



PROJECT SHEET

PROGRAM OBJECTIVE

The objective of the activity is to strengthen the legal and regulatory frameworks and systems to create the conditions for accountability and transparency in the management of public resources in the context of the reconstruction.

The operation directly supports the Government's Action Plan for National Recovery and Development of Haiti and the governance program presented by the Government at the pledge conference in New York in March 2010. These draw on the Post Disaster Needs Assessment (PDNA) carried out by the Government with donor support following the earthquake in February 2010. The main pillars of these programs are in line with those of the Government's poverty reduction strategy, namely building state capacity and improving management of public resources.

Targeted thematic Outcomes	%
Other Economic Management	20
Public Expenditure, Financial Management and Procurement	60
Other Accountability and Anti-Corruption	20

GENERAL INFORMATION

Name: *Haiti Emergency Development Policy Operation*

Amount: US\$55 Million

Sources: World Bank (US\$30 M) and HRF (US\$ 25 M)

Approval date: 17 June, 2010

Sector: General Public Administration (80%) and General Energy Sector (20%)

Partner entity: World Bank

Implementing agency: Ministry of Finance and Commerce

DESCRIPTION

The activity helps Haiti meet urgent financing needs for reconstruction that have been exacerbated by revenue shortfalls following the earthquake. The PDNA estimates the damages and losses caused by the earthquake at nearly US\$8 billion. The destruction of the Tax Directorate and the impact of the earthquake on economic activities have caused a 20% drop in projected revenue for fiscal year 2009-2010. The IDA and HRF grants provide resources to finance essential expenditures in the last quarter of 2010 in the context of the Action Plan for National Recovery and Development of Haiti.

The operation focuses on areas that require urgent strengthening in order to ensure that effective checks and balance mechanisms are in place following the impact of the earthquake on key governance and oversight institutions, while aiming to consolidate the gains achieved in governance over the past years. In particular, it aims to beef up the government capacity to manage public resources efficiently and transparently through measures aimed at:

- (i) Strengthening transparency in the transfers to the electricity sector;
- (ii) Reinstating budget controls and the external and internal audit processes;
- (iii) Improving observance of anti-corruption measures through better enforcement of the declaration of assets Law; and
- (iv) Reinstating public procurement regulation and enhancing transparency in procurement practices.