

BUFF/08/177

December 12, 2008

**Statement by the Staff Representative on the Union of the Comoros
Executive Board Meeting
December 15, 2008**

1. The information below has become available since the staff report (EBS/08/138) was issued. It does not alter the thrust of the staff appraisal.
2. All program prior actions have been implemented, including parliamentary approval of a stability-oriented consolidated budget for 2008.
3. During their discussion on Comoros at a December 10, 2008 meeting, Paris Club creditors did not raise objections to the existence and expected continued accumulation of arrears under the EPCA. The authorities have also reached understandings with all multilateral creditors on how to address existing arrears.
4. The authorities have:
 - Put in place a flexible-pricing mechanism for petroleum products. Henceforth, an inter-ministerial committee will review and revise petroleum products prices on a quarterly basis, as needed, to reflect changes in international prices. This should help make fuel supply more reliable.
 - Initiated discussions with World Bank/IFC staff on a reform strategy for public enterprises.