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January 24, 2023

**The Acting Chair's Summing Up
Haiti—Request for Disbursement Under the Rapid Credit Facility
Executive Board Meeting 23/5
January 23, 2023**

Executive Directors noted that Haiti is facing a dire humanitarian crisis and that the country was hit hard by the economic spillovers from Russia's invasion of Ukraine, which included a surge in food prices and a record inflation that worsened Haiti's fragility. Directors emphasized that these spillovers compounded the hardship of an already highly fragile country suffering from severe malnutrition and food insecurity. They considered that the emergency financial assistance under the Rapid Credit Facility's new Food Shock Window would help address urgent balance-of-payments needs and mitigate the impact of the food shock.

Directors supported the authorities' strategy of leveraging ongoing programs to tackle food insecurity and strengthen the social safety net, while focusing on the most vulnerable groups. They stressed the importance of swiftly implementing feeding programs, and welcomed the process underway to expand digital tools for cash transfers to the most vulnerable households with the support from the World Food Program, the World Bank, and the Inter-American Development Bank. Directors also urged progress on the authorities' institutional reform of social safety nets as part of their national policy for social protection and promotion (PNPPS), which will be crucial to improve the living conditions of the population and enhance social inclusion.

Directors underscored the importance of safeguards and risk mitigation measures to address weaknesses in governance and institutions, ensure transparency and accountability in the spending of emergency resources, and protect against misappropriation. They therefore stressed the importance of the governance-related commitments from the Haitian authorities—including conducting internal expenditure audits by all the line ministries involved in the use of emergency resources provided under the Food Shock Window through the General Inspectorate of Finance and communicating these internal audits to the Supreme Audit Court in a timely way. Directors emphasized the need for the Fund to maintain very close engagement with the authorities in these areas, including by providing technical assistance to strengthen governance efforts, and to monitor the use of the emergency financing. Directors noted that steady progress in the implementation of these reform commitments is vital to catalyze further donor support and mitigate risks to debt sustainability.

Directors assessed that a combination of appropriate macroeconomic and structural policies under the ongoing Staff-Monitored Program provides additional safeguards for the Fund's outstanding obligations. They urged the authorities to continue advancing policies that ensure macroeconomic stability, including reducing monetary financing of the fiscal deficit, limiting foreign exchange interventions only to smoothing excess volatility, sustaining revenue collection, and enhancing revenue mobilization and public financial management.