International Monetary Fund

Haiti and the IMF

Press Release:
IMF's Executive Board Completes the Sixth Review Under Haiti's ECF Arrangement and Approves US$2.5 Million Disbursement
August 2, 2013

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

July 9, 2013

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.

July 9, 2013

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

Dear Mrs. Lagarde:

1. Our economy continued to recover, although less rapidly than expected owing particularly to weather-related shocks, shortfalls in capital expenditure, and delays in the disbursement of external grants. The macroeconomic situation remained relatively stable, with inflation in the mid-single digits. The external position is relatively strong with official reserves at about 6 months of imports at end-May 2013.

2. Implementation of our program supported by an arrangement under the Extended Credit Facility (ECF) remains broadly on track. All end-March 2013 performance criteria and indicative targets were met, except the end-March indicative targets on BRH net credit to the Government and on poverty-related spending. The latter was missed because some resources were redirected to other sectors severely hit by Hurricanes Isaac and Sandy, while the former was not met due partly to a shortfall in budget support. We also achieve some major structural reforms despite weak capacity, the recent change in government, and delays in mobilizing needed financial and technical assistance.

3. In light of the progress made in implementing the program supported by the ECF arrangement, we request the completion of the sixth review and the approval of the sixth disbursement for an amount equivalent to SDR 1.638 million. We also request that the ECF be extended to August 29, 2014, and that performance criteria be set for September 30, 2013 and March 30, 2014. We also request to rephase the remaining access under the ECF (SDR 4.914) equally into three purchases with test at end-March 2013, end-September 2013, and end-March 2014.

4. The requested extension under the ECF will help us maintain macroeconomic stability and pursue structural reforms to boost productivity and competitiveness and achieve strong and inclusive growth. We believe that the economic and financial policies set forth in the attached MEFP will deliver the objectives of the program. We will regularly update the IMF on economic and policy developments and will provide the data needed for adequate monitoring of the program. We stand ready to take any further measures as deemed appropriate to meet our objectives. We will consult with the Fund ahead of the adoption of these measures and any revisions to the measures outlined in the MEFP, in accordance with the Fund's policies on such consultation.

Sincerely yours,

/s	/s
Wilson LALEAU	Charles CASTEL
Minister of Economy and Finance	Governor
Ministry of Economy and Finance	Bank of the Republic of Haiti

Attachments:
Memorandum of Economic and Financial Policies–Update
Technical Memorandum of Understanding–Update

MEMORANDUM OF ECONOMIC AND FINANCIAL POLICIES

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 our macroeconomic and structural program under the Extended Credit Facility (ECF) arrangement, approved by the IMF Board on July 21, 2010. It also sets out macroeconomic policies and structural reforms that we will pursue during the remainder of FY2013 and in FY2014.

Recent Macroeconomic Developments

2. **The economy continued to recover, although less rapidly than expected.** Emergency spending helped to partially offset the impact on the agricultural sector of Hurricane Sandy, which hit the country in October 2012. As a result, agricultural output (about 20 percent of GDP) will recover although at a slower pace than projected at the fifth review. Non-agricultural output will continue to grow, but also at a slower pace, mostly reflecting lower than expected execution of public investment and delays in disbursing external financing. On balance, we revised real GDP growth down to 3.4 percent in FY2013 from 6.5 percent envisaged in the last review. In FY2014, we expect real GDP growth to pick up to 4.5 percent, led by agriculture and construction.

3. **The macroeconomic situation continued to be relatively stable.** Inflation remained in the single digits (7.3 percent at end-May 2013). Fiscal performance during the first half of the year was weaker than budgeted. Domestic revenue was G22 million, 42 percent of the total amount budgeted for the whole year. In response, we restrained current spending, essentially goods and services and subsidies and transfers, by about G2 billion. The execution rate of capital spending continued to be low, though some improvements have been noticed in recent years. The external position remained comfortable with official reserves at about 6 months of imports at end-May 2013. Credit to the private sector continued to increase rapidly but broad money growth remained moderate and well below the program target. The BRH's policy interest rates have not changed since January 2011, but in February 1, 2013, the Central Bank slightly tightened the monetary policy stance, raising banks' reserve requirement ratios by 5 percentage points to a maximum of 34 and 39 percent on liabilities in local and foreign currency, respectively. In March, 2013, the reserve requirement on gourde deposits was raised further to 35 percent. Financial soundness indicators of the banking system appear sound.

Performance under the program

4. **Implementation of our program, supported by an arrangement under the Extended Credit Facility (ECF), remains broadly on track**. All end-March 2013 performance criteria were met, but the indicative targets on net domestic credit to the central government and on poverty-related spending were not met. The latter was missed as we had to redirect some resources to other sectors severely hit by Hurricanes Isaac and Sandy. Although some progress

has been made, none of the five relevant structural benchmarks has been fully implemented, largely due to weak capacity and delays in mobilizing needed financial and technical assistance.

The government program for the remainder of 2013

5. **The macroeconomic outlook has been revised as follows**: real GDP growth is expected to be weaker than projected at the time of the fifth review, at 3.4 percent; the current account deficit would be 5.8 percent of GDP and gross official reserves are expected to fall to 5.8 months of imports. Our monetary policy will continue to aim at price stability with year-on-year consumer price inflation expected to be around 6 percent.

6. **Our revenue and expenditure measures will cap the 2013 budget deficit at 5.5 percent of GDP**. The revised target takes into account a projected end-year revenue shortfall of G8 billion, some non-priority current expenditure cuts, and a downward revision in capital spending.

- *Revenue:* We recognize the importance of revenue enhancement for creating additional fiscal space and ensuring fiscal sustainability. The lower than budgeted revenue collection in the first half of the year is largely due to: (i) weak fiscal administration capacity; (ii) the high level of international oil prices and the accompanying losses in revenue as domestic prices were kept unchanged; and (iii) delays in implementing some tax policy measures (including higher excise taxes on alcoholic beverages) and in improving tax collection. We have so far adopted urgent measures to improve controls at the borders and strengthen enforcement of income and sales tax collection. We expect these measures to increase average monthly revenue collection to almost G3.8 billion (as opposed to the G3.5 billion collected on average from October to March) during the second half of the year. This will bring domestic revenue to G44 billion for the year versus an initial budget target of G52 billion.

- *Expenditure:* To offset the loss in revenue (G8billion), we will reduce non-priority current spending by about G2.4 billion. Based on the execution rate of the first semester, we have revised down domestically-financed capital spending by about G6.5 billion.

7. **Implementation of structural reforms will continue through the remainder of FY 2013.**

- *Treasury Single Account* (TSA). Important steps have been made towards the establishment of a Treasury Single Account, including in the creation of new accounting posts and in the training of accountants. The introduction of the TSA in a first wave of ministries is almost ready. As prior actions, we have opened the Central Account related to the TSA at the BRH, and signed and implemented the agreement between the MEF and BRH on the modalities and functioning of the TSA, which will speed up the move to a TSA. These two actions will also help accelerate the implementation of the structural benchmark on the reduction of the number of domestically-funded imprest accounts to three per ministry or institution (end-March 2014 structural benchmark). We will complete the training of new accountants and the roll-over of the GL software in the accounting posts. We will fully implement the agreement on the treasury debt signed in last December. To this end, the MEF and BRH will work together to develop by the end of September 2013 an IT tool to help the reconciliation of the treasury accounts and the government's financial accounts at the BRH.

- *Revenue administration*. We will take measures to improve revenue collection. Further efforts will be made to improve tax collection at the large taxpayers unit. An action plan designed to monitor tax collection at this unit will be implemented. At the end of each week, reports about the large taxpayers' unit performance will be prepared. The capacity of this unit that collects 80 percent of DGI revenues will be reinforced by appointing three permanent high-level experts. We will also provide offices for the newly-created units of the tax department that are in charge of medium-sized tax payers and NGOs (end-September 2013 structural benchmark) and enforce tax payments and control at customs.

- *Reorganization of the Ministry of Finance*. A new organic law of the Directorate General of the Budget and the Directorate General of the Treasury and Public Accounting has been submitted to parliament. It will help improve the public investment framework and transition toward result-based public management. We will start implementing these laws as soon as they are passed by parliament. This will pave the way for strengthening the debt unit with fully operational middle and back office functions (end-December 2013 structural benchmark).

- *Improving debt management*. As a prior action we have submitted the new debt law to parliament, which is a key step to continue enhancing our debt management capacity.

8. Current pump prices of petroleum products have generated significant revenue losses and subsidies. This situation is not sustainable and we intend to:

- Develop a medium term plan to gradually close the wedge between domestic and international petroleum prices. In the short-run, we are committed to increase domestic prices so as to limit revenue forgone and secure at a minimum the level of oil revenue envisaged in the FY2014 budget.

- Launch a communication campaign to explain to the public the reasons for and benefits of aligning domestic and international prices.

- Design well-targeted social safety nets to help vulnerable social groups which may be affected by changes in energy prices.

The program for FY2014

9. Our overriding priority remains to rebuild the country and maintain macroeconomic stability while creating the conditions for sustainable (broad-based and inclusive) growth, and build resilience against shocks through appropriate macroeconomic policies. Our macroeconomic policies, as well as the structural and institutional reform agenda for FY2014, will address these challenges.

10. The macroeconomic outlook for 2014 remains positive. Real GDP growth is conservatively projected at 4.5 percent, driven by agriculture, construction, and services. Inflation will remain in the single digits while the external current account deficit should decline slightly, associated with improved exports. The outlook is subject to some downside risks. On the domestic front, upcoming elections could fuel some political tensions and delay the reform agenda. Vulnerability to natural disasters remains a source of concern. On the external side, the highly concentrated export base (textiles to the US) poses risks given the slow recovery of developed economies, particularly the U.S.

Fiscal policy

11. The FY2014 budget balances macroeconomic stability and reconstruction and development concerns. Fiscal policy will continue to aim at increasing domestic revenue and containing non-priority expenditure to make additional room for poverty-related and infrastructure spending with a view of enhancing productive capacity. On this basis, the 2014 budget targets a deficit of 6.9 percent of GDP, from 5.5 percent in FY2013.

- Domestic revenue would increase to G50.6 billion in the prudent baseline scenario (13 percent of GDP).

- Current expenditure is set at G44.5 billion (11.5 percent of GDP).

- We envisage a wage bill of G23.7 billion, a 13.3 percent increase over FY2013. The increase includes: (i) the transfer into the wage bill of compensation of staff from autonomous agencies (G1.3 billion) which was previously recorded in subsidies; (ii) the inclusion into the budget of 5700 teachers (G200 million); (iii) the hiring of new police officers (G335 million); and (iv) of medical personnel (G200 million). In order to improve transparency, we are now including in-kind allowances received by civil servants in the wage bill (instead of in goods and services).

- To enhance transparency in public financial management, we reclassified some items that were before recorded in subsidies and in capital spending and are now more appropriately registered under goods and services. In particular, we reclassified the spending of autonomous agencies from subsidies into goods and services (G1.5 billion), and some outlays from capital spending into current spending (G1.1 billion).

- We will continue to contain budgetary subsidies, particularly to the electricity company (EDH), which will be at G2.5 billion, while increasing poverty-related spending to about G15.5 billion in FY2014.

- Domestically-financed spending will amount to 8.5 percent of GDP, of which 4.4 percent of GDP (G18.7 billion) will be financed from treasury resources (including G2 billion from the National Education Fund and G3 billion from PCDR). In order to better assess the impact of public investment spending, we will isolate gross capital formation from our figures, and reclassify the remainder of the project spending envelopes as current expenditures.

- The deficit will be financed mostly by external resources (about 4.5 percent of GDP) and treasury bills (about 1.2 percent of GDP).

A. Monetary and exchange rate policies

12. The principal objective of monetary policy remains to support price stability, especially in light of continued rapid credit growth. Consumer price inflation is expected to be around 5 percent, helped by continued discipline in monetary and fiscal policy and a rebound in domestic food production. The BRH stands ready to use all available tools, including T-bills and interest rates, to adjust its policy if needed. We will continue to enhance the monetary policy framework, particularly by improving liquidity management, strengthening market-based operations, and developing macroprudential regulatory mechanisms. Further deepening the domestic T-bill market will also provide an additional tool for managing liquidity.

13. We remain committed to a flexible exchange rate. Therefore, we intend to improve the functioning of the foreign exchange market by allowing more participants in the market and promoting the development of the interbank foreign exchange market. The BRH will intervene in the market only to smooth out excess volatility.

B. Structural reforms

Revenue administration and tax policy

14. We will continue our efforts to improve tax policy and revenue administration to support higher revenues. We will adopt measures aimed at expanding the tax base, improving compliance, and enhancing control at the border, including through greater use of IT in both the customs and tax administrations. Key reforms planned for FY2014 include:

- strengthen the large taxpayers office;

- make the medium-size taxpayers office operational and increasing the number of medium-size taxpayers;

- draft legislation to legalize organizational changes; enact legislation establishing a function-based organizational structure for the tax department
- implement organizational changes with staff and managers appointed; and
- begin work on the development of an IT master plan and in implementing an integrated IT system for the tax department.

15. We recognize that other measures must be taken to raise domestic revenue in a sustainable way. Thus, we are committed to start rationalizing exemptions, improving and streamlining the tax system, and accelerating the transformation of the current turnover tax into a full VAT system. We will set up a new working group to prepare the preliminary draft of the new tax code.

Public financial management

16. The establishment of a treasury single account (TSA) remains a key priority. We continue to make progress on the establishment of a TSA, which we view as critical to improve cash management, enhance transparency, and strengthen accounting. In particular, we have identified and closed more than 300 dormant government accounts in the banking system, and trained a large group of public accountants. The network of public accountants is being deployed, starting with the MEF as pilot, which officially installed its public accountant in January 2013. We will vigorously continue these efforts in FY2014. Key actions include:

- A reduction of the number of domestically-funded imprest accounts to three in all remaining ministries or institutions (structural benchmark for end-March 2014). These entities will have one account for their own revenue, one for current spending, and third one for capital spending. Balances in the revenue account ministries will be transferred to the TSA main account.
- Full deployment of the network of public accounting offices at the line ministry level and gradually granting signature authority on these accounts to public accountants appointed by the Ministry of Economy and Finance.
- An extension of the TSA to all ministries.

17. The government will continue to strengthen budget formulation, execution, transparency, and reporting, and improve internal and external controls. In particular, we will roll out general ledger (GL) software in all ministries and start to record project and imprest account expenditures when they are effectively paid, and no longer when the account is replenished.

Strengthening the public investment framework

18. The Government intends to improve the public investment framework, with the view of increasing the execution rate and quality of capital spending. We plan to review all projects in the public investment program in order to differentiate between those projects ready to be financed and those that are still at early stages (identifying their status and next steps to finalize their preparation). We will encourage all ministries and public entities to submit draft procurement and execution plans along with their project proposals prior to their inclusion in the budget. Technical assistance is urgently needed to help set up and strengthen project and program evaluation units (UEPs) in main spending ministries. We will also continue to work with our partners to improve and accelerate the procurement process.

Financial sector development

19. We will continue to promote financial intermediation while safeguarding financial stability. The BRH will continue to strengthen its capacity to monitoring systemic risks and financial stability issues. In line with the recently conducted Financial Sector Assessment,[1] the authorities will submit to Parliament:

- the legal framework for the operation and supervision of insurance companies.
- the law on Financial Cooperatives and the law for microfinance institutions.
- the legal framework for secured transactions.

Other reforms

20. We remain committed to our reform agenda aimed at improving the business environment. Reforms in this area are crucial to raise productivity and competitiveness and lift constraints on growth. In addition to putting in place an institutional framework to attract foreign investments, the Ministry of Commerce and Industry is also preparing a range of measures to reduce the cost and alleviate the burden of doing business. We remain committed to continue export promotion and diversification and investment in tourism to maintain external sustainability.

21. Strengthening the country's resilience to natural shocks is critical to protect growth. We will continue working with our partners, including the World Bank, to further strengthen national risk and disaster management systems.

[1] IMF Country Report No. 13/90.

Safeguard assessments and AML/CFT

22. We will continue to implement the recommendations of the January 2010 Safeguards assessment follow-up mission. We will publish the FY2012 audited financial statement of the BRH by end-July 2013. Work is underway to (i) adopt the IFRS, including the establishment of a special committee to monitor its implementation, and (ii) reconstitute the Investment Committee as an independent oversight body and appoint a compliance officer to monitor observation of investment guidelines.

23. We are committed to ensuring compliance of our AML/CFT legal framework with FATF standards. The draft law on AML/CFT was approved by the Senate and is now being discussed in the Chamber of Deputies. This law enhances compliance with the Caribbean Financial Action Task Force (CFATF) standards. We have also made progress in the implementation of critical aspects of the AML/CFT framework, particularly in the context of combating corruption, countering tax evasion, preventing financial sector abuse, and improving identification of citizens. These measures include the publication by the Central Bank of two decisions and guidelines that will establish mechanisms and procedures that are in line with the new law on banks and other financial institutions (passed by Parliament on May 14th, 2012), and help financial institutions (i) properly identify their customers and fund beneficiaries, and (ii) prevent money laundering and the financing of terrorism.

Program monitoring

24. 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 2012/13 and 2013/2014. 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 new dates for the implementation of the five benchmarks outstanding, is in Table 2c. The seventh review under the ECF arrangement, assessing end-September 2013 performance criteria, is expected to be completed by mid-January 2014. The eighth review under the ECF arrangement, assessing end-March 2014 performance criteria, is expected to be completed by mid-July 2014.

Table 1. Haiti: Indicative Targets and Quantitative Performance Criteria, September 2011 - June 2014

(In millions of gourdes, unless otherwise indicated)

	Actual stock at end- Sept. 09	Cumulative Flows from September 2009													
		Sept. 2011	Dec. 2011	Sept. 2012		Dec. 2012	Dec. 2012	Dec. 2012	Mar. 2013	Mar. 2013	June 2013	Sept. 2013	Dec. 2013	Mar. 2014	June 2014
		Actual 1/	Indicative target (EBS/12/22)	PC	Actual	Indicative target (EBS/12/93)	Indicative targets adjusted for lower budgetary grants in Q1	Actual	PC (EBS/13/90)	Actual	Indicative target (EBS/12/93)	PC	Indicative target	PC	Indicative target
I. Quantitative performance criteria															
Net central bank credit to the non-financial public sector - ceiling	21,549	-16,273	-8,525	-12,090	-17,864	-13,776	-13,160	-16,034	-13,163	-17,375	-16,178	-13,199	-11,816	-10,432	-9,049
Central Government 2/	23,118	-13,652	-7,291	-7,742	-13,883	-11,904	-11,289	-11,559	-11,375	-12,129	-11,329	-11,578	-10,278	-8,978	-7,678
Rest of non-financial public sector	-1,569	-2,621	-1,233	-1,954	-3,981	-1,871	-1,871	-4,474	-1,788	-5,245	-4,849	-1,621	-1,538	-1,454	-1,371
Net domestic assets of the central bank - ceiling 3/	14,448	-18,314	-15,784	-5,383	-24,874	-13,251	-12,635	-18,936	-10,323	-16,600	-16,595	-9,036	-5,472	-709	2,135
Net international reserves of central bank (in millions of U.S. dollars) - floor	416	762	370	563	886	764	749	751	723	736	709	582	517	422	375
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
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
Up to and including one year	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
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
III. Indicative targets															
Change in base money - ceiling	31,080	12,156	21,352	17,128	10,561	17,328	17,328	11,113	18,609	12,842	11,750	14,262	15,225	16,189	17,153
Net domestic credit to the central government - ceiling 5/	19,540	-19,863	-6,067	-6,710	-22,532	-22,221	-21,605	-20,923	-21,615	-11,057	-10,801	-19,270	-16,915	-14,561	-12,206
Poverty reducing expenditures - floor 6/		17,794	23,689	24,313	24,506	31,175	31,175	26,932	36,446	32,223	35,439	38,656	42,531	46,406	50,281
Memorandum items															
Change in currency in circulation	13,448	4,953	12,117	7,161	6,784	7,921	7,921	9,813	8,494	7,509	7,729	9,009	9,285	9,560	9,836
Net domestic credit to the rest of the non-financial public sector	-1,641	-2,688	-17,582	-2,032	-4,254	-1,948	-1,948	-4,752	-1,865	-5,552	-5,024	-1,894	-1,811	-1,727	-1,644
Government total revenue, excluding grants	29,881	70,319	78,402	117,269	112,289	127,253	127,253	123,357	139,283	134,052	144,570	156,289	169,962	182,623	194,331
Government total expenditure, excluding externally-financed investment	42,096	97,390	117,637	162,735	152,263	171,677	171,677	167,180	188,152	180,405	197,565	218,739	235,944	248,752	265,156

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.

Table 2a. Haiti: Status of 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	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	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	Met with delay
	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	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	Met with delay.
Continued benchmarks			Continue publishing reports listed under 1a, 2a, 2b, 2c, 2h, 3a, 3b	End-September 2011	Met

Table 2c. Remaining Benchmarks Through End-March 2013

Macro-criticality	Objective	Structural Benchmarks	Timing	Status
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.	Reprogrammed to End-March 2013 from End-March 2012	Not met
	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.	Reprogrammed to End-March 2013 from End-March 2012	Not met
Accounting	Improve accounting procedures and enhance transparency.	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.	End-March 2013	Not met
	Enhance accounting for expenditure management.	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.	End-March 2013	Not met
Exchange rate management	Improve the functioning of foreign exchange market.	Establish unconstrained single price foreign exchange auctions.	End-September 2012	Not met

Table 2d. Proposed Prior Actions and Structural Benchnmarks Through March 2014

Conditionality	Measure	Timing	Objective
Prior action	Open a government central account at the BRH	Met	Improve accounting procedures and enhance transparency
Prior action (previous strucutral benchmark for end-March 2013)	Sign and make operational the TSA agreement between the MEF and BRH	Met	Improve accounting procedures and enhance transparency
Prior action	Submit to Parliament a public debt law that would establish a sound legal and institutional framework for public debt management.	Met	Strengthen the legal framework for debt management.
Structural Benchmark	Allocate offices to the medium-sized taxpayer unit	End-September 2013	Improve Revenue Collection
Structural Benchmark	Strengthen the debt unit with fully operational middle and back office functions; Preparation of annual debt sustainability analyses.	End-December 2013 (reset from end-March 2013)	Complete the setting-up of the debt unit at the MEF and build capacity to prepare a medium-term debt strategy.
Structural Benchmark	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.	End-December 2013	Enhance accounting for expenditure management
Structural Benchmark	Set up a a task force of experts to review the public investment framework	End-December 2013	Enhance accounting for expenditure management
Structural Benchmark	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.	End-March 2014 (reset from end-March 2013)	Improve accounting procedures and enhance transparency

TECHNICAL MEMORANDUM OF UNDERSTANDING

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- through the end of the arrangement, specified in Tables 1 and 2 of the Memorandum on Economic and Financial Policies (MEFP). It also lays down the monitoring and reporting requirements.

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 Republic of Haiti (BRH).

Quantitative Targets

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:

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

- Change in the stock of project accounts ("Comptes de projets") included in Table 10R of the BRH will be excluded from the change in net domestic credit to the central government as defined above.

- 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.

A. 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 credit 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 credit 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.

B. 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 definitional 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). 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.

[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.

C. Net Domestic Assets of the BRH

15. The change in net domestic assets of the BRH is defined as, and will be measured using:

- The change in base money (program definition according to Section I. below);
- 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 G40.0 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.

D. PetroCaribe-Related Funds

18. As of March 2013, the outstanding balance of PetroCaribe funds totaled 293 million dollars held at the BNC state bank.

19. The authorities are planning to channel new PetroCaribe/ALBA-related inflows through a binational Venezuela-Haiti corporation.4 Although the statutes of the new societé mixte have been already published in the "Journal Officiel" (Le Moniteur), the firm is not operational yet. Therefore, PetroCaribe-related fiscal transactions are still considered in the budget and inflows still 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 (PetroCaribe deposits). Spending from PetroCaribe resources (up to US$400 million in FY 2012), financed with a drawdown of PetroCaribe deposits in the banking system, will also be fully reflected in program tables.

20. Once operational, i.e., that PetroCaribe resources do not constitute direct external debt of the central government, 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.

21. Non Concessional Public Sector External Debt. 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 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

[4] ALBA refers to "Alternativa Boliviarana de las Americas".

more payments in the form of assets (including currency) or services, at some point in the future, as set forth in point 9 of the Guidelines on Performance Criteria with Respect to External Debt in Fund Arrangements, attached to Decision No. 6230-(79/140), adopted August 3, 1979, as amended.

22. A ceiling applies to the contracting and guaranteeing by the public sector of new non concessional debt denominated in foreign currency with original maturities of one year of more. There is a zero ceiling on non-concessional debt of up to and including one year. 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.5 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).6 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.

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

[6] 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.

E. 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.

F. Base Money

29. The change in base money is defined as, and will be measured using:

- The change in the stock of currency in circulation from Table 10R of the BRH.
- 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.

G. 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.

Quarterly Adjustments

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

H. 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.

I. Adjustment for PetroCaribe-related Inflows

34. Until the bi-national company expected to administer PetroCaribe-related funds is legally established, any drawdown of PetroCaribe-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 PetroCaribe accounts in the banking system and will be adjusted for the difference between the actual stock of PetroCaribe 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 PetroCaribe accounts at the BRH. They will be adjusted for the difference between the actual stock of PetroCaribe 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.

J. 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 $27 million during FY2012 from the IDB. For FY2013, expected budgetary donor grants total $60 million, including IDB $20 million, IDA$20 million, EU $10 million, and Spain $10 million. If actual grant inflows are lower (higher) than programmed, these performance criteria ceilings and floor 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.

Clarification of Structural Conditionality

K. Fiscal Sector

38. The prior action on submitting a public debt law requires 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.

39. The prior action on opening a government central account at the BRH will require the opening of one revenue account for DGI and another for AGD, one operating expenditure account at the BRH, the closing of the CSTD (compte special du tresor pour le developpement) and the opening of one investment expenditure account at the BRH.

40. The prior action on signing and making operational the TSA agreement between the MEF and BRH will require both institutions to sign the agreement.

41. 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 delay.

42. The structural benchmark on strengthening the debt unit (end-December 2013) 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.

43. The 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 granting signature power on these accounts to public accountants appointed by the MEF (end-March 2014) 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.

44. The structural benchmark on rolling-out, for all ministries, the GL-software in the offices of the government accountants, and starting 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-December 2013) 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.

45. The new structural benchmark on allocating offices to the medium-tax payer office (by end-September 2013) requires the move of the staff of the newly created medium-tax payer office to a permanent location with the equipment and tools necessary to carry on their day-to-day tasks.

46. The new benchmark on setting up a task force of experts to review the public investment framework will require a decree that establishes a task force of local and international experts and defines as their main responsibility the review of the investment program with the view to differentiating between those projects ready to be financed (including procurement and execution plans), and those that are still at early stages (identifying their status, next steps, and technical assistance to finalize their preparation).

L. Monetary Policy and Financial Sector

Provision of Information

47. 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.

M. Daily

The exchange rate.

N. Weekly

48. *Monetary Indicators*: (a) Stock of BRH bonds; (b) Deposits at commercial banks (in gourdes and U.S. dollars); (c) Credit to the private sector (in gourdes and U.S. dollars); (d) Credit to central government and the 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-March 2013
(In millions of U.S. dollars)

A. Gross Foreign Exchange Reserves	2,193.0
B. Gross Liabilities	282.9
C. Net Foreign Assets (=A-B)	**1,910.1**
D. FX deposits of commercial banks and CAM transfer at the BRH	860.9
E. Project accounts	7.8
F. Special accounts in U.S. dollars and euros	7.3
G. Seized values	0.0
H. SDR allocation (liability)	117.7
J. NIR (=C-D-E-F-G+H)	**1,151.8**

Source: Haitian authorities; and Fund staff estimates.

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

50. These data will be reported with a maximum five-day lag for preliminary data (four weeks for final data).

O. Monthly

Monthly data

- Table 10 R and Table 20 R from the BRH with a maximum 30-day lag for final data.
- Tableau on the comptes courants with a maximum 30-day lag for final data.

- "Project Accounts", by donor, with a maximum 30-day lag for final data
- Tableau de trésorerie de devises with a maximum 30-day lag for final data.
- Tableau des Operations Financières de l'Etat (within 20 days after end of month).
- Table underlying the TOFE which enables the determination of checks in circulation and the 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 the 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" and 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 as in the following table.

Haiti. PetroCaribe Deposits, 2009-2013

	2008/09		2009/10				2010/11				2011/12				2012/13
	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Total deposits in government accounts in the banking system															
Cumulative flows (G mlns)		1804.3	1520.7	2309.4	3204.9	3779.8	3975.9	6144.0	5518.1	6145.6	6773.2	7400.7	8028.3	8373.6	8718.9
in US dollars (US$ mlns)		42.4	43.2	62.4	84.3	99.0	102.1	155.6	137.9	153.0	163.3	180.5	193.1	198.7	204.2
Stocks (G mlns)	3713.2	5517.5	5233.9	6022.5	6918.1	7493.0	7689.1	9857.2	9231.3	9858.8	10486.4	11113.9	11741.5	12086.8	12432.1
in US dollars (US$ mlns)	88.9	131.3	132.1	151.3	173.2	187.9	191.0	244.4	226.8	241.9	252.2	269.4	282.0	287.6	293.1
Deposits in government accounts at the BRH															
Cumulative flows (G mlns)		-90.3	-93.0	-96.1	-96.0	-96.0	-96.0	-96.0	-96.0	-96.0	-96.0	-96.0	-96.0	-96.0	-96.0
in US dollars (US$ mlns)		-2.2	-2.1	-2.2	-2.2	-2.2	-2.2	-2.2	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3
Stocks (G mlns)	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	75.0	75.0
in US dollars (US$mlns)	4.1	1.9	2.0	1.9	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Deposits in government accounts in commercial banks															
Cumulative flows (G mlns)		1894.6	1613.7	2405.4	3300.9	3875.8	4071.9	6240.0	5614.1	6241.6	6869.2	7496.7	8124.3	8469.6	8814.9
in US dollars (US$ mlns)		44.6	45.4	64.6	86.5	101.2	104.3	157.8	140.2	155.3	165.6	182.8	195.4	201.0	206.5
Stocks (G mlns)	3542.2	5436.8	5155.9	5947.6	6843.1	7418.0	7614.1	9782.1	9156.2	9783.8	10411.3	11038.9	11666.4	12011.8	12357.1
in US dollars (US$ mlns)	84.8	129.4	130.1	149.4	171.3	186.0	189.1	242.6	224.9	240.1	250.4	267.6	280.2	285.8	291.3

Sources: Haitian Authorities; and IMF Staff estimates and projections.

P. Quarterly

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

Q. Other Information

52. The authorities will share with staff the by-laws of the new binational (Venezuela-Haiti) entity which will manage Petrocaribe flows (as soon as these 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.