



TAC



Applied Economic & Financial Research

General Recommendations

Outline

- The actions to be taken at the different levels
- The establishment of a Monitoring Management System for Implementation
- Consensus building on core areas and an inner circle of policy issues shaping the national political identity
- Recommendations for additional Technical Assistance activities

The actions to be taken at the different levels

- By the Government of Curacao
- By the enterprises
- By the Civil society

By the Government of Curacao

- The Government of Curacao should **carry out all the measures indicated in the Actions plans**
- Public administration's proactive and tireless cooperation is essential for the preparation of the relevant policy documents and legislative drafts
- **Parliament and political parties should also exercise responsibility** and address draft bills and policies in a cooperative way, taking into account the general interest and adopting a constructive approach

By the Government of Curacao II

- Public authorities must associate in their work the representatives of businesses and civil society.
- It is important to ensure the smooth and professional functioning of the consultative Committees

By the enterprises

- Need for the enterprises to organise themselves, think about their competitiveness, invest and explore new markets

By the enterprises II

- Companies should **acknowledge the transition phase**,
- prepare themselves to **adjust to changes**,
- cooperate with the government, and **participate in the policy debates**,
- Expectations:
 - Substantial understanding of public affairs
 - Patience
 - Openness
 - Tolerance for diverging views

By the Civil society

- Political parties, labour Unions, churches , Universities, research centres, Press are expected to
 - Contribute to the reforms and their acceptability in society
 - not seek to undermine them
 - Elevate the debate in society , rather than contribute to its division

Establishment of a Monitoring Management System for Implementation

Objectives of an implementation mechanism

- to **keep the reforms focused on their ultimate development objectives**
- to contribute to the **diversification of the economy**, and its sustainable growth
- to **highlight the status of implementation** of the development plan
- to **identify difficulties and constraints**
- **identification of remedies** if the development objectives are not met
- **to steer the reforms** in the direction of the identified bottlenecks
- Monitoring mechanism is a **policy tool** that
 - Addresses cross-cutting issues
 - Enables an effective monitoring of the effects of the reforms
 - Provides independent analysis to the decision-makers

Scope of an implementation mechanism : What to monitor?

- a. The **legal implementation** of
 - Laws
 - Regulations
 - Decisions
- b. The **impact of the reforms** on Curacao's **economy**
- c. The impact of the reforms on **social behaviour** and the **environment**
 - in particular on the poor and vulnerable groups
- d. The likely economic, social and environmental **impact of future FTAs of Curacao**
 - with a view to improve Curacao's negotiating positions.
- e. The relevance and impact of **technical assistance** on the implementation of the reforms and their expected benefits.

Methodological issues :

How to monitor ?

- **Quantitative assessments**
 - effective data collection mechanism
 - accurate and relevant data
 - data formatted in a readable format
 - **Qualitative analysis**
 - Legal analysis
 - Sustainability of the reforms
 - Independent review of
 - the business environment
 - administrative procedures
- in all sectors of governmental action

- Full participation and responsibility in the functioning of the mechanism of

- All relevant ministries and public institutions
- The private sector
- Universities and professional research centres
- Consultations carried out with all groups of society:
 - Consumers
 - Workers
 - Women
 - Inhabitants of city and communities

- **Distinction:**

technical recommendations \longleftrightarrow final decisions

final decision-making of the political authorities

The prerequisites

- **Centralized in one institution**
- Official domestic regulation granting **official status** to the mechanism
- **Institution coordinating the input** of the different ministries and government agencies
- **Independent** from any single ministerial influence or any vested interest
- **Reporting to the highest levels** of the Government, i.e. the Prime Minister
- **Strong** and sufficiently prestigious **management** to ensure authority
- should be granted with the **institutional power to collect data and information** from all Ministries and government agencies

The prerequisites II

- Supported by a **solid administration**
- **Research staff** with adequate **qualifications & motivation**
- **Budget** and capacity to order **studies and analysis**
- **Defined working methods** in a clear and binding document
- The mechanism's recommendations should not have a binding nature, in order to ensure their continuous **objectivity and neutrality**
- The mechanism's **analysis must be delivered regularly and on-time**

Establishment of an implementation mechanism in Curacao

- Building on the current capacities and addressing the weaknesses that can be observed in this regard
 - Many management functions relating to reforms already fulfilled
 - But scattered, uncoordinated and insufficient research
 - Institutions do not have the capacity or resources to carry out optimal monitoring work
- Need of a new office managing the Implementation Monitoring Mechanism (IMM)
- The Office directly responding to the Prime Minister

3 phases for the establishment of the Office

1) First phase: **Generate ownership and drive for an implementation mechanism.**

Activities focused around the organization of **an initiating workshop** and adequately organizing the work for the progressive operationalization of the mechanism

During this phase, the Office would be **formally established in the country's administrative structure** and relevant technical assistance would be organised to accompany the process

3 phases for the establishment of the Office

- 2) **Second phase:** lay down the technical grounds for the practical functioning of the mechanism and the carrying out of a first comprehensive monitoring.
- 3) **Third phase:** Consolidation of the IMM's acquis and production of a second comprehensive monitoring

Consensus building on core areas

- Plans of economic and social reforms **span across several years**.
- They may have to be managed by different governments.
- **Continuity** in the bulk of the reform process is necessary for benefits to be reaped soon from it.

Consensus building on core areas II

- Agreement on the **diagnostic** of the country's situation;
- Acknowledgment that **reforms are necessary**;
- Agreement on the need to pursue the **goal of sustainable development**, as identified in its three legs: economic growth, environmental and social sustainability;
- Agreement that the **reform of the educational** system is a key component of any successful reform, as well as on the objectives of the educational system;
- Agreement on the need to proactively pay attention to **develop work and business opportunities for the youth**;
- Recognition of the **important role of enterprises** and investments for economic development;
- Agreement on the **need to offer a suitable business environment** to facilitate investments, including in particular those of the diaspora;

Consensus building on core areas III

- Agreement on the **need to combat crime**, offer affordable housing to all and combat all forms of poverty;
- Agreement to **ease labour regulations** and generally speaking to create **dynamic and competitive working conditions**, and enhance labour mobility and incentives to upgrade skills and services provided;
- Agreement on the need to progressively instill a **culture that is not adverse to risk** and that is entrepreneurial;
- Agreement on the need to **reduce the cost of doing business** in Curacao, to simplify the tax system and the formalities and procedures to establish companies, to **simplify the formalities** and accelerate the procedure to obtain a work permit in order to hire an overseas worker and to simplify and accelerate customs procedures,
- Agreement on the need to **simplify public administration** and ensure that it is **directly accountable to the Parliament** in terms of effectiveness and efficiency.
- Recognition that an **effective competition policy** can contribute to economic growth;

Consensus building on core areas IV

- Recognition that an industrial policy based on the **promotion of key services sectors** can be very effective and that investing in cultural industries may produce many benefits and positive spillover effects;
- Recognition that the **pursuit of an open trade regime** and a negotiation strategy with CARICOM and the WTO with a view to securing improved trade preferences and a more transparent and predictable trade policy environment could be very beneficial;
- Acceptance of the fact that **the economy will become more liberal and less protected** than the previous one, while it is expected to provide jobs and good living conditions to all;
- Agreement on the need to ensure that **the regulatory system**, albeit simplified is **well implemented** and to develop expectations that decisions taken and plans defined are implemented;
- Agreement on the need to **improve the functioning and independence of the Judiciary system**;

Consensus building on core areas V

- Agreement on the desirability to establish a **Code of Conduct for politicians**;
- Overall agreement on the need to **ensure continuity in the implementation of development plans** and support an implementation monitoring mechanism.
- Agreement on the need to **adopt cooperative approaches and constructive attitudes** in policy formulation.
- Understanding that **the credit of the success** of the reforms will not be **attributed** to the running government only, but **to the entire society**.

Recommendations for additional Technical Assistance activities

- Capacity-building for **sustainability impact assessments**
- Professional advisory services for the **educational reform**
- Professional advisory services for the development of a **competition policy**
- A comprehensive institutional report for **the establishment of the IMM**
- Professional communications services to **promote the reforms within the country**
- Capacity building for **dialogue and consultative Committees**
- **Sectoral capacity-building**

Thank You