

**FOR  
AGENDA**

EBS/07/82  
Correction 1

July 20, 2007

To: Members of the Executive Board

From: The Secretary

Subject: **Haiti—Staff Report for the 2007 Article IV Consultation, First Review Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility, and Requests for Waiver of Nonobservance and Modification of Performance Criteria**

The attached correction to EBS/07/82 (7/9/07) has been provided by the staff.

**Factual Error Not Affecting the Presentation of Staff's Analysis or Views**

**Page 51, Table 2, bullet 15, line 2:** for “Complete a review of implementation issues for the adoption of IFRS by the BRH (by end October 2007)”  
read “Complete a review of implementation issues for the adoption of IFRS by the BRH”

Questions may be referred to Mr. Bauer (ext. 39455) in WHD.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:  
Department Heads



**Table 2. Structural Performance Criteria and Benchmarks**

Measures	Date (Month-end)	Status
<b>1. Structural performance criteria</b>		
• Approve a comprehensive plan to establish customs control in the provinces.	December 2006	Met
• Start implementing the plan based on an agreed timetable.	March 2007	Met
• Expand use of the central taxpayer file to include all taxpayers identified in the Delmas and Croix-des-Bouquets tax centers.	March 2007	Met
• Implementation on schedule of approved plan, referred to in prior actions, to deal with banking system weaknesses.	March 2007	Met
• Implement the key recommendations on safeguards in accordance with the action plan.	March 2007	Met
• Continue to limit spending executed through current accounts to below 10 percent of budget appropriations for nonwage current expenditures as defined in paragraph 18 of the TMU.	Quarterly	Met
• Submit to parliament a draft banking law consistent with international standards, as described in the TMU.	March 2007	Prior action <sup>1</sup>
• The BRH will cease certain nonessential activities related, in particular, to its participation in the management of and/or shareholding in the BPH, TÉLÉCO, and SONAPI, in the following phases:		
• Adopt a strategy for discontinuing BRH involvement in BPH management;	March 2007	Met
• Formulate draft laws amending the APN and SONAPI organic laws to, inter alia, change the composition of the Boards of both institutions;	March 2007	Met
• Submit to parliament for approval the draft law on the option adopted with respect to discontinuing involvement with the BPH;	June 2007	Met
• Adopt a strategy for discontinuing BRH involvement with TÉLÉCO;	March 2008	
• Submit to parliament for approval amendments to the laws on the APN and SONAPI changing the composition of the boards of both institutions.	June 2007	Met
• Begin independent assessment of possible recapitalization needs and required financial and operational restructuring of BNC.	September 2007	
• Complete a review of implementation issues for the adoption of IFRS by the BRH.	September 2007	
• Adopt detailed implementation plan for modernization of the DGI.	September 2007	
• Prepare a plan to recapitalize the central bank.	March 2008	

1/ Completed on June 29, 2007.

Measures	Date (Month-end)	Status
<p><b>2. Structural benchmarks</b></p> <ul style="list-style-type: none"> <li>• Submit the new draft customs code to parliament.</li> <li>• The Minister of the Economy and Finance will approve a medium-term strategic plan for the DGI, setting out the corporate vision, mission, values, goals, and objectives.</li> <li>• Based on the existing expenditure classification, adopt a mechanism for tracking expenditure allocated to poverty reduction and produce quarterly reports on these expenditures.</li> <li>• Formulate a plan for the settlement of domestic arrears.</li> <li>• Expand the TOFE coverage by including in it the ministries' and decentralized agencies' own resources and related expenditure.</li> <li>• Every three months, conduct an independent confirmation audit of the mechanism for monitoring the subsidy to the Ed'H.</li> <li>• Complete the payment of wage and nonwage arrears.</li> <li>• Monthly monetary program data to be signed off by the Central Bank's interdepartmental and steering committee.</li> <li>• Set quarterly limits on the expenditure of each ministry and ensure, within the ministries, that all recruitment and promotion proposals are within budget appropriations.</li> </ul>	<p>March 2007</p> <p>March 2007</p> <p>March 2007</p> <p>March 2007</p> <p>March 2007</p> <p>March 2007</p> <p>September 2007</p> <p>Monthly, starting August 2007</p> <p>September 2007</p>	<p>Met with delay</p> <p>Met</p> <p>Met</p> <p>Met with delay</p> <p>Met</p> <p>Met with delay</p> <p></p> <p></p> <p></p>