

**FOR
INFORMATION**

EBS/22/59
Correction 1

June 28, 2022

To: Members of the Executive Board

From: The Secretary

Subject: **Haiti—Staff-Monitored Program**

Board Action: The attached correction to EBS/22/59 (6/22/22) has been provided by the staff.

**Factual Errors
Affecting the
Presentation of
Staff's Analysis or
Views**

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Questions: Ms. Laframboise, WHD (ext. 36572)
Mr. Noah Ndela Ntsama, WHD, (ext. 39772)
Ms. Bhattacharya, WHD (ext. 38388)
Mr. Shenai, SPR (ext. 35951)
Ms. Osorio Buitron, FAD (ext. 37599)
Ms. Franca Domingues, WHD (ext. 38052)

concessional financing. If necessary, additional use of a portion of the 2021 SDR allocation would contribute to the financing of the government. In addition, we will update the financing “*pacte*” between the BRH and Ministry of Economy and Finance in line with these objectives. We will pursue the same principles in FY2023, although central bank financing of the government is projected to stabilize at around 2.0 percent of GDP after FY2022, reflecting a prudent forecast of demand by domestic banks for BRH securities.

17. Revenue mobilization remains a key government priority. As the draft General Tax Code (CGI) and the draft Tax Procedure Codes are ready, these documents will be finalized by the end of September 2022 (SB). The simplification of the tax system proposed in the General Tax Code and tax administration reforms are priorities in view of the need to broaden the tax base. We will make progress with revenue administration, in particular by publishing key data on the taxpayer identifier and making its use mandatory for all financial agencies (SB). We will also publish the Customs Code and the [Common External Customs](#) Tariff (SB).

18. We will continue long-standing efforts to strengthen public finance management (PFM) and improve the quality of public spending. For this purpose, we will consolidate into the Treasury Single Account (TSA) at the central bank the bank accounts of all central budgetary, including the emergency fund (SB). Much effort has been devoted to this reform in recent years and we intend to make it fully operational in 2022-2023. As regards the budget, we will adopt and publish by September 30, 2022 a budget for FY2023 in line with the objectives agreed under the SMP. In addition, we will develop a medium-term budgetary framework for fiscal years 2023, 2024, and 2025, with the deficit of the NFPS as the main anchor to assist in the formulation of the annual budget and guide an increase in public investment while maintaining a sustainable annual budget trajectory (SB). Ongoing technical assistance (TA) on public investment management will help to improve coordination in project planning and implementation. The publication on June 9 of the audit of COVID-related spending, which was prepared by the Supreme Court of Auditors and Administrative Litigation (CSCCA), was a priority for launching the SMP (prior action).

19. We intend to report on the use of the SDR allocation in a transparent manner. Before converting about half of the allocation of SDRs into freely usable currencies, we discussed with IMF staff best practices as set out in the IMF Guidance Note. We established a Memorandum of Understanding between the BRH and the Ministry of Economy and Finance in accordance with Haitian legal and institutional frameworks, clarifying the obligations of each party and governing the use of the SDR allocation for budgetary purposes. In this respect, during FY2021, some resources were used to finance emergency spending related to the earthquake, social spending, and the National Police.

D. Reform of the Petroleum Product Market and Social Protection

20. In December 2021, the government took the decision, in the context of high prices on the informal market, to start adjusting the prices of petroleum products by eliminating subsidies on diesel and kerosene, without triggering social unrest. Given the delays in implementing programs to