

ABSTRACTO DE COOPERACIÓN TÉCNICA

I. Información Básica del Proyecto

▪ País/Región:	HAITI/CID - Istmo y RD
▪ Nombre de la CT:	Programa de Fortalecimiento de la Gestión Fiscal de las Empresas Públicas en Haití
▪ Número de CT:	HA-T1311
▪ Jefe de Equipo/Miembros:	REYES-TAGLE, GERARDO (IFD/FMM) Team Leader; ASTUDILLO, KAREN (IFD/FMM) Alternate Team Leader; ROMAN SANCHEZ, SUSANA (IFD/FMM); LAURA OSPINA GARNICA (IFD/FMM); SOOJIN KIM (IFD/FMM); CHO, SUNGA (IFD/FMM); SARA VILA SAINTETIENNE (LEG/SGO); YERY PARK (IFD/FMM); LUIS RECALDE RAMIREZ (IFD/FMM)
▪ Taxonomía:	Client Support
▪ Número y nombre de la operación que apoyará la CT:	N/A
▪ Fecha del Abstracto de CT:	27 Oct 2022
▪ Beneficiario:	Haiti
▪ Agencia Ejecutora:	INTER-AMERICAN DEVELOPMENT BANK
▪ Financiamiento solicitado del BID:	US\$500,000.00
▪ Contrapartida Local:	US\$0.00
▪ Periodo de Desembolso:	36 meses
▪ Tipos de consultores:	Individuos
▪ Unidad Responsable de Preparación:	IFD/FMM - División de Gestión Fiscal
▪ Unidad Responsable de Desembolso:	CID/CHA - Representacion Haiti
▪ CT incluida en la Estrategia de País (s/n):	Sí
▪ CT incluida en CPD (s/n):	No
▪ Alineación a la Actualización de la Estrategia Institucional 2010-2020:	Capacidad institucional y estado de derecho

II. Objetivos y Justificación de la CT

- 2.1 El principal objetivo de la CT es apoyar al Ministerio de Economía y Finanzas (MEF) de la República de Haití en el fortalecimiento de sus capacidades y conocimientos para la gestión fiscal de las Empresas Públicas y su marco de inversión. Para lograr estos objetivos esta CT financiará tres tipos de actividades: (i) Ampliar el diagnóstico del estado actual de los marcos de gobernanza e inversión de las Empresas Públicas para identificar líneas de acción para su mejoramiento y fortalecimiento; (ii) Análisis y evaluación del diseño y gestión de los regímenes fiscales para las actividades productivas de las Empresas Públicas en Haití y sus implicaciones para la sostenibilidad fiscal; y iii) Difusión de conocimientos y capacitación para facilitar el desarrollo de capacidades en el MEF.
- 2.2 The government of Haiti is facing various economic and social challenges in the wake of the post-pandemic era. The COVID-19 crisis fueled an already difficult couple of years marked by political volatility, a surge in violence, and natural disasters. These were detrimental to the country's economy, which from 2019 until 2021 experienced an average annual contraction of 2.3 percent, and a central government debt of 24 percent of the GDP. Additionally, revenue collection was low, and Central bank financing of the fiscal deficit (which reached 2.4 percent in 2021) contributed to increased inflation rates (IMF, 2022). Ultimately, all of this has had a negative impact over the operation of Haiti's State-Owned Enterprises (SOEs), including among other

things, severe problems in the delivery of highly important basic services to the population, such as water and electricity. Although there have been efforts by the Government of Haiti (GoH) aiming at improving data coverage of SOEs' financial sustainability (mainly SOEs' debt data), there is need for improvement in the overall diagnostics of SOEs' governance, their investment frameworks, and the fiscal management of their productive activities.

- 2.3 Against this backdrop, this TC will complement the efforts of the GoH to strengthen knowledge and technical capacities of the MEF on fiscal management of SOEs. Through the diagnostics of the current state of governance in SOEs, this TC will promote accountability and transparency. Through the understanding of the state of SOEs' investment frameworks, this TC will enhance budget planning and execution, as well as debt management through the improvement of micro-fiscal policy frameworks. Additionally, this TC will evaluate the fiscal management of SOE's productive activities in Haiti, including services (e.g., water, electricity), extractive industries (e.g., oil, mining), and other sectors, taking into consideration not only the complex social, economic, and political context of the country, but also the vulnerabilities facing the country, such as climate change.

III. Descripción de las Actividades y Resultados

- 3.1 **Componente I: Deepen and update the diagnostics of the current state of the governance and investment frameworks of the State-Owned Enterprises (SOEs).** This component will finance: i) Mapping and categorization of SOEs to review their impact on the fiscal sustainability and economic development, ii) Analysis of the governance and management structure of the SOEs iii) Assessment of the investment frameworks for SOEs and their fiscal implications, iv) Design of a framework draft for SOEs' engagement in more climate-friendly operation models, v) Design of a policy roadmap draft and action plan for the improvement of the fiscal management of SOEs.
- 3.2 **Componente II: Analysis and evaluation of the design and management of the fiscal regimes of SOEs productive activities in Haiti and their implications for fiscal sustainability.** This component will finance i) Diagnosis of the fiscal regimes applicable to SOEs productive activities in Haiti (including, but not limited to, extractive industries) ii) Exploration of the fiscal risks and opportunities associated with SOEs' productive activities, in a scenario of increased action against climate change iii) Design of a policy road map to improve the fiscal management of SOEs' productive activities in the MEF based on the findings of the previous activities.
- 3.3 **Componente III: Production of knowledge products, dissemination of results, and training.** This component will finance (i) the publication and dissemination of technical documents; (ii) the implementation of intersectoral coordination activities; (iii) a training activity in each of the areas of intervention proposed in previous components; and (iv) exchange of best practices at the national level, (v) preparation of knowledge products focused on analyzing best practices in countries with successful SOE management, that can serve as a benchmark for the Haitian case.

IV. Presupuesto

Presupuesto Indicativo

Actividad/Componente	BID/Financiamiento por Fondo	Contrapartida Local	Financiamiento Total
Deepen and update the diagnostics of the current state of the governance and investment frameworks of the State-Owned Enterprises	US\$200,000.00	US\$0.00	US\$200,000.00

(SOEs)			
Analysis and evaluation of the design and management of the fiscal regimes of SOEs productive activities in Haiti and their implications for fiscal sustainability	US\$200,000.00	US\$0.00	US\$200,000.00
Production of knowledge products, dissemination of results, and training	US\$100,000.00	US\$0.00	US\$100,000.00
Total	US\$500,000.00	US\$0.00	US\$500,000.00

V. Agencia Ejecutora y Estructura de Ejecución

- 5.1 At the request of the Government of Haiti, this TC will be executed by the IDB. The IDB's Country Office in Haiti (CID - Isthmus & DR) in close collaboration with the Fiscal Management Division (IFD/FMM) will have technical responsibility for the execution of the TC. The designated focal point with responsibility for executing this TC will be the Lead Sector Specialist in IFD/FMM. The IDB team will lead implementation, oversight of TC activities and coordination of results with authorities in Haiti. IFD/FMM will be responsible for procurement of required services.
- 5.2 All activities will be executed in accordance with the Bank's established procurement policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and (c) GN-2303-20 for logistics and other related services.
- 5.3 The Bank will supervise consulting services and Haiti's MEF will be able to provide technical inputs to the consultants' reports. Ownership of intellectual property rights of products resulting from the execution of the TC belongs to the Bank. However, a license to use these products will be granted to the Government of Haiti, when applicable.

VI. Riesgos Importantes

- 6.1 The main risk associated to this TC is the eventual discontinuation of the implementation of government's initiatives due to domestic political changes. Similarly, institutional weaknesses could delay execution of some of the planned activities. However, considering the high interest and active engagement of Haiti's Ministry of Finance, the risks will be mitigated by focusing on technological and operational aspects that can reduce political influence.

VII. Salvaguardias Ambientales

- 7.1 La clasificación ESG para esta operación es "indefinida".