INTERNATIONAL MONETARY FUND

IMF Country Report No. 25/19

HAITI

January 2025

STAFF-MONITORED PROGRAM—PRESS RELEASE AND STAFF REPORT

In the context of the Staff-Monitored Program, the following documents have been released and are included in the package:

- A **Press Release**
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's information following discussions that ended on December 16, 2024 with the officials of Haiti on economic developments and policies underpinning the Staff-Monitored Program. Based on information available at the time of these discussions, the staff report was completed on January 6, 2025.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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International Monetary Fund
Washington, D.C.

PRESS RELEASE

PR24/498

IMF Management Approves a New Staff Monitored-Program with Haiti

FOR IMMEDIATE RELEASE

Staff Monitored Programs (SMPs) are informal arrangements between national authorities and IMF staff to monitor the authorities' economic program. As such, they do not entail endorsement by the IMF Executive Board. SMP Staff reports are issued to the Board for information.

- *Management of the International Monetary Fund (IMF) approved on December 20, 2024, a Staff-Monitored Program (SMP) with Haiti covering the period through December 2025.*
- *This new 12-month SMP is expected to contribute to strengthen macroeconomic stability to support well-being of people and to enhance economic resilience and governance. It will anchor the government's macroeconomic priorities for the year ahead.*
- *Fund management also welcomes the authorities' commitment to publish the forthcoming Governance Diagnostic Report.*

Washington, DC–December 21, 2024: Management of the International Monetary Fund (IMF) approved on December 20, 2024, a Staff-Monitored Program (SMP) with Haiti which runs through December 19, 2025. The new 12-month SMP was designed by the Haitian authorities and IMF staff, keeping in mind Haiti's fragility and capacity constraints while supporting the authorities' economic policy objectives.

SMPs are arrangements between country authorities and the IMF to monitor the implementation of the authorities' economic program and to establish a track record of policy implementation that could pave the way for financial assistance from the Fund under the Upper Credit Tranche (UCT).

Haiti faces a multidimensional crisis, a political transition, with a challenging outlook. The country is beset by both global and country-specific shocks, which have heightened its fragility. In addition to causing terrible human suffering, escalating gang violence has blocked the flow of goods and services. These events have further fueled inflation and left half the population suffering acute food insecurity. The supply-side shock caused by the security crisis will continue to suppress growth and feed inflation unless the security outlook improves.

The top priority is to continue to restore security. This is a prerequisite for macroeconomic stability and for allowing growth to materialize. Despite domestic and global difficulties, the authorities are firmly committed to negotiating a new SMP and have managed to contain somewhat the impact of the various shocks, thereby averting even worse macroeconomic outcomes. Net international reserves were valued at nearly US$1billion at the end of September 2024. Despite the political instability, Haiti's two key economic institutions (Ministry of Economy and Finance and the Central Bank of Haiti) have remained continuously engaged with the Fund. They have consistently attempted to adopt feasible measures to limit macroeconomic imbalances and ensure a reasonable level of economic activity in the country. They have also continued to provide data and information on previously agreed benchmarks, even when the previous SMP had lapsed.

The SMP is an important anchor for signaling the authorities' commitment to continue making progress toward macroeconomic stabilization and strengthen governance, and locking in macroeconomic gains accumulated over recent years, despite the many headwinds. Despite the delicate political context, and thanks to a highly inclusive consultative process, the authorities have been able to demonstrate full ownership and support for the SMP through the high-level Program Monitoring Committee (Comite du Suvie).

The authorities have a narrow but important window of opportunity to implement reforms that can help Haiti build resilience and eventually restore its medium- and long-term potential. An urgent government priority is re-starting the mobilization of revenue, to support the country's massive development needs and boost well-targeted spending. The measures under the new SMP should help achieve these goals.

Continued strengthening of the social safety net is essential to cushion the impact of the shocks on the population and alleviate widespread poverty. The spending commitments previously indicated by the authorities using Food Shock Window resources should be audited in line with SMP commitments.

The fiscal and monetary authorities' commitment to keeping monetary financing of the deficit at zero is commendable and should continue. The FY2023 financial audit of the BRH is urgent and its eventual publication by June 2025 would be important for demonstrating transparency. The authorities' careful pace of monetary tightening has been appropriate and consistent with the goal of fighting inflation.

Advancing governance reforms is paramount to help Haiti exit from fragility, ensure inclusive growth and build trust with the private sector and development partners. In this vein, the authorities' commitment to publish the Governance Diagnostic Report is commendable. It should provide a road map for reforms to enhance governance and will require capacity development support not only from the Fund but also from development partners.

A government-led strategy to continue to strengthen the economy's resilience to multiple shocks requires the financial support of the international community. This assistance is indispensable to allow quality spending, over the short, medium, and long term. Without it, Haiti will continue to suffer large import compression. External assistance should take the form of grants. The authorities should avoid contracting non-concessional loans, to ensure consistency with the SMP commitments. Non-concessional loans would not only be against SMP commitment. It would also undermine debt sustainability.

In line with the Fund Strategy for Fragile and Conflict-Affected States, IMF staff will also continue to coordinate closely with Haiti's main development partners, particularly on governance and capacity development.

INTERNATIONAL MONETARY FUND

HAITI

STAFF-MONITORED PROGRAM

January 6, 2025

EXECUTIVE SUMMARY

Recent developments. Haiti is facing exceptionally challenging circumstances. The deteriorating security environment, which reached crisis proportions in the first few months of 2024, has continued to worsen, disrupting supply chains (particularly energy and basic services) and feeding inflationary pressures. In November 2024, Haiti's transitional Presidential Council designated Prime Minister Alix Didier Fils-Aimé to form a new government with a time-bound mandate through next elections. The government has a narrow but important window of opportunity to implement reforms that could help restore the country's potential over the medium term.

2023 Staff Monitored-Program (SMP). Building on progress achieved under the 2022 SMP, a new SMP was negotiated in June 2023, covering the period June 30, 2023, through March 31, 2024, and extended by six months through September 2024. Despite meaningful initial progress, the IT incident at the Central Bank during summer 2023 had a far-worse impact than originally foreseen in undermining the timeliness of monetary data. The unfolding security crisis in the spring of 2024 led to further slippages. With the new government in place since mid-November 2024, the authorities and staff agreed to let the 2023 SMP lapse, rather than extend it further, and to start a new SMP with the FY2025 budget, anchoring new quantitative targets.

Request for a new SMP. The authorities have requested a new 12-month SMP beginning in December 2024 through December 2025 (with two reviews and two test dates: December 2024 and June 2025). This newly proposed SMP is expected to have the overarching goal of supporting macroeconomic stability and enhancing governance, including by publishing the forthcoming Governance Diagnostic Report. In doing so, the SMP will support the government's efforts to continue improving the timeliness and quality of data, with the ongoing support of the Fund's capacity development, and to help strengthen domestic revenue mobilization to boost inclusive growth. Risks to the implementation of the SMP rest on the prevailing security and political environment.

Policy Recommendations.

- Implement the budget for FY2025 and keep the monetary financing of the budget to zero, consistent with the objective of price stability. Should a supplementary budget be passed, it would require consistency with the objectives and targets of the SMP.

- Advance governance and anti-corruption reforms, including by publishing the governance diagnostic report and starting the implementation of the reforms.
- Adopt measures to strengthen revenue collection, expenditure management and controls and increase budget allocations for social spending and for protecting the most vulnerable—and assess their impact.
- Strengthen public finance reporting, transparency, and accountability in the use of public funds.
- Continue to limit foreign exchange interventions to smoothing excess volatility and well-signaled foreign reserve build-up.
- Complete and publish the audit of the Central Bank for FY2023 by June 2025.
- Provide more timely data to the Fund and enhance data transparency through timely publication of core economic data.

Approved By
Rodrigo Valdés and Peter Dohlman

Policy discussions started in person in Washington DC during July 2-3, 2024, continued remotely during July 24-August 5, 2024, with several additional meetings throughout August and September remotely, during October 21-26, 2024, in Washington DC and concluded remotely during November 25-December 16. The team comprised Ms. Tumbarello (Head), Messrs. Huertas, Kaho, Passadore (all WHD), Messrs. Chociay (SPR), Barseghyan (STA), Sung, (FAD) and Messrs. Duvalsaint and Wata (Port-au-Prince office). Former team members included Messrs. Noah Ndela and Matz. Ms. Ojo provided excellent research assistance. Ms. Coquillat coordinated all work related to mission scheduling and document preparations. The mission met with Minister of Economy and Finance Alfred Fils Métellus, Central Bank Governor Ronald Gabriel, Minister of Planning and External Cooperation Ketleen Florestal, other senior government officials, members of the donor community, NGOs, and representatives of the private sector. Ms. Ludmilla Buteau Allien (OED advisor) participated to all policy and technical discussions. Mr. André Roncaglia (Executive Director), Messrs. Bruno Saraiva and Felipe Antunes (both Alternate Executive Directors) joined the policy meetings.

CONTENTS

CONTEXT AND RECENT DEVELOPMENTS ____ **5**

OUTLOOK AND RISKS ____ **7**

POLICY DISCUSSION ON A NEW SMP ____ **9**
A. Fiscal Policy ____ 9
B. Social Assistance ____ 13
C. Enhancing Governance and Transparency ____ 14
D. Monetary and Exchange Rate Policy ____ 16
E. Financial Sector Resilience ____ 17

PROGRAM MONITORING ____ **19**

STAFF APPRAISAL ____ **20**

FIGURES

1. Monitoring Economic Activity Through Satellite Data ____ 8
2. Revenue Performance, FY2019–24 ____ 10
3. Real Sector Developments, 2017–24 ____ 31

4. Fiscal Sector Developments, 2016–24 ___ 32
5. Monetary and Financial Sectors Developments, 2017–24 ___ 33
6. External Sector Developments, 2017–24 ___ 34

TABLES

1. Food Shock Window: Spending Priorities Indicated by the Authorities ___ 12
2. Selected Economic and Financial Indicators, 2021–29 ___ 23
3a. Non-Financial Public Sector Operations, 2021–29 (In millions of gourdes) ___ 24
3b. Non-Financial Public Sector Operations, 2021–29 (In percent of GDP) ___ 25
4a. Balance of Payments, 2021–29 (In millions of US$) ___ 26
4b. Balance of Payments, 2021–29 (In percent of GDP) ___ 27
5. Summary Accounts of the Banking System, 2021–29 ___ 28
6. External Financing Requirements and Sources, 2021–29 ___ 29
7. Financial Soundness Indicators, September 2021–June 2024 ___ 30

ANNEXES

I. Risk Assessment Matrix ___ 35

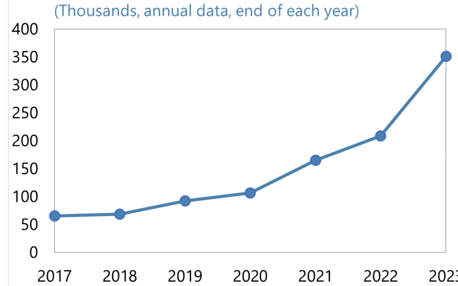
APPENDIX

I. Letter of Intent ___ 37
Attachment I. Memorandum of Economic and Financial Policies ___ 39
Attachment II. Technical Memorandum of Understanding ___ 47

CONTEXT AND RECENT DEVELOPMENTS

1. **Haiti is a fragile and conflict-affected state facing a political transition and multiple challenges**. The severe deterioration of security of recent years has magnified the impact of additional shocks (the pandemic, spillovers of war in Ukraine, an earthquake, and political instability). The political and security situation deteriorated further in early 2024 and again at the start of November 2024, reaching crisis proportions. Gang violence has led to further displacement of thousands of people within and outside the country and a worsening brain drain. Gangs have attacked government buildings, police installations, and such key infrastructure as airports, roads, and ports. Schools in certain neighborhoods of Port-au-Prince have been forced to close at times and most residents of the capital are cut off from critical supplies of food and healthcare, prompting thousands to leave in recent weeks. In September 2024, the UN extended the Kenya-led Multinational Security Support Mission (MSS) through October 2025. The MSS has struggled to restore security as the authorities maintain that the Kenyan force is still too small relative to the originally expected numbers. The authorities have thus requested the MSS to be replaced by a UN peacekeeping mission that would have increased funding and personnel.

Total Number of People Displaced from Haiti
(Thousands, annual data, end of each year)

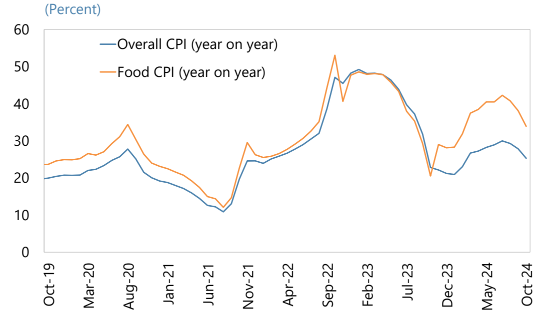


Source: United Nations High Commisioner for Refugees.
Note: Includes refugees, asylum-seekers and other people in need of international protection.

2. **A Transitional Presidential Council was established in April 2024, with the support of CARICOM, serving as the country's presidency until February 2026**. A government led by Prime Minister Garry Conille in place between June 2024 and early November 2024 was tasked with restoring security, relaunching the economy, and paving the way for orderly general elections by February 2026 (the first since 2016). The government passed the FY2025 budget on time in September. Following the designation in early November by the Transitional Presidential Council of a new Prime Minister, Alix Didier Fils-Aimé, a new government was formed, with the goal of restoring security, tackling the humanitarian crisis, and still leading the country until February 2026.

3. **Economic conditions remain difficult**. Haiti has experienced six consecutive years of economic contraction, including growth of negative 4 percent in FY2024, reflecting disruptions in production, exports, and flow of goods and services in local markets. The supply-side shock caused by the security crisis has heightened inflation pressures and worsened the hunger crisis. Inflation accelerated in February 2024, and stood at 25.3 percent in October 2024. Latest data suggest that trade also decreased sharply in recent months (with exports dropping at an annual rate of 20 percent and imports 10 percent in FY2024). Remittances

Inflation
(Percent)



Sources: Haitian Institute of Statistics and Informatics (IHSI), and Bank of the Republic of Haiti.

held up relative to recent historical averages but remained flat in October, relative to a high base. After the current account deficit widened in FY2023 to 3½ percent of GDP—owing mainly to a collapse in exports, especially textiles—preliminary BOP data point to a narrowing deficit in FY2024, mainly the result of import compression and higher remittances.

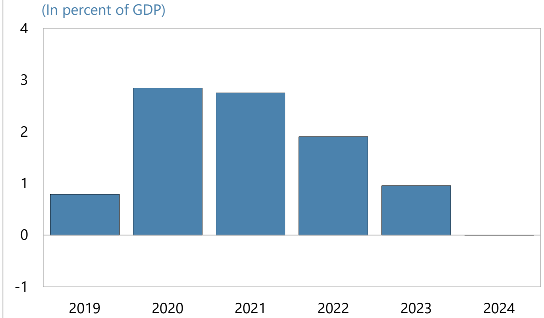
Haiti: Trade and Remittances Data

	Period	Amount (in millions of US dollars)			Percentage change	
		FY19-23 (average)	FY23	FY24	FY24 vs average FY19-23	FY24 vs FY23
	Fiscal year to date					
Exports	October-September	1,085	956	767	-29	-20
Imports	October-September	4,358	4,715	4,248	-3	-10
Net Remittances	October-September	2,894	3,030	3,353	16	11
	Latest available month					
Exports	September	88	73	63	-29	-14
Imports	September	327	406	330	1	-19
Net Remittances	September	232	286	288	24	1

Sources: BRH and Fund staff estimates.

4. Reserves buffers have been rebuilt to a comfortable level. Gross international reserves rose to US$2.5 billion (5.7 months of imports) in September 2024, owing mainly to strong remittances, compared with US$2.3 billion at end-September 2023. Net international reserves (NIR) reached almost US$1 billion in September 2024 or US$920 million after deducting the Food Shock Window (FSW). The nominal exchange rate vis-à-vis the US dollar stabilized during January-November 2024. Monetary financing of the fiscal deficit was reduced to zero in FY2024.

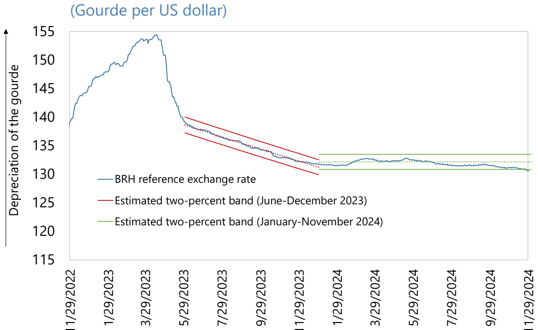
Monetary Financing of the Budget
(In percent of GDP)



Sources: Ministry of Finance (Tableau des Operations Financières de l'Etat—TOFE) and IMF staff estimates.

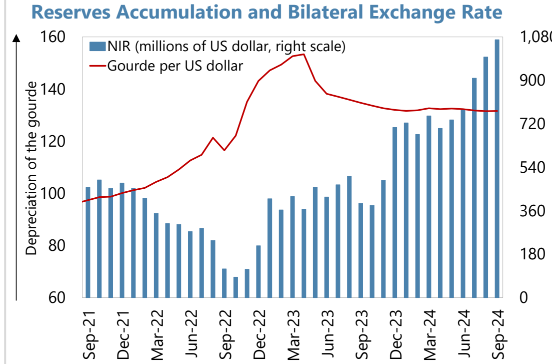
5. Public debt is low, but debt risks are high given Haiti's vast development needs and narrow revenue and export base (DSA, Article IV paragraph 20). The DSA still assesses Haiti's risk of debt distress as high given its large exposure to natural disasters, its large development and

Bilateral Exchange Rate
(Gourde per US dollar)



Sources: Bank of the Republic of Haiti and IMF staff estimates.

Reserves Accumulation and Bilateral Exchange Rate



Sources: Bank of the Republic of Haiti and IMF staff estimates.

infrastructure needs, and its still-low potential growth. Despite these headwinds, debt is assessed as sustainable, but this assessment assumes the continued inflow of considerable grants. The trajectory and drivers of external and overall debt are unchanged relative to the 2024 Article IV consultation. External debt is estimated to have dropped sharply from 12.9 percent of GDP in FY2023 to 1.5 percent in FY2024, due to Venezuela debt relief.

Haiti: Net International Reserves-2024 SMP Definition

(In millions of US dollars, unless otherwise noted)

	Sep 2023	Dec 2023	Mar 2024	Jun 2024	Sep 2024
A. Gross International Reserves	**2,353.0**	**2,586.7**	**2,427.9**	**2,449.8**	**2,525.2**
Monetary gold	108.9	121.0	128.9	135.7	153.1
Holdings of foreign currency	23.8	42.2	27.4	44.5	37.5
Demand deposits abroad	377.7	542.4	475.2	470.9	444.2
Investments abroad	1,705.6	1,749.6	1,668.7	1,679.3	1,769.3
SDR holdings 1/	109.9	103.9	100.4	92.4	93.2
Reserve Position in the Fund 1/	27.0	27.6	27.2	27.0	27.9
B. Reserve Related Liabilities	**251.1**	**249.7**	**488.1**	**453.1**	**306.6**
Liabilities to the IMF 1/ 2/	248.4	248.0	244.7	237.7	245.1
Short-term loans from private non-residents	0.0	0.0	242.9	213.4	60.2
Liabilities to IFIs	2.3	1.7	0.5	2.0	1.3
Certified checks in FX	0.3	0.3	0.3	0.3	0.3
C. FX Denominated Liabilities to Residents	**1,814.2**	**1,744.1**	**1,296.6**	**1,327.0**	**1,263.4**
Financial sector FX deposits in the central bank	1,266.0	1,196.0	1,263.7	1,294.5	1,231.0
Government FX deposit in transitory account (Venezuela debt)	515.2	515.2	0.0	0.0	0.0
Swaps with financial institutions	32.9	32.9	32.9	32.4	32.4
D. Other FX Liabilities	**33.7**	**33.4**	**17.8**	**18.1**	**35.2**
Off-balance sheet FX liabilities	15.0	15.0	15.0	15.0	15.0
Project accounts	17.5	18.3	2.7	3.0	20.2
Special accounts	1.2	0.1	0.1	0.1	0.1
E. Net International Reserves, 2024 SMP definition (A-B-C-D)	**254.1**	**559.5**	**625.4**	**651.6**	**919.9**

Sources: BRH, IFS, and IMF staff calculations.

1/ Based on IMF data. For the purposes of the 2024 SMP, between December 2024 and September 2025, the amounts in SDR will be converted to U.S. dollars using the exchange rate as of September 30, 2024 (1 US$=0.737261 SDR).

2/ For program purposes, all outstanding Haiti liabilities to the IMF are considered, including January 2023 Rapid Credit Facility (Food Shock Window), disbursed at a government account in the BRH, for an amount of SDR 81.9 million.

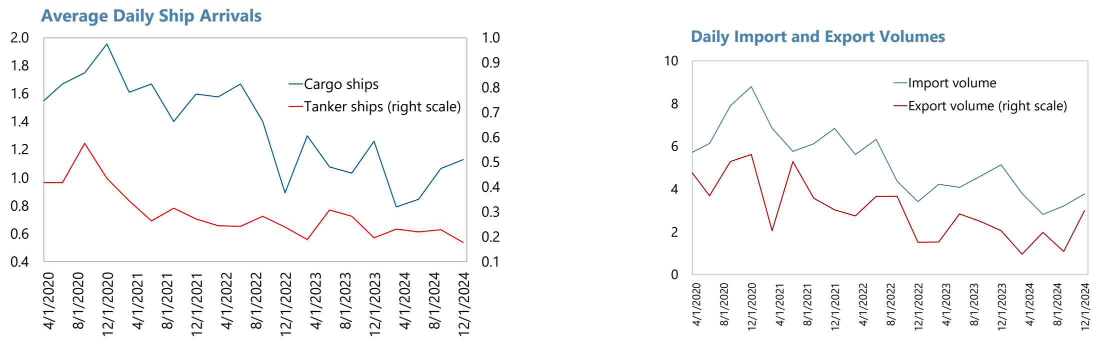
OUTLOOK AND RISKS

6. The macroeconomic outlook for Haiti remains clouded, with risks tilted to the downside. Growth is expected to reach only 0.5 percent in FY2025 (relative to 1 percent in the recent 2024 Article IV consultation), partly reflected in the weaker-than-anticipated revenues (whose monthly frequency are a leading indicator of less frequent data on economic activity) partly due to disruption in economic production caused by escalating gang violence in the first quarter of the current fiscal year (October-December 2024) which led to the closure of the capital international airport. This, together with reduced trade flows, confirmed by satellite data (Figure 1), signals a far more moderate recovery. Medium-term growth is estimated at 1½ percent if the security situation improves, but further social and political turmoil could lead to continued disruption of economic activity. The fiscal deficit of the non-financial public sector (NFPS) is projected at about zero. Risks include intensified political instability, sustained gang-related economic disruption, a further spread of cholera, and a worsening food crisis. Externally, Haiti is vulnerable to volatile remittance flows, reduced external financing, and renewed surges in global food and energy prices. If these risks were to materialize, substantial monetary financing of the budget could resume, further undermining macroeconomic stability. Over the medium term, there is a risk of potential slowdown in remittances related to the uncertainty related to the expiration of Temporary Protected Status by the US as well as the uncertainty related to the future status of HOPE/HELP trade preferences. Debt is projected to increase gradually from 2026 onwards, due to limited sources of domestic funding to finance the government's investment and social programs. The non-interest current account deficit remains the main driver of external debt dynamics, largely fueled by the deficit in goods and services, reflecting increased imports of foodstuffs as well as capital and intermediate goods as part of the investment drive. Total public debt path is projected to be driven mainly by the accumulation of foreign debt.

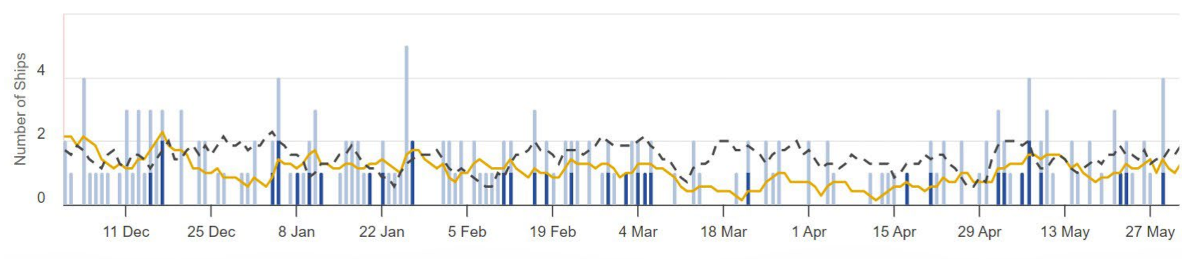
7. Despite these challenges, the government has a short but meaningful window of opportunity to sustain reforms that could help restore the country's potential over the medium and long term. Normalization of the security situation would greatly improve the medium-term outlook. Official transfers could rise if countries in the region support the Kenya-led MSS with additional financing and if Haiti receives additional international support for reconstruction. If these were combined with the implementation of a strong anti-corruption strategy, it could bring back the FDI and talent that have left the country.

Figure 1. Haiti: Monitoring Economic Activity Through Satellite Data

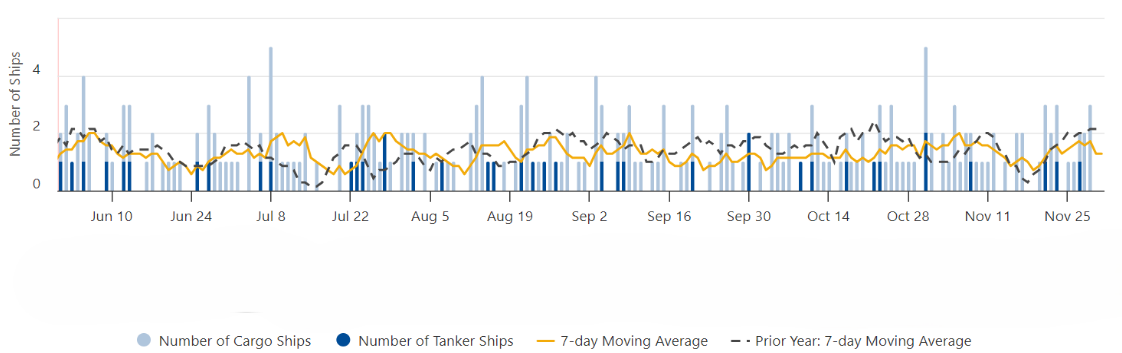
Since the pandemic and with the intensification of criminal activity, trade flows have been disrupted, with import and export volumes, and the number of cargo and tanker ships on a clear downward trend.



Satellite data suggest that trade activity began to slow in December 2023 and fell dramatically beginning in March 2024, as inferred by the collapse in the number of oil tankers and cargo ships…



…and it has not normalized yet.



Sources: IMF Portwatch (daily data), IMF Swift Monitor, and FlightsRadar24. Left upper chart: the blue line is the arrivals at daily frequency of cargo ships, quarterly averaged. The red line is the arrivals at daily frequency of tanker ships, quarterly averaged. Right upper chart: daily import volumes quarterly averaged and daily exports volumes quarterly averaged.

POLICY DISCUSSION ON A NEW SMP

8. Building on progress achieved under the 2022 SMP, the 2023 SMP was negotiated in June 2023. Despite meaningful initial progress, including the timely approval of the budget, the amendments to the financial intelligence unit (FIU) law, and improved provision and timely dissemination of finance ministry data, program slippages occurred on other fronts. As a result of the IT incident in mid-summer 2023, the timeliness of monetary data suffered and prevented the conclusion of the First Review in December 2023. The worsened insecurity led to further slippages, including a collapse in tax collection and delays in achieving some structural benchmarks and in providing data. The latter reflected reduced capacity in compiling statistics attributable to the lockdowns. With the new government in place since mid-November 2024, the authorities and staff agreed to let the 2023 SMP lapse, rather than extend it further, and to start a new SMP.

9. Given the new political leadership, this new proposed SMP—with a 12-month duration—offers the government an opportunity to anchor its reform agenda. This agenda is aimed at promoting growth and reducing poverty, enhancing the transparency and accountability of public spending, and improving governance, including through fighting corruption and timely provision and publication of economic data. Continued capacity development assistance will support these efforts and help strengthen domestic revenue mobilization with the goal of boosting inclusive growth. As discussions of this new SMP coincided with the Article IV consultation, staff advice on the program's policy content has been guided by the still-relevant assessments in the Article IV report. The SMP seeks to establish a track record of policy implementation that paves the way for financial assistance from the Fund under the Upper Credit Tranche (UCT).

10. Improving governance and reducing corruption are paramount for rebuilding the trust of investors and development partners, given the low official development assistance (ODA) and foreign direct investment (FDI) flows of recent years. The authorities should publish the IMF governance diagnostic report, which specifies an action plan of prioritized reforms. The action plan could also guide the government's dialogue with development partners*.* On monetary data*,* recent IMF recommendations on the reserve template should be implemented swiftly to enhance transparency. The audit of the central bank for FY2023 (ending September) should be finalized no later than June 30, 2025. Strengthening the governance and accountability arrangements in reserves management would also be key to enhance the transparency of central bank operations. This newly proposed SMP is expected to catalyze development partner support together with the forthcoming Rapid Crisis Impact Assessment (RCIA) prepared in partnership with the government of Haiti by the World Bank, the InterAmerican Development Bank, the European Union, and the United Nations.

A. Fiscal Policy

An urgent government priority is to re-start revenue mobilization to support large development needs and increase well-targeted spending. Although social spending has picked up in recent months, tax revenue is struggling to recover. Increasing the transparency of public spending and enhancing the *technical cooperation between tax and custom administration offices (DGI and AGD) is critical for strengthening revenue mobilization.*

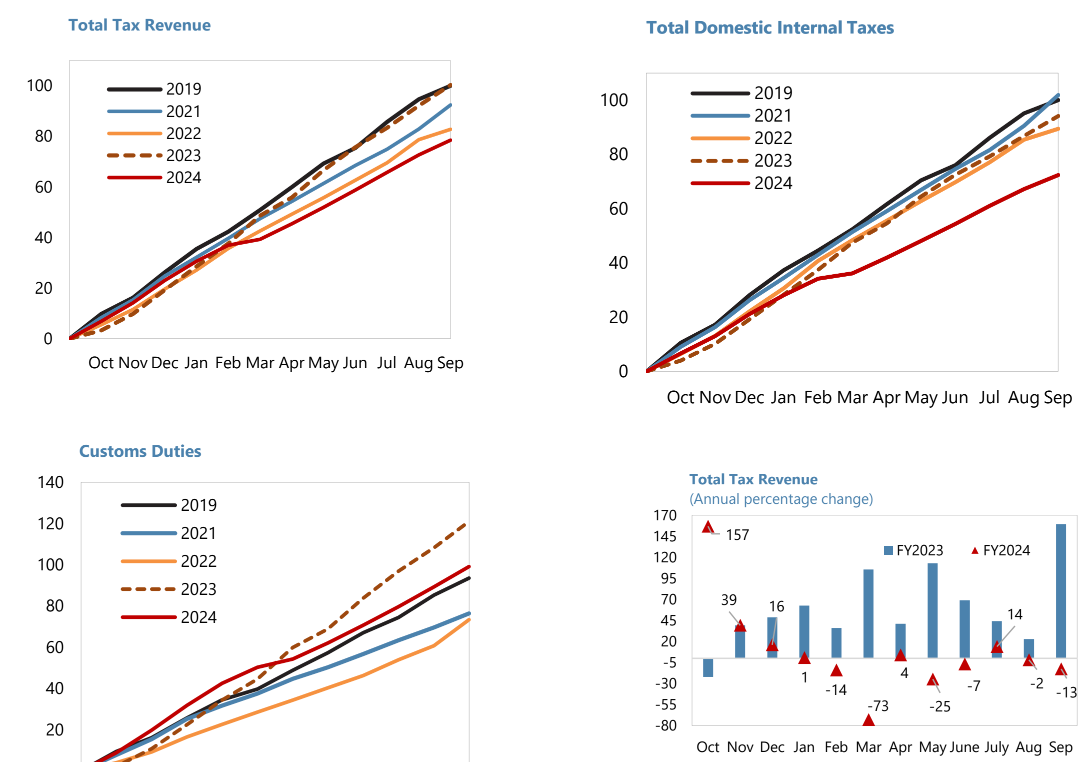
Haiti: Latest Fiscal Developments

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	FY2023		FY2024	
	(percentage change, year-on-year)										In percent of GDP	In millions of gourdes	In percent of GDP	In millions of gourdes
Revenue	0.8	-14.0	-72.8	3.9	-24.7	-6.9	14.0	-1.9	-12.6	-6.5	6.2	172,346	4.8	167,118
Domestic taxes	-4.6	-17.5	-75.9	0.9	-22.7	-2.5	21.1	1.0	-12.1	-2.1	4.0	111,881	3.1	106,579
Customs duties	11.9	-6.1	-67.4	7.5	-29.1	-14.2	4.4	-3.9	-13.0	-15.1	2.1	60,103	1.7	60,246
Expenditure	19.7	-3.3	-52.4	20.7	-18.6	-5.2	6.1	-14.0	-7.9	13.8	5.1	141,847	4.1	140,724
Current expenditure	18.1	-2.5	-31.7	16.1	-18.0	-16.0	8.0	-18.9	6.8	13.8	4.7	130,274	3.8	132,799
Capital expenditure	222.6	-23.0	-97.3	509.2	-86.6	670.6	-63.3	330.5	-50.2	0.0	0.6	16,782	0.2	7,925
Memorandum items														
Share of custom duties as a percent of total revenues	36.6	32.9	43.7	33.9	34.4	35.3	35.3	37.7	38.0	30.8				
Share of current expenditure as a percent of total expenditure	97.8	97.0	98.2	95.3	99.9	87.2	99.1	92.9	86.0	100.0				

Sources: Ministry of Economy and Finance (MEF) and Fund staff estimates.

11. Revenue. Fiscal revenues collapsed by 73 percent year-on-year (y/y) in March 2024, reflecting the economic paralysis caused by the security crisis; they have yet to recover. As of October, revenues were still 6.5 percent below their 2023 level (y/y), although changes (especially customs) reflect an exceptionally high base in 2023 (Figure 2). These difficulties were further compounded by a strike at the tax collection authority (DGI) during September-November, motivated by requests for higher medical benefits and salaries and for a change in the management of DGI, owing to corruption concerns.

Figure 2. Haiti: Revenue Performance, FY2019–24



Sources: Ministry of Finance (Tableau des opérations financières de l'Etat) and IMF staff calculations.

Sources: Ministry of Economy and Finance and IMF staff calculations. As for the top charts and lower left chart: cumulative values, September 2019= 100, nominal GDP discounted.

12. Spending. In FY2023, spending fell by 1.9 percent of GDP, thanks to a large drop in fuel subsidies.[1] Other current expenditures were contained (relative to inflation), with nominal wages and salaries rising at an annual rate of 17 percent and goods and services by 20 percent—and declining as a percent of GDP. Lockdowns triggered by gang violence also hampered the authorities' spending ability in FY2024. But public spending rebounded sharply in October, rising by 13.8 percent year-on-year, after several months of steady decline. The recovery reflected an active execution of expenditures under the revised FY2024 and FY2025 budgets. Social spending was equivalent to 1.3 percent of GDP in FY2023, below the previous year (1½ percent in FY2022) as a result of the deteriorating security situation's impact on implementation. Until July 2024, spending on food security related to the government's previous FSW spending had been limited (about 3 billion gourdes, 20 percent of total FSW disbursements). Criminal activity, lockdowns, and the ongoing political transition kept the previous government from targeting spending at the more vulnerable (e.g., children unable to attend schools regularly owing to gang activity and displacements). Latest data provided in December indicates that the authorities spent an additional 6.4 billion gourdes in FY2024 (Table 1 below) relative to 9.1 billion authorized to spent (as reported in the 2024 Article IV staff report, Table 1 page 20). Audits of the spending associated with the FSW will constitute two structural benchmarks (structural benchmarks 4 and 5 in Attachment 1, Table 2) in the newly proposed SMP.

Haiti: Execution of Social Spending

	FY2023		FY2024		Oct. 2023		Oct. 2024	
Ministry	In percent of GDP	In millions of gourdes	In percent of GDP	In millions of gourdes	In percent of GDP	In millions of gourdes	In percent of GDP	In millions of gourdes
Agriculture	0.07	2,031	0.05	1,882	0.00	95	0.00	124
Education	0.90	25,151	0.74	25,779	0.05	1,599	0.08	3,378
Health	0.26	7,327	0.21	7,217	0.01	443	0.02	754
MAST	0.12	3,301	0.06	1,937	0.00	100	0.00	211
Total	1.35	37,810	1.06	36,815	0.06	2,238	0.10	4,468

Sources: Ministry of Economy and Finance (MEF) and Fund staff estimates.

13. Implementation of the FY2025 budget. The FY2025 budget is balanced, aligned with staff projections. It is consistent with the SMP's goal of maintaining monetary financing at zero while effectively executing social spending for the country's vulnerable households. The relatively faster increase in expenditure in October suggests that the overall fiscal deficit for FY2025 may be larger than expected. Shortfalls in revenue or external project grants need to be offset by limiting increases in current and capital spending in FY2025, while preserving social spending on the most vulnerable. The authorities agreed to avoid accumulating domestic arrears to finance shortfalls and to avoid resuming monetary financing of fiscal deficits. Should a supplementary budget required due to

[1] The reduction in fuel subsidies for FY2023 is mainly due to the authorities' decision in September 2022 to significantly increase fuel prices (gasoline by 128 percent, diesel by 90 percent, and kerosene by 89 percent), even though, in July 2023, they moderately reduced prices (gasoline by 2 percent, diesel by 7 percent, and kerosene by 8 percent) to reflect declining international prices.

evolving circumstances, it would need to be discussed with IMF staff to ensure close alignment with the SMP.

Table 1. Haiti: Food Shock Window. Spending Priorities Indicated by the Authorities
(In millions of gourdes)

Institution	Purpose	Measure	Original allocation 1/	Spent	
				FY2023	FY2024
Fonds d'Assistance Economique et Social (FAES)	Food security	Reactivation of community restaurants and mobile canteens	2,000		169
		Distribution of food to vulnerable households (*paniers de solidarité*)	500	1,134	259
	Cash distribution to vulnerable population	Cash transfer to vulnerable households	2,500		558
		Cash to workers in subcontracting industries	1,500	1,113	586
Ministry of National Education and Vocational Training	Cash transfer to vulnerable households to encourage school attendance	Support to parents	7,500	442	4,864
Ministry of Trade and Industry	Grants/subsidies to public transportation drivers	Fuel cards for drivers	1,600	400	-
Ministry of Women's Affairs and Women's Rights	Feeding Women in Detention		-	-	2
Total			15,600	3,089	6,438

Source: Ministry of Economy and Finance.

1/ Allocated under the FY23 budget.

14. Policy priorities to enhance revenues. The authorities should sustain their efforts to mobilize domestic revenue (structural benchmarks 7 and 8 in Attachment 1, Table 2). In particular, they should:

- Establish an administrative and technical cooperation protocol between the Directorate of General Taxes (DGI) and General Administration of Customs (AGD); and
- Launch and implement the digitalization of tax declarations and payments through all commercial banks for the large taxpayers registered at the DGI.

15. All of these are structural benchmarks under the newly proposed SMP and are important for raising tax revenue as they will broaden the tax base and enhance the transparency of collection through digitalization. Staff strongly urged the authorities to continue strengthening domestic revenue mobilization to avoid resuming monetary financing of the budget. While such financing has lately been lower than expected, this has reflected reduced spending, which owes to the security threats preventing full execution. But such expenditure levels are neither sustainable nor preferable given the economy's fragility and widespread poverty. As security stabilizes and spending capacity rises, higher revenue mobilization will be essential to finance large investment needs. Staff underscored the importance of sustaining reforms to enhance digitalization, transparency, and accountability in tax revenue collection and use of public funds.

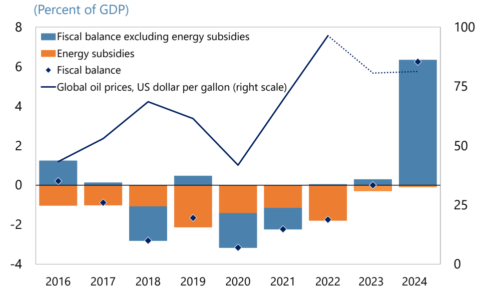
16. The SMP will help the authorities adopt the spending reforms needed for Haiti to exit fragility. With the country facing huge development challenges, investment opportunities are considerable. Tapping them will require improving the quality of public spending (in health and education), investing in resilient infrastructure (physical and digital), and investing in human capital. Unequal access to education could be addressed through targeted social spending, conditional cash transfers that encourage girls' access to education, and child allowances (including to reduce the dropout rate of girls). To improve the quality of public spending, Haiti needs to adopt investment practices that maximize value for the money in line with the Fund's technical assistance Public Investment Management Assessment (PIMA) 2022 recommendations. This requires that projects be evaluated before being included in the budget and that completion of ongoing projects be prioritized. It would also require strengthening the medium-term fiscal framework (preparation of baseline projections, and the determination of fiscal space for new initiatives before progressively), before progressively involving line ministries in identifying priority projects and their implementation timeframe to aim for a multiyear budget framework. Developing a multiyear budget framework should also help, politically sequence high spending demands arising from large development needs. In addition, it would require reinstating the financial controller's prerogatives about *a priori* control of public investment spending. This entails adopting a budgetary control guide and a renovated expenditure execution manual, as well as improving treasury cash management, with the help of technical assistance.

B. Social Assistance

17. Efforts to strengthen social safety nets have advanced and should continue. On September 9, 2023, the government—in seeking to mitigate the impact of fuel price adjustments and better target subsidies—began distributing long-awaited fuel cards to low-income workers in the transportation sector. Fuel cards are provided to individuals who own a registered public transport vehicle, which must be designated for either passenger or goods transport. To date, approximately 3,800 fuel cards have been distributed nationwide. However, insecurity has hindered the authorities' ability to interact with drivers and to collect data, limiting the registration of additional transport vehicles. These were accompanied by cash transfers (checks) to the most vulnerable as identified in the SIMAST database, which the World Bank and WFP have helped maintain and expand.

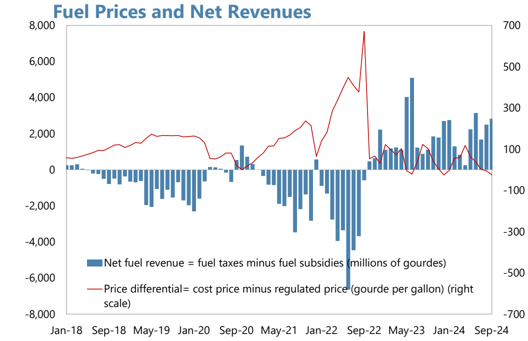
18. Progress in reducing fuel subsidies has been essential for ensuring medium-term fiscal sustainability. Given Haiti's limited fiscal space, reducing these subsidies have also allowed (and will continue to do so) the authorities to reallocate funds to more urgent priorities, such as social assistance programs that target the most vulnerable populations. Given the political and social implications, the authorities have employed a cautious home-grown approach, both in terms of the modalities and timing of the reform, guided by sound policy principles. They have reviewed the retail price-setting mechanism, as part of a draft amendment of the 1995 Law, to allow changes in international fuel prices and exchange rates to be partly passed on to consumers, with a smoothing mechanism that would distribute international price and exchange rate volatility between consumers and the budge and that would cap the monthly variation of retail prices. The authorities are considering a reform of this mechanism in due course. This would protect the budget from substantial international price volatility, improve public finance management, and encourage the efficient consumption of fuel products. The smoothing will generate subsidies in some periods (when oil prices rise) and savings in others (when oil prices drop) but smaller than without smoothing. Staff emphasized the importance of an effective communication policy to facilitate the implementation of the reforms. Among the authorities' reform priorities should be the establishment of a regulatory framework for the petroleum-products sector and strengthened related regulatory institutions. Introducing a simple smoothing mechanism would reduce the volatility of fuel net retail prices and revenues. And since the proposed pricing mechanism caps monthly price changes, the population will be spared ad hoc and sudden discretionary price adjustments—which could enhance social stability.

Contribution of Energy Subsidies to the Fiscal Balance
(Percent of GDP)



Sources: World Economic Outlook (WEO) and IMF staff estimates.

Fuel Prices and Net Revenues



Source: MEF and IMF staff estimates.

C. Enhancing Governance and Transparency

19. Advance governance reforms are paramount for helping Haiti to end its fragility. The authorities reiterated their commitment to fight corruption and strengthen governance as a centerpiece of their action plan. Once the Fund-supported governance diagnostic assessment is finalized (with the authorities' comments), the report should be published promptly (an end-February structural benchmark). Similarly, the authorities' continued commitment will be critical to ensuring implementation of priority recommendations identified in the Governance Diagnostic Report. The recommended priority recommendations focus on the establishing accountability for the most serious organized crime, corruption, and related money-laundering offences, strengthening governance, and reducing corruption vulnerabilities in the core state functions. The implementation of the focused number of priority recommendations proposed in the Governance Diagnostic should provide a road map for reforms to enhance governance. The implementation of the plan will require CD not only from the Fund but also from development partners. Improving governance is critical for rebuilding the trust of investors and development partners, given the low levels of FDI and ODA of recent years.

20. Public financial management (PFM) reforms should continue to enhance public finance reporting, transparency, and accountability. The authorities have been providing more detailed monthly data on budget execution (including spending on wages, goods and services, and capital investment by ministry and by project) and publishing (on the website of the Direction Générale du Budget, MEF) budget execution details. They have also continued to provide the Fund more detailed quarterly financial statements for the Fund for Economic and Social Assistance (FAES). As laid out in the SMP, the authorities will publish quarterly reports, with one quarter lag, on the operations and financial status of FAES, including regular reports from its quarterly meetings of the Board of Directors (end-December continuous structural benchmark). They will also publish all new public procurement contracts, including beneficial ownership information on contracts awarded to successful bidders, within 45 days of the contract's award (end-December 2024 continuous structural benchmark) to increase the transparency of public spending. Three benchmarks are related to spending commitments identified by the authorities related to the FSW, which would further strengthen internal and external audits. The additional PFM recommendation (paragraph 26 of the Article IV staff report) remains valid (including limiting the volume of unspecified spending in the budget).

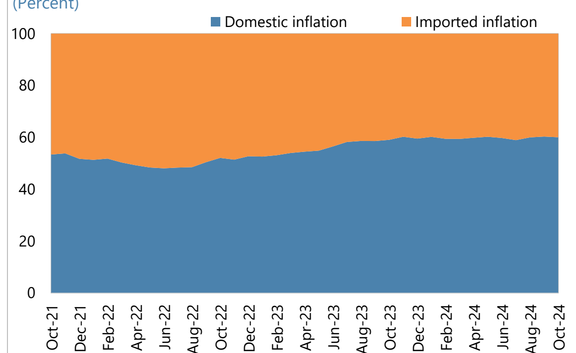
21. Recommendations by staff in the context of the recent tailored safeguard monitoring mission of March 2024 should be implemented urgently. Strengthening the governance and accountability arrangements in reserves management would also be key for enhancing the transparency of central bank operations. The BRH should commit to undertaking (in close consultation with staff and through Fund CD) an external comprehensive review of reserves management practices to address current shortcomings and align with leading practices for central banks on aspects related to, inter alia: (i) governance; (ii) policy/guidelines/strategic asset allocation; and (iii) portfolio composition. The review should establish a roadmap to guide the BRH through a transition in the medium term. The BRH should undergo an external assessment of its portfolio to determine: (i) the actual level of liquidity (considering the nature and quality of the assets); and (ii) the alternatives that may be available to the BRH, in the short term, to effectively transition to a reserve portfolio more aligned with the principles of liquidity and security. In order to address the shortcomings highlighted in the 2016 and 2019 safeguards assessments and the 2015 MCM Technical Assistance over the investment policy and guidelines as well as the strategic asset allocation, the SMP introduces a structural benchmark which entails a medium-term plan for improving the composition of the investment portfolio, its new strategic asset allocation, updated investment policy, and updated investment guidelines (structural benchmark, end June 2025).

22. Staff discussed issues related to the 2021 SDR allocation. The authorities conveyed that after the 2021 SDR allocation, part of the SDRs was converted into US dollars to service the government's external obligations. Since then, SDR holdings have been used to pay obligations to the IMF. All transfers of SDR resources to the Haitian government are usually made in gourde equivalent and are subject to a memorandum of understanding and/or retrocession agreement, depending on the nature of these transfers. Staff emphasized the importance of maintaining strong institutional frameworks governing the fiscal use of the SDR allocation and of avoiding potential costs from a large gap between SDR holdings and allocation. Staff also underscored the need for transparency measures for SDR-related spending and for communicating publicly on the BRH or MEF websites any future conversion of their SDR allocation into freely usable currencies—and the need to engage Fund staff on future SDR conversions.

D. Monetary and Exchange Rate Policy

23. Haiti's monetary policy framework was strengthened in recent years and the monetary stance has been tighter than programmed, as financing of the budget was reduced to zero, thereby enhancing the credibility of the policy frameworks. Domestic inflation has accounted for over 60 percent of total inflation since September 2023.The current policy mix to reduce inflation (through the combination of continued fiscal adjustment and zero monetary financing of the budget) should help bring inflation down from currently high levels (which led to large negative real rate of about 15 percent). Nonetheless, the restrictive monetary and fiscal policies will not be sufficient to keep inflation under control without a normalization of the security outlook. Fiscal dominance, a pervasive problem until 2022, has been phased out, with no monetary financing of the deficit expected for FY2024 (ending in September 2024). Staff continued to recommend:

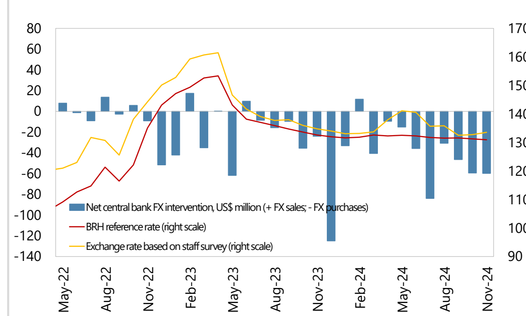
Inflation: Contribution of Domestic and Imported Components
(Percent)



Sources: Haitian Institute of Statistics and Informatics (IHSI) and Bank of the Republic of Haiti.

- Greater exchange rate flexibility;
- A ceiling on credit to the NFPS as the main anchor to continuing avoiding monetary financing of the deficit; and
- Short-term liquidity-absorbing operations at a fixed rate (policy rate) and full allotment to strengthen the monetary and exchange rate frameworks.

Exchange Rate and Foreign Exchange Interventions



Sources: Bank of the Republic of Haiti and IMF staff estimates.

24. The BRH should continue to limit its interventions in the foreign exchange (FX) market to smoothing excessive exchange rate volatility and signaling a build-up of NIR. Deposit and credit dollarization remains high (Figure 5), which limits the effectiveness of monetary policy and heightens the economy's susceptibility to external shocks and financial instability. Recent data suggest that the authorities' interventions in the FX market are also to rebuild NIR. Staff recommended that the BRH:

- Put in place an appropriate mechanism for FX interventions, such as well-designed weekly FX auctions, in lieu of the FX allocation system; these auctions should be designed in such a way that: a) access to bid is granted to all intermediaries in good standing, either directly or through market makers; b) no constraints are imposed on the range or level of exchange rates that bidders can submit; and c) allotment at the auction is determined entirely by participants' bid prices;

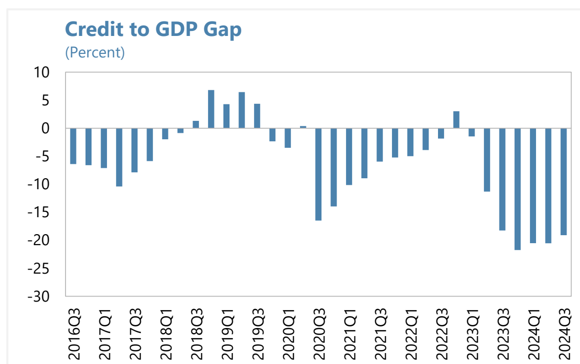
- Advance its ongoing work on an FX market intervention rule; and

- Complete the revision of banks' net open position limits.

25. The central bank independence has increased lately and should continue. The revised draft of the central bank law should be a platform to push ahead pending reforms in the medium term. Staff will continue to discuss with the authorities the pending issue related to the composition of the Board (including the presence of external members) and ways to minimize the risks that very sensitive information be appropriated by unauthorized parties.

E. Financial Sector Resilience

26. Background. Haiti's financial system is small, with the assets (excluding the central bank) of the entire system equivalent to less than 20 percent of GDP. Haiti also has underdeveloped capital markets, with limited trading activity in stocks, bonds, and other securities. It will greatly benefit from financial deepening. Credit-to-GDP declined to 5 percent in FY2024 (from 10.5 percent in 2019) as banks reduced lending to the private sector, mainly because of the security crisis. Staff estimated the credit-to-GDP gap at negative 22 percent in June 2024. Haiti's banking sector remains highly concentrated, with the three largest banks holding more than 80 percent of financial system assets. The worsening of the security crisis and governance issues have also weakened the financial sector. Vulnerabilities have increased, as reflected in lower capital adequacy ratios and a more-than-doubling of non-performing loans—from 5 percent in 2020 to 12.8 percent in June 2024. All banks but two, which are state-owned, meet the minimum capital adequacy ratio of 12 percent. The Board of one of the two public banks in distress (National Bank of Credit) was replaced in early August, following internal investigations, and the new Board was placed under the supervision of the central bank. More information is needed to fully assess the risks faced by the financial sector, including the size of a possible recapitalization and the public funds required. Authorities have requested technical assistance on stress testing for the commercial banking sector,



Sources: Reserve Bank of Haiti and IMF staff calculations.
Note: Credit gap is the percent deviation of the credit-to-GDP ratio from trend, estimated with a one-sided HP filter.

and BRH staff is collecting data on balance sheets, income statements, and asset quality indicators (NPLs, write-off flows, etc.). The BRH has been strengthening banking supervision, with Fund assistance, to upgrade the regulatory framework and move to risk-based supervision. But six years of recession and security crisis have hurt the financial system. In order to preserve financial stability, the BRH adopted a range of measures from moratoria to loan restructuring. These measures aimed to facilitate the granting of credit to sectors such as private construction, hotels, agriculture and agribusiness, real estate promotion, which have important impact on economic activity and job creation. The BRH has also conducted a survey of the financial sector's exposure to the current prolonged crisis. The preliminary results point to the need of more in-depth analysis and assessment, with the stress-testing of the financial system's risks, which will be performed with help from IMF staff.

27. Over the medium term, authorities should focus on strengthening the resilience of the financial sector. Policies would include: a regulation on liquidity that aligns with Basel standards (which has already been initiated), a risk-based supervision approach operationalizing the results from financial institutions' risk assessment grids and rating matrix, and the enhancement of off-site and on-site inspection capabilities. Additional reform efforts should focus on:

- **Emergency liquidity assistance (ELA)**. Staff has discussed with BRH the possibility of the BRH providing ELA to banks, as it could prove beneficial given banks continue to retain liquidity for precautionary reasons. The BRH is considering it.

- **Banking supervision**. The BRH has carried out a conclusive test of the new risk assessment grids and rating matrix on two banks. It adopted and published the revised regulation on credit risk concentration. The final version of the revised regulation on credit risk classification and provisioning, recently reviewed by the BRH's banking supervision department, is expected by end January 2025. Staff recommended to: (i) finalize the new chart of accounts for financial institutions[2] —submitted to stakeholders for comments—, (ii) reactivate off-site supervision following a quasi-suspension, and (iii) continue the execution of the annual on-site inspection program.

- **Anti-money laundering/combating the financing of terrorism (AML/CFT)**. The Council of Ministers has adopted a new Decree *Reorganizing the Unité Centrale de Renseignement Financier (UCREF)* to replace the Financial Intelligence Unit (FIU) organic law. The decree aims to ensure UCREF's operational autonomy, its power to conduct operational and strategic analysis, and its access to a broad range of information held by other government agencies. The decree has started being implemented, including by nominating the Board of Directors and its full implementation is necessary to ensure that the FIU fully exercises its broader powers and responsibilities. Separately, an April 2023 decree which revamped the AML/CFT framework allowed Haiti to receive upgrades on 18 of the 40 FATF recommendations in the latest report by

[2] Staff has provided extensive support through past TA missions on Haiti's banking chart of account alignment with IFRS 9. The most recent TA engagement, which concluded in October 2024, focused on Basel III liquidity standards and the drafting of a licensing manual by the Department of Banking Supervision of the Central Bank.

the Caribbean Financial Action Task Force. Recent progress was also made to the effectiveness of the AML/CFT system, including the resumption of some work on the national risk assessment, now expected to be completed in December 2025, and the operationalization of a tool for risk-based supervision of financial institutions by the BRH. The authorities should build on this progress and continue to address the other steps necessary to exit the FATF grey list and ease potential pressures on correspondent banking relationships, including assessing the risks related to the informal cash-based sector and legal persons, further pursuing efforts to implement risk-based supervision of FIs by stepping up on-site inspections (to the extent permitted by the security situation) and applying remedial actions for non-compliance, and ensuring transparency of basic and beneficial ownership information on legal persons. The authorities should also take urgent steps to designate supervisors for high-risk Designated Non-Financial Businesses and Professions such as gambling and lottery sectors; and notaries and lawyers performing trust and company service provider (TSCP) activities.

PROGRAM MONITORING

This SMP envisages two reviews (February 2025 and August 2025) and two test dates: December 2024 and June 2025. ITs will apply to end-March and end-September 2025.

28. Quantitative targets (QTs). Periodic Quantitative Targets (QTs) are presented in Table 1, Attachment 1 and comprise: (i) a floor on the NFPS primary balance; (ii) a ceiling of zero on the Central Bank's net credit to the NFPS; (iii) a floor on net international reserves (NIR) of the central bank; (iv) a floor on the sum of the budget allocations to the Ministry of Social Affairs and Labor (MAST), Ministry of Education, Ministry of Agriculture, and Ministry of Public Health; and (v) continuous QTs of a zero ceiling on non-concessional public sector external borrowing (including the central bank) and on domestic and external arrears accumulation. A floor on central government fiscal revenue is set as an indicative target (IT). The QTs include an asymmetric adjustor on the NFPS primary balance and NIR for shortfalls in expected external budget support, allowing the government to spend the surplus given the need to increase productive spending in infrastructure, social spending, and national police. The QT on net credit to the NFPS includes an adjustor to allow drawdowns in central government assets related to: (i) payments for expenses contracted in FY24 but not effectively disbursed by end-September 2024 (up to HTG 9.2 billion); (ii) disbursements of unspent resources from the 2023 Food Shock Window by end-September 2024 and debt relief from the Catastrophe Containment and Relief Trust.

29. Structural benchmarks. The proposed program has identified 11 benchmarks that will help implement (or lock in recent) reforms on revenue mobilization (and tax policy and tax administration measures, including related to digitalization), governance, transparency, and accountability to improve public financial management (budget reporting and transparency in the use of public spending); and enhance data transparency (Attachment 1, Table 2).

30. Data. Shortcomings in the data provided to the Fund for SMP purposes are manageable, after meaningful efforts to recover from the technological problems at the central bank in the summer of 2023 which has led to initial setbacks relative to the substantial results achieved in the context of the 2022 SMP.[3] IMF staff will also conduct a mission to assess GDP data sources and methodology. This work will ascertain whether the current structure of the economy—which suffered severe declines in capital stock, total factor productivity, and human capital since at least 2020, as well as huge population displacement—is still appropriately represented by the 2012 benchmark year or whether changes are necessary in due course. The provision of monetary data had been subject to delay, until recently. Revisions, especially to NIR, have been meaningful since the IT shock; and the surge of gang activity in early 2024. Timeliness has improved since late summer 2024 when activities at the BRH normalized and it completed the manual recompilation of data. Recent TA from the Fund's Statistics Department has identified data compilation limitations in the BOP and International Investment Position data, which affect the estimates of errors and omissions (equivalent to 3.4 percent of GDP in FY2023, Table 4b) and they are currently being addressed. The timeliness of fiscal data has considerably improved over the last two years, despite considerable brain drain due to displacements caused by insecurity. Nonetheless, risks to the implementation of the SMP remain, especially in light of the prevailing security environment which could affect fiscal targets (in particular tax revenues) by disrupting activity and supply chain.

STAFF APPRAISAL

31. Haiti faces a multidimensional crisis, a political transition, with a challenging outlook which is highly uncertain. The country is beset by both global and country-specific (idiosyncratic) shocks, which have heightened its fragility. In addition to causing terrible human suffering, escalating gang violence has blocked the flow of goods and services and disrupted value chains and supply. These have further fueled inflation and left half the population suffering acute food insecurity. Risks to the outlook include worsening political instability and insecurity that will constrain further business activity and the ability to implement reforms. Pervasive governance issues have further undermined growth prospects over the last few years as well as potential growth. The supply-side shock caused by the security crisis will continue to suppress growth and feed inflation unless the security outlook improves.

32. Despite domestic and global difficulties, the authorities are firmly committed to negotiating a new SMP and have managed to contain somewhat the impact of the various shocks, thereby averting even worse macroeconomic outcomes. Net international reserves were valued at nearly US$1billion at the end of FY2024 (September 2024). Despite the political instability and the crumbling institutional framework, Haiti's two key economic institutions have remained continuously engaged with the Fund. They have consistently attempted to adopt feasible measures

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[3] After the IT incident, the central bank has been designing and implementing a nine-pillar strategy to mitigate the risk of recurrence: 1) preparing a comprehensive post-incident analysis and action plan; 2) strengthening cybersecurity measures; 3) undergoing through IT infrastructure upgrades; 4) providing employee training and awareness; 5) collaborating with external experts; 6) adhering to regulatory compliance; 7) establishing a disaster *Recovery and Business Continuity Planning*; 8) setting up a 24/7 security operations center; and finally, 9) attracting IT experts with exchange programs signed with universities.

to limit macroeconomic imbalances and ensure a reasonable level of economic activity in the country. They have also continued to provide data and information on previously agreed benchmarks, even when the previous SMP had lapsed. Despite the delicate political context, and thanks to a highly inclusive consultative process, the authorities have been able to demonstrate full ownership and support for the SMP through the high-level Program Monitoring Committee.

33. **The authorities have a narrow window of opportunity to implement reforms that can help Haiti build resilience and eventually restore its medium- and long-term potential**. Staff welcomes the timely passing of the 2024-25 budget, including gender budgeting measures. An urgent government priority is re-starting the mobilization of revenue to support the country's massive development needs and boost well-targeted spending. The measures under the new SMP should help achieve these goals.

34. **Continued strengthening of the social safety net is essential to cushion the impact of the shocks on the population and alleviate widespread poverty**. To this end, the authorities have sought to implement the fuel reform strategy slowly so that changes in international fuel prices are gradually passed on to consumers, rather than suddenly or in an ad hoc manner as in the past. Staff recommends that the authorities continue to implement this reform, and effectively communicate the strategy, but accompany it with mitigating measures to protect the most vulnerable. The government should also sustain efforts to improve the quality and transparency of public spending. The use of FSW resources should be audited in line with SMP commitments.

35. **A government-led strategy to continue to strengthen the economy's resilience to multiple shocks requires the financial support of the international community.** This assistance is indispensable to allow quality spending, over the short, medium, and long term. Without it, Haiti will continue to suffer large import compression. External assistance should take the form of grants. The authorities should avoid contracting non-concessional loans, to ensure consistency with the SMP commitments. Non-concessional loans would undermine debt sustainability.

36. **The authorities' careful pace of monetary tightening has been appropriate and consistent with the goal of fighting inflation**. The fiscal and monetary authorities' commitment to keeping monetary financing of the deficit at zero is commendable and it has enhanced the credibility of the policy frameworks, despite still-high supply-side inflation. But this restrictive stance will not be sufficient to keep inflation under control without a normalization of security. The adequate foreign exchange (FX) reserves, re-built during 2023-24, remain a valuable buffer given the shocks Haiti faces. FX intervention should continue to be used only to smooth excessive exchange rate volatility, not substitute for necessary macroeconomic policy adjustment. The alignment of the foreign reserves framework with best practices is critical for avoiding financial risks. The FY2023 financial audit of the BRH is urgent and its eventual publication by June 2025 would be important for demonstrating transparency.

37. **Addressing financial-sector vulnerabilities is paramount for mitigating financial risks.** The worsened security crisis and recession have undermined the financial sector. The risks associated with high non-performing loans (NPLs) warrant close monitoring and underscore the

need for an urgent plan to limit their growth. The BRH has been strengthening banking supervision, with Fund assistance, with the goal of upgrading the regulatory framework and moving to risk-based supervision. Such efforts must be sustained, aided by technical assistance.

38. Staff welcomes the authorities' progress in improving data provision to the Fund for program and surveillance purposes and trusts it will continue. The quality and timeliness of monetary and reserve-asset data, and budget execution, should continue to be the top priority. Real-sector data weaknesses will be addressed with forthcoming technical assistance.

39. Staff welcomes the authorities' commitment to publish the Governance Diagnostic Report and associated action plan. This would support the implementation of the SMP by enhancing governance and should be implemented in close collaboration with development partners. Sustaining progress on strengthening governance is essential for ensuring inclusive growth and building the trust of both the private sector (to attract FDI) and development partners.

Haiti's strong engagement with the Fund has been important for helping the country deal with protracted and serious difficulties. Fund staff therefore supports the authorities' request for a new 12-month SMP. Nonetheless, risks to the implementation of the SMP remain, especially in light of the prevailing security and political environment. The new SMP should help give added momentum to the reforms and sustain them, further enhancing economic resilience. The new SMP will continue to be supported with Fund capacity development assistance. In line with the Fund Strategy for Fragile and Conflict-Affected States, staff will also coordinate closely with Haiti's main development partners, which should help mitigate implementation risks, in accordance with the recent Country Engagement Strategy as part of the concluded 2024 Article IV Consultation.

Table 2. Haiti: Selected Economic and Financial Indicators, 2021–29
(Fiscal year ending September 30)

Nominal GDP (2023): US$21.5 billion | GDP per capita (2021): US$1,765
Population (2021): 11.9 million | Percent of population below poverty line (2021): 52.3

	FY2021	FY2022	FY2023	FY2024 Est.	FY2025 Proj.	FY2026 Proj.	FY2027 Proj.	FY2028 Proj.	FY2029 Proj.
	(Change over previous year; unless otherwise indicated)								
National Income and Prices									
GDP at constant prices	-1.8	-1.7	-1.9	-4.0	0.5	1.0	1.5	1.5	1.5
GDP deflator	19.3	29.8	31.5	29.1	23.2	17.6	10.7	10.1	9.6
Consumer prices (period average)	15.9	27.6	44.1	25.8	19.7	15.4	10.6	7.9	7.4
Consumer prices (end-of-period)	13.1	38.7	31.8	27.9	18.6	12.2	9.3	7.4	7.0
External Sector									
Exports (goods, valued in U.S. dollars, f.o.b.)	27.7	13.5	-25.5	-19.8	10.0	17.0	13.9	11.3	11.9
Imports (goods, valued in U.S. dollars, f.o.b.)	19.8	7.8	-1.0	-9.9	11.0	6.0	5.5	5.0	4.5
Remittances (valued in U.S. dollars)	22.5	-7.3	0.1	9.0	5.0	5.0	5.0	4.5	4.0
Real effective exchange rate (eop; + appreciation) 1/	-5.0	13.8	10.9	33.0	…	…	…	…	…
Money and Credit (valued in gourdes)									
Credit to private sector	15.2	17.4	-6.2	-13.1	15.9	14.6	11.5	9.9	9.9
Base money	21.5	23.1	3.1	7.3	11.8	10.9	10.3	9.4	8.6
Broad money	38.2	21.1	4.6	2.9	12.7	10.5	11.3	10.9	9.5
	(In percent of GDP; unless otherwise indicated)								
Central Government									
Overall balance (including grants)	-2.3	-1.8	0.9	6.7	-0.1	-1.4	-1.5	-1.6	-1.7
Domestic revenue	5.9	5.3	6.4	4.8	4.9	5.1	5.4	5.7	5.9
Grants	1.0	1.3	0.9	6.8	1.1	0.7	0.3	0.3	0.3
Expenditures	9.3	8.3	6.4	4.9	6.1	7.2	7.2	7.5	7.8
Current expenditures	7.4	6.8	4.9	3.8	4.2	4.2	4.3	4.5	4.6
Capital expenditures	1.9	1.6	1.5	1.0	1.9	3.0	2.8	3.1	3.2
Overall balance of the nonfinancial public sector 2/	-2.2	-1.7	0.0	6.2	-0.1	-1.4	-1.5	-1.6	-1.7
Savings and Investment									
Gross investment	18.0	15.9	13.9	6.3	7.0	9.7	13.2	18.2	22.4
Of which: public investment	1.9	1.6	1.5	1.0	1.9	3.0	2.8	3.1	3.2
Gross national savings	18.5	13.5	10.4	5.7	6.4	8.8	12.0	17.1	21.5
External current account balance (incl. official grants)	0.4	-2.3	-3.5	-0.6	-0.6	-0.9	-1.2	-1.1	-0.9
Net fuel exports	-3.1	-4.5	-3.6	-2.4	-2.2	-2.2	-2.3	-2.3	-2.2
Public Debt									
External public debt (medium and long-term, eop)	12.9	12.3	12.9	1.5	1.4	2.7	4.0	5.2	6.3
Total public sector debt (end-of-period)	28.9	29.5	28.5	14.6	11.9	11.6	12.0	12.5	13.0
External public debt service 3/	9.4	8.1	11.8	13.5	3.3	4.6	4.5	5.8	6.6
Memorandum Items:	(In millions of dollars, unless otherwise indicated)								
Net international reserves 4/	456	119	391	1,068	1,225	1,408	1,555	1,702	1,847
Gross international reserves	2,534	2,067	2,346	2,526	2,651	2,801	2,951	3,111	3,271
In months of imports of the following year	5.6	4.7	5.3	5.7	5.7	5.7	5.7	5.8	5.8
Nominal GDP (millions of gourdes)	1,699,208	2,168,223	2,798,324	3,468,166	4,294,144	5,100,413	5,730,978	6,405,769	7,127,326

Sources: Ministry of Economy and Finance; Bank of the Republic of Haiti; World Bank; Fund staff estimates and projections.
1/ The real effective exchange rate for FY2024 reflects August 2024 data.
2/ Includes transfers to the state-owned electricity company (EDH), and unsettled payment obligations.
3/ In percent of exports of goods and nonfactor services. Includes debt service settled with debt relief. For FY2024, debt service includes estimates of all the principal of PDVSA debt originally due in FY2024 and the interest due to PDVSA for the first quarter of FY2024 (October-December 2023).
4/ Excludes banks' FX deposits, Venezuela escrow account, IMF liabilities (except Food Shock Window), and swaps.

Table 3a. Haiti: Non-Financial Public Sector Operations, 2021–29

(Fiscal year ending September 30; in millions of gourdes)

	FY2021	FY2022	FY2023	FY2024 Budget	FY2024 Revised Budget	FY2024Q1 Est.	FY2024Q2 Est.	FY2024Q3 Est.	FY2024 Est.	FY2025 Budget	FY2025 Proj.	FY2026 Proj.	FY2027 Proj.	FY2028 Proj.	FY2029 Proj.
Total Revenue and Grants	**118,340**	**142,478**	**204,261**	**257,980**	**238,647**	**48,988**	**34,733**	**41,291**	**401,327**	**302,860**	**259,314**	**297,642**	**325,047**	**382,088**	**438,776**
Domestic revenue	100,635	114,919	178,483	196,545	172,678	48,988	34,733	41,291	167,118	227,739	210,413	262,667	308,735	364,689	420,450
Domestic taxes	74,012	82,525	111,881	72,018	60,692	31,094	22,134	26,875	106,579	99,575	129,274	163,437	194,028	232,888	269,812
Customs duties	22,613	27,341	60,103	107,095	101,125	17,825	12,591	14,261	60,246	100,809	75,372	92,074	106,322	122,044	139,355
Of which: fuel taxes	0	0	20,312	19,360	20,480	6,756	6,024	8,879	23,870	23,848	31,036	36,863	41,421	46,298	51,513
Other current revenue	4,009	5,053	6,498	17,431	10,862	68	9	155	293	27,355	5,767	7,156	8,385	9,756	11,283
Grants	17,706	27,559	25,779	61,435	65,969	...	...	...	234,209	75,121	48,901	34,975	16,312	17,399	18,325
Budget support 1/	5,754	8,957	0	7,995	0	0	0	0	0	0	5,363	2,752	0	0	0
Project grants	11,951	18,602	25,779	53,440	65,969	...	...	...	28,370	75,121	43,538	32,223	16,312	17,399	18,325
Capital transfer 2/	0	0	0	0	0	...	...	...	205,839	0	0	0	0	0	0
Total Expenditure 3/	**158,220**	**180,515**	**179,017**	**273,028**	**232,913**	**35,480**	**30,200**	**30,491**	**169,094**	**301,065**	**261,969**	**369,632**	**409,928**	**482,927**	**556,606**
Current expenditure	126,058	146,603	135,913	162,964	141,019	34,312	29,500	28,537	132,799	175,498	178,646	215,917	248,164	286,551	328,025
Wages and salaries	55,130	63,030	73,846	81,883	80,549	20,369	16,624	16,529	74,907	92,530	96,366	117,009	134,341	153,362	174,200
Goods and services	35,472	32,504	39,029	49,901	44,697	8,508	8,405	7,896	39,608	51,912	51,655	63,904	74,669	86,664	99,990
Interest payments	6,014	6,596	7,975	2,932	1,701	2,178	2,084	1,781	7,628	1,228	1,697	8,897	11,196	14,496	16,416
Transfers and subsidies	28,843	44,474	15,063	22,098	13,122	3,256	2,387	2,331	10,656	24,109	23,959	26,107	27,957	32,029	37,418
Of which: Transfers to EDH	9,111	7,412	8,038	8,642	...	...	...	...	3,130	...	11,076	9,530	7,899	3,203	3,564
Of which: Fuel direct subsidies to oil companies	10,682	31,242	0	...	...	...	...	...	0	...	0	0	0	0	0
Exceptional expenditures 4/	600	0	0	6,150	950	0	0	0	0	5,720	4,970	0	0	0	0
Capital expenditure	32,161	33,913	43,104	110,064	91,894	1,169	700	1,954	36,295	125,567	83,323	153,715	161,764	196,377	228,581
Domestically financed	15,359	11,861	17,326	41,478	16,774	1,169	700	1,954	7,925	46,065	35,470	44,986	59,488	82,891	103,346
Foreign-financed	16,802	22,052	25,779	68,586	75,120	...	...	...	28,370	79,502	47,853	108,730	102,277	113,486	125,235
Central government balance incl. grants	**-39,879**	**-38,037**	**25,244**	**-15,049**	**5,734**	**13,508**	**4,533**	**10,801**	**232,233**	**1,795**	**-2,655**	**-71,990**	**-84,881**	**-100,839**	**-117,831**
Excluding grants and externally financed projects	-40,783	-43,544	25,244	-7,897	14,885	13,508	4,533	10,801	26,394	1,795	-3,703	1,765	1,084	-4,753	-10,921
Primary Balance of NFPS, incl. grants and other transfers to EDH	**-33,865**	**-31,442**	**33,219**	**-12,117**	**7,435**	**15,686**	**6,617**	**12,582**	**239,861**	**3,023**	**-958**	**-63,093**	**-73,685**	**-86,343**	**-101,415**
Adjustment (unsettled payment obligations)	-2,031	-256	25,213	0	0	4,063	-7,426	6,313	15,726	0	0	0	0	0	0
Overall Balance of NFPS, including grants	**-37,849**	**-37,781**	**31**	**-15,049**	**5,734**	**9,445**	**11,959**	**4,487**	**216,507**	**1,795**	**-2,655**	**-71,990**	**-84,881**	**-100,839**	**-117,831**
Overall Balance of NFPS, including grants (excl. capital transfer) 5/	-37,849	-37,781	31	-15,049	5,734	9,445	11,959	4,487	10,668	1,795	-2,655	-71,990	-84,881	-100,839	-117,831
Financing, NFPS	**37,848**	**37,780**	**-31**	**15,049**	**-5,734**	**-9,445**	**-11,959**	**-4,487**	**-216,507**	**-1,795**	**2,655**	**71,990**	**84,881**	**100,839**	**117,831**
External net financing	-5,865	-1,468	-9,400	-640	2,257	-420	-1,240	-323	-202,528	1,011	2,633	74,717	84,069	92,987	103,727
Loans (net)	-2,640	-5,822	-9,400	-640	2,257	-420	-1,240	-323	-202,528	1,011	2,633	74,717	84,069	92,987	103,727
Disbursements	4,851	3,450	0	15,146	9,151	0	0	0	0	4,381	4,316	76,506	85,965	96,087	106,910
Amortization	-7,491	-9,272	-9,400	-15,786	-6,894	-420	-1,240	-323	-202,528	-3,370	-1,683	-1,789	-1,896	-3,099	-3,183
Arrears (net)	-3,225	4,354	0	0	0	0	0	0	0	0	0	0	0	0	0
Internal net financing	43,714	39,249	9,368	15,689	-7,991	-9,025	-10,719	-4,164	-13,979	-2,806	22	-2,728	812	7,852	14,104
Banking system	50,483	52,437	27,690	36,000		-8,128	-6,370	803	-2,235	16,204	19,032	11,941	17,102	23,852	14,104
BRH (includes the FSW) 6/	46,731	41,274	26,709	24,000	7,022	-11,791	-9,740	4,424	-84	0	0	0	0	0	0
Commercial banks	3,752	11,163	981	12,000		3,663	3,370	-3,621	-2,151	16,204	19,032	11,941	17,102	23,852	14,104
Nonbank financing 7/	-6,769	-13,188	-18,321	-20,311	-15,013	-897	-4,348	-4,968	-11,744	-19,010	-19,010	-14,669	-16,290	-16,000	0
Memorandum Items															
Forgone fuel taxes and fuel direct subsidies	31,984	62,553	0	...	...	0	0	0	0	...	0	0	0	0	0
o/w Forgone fuel taxes	21,302	31,311	0	...	...	0	0	0	0	...	0	0	0	0	0
o/w Fuel direct subsidies to oil companies	10,682	31,242	0	...	...	0	0	0	0	...	0	0	0	0	0
Health, education and agriculture spending	28,173	33,117	37,810	...	...	9,754	7,442	...	36,815	...	39,619	96,908	108,889	121,710	135,419
Nominal GDP	1,699,208	2,168,223	2,798,324	3,672,147	3,468,166	...	...	...	3,468,166	4,294,144	4,294,144	5,100,413	5,730,978	6,405,769	7,127,326

Sources: Ministry of Finance and Economy; and Fund staff estimates and projections.

1/ Includes previously-programmed multilateral budget support that could be delayed, as well as CCRT debt relief.

2/ For FY2024, includes debt forgiveness granted by Venezuela.

3/ Commitment basis, except for domestically financed spending, which is reported on the basis of project account replenishments.

4/ Includes expenditures for electoral activities and support to political parties.

5/ Excludes a one-off capital transfer owing to the repayment of the debt to Venezuela

6/ Amounts include the full two-year debt-relief under the CCRT for FY2021-22, and the FSW disbursement for FY2023.

7/ Includes the net change in the stock of government securities held by non-banks, of checks that are not yet cashed, of supplier credits and of domestic arrears.

Table 3b. Haiti: Non-Financial Public Sector Operations, 2021–29

(Fiscal year ending September 30; in percent of GDP)

	FY2021	FY2022	FY2023	FY2024 Budget	FY2024 Revised Budget	FY2024Q1 Est.	FY2024Q2 Est.	FY2024Q3 Est.	FY2024 Est.	FY2025 Budget	FY2025 Proj.	FY2026 Proj.	FY2027 Proj.	FY2028 Proj.	FY2029 Proj.
Total Revenue and Grants	**7.0**	**6.6**	**7.3**	**7.4**	**6.9**	**1.4**	**1.0**	**1.2**	**11.6**	**7.1**	**6.0**	**5.8**	**5.7**	**6.0**	**6.2**
Domestic revenue	5.9	5.3	6.4	5.7	5.0	1.4	1.0	1.2	4.8	5.3	4.9	5.1	5.4	5.7	5.9
Domestic taxes	4.4	3.8	4.0	2.1	1.7	0.9	0.6	0.8	3.1	2.3	3.0	3.2	3.4	3.6	3.8
Customs duties	1.3	1.3	2.1	3.1	2.9	0.5	0.4	0.4	1.7	2.3	1.8	1.8	1.9	1.9	2.0
Of which: fuel taxes	0.0	0.0	0.7	0.6	0.6	0.2	0.2	0.3	0.7	0.6	0.7	0.7	0.7	0.7	0.7
Other current revenue	0.2	0.2	0.2	0.5	0.3	0.0	0.0	0.0	0.0	0.6	0.1	0.1	0.1	0.2	0.2
Grants	1.0	1.3	0.9	1.8	1.9	...	...	...	6.8	1.7	1.1	0.7	0.3	0.3	0.3
Budget support 1/	0.3	0.4	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Project grants	0.7	0.9	0.9	1.5	1.9	...	...	...	0.8	1.7	1.0	0.6	0.3	0.3	0.3
Capital transfer 2/	0.0	0.0	0.0	0.0	0.0	...	...	...	5.9	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenditure 3/	**9.3**	**8.3**	**6.4**	**7.9**	**6.7**	**1.0**	**0.9**	**0.9**	**4.9**	**7.0**	**6.1**	**7.2**	**7.2**	**7.5**	**7.8**
Current expenditure	7.4	6.8	4.9	4.7	4.1	1.0	0.9	0.8	3.8	4.1	4.2	4.2	4.3	4.5	4.6
Wages and salaries	3.2	2.9	2.6	2.4	2.3	0.6	0.5	0.5	2.2	2.2	2.2	2.3	2.3	2.4	2.4
Goods and services	2.1	1.5	1.4	1.4	1.3	0.2	0.2	0.2	1.1	1.2	1.2	1.3	1.3	1.4	1.4
Interest payments	0.4	0.3	0.3	0.1	0.0	0.1	0.1	0.1	0.2	0.0	0.0	0.2	0.2	0.2	0.2
Transfers and subsidies	1.7	2.1	0.5	0.6	0.4	0.1	0.1	0.1	0.3	0.6	0.6	0.5	0.5	0.5	0.5
Of which: Transfers to EDH	0.5	0.3	0.3	0.2	...	...	...	...	0.1	...	0.3	0.2	0.1	0.1	0.1
Of which: Fuel direct subsidies to oil companies	0.6	1.4	0.0	...	...	...	...	...	0.0	...	0.0	0.0	0.0	0.0	0.0
Exceptional expenditures 4/	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Capital expenditure	1.9	1.6	1.5	3.2	2.6	0.0	0.0	0.1	1.0	2.9	1.9	3.0	2.8	3.1	3.2
Domestically financed	0.9	0.5	0.6	1.2	0.5	0.0	0.0	0.1	0.2	1.1	0.8	0.9	1.0	1.3	1.4
Foreign-financed	1.0	1.0	0.9	2.0	2.2	...	...	...	0.8	1.9	1.1	2.1	1.8	1.8	1.8
Central government balance incl. grants	**-2.3**	**-1.8**	**0.9**	**-0.4**	**0.2**	**0.4**	**0.1**	**0.3**	**6.7**	**0.0**	**-0.1**	**-1.4**	**-1.5**	**-1.6**	**-1.7**
Excluding grants and externally financed projects	-2.4	-2.0	0.9	-0.2	0.4	0.4	0.1	0.3	0.8	0.0	-0.1	0.0	0.0	-0.1	-0.2
Primary Balance of NFPS, incl. grants and other transfers to EDH	**-2.0**	**-1.5**	**1.2**	**-0.3**	**0.2**	**0.5**	**0.2**	**0.4**	**6.9**	**0.1**	**0.0**	**-1.2**	**-1.3**	**-1.3**	**-1.4**
Adjustment (unsettled payment obligations)	-0.1	0.0	0.9	0.0	0.0	0.1	-0.2	0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Overall Balance of NFPS, including grants	**-2.2**	**-1.7**	**0.0**	**-0.4**	**0.2**	**0.3**	**0.3**	**0.1**	**6.2**	**0.0**	**-0.1**	**-1.4**	**-1.5**	**-1.6**	**-1.7**
Overall Balance of NFPS, including grants (excl. capital transfer) 5/	-2.2	-1.7	0.0	-0.4	0.2	0.3	0.3	0.1	0.3	0.0	-0.1	-1.4	-1.5	-1.6	-1.7
Financing, NFPS	**2.2**	**1.7**	**0.0**	**0.4**	**-0.2**	**-0.3**	**-0.3**	**-0.1**	**-6.2**	**0.0**	**0.1**	**1.4**	**1.5**	**1.6**	**1.7**
External net financing	-0.3	-0.1	-0.3	0.0	0.1	0.0	0.0	0.0	-5.8	0.0	0.1	1.5	1.5	1.5	1.5
Loans (net)	-0.2	-0.3	-0.3	0.0	0.1	0.0	0.0	0.0	-5.8	0.0	0.1	1.5	1.5	1.5	1.5
Disbursements	0.3	0.2	0.0	0.4	0.3	0.0	0.0	0.0	0.0	0.1	0.1	1.5	1.5	1.5	1.5
Amortization	-0.4	-0.4	-0.3	-0.5	-0.2	0.0	0.0	0.0	-5.8	-0.1	0.0	0.0	0.0	0.0	0.0
Arrears (net)	-0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Internal net financing	2.6	1.8	0.3	0.5	-0.2	-0.3	-0.3	-0.1	-0.4	-0.1	0.0	-0.1	0.0	0.1	0.2
Banking system	3.0	2.4	1.0	1.0	0.0	-0.2	-0.2	0.0	-0.1	0.4	0.4	0.2	0.3	0.4	0.2
BRH (includes the FSW) 6/	2.8	1.9	1.0	0.7	0.2	-0.3	-0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	0.2	0.5	0.0	0.3	0.0	0.1	0.1	-0.1	-0.1	0.4	0.4	0.2	0.3	0.4	0.2
Nonbank financing 7/	-0.4	-0.6	-0.7	-0.6	-0.4	0.0	-0.1	-0.1	-0.3	-0.4	-0.4	-0.3	-0.3	-0.2	0.0
Memorandum Items															
Forgone fuel taxes and fuel direct subsidies	1.9	2.9	0.0	...	...	0.0	0.0	0.0	0.0	...	0.0	0.0	0.0	0.0	0.0
o/w Forgone fuel taxes	1.3	1.4	0.0	...	...	0.0	0.0	0.0	0.0	...	0.0	0.0	0.0	0.0	0.0
o/w Fuel direct subsidies to oil companies	0.6	1.4	0.0	...	...	0.0	0.0	0.0	0.0	...	0.0	0.0	0.0	0.0	0.0
Health, education and agriculture spending	1.7	1.5	1.4	...	...	0.3	0.2	...	1.1	...	0.9	1.9	1.9	1.9	1.9
Nominal GDP (millions of gourdes)	1,699,208	2,168,223	2,798,324	3,468,166	3,468,166	...	...	...	3,468,166	4,294,144	4,294,144	5,100,413	5,730,978	6,405,769	7,127,326

Sources: Ministry of Finance and Economy; and Fund staff estimates and projections.

1/ Includes previously-programmed multilateral budget support that could be delayed, as well as CCRT debt relief.

2/ For FY2024, includes debt forgiveness granted by Venezuela.

3/ Commitment basis, except for domestically financed spending, which is reported on the basis of project account replenishments.

4/ Includes expenditures for electoral activities and support to political parties.

5/ Excludes a one-off capital transfer owing to the repayment of the debt to Venezuela

6/ Amounts include the full two-year debt-relief under the CCRT for FY2021-22, and the FSW disbursement for FY2023.

7/ Includes the net change in the stock of government securities held by non-banks, of checks that are not yet cashed, of supplier credits and of domestic arrears.

Table 4a. Haiti: Balance of Payments, 2021–29

(In millions of U.S. dollars on a fiscal year basis; unless otherwise indicated)

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
				Est.	Proj.	Proj.	Proj.	Proj.	Proj.
Current Account (Including Grants)	**88**	**-464**	**-683**	**-158**	**-203**	**-308**	**-416**	**-399**	**-361**
Current Account (Excluding Grants)	**-77**	**-653**	**-863**	**-373**	**-562**	**-541**	**-516**	**-499**	**-461**
Goods (net)	-3,286	-3,480	-3,759	-3,481	-3,872	-4,011	-4,149	-4,285	-4,386
Exports of goods	1,130	1,282	956	767	844	987	1,124	1,252	1,400
Of which: Assembly industry	1,066	1,191	870	736	776	908	1,034	1,152	1,288
Imports of goods	-4,416	-4,762	-4,715	-4,248	-4,715	-4,998	-5,273	-5,537	-5,786
Of which: Fossil fuels	-643	-890	-707	-637	-707	-750	-791	-831	-868
Services (net)	-490	-587	-449	-424	-451	-479	-503	-528	-554
Exports of services	142	101	139	111	122	128	135	142	149
Imports of services	-632	-689	-588	-535	-573	-607	-638	-669	-703
Primary Income (net)	23	24	4	-10	-10	-10	-21	-31	-42
Secondary Income (net)	3,840	3,580	3,522	3,758	4,130	4,192	4,257	4,445	4,622
Official transfers (net)	164	189	181	215	359	233	100	100	100
Private transfers (net)	3,316	3,072	3,076	3,353	3,520	3,696	3,881	4,056	4,218
Other transfers (net)	360	318	265	190	250	263	276	289	304
Capital and Financial Accounts	**-72**	**85**	**109**	**765**	**338**	**488**	**592**	**592**	**564**
Capital transfers 1/	55	63	57	1,527	50	50	52	54	57
Public sector capital flows (net)	-35	-66	-94	-1,547	19	499	515	534	566
Foreign direct investment (net)	51	39	24	17	19	30	46	71	111
Banks (net) 2/	-162	37	20	-46	-125	-25	-60	-80	-100
Other items (net) 3/	18	12	102	814	375	-65	39	12	-70
Errors and Omissions	**-241**	**162**	**660**	**0**	**0**	**0**	**0**	**0**	**0**
Overall Balance	**-225**	**-216**	**86**	**607**	**135**	**180**	**176**	**193**	**204**
Financing	**225**	**216**	**-86**	**-607**	**-135**	**-180**	**-176**	**-193**	**-204**
Change in gross reserves (+ is decrease)	-91	117	-284	-180	-125	-150	-150	-160	-160
Change in IMF credit and loans (+ is increase)	-5	-3	99	-11	-10	-30	-26	-33	-44
Exceptional financing	101	103	99	-416	0	0	0	0	0
o/w Changes in arrears 4/	90	96	97	-642	0	0	0	0	0
o/w Debt rescheduling and debt relief 5/	10	7	3	226	0	0	0	0	0
Memorandum Items:									
Change in US$ denom. reserve deposits at BRH (+ is decrease)	-164	68	-7	35	-29	3	-29	-36	-36
Change in NIR (statistical definition) (+ is decrease)	223	337	-272	-677	-157	-183	-147	-147	-146
Exports of goods, f.o.b (percent change)	27.7	13.5	-25.5	-19.8	10.0	17.0	13.9	11.3	11.9
Imports of goods, f.o.b (percent change)	19.8	7.8	-1.0	-9.9	11.0	6.0	5.5	5.0	4.5
Projected average oil price (U.S. dollars per barrel, APSP)	69.2	96.4	80.6	81.3	72.8	70.2	68.6	67.6	0.0
Debt service (in percent of exports of goods and services)	9.4	8.1	11.8	13.5	3.3	4.6	4.5	5.8	6.6
Gross international reserves (in millions of U.S. dollars)	2,534	2,067	2,346	2,526	2,651	2,801	2,951	3,111	3,271
(in months of next year's imports of goods and services)	5.6	4.7	5.3	5.7	5.7	5.7	5.7	5.8	5.8
Nominal GDP (millions of U.S. dollars)	21,017	19,826	19,603	26,283	31,562	34,031	35,133	36,816	38,893

Sources: Bank of the Republic of Haiti; and Fund staff estimates and projections.

1/ For FY2024, includes debt forgiveness granted by Venezuela.

2/ Change in net foreign assets of commercial banks.

3/ Includes arrears on oil imports.

4/ Up to FY2023, reflects accumulation of arrears toward Venezuela. For FY2024, reflects cancellation of arrears due to Venezuela, financed partly by payment from Haiti (US$500 million) and partly by debt forgiveness granted by Venezuela.

5/ For FY2021 to FY2022, includes CCRT debt relief. For FY2024, includes debt forgiveness granted by Venezuela.

Table 4b. Haiti: Balance of Payments, 2021–29
(In percent of GDP on a fiscal year basis; unless otherwise indicated)

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
				Est.	Proj.	Proj.	Proj.	Proj.	Proj.
Current Account (Including Grants)	**0.4**	**-2.3**	**-3.5**	**-0.6**	**-0.6**	**-0.9**	**-1.2**	**-1.1**	**-0.9**
Current Account (Excluding Grants)	**-0.4**	**-3.3**	**-4.4**	**-1.4**	**-1.8**	**-1.6**	**-1.5**	**-1.4**	**-1.2**
Trade balance	-15.6	-17.6	-19.2	-13.2	-12.3	-11.8	-11.8	-11.6	-11.3
Exports of goods	5.4	6.5	4.9	2.9	2.7	2.9	3.2	3.4	3.6
Of which: Assembly industry	5.1	6.0	4.4	2.8	2.5	2.7	2.9	3.1	3.3
Imports of goods	-21.0	-24.0	-24.1	-16.2	-14.9	-14.7	-15.0	-15.0	-14.9
Of which: Fossil fuels	-3.1	-4.5	-3.6	-2.4	-2.2	-2.2	-2.3	-2.3	-2.2
Services (net)	-2.3	-3.0	-2.3	-1.6	-1.4	-1.4	-1.4	-1.4	-1.4
Receipts	0.7	0.5	0.7	0.4	0.4	0.4	0.4	0.4	0.4
Payments	-3.0	-3.5	-3.0	-2.0	-1.8	-1.8	-1.8	-1.8	-1.8
Income (net)	0.1	0.1	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1
Current transfers (net)	18.3	18.1	18.0	14.3	13.1	12.3	12.1	12.1	11.9
Official transfers (net)	0.8	1.0	0.9	0.8	1.1	0.7	0.3	0.3	0.3
Private transfers (net)	15.8	15.5	15.7	12.8	11.2	10.9	11.0	11.0	10.8
Other transfers (net)	1.7	1.6	1.4	0.7	0.8	0.8	0.8	0.8	0.8
Capital and Financial Accounts	**-0.3**	**0.4**	**0.6**	**2.9**	**1.1**	**1.4**	**1.7**	**1.6**	**1.5**
Capital transfers 1/	0.3	0.3	0.3	5.8	0.2	0.1	0.1	0.1	0.1
Public sector capital flows (net)	-0.2	-0.3	-0.5	-5.9	0.1	1.5	1.5	1.5	1.5
Loan disbursements	0.3	0.2	0.0	0.0	0.1	1.5	1.5	1.5	1.5
Amortization	-0.5	-0.5	-0.5	-5.9	0.0	0.0	0.0	0.0	0.0
Foreign direct investment (net)	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.3
Banks (net) 2/	-0.8	0.2	0.1	-0.2	-0.4	-0.1	-0.2	-0.2	-0.3
Other items (net) 3/	0.1	0.1	0.5	3.1	1.2	-0.2	0.1	0.0	-0.2
Errors and Omissions	**-1.1**	**0.8**	**3.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Overall Balance	**-1.1**	**-1.1**	**0.4**	**2.3**	**0.4**	**0.5**	**0.5**	**0.5**	**0.5**
Financing	**1.1**	**1.1**	**-0.4**	**-2.3**	**-0.4**	**-0.5**	**-0.5**	**-0.5**	**-0.5**
Change in net foreign assets (+ is decrease)	-0.4	0.6	-1.4	-0.7	-0.4	-0.4	-0.4	-0.4	-0.4
Change in IMF credit and loans (+ is increase)	0.0	0.0	0.5	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Exceptional financing	0.5	0.5	0.5	-1.6	0.0	0.0	0.0	0.0	0.0
o/w Changes in arrears 4/	0.4	0.5	0.5	-2.4	0.0	0.0	0.0	0.0	0.0
o/w Debt rescheduling and debt relief 5/	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0
Memorandum Items:									
Exports of goods, f.o.b (percent change)	27.7	13.5	-25.5	-19.8	10.0	17.0	13.9	11.3	11.9
Imports of goods, f.o.b (percent change)	19.8	7.8	-1.0	-9.9	11.0	6.0	5.5	5.0	4.5
Projected average oil price (U.S. dollars per barrel, APSP)	69.2	96.4	80.6	81.3	72.8	70.2	68.6	67.6	0.0
Debt service (in percent of exports of goods and services)	9.4	8.1	11.8	13.5	3.3	4.6	4.5	5.8	6.6
Nominal exchange rate	80.9	109.4	142.7	…	…	…	…	…	…
Gross international reserves (in millions of U.S. dollars)	2,534	2,067	2,346	2,526	2,651	2,801	2,951	3,111	3,271
(in months of next year's imports of goods and services)	5.6	4.7	5.3	5.7	5.7	5.7	5.7	5.8	5.8
Nominal GDP (millions of U.S. dollars)	21,017	19,826	19,603	26,283	31,562	34,031	35,133	36,816	38,893

Sources: Bank of the Republic of Haiti; and Fund staff estimates and projections.

1/ For FY2024, includes debt forgiveness granted by Venezuela.

2/ Change in net foreign assets of commercial banks.

3/ Includes arrears on oil imports.

4/ Up to FY2023, reflects accumulation of arrears toward Venezuela. For FY2024, reflects cancellation of arrears due to Venezuela, financed partly by payment from Haiti (US$500 million) and partly by debt forgiveness granted by Venezuela.

5/ For FY2021 to FY2022, includes CCRT debt relief. For FY2024, includes debt forgiveness granted by Venezuela.

Table 5. Haiti: Summary Accounts of the Banking System, 2021–29

	FY2021	FY2022	FY2023	FY2024 Est.	FY2025 Proj.	FY2026 Proj.	FY2027 Proj.	FY2028 Proj.	FY2029 Proj.
				I. Central bank					
Net Foreign Assets	**146,005**	**131,774**	**185,645**	**265,511**	**311,781**	**370,065**	**430,422**	**487,193**	**546,143**
(In millions of U.S. dollars)	1,499	1,120	1,383	2,019	2,206	2,386	2,561	2,743	2,925
Of which: Gross International Reserves (US$ Mil)	2,534	2,067	2,346	2,526	2,651	2,801	2,951	3,111	3,271
Of which: Net Intl. Reserves (nonresidents) (US$ Mil.)	1,969	1,526	1,796	2,441	2,627	2,807	2,982	3,164	3,347
Of which: Net international reserves (US$ Mil.) (Res FX+Nonres) 1/	456	119	391	1,068	1,225	1,408	1,555	1,702	1,847
Of which : Commercial bank forex deposits (in millions of U.S. dollars)	1,324	1,255	1,262	1,227	1,256	1,253	1,283	1,318	1,355
Net Domestic Assets	**42,096**	**99,713**	**53,094**	**-9,371**	**-25,376**	**-52,511**	**-80,277**	**-104,224**	**-130,376**
Net credit to the nonfinancial public sector	166,625	237,927	252,466	249,221	249,221	249,221	249,221	249,221	249,221
Of which: Net credit to the central government 2/	168,899	242,311	261,540	254,297	254,297	254,297	254,297	254,297	254,297
Claims on central government	207,676	292,786	328,498	349,591	349,591	349,591	349,591	349,591	349,591
Central government deposits	38,777	50,475	66,958	95,294	95,294	95,294	95,294	95,294	95,294
Of which: IMF CCRT debt relief	-2,634	-2,087	-2,198	-2,166	-3,005	-3,005	-3,005	-3,005	-3,005
Liabilities to commercial banks (excl. gourde deposits)	138,460	157,539	178,422	193,786	209,998	226,842	248,033	266,576	285,369
BRH bonds/Open market operations	3,525	2,630	4,555	28,202	28,202	28,202	28,202	28,202	28,202
Commercial bank forex deposits	134,935	154,909	173,868	165,584	181,796	198,640	219,832	238,375	257,168
Other	-18,134	-11,484	-44,259	-88,868	-87,434	-103,537	-116,130	-129,607	-144,018
Base Money	**188,101**	**231,487**	**238,738**	**256,139**	**286,405**	**317,554**	**350,145**	**382,969**	**415,767**
Currency in circulation	108,670	133,411	146,758	157,526	177,872	196,328	214,514	232,478	250,063
Commercial bank gourde deposits	79,431	98,077	91,980	98,614	108,533	121,226	135,631	150,491	165,704
				II. Consolidated banking system					
Net Foreign Assets	**205,868**	**203,605**	**257,043**	**341,521**	**411,179**	**483,008**	**562,882**	**641,377**	**726,887**
(In millions of U.S. dollars)	2,114	1,730	1,915	2,598	2,909	3,114	3,349	3,611	3,893
Of which: Commercial banks NFA (in millions of U.S. dollars)	615	610	532	578	703	728	788	868	968
Net Domestic Assets	**305,095**	**415,028**	**390,066**	**324,401**	**339,201**	**345,871**	**359,713**	**381,797**	**393,821**
Credit to the nonfinancial public sector	206,497	296,664	318,252	315,087	334,119	346,060	363,162	387,014	401,118
Of which: Net credit to the central government 2/	202,659	293,987	316,372	313,531	332,563	344,504	361,606	385,458	399,562
Claims on central government	259,300	362,559	401,598	427,991	447,023	351,179	368,281	392,134	406,237
Central government deposits	56,641	68,572	85,226	114,460	114,460	6,675	6,675	6,675	6,675
Credit to the private sector	138,572	161,957	152,445	133,474	153,755	175,413	194,950	213,734	234,243
In gourdes	72,552	77,196	69,435	53,970	64,613	75,764	86,380	97,035	108,889
In foreign currency	60,926	79,521	77,520	73,768	83,405	93,912	102,833	110,962	119,618
Other	-66,770	-75,172	-116,022	-159,357	-183,476	-210,406	-233,203	-253,754	-276,344
Broad Money	**510,963**	**618,634**	**647,109**	**665,922**	**750,380**	**828,879**	**922,595**	**1,023,175**	**1,120,707**
Currency in circulation	98,150	123,511	124,113	132,275	152,621	171,077	189,263	207,227	224,812
Gourde deposits	134,373	157,617	166,705	177,363	207,712	221,896	249,226	289,920	328,009
Foreign currency deposits	270,986	329,793	348,280	348,792	383,710	429,349	476,202	517,182	558,674
(In millions of U.S. dollars)	2,782	2,802	2,594	2,653	2,714	2,768	2,833	2,912	2,992
				(12-month percentage change)					
Currency in circulation	14.9	25.8	0.5	6.6	15.4	12.1	10.6	9.5	8.5
Base money	21.5	23.1	3.1	7.3	11.8	10.9	10.3	9.4	8.6
Broad money (M3)	38.2	21.1	4.6	2.9	12.7	10.5	11.3	10.9	9.5
Gourde deposits	17.3	17.3	5.8	6.4	17.1	6.8	12.3	16.3	13.1
Foreign currency deposits	64.0	21.7	5.6	0.1	10.0	11.9	10.9	8.6	8.0
Credit to the private sector	15.2	17.4	-6.2	-13.1	15.9	14.6	11.5	9.9	9.9
Credit in gourdes	3.1	6.4	-10.1	-22.3	19.7	17.3	14.0	12.3	12.2
Credit in foreign currency	33.9	30.5	-2.5	-4.8	13.1	12.6	9.5	7.9	7.8
Memorandum Items:									
Foreign currency deposits (% of total private deposits)	67.4	68.3	69.4	67.9	64.9	65.9	65.6	64.1	63.0
Foreign currency credit to private sector (% of total)	45.5	50.5	52.4	57.3	56.3	55.3	54.3	53.3	52.3
Commercial banks' credit to private sector (% of GDP)	7.9	7.2	5.3	3.7	3.4	3.3	3.3	3.3	3.2
Real private credit sector growth	2.2	-21.2	-38.1	-40.9	-2.7	2.4	2.2	2.5	2.8
Private sector credit (% of GDP)	7.9	7.2	5.3	3.7	3.4	3.3	3.3	3.2	3.2

Sources: Bank of the Republic of Haiti and Fund staff estimates and projections.

1/ In statistical definition. Excludes banks' FX deposits, Venezuela escrow account, IMF liabilities (except Food Shock Window), and swaps.

2/ Changes in stocks of net claims on government differ from domestic financing data in Table 2a due to differences in accounting practices (cash vs. accrual) and in the recording of revaluations of positions denominated in foreign exchange.

Table 6. Haiti: External Financing Requirements and Sources, 2021–29

(In millions of US$ on a fiscal year basis; unless otherwise indicated) 1/

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
				Est.	Proj.	Proj.	Proj.	Proj.	Proj.
Requirements	**509**	**752**	**1,241**	**2,753**	**710**	**733**	**703**	**710**	**681**
Current account, excluding official transfers	77	653	863	373	562	541	516	499	461
Government debt amortization (non-IMF)	95	96	94	1,547	12	12	12	18	17
Net repayments to the IMF	5	3	0	11	10	30	26	33	44
Increase in reserve assets	91	0	284	180	125	150	150	160	160
Clearance of arrears	0	0	0	642	0	0	0	0	0
Errors and omissions	241	0	0	0	0	0	0	0	0
Sources	**509**	**752**	**1,241**	**2,753**	**710**	**733**	**703**	**710**	**681**
Official current transfers	164	189	181	215	359	233	100	100	100
Current project grants	148	170	181	215	320	215	100	100	100
Budget support	16	19	0	0	39	18	0	0	0
Official capital transfers	65	70	60	1,753	50	50	52	54	57
Capital project grants	55	63	57	60	50	50	52	54	57
Debt forgiveness (capital account)	0	0	0	1,467	0	0	0	0	0
Debt forgiveness (exceptional financing)	10	7	3	226	0	0	0	0	0
Foreign direct investment	51	39	24	17	19	30	46	71	111
Other investment (central bank, banks, non-banks, other)	-143	49	123	768	250	-90	-21	-68	-170
Loan disbursements to the government	60	30	0	0	32	510	527	552	583
Net IMF financing	0	0	99	0	0	0	0	0	0
SDR allocation	221	-1	0	0	0	0	0	0	0
Reserve assets drawdown	0	117	0	0	0	0	0	0	0
Incurrence of arrears	90	96	97	0	0	0	0	0	0
Errors and omissions	0	162	660	0	0	0	0	0	0
Memorandum Items:									
Gross international reserves	2,534	2,067	2,346	2,526	2,651	2,801	2,951	3,111	3,271
(in months of next year's imports of goods and services)	5.6	4.7	5.3	5.7	5.7	5.7	5.7	5.8	5.8

Sources: Bank of the Republic of Haiti; and Fund staff estimates and projections.

Table 7. Haiti: Financial Soundness Indicators, September 2021–June 2024

(In percent; unless otherwise stated)

	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Size and Growth												
Asset volume (in US$ millions)	5,341	5,320	5,268	5,216	5,239	4,771	4,591	4,686	4,718	4,780	4,885	4,879
Deposit volume (in US$ millions)	4,352	4,327	4,276	4,304	4,294	3,942	3,784	3,833	3,849	3,868	3,944	3,985
Asset growth (in gourde terms), y/y	38.8	32.2	23.7	20.6	17.3	28.2	27.4	10.2	4.2	-7.6	-7.5	-0.3
Credit growth (net, in gourde terms), y/y	21.2	20.6	18.8	12.1	14.6	23.3	16.9	2.7	-9.6	-22.4	-22.5	-18.8
Capital Adequacy												
Regulatory capital to risk-weighted assets	22.3	20.8	21.4	20.7	18.2	20.3	19.6	19.4	20.4	20.3	20.3	21.4
Regulatory capital to assets	7.9	7.6	7.5	7.2	6.5	7.0	6.8	6.7	7.0	7.0	7.0	7.4
Asset Quality and Composition												
Loans (net) to assets	25.1	24.8	24.8	24.2	24.5	23.8	22.8	22.5	21.3	20.0	19.1	18.3
NPLs to gross loans	5.6	6.3	7.8	8.7	6.7	10.9	11.1	10.5	8.5	8.8	12.8	12.0
Provisions to gross NPLs	103.1	96.5	77.8	71.3	89.5	57.2	59.6	65.1	79.4	84.7	59.5	66.1
Earnings and Profitability												
Cumulative since beginning of calendar year												
Return on assets (ROA)	2.1	2.0	1.9	2.4	1.7	2.6	2.1	1.0	1.4	1.5	1.1	0.8
Return on equity (ROE)	23.2	21.5	21.2	26.1	21.2	30.5	23.9	10.3	15.0	14.4	10.9	7.7
Net interest income to gross income	51.1	51.6	51.4	45.6	53.5	49.5	53.2	61.6	61.0	59.8	61.6	64.1
Operating expenses to net profits	58.6	59.4	62.9	56.1	60.5	50.8	58.5	72.3	65.0	65.2	70.9	74.0
Efficiency												
Interest rate spread 1/	9.4	9.1	9.0	8.8	9.9	9.1	9.2	9.9	12.9	11.4	10.5	10.7
Liquidity												
Liquid assets to total assets 2/	50.3	48.5	47.8	48.2	47.5	47.4	48.4	48.7	48.5	48.0	48.3	49.3
Liquid assets to deposits 2/	61.8	59.6	58.8	58.4	57.9	57.3	58.7	59.6	59.4	59.3	59.9	60.3
Dollarization												
Foreign currency loans to total loans (net)	44.9	47.2	47.7	52.2	50.5	55.9	58.1	54.0	54.1	53.5	56.5	58.1
Foreign currency deposits to total deposits	66.1	66.5	66.3	66.9	67.3	71.7	72.7	69.5	68.7	67.7	68.5	68.8
Foreign currency loans to foreign currency deposits	20.9	21.6	22.0	22.8	22.4	22.5	22.1	21.4	20.5	19.5	19.5	19.0

Source: BRH Banking System Financial Summary and IMF staff calculations. These indicators reflect the aggregated results of the eight licensed banks in operation in Haiti; thus figures in this table may not exactly match the information in Table 4, which reflect the consolidated banking system.

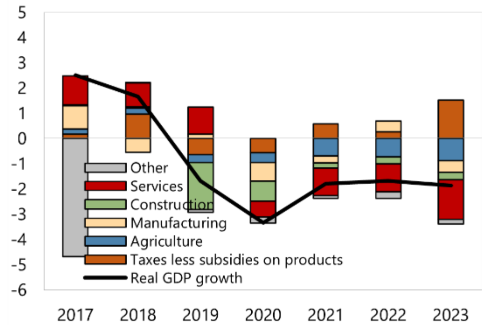
1/ Defined as the difference between average lending rate and average fixed deposit rate in the banking system.

2/ Liquid assets comprise cash and central bank bonds.

Figure 3. Haiti: Real Sector Developments, 2017–24

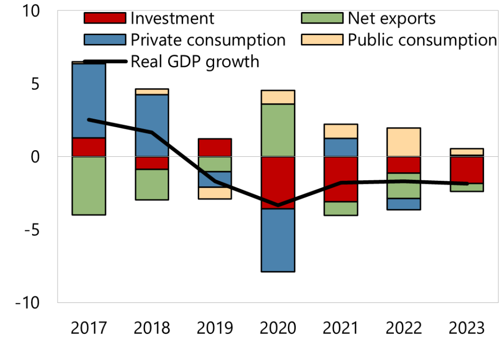
Real GDP has contracted for five consecutive years…[1]

Contribution to GDP Growth (Supply-side)
(Percent)



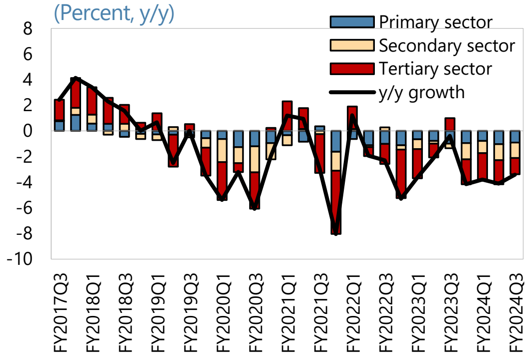
…due to a drop in investment and net exports.

Contribution to GDP Growth (Demand-side)
(Percent)



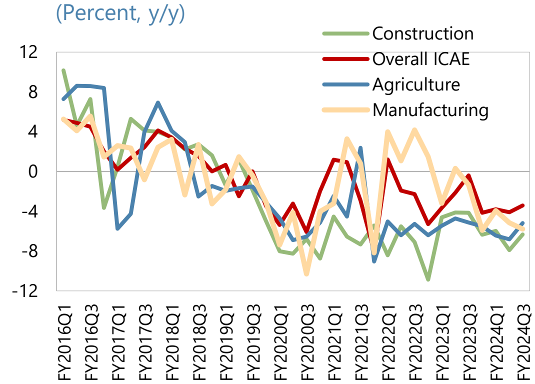
Conjunctional indicators point to negative growth across all sectors…

Conjunctural Indicator of Economic Activity (ICAE): Contribution to Growth
(Percent, y/y)



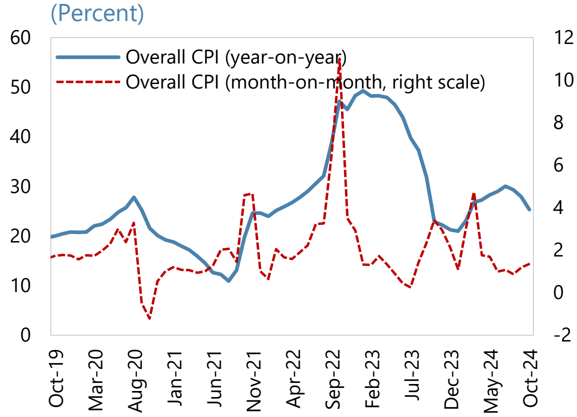
…in particular construction, manufacturing, and agriculture.

Conjunctural Indicator of Economic Activity
(Percent, y/y)



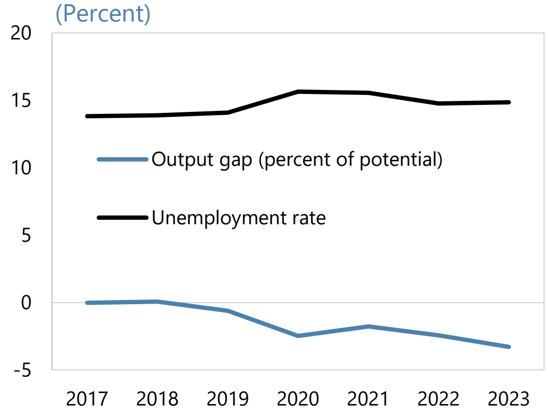
Inflation started to pick up again in 2024.

Inflation
(Percent)



The output gap has widened since 2017.

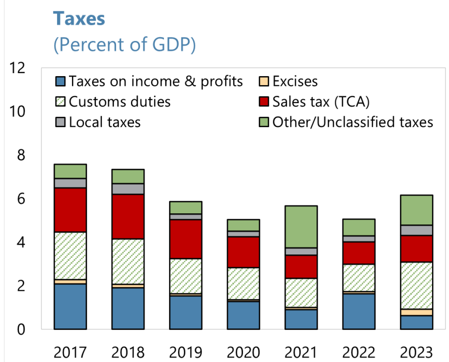
Potential Growth and Unemployment
(Percent)



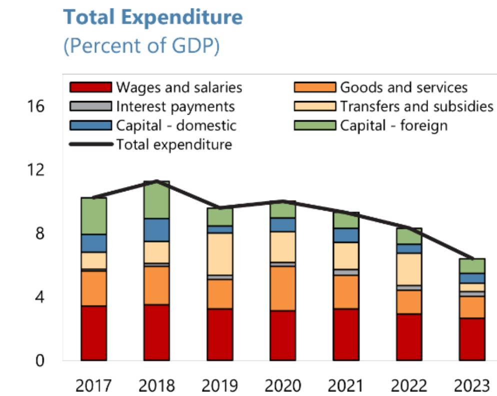
Sources: Haitian Institute of Statistics and Informatics (IHSI), Bank of the Republic of Haiti, and IMF staff calculations.
1/ On a fiscal-year basis, ending on September 30.

Figure 4. Haiti: Fiscal Sector Developments, 2017–24

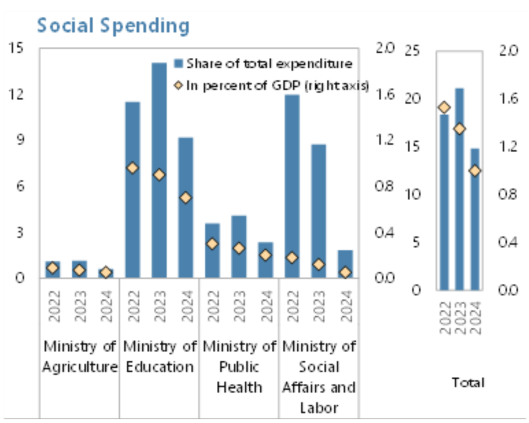
Tax revenues are extremely low.



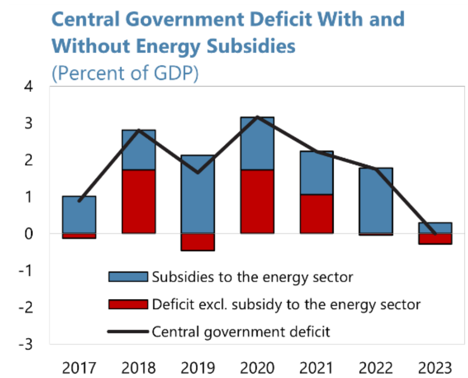
Spending has declined…



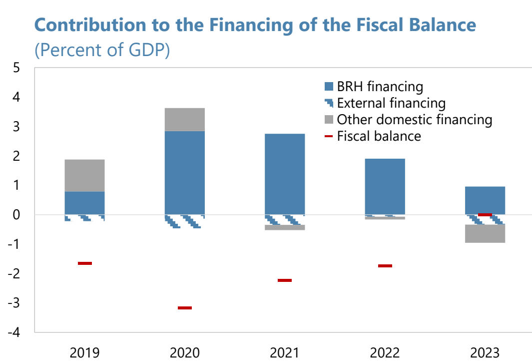
…including social spending.



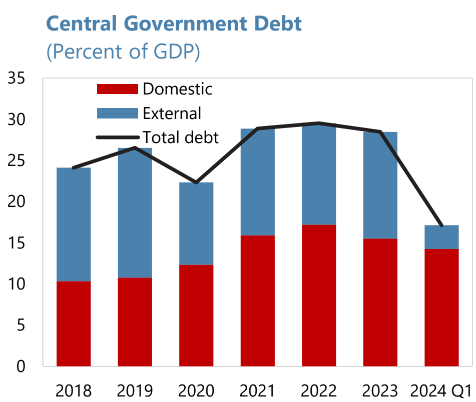
The fiscal deficit fell in 2023 due to lower fuel subsidies…



…which reduced the need for monetization.



Government debt declined in early 2024.

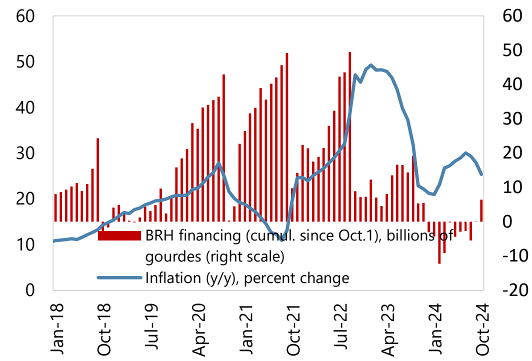


Sources: Ministry of Finance, Reserve Bank of Haiti, and IMF staff calculations.
Notes: Social spending for 2024 is through June. Central government debt data for Q1 2024 refers to calendar year.

Figure 5. Haiti: Monetary and Financial Sectors Developments, 2017–24

The BRH financing of the fiscal deficit has been negative in FY2024

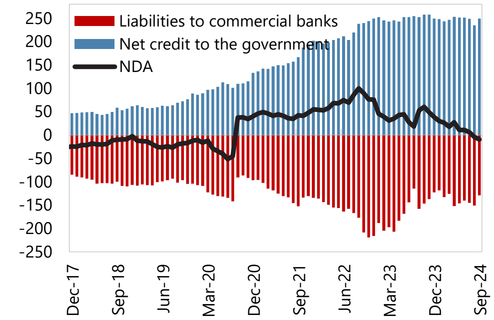
Central Bank Financing to Government



...with net domestic assets declining.

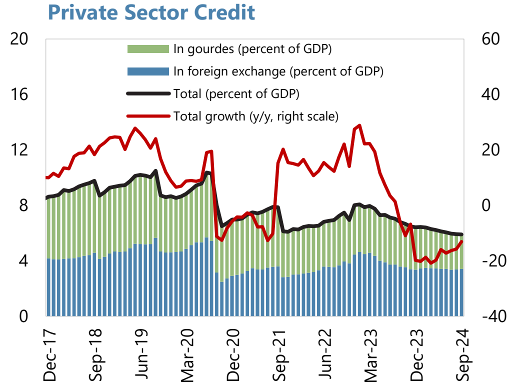
Net Domestic Assets (NDA) of the Central Bank

(Billions of gourdes)



Private sector credit has collapsed since early 2023.

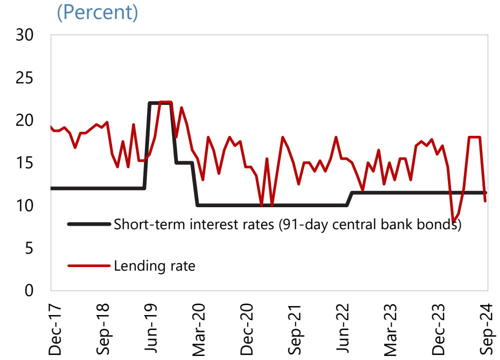
Private Sector Credit



Monetary transmission has been weak, with market rates not responding to policy rates

Nominal Interest Rates

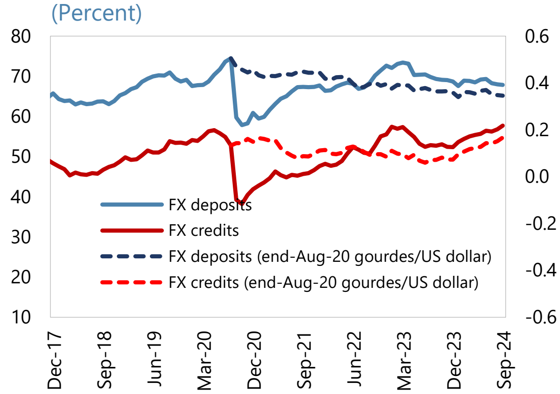
(Percent)



FX deposits and loans have been stable since August 2020, after the central bank revalued the gourde...

Dollarization

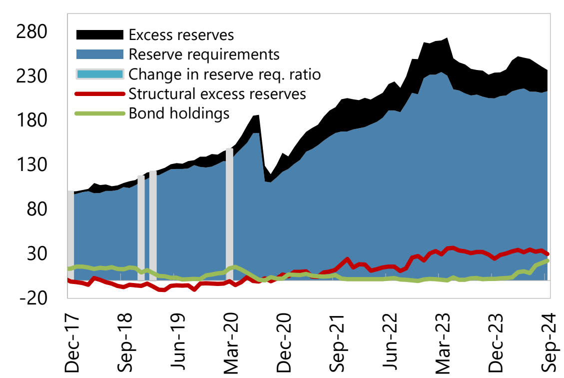
(Percent)



...While excess structural liquidity is rising in the banking system[1].

Structural Liquidity Excess of Banking System

(Billions of gourdes)



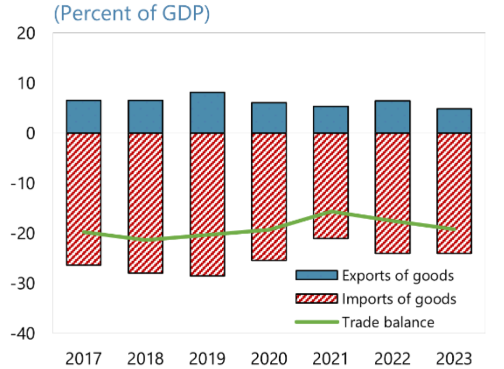
Sources: Bank of the Republic of Haiti and IMF staff calculations.

1/ Excess reserves are reserves above requirement ratios on deposits; structural excess reserves include excess reserves plus other bank deposits at the BRH minus reserves banks obtain under BRH facilities.

Figure 6. Haiti: External Sector Developments, 2017–24

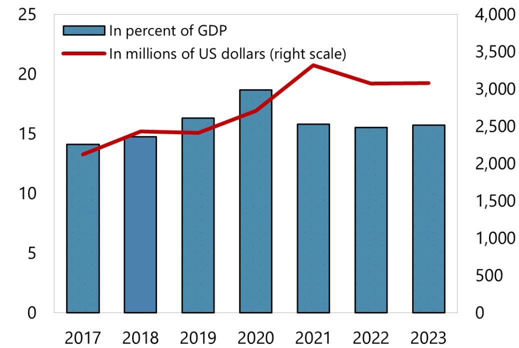
Haiti continues to have structural trade deficits.

Exports and Imports
(Percent of GDP)



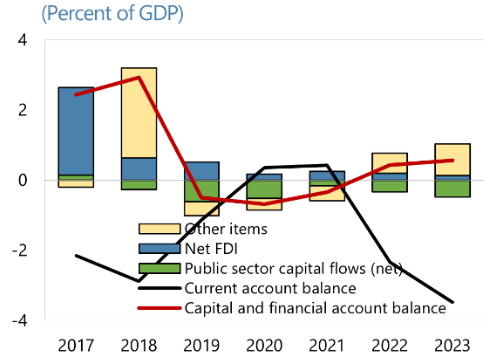
...Remittances (in dollar terms) are above pre-pandemic trend.

Remittances (net)



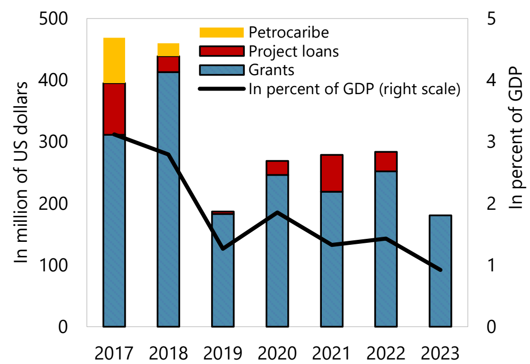
FDI has declined in recent years...

Composition of Capital and Financial Account
(Percent of GDP)



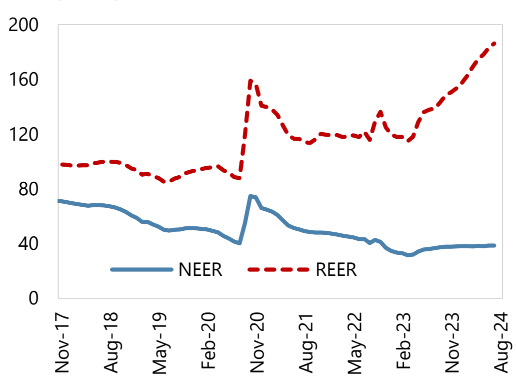
...As have donor flows.

Official Assistance



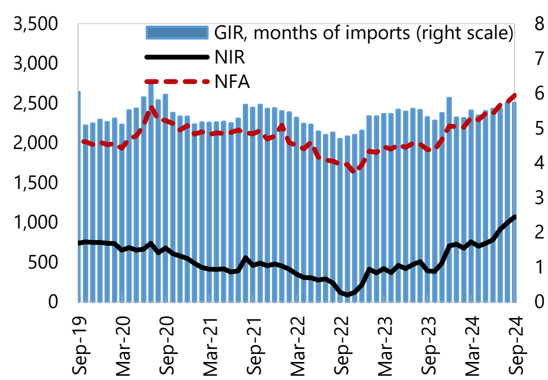
The REER has greatly appreciated during 2023-24...

Real and Nominal Effective Exchange Rates
(Index)



...And net international reserves jumped to almost US$1 billion.

International Reserves
(Millions of US dollars)



Sources: Bank of the Republic of Haiti and IMF staff calculations.
Notes: REER=real effective exchange rate; NEER=nominal effective exchange rate; GIR=gross international reserves; NIR=net international reserves; NFA=net foreign assets.

Annex I. Risk Assessment Matrix

Source and Relative Likelihood	Impact	Policy Response
Global Risks		
High **Commodity price volatility**. Supply and demand fluctuations (e.g., due to conflicts, export restrictions and OPEC+ decisions) cause recurrent commodity price volatility, external and fiscal pressures, and food insecurity in EMDEs, cross-border spillovers, and social and economic instability.	High **ST/MT** Persistent inflationary pressures. Eroding real incomes. Worsening fiscal and external balances.	Protect the vulnerable through targeted fiscal measures. Continue the fuel subsidy reform to ensure long-term fiscal sustainability.
Medium **Global growth slowdown**. Growth slowdown in major economies, including due to supply disruptions, tight monetary policy, rising corporate bankruptcies, or a deeper-than-envisaged real estate sector contraction, with adverse spillovers through trade and financial channels, triggering sudden stops in some EMDEs.	High **ST/MT** Lower remittances from the United States, creating large adverse spillovers to the broad economy. Worsening fiscal and external balances.	Protect the vulnerable through targeted fiscal measures. Monitor financial risks closely and strengthen banking supervision.
High **Deepening geoeconomic fragmentation**. Broader conflicts inward-oriented policies and weakened international cooperation result in a less efficient configuration of trade and FDI, supply disruptions, protectionism, policy uncertainty, technological and payments systems fragmentation, rising shipping and input costs, financial instability, a fracturing of international monetary systems, and lower growth.	High **ST/MT** Cancellation of HOPE/HELP trade preferences. Lower FDI inflows.	Improve competitiveness through structural reforms.
Medium **Climate change**. Extreme climate events driven by rising temperatures cause loss of life, damage to infrastructure, food insecurity, supply disruptions, lower growth, and financial instability. A disorderly transition to net-zero emissions and regulatory uncertainty lead to stranded assets and low investment.	High **MT/LT** Lower long-term growth and FDI inflows.	Seek donor financing to build ex ante structural and financial resilience and enhance post-disaster response.
Domestic Risks		
High **Worsening security and political instability**. Interruptions or delays in the full deployment of the Multinational Security Support Mission. Intensification of gang criminal activity. A delay in planned elections due to persistent insecurity.	High **ST/MT** Further displacements of people, restrictions to flow of people and supply chain disruption (including fuel shortages), lower FDI inflows and long-term growth.	Continue to coordinate closely with development partners and intensify request for international support to enhance security. Prioritize government spending, Ensure sound financial institutions, strengthen governance, including AML/CFT publishing timely and accurate data to reassure markets and donors.

Source and Relative Likelihood	Impact	Policy Response
Domestic Risks		
High **Natural disasters**. Hurricanes, heavy rains, earthquakes, and droughts.	**High ST/MT** Disruption in economic activity, lower FDI inflows and long-term growth.	Seek donor financing to build structural resilience and enhance post-disaster response.
High **Infectious diseases**. Depleted sanitation and health infrastructure leads to outbreaks of communicable diseases (e.g., cholera, tuberculosis).	**High ST/MT** Disruption of economic activities and lower long-term growth. Increased pressure on public health system,	Increase the health spending targeted at infectious diseases. Seek international donor support for building resilience and addressing emergencies.
Medium **Insufficient international support**. Financial support is delayed and insufficient to address short-term security and humanitarian needs, and to support the medium-term reconstruction and institutional needs.	**High ST/MT** Persistence of insecurity, impediments to economic activity, and worsening of the humanitarian crisis. Increased pressure on fiscal resources.	Intensify outreach to donors. Increase international communication on financing needs.

Appendix I. Letter of Intent

Port-au-Prince, Haïti
December 18, 2024

Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Madam Managing Director:

1. Our country's macroeconomic outlook remains uncertain due to multiple internal and external shocks which contributed to exacerbating the food, humanitarian, and security crises. In this challenging context, we would like to stress the continuous engagement of the International Monetary Fund (IMF) with Haiti on multiple fronts. We are very grateful to the IMF for providing financial support through the Food Shock Window of the Rapid Credit Facility in January 2023, for successfully supporting the completion of the 2022 SMP, and delivering unvaluable technical assistance. The IMF *Governance Diagnostic Report* and its action plan should help us identify additional priorities for governance and anti-corruption reforms going forward with the support of development partners. We are also grateful for the Board completion of the 2024 Article IV consultation discussions, the first since 2019.

2. While much progress has been made in implementing our 2022 and 2023 SMPs, the deteriorating security situation since February 2024 has adversely affected the country's macroeconomic performance. With the new government in place since its negotiation, we had agreed to let the 2023 SMP lapse, rather than extend it again, and to start a new SMP with the FY2025 budget, anchoring new quantitative targets.

3. Growth for FY2024 is estimated to be negative for the sixth year running, revenues have fallen short of expectations, and our capacity to implement social spending has also been partly undermined, as illustrated by lower than anticipated spending from the Food Shock Window disbursement. Nonetheless, we were able to avoid monetary financing of the budget, and net international reserves were higher than envisaged.

4. Against this backdrop, we are requesting a new twelve-month Staff Monitored Program that will help lock in and deepen reforms implemented during the last SMP to further strengthen economic resilience, governance, and social protection. We hope that the new Staff Monitored Program will also be supported with IMF capacity development assistance, in line with the IMF strategy for Fragile/Conflict-Affected States. The new program, ending in December 2025, will help further enhance our macroeconomic management capabilities, strengthen our fiscal and monetary policy frameworks, and allow us to establish a solid track record basis that could pave the way for an Upper Credit Tranche loan arrangement with the IMF.

5. The attached Memorandum of Economic and Financial Policies (MEFP) describes recent developments and presents the objectives and policies of our economic program. The policies set out in the attached MEFP are consistent with the objectives of our economic and social agenda. We are ready to take further measures as needed and will consult with IMF staff before undertaking any revisions to the policies set out in the MEFP, in line with IMF practice. We will refrain for the duration of the program from: (i) imposing or intensifying restrictions on the making of payments and transfers for current international transactions, (ii) introducing or modifying multiple currency practices, or (iii) concluding bilateral payments agreements that are inconsistent with Article VIII. We will inform IMF staff of any events or developments that may have an impact on the economic program in order to jointly examine the consequences and optimal measures to address them, without compromising the program's objectives. We will promptly provide the necessary data and information to enable IMF staff to monitor economic developments and the implementation of the policies set out in the program, in accordance with the attached Technical Memorandum of Understanding (TMU) or upon request. The Internal Audit Unit of the BRH will verify program monetary data as per the TMU at test dates and communicate the results to the Fund. We also give our consent to the IMF to publish the staff report on this SMP, this Letter of Intent, and its attachments.

6. Please accept, **Madam Managing Director,** the expression of our highest consideration.

___/s/___	___/s/___
Alfred Fils Métellus	Ronald Gabriel
Minister of Economy and Finance	Governor of the Bank of the Republic of Haiti

Attachment I. Memorandum of Economic and Financial Policies

A. Introduction and Macroeconomic Framework

1. This Memorandum of Economic and Financial Policies (MEFP) presents the macroeconomic framework underpinning our program, as well as the priorities and objectives of the economic policies and structural reforms we will pursue. It reflects views shared by the Haitian authorities and IMF staff on the best ways to:

- Further strengthen economic resilience, governance, accountability, and social protection;
- Enhance economic stability and to lay the groundwork for inclusive, sustainable economic growth;
- Reduce poverty and improve living conditions for all Haitian citizens.

2. Macroeconomic conditions, driven mainly by our fragile security situation, have remained exceptionally challenging. Growth is estimated at -4.0 percent for FY2024, reflecting the collapse of the economy in March-May 2024, predominantly due to escalating gang violence. It is expected to moderately bounce back this year at 0.5 percent and reach 1.5 percent in the medium term, on the back of continued implementation of structural reforms and an improved security situation. Annual inflation, although declining, remained high at 27.9 percent in FY2024, mainly due to the supply-side shock caused by deteriorating security conditions, despite the reduction in monetary financing of the fiscal deficit. Inflationary pressures should further ease this year and in the medium term as insecurity is gradually curtailed. The current account deficit for FY2024 is estimated to narrow to ½ percent of GDP, as a result of the sharp compression of imports—due to the slowdown in economic activity—and solid remittances. Gross international reserves (GIR) consequently increased from US$2.3 billion at end-September 2023 to US$2.5 billion (equivalent to 5.7 months of imports) at end-September 2024.

B. Structural benchmarks: governance, transparency, accountability, and domestic revenue mobilization

3. To ensure transparency and accountability in the spending of emergency resources received for the most vulnerable households from the IMF Food Shock Window, we will continue to carefully controlling, monitoring, recording, and publishing all expenditure related to this emergency intervention. To this end, we will continue to publish comprehensive monthly reports on execution of fiscal expenditure financed by the IMF Food Shock Window account since its first disbursement by February 2025, according to the template provided by IMF staff; and for future disbursements no later than 45 days after the end of each month (monthly structural benchmark). We will also continue, through the General Finance Inspectorate, to conduct internal expenditure audits of all ministries that use emergency resources provided by the IMF Food Shock Window and to report these internal audits to the Superior Court of Audit and Administrative

Disputes (CSCCA) (quarterly structural benchmark). The CSCCA will also conduct the financial and operational compliance audit of all RCF Food Shock Window spending for fiscal years 2022-23 and 2023-24 and publish the report (March 2025 structural benchmark).

4. With technical assistance from the IMF, we adopted and published in November 2021 the decree governing transparency requirements in government procurement. It includes the requirements to publicly disclose the beneficial owners of successful bidders in all government contracts and concessions. Since that time, we have regularly published all public contracts, including information on successful bidders. We will ensure that all provisions of this decree are implemented (end-December monthly continuous structural benchmark) and will start preparing a comprehensive reform of the law on procurement. Significant progress has been made in public financial management (PFM), particularly in improving the transparency of public expenditure, fiscal reporting, and accountability, and we are determined to sustain these efforts. Specifically, we will continue to provide more detailed consolidated quarterly financial statements for the Economic and Social Assistance Fund (FAES), in line with international best practices in public financial management; this includes regular reporting from the FAES's quarterly board of directors' meetings (end-December quarterly continuous structural benchmark). We are committed to publishing the report on the Governance Diagnostic and an associated action plan prepared by IMF staff and incorporate its recommendations into our reform agenda (end-February 2025 structural benchmark).

5. The IMF Finance department has conducted a targeted monitoring mission on safeguards in early 2024 to support the *Banque de la République d'Haïti* (BRH). This mission was essential for following up on implementation of 2019 safeguards recommendations and shedding light on developments related to central bank transparency and operations. Following the recommendations from this safeguard monitoring mission, we will enhance the transparency of the BRH by completing the external audits for FY2023 (June 2025 structural benchmark). We will further align the Central Bank's reserves management framework with sound governance arrangements and the principles of safety and liquidity. To this end, the BRH Board of Directors will approve: (i) a medium-term plan for improving the composition of the investment portfolio, (ii) a new strategic asset allocation, (iii) an updated investment policy, and (iv) an updated investment guideline, in close consultation with IMF staff (June 2025 structural benchmark).

6. The provision of more granular monetary data, including the full balance sheet of the central bank in line with the internationally accepted standardized reporting form and detailed information on government deposits with the central bank will help enhance transparency (monthly structural benchmark). The Internal Audit Unit of the BRH will also verify program monetary data as per the Technical Memorandum of Understanding at test dates and communicate the results to the Fund before IMF Management approves the review.

7. We intend to harness the potential of digitalization to improve domestic revenue mobilization to meet the country's huge development needs, with technical assistance from the IMF FAD department. To this end, we will: (i) have an administrative and technical cooperation protocol signed and published between the tax administration (DGI) and the customs administration

(AGD) for the interconnection of their IT systems (June 2025 structural benchmark), and (ii) digitalize tax declarations and payments through all commercial banks (June 2025 structural benchmark).

C. Fiscal Policy and Social Protection

8. The FY2024 budget execution was in line with one of the main objectives of the SMP. We are committed in the execution of the FY2025 budget to keeping the monetary financing achieved in the previous fiscal year at zero in order to further reduce inflationary pressures. To this end, we will adopt a strict ceiling of zero net credit to the government to serve as the main anchor to avoid monetary financing of the fiscal deficit (quantitative target). We intend to maintain this policy stance over the medium term. We will also update the financing "pact" between the BRH and the Ministry of Economy and Finance in accordance with this objective. We envisage to cover some financing requirements through domestic borrowing to help deepening local market and concessional external financing.

9. Despite the challenging economic environment, we are projecting an increase in tax revenue to 4.9 percent of GDP this fiscal year, against 4.8 percent last year. This increase is expected to be mainly driven by customs revenue resulting from recent tax administration reforms. The increase in public spending should remain moderate and under control, while continuing to prioritize targeted social spending. Current and capital expenditure financed by domestic resources are expected to rise by 0.9 percent of GDP this year, compared with FY2024. With the moderation in global oil prices, fuel subsidies are projected to remain at zero this fiscal year. The FY2025 fiscal deficit is therefore forecasted at -0.1 percent of GDP, financed mainly through external concessional borrowing and domestic borrowing from commercial banks. Public debt indicators should improve compared with the debt sustainability analysis conducted at the time of the disbursement from the IMF Food Shock Window, as a result of lower fiscal deficits and the debt restructuring operation from Venezuela. Should we plan a supplementary budget we will inform promptly IMF staff and discuss with them to ensure compliance with SMP objectives and targets.

10. We will continue to rely on IMF technical assistance to strengthen the capacity of our tax administrations to increase domestic revenue mobilization. Ongoing capacity development to enhance custom administration is essential to address non-compliance in custom valuation of imports. We intend to implement the recommendations from this support. We are also committed to carrying out the roadmap for the implementation of the Tax Code, integrating the general tax code with the and tax procedure code.

11. Effective implementation of the fuel subsidy reform is essential to ensure fiscal sustainability in the medium term. However, in view of the likely political and social repercussions, we envisage a gradual roll out of the reform. The next steps, following the revision of the retail price-setting mechanism, will consist of the introduction of a simple mechanism for adjusting and smoothing prices to variations in international oil prices and the exchange rate, as well as the establishment of a regulatory framework for the petroleum products sector and the strengthening of related regulatory institutions. We will also accompany the implementation of the reform with a communication strategy designed to foster its acceptance by the public.

12. We are committed to strengthening social safety nets to alleviate widespread poverty following the multiple shocks recently endured by the country. We will therefore continue to implement the government action plan to expand social programs aimed at improving living conditions and strengthening social inclusion, and focusing on the most vulnerable groups (children, pregnant women, disabled persons, and the elderly). We also plan to increase cash transfers and food rations for vulnerable households. We have launched school feeding programs, provided hot meals to vulnerable households through community restaurants, and we are planning to eliminate some school fees. We will accelerate spending related to the emergency financing provided by the IMF Food Shock Window to support these efforts. We will continue to monitor execution and targeting of social expenditure of the Ministry of Social Affairs and Labor (MAST) and the ministries of education, health, and agriculture (quantitative objective).

13. We remain committed to the principles of prudent use of Haiti's SDR assets and transparent reporting on Haiti's use of its SDR allocation. This includes the publication on the websites of the BRH or the Ministry of Finance of any future conversions of the SDR allocation into freely usable currencies. We intend to maintain the institutional frameworks governing the fiscal use of the SDR allocation, including the repayment terms between the Ministry of Finance and the central bank, as well as transparency measures for SDR expenditure.

D. Monetary, Exchange Rate and Financial Policies

14. We will continue to strengthen our monetary policy framework against a backdrop of enhanced exchange rate flexibility. We will conduct short-term liquidity absorption operations to eliminate any excess monetary financing, reduce potential inflationary pressures, and enhance monetary policy transmission. We will sustain the reforms initiated by the BRH to develop the public securities market to provide the public Treasury with an alternative source of financing and a more efficient monetary policy steering mechanism.

15. The BRH will limit its interventions in the foreign exchange market to efforts to smooth excessive exchange rate fluctuations. Thus, we will:

- Adopt a floor on net international reserves (quantitative target);
- Establish an appropriate mechanism for foreign exchange interventions, such as well- designed weekly foreign exchange auctions instead of the foreign exchange allocation system;
- Move forward with the ongoing work on a foreign exchange market intervention rule; and
- Complete the revision of net open position (NOP) limits for commercial banks

16. We are grateful to the IMF's Statistics Department for promptly delivered a technical assistance to help the BRH compile for the first time the reserve template, which will be published monthly. This should bring much transparency to reserve data. We undertake not to impose or intensify restrictions on the making of payments and transfers for current international transactions, or introduce or modify multiple currency practices, or conclude bilateral payments agreements that are inconsistent with Article VIII.

17. We will continue reforms to strengthen banking supervision and to increase financial inclusion in support of growth. For this purpose:

- We asked CARTAC to pursue the TA in order to implement risk-based banking supervision. We will continue to monitor the soundness of financial institutions and finalize outstanding texts on banking regulation. The BRH also benefits from technical assistance from the World Bank to strengthen its capacity to supervise microfinance institutions.

- We have started to upgrade our legal framework for Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) with technical assistance from the IMF Legal Department, and in line with the international standards of the Financial Action Task Force (FATF). The revised framework was adopted in April 2023. We will promulgate all regulations necessary to implement the new decree on AML/CFT. We will continue to take additional steps needed to exit the FATF grey list, including completing national risk assessments which started in March 2024, implementing an AML/CFT risk-based supervision regime for financial institutions and designated non-financial businesses and professions, and ensuring transparency of basic and beneficial ownership information on legal persons. In particular, we will strengthen risk-based supervision of financial institutions, by March 2025.

E. Safeguards

18. We will continue to implement the recommendations from the 2019 Safeguards Assessment. This includes finalizing the transition to International Financial Reporting Standards (IFRS) accounting standards and the development of a medium-term plan to phase out the involvement of the BRH in development finance activities, as well as the alignment of the asset allocation strategy with best practices. It is also our understanding that a new safeguards assessment must be completed prior to the approval of any subsequent IMF arrangement with Haiti.

F. Program Monitoring

19. We intend to take all necessary steps agreed in connection with the Staff Monitored Program with the IMF (Tables 1 and 2 of this memorandum). A committee responsible for monitoring the program is in place; it includes representatives from the Ministry of Economy and Finance and the BRH. If required, this committee may request the participation of other sectors. It will meet at least quarterly with the Minister of Economy and Finance and the Governor of the BRH to give them a progress report on implementation of the Staff Monitored Program. Our program will be monitored with quantitative targets at end-December 2024 and end-June 2025, with indicative targets at end-March 2025 and end-September 2025 (Table 1), and structural benchmarks (Table 2).

20. We undertake to publish this Memorandum and the accompanying IMF Staff Report on the websites of the Ministry of Economy and Finance and the BRH as soon as the Staff Monitored Program is approved by IMF Management.

Attachment I. Table 1. Haiti: Quantitative and Indicative Targets, December 2024–September 2025

	Actual stock at end-September 2024	Cumulative flows from September 2024							
		end-December 2024		end-March 2025		end-June 2025		end-September 2025	
		Quantitative target	Actual	Indicative target	Actual	Quantitative target	Actual	Indicative target	Actual
I. Periodic Quantitative Targets									
Net international reserves (NIR) of the central bank (in millions of U.S. dollars)—floor 1/ 2/	920	60		80		100		120	
Primary balance of the nonfinancial public sector (NFPS, in millions of gourdes)—floor 1/		-239		-479		-718		-958	
Net central bank credit to the nonfinancial public sector (in millions of gourdes)—ceiling 1/ 3/ 4/	240,021	0		0		0		0	
Central government 4/	245,097	0		0		0		0	
Other nonfinancial public sector entities	-5,076	0		0		0		0	
Budget allocations for social expenditure (in millions of gourdes)—floor 5/		11,000		19,810		29,714		39,619	
						0		0	
II. Continuous Quantitative Targets									
Accumulation of domestic arrears by the central government (in millions of gourdes)—ceiling	0	0		0		0		0	
Accumulation of external arrears by the public sector (in millions of U.S. dollars)—ceiling	0	0		0		0		0	
Contracting or guaranteeing by the public sector of new nonconcessional external debt (in millions of U.S. dollars)—ceiling	0	0		0		0		0	
III. Indicative Target									
Central government fiscal revenue, excluding grants (in millions of gourdes)—floor 6/		40,000		90,000		140,000		200,000	
Memorandum Items									
Provision for undisbursed FY24 expenditures (in millions of gourdes)	9,200								
Food Shock Window resources held in the central bank, but not yet transferred to the TSA (in millions of gourdes)	1,542								
	1,534								
Undisbursed resources received from the IMF Catastrophe Containment and Relief Trust (CCRT, in millions of gourdes)									
Budget support (in millions of U.S. dollars)		0		0		21		39	
Gross international reserves (in millions of U.S. dollars) 2/	2,525								
Gross international reserves (in months of imports of goods and services of the following year)	5.7								

Sources: Ministry of Finance, Bank of the Republic of Haiti (BRH), and IMF staff estimates.

1/ The program includes an asymmetric adjustor on the floor for the NFPS primary balance and net international reserves (NIR) for external budget support below the planned amounts.

2/ For program monitoring purposes, the program exchange rate for the period September 2024 to June 2025 is SDR 0.737261 per U.S. dollar (exchange rate as of September 30, 2024).

3/ The Quantitative Target is met if the total is met.

4/ The program includes adjustors to increase the net credit to the NFPS target by the amount of drawdowns in central government assets (i.e., central bank liabilities) related to: (i) payments for settlement of FY24 expenses not yet disbursed by end-September 2024, out of provisioned funds and (ii) use of remaining resources from the 2023 Food Shock Window and resources released as a result of debt relief under the CCRT. The program also includes an adjustor to increase the net credit to the NFPS target by the amount of the increase in central government liabilities (i.e., central bank assets) caused by exchange rate differences in the central bank account 172160 ("Avance difference de change FMI").

5/ Budget envelope allocated to social affairs and labor (MAST), education, agriculture, and public health. The floor corresponds to the sum of the budget allocations to the MAST, Ministry of Education, Ministry of Agriculture, and Ministry of Public Health.

6/ Includes domestic taxes on enterprises, personal income, and sales; and customs duties.

Attachment I. Table 2. Haiti: Structural Benchmarks under the 2024 SMP

	Measure	Purpose	Target date
	Governance, including Public Financial Management		
1	Publish on the website of the Ministry of Economy and Finance (MEF) the Governance Diagnostic Report, including the action plan therein.	Enhance governance	End-February 2025
2	Publish, on the websites of the National Commission for Public Procurement (CNMP) and the Ministry of Economy and Finance (MEF), all new public procurement contracts, including beneficial ownership information (name and nationality of the beneficial owners) on contracts awarded to successful bidders, within 45 days after the contract was awarded, starting from the monthly report for contracts awarded in December 2024 for which publication is due by mid-February 2025.	Increase transparency of public spending	Monthly starting from December 2024
3	The Ministry of Finance will publish, on the websites of the MEF and the General Directorate of the Budget (DGB), all monthly reports on execution of fiscal expenditure through Haiti Food Shock Window account since its first disbursement by February 2025; and for future disbursements no later than 45 days after the end of the reference period, starting from the monthly fiscal expenditure report for December 2024 for which the publication is due by mid-February 2025).	Increase transparency of public spending	Monthly starting from December 2024
4	Through the General Finance Inspectorate, conduct and complete quarterly internal expenditure audits of all ministries involved in the use of the Haiti Food Shock Window account, and report these internal audits to the Superior Court of Accounts and Administrative Disputes (CSCCA), within three months from the end of the reference period, starting from the quarter covering July-September 2024 for which the report should be received by the CSCCA by December 2024.	Increase transparency of public spending	Quarterly starting from end-December 2024
5	Have the CSCCA conduct a financial and operational compliance audit of all expenditure in connection with the Rapid Credit Facility Food Shock Window for the 2022-23 and 2023/24 fiscal years and publish, the audit report on the websites of the Superior Court of Auditors and Administrative Disputes (CSCCA), the MEF, and the General Directorate of the Budget (DGB).	Improve accountability and increase transparency of public spending	End-March 2025
6	Publish on the web site of the Ministry of Economy and Finance (MEF) (i) quarterly reports (with one quarter lag) on operations and financial status of the Economic and Social Assistance Fund (FAES), including regular reports from its quarterly meetings of the board of directors, from the quarterly report for July-September, for which publication is due by end-December 2024.	Increase transparency of public spending	Quarterly starting from end-December 2024
7	Sign and publish on the MEF and DGB websites an administrative and technical cooperation protocol between the Directorate of General Taxes (DGI) and General Administration of Customs (AGD) for the interconnection of their IT systems.	Strengthen domestic revenue mobilization	End-June 2025
8	The launch and implementation of the digitalization of tax declarations and payments through all commercial banks for the large taxpayers registered at the DGI.	Strengthen domestic revenue mobilization	End-June 2025
	Governance and safeguards		
9	Publish, on the BRH's web site, the BRH audit report and audited financial statements for FY2023 (ending in September 2023) conducted by an independent international audit firm.	Enhance transparency of Central Bank's operation	End-June 2025
10	Approval by the BRH Board of Directors of: (i) a medium-term plan for improving the composition of the investment portfolio (ii) new strategic asset allocation, (iii) updated investment policy, and (iv) updated investment guidelines, in close consultation with IMF staff.	Align the Central Bank's reserves management framework with sound governance arrangements and the principles of safety and liquidity.	End-June 2025
	Governance, data provision, transparency, and dissemination of economic data		
11	Provide to IMF staff the full balance sheet of the central bank according to the internationally accepted standardized reporting form (SRF-1SR, with 1SR referring to the central bank) to also include detailed data on government deposit accounts, with two-month lag from the end of the reference period, starting from the balance sheet for end-December 2024, which should be provided by end-February 2025.	Strengthen transparency of Central Bank's balance sheet	Monthly periodicity and two-month lag, starting to be provided to IMF staff by end-February 2025

Attachment II. Technical Memorandum of Understanding

1. Haiti's performance under the 12-month Staff-Monitored Program (SMP) ending December 2025 will be assessed based on quantitative targets (QTs) and structural benchmarks (SBs). This Technical Memorandum of Understanding (TMU) defines the QTs established by the Haitian authorities and the staff of the International Monetary Fund (IMF) for monitoring the program. It also defines the arrangements for the transmission of data that will permit staff to monitor program implementation.

A. Definitions

2. Central Government. Unless otherwise indicated, central government refers to the central administration of Haiti and excludes local administrations (municipalities), the central bank (BRH), and other public financial institutions, autonomous state organizations of an administrative, cultural, or scientific nature, and state-owned enterprises. Central government expenditures are financed by domestic taxes and other domestic levies and by foreign donors, through, *inter alia*, foreign grants, ministerial accounts (*comptes courants*), and domestic and foreign public debt.

3. Special funds and programs. These include the Road Fund (*Fonds d'entretien routier, FER*) and the resources mobilized to finance the Universal, Free, and Compulsory Schooling Program (PSUGO) for education, in addition to Treasury transfers. Under the Staff-Monitored Program, the resources levied to finance FER and PSUGO (through the National Education Fund, FNE) will be recorded as central government revenues.

4. Economic and Social Assistance Fund (FAES). FAES is an autonomous state financial entity, currently under the supervision of the Ministry of Economy and Finance. The mission of the FAES is to fund short-term, labor-intensive projects aimed at improving the living conditions of poor people in urban and rural areas and increasing their productive potential. It is responsible for implementing social programs financed by the public Treasury and foreign donors.

5. Office for Monetization of Development Assistance Programs (BMPAD). The BMPAD is an autonomous state administrative organization under the supervision of the Ministry of Economy and Finance. The BMPAD ensures the implementation of grant and/or loan agreements concluded between the government and a donor or foreign lender, as part of the monetization of development aid programs in Haiti. In particular, it finances and monitors approved programs and projects from the funds generated by the monetization of aid in kind.

6. Electricité d'Haïti (EDH). EDH is a state-owned enterprise that produces, supplies, and distributes electricity. Flows between EDH and the Central Government (CG) include (i) CG transfers to EDH (including through sales taxes collected on electricity consumption and not devolved to the CG, and the payment of fuel purchase bills); (ii) the payment of letters of credit in favor of independent power producers to settle power generation bills unpaid by EDH; (iii) the payment of bills from independent producers for the purchase of fuel, which are the counterpart of EDH arrears for unpaid generation bills. Under the Staff-Monitored Program, transfers from central government are recorded under operations "above the line," while letters of credit and financial receivables are entered under the operations "below the line."

7. Non-financial public sector (NFPS). The NFPS includes the central government, special funds and programs (defined in paragraph 3), other autonomous state organizations of an administrative, cultural, or scientific nature, including the FAES and the BMPAD (paragraphs 4 and 5), EDH (paragraph 6), the Civil Service Pension Plan and the National Old Age Insurance Office (ONA), and local governments.

8. Public sector. The public sector comprises the nonfinancial public sector, state-owned banks, and nonbank financial SOEs (enterprises over 50 percent state-owned), and the BRH.

9. Budgetary grants. Budgetary grants are grants received from Haiti's bilateral or multilateral partners (including the European Union, the Inter-American Development Bank, the World Bank, the Caribbean Development Bank, and bilateral donors) for general or sector budget support purposes.

B. Quantitative Targets (QT)

10. The implementation of the program will be monitored using the following indicators. Unless otherwise indicated, all QTs will be assessed in terms of cumulated flows from a reference date set at the end of the previous fiscal year (end September), as specified in Table 1 of the Memorandum on Economic and Financial Policies.

11. Program exchange rates. For the purposes of the program, all assets, liabilities, and flows denominated in foreign currency (U.S. dollar excluded) will be valued "at the program exchange rates," as defined below, with the exception of elements that affect the government's budgetary accounts, which will be evaluated at current exchange rates. Assets, liabilities, and flows denominated in U.S. dollar will be valued in U.S. dollar, the currency used to measure net international reserves. For the purposes of the program, it has been agreed to use the following exchange rates: HTG 132.0563 = USD 1 (BRH reference rate as of September 30, 2024), USD 1.119600 = EUR 1, and SDR 0.737261 = USD 1 (rates as at September 30, 2024 published by the IMF on its website-https://www.imf.org/external/np/fin/data/param_rms_mth.aspx.

Net Central Bank Credit to the Nonfinancial Public Sector

12. Net central bank credit to the nonfinancial public sector is defined as the difference between BRH assets and liabilities vis-à-vis the nonfinancial public sector (net claims on the public sector) reported by the BRH to the IMF. This includes the net BRH credit to central government and net BRH credit vis-à-vis other nonfinancial public sector entities. The BRH liabilities toward the central government (i.e., central government assets in the BRH) also include a provisional account of HTG 9.2 billion for government expenses contracted in FY 2024 but not yet disbursed by the end-September 2024. The calculation of the net BRH credit to the nonfinancial public sector is shown in Table 1 as of September 30, 2024.

13. Adjustors to net central bank credit to the NFPS. To prevent unwarranted constraints on NFPS spending, the indicator of net central bank credit to the NFPS will be subject to the following adjustors:

(i) The net credit to the NFPS target will be adjusted upward by the amount of disbursements made after September 30, 2024 related to central government expenses contracted in FY 2024, up to the provisioned amount of HTG 9.2 billion, shown in "other gourde liabilities to central government" in Table 1.

(ii) The net credit to the NFPS target will be adjusted upward by the amount of disbursements made after September 30, 2024 of remaining resources related to the support from the 2023 Food Shock Window (FSW) and the debt relief from the Catastrophe Containment and Relief Trust (CCRT). The FSW resources held in the central bank, but not yet transferred to the Treasury Single Account, and the remaining CCRT resources are shown under "FX other deposits of central government" in Table 1.

(iii) The net credit to the NFPS target will be adjusted upward by the amount of the increase in central government liabilities (i.e., central bank assets) caused by exchange rate differences in the central bank account 172160 ("Avance difference de change FMI"), which is part of the calculation line "loans and advances to the central government" in Table 1.

Attachment II. Table 1. Haiti: Components of Net Central Bank Credit to the NFPS	
(In millions of gourdes)	
	September 2024
Net central bank credit to the nonfinancial public sector	**240,020.92**
Net credit on central government	245,097.04
Claims on central government	349,591.17
Holdings of government debt securities	221,360.50
Loans and advances to the central government	128,230.67
Other claims on central government	0.00
Liabilities to central government	104,494.13
Gourde demand deposits of central government	63,710.19
Gourde other deposits of central government	1,230.63
Gourde loans from central government (Public treasury fiduciary in FIDEICOMMI)	126.40
Gourde settlement accounts from central government (Bail)	13.95
Other gourde liabilities to central government	9,200.00
FX demand deposits of central government	27,021.88
FX other deposits of central government	3,076.21
FX trade credit liabilities to central government (Notes to pay AID)	114.88
Other FX liabilities to central Government	0.00
Net claims on other nonfinancial public sector entities	-5,076.12
Claims on other nonfinancial public sector entities	0.00
Claims on state and local government	0.00
Claims on public nonfinancial corporations	0.00
Liabilities to other nonfinancial public sector entities	5,076.12
Demand deposits of state & local governments (Gourde)	234.14
Demand deposits of public nonfinancial corporations (Gourde)	527.60
Demand deposits of state & local governments (FX)	0.00
Demand deposits of public nonfinancial corporations (FX)	0.00
Other deposits of state & local governments (Gourde)	0.00
Other deposits of public nonfinancial corporations (Gourde)	4,314.37
Other deposits of state & local governments (FX)	0.00
Other deposits of public nonfinancial corporations (FX)	0.00
Other monetary liabilities to state and local governments	0.00
Other monetary liabilities to public nonfinancial corporations	0.00
Nonmonetary liabilities to state and local governments	0.00
Nonmonetary liabilities to state and local governments	0.00

Net International Reserves

14. The gross international reserves of the central bank are those external assets that are readily available to and controlled by monetary authorities[1] for meeting balance of payments financing needs, for intervening in exchange markets to affect the exchange rate, and for other related purposes such as maintaining confidence in the currency and the economy and serving as a basis for foreign borrowing. Reserve assets must be foreign currency assets and assets that exist. All contingent assets and foreign currency assets pledged as collateral are excluded if encumbered. The gross international reserves reported by the BRH from Standardized Report Forms 1SR or 2SR must conform to this definition. Gross international reserves include monetary gold, liquid external assets, including holdings of Special Drawing Rights (SDRs), and IMF reserve position. For program purposes, holdings of SDRs and IMF reserve position will be calculated based on data from the IMF Finance Department.

15. For program purposes, net international reserves (illustrated in Table 2 below) are defined as the gross international reserves of the central bank, minus:

- **reserves related liabilities** (i.e., liabilities denominated in foreign currency to non-residents), such as: (i) short-term loans (lines of credit) contracted by the central bank, (ii) certified checks in U.S. dollars, (iii) all Haiti liabilities to the IMF, based on data from the IMF Finance Department;[2]

- **domestic foreign currency denominated central bank liabilities to residents**, such as: (i) foreign currency deposits of commercial banks at the BRH (sight deposits in US dollars and euro, including from BCM and the CAM transfer), (ii) other foreign currency denominated liabilities to other depository corporations included in monetary base, (iii) foreign currency demand deposits of other financial corporations, (iv) commitments related to foreign currency swap transactions with domestic financial institutions;

- **other liabilities in foreign currency**, such as: (i) foreign currency special accounts, (ii) foreign currency project accounts, (iii) central bank off-balance sheet foreign currency liabilities.

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[1] Underlying the concept of reserve assets are the notions of 'availability for use' and 'control' by the monetary authorities. See *Balance of Payments Manual,* http://www.imf.org/external/pubs/ft/bop/2007/bopman6.htm and *Guidelines for a Data Template,* http://www.imf.org/external/np/sta/ir/IRProcessWeb/pdf/guide2013.pdf.

[2] As described in the *Operational Guidance Note on Program Design and Conditionality* (https://www.imf.org/en/Publications/Policy-Papers/Issues/2024/01/30/Operational-Guidance-Note-On-Program-Design-and-Conditionality-544122, Box 8): "For establishing and monitoring Fund-supported programs, all outstanding IMF credit and loans, regardless of their maturity, should be deducted from reserve assets to measure NIR for program purposes."

Attachment II. Table 2. Haiti: Calculation of Program Net International Reserves

(In millions of U.S. dollars)

	September 2024
A. Gross International Reserves	**2,525.2**
Monetary gold	153.1
Holdings of foreign currency	37.5
Demand deposits abroad	444.2
Investments abroad	1,769.3
SDR holdings 1/	93.2
Reserve Position in the Fund 1/	27.9
B. Reserve Related Liabilities	**306.6**
Liabilities to the IMF 1/ 2/	245.1
Short-term loans from private non-residents	60.2
Liabilities to IFIs	1.3
Certified checks in FX	0.3
C. Liabilities to Residents Denominated in Foreign Currency	**1,263.4**
Financial sector FX deposits in the central bank	1,231.0
Swaps with financial institutions	32.4
D. Other Liabilities Denominated in Foreign Currency	**35.2**
Off-balance sheet FX liabilities	15.0
Project accounts	20.2
Special accounts	0.1
E. Net International Reserves, 2024 SMP definition (A - B - C - D)	**919.9**
Memorandum Items (not included in program NIR calculation)	
Miscellaneous central bank FX liabilities (including values for adjustment)	25.0
Central government FX deposits in the central bank	228.9
Short-term central government FX liabilities (next 12 months)	24.8

Sources: BRH, IFS, and IMF staff calculations.

1/ Based on IMF books. For the purposes of the 2024 SMP, between December 2024 and September 2025, the amounts in SDR will be converted to U.S. dollars using the exchange rate as of September 30, 2024 (1 USD = 0.737261 SDR).

2/ For program purposes, all outstanding Haiti liabilities to the IMF are considered, including the January 2023 Rapid Credit Facility (Food Shock Window), disbursed at a government account in the BRH, for an amount of SDR 81.9 million.

16. **If budgetary grants are lower than expected** the floor on net international reserves will be adjusted downwards by the amount of the difference in question. Conversely, the floor will not be adjusted upwards by the amount of budgetary grants exceeding the expected levels mentioned in Table 3.

Attachment II. Table 3. Haiti: Projected Budgetary Grants (In millions of US dollars)			
Cumulative Flows since end-September 2024			
September 2024	March 2025	June 2025	September 2025
0	0	21	39

Primary Balance of the Nonfinancial Public Sector

17. Domestic arrears of the central government refer to expenditure accepted by the Treasury and unpaid after 90 days, despite the delivery of the corresponding goods and services. Domestic arrears of central government do not include unpaid off-budget government commitments.

18. Unpaid off-budget central government commitments refer to liabilities incurred outside the budgetary process (from ministries or other public bodies), which may give rise to contingent claims against central government resources.

19. Net domestic financing of the nonfinancial public sector (NFPS) corresponds to the sum of the following elements: (i) net central bank credit to the NFPS; (ii) net credit from domestic commercial banks to the NFPS (as reported in the Standardized Report Form 2SR), which includes changes in NFPS deposits and the net issuance of Treasury bills and other NFPS securities to commercial banks; and (iii) net nonbank credit to the NFPS, which includes the net issuance of Treasury bills and other NFPS securities to nonbank institutions, the change in the net position of the NFPS vis-à-vis the electricity sector (including independent power producers), and the net change in suppliers' credit and domestic arrears of central government.

20. Net external financing of the nonfinancial public sector (NFPS) corresponds to the sum of (i) new external loan disbursements (excluding IMF loans) and (ii) the net change in external arrears minus external loan amortizations.

21. For the purposes of the program, the primary balance of the nonfinancial public sector (NFPS) corresponds to the sum of the following: net domestic financing of the NFPS and net external financing of the NFPS, after deducting interest payments on public debt. If budgetary grants do not reach the expected levels, the floor on the primary balance of the NFPS includes an asymmetric adjustor. More specifically, if the amounts of budgetary support are in deficit, the floors on the primary balance will be reduced by the amount of those deficits. Conversely, if external budget support exceeds projections, the floor on the primary balance will not change.

Budget Allocations to Social Expenditure

22. The budget decree gives ministries appropriations, i.e., the authority to incur obligations, which become due during the fiscal year up to a specified amount for specified purposes (as indicated in the budget decree) within the fiscal year. For the purposes of the program, the social spending is defined as the budget envelope allocated to Ministry of Social Affairs and Labor (MAST), Ministry of Education, Ministry of Agriculture, and Ministry of Public Health, in the budget decree.

23. The floor on the QT applies to the sum of the budget allocations to the Ministry of Social Affairs and Labor (MAST), Ministry of Education, Ministry of Agriculture, and Ministry of Public Health, as executed at end-month, i.e., end-December and end-June for QTs and end-March for ITs. Provisional appropriations, i.e., expenditure that get under way before the actual budget appropriation, if any, will be included.

New Contracting or Guaranteeing by the Public Sector of Non-Concessional External Debt

24. Definition of debt. The definition of debt is set in paragraph 8 of the Guidelines on Public Debt Conditionality in Fund Arrangements, adopted by Decision No. 16919-(20/103) of the Executive Board (October 28, 2020). For the purpose of these guidelines, the term "debt" will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows:

i. loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

ii. suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

iii. leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of these guidelines, the debt is the PV (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property.

25. For the purposes of this debt limit ceiling, public sector debt covers public and publicly guaranteed debt. Public sector is defined in paragraph 8 of this TMU. .

26. Debt guarantees by the public sector. For the purposes of the program, a debt guarantee by the public sector means an explicit legal obligation to service a debt in the event of non-payment by the borrower (in return for payment in cash or in kind).

27. Concessionality. 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. 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.[3] For debts with a grant element equal or below zero, the PV will be set equal to the nominal value of the debt. The discount rate used for this purpose is the unified discount rate of 5 percent set forth in Executive Board Decision No. 15248-(13/97).[4]

28. External debt. For the purposes of the ceiling on the contracting or guaranteeing of new non-concessional external debt, external debt is any debt contracted or guaranteed by the public sector on non-concessional terms with non-residents or denominated in foreign currency, i.e., currency other than Haiti's currency. It includes, where applicable, debt issued domestically by the government and held by non-residents.

29. The public sector undertakes not to contract or guarantee any new non-concessional external debt. It also applies to any private debt guaranteed by the public sector that constitutes a contingent liability. Excluded from the ceiling are short-term (with a maturity of less than one year) import-related credits, rescheduling arrangements, borrowing from the IMF, non-resident purchases of treasury bills, and gourde-denominated BRH bills that are indexed to the exchange rate. This quantitative target will be monitored continuously by the authorities and any non-observance will be immediately reported to the Fund.

Public Sector External Arrears Accumulation

30. Arrears on external debt of the public sector. They include all debt-service obligations (principal and interest) on loans contracted or guaranteed by the public sector that are due to non-residents but not paid on the due date as set out in the loan contract; they exclude those arising from obligations being renegotiated with external creditors and (or) those that are litigious. For the purpose of assessing the quantitative target on the non-accumulation of new external debt arrears by the public sector, arrears resulting from non-payment of debt service due to international sanctions preventing payments to the creditor are excluded from the previous definition. This quantitative target will be monitored continuously by the authorities and any non-observance will be immediately reported to the Fund.

[3] The calculation of concessionality takes into account all aspects of the debt agreement, including maturity, grace period, payment schedule, upfront commissions, and management fees.

[4] A tool to calculate the grant element of a wide range of financial packages is available at:

https://www.imf.org/en/GECalculator.

Domestic Arrears Accumulation of the Central Government

31. Arrears on domestic debt of the central government. They include all debt-service obligations (principal and interest) on loans contracted or guaranteed by the central government that are due to residents but not paid 90 days after the due date set out in the loan contract. The quantitative target on domestic arrears accumulation will be monitored continuously by the authorities and any non-observance will be immediately report to the Fund.

C. Reporting of Data for the Monitoring of the Program

32. In order to facilitate monitoring of the program, the government will provide IMF staff with the information set out in the following summary table. Any data revisions will be promptly communicated to IMF staff.

33. The authorities will inform IMF staff in writing at least 10 working days (excluding public holidays in Haiti) before any change in economic and financial policies that may affect the outcome of the program. Such policies include, for example, changes in tax or customs legislation, wage policy, and support for public or private enterprises. With respect to continuous QTs, the authorities will report any non-observance to the IMF promptly.

Attachment II. Table 4. Haiti: Summary of Data to be Provided

Sector	Data Series	Periodicity	Timeliness
Real Sector			
	National accounts	Annual	Three months
	Quarterly economic indicators (economic cycle)	Quarterly	Two months
	Consumer price index (including breakdowns)	Monthly	Three weeks
Public Finances			
	Fiscal revenues (internal, external, other)	Monthly	Four weeks
	Expenditures on Cash Basis (wages and salaries, goods and services, external debt, current accounts)	Monthly	Four weeks
	Table of government financial transactions (TOFE)	Monthly	Two weeks
	Balance on current accounts and operation of projects	Monthly	One month
	Table Underlying TOFE, which enables the determination of checks in circulation and balance on investment project accounts	Monthly	One month
	Table on budget implementation with breakdown by ministry and other bodies and by type of expenditure	Monthly	One month
	Total monthly amount of expenditure executed by transfer letters	Monthly	One month
	Report on Revenue Collection of DGI (progress report)	Monthly	One month
	Tables of revenue collection of AGD (port activity indicators, analytical report of customs receipts on import)	Monthly	One month
	Table of revenue collected and authorized expenditure (TEREDA)	Monthly	One month
	Detailed revenue and expenditures of BMPAD	Quarterly	One month
	Report on social protection expenditures	Quarterly	One month
	Table on the implementation of the PSUGO program	Quarterly	One month
	Dashboard of the state electricity utility EDH showing monthly information on the production of electricity, making explicit the composition of production by independent electricity producers, EDH, and by region.	Monthly	One month
	EDH commercial data allowing the calculation of EDH's billing and collection rates	Monthly	One week
	EDH cash data including all revenues and all expenditures (operating, investment, and other)	Monthly	One month
	Information on any off-budget claims presented for payment	Monthly	One month

Attachment II. Table 4. Haiti: Summary of Data to be Provided (Continued)

	Stock of unpaid off-budget central government liabilities	Monthly	One month
	Data on all fuel shipments per product giving the CIF import price, the full price structure (including stabilization margin) and import and consumption quantities. Data on actual collections for each month with a breakdown per product and tax type.	Monthly	One week
	Table of import prices of petroleum products, by arrival	Monthly	One month
	Table of imported quantities of petroleum products	Monthly	One month
	"Stabilization margin" table of the Directorate of the Tax Inspectorate	Monthly	One month
	"Petroleum product tax" table of the Directorate of the Tax Inspectorate	Monthly	One month
	Details of the stock of all government borrowing and debt securities (interest rate, maturity, creditor if known)	Annual	Three months
	Full amortization table of domestic and external government debt	Annual	Three months
	Statement of stocks and flows of repayment of suppliers' credits and payment arrears	Monthly	One week
	Expenditures made for Food Shock Window program-related expenses	Monthly	One month
Monetary and Financial Data			
	Exchange rate	Daily	One day
	Monetary base and sources thereof and currency in circulation.	Weekly	One week
	Aide Memoire Table containing, inter alia: (i) stock of BRH bonds; (ii) deposits at commercial banks; (iii) credit to private sector (in gourdes and U.S. dollars); (iv) details of inflows and outflows of foreign exchange reserves, including budget support received; (v) volume of foreign exchange transactions, including BRH sales and purchases; (vi) gross and net international reserves; (vii) net BRH credit to central government and the non-financial public sector; and stocks and interest rates of BRH bills.	Monthly	One week
	Tables showing, inter alia, the average and weighted interest rates on gourde and U.S. dollar-denominated deposits and credit, and the excess reserves in the banking system.	Monthly	One month

Attachment II. Table 4. Haiti: Summary of Data to be Provided (Concluded)

	Monetary and financial statistics. Standardized reporting form, balance sheets of the Central Bank and other depository corporations.	Monthly	One month
	Detailed balance sheet of the central bank (*table de passage*) with individual account granularity.	Monthly	One month
	Information on the composition of gross and net international reserves (Reserve template when available).	Monthly	One month
	Banking supervision statistics and commercial indicators on commercial banks.	Quarterly	One month
	The calendar and planned placements of BRH gourde-denominated dollar-indexed bills, including in banks and nonbanks.	Quarterly	One month
	Audited financial statements of the BRH	Annual	Three months
Balance of Payments and IIP			
	Balance of payments (first version)	Quarterly	Six weeks
	Revised balance of payments	Quarterly	Three months after the first reporting
	BRH FX cash flow table; quarterly projections through end of fiscal year.	Quarterly	One month
	International Investment Position (IIP)	Annual	Three months
External Debt			
	External debt report prepared by the BRH showing monthly disbursements; debt service, debt forgiveness and rescheduling, arrears, and debt stocks.	Monthly	One month
	Details of any external public debt and debt guaranteed by the State	Monthly	One month
	Data on stocks, accumulation, and repayment of external arrears	Monthly	Six weeks
	Table of complete amortization of external debt	Annual	Three months