appropriate institutional settings in place 2) Clear organizational structure along functional lines and/or taxpayer segments established and operating or strengthened 3) Clear separation of roles and responsibilities between HQ (definition of standard operation procedures, planning and monitoring) and local branches (execution) adopted	•	•	•	•	•		•	•		•	•	•			•				•	•	•	•	•	•
	Support functions enable more effective delivery of strategy and reforms	1) Improved human resources strategies and practices to support the tax administration (TADAT 2019 POA2-7) 2) Improved ICT strategies and systems to support the tax administration 3) Support functions and policies strengthened or in place, including infrastructure, finance, legal, research, and communications	•	•	•	•	•	•	•	•		•	•							•	•	•	•	•	•	•

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Caribbean Central Bank	Grenada	Guyana	Haiti	M) 2++0 / 2 / 2 / 2 / 2 / 2 / 2 / 2 / 2 / 2 /	St Kitts and Nevis	Saint Linia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
	Tax and/or customs laws are updated, simplified, and better aligned with modern standards and international protocols	Substantive provisions of the tax and customs laws are better aligned with modern standards and/or protocols, and are widely communicated, and applied	•	•	•	•	•	•	•	•		•	•	•					•	•	•	•	•	•	•
	Transparency and accountability are more effectively supported by independent external oversight and internal controls	Internal controls covering all key core operations and staff integrity assurance mechanisms strengthened or in place (TADAT 2015 POA9-25/ TADAT 2019 POA9-29)	•	•	•	•	•	•	•	•		•	•	•	•		•		•	•	•	•	•	•	•
Revenue Administra	tion - Customs																								
Improved customs administration functions (SDG 17.1) - CAD	Audit and anti- smuggling programs more effectively ensure enforcement of customs laws	A larger share of trade controlled progressively through a properly designed post clearance audit program - with special regimes developed to assist the informal and semi-formal sectors with particular regard to gender inclusivity.	•		•		•	•				•	•									•			
	Audit and anti- smuggling programs more effectively ensure enforcement of customs laws	Framework to control special regimes and exemptions strengthened	•				•	•							•					•		•	•	•	•
	Audit and anti- smuggling programs more effectively ensure enforcement of customs laws	Legal base, procedures and capacities strengthened to exchange information with the tax department, other government agencies and foreign customs	•				•																		

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Caribbean Central Bank	Grenada	Guyana	Haiti	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
	Customs control during the clearance process more effectively ensures accuracy of declarations	Effective application of procedures based on international standards for valuation, origin and the tariff classification of goods improved					•																			
	Customs control during the clearance process more effectively ensures accuracy of declarations	Rate of physical inspections decreased - with special regimes developed to assist the informal and semi-formal sectors with particular regard to gender inclusivity.	•		•		•	•				•	•		•	•					•		•		•	•
	Customs control during the clearance process more effectively ensures accuracy of declarations	Risk-based control selectivity applied more consistently - developed to assist the informal and semi-formal sectors with particular regard to gender inclusivity	•		•		•	•	•			•	•		•	•					•		•	•	•	•
	Foreign trade operators better comply with their reporting and payment obligations	Traceability of goods and customs actions in the customs systems strengthened					•	•							•						•		•		•	
	Foreign trade operators better comply with their reporting and payment obligations	Cargo clearance times decreased - with special regimes developed to assist the informal and semi-formal sectors with particular regard to gender inclusivity.	•		•		•	•					•		•						•		•	•		•

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Carlbbean Central Bank	Grenada	Haiti	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
	Foreign trade operators better comply with their reporting and payment obligations	Customs laws, regulations, and guidelines simplified and easily accessible	•				•																		
	Foreign trade operators better comply with their reporting and payment obligations	Implementation of new initiatives, such as Single Window, coordinated border management, and Authorized Economic Operator - with special regimes developed to assist the informal and semi-formal sectors with particular regard to gender inclusivity.	•		•				•			•			•							•	•	•	•
Public Financial Mar	nagement																								
Comprehensive, credible, and policy- based budget preparation - BPR	A more comprehensive and unified annual budget is published	1) Comprehensiveness of budget documentation (Record Score: PEFA PI-5) 2) Effectiveness, orderliness, and timeliness of budget preparation process (Record Score: PEFA PI-17)	•		•	•	•	•		•		•	•		•	•			•		•		•		
	A more credible medium-term budget framework is integrated with the annual budget process	1) Availability, adoption and reporting of fiscal strategy (Record Score: PEFA PI-15) 2) Medium-term perspective in budget framework which aligns with climate and gender strategies (Record Score: PEFA PI-16, FTC 2.1.3, CRPFM – 1.1) 3) Changes in successive budget forecast are explained and reconciled (Record Score: FTC2.4.3)	•	•	•	•	•	•	•	•	•	•	•			•	•	•	•	•	•	•	•		

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	A more credible medium-term macro- fiscal framework that supports budget preparation	1) Presentation and explanation of medium-term macroeconomic and fiscal forecasts (Record Score: PEFA PI-14, FTC 2.1.2) 2) Adoption of, and reporting on clear and measurable fiscal policy objectives (Record Score: PEFA PI-15, FTC 2.3.1)	•	•	•	•	•	•	•	•	•	•	•		•	•				•	•	•	•		
	Budget is an effective tool for the strategic allocation of resources towards policies that promote climate change (SDG 13.2, 14.a.1)	Integration of climate change considerations in the budget documentation and fiscal reports	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	
	Budget is an effective tool for the strategic allocation of resources towards policies that promote gender equality (SDG5)	Systems, processes and tools to plan, track and disclose allocations for gender equality and women's empowerment are in place (SDG 5.c.1)	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	
	Information on resources and performance by program is included in budget documentation	Availability of performance information for service delivery (Record Score: PEFA PI-8, FTC 2.3.2)			•	•		•				•	•		•	•	•			•	•	•	•	•	•

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Improved asset and liability management - ALM	Cash flow forecasts for central government is more accurate and timely	Timeliness and accuracy of cash forecasting and monitoring (Record Score: PEFA PI-21.2)	•		•		•	•		•		•	•		•		•		•	•	•	•	•		•
	Disclosure and management of state assets is improved	1) Disclosure and management of risk related to public assets and liabilities (Record Score: FTC3.2.2) 2) Management and monitoring of public assets and transparency of their disposal (Record Score: PEFA PI-12)	•	•	•	•	•	•	•	•	•	•	•		•		•	•	•	•	•	•	•	•	•
	Stronger understanding and management of the public sector balance sheet.	Publication of an analysis of PSBS	•	•	•	•		•		•		•	•		•		•	•	•	•	•	•	•		•
Improved budget execution and control - BEX	Funding made available in a timely manner during budget execution	Predictability of in-year resource allocation (Record Score: PEFA PI-21)	•		•		•	•			•	•	•						•		•		•		
	Risk-based internal audit functions are established in central government agencies	1) Internal Audit (PEFA PI-26) 2) Coverage and quality of standards and procedures applied in internal audit (Record Score: PEFA PI-26) 3) Coverage and quality of standards and procedures applied in internal audit which include climate and gender areas (Record Score: PEFA PI-26)	•	•	•		•	•		•	•	•	•		•				•	•	•	•	•	•	•

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	Budget execution monitoring and controls are strengthened	1) Effectiveness of internal controls for non-salary expenditure (Record Score: PEFA PI-25) 2) Existence of payroll controls (Record Score: PEFA PI-23)			•							•					•							•		
Improved coverage and quality of fiscal reporting - FRP	Audited annual financial statements are published, timely, and scrutinized by parliament	1) Timeliness of Annual Financial Statements (Record Score: FTC1.2.2) 2) Consistency of external audit procedures with international standards (Record Score: PEFA PI-30 or FTC 1.4.2)	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•
	Comprehensiveness, frequency, and quality of fiscal reports is enhanced	1) Completeness, timeliness, and consistency of annual financial reports (Record Score: PEFA PI-29) 2) Completeness, timeliness, and consistency of whole-of-government financial statements, including assets and liabilities (Record Score: PEFA-10) 3) Comprehensiveness, accuracy, and timeliness of in-year budget reports (Record Score: PEFA PI-28)	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•		•	•	•	•	•	•	•
	The chart of accounts and budget classifications are aligned with international standards	Consistency and comparability of budget classification with international standards (Record Score: PEFA PI-4, FTC 1.3.1)			•	•	•	•				•	•		•	•	•		•		•	•	•	•		

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Improved PFM laws and effective institutions - BLF	A more comprehensive legal framework covering all stages of the public financial management cycle is enacted	Comprehensive PFM legislation (Record Score: FTC2.2.1)	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•		•	•	•	•	•	•	•
Improved public investment management - PIM	Fiscal costs and risks arising from PPP operations are managed and contained	Assessment of the fiscal impacts of large PPP projects on a regular basis (Record Score: PIMA3.c)	•	•	•	•	•	•	•	•	•	•	•		•	•		•		•	•	•	•	•	•	•
	Implementation of public investment projects is improved to deliver productive and durable public assets	Effective management and control of capital projects execution (Record Score: PIMA14)	•		•	•	•	•	•	•	•	•	•		•	•	•	•		•	•	•		•	•	•
	Planning of public investments is strengthened to ensure sustainability	1) Medium-term planning for public investments taking account of fiscal sustainability considerations is in place (Record Score: PIMA1) 2) Project proposals are subject to systematic project appraisal which take into account climate and gender perspectives (Record Score: PIMA4 & CEPFM 5.3)	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•

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Strengthened identification, monitoring, and management of fiscal risks - FRK	Disclosure and management of contingent liabilities and other specific risks are more comprehensive	PEFA PI-10: Fiscal risk reporting	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•		•	•	•	•	•	•	•
Financial Stability - S SCOPING: Demonstrate a baseline assessment understanding and articulate specific CD needs in Systemic Risk Analysis topics	Baseline assessment and roadmap for follow-up CD project(s) are adopted	Authorities acknowledge the receipt of the diagnostics/scoping recommendations and decide on whether to proceed with follow-up CD	•	•		•				•		•			•		•		•			•				
Develop/ strengthen frameworks for monitoring systemic risk	Information on key threats to financial stability in place (including climate risk); their dissemination to target audiences	1) Key macro financial linkages and indicators identified and used to design a dashboard employed for policy purposes and to prepare financial stability report 2) Process in place for summarizing and disseminating the analysis to policymakers 3) technical reports based on the dashboard are produced regularly	•	•	•	•				•		•			•	•	•		•	•	•	•				•

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Strengthen architecture for monitoring systemic risk	Agency has an effective systemic risk-monitoring framework (also covering climate risk) integrated with the policy decisionmaking process	1) Adequate systemic risk dashboard in place to identify sources of systemic risks; systemic risk indicators defined 2) EWS in place 3) Risks in both time and cross-sectional dimensions are monitored regularly 4) The results of risk analysis discussed with the board/committees/departments responsible for decision-making			•		•	•			•	•	•	•	•	•		•						•	•	•
	Agency's human and technical resources in line with mandate, organization set-up including inter-agency coordination in place, access to all relevant information	1) Agency has a clearly defined mandate; legal power to apply/ introduce relevant policy tools to minimize systemic risk 2) Agency's structure and budget reflects relative importance of financial sector industries 3) The staff is proficient using technical tools 4) Protocols for ensuring integrity of the data IT infrastructure in place 5) Decision-making process, access to all required data and collaboration mechanism across key economic agencies and financial regulators to cover risks to financial system is in place 6) Key data for systemic risk analysis exist			•		•	•			•	•	•	•	•	•		•						•	•	•
	Risk assessment results are communicated regularly with target audiences	1) The agency publishes financial stability reports regularly 2) The results are shared across departments and institutions responsible for financial stability			•		•	•			•	•	•	•	•	•		•						•	•	•

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Strengthen the toolkit for the identification of threats to financial stability and corrective policies	Procedures in place to ensure staff's training needs are met	1) Personnel are fully cognizant of relevant methodologies, data requirements, able to use the toolkit for the identification of the main drivers of systemic risk, the needed corrective policies and have the capacity to modify, reprogram, and amend the toolkit as needed			•	•	•	•	•	•	•	•	•	•	•	•	•						•	•	•
	Analytical tools are developed and fully operational (also addressing climate risk), regular access to data needed, quantitative results available to relevant stakeholders	1) Identify necessary data to develop target analytical tools 2) The data are collected and validated regularly using adequate IT infrastructure 3) Regular production of reports is based on the results of the analysis to internal and external stakeholders 4) concrete processes for model validation and updating in place 5) Models and recommended reporting templates provided by TA adopted and in use			•	•	•	•	•		•	•	•	•	•	•							•	•	•
Financial Sector Sup	ervision and Regulation																								
Develop/ strengthen banks' regulation and supervision frameworks	Legal/prudential regulations for risk management, governance framework and prudential ratios on consolidated basis, developed/ strengthened.	Supervisors assess banks' risk policies, processes, and governance framework based on the issued regulations and guidelines.	•	•			•	•				•	•	•	•	•								•	

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	Legal/prudential regulations for risk management, governance framework and prudential ratios on consolidated basis, developed/ strengthened.	Issuance of enhanced/new regulations/guidelines on sound risk management and corporate governance in line with international standards and principles, including requirements of Pillar 1 and 2 of Basel II/III risks.	•	•	•	•	•	•				•	•	•	•	•		•	•	•	•	•	•		•
	Legislation/prudential regulations on capital adequacy developed/ strengthened, including maintaining adequate capital structure composed of high capital instruments in line with Basel II/III.	1) Legislation/prudential regulations on capital adequacy developed/ strengthened, including maintaining adequate capital structure composed of high capital instruments in line with Basel II/III 2) Banks' disclosures show that their capital adequacy and risk exposures are in line with the new requirements.	•	•			•	•				•	•	•	•	•		•	•	•	•	•	•		•
	The level of banks'	1) Banks regularly assess their capital	•	•		•	•	•		ĺ	•	•	•	•	•			•	•	•	•	•	•		•

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	The level of banks' capital reflects well their risk profile.	Supervisors set different capital charges on top of the minimum requirements to account for differing banks' risk profiles and risk management capacity	•	•			•	•			•	•	•	•	•		•	•	•	•	•	•		•	
	Legislation/ regulations on liquidity developed/ strengthened including maintaining adequate liquidity positions to withstand crises and shocks in short-term and to retain stable funding resources to finance their longer-term assets.	1) Issuance of an enhanced/new liquidity regulation in line with Basel III requirements. 2) Banks' disclosures show that liquidity measurement and management are in line with Basel III requirements.	•	•			•	•				•			•		•	•	•	•	•	•		•	
	Institutional structure and operational procedures for RBS enhanced/developed.	1) Supervisory structure and responsibilities are adopted to allow more cooperation between different functions, notably onsite and offsite functions. 2) Risk-based processes and manuals are implemented.	•	•		•	•	•			•	•		•	•		•	•	•	•	•	•		•	
	Institutional structure and operational procedures for RBS enhanced/developed.	Onsite inspection scope and frequency is performed based on risk and impact of banks and are guided by offsite risk analysis.	•	•		•	•	•			•	•	•	•			•	•	•	•	•	•			

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	Forward-looking assessment of banks' risk strengthened.	Supervisors assess banks' risks (including climate related ones) on a consolidated basis.	•	•			•	•			•	•	•	•	•	•		•	•	•	•	•	•		•	
	Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.	Supervisors adequately trained to be able to implement risk-based supervision (and address climate related risks) and other supervisory process	•	•		•	•	•			•	•	•	•	•	•		•	•	•	•	•	•		•	
	Supervisors have sufficient capacity to effectively implement risk-based	Supervisory reports focus on key risk aspects of individual banks, banking groups, and banking system, and provide appropriate recommendations	•	•		•	•	•			•	•	•	•	•	•		•	•	•	•	•	•			
Develop/ strengthen cybersecurity regulations and supervisory frameworks	A cybersecurity risk supervisory framework is developed/ strengthened and implemented.	1) New/amended onsite and offsite supervisory processes are implemented. 2) Supervised entities establish and run formal processes to determine their cybersecurity risk tolerance and to effectively assess, mitigate, and report this risk.	•	•			•	•				•	•	•	•				•	•	•	•	•			

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Develop/ strengthen financial conglomerates regulation and supervision	Legislation/binding prudential regulations underpinning the implementation of regulations on a group-wide basis developed/ strengthened.	1) Legislation/regulations provide supervisors with the necessary power and tools to establish and maintain close cooperation and coordination with the supervisors of FCs legal entities. 2) FCs periodically submit the required prudential regulatory reports on a standalone and consolidated basis in line with issued regulations/guidelines.		•			•	•				•	•	•	•				•	•	•	•		•	
	Legislation/binding prudential regulations underpinning the implementation of regulations on a group-wide basis developed/strengthened.	Periodic supervisory review and evaluation process and capital planning is undertaken that assesses FCs' capital adequacy.	•	•		•	•	•				•	•	•	•				•	•	•	•		•	
	Legal/regulatory frameworks underpinning the implementation of risk-based supervision (RBS) enhanced/ developed.	Necessary legislation/regulations to operationally underpin risk-based supervision amended.	•	•	•		•	•				•	•	•	•			•	•	•	•	•		•	
	Forward-looking assessment of FCs risk strengthened.	Risk assessment matrix developed/ strengthened including a forward- looking direction of risks.	•	•	•	•	•	•				•	•	•	•			•	•	•	•	•		•	

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Develop/ strengthen fintech regulation and supervision	Diagnostic of fintech landscape and the authorities' strategy for its oversight	Authorities demonstrate a baseline understanding and articulate specific CD needs in developing/ strengthening supervisory approaches to fintech	•	•	•		•	•				•		•	•				•	•	•	•		
Develop/ strengthen insurance companies' regulation and supervision	Legal/prudential regulations for risk management, internal control actuarial, and governance developed/ strengthened.	Supervisors assess ICs' risk management, internal control, actuarial matters, and governance based on the issued legislation/ regulations and guidelines.		•		•	•	•				•	•		•				•	•	•	•	•	•
frameworks	Supervisors have the necessary capacity to upgrade ICs regulations and effectively apply them.	1) Supervisors can assess the adequacy of insurer's preparations for IFRS 17 implementation 2) Supervisors conduct a quantitative impact analysis of the implementation of IFRS 17 to assess solvency implications 3) Supervisors can assess the profitability and therefore future solvency implications of the implementation of IFRS 17		•		•	•	•			•	•	•						•	•	•	•	•	•
	Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.	1) Supervisors are adequately trained to be able to implement risk-based supervision and other supervisory processes (including climate change related risks) 2) Supervisory reports focus on key risk aspects of individual ICs and the industry and provide appropriate		•		•	•	•			•	•	•						•	•	•	•	•	•

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	Supervisors monitor and supervise ICs and their comprising legal entities on a standalone and consolidated basis.	1) Group-wide supervision framework is implemented and cooperation and coordination mechanism with other involved supervisors established 2) Supervisors developed clear understanding of the ICs group structure, activities, and risks (including climate related) of each entity within the group.		•		•	•	•				•	•			•		•	•	•	•	•	•	•	•	
Develop/ strengthen non-bank credit institutions' regulation and	Prudential regulations/ guidelines in line with international standards enacted/strengthened.	Prudential frameworks for risk management, governance, and internal control are developed/ strengthened in line with international standards and requirements.					•	•										•			•					
supervision frameworks	Institutional structure and operational procedures for RBS enhanced/developed.	1) Risk-based processes and manuals are implemented. 2) Supervision scope and frequency is performed based on risk assessment and impact of NBCls, guided by offsite risk analysis.					•	•										•			•					
Develop/ strengthen the securities and derivatives	Legal and regulatory frameworks are strengthened	Necessary legislation and/or regulations amended/developed.					•	•																		
regulatory and supervisory framework	Supervisory framework (including risk assessment frameworks) strengthened	Updated supervisory frameworks, structures, and processes (addressing climate related issues)					•	•																		

Strategic Objective Debt Management	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Carlbbean Central bank	Guyana	Haiti	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
Formulate and implement a medium-term debt management	Debt management strategy developed, documented, and published	Debt management strategy document produced and published		•	•	•	•	•					•		•	•	•		•	•		•	•	•	
strategy	An annual borrowing plan is published that is consistent with the debt management strategy	Internal borrowing plan developed based on the debt management strategy		•	•	•	•	•					•		•	•	•		•	•		•	•	•	
	Cash and debt management are integrated effectively	Issuance of short-term instruments is in line with cash balance forecasts					•										•			•				•	
	The debt management entity undertakes effective investor relations	An internal investor relations strategy is established		•		•	•	•					•		•		•		•	•		•	•	•	
Develop market infrastructure and capacity for costeffective financing	Effective financing through market-based instruments	1) Issuance of instruments consistent with the debt management strategy 2) Documented internal analysis of potential new instruments, including financing linked to gender equity, social inclusion, human development, and environmental sustainability		•		•	•										•		•	•		•	•	•	

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	An efficient secondary market for wholesale market participants	Improvements are made to the technical infrastructure for secondary market trading in line with best practice				•	•							•			•							•	
	Introduction of instruments to improve resilience to climate shocks	Documented internal analysis of potential new climate-resilient debt instruments is produced		•	•	•	•						•	•			•			•		•		•	
Implementation of a sovereign asset and liability management	Framework for sovereign asset and liability management is developed	Initial SALM framework developed, consisting of assets and liabilities of each relevant public entity		•											•				•					•	
framework to manage risk exposure in an integrated manner	Sovereign asset and liability management framework is implemented	SALM framework refined and integrated into policy framework		•											•				•					•	
Establish efficient institutional structure and appropriate	Improved institutional structure for debt management	The debt management entity is aligned on a front-middle-back-office basis					•	•								•									
legislation for debt management	Legislation provides effective framework for debt management	Legislation enacted that aligns with best practice for debt management		•	•		•	•					•		•	•	•		•	•		•	•	•	

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Strengthened practices for debt recording, reporting, and	Debt is recorded effectively and comprehensively	Complete debt records on Central Government domestic, external, guaranteed debt with a reasonable lag	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
monitoring	Debt reported regularly to the public and relevant authorities	Regular publication of a debt bulletin covering central government debt, debt operations, and guarantees	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Macroeconomic Pro	gramming and Analysis																									
Stronger analytical skills and better macroeconomic forecasting and policy analysis at the Ministry/central bank/or other governmental agency(ies) feeds into the economic policymaking process - MFP	Authorities have a baseline understanding of their existing macroeconomic forecasting, policy analysis and analytical capabilities and opportunities for improvement	1) Diagnostic/scoping produced an overview of existing (baseline) capacities and opportunities for improvement supported by an action plan and desired CD outcomes.		•	•			•	•		•		•		•	•	•		•		•		•		•	

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Caribbean Central Bank	Grenada	Guyana	Haiti	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
	Improve the quality and frequency of macroeconomic surveillance and policy/research available for policymaking.	1) Medium-term forecasting framework is updated using the MPT (macro projection/simulation tool) 2) An MPT-updated medium-term forecasting framework is supporting economic policy decision-making 3) Relevant internal documents make use of forecasts and scenarios, taking into account underlying macroeconomic analyses using the MPT 4) Analysis of risk scenarios (including related to climate change) is conducted using the MPT, and reflected in relevant policy documents		•	•		•	•		•				•	•	•	•	•	•		•		•	•	•	
	Improved public access to key macroeconomic and fiscal information	1) Macroeconomic outlook and analysis–including underlying assumptions, policy scenarios and risks–based on the MPT are published in relevant documents (e.g., economic outlook or budget documentation, MTFF, fiscal risk report) 2) Underlying assumptions in Macroeconomic outlook and analysis are clearly explained (e.g., how does the fiscal projection depend on assumptions about the macroeconomic projection).	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•

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	Sound medium-term macroeconomic framework (inclusive of GDP and inflation, commodity prices, the external and monetary sectors, and fiscal aggregates)	1) An MPT tool has been developed in the form of: (i) A basic (Excel) framework for forecasting and policy analysis, respecting accounting relationships; (ii) a fiscal/debt sustainability model 2) The excel-based MPT is being used effectively, with a sufficient number of staff able to operate the tool, to ensure continuity		•	•		•	•		•			•	•	•	•	•	•	•		•		•	•	•	
	Strong institutional structures for macroeconomic policymaking	1) A stable core group of relevant staff, tasked with spearheading capacity development in macroeconomic policy analysis & forecasting at the institution, & a group coordinator, is functional (including a macroeconomic or fiscal policy unit at MoF). 2) Key staff of the core group demonstrates capability to independently operate the tools developed as part of capacity building in macroeconomic policy analysis and forecasting. 3) Documentation on best practices is maintained and regularly updated	•	•	•			•	•	•			•	•	•		•		•	•	•	•	•	•	•	

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Real Sector - Nation Strengthen compilation and dissemination	A new data set has been compiled and disseminated internally	Developed and released a new vintage of annual estimates of GDP by activity at constant prices	•	•	•	•	•	•	•	•	•	•	•		•	•	•		•	•	•	•		•	•
of NAS - Comprehensive updates and rebasing	and/or to the public A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of annual expenditures of GDP at constant prices				•	•	•	•		•					•	•	•	•			•	•		
	Improved periodicity, timeliness, and consistency of data	Periodic benchmark estimates, annual, quarterly, and monthly time series are consistent with each other.			•	•	•	•	•						•	•	•	•	,	•	•	•	•		
	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.	Classifications in broad conformity with internationally recommended systems: SNA for institutional units, transactions, other flows; ISIC, NACE, CPC, CPA, COICOP for household consumption; COFOG for government functions	•	•	•	•	•	•	•	•	•	•	•		•	•	•		•	•					•
	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.	Constant prices estimate of GDP (and its components) have been updated (rebased) using the most recent benchmark estimates	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•					•

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Caribbean Central Bank	Grenada	Guyana	Haiti	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	Average score of the Overall Value section of the post-course survey	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•
Strengthen compilation and dissemination of National	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of annual estimates of GDP by activity at constant prices	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•
Production, Income and Expenditure Accounts	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of annual expenditures of GDP at current prices		•	•	•	•	•	•		•	•	•		•	•	•	•	•	•	•	•	•	•		
	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of annual expenditures of GDP at constant prices				•	•	•	•		•					•	•	•	•			•	•			
	Improved periodicity, timeliness, and consistency of data	Periodic benchmark estimates, annual, quarterly, and monthly time series are consistent with each other.			•	•	•	•	•						•	•	•	•		•	•		•		•	
	Improved periodicity, timeliness, and consistency of data	Value, volume, and deflator series are consistent.	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Caribbean Central Bank	Grenada	Guyana	Haiti	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
	Source data are adequate for the compilation of these macroeconomic statistics	The source data concepts align with the concept being estimated including gender equality considerations.	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•
	Statistical techniques are sound	Adjustments (for under coverage, misreporting, definitional or conceptual differences, reconciliation of two or three measures of GDP, balancing of product level estimates, etc.) made to source data are explicit, transparent, and well documented	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•
	Statistical techniques are sound	Internationally recommended volume estimation techniques are used	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•
Real Sector - Prices																										
Strengthen compilation and dissemination of Consumer Price	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of consumer price indexes	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•
Statistics	Statistical techniques are sound	Internationally recommended methods are used for imputing for missing prices	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao		Eastern Caribbean Central Bank	Grenada	Guyana	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
Strengthen compilation and dissemination of Prices - Comprehensive updates and rebasing	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.	Classifications are in broad conformity with internationally recommended systems: ISIC or NACE for activities, CPC or CPA for products, COICOP for household consumption. Deviations are kept under review and clearly described to users	•	•	•	•	•	•	•	•	•	•	•		•		•	•	•	•	•	•	•	•	•
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	Average score of the Overall Value section of the post-course survey	•	•	•	•	•	•	•	•	•	•	•		•		•	•	•	•	•	•	•	•	•
Strengthen compilation and dissemination of Producer Price	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of producer price indexes	•	•		•	•		•				•		•		•		•	•		•		•	
and Trade Price Statistics	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of import and export price indexes				•	•										•					•			

Strategic Objective	Outcome (s)	Verifiable Indicator (s)	Anguilla	Antigua and Barbuda	Aruba	Bahamas	Barbados	Belize	Bermuda	British Virgin Islands	Cayman Islands	Curacao	Dominica	Eastern Caribbean Central Bank	Grenada	(3) and a (3) an	Jamaica	Montserrat	St Kitts and Nevis	Saint Lucia	Sint Maarten	St Vincent and the Grenadines	Suriname	Trinidad and Tobago	Turks and Caicos
Strengthen compilation and dissemination of Property Price	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of commercial property price indexes				•	•				•				•		•					•	•		•
Statistics	A new data set has been compiled and disseminated internally and/or to the public	Developed and released a new vintage of residential property price indexes				•	•				•				•		•					•	•		•
External Sector																									
Strengthen compilation and dissemination of BOP/IIP - BOP	A new data set has been compiled and disseminated internally and/or to the public	BOP and IIP data have been compiled or disseminated for the first time				•	•	•		•															
	Improved periodicity, timeliness, and consistency of data	The BOP and IIP are available internally and to the public with at least 10 years of historical data.	•	•									•	•	•			•	•	•		•			
	Improved periodicity, timeliness, and consistency of data	The BOP and IIP are compiled on a quarterly basis	•	•			•			•	•		•	•	•			•	•	•		•			•
	Improved data and metadata accessibility	Metadata sufficient to support data analysis have been developed and are available to users	•	•						•			•	•	•			•	•	•		•			•

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	Improved data and metadata accessibility	The terms and conditions on collection processing and dissemination made available to the public and advanced notice given of material changes in methods, sources, and techniques	•	•		•	•	•	•	•	•	•	•	•	•			•	•	•	•	•			•
	Legal and institutional environment are adequate for the compilation and dissemination of statistics	Data sharing and coordination among data-producing agencies are adequate	•	•	•	•	•	•	•	•	•		•	•			•	•	•	•		•	•	•	•
	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.	The scope is broadly consistent with internationally accepted standards, guidelines, or good practices.	•	•			•		•	•	•			•				•	•	•		•	•		
	Source data are adequate for the compilation of these macroeconomic statistics	Source data are obtained from comprehensive data collection programs that take into account country-specific conditions, including climate change-related issues	•	•	•	•	•	•	•	•	•		•	•	•		•	•	•	•		•	•	•	•
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	Percentage point increase of the average post-test score compared to the average pre-test score.	•	•	•	•	•	•	•	•	•	•	•	•				•	•	•	•	•	•	•	•

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	Statistical techniques are sound	Data are compiled using appropriate statistical techniques, including to deal with data sources, and/ or assessment and validation of intermediate data and statistical outputs	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•			
	Statistical techniques are sound	Revision studies are assessed, documented, and disseminated	•	•			•	•	•	•	•		•	•	•				•	•	•		•			•
Strengthen compilation and dissemination of EDS	A new data set has been compiled and disseminated internally and/or to the public	EDS data compiled and disseminated for the first time.					•					•		•		•	•					•				
	Improved data and metadata accessibility	Metadata sufficient to support data analysis have been developed and are available to users					•					•		•		•	•					•				
	Statistical techniques are sound	Data are compiled using appropriate statistical techniques, including to deal with data sources, and/ or assessment and validation of intermediate data and statistical outputs					•					•		•		•	•					•				

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Strengthen compilation and dissemination of CDIS	A new data set has been compiled and disseminated internally and/or to the public	CDIS data compiled and disseminated for the first time.				•		•	•		•			•				•								•
	Improved data and metadata accessibility	Metadata sufficient to support data analysis have been developed and are available to users				•		•	•		•			•				•								•
	Statistical techniques are sound	Data are compiled using appropriate statistical techniques, including to deal with data sources, and/ or assessment and validation of intermediate data and statistical outputs.			•	•		•	•		•			•				•							•	•

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