



Turning Around CARICOM: Proposals to Restructure the Secretariat

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FINAL REPORT

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Consultancy to Conduct an Organisational Restructuring of the Caribbean Community
(CARICOM) Secretariat

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However the responsibility for this report, and particularly for any errors or omissions, remains ours alone.

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Abbreviations and Acronyms

ACP	Africa, Caribbean and Pacific Countries
ASEAN	Association of Southeast Asian Nations
ASG	Assistant Secretary General
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum of ACP States
CCJ	Caribbean Court of Justice
CDB	Caribbean Development Bank
CEO	Chief Executive Officer
COO	Chief Operations Officer
COTED	Council for Trade and Economic Development
CSME	Caricom Single Market and Economy
CVQ	Caribbean Vocational Qualifications
CXC	Caribbean Examination Certificate
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
EC\$	Eastern Caribbean dollar
EIU	Economist Intelligence Unit
EMC	Executive Management Committee
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HR	Human Resources
HSD	Human and Social Development Directorate
IDB	Inter-American Development Bank
IFI	International Financial Institution
IMF	International Monetary Fund
OECD	Organisation for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
OTN	CARICOM Office for Trade Negotiations
PANCAP	Pan Caribbean Partnership against HIV/AIDS
PCA	Permanent Committee of Ambassadors
PMO	Project Management Office
PR	Public Relations
RMTA	Resource Mobilisation and Technical Assistance
SRPR	Strategy, Regional Policy and Review Department
TEI	Trade and Economic Integration Directorate
TOR	Terms of Reference
TASU	Technical Assistance Support Unit of the CARICOM Secretariat
WTO	World Trade Organization

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Turning Around CARICOM: Proposals to Restructure the Secretariat

Executive Summary

1. CARICOM is in crisis. This is for three reasons:
 - Longstanding frustrations with its slow progress have continued to mount;
 - A serious weakening in its structure and operation over a number of years;
 - Continuing economic retrenchment since the 2008 financial crisis and the risk of a further downturn in 2012.
2. The crisis is sufficiently severe to put CARICOM's very existence in question. This is because many of its Member States are highly indebted with the result that a further downturn in 2012 could compromise their ability to fund the construct. The Secretariat and CARICOM institutions are not strong enough to cope with any major shortfall in funding. Notwithstanding the immediate dangers, there is evidence that, without fundamental change, CARICOM could expire slowly over the next few years as stakeholders begin to vote with their feet.
3. CARICOM can surmount the crisis and eventually prosper as long as fundamental changes in its operation and structures are made - and made decisively and speedily.
4. There also needs to be contingency planning to protect against the more pessimistic economic forecasts for 2012 coming to fruition. Ironically, the key to 2012's prospects appears to be whether or not another regional construct, the European Union's Euro, can overcome the crisis that it is facing.
5. There are three general conditions governing whether CARICOM can survive and eventually prosper. These are:
 - I. The full and unequivocal support of Member States;
 - II. Targeting the delivery of a narrow range of specific, practical and achievable benefits over a reasonably short time horizon;
 - III. A credible reorganisation and strengthening of the CARICOM construct, including the Secretariat and CARICOM institutions, focused on the management of implementation.
6. Behind each of these conditions lay some important issues. Despite Member States maintaining a serious commitment to regionalism in principle, many

of their decisions, practices and actions have - often inadvertently - undermined and weakened CARICOM in reality. This must change.

7. In particular, it is essential that the region settle on clear priorities as to what it can and cannot do. Stakeholders and informed commentators are increasingly unanimous that the longstanding habit of the region attempting to take on a never-ending wish list of priorities means that nothing is a priority in practice. The Heads of Government recognition of this at their retreat in Guyana in May 2011 could prove an historic turning point in this respect.
8. For CARICOM to be turned around successfully, both stakeholders and interested parties¹ need to become more realistic about the insurmountable constraints of geography, lack of size and complexity faced in developing a successful regional construct in the Caribbean. Whilst these constraints impose limitations on what can be done and the speed at which it can be done, the fundamental challenge is to address the plethora of weaknesses in the CARICOM construct that have prevented it making acceptable progress over many years.
9. Our main report addresses these weaknesses in some detail. The weaknesses include the often ill-disciplined way CARICOM conducts its business, the increasingly loose structure binding CARICOM's organs and institutions and longstanding and growing difficulties in the Secretariat itself. These severe weaknesses, in combination with CARICOM's tendency to announce decisions over new initiatives as if full implementation were imminent, have resulted in the so-called "implementation deficit." As CARICOM has become weaker, this deficit has become increasingly intractable. At the same time, mounting criticisms mean that it has become an increasingly apposite - yet destructive - slogan in circumscribing those weaknesses.
10. CARICOM's recovery can be brought about through three steps, each of which encapsulates a broad set of measures. These are:
 - **First Step:** Prioritising long-term goals into specific outcomes that can be achieved within a relatively short timeframe. It is essential that CARICOM develop a five-year Strategy to deliver a limited set of priorities that can be realistically matched by available resources during that period. Remaining priorities can be delivered by successive strategies later on;
 - **Second Step:** Various essential measures to strengthen the CARICOM construct. These include limiting the scope of CARICOM for the foreseeable future and strengthening the Organs of CARICOM and the disciplines by which they work. These measures also include integrating CARICOM's institutions better, not least by ensuring they are more accountable;

¹ The most important interested party in this respect is the international community, particularly its constituent aid donors.

- **Third Step:** A fundamental restructuring of the Secretariat to focus on implementation and on where the region can add value, net of any costs, to what Member States can do individually. This restructuring includes: strengthening the position of the Secretary General to enable more effective leadership of CARICOM; setting up an Implementation Office more directly focused on the process of delivering agreed priorities; strengthening the Secretariat's operations, which have been increasingly unable to cope with the pressures put on them.
11. The thrust of these measures is managerial, rather than structural. This approach is based on trying to make things work through focusing on the specific problems that need to be resolved and trying to work out the best way of resolving them. It is largely based on strengthening structures that exist, rather than on introducing new structures.
 12. As far as the Secretariat itself is concerned, the thrust of these measures involves some changes in what is done and the way it is done. This will enable a better focus on outcomes and on reducing the implementation deficit directly, rather than relying on more indirect processes. Success will be dependent on closer coordination with Member States and on their cooperation in bringing about mutually desired objectives.
 13. At this stage, there is neither the justification nor the support to set up a Permanent Committee of Ambassadors. There is, however, a good case for Ambassadors forming a flexible and informal advisory group that, depending on its usefulness, could eventually develop into a more formal and permanent arrangement.
 14. Restructuring the Secretariat and turning around the fortunes of CARICOM will require a major effort that is beyond the current capabilities either of CARICOM or of the Secretariat. We have therefore proposed setting up a temporary Change Office, which is likely to operate only on a skeleton basis during 2012 because of financing requirements. Nevertheless, it is essential that key immediate priorities, not least the development of a CARICOM Strategy, be carried out during this period. The full Change Office will need to operate for about two years and, ideally, should be up and running before the end of 2012.
 15. We are confident that sufficient savings can be generated from within the Secretariat's current resources to fund the recurrent costs of its new activities. However, the Secretariat cannot be made fit for purpose by cutting its budget. It is essential that the current level of funding be maintained. We are therefore proposing that Member State contributions be maintained at current levels in real terms until 2015.
 16. Additional capital funding will be required for the Change Office and for the long overdue replacement of the Secretariat's ageing IT system. The successful restructuring of the Secretariat is dependent on an up-to-date IT

system, which should quickly pay for itself through a combination of staff savings and improved effectiveness.

17. These capital costs will need to come from those Member States that are not highly indebted and from international donors. The immediate costs for the Change Office are around US\$250,000 and the costs of the full Change Office about US\$3.5 million. We understand that the costs of upgrading the IT system are of a similar order.
18. In our judgement the fortunes of CARICOM can be turned round as long as the existential nature of the current crisis and its seriousness are fully appreciated and understood and the requisite decisions and action taken. The main report that follows sets out the main decisions that are required and the key actions that need to be taken.

1. Introduction

1.1 The Challenge

1. This has been a difficult report to write. As a team, we know we bear a heavy responsibility to get it right. We are aware that some very eminent people have trodden similar territory before. Yet the goals of CARICOM have remained frustratingly elusive.
2. We are also painfully aware that, in the midst of an economic crisis, which ironically is centred on the hitherto role model for regional integration, the European Union, that this time it is different. The whole CARICOM project is in unprecedented difficulties and - with no current prospect of economic recovery in the region and the serious possibility of further retrenchment - under existential threat.
3. One of the officials with whom we have worked closely asked us “to give the truth – all of it.” In a report like this, it would be very easy to pull punches. We are sure that we have avoided this but, in the process, know we are likely to cause distress in some quarters. We much regret that, particularly as there are some very good people involved. However, we have a wider responsibility to log the perilous position that CARICOM is in and to suggest a route away from the rocks and out of the storm.
4. Over the years, there has been much erudite analysis of the challenges facing CARICOM and of the role of Secretariat. We do not intend repeating much of what has been said unless we have something new or different to say². This is because we have prioritised our activities – and “priority” is an oft-repeated word in the report that follows. Our priority is to focus on what needs to be done, as no amount of erudite analysis of the situation will, on its own, resolve the intractable challenges that have long faced CARICOM³.
5. We very much hope that we have come up with workable answers that can be implemented successfully. The evidence and views that we were given and our long experience of assessing organisations of every type gives us confidence that our broad conclusions as to what needs to be done are correct. However, we trust we have the humility to know that we cannot have got everything right.

² Much of the analysis going back to “A Time for Action” and beyond remains highly relevant today.

³ We have not backed everything up with evidence, either because the information does not exist or because providing the evidence would take us away from the main task of what needs to be done. Should we be asked, we are happy to try to back up anything we have said with whatever evidence is available. Our only caveat is that we cannot reveal sources for what we were told at interview.

6. In particular, we are well aware that, during the short time available, we have had to dig down into some areas that require more careful assessment and where what we have said is unlikely to be the final answer. Our report includes suggestions as to how our work should be taken forward quickly and how some of our specific recommendations can be further examined and modified as necessary.

1.2 Our Overall Approach

7. Much of our time has been spent travelling the length and breadth of the Caribbean where we have met a wide array of people from government, members of the public, community groups, public and international institutions and the private sector. We are very grateful to those who organised our extensive schedules. We have met many eminent people, including current and former Heads of Government as well as the widest possible group of stakeholders, from officials intimately involved with CARICOM to outsiders with particular interests or viewpoints. Despite constraints of time and budget, combined with the inevitable delays of such an ambitious undertaking, we were able to visit each Member State although we were unable to see all of those we ideally should have seen. We particularly regret that, in the end, we could not follow up on a handful of outstanding meeting requests.
8. Nevertheless, we believe our programme exposed us to the full range of viewpoints. We were pleasantly surprised by the general uniformity of views⁴ as this gives a basis on which to build. Moreover, despite huge frustrations at the lack of progress, there remains a deep well of commitment to the CARICOM ideals, even though there are signs that the well is beginning to dry up.
9. Our visits to Member States were intertwined with time spent in the CARICOM Secretariat, which was eventually sufficient for the overall purposes of this assignment. We are very grateful to officials, from the Secretary General down, for being unstinting with their time and frank with their views on where the challenges and solutions lie.
10. We were also struck at the widespread uniformity of general views between the Secretariat, Member States and other stakeholders as to where the problems and solutions lie, even if there was less uniformity as to the source of problems. The fact that the various committed stakeholders tended to describe a wide array of problems in almost identical ways, except in their view of where responsibility lies, put us on the alert that something deeper has been going on.
11. As will become clear, we are convinced that the real sources of CARICOM's difficulties are the result of a build up of circumstances over many years for which, ultimately, no one is to blame. We are certain that we have identified

⁴ There were, of course, shades of opinion and some serious dissenters within this general uniformity. There were also, as would be expected, wider divergences on some issues, particular if they were issues of national interest or of detail.

those sources and that, if a shared understanding of them can be developed amongst stakeholders, then the solutions are relatively straightforward⁵.

1.3 Structure of Final Report

12. This Final Report begins by contrasting what CARICOM is for with an overview of its perilous current position, the pressures it is under and the possible outcomes. There is then a key passage on the necessary conditions that need to be met for CARICOM's fortunes to be turned round.
13. We look at the overall constraints and challenges facing CARICOM, how they have developed and the impact this has had on CARICOM's institutional structure. We then reach some general conclusions as to where the problems lie. Following this, we consider the key issues of prioritisation and strategy.
14. We then consider how the overall institutional structure needs to be strengthened and go on to make recommendations on both general and specific proposals. This includes addressing specific governance issues, such as the proposal to set up a Permanent Committee of Ambassadors.
15. We then turn our attention to the Secretariat and its role as "the principal administrative organ of the Community".⁶ We examine how this role has been played in comparison to how it should be played in a world that has moved on a great deal even since the *Revised Treaty of Chaguaramas* was drafted.⁷ We focus on the need for results and the organisational structure required to help deliver them.
16. We then roll out a proposed organisational structure and, in the process, examine staffing levels and HR issues. After an examination of budgetary and financing issues, we draw the main report to a conclusion. We complete the report with a *Listing of Findings and Recommendations* and an *Action Plan*, both of which are stand-alone annexes (Appendix 1 & 2 respectively). The other annexes in our report are on *Governance* (Appendix 3), on *Restructuring Communications* (Appendix 4), on an *Outline Specification for the Change Office* (Appendix 5) and finally on *Some Views of CARICOM* (Appendix 6).
17. We have tried to keep the narrative flowing with the objectives of providing brevity and clarity to a highly complex set of problems. As a result, we have made extensive use of footnotes. These have been used in a number of contexts, including the development of the point at issue, explanations of subtleties and exceptions and references to evidence and other material. Whilst most of the footnotes are important to our analysis and argument, our aim has been, as much as possible, to keep things straightforward and avoid straying too far into tangents, important as some of them are.

⁵ The emphasis here should be on relative. In something as complex and difficult as regional integration, as the current crisis in the EU bears out, nothing is ever completely straightforward.

⁶ Article 23 of the *Revised Treaty of Chaguaramas* (2001).

⁷ Op. cit.

2 Challenges Facing CARICOM

2.1 A Necessary Construct?

1. We have no doubts that CARICOM is essential to the region's future and to the prosperity and welfare of its Member States⁸. There is no dispute that significant benefits can be had from regional co-operation and integration⁹. The problem is the realisation and delivery of those benefits, as the debate over the so-called "implementation deficit" makes clear.
2. At the same time, we have been convinced that CARICOM remains the only viable option for realising substantial regional benefits. With the exception of the Organisation of Eastern Caribbean States (OECS), which is an integral part of CARICOM, the other regional constructs that have emerged in recent years are either too diverse or too artificial and controversial to provide viable alternatives¹⁰ within the foreseeable future¹¹.

2.2 A Construct in Crisis

3. Nevertheless, CARICOM has lost its way badly. Whilst its difficulties have plainly been building up for years, they are now coming to a head.
4. The overall construct of CARICOM has been under unprecedented attack in the media. It is regarded as having failed by the man in the street, assuming he is aware of it at all. It should be noted that there are endless confusions in the media and general public between CARICOM as a whole and the Secretariat, with the latter regularly taking the blame for problems of the entire CARICOM endeavour. Therefore, when we refer to CARICOM, we mean the entire institutional construct. Similarly, when we mean to refer to the Secretariat, we say so directly.
5. Alongside some of the public perceptions of CARICOM, some of the international community see the construct as increasingly irrelevant and are often, reluctantly, trying to work round it.
6. The common verdict on CARICOM can be summarised by the "implementation deficit". CARICOM is widely regarded as having achieved little and of being incapable of delivering long-promised benefits. Even insiders are often reduced to pointing to specific successes in functional co-

⁸ With our economic, business and finance experience, we feel we can confidently assert this. In any event, no one seriously questions this assertion and it would take our work off on an unnecessary tangent to provide evidence.

⁹ There is more room for debate about what should be the extent and mix of co-operation and integration and the speed at which it is carried out.

¹⁰ Our definition of viability in this context is a construct that could make a significant contribution to the region's future and to the prosperity and welfare of its Member States.

¹¹ In brief, and despite the best of intentions, CARICOM has already added significantly to its challenges by developing beyond its original Anglophile construct – and the argument that CARICOM has overstretched itself by prematurely so doing was put to us on a number of occasions. In our view, it is far too early to consider an application for membership from the Dominican Republic. As will become clear, CARICOM's fundamental problem is that it is already trying to do too much. Taking on further "priorities" would, in practice, result in even less being achieved.

operation and to the region punching above its weight in international forums.

7. The region-wide CXC examination system undoubtedly stands out as a beacon of what regional co-operation can achieve. Unfortunately, the harshest critics would suggest that little else has been achieved.
8. Although these judgements are highly critical, they unfortunately represent what is widely perceived. That the record of CARICOM is actually somewhat better does not carry great weight when the construct is regarded as failing and on the slide. Many good companies have gone bankrupt and non-commercial organisations ceased to exist because perceptions of them were over harsh.
9. CARICOM's difficulties are significantly multiplied by the continuing economic crisis. CARICOM's Secretariat has lived from hand-to-mouth in budgetary terms for most of the last decade. With Member States, in particular, now having to make savings wherever they can, the Secretariat has come under mounting financial pressure.
10. The nature of this financial pressure - as distinct from the actual amount available in dollars and cents - has resulted in ever-increasing uncertainty and the unavoidable requirement to make arbitrary short-term cuts. We have confirmed the fears noted in our Inception Report that this risked reducing the Secretariat's functionality¹². In fact, and as we will explain, the underlying problems are more fundamental and long-term than that and have also weakened the entire CARICOM structure.¹³
11. The saving grace for CARICOM is that there remains, by and large, a well of commitment both to it and to regional integration as a principle, if not in practice. The influences of a rapidly changing world are beginning to test that commitment in some of the more geographically peripheral Member States. The same is true throughout the region as a result of increasing disillusion between the perceived promises of CARICOM and the reality.

2.3 Overselling Magnifies the Crisis

12. An important way of tackling growing disillusion head on is for the relevant authorities (both CARICOM and Member States) to be much clearer about both the benefits CARICOM is offering and when they will be delivered.
13. We were, for example, under the misapprehension during our initial visits to Member States that the goal of the Single Market was free movement of goods between CARICOM Member States in exactly the same way as there is free movement in the EU. In other words, once everything is in place¹⁴, goods

¹² In paragraph 9 of our Inception Report, we stated that short-term economies resulting from the squeeze on the Secretariat's budget have been taken to - and in all probability well beyond - their limit and further cuts can only reduce its functionality

¹³ Although have not studied CARICOM institutions, we understand that most of them are facing even greater financial uncertainties than the Secretariat.

¹⁴ Whether phyto-sanitary or customs procedures etc.

could move freely and without restriction within and between Member States in a world with no internal borders or restrictions¹⁵.

14. We were under this illusion because many officials in Member States, let alone members of the general public, believe that the goal of free movement of goods means just that. We now know that free movement of goods within CARICOM means something else. It is very important that regional nationals know that there is no foreseeable prospect of them shopping in one island and taking the goods back to another without making any customs declaration or paying import duties.
15. The general problem here is that in a regional body that was born of idealism around the time of independence, the tendency has always been to announce decisions over new initiatives as if full implementation were imminent and to over sell the timing and benefits of implementation. This was perfectly understandable during the first flushes of regionalism when the complexities of implementation were less well understood and when the new leaders were anxious to show what they could do. But it is not understandable in the second decade of the next century.
16. Rather, it has been a continuing public relations own goal. Its cumulative impact has been disastrous for CARICOM with part of the “implementation deficit” being a direct result of serial overselling over many years. Our strong impression, not least from more positive media reports, is that the new Secretary General is determined to put this right and to be much clearer and more realistic about what CARICOM is trying to deliver and when.

2.4 Our Prognosis

17. Nevertheless, our judgement is that CARICOM is already in a fight for survival. The pressures of the economic crisis are already intense and may become significantly worse. At the same time, CARICOM's operation and structure have been weakened over the years to the extent that it is currently unable to achieve the sort of positive results that would turn round its reputation. This suggests one of three possible outcomes:
 - I. There is a not insignificant risk that CARICOM could be brought down quickly if the international economic situation deteriorates further. With so many of its Member States already highly indebted, it is conceivable that significant funding for the Secretariat and for CARICOM institutions could be cut off at short notice.¹⁶ We would urge that contingency plans be developed to guard against this eventuality for the region as a whole and for the Secretariat;
 - II. In the absence of fundamental change, it is more likely that CARICOM will expire slowly, over perhaps four or five years, as

¹⁵ In most of the EU, which is a contiguous landmass, there are no longer borders. Where the borders exist, such as into the UK, the only checks are for criminal activity and not to check, slow or impede the movement of intra-regional trade. If there is an outbreak of disease or similar then there may be temporary checks but this is just as likely within an individual Member State as between Member States.

¹⁶ We are aware that, for example, the Secretariat has already had serious cash flow problems.

stakeholders despair of positive progress and gradually vote with their feet;

- III. With fundamental changes in its operation and structures, CARICOM can still turn round its reputation and go on to prosper. These changes need to be accompanied by significant early results, which are widely perceived as beneficial.

18. Change is, of course, already under way but with such change being driven by circumstance, we doubt it will be Schumpeterian creative destruction; the emphasis is much more likely to be on the destructive alone. Positive change is only likely to come about if CARICOM's stakeholders decisively seize the initiative.

2.5 Requirements for a Positive Outcome

19. We cannot overemphasise the requirement for fundamental and positive change if CARICOM is to survive and eventually prosper. There are three general conditions required to underwrite such change. These are:

- IV. The full and unequivocal support of Member States;
- V. Targeting the delivery of a narrow range of specific, practical and achievable benefits over a reasonably short time horizon;
- VI. A credible reorganisation and strengthening of the CARICOM construct, including the Secretariat and CARICOM institutions, focused on the management of implementation.

20. In diagnosing current difficulties, we will explain what we mean by each of the above and what needs to be done in detail. Once the necessary agreements, infrastructure and plans are in place to meet these three conditions successfully, **we recommend a major relaunch of CARICOM** to be aimed, in particular, at the general public in Member States and at the international community.

3 Diagnosing CARICOM's Current Difficulties

3.1 Developing Frustrations

1. The first thing to be said about CARICOM's current difficulties is that they are only current in the sense that they have become critical today. This has been partly, though not entirely, triggered by the current economic climate. The crisis would have come sooner or later in any event.
2. The reality is that current difficulties have been building up for years. There were frustrations twenty and more years ago leading to the publication of the seminal *"Time for Action"*.¹⁷ That report, and others that have since followed it, reflected a growing impatience at the lack of progress emanating from the CARICOM project. In brief, the time had come to move from the idealistic initial phases of regionalism to a focus on results.
3. In a report of over 500 pages long (excluding appendices) and following a review of CARICOM's record, *"Time for Action"* essentially laid out a comprehensive programme of economic and social development for the region and then specified the institutional and other machinery required to deliver it. Various subsequent initiatives and studies have become more specific and have tended to focus increasingly on the machinery required to deliver desired results¹⁸.
4. In the meantime, and despite periods of greater optimism¹⁹, the general trend was one of growing frustration at how little there was to show for extensive efforts to improve regional co-operation and to introduce much increased regional integration.
5. We will go on to argue that, concurrent with this growing frustration, the promised machinery either never materialised or was insufficient to deliver the required results. Our conclusion will be that partly as a result of these factors and partly as a result of others, the CARICOM structure, in general, and the Secretariat, in particular, has gradually been weakened. But first of all, we need to examine natural reasons why it remains crucial – and always has been crucial – that the CARICOM construct not be over ambitious.

3.2 Exogenous Sources of Frustration: The Binding Constraints

6. CARICOM faces a number of binding constraints that limit what it could ever achieve or, at a minimum, put a serious brake on how quickly objectives can be achieved. These crucial constraints tend to be forgotten in the midst of

¹⁷ *A Time for Action*, Report of the West Indian Commission, 1992.

¹⁸ The excellent Archer, Gomes et al study, *A Review of the Structure and Functioning of the CARICOM Community Secretariat*, 2002, being foremost amongst these.

¹⁹ For instance, and coinciding with Archer, Gomes et al, the *Revised Treaty of Chaguaramas*, 2001, prepared the ground for practical measures to speed up the introduction of the Caricom Single Market and Economy (CSME).

frustrations at the lack of results. More importantly, they are rarely taken into account when ambitious programmes are set. The international community is often at fault here when it regularly fails to distinguish how much can be achieved by a large country over a period of time compared to a small Caribbean community. The three most important constraints are geography, size and complexity and these are discussed in turn.

Geography (or the Belize question)

7. Amongst CARICOM's Member States, 12 are islands.²⁰ Only 3 Member States are on a landmass, of which only 2 are contiguous. The 12 islands are spread over roughly 60,000 square kilometres of the Caribbean Sea, which has an area of 2.75 million square kilometres. In other words a little of 2% of the CARICOM area is land in an overall area that is nearly three-quarters the size of the European Union's 27 Member States combined.
8. These geographical facts immediately raise what might be termed the "Belize question" on the limits to integration. This question poses the insurmountable problem that, however well integrated CARICOM becomes, it will always be quicker, easier and cheaper to drive a truckload of goods across the border to Mexico from Belize than to export them anywhere in CARICOM.
9. This question is, of course, not limited to Belize. The problems of moving between any two Member States of CARICOM (except Guyana and Suriname) provide a binding constraint – and often prohibitive financial cost - to integration that barely exists in a more integrated regional construct such as the EU. Even where the problem does exist in the EU, the distances are much less and the volumes of traffic hugely greater. The UK, for example, is only 20 miles from the European mainland, a distance shorter than between any two island states in CARICOM.²¹
10. This issue of geography neither prevents integration nor is an argument against it. But it inevitably makes integration more difficult and, unless recognised as a binding constraint, leads to destructive frustration.

Market Size (or the Luxembourg question)

11. The total population of CARICOM is around 15 million, over half of which is Haiti. The Single Market, from which Haiti is still in practice largely excluded, covers 6 million consumers.

²⁰ Haiti "shares" Hispaniola with the Dominican Republic whilst some Member States consist of more than one island.

²¹ Although better transport could ameliorate these difficulties, cost would remain a serious – and in some cases prohibitive - issue. On one of the few regular Caribbean sea-routes, it costs 100 Euros return (US\$140) to get a passenger ferry from St Lucia to Martinique which is a multiple of the cost of getting across the English Channel. It generally costs a minimum of around US\$200 to get a car across the Channel from England to France on what is probably the most competitive route in the world. The introduction of car ferries between Caribbean islands would inevitably result in much higher fares both because scale economies would be lacking and because distances would generally be much greater.

12. Luxembourg is traditionally quoted as the minnow of the EU.²² Its population of 500,000 is 0.1% of the EU's population of 500 million! Yet, were Luxembourg a member of CARICOM, it would be the 4th largest member in terms of population and bigger than the OECS countries combined.
13. The point here – and it is an important one – is that CARICOM has serious limitations in what it can achieve over any given period. Leaving aside issues such as the problems posed by high rates of emigration of skilled labour, there can only be a small number of officials available to carry out a not dissimilar array of integration tasks to those that confront much bigger regional blocks such as the EU.

Complexity of Integration

14. The problem of size leads straight into issues of complexity. The creation of a Single Market is inherently complicated. Despite all its resources, the EU struggled to deliver a single market in the 1980s. The 1988 Cecchini Report²³ addressed the issues and introduced such innovations as the balanced scorecard approach²⁴ to encourage Member States to speed up the introduction of measures creating the Single Market. We would **recommend** CARICOM adopting something similar.
15. As complexity provided a serious challenge for the EU when it was introducing a Single Market, it should be no surprise that CARICOM has struggled. The creation of a Single Economy is even more complicated, as the potentially catastrophic difficulties currently confronting the EU make clear. We will return to this issue as it has important implications for CARICOM.
16. The issues of complexity do not, of course, provide CARICOM with an excuse for lack of progress or diminish the realities of the “implementation deficit”. Rather they raise the question of how to deal with complexity, not least in light of CARICOM's binding constraints of size and geography. This will, in due course, lead straight into the major theme of our report. That theme is **prioritisation**.

3.3 Endogenous Sources of Frustration: A Dysfunctional Construct

17. There are numerous sources of frustration with regard to how CARICOM functions currently. The important issue is to distinguish causes from symptoms and, from that exercise, to devise workable solutions.
18. There is an increasing lack of clarity as to what the CARICOM structure is for and what it is trying to achieve²⁵. To be sure, there is much activity but it is

²² Although it no longer has the smallest population in the EU since Malta joined.

²³ Cecchini, *The Cost of Non-Europe*, 1988. As the Cecchini Report and related documents pre-date the Internet, we have not been able to get electronic copies.

²⁴ The European Commission brings out a regular publication, *The Internal Market Scoreboard*. The 22nd edition was published in December 2010.

²⁵ This was both our impression and what was told us in a wide variety of meetings.

often difficult to discern what the activity is for, where it might lead and what benefits could result. The most important factors contributing to this are briefly as follows:

a. Too many mandates

There is a long-standing and widely understood problem that Heads of Government and other meetings of Community organs result in far too many mandates and decisions for the Secretariat to be able to take forward.

It became apparent to us that the problem runs deeper. Mandates are often vague and there is no system for cross-referencing them with earlier mandates²⁶. It is not even clear that they are always accurately recorded. At the same time, follow up often seems to depend on chance factors, such as the Secretariat having staff in the particular area of expertise.

The one constant is that Article 27:5 of the Treaty of Chaguaramus, which stipulates that the financial implications of decisions should be drawn out before any decisions are made, is rarely, if ever, invoked.

b. Structural weaknesses in institutional terms

We were surprised to find out that there is not a strong overarching structure linking CARICOM institutions to a common purpose. To the contrary, a structure has evolved where institutions become largely independent in practice when they are no longer reliant on the Secretariat for assistance with raising finance.

With the exception of institutions such as the Caribbean Court of Justice (CCJ), whose independence is paramount for obvious reasons of judicial independence, the lack of structure, common purpose and real accountability that has been allowed to evolve amongst its institutions has significantly weakened CARICOM.

We are aware that there will soon be a review of various CARICOM institutions. Our specific concern is not so much the functionality of each institution as a self-standing entity, as about their position in the CARICOM Community and how each fits in with and interrelates with their fellow institutions and with the Community as a whole.

c. Organs not functioning effectively or as intended

We understand that several of the Organs of the Community are not being operated as set out under the Revised Treaty of Chaguaramus. Whilst we are much more interested in what works than in constructs sticking rigorously to their original design, the problem is not so much that functions and practice have evolved as Organs have fallen into disrepair.

²⁶ We go into this issue in more detail when reviewing the Secretariat.

At meetings throughout the region, we heard how several Organs have degenerated into talk shops known for a mixture of indecision combined with the same issues coming up at meeting after meeting.

There is a tendency for decisions to be pushed up the hierarchy, with too many being pushed all the way to Heads of Government. This regularly magnifies problems as Heads are often being asked to decide on detailed technical matters for which they cannot be expected to have competence. In this respect, it is one thing to ask Heads to confirm a decision on the nod, as it were, and another for them to enter into detailed discussion as apparently often happens.²⁷

²⁸

There is a widely shared concern about the Community Council as perhaps the biggest source of weakness of those Councils that are fully functional²⁹. According to Article 13 of the Revised Treaty of Chaguaramas, the Council has some crucial functions concerning strategic planning and co-ordination. We understand that these functions have fallen into misuse and, in practice, the Council's main role has become a filter – and preliminary agenda setter - for matters going to the full Heads of Government meeting.

d. Lack of serious prioritisation

In this respect, there is no regular or structured prioritisation of CARICOM activities at the Community level. This clearly gives rise to serious concern from time-to-time, as CARICOM becomes increasingly rudderless³⁰. The fact that the Community Council has not felt empowered or competent to play a strategic role has not helped.

We also understand that it is unrealistic to expect the Budget Committee to maintain proper oversight, under current arrangements, over the Secretariat's work programming exercise on which its annual budget is based. In any event, we have serious worries about the entire work programming process as currently carried out and will return to this later when reviewing the Secretariat.

We will also return to the issue of prioritisation in more detail in the next section of this report. We would just note at this stage that there is no systematic prioritisation through the Organs of the Community. To the contrary, we sense the process is more representative of a

²⁷ The problem is particularly acute when decisions are made in Caucus, when Heads deliberate on their own and when few, if any, officials are present. The increasing use of Caucus, whilst understandable for other reasons, has magnified the growing weaknesses in the way Organs operate and in their impact on CARICOM's operations.

²⁸ We were told that poorly informed decisions are regularly unimplementable at Member State level and, with arbitrary decisions often emerging, regularly not supported by the cabinets of individual Heads, let alone by the wider machinery of their governments.

²⁹ We understand that the Council for Finance and Planning rarely meets.

³⁰ The Heads retreat in Guyana in May 2011 was essentially addressed to this problem.

potage of uncoordinated and imprecise decision taking without proper arrangements for follow up.

e. Administrative Weaknesses

Community level activities are obviously not assisted by the plethora of meetings and the serious administrative problems associated with them.

Many meetings are called irregularly and, according to many of those whom we have met, without sufficient notice. We know that agendas routinely get changed right up to the last minute and beyond, and that it is rare for papers to be ready sufficiently in advance.^{31 32}

We also understand that the amount of meeting papers tend to be excessive, poorly organised and repetitive. It is rare for them to be summarised.

In the circumstances, it is not surprising that Member States often send junior staff to CARICOM meetings who are given no authority to make decisions.

These administrative weaknesses³³ are examined in more detail when we review the Secretariat and the services that it delivers.

f. Ineffectiveness of formal channels

The CARICOM structure largely relies on formal communication channels for its functionality. The primary channel is that of Savingsgrams through which meeting report, information and announcements are circulated to Member States. Savingsgrams go to the Foreign Ministries of all Member States³⁴, regardless of whether the issue under discussion concerns all Member States.

In some Member States, the Foreign Ministry acts as little more than a post box whereas, in the bigger countries, officials may have the capacity and expertise to follow up the issues at hand with the relevant authorities in their country.

We were told that most of the Secretariat's business is carried out through formal channels that respect diplomatic niceties and that

³¹ We were told that meeting participants regularly do not receive papers until they arrive at meetings.

³² Almost all Member states highlighted both slow communications and documentation arriving very late. These problems are further exacerbated when there is a requirement for translation before information is disseminated. In both Haiti and Suriname, where French and Dutch are the main languages, excessive delays add to the sense of exclusion felt by CARICOM's non English-speaking members from decision-making and influence.

³³ These weaknesses are considered so damaging to Community business and the functionality of CARICOM that we were given a written submission about it by one Member State. In other Member States and in CARICOM institutions, the oral evidence we were given was regularly made in strong and unreserved terms.

³⁴ They are sometimes copied to other ministries or institutions but not on a regular or directed basis.

only a minority of officials make much use of informal and more direct networks.

It is abundantly clear that these formal³⁵ channels are completely inadequate for getting business done on anything like a timely basis, if at all. Communications often get stuck in Foreign Ministries or passed along to the wrong recipient for action. Similarly, they can be garbled or misunderstood as they are passed along the line. The system is, of course, one that leaves no one responsible or accountable by definition.

The system is also old-fashioned for the second decade of the twenty-first century. This is partly a question of technology as there are much more efficient ways these days to communicate, even formally³⁶. But it is also a question of the high degree of formality governing CARICOM communications. We recognise that, to some extent, such formality persists throughout the Caribbean in noticeable contrast to the rest of the English-speaking world. Nevertheless, the degree of formality in the way CARICOM conducts its business appears excessive even by Caribbean norms. It is maintained at an enormous cost in terms of efficiency and effectiveness, making it much harder to reduce the “implementation deficit”.

g. Problems at Member State level

It is readily apparent that CARICOM decisions are, on the whole, not being implemented at Member State level. Very few decisions have led to functioning arrangements on the grounds that have produced real benefits. As will be discussed later, the enactment of laws, for example, may be part of the process of bringing about implementation but it is not implementation per se.

The difficulties in Member States arise from a variety of sources. Sometimes there are technical and resource difficulties in bringing about implementation. Our judgement is that problems are more likely to be a result of CARICOM issues not, in practice, being of high priority³⁷. Given management and implementation difficulties tend to be a general problem in many Caribbean countries, any initiative that lacks high priority faces serious challenges, particularly if it is part of a complex framework of initiatives, which is often the case with CARICOM.

In addition to these technical, resource and priority problems, there are serious issues that could be described in terms of “when is a

³⁵ The degree of formality is matched by an excessive culture of confidentiality, which also impacts performance negatively.

³⁶ Technology has played a significant role in breaking down previously formal structures in many parts of the world. The greater facility for networking and for direct approaches offered by advances in technology has made major differences to efficiency and effectiveness.

³⁷ It appears that many Member States coordinate CARICOM activities poorly. We were told of Ministers failing to brief Heads and of CARICOM of reports not being circulated.

decision really a decision". Overall decisions at the CARICOM level can unravel in Member States for any number of reasons. A decision made in principle can look very different when its implications are examined in practice. At the same time, getting a CARICOM decision ratified and put into action is usually much more than a question of parliamentary approval. A much wider consensus is often needed and proposed measures certainly do not get very far without the full support of government civil services, which tend to carry considerable weight in the Caribbean.

h. Weakened Secretariat

In light of all these constraining factors, it is unsurprising that the Secretariat has found it impossible to rise to the challenge. On the contrary, the factors are enervating and their impact is cumulative. There is every indication that the Secretariat has become weaker over the years.

The weakening of the Secretariat can be seen in many ways: the gradual squeeze on its budget that preceded the financial crisis by several years and which, amongst other things, has reduced relative salary levels and made recruitment more difficult; the lack of direction as to what CARICOM is trying to achieve and the absence of any real focus on how it can be achieved; an understandable drift towards process and form, rather than concentrating on getting things done;³⁸ significant extraneous factors include ever more complicated donor requirements and procedures, which, unless managed very carefully, inevitably reshape an organisation in the direction of becoming a project office.

These problems are exacerbated in a Secretariat that is long on traditional civil service and technical skills, but exceedingly short of modern management skills. At the same time, the Secretariat is just not set up to deal with the minutiae of coordination, follow up, monitoring and evaluation that is essential to achieving the difficult and complex goals that CARICOM has set itself. Its relatively good institutional memory, particularly its recall of bigger issues and milestones, contrasts significantly with a widespread inability to record and manage important detail and, as a result, shape a workable agenda.

19. These internal sources of frustration, which have rendered CARICOM increasingly dysfunctional, are by no means comprehensive. There are many others, including factors that have a significant impact. For example, the financing of CARICOM provides built-in uncertainty and instability. In addition to the budgets of the Secretariat and CARICOM institutions being set on an annual basis, there are continual worries, particularly during

³⁸ A rapid increase in meetings, for example, signifies activity, not action.

periods of economic uncertainty, as to when or whether Member State contributions will materialise.

3.4 Towards Solutions

20. Managing nations is hard but managing regional constructs is significantly harder. The current intractable crisis within the European Union makes this readily apparent, even if it was not obvious before. It is, therefore, not surprising that it is difficult to distinguish symptoms from causes and, as a result, go on to devise solutions that get to the root of the problem.
21. CARICOM has tended to respond to slow progress in the integration agenda with formal structural, procedural and legal proposals. The establishment of a Commission, along the lines of the EU Commission in Brussels, was proposed in *"A Time for Action"* as long ago as 1992. There have been various structural proposals since, some of which included a supra-national component and some not. The most recent idea, and one we have been asked to review, is setting up a Permanent Committee of Ambassadors.
22. Proposals for giving the Secretariat significant supranational powers have never been accepted by Member States. At the same time, compromise structures, aimed at hurrying along implementation, have never proved effective. Many take this as evidence that CARICOM should be given supranational powers. As the following paragraphs will show, we would not accept this evidence, even if Member States were to go through an unlikely Damascene conversion in favour of a supranational body.
23. Rather than get involved in the long-standing and probably unresolvable debate about sovereignty, we have posed a different set of questions as follows:
 - Firstly, is the introduction of new structures sufficient to improve the fortunes of CARICOM?
 - A positive answer to this question has to make the assumption that new structures are effective;
 - Yet all of our experience – not least the evidence before us concerning CARICOM – suggests this assumption is wrong;
 - This immediately suggests two further questions.
 - Secondly, is a new structure even necessary in an exercise to improve the fortunes of CARICOM?
 - And finally, might it not be better to address problems of implementation directly and at source³⁹?
24. We have posed these questions because our training and experience sees structures, procedures and legal mechanisms as amongst the many means to an end in management terms. We also note CARICOM's experience suggests that a reliance on these mechanisms, as a means to bring about the implementation of integration, has self-evidently not succeeded.

³⁹ It will become clear exactly what we mean by "directly and at source" in due course, first in analytic terms and then in terms of our practical proposals.

25. Indeed, whilst it is possible that a powerful Commission could have succeeded, if only Member States had been less anxious about ceding some national powers, there is nothing aside from faith to be certain about this. The key consideration is that whoever is made responsible has a set of complex and difficult tasks to carry out over an extended period of years in a fast changing world.
26. Whoever is responsible has to work out exactly what is required to turn a desire for a particular facet of integration into reality. As is evident from the history of CARICOM, proposals that appear to be straightforward when presented as political ideals - such as free movement of people - become ever more complex, both conceptually and practically, as soon as a decision is taken to turn the ideal into an everyday reality. At the same time, unforeseen consequences are discovered. As has been seen, some of these may be controversial and call the original political ideal into serious question.
27. A central lesson of organisational history is that the successful and sustained implementation of any idea or ideal is, first and foremost, a function of management⁴⁰. Whilst providing those exercising management with a **clear** structure, **effective** procedures and an **enabling** legal framework is obviously helpful, a managerial approach tends to put the emphasis on what provides **clarity** and **effectiveness** and on what is **enabling**, rather than on any particular mechanisms or machinery.
28. We would further argue that structures, procedures and legal frameworks on their own are not necessarily helpful. History is, of course, littered with examples of how they have been barriers to change and success as much as enablers of change and success.
29. We are, of course, not denying the importance of structures, procedures and legal frameworks, particularly in the context of a construct such as CARICOM. What we are saying is that they are not the keys to success. It, of course, remains important that they be well-designed and kept under careful review for their contribution to functionality and effectiveness. But ultimately, it is the management of integration and of its implementation that is the most important factor in success.

3.5 Concluding Remarks: Our Proposed Approach

30. In diagnosing CARICOM's difficulties, we have introduced a management-based approach rather than make any implicit or explicit assumptions about structures, procedures and so on. On its own, this of course does nothing to diminish the scale of the crisis facing CARICOM or the nature of the internal and external constraints and problems that are to be faced.

⁴⁰ This is not to say that other factors, including random ones such as luck, do not play a part. But over a sustained period it is very unusual for something to succeed without good management being a key factor. Even when there are exceptions, they are individual outliers. A review of a large number of successful organisations would always find management as the most important overall factor in that success.

31. However what the management-based approach does do is allow us to look at all these problems from a different perspective and to set up a tried and tested framework based on several generations of management thinking in major organisations and leading business schools.
32. Our management-based approach is also straightforward. Stripped back to the basics, it consists of working out how best the Revised Treaty of Chaguaramas (or updated expressions of it agreed upon by the stakeholders of CARICOM⁴¹) can best be implemented. Viewed on this basis, Chaguaramas and its updated expressions could be simply expressed as:
- Implementing the facets of regional integration as laid out in Chaguaramas or as updated;
 - Developing other forms of regional co-operation and integration for today's world that were not fully foreseen or spelt out in Chaguaramas and where value is added (net of additional costs) above what Member States could achieve on their own.
33. The rest of this report is concerned with **how** to bring about not only these overall objectives, but also with **how** to realise the specific detailed items on which the achievement of the overall objectives depends. We believe that if our proposals are accepted and satisfactorily implemented, CARICOM can be turned round even in the midst of global economic crisis.

⁴¹ This wording is used advisedly. "Updated expressions" is not intended as a clearly defined concept, let alone a legal construct. It would include emerging beliefs that may be close to consensus, formally or informally. Thus, for example, the "Pause" in integration, elucidated by Heads at their Guyana Retreat in May 2011, is a statement of fact in the sense that there a lack of resources and appropriate economic and political conditions to complete CSME on anything like the original timetable. Whether the "Pause" may mean or will come to mean that substantial elements of CSME are unrealistic or unacceptable in the foreseeable future, if at all, is clearly not currently an "updated expression" of the will of stakeholders.

4 Prioritisation: The First Step to CARICOM's Recovery

4.1 Why Making Priorities Matters

1. In adopting our management-led approach, the immediate problem of Chaguaramas et al⁴² is that these constitute long term goals involving degrees of complexity and resource requirements beyond the capability of being implemented by any organisational construct during a reasonable period of time. Given the binding constraints that it faces, Chaguaramas et al is close to useless as a guide to what CARICOM should be doing in the short to medium term.⁴³
2. This is no criticism of Chaguaramas et al. It is merely recognition of the fact that the long-term mission provides scant guidance as to what CARICOM should be doing on a day-to-day basis and the order of priority in which it should be doing it. Chaguaramas et al should never have been used for this purpose. CARICOM can only ever succeed if it works to tighter, more specific and time bound priorities. The same priorities should apply to CARICOM in general and to the Secretariat in particular.

4.2 The Crucial Role of Heads of Government

3. In their Guyana retreat in May 2011, Heads of Government recognised the need for making priorities. Despite the outcry from some quarters that CARICOM's mission was being downgraded, the Heads call for a "pause" was no more than a crucial recognition of reality.
4. Equally, the fact that the Heads then went on to list many times more priorities than CARICOM could cope with should also not be regarded with dismay. It is not the job or expertise of Heads to indulge in the practical business of matching priorities with resources. Rather, the important issue is that Heads recognised the principle that nothing useful can be achieved unless priorities and resources are matched. It is up to managers and their expert advisers to do the detailed matching and to persuade Heads of the limits to what can be achieved.
5. Having displayed essential leadership in Guyana, it is not overstating the case to say that the future of CARICOM depends on Heads continuing to display such leadership and unity of purpose. As we indicated at Section 2.5 above, the first of three main requirements for the survival and recovery of CARICOM is:

⁴² This should be taken to include its updated expressions, not least in the form of Heads of Government mandates, as explained at the end of the previous section.

⁴³ In any context, and particularly in a collection of small states such as CARICOM, the implementation of Chaguaramas et al can only be seen as a long-term mission of considerable ambition. The fact that there are increasing doubts about some aspects of the CARICOM mission, and that other constructs - such as CARIFORUM - have emerged, has added to the challenges of implementing such a complex long-term mission.

Requirement 1: The full and unequivocal support of Member States.

The most important element of this is the enlightened support of Heads.

6. At the risk of stirring controversy, the positions taken by Heads over the years have regularly not been enlightened and have been a major contributory factor to CARICOM's current weak position. A failure to provide consistent leadership has regularly been combined with making unrealistic and unrelaisable demands on CARICOM whilst being unwilling to provide the resources to meet such demands. In their mitigation, Heads have been given scant guidance as to the need for strict prioritisation and why it is so important. There has been a mistaken reluctance on the Secretariat's part to challenge specific instances when too much was being asked.⁴⁴
7. In summary, we would contend that the real significance of the Guyana retreat was that it provides a fundamental break with past practices. These practices have inadvertently compromised the entire CARICOM structure by weakening its ability to address the complex and difficult tasks for which it was set up. It is then crucial that this break with past practices be confirmed.

4.3 The Need for a Strategy

8. In making a break with past practices, the entire CARICOM structure from Heads downwards needs to develop clear guidelines for what it is doing. This introduces the second of the three main requirements for the survival and recovery of CARICOM given in Section 2.5 above:

Requirement 2: Targeting the delivery of a narrow range of specific, practical and achievable benefits over a reasonably short time horizon.

9. In other words, it is essential CARICOM develops a strategy. This needs to be a clear statement of what can be achieved and how for a time bound period. The strategy should strictly prioritise what CARICOM will do in line with available resources. Through a clear plan of action, it should drive the whole CARICOM construct, including its organs, its institutions and the Secretariat. It should also drive relations with outside stakeholders, including donors, the private sector and civil society.
10. In terms of CARICOM's immediate concerns, strategy is not much more than a fancy name for making realistic priorities. It is often said that the three guiding principles to buying property are location, location and location. As far as CARICOM is concerned, that maxim should be rewritten as – however unfortunate the use of English - prioritisation, prioritisation and prioritisation.
11. We are far from alone in making these points concerning realistic priorities and strategy. We have heard them all round the region and in the Secretariat. They were amongst the most regularly widely repeated views that we heard.

⁴⁴ As discussed in more detail in the review of the Secretariat below, it is essential that Article 27:5 of the Revised Treaty of Chaguaramas henceforward be used and that policy work support its effective use.

The same points have also been made in various publications, including a current Economist Intelligence Unit (EIU) report⁴⁵.

12. Another report entitled “*Bridging the Gaps: CARICOM Regional Survey of Aid Effectiveness*”⁴⁶ is also timely. It was only published after our initial draft of much of this Final Report, yet it uncannily bears out much of what we have said, but from a rather different perspective. Two quotes from it are worth repeating. First, there is “need for a clear, simple mission and strategy, with delivery of tangible value and much improved communication of results achieved”. Second, “For many, every sector seems to be a priority, meaning that none really are.”⁴⁷

4.4 Strategy and Savings

13. The current economic crisis suggests that a less expensive CARICOM construct would be helpful to Member States. It is also implicit, if not explicit, in our terms of reference that Member States would welcome a cut in the Secretariat’s core budget that they fund. Whilst the arguments for such will be developed in the succeeding sections of this report, culminating in our budget recommendations in Section 11, we should at this stage point out the important connection between strategy and priorities, on the one hand, and savings and effectiveness, on the other.
14. Making priorities is about making choices. It is about deciding to do one thing rather than another and committing resources and thought to bringing about that thing. This whole package is the bare bones of strategy. It follows that strategy and priorities are ineluctably linked to savings and effectiveness. Without a strategy based on priorities, it is much harder to commit resources and thought to what should be done and both can be spread about too thinly. It is a short jump to a lack of effectiveness, implementation deficits and so on.
15. Similarly, a lack of prioritisation and strategy encourages a lack of focus, leading to ill-directed resources, waste and so on. In such a situation, making savings is very hard. Without being clear about where resources should be directed through prioritisation and strategy, it is difficult to know where savings should be made. Savings and cuts are indistinguishable in such circumstances.
16. By contrast, when priorities are made and a strategy developed, savings are not the same thing as cuts. A clear focus on what should be done and what should not be done allows resources and thought to be focused effectively on

⁴⁵ In its December 2011 update, EIU judges that regional integration will remain an elusive goal and suggests that the region “identify a few regional initiatives that can be delivered rapidly in a manner that rebuilds confidence.” See, *The Economist Intelligence Unit Limited, 2011*.

⁴⁶ *Bridging the Gaps: CARICOM Regional Survey of Aid Effectiveness*, Stephen van Houten, Accord International Management Services Inc., October 2011.

⁴⁷ We would disagree with very little of what is written in the “*Bridging the Gaps:...*” report concerning CARICOM, particularly pages 35-42. We would recommend that anyone associated with CARICOM read these sobering pages in particular. Some of the quotes from interviews conducted are so pertinent that we have included them at Appendix 6 of this report.

priorities. Greater efficiency means that savings can often be made without any cuts in output. It is possible *up to a point and in some circumstances* to cut resource allocation without cutting outputs.

17. We are not here suggesting that a cut in the Secretariat's resourcing by Member States is either desirable or possible in current circumstances. The arguments surrounding that will be developed in the following sections. What we are saying is that prioritisation makes savings possible. In some circumstances, it is sensible to reallocate such savings to increasing effectiveness, say by targeting a reduction in the implementation deficit. In other cases, those savings can lead to cuts in resourcing without putting desired outcomes at risk.

18. This provides a further powerful reason for developing a strategy. Whether or not it is desirable or possible for Member States to make savings in contributions to CARICOM in current circumstances, effective prioritisation would make it possible for savings to be taken in such a form *in the right circumstances* when CARICOM is working in a more effective, focused and productive manner.

4.5 Our Proposal for Developing a Strategy

19. We **recommend** that the most important current priority for the Secretariat is to prepare a Strategy for a 5-year period with a view to it being agreed by Heads of Government.⁴⁸ Whilst the Strategy should have a degree of flexibility to allow for major changes in the external environment, it should be regarded as the key driver of the CARICOM construct. It should be specific and lay down in some detail those areas that are priorities for action and those areas that will be deferred until a later date. Without such clarity, we fear for the continued survival of CARICOM.

20. The Strategy can and should be true to the ideals of CARICOM, particularly on the basis of those ideals being adjusted for a rapidly changing world. For CARICOM to survive and become relevant to new generations, the Strategy needs to identify specific benefits that are deliverable and to develop the means to make sure that they are delivered.

21. It is essential that all stakeholders acknowledge that only so much can be achieved in a particular period of time; prioritisation has to be the watchword. Although there is clearly a real implementation deficit, CARICOM can no longer afford an additional perceived deficit, made up of announced and unrealisable wish lists. Raising expectations in this way ruins CARICOM's credibility, weakens its position and, ultimately, will lead to its destruction.⁴⁹

⁴⁸ We will describe how this should be carried out in our review of the Secretariat.

⁴⁹ Expectations have been built up that have far exceeded CARICOM's capacity to deliver. Numerous interviews have made it clear that these continued attempts to maintain the position that regional integration is or can be a fast-acting panacea have brought regionalism into disrepute.

22. Choices have to be made, and in some cases these choices will be painful. Unfortunately, the Caribbean simply does not have the human or financial resources to deliver desired benefits over a wide front in an unrealistic timeframe, as our analysis of binding constraints makes clear. However, a Strategy that makes clear choices and matches priorities to resources can relaunch CARICOM as a vibrant, relevant focus for regional development and growth.
23. The Strategy proposed needs to be put in place quickly. An outline strategy should be the main item on the agenda at the next meeting of the Community Council. The Community Council should present the outline to the next Heads of Government meeting with clear recommendations. The full 5-year Strategy should then be completed during the first half of 2012 and agreed at second Heads of Government meeting in 2012. In driving the CARICOM construct for the next 5 years, the Strategy should be seen as giving the new Secretary General a mandate for his term of office.
24. As well as driving the CARICOM construct, the Strategy is essential for the restructuring of the Secretariat. We have often been asked the question "What is the Secretariat being restructured for?" This is a good question. Whilst it is possible to suggest important improvements in how the Secretariat is structured, it cannot be made fully fit for purpose until that purpose is properly specified.

4.6 Guidelines for Developing the Strategy

25. It is clearly not our business to specify what should be the content of CARICOM's Strategy. We would, however, suggest some brief guidelines as follows:
- a. *Overall vision*
We are convinced that the vision for CARICOM needs to be updated to reflect today's world. Too many of CARICOM's concerns seem to reflect a bygone age, a view that was expressed to us in different forms in numerous meetings. Criticisms about the construct being an old boys' network, inward-looking and dominated by insiders are widely shared.

Perhaps the most important and constructive comments were made to us by one of the Heads of Government in our private meeting with him. He argued convincingly that CARICOM should be outward looking. It should be trying to help develop the Caribbean to compete on the world stage, rather than focusing so much on its more inward looking and traditional agenda.

In particular, although the completion of the Single Market is important, much of it is about competing for a small market of 6 million people⁵⁰. The potential gains from that are miniscule compared to what could be achieved from successfully becoming more outward focused⁵¹.

⁵⁰ Excluding Haiti as it is not yet practically part of the Single Market

⁵¹ We would fully agree with these comments. Our experience is that the Caribbean has been slow in taking up economic development opportunities and has probably missed some altogether. In our review of the

b. *Mainstreaming a regional agenda*

In particular, CARICOM is the only body that is well placed to develop a regional agenda that adds value to anything Member States can do individually. Within CARICOM, only the Secretariat has the scope and authority to do the necessary legwork. Such a regional agenda should clearly be to be mainstreamed with and agreed by Member States. But the development of such an agenda is a much wider concern.

CARICOM currently tends to reflect a combination of Member State and international concerns, largely because Member States and the international community have the means⁵² of tabling and promoting particular agendas. But the means for creating a distinct regional agenda and personality are less obvious. Whilst Member States can and do table proposals for a regional agenda, these naturally often reflect Member State's particular concerns rather than being a result of thinking through what initiatives could be top priorities for the region as a whole. Similarly, international bodies and institutions, whether the IMF or IDB, for example, can have some very good ideas but a regional agenda is not their primary concern.

It became increasingly clear to us, and was raised on a number of occasions during our consultations, that CARICOM needs the ability to develop a distinct regional agenda to make it more relevant to today's society and to demonstrate that the regional construct can add value. This is why we have put considerable emphasis on regional policymaking and how it can be carried out in the later sections on restructuring the Secretariat. In essence, there is a significant gap in regional policymaking, which the Secretariat needs to fill and which is intimately related to a CARICOM Strategy.

c. *Outline prioritisation*

As far as developing priorities are concerned, we would propose an initial trawl through the vision of Chaguaramas et al, dividing it into at least three categories:

- Initiatives that are candidates to be included in the initial 5-year Strategy;
- Initiatives that can be put off until later;
- Initiatives that can be put off indefinitely.

Secretariat, we have proposed a greater focus on regional policy development partly to ensure that such opportunities can be investigated.

⁵² These means may be procedural or resource driven. Member States can, of course, raise matters of concern through the various CARICOM bodies. Donors can drive through particular concerns by conditionality and have been effective in doing this in a number of human rights issues. They can also offer generous financial incentives to promote particular concerns. In the absence of donors wider international concerns, it is, for example, doubtful that CARICOM would have such a major involvement in HIV/aids where the PANCAP programme amounts to around 12% of the Secretariat's overall budget. This is because both non-communicable diseases and violence are much greater causes of premature death than HIV/aids in the Caribbean region.

It is inevitable that far too much will be included in the first category during the initial trawl. But initiatives that can and should be put off can quickly be taken out of consideration.

An obvious example is the introduction of a single currency and all the associated measures. It has already been recognised that the original target date of 2015 was vastly overoptimistic. Given the major crisis in the EU, and the lessons that will need to be learnt from it, a single currency for CARICOM – whose economies are much more dissimilar than those making up the Eurozone – is clearly off the agenda for years. We would be surprised if it became a reality within a generation. It would therefore make sense to recognise this explicitly and to focus on more realistic near-term priorities.

As well as making hard choices about what CARICOM can and cannot do over the upcoming period, prioritisation needs to be extended to other stakeholders, not least donors. The point was made forcefully to us that increasing amounts of scarce resources⁵³ have been taken up in meeting aid donor agendas in recent years, however important or welcome those agendas may be in principle. Agendas on environment, gender and labour may, for example, be very important but, like everything else, they should be subjected to tests of prioritisation. In some projects and programmes, it is essential to take full account of these issues; in others, they are irrelevant and can be a resource-wasting distraction⁵⁴.

d. *Ranking of initiatives*

The remaining initiatives need to be ranked in order of priority followed by:

- An operational management exercise to work out exactly what needs to be done on each initiative to achieve implementation. The exercise should be costed and timetabled;
- The development of an ordered pipeline of initiatives;
- The matching of costed and timetabled initiatives with management resources and likely availability of funding.

It would be better to prioritise too few initiatives than too many. This is, firstly, because economic and other developments are likely to throw up new and currently unknown priorities. Secondly, even this sort of exercise is likely to overstate how much can be achieved. Thirdly, the psychological impact of over performing in terms of achieving priorities will be positive – as will the publicity – whereas underperformance will have the opposite effect. At the same time, if

⁵³ This is a particularly important point in light of the binding constraints faced by the Caribbean. The international community regularly overlooks the impact of these.

⁵⁴ It would be very helpful from everyone's point of view to adopt a case-by-case approach on these matters. Otherwise, there is a danger of an ineffective tick-box mentality developing where mantras are observed but little results.

there is over-performance new initiatives can always be pulled forward through the pipeline.

e. *The Restructuring of CARICOM and of the Secretariat*

Finally a key part of the Strategy will be to draw out what is accepted from this report and other similar studies with a view to the fundamental restructuring of CARICOM and the Secretariat over the next 5 years.

Assuming it is largely accepted, this Final Report can provide the backbone for restructuring as far as the Secretariat and the overall structure of CARICOM are concerned. It will need to be integrated with other recent work done, such as that on performance management. It will also need to cover the upcoming studies concerned with CARICOM institutions and with Car forum.

5 Strengthening the CARICOM Construct: The Second Step to Recovery

5.1 Introduction

1. The third and last main requirement for the survival and recovery of CARICOM given in Section 2.5 above specifies:

Requirement III: A credible reorganisation and strengthening of the CARICOM construct, including the Secretariat and CARICOM institutions, focused on the management of implementation.

2. In this section, we briefly consider where the CARICOM construct needs to be strengthened before moving on to a more detailed review of the Secretariat.

5.2 Governance Issues

3. In Section 3.4 above, we argued that it is most unlikely that CARICOM's difficulties can be overcome through further structural or legal innovations. Our sense is that apparently good ideas may turn out to be alternative routes that end up at the same brick wall – the “implementation deficit”. This view is widely shared around the region.
4. Nevertheless, CARICOM's governance can be improved in a number of ways. There are various legal issues to be kept under consideration. These include governance issues going back to the West Indian Commission, the challenges provided by CSME, particularly in light of the more recent EPA agreement, and the current proposal for a Permanent Committee of Ambassadors. These issues are discussed at Appendix 3 in a paper by Justice Duke Pollard entitled “Approaches to Regional Governance in the Caribbean Community”.
5. The remaining governance issues consist of tidying up and strengthening exercises, rather than fundamental change. The crucial issue is to make CARICOM's existing mechanisms and arrangements work better. There needs to be a general tightening up of the CARICOM construct, particularly concerning institutions, and we will discuss how below. At the same time existing arrangements concerning the Organs of the Community need to be made to work better through a combination of better disciplines, improved procedural and administrative arrangements and increased support. These are also outlined below.

5.3 Scope of CARICOM

6. For the sake of completeness, we should make some brief comments on the scope of CARICOM's activities. This essentially covers two separate dimensions: the number of Member States and the Pillars of the

Community; the Pillars broadly define CARICOM's areas of interest. Given its current weak position, it is clear that CARICOM is in no position to expand either its membership or the Pillars.

7. To the contrary, CARICOM needs to consolidate with its current membership and to focus on strengthening its brand. Similarly, there needs to be greater prioritisation within the current Pillars, rather than any expansion in activities. To the extent that any expansion is considered - and we fully understand increasing concerns about regional security - this expansion should be at the expense of other priorities. As we noted in the previous section, hard choices have to be made.

5.4 Areas Requiring Strengthening

8. In our review of the Secretariat, which follows later in this report, we make some initial proposals to begin tightening the CARICOM structure. These are concerned with making CARICOM institutions more accountable whilst, at the same time, drawing them in to play their part in a more unified regional strategy.
9. When reviewing the Secretariat, we also propose practical measures to support the operations of Organs of the Community better from the Heads of Government down. Improved systems for evaluating and managing mandates should help maintain the discipline of prioritisation introduced in the Strategy. This will be combined with the provision of better support to the Community Council to enable it to fulfil its strategic role, as was envisaged in the Revised Treaty of Chaguaramus.
10. We will specify additional general measures to overcome current administrative weaknesses, also to be implemented by the Secretariat. Taken together, we believe this package of management-based measures can significantly strengthen the role of the Organs of the Community in the CARICOM structure.
11. Further changes, which we will propose for the Secretariat, are designed to help overcome implementation problems at the Member State level. These include the development of processes designed to target and overcome implementation bottlenecks. Better follow up and the development of informal communication networks to supplement the formal channels are all designed to target a major reduction in the "implementation deficit".

5.5 Permanent Committee of Ambassadors

12. In our aim to address implementation challenges at source, we have also considered the proposal to set up a Permanent Committee of Ambassadors. The proposal, both in its original and modified forms⁵⁵, was given a mixed reception around the region with few showing much enthusiasm.

⁵⁵ The Jamaican Government original proposed that Permanent Ambassadors representing each Member State be largely based in Georgetown, Guyana and act as a link between the Secretariat and Member States. Considerable travel costs could also be saved with Ambassadors representing their Member States at some of the meetings of Community Organs. The St Vincent Government subsequently proposed a more fluid

13. Reservations revolved around both cost and effectiveness issues. There was a general worry that it could increase costs without any guarantee of increased effectiveness. It was regularly argued that if cabinet ministers, with the support of civil servants, have problems translating CARICOM decisions into appropriate measures and implementation within Member States, how could an individual Permanent Ambassador be expected to do better? Despite these various views, it is the lack of real commitment to the proposal that makes its full implementation unworkable at this stage.
14. Nevertheless, our position is more agnostic. As we have argued, we do not see new or alternative structures as the solution to the “implementation deficit”. Rather, we see the necessity of identifying the individual components of the “implementation deficit” at source and directly addressing what needs to be done to resolve them. This is a detailed management task where officials at the Secretariat need to work more closely with Member State officials in focusing on the day-to-day process of implementation.
15. We have redesigned the Secretariat’s organisation structure to enable it to play a more direct role in the implementation process and cover what, heretofore, have been weak or missing links in the chain of implementation. As things stand, we do not see a central or formal role for a Permanent Committee of Ambassadors in this detailed process of implementation.
16. However, we see merit in a Committee of Ambassadors providing informal support and advice to CARICOM’s Secretary General and playing a co-ordinating role in their own countries. This is a more limited role than foreseen for the PCA but, depending on how well it works, it could be developed into a wider and more formal role in due course.
17. It is clear that Ambassadors can provide a useful sounding board about new proposals, advise on progress with implementation and, above all, put across the views of Member States. Having more continuity than the Community Council, the Ambassadors can fulfil an important preparatory function for Community Council meetings. Ambassadors can also play a co-ordinating role in their own country. It is apparent that ministers regularly fail to brief their Heads of Government following CARICOM meetings, that reports are not circulated round Member States and that matters end up being discussed unnecessarily at Heads of Government meetings because of Heads inadequate briefing about matters that have been settled.
18. With their broader purview - and on the basis that they have the ear of their respective governments and particularly the Head of Government - Ambassadors can play an important trouble shooting, advisory and integrative role.

arrangement with Ambassadors spending short periods in Georgetown ascertaining in some detail what needed to be done, followed by playing a progress-chasing role back in their own country.

19. Such an informal role will complement the new role we are suggesting for the Secretariat, which is essentially a sophisticated progress-chasing one. Given the difficulties and complexities of implementation, it may turn out that this role needs to be developed further both in the Secretariat and in Member States, with both sides working closely together to try to clear the implementation pipeline. This may provide an opportunity for revisiting the proposal to create a fuller and more wide-ranging Permanent Committee of Ambassadors.

5.6 An Outward Looking Construct: Some Potential Innovations

20. In Section 4.5 above, we suggested that CARICOM should become a more outward looking construct. In this respect, we have two sets of innovations to suggest, neither of which should involve CARICOM in major expense but both of which could contribute significantly to CARICOM becoming more outward looking and inclusive. They could potentially deliver important benefits to the region as well as generate some useful sources of new income for the Secretariat. At the same time, the first innovation, which concerns the Heads of Government meeting could increase effectiveness and reduce costs.

Heads of Government Conference

21. There are currently two Heads of Government Conferences each year. The main summer conference currently falls between several different stools:
- It incorporates lengthy ceremonies, where both the pure ceremonial elements and the speeches are very long. Both aspects have drawn widespread criticism;
 - Much of the conference is conducted behind closed doors in Caucus with Heads of Government on their own or with very few officials;
 - Relatively large delegations of officials from Member States and from the Secretariat are left sitting around doing virtually nothing. This also draws widespread criticism;
 - Various visitors from the international community spend most of their time kicking their heels.
22. The way the Heads meeting is organised suggests there is no clarity about its purpose. Some elements suggest it is supposed to be a show case public event. Others elements point to a private and restricted gathering.
23. In reality, the gathering is not fit for purpose. The outward looking elements are organised in an anarchic manner likely to give any outside visitors a poor impression. When it comes to the more inwardly focused meetings of Caribbean governments and officials, there are clear tensions between whether the focus should be on small meetings between key participants or a more open forum involving full national delegations.
24. The Heads of Government Conference struck us as an expensive missed opportunity. Small Caribbean countries simply cannot afford having some of their key officials tied up for several days doing virtually nothing, especially

when it involves expensive travel and hotels. It also does little for CARICOM's reputation that outside visitors are made to hang around for a couple of open sessions and for the off chance of meeting Heads of Government.

25. If Heads of Government meetings are to be basically inward-looking and focused on Caucus, then it would be sensible to abandon all the surrounding frippery, expense and wasted time. Small meetings could be restricted to Heads and a few officials and it would probably make sense to have them more regularly, particularly as video-conferencing becomes more reliable.
26. Occasional Heads of Government meetings designed to showcase the Caribbean and organised on an explicitly outward looking basis could supplement these regular meetings. Each meeting could have a topical theme with speakers invited from all over the world. The idea would be to involve not only the international community but also the international and regional private sector.
27. Such conferences would provide a Davos-like opportunity for Heads of Government, their ministers and officials to mix with movers and shakers from around the world. They could get across the message that the Caribbean is open for business and for partnership and obtain international media coverage. At the same time, investment opportunities and ideas would naturally flow from all the networking at such an event.
28. Done well, such conferences could attract serious international sponsorship. If they were to be set up side-by-side with a business or investment fair – and there are a number of precedents for such – they could also be turned into money-spinners for CARICOM⁵⁶. Well-chosen dates during the northern winter would ensure top-level turnouts.
29. Ideally such conferences should take place annually though we are aware that not all Member States would have adequate facilities to host such international events. We **recommend** such a conference being organised to celebrate CARICOM's 40th anniversary and its relaunch in 2013.
30. Whether or not this specific proposal is accepted, we **further recommend** that the organisation and purpose of Heads of Government meetings be reviewed and that they be redesigned on a more modest basis to meet specific objectives.

Dialogue with the Private Sector

31. At the Heads of Government Conference in St Kitts in July 2011, Heads were keen to encourage the closer involvement of the private sector in CARICOM. Historically the links have been weak. This has not been helped by

⁵⁶ During the optimistic early years following the collapse of the Soviet Union, an annual conference accompanied by an investment fair was always attended by leading Russian politicians and business people, by the international community and leading academics and by international bankers, investors and companies.

fragmented and divided private sector representation at the regional level. Our understanding is that many key private sector players do not even bother to get involved.

32. A fundamental improvement in CARICOM's relations with the private sector is long overdue. The fact that no close network of relationships exists is a major weakness, not least because a major part of CARICOM's *raison d'être* is to facilitate business within the region. The private sector's views on what works and what does not and on where priorities lie would be invaluable.⁵⁷
33. However, we currently see little value in setting up some sort of council or committee involving representatives of the private sector. Although there are some strong private sector organisations around the region, there is no organisation that is truly representative of the region. At the time of writing, there is no organisation that is fully representative of indigenous businesses, let alone of international companies. At the same time, the officials of these private sector organisations are often not business people themselves
34. **Our proposal** would be to set up a dialogue directly with leading figures in business in the region. Given the small size of the region, the indigenous movers and shakers are well known. A small grouping of half-a-dozen of them could be supplemented with three or four CEOs of leading international businesses in the region; there need be no fixed membership.⁵⁸
35. We would suggest regular small and informal meetings, possibly over dinner. In our experience an informal arrangement is the best way of building up relationships and getting busy executives to open up on a freewheeling basis. At more formal business meetings, they are more likely to want to get through a narrower agenda quickly.
36. As well as providing CARICOM with invaluable insights, we believe that such meetings could lead to significant sponsorship and financing.⁵⁹ First, the private sector could provide sponsorship to CARICOM events as long as conflicts of interest were avoided. Second, the private sector could be persuaded to pay for research, particularly in areas in which it is interested. Third, it is also likely to help with costs to defend Caribbean interests or to develop opportunities⁶⁰.

⁵⁷ Clearly CARICOM needs to differentiate between impartial advice and lobbying. This should not be a problem for a self-confident organisation containing the right sort of policy advisers.

⁵⁸ These could perhaps include commercial banking, tourism and one or two other sectors.

⁵⁹ During the recent involvement of two of our team in carrying out a feasibility study to set up a regional professional training institute for the finance sector, the CEO of an international finance company offered to make a serious contribution to the set up costs. He was very keen that the organisation be got off the ground quickly and feared it would otherwise be seriously delayed.

⁶⁰ We suspect, for example, that British Airways would have been keen, if asked, to work with CARICOM and the Caribbean Tourism Organisation over the recent Advanced Passenger Duty issue. It is likely that a joint lobbying exercise would have been more successful than a more fragmented approach, particularly if key figures, such as the Secretary General, headed a joint lobbying mission to London.

6 Diagnosing the Secretariat's Current Difficulties

6.1 Key Factors in the Secretariat's Loss of Direction

The basic problem

1. In Section 3.3 above, we outlined how a combination of factors has left the Secretariat with an unmanageable workload. Its influence and control over the integration agenda, which was always constrained, has been fundamentally weakened. As a result the Secretariat has lost sight of its real purpose. The Secretariat – and the entire CARICOM agenda - has become a hostage to processes that have developed a life of their own, rather than a body focusing on well-defined objectives and the achievement of specific results.
2. Typical amongst these processes are endless meetings, which to a large extent have become poor proxies for decision taking and for action⁶¹. But they are, by no means, the only factor in why process, procedure and administration have come to dominate the Secretariat.
3. These problems have built up over a lengthy period, which tends to make them much more obvious to outsiders. In this section, our objective is to understand better **why** these problems have built up.

Major gaps in policy making

4. We have already devoted a whole section of this report to prioritisation as a key necessary condition to turning round CARICOM's fortunes. In addition to the current lack of direction that results from a lack of prioritisation and strategy, there is no general and overarching policymaking in the Secretariat concerning how the region can maximise its position and meet the challenges it faces.
5. To avoid any confusion, we are here referring to developing a strategic framework in response to systematic and regular environmental scanning rather than the development of specific sectoral policies concerning aspects of regional development or of integration. The Secretariat has a well-established tradition in policymaking in this sense having developed policies to present for regional agreement in agriculture, food and nutrition, government procurement, enterprise development, industry, energy and youth policy amongst others.
6. Yet, as a senior official put it to us, the Secretariat has no time for real thinking. It is this branch of policymaking that is our concern. It is the

⁶¹ This is a common problem amongst organisations that are struggling to change. The new CEO of a major airline was so concerned about the dominant meetings culture being a substitute for real problem solving that he took the radical step of closing down all the airline's meeting rooms. Henceforth, managers had to meet in a hall without seating. The purpose was to encourage small meetings that focused on solving the issues at hand quickly, with those present taking responsibility, to replace the culture of large talking shops, which had come to take up endless management time whilst providing a lack of clear decision-making and accountability.

development of the sort of blue skies thinking more typical of think tanks and which is often responsible for paradigm shifts and fundamental change. This is clearly a longstanding problem along the following lines.

- i. The Secretariat's "policy formulation" is largely restricted to day-to-day reaction (of the type how do we respond to a particular matter arising within the region or internationally?) and to the minutiae of developing detailed aspects of integration (much of which is delegated to consultants);
 - ii. Specific policies are developed on a piecemeal basis and in response to mandates or to concerns of the moment - and then only if resources are available⁶²;
 - iii. Yet a lack of serious economic and financial evaluation means that mandated policy initiatives that have little or no chance of ever becoming reality can be kept in play indefinitely⁶³;
7. In our experience,⁶⁴ there is no policymaking in the think tank sense⁶⁵ in the Secretariat, in CARICOM or in the region as a whole. There is, for example, no systematic surveying of what is or what could become important to the region and of where regional co-operation could add value (net of costs) to what Member States can achieve on their own.
8. Similarly, there is no thinking as to the directions the region might go in, whether they are feasible, and how the region might get there. Without such systematic thinking, the region is likely to miss opportunities for regional development – and in our view already has done. Finally, there is little or no development of policies to confront major current issues, problems and opportunities facing the region. An oft-heard recent criticism, for example, that there has still been no serious regional response to the 2008 financial crisis, is impossible to refute⁶⁶.
9. This is a serious vacuum and it is a major weakness in the way the Secretariat has been structured. It has negatively impacted the whole CARICOM construct, contributing to its lack of direction.

The tyranny of meetings

10. One of the clear results of this lack of direction is CARICOM's reliance on meetings. The Secretariat hosts numerous formal meetings – over 200 per

⁶² The work that is done tends to be in response to the excessive number of mandates and issues arising out of various regional meetings. There is no mechanism for filtering, evaluating and prioritising these demands except for the lack of financial or human resources or of expertise.

⁶³ Heads of Government, ministers and officials naturally wish to press ideas for the betterment of the region and, in the absence of other sources of ideas and proposals, have every reason to continue trying.

⁶⁴ The writer was at one point Director of the Russian European Centre for Economic Policy and responsible for 40 policymakers giving high level advice on Russia's economic and social transition following the collapse of the Soviet Union.

⁶⁵ Current policy activities are little more than the administration of assorted ideas and initiatives; there is no narrative or linkage. Although the implementation of the Treaty of Chaguaramas and the flagship CSME programme clearly involve "policy development", these are specific policies concerning specific initiatives that were put in place some time ago. They are not regional policymaking as such.

⁶⁶ This is the sort of core issue that outside stakeholders think CARICOM was set up for. And they are right, whatever insiders might think!

year we have been told or double the figure of ten years ago. It is not clear why there are so many meetings or what they are for⁶⁷. Both the number of and the utility of meetings are the subject of major criticism throughout the region. They are seen as a waste of time, which by and large achieve very little.

11. Meetings can, of course, be a good way of taking matters forward if they result in decisions being taken, action being initiated and follow up taking place. However, they are by no means the only way of taking things forward and, with the exception of small specific meetings with clear objectives, meetings are rarely the best way to instigate effective action.
12. Meetings, and particularly large meetings, are usually only appropriate for formal decision taking, for providing information or for a conference-style open-ended discussion of ideas. In this context, formal decision taking means either confirming something that has already been decided or voting on specific propositions, such as at Annual General Meetings.
13. It is evident that few CARICOM meetings result in clear decisions from which action is initiated and then effectively carried out. There is a long list of reasons, well articulated by many of those we have met, as to why meetings are ineffective in taking the CARICOM agenda forward.
14. To paraphrase the dictum that “patriotism is the last refuge of a scoundrel”⁶⁸, CARICOM meetings seem to have become the last refuge of officials uncertain how to take regional integration forward. The substitution of the activity of meetings for actions focused on implementation has also contributed to CARICOM’s increasing weakness and its apparent inability to get anything done.

The ineffectiveness of projects

15. Another result of lack of direction is the way that projects have become process-driven, rather than one of the many means to the implementation of integration and regional co-operation. Amongst the numerous criticisms of CARICOM projects⁶⁹, the most important is that they have tended to become an end in themselves, rather than one of the means of driving regional integration forward. As a result, CARICOM projects are widely regarded as being ineffective.
16. The underlying reasons for these problems with projects are:
 - a. Project outputs being increasingly confused with implementation outcomes;

⁶⁷ Some meetings are, of course, statutory and bring together the various organs of CARICOM for regular formal meetings. But most meetings are more specialised and concerned with taking forward aspects of integration.

⁶⁸ Samuel Johnson, 1775

⁶⁹ The deep-seated problems of project management and how they can be resolved will be assessed in the section on restructuring the Secretariat.

- b. The Secretariat's increasing reliance on projects for its financing has inevitably led to projects becoming an end in themselves;
- c. The success of Secretariat staff – and the whole business of work programming – is increasingly dependent on obtaining projects.

17. When, as we often heard, people refer to the Secretariat as becoming a project office (at the expense of being the driver of implementation and integration), this is what they mean. A weakened organisation without a clear direction and secure finance will naturally be reshaped and lose sight of its real goals and objectives.

6.2 Getting to Grips with the Underlying Problems

18. For the Secretariat to work well and CARICOM to achieve its objectives, the following are required:

- i. Policy and prioritisation to drive meetings and other mechanisms for taking decisions, initiating action and bringing about implementation of integration;
- ii. A well-functioning system of follow up and support, in co-operation with Member States, to bring about specified actions that result in the implementation;
- iii. Projects being but one of various mechanisms of providing support to bring about implementation.

19. The linkages suggested in the previous paragraph could have been written in shorthand as follows:

- i. Objectives/decisions leading to >
- ii. > Action leading to >
- iii. > Results.

20. We suspect that these linkages have never been strong. They have now broken down to the point of being inoperable.

21. As a result of the breakdown in these linkages, a vicious circle has, in effect, emerged where procedures and process have, despite the best of intentions, become more important than getting results and hitting objectives.

22. Before turning to how the Secretariat can be restructured to break this vicious circle, we first examine some of the problems facing the Secretariat in a little more detail.

6.3 A Brief Review of the Challenges Facing the Secretariat

The Secretariat is currently not fit for purpose

23. As things stand, the Secretariat is too weak to lead any attempt to turn round CARICOM's fortunes. The main reasons for this are as follows⁷⁰:

⁷⁰ The Secretariat is a failing organisation because it has been under so many pressures for so long, with many of these pressures not of its making. Like any failing organisation, there are weaknesses throughout the organisation. We have focused on the pivotal weaknesses but others are bound to emerge with a full change management programme.

a. A structure ill-designed for encouraging leadership

The weaknesses of the Secretariat start in the Secretary-General's Office. It is set up as a representational office rather than that of a Chief Executive. To be sure, the Secretary-General has some representational functions. Nevertheless, his primary role is one of leadership as CEO of CARICOM.⁷¹ His office should be designed to enable him to carry out that leadership role.

b. Weaknesses in management arrangements

The pressures under which the Secretariat works have resulted in some important arrangements not functioning as intended or breaking down entirely. The Executive Management Committee (EMC)⁷², has met sporadically for some time, partly because Assistant Secretary Generals are under great pressure to travel. It was revived to meet monthly under the Acting Secretary General and the new Secretary General is intent on making it work more effectively.

c. Lack of mechanisms to prioritise activities

The lack of external mechanisms to encourage prioritisation⁷³ is mirrored by a lack of mechanisms within the Secretariat.⁷⁴ The largely bottom up system of Work Programmes does little to encourage the prioritisation or co-ordination of Secretariat work (See Box 1 for a discussion on Work Programmes).

d. Pivotal gaps in policymaking

Force of circumstance means that, as discussed above, there is virtually no blue skies thinking about regional policies that could add value to what can be achieved at the national level. Yet this is – or at least should be – a major rationale for regionalism. Being tasked by Member States to investigate specific issues or sectors is not the same thing and is, in any event weakened, by excessive demands and the lack of prioritisation. This can be described as wish list, rather than strategic, thinking.

⁷¹ As laid out in Article 24 of the Revised Treaty of Chaguaramas

⁷² The EMC is made up of the top officials of the Secretariat and currently includes the Secretary General, the Deputy Secretary General and Assistant Secretary Generals.

⁷³ In addition to a work programme circumscribed by the overambitious timescales of agreements such as that concerning the CSME, the Secretariat is regularly tasked with new obligations in various economic sectors such as agriculture or transportation and in the social sphere **without** there being any consideration as to the resource cost or feasibility of carrying out such tasks.

⁷⁴ Rather than develop internal mechanisms to prioritise external demands, the Secretariat has in effect developed an inefficient rationing system based on resource availability (both funds and expertise) and the interests and capabilities of existing staff. This inevitably results in slow and mixed progress over a wide area with little, if anything, being signed off as properly implemented. At the same time, this anarchic allocative system is not very good at responding to changes in the external environment. There is the ever-present danger that the progress that is being made is towards objectives that are changing or becoming less relevant.

Box 1: Work Programming

The system of Work Programming is seriously flawed:

- There is no proper overview to specify overall priorities, to co-ordinate programmes or to review outturns. This is not surprising as there is no overarching strategy to guide prioritisation;
- There has been no systematic monitoring of work programmes. A one-off analysis was carried out of 2008 work programmes but we were unable to get a copy of this;
- Plans to use work programmes as a basis for performance management are an important step forward (as being introduced by the Delta Partnership, in association with Kitch Consulting).
- However, the system of cascading roles, activities, responsibilities and accountability down the organisation makes it even more important that an overall strategy be in place.
- Strategic priorities can then be broken down into achievable work programmes at directorate, departmental and individual levels and be used to assess performance against objectives.

In current circumstances, it is unsurprising that:

- The Secretariat is regularly described as being split into ill-coordinated silos;
- Work programmes have become extended “to do” lists that are not prioritised and which cannot be completed in the time available. Large parts, if not entire work programmes, are carried over from year-to-year;
- Staff have come to view work programming as a pointless management task that interferes with their overburdened schedules.

e. Too much focus on process

The reliance on specific processes, not least formal meetings, to get business done is outmoded. Unfortunately, a culture of relying on processes has developed at the expense of getting results⁷⁵.

f. Lack of results-based culture

The lack of a results-based culture makes implementation a hit and miss affair. The current organisational structure facilitates:

- A lack of systematic follow-up with Member States;
- Weak monitoring of progress with implementation;
- No clarity about the nature of bottlenecks and impediments to implementation overall (even if individual staff are aware of the problems in their area);

⁷⁵ Savingsrums are still seen as a key way of expediting Secretariat business because they were established as a formal (and therefore difficult to change) channel for communications between the Secretariat and Member States. Yet they are clearly a very inefficient way of getting things done at all, let alone on any timetable other than a leisurely one.

- Insufficient focus on resolving impediments to implementation.

g. Weak project management

The spreading of project management throughout the organisation has proved a major weakness in the Secretariat's overall performance as well as leading to poorly managed projects:

- Project management is a specialist task, not one that can effectively be combined with other management or specialist roles;
- Projects are not well prioritised and are poorly co-ordinated.⁷⁶ There appears to be little strategic oversight;
- With the lack of a systematic and structured approach, project management is slow and dependent on the availability of individuals⁷⁷. The involvement and interest of Member States is hit and miss;⁷⁸
- Contracting disciplines are poor and untimely from project conception to payments;⁷⁹
- There appears to be no proper budgeting of projects as there is often little relation between project budgets and the requirements of the terms of reference.^{80 81}
- Project outcomes are likely to be well short of what would be possible with good project management. Although projects can lead to the implementation of integration, we were told that project completion usually leaves an issue some way short of implementation.

h. Severe operational problems

The back office and operational functions that are essential to the smooth running of any service business are not fit for purpose:

- IT and communications services are unsatisfactory and out of date;
- Conference Services are overwhelmed⁸² and unable to support meetings and their follow up on an effective or timely basis;

⁷⁶ We were told of an extreme case where one department tried to set up a project where another department was already carrying out a virtually identical project.

⁷⁷ We were told that if someone goes on holiday, or is sick, that the project would be usually be held up until their return. Project financing can only be signed off at very senior levels and, if key management staff are travelling, progress will be held up until their return.

⁷⁸ We were given numerous instances of Member States not being ready for consultant interventions and for projects being extended over long periods before being completed. As consultants are generally contracted for specific periods, this can result in the non-completion of large parts of terms of reference unless consultants are able and willing to reschedule work.

⁷⁹ CARICOM has a poor reputation amongst consultants.

⁸⁰ This is another example of (a lack of) finance being used in an inappropriate way as a rationing mechanism. Rather than work out what needs to be done and prioritise between competing projects, project budgets appear to be fixed without careful consideration of the requirements of the terms of reference.

⁸¹ We understand that consulting companies regularly eschew opportunities to bid for CARICOM projects because they judge that the work cannot be completed within the allocated budget.

- A very weak finance function increases the precariousness of the Secretariat's position⁸³;
- Unsatisfactory project finance arrangements add to project management problems;
- Although Human Resources appears the best managed operations' function, the backlog in its activities suggests that it is under serious strain.

The Secretariat's mix of staffing has become outmoded

24. These weaknesses in the organisational structure of the Secretariat are magnified by weaknesses in Secretariat staffing. The main issues are as follows:

a. Unfilled posts at senior levels

Around 25% of senior level posts are currently unfilled, with key vacancies in pivotal areas. These include several vacancies at Assistant Secretary General level as well as crucial longstanding gaps, such as the Head of Finance post. Irrespective of the degree to which the current structure is fit for purpose, no organisation can function effectively when so many posts remain unfilled.

b. Arbitrary cost cutting

The Secretariat has been forced into severe cost cutting at short notice over recent years. Of necessity this has resulted in short-term and largely unplanned decisions about filling posts. Whilst economies, including cost cutting, are very important in the current environment, carefully devised organisational plans need to be put in place quickly to replace arbitrary short-term cuts.

c. Inappropriate mix of skills

The Secretariat contains large numbers of civil servants and specialists at senior levels. Amongst them may be some natural leaders but very few have either had management training or been identified as having leadership skills. To move forward successfully, the Secretariat needs many more managers.

d. A plethora of junior posts

The abundance and job titles of junior staff demonstrate an outmoded organisation. The number of registry clerks, secretaries, administrative assistants, messengers, stenographers etc. is suggestive of the pre-computer age. This is, of course, the obverse of poor IT and communications services. Unfortunately, the old-fashioned methods are no substitute as the Secretariat is unable to keep track of the multifarious and complex tasks before it.

⁸² The outmoded "meetings" culture of CARICOM contributes to these difficulties, as do unsatisfactory IT and communications services. Nevertheless, the performance of these services needs substantial upgrading irrespective of these contributory factors.

⁸³ See Section 10.5 for a discussion of the finance function

e. Insufficient new blood

The Secretariat has been well served by a loyal and committed cadre of staff who have somehow kept the organisation afloat. A high proportion of these staff are at or beyond retirement date. The organisation needs an infusion of new blood bringing new approaches and ideas, particularly at senior levels.

7 Restructuring the Secretariat: The Third Step to Recovery

7.1 Introduction

1. It will be recalled that the third and last main requirement for the survival and recovery of CARICOM given in Section 2.5 above specified:

Requirement III: A credible reorganisation and strengthening of the CARICOM construct, including the Secretariat and CARICOM institutions, focused on the management of implementation.

2. Following the various analyses made earlier, we are now in a position to put the last piece in place – what needs to be done to bring about a credible reorganisation and strengthening of the Secretariat.

7.2 Defining the Secretariat's purpose

3. To summarise how we have arrived at this point, we earlier stated that the Secretariat is too weak to lead an attempt to turn round CARICOM's fortunes. In particular, this means it is not currently in a position to make inroads into the so-called implementation deficit. We also noted that the Secretariat could only be made "fit for purpose" if its purpose were, first, clearly defined. Accordingly at the CARICOM level, and as set out earlier, the following is required:
 - i. An agreed 5 year strategy to drive the entire CARICOM construct, including the Secretariat;
 - ii. Strengthening the organs of CARICOM, particularly the Community Council, and improving the disciplines with which they are run;
 - iii. Strengthening the structure of CARICOM through increasing the accountability of, and co-ordination with, institutions of the community;
 - iv. Presenting a unified structure and purpose that will encourage other stakeholders to play a full part in re-launching CARICOM.
4. We have demonstrated - and here re-emphasise - that a fundamental shift in the operational discipline of the entire CARICOM structure is required so that the structure works effectively towards the ends in an agreed Strategy. This shift needs to apply throughout CARICOM, from Heads of Government through the various councils of CARICOM and its institutions to Member States.
5. The position of the CARICOM Secretariat is clearly central to this fundamental shift. It has the key role in orchestrating and encouraging the changes that can make CARICOM fit for purpose. However, the Secretariat can only play this role if it, in turn, is made fit for purpose through appropriate restructuring.

6. In turning to the restructuring of the Secretariat, we are guided by the following principles:
 - i. The demands made of the Secretariat need to be matched with financial and human resource availability. This should be achieved through an agreed strategy driving the CARICOM construct as a whole and the Secretariat in particular. It should be backed up through the arrangements and disciplines described elsewhere to manage the work of the various councils and organs of CARICOM;
 - ii. The Secretary General needs to have the tools to lead the CARICOM community. Yet the Secretary General's Office is currently organised as a representational and administrative office and, as such, is a source of weakness. It should be upgraded and reconfigured to become the fulcrum for strategy, review and resource management.
 - iii. The focus of the Secretariat should shift to strategic regional policy and to the implementation of integration.
7. There are few purists left who insist that the Secretariat's role is an administrative one⁸⁴ and that only Member States can implement. This is an artificial distinction where the lines between administrative, management, design, advisory, expert and implementation roles have become increasingly blurred⁸⁵. It is also artificial in that the line between where the Secretariat's role finishes and the Member States' role starts is never hard and fast. Finally - and pragmatically - the "implementation deficit" would never be overcome by taking an out-dated purist approach.

7.3 Fundamental change is required

8. Fundamental changes in the Secretariat's structure, operation and staffing need to be introduced gradually over a period of about 3 years⁸⁶. Our **recommendations** for the main changes are as follows:
 - a. Refocusing CARICOM and restructuring the Secretariat through a transitional Change Office working directly to the Secretary General;
 - b. Refocusing the Secretariat on delivering a Strategy for CARICOM and on developing strategic regional policies to add value to what Member States can individually achieve;
 - c. Enabling the Secretary General's leadership role through strengthening his office to focus on his executive role, rather than his representational role. In particular, the Secretary General should take charge of the Secretariat's work as regards strategy, regional policy and review;
 - d. Putting an emphasis on implementation, where the Deputy Secretary General should be put in charge of a new Implementation Office

⁸⁴ The Secretariat shall be the principal administrative organ of the Community - Article 23.1 of the Revised Treaty of Chaguaramas

⁸⁵ An architect, for example, would have little chance of denying responsibility for a building falling down unless he or she could show that the builder failed to follow his or her plans. The architect would only be on firm grounds if he or she could show full fault on the builder's part. That requires that the architect or an unimpeachable representative of the architect take a very close interest in what the builder actually does.

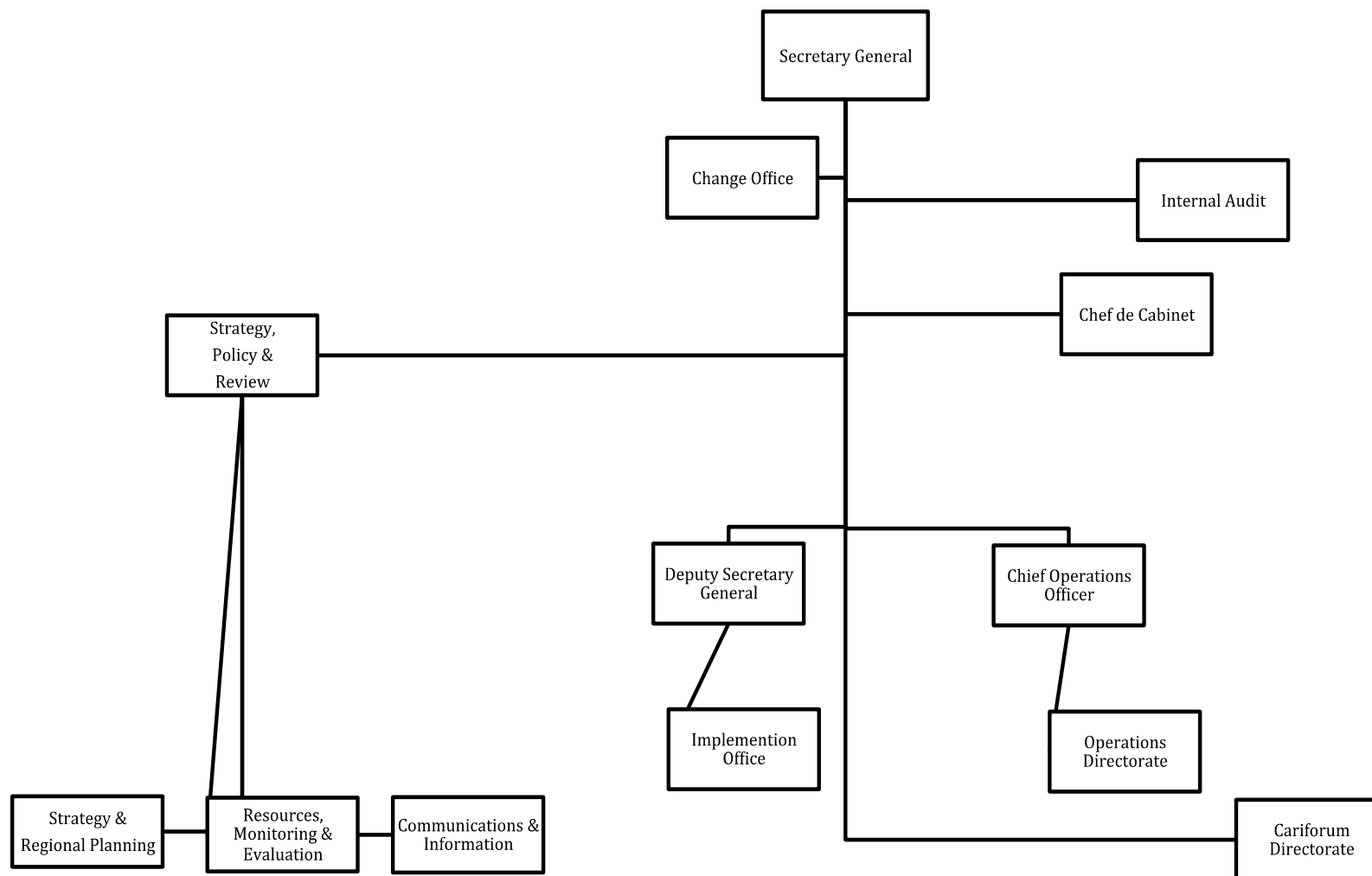
⁸⁶ Ideally the transition should be shorter. However, with a likely requirement for donor funds, a shorter period is probably not practical.

- incorporating functions designed to focus on the implementation of integration;
- e. Appointing a new Chief Operations Officer (COO) at Deputy Secretary General level whose specialised responsibility will be to get crucial back office and support functions into shape.

7.4 The Restructuring of the Secretariat

- 9. The next three sections of the report contain our detailed analysis and proposals as to how the Secretariat should be restructured. The sections are as follows:
 - i. Strengthening the Secretary General's Office
 - ii. Making the Deputy Secretary General responsible for implementation
 - iii. Setting up an Operations Directorate under a Chief of Operations
- 10. Our proposed general organisational chart for the Secretariat is at Figure 1 as follows.

Figure 1: Caricom Secretariat – Proposed Organisational Chart



8 Strengthening the Secretary General's Office

1. Changes should start in the Secretary General's Office and we propose an organisational chart⁸⁷ for the Office as follows at Figure 2. An early reorganisation of the Secretary General's Office will allow it to drive changes throughout the Secretariat and manage the transition period. Ideally, this transitional period should not exceed 18 months; we suspect this may prove overambitious and that 3 years will be more realistic, given the likely need for donor involvement. The overall changes throughout the Secretariat are proposed after this section.

8.1 The Change Office

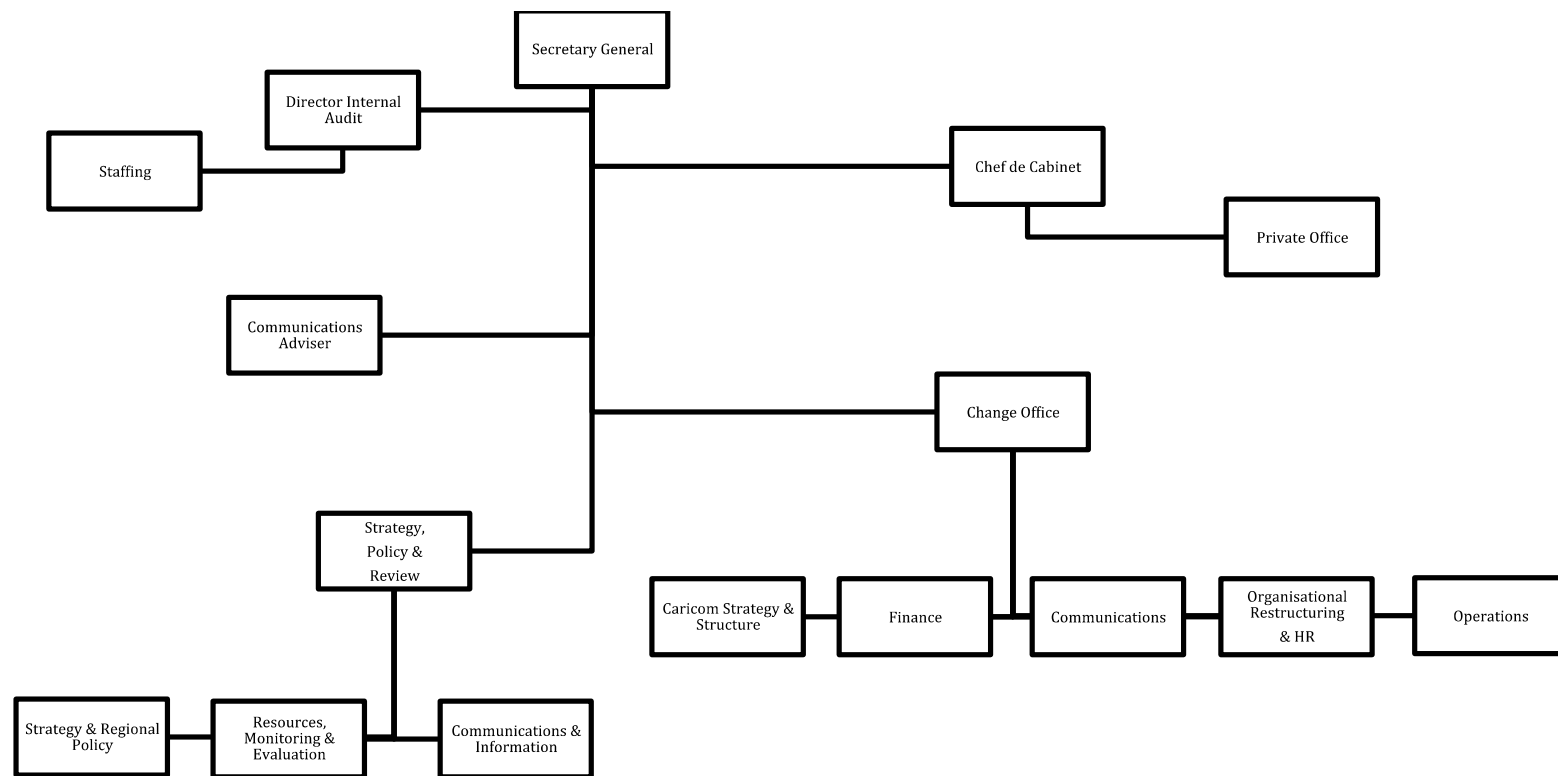
2. The most important and immediate initiative is to set up a Change Office. The direct objective of the Office is to deliver a restructured Secretariat. Its indirect objective is to assist the Heads of Government and Secretary General in making the whole CARICOM structure and operation fit for purpose.
3. For financial reasons, the Office is likely to have a skeleton staff to begin with. Funding should be sourced as quickly as possible. Ideally Member States, or a selection of them, should provide the funding. Donor funding may be more realistic. However, there may not be time to await donor funding⁸⁸ before starting some of the operations of the Change Office. Some interim funding, whether internally or Member State sourced, could therefore be essential.
4. The initial focus of the Change Office will be on developing a 5-year Strategy to drive CARICOM, in general, and the Secretariat, in particular. We **recommend** therefore that an expert in strategy be appointed as soon as possible. This individual's initial task will be to develop an outline strategy for the first Heads of Government meeting in 2012 with the objective of getting a full strategic plan agreed at the second Heads of Government meeting in 2012⁸⁹.
5. The position as expert in strategy is likely to be full-time or close to full time. It could be a staff appointment or on consultancy terms. The more important issue is that the right appointment be made and be made quickly. The individual appointed should be from outside the Secretariat and should report directly to the Secretary General and, through him, to the Heads of Government.

⁸⁷ This organisational chart like the others we have produced focuses on functions rather than posts or individuals, except where obvious (e.g. Secretary General, Chef de Cabinet etc.)

⁸⁸ Tendering rules and donor procedures have made it more difficult to access funding quickly. However, some donors can respond quickly particularly for limited sums that do not trigger international tender procedures.

⁸⁹ Given the very tight timelines, it may prove impossible to recruit someone to have an outline strategy ready for the first Heads meeting. In this case, we would suggest that a presentation be made to Heads of the main conclusions of this report and the urgent need to develop a Strategy.

Figure 2: Secretary General's Office – Proposed Organisational Chart



6. The individual appointed could potentially go on to lead the full Change Office, when financing is in place, and should have a key role in drawing up the detailed specification of the Change Office. An outline specification and costing is given at Appendix 5, both for the immediate and longer term arrangements.
7. It would be helpful if the expert in strategy could draw on some occasional finance and organisational development support. It would also be helpful if the individual be assigned a professional assistant from within the Secretariat's current staffing. Such an individual could be a bright up-and-coming member of staff.
8. It is important that there be continuity between the initial skeleton staff of the Change Office and the eventual full office. Although it is likely to prove necessary to set up the office on a sequential basis with different sources of funding, tendering rules should not be allowed to get in the way of the common sense requirement for staffing continuity.
9. The focus on the Change Office will gradually shift from developing and agreeing an overall strategy to implementing the restructuring of the Secretariat and to making the CARICOM construct more fit for purpose for implementing the strategy. This will include the following:
 - a. Strengthening the structure of CARICOM, not least ensuring that CARICOM and its institutions are developed as a more unified brand aimed at common goals.⁹⁰
 - b. Developing, getting agreement to and setting up more secure financing for both the Secretariat and for CARICOM's institutions.⁹¹
 - c. Delivering a restructured Secretariat and managing the transition.
10. Whilst the Change Office is important for all of these purposes, especially to develop a unified and functional construct, it is essential for the reorganisation of the Secretariat. We are aware that CARICOM regularly compromises on alternative watered down solutions. In this circumstance, we would wish to emphasise our professional opinion that a weaker compromise is most unlikely to work.⁹²
11. As noted in the outline specification at Appendix 5, the Change Office will need to call on skills covering strategy, structure, finance and financing, communications, organisational restructuring, HR, recruitment and various operational areas including IT, administration management and conferencing.

⁹⁰ This will involve putting in place procedures and disciplines to ensure such strategic alignment takes place as well as developing synergies, economies and areas for co-operation.

⁹¹ As has been argued earlier, Member State funding should be put on a more secure – and less hand to mouth – footing. At the same time, the strategy should draw larger, better targeted and co-ordinated and more committed funding from aid donors.

⁹² The organisational and operational change required is too extensive for staff responsible for day-to-day management of the Secretariat's business to have any chance of carrying it out successfully.

12. The Change Office should have a core of full-time staff over a contract period plus shorter specialist inputs. It will work closely with new and existing permanent departments and will be responsible for developing some new key roles. Foremost amongst these, and as discussed below, will be a new and specialist Chief of Operations at Deputy Secretary level.

8.2 Strategy, Regional Policy and Review Department

13. A new department, to which we have given the working title Strategy, Regional Policy and Review (SRPR) Department, should follow closely in the wake of setting up the Change Office. An expert in strategy, policy and communications should lead the department. In essence SRPR's responsibilities will be:

a. Strategy:

Oversee the management and implementation of the CARICOM strategy:

- Update the existing strategy, as appropriate, on the basis of resource availability;
- In due course, prepare a follow up strategy, which should be based on a careful review of overall results combined with emerging priorities and resource availability;
- In particular, evaluate the feasibility and resource availability for any new proposals emanating from Heads of Government and other CARICOM bodies.⁹³

b. Regional Policy and Competitive Advantage:

Develop regional policies and initiatives on a proactive and reactive basis:

- Examine new and existing integration and other policies and mandates on a critical basis, including a review of their macroeconomic and other impacts and of their timing;⁹⁴
- Investigate where the region can add value, including those areas that can bring about early wins;⁹⁵
- Assess how the region can develop its strengths on the basis of competitive advantage;⁹⁶
- Lead the policy response to challenges that arise for the region.⁹⁷

⁹³ One of the major weaknesses of the CARICOM construct is that Article 27:5 of the Revised Treaty of Chaguaramas has always been ignored. The community will never manage and implement the tasks before it unless priorities are continually allied to resource availability.

⁹⁴ Long-established policies, whether central to integration (such as CSME) or specific mandates, need to be reviewed regularly to ensure that they are still relevant and feasible. Some may be updated, some delayed and others dropped.

⁹⁵ The EU gained considerable goodwill when it intervened in the mobile phone market to introduce standard (and reasonable) charging and conditions for the use of mobile phones in other Member States. This should be a reasonably straightforward task to accomplish, perhaps by direct negotiation, with the small number of operators present in CARICOM Member States.

⁹⁶ The work of Harvard Business School's Michael E Porter, which started with his book "The Competitive Advantage of Nations", would be a good place to start. The Caribbean clearly has a widespread competitive advantage in tourism and in international finance and particular Member States have competitive advantage specific to themselves, not least Trinidad & Tobago as far as gas is concerned. Work is needed on how to maintain and further develop these advantages. Some blue skies and objective thinking also needs to be done to identify other business sectors where the region could develop advantage.

- Work with other international, regional and national bodies to identify and develop competitive advantage for the region. These should include the Caribbean Development Bank (CDB), the IMF and World Bank and central banks throughout the region.

c. Resources:

Oversee and develop the resources available to the Secretariat and, as appropriate, its institutions:

- In coordination with the Finance Department, take over responsibility for more secure forms of Member State financing from the Change Office;
- Work with the Project Management Office (see below) on more co-ordinated and better-targeted donor funding and on maximising traditional sources of outside income;
- Develop new sources of income including sponsorship, private sector financing and charging for services.

d. Monitoring and Evaluation:

Develop a monitoring and evaluation capability to allow a clear overview of progress with CARICOM's strategy:

- Work with the Implementation Directorate (see below) to understand and assess progress with implementation, particularly at Member State level, and to decide where high-level intervention is required for policy or other reasons;
- Work with the Project Management Office (see below) to ensure that adequate methods are devised and used for monitoring and evaluating of projects and that overall lessons are learnt;
- Work with the Project Management Office and with donors to develop standard methods of monitoring and evaluation. Ally these methods, as far as is practicable, with progress with implementation;
- Work with HR to ally monitoring and evaluation with performance management.

e. Communications and Information⁹⁸:

Make communications a central part of CARICOM strategy and policies, including providing the Secretary General with a personal communications adviser:

- Raise awareness and educate the people of the Caribbean about CARICOM, its aims and activities;

⁹⁷ The lack of a regional response to the 2008 financial crisis continues to draw heavy criticism, which, fairly or not, is regularly aimed at CARICOM. On a narrower basis, the CARICOM Secretariat and the Caribbean Tourism Organisation (CTO) did come together to respond to the unfair application of the UK's APD tax (Air Passenger Duty) to the region. Whilst we have been told that too little was done too late, this response provides the basis on which to build future responses, particularly if the Secretariat has a department charged with picking up such issues quickly.

⁹⁸ The report of our Communications Adviser is at Appendix 4.

- Cooperate and coordinate with CARICOM Member States to communicate with and educate their citizens about Caribbean issues;
- Communicate with CARICOM's international partners and target audiences about the region's international objectives;
- Raise the profile of the work of the Secretariat and the Secretary General as the figurehead of CARICOM.

8.3 Chef de Cabinet

14. The Secretary General's representational responsibilities should, in effect, become a particularly powerful and efficient way in which he carries out his executive role. In working closely managing the Secretary General's Office, the Chef de Cabinet and the Head of Strategy, Policy and Review will have important roles in helping bring this about.
15. We have been impressed with how the Chef de Cabinet role is currently carried out in circumstances that have been far from ideal. However, in addition to being too focused on administrative and procedural issues, the remainder⁹⁹ of the Secretary General's Office does not give the impression of effectiveness. Although the length of our assignment precluded the detailed examination of individual roles and how they are carried out, we saw enough to conclude that the Secretary General's Office needs a shake up.
16. We would suggest that the Chef de Cabinet initiate a review to be carried out by the Human Resources Department to reduce the overall number of staff, clarify roles and bring in some fresh blood. The objective should be to establish a powerful Private Office. This will have the key role of operationalising the much strengthened strategic and policy advice now available to the Secretary General at the top levels of stakeholder bodies with whom the Secretary General generally interfaces.

8.4 The Remaining Areas of the Secretary General's Office

17. The Special Adviser on what could be termed "issues of the moment" should play an important role in the newly established Strategy, Policy and Review Department. In similar fashion, the current Public Information Unit should be integrated into the Communications and Information section of that department.
18. Finally, we understand that Internal Audit has only been established relatively recently. This is an important function whose influence needs to grow. We were not able to investigate its role in detail but our impression is that it should be strengthened and better resourced. We **recommend** that the Change Office look at this issue in more detail and develop proposals, as appropriate.

⁹⁹ We exclude from this judgement the Secretary General's Special Adviser on issues of the moment and the separately housed Information Unit. These are considered separately below.

19. Internal Audit is an important part of the Secretary General's Office and its findings and advice should provide important support in making the Secretariat fit for purpose.

8.5 Managing the Secretariat

20. The above proposals will give the Secretary General a stronger executive role and thereby strengthen the leadership of CARICOM. The revival of the Executive Management Committee (EMC), which has already been set in train, will further strengthen the Secretary General's role as CEO and will help tighten up the management of the Secretariat.
21. The EMC has been weakened over the years partly because Assistant Secretary Generals (ASGs) have had to carry out too much routine work and, in particular, have been expected to travel too much. It is important that they be more available in Georgetown for high-level interaction with Member States. This greater availability will also allow the EMC to function better. In this respect, the proposals in the next two sections for the Implementation Office and for the Operations Directorate respectively will help free up ASGs to focus more on their management role.
22. At the same time, the establishment of an Implementation Management Committee with supporting staff, as described in the following section, will also enable the Secretariat to focus better on management issues. The Change Office will need to delineate the roles of the two committees, which will have overlapping membership, so that the specialist work of the Implementation Management Committee leads effectively into the broader remit of the EMC.

9 Implementation Under The Deputy Secretary General

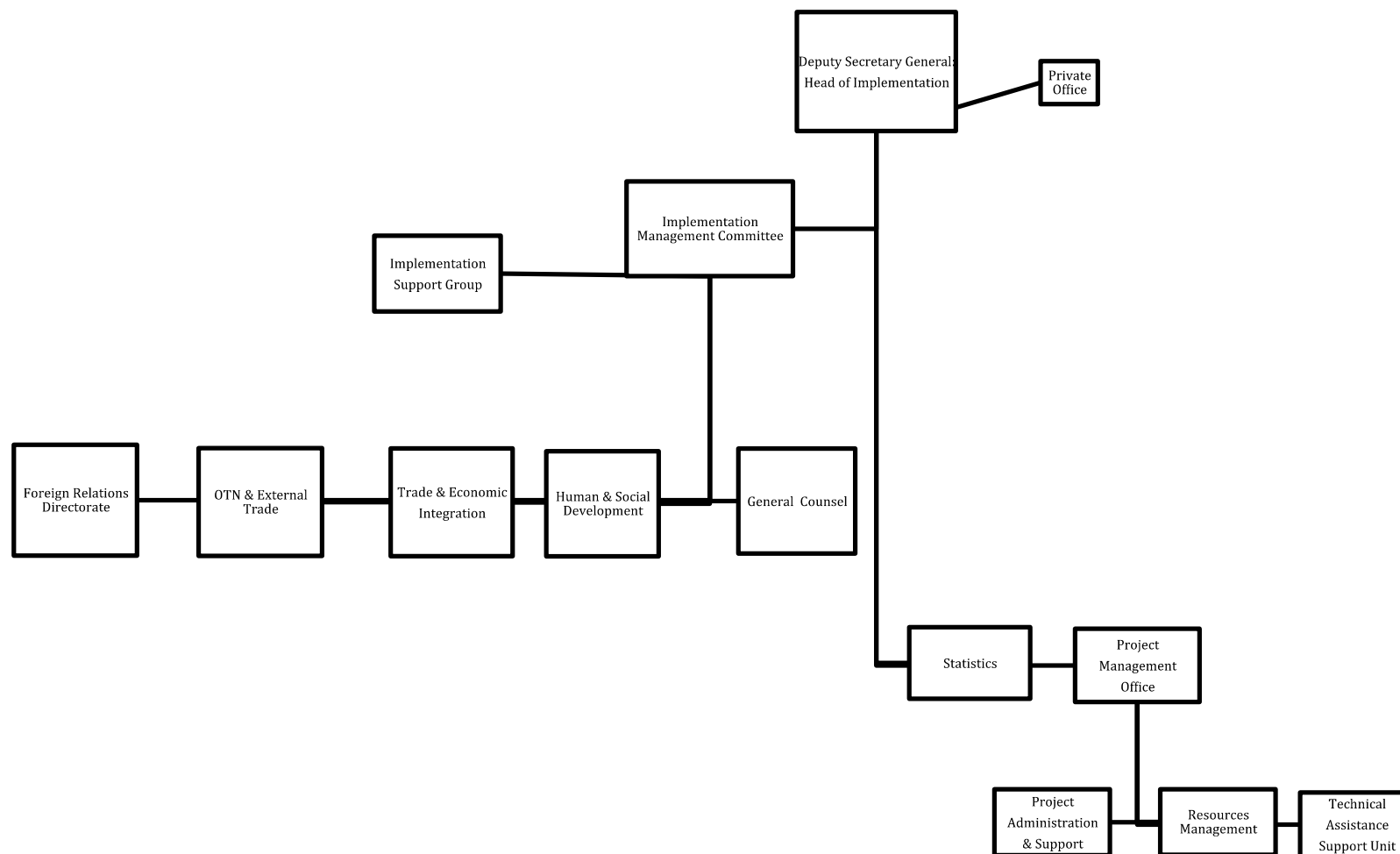
1. Alongside strengthening the Secretary General's position through a more explicit focus on strategy and policy, the second key innovation that we propose is to charge the Deputy Secretary General with responsibility for the implementation of integration and other regional co-operation, as prioritised by the agreed strategy.
2. A proposed organisational chart for the Deputy Secretary General's Office is at Figure 3. As before, the various boxes refer to functions rather than positions. On its own, the organisational chart hides as much as it reveals about what we see as a fundamental organisational shift. Reporting to the Deputy Secretary General will be 5 Assistant Secretary Generals of Directorates whose titles remain largely unchanged but whose functions, staffing and co-ordination activities will be radically overhauled.
3. The key innovations will be an Implementation Support Group, which should report to an Implementation Management Committee and, on a day-to-day basis, directly to the Deputy Secretary General. The Implementation Management Committee should meet regularly. It should be chaired by the Deputy Secretary General and consist of the Assistant Secretary Generals plus the Head of the new Project Management Office and others as the Deputy Secretary General may decide.
4. As well as providing technical support to the Implementation Management Committee, the Implementation Support Group will have a key role in driving forward and co-ordinating implementation as described below. A new Project Management Office and the Statistics Department will also report directly to the Deputy Secretary General.

9.1 Rationale for Implementation Office

5. Once the Implementation Office is fully operational, the Secretariat will have developed two key and related capabilities:
 - I. An integrated office focused on delivering efficiently those elements of integration and co-operation that are the Secretariat's direct responsibility;
 - II. Knowledge and understanding, on a continuous and corporate basis,¹⁰⁰ of exactly where specific integration and others measures have got to, what the bottlenecks or delays are and why, and on the options for overcoming these bottlenecks and delays.

¹⁰⁰ As things stand, individuals have a clear picture of where specific items of integration have got to but there is no overall or complete picture at the institutional level. Similarly, specific studies may clarify matters overall at a particular moment in time but such snapshots quickly become out-dated.

Figure 3: Caricom Secretariat – Proposed Organisational Chart for Deputy Secretary General's Office



6. The Implementation Office has a crucial role to play because the keys to resolving the so-called “implementation deficit” are:
 - a. Firstly, prioritisation through the agreed strategy so that CARICOM only takes on what it can deliver;
 - b. Secondly, setting up the organisation of the Secretariat so it can focus effectively on the priorities that it needs to carry out;
 - c. Thirdly, co-ordinating what the Secretariat does with the implementation activities of Member States and CARICOM institutions, identifying where there are delays and issues, and focusing on resolving the delays and/or issues identified. This, in essence, is the focus of the Implementation Office.
7. To achieve these ends, the organisation and operation of the new Implementation Office will be as set out in the following paragraphs.

9.2 New Departments in the Implementation Office

9.2.1 Challenges to be Overcome

Managing the Implementation Process

8. The work of the various Organs of the Community is currently supported by different parts of the Secretariat on a professional basis, as well as by Administrative and Conference Services. As has already been described, the meetings of all these Organs, plus the plethora of technical bodies beneath them, take up an inordinate amount of time where the default mode of the Community is to call a regional meeting in response to issues that arise. There is a widely held view that meetings have, in a majority of cases, become a substitute for working out what needs to be done and how it should best be achieved¹⁰¹.
9. Nowhere is this more the case than when it comes to implementation. The traditional thinking is that, if things (whether overall policy or detailed technical issues) have been agreed at meetings and put into action through Savingrams and circulated reports, then they should be implemented. In formal terms, the relevant Member State officials have been informed and the implementation process is underway¹⁰².
10. The problem, as most people now recognise, is that implementation does not work like this. Meetings, decisions, Savingrams, circulated reports and technical assistance are largely incidental to what happens on the ground and to whether a particular decision is actually implemented. As a result, there is now a damaging general view that an increasingly directionless CARICOM talk shop goes hand-in-hand with the implementation deficit.

¹⁰¹ This view is shared widely around the Secretariat and in virtually every Member State that we visited.

¹⁰² Where technical issues or specific problems have been identified, support may be given to the implementation process but this is not done on a systematic basis.

11. To get to grips with this reality that the implementation process is very weak – and the general perceptions that the problems are even worse - the Secretariat needs to focus much more directly on managing the implementation process. It should **never** be assumed that meetings etc. lead to any concrete result out in the real world.

Reforming channels of communication

12. We have elsewhere outlined how the approach to meetings and to projects needs to change. A further defining issue as to what CARICOM can do concerns channels of communications, in general, and Savingrams, in particular. Savingrams are the Secretariat's primary means of communication and of instigating action. They are formal and numbered emails¹⁰³ sent by the Secretariat under the Secretary General's name to each Ministry of Foreign Affairs in all Member States with copies to Associate Member States. Savingrams can also be copied to other ministries but the "original" for action always goes to Ministries of Foreign Affairs.
13. Whilst the reliance on the singular channel of Savingrams is out-of-date and unnecessarily formal, the real problem is that such reliance is hopelessly ineffective¹⁰⁴. Our **recommendation** is that the reliance on Savingrams should come to an end and new more informal networks opened up to supplement the formal channel.
14. We understand that the Secretariat has from time-to-time requested that new channels and wider networks be opened up and that its requests have never been accepted. Some Member States remain wedded to singular formal channels and stand on ceremony whenever the prospect of additional or alternative approaches is raised. Complaints are also sometimes made when officials with initiative try to overcome bottlenecks by going round these formal channels.
15. Our view on this is uncompromising: if CARICOM stakeholders really want the region to progress, and to reduce running sores such as the implementation deficit, then in the vernacular expression they need to "get real". There is no place in the modern fast-moving world for a reliance on old-fashioned and singular channels of communication, which patently hold up implementation, as the primary means for getting things moving.
16. Rather than relying on ineffective hierarchies, individual officials in the Secretariat, in Member States and in other stakeholders need to set up their own networks to focus on progressing the matters in which they are

¹⁰³ A new series is established each year. When we first visited the Secretariat in May 2011, over 400 such emails had already been sent since January 1st.

¹⁰⁴ In some smaller Member States, all Savingrams go to one official in the Ministry of Foreign Affairs. Dealing with them may be a small part of the official's job and individuals do take holidays and get sick! As one frustrated such individual stated, she was constantly caught between competing priorities. Carrying out her "post box" function was difficult enough, let alone the Savingram system's assumed expectation that she had the time or skills to progress chase a large number of CARICOM issues. This is particularly problematic as it is often difficult to judge what action to take given the varying priority, complexity and technical content of Savingrams.

involved. Such a matrix management approach will be key to the Implementation Office's success or failure.

17. There needs, of course, to be some formality. In this, Savingsgrams have a role to play in the same sense that legal contracts are the foundation for many business-to-business relationships. Yet if businesses relied on contracts as a means to get things done, rather than the rich variety of informal day-to-day contact that is the real basis for successful relationships, most would quickly go bankrupt.
18. In summary, efforts to improve the efficiency and effectiveness of the CARICOM construct and to reduce the implementation deficit will only work if modern methods of communications and networking are allowed, and indeed encouraged, to work alongside more traditional formal channels. This is one of the most crucial issues if CARICOM is to be turned around successfully.

Confidentiality

19. A further important issue concerning CARICOM's excessive formality is its culture of confidentiality. The Secretariat's default setting is that documents and information are classified. This mirrors the wider CARICOM construct that tends to be inward looking and closed. It needs to be more open and welcoming to regain the interest and support of wider stakeholders, not least the general public. Our report on restructuring communications at Appendix 4 suggests how this can be brought about.
20. As far as the confidentiality of documents and information is concerned, it is essential CARICOM embark on a programme of de-classifying information. It is clear that confidentiality helps maintain the silo mentality both within the Secretariat and wider in CARICOM, with one hand often not knowing what the other is doing. A culture of confidentiality also facilitates the lack of accountability throughout CARICOM and makes it more difficult to breakdown bottlenecks to implementation.
21. It is essential to breakdown this culture of confidentiality for efficiency and effectiveness reasons as this will help make the CARICOM construct fit for purpose. Moreover, as noted above, breaking down the culture of confidentiality is essential to regain public trust and support. We would therefore **recommend** that the culture of confidentiality be dismantled.
22. We understand that there are technical problems in declassifying documents because of the existence of a plethora of dated procedures. We would therefore further **recommend** that the Deputy Secretary General set up an expert group to examine the best way of developing a new system where the default position should be one where documents and information are freely available. With several Member States now having experience of Freedom of Information legislation, as well as its wide introduction elsewhere in the world, there is an available well of experience and expertise to draw upon.

9.2.2 Role of Implementation Support Group

23. To establish a much stronger connection between the activities and objectives of the Community in general, and of the Secretariat in particular, requires a much clearer focus on desired results and the path to achieving those results. Instead of meetings being the default mode of the Secretariat, they should be one of a variety of mechanisms aimed at achieving results.
24. To bring this about, the Implementation Support Group should be set up to work closely with the Deputy Secretary General and the various directorate and department heads in the Implementation Office. The Group should be primarily managerial and professional, not administrative.¹⁰⁵ It will combine the functions of co-ordinating meetings with a much greater focus on follow-up and implementation. The Group's key objective – and that of the Deputy Secretary General – is to shift the Secretariat from being an organisation primarily focused on meetings and process to one that focuses on implementation and results.
25. To make this shift, the Implementation Support Group should develop a questioning logic along the following lines:
- a. What is the issue/challenge/problem/objective?
 - b. Is the issue of concern to all CARICOM Members, whether it is in its generic form (e.g. freedom of movement) or specific form (e.g. training in immigration procedures)?
 - c. How and by what method can it best be addressed (e.g. having a community level meeting to discuss progress with freedom of movement, by visiting specific Member States to find out what the situation is on the ground or through a high level intervention)?
 - d. Is the issue more amenable to a wide and inclusive intervention or to a small and targeted approach?
26. This logical process will allow a decision to be made as to whether the appropriate course of action is, say, a community-wide meeting focused on such and such, a smaller and more focused meeting, a high level intervention by an Assistant Secretary General, or a fact-finding visit to specific Member States. By thinking through what is required, a discipline will be established not only to decide the best form of intervention (i.e. meeting or fact-finding visit etc.) but also the objectives of the intervention (e.g. what decisions/results should we get out of the meeting).
27. At the same time, the Implementation Support Group should play a key co-ordinating role as the eyes, ears and progress chaser of implementation. It is clear that, on a corporate basis, CARICOM is not well informed as to the overall state of implementation, and that the Secretariat is not much better. The separate knowledge of individuals and the momentary snapshots provided by detailed reports¹⁰⁶ are a long way short of what is required to

¹⁰⁵ Administrative support to meetings will, as discussed later, be part of the Secretariat's Operations Directorate.

¹⁰⁶ With a "reports" culture developing on similar lines to the meetings culture that has been described. Although consultants can have a very useful role in bringing about desired results, it is easy for the hiring of

manage the complex process of implementation in real time. The Implementation Support Group can bring about a fundamental improvement in this respect by:

- a. Monitoring on a continuous basis where each priority in the CARICOM Strategy has reached in terms of implementation in each Member State (or CARICOM institution);
- b. Identifying bottlenecks to implementation and their cause;
- c. Specifying whether the causes of delays are to be found in technical, policy or political issues - or are even just a question of lack of commitment on the part of key individuals;
- d. Developing appropriate responses to resolve these issues and to overcome the bottleneck in question;
- e. Co-ordinating with the relevant parts of the Secretariat, the Member States concerned and other appropriate bodies to deliver the response.

28. The development of such thinking and disciplines should gradually become second nature to the new Group and to senior management. As a result, the thinking before a regular set piece meeting such as the Heads of Government or the Council for Trade and Economic Development (COTED) will focus better on what the meeting should achieve, on the progress that has been made since the previous meeting and on co-ordination with other organs and activities. The Community's Strategy will, of course, provide overall guidance as to what needs to be achieved.

29. In combination with our proposed shake up of operations,¹⁰⁷ the aim is to liberate the Secretariat so that the work of CARICOM becomes much more focused and effective. Henceforth, meetings should be but one form of getting things done. We would envisage there being a major reduction in the number of meetings. Whilst it is not appropriate to be over-prescriptive in this respect by setting targets, rather than allowing good management practices to emerge, we are confident that there were too many meetings ten years ago, let alone currently. We would be disappointed if well over half of the current meetings load were not quickly identified as being unnecessary. As management practices improve, we would expect to see further reductions. Our suspicion is that diminishing returns quickly set in beyond 20 to 30 CARICOM-wide meetings per year that include all Member States¹⁰⁸.

30. The work of the Implementation Support Group will be pivotal. There are obviously insufficient resources for the Group to be everywhere all the time. It will need to set up reporting templates and a network of contacts to

consultants to become an unwitting and ineffective substitute for getting things done. The syndrome of lucid reports gathering dust is, of course, the well-known result of this.

¹⁰⁷ Our proposed new Operations Directorate, which will bring back-office specialist expertise to the work of support departments, is described in the next section.

¹⁰⁸ The problem is that there is insufficient information available for anyone to make a settled judgement as to how many meetings there should be. In a small region with limited resources and where the same officials will be involved in many meetings, we can be certain the number should be a fraction of 200. How small a fraction is a combination of better information and good management judgement as to effectiveness of meetings vis-à-vis alternatives in terms of results.

develop an information database. This should be backed up through regular Member State visits by Implementation Office staff or by other well-briefed Secretariat officials as appropriate.¹⁰⁹

31. As can be seen, the work of the Implementation Support Group will require first-class management and co-ordination skills.

9.2.3 Challenges of Project Management

32. The following general points can be made about the way projects are currently handled:

- a. Managing projects takes up such a large proportion of the Secretariat's time and resources that it has usurped some of the Secretariat's more important functions – and reshaped the institution;
- b. Most aspects of project management are decentralised with departments and units within each directorate having their own projects;
- c. Spreading out the administrative and technical features of project management in this way is highly inefficient in many ways. These include: poor prioritisation of projects; problems of duplication; interdepartmental turf issues; haphazard project procedures managed by technical staff that usually have neither general management nor project management training or experience; project management being carried out on a long-drawn out sequential basis dependent on the availability of specific staff and resulting in never-ending time delays and scheduling difficulties; a lack of fit between the tasks that need to be carried out and the resources made available.

33. Perhaps the most important issue is that, like meetings, projects are part of the armoury of implementation but very rarely implementation in their own right. It can be difficult to grasp this, as CARICOM is a construct largely of complex intangible services. In such a construct, it is easy to confuse means with ends and activities with action. Projects and consultancies are almost always the means to an end, not the end in themselves. If their activities are not properly related to action then nothing results¹¹⁰.

34. A serious problem in recent years, with the Secretariat being under so much pressure is that projects have tended to squeeze out regional policy making and other activities even although these activities, or at least parts of them, are ends in themselves whereas projects are not¹¹¹.

¹⁰⁹ In other words, in some cases it may be appropriate for generalist members of the Group or wider Implementation Office to make wide-ranging visits to particular Member States (or CARICOM institutions). In other cases, it may prove more efficient or more effective for other officials to check on particular issues, perhaps because they are of a technical or specialist nature. In yet other cases, officials who are going to particular places for wider business reasons could be asked to follow up on specific matters as part of their visit.

¹¹⁰ We were, sadly, made aware of many examples where Member States failed to engage with project activities, let alone use them as an integral part of bringing about implementation.

¹¹¹ One of the problems here is that projects are almost all donor funded and, as a result, far from costless. In particular, the imperative to comply with donor procedures is resource intensive and can squeeze out other

35. We understand that there is some opposition to the idea of a Project Management Office (PMO) within the Secretariat. This is a worrying indication of just how far the Secretariat's organisational culture has shifted from its primary purpose. Box 2 below highlights some of the reasons why a PMO is now essential. Other strong reasons will be highlighted in the later sections on *Resource Management* and on the *Technical Assistance Support Unit (TASU)*.

Box 2: Some reasons why a Project Management Office is essential

- We understand that many Secretariat officials are currently reluctant to entertain the idea of projects being managed on a standardised basis. Such suggestions are seen as interference. This has to change as no organisation can afford such an idiosyncratic and individualistic approach – not least when the individual officials' position is mistaken and contributes to the Secretariat's weak position.
- Moreover - and aside from all the issues of efficient and effective project management - managing projects should be some way down the list of priorities of most Secretariat staff:
 - a. Projects and implementation are different things;
 - b. The Secretariat's primary focus should be on policy and on implementation;
 - c. Projects are incidental to those tasks.
- One current problem is that the bottom up system of work programming encourages the idea that projects and implementation are the same thing:
 - a. The size and shape of existing Directorates is to a large extent dictated by their success in bidding for project resources;
 - b. Yet, as we keep repeating, agreed priorities at the strategic level should drive work programmes and projects;
 - c. The system, as it currently operates, is virtually the other – **and wrong** - way round.

priorities. In the absence of single-minded management, this can eventually shift the organisation's culture and purpose away from what it was set up to do. In meetings throughout the region, we regularly heard the view that the Secretariat is becoming an increasingly hollowed-out project office. Setting up professional project management services can defray this problem.

9.2.4 Role of the Project Management Office

36. A new Project Management Office is therefore crucial to cracking the implementation conundrum. In particular, it should:
- Professionalise project management and save resources;
 - Enable there to be an emphasis on prioritisation and co-ordination;
 - Establish clearer links between projects as a means and the real objectives of implementing specific ends;
 - Identify, in co-ordination with the Implementation Support Group and others, what has to be done both alongside and separate to projects to bridge remaining gaps to the achievement of implementation.
37. The PMO should be made up of three units, which are described in turn below. These are:
- a. Project Administration and Support
 - b. Resource Management
 - c. Technical Assistance Support Unit (TASU)
38. The PMO should be led by a first-class manager who will co-ordinate very closely with the Strategy, Regional Policy and Review Department in the Secretary General's Office in establishing priorities for projects and ensuring that they are matched by available resources. The management team will also be responsible for day-to-day efforts to maximise available resources, again liaising with the Strategy, Regional Policy and Review Department as far as higher level plans and negotiations are concerned. It will also be responsible for project monitoring and evaluation and for a strengthened TASU.
- Project Administration and Support*
39. The Project Administration and Support Department should have the following functions:
- a. Managing the implementation of project priorities drawn up with the Strategy, Regional Policy and Review Department;
 - b. Detailing project priorities into a time-bounded plan, which outlines each proposed project, what it is intended to achieve and how it fits in with other measures and activities, both specific and general. The unit will need to work closely with the Implementation Support Group to clarify how each project fits in with parallel implementation efforts and to identify what other interventions are required so that the role any project plays in bringing about implementation is maximised;
 - c. Developing standard templates and procedures for all aspects of project management including Terms of Reference, tender procedures and evaluation, contracts, project revisions, reporting, monitoring and evaluation and payments;
 - d. Developing management information systems so that real time information on projects is available throughout the Secretariat and particularly for management;

- e. Taking full responsibility for the management and success of each project. This is a key requirement as the role of technical specialists and others, who currently manage projects, should in future be limited to an advisory function as far as the projects themselves are concerned. This will include interventions – but not control - at various stages of the project from the terms of reference onwards¹¹²;
- f. Working, as appropriate, with other departments to ensure the success of projects. We understand, for example, that the management of project payments is currently very weak and, in the following section on the proposed Operations Directorate, will propose a Project Finance Unit within the Finance Department¹¹³;
- g. Ensuring projects are monitored and evaluated to donor or other requirements;
- h. Working with donors to develop more standard methods of monitoring and evaluation;
- i. Working with the Implementation Support Group to develop methods of allying project monitoring and evaluation with the underlying objective of bringing about implementation.

Resource Management

40. Despite some controversy, not least because it has had a dual Caricom/Cariforum role, the current Resource Mobilisation and Technical Assistance (RMTA) department is already carrying out some of the functions of a PMO. It has been effective in obtaining resources for CARICOM and for the Secretariat and, in many cases, successfully kept activities going that could otherwise have collapsed. It has also started developing some of the functions we have suggested for the *Project Support and Administration Department* above. The role of the RMTA's implementation expert (providing some advice and discipline to the haphazard project management of current Directorates) had become essential.
41. The biggest problem with all these activities, as they are currently carried out by RMTA, is that they tend to be done on a fire-fighting basis. This is partly because there is no strategy driving project priorities and partly because the default response to new challenges is to request that RMTA raise some funding. Unfunded mandates are a particular problem and RMTA is regularly tasked with getting the Secretariat out of a hole, as it were, by finding donor funding¹¹⁴.
42. Although fire fighting is clearly essential at times of crisis, it is an inefficient way of conducting normal operations. It also causes long-term damage.

¹¹² Henceforth, projects should be seen as helping technical and specialist staff perform their jobs (and contribute to how their performance is judged), not as a key *raison-être* for their jobs. This is an important distinction. Projects should become a part of the whole policy and implementation package rather than an end in themselves which individual staff and departments naturally become protective about.

¹¹³ Whilst the PMO will be judged on its success in managing projects, back office departments in the Operations Directorate will be judged on efficiently providing the appropriate support services on a timely basis.

¹¹⁴ We have already suggested that the new Strategy, Review and Regional Policy Department should review mandates for their feasibility before consideration is given to when and how they might be resourced.

CARICOM is currently not regarded by donors as amongst the best of institutions through which to put their resources. This is partly because of a lack of strategy and prioritisation, partly because project implementation is not regarded as amongst the best and partly because an increasing proportion of activities are seen as unsustainable¹¹⁵. There is a serious danger that CARICOM will find fund raising increasingly difficult.

43. CARICOM's most successful resourcing activities have been when priorities have been properly developed and well articulated. The funding for the implementation of CSME and the setting up of the CSME Unit in Barbados was secured by preparing a clear and joined-up plan, which, amongst other things, was presented to a donors' conference at the Caribbean Development Bank (CDB).
44. The implications of this are straightforward. It is essential that resourcing, like so much else under discussion, becomes more strategic. Fire fighting needs to be replaced, firstly, with a clear view of where the Secretariat's longer term funding is coming from and of the security of that funding¹¹⁶. Secondly, donor funding must be sought on a more planned basis, particularly with priorities properly laid out and related to CARICOM's strategy; cobbling together last minute proposals to meet needs as they arise should become the exception.
45. This is why we have recommended placing a strategic role for resourcing in the Strategy, Regional Policy and Review Department of the Secretary General's Office. The new *Resource Management* Department should clearly work hand-in-hand with this department and be its implementation arm.
46. Otherwise, the issue is not so much changing the current functions of RMTA as one of strengthening and regularising its role. The formation around it of the PMO will achieve that. Its major functions will be:
 - Working with the Strategy, Regional Policy and Review Department to prepare programme plans for presentation to donors. Specific plans should be based on an overall plan based on CARICOM's Strategy;
 - Marketing project priorities to donors on a programmatic basis that fits best with specific donor interests and capabilities;
 - Obtaining donor commitment to programmes under discussion;
 - Managing day-to-day relations with donors;

¹¹⁵ Several donors have told us that they often find it difficult to understand why CARICOM is requesting such and such funding. There are widespread criticisms of CARICOM's project management. The most fundamental problem may be donors increasing reluctance to fund CARICOM institutions that it feels are becoming aid dependent. Although Member State Governments may like the issue to go away, sustainability is becoming an increasingly important issue.

¹¹⁶ This means all funding, not just donor funding. As well as Member State contributions, this includes new sources of funding such as from the private sector and from sponsorship.

- Working with the rest of PMO on programme and project implementation, as appropriate, with the exact division of work sometimes dependent on donor procedures¹¹⁷.
- Working with the other departments of PMO to set up a project management information system.

Technical Assistance Support Unit (TASU)

47. In a different way to RMTA, the Technical Assistance Support Unit is also carrying out some of the functions of a nascent PMO. It is also, in part, a prototype *Implementation Support Group*. The key difference is that TASU is invited into Member States on a piecemeal basis. It knows exactly where discrete aspects of integration implementation have reached in specific Member States and why there are delays and bottlenecks.
48. Unfortunately, TASU is only mandated to respond to Member State requests and does not have an overall view of the progress with implementation. Nevertheless, its proactive mode of operation provides a model for the *Implementation Office*.
49. In particular, TASU has developed a network of contacts throughout Member States and is not afraid to progress chase informally by whatever means necessary when the more formal official channels fail to operate. This is a modern and sensible approach, particularly given the variety of communications' technologies now available.
50. The TASU model needs to be built upon. In association with the *Implementation Support Group*, it should strengthen its role by adopting a more of a "supply push" than "demand pull" approach. With so many competing concerns and priorities, Member States need to be put under more effective pressure to make regional integration¹¹⁸ a priority.
51. Otherwise, rather than questioning its current functioning, the main issue as far as we are concerned is where TASU should be located. Given that it carries out discrete projects and, like RMTA, intervenes to help other parts of the Secretariat that lack effective project management skills, TASU should form part of what should become a powerful PMO. It should also work closely with the Implementation Support Group as a "frontline" body to help bring about implementation once gaps have been identified and appropriate remedial action agreed.

9.3 Re-casting Existing Directorates and Departments

52. The remainder of the Implementation Office will be made up of the 5 existing Directorates plus the Statistics Department. There should be major changes

¹¹⁷ We are, for example, aware of the importance of RMTA's working relations with the EU and the trust that has been built up.

¹¹⁸ Given the current problems of the EU, the CARICOM model of state-by-state agreement and implementation may yet prove the more robust if there is more attention to the sort of effective management required to bring about implementation. Although it is still far too early to know the eventual outcome, there is clearly increasingly powerful opposition to what many see as an over-centralised EU model that is over reliant on diktat.

in the way the two largest Directorates – those of Trade and Economic Integration (TEI) and of Human and Social Development (HSD) respectively – operate. At the same time, substantial savings can be found in these Directorates as noted below. These are crucial to help pay for the strengthening of the Secretariat that is essential to turning round CARICOM. The changes in the other three small Directorates – Foreign Relations, OTN and External Trade and General Counsel – will be less pronounced.

9.3.1 Challenges Facing the Directorates

53. Whilst clearly not responsible for the so-called “implementation deficit”, the Directorates have become a symptom of it. As the gap between the ambitions and intentions of CARICOM and what happens on the ground has widened, the structure of the Directorates has rendered them powerless to do much to bridge the gap. These remarks are particularly relevant to the TEI and HSD Directorates because they are at the centre of integration activities and much larger than the other Directorates.

54. These two big Directorates¹¹⁹ exemplify how the Secretariat has come to focus on process, rather than results and implementation. Each Directorate spends a major proportion of its time preparing for or reporting on meetings and on developing and managing projects. We have already made an extensive analysis of why these activities do not necessarily lead to effective action and how the linkages to overall objectives and implementation have become distorted.

55. It is also clear to us that the weaknesses in the Secretariat’s policymaking, which were assessed in Section 6, are partly a result of the way policymaking has been organised, particularly in the TEI and HSD Directorates. With the Secretariat demonstrably having no time to think¹²⁰, its policymaking at three important levels can be construed as follows:

- **Strategic regional policymaking:**
Essentially this is thinking about what the region should do, justifying why it should do it (in terms of net value added compared to alternatives) and working out how to do it and whether it can be done successfully¹²¹.

When people say the Secretariat has no time to think, they are usually referring to this sort of crucial blue skies thinking. We found little or no evidence of such policymaking and have already identified this is a major weakness in the current CARICOM construct.

¹¹⁹ TEI and HSD are responsible for almost 50% of the Secretariat’s expenditure compared to a total of 5% for the other three, excluding OTN for which we have no figures. These percentages refer to the Secretariat’s overall expenditure made up of Member State and donor contributions.

¹²⁰ This was noted earlier in Section 6. Whilst expressed in these terms by a senior official, it seems to us to have captured a major weakness in the CARICOM construct.

¹²¹ In other words, strategic regional policymaking is about identifying viable priorities for regional action, subjecting them to feasibility analysis and specifying a workable plan of action.

- **Development of specific policies:**
Specific policies can originate from strategic policymaking, from developing particular aspects of the Revised Treaty of Chaguaramus and from mandates agreed by CARICOM.

As noted in Section 6, the Secretariat has a rich tradition of developing policies covering specific sectors and issues¹²², mainly in response to the agreed treaty. The problem is that few policies have been implemented and several sit on shelves gathering dust (and presumably become less relevant over time). Depending on available resources, as discussed below, there are also attempts to develop policies in specific areas as a result of mandates.

The problem with specific policymaking concerns prioritisation. First, policies need to be regional priorities if they are, in practice, to be moved successfully from the drawing board towards reality; this again demonstrates why developing a CARICOM Strategy is so important. Second, there is a real danger that specific policies will prove unworkable if they are pushed through on the basis they seem a “good thing”, or are part of a political wish list, *unless* they can pass the test of strategic policymaking¹²³.

- **Policies associated with implementation:**
There are even more detailed operational policies associated with particular aspects of implementing regional integration and co-operation. Such policies¹²⁴ are enablers of integration and cooperation and have more in common with the development of procedures than with strategic policymaking.

The implementation of major CARICOM initiatives such as CSME involves considerable operational policymaking of this type. Such policymaking is technical and needs to be carefully coordinated with, if not built into, the process of implementation.

56. The Secretariat has valiantly tried to set up various small specialist units to manage specific policy questions and sectors. Inevitably, these have proved too small to be effective¹²⁵ and there is frustration all round. Unfortunately, the Secretariat does not have the resources to continue employing a variety of sector specialists on a permanent basis, whether economic or social.

¹²² Having developed policies for agriculture, food and nutrition, government procurement, enterprise development, industry, energy, youth etc.

¹²³ We are confident that case studies would show that specific policies *have failed* and that such failures could have been predicted if subjected to the sort of complete policymaking analysis we are proposing.

¹²⁴ For example, specific policies on free movement or government procurement would tend to express principles and these principles would then be expressed in detailed operational policies as the practical details are worked out and agreed.

¹²⁵ That there are only one or two officials in sectors such as transport and agriculture and currently none recruited for other sectors is hardly the point. Although the choice of sectors for which specialists are employed does not reflect the make up of the Caribbean economy - the region's two biggest industries, tourism and financial services, are not represented and only one person covers services – this also is not the main point.

57. Moreover, such a sector-led approach is inevitably partial and has been at the expense of overall strategic policymaking. The Secretariat has not only had no time to think, but it has also not employed the sort of policy generalists that can think about competing policy issues strategically. As we have already argued, important issues have inevitably been missed because of a policy approach that is too partial.
58. The way for the Secretariat to handle specific economic and social sectors is to mount specific programmes based on the policy development work of the Strategy, Regional Policy and Review Department. The department should include high-level policy advisers who tend to be wide-ranging generalists, rather than narrowly focused technical specialists. A small number of macro- and micro-economists can give good coverage to economic sectors, particularly if their experience takes in both the public and private sectors. The same argument applies to social scientists with respect to the social sectors.
59. The clinching arguments for this are as follows:
- i. The Secretariat cannot afford anything else;
 - ii. There are many examples of highly effective institutions that follow such a model¹²⁶;
 - iii. Specialists can be drawn in, as needed, both through working with specialist institutions and through short-term contracts;
 - iv. The policies that are developed can be supported with specific initiatives for funding and implementation, as appropriate.

9.3.2 Directorates of Trade and Economic Integration and of Human and Social Development

60. In bringing these analyses of meetings, projects and policymaking together, it is clear that the roles of the TEI and HSD Directorates can and should be more tightly focused and reduced in scope. In particular:
- i. Time and resources spent by TEI and HSD on preparing for, attending and reporting on meetings should be substantially reduced under the guidance of the Implementation Management Committee advised by the Implementation Support Group;
 - ii. Project work in these Directorates will also be reduced with overall responsibility for projects moving to the PMO;
 - iii. The current gaps in policymaking can only be overcome by the Strategy, Regional Policy and Review Department in the Secretary General's Office taking over most aspects of policymaking, as already recommended. TEI and HSD should continue to be responsible only for the specialist operational policy work associated with implementation. The Directorates can also give advice to the Strategy, Regional Policy and Review Department on aspects of specific and strategic policymaking, as appropriate.

¹²⁶ The writer was involved in one that played a key role, particularly prior to 1998, in the massive job of transitioning Russia from a Soviet economy to a market economy.

61. The practical upshots of this reorganisation are that the TEI and HSD Directorates should be much reduced in size. A significant proportion of current activities should be moved to the Strategy, Policy and Review Department of the Secretary General's Office or to other parts of the Implementation Office¹²⁷ where the emphasis will be on reducing the activities concerned, on carrying them out more efficiently or on developing more effective ways of meeting objectives.
62. We make recommendations on the scale of reductions of these Directorates in Section 11, Budget and Financial Issues, below. As our review of the Secretariat did not involve the detailed work of job evaluations, we have set financial targets that we regard as achievable. It will be part of the work of the Change Office, in conjunction with other departments and officials as appropriate, to carry out a more detailed study and to bring about its implementation.
63. These recommendations will liberate the reformed TEI and HSD Directorates to play a key and focused implementation role within the Implementation Office. With over 30% of the Secretariat's total expenditure¹²⁸ falling under the CSME and PANCAP programmes, which are part of TEI and HSD respectively, these two Directorates will have a crucial role in turning around CARICOM's fortunes.
64. A specific issue concerns the work of the CSME Unit in Barbados. Managing the Unit from Georgetown has not proved easy. At the same time, the Unit's work on the single market will start to run down in the foreseeable future. Whilst there is no immediate justification to relocate the Unit to Georgetown, this may prove desirable in the medium term and should be kept under review. We recommend that this issue be revisited during the next 5 years.
65. The division of roles between the Implementation Support Group and the two major Directorates should prove straightforward. TEI and HSD will carry out the detailed implementation work in their respective areas. By contrast, the role of the Implementation Support Group is to monitor progress and to identify bottlenecks and the best way of overcoming them. The Implementation Support Group will need to work closely with each of the Directorates, both in gathering the requisite information and in working out solutions. The Directorates will, in many cases, implement the solutions. The whole process will be overseen by the Implementation Management Committee and, on a day-to-day basis, the Deputy Secretary General and the respective Assistant Secretary Generals.

9.3.3 Foreign Relations Directorate

66. Foreign Relations has for many years been a major strength of CARICOM. The Secretariat plays a key role, co-ordinating common positions with

¹²⁷ Some current staff may have a facility for purer policy work and others a facility for getting things done in the Implementation Office.

¹²⁸ These percentages refer to the Secretariat's overall expenditure made up of Member State and donor contributions.

Member States and their overseas representation in the world's major capitals. The CARICOM method of trying to forge common positions - but always respecting individual countries that take a different view - seems sound and mature and, above all, works.

67. The region punches above its weight in international affairs and rightly takes considerable pride in doing so. A cynic might respond that the region is bound to punch above its weight given that each small country gets the same vote as the biggest countries in the world. This would be unfair because, although the numbers game is clearly important, there are other regional blocs whose efforts to co-ordinate foreign policy have been little short of disastrous.
68. Our concern is rather different. From our observations and discussions, we have concluded that the region appears more successful in influencing international issues, both major and minor, than in looking after its own interests. Whilst many view both the EPA and CARIFORUM as examples of where CARICOM countries failed to pursue their common interests adequately, our point is more general. We believe that there should be a more explicit attempt to link Foreign Relations to common interests and that this link needs to be built into the Secretariat's structure.
69. At a result, there are arguments for relocating Foreign Relations to the Secretary General's Office, given its strategic and policy content. However, we believe those aspects can be dealt with by good matrix management. In particular, the department should work closely with the Strategy, Policy and Review Department of the Secretary General's Office to ensure that wider economic and other interests are well covered.
70. Another argument for merging Foreign Relations with another department is its small size; it is only responsible for 3% of the Secretariat's expenditure. However, the arguments for Foreign Relations remaining an independent directorate are stronger because of its specialist role. The Foreign Relations Directorate should be integrated more into the mainstream work of the Secretariat and this can be achieved by it reporting to the Deputy Secretary General.
71. Finally, we were told that there is currently little, if any, activity as regards community relations within the Directorate. Our instinct is that community relations could be better handled elsewhere in the Secretariat but we were unable to follow this up sufficiently to make a clear recommendation. For the time being, the Foreign Relations Directorate should coordinate these activities with the Implementation Support Group. The matter should be kept under review and revisited by the Change Office.

9.3.4 OTN & External Trade

72. The position of Overseas Trade Negotiations (OTN) has been an anomalous one. It is part of CARICOM and closely associated with the Secretariat, but

not fully part of it. We view the arguments for integrating it into the Secretariat as overwhelming in institutional terms. However, this is not the same as relocating OTN to Georgetown from Barbados. The arguments that OTN would lose most of its staff by such a move are persuasive. It would also arguably prove more difficult to conduct negotiations from a Georgetown base.

73. As an institutional strengthening exercise to build against the oft-reported silo mentality within and between CARICOM institutions, we recommend the following:
- a. The Director of OTN should lead a new Directorate, reporting to the Deputy Secretary General. The Directorate should include the External Trade Department (currently part of TEI), which should remain in Georgetown
 - b. In endorsing the proposals that OTN and CSME should move into the same offices in Barbados and share common services as an economy measure, the structure should be further strengthened by the Director of OTN now heading up the Secretariat's office in Barbados;
 - c. Given OTN's continuing location in Barbados, the Director should also work closely with the Secretary General's Office on strategic and policy matters. This should include strategic and policy oversight for the CSME Unit.
74. We understand that external trade¹²⁹ used to be part of the Foreign and Community Relations Directorate. In similar manner to the Director of OTN overseeing the work of CSME by virtue of being located in Barbados, the Assistant Secretary General responsible for Foreign Relations should oversee the work of external trade in Georgetown.
75. Although a far from straightforward tidying up exercise, these proposals will bring together various disparate parts of the Secretariat in a stronger structure. The lines of responsibility and accountability are clear as they lead to the Deputy Secretary General. At the same time, the arrangements provide for stronger oversight of the Secretariat's activities in Barbados whilst encouraging the emergence of essential matrix management methods.

9.3.5 Statistics Department

76. We also deliberated over where the Statistics Department should be placed in the new organisational framework. There are arguments for it to be closely related to strategy and policy and arguments concerning implementation. We decided on balance that it should be included in the Implementation Directorate, as we understand that it is doing much useful work with Member States on modernising their statistics.

¹²⁹ The External Trade Department is part of the current Directorate of Trade and Economic Integration.

9.3.6 General Counsel

77. Despite it being responsible for only 1% of the Secretariat's overall budget¹³⁰, we do not view the arguments for integrating the small General Counsel office into a bigger Directorate as sufficiently strong. This is because of the specialist nature of its work.
78. Similarly, we do not foresee any major change in the General Counsel's functions. We do, however, see it working closely with both the new Implementation Support Group and with the new PMO. The General Counsel has long helped Member States with the provision of model laws and other assistance. As legislation is usually the first concrete step in the process of implementing integration, it is the first place to look for delays and bottlenecks.
79. Model laws are also often insufficient to overcome delays and blockages, as they have to be adapted to local conditions. In the smaller states, in particular, help is often needed to turn these model laws into laws suited to the Member State in question.
80. It is, in some ways, paradoxical that the General Counsel has long been part of the implementation process. This is because there is still a tendency, both within the Secretariat and in Member States, to see the passing of laws as the completion of implementation¹³¹. In reality, it is the beginning of implementation; everything that precedes it is a process of planning and negotiation that, if taken no further, achieves nothing.

9.4 The Implementation Process

81. The proposals that we have made for an Implementation Directorate are essentially about opening up the implementation process, making it clear what steps it involves and developing the capabilities to ensure the appropriate steps are taken.
82. We would see the implementation process as including the following stages¹³² at a minimum:
 - d. **First stage:** Legislation;
 - e. **Second stage:** Regulations and procedures to enforce legislation;
 - f. **Third stage:** Setting up and financing bodies and/or adding responsibilities to existing bodies to manage whatever is being legislated/introduced (e.g. accreditation);
 - g. **Fourth stage:** Soft opening for business¹³³, where procedures are tested, staff trained and the results inspected for quality – and, particularly, to see if they work;

¹³⁰ Its budget is equivalent to nearly 3% of Member State contributions but reduces to little over 1% when donor funding is taken into account.

¹³¹ This tendency is clearly less pronounced than at earlier stages of integration. But the lack of focus on the implementation process, both in the Secretariat and in Member States, means that what is required is still systematically underestimated.

¹³² Many of these stages need to be implemented in parallel, and not sequentially, if implementation delays are to be avoided.

- h. **Fifth stage:** Full opening for business with the promised product-service being provided (e.g. a national accreditation office provides the correct documentation to an agreed standard);
- i. **Sixth stage:** Full opening for business throughout CARICOM (e.g. there are accreditation agencies throughout the region or in as many Member States as are included in the scheme)
- j. **Seventh stage:** The product-services of the accreditation agencies are known by and accepted by other agencies¹³⁴, such as immigration, throughout the region;
- k. **Full implementation – and all that matters from the perspective of the CARICOM national**¹³⁵: Whatever has been promised can be accessed in reality and actually works (e.g. the accreditation supplied in Guyana is accepted by immigration officials in Barbados).

¹³³ This can be thought about as similar to the soft opening of a hotel where a limited number of guests are invited (often at discount prices) to test run the hotel to ensure it can deliver the product-services that it has marketed (i.e. promised). The same is true of so many of the things CARICOM has been set up to achieve. Setting up accreditation agencies is only part of the process. The key test is whether CARICOM nationals can use the accreditation (the product-service) as they have been promised (i.e. as has been marketed to them).

¹³⁴ In the credit card industry, a bona-fide Visa card is only any good because it is widely accepted.

¹³⁵ Further to the previous two footnotes, the CARICOM national is no different to any customer in this respect.

10 Operations Directorate

10.1 The Crucial Role of Support Services

1. Organisations that are successful on a sustained basis almost always have the following characteristics:
 - i. Clear sense of *what* they are “doing” and *why*;
 - ii. Understanding of *how* to “do it” in terms of the processes required;
 - iii. Understanding of the market¹³⁶ they are “doing it” for and *how* it is conditioned by the wider environment;
 - iv. Ability to adapt *what* they are “doing” to meet a changing market;
 - v. Understanding of *How* the organisation should be set up in operational terms so that what it is “doing” can be delivered consistently and successfully in practice.
2. So far, we have focused on the first four characteristics and only partially on the fifth and last. The organisational restructuring we have described above focuses exclusively on what can be described as front office functions. It does not focus on back office support and the systems and procedures that any organisation needs if it is to “do” what it sets out to efficiently and effectively.
3. Operations management has always been important to successful organisations and, in some, is what makes the organisation successful¹³⁷. In complex service organisations such as the Secretariat, the role of the support services that make up operations is subtler. If they work well, they are barely noticed and the overall organisational machine proceeds in a seemingly effortless manner. However, if they do not work, the machine constantly breaks down and splutters along at best.

10.2 Secretariat Support Services: Not Fit For Purpose

4. Sadly, and as we described earlier, the back office support functions in the Secretariat are not fit for purpose. Everything the Secretariat does is hamstrung by poor quality and unreliable support services. At the same time, no proposed changes in what the Secretariat does¹³⁸ can be successful until the problems with support services are fully addressed.
5. To take a couple of examples as follows:
 - a. Irrespective of our view about the Secretariat’s overreliance on meetings, they can never be successful in a situation where lengthy

¹³⁶ Business terminology provides a useful shorthand here. Some would argue that you cannot categorise a construct such as CARICOM as serving a market as it is a public good and much more subtle than that. Yes, but ultimately CARICOM is about delivering a set of benefits to a specific group of people who, in this case, happen to be the citizens of the region. This is essentially no different to what any organisation does whether public, private, social or market.

¹³⁷ The Model T Ford automobile, which was made possible by Henry Ford’s mass production methods, is one celebrated example. More recently McDonalds’ introduction of fast food was based almost entirely on an operations’ management concept.

¹³⁸ Whether proposed by us or by anyone else.

agendas and papers are delivered at the last minute and where participants have no hope of getting to grips with the documents they are given;

- b. Without vastly improved IT and communications services, it will almost certainly prove impossible for the Secretariat to become the “eyes, ears and progress chaser” of CARICOM. If the Secretariat does not carry out this function, no one else will and, if it is not carried out, it is not possible to come to grips with the “implementation deficit” and how it might be resolved.
6. Nevertheless, the underlying problem seems to be significantly worse than can be described by a few examples. We never ceased to be surprised that standard and vital management information is generally unavailable. In our interviews and meetings we were regularly given a superb analysis of general and specific issues by individuals and often referred to lucid reports that had been written. But basic management information was generally unavailable other than in an anecdotal or partial form.¹³⁹
 7. One of the key issues before the Secretariat is that it is given too many mandates to have any chance of implementing them all successfully. But when we asked for a list of mandates and real time information on the progress in their implementation, we discovered that nothing exists¹⁴⁰.
 8. The same is true in terms of monitoring and evaluating the upshots from Work Programmes. It is not done on a systematically managed basis, which means there is little pressure on staff to perform¹⁴¹. Similarly, there is no management information system available for projects. As far as we can tell, there is not even an up-to-date and centrally held list of projects.

10.3 Requirements for Turning Round Support Services

9. It would be possible – and may become desirable – to devote a detailed study to resolving the deep-seated problems that currently exist. These problems can be overcome, given time, but only if three crucial requirements are met, as follows, and as discussed below:
 - I. Operations being given the authority to succeed
 - II. Specialist operational staff in key positions
 - III. Substantial investment in technology

I. Authority to Succeed

10. Most operational functions have traditionally not been given much authority or sufficiently high priority by the Secretariat¹⁴². Whether in finance or

¹³⁹ Some analysis can be done, for example, from financial records. But it is not set up as management information and, as such, not a great deal can be drawn from it.

¹⁴⁰ There was a heroic recent study, based on going through the minutes of Heads of Government meetings (and then trying to cross-reference years of meetings) to try to ascertain the position. From a brief review, the study does not seem to have revealed much in terms of useful management information; it could not because the way the raw information is held.

¹⁴¹ Individual managers may monitor their own staff but they currently have little incentive so to do.

¹⁴² This was a common feature of many organisations round the world, particularly in the public sector, until relatively recently. But there have been dramatic changes in the last twenty years. Whilst new

corporate services, weaknesses originate in never being given the rights sort of authority or status to be able to succeed. It is rarely sufficient for top management to realise that there is a problem and to make general attempts to try to sort it out.

11. This point can best be made by example. Virtually everyone we have spoken to complains about the dysfunctional nature of CARICOM meetings. Most meetings are currently set up to fail because of last minute agendas and the lack of availability of concise information on a timely basis. There are, of course, any number of good reasons and excuses as to why this happens, as was regularly explained to us. Virtually all such reasons miss the real point.
12. The real point is that Conference Servicing can only be well-run if they are allowed to be well-run. Such services are a specialised business these days and professional service providers would simply not allow the breakdown of essential disciplines that undermine CARICOM meetings. This might be through managing processes and procedures better or through having the authority to prevent others from inadvertently causing the problems about which they then complain.
13. We are not here suggesting that Conference Services be outsourced – it would be too expensive. What we are suggesting is that they be professionalised and given the authority to succeed. The same argument applies to all support services.

II. Specialist staff in key positions

14. Having specialist operational staff in some key positions is an important issue that tends to be overlooked or downplayed. We have already stated that a specialist Chief of Operations is essential at Deputy Secretary level. There also need to be high-level specialist staff in areas such as finance.
15. The requirement for specialist staff is also not limited to senior staff. It is increasingly the case that staff working in back offices all over the world need to know the requirements and mechanics of their particular role, rather than be expert in the overall business. This has implications for recruitment where the default position should be to recruit staff with experience in the particular area from outside the Secretariat or CARICOM family, rather than moving someone from elsewhere in the organisation.

III. Substantial investment in technology

16. The need for substantial investment in technology is one of the elephants in the room as regards the restructuring of the Secretariat. Again, virtually everyone we spoke to complained about the communications technology available in the Secretariat and about its IT equipment and systems. Whilst it is clearly essential that equipment and systems be modernised, the problem is that it will be expensive. The issue, therefore, tends to be put on the back

technology has played its part in this, the need to lower costs whilst becoming ever more efficient and effective, has been the more important factor. At the same time, specialist functions have emerged.

burner. In our view, it would be a false economy to put off any longer the modernisation of equipment, systems, software etc. They are years out-of-date.

10.4 The Operations Office

17. The temporary Change Office, to be located in the Secretary General's Office, will have a key part to play in introducing a new Operations Office, which should be headed up by a new Chief of Operations at Deputy Secretary level.
18. The Chief of Operations (COO) will be a professional in the operations/back-office field and is likely to be recruited from a large service operation, such as a banking group. There will not be many organisations in the Caribbean that contain a person with all the requisite skills and experience. We think it much more likely that the person recruited will come from the diaspora in North America or Europe.
19. In any event, the job of turning round the Secretariat's operations is a difficult and daunting one and will require someone with varied and successful international experience to lead it. As well as being an operations' specialist, the person recruited will need successful experience in turning round organisations, businesses and/or substantial operations that have got into difficulties.
20. A proposed organisational chart for the COO's Office is at Figure 4. As before, the various boxes refer to functions rather than positions. The new Office should have the following departments and these are described in turn:
 - a. Finance
 - b. Institutional Accountability
 - c. HR
 - d. IT & Communications Services
 - e. Corporate Services

10.5 Finance and Institutional Accountability

21. We were concerned to find that the finance function has never had a high profile position in the Secretariat. Moreover the position of Director of Finance has been vacant for some time. A recruitment exercise revealed no suitable candidate and, with a recruitment freeze introduced since, it has not been repeated. A continuing problem is that the post is not sufficiently attractive to attract a high flying professional. We believe this is partly a matter of pay levels and partly because the post is at an insufficiently high level in the Secretariat hierarchy.
22. It is essential the Secretariat have a high level Finance Director – and higher in the hierarchy than currently. The pay and conditions need to be set to attract a suitable candidate. We would recommend recruiting from the private sector and that the person identified should currently be Finance Director of a significantly sized organisation.

23. The Finance Director should sit on the Secretariat's Executive Management Committee and be tasked with making substantial improvements in current finance and accounting practices, as well as introducing various innovations to bring these practices up-to-date. The work of the finance department should be split between 4 areas – accounts, budget, financing and project finance. Project finance staff should work closely with the PMO.
24. The finance function is currently weak. The Finance Director will need to overhaul the department as well as get involved in specific initiatives¹⁴³. The more important items on the agenda are discussed as follows.

Accounting

25. It is essential there be reconciliations on a much more timely basis. These reconciliations should be matched with an internal system that provides an end of day balance on a **daily** basis of the cash available to the Secretariat. The establishment of on-line banking would be helpful in this regard as it would facilitate the regular examination and interrogation of accounts.
26. The Secretariat currently runs 77 bank accounts. Although donors often insist on separate bank accounts, these should be streamlined. There is recent evidence of funds from donor projects still in bank accounts following the closure of projects. This confirms that the monitoring and management of bank accounts needs to be tightened.
27. Meeting the stringent requirements of donors requires the careful monitoring of conditions. Legal interpretations of contracts, in particular, need to be understood by all parties.

Project Finance

28. A faster smoother efficient process of handling project finance is required. One of the criticisms levelled at the Secretariat is that, amongst other things, its systems of payments and approval are so cumbersome that consulting firms and seasoned professionals are always wary about bidding for its projects.
29. The management of project financing requires much improved coordination - with RMTA currently and with the new PMO in due course. We note that project throughput is slow and that little over 50% of the Secretariat's portfolio of projects are currently active.

Financing

30. The Finance Department should develop an early warning system that flags and stress tests cash flow and other financial problems that confront the Secretariat. This would enable a better response when Member State funding is delayed or indefinitely withheld.

¹⁴³ For example, the Finance Director will need to look at measures to manage funds during the elapsed time between the request for and the disbursement of donor funds. There also need to be better arrangements in the department for handling the disbursement of funds to the various regional institutions.

31. The Finance Department should also play a proactive role in structuring the funding available to the Secretariat from both Member States and from donors. It should, for example, mitigate the significant foreign exchange risk that the Secretariat takes, often unknowingly.

Reporting

32. The Finance Department should introduce full and transparent reporting of the Secretariat's annual financial performance. This should follow best practice and be in line with international financial reporting standards.¹⁴⁴ It is particularly essential to introduce proper accounts and performance measurement into the Secretariat's Annual report, which currently includes no hard evidence and which is no more than a PR brochure. Proper reporting should be mandatory in today's financial environment. It is an important way of regaining CARICOM's credibility and should be introduced for all its institutions.

Institutional Accountability

33. These innovations should include a new *Institutional Accountability* Department managed by the Finance Director. The Department should take the lead in introducing modern and transparent reporting standards both for the Secretariat and for CARICOM institutions. This should include the introduction of reporting requirements to meet the best international requirements with CARICOM's annual reports including a wide range of financial and other data¹⁴⁵ that would be legally required of any public company.
34. The Secretariat's wider annual reporting should contain a frank assessment of aims, achievements and challenges. This can be done positively using good communications techniques but an empty PR exercise should be avoided. The annual report should include reports from CARICOM institutions.
35. We were horrified when, at one of our first briefing meetings, we asked a routine information question and discovered there was no available answer. We asked if a simple table could be constructed listing the budgets of the Secretariat and each of the CARICOM institutions¹⁴⁶. The Secretariat does not have this information and, when it tried to do a one-off exercise relatively recently to find it out, was told by several institutions to mind its own business.
36. If CARICOM is serious about trying to manage the regional implementation process and, even more so, about getting value for money, some heads need knocking together. Regional institutions need to be accountable. If they are

¹⁴⁴ The Pacific Islands' Forum, for example, meets international reporting standards. This compares very favourably with the Secretariat that relies on out-dated Financial Rules and Regulations.

¹⁴⁵ We are strongly of the view that this data should include the detailing of Member State contributions and the extent to which payments are up-to-date.

¹⁴⁶ The only other way to get this information is to request that each Member State Ministry of Finance provide it. We asked for this information at several meetings but have not received anything. Knowing all Member State contributions would only give a part of the answer as to the budgets of institutions.

not accountable to CARICOM in a clear and regular process **through the Secretariat**, then they are unlikely to be accountable to anyone – and certainly not to the region¹⁴⁷. This lack of accountability would be a serious issue at any time. But when there are doubts over the sustainability of regional funding in the midst of the worst economic crisis for generations, it cannot be acceptable.

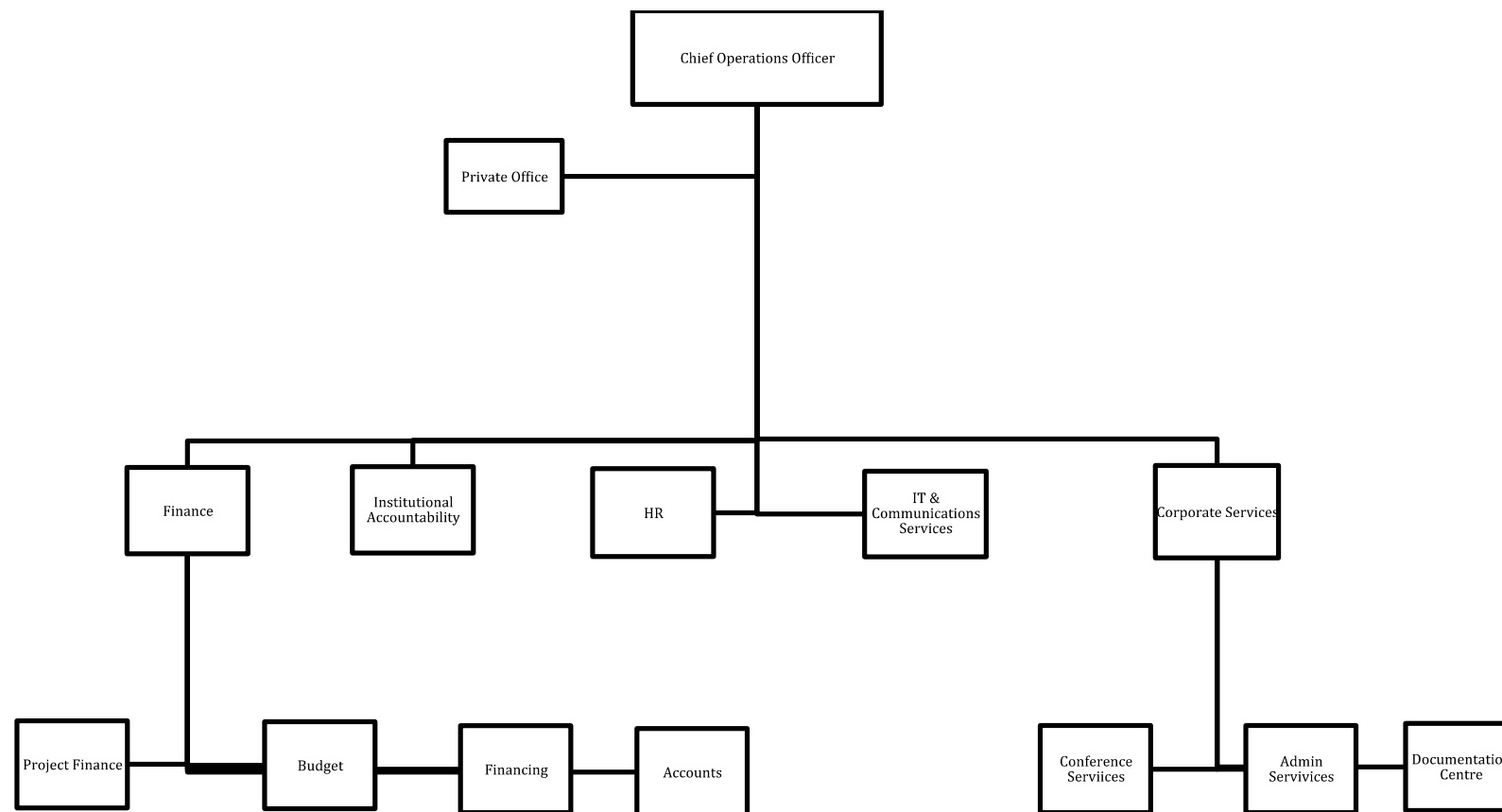
37. Accordingly, we **recommend** that Heads of Government authorise the Secretariat to issue mandatory guidelines to regional institutions to bring about genuine accountability along the lines describe below.
38. Quite apart from the accountability issue, the absence of any functioning structure¹⁴⁸ linking institutions into CARICOM is a huge weakness in the whole CARICOM construct. This has to change. As well as laying down standard annual financial reporting requirements for CARICOM institutions¹⁴⁹, the Finance Director should work with the Implementation Directorate and the Strategy, Policy and Review Department to establish reporting requirements for institutions beyond standard financial information. A standard template is needed where institutions report on their activities, progress and achievements in comparison to plan. The report should also be written in terms of how the institution is contributing to CARICOM's overall strategy and priorities.
39. The original intention that institutions be part of the armoury of CARICOM to contribute to the implementation of regional integration and co-operation needs reinforcing explicit terms. Institutional accountability is one of the first steps in this. The other is that the Strategy, Policy and Review Department will need to call upon specialist experts to help with a variety of regional policy issues of the moment; in many cases this will give opportunities to work with specific CARICOM institutions.
40. These initial changes should be the first steps to providing CARICOM with a tighter management structure that could make the entire construct fit for purpose. CARICOM institutions should be the equivalent of individual business units in a corporate conglomerate structure. Although having wide-ranging autonomy, such business units are part of a structure where responsibilities and accountability are carefully defined and where targets and overall performance requirements are agreed and monitored.

¹⁴⁷ Whilst institutions have their own ministerial councils, these need to be assisted by the permanent and co-ordinating oversight that only the Secretariat can provide. This includes a better understanding of their activities, on what they are spending money and where the money is coming from. Particular concerns are whether institutions are promoting regional or other concerns and whether they are raising money individually or for the region.

¹⁴⁸ Making institutions responsible to organs of CARICOM that meet irregularly and whose membership is constantly changing is of no practical use unless there are clear and standard reporting and accountability requirements.

¹⁴⁹ We know that compliance and filing accounts on time is an issue with some public institutions in the Caribbean. There will need to be sanctions if CARICOM institutions do not comply once new requirements have been agreed and introduced. Possible sanctions could include Member State contributions being paid into an escrow account under the control of the Secretariat, with the funds only released when institutions comply.

Figure 4: Caricom Secretariat – Proposed Organisational Chart for Chief of Operations Office



10.6 Human Resources

41. Although our short project obviously does not include the time to carry out a full audit of individual departments and functions, our strong impression is that the current Human Resources (HR) set up is coping reasonably well with the pressures of retrenchment. It was one of the few departments from which we acquired extensive and relevant written information.

Management Information

42. The HR department has the basis for an up-to-date personnel management information system, which could and should be integrated with the development of an overall – and compatible - management information system. In this respect, we are aware of the current initiative to introduce a Performance Management System and support it fully. As we have discussed with those involved, the Performance Management System requires an overall strategy from which the objectives of the Secretariat as whole, and of its departments and individual staff, can be cascaded down.
43. These issues will require the attention of the Change Office. Once everything is in place, the Secretariat should have the means of evaluating its performance in comparison to priorities, whether on an overall, departmental or individual basis.

Recruitment and staff changes

44. The current recruitment freeze can only be a short-term measure. Although necessary for immediate financial reasons, a longer-term freeze only further weakens an organisation that is already in difficulties. More to the point the organisation has to change and a major aspect of change is the recruitment of new talent.
45. In addition to substantial staff changes, there needs to be a significant change in recruitment policies and a review of the methods used. This is a high priority to overcome what was described to us throughout the Caribbean, as well as in the Secretariat, as CARICOM's "old-boys network". This description has several contexts.¹⁵⁰ The most important is that the priorities of CARICOM have largely failed to move on from the vision of its founding fathers and that it is a mid/late-20th century construct designed for a different world to that which now exists.
46. We think there is substance to these criticisms, as we have noted earlier in the report. We are impressed by the arguments that CARICOM should be

¹⁵⁰ One context that causes considerable resentment - and not a little anger - is CARICOM's continued involvement in cricket beyond the 2007 World Cup, particularly at the Heads of Government level and in other key organs of CARICOM. Although the three writers of this report are second to none in their love of the sport, we do find the level of involvement of governments - let alone a regional institution - as a little odd and, in PR terms, damaging. It gives the impression of a group of mature men being more concerned about the minutiae of sport than about the matters of substance facing the region. We also wonder what the Governments and peoples of Haiti and Suriname make of it all. Our visits suggest it adds to the sense of exclusion that they already feel from a malfunctioning CARICOM construct.

more outward than inward looking. In the context of recruitment, there is widespread criticism that insiders dominate recruitment to the Secretariat and to CARICOM institutions. We suspect the institutions are naturally drawn to insiders, which usually means individuals working in public service, regional or international bodies, for understandable reasons.¹⁵¹ It is important to widen the net, including to the private sector and to the Diaspora.¹⁵² It is also important to adopt procedures that lead neither to an unintended bias in recruitment towards insiders¹⁵³ nor to accusations of bias.

47. At the same time, there is much to be said for limiting the length of CARICOM careers, as is in the case in some international bodies such as the International Energy Agency¹⁵⁴. If the funding could be found, it would also be helpful to have a Young Professionals' scheme. Such appointments could be time limited, if that became the general rule, with the option of further appointments later in a career. Secondments from other organisations¹⁵⁵ would be a further way of introducing new skill sets, ideas and experiences to the work of the Secretariat.
48. We should note that we are far from comfortable making these recommendations. This is because there is a core of highly committed and capable long-term professional staff in the Secretariat who have essentially kept the organisation afloat in extremely trying circumstances. But for CARICOM to survive and move on successfully, a major infusion of new blood is one of the essential requirements.
49. The HR Department will have a key role to play in introducing change into the Secretariat and will need to work closely with the Change Office which, as already noted, should include organisational and HR skills.

10.7 IT & Communications Services

IT as a game changer

50. IT and Communications Services can be a game changer for CARICOM. Firstly, there are now so many things that can now be done that could not have been contemplated even 5-10 years ago. Secondly, technological advance is particularly significant for a widely spread construct such as CARICOM that has a broad agenda and complex goals. Thirdly, the

¹⁵¹ At the level of full-time Secretariat staffing, there has been no suggestion that the term "old boys' network" refers to any gender bias.

¹⁵² Targeting say the private sector and the Diaspora in recruitment adverts will help widen the recruitment field. Objective tests (which we believe are already used to some extent) and outsiders on appointments' committees could also help.

¹⁵³ Candidates that are known to the appointments' committee, perhaps because they work in government or regional institutions, are for understandable reasons more likely to be appointed. Unless the candidate has a bad reputation, the committee is naturally more likely to be drawn to a known quantity who they are comfortable with and who immediately relates to their concerns and interests. Yet, a candidate from the private sector or from the Diaspora could turn out a much better choice.

¹⁵⁴ Professional appointments to the International Agency are limited to a couple of 3-5 year contracts.

¹⁵⁵ These could include Member State Governments, regional institutions such as the Caribbean Development Bank, international institutions and private sector banks and companies.

appropriate use of IT and communications can lead to major cost savings in staff and in other expensive items such as travel.

51. Communications with the Secretariat, and indeed around the Caribbean, are still not ideal and are some way short of the best standards. Services like video-conferencing are gradually being used more but interruptions in service mean that one party or another always seems to get lost in a multi-party conference call. We have also found that telephone connections with the Secretariat from outside Guyana are not always reliable or of reasonable quality.

Systemic shortcomings

52. Given the importance of the Secretariat to the region, it is to be hoped that the relevant Guyanese authorities can be prevailed upon to improve the standard and reliability of the full array of modern telecommunications services. The same point is important around the region. Even if there were only one government building or organisation in every Member State that had failsafe communications, it would make an important difference. We have earlier suggested ways of getting the private sector involved, including through sponsorship. Perhaps this is an opportunity.

IT shortcomings within the Secretariat

53. We were not hired as IT specialists but have considerable experience as users. The current level of services is poor and, with ageing equipment and software, keeping it operational is the major day-to-day challenge.
54. As our expert on communications and government relations has reported (see Appendix 4), the CARICOM website needs substantial upgrading. At the same time, the websites of all CARICOM institutions need to be properly linked. This should include a visual presentation that has enough in common for those looking at two separate sites to know immediately that the institutions are part of the same overall construct. This has an important contribution to make to strengthening the CARICOM structure, to developing the CARICOM brand and to presenting a unified image.
55. The Secretariat's intranet, which could be a very powerful tool, is a mess. Some departments make use of it and others ignore it. The Secretariat's old-fashioned default position of making far too much information confidential¹⁵⁶ does not help. Nevertheless, the intranet itself needs updating.

¹⁵⁶ Although electronic security has become a much more important issue in recent years, it should not be confused with confidentiality. In most modern organisations, the default position is that information should be widely available unless there are very good reasons otherwise. As Freedom of Information legislation is introduced in more and more countries, most information is no longer kept from the general public, let alone from staff in the organisation concerned.

The Secretariat's opportunity

56. The biggest opportunity currently is to make a generational leap in using technology as a tool to manage the Secretariat's business. Apart from the Internet and Intranet, real time information on progress with integration, and on financial, project, human resource and performance management could now be developed and linked by the appropriate use of technology. As a result, the availability of management information could be improved beyond recognition.
57. None of what we have written above will be news to the IT Department. Extensive reports have been carried out on the Secretariat's system requirements in a wide-ranging project that took place between 2006 and early-2009. The solutions specified run to several million dollars. Our worry is that the solutions may already be out-dated in technology terms as the final recommendations were made nearly three years ago.
58. Our **recommendation** is that these solutions be reviewed quickly in light of this report and with the participation of the Change Office. The review should take into account changes in technology in the interim, as well as planned changes in the Secretariat's structure and, in particular, the impact of these changes on requirements for management information. The results of the review should then be implemented quickly by the IT Department with the assistance of the Change Office.
59. A wholesale change and upgrade to the Secretariat's IT and communications infrastructure is a necessary condition for the successful restructuring of the Secretariat. The necessary investment has to be found and it would be a false economy of increasingly costly proportions not to introduce such an upgrade. Given the age of the current infrastructure, further delays will add to costs.

10.8 Corporate Services

60. Corporate Services include Conference Services, Administrative Services and the Documentation Centre.

Conference Services

61. We have already discussed Conference Services in the context of CARICOM meetings. On the one hand, the CARICOM culture of meetings is one of its major weaknesses; the number of meetings needs to be reduced to a fraction of their current level. On the other hand, Conference Services is clearly overwhelmed and, as we have already argued, does not have the authority to organise meetings on a rational basis.
62. As we have also argued, Conference Services clearly needs to be able to provide services on a more professional basis with the authority of a COO at Deputy Secretary level. What is less clear is the impact this may have on staffing levels, as the number of CARICOM meetings is reduced by one half or more. Our initial judgement is that there will be less staff but that they will,

on average, be at a higher level. But this judgement will need to be refined by more detailed work by the Change Office and, in due course, by the new COO.

Administrative Services

63. In a similar manner, our judgement of Administrative Services and, indeed, the staffing tail in many other departments, is that it represents an organisational structure of a bygone, pre-computer age. If there is any fat in the Secretariat's overall staffing, it is amongst the clerks, the administrative and office assistants, the office attendants, the stenographers and messengers.

64. However, it would be invidious for us to take these points any further. We have not been employed to carry out a job evaluation exercise and our judgement can therefore only be of a general nature and based on our experience. Our recommendation is that the Change Office and, in due course, the new COO, carry out a more detailed review of junior posts throughout the Secretariat to establish what savings can be made and whether any departments or functions can be abolished in their entirety,

Documentation Centre

65. The Documentation Centre – or at least its business of providing accessible and comprehensive information - is vital to the Secretariat in particular and to CARICOM in general. What is less clear is the form the Centre should take. Much of its work could, in principle, be replaced and improved in quality and accessibility by the generational shift in IT already discussed.

66. As for Administrative Services, we have not done an evaluation of the Documentation Centre. Our outline judgement is that its service could be improved at the same time as savings are made with new technology. However, that judgement should be subject to review by the Change Office to be confirmed, in due course, by the new COO.

11 Budget and Financial Issues

11.1 Overall Budget

Evaluating the need for cuts

1. We understand from our terms of reference and from the current economic crisis that Member States would welcome a cut in the Secretariat's core budget that they fund. In usual circumstances, our inclination would be that a budget cut could be afforded and savings found. These are not usual circumstances. The position of the CARICOM construct and the Secretariat are so precarious that any significant cut in the short-to-medium term would be counter-productive - and possibly fatal.
2. Cuts may, of course, be forced by circumstance. The risks of Western economies falling back into recession or worse have increased significantly in late-2011. We **recommend** that a contingency plan be put in place for such a circumstance to enable CARICOM and the Secretariat to carry on functioning on a care-and-maintenance basis. Our view is that savings would need to be found primarily by major cuts in meetings and by releasing staff in the areas that we have identified for eventual savings.
3. However, net overall cuts should be avoided if at all possible. Although there are areas where considerable savings can be made, as have been identified in the previous 2 sections, the Secretariat must develop the new functions identified in the last three sections to enable it to reduce the implementation deficit and to become fit for purpose. Developing these functions is essential to turnaround CARICOM's fortunes. A combination of these new functions and of prioritisation through a CARICOM Strategy will both speed up implementation and allow savings.

Creating the conditions for turning round CARICOM's fortunes

4. Significant budget cuts *at this stage* would make an already difficult turn round and restructuring exercise much harder. It would substantially increase the risks of failure and, in our view, make failure the likely outcome. The problem is that the CARICOM construct and the Secretariat have already been traumatically weakened for all the reasons given in this report, including having had to live from hand-to-mouth for years.
5. In the following paragraphs, we are proposing maintaining the core 2011 budget – and therefore Member State contributions – over the four succeeding years to 2015. This entails a small increase in nominal terms, which will probably prove insufficient to cover inflation over the period, and thereby result in a modest cut in real terms.
6. **Our overall recommendation is** that no overall cuts be made unless worsening economic circumstances leave no choice.

11.2 The Financing Conundrum

The growing funding challenge

7. It needs to be said at the outset that Member States have run CARICOM on the cheap for years and the negative results, in the way that this has reshaped the Secretariat, speak for themselves. From all our discussions, it would seem there has been a tacit strategy of palming as many costs as possible off on the international donor community. This has left CARICOM in the worst of all possible positions as the various consequences from this tacit strategy have contributed significantly to the weakening of the CARICOM construct.
8. We have already discussed most of these consequences at some length. These include projects becoming ends in themselves, rather than a means to implementation. This is because the finance for these projects has helped keep the overall show on the road. The consequences also include fund raising becoming a fire fighting rather than strategic activity – and one that is ultimately self-defeating because aid donors are increasingly disappointed with the lack of focus and subsequent results. These examples and other factors already discussed have made CARICOM, and in turn the Secretariat, an increasingly process-driven construct rather than one driven by results. These factors have led to mounting concerns over the implementation deficit.
9. The one consequence of Member States running CARICOM on the cheap not previously raised is that of salaries. A longstanding objective is that Secretariat salaries should be 75% of equivalent international positions in the region. The reality is that relative salaries have fallen over the years and were recently measured as at 37% of the relevant yardstick.
10. Although a detailed investigation of remuneration was beyond our remit, it is clear that salaries are a problem in attracting and retaining staff¹⁵⁷. It also appears that the problem is more a question of the level of salaries than reluctance amongst Member State nationals to relocate to Georgetown. It is clearly crucial that it can attract high calibre new staff if it is to be made fit for purpose. Accordingly, we **recommend** that the Change Office investigates this issue and makes proposals as appropriate.

Restructuring and longer-term funding

11. There is nothing wrong, in principle, with aid donors providing a high level of financing. **But it is the way that this comes about that is crucial.** The 60% of all financing provided by aid donors in the Caribbean pales into insignificance compared to ASEAN, where donor contributions are around five times those of Member States. However, it would be entirely wrong to

¹⁵⁷ The Secretariat has had difficulties attracting applicants to higher-level posts in recent years. It is understood that entry-level professional posts are filled but that young staff at that level tend to stay only long enough to get an impressive entry on their CVs. We were told that the Secretariat used to attract the “cream of the crop” but that this is no longer the case. As we have already noted, there is a core of highly-committed but ageing staff at the top of the Secretariat – many of whom are beyond retirement age – but only a limited pool of talent in the following generation to replace them.

draw the conclusion that CARICOM Member States could reduce their contributions in current circumstances and rely even more on donors.

12. CARICOM first needs to be made fit for purpose. It needs clear short-to-medium term goals and it needs to be seen to deliver what it says it will deliver. To do that requires a serious turn round on current performance. That is only possible with resourcing. We think it most unlikely that a turn round can be achieved with further cuts.
13. Donors will only be drawn in to make significant new contributions when they are convinced that CARICOM, and its constituent Member States, have accepted that fundamental change is required and are serious about turning the construct round and making it fit for purpose. It will only be when CARICOM starts delivering results, and is seen as a revitalised entity confident of its future, that the possibilities of ASEAN-type financing ratios could open up. But it is essential that there be a secure base of Member State financing, both now and in the future.

The immediate requirement

14. The upshot of all this is that Member States need to maintain their contributions to the Secretariat despite the serious pressures on their budgets in the current economic climate. We have below prepared a proposed budget for core staff covering the next four years, which demonstrates how important it is to maintain Member State contributions.

11.3 Funding Core Staff

The overall position

15. The proforma budget is at Figure 5, which describes in broad terms how the Secretariat's core staff budget should be reallocated during the period 2011-2015. This summary table is based on a careful analysis of detailed budget and HR information. We are confident that the broad figures are both accurate and what is needed for the job at hand. Nevertheless, we would emphasise that this is a proforma budget, which will require further detailed work by the Change Office.
16. This analysis confirms that core Member State funding of the Secretariat needs to be maintained at current levels over the next four years to provide the recurrent resources to turn round the CARICOM construct and make it fit for purpose. Major savings on current activities will need to be made over the next three years, 2012-2014, to allow resources to be reallocated to activities that can deliver results.

Figure 5: Pro-forma Budget (EC\$ million): Core Personnel Budget

Office	2011	2012	2013	2014	2015
Secretary General	5.0	7.0	9.2	10.2	10.8
Operations	15.4	13.2	10.8	10.4	10.3
Implementation Office	12.0	12.8	13.0	13.4	13.8
Of which:					
PMO & Implementation Support		2.7	3.5	4.4	5.1
Trade & Economic Integration		3.7	3.1	2.5	2.1
Human & Social Development		1.4	1.3	1.1	1.0
Other ¹⁵⁸		5.0	5.1	5.4	5.6
Total Secretariat HR Budget	32.6	33.0	33.1	34.1	34.9

How the allocations are broken down

17. The overall changes over 2011-2015 are as follows:

- a. Staff expenditure in the Secretary General's Office doubles as a result of its new strategic and policy responsibilities to more than EC\$10 million;
- b. Operational expenditure falls by nearly one third to around EC\$10 million over the same period. Most of these functions are currently under the Deputy Secretary General and will become the responsibility of the new Chief of Operations. The majority of the savings are real savings, rather than the transfer of functions. The speed of the changes will depend on how quickly the Change Office can be agreed and set up;
- c. The new responsibilities of the Deputy Secretary General are the activities to do with implementation. Total expenditure will increase slowly to almost EC\$14 million. However, behind the overall figures are substantial savings and major changes in functions as described in Section 9 above.

18. The expenditure in the *Secretary General's Office* will increase rapidly as the temporary Change Office is brought on stream with the Strategy, Regional Policy and Review Department being set up soon afterwards. The outline staffing and cost implications are as follows:

- a. The allocation of a notional sum of around EC\$750,000 per annum to the Change Office for 3 years from the recurrent core staff budget. Most of the expenditure on the Change Office will need to come from additional non-recurrent financing. We give an outline of what is required at Appendix 5;
- b. A Director should lead the new Strategy, Regional Policy and Resources Department with experienced heads appointed to its constituent units – Strategy & Regional Policy, Resources, Monitoring & Evaluation and Communications respectively;
- c. Within the Strategy & Regional Policy Unit, there should 2 or 3 strategy officers and 4-5 policy advisers;

¹⁵⁸ Foreign Relations Directorate, General Counsel, OTN and External Trade and Statistics

- d. The Resources, Monitoring & Evaluation Unit should have half-a-dozen senior staff;
 - e. The Communications Unit needs to be brought up to its full complement, as recommended by our communications specialist in his report at Appendix 4. There will be a new post as personal Communications Adviser to the Secretary General;
 - f. We have costed these staffing levels on the basis of current grades and pay scales and they are achievable within the specified budget;
 - g. We would see the Secretary General's Office as expanding rapidly during 2012 and 2013, with slower increases in subsequent years.
19. The new *Chief of Operations* (COO) needs to be hired within 12 months and we outlined the required skill set in Section 10 earlier. The early recruitment of a Finance Director will also be a high priority. The initial work, which will precede the COO's arrival and which should be led by the Change Office, should be to embark on getting IT services into shape. This will require an investment of several million dollars to bring to fruition. Once the new IT systems are bedded in, there will be significant opportunities for staff savings. The immediate priorities for the new COO will be the restructuring of Conference Services and of the Administrative Departments.
20. The most significant changes will occur under the *Deputy Secretary General* where the new Implementation Office will involve major changes in how the Secretariat does things. The reorganisation will have to be carried out carefully and sensitively and will be led by the Change Office.
21. There will be significant savings in the TEI and HSD Directorates as their work becomes more focused with some functions being transferred and other activities reduced. These savings will provide funding for the new departments under the Deputy Secretary General – the Implementation Support Group and the PMO. We would envisage there being half-a-dozen senior staff in each of these departments with possibly one or two more in the PMO.
22. We have made broad estimates of staffing requirements at this stage, as we have not been involved in a detailed job evaluation exercise. The Change Office will need to carry out more detailed analyses in due course.
23. The **important point** is that these broad estimates confirm that fundamental change can be brought about within the current core staff budget. Sufficient savings can be made to pay for the new functions, as long as the overall budget is maintained.
24. The additional costs are essentially capital items. The IT costs are unavoidable whilst fundamental and complex change will only be possible if it is driven by the temporary Change Office. We **recommend** that raising capital sums for these two exercises be an immediate priority.

11.4 Relating the Core Staff Budget to the Overall Budget

25. The above core staff budget needs to be related to the annual budgeting exercise to derive annual budgets. Again this can be developed in detail by the Change Office but a number of wider issues need to be taken into account, including the following:
- i. By developing and changing priorities and by its focus, the CARICOM Strategy will provide further guidance on how the Secretariat's budget should be structured. Although the functions and roles within the Secretariat should remain true to the changes we have outlined to make the Secretariat fit for purpose, the priorities that emerge are likely to change the balance in how the Secretariat's resources are allocated;
 - ii. Work programmes should be developed from the strategy and be rolled down through the directorates to departmental levels and individual objectives, taking account of the recent work done in this area on developing a Performance Management System;
 - iii. Problems over the 2012 budget, particularly as it may eventually be established as a baseline. We understand that there have been difficulties over establishing a Secretariat budget for 2012 and over the basis on which it was developed. Whilst we have insufficient detail to make a recommendation, we would suggest that the budget and the basis on which it has been set be revisited.

11.5 Finance and Risk

26. The Secretariat has experienced continual financing and cash flow problems over recent years. It has been at serious risk of much worse. Although the introduction of better risk management will not overcome these problems, it will help manage them.
27. The major current risks are:
- a. A new recession or worse putting Member State contributions at further risk;
 - b. Non-payment of outstanding Member State contributions, particularly by larger Member States;
 - c. The short-term nature and uncertainty of current funding methods;
 - d. The lack of financial and risk management in the Secretariat;
 - e. Natural disasters.
28. The system of Member State funding is a short-term one. Annual budgets are agreed with upcoming contributions based on those agreed budgets. Whilst the nature of the funding mechanism provides uncertainty in itself, the facts of irregular Member State payments and serious levels of arrears make the problem much worse. Over recent years, Member State arrears **at year-end** have varied between just over 20% and nearly 50%.
29. The arrears of some Member State arrears have been outstanding for as long as ten years. Whilst these should be recorded as doubtful debts against which provisions are made in accounting terms, their existence badly undermines CARICOM. Although we understand the reluctance, we favour a

system of penalties. If larger Member States were to become cavalier with their contributions to CARICOM, the construct's survival would quickly be called into question.

30. The current funding method of Member State contributions has been a long-standing risk because of such uncertainties. They make it difficult for the Secretariat to plan on a rational medium-term basis. As a result, the Secretariat has on occasions had no choice but to take risks with its overdraft facilities and its reserves, which do not appear to be prudent.
31. When the Finance Department is strengthened, it should carry out formal risk assessments in addition to taking what measures it can to manage risk. Various helpful measures may be available. We understand, for example, that there is currently no management of the Secretariat's foreign exchange exposure. As much of its funding is in Euros but its spending is in Dollars, the recent double digit fall in the Euro against the US Dollar could be costly. Risk in this area could be alleviated by some straightforward financial measures.

11.6 Improving Member State Financing Arrangements

A longer-term funding mechanism

32. In our view, current Member State funding arrangements have contributed to the Secretariat's overall problems. A more secure funding system is required so that funding is known and reliable for three to four years ahead.
33. We had discussions with the Caribbean Development Bank (CDB) about these issues. In principle, CDB is willing to look at ways of securing the Secretariat's funding over a longer period to remove the high level of uncertainty over its financial forecasting and planning.
34. It is **recommended** that these discussions be taken forward with a view to putting the Secretariat's finances on a more secure basis.

Reforming Member State Contributions

35. A mechanism to give more certainty to Secretariat funding is a separate issue to the question of reforming the system of Member State contributions. Although there are arguments for such reform, it is a contentious area at the best of times. It is virtually impossible in the midst of a major economic recession.
36. Our **recommendation** would be to put the issue off until more propitious circumstances. Alternatively, a group could be set up to examine the issues over a 12-24 month period.

11.7 Immediate Financing Requirements

Financing in a Crisis

37. As the risks of a further economic recession or worse are significant, there should, as already noted, be a contingent plan to protect the Secretariat in the event a financing crisis emerges. We would also **recommend** that the Secretariat enter into early discussions with the Member States that are not

highly indebted and not dependent on tourism for large proportions of their economic activity to provide immediate assistance in event of a further serious deterioration in economic circumstances. In the current economic climate, this suggests Trinidad and Tobago and Suriname, with the possible addition of Guyana.

Financing the Secretariat's Restructuring

38. It would be desirable, concurrently, to raise significant non-donor financing towards the capital costs of restructuring of the Secretariat and the same Member States could helpfully lead in the provision of such. This could have the important advantage of getting restructuring underway quickly, as well as sending a strong and positive message to donors as to Caricom's intent. Our information is that such discussions could be fruitful, although they may involve some horse-trading over various CARICOM issues. This may prove no bad thing.

Appendices

Appendix 1: Listing of Findings and Recommendations

Introduction and Challenges

1. Carioca's problems, and those of the Secretariat, have built up over many years (Section 1).
2. CARICOM is essential to the region's future and to the prosperity and welfare of its Member States. Alongside OECS, CARICOM remains the only viable alternative as a potentially effective regional construct (Section 2).
3. Nevertheless, the construct is in crisis. This is partly because perceptions of CARICOM's failure to deliver – the “implementation deficit” - have continued to grow and partly because of the severe recession (Section 2.2).
4. There is increasing disillusion because of the large gap between the perceived promises of CARICOM and the reality. Part of the problem is that both CARICOM and Member States have consistently oversold the potential benefits of integration (Section 2.3).
5. CARICOM's operations and structure have been weakened over the years to the extent it is now in a fight for survival. The construct needs to change fundamentally if it is to turn round its reputation and go on to prosper. CARICOM's difficulties may become acute and immediate if the international economic situation deteriorates further. Both the region and the Secretariat need a contingency plan to guard against this serious risk (Section 2.4).
6. There are three general conditions for a positive outcome:
 - I. The committed support of Member States;
 - II. CARICOM focusing on the early delivery of specific benefits;
 - III. A credible re-organisation and strengthening being undertaken that focuses on implementation.

Once the necessary plans are in place to meet these conditions, **we recommend** a relaunch of CARICOM (Section 2.5).

Diagnosis of Difficulties

7. Frustrations with CARICOM's progress have been growing for at least 20 years going back to “*Time for Action*” and earlier (Section 3.1).
8. Significant exogenous constraints of geography, size and complexity are regularly overlooked and underestimated, both by the region and by the international community. Ignoring these binding constraints, which are largely insurmountable, unnecessarily adds to frustrations (Section 3.2).

9. Nevertheless the CARICOM construct has become dysfunctional (Section 3.3). Contributory factors include:
- Too many mandates;
 - The lack of an overarching structure binding CARICOM institutions;
 - Ineffective Organs;
 - Lack of prioritisation;
 - Administrative weaknesses;
 - The ineffectiveness of formal channels;
 - Problems at the Member State level where CARICOM issues struggle to gain priority;
 - A weakened Secretariat.
10. Previous responses to what is now termed the “implementation deficit” have tended to focus on structural and procedural proposals. These are amongst the many means to an end in management terms and they have not succeeded. Our analysis and experience suggests a broader based management approach is required that focuses directly on the problems of implementation and how they can be overcome (Section 3.4 and 3.5).

Prioritisation: The First Step to CARICOM’s Recovery

11. The first requirement for CARICOM’s recovery is the prioritisation of long-term goals into specific measures that can be achieved within a relatively short timeframe (Section 4.1). The real significance of the Heads retreat in Guyana in May 2011 was that they recognised the need to make priorities. This is a crucial break with the past if the new position is confirmed (Section 4.2).
12. It is essential that a Strategy is now developed to prioritise strictly what CARICOM will do in line with available resources and over a time bound period. The need for a clear strategy focused on delivering specific and tangible benefits is widely-recognised and has been highlighted by other reports being produced concurrently with this one (Section 4.3).
13. The development of a strategy is also essential for making savings in the resources devoted to CARICOM without putting its objectives at risk. Without a strategy, it is difficult to distinguish between potentially damaging cuts and feasible savings that are not destructive (Section 4.4).
14. **We recommend** that the Secretariat prepare a 5-year Strategy for agreement by Heads of Government. The Strategy has to make some hard and painful choices as to what CARICOM can do – and achieve – in 5 years and what it cannot do. It is essential both to drive the CARICOM construct and to enable the restructuring of the Secretariat by giving it a clear purpose (Section 4.5).
15. The Strategy should be put in place quickly and be agreed in the first half of 2012. It should be seen as giving the new Secretary General a mandate for his term in office (Section 4.5).

16. It is not our business to specify CARICOM's Strategy. We can though offer some guidelines. These include the need to develop a vision that is relevant to the second decade of the 21st century, measures to make a regional agenda more mainstream and the desirability of putting off some CARICOM objectives indefinitely. These should be followed by a careful exercise to rank remaining objectives and to commit to only those that can be realised within available management resources and funding. Finally the Strategy should address the restructuring of CARICOM and the Secretariat. Assuming this report is accepted, it can form the backbone of that (Section 4.6).

Strengthening the CARICOM Construct: The Second Step to Recovery

17. Although CARICOM's difficulties will not be overcome by further structural or legal innovations, its governance can be improved in various ways (Section 5.2).

18. Other than in exceptional circumstances, **we recommend no further widening of the scope of CARICOM** in the foreseeable future. To the contrary, it should be consolidated (Section 5.3).

19. In our review of the Secretariat later in the report, we propose a number of practical proposals to tighten the CARICOM structure and make it function in a more effective and disciplined manner. These include measures concerning both CARICOM's Organs and its institutions (Section 5.4).

20. We did not find sufficient support around the region for setting up a Permanent Committee of Ambassadors as a formal institution of the CARICOM Community. At the same time, we see reducing the "implementation deficit" as a detailed management task where the priority is for Secretariat officials to work more closely with Member State officials. However, we see merit in an informal committee of Ambassadors providing support and advice both to the Secretary General and to their individual Member State governments. Depending on how these informal arrangements work out, the proposal for a more formal Permanent Committee of Ambassadors could be revisited (Section 5.5).

21. CARICOM should become a more outward looking construct. This can partly be achieved by changes in the Heads of Government Conference where we **recommend** that the organisation and purpose of these conferences be reviewed. We envisage that most meetings will become more focused and smaller affairs.

22. At the same time, occasional conferences should be designed to showcase the Caribbean and organised on an explicitly outward looking basis. We **recommend** such a conference being organised to celebrate CARICOM's 40th anniversary and its relaunch in 2013. We also **recommend** developing a dialogue with the movers and shakers in the private sector in the region. Both of these innovations could draw new finance into CARICOM (Section 5.6).

Diagnosing the Secretariat's Current Difficulties

23. The Secretariat's problems have built up over a lengthy period. The linkages between objectives/decisions, action and results have broken down. As a result procedures and process have, unintentionally, become more important than getting results and meeting objectives. An absence of real policymaking and an overreliance on meetings and projects are key factors in the Secretariat losing sight of its real purpose (Sections 6.1 and 6.2).

24. The Secretariat is currently too weak to lead an attempt to turn round CARICOM's fortunes (Section 6.3). Reasons include:

- An organisational structure that does not facilitate the Secretary General's leadership role;
- General weaknesses in management arrangements;
- A lack of mechanisms to encourage prioritisation;
- Pivotal gaps in policy making;
- Too much focus on process;
- The lack of a results-based culture;
- Weak project management;
- Severe operational problems.

25. At the same time, the Secretariat's staffing has become weakened and outmoded (Section 6.3). Issues include:

- Unfilled posts at senior levels;
- Forced and arbitrary cost cutting;
- Inappropriate mix of skills;
- Too many junior posts;
- Insufficient new blood.

Restructuring the Secretariat: The Third Step to Recovery

26. We **recommend** that the restructuring of the Secretariat should be guided by 3 principles (Section 7.2):

- i. Demands on it need to be matched by financial and resource availability;
- ii. The Secretary General needs to be given the tools to lead the CARICOM Community;
- iii. The focus of the Secretariat should shift to regional policy and to the implementation of integration.

27. Our **key overall recommendations** for the Secretariat (Section 7.3) are:

- a. Refocusing CARICOM and restructuring the Secretariat through a transitional Change Office working directly to the Secretary General;
- b. Refocusing the Secretariat on delivering a Strategy for CARICOM and on developing regional policies to add value to what Member States can individually achieve;
- c. Enabling the Secretary General's leadership role through strengthening his Office to focus on his executive role;

- d. Putting an emphasis on implementation, where the Deputy Secretary General be put in charge of a new Implementation Office;
- e. Appointing a new Chief Operations Officer (COO) at Deputy Secretary General level to get crucial back office and support functions into shape.

Strengthening the Secretary General's Office: Recommendations

28. A Change Office should be set up quickly to support the Secretary General in restructuring the Secretariat. We **recommend** that an expert in strategy be appointed as soon as possible to the Change Office to prepare a 5-year Strategy for CARICOM. The Change Office should have a core of full-time staff plus shorter specialist inputs. Ideally it should lead the restructuring of the Secretariat over 18 months but the likely need for donor funding suggests a longer period of 3 years will be required (Section 8.1).
29. A Strategy, Regional Policy and Review Department should be set up in the Secretary General's Office to take forward the Secretariat's renewed focus on strategy and regional policy, to develop a good overview of progress with integration, to take a more strategic approach to obtaining resources and to revitalise communications (Section 8.2).
30. The Chef de Cabinet's office should be reorganised as a Private Office to give better support both to the Secretary General and to the Chef de Cabinet (Section 8.3). Internal Audit needs to be strengthened and we **recommend** that the Change Office make proposals as appropriate (Section 8.4). The overall management of the Secretariat should be improved by strengthening the Executive Management Committee (Section 8.5).

Implementation Office under the Deputy Secretary General

31. We **recommend** that the Deputy Secretary General should be responsible for a new Implementation Office (Section 9). The Office's major objective should be to implement the CARICOM strategy. This should include a key function of coordinating the Secretariat's activities with the implementation activities of Member States and CARICOM institutions, identifying where there are delays and issues, and focusing on resolving the delays and/or issues identified (Section 9.1).
32. In focusing on improving the implementation management process, the Implementation Office will need to lead reforms in CARICOM's culture of operation, including modernising how communications and confidentiality are managed (Section 9.2.1).
33. We **recommend** the Implementation Office set up an Implementation Support Group working directly to the Deputy Secretary General and to an Implementation Management Committee. The Implementation Support Group (Section 9.2.2) should focus on monitoring progress with implementation, identifying bottlenecks and delays and their causes, developing responses and co-ordinating relevant bodies that should deliver the responses.

34. There should also be a new Project Management Office (PMO) made up of three units, Project Administration and Support, Resource Management and the Technical Assistance Support Unit (Section 9.2.4).
35. These new arrangements will be crucial to cracking the implementation conundrum and to reconfiguring the work of 5 slimmed down Directorates, namely Foreign Relations, OTN & External Trade, Trade and Economic Integration (TEI), Human & Social Development (HSD) and General Counsel (Section 9.3).
36. The largest directorates, TEI and HSD, exemplify how a weakened Secretariat has been diverted away from results and implementation to process (Section 9.3.1). They should play a more focused role in future (Section 9.3.2). The changes in the other Directorates and the Statistics Department (Section 9.3.3 – 9.3.6) will be less pronounced.

The Operations Directorate

37. The back office support functions in the Secretariat are not fit for purpose. Everything the Secretariat does is hamstrung by poor quality and unreliable support services (Section 10.2).
38. There should be a new Operations Directorate. We **recommend** that the new Chief of Operations (COO) be at Deputy Secretary level. The person appointed should be a professional in the operations/back-office field. The COO is likely to be recruited from a large service operation (Section 10.4).
39. The Operations Directorate should have the following departments:
 - a. Finance
 - b. Institutional Accountability
 - c. HR
 - d. IT & Communications Services
 - e. Corporate Services.
40. We **recommend** that the restructuring of these back office functions include:
 - a. Operations being given the authority to succeed with specialist operational staff in key positions (Section 10.3);
 - b. Carrying out delayed investments in technology as a matter of urgency. A wholesale change and upgrade of the Secretariat's IT and Communications infrastructure, which is currently not fit for purpose, is a necessary condition for the successful restructuring of the Secretariat. This is a potential game changer for the Secretariat (Section 10.7);
 - c. Introducing a new management information system to include performance management as per the recent review. There should be changes in recruitment procedures to encourage a much wider range of applicants to the Secretariat (Section 10.6);

- d. Corporate Services being subject to a major overhaul by the new COO. There should be substantial staff savings following a full evaluation by the Change Office (Section 10.8).
- 41. We **recommend** that the Secretariat recruit a high level Finance Director who will need to carry out a major overhaul of the department, as well as get involved in specific initiatives (Section 10.5).
- 42. The Finance Director should also be responsible for a new Institutional Accountability Department, which should take the lead in introducing modern and transparent reporting standards, both for the Secretariat and for CARICOM institutions. In support of this, we **recommend** that Heads of Government authorise the Secretariat to issue mandatory guidelines to regional institutions to bring about genuine accountability (Section 10.5).

Budget and Financial Issues

- 43. The way the Secretariat's financing has been organised has been misguided and is a major source of weakness. If CARICOM is made fit for purpose, new sources of funding can be attracted when it starts delivering results, and is seen as a revitalised entity confident of its future. In the meantime, core funding from Member States has the key role to play (Section 11.2).
- 44. The position of the CARICOM construct and of the Secretariat are so precarious that any significant financial cuts in the short-to-medium term would be counter-productive - and possibly fatal. **We therefore recommend** that no cuts be made in Member State contributions unless worsening economic circumstances leave no choice. Significant budget cuts *at this stage* would make an already difficult turn round and restructuring exercise impossible (Section 11.1).
- 45. We **recommend** that Member States contributions to the Secretariat be maintained at current levels until 2015. This entails a small increase in cash terms that, depending on inflation, may turn out as a small decrease in real terms. Such a standstill budget will enable a major reallocation in the Secretariat's budget, as a combination of savings and reductions allows crucial new activities to be undertaken. These are the activities that can turn round CARICOM's fortunes (Section 11.2).
- 46. We **recommend** pro-forma budgets for core staff from our assessments and specify how these should be allocated. In essence, the staffing budget for the Secretary General's Office should double as it takes on new strategic, planning and review functions. By contrast, operational staffing should be cut by about one third. This will be enabled largely through investment in a new generation of IT, partly by greater efficiency and specialisation and partly through the reduced need for some services. The new functions of the Implementation Office, concerning implementation support and project management, should develop rapidly to take up over one-third of an overall budget that will only grow modestly. The savings will be found from existing Directorates, partly through transferring roles and ceasing certain tasks and

partly through a more specialised focus and efficiency savings (Sections 11.3).

47. These broad pro-forma budget estimates confirm that fundamental change can be brought about within the current core staff budget, though there will be some capital costs. Full annual budgets can be derived from the core staff budgets and these can be developed by the Change Office (Section 11.3 and 11.4).
48. Delays and arrears in Member State funding have seriously undermined the Secretariat in recent years and current funding methods are a major risk, with the continual uncertainty having seriously weakened the Secretariat's ability to meet its objectives (Section 11.5). **We recommend** that mechanisms be investigated to provide the Secretariat with better security of funding (Section 11.6).
49. The Secretariat should seek to put in place contingent financing in the event of a further economic crisis from the less indebted Member States. It would also be helpful to obtain the capital costs for restructuring from these sources. This would get restructuring underway quickly and send a strong signal to the international community about CARICOM's intent (Section 11.7).

Appendix 2: Action Plan

1. This is a preliminary and outline Action Plan.
2. We suggest that it is coordinated by the Executive Management Committee (EMC) who should assign responsibilities for taking action to specific officials, as appropriate.
3. It will need to be revised and detailed once a CARICOM Strategy has been agreed. The Strategy should be agreed at the regular Heads of Government Conference in St Lucia in July 2012 and should include the elements of this Final Report that had earlier been signed off and agreed.
4. The Action Plan will need to be further detailed and revised during the full Change Office's inception period in late 2012/early 2013.

Action	Month
1. Agree Final Report with Project Management Committee	0
2. Agree Final Report with Member States (MS)	1
3. Set up project on CARICOM Strategy – TOR & Finance	1
4. MS agreement to Change Office & commence arrangements	During 1/2
5. Approach MS re: both contingent and Change Office financing	During 1/2
6. Recruit experts to prepare CARICOM Strategy	2
7. Commence review and update of IT needs & identify financing	During 2/4
8. Commence hiring urgently required key staff	During 2/4
9. Initial steps to strengthen Secretary General's Office	1 to 3
10. Present Final Report to 1st Heads of Government (HOG) 2012	March 2012
11. Outline Strategy to 1st Heads of Government 2012	March 2012
12. Agree TOR and financing (interim and full) for Change Office	3 to 6
13. Agree financing IT requirements	3 to 6
14. Development of CARICOM Strategy	3 to 6
15. Set up skeleton/interim Change Office (CO)	During 4/6
16. Main programme of strengthening Secretary General's Office	4/6 to 24
17. Initial budget review	5/6 to 9
18. Initial steps to strengthen CARICOM construct	5/6 to 15
19. Initial steps to set up Implementation Office	5/6 to 9
20. Present full Strategy to 2nd Heads of Government 2012	July 2012
21. Interim Action Plan on basis of agreed Strategy	During 7/8
22. Commence implementation of agreed Strategy	During 7/8
23. Commence efforts to bring about early strategic "wins"	During 7/8
24. Tender for IT equipment and installation	7 to 9
25. Tender/recruitment for full Change Office	7 to 9
26. Initial efforts to set up Operations Directorate	9 to 15
27. Commencement of full Change Office	During 10/12
28. Inception/review/action plan period of full Change Office	10/12 to 15
29. Main innovations in Implementation Office	10/12 to 24

30. IT upgrading programme	10/12 to 24
31. Staff review, evaluation and plan, including roles etc	10/12 to 18
32. Main recruitment programme and implementation staff plan	13 to 30
33. Present and agree Change Office programme at 1st HOG 2013	March 2013
34. Main efforts to strengthen CARICOM construct	16 to 36
35. Main change programme in Operations Directorate	16 to 36
36. Main budget review	17 to 21
37. International Conference to celebrate CARICOM's 40 th anniversary	2 nd half 2013
38. Review, develop & negotiate financing arrangements	22 to 30
39. Review and adjust new organisational & structural arrangements	24 to 36
40. Refine information management systems	24 to 36
41. Refine/redevelop monitoring & evaluation and progress chasing	24 to 36
42. Review, audit and adjustment of Strategy for 2nd HOG 2014	July 2014

Appendix 3: Approaches to Regional Governance

Approaches to Regional Governance in the Caribbean Community

By Duke E.E.Pollard

1. INTRODUCTION

- 1.1 The prevailing structure of governance in the Caribbean Community¹⁵⁹, in the present submission, appears to be a function of historical circumstance, constitutional legitimacy, political indecision and a juridically misconceived concept of sovereignty, which is largely irrelevant in the current political context. The collapse of the West Indian Federation in 1962 undoubtedly harboured deleterious consequences for regional governance in the determination of the distraught political entities emerging from that politically defining catastrophe. But, predictably, the most persistent negative fall out from this unfortunate development was probably psychological, indelibly implanting in the psyche of the ordinary man and critical decision-makers alike, a visceral antipathy for regionally determined systems of governance, and a correspondingly reactive affinity for economic nationalism as the preferred option for structured economic development. This psychological disposition may be attributed to what has been pertinently described as the false dichotomy between sovereignty and supranationality¹⁶⁰ which, overtly or by ineluctable inference, has dogged the political debates on regional governance and, for a considerable period, provided a persistent and intractable impediment to functional institutional coherence and regional economic integration. In the present submission this false dichotomy could more appropriately be characterised as a juridically misconceived concept of

¹⁵⁹ See the extremely informative paper prepared by the CARICOM Secretariat entitled *The Governance System in CARICOM* dated 16 February 2010.

¹⁶⁰ See P.I. Gomes, *CARICOM Integration: The Need for Institutional Transformation*, in K. Hall & M. Chuck-A-Sang, *CARICOM Policy Options for International Engagement*, Ian Randle Publishers, Kingston, 2010, p. 47.

sovereignty, to the extent that, *stricto juris*, sovereignty is a function of relevant developments in international law.¹⁶¹

1.2 For approximately three decades following the collapse of the Federation, there was no serious in-depth discourse by critical decision-makers on regional governance, nor was there any credible attempt to put in place generally acceptable institutional arrangements for meaningful and effective regional governance. The CARIFTA experiment (1967) was not comprehensive nor viable enough to constitute a sustainable attempt at regional governance, and the original Treaty of Chaguaramas (1973) was so circumscribed by institutional imperatives expressive of political concessions to national sovereignty, in itself a juridical construct little understood and inadequately appreciated, that positive, innovative initiatives in the area of regional governance were unwittingly compromised.¹⁶² Where juridically misconceived sovereignty reigned supreme, legally enforceable regional decisions were allowed to be ignored with impunity as sanctions were regarded as both inappropriate and disgustingly intrusive, and obligations as dispensable juridical irritants, so much so that the West Indian Commission (WIC) in its seminal report, 'Time for Action', was constrained to conclude that implementation was the *Achilles heel* of the regional economic integration movement. But, in the present submission, if implementation was deemed to be the *Achilles heel* of the regional economic integration movement, dualism, as a prophylactic constitutional legacy from the British Crown, was the juridical missile that found its mark. And herein is to be found, probably, the most determinative contribution of the implementation deficit operating to plague the regional integration enterprise.

1.3. The negative impact of dualism as a constitutional doctrine on the enhancement of regional governance may be readily inferred from the following dictum of Lord Hoffman in *John Junior Higgs v Minister of National Security and Others*:

“In the law of England and The Bahamas (whose Constitution is representative of those in the Caribbean Community), the right to enter into treaties is one of the surviving prerogative powers of the Crown ... the Crown may impose obligations in international law upon the State without any participation on the

¹⁶¹ See D.E.E.Pollard, *The Caribbean Court of Justice: Closing the Circle of Independence*, The Caribbean Law Publishing Co Ltd, Kingston, 2004, p.171.

¹⁶² See D.E.E.Pollard, *The CARICOM System: Legal Instruments*, The Caribbean Law Publishing Co Ltd, 2003, pp.185-223.

part of the democratically elected organs of Government. *But the corollary of this unrestricted treaty-making power is that treaties form no part of the domestic law unless enacted by the legislature ... The rule that treaties cannot alter the law of the land is but one facet of the more general principle that the Crown cannot change the law by the exercise of its powers under the prerogative.* This was the great principle which was settled by the Civil War and the Glorious Revolution in the seventeenth century.”¹⁶³

- 1.4. And, to make assurance doubly sure, Article 240(1) of the Revised Treaty of Chaguaramas (RTC) pointedly provides as follows:

“Decisions of competent Organs taken under this Treaty shall be subject to the relevant constitutional procedures of the Member States before creating legally binding rights and obligations for nationals of such States.”

This provision is, incontrovertibly, a clear statement of the dualist principle. Indeed, this provision encapsulates the common law principle consistently applied by the judges of Commonwealth States.¹⁶⁴ Dualism as applied in the Commonwealth Caribbean context has had both positive and negative attributes. Postulated in other terms, if dualism as a prophylactic constitutional principle has operated positively to safeguard the rights of the ordinary citizen from the political excesses of executive indiscretion, the negative fall-out has been a culture of unimplemented decisions, which has impeded the structured development of the regional economic integration movement.¹⁶⁵ However, this so-called implementation deficit is not peculiar to dualist states since the monist states of the European Union also suffer from an implementation deficit of directives of the European Commission. In one submission:

“... unimplemented directives remain a serious threat to the development of common European policies and thus to the strengthening of the integration process. A key problem seems to be that despite its massive monitoring body, the Commission,

¹⁶³ [2002] 2 A.C. 228.

¹⁶⁴ See in Britain, *The Parlement Belge* (1877) 4PD 129, *J.H. Rayner (Mincing Lane) Ltd. v Department of Trade and Industry* (1990) 2 AC; in Trinidad and Tobago, *Ismay Holder v Council of Legal Education*, HCA No. 732 of 1997; in the Bahamas, *Higgs v Minister of National Security* (2002) 2 AC 228; in Canada, *AG of Canada v AG of Ontario* (1977) AC 326; *Ahani v AG of Canada* [2002] 1 S.C.R. 72.

¹⁶⁵ See D.E.E. Pollard, *Unincorporated Treaties and Small States*, Commonwealth Law Bulletin, Vol. 33 No. 3 September 2007, pp. 389-421.

the EU lacks an effective control system and appropriate enforcement strategies to control member states. The fact that almost all member states have some areas in which their legal implementation rates fall far below the average raises the question of what happens during the final implementation process, i.e., the actual administrative application of EU laws. This could, in a worst case scenario, lead to a situation in which the EU produces political decisions with no real impact on every day life in the member states.”¹⁶⁶

- 1.5. Constrained by the original Treaty of Chaguaramas (1973) which, for all practical purposes, was a little more than an optical illusion in terms of positive enforceable rights and legally binding obligations, the West Indian Commission (WIC) in 1992 was persuaded to recommend the revision of this Instrument if the regional economic integration movement was to advance in the approaching millennium. The West Indian Commission also recommended new structures of regional governance including a Charter of Civil Society, an Assembly of Commonwealth Caribbean Parliamentarians, a CARICOM Commission and a Caribbean Supreme Court with an appellate jurisdiction in substitution for the Judicial Committee of the Privy Council (JCPC) and an original jurisdiction to interpret and apply the Revised Treaty of Chaguaramas.
- 1.6. Competent decision-makers did endorse, in part, the recommendations of the WIC on the revision of the original Treaty of Chaguaramas, the adoption of the Charter of Civil Society and the establishment of a Caribbean Supreme Court of last resort, whose designation was changed to the Caribbean Court of Justice. However, the flagship recommendation of the WIC for the establishment of a CARICOM Commission did not commend itself to all the Heads of Government and, allegedly, senior officials of the CARICOM Secretariat were not enamoured about the prospect of a CARICOM Commission to displace them in the deliberations of critical decision-makers. In its place, the Heads of Government with the unqualified support of the CARICOM Secretariat settled for a Bureau of Conference to facilitate implementation of decisions of the Community and to initiate proposals. Conference was also persuaded to establish a quasi-Cabinet and to allocate regional responsibilities among themselves. Predictably, there were no institutional arrangements to underpin this initiative and the jury is still out regarding a definitive determination about its failure or

¹⁶⁶ R. Lampinen and P. Uusikyla, *Implementation Deficit- Why member States do not Comply with EU Directives*, Scandinavian Political Studies, Vol. 21. No3, 1998 pp. 231- 249.

success. And, in the absence of viable institutional arrangements in this behalf, the so-called implementation deficit continued to be a problem.

- 1.7. The decision of the Heads of Government at Grand Anse (1989) to establish the CARICOM Single Market and Economy (CSME) was designed to deepen the regional economic integration effort in terms of a measured institutional response to globalization and other tectonic political changes in the international community. The basic elements of the CSME were to be the free movement of goods and services; the free movement of capital and skilled labour; the right of establishment; a common external tariff; a common trade policy; and a competition policy. These were to be complemented by a common currency, convergent economic, monetary and fiscal policies, the harmonisation of relevant laws as well as a credible disputes settlement regime.
- 1.8. The main components of the Caribbean Community were a Conference of Heads of Government as the principal policy-making Organ, assisted by several Councils. The Community Council, which as the second highest Organ of the Community, was charged with responsibility, subject to the directions of Conference, “for the development of Community strategic planning and coordination in the areas of economic integration, functional cooperation and external relations.” The Community Council also had “responsibility for promoting and monitoring the implementation of Community decisions in the Member States.”¹⁶⁷ Probably the Organ with the most burdensome responsibilities is the Council for Trade and Economic Development (COTED), which brought together as occasion demanded Ministers responsible for Agriculture, Industry and Tourism, Trade and Transportation. The Council for Human and Social Development (COHSOD) is largely responsible for support measures in the areas of the free movement of persons, establishment of accreditation arrangements, access to social security benefits, harmonisation of labour laws and the development of human resources. The Council for Finance and Planning has responsibility for macro-economic convergence in the Community, coordinating the movement of capital and the provision of financial services, coordination of fiscal policies, interest and exchange rate policies and the establishment of a common currency. The Council for Foreign and Community Relations (COFCOR) is responsible for relations between the Community and international organizations and third states. Recently, the Council for National Security and Law Enforcement

¹⁶⁷ See Article 13 (3) of the Revised Treaty.

(CONSLE) was added to the body of Organs. In addition, there are three bodies whose functions may easily be discerned from their nomenclature – the Legal Affairs Committee, the Committee of Central Bank Governors and the Budget Committee.

- 1.9.** Other important bodies of regional governance are the Caribbean Court of Justice (CCJ), the CARICOM Regional Development Fund, the Caribbean Community Accreditation Agency, the Competition Commission and the CARICOM Regional Organisation for Standards and Quality (CROSQ). The Community is assisted in its work by several Institutions¹⁶⁸ and Associate Institutions, which are not integral to regional governance but discharge responsibilities similar to those performed by the Specialised Agencies of the United Nations.¹⁶⁹
- 1.10.** The method of reaching decisions by the Organs of the Community would tend to support the characterisation of the regional body as an association of sovereign states.¹⁷⁰ The Conference takes decisions on substantive issues by qualified unanimity inasmuch as decisions though required to be taken by an affirmative vote of all the members, abstentions in an amount of one-quarter of the membership of Conference do not operate to impair the validity of decisions.¹⁷¹ The Councils take decisions by an affirmative vote of three-quarters of their membership.¹⁷² Where, however, a vote is being taken in a Council on an issue considered of critical importance to the well-being of a Member State, such a State may request the decision to be reached by unanimity provided that two-thirds of the membership agrees.¹⁷³ In the practice of the Community, however, voting in organs is by consensus.
- 1.11.** Article 26 of the constituent instrument of CARICOM provides for a system of consultations designed to ensure that determinations of Organs and Bodies of the Community were adequately and appropriately informed by inputs from competent authorities in order to facilitate the implementation process, which the WIC considered to be the *Achilles heel* of the integration process. Starved as the States of CARICOM are of financial resources, however, it is extremely doubtful whether consultations undertaken in this context are as comprehensive and wide-ranging as those conducted by the European Commission prior to making important determinations such as regulations or

¹⁶⁸ Some of these institutions have been identified in Articles 21 and 22 of the Revised Treaty.

¹⁶⁹ See the judgment of the CCJ in *Doreen Johnson v CARICAD* [2009] CCJ 3 OJ.

¹⁷⁰ See D.E.E. Pollard, *The Caribbean Court of Justice; Closing the Circle of Independence*, The Caribbean Law Publishing co. Ltd, Kingston, 2004, pp 90-91.

¹⁷¹ See Article 28 (1) (2) of the RTC.

¹⁷² See Article 29 (1) (2) of the RTC.

¹⁷³ See Article 29 (3) (4) of the RTC.

directives. Further, in the absence of a determination similar to that of the European Court of Justice (ECJ) that certain determinations of European Community Organs have direct effect on the satisfaction of specified conditions ¹⁷⁴, the Organs of CARICOM also have to overcome the constitutional constraints identified in the provisions of Article 240(1) of the RTC mentioned at paragraph 1.4 above.

1.12. With the exception of the recommendation of the Conference's Sub-Committee on Governance to establish a Permanent Committee of Ambassadors whose principal focus would be the enhancement of the integration process through "the facilitation of effective consultations prior to proposals for decisions being put on the table; the implementation of decisions; and the oversight of the functioning of the Secretariats", all the principal proposals on regional governance appeared to focus on according a supranational or near supranational competence to regional organs. This is true of the CARICOM Commission proposed by the West Indian Commission, the Montego Bay Declaration (2003) on Mature Regionalism, the Report of the Prime Ministerial Expert Group on Governance (PMEGG) and the Report of the Working Group (TWG). And the so-called implementation deficit has been generally perceived to issue from failure to accord regional organs this supranational competence.

1.13. However, a careful examination of relevant developments does appear to confirm that the Community Council, the second highest decision-making organ of the Community, *stricto juris*, possesses the competence to make regional decisions implementable in national jurisdictions of CARICOM. Thus, Article 13 of the Revised Treaty accords the Community Council, the right *inter alia* to:

- mobilise and allocate resources for the implementation of Community plans and programmes;
- establish a system of regional and national consultations to enhance the decision-making and implementation processes of the Community;
- promote, enhance, monitor and evaluate regional and national implementation processes and, to this end, establish a regional technical assistance service;
- on the instructions of Conference, issue directives to Organs of the Community and the Secretariat to ensure timely implementation of the Community decisions, and

¹⁷⁴ See *Onderneming Van Gend en Loos v Nederlandse Administratie der Balastingen* [1963] ECR 1.

- to receive and consider allegations of breaches of obligations arising under the Treaty.

1.14. But apart from the establishment of the Technical Assistance Services Unit (TASU), which has apparently, so far given excellent service to Member States, especially the Least Developed Countries (LDCs), it is not known that the Community Council has employed its power to enhance the implementation process in Member States. For example, there is no good reason why Member States were not required to establish Regional Integration Implementation Units a decade ago. Nor is there any good reason why Assistant Secretaries General were not mandated to promote and monitor Community decisions in terms of implementation and to report to the Community Council. Similarly, there is no reason why the Community Council has not put in place the institutional arrangements for regional and national consultations with the assistance of the Secretary General and in collaboration with the competent authorities of Member States. The foregoing are all initiatives authorised by the Revised Treaty and for which a basis in the municipal law of Member States would be provided when the Revised Treaty is incorporated into local law. And all the Member States have enacted legislation to incorporate the Revised Treaty.

1.15. It is also tempting to attribute the implementation deficit to the lack of financial resources of the economically unviable political entities of CARICOM. But, here again, competent authorities were careful to provide in Article 27 (5) of the Revised Treaty as follows:

“Prior to taking decisions on any issue falling to be determined by Community Organs, the Secretariat shall bring to the attention of the meeting the financial implications of such decisions and any other matters which may be relevant”.

The substance of this provision is replicated in the relevant rules of many international organisations. The purpose of the provision is two-fold. Firstly, it is designed to remind competent-decision makers that power and responsibility are indispensable correlates, and that where one exercises power one must assume the correlative responsibility for its consequences. Secondly, it is intended to protect international bureaucrats from the charge of diffidence where unimplementable decisions are made. However, it appears that despite invocation of this provision by the Secretariat at opportune times, competent decision-makers, nevertheless, press ahead with their determinations and

mandate the Secretariat to mobilise resources for the effectuation of relevant determinations.

- 1.16.** Before terminating discussions on the implementation of decisions of competent CARICOM organs, it is important to draw a distinction between implementation and transposition of regional determinations into national legislation. Although the transposition of regional determinations into national legislation is a relatively easy task for jurisdictions possessing relevant capabilities, it is important to bear in mind that most CARICOM jurisdictions are economically effete and lacking the capabilities to transpose regional decisions in a timely manner. And herein more often than not is to be found the genesis of the so-called implementation deficit. But even after transposition of regional decisions competent official have the unenviable task of persuading administrations and competent officials of securing compliance with the legislation and the success or failure of this endeavour normally depends on the attitude and influence of stakeholders liable to benefit or be adversely affected by the legislation as well as political perceptions of its public acceptability. Social attitudes and reactions to policy encapsulated in one or another legislative enactment are important determinants of successful implementation and constitute an intractable and variable input into the implementation deficit syndrome.

And herein lies the gravamen of the issue concerning the implementation deficit in CARICOM and the proposals of Conference to reach a credible, acceptable solution on the problem of regional governance.

- 1.17.** Inherent in the recommendation of the West Indian Commission for the establishment of a CARICOM Commission is what one commentator has been tempted to describe as the false dichotomy between sovereignty and supranationality¹⁷⁵ and which was juridically buttressed by the constitutional doctrine of dualism. The CARICOM Commission as an executive institution of the Community was intended to be the driving force behind the implementation of regional decisions. The Commission would be authorized to prepare and issue “instruments of implementation” which were, in fact, draft legislation to be issued by Ministers responsible for CARICOM Affairs in the form of regulations made pursuant to umbrella CARICOM Community Acts to be enacted by the legislatures of CARICOM States. In this way, the Commission would, in effect, be determining national legislation but, in form, such legislation would be issued by the CARICOM Ministers

¹⁷⁵ Op. cit. at. f.n.2.

thereby circumventing the intractable issues of dualism and supranationality while formally complying with the requirements of the doctrine of sovereignty as understood by political scientists.

- 1.18.** The employment of this procedure accords considerable credence to the perception that sovereignty as an international law doctrine, *stricto juris*, was not understood. In this context, it will be apposite to recall that as an international law doctrine, sovereignty exemplifies that corpus of rights, powers and privileges which international law allows a State to exercise in relation to a determinable area of the globe subject to compliance with such obligations which are correlative thereto.¹⁷⁶ In the submission of Ian Brownlie, sovereignty denotes the legal competence, which a state enjoys in respect of its territory.¹⁷⁷ In effect, sovereignty is a determinable, dynamic magnitude amenable to modification with relevant developments in international law. Consistently with this view, the World Court has determined that the acceptance by a State of restrictions on the exercise of its sovereignty in a treaty is in itself an affirmation of sovereignty.¹⁷⁸ Postulated in other terms, the essence of sovereignty, in one submission, is the faculty to compromise it,¹⁷⁹ even though limitations on sovereignty are not lightly to be presumed.¹⁸⁰ Viewed from this perspective, the voluntary surrender by a Member State in a treaty of legislative powers in one or another area of national activity to the central Organs of CARICOM is in itself an affirmation of sovereignty and not a diminution of sovereignty. So much for the false dichotomy between sovereignty and supranationality which has so far effectively operated to frustrate the establishment of viable institutional arrangements for regional governance.

2. CARRYING THE PROCESS FORWARD

- 2.1.** Immediately following the consultations with civil society on Options for Governance to Deepen the Integration Process in Port-of-Spain, Trinidad and Tobago, held on 13 February 2003, the Heads of Government convened their Fourteenth Inter-Sessional Meeting where the Prime Ministerial Expert Group (PMEGG) under the distinguished chairmanship of Sir Shridath Ramphal was established. Based on the

¹⁷⁶ See D.E.E. Pollard, *The Caribbean Court of Justice: Closing the Circle of Independence*, Ian Randle Law Publishing Co., Jamaica, 2004, p. 171; also, I.A. Shearer, *Starke's International Law*, 11th ed. Butterworths, London, 1994, p. 91.

¹⁷⁷ Principles of Public International Law, 7th Ed. OUP, 2008 p.119.

¹⁷⁸ See f.n. 26 infra.

¹⁷⁹ See D.E.E. Pollard, op. cit. p. 173.

¹⁸⁰ See *The Lotus Case* PCIJ Reps Series A No.10.

initial Report of the PMEGG, the Heads of Government at their Twenty-Fourth Meeting in Montego Bay, Jamaica, reached the following conclusions in principle in the context of Options for Governance of the Community:

- reaffirmation of the status of CARICOM as a community of sovereign States;
- development of a system of mature regionalism;
- establishment of a CARICOM Commission or other executive mechanism to facilitate deepening of regional integration;
- adoption of the principle of automatic resource transfers for the financing of Community Institutions;
- reform of the CARICOM Secretariat;
- recognition of the principle of variable geometry;
- development of processes for strengthening the Assembly of Caribbean Community Parliamentarians.¹⁸¹

2.2. In its Report entitled ‘Regional Integration: Carrying the Process Forward’ (whose Sub-title is ‘Report on the Establishment of a CARICOM Commission/Other Executive Mechanism’), the PMEGG elaborated on the doctrine of mature regionalism which was expressed to be **“the most fundamental decision of the Montego Bay Summit.”** This doctrine essentially advocated the “development of a system ... in which critical policy decisions of the Community taken by the Heads of Government, or by other Organs of the Community, will have the force of law throughout the Region, as a result of the operation of domestic legislation and the Treaty of Chaguaramas, appropriately revised, for example, Article 240(1), and the authority of the Caribbean Court of Justice in its original jurisdiction – taking into account the constitutional provisions of Member States.” This doctrine of mature regionalism was based on the initial report of the PMEGG, which perceived a need for a regime of Community law issuing from competent Organs of the Community but deriving their validity in municipal systems from the national laws of Member States.

2.3. This system of Community law as enunciated appeared to be a significantly modified version of that advocated by the West Indian Commission in its celebrated Report, ‘Time for Action’. Under this system, the Commission would be competent to prepare so-called draft “instruments of implementation” to be approved by the Heads of Government or other competent regional body. These instruments

¹⁸¹ See Annex 2 of the Summary of Recommendations and Conclusions of the Twenty-Fourth Meeting of the Conference of Heads of Government, Montego Bay, Jamaica, 2-5 July 2003.

“would be declaratory of rights and duties arising under the Decision” whose statutory effect would be derived from national CARICOM Acts to be enacted by Member States pursuant to relevant provisions of the Revised Treaty of Chaguaramas appropriately amended. Compare in this context the provisions of Section 2(1) of the European Communities Act (1972) enacted by Britain in order to confer legal validity on various determinations of executive law-making organs in the European Community.¹⁸²

2.4. The Report continued: “As regards enforceability, the West Indian Commission envisaged that the CARICOM Supreme Court (now the Caribbean Court of Justice exercising its original jurisdiction) would have the competence to issue an Order of Implementation in appropriate cases involving the upholding of rights and duties under Community Law.”¹⁸³ In this context, the PMEGG was anxious to reaffirm that “Community law will rest not on a pillar of supranationality but on one of national sovereignty, albeit sovereignty exercised collectively.” And, here again, it would be apposite to be reminded of the false dichotomy regarding sovereignty and supranationality. From the very nature of sovereignty as an international law doctrine the conclusion of a treaty conferring legislative competence on one or another treaty body is not a compromise of national sovereignty but the reaffirmation of such sovereignty¹⁸⁴ bearing in mind, as stated above, that the essence of sovereignty is the faculty to compromise it.

2.5. In addressing the status and functions of the CARICOM Commission the PMEGG recalled the decision in principle of the Heads of Government reached at their Twenty-Fourth Meeting in Montego Bay, Jamaica, to the effect that:

“(a) the Commission’s function will be to exercise full-time executive responsibility for implementation of Community

¹⁸² The provisions of section 2 (1) of the European Communities Act (1972) read as follows: “All such rights, powers, liabilities, obligations and restrictions from time to time created or arising by or under the Treaties, and all such remedies and procedures from time to time provided for or under the Treaties, as in accordance with the Treaties are without further enactment to be given legal effect or used in the United Kingdom shall be recognized and available in law and be enforced, allowed and followed accordingly and the expression ‘enforceable Community right’ and similar expressions shall be read as referring to one to which this subsection applies.”

¹⁸³ See in this context the Order of the Caribbean Court of Justice in *TCL v The Co-operative Republic of Guyana* [2009] CCJ 6 (OJ).

¹⁸⁴ See the *Wimbledon Case* – where the World Court stated: “No doubt any Convention creating an obligation of this kind places a restriction on the exercise of the sovereign rights of the State in the sense that it requires them to be exercised in a certain way. But the right of entering into international engagements is an attribute of State sovereignty.”, *PCIJ, Reps. Series A Vol. 1*.

decisions in specified areas, as well as to initiate proposals for Community action in any such areas;

- (b) the functions of the Commission/Executive Mechanism will relate to the CARICOM Single Market and Economy and such other areas of the integration process as the Conference of Heads of Government may from time to time determine;
- (c) in the exercise of its responsibilities, the Commission/Executive Mechanism will be accountable to the Conference of Heads of Government and will be responsive to the authority of the other Organs of the Community within their areas of competence.”¹⁸⁵

2.6. In its Report, the PMEGG emphasized that the time had come for the executive responsibilities for core aspects of regional integration to be exercised by the CARICOM Commission in order to carry the process forward. It recognized the agreement in principle reached by the Heads of Government in Montego Bay, Jamaica, 2-5 July 2003, to establish such a Commission or similar Executive Mechanism. It recommended that the Bureau and portfolio arrangements established by the Conference should continue alongside the CARICOM Commission, despite some areas of overlap in their functions. The Commission was to comprise a President and five Commissioners including the Secretary-General. The PMEGG recommended that the Commission should be accountable to the Heads of Government and responsive to the authority of other Organs of the Community within their areas of competence. Predictably, however, political indecision again stepped in to rue the day!

3. THE WORKING GROUP’S REPORT

3.1. Given the importance of the recommendations set out in the PMEGG Report and based on their consideration thereof at their Sixteenth Inter-Sessional Meeting in the Republic of Suriname from 16 to 17 February 2005, the Heads of Government at their Seventeenth Inter-Sessional Meeting held in Port-of-Spain, Trinidad and Tobago, from 9 to 10 February 2006 appointed a Technical Working Group (TWG) and tasked it with examining the PMEGG Report with a view to suggesting

¹⁸⁵ See *Regional Integration: Carrying the Process Forward*, CARICOM Secretariat, Georgetown, pp. 12-13.

the most feasible options for implementing the recommendations therein. At the time of this writing, the options suggested for implementation remain to be determined and executed.

- 3.2.** On careful analysis of the Report of the TWG, it does not appear that the legal implications of some of the PMEGG's recommendations were fully appreciated. As concerns the perceived status of CARICOM as "a Community of Sovereign States", it is submitted that this characterization of CARICOM is at best juridically misconceived and at worst exhibits attributes of a juridical oxymoron. The term 'community' in international law must be construed to signify considerably more than an intergovernmental arrangement among a group of States in which certain attributes of sovereignty have been surrendered to the central organs of the collectivity. The European Union appears to be an excellent case in point.
- 3.3.** Consider in this context the reasoning behind the decision of the European Court of Justice in *Costa v ENEL*: "By contrast with ordinary international treaties, the EEC has created its own legal system which became an integral part of the legal systems of the Member States and which their courts are bound to apply. By creating a Community of unlimited duration, having its own institutions, its own personality, its own legal capacity and capacity of representation on the international plane and, more particularly, real powers stemming from a limitation of sovereignty or a transfer of powers from the States to the Community, the Member States have limited their sovereign rights ... and have thus created a body of law which binds both nationals and themselves ... It follows from all these observations that the law stemming from the Treaty, an independent source of law, could not, because of its special and original nature, be overridden by domestic legal provisions, however framed, without being deprived of the character of Community law and without the legal basis of the Community being called into question ..."¹⁸⁶
- 3.4.** In the present submission, it appears more semantically appropriate to designate CARICOM as an "Association of Sovereign States."¹⁸⁷ Further, in discussing the principle of subsidiarity, the TWG did not indicate how the application of this principle in attenuation of the imperatives of sovereignty, *stricto sensu*, would impact positively on the implementation deficit which plagues the regional integration movement and is, perhaps, the most intractable mischief sought to be

¹⁸⁶ No. 6/64, 1964 CMLR 425.

¹⁸⁷ See D.E.E. Pollard, *op. cit.* at footnote 6, pp. 215-216.

suppressed in the current search for a generally acceptable vehicle of regional governance.

- 3.5.** However, the most troubling recommendation of the TWG Report appears in paragraph 15.3 which advocates “the passing of a ‘single’ CARICOM Act by the Parliament of Member States” which will permit the reception of Community law. In the present submission, if what is contemplated here is a legislative measure similar to the European Communities Act (1972) enacted by Britain in order to give all determinations of Community Organs, current and future, the force of law in the entire European region, this proposal appears to be misconceived. CARICOM States, unlike Britain, have written Constitutions expressed therein to be the supreme law and which have allocated the legislative power to Parliament.¹⁸⁸ Consider in this context the judgment of Lord Diplock in the famous case of *Moses Hinds v The Queen*.¹⁸⁹ And it is inconceivable that Parliament is empowered to delegate that competence to an external entity like CARICOM without an appropriate amendment of the Constitution. The position is entirely different in Britain, which at the material time was governed by the doctrine of Parliamentary supremacy¹⁹⁰, as distinct from the doctrine of constitutional supremacy, which obtains in the Commonwealth Caribbean. What appears to be juridically feasible was the procedure envisaged by the WIC in its celebrated report where the CARICOM States would each enact an umbrella CARICOM Act and appoint a Minister of CARICOM Affairs who would re-enact, as occasion requires, in the guise of regulations, the “instruments of implementation” issuing from the CARICOM Commission. Furthermore, in paragraph 15.3.2, the TWG proposed an expansion of the process of regional decision-making but omits identifying the institutional arrangements for this system of “continuous collaboration between the Cabinets of Member States, the ministerial Organs of the Community and the Commission. A similar observation may be made about the recommendation at paragraph 15.4.3 where it is recommended that the Commission “maintain formal relationships with national Cabinets, relevant Ministries, Community Organs, Heads of Government (including the Conference, the Prime Ministerial Bureau,

¹⁸⁸ See for example Article 8 of the Constitution of the Co-operative Republic of Guyana; Article 2 of the Constitution of Antigua & Barbuda; Article 117 of the Constitution of the Commonwealth of Dominica; Article 106 of the constitution of Grenada; Article 2 of the Constitution of the Federation of St Kitts & Nevis; Article 120 of the Constitution of Saint Lucia and Article 101 of the Constitution of St Vincent & The Grenadines.

¹⁸⁹ (1977) AC 195.

¹⁹⁰ Since Britain's entry to the European Union, doubts have been expressed about the continued relevance of the doctrine of Parliamentary Supremacy.

the Quasi-Cabinet) and the Assembly of Caribbean Community Parliamentarians.

- 3.6.** Equally problematic would be the operationalisation of the recommendation that the “Commission should be provided with sufficient legislative and institutional authority to ensure enforcement of regional decisions through provisions in the Revised Treaty, the delegated authority of the Heads of Government, and by virtue of Community law. The TWG has explained how this recommendation is to be implemented through the competence of the Commission as a Community body to initiate proceedings in the Caribbean Court of Justice pursuant to Article 211 (1) (b) of the R.T.C. But what the TWG omitted to explain is the manner in which the Commission is to be invested with legislative authority and what are the implications of this in terms of establishing adequate drafting capabilities to produce the plethora of legislation issuing from the Commission to be implemented in national jurisdictions! The TWG endorses the recommendation of the PMEGG on the financing of Community institutions of integration through automatic transfers of resources derived from customs duties and enlargement of the body and competence of the Caribbean Commonwealth Assembly of Parliamentarians. Finally, the TWG appears to have endorsed the PMEGG’s recommendations on variable geometry, a concept encapsulated in Article 27.4 of the Revised Treaty but apparently not understood by Member States.

4. THE ECONOMIC PARTNERSHIP AGREEMENT (EPA)

- 4.1.** The conclusion in 2001 of the Revised Treaty of Chaguaramas Establishing the Caribbean Community including the CARICOM Single Market and Economy (RTC) climaxed a decade of consultations and negotiations among the Member States of CARICOM. *Stricto sensu*, the RTC did no more than establish the legal parameters of the CARICOM Single Market and Economy (CSME). In effect, the establishment of the CSME as a full blown functioning international institution is more than an historical event; it is designed to be a process of which the conclusion of the RTC is merely the commencement. Competent decision-makers of the Caribbean Community are expected to put in place appropriate and effective institutional arrangements for regional governance to accelerate the establishment of the CSME, an accomplishment they have signally failed to achieve up to the time of this writing.

- 4.2.** Indeed, it should be a matter of grave regional concern that having announced the partial establishment of a regional common market in 2006, competent decision-makers have committed the sub-region, in collaboration with the Dominican Republic, to the EPA which harbours plausible prospects of out-performing and superseding the CSME, given its broader economic coverage and probably more effective monitoring, implementing, sanctioning and institutional arrangements.¹⁹¹
- 4.3.** Given its composition, structure and objectives, the EPA must be perceived as an important dimension of regional governance in view of its considerably wider coverage in terms of economic relations among a larger group of participants and the principles established for the guidance of competent decision-makers in the implementation of the EPA. It is not without considerable significance, not to mention an uncomfortable measure of regional concern that the coverage of the EPA comprehends issues, identified in the built-in agenda of the RTC (Article 239) for future determination, to wit, e-commerce; government procurement; and free circulation of goods. Of even greater significance is the legally binding time bound arrangements for the achievement of specified objectives, unlike the RTC, credible institutional arrangements for monitoring the implementation of the EPA and an apparently effective sanctioning process of prescription.
- 4.4.** The principal decision-making Organ is the Joint CARIFORUM-EC Council (JC). In respect of matters for which the CARIFORUM States agree to act collectively, the JC shall adopt decisions and recommendations by mutual agreement and in respect of matters which CARIFORUM States have not agreed to act collectively, determinations of the JC will be by unanimity. The JC is tasked with responsibility for supervising the implementation of the EPA and monitoring the fulfilment of its objectives. In addition, the JC must examine any major issue arising within the framework of the EPA and any bilateral, multilateral and international question of common interest affecting trade among the participants in the EPA. The JC is empowered to take decisions on all matters covered by the EPA in order to secure its objectives and such decisions shall be binding on all parties as defined in relevant provisions and the signatory CARIFORUM States, which are obliged to take measures for their implementation in accordance with relevant internal rules.

¹⁹¹ Consider in this context the provisions of Articles 227 (1) (2); 230 (2) (a) (i) and (iv); 230 (5) of the E.P.A.

- 4.5.** The JC is assisted in its functions by the CARIFORUM-EC Trade and Development Committee (TDC) composed of representatives of the parties at the level of senior officials. The functions of the TDC include the implementation and application of the EPA, evaluation of the provisions of the EPA, disputes avoidance and resolution, monitoring regional integration among the parties and assisting the JC in its development cooperation functions. The TDC will be assisted by the CARIFORUM-EC Parliamentary Committee, which may make recommendations to the former. The CARIFORUM-EC Consultative Committee shall assist the JC in promoting dialogue and cooperation among organizations of civil society on economic, social and environmental aspects of relations between EPA participants. Given the commitment of several CARICOM States to various other regional arrangements like the Association of Caribbean States (ACS), Petrocaribe, the Bolivarian Alternative (Alba) and the Union of South American States (UNASUR), regional governance in CARICOM has assumed great significance. The EPA provides, *inter alia*, for a World Trade Organisation (WTO) plus arrangement in respect of investment, competition, government procurement, intellectual property rights and environment and a so-called development component of an imprecise and elusive nature.
- 4.6.** In criticism of the EPA, it is alleged “that the governance arrangement is too binding, time bound and sanctions driven; that the scope is WTO plus rather than CSME consistent; that the approach is technocratic rather than needs strategic; that the development component is more lip service than genuinely accessing; that the competitiveness-derived potential is based on faith rather than conviction or reality; and that the regional integration impact is distorting rather than deepening.” In fact one authoritative regional commentator has gone so far as to say that “as a legally binding international instrument with elaborate implementation and enforcement provisions, it embodies a higher degree of supranational governance than corresponding arrangements in the Caribbean Community.”¹⁹²

5. THE PERMANENT COMMITTEE OF AMBASSADORS

- 5.1.** The Committee of Heads of Government of the Caribbean Community on Governance at its Thirty-First Meeting in Jamaica on 4 to 7 July 2010, agreed on the establishment of a “Permanent Committee of CARICOM Ambassadors which will serve to address the lacuna that

¹⁹² *Caribbean Trade and Investment Report 2010*, CARICOM Secretariat, Ian Randle Publishers, Kingston, 2010 at p. 27.

exists in the existing arrangements as this relates to the consultative processes at the national and regional levels (Articles 4(c) and 26, Revised Treaty of Chaguaramas) and facilitate the implementation of decisions of the Community. This Committee would have responsibility for the following –

- i. carrying out those mandates entrusted to it by Organs of the Community;
- ii. considering and taking follow-up action on the reports of the Organs, Bodies, Agencies, Institutions and Associate Institutions of the Community ...”

5.2. The Committee Members would reside in their respective capitals as a cost-reduction initiative and would ordinarily convene through video-conferencing. Being resident in their jurisdictions would facilitate driving the implementation of decisions reached at the regional plane. The Permanent Committee would also initiate proposals to give effect to the decisions of Heads of Government and oversee the functions of the Secretariat. Some of the functions currently performed by the Community Council would be entrusted to the Permanent Committee. It was determined that the functions of the Community Council should be refined to focus on sanctions in the form of moral suasion for non-compliance with agreed mandates, being restricted in this behalf to naming and shaming and periodic publication of relevant reports.

5.3. Assuming, however, that the implementation deficit perceived to exist in the Community was demonstrated more at the national than at the regional level, and relevant indications appear to support this assumption, then it would be reasonable to entertain an intensification of the interface of the PCCA with national institutions, in particular, the Regional Integration Implementation Units. In this connexion, an important function of the Unit's Head would be to interact with the Ministers of Legal Affairs, Attorneys-General and Chief Parliamentary Counsel to promote and expedite the enactment of model legislation issuing from the Legal Division of the CARICOM Secretariat for the implementation of regional decisions as envisaged below. Similarly, there would be need to interface with various line Ministers to ensure that regional decisions on sectoral programmes and issues are being implemented expeditiously. It is equally important that PCCA's members should interact frequently with the Heads of Government who are responsible for chairing meetings of national cabinets and approving the legislative agendas of national administrations.

Permanent Secretaries of national administrations must not be overlooked in this context. In effect, the relatively dismissive attention accorded to the functions of the PCCA at the national plane compared with the coverage accorded the interface of the PCCA with Community Organs appears to be misconceived. Since implementation at the national level appears to be the bane of regional governance, there appears to be a need for greater intensification of the interface of the PCCA with national administrations.

- 5.4.** At the regional level, the Chairman of the PCCA or members of its Bureau are required to interface regularly with the chairpersons of regional organs, to attend meetings of these organs, assist the Community Council in the discharge of some extremely important responsibilities, relieve the Budget Committee of its functions, monitor and supervise the functioning of the Secretariat. Given these responsibilities of the PCCA at the regional plane, it is surprising that provision is only made for a position of Director in the Office of the Deputy Secretary-General and for the strengthening of the management/executive function in that Office. In addition to consultations by electronic means, the PCCA is required by the relevant decision of Conference to maintain a regular presence at CARICOM headquarters. Given the acute lack of drafting capacity in all CARICOM countries, the scarcity of drafting skills regionally and extra-regionally, due in large measure to the absence of attractive conditions of service including upward mobility in the profession, and the critical importance of sound and expeditious enactment of legislation transposing regional decisions into national legislation, consideration should have been given to strengthening the drafting department of the Legal Division in the Secretariat. In this connection, consideration could be given to the appointment of a Director of Legislative Drafting and approximately five or six draftspersons to man the Department in order to prepare draft model legislation to implement regional decisions of Community Organs. The Legal Affairs Committee should also be elevated into a Council as requested over the years by regional Attorneys-General and credible arrangements made for its prioritizing of draft model legislation and regular interface of the Legal and Institutional Development Division of the Secretariat with Chief Parliamentary Counsel at the national level to drive the regional economic integration programme.
- 5.5.** Consideration might also be given to augmenting the responsibilities of the Deputy Secretary-General in the area of implementation given the reduction in responsibility of this Office relating to the development of

the Community's strategic planning and coordination set out in Article 13 of the Revised Treaty of Chaguaramas. In effect, assuming a significant positive impact of the PCCA on the operations of the Secretariat and the functioning of the Organs of the Community, it appears that implementation of the relevant decision of Conference should be effected *pari passu* with the restructuring of the Community's Secretariat. In this connexion, consideration may have to be given to the establishment of a separate Unit in the Secretariat to service the PCCA, the range and importance of whose functions are not to be undervalued. The establishment of such a Unit may require the discontinuance of some functions of the Secretariat not accorded a high regional priority in the interest of cost effectiveness. However, hard decisions in this area will have to await the outcome of the recommendation on the establishment of the PCCA, which does not appear to commend itself to several CARICOM Heads of Government.

Professor Justice Duke E.E. Pollard
University of Guyana
6th June, 2011.

Appendix 4: Restructuring CARICOM Communications

RESTRUCTURING CARICOM COMMUNICATIONS

Executive Summary

CARICOM communications present a mixed bag. The **publications** generally seem to be high quality – but the impact is questionable, because budget does not permit adequate dissemination. The **website**, by contrast, needs a lot of care and attention and is underused as a vehicle for broadcasting the voice of CARICOM/the Secretariat. CARICOM/the Secretariat should also make much **greater use of social media** (FaceBook, Twitter, YouTube etc.) – especially as a means of communicating with young Caribbeans.

CARICOM has an **identity** problem that demands rationalisation and a reinforced communications effort to raise CARICOM's profile. The **CARICOM brand** needs reinforcing, rather than changing.

Publications apart, CARICOM communication products should reflect much more the **colour and the vibrancy** of the West Indies: there is too much bureaucratic language and too many photos of “suits” shaking hands with other “suits”. Greater efforts should be made to show CARICOM – and Secretariat (SG in particular) – in a more human light. Emphasis should be placed on the fact that it is “***Your [the Caribbean citizens'] Community***” by using more demotic language, more relaxed and colourful photos, more input from ordinary people, etc. whenever possible.

The Secretariat must find a way of **involving member states** more in communication efforts.

The existing draft **Communication Strategy** is good and should serve as a strategy for both CARICOM as a whole and the Secretariat. A “lite” version should be produced for public consumption.

The point of departure has to be **more resources** – both human and financial. The budget today is half what it was 15 years ago. **For CARICOM to undertake its responsibilities in this field seriously there must be a significant increase.**

Recommendations

- The **budget must** be substantially increased.
- **Staffing** in the Secretariat must be kept at a minimum of six at all times and should be supplemented by other means (see below).

- CARICOM should not be **rebranded**, but efforts made to raise awareness of CARICOM and the work of the Secretariat, both with regional audiences and in the international community.
- Ideally, this too should be undertaken on the basis of opinion research to establish the most effective means of reaching out to target audiences.
- To assist this, as many CARICOM bodies as possible should be brought under the main **CARICOM website**, <http://www.caricom.org/>.
- The Secretariat should commission a thorough overhaul of <http://www.caricom.org/>.
- <http://www.caricom.org/> should become the main platform for CARICOM communications.
- The site should be re-gearred to connect better with the ordinary people of the Caribbean – fewer photos of suits, more citizen-friendly language etc.
- On the site, **the SG should be profiled as a representative of the Caribbean people** – fewer photos in his office with Ambassadors and HoGs, more of him in schools, factories, on farms, informally dressed and so on.
- <http://www.caricom.org/> should become an on-line library, with all CARICOM publications available both in “PDF-lite” and “PC-to-print” versions.
- CARICOM Secretariat must make much more use of the various “**social media**” – using <http://www.caricom.org/> as the platform for them.
- Ideally, a separate study should be carried out into rationalisation of **CARICOM publications**.
- Greater use should be made of <http://www.caricom.org/> as a means of disseminating CARICOM publications.
- The Secretariat should seek to **freshen up the language** of its communications and avoid the language of officialdom – except in those areas of activity targeted at officialdom itself.
- Similarly, it should make **greater use of images** that show the human side of CARICOM officials and show ordinary members of the CARICOM community..
- The Secretariat must make a concerted effort to **bring the member states on board** and make them stakeholders in the communication process.
- The Secretariat should seek the means to employ communications “satellites” to work within member state ministries.
- A **summary, “publicity”, version of “Sharing the Vision”** should be drafted for use with HoGs and for general public information purposes.

- **A scheme to fund visitors from** across the region to “Visit the Secretariat” should be considered.
- The Secretariat should consider institutionalising an **annual CARICOM Quiz for schools/young people**.
- The Secretariat should explore the possibility of commissioning a **top quality text book** or books for the statutory “Caribbean” module in schools across the region.
- CARICOM should **seek to work with Diaspora**.
- CARICOM information products currently supplied on CD-ROM could be given out (inerasable) on promotional USB sticks.
- Looking to the longer term, CARICOM should consider the possibility of launching a **pan-Caribbean TV channel**.
- CARICOM should consider **greater use of outsourcing**, commercially, to provide on-the-ground communications actors in member states.
- CARICOM should consider seeking **donor deployment of communications experts**, either on a Twinning basis or via a consultancy contract.
- CARICOM communications should **focus on two target groups in particular – business and youth**.

1. Methodology

The consultant, communications expert Patrick Brooks¹⁹³, was mobilised by Landell Mills in response to identification of communications by the project team, together with the CARICOM Secretariat, as a priority area in need of focus and upgrading.

The consultant carried out preparatory desk-research, reading the literature gathered together by the project team and studying the CARICOM Secretariat website, then spent the week 12-16 September in Guyana. During that time he had a substantive meeting with Leonard Robertson, with brief follow-up conversations in person and a longer debriefing by telephone; he participated in the in-depth team meeting with the Secretary General on 14 September, and; had a detailed telephone discussion with Ms Jacquie Joseph. (A planned meeting with Ms Joseph fell through, due to overrun of her previous engagement. A planned meeting/telephone conversation with Ms. Hilary Brown also fell through.)

¹⁹³ Patrick Brooks spent the first nine years of his life in Trinidad and Tobago. A British diplomat for nine years, he was a senior communications advisor to the European Commission and now runs the EU's communications programme in Kosovo. He has worked extensively in the Caribbean, most notably in T&T, Jamaica, the Windwards and Turks and Caicos.

2. Study Findings

The Communications Department of the Secretariat currently consists of the following staff:

- Head of Communications/Media Advisor to SG
- Senior Communications Assistant
- Distributions Officer
- Audio-Visual technician

The Dept. had a Senior Communications Officer until earlier this year, but that post has been left empty since his departure. Similarly, the webmaster left this summer and that post has been left vacant until the previous officer's full leave entitlement expires, on 6 November.

Operational budget in 2011 is EC\$225,000, which has to cover all communications activities and all CARICOM Secretariat publications. The current budget represents a significant decline from the mid-1990s, when the budget for information and publicity was EC\$450,000 (1995).

The absence of key staff means that the workload on the Head of Communications and colleagues is very heavy and their outputs are therefore significantly reduced and impaired.

As noted, the Advisor also has to double as SG's media advisor/Porte Parole figure.

3. Analysis

3.1 Resources

The budget of EC\$225,000, half what it was 15 years ago – perhaps a third in real terms – severely restricts the Secretariat's ability to communicate effectively on behalf of the Secretariat and CARICOM as a whole. When the fact that this budget also has to cover all publications produced by CARICOM is taken into account, it leaves practically nothing for pure communications activities.

On the HR front, with a full team of six it is conceivable that the unit could handle the work with which they are charged – although even then they should have access to outside support as needed, which budget limitations currently compromise. With just four, as at the time of this study, it is not. This shows, in many ways: the quality of the website is the most obvious example (although it has improved markedly between the study visit and time of writing).

The CARICOM Secretariat has responsibility for communicating with some 16 million CARICOM citizens, 200,000 in associate countries and nearly 200 million people in observer countries – let alone the great world outside,

including important cooperation partners such as the EU (c. 500 million) and US (300 million). So, the resources currently devoted to communications are not a serious response to the needs.

A point of illustration: with a CARICOM population of 16 million, the Media Advisor's rule of thumb is that to have an effective impact the Secretariat needs to print at least 500,000 copies of any general information publication (as opposed to specific topic publications aimed at e.g. farmers or fishermen). The maximum budget for most publications is EC\$10,000 – which will finance a print runs of at most 20,000 copies.

An additional point is that requiring the head of the Communications unit to double up as the SG's Media Advisor/Porte Parole not only adds to the pressure but is bad practice in general terms. The two disciplines – running a Communications programme and acting as Spokesperson/Media Advisor – are very different. One is a long-term, slow-burn process: the other requires (mainly) short-term responses to immediate challenges and opportunities. As Alistair Campbell, Tony Blair's Spokesman/Media Advisor once said (in a moment of uncharacteristic modesty) *"My job is all about yesterday, today and tomorrow, not about planning long term actions that bear fruit in years rather than days."* Asking someone to take on both responsibilities means that there is a risk that neither will be done to best effect. If you cannot afford both a cow and a horse then obviously you have to choose one or another: but you cannot expect to get both good milk and good transport. CARICOM should be able to stretch to both – and must if it wants to take its proper place on the world stage.

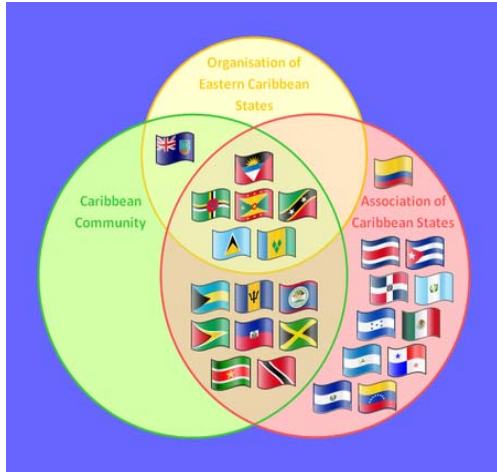
The consultant's opinion is that Mr Leonard Robertson, the current Advisor, is a skilled, dedicated and hard-working communications practitioner, with many years' experience, who has managed to keep the machine running remarkably well, in the circumstances. But he and his team need more support.

As a consequence, CARICOM communications have so far been of the "Fire Service" variety – that is, no-one has gone out looking for a fire but, rather, they have stayed in the fire station waiting for people to call in and let them know there is a problem – or in this instance, seeking information. In the 21st Century, that is no longer an option for a serious international organisation. CARICOM's constituents have access to a vast array of information sources, some of it providing misleading and mischievous stories about what is going on in the world. The Secretariat must therefore ensure that it is leading the field where information about CARICOM-related issues is concerned (for instance EU and EPA-related issues), not tagging along behind, letting others make their imprint on the news before CARICOM has its say.

As the SG himself remarked, *"CARICOM communications should not just be about producing brochures..."* Unfortunately, with the existing financial and HR constraints, it is hard to see how the Secretariat can do much more than that. The ability to act effectively in any area will always be determined by the level of human and funding resources available.

3.2 Identity

CARICOM's status and situation as a representative body are complex and confusing, given that the Caribbean now has several overlays of different groupings and bodies, as the Venn diagram at left (courtesy of Wikipedia) demonstrates. Missing from that diagram is of course another level of complexity and confusion: Car forum.



CARICOM must therefore set out its stall prominently, not hide in the shadows. CARICOM must raise its game in communications terms in order to persuade its own citizens of the merits of its actions, and indeed make its mark with its international partners.

The situation is further complicated by a multiplicity of Caribbean institutional websites (see under 4.4, below).

3.3 Rebranding

In these circumstances, the question arises, should the Secretariat seek to “rebrand” CARICOM as part of wider restructuring and refocusing of the Secretariat’s energies? The current visual identity is crisp and clear, if hardly very flamboyant or dynamic. (Without knowing the background, the consultant can see that the different colour blues of the two – interlocking – Cs can be understood to symbolise the light blue of the Caribbean and the dark blue of the Atlantic seas.)



There is little information readily available on which to base any in-depth discussion of the question and rebranding is not a move to be taken lightly, since it generally requires significant investment of resources and risks loss of visibility and audience awareness unless major efforts are invested in raising the profile of the new identity.

An example of careful rebranding whilst maintaining an established, well-loved identity was the World Wildlife Fund, which was renamed the Worldwide Fund for Nature in order to move with the times and the zeitgeist – but kept the old WWF name and panda logo so as not to lose any of its well-established prominence. Any decision on rebranding CARICOM and the Secretariat should therefore be based on serious consideration and preferably following opinion research amongst CARICOM target audiences.

On the other hand, a concerted effort could and should be made to raise awareness of CARICOM and the work of the Secretariat, both with regional audiences and in the international community. Ideally, this too should be

undertaken on the basis of opinion research to establish the most effective means of reaching out to target audiences. As part of that process, CARICOM should also consider harmonising or rationalising the CARICOM brand, in particular in where websites are concerned (see under 4.4 below).

3.4 Website

The consultant commented at some length on the current CARICOM website in an e-mail to the Media Advisor (see in Annex). The key points in that mail are that:

- Optimising the website depends on a number of factors, including the limits of human and financial resources available, but also technical constraints of operating within the Caribbean. These must be factored into any decisions on <http://www.caricom.org/>;
- Technically, the site is easy to navigate and user-friendly – perhaps even a little light – but dull and unlikely to draw in and hold many ordinary Caribbean web-browsers;
- There are too many photos of “suits”, lengthy and boring captions giving blow-by-blow accounts of visits etc., turgid “officialese”, too little friendly, demotic language;
- Static reach – no use of social media or other platforms to reach out further, in particular to young people;
- No real attempt at dialogue – “communication”; just a one-way street information provider;
- Arrival of the new SG should provide the trigger for a comprehensive overhaul of the site.

A broader and deeper finding, in the context of the overview of CARICOM communications as a whole, is that <http://www.caricom.org/> appears to be underused as a communications tool for outreach to audiences who are not currently following CARICOM development. It should become a major plank in the Secretariat’s communication strategy. It can be used as the basis for dissemination of on-line publications, videos and audio products, for dialogue as well as information provision – and is particularly good for connecting with young people, business, civil society and other key target audiences. So, more use should be made of the site.

In order to profile <http://www.caricom.org/> as the place to look for information about CARICOM, there should be some rationalisation – so far as possible – of the multiplicity of websites now representing Caribbean bodies.

- <http://www.caricomstats.org/> – no logical reason why this should be a stand-alone site;
- <http://www.csmeonline.org/> – ditto – and this does not even carry the CARICOM logo;
- <http://www.cdema.org/> – ditto – this does not carry the logo;

- <http://www.cimh.edu.bb/?pageID=SRg34X&content=home> – ditto regarding logo;
- <http://www.cardi.org/> – ditto regarding logo;
- <http://www.cmo.org.tt/> – ditto regarding logo;
- <http://caricad.net/> – ditto regarding logo;
- <http://www.caricomict4d.org/>

There are arguments for <http://www.crnmm.org/> – an excellent, clean and well-organised site¹⁹⁴ – having stand-alone status, since it deals with the specific and highly-sophisticated world of international trade negotiations, but even then the presentation of the CRNM and OTN on the website makes it look like a separate institution, not part of CARICOM.

No doubt there are institutional reasons why CMO and/or CIMH, for instance, should have their own space (as inheritor organizations of the WIF?) and indeed others such as CARDI and CARICAD are also perhaps independent given the nature of their activities and establishment.

3.5 Publications

The consultant did not have enough time to conduct a full study of CARICOM's publications. On the whole, this appears to be an area that works well – but absorbs a great deal of the budget available for communications. The publications are, in the consultant's opinion, of a far higher quality and better-targeted for public consumption than comparable publications by the EU.

“CARICOM View”, available both in hard copy and downloadable from <http://www.caricom.org/>, goes against the grain of the general criticism of the website above (as indeed to most of the PDF fliers and brochures on the site). It is colourful, readable and well-presented. Its only real demerit is that it is very “heavy” in IT terms and therefore takes a long time to download. It could be produced in lower definition PDF for everyday use and, if the aim is to make it available for printing from the computer, in a higher definition PDF as well.

“CARICOM: Our Caribbean Community: An Introduction”, the major “coffee-table” publication is also colourful, well-written and containing good material, with bright and relevant pictures. But the question it provokes is “what purpose does it serve?” Is it a publication that is read or is it glossed by the VIP's to whom it will mainly be given, then confined to the bin/archives or, at best, the coffee table. The consultant is in no position to answer that question, but it is one that must be asked of all such publications. By contrast the short version in brochure form, though well-written and conceived is a drab hen-bird, with ugly graphics and an unattractive brown cover. This is a wasted opportunity: this could be CARICOM's calling card for the general

¹⁹⁴ It is not particularly accessible or sympathetic to the general public – but they are not the site's target audiences.

public. Although there is no research material to demonstrate its public appeal one way or another, the consultant's instinct is that it does not serve that purpose effectively.

The Annual Report is obviously an obligatory document and must be made public, both in print form and on <http://www.caricom.org/>. With respect to the latter, the latest Report available online is that for 2008-2009, which an enormous download document – 47 MB is. Again, this could be produced in two versions – light, low definition and high definition. That comment is generally true for all on-line publications.

The consultant's opinion of the Annual Report is that it is a very good publication of its kind. The lay-out is straightforward and accessible, the language official – as it must be – without being pompous and there is plenty of colour and life in the graphics. Even the most dedicated bureaucrat finds Annual Reports heavy going, but this one is one of the best of its kind the consultant has seen from point of view of public communication. The only issue outstanding is the fact that an Annual Report should not, by definition, cover two years. If CARICOM's intention is to institutionalise the two-year report, it might be wise to call it a Biennial report.

3.6 The Language and Images of CARICOM

Whilst the publications the consultant has studied generally pass the “accessible to the public” test with high marks, CARICOM/the Secretariat too often commits the traditional institutional crimes of dull, wooden language – “*langue de bois*” – accompanied by boring photographs of “suits”.

This is perhaps best demonstrated by the website, so is covered in detail in the e-mail in Annex on that topic. The main point registered there is that the Caribbean is a vibrant, colourful place full of vibrant, colourful people using vibrant, colourful language (often rather too colourful). So any communications product or activity that is dull, bland – and at worst sounds pompous – is unlikely to speak to them with any meaning.

With regards to language, even the Secretariat Mission Statement suffers from “*langue de bois*”.



The image is good - if a bit corny and not strictly germane - but the language is dull, officialese.

Not only does CARICOM focus too much on the “suits” in the photos that illustrate the website and other material, their meetings and their speeches also dominate too much. To reach out to the people of the Caribbean there needs to be more emphasis on the “Community” aspect of CARICOM – promotion of the concept that CARICOM is “your Community”, does not belong to the suits. That needs to be reflected in the languages and images of CARICOM.

On a related point, one of the tricks of effective communications is not to “blow your own trumpet” but let others do it for you. In institutional terms, that means letting the public report – in print, on radio, to camera – about the benefits flowing from your actions. During the Panday Government’s “Rainbow Nation” campaign in Trinidad and Tobago, in the late 1990s, information/publicity TV slots and videos turned from the traditional political “talking heads” – Government ministers bragging about what they had achieved – to a more vox pop approach, interviewing ordinary people about e.g. the changes that a new road built by Government in the last year had made to their lives. One of the results was a dramatic increase in support for UNC in Tobago, where it had previously had little standing.

3.7 Cooperation with Member States

One of the major communications challenges facing supra-national organisations such as CARICOM is the question of member state involvement and/or obstruction. There is a close parallel with the EU in this case. Jean Monnet’s dictum about the EU that “*We are building a union of people, not a coalition of states*” is all very well in theory, but in reality the states mostly determine the attitudes and opinions of their peoples. When the supra-national body has to work through those states, the result is generally that where there is good cooperation with the state there is good cooperation with the people. (UK is probably the exception to the rule, since there it is public attitudes to the EU that tend to determine political thinking.)

CARICOM Secretariat needs more direct contact with the people of the Caribbean and so ways of improving and deepening cooperation with CARICOM members should be explored as a means of widening and improving communication with their people.

3.8 Communication Strategy

The Secretariat already has a comprehensive and well-rehearsed draft Communication Strategy, “*Sharing the Vision*”. It is a very professional paper and the consultant has little to add, other than that it might be summarised and simplified for use as a communication tool itself.

During the consultants’ meeting with the SG, he asked the question whether this should be a “*Communication Strategy for CARICOM or for the Secretariat?*” The answer is both: effective communications with the people of the Caribbean about CARICOM and its policies and actions will be the best

way of communicating the work of the Secretariat as well. Politically it is also generally better for a body like the Secretariat not to develop its own “strategy” – which can be inferred to suggest that it has aims that differ from and are possibly at variance with the body politic. So “*Sharing the Vision*” should serve both functions.

5. Conclusions

The consultant’s operational conclusions are as follows;

- CARICOM resources dedicated to communication, in particular financial but also human, are far too few for the job in hand. For CARICOM to undertake its responsibilities in this field seriously there needs to be a significant increase. Secretariat HR could be maintained at +/- 6 if they are supplemented in other ways (see Recommendations).
- The Media Advisor and Head of Communications Unit roles should be separated out.
- CARICOM has an identity problem, given “institutional polygamy” in the Caribbean, and this both requires rationalisation and a reinforced communications effort to set out CARICOM’s stall.
- Rebranding is not worthwhile – but a concerted effort to imprint the brand on the Caribbean (and international) consciousness is.
- The website needs a lot of care and attention. This is necessary in any case, but in addition, it should become the operational platform for much of CARICOM’s communications drive.
- Greater use of social media is also required.
- CARICOM publications are generally very good, but absorb too much of the budget without actually covering the territory adequately. This needs rationalisation, including greater use of PDF on <http://www.caricom.org/>.
- Whilst CARICOM Secretariat communications must of course serve an official and formal purpose, greater efforts should be made to show CARICOM – and Secretariat (SG in particular – in a more human light. Emphasis should be placed on the fact that it is “Your [the Caribbean citizens’] Community” by using more demotic language, more relaxed and colourful photos, more input from ordinary people, etc. whenever possible.
- The Secretariat has to find a way of bringing member states on board for the communication efforts.

- The existing draft Communication Strategy is good and should serve as a strategy for both CARICOM as a whole and the Secretariat.

6. Recommendations

Resources

- The budget of EC\$225,000, half what it was 15 years ago, must be substantially increased.
- Staffing in the Secretariat must be kept at a minimum of six at all times and should be supplemented by other means (see below).

Identity and Rebranding

- CARICOM should not be rebranded, but rather a major effort made to raise awareness of CARICOM and the work of the Secretariat, both with regional audiences and in the international community.
- Ideally, this too should be undertaken on the basis of opinion research to establish the most effective means of reaching out to target audiences.
- As far as possible there should be a continuity of CARICOM branding and as many CARICOM bodies as possible – without compromising their ability to function effectively – should be brought under the main CARICOM website, <http://www.caricom.org/>.

Website

- The Secretariat should commission a thorough overhaul of <http://www.caricom.org/>, starting with a study of what purpose the site should ideally serve, taking into account the other recommendations made here.
- <http://www.caricom.org/> should become the main platform for CARICOM communications. This not only cost-effective, but the internet increasingly a preferred information vehicle of people the world over – including the Caribbean.
- The site should be re-gearred to connect better with the ordinary people of the Caribbean – fewer photos of suits, more citizen-friendly language etc.
- On the site, the SG should be profiled as a representative of the Caribbean people, not just as the SG of CARICOM – “an institution”: so fewer photos in his office with Ambassadors and HoGs, more of him in schools, factories, on farms, informally dressed and so on.

- <http://www.caricom.org/> should become an on-line library, with all CARICOM publications available both in “PDF-lite” and “PC-to-print” versions, so that browsers can read publications easily on-line and those who want to print out can have print-shop quality publications.
- CARICOM Secretariat must make much more use of the various “social media” – using <http://www.caricom.org/> as the platform for them.



Publications

- Ideally, a separate study should be carried out into rationalisation of CARICOM publications: high quality, but under-budgeted to cover the target area effectively, nonetheless they absorb a disproportionate amount of the available budget.
- As noted above, greater use should be made of <http://www.caricom.org/> as a means of disseminating CARICOM publications.

Language and images of CARICOM

- The Secretariat should seek to freshen up the language of its communications and avoid the language of officialdom – except in those areas of activity targeted at officialdom itself.
- Similarly, it should make greater use of images that show the human side of CARICOM officials and show ordinary members of the CARICOM community in its communications outputs.

Cooperation with CARICOM Member States

- The Secretariat must make a concerted effort to bring the member states on board and make them stakeholders in the communication process.
- As a means of achieving this, the Secretariat should seek the means to employ communications “satellites” to work within member state ministries. If these staff were offered to governments as additional staff, it might serve as an inducement to take on some of the burden of CARICOM communications. (Obviously, there are budgetary implications.)

Strategy

- A summary, “publicity”, version of “*Sharing the Vision*” should be drafted for use with HoGs and for general public information purposes. The consultant has offered to undertake this task himself.

Miscellaneous/General

The consultant has a number of additional, ad hoc suggestions to make:

- The website invitation to “Visit the Secretariat” is an excellent outreach project – although of limited application unless there is a scheme to fund

visitors from across the region. This should be considered – perhaps on a competition/lottery basis.

- Quizzes, particularly for schools, are an excellent way of disseminating knowledge across the whole spectrum of society. The Secretariat should consider institutionalising an annual CARICOM Quiz.
- School text books provide another excellent outreach opportunity. (School-work can draw in the whole family – children, parents, grandparents.) The consultant understands that there is a pan-Caribbean syllabus covering Caribbean history and affairs. The Secretariat could commission a top quality text book or books to supply this niche. (In the consultant's opinion, the existing "Handbook for Schools" contains many of the necessary elements but also, sadly, too much wooden language and it is not really child-friendly.)
- CARICOM should seek to work with Diaspora. Often they have a major opinion-forming impact on home audiences.
- CARICOM information products currently supplied (inerasable) on CD-ROM could be given out on promotional USB sticks. The cost difference is not great, but recipients will be more inclined to look at the CARICOM material when they use the USB stick on a daily basis.
- Looking to the longer term, CARICOM should consider the possibility of launching a pan-Caribbean TV channel.

Regarding human resources, there are a number of avenues to explore:

- CARICOM should consider greater use of outsourcing, commercially, to provide on-the-ground communications actors in member states. (Obviously, there are budgetary implications.)
- CARICOM should consider seeking donor deployment of communications experts, either on a Twinning basis or via a consultancy contract.

On a more general level, the consultant believes that CARICOM communications should focus on two target groups in particular – business and youth.

7. Additional actions taken by the Consultant

- Analysis of webpage and report to Media Advisor
- Production of a summary, "publicity", version of the CARICOM Communications Strategy for use with HoGs and for general public information purposes

Appendix 5: Outline Specification of Change Office

Background

1. The whole CARICOM project is in unprecedented difficulties and under existential threat. CARICOM has lost its way badly and, its principal administrative organ, the Secretariat has been gradually weakened over a number of years to the extent that it is currently not capable of turning round CARICOM's fortunes.
2. Fundamental change is required to turn round CARICOM's fortunes, as outlined in the consultancy report *"Turning around CARICOM: Proposals to Restructure the Secretariat"*¹⁹⁵. The Secretariat does not have the staff or the capability for such a major undertaking. It therefore needs to set up a temporary Change Office under the direction of the Secretary General to bring about the required fundamental change.
3. Setting up the Change Office is the most important initial requirement for turning around CARICOM's fortunes. It needs to be agreed as quickly as possible in early 2012.

Objectives of the Change Office

4. The direct objective of the Office is to deliver a restructured Secretariat. Its indirect objective is to assist the Heads of Government and Secretary General in making the whole CARICOM structure and operation fit for purpose.
5. The focus on the Change Office will gradually shift from developing and agreeing an overall strategy to implementing the restructuring of the Secretariat and to making the CARICOM construct more fit for purpose for implementing the strategy. This will include the following:
 - d. Delivering a restructured Secretariat and managing the transition;
 - e. Strengthening the structure of CARICOM, not least ensuring that CARICOM and its institutions are developed as a more unified brand aimed at common goals;¹⁹⁶
 - f. Developing, getting agreement to and setting up more secure financing for both the Secretariat and for CARICOM's institutions.

Timing and Financing

6. In ideal circumstances, the Change Office would be set up immediately and would complete the restructuring of the Secretariat and a transformation of CARICOM within 18 months to 2 years. However, this would require immediate agreement and available finance. We consider this unlikely given the extent of restructuring required and the amount of finance required.

¹⁹⁵ *"Turning around Caricom: Proposals to Restructure the Secretariat"*, Richard Stoneman, Justice Duke Pollard and Hugo Inniss, Landell Mills Development Consultants, December 2011.

¹⁹⁶ This will involve putting in place procedures and disciplines to ensure such strategic alignment takes place as well as developing synergies, economies and areas for co-operation.

7. It is likely to prove more feasible to get elements of the Change Office underway during 2012 with a full programme underway within 12 months and implemented throughout 2013 and 2014. Whilst it may be possible to obtain limited financing for a small and restricted tender quickly, the financing of, and tendering arrangements for, the full programme will inevitably take longer. As well as the question of Member State approval and the exigencies of tender procedures, it is highly likely that aid donors will need to be involved.
8. For these reasons, the Office is likely to have a skeleton staff to begin with. Funding should be sourced as quickly as possible. Ideally Member States, or a selection of them, should provide the funding. Donor funding may be more realistic. However, there may not be time to await donor funding¹⁹⁷ before starting some of the operations of the Change Office. Some interim funding, whether internally or Member State sourced, could therefore be essential.

Change Office Specification

9. A full specification of the Change Office will need to be prepared once the report *"Turning around CARICOM: Proposals to Restructure the Secretariat"* has been considered and agreed. At this stage, it is only appropriate to specify the broad outlines. The outline covers the following:
 - a. Outline Scope of Work
 - b. Outline skill requirements
 - c. Rough approximation of budget.

Taking these in turn:

a. Outline Scope of Work

Developing a CARICOM Strategy

10. The initial focus of the Change Office will be on developing a 5-year Strategy to drive CARICOM, in general, and the Secretariat, in particular. An expert in strategy should be appointed as soon as possible.

Restructuring the Secretariat

11. The Strategy will need to be rolled down into objectives, priorities and plans for the Secretariat which will in turn need to be translated into detailed specifications of budget, resource and staffing requirements.
12. These requirements will need to be developed into a timetabled change and transitional plan to be agreed with the Secretary General and Executive Management Committee. The plan will need to take account of key milestones, such as the introduction of a new IT system, and the lead-in times to such milestones, taking account of financing and tendering issues.

¹⁹⁷ Tendering rules and donor procedures have made it more difficult to access funding quickly. However, some donors can respond quickly particularly for limited sums that do not trigger international tender procedures.

13. The change and transitional plan should include a recruitment programme, also taking account of key milestones, including the recruitment of key personnel such as the Chief of Operations, the Head of the Strategy, Regional Policy and Review Department and the Finance Director.
14. The plan will cover the full range of HR issues, most of which were highlighted in the report *"Turning around CARICOM: Proposals to Restructure the Secretariat"*. These issues will include relating departmental plans to work programmes, the development of roles and responsibilities and the introduction and integration of the performance management system.
15. The Change Office team will identify other specific areas requiring reform, some of which were highlighted in the above-cited report, and develop proposals, as appropriate.
16. The Change Office will go on to co-ordinate and supervise the implementation of the change and transitional plan with appropriate Secretariat officials. Interventions will be required in most areas of the Secretariat, not least in masterminding and leading the major changes in the Secretary General's Office, in the Implementation Office and in the Operations Directorate. This will include getting new functions off the ground and co-ordinating with and handing over to new staff, particularly those in key positions. It will also include attention to particular functions, not least strategy and policy, finance and resourcing and IT.

Strengthening the CARICOM structure

17. The various priorities identified in the report *"Turning around CARICOM: Proposals to Restructure the Secretariat"* need to be reviewed, developed and put into action.
18. This includes measures and procedures to strengthen and revitalise the Organs of the Community, not least the Community Council and Heads of Government Conference. It also includes developing the informal Committee of Ambassadors along the lines suggested in the above-cited report.
19. A key intervention, alongside appropriate Secretariat officials, will be drawing up and implementing an improved interface between the Secretariat and Member States. This will include easing the introduction of the Implementation Office and its new ways of doing business. It will also include introducing ways to assist with implementation such as new ways of communicating and establishing action-oriented networks.
20. The other major area is bringing CARICOM institutions into a stronger and more unified structure. This includes developing mandatory guidelines for institutions, first, to play an integral role in CARICOM's strategy and, second, to govern the lines of accountability and reporting that will be developed initially by the new Finance Director. It also includes developing a more

unified brand where it is clear to outsiders that CARICOM and its institutions are part of the same family.

Reforming Finance

21. The Change Office will investigate and put into action how Member State funding of both the Secretariat and the institutions should be put on a more secure – and less hand to mouth – footing. This could involve securitisation along the lines discussed with CDB as noted in the report *“Turning around CARICOM: Proposals to Restructure the Secretariat”*.
22. The Change Office should also develop and action proposals to use the CARICOM Strategy to draw larger, better targeted and co-ordinated and more committed funding from aid donors. This should include developing a more unified and co-ordinated system between the Secretariat and CARICOM’s institutions for raising finance.

b. Outline skill requirements

Developing a CARICOM Strategy

23. The position as expert in strategy is likely to be full-time or close to full time. It could be a staff appointment or on consultancy terms. The more important issue is that the right appointment be made and be made quickly. The individual appointed should be from outside the Secretariat and should report directly to the Secretary General and, through him, to the Heads of Government.
24. It would be helpful if the expert in strategy could draw on some occasional finance and organisational development support. It would also be helpful if the individual be assigned a professional assistant from within the Secretariat’s current staffing. Such an individual could be a bright up-and-coming member of staff.

Wider remit

25. The Change Office should have a core of full-time staff over a two-year contract period plus shorter specialist inputs. The core staff are likely to include experts in each of strategy, finance and HR to be recruited on a consultancy basis. Other experts, such as operations and IT specialists, may be required for lengthy periods. Various experts will be needed for shorter periods including communications, recruitment and specialist operational and restructuring areas. Staff seconded from within the Secretariat and CARICOM could usefully support these core staff, partly to assist with the change programme and partly to gain some invaluable experience.

c. Rough approximation of budget

26. For a Change Office to operate for two years with 3 key staff full-time and shorter-term inputs totalling 3 full-time equivalents would require a budget of about €3 million, including all expenses if let in full by an international tender. A more detailed review of requirements in combination with a

judgement as to whether other cheaper means could be found of doing some of the work could reduce this amount by 30% or so. We doubt that the Change Office work could be carried out properly for much less.

27. We understand that upgrading the Secretariat's IT equipment will cost a similar amount (\$3-5 million). It is essential that this be done alongside the work of the Change Office. The latter's work cannot be done effectively without a fundamental upgrade in the Secretariat's IT equipment.

28. The immediate work of the Strategy expert, including limited additional expertise, could be done over a 6 month period for less than €200,000. Part of that expert's terms of reference could be to draw up and cost detailed terms of reference for the full Change Office.

Appendix 6: Some Views on CARICOM

1. We did not record verbatim the many views we heard on CARICOM. In our reading we were, however, impressed by a report that was brought to our attention just as we were completing the first draft of our Final Report and particularly by many of the quotes in it. The quotes were reflective of our own experience in the meetings we had around the region and, as a result, we have decided to include some of the most pertinent here with our own commentary.
2. The report is *Bridging the Gaps: CARICOM Regional Survey of Aid Effectiveness* by Stephen van Houten, Accord International Management Services Inc., October 2011.
3. In terms of CARICOM's fundamental difficulties, the following quotes reflect what we heard and, to a large degree, fit with our analysis:
 - "The degree of change required" is unlikely to be "incremental";
 - Some feel that the Secretariat needs to be "overhauled from the ground up" or that it should be "blown up and started over";
 - "Some thought that a much more drastic and fundamental overhaul will be necessary".
4. Some of the report's criticisms of the CARICOM construct and of the Secretariat are also worth quoting as they differ little from our analysis:
 - "Excessive formality, insufficient responsiveness, inadequate follow-up";
 - "CARICOM is inward-looking and not service and results-oriented";
 - Some noted that, "Management is a serious weakness". "CCS is staffed largely by professional-technical people with strong expertise in their functional areas, but with inadequate management skill";
 - "The great majority of respondents feel that CCS is not a capable, efficient project management organisation";
 - "A heavy reliance on project revenue, making securing of large numbers of projects of any kind the top priority".
5. In relation to strategy and priorities, the following quotes are also pertinent though we would put more emphasis on CARICOM as a whole:
 - "The need for a clear, simple mission and strategy, with delivery of tangible value and much improved communication of results achieved";
 - "For many, every sector seems to be a priority, meaning that none really are" and "Shortcomings in priority setting is viewed as a particular weakness of CCS (the Secretariat)";
 - "CCS needs to do the technical analysis on issues ahead of time – before a mandate is given – to understand what resources will be

- needed to do the job and to tell HOGs (Heads of Government) what the implications of their choices are". "CCS needs to learn to say "No";
- "It (the Secretariat) does not understand that activity does not equal action, or that outputs do not equal outcomes".
 - "A public sector culture, focussed on processes rather than results".
6. Finally, the "*Bridging the Gaps: ...*" report gives a SWOT analysis of CARICOM at Figure 8 on page 41. We fully support most of the points made. We would, however, dispute at least 2 of the 6 strengths that are quoted. First, whilst the CARICOM brand should be a strength and needs to be rebuilt so that it regains its strength, it is currently under threat. Second, as is clear in our review of the Secretariat, overall policymaking (as distinct from limited specialist areas) has become a major weakness.
7. These minor differences are undoubtedly a result of the different perspective from which the "*Bridging the Gaps: ...*" report was written, rather than any serious difference of view.