

1. HAITI - OVERDUE FINANCIAL OBLIGATIONS - REPORT AND COMPLAINT UNDER RULE K-1

1. The Managing Director has reported to the Executive Board, under Rule K-1 of the Fund's Rules and Regulations, the facts on the basis of which it appeared to him at the date of this report that Haiti was not fulfilling its obligations under the Articles of Agreement, and submitted a complaint on July 11, 1988 (EBS/88/123 and Sup. 1) in accordance with that Rule. The revised complaint under Rule K-1 was that as of July 14, 1988, Haiti was not fulfilling its obligations relating to repurchases and the payment of charges and interest in the General Department in the total amount of SDR 4,351,610. These facts and the complaint of the Managing Director were communicated to the authorities of Haiti on July 19, 1988.

2. The Fund finds that Haiti has failed to fulfill its obligations under the Articles of Agreement relating to repurchases and the payment of charges and interest in the General Department.

3. The Fund regrets the nonobservance by Haiti of its obligations, urges Haiti to resume their observance forthwith, and decides, pursuant to Rule K-2 of the Fund's Rules and Regulations, that Haiti shall not make use of the general resources of the Fund until such time as Haiti has become current in its obligations under the Articles of Agreement relating to repurchases and the payment of charges and interest in the General Department.

4. While welcoming the payments made in July and August, the Fund stresses that full settlement by Haiti of its overdue obligations should be given the highest priority, and notes the need for a comprehensive adjustment program aimed at addressing Haiti's economic and financial imbalances. The Fund stands ready to assist the authorities in the formulation and implementation of such a program, and calls upon external donors to stand ready to resume at the earliest opportunity flows of grants and concessional lending.

5. The Fund shall review the matter of Haiti's overdue financial obligations to the Fund within a period of three months from the date of this decision.

Decision No. 8953-(88/126), adopted
August 24, 1988