

# Contents

Acknowledgments .....	xi
Abbreviations and Acronyms .....	xiii
Executive Summary .....	xvii
<b>Part I: Economic and Financial Management Context.....</b>	<b>1</b>
<b>1. Macroeconomic and Fiscal Context .....</b>	<b>3</b>
Structure of Haiti's Economy and of Public Finance .....	5
Fiscal Policy and Economic Outcomes, 2004–06 .....	17
Policy Recommendations .....	24
<b>2. Public Expenditure Review: Broad Trends and Patterns.....</b>	<b>27</b>
Analysis of Public Expenditure by Functional Classification .....	29
Analysis of Actual Expenditures.....	32
Factors Determining the Structure of Public Expenditure .....	37
Analysis of the Public Investment Program .....	39
Budget Execution.....	43
Policy Recommendations .....	45
<b>3. Country Financial Accountability Assessment.....</b>	<b>49</b>
Background .....	50
Legal and Institutional framework.....	53
Budget Preparation .....	54
Budget Execution.....	55
Accounting and Financial Reporting .....	55
Debt and Cash Flow Management.....	55
Information Systems .....	56
Internal Controls .....	56
External Controls and Legislative Scrutiny .....	56
Institutional Framework and Procurement Management Capacity.....	57
Procurement Operations and Market Practices .....	57
Integrity of the Public Procurement System .....	58
Policy Recommendations .....	59

<b>Part II: Public Expenditure Review in Priority Sectors .....</b>	<b>63</b>
<b>4. Economic Sector Expenditure Review .....</b>	<b>65</b>
Agricultural Sector .....	67
Infrastructure Sector .....	80
<b>5. Social Sector Expenditure Review .....</b>	<b>95</b>
Education Sector .....	96
Health Sector .....	114
<b>6. Justice and Security Expenditure Review .....</b>	<b>129</b>
Background and Sector Strategy and Objectives .....	130
Trends and Structure of Justice and Security Sector Expenditures .....	132
Public Investment Programs in the Justice and Security Sector .....	140
Weaknesses, Challenges and Recommendations .....	141
<b>Part III: Addressing Growth and Poverty Challenges: A Macro-Modeling Approach .....</b>	<b>147</b>
<b>7. Assessing the Impact of Fiscal Policy on Growth and Poverty: A Macroeconomic Framework .....</b>	<b>149</b>
Description of the Key Features of the Haiti Macro-Model .....	150
Calibration .....	156
<b>8. Addressing Growth and Poverty Challenges: Fiscal Reforms and Aid Requirements .....</b>	<b>161</b>
Baseline Scenario, 2007–15 .....	162
Policy Experiments .....	163
<b>Appendices .....</b>	<b>173</b>
A. Macroeconomic and Fiscal Context .....	175
B. Public Expenditure Trends .....	183
C. PEFA Indicators .....	197
D. Economic Sector Expenditures .....	209
E. Social Sector Expenditures .....	225
F. Justice and Security Expenditures .....	243
G. Summary List of Equations .....	251
H. Scenarios .....	253
<b>References .....</b>	<b>279</b>