

The contents of this document are preliminary and subject to change.

GRAY/16/3481

November 16, 2016

**Joint Statement by Mr. Estrella, Ms. Horsman, and Mr. Sobel on Haiti
(Preliminary)
Executive Board Meeting
November 18, 2016**

Hurricane Matthew and its aftermath have generated an acute humanitarian crisis in Haiti. With significant loss of life, crop and infrastructure damage assessed at 23 percent of GDP, and an estimated 1.4 million people in urgent need of assistance, the global community needs to provide timely support to limit the fallout and support the rebuilding process. The Fund has a role to play in helping the people of Haiti and catalyzing additional concessional loans and grants from other multilateral and bilateral development partners. As a result, **we support the proposed request for a Rapid Credit Facility (RCF).** We also thank Mr. Tombini and Ms. Florestal for their Buff.

We agree that the use of the RCF is the appropriate tool in the current situation, given the combination of an acute and immediate need for balance of payments support, weak institutional capacity and uncertain political climate. The proposed access level attempts to balance BoP financing needs while recognizing the country's absorptive capacity constraints and heightened debt sustainability risks. Given the deterioration in debt dynamics outlined in the revised DSA, we underscore for emphasis that we welcome the authorities' critical and essential reaffirmation of their commitment not to contract any non-concessional loans. We also welcome the authorities' commitment to maintain non-financial public sector balances at approximately 2.3 percent of GDP to help ensure that the funds are focused on priority reconstruction projects and particularly vulnerable groups, as well as the proposed measures to enhance transparency and accountability.

At the same time, we recognize that the recovery from Hurricane Matthew will be a multi-year effort. Haiti faced myriad macroeconomic and governance challenges prior to the hurricane. The outlook is now even more challenging, as reflected in staff's frank assessment and its downgrade of Haiti's long-term economic growth prospects. The ongoing political uncertainty is a concern, and we look forward to the completion of the Presidential elections. We encourage the Haitian government to actively engage with the Fund in developing a medium-term framework for addressing macroeconomic vulnerabilities and enhancing resilience. Along these lines, we welcome the authorities' intention to request a Staff Monitored Program in a few months' time. In particular, we encourage the authorities to undertake growth-supporting governance, structural, fiscal, and anti-corruption reforms, making use of Fund TA as appropriate.