International Monetary Fund

Haiti and the IMF

Press Release:
IMF Executive Board Completes Second and Third Reviews Under Haiti's ECF Arrangement and Approves US$15.1 Million Disbursement
March 21, 2012

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

February 14, 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.

APPENDIX I. LETTER OF INTENT

February 14, 2012

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

Dear Mrs. Lagarde:

1. Haiti's reconstruction is under way. We have fully restored essential state functions, reduced camp occupancy from an estimated 1.3 million to around 600,000, ensured the return of many children to school, and removed 4 out of 11 million cubic meters of debris from the January 10, 2010 earthquake. But the pace of economic recovery has been weaker than anticipated, owing to delays in disbursement of international assistance, lower public investment spending, the cholera epidemic, and adverse weather conditions in the agricultural sector.

2. Performance under the program supported by an Extended Credit Facility (ECF) arrangement has been broadly satisfactory. All performance criteria for end-March and end-September 2011were met. Four structural benchmarks were met, including one with delays. Implementation of the five remaining structural benchmarks, which was delayed on account of the protracted electoral process (MEFP, Table 2b) is well advanced.

3. Looking forward to 2012, we intend to bolster our reconstruction efforts and implement a coherent set of macroeconomic policies in support of sustained growth and poverty reduction. In this context, we will make use of all available resources, including those freed by the PCDR. Most importantly, we intend to sustain the good performance of domestic revenue by further broadening the tax base and strengthening the tax and customs administrations. The structural reform agenda will focus on enhancing public financial management and economic governance, strengthening the financial sector, and formulating and implementing an action plan aimed at 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 second and third reviews and the approval of the third and fourth disbursements for a cumulative amount equivalent to SDR 9.8 million. The fourth review, assessing performance based on end-March 2012 targets is scheduled for June 2012. The fifth review, assessing performance based on end-September 2012 targets is envisaged for December 2012.

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

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 placement of these on the IMF website, following the IMF Executive Board's conclusion of the review.

Sincerely yours,

/s/	/s/
Andre Lemercier Georges	Charles Castel
Minister of Economy and Finance	Governor
Ministry of Economy and Finance	Bank of the

APPENDIX II. MEMORANDUM OF ECONOMIC AND FINANCIAL POLICIES

I. INTRODUCTION

1. **The economy is recovering and the program has remained broadly on track**. Looking ahead, the Government of Haiti (GoH) is determined to step up efforts to accelerate the reconstruction, safeguard macroeconomic stability, press ahead with the reform agenda, and work with its partners to create the conditions for sustained growth and poverty reduction.

2. **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 GoH's macroeconomic and structural program 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).

II. RECENT ECONOMIC DEVELOPMENTS

3. The economic recovery is underway. After a 5.4 percent decline in 2010 mainly attributable to the impact of the January 12 earthquake, real GDP grew in 2011 by an estimated 5.6 percent. Construction, manufacturing, and services picked up significantly last year, by 9.2 percent, 13.5 percent, and 5.2 percent, respectively. In contrast, agricultural output (25 percent of GDP) increased only by about 1.1 percent because of unfavorable harvest conditions in the second half of 2011. Rising international food and energy prices, together with the fall in domestic agricultural output, have pushed year-on-year headline inflation to 10.4 percent at end-September before receding to 8.3 percent in December 2011.

4. **FY 2011 ended with an overall fiscal deficit of 3.7 percent of GDP, against a programmed deficit of 6.2 percent.** This performance reflected both higher-than-projected revenue performance and delays in domestically-financed capital spending. The share of domestic revenue to GDP rose to 13.1 percent, mainly on account of the resumption of tax and customs administration which was destroyed by the January earthquake, renewed collection efforts on the taxe sur chiffre d'affaires (TCA) and on profits and income taxes, the introduction of the "vignette" (a fee on vehicle registration),[1] and the adoption of a new software at the unit in charge of large taxpayers. Current expenditures were contained, reflecting our efforts to limit the wage bill and non-priority spending in a context of uncertain budget support disbursements. Capital spending was lower-than-budgeted. While weak administrative capacity continued to hinder project implementation, this underperformance

[1] The payment of the fee was predicated on the provision by the taxpayer of an income declaration. This led to a significant widening of the taxpayer base.

was also attributable to the protracted electoral agenda as well as delays (5 months) in forming a new government.

5. **The external position has strengthened.** The current account deficit in 2011 was 3.5 percent of GDP compared with a programmed level of 4.2 percent. Merchandise exports increased by 36 percent reflecting a stronger-than-expected effect of the improved market access to the U.S. under the HOPE/HELP initiatives. Transfers and foreign direct investment inflows were also somewhat higher than envisaged, and the overall balance of payments recorded a surplus of 2.3 percent of GDP, against a programmed deficit of 3.5 percent of GDP. Consequently, the build-up of international reserves continued and, at end-December 2011, gross international reserves reached US$2 billion (5.3 months of imports).

III. PERFORMANCE UNDER THE PROGRAM

6. **Performance under the economic program supported by an arrangement under the ECF has been broadly satisfactory.** Our program is on track with regard to the end-March and end-September 2011 performance criteria. We also met all end-March and end-June 2011 indicative targets, with the exception of the ceiling on base money growth and the floor on poverty-related expenditures. However, the ceiling on base money growth was observed at end-September 2011. Four structural benchmarks were met, including one with delays. Implementation of the five remaining structural benchmarks, which was delayed on account of the protracted electoral process (MEFP, Table 2b).

IV. GOVERNMENT PROGRAM FOR 2012

7. **The GoH is committed to addressing the key challenges facing Haiti, including sustaining high growth, reducing poverty, and strengthening the country's resilience to external and natural shocks**. In this connection, we will implement a set of coherent macroeconomic policies and a reform program reflecting our strategic priorities, i.e. an increase in the domestic revenue intake, and an improvement in governance to attract more investment and promote private sector-led growth. We are, however, aware that some risks remain. These include a reversal of the downward trend in international food prices; continued drought conditions in some key rural areas; delays in disbursements of international assistance; sanitary challenges, notably those associated with the cholera epidemic; and our weak administrative capacity.

8. **Policies will focus on supporting the economic recovery and the reconstruction activities while safeguarding macroeconomic stability**. The main macroeconomic objectives for 2012 are: (i) a real GDP growth rate of 7.8 percent, supported by the take-off of reconstruction activities and a rebound in agriculture; (ii) an inflation target of about 8 percent, on the assumption of receding international food and fuel prices buoyant domestic food output; (iii) a current account deficit of 4.5 percent of GDP; (iv) an overall fiscal deficit of 7.7 percent of GDP; and (v) a level of gross international reserves equivalent to about 4.7 months of imports.

A. Macroeconomic Policies

Growth policy

9. **We will implement a robust pro-growth and employment policy supported by both private and public investments.** Private sector jobs creation will be our main priority so as to reduce poverty and promote economic growth. This strategy will be made possible by a full valorization of the country's potential for growth in agriculture, agro-industry, tourism, housing reconstruction, and manufacturing in the context of industrial parks projects.

10. **In support of this strategy, we will actively seek to encourage domestic and foreign direct investment, including from the Haitian diaspora**. To attract capital, we will develop new tools and facilities, including integrated economic zones and industrial parks. We will also improve business regulations through implementing the "Doing Business" plan, facilitate access to credit, including with the Partial Credit Guarantee Fund (PCGF), and launch new initiatives (*Service d'Aide aux Entreprises et de Formation*) to support small- and medium sized enterprises, particularly in preparing business plans, while the access to public investment projects and programs will be encouraged and eased for the SMEs. Finally, we will increasingly rely on Public-Private Partnerships to improve infrastructures and public utilities and support private projects with adequate public participation.

Fiscal policy

11. **We remain committed to fiscal sustainability while accelerating the reconstruction of the country.** We will continue efforts to raise revenue, and contain non priority recurrent expenditure. At the same time, we will increase capital expenditures to rebuild infrastructure and boost the country's growth prospects. We will also strive to increase and better target pro-poor spending, so as to provide support to households in need. On this basis, we will target an overall fiscal deficit equivalent to 7.7 percent of GDP for 2012.

12. **In FY2012, domestic revenue is projected to increase to G 46.9 billion (13.6 percent of GDP).** To achieve this target, we intend to introduce a set of measures, detailed in paragraph 17. In addition, we will not renew all tax exemptions passed in the context of the 2011 budget (and outlined in the April 25, 2011 MEFP attached to the staff report for the first ECF review). We have also fully incorporated the recently-introduced fees on incoming international calls and international financial transactions into the budget. Budget support grants are expected to reach G 4.7 billion (US$114 million, or 1.4 percent of GDP), with disbursements expected mostly in the second half of the fiscal year.

13. **Current expenditure is set at G 39.5 billion, or 11.4 percent of GDP, up from G 35.2 billion, or 11.8 percent of GDP, in FY 2011.** We envisage a wage bill of G 18 billion, slightly rising its share of GDP to 5.2 percent to accommodate projected new

hires in the social sectors. In order to avoid ex-post regularization in civil service hiring which complicates budget execution, the OMRH (*Office pour le Management des Resources Humaines*) will prepare a comprehensive employment strategy for the public administration. We are also committed to containing expenditures in goods and services, and to make sufficient budget allocations to ensure full payment of electricity bills to electricity company EDH during FY 2012.[2] We will present all government support to EDH in budget documents and the monthly TOFE, including support from PetroCaribe accounts (about G 3.6 billion in FY2011 or 1.2 percent of GDP) to further enhance transparency and accountability. As a result of our continuing effort to improve its management, including through the signing of a memorandum of understanding with foreign partners to rehabilitate the sector, budgetary subsidies to EDH are projected to be halved this year to about G 4.4 billion (1.3 percent of GDP).

14. **We plan to significantly raise public investment, in order to boost growth and accelerate the reconstruction effort.** Domestically- financed investment is projected at G 38 billion (11 percent of GDP), more than double its level in FY 2011. Almost half of domestically-financed investment will be funded by Treasury resources (G 16 billion, or 4.6 percent of GDP, up from G 8 billion executed in FY 2011). The Petro Caribe envelop will also increase to G 16.1 billion (4.7 percent of GDP). We are aware of the risks associated with the use of PetroCaribe-debt resources, and are committed to channel them to high-priority, high-growth impact investments with full transparency on their use. To that effect, we will include them in the monthly TOFE starting January 2012 and regularly publish execution reports on all Petro Caribe-related transactions.

Monetary and exchange rate policies

15. **Our monetary policy will aim at containing inflationary pressures**. Our program for FY 2012 targets an 11.2 percent increase in base money and a 16.1 percent increase in credit to the private sector. On the assumptions of a rebound in domestic food production and receding international food and fuel prices, we are targeting an inflation rate of 8 percent. However, should inflationary pressures persist, we stand ready to increase the policy rate and tighten liquidity conditions (through issuance of BRH or T-bills). In this context, we will take steps to strengthen market-based monetary operations and improve liquidity management.

16. **Exchange rate policy will be more flexible**. To that end, by end-September 2012, we will establish an unconstrained single price foreign exchange auction (instead of sales in which both price and quantity are fixed) to improve the functioning of the foreign exchange market. Furthermore, BRH interventions in the foreign exchange market will continue to be

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[2] The reconciliation of government's liabilities to utility companies, including EDH will be finalized soon. Meanwhile, we have allocated 1.6 billion gourde in the budget to settle these liabilities.

limited to smoothing excessive fluctuations, while allowing for a buildup of international reserves. Lastly, we will continue to closely coordinate monetary and exchange rate policies.

B. Structural Reforms

Revenue and tax and customs administration

17. **Looking forward, we are fully committed to adopting a set of measures to significantly raise revenue collection.** The emphasis will be on strengthening tax and custom administration, simplifying the tax system and broadening the tax base. In particular, we will; (i) increase the excise tax on cigarettes and alcohol *(structural benchmark)* by March 2012, while enhancing controls over those excise taxes through the introduction of new « vignettes » and the increase on the right to license debits of these products; and (ii) reduce tax and customs exemptions. As part of the latter, NGOs asking for tax and customs exemptions will have to provide a certificate indicating their compliance with the law regarding their activities, their program, their staff, the salaries paid, and copies of their final tax declarations. Other measures will include: (i) encouraging taxpayers who were subjected to tax adjustments over the past three years to submit revised tax declarations and settle their tax obligations; (ii) strengthening controls over casinos and house games; (iii) enhancing the awareness and use of the ASYCUDA; (iv) launching the process to revise, harmonize, and rationalize customs tariffs and code; and (v) setting the stage for the transformation of the current turnover tax into a full VAT system.

18. **Together with our development partners, we will implement a comprehensive reform program to improve revenue administration**. In particular, we will set up: (i) a tax policy unit within the MEF *(structural benchmark)*; and (ii) a Medium Taxpayers Unit within the Direction Générale des Impôts *(structural benchmark).*

Public financial management (PFM) and economic governance

19. **We will continue to work together with our development partners to improve PFM and economic governance,** by streamlining and strengthening budget preparation, and improving monitoring and control procedures. In particular, we will make sure that the draft budget for FY2013 is submitted to Parliament and vetted by the Court of Accounts in a timely manner. We will improve its presentation by: (i) disclosing appropriations for investment projects in a format consistent with the budget administrative and economic classifications, and the government chart of accounts; and (ii) starting with the draft budget law 2012-2013, we will attach a rolling medium-term fiscal framework covering the budget year and two more years ahead. By September 2012, we will publish within 30 days of the end of each quarter quarterly data on the disbursements of the projects accounts presented according to the budget economic classification and to the Government chart of accounts.

20. **We will rationalize government accounts by imposing that each public entity can open only one current account for current spending and a strictly limited number of accounts for capital outlays before introducing Treasury Single Account (TSA).** To that effect, we will prepare by March 2012 a plan with a clear time line that will include measures to: (i) close dormant accounts of the central government at the central bank or commercial banks; (ii) establish the list of accounts used by public entities; (iii) strengthen the network of public and sectoral accountants through better training and adequate human resources; (iv) update the legal framework for the TSA; and (v) reduce the number of domestically-funded imprest accounts to two by ministry or institution (one for current and one for capital spending), and give the signature on these accounts to public accountants appointed by the MEF. By end-June 2012, we will 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 (structural benchmark).

21. **We will improve the coordination between fiscal and monetary policy**. To that effect, by March 2012, we will: (a) start publishing on the BRH website reports 10R, 20R, and 610R on a monthly basis; (b) give to the MEF full electronic access to government accounts at BRH; (c) put in place a joint committee MEF/BRH whose task is to meet twice a month to reconcile data between both entities. By June 2012, we will: (a) publish every month within 30 days of the end of the month a summary fiscal table fully reconciled with the government net position at the central bank; and (b) sign an agreement between the MEF and the central bank redefining the rights and obligations of the BRH as cashier and banker of the government. We are taking steps to enhance project management and efficient use of public resources by publishing within 30 days of the end of each quarter quarterly data on the disbursements of the projects accounts.

22. **We will publish the remaining decrees of the procurement code**, in order to strengthen the role of the Commission Nationale des Marchés Publics (CNMP) and accelerate reconstruction efforts. We will also swiftly implement all the remaining steps to ensure that the resources freed up by the PCDR are effectively disbursed according to best international practices.

Financial sector

23. **The government has continued making progress in the implementation of financial sector reforms**. For FY 2012, the government remains committed to (i) strengthening the operations of the PCGF, including a fee structure and coverage of the guarantee to provide incentive to banks while avoiding the moral hazard; (ii) pursuing our legislative agenda to update financial legislation; (iii) ensuring that the law creating the credit information bureau is submitted to Parliament before end-September 2012; (iv) reinforcing the insurance sector through the establishment of a regulatory and supervisory framework for insurance companies for which a new law will be submitted at the Parliament by end-September 2012; and (v) strengthening central bank independence through the submission to

Parliament of a revised central bank law by end-September 2012. We will continue implementation of the pending recommendations from the 2010 safeguards assessment update.

External debt management

24. **The government intends to continue efforts to improve the debt management capacity.** Key actions for 2012 include: (i) submission to Parliament by end-March 2012 of a public debt law that establishes a sound legal and institutional framework for public debt management (*structural benchmark)*; and (ii) completion of a medium-term debt management strategy, based on a comprehensive analysis of the sustainability of total public debt. Further, the debt unit will be strengthened with fully operational middle and back office functions and the capability to produce annual debt sustainability analyses. By March 2012, we will strengthen the debt unit with fully operational middle and back office functions and prepare annual debt sustainability analyses *(structural benchmark).*

Others structural reforms

25. **The promotion of private sector activity and investment will remain at the center of our reform agenda.** We will continue our efforts to: (i) establish a robust legal framework for Public-Private Partnerships to help promote, with the assistance from technical partners, investment both in infrastructures and public utilities and in specific sectors, inducing the development of export industries, including textiles, agribusiness, and tourism; (ii) strengthen the legal framework for investment to enhance governance so as to improve the business environment through the preparation of an "Action plan" based on the results of the "Doing Business 2012. This Plan will aim at: (i) simplifying the legal and regulatory framework for investments in export-processing zones, including the revamping of the investment promotion office as an effective one-stop shop for potential investors; (ii) reforming the current land title issues facing investors, and finalizing the purchase of specific pieces of land by the government to build government buildings and implement specific private-sector projects; (iii) uplifting the legal regime for collateral and establishing a registry for the use of movable assets as collateral. For microfinance institutions, we intend to submit to Parliament a new law aimed at strengthening the regulation of this sector. In the electricity sector, a Memorandum of Understanding was signed between the government and key partners, including the U.S. and the IDB, to strengthen the sector. A contract will be signed with an international firm to oversee and improve the management of EDH. The authorities intend to continue working with their partners to modernize the sector and rehabilitate the distribution network to reduce technical losses.

PRSP

26. **We have prepared a progress report on the implementation of our poverty reduction strategy since 2008.** The strategy has been defined in the first national strategy for growth and poverty reduction (2008–10) and in the Action Plan for National Recovery

and Development of Haiti (PARDH). The PARDH, presented to the international community at the UN conference in New York in March 2010, outlines immediate responses to the losses and damage caused by the earthquake, but also includes a number of key initiatives for creating the conditions to tackle the structural causes of Haiti's under-development. The PARDH is built around four key pillars, including territorial rebuilding, economic rebuilding, social rebuilding, and institutional rebuilding. Key priorities for the short term are to (i) improve accommodation for the homeless; (ii) engineer the return of children to school and students to university and vocational training centers; (iii) pursue efforts to restore a sense of normality to economic life, especially by creating large numbers of jobs through high-intensity work, and guaranteeing stability in the financial sector and access to credit for SMEs; and (iv) continue to reorganize state institutions. The second stage has a time horizon of ten years, allowing it to take into account three programming cycles of the National Strategy for Growth and Poverty Reduction.

C. Program Monitoring

27. **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 to be used in monitoring performance in 2011/12. Structural benchmarks, with corresponding dates, are identified in Table 2. The fourth review under the ECF arrangement, assessing end-March 2012 performance criteria, is expected to be completed by June 2012. The fifth review under the ECF arrangement, assessing end-September 2012 performance criteria, is expected to be completed by mid-December 2012.

Table 1. Haiti: Indicative Targets and Quantitative Performance Criteria, December 2010 - September 2012

(In millions of gourdes, unless otherwise indicated)

	Actual stock at end- Sept. 09	Cumulative Flows from September 2009																
		Sep 2010		Dec 2010		March 2011	March 2011	June 2011	June 2011	Sept. 2011	Sept. 2011	Dec. 2011	Dec. 2011	Mar. 2012	June 2012	Sept. 2012	Dec. 2012	Mar. 2013
		PC (EBS/10/186) /1	Actual	Indicative target (EBS/10/186) /1	Actual	PC (EBS/10/186) /1	Actual	Indicative target	Actual	PC (EBS/11/63)	Actual	EBS/11/63	Projected outcome	PC (EBS/11/63)	Indicative target	PC	Indicative target	Indicative target
I. Quantitative performance criteria																		
Net central bank credit to the non-financial public sector - ceiling	21,549	370	-12,522	370	-9,808	370	-11,639	-11,608	-13,332	-9,740	-16,273	-8,525	-14,852	-7,309	-15,926	-12,090	-11,331	-10,572
Central Government 2/	23,118	171	-11,289	171	-14,016	171	-15,962	-10,375	-17,353	-8,507	-19,863	-7,291	-18,390	-6,076	-13,434	-7,742	-5,504	-2,955
Rest of non-financial public sector	-1,569	198	-1,233	198	-1,549	198	-1,853	-1,233	-2,085	-1,233	-2,621	-1,233	-2,542	-1,233	-2,697	-1,954	-1,871	-1,788
Net domestic assets of the central bank - ceiling 3/	13,987	-493	-18,008	2,003	-14,183	2,437	-15,354	-30,807	-17,367	-20,894	-18,309	-15,784	-20,813	-17,448	-11,488	-5,383	-3,014	-645
Net international reserves of central bank (in millions of U.S. dollars) - floor	416	129	693	139	707	148	697	550	747	355	762	370	783	384	683	563	538	513
II. Continuous performance criteria																		
Domestic arrears accumulation of the central government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New contracting or guaranteeing by the public sector																		
of nonconcessional external or foreign currency debt (In millions of U.S. dollars) 4/	0	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33
Up to and including one year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Over one-year maturity	0	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33
Public sector external arrears accumulation (in millions of U.S. dollars)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III. Indicative targets																		
Change in base money - ceiling	31,080	4,671	9,703	7,551	14,113	8,371	12,535	11,966	12,505	15,902	12,156	21,352	10,496	20,027	15,843	17,128	18,497	19,866
Net domestic credit to the central government - ceiling 5/	19,540	-2,909	-17,214	-684	-13,960	-433	-20,898	-14,282	-23,215	-10,937	-24,685	-6,067	-18,199	-6,585	-11,361	-6,710	-1,698	-509
Poverty reducing expenditures - floor 6/		9,597	8,094	12,716	8,094	15,835	8,094	17,451	8,094	20,570	8,094	23,689	12,149	26,808	20,258	24,313	29,584	34,855
Memorandum items																		
Change in currency in circulation	13,448	2,142	3,835	4,768	6,900	5,039	5,004	5,713	4,890	6,223	4,953	12,117	4,721	9,728	6,626	7,161	7,764	8,368
Net domestic credit to the rest of the non-financial public sector	-1,641	145	-1,291	145	-1,637	145	-1,937	-29,196	-2,173	-1,338	-2,688	-17,582	-2,619	-20,539	-2,775	-2,032	-1,948	-1,865
Government total revenue, excluding grants	29,881	26,258	31,425	34,168	41,329	42,469	50,800	58,439	60,212	67,520	70,319	78,402	81,064	89,649	104,203	117,269	171,180	234,025
Government total expenditure, excluding externally-financed investment	41,531	44,239	45,251	57,950	53,954	70,391	65,138	82,061	76,392	99,388	93,963	117,637	151,813	134,584	167,343	162,735	167,343	162,735

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

1/ Reflecting modified targets for NIR and NFA, as per EBS/10/186.
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 per US$.
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.

Table 2a. Haiti: Status of the Implementation of Structural Reform Measures in 2010

Macro-criticality	Objective		Structural Benchmarks	Status
Prior Actions				
Safeguards assessment	Improve reliability of program data		Completion of the audit of foreign reserves to confirm the levels of end-September 2009 and end-September 2010 level of unencumbered reserves.	Completed
End-September 2010				
1-Improve the tracking of poverty-reducing expenditures	Publish regular reports on poverty-reducing spending on the MEF website.	1a	Continue publishing quarterly reports on poverty-reducing expenditures on the MEF website, including domestically-financed health, education and agriculture spending.	Met
2-Strengthen fiscal discipline and transparency by improving budget preparation, expenditure control and cash management	Strengthen the transparency of expenditure policy.	2a	Start publishing central government monthly transfers to investment project accounts, project by project, including PetroCaribe projects.	Met with delay
		2b	Start publishing central government monthly transfers by beneficiary entity.	Met
	Improve control of budget execution and fiscal reporting.	2c	Start preparing monthly consolidated Treasury balances (TMU ¶38).	Met with delay
	Improve cash management.	2d	Prepare an inventory of all government and donor accounts at the BRH and BNC (TMU ¶39).	Met with delay
3-Raise government revenue	Strengthen operation of tax and customs administrations.	3a	Prepare quarterly reports with monthly data on the performances of the tax system and the tax administration, including the cost of exemptions and revenue collected in the provinces (TMU ¶40).	Met
	Enhance the transparency of the tax exemption policy.	3b	Start publishing a quarterly report that identifies all fiscal expenditure by beneficiary sectors.	Met
	Introduce a new tax code that would increase revenue and rationalize the tax system.	3c	Set up a working group that would be tasked to prepare a study to simplify the tax system, increase revenue, improve tax productivity, custom and fiscal administration, establish a work program with specific deadlines (TMU ¶37).	Met with delay
4-Improve the monetary policy framework and its effectiveness	Improve timeliness of external audits of the BRH; enforce rotation of external auditors.	4a	Completion and publication of externally audited financial statements for 2008/09.	Met

Table 2b.Haiti: Status of Implementation of Structural Reform Measures in 2011

Macro-criticality	Objective		Structural Benchmarks	Timing	Status
Continued benchmarks			Continue publishing reports listed under 1a, 2a, 2b, 2c, 3a, 3b	End-March 2011	Met
Strengthen fiscal discipline and transparency by improving budget preparation, expenditure control and cash management	Improve cash management.	2f	Start preparing and publishing monthly cash plans including PetroCaribe spending and financing needs.	End-March 2011	Not Met.
	Improve the tracking of investment spending and improve ability to make multi-year investment projections.	2g	Start producing quarterly reports with monthly data of investment expenditure based on SYSGEP and publish them on the MEF website.	End-March 2011	Not met.
Improve the monetary policy framework and its effectiveness	Enforce rotation of external auditors to audit BRH accounts.		Select an international firm to conduct ISA compliant external audit for the FY 2011 audit, for a period of 3 to 6 years.	End-July 2011	Not met.
	Strengthen foreign exchange reserves management.		Adoption of a global reserves management policy by the investment committee, covering all foreign exchange reserves.	End-June 2011	Met
Strengthen fiscal discipline and transparency by improving budget preparation, expenditure control and cash management	Improve the transparency of government transfers to the energy sector	2h	Identify and consolidate all sources of transfers to EDH in regular monthly reports.	End-June 2011	Met
	Enhance the quality of spending of investment projects, including those financed with PetroCaribe resources and PCDR debt relief.	2i	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	End-June 2011	Not met.
		2j	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.	End-September 2011	Not met.
Continued benchmarks			Continue publishing reports listed under 1a, 2a, 2b, 2c, 2h, 3a, 3b	End-September 2011	Met

Table 2c. Haiti: Proposed New Measures Through end-December 2012

Macro-criticality	Objective	Structural Benchmarks	Timing
Debt management	Complete the setting-up of the debt unit at the MEF and build capacity to prepare a medium-term debt strategy.	Strengthen the debt unit with fully operational middle and back office functions; Preparation of annual debt sustainability analyses.	End-March 2012
	Strengthen the legal framework for debt management.	Submit to Parliament a public debt law that would establish a sound legal and institutional framework for public debt management.	End-March 2012
Tax policy and revenue administration	Increase revenue	Increase the excise tax on cigarettes and alcohol	End-March 2012
	Improve revenue collection	Put in place within the Directorate General of Taxes a unit in charge of medium & large enterprises	End-September 2012
Macro fiscal management	Improve overall macroeconomic management	Put in place the fiscal policy unit within the MEF	End-September 2012
Cash management	Improve cash management and enhance transparency in spending	Close all dormant accounts of the central government at the central bank or commercial banks andestablish the list of accounts used by public entities	End-June2012
Continued benchmark	Improve coordination between fiscal and monetary policy	Start publishing on the BRH website reports 10R, 20R and 610R on a monthly basis	End-March 2012
Exchange rate management	Improve the functioning of foreign exchange market	Establish unconstrained single price foreign exchange auctions	End-September 2012

APPENDIX III: HAITI: TECHNICAL MEMORANDUM OF UNDERSTANDING–UPDATE

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-September 2012 and quantitative indicative targets for end-June 2012, end-December 2012, and end-March 2013 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).

4. **Total public sector**. The total public sector comprises the non-financial public sector and the central bank, the Bank of the (BRH).

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.[3]

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,[4] 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.

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[3] 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.

[4] 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);[5]

   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).[6] 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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[5] 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.

[6] 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 November 30, 2011, the outstanding balance of Petro Caribe funds totaled US$ 279 million, with US$75 million held in U.S. dollar-denominated sight deposits of the central government at the BRH, and the remaining US$204 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.[7] Until new institutional arrangements are finalized and the statutes of the new societé 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 societé 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

[7] ALBA refers to "Alternativa Boliviarana 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. 12274, Point 9, and revised on August 31, 2009.

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.[8] 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).[9] 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.

[8] The grant element calculator can be found at http://www.imf.org/external/np/pdr/conc/calculator/default.aspx.

[9] 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 a vue en gourdes des BCM a 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 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 FY2012

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 G 4.7 million (about US$114 million) during FY2012 (US$13million, France US$22million, Spain US$22 million, World Bank US$27 million, and IDB US$30 million).

37. 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."

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

V. Clarification of Structural Conditionality

A. Fiscal Sector

39. As specified on 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.

40. 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.

41. The new 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.

42. The new 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.

43. The new 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.

44. The new 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.

45. 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.

46. 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.

B. Monetary Policy and Financial Sector

47. 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

48. 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

49. The exchange rate.

B. Weekly

50. *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.

Haiti: Net International Reserves BRH, End-December 2011
(In millions of U.S. dollars)

A. Gross Foreign Exchange Reserves	2,098.6
B. Gross Liabilities	254.2
C. Net Foreign Assets (=A-B)	**1,844.3**
D. FX deposits of commercial banks and CAM transfer at the BRH	757.4
E. Project accounts	6.9
F. Special accounts in U.S. dollars and euros	3.5
G. Seized values	0.0
H. SDR allocation (liability)	122.0
J. NIR (=C-D-E-F-G+H)	**1,198.5**

Source: Haitian authorities; and Fund staff estimates.

51. *Fiscal Indicators*: (a) Revenues (internal, external, other) and (b) Expenditures on cash basis (wages and salaries, goods and services, external debt, current accounts).

52. 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 comptes courants with a maximum of 30-day lag for final data.
- “Project Accounts”, by donor, with a maximum of 30-day lag for final data
- Tableau de trésorerie de devises 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).
- 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.

Haiti. PetroCaribe Deposits, 2009-2012

	2009		2010				2011				2012		
	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sept.
Total deposits in government accounts in the banking system													
Cumulative flows (millions of Gourdes)		1804.3	1520.7	2309.4	3204.9	3779.8	3975.0	6095.7	4887.8	3652.8	2417.8	1182.9	-52.1
in US dollars (millions of US dollars)		42.4	43.2	62.4	84.3	99.0	102.1	154.4	122.4	91.9	61.4	31.0	0.6
Stocks (millions of Gourdes)	3713.2	5517.5	5233.9	6022.5	6918.1	7493.0	7688.2	9808.9	8601.0	7366.0	6131.0	4896.0	3661.0
in US dollars (millions of US dollars)	88.9	131.3	132.1	151.3	173.2	187.9	191.0	243.3	211.3	180.7	150.3	119.8	89.5
Deposits in government accounts at the BRH													
Cumulative flows (millions of Gourdes)		-90.3	-93.0	-96.1	-96.0	-96.0	-96.0	-96.0	-96.0	-96.0	-96.0	-96.0	-96.0
in US dollars (millions of US dollars)		-2.2	-2.1	-2.2	-2.2	-2.2	-2.2	-2.2	-2.3	-2.3	-2.3	-2.3	-2.3
Stocks (millions of Gourdes)	171.0	80.7	78.0	74.9	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
in US dollars (millions of US dollars)	4.1	1.9	2.0	1.9	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8
Deposits in government accounts in commercial banks													
Cumulative flows (millions of Gourdes)		1894.6	1613.7	2405.4	3300.9	3875.8	4071.0	6191.7	4983.8	3748.8	2513.8	1278.8	43.8
in US dollars (millions of US dollars)		44.6	45.4	64.6	86.5	101.2	104.3	156.6	124.7	94.1	63.6	33.2	2.9
Stocks (millions of Gourdes)	3542.2	5436.8	5155.9	5947.6	6843.1	7418.0	7613.1	9733.8	8526.0	7291.0	6056.0	4821.0	3586.0
in US dollars (millions of US dollars)	84.8	129.4	130.1	149.4	171.3	186.0	189.1	241.4	209.5	178.9	148.4	118.0	87.7

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 financing 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.