

**Statistical Capacity
Building:
The CARTAC Model**

**International Conference On Statistics
Eastern Caribbean Central Bank
5-7 September 2007**

Background

This presentation is based on a paper prepared by CARTAC staff in 2006, with significant inputs from Mr Richard Abrams the former Programme Coordinator of CARTAC and Mr Brian Dawe, the CARTAC Tax Advisor.

Ione Marshall

CARTAC Statistics Adviser

Introduction

- The Caribbean Regional Technical Assistance Centre (CARTAC) began operations in 2001 as a multidonor-financed institution located in Bridgetown, Barbados.
- The IMF is the executing agency of CARTAC.
- CARTAC is funded in cash and in kind by a range of contributors, including donor institutions, member countries and multilateral organizations.
- Policy direction comes from the CARTAC Steering Committee, which comprises representatives of member countries and regional and donor institutions.

Introduction

- **CARTAC serves 20 member countries:**
Anguilla, Antigua and Barbuda, the Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Turks and Caicos Islands

Introduction

- **CARTAC has five main areas of expertise:**
 - **Tax and customs administration**
 - **Public finance management**
 - **Financial sector regulation and supervision**
 - **Macroeconomic programming**
 - **Statistics**

Introduction

- The work of CARTAC is performed by a core team of experts, complemented by the activities of short-term experts, regional seminars and workshops, and through attachments of officials to partner institutions in the region and abroad.
- CARTAC works in close collaboration with other development institutions, technical assistance agencies, and regional organizations and supports regional harmonization and the CARICOM Single Market Economy (CSME) initiative.

The CARTAC Model

- **Background to the model:**
 - Small size is a significant barrier to building sustainable capacity in many CARTAC countries.
 - Only five of the CARTAC 20 members have populations of over one half million, and seven have populations of less than 100,000.

The CARTAC Model

- Small size, coupled with financial constraints associated with the small tax base, has in turn served to limit the size of many government agencies, including the statistics offices.
- The small size of these agencies means that many functions that are carried out by a number of people in bigger countries may be done in the region by one or two staff members.
- Each staff member may have primary expertise in a given area, but with no clear backup and little overlap in responsibilities.

The CARTAC Model

- There is significant risk that the resources spent in developing capacity may be lost because one or two staff resign, are transferred or promoted.
- Since staff are thinly stretched, internal training and staff development become a difficult undertaking.

The CARTAC Model

- The inability to develop self-sustaining or vertical capacity within an agency makes the provision of technical assistance problematic.
- If vertical capacity cannot be created, then other approaches must be sought to build sustainable capacity.

The CARTAC Model

- The approach favoured by CARTAC is to focus on horizontal capacity building.
- Horizontal capacity building is achieved by having a group of countries work together to develop sustainable capacity in carrying out a particular function.

The Model

- This approach of horizontal capacity building should make it possible to fill a gap that develops in one country through professional attachments, secondments, and training largely provided by the other countries using a similar system.
- The similarities should cover legislation, if necessary, as well as methodologies and procedures. This is necessary to ensure skills learned in one country are largely transferable to the other countries in the group.

The CARTAC Model

- The approach approach of horizontal capacity building usually follows one of two courses:
 - One, a country asks CARTAC to provide TA on a given project, and then other countries in the region find they like the model and choose to follow a similar approach.
 - Two, there may be an agreement, tacit or otherwise, among several CARTAC members to follow a similar or identical approach to a problem.

The CARTAC Model

- The TA project
 - Usually begins with a single country request for TA. This becomes the pilot country.
 - Initial TA is delivered by a team comprising a CARTAC staff member, one or more professional TA experts and, if required, a member of the relevant IMF functional department.
 - CARTAC seeks to identify and develop staff from the recipient countries to work as experts in other countries involved in the project.
 - Development of regional experts is done through enhancements to the training material offered, on the job training, participation in capacity building courses and coaching.

The CARTAC Model

- TA for problem solving
 - Usually begins with a pilot country.
 - Initial TA consists of a CARTAC-sponsored discussion or seminar to help identify the best approach to the problem.
 - CARTAC seeks to identify and develop staff from the recipient countries to work as experts in other countries having similar problems.
 - Development of regional experts is done through enhancements to the training material, on the job training, participation in capacity building courses and coaching.

The CARTAC Model

- Evaluation of the CARTAC model:
 - It has been used successfully by CARTAC on a range of topics, including introduction of value added taxes, auditing of public expenditures, supervision of securities markets and credit unions, and helping the OECS to develop a uniform insurance law.
 - In the case of VAT, representatives from countries that have already implemented the scheme provide ongoing peer support, operational know-how and coaching to countries that are in the process of implementing it.

The CARTAC Model

- Evaluation of the CARTAC model (cont'd):
 - It assists in developing regional experts and helps them build their personal competencies, while CARTAC client countries benefit from additional local resources to provide TA networking and, if needed, direct support if another country loses one or more of its key VAT staff members.
 - It leads to increased communication and sharing of issues within the region, as well as common methodologies and procedures, based on international best practice.
 - Progress has been recorded in spite of the very small size of the countries, the cost of technical assistance and the significant risk that trained staff will be redeployed or leave the government service.

The CARTAC Model (Statistics)

- In the area of Statistics the CARTAC model has been used to a limited extent.
- Supply and use tables and export and import prices indices, projects that have been replicated in a number of countries, best exemplify the model.
- Staff in most of the national statistical offices are too thinly spread to provide direct assistance to other statistical offices.
- CARTAC would like to see member countries with adequate human resources give more direct assistance to other countries in the region.

The CARTAC Model (Statistics)

- CARTAC has used members of staff of the St Vincent and the Grenadines Statistical Office and from the OECS Secretariat to good effect, to provide direct assistance to member countries.
- Countries active in hosting professional attachments are Barbados, St Lucia, St Vincent & the Grenadines and Trinidad & Tobago.
- CARTAC strongly encourages and supports member countries in pursuing opportunities for hosting and engaging in professional attachments to build relationships, networks, centers of expertise and develop an enhanced approach to problem solving in the region.

The CARTAC Model

- CARTAC expects that TA delivery model will be applied in the following areas:
 - Expanding TA in under-served CARTAC countries (Belize, Guyana, Haiti and Suriname)
 - Developing tourism statistics in the OECS (supply and demand data)
 - Designing an efficient production process for compiling supply and use tables (national accounts)

Statistical Capacity Building: The CARTAC Model

THANK YOU