



EASTERN CARIBBEAN CURRENCY UNION

STAFF REPORT FOR THE 2016 DISCUSSION ON COMMON POLICIES OF MEMBER COUNTRIES—INFORMATIONAL ANNEX

June 23, 2016

Prepared By

The Western Hemisphere Department
(In collaboration with other departments)

CONTENTS

RELATIONS WITH THE FUND _____ [2](#)

CARTAC: CAPACITY BUILDING IN THE ECCU _____ [3](#)

RELATIONS WITH THE FUND

(As of June 14, 2016)

Membership Status: Not Applicable

Exchange Arrangement:

The Eastern Caribbean Currency Union (ECCU) comprises six Fund members: Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines; and two territories of the United Kingdom, Anguilla and Montserrat. The eight ECCU members have a common currency, monetary policy, and exchange system. The common currency, the Eastern Caribbean (EC) dollar, has been pegged to the U.S. dollar at the rate of EC\$2.70 per U.S. dollar since July 1976. The common central bank, the Eastern Caribbean Central Bank (ECCB), has operated like a quasi-currency board, maintaining foreign exchange backing of its currency and demand liabilities of close to 100 percent.

Safeguards Assessment

Under the Fund's safeguards policy, the Eastern Caribbean Central Bank (ECCB) is subject to a full safeguards assessment on a four-year cycle. An update assessment was completed in April 2016 and found that the ECCB has maintained generally strong controls over its key operations. External audit and financial reporting practices remain sound. The ECCB financial statements are compliant with International Financial Reporting Standards and are published on a timely basis. The internal audit function needs to be reformed to align it with leading international practices and oversight could be further strengthened by enhancing the financial expertise of the audit committee.

CARTAC: CAPACITY BUILDING IN THE ECCU

The Caribbean Regional Technical Assistance Center (CARTAC) was established in November 2001 as a joint IMF-UNDP initiative, based in Barbados, to provide technical assistance (TA) and training to beneficiary countries, currently 20,¹ and to the ECCB. In 2011, CARTAC became one of the IMF's network of Regional Technical Assistance Centre, funded by development partners, its members, and by the IMF. A Steering Committee consisting of contributors to CARTAC, member countries, development partners, CARICOM and the CDB, provides strategic guidance, and ensures ownership and commitment. On January 1, 2017 CARTAC will enter its fifth phase of operations. CARTAC's core areas of TA and training include revenue administration, public financial management (PFM), macroeconomic programming and analysis, financial sector stability and supervision, and economic and financial statistics.

The ECCU region accounts for just over 40 percent of all TA to the CARTAC membership (Figure 1), with a particular focus on financial sector supervision, PFM, and macroeconomic programming and analysis; with 49, 45, and 44 percent respectively (Figure 2) Grenada, St. Lucia, and St. Kitts and Nevis are the most intense users of CARTAC TA amongst the ECCU countries.

Figure 1. CARTAC TA in FY2016

ECCU countries receive a considerable portion of TA...

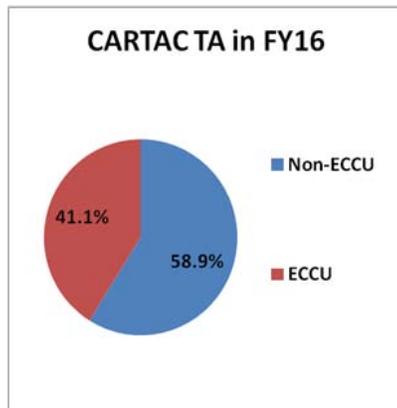
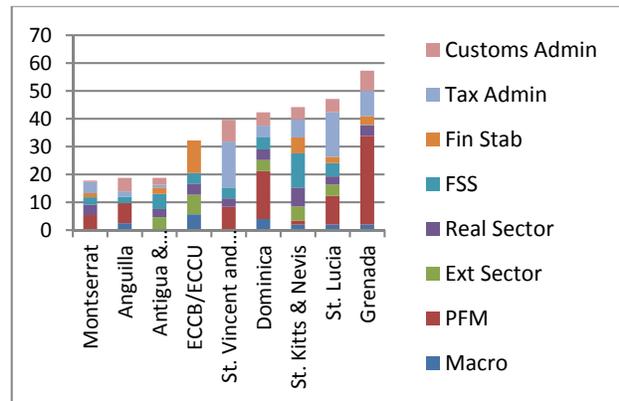


Figure 2. CARTAC Support for the ECCU Region

Financial sector, PFM and statistics account for the majority of TA...



Highlights of CARTAC's TA and training to the ECCU countries in the various core areas are provided below.

In the area of **revenue administration**, considerable progress has been made with VAT implementation.² The program for the ECCU member revenue agencies focuses on: (i) structural reorganization, (ii) strategic planning and performance management; (iii) capacity

¹ Preparations are ongoing to extend CARTAC membership to Aruba, Curacao, and St. Maarten.

² Dominica (March 2006), Antigua and Barbuda (January 2007), St. Vincent and the Grenadines (May 2007), Grenada (February 2010), St. Kitts and Nevis (November 2010), St. Lucia (October 2012). In Anguilla in 2012, CARTAC provided support with its preparations for the introduction of a Goods and Services Tax in 2014.

building in core areas (taxpayer service, audit, collection enforcement), and (iv) resource management.

On *taxpayer segmentation* Large and Medium Taxpayers Units (LMTUs) and Design, Planning and Monitoring Units (DPMUs) are being launched, and some are now operational. Revenue performance by this segment showed increases of 16 percent for 2015 over 2013 for St Kitts and Nevis. CARTAC reviewed the organization and operations of the St. Vincent and the Grenadines Inland Revenue Department (IRD), following which the authorities endorsed its key recommendations on modernization (including structural reorganization along functional lines; management of taxpayers by segment; and a clear separation of roles and responsibilities between operations and HQ functions). The recommendations are to be implemented on a phased basis, beginning with the establishment of the HQ function (through a planning and program design unit), and by setting up a large and medium taxpayer unit (LMTU).

Several countries are furthering their *tax reform agendas*, improving their institutional arrangements, and ease of administration:

- St. Lucia – the Corporate Income Tax (CIT) regime was reviewed; a presumptive tax was designed for implementation in FY17; the VAT threshold was increased to EC\$400,000 effective Feb.1, 2016; and advice on property tax reform was provided;
- Dominica – the CIT regime was reviewed; a presumptive tax was designed; and an increase in the VAT threshold was proposed;
- Grenada – support was provided to reform the tax incentive regime, culminating in the enactment of legislation which is now under implementation. Legislation to support the changes is yet to be fully implemented;
- Anguilla – a joint CARTAC/FAD tax mission responded to the government budget announcement regarding the implementation of a comprehensive fiscal reform, including the introduction of a broad-based Goods and Services Tax (GST). The mission provided advice and recommendations on indirect taxation, and other options to improve the taxation of goods and services;
- St. Kitts and Nevis – CARTAC provided advice on implementing and managing a tax incentive regime;
- In St. Lucia and Dominica – TA in revenue modeling was provided to enhance tax policy reforms.

A model Tax Administration Procedure Act (TAPA) has been drafted for the region to improve *tax administrative effectiveness*. Legislation has been enacted in Grenada (effective May 2016), and while Antigua and Barbuda has enacted a TAPA, its implementation is delayed to facilitate further discussion on the impact of the garnishment provision. Recommendations have also been made for St. Vincent and the Grenadines to similarly adopt the TAPA.

CARTAC provided guidance through a workshop for small tax administrations on how to develop a *strategic management framework*, and assisted large and medium tax administrations to update their strategic plans. Corporate Strategic Plans (CSPs) updated during FY2016 included; Antigua and Barbuda and St. Kitts and Nevis. Compliance management strategies have been designed for St. Lucia, Barbados, and discussed with Grenada

Drawing on regional skills, *IT support* was provided to St. Lucia, Grenada, and St. Vincent and the Grenadines through enhancements to SIGTAS.³ This has helped the authorities to produce timely and more accurate reports, and to automate the setting of interest and penalties. An integrated IT solution and development of a taxpayer identification numbering system has been recommended for Montserrat.

Core functions have been strengthened to ensure improved taxpayer compliance and to reduce the tax gap. CARTAC delivered training to build capacity in core functional areas: (a) building audit capacity –St. Kitts and Nevis, (b) collection and enforcement - St. Vincent and the Grenadines; (c) property tax administration - St. Lucia; and (d) data analytics – St. Kitts and Nevis. Two regional workshops focused on collection enforcement and property tax.

Customs administration focuses on: (i) leadership, management and governance; (ii) strategic Planning; (iii) human resource development; (iv) trade facilitation; and, (v) compliance. Regional initiatives include continued support to CARICOM and the OECS in the harmonization of procedures, economic integration and free circulation of goods regime; and, in partnership with CCLEC, delivering leadership and management training.

TA has been provided to St. Kitts and Nevis and St. Vincent and the Grenadines to prepare corporate business and strategic plans, and all now have some form of corporate plan in use. In Anguilla CARTAC experts conducted organizational structure reviews and workload assessments to help the planning function.

Risk Management is the corner stone of an effective, modern customs administration. It enables customs, by gathering and analyzing information from a variety of sources, to make sound decisions about intervening in the cargo clearance process. TA has been provided to St. Lucia, and a framework has been prepared to identify, categorize and prioritize risks, and to propose risk treatments to address those risks.

TA, including advice, mentoring and training on *post clearance audit* (PCA), was delivered to St. Kitts and Nevis, St. Lucia, and Dominica. Approximately 20 officers received training, and as a result of this assistance, customs in these member countries now have the capacity to initiate significant PCA programs, and to strengthen both compliance and trade facilitation. Together with risk management, PCA has been an area where CARTAC has provided significant amounts of TA in FY16—to Antigua and Barbuda, Dominica, and St. Kitts and Nevis. While external factors, such as legislative constraints, have limited the ability to fully operate PCA systems,

³ The Standardized Government Tax Administration System (SIGTAS) is an integrated IT system that enables government to automate the administration of all taxes and licenses using a single comprehensive information system

improvements can already be seen in all of these administrations. In Dominica, approximately \$700,000 in additional duties and taxes was assessed by the PCA unit in 2015; in St. Kitts and Nevis, 13 audits were carried out in 2014/2015 with assessments of approximately \$100,000 being made.

TA, that included guidance, mentoring and training, was provided in *valuation* in Grenada; and training in *tariff classification* was provided in Dominica, Antigua and Barbuda, and St. Vincent and the Grenadines. In Grenada, additional duties and taxes assessed by customs in relation to classification and valuation has shown progressive year on year increases from US\$25,000 in 2012 to US\$120,000 in 2014. Training was provided to about 83 officers, and will mean increased consistency, fewer disputes with importers, faster clearance and, importantly, enhanced revenue collection.

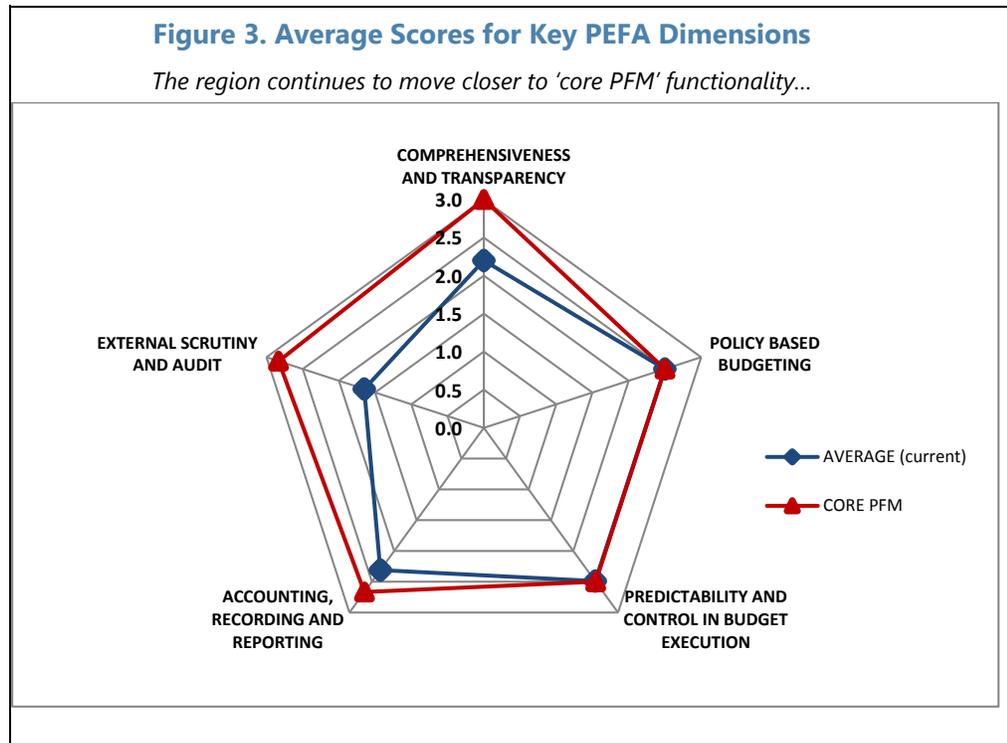
In support of the planned *OECS free movement of goods regime*, a study and workshop to analyze trade and revenue data was delivered by CARTAC. Work was also initiated to consider revenue management options for the free circulation regime. Due to data limitations the exercise was not completed, however, sufficient analysis was possible to give OECS member governments adequate information and the confidence to press forward with the free circulation plan. CARTAC will continue to be engaged in this area, and at the request of the OECS will undertake a study to provide information and possible options to help decision-makers harmonize customs service charges.

The *new international airport* in St. Vincent and the Grenadines is the most significant infrastructure program in the Windward Islands in decades, and has the potential to transform the economy of those islands. To ensure that the opportunities presented by the new airport are optimized, CARTAC experts provided advice so that customs procedures give both a credible defense against smuggling, and good facilitation of tourists and other travelers. Training was provided to officers in risk assessment and control techniques, and the input will ensure that once the airport is operational, customs will play its full part.

With a view to assessing the progress in **public financial management** reform, CARTAC has undertaken a comparative review of PFM practices in ECCU member countries⁴ against overall characteristics of a "core PFM" framework⁵ as defined in the IMF Good Practice Note (GPN) on 'Sequencing PFM Reform' (Diamond, 2013). This analysis has produced a number of interesting findings regarding the standard of PFM across the ECCU region, and in turn informed allocation of CARTAC resources.

⁴ Analysis was derived from the PEFA assessments conducted from 2013-2016 in Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat and St. Kitts and Nevis. Dominica and St. Kitts assessments while finalized were yet to be peer reviewed.

⁵ As defined in the IMF Good Practice Note (GPN) on 'Sequencing PFM Reform' (Diamond, 2013).



Implementation of a modern and consistent *PFM legal framework* across the ECCU is progressing. Antigua and Barbuda (implemented by IMF Headquarters with European Union funding), St. Lucia (under the Financial Management in the Caribbean program⁶) and Dominica have final draft legislation for legislative consideration, and Anguilla and St. Vincent and the Grenadines have initial drafts under review. Grenada passed revisions to its new PFM legislation and has adopted revised regulations (FMC).

Management of fiscal risks. Since the start of CARTAC's involvement in early 2014, Grenada has achieved significant traction in implementing reforms both at the sectoral level, and within individual State Owned Enterprises (SOE). The CARTAC framework has been successful in driving reforms at the enterprise level, which is starting to be reflected in improved operating performance. For example, with Gravel and Concrete the company (under new management) has turned its operations around, focused on cost reductions, and is now generating cash profits from operations. Within the Housing Authority, the accounts have been reorganized according to profit centers with accountability on each operating unit to generate cash profits. Specific targets have been established for sales that will allow the Authority to breakeven/earn a small profit.

Anguilla and St. Vincent and the Grenadines received diagnostic assessments and training in the implementation of the CARTAC SOE/SB ownership manual (bringing to six the number of countries implementing the manual). The six countries undergoing this reform were brought together in a

⁶ FMC – Financial Management in the Caribbean program financed by Canada and executed by the Fiscal Affairs Department (FAD).

small workshop to share experiences and better practices in implementing the CARTAC reform – Grenada gave a compelling presentation on achievements to date and shared reporting templates and other material to aid the reform effort in the region.

Regional *budget preparation reform* has been strengthened, with new countries adopting the strategic budgeting reform agenda. St. Lucia's budgets were prepared according to the strategic budget reform methodology and presented in the revised program budgeting format, including non-financial performance information. St. Vincent and the Grenadines, together with Grenada have also used the new reform process, and piloted program budgeting reporting in their budget presentations for the first time, before moving to full implementation in 2017. Budget preparation reform was further sustained through the development of comprehensive budget manuals. New manuals were developed for St. Lucia and St. Vincent and the Grenadines; bringing to nine the number of CARTAC countries with comprehensive budget preparation manuals. The budget manuals include a gender budgeting perspective.

Compliance with International Public Sector Accounting Standards (IPSAS) has made great progress. The annual IPSAS cash basis workshop was repeated during the year to evaluate compliance with the new exposure draft. As a result, Anguilla, and St. Kitts and Nevis were assessed as fully compliant.

During FY16, St. Kitts and Nevis and St. Lucia were the recipients of diagnostics to assist the authorities to further develop their *internal audit function* for compliance with international standards.

The ECCU has been a major recipient of technical assistance in **macroeconomic analysis and programming**. Over the past year, CARTAC has responded to various unforeseen requests for assistance, including; assistance to the authorities in Dominica to assess the economic consequences of Tropical Storm Erika. In early January 2016, Anguilla requested assistance at short notice to assist with a medium-term fiscal strategy to meet requirements asked of them from United Kingdom's Foreign and Commonwealth Office.

The concerted effort to implement macroeconomic forecasting capabilities within ECCU Ministries of Finance led to improved capacities. Grenada, St. Lucia, and St Kitts and Nevis, as well as Anguilla, are all taking active roles in this vital function as a direct result of TA from CARTAC. In all these countries, CARTAC-designed frameworks are now being utilized by the authorities.

In FY16 the Macroeconomic program led a workshop for all ECCU members to produce a medium-term fiscal strategy consistent with the 60 percent debt to GDP target by 2030. All ECCU members submitted a formal report to their Cabinets following the workshop. The Macroeconomic and PFM programs jointly hosted a workshop in July 2015 to ensure that macroeconomic programming exercises are better integrated into the budget processes of participants. Outside of these workshops, technical officials from St. Lucia, Grenada and St.

Kitts and Nevis have begun to submit their own fiscal strategies to Cabinet, as part of their regular duties.

CARTAC's TA in the area of **financial stability** revolves around: (i) stress-testing various aspects of the financial system; (ii) preparing financial soundness indicators (FSIs) for deposit-taking institutions, and financial stability and health indicators (FSHIs) for the non-deposit taking segments of the financial sector; (iii) developing macro-prudential and systemic risk indicators (MPSIs and SRIs respectively) to bolster overall financial sector risk management and, in a few instances, (iv) assisting countries to refine their financial stability reports.

Work in the area of *stress testing* dominated CARTAC's financial stability work plan during FY16. Considerable progress was made with the conduct of an extensive dynamic modeling and stress-testing exercise of seven domestic and four international banks spread across the ECCU region (Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, Montserrat, St. Lucia, and St. Vincent and the Grenadines). The major focus of the project was to help the ECCB assess the financial situation of key banks in the ECCU region, as well as to enhance the capacity of staff to conduct regular stress tests of the ECCU banking system. This multi-country TA project served as an important complement to a larger project being undertaken by the IMF, the World Bank and the Caribbean Development Bank (CDB), focused on implementing an overall restructuring and resolution strategy for the ECCU banking system. In addition, specialized internal seminars on stress-testing and macro-prudential indicators were delivered for around 20 regulatory staff of the ECCB and for the Grenada Authority for the Regulation of Financial Institutions (GARFIN).

In the area of *building financial resilience* (by developing effective crisis management plans and resolution strategies), work focused *inter alia* on: (i) training GARFIN staff on crisis management and resolution frameworks, and (ii) improving the capacity of regulators in all segments of the financial system on crisis prevention, preparedness/management, and resolution frameworks. CARTAC conducted training on financial crisis management for the regulatory staff of GARFIN and in conjunction with the Central Bank of Barbados, hosted a three-day Conference on the theme "Building Resilience to Financial Crises in the Caribbean: The Role of Crisis Management Policies, Metrics and Plans" in March 2016. This Conference brought together 74 stakeholders from national regulatory authorities, the regional regulatory associations and key international bodies (including the IMF, World Bank and the FSB) to discuss how the Caribbean region could best approach the design of institutional and operational frameworks to withstand financial sector and economy-wide disruptions.⁷ Drawing on new information presented at this conference, some ECCU members (Grenada and

⁷ Some key areas covered in the Conference include (a) Key Components of a Well-Designed Crisis Management Plan (b) Legal and Institutional Foundations for Crisis Management (c) Resolving Systemically Important Cross-Border Institutions: Resolution Plans, Tools and Financing Options (d) Simulating Financial Crisis Management Plans and (e) Developing Appropriate Financial Safety Nets.

St. Vincent and the Grenadines) have approached CARTAC for technical assistance in preparing strengthening their national financial sector crisis preparedness plans and resolution frameworks.

In the area of *financial reporting*, CARTAC also worked with the ECCB to train staff on financial stability reporting, and to review and strengthen the first draft of the ECCU *financial stability report*.

With regard to **financial sector supervision**, eighteen of the 20 CARTAC member countries are now fully on board to implement the standardized approach to *Basel II* in the Caribbean. During FY16, the ECCU adapted the revised Basel reporting forms, and the following Basel Guidelines: (i) credit risk; (ii) operational risks; (iii) market risks; (iv) interest rate risk in the banking book; (v) supervisory review process (pillar II), and disclosure and transparency (pillar III);

During FY16, several of the single regulatory authorities in the ECCU have also requested TA to implement Basel II for the *off-shore banking sector*. To this end, CARTAC has provided TA to Antigua and Barbuda, St. Vincent and the Grenadines, St. Lucia, and St. Kitts and Nevis to review their supervisory frameworks to ensure adequacy to implement Basel II. Antigua and Barbuda have already submitted the revised reporting forms and guidelines to their off-shore banking industry for comments and feedback.

Antigua and Barbuda, Dominica, Montserrat, St. Lucia, St. Vincent and the Grenadines, and St. Kitts and Nevis were the recipients of TA aimed at: (i) building capacity/training *in risk-based supervision* (RBS); (ii) documenting and formalizing their approach to risk-based supervision, and (iii) developing risk profiles for credit unions, insurance companies, pension funds and securities firms. RBS guidelines were reviewed to include: (i) the assessment of risk profiles in financial institutions; (ii) assessment of inherent risks such as credit, market, operational, strategic and reputational risks; and (iii) assessment of corporate governance oversight and governance functions and supervisory interventions as well as assessing the impact of risks on the firm's capital, profitability and liquidity. The RBS framework for Antigua and Barbuda is now published on the authority's website, and the authorities have incorporated the RBS framework in their onsite reviews of banks and non-banks as well as the offsite surveillance and monitoring of financial institutions.

Three regional workshops were held during FY16 for the non-bank sectors (*insurance, pensions and securities*). Eighty eight persons, representing 18 of 20 CARTAC member countries, participated in the insurance workshop, while the pensions workshop had 69 participants, representing 17 of the 20 CARTAC member countries. The insurance workshop focused on several key issues including cross border supervision, capital adequacy, solvency and stress testing, and conduct and disclosure; while the pension workshop focused on crisis

management, risk based supervision, managing investments and offsite surveillance. The securities training workshop was held April 20 – 22 in The Bahamas with approximately 40 participants. The workshop focused on capital markets development, payment and settlement systems, risk-based supervision, and crisis preparedness. Follow-up on earlier training provided indicated that the authorities have incorporated training content into their on-site review and offsite monitoring of licensed financial institutions.

During the year, CARTAC in collaboration with the Caribbean Association of Credit Union Supervisors (CACS) held its regional credit union training workshop under the theme “Strengthening Credit Union Supervision and Regulation in the Caribbean.” Regional regulators were trained on credit risk/loan review, risk weighted capital adequacy requirements, risk assessment and stress testing, supervisory intervention and corporate governance. Key among the challenges facing regulators as discussed during the workshop were: (i) inordinate delays in promulgating regulations for credit union supervision in the ECCU; (ii) challenges in passing legislation in some countries; (iii) transition from self-regulated organizations (SROs) such as credit union leagues, to an independent regulator such as the central bank, and (iv) poor credit quality evidenced by high levels of non-performing loans.

TA was also provided to:

- The first CARTAC regional financial sector strategic meeting focused on: (a) regional financial sector supervision and stability issues, challenges and TA responses; (b) financial sector reform; (c) macro prudential surveillance; (d) crisis management; (e) Basel II/III implementation, and (f) risk-based supervision.
- The financial stability and financial sector supervision programs jointly hosted the financial strategic workshop with 59 participants drawn from the banking, insurance, pension, credit union, and capital market regulatory authorities in 17 CARTAC member countries. The objectives of the financial stability aspect of the workshop were to: (a) provide training in the areas of macro-prudential policy formulation as well as macro-prudential indicators and systemic risk measures; (b) identify weaknesses in the financial stability frameworks of member states; and (c) to gauge the on-going impact of the newly-established financial stability program.

During 2014-15 the CARTAC program on **economic and financial statistics** concentrated on improving external sector, national accounts and prices statistics in ECCU countries. Good progress is being made by a number of countries in expanding the range and improving the quality of their *annual national accounts*. Improved annual GDP by expenditure (GDP-E) estimates have been compiled using the commodity flow approach by Grenada (to be released by December 2016) and St. Vincent and the Grenadines (released in May 2016). New methodologies to be used to compile GDP-E estimates for St. Kitts and Nevis, have been developed. Comprehensive reviews of the national accounts concepts, sources and methods

have been completed for Antigua and Barbuda, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. Supply and use table (SUT) frameworks have been developed for Antigua and Barbuda, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

Increased efforts are being made by countries to develop or improve *quarterly national accounts* estimates. The capacity of the Central Statistics Office in Dominica to compile quarterly GDP-P estimates has been strengthened; and methodologies to compile quarterly GDP-P have been developed for St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

Progress is also being made by countries to improve *prices statistics and inflation management*. The new reweighted consumer price index (CPI) series for Montserrat was released in September 2015, consistent with international standards. In addition to improvements in the compilation methodology, a new Federal CPI is being compiled for St. Kitts and Nevis.

CARTAC is continuing to coordinate its activities with other TA providers in the region, including the Project for the Regional Advancement of Statistics in the Caribbean (PRASC)⁸ being delivered by Statistics Canada on improving data sources and compiling national accounts and prices statistics; the assistance provided by the ECCB in reviewing the annual national accounts of its member states; and the consultants engaged by the Caribbean Community Secretariat during 2015 and 2016 to provide broad level advice on implementing the 2008 System of National Accounts (2008 SNA).

External sector statistics (ESS) focus on supporting the improvement of methodologies and compilation practices to better measure *external transactions* (balance of payments - BOP) and positions (international investment position – IIP), through the adoption of good practices and the latest internationally accepted guidelines and standards.

ECCU's *balance of payments* (BOP) data has been reviewed and IIP data produced for first time. Preliminary aggregated 2014 BOP and IIP statistics following the BPM6 methodology were produced and released by the ECCB in coordination with national statistics offices for the eight ECCU members and the ECCU. The ECCB plans to publish comprehensive balance of payments and IIP data by the end of 2016. The estimates benefited from CARTAC TA to develop and administer new surveys, and train data compilers and survey respondents. CARTAC continue

⁸ The PRASC is a Canadian Government funded initiative being implemented by Statistics Canada over 2015-2022. The participating states include Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

assisting ECCU members in reviewing the recent revisions and identify balance of payments components that need further improvement.

Visitor and student expenditure data has improved in Antigua and Barbuda, St. Lucia, Dominica, and St. Kitts and Nevis. Estimates of visitor expenditure in the balance of payments for Antigua and Barbuda and St. Lucia are now based on the current survey of departing passengers. To better account for the transactions of nonresident students, over 450 students were also surveyed in Antigua and Barbuda in collaboration with the former office of the IMF's Resident Representative for the ECCU region. Dominica collected data on tuition fees received from nonresident students—one of the main components of exports of travel services for the country—through the implementation of a specific ESS survey form of offshore universities. In May 2016, St. Kitts and Nevis conducted visitor expenditure surveys, collecting required data to compile enhanced estimates for visitor expenditure in the balance of payments.