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CONSOLIDATION OF THE CARICOM SINGLE MARKET

**CONSULTANCY TO CREATE BEST PRACTICE MODELS AND DELIVER
TECHNICAL ASSISTANCE TO IMPLEMENT NATIONAL CSME WORK PLANS
(REFORM ADMINISTRATIVE PRACTICES AND PROCEDURES)**

BACKGROUND DOCUMENT

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The consultancy “*Consultancy to Create Best Practice Models and Deliver Technical Assistance to Implement National CSME Work Plans (Reform Administrative Practices and Procedures)*” is executed under auspices of the CARICOM Trade and Competitiveness Project in the CARICOM Region (A-32281) which is an intervention by the Caribbean Community and funded by the Canadian International Development Agency.

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1. INTRODUCTION

The project “*Consultancy to Create Best Practice Models and Deliver Technical Assistance to Implement National CSME Work Plans (Reform Administrative Practices and Procedures)*” relates to the “Single Market” phase of the CSME. The full and efficient functioning of the Single Market requires for each regime (goods, services, capital, movement of persons and the right of establishment) the creation of the systems and procedures to facilitate management and administration at the national and community level. To achieve the effective participation of stakeholders it requires the creation or improvement of the administrative infrastructure for their effective participation in the single market decision-making and implementation processes. This will ensure their effective access to the labour and services markets.

Governmental services to the public must now contend with meeting the needs of natural and juridical Community nationals possessing rights to engage in economic activity within its territory or between its territory and other territories. The State in discharging its commitments and undertakings under the Revised Treaty must be equipped with the right set of institutions, procedures and systems to administer new laws and regulations. As a consequence they must reform or install appropriate administrative procedures and practices to ensure that persons entitled to a benefit are effectively processed.

The services provided by the State must be efficient, since inefficient, bureaucratic or outdated administrative systems serve the same purpose as “restrictions” in frustrating access and enjoyment of rights intended under the Treaty. The development, implementation and institutionalisation of administrative systems, procedures, practices, application/processing forms and supporting documentation are integral to the effective functioning of the CSME.

2. OBJECTIVES AND SCOPE OF CONSULTANCY

This consultancy is part of Component 100 of the CARICOM Trade and Competitiveness Project “The Harmonization and Standardization of Administrative Practices and Procedures”. Component 100 seeks to create improved harmonized, regulatory and administrative systems that would enable beneficiaries of the CSME to access their rights and thus the use of the various CSME arrangements that have been established for the free movement of Goods, Services, Capital, Skills and the Right of Establishment.

This consultancy will facilitate implementation of the recommendations from the country reports and work plans developed under the first phase of the Project (WBS 111, 121 and 122). The Reports identified those administrative systems, practices and procedures, forms and documentation to be reformed and harmonized. The

development of the Single Market to date has deepened to the point where it has been increasingly possible to harmonise not only law but regulations and administration.

The measures to be implemented would help to create harmonized, standardized and improved administrative operating systems in each of the participating Member States in order to achieve a fully functional Single Market, in accordance with the Revised Treaty. This is critical for Business facilitation and should be seen as part of the process to create an enabling environment to make opportunities for CARICOM Nationals more accessible. The necessity of facilitating development of reformed and harmonised practices and procedures is to strengthen functional coherence, transparency and consistency in decision making efficiency at all levels of Government or bodies acting on behalf of Governments in their dealings with Community Nationals and with third parties who are entitled to enter their market to conduct economic activity.

The need for this is enunciated by the Heads of Government of CARICOM in their decision at a Special Retreat in Guyana in May 2011 regarding the CARICOM Single Market and Economy (CSME). The Conference agreed that *it may be best to consolidate the gains from the CARICOM Single Market before taking any further action on certain specific elements of the Single Economy, such as the movement towards a single currency which should be moved off the immediate Agenda.*

In addition to the free movement of goods, people/skills, services, capital and right of establishment, the Single Market portfolio includes other key related areas such as contingent rights, government procurement, e-commerce, consumer protection and competition policy. The consolidation of these important elements would have positive consequences for critical areas related to doing business in the Single Market. The CTC Project will enable this by facilitating the access to opportunities by improving the administrative practices and procedures. The performance standards of focus in this improvement process are: efficiency, effectiveness, timeliness, transparency, user-friendliness.

3. RELEVANT MANDATES FROM HEADS OF GOVERNMENT MEETINGS AND THE TREATY OF CHAGUARAMAS

The relevant listing of mandates by the Heads of Government is provided for below.

Thirteenth Inter-Sessional Meeting

This Meeting (February 2001, Belize), recalled the agreement reached with regard to the Programmes for the removal of restrictions. This agreement which specified that with regards to the identified restrictions and their corresponding timeframes “the short term be up to 31 December 2003, medium term be up to 31 December 2004 and the long term be up to 31 December 2005 but that, in principle and within that time-

frame, each Member State endeavour to remove each restriction in the shortest possible time;

Thirteenth Special Meeting (April 2008, Trinidad and Tobago),

The Meeting took the decisions to conduct the Appraisal of the Status of Implementation of the CSM. Successive additions to the mandate were given at the Twentieth Inter-Sessional and Twenty-Ninth and Thirtieth Regular Meetings;

The mandate from the Conference sought answers to three questions, namely;

- (a) Have the Member States complied with their obligations relating to removal of legal restrictions in respect of the CSM?
- (b) Are the sub-structures of Government (institutions, competent parties, Boards regulations, administrative processes) developed to the point where they are enabling and facilitating effective participation in the CSM by CARICOM nationals? and,
- (c) What challenges do Member States face in the effort to implement and operate the CSM?

The scope of the appraisal covered Chapters III, V and VIII, and Parts of Chapters IV, and VI of the Revised Treaty.

The mandate has been discharged in respect of the conduct of the Appraisal, the convening of the Convocation on the CSME and consideration of the Appraisal Report by the COTED

Twenty-First Inter-Sessional Meeting (March 2010, Dominica)

The Twenty-First Inter-Sessional Meeting considered the Appraisal Report and agreed that Member States would indicate to the Secretariat the dates by which they anticipate implementing the outstanding measures; and an outer limit on the timeline for the implementation of all outstanding measures should be established after Member States have submitted their national projected implementation dates for each of the respective outstanding measures. The Meeting also **Endorsed** the decisions and recommendations from the Senior Officials Meeting Preparatory to the Twenty-Ninth Meeting of COTED (February 2010, Guyana), set out at **Attachment III**.

The Retreat of the Conference of Heads of Government of the Caribbean Community

The Retreat was convened on the 21-22 May 2011 in Guyana. Heads of Government agreed to **consolidate the CARICOM Single Market** before taking any further action on certain specific elements such as movement towards a single currency.

Treaty mandates:

The Revised Treaty provides clear mandates to achieve improved effectiveness in the Single Market regulatory and administrative systems, practices and procedures for the work to be executed under Component 100. The articles also allude to the creation of coordinated systems across signatory states to facilitate management and administration at the national and regional level. The appropriate articles are:

- 34 - Management of Removal of Restrictions on the Right of Establishment
- 35 - Acceptance of Diplomas, Certificates, and other Evidence of Qualifications
- 37 - Removal of Restrictions on Provision of Services
- 44 - Measures to Facilitate Establishment, Provision of Services and Movement of Capital
- 46 - Movement of Skilled Community Nationals
- 76 - "Role of Public Authorities"
- 78 - Objectives of the Community Trade Policy

4. DOCUMENTATION

The following are the relevant documents for the consultancy

Core Documents

- CTCP Component 100 Country Studies (2009-2012) – which includes the Technical action plans and cabinet briefs;
- Paper on the synthesis of findings of the CTCP country studies;
- Matrices on administrative and legislative compliance in the Member States.

Additional Documents

- a) **Programme For the Removal of Restrictions** 2003–2005, CARICOM Secretariat;
- b) **Report containing proposals for amendment to legislation** for the European Union/ CARICOM consultancy on the amendment of free movement, immigration and relevant laws and regulations to facilitate free movement by CARICOM nationals (CISP/CSME/1.5.1.2 and 1.5.1.3/SER08.09) by Professor Rose-Marie Belle Antoine, 2009;
- c) **Main Findings and Reforms** from the CARICOM Study on Administrative Restrictions to the Movement of Services, the Right of Establishment and the Movement of Capital, Noel Watson and Denise Leander Watson, January 2005;
- d) **Administrative and Regulatory Procedures** developed for wage earners, self-employed service providers and persons operating under the right of establishment regime approved by the COTED and Conference;
- e) **Report on the Appraisal of the State of Implementation of the CARICOM**

Single Market Arrangements mandated by: The Conference of Heads of Government of The Caribbean Community;

f) **Interim Report for CISP/CSME/R1/6.1/SER09.10-** Consultancy to Upgrade and Install Best Practices in Two Member States (Antigua and Barbuda, and Suriname).

5. PHASES OF THE CONSULTANCY

Phase – Inception

The Consultant met with the Project Steering Team, inclusive of representatives of the CARICOM Secretariat, Caribbean Export Development Agency, the Caribbean Development Fund, the OECS Secretariat and the Office of Trade Negotiations in the Inception Meetings on 15 February, 27 February and 11 March 2013. The Inception Meetings:

- (i) provided for the broader context on the CSME and the CTCP (CCS);
- (ii) provided an update on the status of the implementation of the CSME as well as the main challenges experienced within that process (CCS); and
- (iii) Ensured a common understanding of the scope and nature of the Consultancy and discuss and clarify issues regarding implementation of same (CCS and Consultant);
- (iv) Agreed on the methodology and strategy to complete the services

The Inception report was accepted.

Phase - Field Work-Refinement of Best Practices and National Implementation Work Plans

This phase will require the Consultant to conduct meetings and consultations with key public sector functionaries and the private sector in all the participating Member States. The consultant will closely examine and assess the daily operations of current administrative systems, practices and procedures in government departments and/ or agencies which facilitate the operations under each of the five CSME regimes.

In terms of the core processes to be addressed.

a. Refinement, Development and Design of Best Practice

- 1) Refine list of Best Practices after review of recommended best practices;

- 2) Evaluate best elements in several existing practices and reconstitute development of new best practices models;
- 3) Re-engineer administrative processes to reflect proposed harmonised best practices models;
- 4) Submit a **report** on the work done to identifying the best practices for CSME related administrative processes and procedures which offer the best prospects for an efficient CSME. The report should also include the actual layout of the proposed models.

b. Examination and refinement of National Implementation Plans

- 1) Identification and determination of Specific Work breakdown structure (for activities to be implemented which includes):

A list and description of the country-specific reforms

- The specific types of performance metrics which should be derived to measure performance; activities which will be undertaken to reform CSM business processes and to improve structural and process administrative routines in the various government departments and/or agencies in each of the Member States.
- A list identifying which personnel must be trained in the use of newly installed systems, practices and procedures as well as those key personnel to be trained as trainers.
- Inspection and creation of an inventory of suitable IT system/software/equipment to be installed in departments and/ or agencies identified. (A list of possible suppliers and budgets is to be submitted for procurement purpose).
- A training manual module for the relevant practices/procedures.
- Draft documentation/forms required to operate best practice procedures.

During this phase the Consultant will undertake field visits to the Member States to Refine, Develop and Design of the Best Practice. The Consultant will meet with the National Coordinator and all process owners during this phase. In addition the consultant is also to meet with Private sector representatives. The lists are to be provided by the Consultant based on their review of the Country Reports. The CARICOM and OECS Secretariat (for OECS Countries) and the National Coordinators are to provide support to ensure that the Meetings take place.

Phase - Implementation and Installation of Best Practices and Country Specific Technical Work Plans

a. Launches in Member States

- 1) Participate in launches in the individual Member States;
- 2) Present Work Plans and facilitate confirmation;
- 3) Agree to work schedule for delivery of technical assistance services

The launches in each Member State will bring together all stakeholders to ensure a common understanding of the Project as well as their roles, and those of the Consultants. All launches should receive media coverage in order to inform the wider public of these national and regional developments aimed at improving the operations of the CSME.

The CARICOM and OECS Secretariats (for the OECS Countries) as well as the consultants will participate in launches in each Member State and apart from the introductory function in the Launch, the following will also be done:

- Presentation of the Work Plans and the facilitation of confirmation of same; and
- Engaging stakeholders in a dialogue that leads to agreement on the work schedule for delivery of technical assistance services.

b. Implementation of Best Practices

- 1) Re-engineering of administrative processes to reflect proposed harmonized best practices models;
- 2) Re-engineering of country-specific processes as outlined in the Phase I country studies and work plans;
- 3) Re-engineering of forms where applicable;
- 4) Development of e-materials (forms/documentation etc.);
- 5) Set out needs to improve data management capabilities;
- 6) Document procedures for processes under each regime in each Member State.

This part of the Consultancy is important for the transformation process and will involve the (i) re-engineering of administrative processes to reflect proposed harmonized best practices models; (ii) re-engineering of country-specific processes as outlined in the Phase I country studies and work plans' (iii) re-engineering of forms where applicable and development of e-materials (forms/documentation etc.) and (iv) Setting out the needs to improve data management capabilities and documentation of procedures for processes under each regime in each Member State.

c. Collaborate with the Executing Agency to Procure and:

- 1) Install IT equipment, software, web interfaces;
- 2) Install data management systems
- 3) Development/Upgrading of websites (where applicable);

Following the re-engineering process and the finalisation of best practices and data management requirements, the procurement and installation of the recommended systems is to be undertaken.

d. Training

- 1) Training of Staff [new equipment/software upgrades/ installations/ relevant CARICOM Single Market(CSM) Approved procedures];
- 2) Training of frontline Staff on approved CSM procedures under the five CSM regimes.

Following the installation of systems and the implementation of the necessary upgrades, the next step will involve training on topics including:

- New equipment, software upgrades, installations, relevant CSM Approved procedures, etc.
- Customer service as it relates to approved CSM procedures under the five CSM regimes.

The identification of personnel recommended for training will be carried out in conjunction with the relevant Managers in the relevant Ministries and Departments and will be based on discussions of the organisational structure and the ideal fit of personnel for different functions. A Training Programme will be developed with the relevant material.

Phase - Post-Installation

Simulation Tests

The Consultant will be required to complete simulation tests with data to demonstrate (i) data capture, (ii) data archiving, (iii) data retrieval, and (iv) publication of reports; and to correct any inaccuracies identified.

Phase - Revision of CSME manual

Revision of CSME manual of administrative procedures under the five CSME regimes. Prepare a manual of guidelines for reformed systems, practices and procedures installed for publication and dissemination.

Final Phase

Completion of a Final Report on all work conducted, including the final reports on the work completed in each Member State.