



EASTERN CARIBBEAN CURRENCY UNION

May 18, 2017

STAFF REPORT FOR THE 2017 DISCUSSION ON COMMON POLICIES OF MEMBER COUNTRIES—INFORMATIONAL ANNEX

Prepared By

The Western Hemisphere Department
(In consultation with other departments)

CONTENTS

RELATIONS WITH THE FUND	2
CARTAC: CAPACITY BUILDING IN THE ECCU	2

RELATIONS WITH THE FUND

(As of March 31, 2017)

1. **Membership Status:** Not Applicable
2. **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.
3. **Safeguards Assessment:** The 2016 updated safeguards assessment found that the ECCB continues to maintain a governance framework that provides for independent oversight. Transparency in financial reporting has been maintained and the external audit mechanism is sound. The ECCB is taking steps to restructure the internal audit and risk management functions to align them with leading international practices.

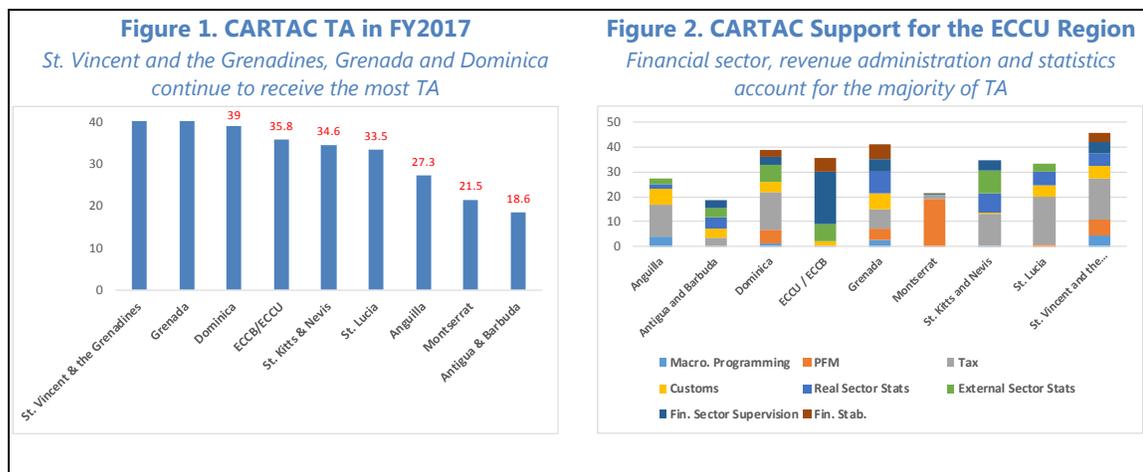
CARTAC: CAPACITY BUILDING IN THE ECCU

(As of March 30, 2017)

4. **The Caribbean Regional Technical Assistance Center (CARTAC) was established in November 2001 to provide technical assistance (TA) and training to beneficiary countries, currently 21,¹ and to the Eastern Caribbean Central Bank (ECCB).** CARTAC is financed by development partners, its members, and by the IMF, and is hosted by the Government of Barbados. On January 1, 2017 CARTAC entered 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.
5. **In FY2017 the ECCU region accounted for just over 24 percent of TA² to the CARTAC membership (Figure 1), with a particular focus on financial sector supervision, revenue administration and statistics (Figure 2).** Dominica, St. Lucia and St. Vincent and Grenadines are the most intense users of CARTAC TA amongst the ECCU countries.

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

² Measured in mission weeks, including time spent supporting countries from CARTAC.



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

7. In the area of tax administration, VAT implementation in ECCU countries is largely complete.³ The tax program for the ECCU member countries continues to focus on: (i) organizational restructuring to include strengthening and establishing a large taxpayer operation, (ii) strategic performance management; (iii) capacity building in core functions (taxpayer service, audit, collections enforcement, data analysis and risk management), and (iv) building of a robust headquarters function.

8. Implementation of management of taxpayers through segmentation and the establishment of Large and Medium Taxpayers Units (LMTUs) and Design, Planning and Monitoring Units (DPMUs) are progressing well in Dominica, St. Lucia, St. Kitts and Nevis, Grenada, and St. Vincent and the Grenadines.⁴

9. Several countries are furthering their tax reform agendas, strengthening their institutional and policy frameworks, and improving the ease of administration:

- St. Lucia – the Corporate Income Tax (CIT) regime was reviewed; a presumptive tax was designed for implementation in FY17 – awaiting the tabling of the 2017 budget; the VAT threshold was increased to EC\$400,000 effective on February 1, 2016 and the VAT standard rate was reduced to 12.5 percent in February 2017. LMTU and HQ functions were established, and benefited from TA in developing a compliance risk management plan, a taxpayer service strategy and strengthening performance management.

³ 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 -the Government is considering a broad-based GST/VAT, possibly to be implemented in two phases – Limited VAT in 2019 and full VAT in 2022

⁴ Segmentation – LMT is operational – however, not fully integrated into a single unit.

- Dominica – the VAT threshold was increased to EC\$250,000 in September 2016. Discussions are ongoing with stakeholders on the CIT regime and implementation of a presumptive tax.
- Grenada – has reformed its tax incentives regime and the supporting legislation is now fully implemented.
- Anguilla – a joint tax policy/tax administration mission provided recommendations on reforming indirect taxation and tax administration.
- St. Kitts and Nevis – CARTAC provided advice on implementing and managing a tax incentive regime. Several legislative amendments have been passed including strengthening the collections enforcement provisions, and the new organizational structure and staff appointments have been approved and implemented.

10. A standardized regional approach to compliance and data analysis is being rolled-out as a 'regional initiative.' Given the significant capacity gaps in the region, this project aims to build analytical skills in the planning, monitoring and program design and audit units to improve data matching and data mining to strengthen the quality of compliance management programs. In FY2017 the data analysis program was delivered in St. Kitts and Nevis, Dominica, St. Lucia, and Grenada, and is to be rolled out in St. Vincent and the Grenadines in early FY2018.

11. With assistance, Dominica has put a taxpayer service strategy in place. Performance management was strengthened through building capacity/mentoring of officers in the planning and monitoring units in St. Lucia, Antigua and Barbuda, and St. Kitts and Nevis. Antigua and Barbuda also benefited through building capacity/mentoring of officers in area taxpayer segmentation

12. St. Lucia and Grenada are now producing timely and more accurate reporting. Tax administration information technology (IT) system, largely used in the ECCU countries, is receiving regional peer-to-peer support. Drawing on regional skills, IT enhancement support was provided to St. Lucia and Grenada through enhancements to SIGTAS. This has assisted the authorities to produce timely and more accurate reports, and to automate the provisions of the new TAPA in Grenada including revised interest and penalty regimes being programed for application to taxpayer accounts. An integrated IT solution and development of a taxpayer identification numbering system has been recommended for Montserrat.

13. In supporting regional integration, all ECCU member countries benefited from four regional workshops in FY2017: (a) International Survey of Revenue Administration (ISORA) sensitization sessions led by FAD staff were delivered to a strong contingent of country participants; (b) Tax Administration Diagnostic Assessment Tool (TADAT) – countries were guided through the assessment tool and methodology used to assess the effectiveness of a tax administration against international good practice, and how they can use the method to self-assess their current state and to use the assessment to build their reform/work program; (c) Leadership Symposium – this is a new addition to the slate of regional events which was delivered collaboratively by CARTAC's tax and customs program. The core objective

of the CARTAC Leadership Initiative (CLI) was to target executive and senior management personnel to optimize the potential for sustainable leadership capacity in revenue administrations across the region; (d) Institutionalizing Performance Management in Tax Administration.

14. 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.

15. 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.

16. 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. St. Vincent and the Grenadines and Anguilla, and in each a framework has been prepared to identify, categorize and prioritize risks, and to propose risk treatments to address those risks.

17. 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, 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.

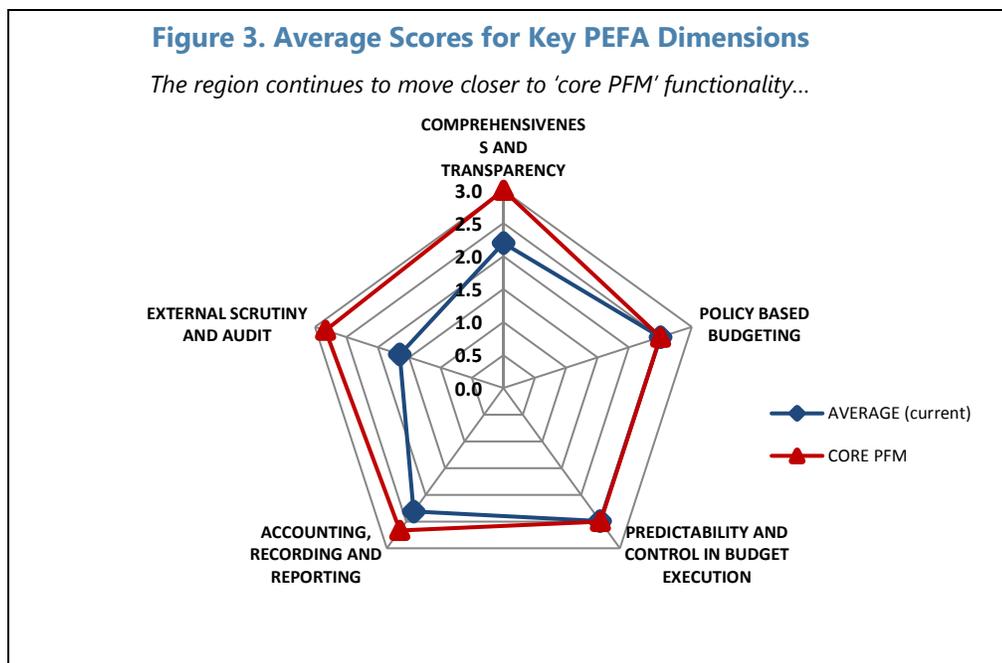
18. TA, that included guidance, mentoring and training, was provided in valuation in Grenada; and training in tariff classification was provided in Dominica, Antigua and Barbuda, and St. Vincent and the Grenadines. In Grenada, additional duties and taxes assessed by customs in relation to classification 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.

19. 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.

20. To ensure that the opportunities presented by the new international airport in St. Vincent and the Grenadines airport are optimized, CARTAC provided advice on customs procedures to safeguard against smuggling, and facilitate processing of tourists and other travelers. Training was provided to officers in risk assessment and control techniques.

21. With a view to assessing the progress in public financial management reform, CARTAC has undertaken a comparative review of PFM practices in ECCU member countries⁵ against overall characteristics of a “core PFM” framework⁶ 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.



⁵ 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.

⁶ As defined in the IMF Good Practice Note (GPN) on ‘Sequencing PFM Reform’ (Diamond, 2013).

22. New PEFA assessments completed in Grenada and Dominica in 2016 will add to this information base, with St. Lucia also scheduled for assessment during the summer of 2017.

As a follow-up to each PEFA assessment CARTAC works closely with the assessed countries to develop PFM Action Plans to improve those weaknesses highlighted in the PEFA assessments.

23. 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 program⁷) Anguilla and Dominica have final draft legislation for legislative consideration. In September a FAD led TA Mission to Dominica on the establishment of a Vulnerability, Risk and Resilience Fund (VRRF) to mitigate financial shocks from severe weather events. CARTAC provided amendments to their Draft PFM Legislation governing the creation, operation and management of the VRRF Fund. Montserrat and St. Vincent and the Grenadines also have initial PFM drafts under review. Grenada passed revisions to its new PFM legislation and has adopted revised regulations (FMC).

24. Anguilla, Montserrat, and St. Vincent and the Grenadines received diagnostic assessments and training in the implementation of the CARTAC SOE/SB ownership manual (bringing to seven the number of countries implementing the manual).

The countries undergoing this reform were brought together in a small workshop early in 2016 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.

25. 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 completed their pilot exercise in 2016 and have now recently tabled their 2017 Estimates of Revenue and Expenditure containing ministerial priorities and output and outcome information for their programs. 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.

26. 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 self-assessed as fully compliant, however work remains to improve the notes to cash basis financials, to provide a more comprehensive view as countries move to modified cash (prior to accrual basis). A mission to Dominica to review their Treasury Functions and to improve their IPSAS cash management also took place.

27. During FY17, Grenada and Dominica were the recipients of diagnostics to assist the authorities to further develop their internal audit function for compliance with international

⁷ FMC – Financial Management in the Caribbean program financed by Canada and executed by the Fiscal Affairs Department (FAD).

standards. Furthermore, the annual regional workshop in FY17 covered risk management and the role of internal audit as an independent assurance for management.

28. The ECCU has been a major recipient of technical assistance in macroeconomic analysis and programming. Over the past year, training and TA efforts have concentrated on strengthening institutional structures for policy making, as well as core training in macroeconomic and fiscal forecasting. Two regional workshops were delivered, with the first focusing on macroeconomic forecasting, and the second on revenue forecasting and tax policy analysis. ECCU member states had a strong representation at both workshops.

29. The concerted effort to implement macroeconomic forecasting capabilities within ECCU Ministries of Finance led to improved capacities. Grenada, St. Lucia, St Kitts and Nevis, and 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 order to underpin the annual Budget process with a sound medium-term macroeconomic framework, missions were conducted in Anguilla, Dominica and St. Vincent and the Grenadines to strengthen those countries' medium-term fiscal frameworks.

30. 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.

31. 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). 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).

32. During FY17, work on stress testing and dynamic modeling was consolidated with further stress tests of the nine indigenous banks. CARTAC and MCM completed a scoping mission with the ECCB to assess financial stability needs in the ECCU region and to coordinate TA efforts. A roadmap of programs was delivered and outcomes to be achieved were compiled and agreed with the ECCB which include (a) risk monitoring (stress-testing the NBFIs, development of macro-prudential and systemic risk indicators and financial soundness indicators for the non-banks), (b) macro-prudential policy framework (including legal mandate and toolkit), (c) financial crisis management planning at an ECCU-wide level, (d) consolidated

supervision, (e) analysis of financial sector interconnectedness (f) quality assurance of onsite examinations (f) methodology for SIFIs in non-banks and (g) Basel Implementation. Some work also begun on stress testing non-bank financial institutions, starting with credit unions.

33. 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.⁸ Drawing on new information presented at this conference, some ECCU members (Grenada and St. Vincent and the Grenadines) have approached CARTAC for technical assistance in strengthening their national financial sector crisis preparedness plans and resolution frameworks. Work in the medium term will focus on developing crisis management plans at a national level in the various ECCU territories which could serve as a pre-cursor to the ECCU-wide plan. Headquarters has already made arrangements for a long-term expert on financial supervision at the ECCB.

34. 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*.

35. 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).

36. 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.

⁸ 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.

37. 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.

38. 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.

39. 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.

40. 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.

41. During 2015-16 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*. A comprehensive review of the national accounts was completed for Anguilla; with a detailed action plan developed to implement improvements. For St. Lucia, several methodological improvements were implemented and revised annual GDP by economic activity (GDP-P) estimates have been compiled for 2006-2015. Improved methodologies to be used to compile GDP by expenditure (GDP-E) estimates have been developed for Grenada and St. Kitts and Nevis; and improved annual GDP-E estimates have been released for St. Vincent and the Grenadines.

- Increased efforts are being made by countries to develop or improve *quarterly national accounts* estimates. Grenada and St. Lucia are now producing quarterly GDP-P estimates at both current and constant prices; while quarterly constant price GDP-P estimates are being compiled for St. Vincent and the Grenadines.
- Progress is also being made by countries to improve *prices statistics and inflation management*. Staff have been trained and an improved prices data collection (including a new rents' survey) has been implemented for Antigua and Barbuda.

42. 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)⁹ 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).

43. 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.

⁹ 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.

44. 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 in January 2016. The ECCB plans to publish comprehensive 2014 and 2015 balance of payments and IIP data soon. The estimates benefited from CARTAC TA to develop and administer new surveys, and train data compilers and survey respondents. CARTAC continue assisting ECCU members in reviewing the recent revisions and identify balance of payments components that need further improvement.

45. Visitor and student expenditure data have improved in the ECCU economies.

Estimates of visitor expenditure, included as travel services exports in the balance of payments, are now based on recent surveys of visitors. The correct inclusion of tuition fees and other education-related travel services provided by offshore universities (OUs) to nonresident students as part of the ECCU exports is among the most significant methodological changes introduced in the updated methodology. A specific ESS survey form of OUs has been implemented and administrative data used as complementary sources. In the case of Antigua and Barbuda, over 450 students were also surveyed in collaboration with the former office of the IMF's Resident Representative for the ECCU region.