Press Release:
IMF’s Executive Board Completes Fourth Review Under Haiti’s ECF Arrangement and Approves US$7.4 Million Disbursement
July 20, 2012

Haiti: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding

June 25, 2012

The following item is a Letter of Intent of the government of Haiti, which describes the policies that Haiti intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Haiti, is being made available on the IMF website by agreement with the member as a service to users of the IMF website.
Haiti: LETTER OF INTENT

June 25, 2012

Mrs. Christine Lagarde
Managing Director
International Monetary Fund
Washington D.C. 20431
United States of America

Dear Mrs. Lagarde:

1. Implementation of the program supported by an arrangement under the Extended Credit Facility (ECF) has been broadly satisfactory, and all end-March 2012 performance criteria were met. Structural reforms have also been progressing, albeit with some delays. We have completed most of the structural benchmarks not met at the time of the second and third reviews, and made significant progress in implementing the end-March 2012 benchmarks. Tax and customs administrations have been strengthened, resulting in more buoyant revenue mobilization. Public financial management reforms are underway to improve budget transparency and economic governance.

2. The aforementioned delays in the structural reforms were linked to the political transition following the resignation of the former Prime Minister. The uncertainty of the transition period contributed to the under-execution of the domestically-financed capital spending program which was compounded by the lower disbursement of international assistance. Reflecting these unfavorable developments, our growth performance for FY2012 will be lower-than-anticipated.

3. In early May, the new government was formed and the FY 2012 budget approved by Parliament. Going forward, we intend to step up the reconstruction and continue implementing a coherent set of macroeconomic policies in support of inclusive and sustained growth and poverty reduction. In this context, we will make use of all available resources, including those freed by the PCDR, which have remained largely unused because of the political transition. Most importantly, we intend to sustain the good performance of domestic revenue through reforms to further broaden the tax base and strengthen the tax and customs administrations. The structural reform agenda will also focus on enhancing public financial management and economic governance, strengthening the financial sector, and improving the business environment.

4. In support of these policies and in view of the progress made in implementing the program supported by the ECF arrangement, the government requests the conclusion of the fourth review and the approval of the fifth disbursement for an amount equivalent to
SDR 4.914 million. The upcoming fifth review, which will assess performance based on end-September 2012 targets, is scheduled for January 2013. The sixth review, assessing performance based on end-March 2013 targets, is envisaged for July 2013.

5. We will regularly update the IMF on economic and policy developments and will provide the data needed for adequate monitoring of the program. The government will continue its policy dialogue with the IMF and is prepared to take any further measures as deemed appropriate to meet its program objectives. We will consult with the Fund ahead of any revisions to the measures outlined in the MEFP, in accordance with the Fund’s policies on such consultation.

6. The Government authorizes the IMF to publish this letter, the attached Memorandum of Economic and Financial Policies, and the related Staff Report, including the placement of these policy documents on the IMF website, following the IMF Executive Board's conclusion of the review.

Sincerely yours,

/s/ Marie Carmelle Jean-Marie /s/ Charles Castel
Minister of Economy and Finance Governor
Ministry of Economy and Finance Bank of the Republic of Haiti
HAITI: UPDATED MEMORANDUM OF ECONOMIC AND FINANCIAL POLICIES

I. INTRODUCTION

1. This Memorandum of Economic and Financial Policies (MEFP) supplements and updates the MEFPs that have preceded it since July 2010. It reviews recent economic developments and progress in implementing the macroeconomic and structural program of the Government of Haiti (GoH) under the Extended Credit Facility (ECF) arrangement, approved by the IMF Board on July 10, 2010. It also sets out macroeconomic policies and structural reforms that the GoH will pursue for the remainder of FY2012 (fiscal year ending in September) and during FY2013.

II. POLITICAL BACKGROUND AND RECENT ECONOMIC DEVELOPMENTS

2. The recent political crisis, which has now been resolved, has extracted a toll on the country. Mr. Lamothe, the former Minister of Foreign Affairs was appointed Prime Minister after winning approval from the Senate in early April and the Chamber of Deputies in early May. The new cabinet took office on May 15. Similar in that respect to the 2011 episode, the recent domestic crisis gave rise to another round of uncertainty that slowed down public investment and, hence, the reconstruction and recovery.

3. The economic recovery has been weak and 12-month inflation has declined. Economic activity has remained buoyant in the manufacturing, services, and commerce sectors. In addition, agricultural output picked up significantly during the main crop season, suggesting a return to normal harvest conditions. In contrast, activity in the construction sector and transportation has remained modest, due in part to the low execution rate of public investment mainly caused by the late approval of the budget. For the year as a whole, the economy is expected to grow by 4.5 percent, against a program target of 7.8 percent. Inflationary pressures from international food prices have receded sharply, and headline inflation declined from a peak of 10.4 percent in September 2011 to 5.2 percent in May 2012. For FY2012, we now expect consumer price inflation to reach 6 percent, compared with an initial target of 8 percent.

4. Fiscal performance is broadly in line with program projections. Revenue collections have remained strong, with domestic revenue up by about 9 percent from the first half of FY2011 and the first half of FY2012. At G 21 billion in the first half of FY2012, revenue, however, was slightly lower than the program target (G 22 billion), reflecting lower-than-projected custom revenues due predominantly to lower imports. Current spending is in line with program targets, but domestically-financed investment spending remains low. Poverty-related expenditure is below the target.

5. The overall balance of payments recorded a surplus in the first semester of 2012. Consequently, gross international reserves rose to US$2.1 billion at end-March (5.5 months of imports). The current and capital accounts outcomes were broadly in line with
expectations; however, both merchandise exports and imports were significantly lower than programmed. Textile exports were negatively affected by the loss of a major order from a large U.S. retailer and imports were lower owing to lackluster investment-related demand. On a 12-months basis, the Gourde depreciated by 4.1 percent against the U.S. dollar through end-May 2012.

### III. PERFORMANCE UNDER THE PROGRAM

6. **We have kept the program broadly on track.** We have observed all end-March 2012 performance criteria. We have met all end-December 2011 indicative targets, with the exception of the floor on poverty-related spending, which was impacted by the overall under-execution of public spending. We have also made progress in implementing the end-March 2012 structural benchmarks. We have met the benchmark related to the increase in excise tax on tobacco and alcohols, a measure which we included in the recently approved FY2012 budget. We have finalized the public debt law, which will be submitted to parliament at the latest by mid-August. Also, we have not been able to complete yet the third end-March 2012 benchmark, related to the creation of a debt unit, due to a lack of progress in the reorganization of the Ministry of Economy and Finance (which requires Parliament’s approval). In the interval, we are taking all necessary steps to strengthen the current Directorate of Debt and complete the benchmark by 2013.

### IV. GOVERNMENT PROGRAM FOR THE REMAINDER OF 2012 AND 2013

7. **We are determined to addressing the multiple challenges facing Haiti, including sustaining inclusive high growth, reducing poverty, and strengthening the country’s resilience to external and natural shocks.** In this connection, we will continue implementing a set of coherent macroeconomic policies and a reform program aimed at keeping inflation in single digits, increasing the domestic revenue intake, enhancing the quality of spending, and improving governance to attract more investment and promote private sector-led growth. We are, however, aware that some risks remain. On the upside, we note the reversal of the recently rising trend in international food and energy prices; on the downside, we are faced with the possibility of delays in disbursements of international assistance; continued sanitary challenges, notably those associated with the cholera epidemic; the challenging security and political environment; natural disasters; and our weak administrative capacity.

#### A. Macroeconomic Policies

**Fiscal policy**

8. **Based on performance through May, the 2012 fiscal deficit is now projected at 3.6 percent of GDP, against an initial target of 7.7 percent.** This reflects significantly lower than projected domestically-financed capital spending, taking into account the low
execution rate observed in the first half of this year. Domestic revenue and current spending in Gourdes are expected to remain broadly in line with the forecasts.

9. **The draft 2013 budget, which we plan to submit to Parliament in June, strikes a balance between supporting the reconstruction and ensuring medium-term debt sustainability.** On the revenue side, we will implement a set of revenue administration measures to boost our tax-to-GDP ratio to 13.9 percent of GDP (from 13.5 percent in FY2012). We will continue to contain non priority current spending to make more room for poverty-related and infrastructure spending. The wage bill is expected to decline slightly (by 0.1 percentage points of GDP), notwithstanding new hiring in areas such as education, health, agriculture, and security. Transfers and subsidies to the energy sector will be reduced by 0.8 percentage points of GDP. Consequently, overall current spending will be brought down to 10.5 percent of GDP, from 11.3 percent of GDP in FY2012. We also plan to ramp up domestically-financed capital spending to 8.9 percent of GDP, up from 6.4 percent of GDP in FY2012, on the assumption of higher PCDR- and PetroCaribe-related project spending. Reflecting these parameters, the overall deficit target will be 4.7 percent of GDP, to be financed by domestic (0.7 percent of GDP) and external resources (4 percent of GDP). In the event of a shortfall in external budgetary support, we would delay some domestically-financed capital spending (without affecting the overall execution and consistency of the investment program) and/or alternatively issue additional T-bills.

**Monetary and exchange rate policies**

10. **Our monetary policy will continue to aim at price stability.** As inflationary pressures are subsiding, we do not see any need for action on the policy rate. We remain, however, vigilant against both upside and downside risks to the economy and stand ready to adjust the monetary policy stance. We are committed to improving the effectiveness of the monetary transmission mechanism, which is currently hindered by structural excess liquidity and high financial dollarization, through stepped up efforts toward improving liquidity management, deepening domestic financial market, and strengthening market-based monetary operations. In an effort to promote de-dollarization, we have, since the beginning of the year, steadily increased the portion of the reserve requirement on foreign currency deposits to be held in dollars up to 100 percent by May 16. We also plan to further safeguard the stability of the banking system and, to that effect, will resume implementation of the 2008 FSAP measures in the near future.

11. **We recognize that greater exchange rate flexibility will also help improve the effectiveness of monetary policy.** In the short term, we want to exercise caution in view of the exchange rate pass through and accordingly, we intend to take advantage of the current situation characterized by a comfortable level of reserves to initiate a number of reforms with a view to enhancing existing market mechanisms and developing the foreign exchange market. In particular, we will work closely with IMF staff to increase the number of participants in the FX market to allow a gradual and smooth transition to a weekly auction
system. Our interventions in the foreign exchange market will continue to aim at smoothing large exchange rate movements, while not resisting fundamental trends.

Safeguard assessments and AML/CFT

12. **We remain committed to our reform agenda, consistent with the recommendations of the January 2010 Safeguards Assessment follow up mission.** With a view to strengthening the independence and integrity of the central bank, work is underway to complete the FY2011 audit and execute the BRH’s plan to dispose of all subsidiaries. We are also taking steps to: (i) finalize the intended conversion of central bank credit to the government into securities; (ii) adopt IFRS, including with the creation of a special committee to monitor its implementation; and (iv) reconstitute the Investment Committee and appoint a compliance officer to monitor compliance with investment guidelines.

13. **We will further improve the compliance of our AML/CFT legal framework with FATF standards, and follow a risk-based approach to its effective implementation.** To further strengthen the AML/CFT law, we have prepared a number of amendments consistent with the recommendations contained in the 2007 CFATF assessment and the current FATF standards. These amendments will be submitted to Parliament by end-2012. In addition, we are working on an action plan prioritizing the implementation of certain elements of the AML/CFT framework to address risks faced by our economy, particularly with regard to corruption, tax evasion, financial sector abuse, and the absence of reliable identification of citizens. Technical assistance will be critical in supporting our efforts in that area.

**B. Structural Reforms**

Revenue administration

14. **We remain committed to implementing our comprehensive reform program in the budget area, notably tax and custom administrations reforms, and public expenditure management.** To enhance revenue collection, we are planning to implement a set of critical measures that will include: (i) the adoption of an electronic system for tax declaration (e-declaration); (ii) a tightening of controls in revenue collection; and (iii) the establishment of two tax units, one in charge of NGOs and the second responsible for SMEs. Following a review of the progress made in implementing the 2010 action plan and with support from donors, we will introduce corrective measures to improve customs administration, strengthen import valuation, and enhance customs collections. As regards tax policy, we plan to put in place a tax policy unit to coordinate reforms in revenue administration, and help address the issue of tax expenditure, with a view to expand the tax base. We will also move to launch the much-needed work to modernize the legal framework with technical assistance from our partners.
Public financial management (PFM) and economic governance

15. **We have put in place SYSGEP, a modern tracking and reporting mechanism for capital spending execution.** We are aware that its successful operation requires accompanying measures. Accordingly, we are preparing an action plan to: (i) ensure a regular feed of updated information by all project managers; and (ii) reinforce the units in charge of projects assessment and programming (UEP) and of technical execution (UTE) in the line ministries, as they form the backbone of the whole reporting system. These measures, together with the planned introduction of an advanced version of the SYSGEP WORLD and further training of staff, are strongly dependent upon additional budget resources. Additionally, we will reiterate the need for all users of the system to provide appropriate documentation for the use of the initial tranches of disbursement. Noncompliance with this basic rule will trigger the legal dispositions that suspend disbursement of subsequent project tranches. More broadly, we intend to strengthen project implementation capacity by finalizing both the contract with the international consulting firm already selected and the manual on project management.

16. **Progress is also being made in the area of public financial management.** The first phase leading to the creation of the treasury single account (TSA), notably the closing inactive accounts, is being conducted in a timely fashion. The timetable for the implementation of the subsequent phases of this project is to be agreed upon by September 2012. In particular, we will: (i) reduce the number of domestically-funded imprest accounts to three by ministry or institutions (one for revenue collection, one for capital spending, one for other transactions, including current spending) and deploy the network of public accounting offices at the line ministries level and gradually grant signature on these accounts to public accountants appointed by the MEF (end-March 2013 structural benchmark); and (ii) roll-out in all ministries the GL-software in the offices of the government accountants and start to record projects and imprest accounts expenditure when they are effectively paid and not any more when the replenishment of the account is made (end-March 2013 structural benchmark).

17. **We will pursue our reform agenda to improve the business climate.** We are moving forward on our action plan seeking to establish a robust legal framework for Public-Private Partnerships, notably in the key areas of infrastructure, public utilities, export industries, and tourism. We also are working toward a simplification of the legal and regulatory framework for investment. A key aim of our strategy is to resolve the current land title issues facing investors, while uplifting the legal regime for collateral and establishing a registry for the use of movable assets as collateral. We will take further steps to prepare a new law aimed at strengthening microfinance.

18. **Another key area of our reform agenda is the electricity sector, to which we attach the utmost importance.** Accordingly, we have signed a memorandum of understanding with key partners, including the U.S., IDB, and the World Bank to reform the sector. As a first step towards this goal, we have hired an international firm with a view to modernizing and improving the management of EDH. Simultaneously, a plan is being developed with support of other partners to bring EDH back to financial soundness, including
reducing production leakages, improving the distribution network, enhancing bill collection, and strengthening energy supply.

External debt management

19. **We remain determined to strengthen debt management.** With the political crisis resolved, we will accelerate the administrative reorganization of the Ministry of Economy and Finance, including the creation of a Directorate General of Treasury that will have authority on the new debt unit (end-March 2012 structural benchmark). We are planning to send to Parliament the draft law reorganizing the MEF by mid-summer. In the interim, we will strengthen the current Directorate of Debt to include fully operational middle and back office functions. We have completed work on the draft public debt law and will send it to parliament by mid-August after the transmission of the draft FY2013 budget law. We are also moving to complete a medium-term debt strategy.

Financial sector

20. **We will seek to deepen further the stability of the financial sector.** To that effect, we plan to: (i) strengthen the operations of the Partial Credit Guarantee Fund, including with the launching of the second pillar aimed at boosting new loans to investors; (ii) accompany the recently-adopted banking law by Parliament, with additional steps to update the financial legislation and improve regulation and supervision; and (iii) step up work to reinforce the insurance sector, notably through the submission of an insurance law to Parliament and the setting up of a regulatory authority. We will also continue our work aimed at creating a private credit bureau.

Social policies

21. **The protection of the poor remains a central objective of our policies.** The government has launched three new initiatives to help the most vulnerable groups of the population and create a coherent institutional framework:

- **Education** (*Programme de Scolarisation Universel Gratuit et Obligatoire or PSUGO*). It is estimated that about 508,000 children aged 6 to 12 were out of school in 2011 mainly for financial reasons. In line with a constitutional requirement, we have launched a major initiative to bring them all to school for free over a period of four years (about 25 percent each year). Forty percent of these children will be sent to public schools, and the remaining ones to private schools, which will receive government subsidies. During 2011-12, about 165,500 children have been sent to school under this initiative, new teachers have been hired, and new public schools have been built to receive some of them. For each child enrolled under this program, the government gives about US$90 to private schools, and about US$6 to public schools. The program is expected to cost about US$43 million each year.
• **Conditional cash transfer** (“Ti-manman-cheri”). We have also launched a conditional cash transfer program in favor of women in very poor neighborhoods in the Port-au-Prince area. Under the pilot project, which will be extended to the whole country if successful, the government will transfer every month G 400 (about US$10) to each woman who sends one of her children to school. She will receive G 600 for two children sent to school, and G 800 for three or more children sent to school. This program is expected to relieve poor families from the financial burden created by the education of their children. The pilot program will last from May 2012 to May 2013. It is expected to reach about 100,000 mothers and cost about US$15 million.

• **Food production and distribution** (“Aba grangou”). The government has also launched a multisectoral program to combat poverty. This program aims at developing poor neighborhoods in a way that help them better deal with natural risks and promotes agricultural projects as well as food distribution programs. The program also includes components that would provide better educational and health services in these neighborhoods. It is expected to cost about US$15 million.

22. **We will improve coordination with NGOs and other stakeholders to better target social spending, and effectively alleviate poverty.** The presence of international NGOs in Haiti is extensive, with particular involvement in the provision of basic services, including access to health care, education, food, and potable water. While NGOs provide needed services to large segments of the poor populations, the government will put in place a better coordination and supervision of their activities. Some issues have been identified as the direct competition of NGOs with the government and the private sector in the domestic labor and goods and services markets and the low level of coordination with public entities. Hence, we are exploring several initiatives to enable NGOs to operate lawfully within guidelines to ensure that their actions and operations strengthen capacity building effectively and are consistent with the long-term developments needs of the country.

V. **PROGRAM MONITORING**

23. **Our program will be monitored using the definitions, data sources, and frequency of monitoring set out in the accompanying revised TMU.** The government will make available to Fund staff all data appropriately reconciled and on a timely basis, as specified in the TMU. Table 1 shows the quantitative performance criteria for monitoring program execution in 2011/12 and 2012/2013. Structural benchmarks, with corresponding dates and status of implementation are identified in Tables 2a and 2b. Structural conditionality for the remainder of the program, including two new benchmarks which are critical to improving cash management transparency in accounting are in Table 2c. In particular, we are committed to: (i) reducing the number of domestically-funded imprest accounts to three by ministry or institutions (one for revenue collection, one for capital spending, one for other transactions, including current spending), deploy the network of public accounting offices at the line ministry level and gradually grant signature on these
accounts to public accountants appointed by the MEF (end-March 2013); and (ii) rolling-out for all ministries, the GL-software in the offices of the government accountants and start to record projects and imprest accounts expenditure when they are effectively paid and not any more when the replenishment of the account is made (end-March 2013). The fifth review under the ECF arrangement, assessing end-September 2012 performance criteria, is expected to be completed by January 2013. The sixth review under the ECF arrangement, assessing end-March 2013 performance criteria, is expected to be completed by mid-July 2013.
<table>
<thead>
<tr>
<th>I. Quantitative performance criteria</th>
<th>Actual stock at end- Sept 09</th>
<th>Cumulative Flows from September 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net central bank credit to the non-financial public sector - ceiling</td>
<td>21,549</td>
<td>0</td>
</tr>
<tr>
<td>Central Government</td>
<td>23,118</td>
<td>0</td>
</tr>
<tr>
<td>Rest of non-financial public sector</td>
<td>-1,569</td>
<td>0</td>
</tr>
<tr>
<td>Net domestic assets of the central bank - ceiling</td>
<td>14,448</td>
<td>0</td>
</tr>
<tr>
<td>Net international reserves of central bank (in millions of U.S. dollars) - floor</td>
<td>416</td>
<td>0</td>
</tr>
<tr>
<td>II. Continuous performance criteria</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Domestic arrears accumulation of the central government</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>New contracting or guaranteeing by the public sector of nonconcessional external or foreign currency debt (in millions of U.S. dollars)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Up to and including one year</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Over one-year maturity</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Public sector external arrears accumulation (in millions of U.S. dollars)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>III. Indicative targets</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Change in base money - ceiling</td>
<td>31,080</td>
<td>1</td>
</tr>
<tr>
<td>Net domestic credit to the central government - ceiling</td>
<td>19,540</td>
<td>1</td>
</tr>
<tr>
<td>Poverty reducing expenditures - floor</td>
<td>n.a.</td>
<td>1</td>
</tr>
<tr>
<td>Memorandum items</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Change in currency in circulation</td>
<td>13,448</td>
<td>2</td>
</tr>
<tr>
<td>Net domestic credit to the rest of the non-financial public sector</td>
<td>-1,641</td>
<td>2</td>
</tr>
<tr>
<td>Government total revenue, excluding grants</td>
<td>29,881</td>
<td>2</td>
</tr>
<tr>
<td>Government total expenditure, excluding externally-financed investment</td>
<td>42,096</td>
<td>2</td>
</tr>
</tbody>
</table>

Sources: Ministry of Finance, Bank of the Republic of Haiti, and Fund staff estimates.

1/ For performance under the program prior to September 2011, please see the previous staff report (EBS/12/22).
2/ Excluding spending of resources freed by IMF PCDR debt relief.
3/ For program monitoring purposes, NDA is defined as monetary base minus program NIR in gourde terms. Program exchange rate of G40.0 per U.S. dollar for the period June 2010 - September 2013.
4/ Excludes guarantees granted to the electricity sector in the form of credit/guarantee letters.
5/ This includes central bank, commercial bank, and non-bank financing to the government. It includes net T-bill issuance for government financing.
6/ Poverty reducing expenditures consist of domestically-financed spending in health, education, and agriculture.
### Prior Actions

<table>
<thead>
<tr>
<th>Macro-criticality</th>
<th>Objective</th>
<th>Structural Benchmarks</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safeguards assessment</td>
<td>Improve reliability of program data</td>
<td>Completion of the audit of foreign reserves to confirm the levels of end-September 2009 and end-September 2010 level of unencumbered reserves.</td>
<td>Completed</td>
</tr>
</tbody>
</table>

### End-September 2010

<table>
<thead>
<tr>
<th>Macro-criticality</th>
<th>Objective</th>
<th>Structural Benchmarks</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Improve the tracking of poverty-reducing expenditures</td>
<td>Publish regular reports on poverty-reducing spending on the MEF website.</td>
<td>1a</td>
</tr>
<tr>
<td>2</td>
<td>Strengthen fiscal discipline and transparency by improving budget preparation, expenditure control and cash management</td>
<td>Strengthen the transparency of expenditure policy.</td>
<td>2a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improve control of budget execution and fiscal reporting.</td>
<td>2b</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improve cash management.</td>
<td>2d</td>
</tr>
<tr>
<td>3</td>
<td>Raise government revenue</td>
<td>Strengthen operation of tax and customs administrations.</td>
<td>3a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enhance the transparency of the tax exemption policy.</td>
<td>3b</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Introduce a new tax code that would increase revenue and rationalize the tax system.</td>
<td>3c</td>
</tr>
<tr>
<td>4</td>
<td>Improve the monetary policy framework and its effectiveness</td>
<td>Improve timeliness of external audits of the BRH; enforce rotation of external auditors.</td>
<td>4a</td>
</tr>
<tr>
<td>Macro-criticality</td>
<td>Objective</td>
<td>Structural Benchmarks</td>
<td>Timing</td>
</tr>
<tr>
<td>------------------</td>
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<td>--------</td>
</tr>
<tr>
<td>Continued benchmarks</td>
<td></td>
<td>Continue publishing reports listed under 1a, 2a, 2b, 2c, 3a, 3b</td>
<td>End-March 2011</td>
</tr>
<tr>
<td>Improve cash management.</td>
<td>2f</td>
<td>Start preparing and publishing monthly cash plans including PetroCaribe spending and financing needs.</td>
<td>End-March 2011</td>
</tr>
<tr>
<td>Improve the tracking of investment spending and improve ability to make multi-year investment projections.</td>
<td>2g</td>
<td>Start producing quarterly reports with monthly data of investment expenditure based on SYSGEP and publish them on the MEF website.</td>
<td>End-March 2011</td>
</tr>
<tr>
<td>Improve the monetary policy framework and its effectiveness</td>
<td></td>
<td>Select an international firm to conduct ISA compliant external audit for the FY 2011 audit, for a period of 3 to 6 years.</td>
<td>End-July 2011</td>
</tr>
<tr>
<td>Strengthen foreign exchange reserves management.</td>
<td></td>
<td>Adoption of a global reserves management policy by the investment committee, covering all foreign exchange reserves.</td>
<td>End-June 2011</td>
</tr>
<tr>
<td>Improve the transparency of government transfers to the energy sector</td>
<td>2h</td>
<td>Identify and consolidate all sources of transfers to EDH in regular monthly reports.</td>
<td>End-June 2011</td>
</tr>
<tr>
<td></td>
<td>2i</td>
<td>Launch the bids for the selection and hiring of the international consulting agency that will assist UCP and other project implementation units in the government</td>
<td>End-June 2011</td>
</tr>
<tr>
<td></td>
<td>2j</td>
<td>Prepare a plan of action / operational manual describing: a. Modalities to recruit staff with project management skills and responsibility for ordering payments for project work orders. b. A defined set of information, project lists and accounts to be regularly published online to ensure full transparency on project execution and planning. c. Clear practices to ensure the coordination between the UCP, the Procurement Commission (CNMP) and the Ministry of External Cooperation and Planning (MPCE), in full compliance with national budget execution rules.</td>
<td>End-September 2011</td>
</tr>
<tr>
<td>Continued benchmarks</td>
<td></td>
<td>Continue publishing reports listed under 1a, 2a, 2b, 2c, 2h, 3a, 3b</td>
<td>End-September 2011</td>
</tr>
</tbody>
</table>
### Table 2c. Haiti: Status of Structural Conditionality through end-March 2012 and Proposed Measures Through End-March 2013

<table>
<thead>
<tr>
<th>Macro-criticality</th>
<th>Objective</th>
<th>Structural Benchmarks</th>
<th>Timing</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt management</td>
<td>Complete the setting-up of the debt unit at the MEF and build capacity to prepare a medium-term debt strategy.</td>
<td>Strengthen the debt unit with fully operational middle and back office functions; Preparation of annual debt sustainability analyses.</td>
<td>End-March 2012</td>
<td>Not met. Because of the delayed creation of the Directorate General of Treasury under which the new unit would operate.</td>
</tr>
<tr>
<td>Tax policy and revenue administration</td>
<td>Increase revenue</td>
<td>Increase the excise tax on cigarettes and alcohol</td>
<td>End-March 2012</td>
<td>Met</td>
</tr>
<tr>
<td></td>
<td>Improve revenue collection</td>
<td>Put in place within the Directorate General of Taxes a unit in charge of medium &amp; large enterprises</td>
<td>End-September 2012</td>
<td></td>
</tr>
<tr>
<td>Macro fiscal management</td>
<td>Improve overall macroeconomic management</td>
<td>Put in place the fiscal policy unit within the MEF</td>
<td>End-September 2012</td>
<td></td>
</tr>
<tr>
<td>Cash management</td>
<td>Improve cash management and enhance transparency in spending</td>
<td>Close all dormant accounts of the central government at the central bank or commercial banks and establish the list of accounts used by public entities</td>
<td>End-June 2012</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improve accounting procedures and enhance transparency</td>
<td>Reduce the number of domestically-funded imprest accounts to three by ministry or institutions (for revenue collection, capital spending, and other transactions) and deploy the network of public accounting offices at the line ministries level and gradually grant signature authority on these accounts to public accountants appointed by the Ministry of Economy and Finance</td>
<td>End-March 2013</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enhance accounting for expenditure management</td>
<td>Roll out in all ministries the GL-software and start to record projects and imprest accounts expenditure when they are effectively paid, and no longer when the replenishment of the account is made.</td>
<td>End-March 2013</td>
<td></td>
</tr>
<tr>
<td>Continued benchmark</td>
<td>Improve coordination between fiscal and monetary policy</td>
<td>Start publishing on the BRH website reports 10R, 20R and 610R on a monthly basis</td>
<td>End-March 2012</td>
<td></td>
</tr>
<tr>
<td>Exchange rate management</td>
<td>Improve the functioning of foreign exchange market</td>
<td>Establish unconstrained single price foreign exchange auctions</td>
<td>End-September 2012</td>
<td></td>
</tr>
</tbody>
</table>
1. Haiti’s performance under the program supported by the Extended Credit Facility (ECF) will be assessed on the basis of the observance of quantitative performance criteria as well as compliance with structural benchmarks. This Technical Memorandum of Understanding (TMU) defines the quantitative performance criteria, specification of certain structural benchmarks, and indicative targets for the period July 1, 2010-March 30, 2013, specified in Tables 1 and 2 of the Memorandum on Economic and Financial Policies (MEFP). It also lays down the monitoring and reporting requirements. Performance criteria for end-March 2013 and quantitative indicative targets for end-December 2012 and end-June 2012 have been set.”

I. INSTITUTIONAL DEFINITIONS

2. Central government. The central government comprises the presidency, prime minister’s office, parliament, national courts, treasury, line ministries and “organismes déconcentrés.” It includes expenditures financed directly by foreign donors through ministerial accounts (comptes courants).

3. Non-financial public sector. The non-financial public sector includes the central government plus non-budgetary autonomous organizations, local governments and public sector enterprises (enterprises and agencies in which the government holds a controlling stake of more than 50 percent of the shares).


II. QUANTITATIVE TARGETS

A. Net BRH Credit to the Non-Financial Public Sector

5. Net BRH credit to the non-financial public sector equals net central bank credit to the central government plus net central bank credit to the rest of the non-financial public sector.

6. The change in net BRH credit to the central government is defined as, and will be measured using:

   a. Change in net domestic credit to the central government from the BRH according to Table 10R of the BRH.

   b. Change in the stock of project accounts (“Comptes de projets”) included in Table 10R of the BRH will be excluded from change in net domestic credit to the central government as defined above.
c. Change in the stock of Special Accounts (“Comptes spéciaux”) and seized values (“Valeurs saisies UCREF”) included in Table 10R of the BRH will be excluded from the change in net domestic credit to the central government as defined above. ¹

7. The change in net central bank credit to the rest of the non-financial public sector, is defined as, and will be measured using:
   a. Change in “créances nettes sur le secteur public” (i.e. net credit to the non-financial public sector) minus the change in “créances nettes sur l'État” (i.e. net credit to the central government), according to table 10R of the BRH.

8. The changes will be measured on a cumulative basis from the stock at end September 2009.

B. Net Domestic Financing to the Central Government

9. Net domestic financing to the central government will comprise the change in net banking sector credit to the central government (defined below) plus the change in nonbank financing which includes amortization, counterpart funds, ² and the net issuance of Treasury bills and other government securities by the central government to non-banks. Net domestic banking sector credit to the central government is defined as, and will be measured, using:
   a. The change in the stock of net domestic credit to the central government from the BRH according to Table 10R of the BRH, plus, the change in the stock of net domestic credit of the central government from domestic banks according to Table 20R of the BRH, which will include the net issuance of treasury bills and other government securities by the central government for government financing purposes. Securities issued for the recapitalization of the BRH are excluded from this definition.
   b. The change in the stock of project accounts (“Comptes de projets”), as defined in 6.b above, will be excluded from the change in net domestic banking sector to the Central Government.
   c. The change in the total stock of Special Accounts (“Comptes Spéciaux”) and seized values (“Valeurs Saisies UCREF”), as defined in 6.c above, will be excluded from the change in net domestic banking sector to the Central Government.

¹ Special Accounts (“Comptes Spéciaux”) refer to U.S. dollar-denominated central government sight deposits at the BRH. The balance of these accounts increases with the proceeds of the sales of in-kind aid (in the form of wheat, maize, rice, etc.) received by the Haitian government; these proceeds are earmarked to finance specific projects and cannot be used by the Central Government without the explicit authorization of respective donors.

² Counterpart funds are proceeds from sales of grants received in kind.
10. The changes will be measured on a cumulative basis from the stock at end-September 2009.

C. Net International Reserves

11. The change in net international reserves will be measured using:
   a. Change in net foreign assets (“Réserves de change nettes” of the BRH Table 10R);³
   b. Minus the change in foreign currency deposits of commercial banks at the BRH (“Dépôts à vue en dollars U.S. et en Euros des BCM à la BRH”, and the “CAM transfer” of the BRH Table 10R).
   c. Minus the change in the stock of project accounts (“Comptes de projets”) as defined in 6.b above.
   d. Minus the change in the stock of Special Accounts (“Comptes Spéciaux”) in dollars and Euros (and excluding gourdes), and seized values (“Valeurs Saisies UCREF”), the latter as defined in 6.c above.
   e. Plus the change in the stock of the Special Drawing Rights (SDR) allocation (“Allocations DTS”) from the BRH Table 10R.

12. Data will be expressed in U.S. dollar terms and valued at the corresponding end-period market exchange rate from the BRH Table 10R.

13. For definition purposes, net international reserves (NIR) are the difference between the BRH’s gross foreign assets (comprising monetary gold, all claims on nonresidents, SDR holdings, and BRH claims in foreign currency on domestic financial institutions) and reserve liabilities (including liabilities to nonresidents of one-year maturity or less, use of Fund credit, and excluding the full SDR allocation, and trust funds).⁴ Swaps in foreign currency with domestic financial institutions and pledged or otherwise encumbered reserve assets are excluded from NIR.

14. The changes will be measured on a cumulative basis from the stock at end-September 2009.

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³ Letters of credit and guarantee (“Lettres de crédit” and “Lettres de garantie”) are reported in Table 10R as part of BRH foreign liabilities (“Engagements extérieurs”), and therefore are already netted out of NIR.

⁴ Program NIR does not net out the full SDR allocation on the liability side since it is a long-term liability to the SDR Department (and not the Fund).
D. Net Domestic Assets of the BRH

15. The change in net domestic assets of the BRH is defined as, and will be measured using:
   a. The change in base money (program definition according to Section I. below);
   b. Minus the change in the U.S. dollar amount of net international reserves (program definition according to section C above), converted into gourdes at the program exchange rate.

16. The program definition of net domestic assets of the BRH will use a program exchange rate of G 40.0 per U.S. dollar for the period June 2010- March 2013.

17. The changes will be measured on a cumulative basis from the stock at end-September 2009.

E. PetroCaribe-Related Funds

18. As of March 2012, the outstanding balance of Petro Caribe funds totaled $263 million, with US$1.5 million held in U.S. dollar-denominated sight deposits of the central government at the BRH, and the remaining US$262 million in U.S. dollar-denominated deposits of the central government at domestic commercial banks.

19. The authorities indicated that they were exploring options to channel new PetroCaribe/ALBA-related inflows through a binational Venezuela-Haiti corporation. Until new institutional arrangements are finalized and the statutes of the new société mixte are published in the “Journal Officiel” (Le Moniteur), PetroCaribe-related inflows will continue to constitute direct external debt of the central government. These resources are under the direct control of the central government, and, for program purposes, will be fully reflected in the fiscal tables underpinning the program. They will be treated as budget support loans, whose proceeds are partly or entirely deposited in government accounts in the banking system (Petro Caribe deposits). Spending from Petro Caribe resources (up to US$400 million in FY 2012), financed with a drawdown of Petro Caribe deposits in the banking system, will also be fully reflected in program tables.

20. Following ratification of the société mixte, the annual budgets of the company will be published on the MEF website before the beginning of the fiscal year. Audited annual financial statements will be published within six months of the end of each financial year.

F. Non Concessional Public Sector External and Foreign-Currency Denominated Debt

21. The definition of debt comprises all forms of debt, including loans, suppliers’ credits, and leases, that constitute current, i.e. not contingent, liabilities, which are created under a

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5 ALBA refers to “Alternativa Boliviariana de las Americas”. 
contractual arrangement through the provision of value in the form of assets (including currency) or services, and which require the obligor to make one or more payments in the form of assets (including currency) or services, at some point in the future, as set forth in Executive Board Decision No. 6230-(79/140), as revised on August 31, 2009 (Decision No. 14416-(09/01)).

22. A ceiling applies to the contracting and guaranteeing by the public sector of new non concessional debt with nonresidents with original maturities of one year of more. The ceiling applies to debt and commitments contracted or guaranteed for which value has not yet been received. This covers private debt for which official guarantees have been extended and which, therefore, constitute a contingent liability of the public sector.

23. For program purposes, the guarantee of a debt arises from any explicit legal obligation of the public sector to service a debt in the event of nonpayment by the debtor (involving payments in cash or in kind).

24. For program purposes, a debt is concessional if it includes a grant element of at least 35 percent, calculated as follows: the grant element of a debt is the difference between the present value (PV) of debt and its nominal value, expressed as a percentage of the nominal value of the debt.\(^6\) The PV of debt at the time of its contracting is calculated by discounting the future stream of payments of debt service due on this debt, based on the currency specific commercial interest reference rates (CIRRs) as laid out by the Organization for Economic Cooperation and Development (OECD).\(^7\) For a debt with a maturity of at least 15 years, the ten-year-average CIRR will be used to calculate the PV of debt and hence, its grant element. For debt with maturity of less than 15 years, the six-month average CIRR will be used. To both the ten-year and six-month averages, the same margin for differing repayment periods as those used by the OECD need to be added (0.75 percent for repayment periods of less than 15 years, 1 percent for 15 to 19 years, 1.15 percent for 20 to 29 years, and 1.25 percent for 30 years or more).

25. Excluded from the ceiling are short-term import-related credits, rescheduling arrangements, borrowing from the Fund, non-resident purchases of treasury bills, and guarantees for the electricity sector in the form of letters of credit.

26. The ceilings for contracting and guaranteeing of non concessional debt by the total public sector (as defined in paragraph 4) will be set at zero continuously throughout the program period. A waiver was granted during the previous ECF arrangement for the US$33 million nonconcessional loan contracted with the Development Bank of Venezuela (BANDES) in the last quarter of 2009.

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\(^6\) The grant element calculator can be found at http://www.imf.org/external/np/pdr/conc/calculator/default.aspx.

\(^7\) The grant element calculations will take into account all aspects of the loan agreement, including maturity, grace period, payment schedule, upfront commissions, and management fees.
G. Arrears of the Central Government

27. External payment arrears are defined as overdue payments (principal and interest) to non-residents on debt contracted and guaranteed by the central government, and will be defined according to the terms of indebtedness of each creditor. The criterion of zero accumulation of external arrears will be monitored on a continuous basis.

28. Domestic arrears of the central government are defined to include: (i) any bill that has been received by a spending ministry from a supplier for goods and services delivered (and verified) and for which payment has not been made within 90 days after the due date of payment; (ii) wage, salary, and other payment to government employees, including direct and indirect allowances, that were due to be paid in a given month but remained unpaid on the 30th of the following month; and (iii) interest or principal obligations which remain unpaid 30 days after the due date of payment. This definition excludes changes in the stock of arrears on account of interest, penalties and valuation changes.

H. Base Money

29. The change in base money is defined as, and will be measured using:
   a. The change in the stock of currency in circulation from Table 10R of the BRH.
   b. The change in the stock of reserve deposits of commercial banks at the BRH, from Table 10R, using gourde sight deposits of commercial banks (dépôts à vue en gourdes des BCM à la BRH) and cash-in-vault of commercial banks (encaisses des BCM).

30. The changes will be measured on a cumulative basis from the stock at end-September 2009.

I. Poverty-Reducing Expenditures

31. The growth in poverty reducing expenditure will be measured as the sum of domestically-financed spending for the Ministries in charge of agriculture, health, and education. This will be a flow measured on a cumulative basis from end-September 2009.

III. Quarterly Adjustments

32. The quarterly performance criteria and indicative targets will be adjusted for as indicated below:

   A. Adjustment for Domestic Arrears Accumulation

33. The ceilings for net BRH credit to the central government and the net domestic banking sector credit to the central government will be adjusted downwards for the amount of outstanding domestic arrears accumulation.
B. Adjustment for Petro Caribe-related Inflows

34. Until the bi-national company expected to administer Petro Caribe-related funds is legally established, any drawdown of Petro Caribe-related deposits will be considered as central government spending for program purposes.

35. The ceiling for net domestic credit to the central government will include movements in Petro Caribe accounts in the banking system and will be adjusted for the difference between the actual stock of Petro Caribe deposits in the banking system and programmed stock of these deposits in the banking system. The ceilings for net BRH credit to the central government, on BRH net domestic assets, and the floor for NIR will also include movements in Petro Caribe accounts at the BRH. They will be adjusted for the difference between the actual stock of Petro Caribe deposits at the BRH and the programmed stock of these deposits at the BRH. The adjustor will be calculated on a cumulative basis from October 1, 2009.

C. Adjustment for Budgetary Cash Grants in second half of FY2013

36. The performance criteria ceilings on BRH net credit to the central government, net domestic financing to the government, and on BRH net domestic assets, and the floor on NIR reflect expected budgetary donor grants of the equivalent of G3.5 billion (about $80 million), including IDB US$27 million, IDA US$30 million, EU €8 million, and Spain US$13 million. If actual grant inflows are lower (higher) than programmed, these performance criteria ceilings will be adjusted upward (downward), and the performance criterion floor will be adjusted downward (upward), by the amount of the difference between actual and programmed inflows.”

37. The adjuster will be calculated on a cumulative basis from October 1, 2009.

VI. Clarification of Structural Conditionality

A. Fiscal Sector

38. As specified in Tables 2a and 2b, the publications of the following items related to benchmarks will continue over the program period: 1a, 2a, 2b, 2c, 3a, 3b, and 2h. Publication should occur on the specified regular basis (i.e. monthly or quarterly), with no gaps or unjustified delays.

39. The structural benchmark on raising government revenue will involve designing and implementing monitorable performance indicators for DGI and AGD (by end-December 2011). These should include detailed information by industry (AGD) and taxpayer segment (DGI) and a set of ratios to verify “tax effort” and efficiency, in line with TA recommendations. The reports should be published monthly on the MEF website.

40. The structural benchmark related to the increase in the excise tax on cigarettes and alcohol will entail the application of stamps (“vignettes”) on tobacco and alcoholic beverages
in order to strengthen inspection and fiscal controls, and an upward revision of specific or ad
valorem excises, as appropriate, to such product, in order to approach excise duties to the
international average for these products.

41. The structural benchmark related to the establishment of a fiscal policy unit within
the MEF will require the creation of a separate service within the MEF tasked exclusively
with analyzing fiscal measures and simulating their impact on budget balances and the
economy as a whole. The perimeter of such unit should be clearly delimited within the MEF,
by appropriate written communication of the Minister or the Director General (to be shared
with the IMF) nominating the officer in charge of the unit, its staffing and its duties.

42. The structural benchmark related to putting in place within the Directorate General of
Taxes a unit in charge of small and medium enterprises will require an official act (to be
shared with the IMF) setting up a separate unit within the DGI tasked with dealing with
medium taxpayers, follow and streamline the administrative issues related to such taxpayers
segment. Adequate staffing and office space should be provided to this unit and the act
establishing the unit should include the nomination of the person in charge of it and its
immediate aides.

43. The structural benchmark related to the closing of dormant accounts and the
establishing of a list of all account of used by public entities entails compiling a census of
accounts both at the Central Bank and in commercial banks, and the creation of a permanent
set of rules governing the closing of dormant accounts (both list and set of rules to be shared
with the IMF). These would include time lags since last activity, threshold on balances and
rules on how the sums should be transferred to the Treasury.

44. The structural benchmark on strengthening the debt unit will require permanently
providing adequate office space and staffing to such unit; nominating the officer in charge of
it and setting up its tasks with an official communication from the Minister or the Director
General (to be shared with the IMF); the MEF should, by coordination of its services,
produce annual debt sustainability analyses and make them available to the Fund, all MEF
services, the BRH and the MPCE.

45. The structural benchmark on submitting a public debt law will require transmission to
Parliament (and sharing with the IMF) of a draft debt law in line with international standards
and with the recommendations of development partners TA.

46. The new structural benchmark on reducing the number of domestically-funded
imprest accounts to three by ministry or institutions (one for revenue collection, one for
capital spending, one for other transactions, including current spending) and deploy the
network of public accountants offices at the line ministries level and gradually grant
signature on these accounts to public accountants appointed by the MEF will imply the
identification of all the accounts as well as the names of the officials currently authorized to
sign. On this basis, the authorities will reduce the number of accounts as specified in the
benchmark and provide signature power to public accountants designated by the ministry of finance.

47. The new structural benchmark on rolling-out for all ministries, the GL-software in the offices of the government accountants and start to record projects and imprest accounts expenditure when they are effectively paid and not any more when the replenishment of the account is made requires providing to all ministries a copy of the software and ensuring it is adequately installed. It also requires a follow up on the recording of expenditure at payment level.

**B. Monetary Policy and Financial Sector**

48. The benchmark on strengthening exchange rate management will involve the development of an exchange rate management strategy also encompassing reform of the foreign exchange market (end-December 2011).

**IV. PROVISION OF INFORMATION**

49. To ensure adequate monitoring of the program, the authorities will provide daily, weekly and monthly monetary and fiscal indicators to IMF staff, details of any loan contract or guarantee to be ratified by a non-financial public sector entity, including public enterprises, before signature, as well as other data upon request.

**A. Daily**

50. The exchange rate.

**B. Weekly**

51. *Monetary Indicators:* (a) Stock of BRH bonds; (b) Deposits at commercial banks (in gourdes and U.S. dollars); (c) Credit to private sector (in gourdes and U.S. dollars); (d) Credit to central government and public sector (net); (e) Currency in circulation, (f) base money, (g) details of inflows and outflows of gross foreign exchange reserves, (h) volume of foreign exchange transactions, of which BRH sales and purchases; (i) gross international reserves; and (d) net international reserves (NIR). The NIR data will be reported using the following table format.
52. **Fiscal Indicators:** (a) Revenues (internal, external, other) and (b) Expenditures on cash basis (wages and salaries, goods and services, external debt, current accounts). These data will be reported with maximum five-day lag preliminary data (four weeks for final data).

C. Monthly

53. **Monthly data**

- Table 10 R and Table 20 R with a maximum of 30-day lag for final data.
- Tableau on the current accounts with a maximum of 30-day lag for final data.
- “Project Accounts”, by donor, with a maximum of 30-day lag for final data
- Table on foreign currency treasury flows with a maximum of 30-day lag for final data.
- Tableau des Operations Financières de l’Etat (within 20 days).
- Table underlying the TOFE which enables the determination of checks in circulation and balance on investment project accounts (TOFE-extension).
- Set of external debt tables with a maximum 30-day lag for final data.
- Report of revenue collection of DGI (Rapport d'activités), with a maximum 30-day lag for final data.
- The aide memoire table, which includes monetary policy indicators (foreign exchange interventions, Gourde and foreign currency credit and deposits, monetary financing).
25

- Tables of revenue collection of AGD (Indicateurs d’activités aux ports, Rapport analytique des perceptions douanières à l'importation), with a maximum 30-day lag for final data.

- Balance of Bureau de Monetization accounts, including spending from “fonds de contrepartie” those movements related with flows linked to the ALBA-PetroCaribe agreement. Balance of PetroCaribe/ALBA-related deposits at commercial banks and the BRH, with a maximum 30-day lag for final data.

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<td>2309.4</td>
<td>3204.9</td>
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<td>in US dollars (US$ mlns)</td>
<td></td>
<td>42.4</td>
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<td>62.4</td>
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<td>150.6</td>
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<td>6022.5</td>
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<td>131.3</td>
<td>132.1</td>
<td>151.3</td>
<td>173.2</td>
<td>184.0</td>
<td>187.1</td>
<td>239.5</td>
<td>220.7</td>
<td>242.1</td>
<td>263.5</td>
<td>284.8</td>
<td>306.1</td>
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<table>
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<th>Total deposits in government accounts in the banking system</th>
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<tbody>
<tr>
<td>Cumulative flows (Grnks)</td>
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<tr>
<td>in US dollars (US$ mlns)</td>
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<tr>
<td>Stocks (Grnks)</td>
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<tr>
<td>in US dollars (US$ mlns)</td>
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<table>
<thead>
<tr>
<th>Deposits in government accounts at the BRH</th>
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<tbody>
<tr>
<td>Cumulative flows (Grnks)</td>
</tr>
<tr>
<td>in US dollars (US$ mlns)</td>
</tr>
<tr>
<td>Stocks (Grnks)</td>
</tr>
<tr>
<td>in US dollars (US$ mlns)</td>
</tr>
</tbody>
</table>

Sources: Haitian Authorities and IMF Staff estimates and projections

D. Quarterly

54. Report on poverty-reducing expenditures, with a maximum 30-day lag for final data.

E. Other Information

55. The authorities will share with staff the by-laws of the new binational (Venezuela-Haiti) entity (as soon as they are enacted), including any and all needed information to assess the nature of such new entity; the authorities will also share with staff the financing terms of any funds received by such entity, including any and all information needed to assess whether any financing flows received by such new entity constitute public debt (direct and/or contingent) of any form.