

Caribbean center chalks up impressive start

The Caribbean Regional Technical Assistance Centre (CARTAC), located in Barbados, is celebrating its first anniversary, and its ambitious work program suggests it got off to a flying start.

CARTAC—like East AFRITAC—is one of a new breed of regional technical assistance centers established by the IMF in cooperation with other bilateral and multilateral agencies. Moving the source of technical assistance and training closer to the recipient countries and territories is intended to improve efficiency, responsiveness, and relevance. The centers are also able to support greater international and regional technical cooperation on economic and financial management issues and help coordinate technical assistance.

CARTAC was created to enhance the Caribbean's institutional and human resource capacities in macroeconomic—including fiscal and monetary—management (see box). It helps members strengthen economic and financial governance; provides hands-on technical advice and training; offers courses, seminars, and workshops; and arranges professional attachments. It also works closely with other regional bodies, such as CARICOM, the Caribbean Development Bank, the Caribbean Organization of Tax Administrators, and the Organization of Eastern Caribbean States; with international organizations, such as the United Nations Development Program, the World Bank, and the Inter-American Development Bank (IDB); and with bilateral development agencies.

In its first year of operations, CARTAC undertook 47 technical assistance missions to 14 countries; supported 8 technical conferences, involving over 300 participants; conducted 16 training courses or workshops for almost 600 trainees; provided 24 regional and 10 international specialized consultancies; and arranged 5 professional attachments.

Among CARTAC's principal activities have been the following:

An integrated regulatory framework for the Eastern Caribbean financial sector. Even before September 11, 2001, Eastern Caribbean countries were being called on to monitor and regulate their on- and offshore financial sectors more effectively. CARTAC, working closely with the Eastern Caribbean Central Bank (ECCB), has developed a strategy to strengthen the supervision and regulation of banks and nonbank financial institutions. A key element of this is a move toward a common supervisory and regulatory framework and the establishment of a single regulatory and

supervisory unit in each country. CARTAC is helping countries review and redraft legislation, advising on an appropriate institutional framework, and providing training in inspection and supervisory techniques and practices.



Strengthening Guyana's financial sector. In conjunction with the IDB, CARTAC is working with Guyana to improve supervision and regulation of its financial sector. Major elements of this project are the reorganization and skills upgrading of the banking supervision department of the Bank of Guyana.

Fiscal reform in the Eastern Caribbean. Since early 2002, CARTAC has been working with the ECCB and its member states to improve public expenditure management. Weaknesses in budgetary processes and fiscal management have contributed to poor fiscal

At an April meeting in St. Lucia to discuss strengthening financial sector supervision are (left to right) Desirée Cherebin, CARTAC bank supervision advisor; Errol Allen, Deputy Governor, East Caribbean Central Bank (ECCB); and Mignon Wade, head, bank supervision, ECCB.

How does CARTAC work?

CARTAC's steering committee, which has eight members from the region and four from supporting multilateral and bilateral agencies, meets every six months to set priorities, review activities, and approve work plans.

The IMF is the executing agency for CARTAC but not, by any means, its major shareholder. CARTAC is funded in part by participating countries and territories—Anguilla, Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, British Virgin Islands, Cayman Islands, the Turks and Caicos Islands, and the Dominican Republic. The Canadian International Development Agency provides the bulk of the funding, with additional resources supplied by the Caribbean Development Bank, the Inter-American Development Bank, the IMF, the United Nations Development Program, the World Bank, Ireland, the United Kingdom, and the United States. The European Union expects to start contributing in late 2002 or early 2003.

November 18, 2002

357

performance in a number of ECCB member countries. If the currency union is to deliver its expected benefits, its members need to agree on, develop, and implement fiscal rules, procedures, and convergence criteria and address institutional deficiencies in public expenditure management systems. CARTAC is providing ongoing assistance to guide and monitor implementation of the public expenditure management reform programs identified at the symposium sponsored by CARTAC and ECCB in June 2002.

Stabilization and adjustment programs in the Eastern Caribbean. In parallel with the public expenditure management reforms, CARTAC helped fund a financial programming training course for the ECCB and its members in April 2002. Country teams are now working with CARTAC experts using financial programming techniques to design, implement, and monitor “homegrown” stabilization and adjustment programs.

Trinidad and Tobago’s public financial management reform. Trinidad and Tobago has sought CARTAC’s assistance in designing a comprehensive reform program to modernize its public expenditure management systems. A CARTAC-supported national conference on public expenditure management held in July culminated in a consensus on the program’s objectives and main elements. The authorities have asked for CARTAC’s continued assistance in designing the strategic plan and advising on how to manage its implementation.

Tax reform. CARTAC has helped organize, and participated in, two IMF technical assistance missions to help Guyana and The Bahamas draw up plans for comprehensive reforms of their tax systems and administrations. Once policy decisions are made, CARTAC is expected to assist with implementation.

CARTAC also supports the work of the Eastern Caribbean Tax Commission and, in cooperation with the IMF’s Fiscal Affairs Department, is advising on the preparation of a road map for tax reform in each ECCB member country within an agreed subregional framework.

Tax administration. CARTAC is helping Barbados improve certain elements of its tax administration, which will serve as both a model and a training resource for other tax administrations in the region.

Expanding statistical capacity. CARTAC and the ECCB have jointly visited each ECCB member country to help develop action plans to improve basic statistical operations. CARTAC is providing hands-on assistance to these and other countries to implement statistical improvements, as well as helping to organize a Caribbean-wide national accounts training course in cooperation with CARICOM. It is also developing a computer-based program, in cooperation with Statistics Sweden, to improve the compilation of national accounts in all Eastern Caribbean countries. The new program will be introduced over the next 18 months.

Over the first year, CARTAC has been active in The Bahamas, Belize, Suriname, and the Turks and Caicos Islands. In this period, the scope of CARTAC’s work has expanded well beyond initial expectations. As Marion Williams, Governor of the Central Bank of Barbados and chair of CARTAC’s steering committee, notes, it is the center’s clients who ultimately judge the quality of CARTAC’s work. Early feedback suggests they have been more than satisfied, and she is confident that the results of a midterm review of CARTAC’s operations in the first half of 2003 will be positive and look beyond CARTAC’s current three-year time horizon. ■

Nigel Bradshaw
IMF Program Coordinator, CARTAC

World Bank launches website for country analytic information

On October 31, the World Bank launched a website making it possible for multilateral and bilateral agencies to share information on country analytic work. Through the Country Analytic Work partnership website (www.countryanalyticwork.net), donor agencies will share analysis, good practices, and advice to strengthen policy dialogue; develop and implement country strategies; and carry out sound lending operations. The website will help donor institutions and their clients use development resources more efficiently, avoid duplication, and build capacity. It will also provide information on development challenges in particular countries and regions.

The website will collect and provide information on country analytic work in a number of areas:

- Lists of recently completed, ongoing, and planned projects.
- Information on programming, implementation, and quality assurance procedures.
- Names and e-mail addresses of contact points and staff in charge of sector-specific work.
- Joint and agency-specific toolkits for products.
- Examples of best practices and newly released country analytic work.
- Disclosure policies and appropriate contacts to access confidential documents.

To date, there is information from eight of the participating agencies, including the IMF, on the website.

For more information, see the full text of World Bank News Release No. 2003/129/S at www.worldbank.org.