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November 16, 2016

**Statement by Mr. Hiroshima and Mr. Tsuden on Haiti
(Preliminary)
Executive Board Meeting
November 18, 2016**

We express our condolences to the authorities and people of Haiti for the tragic loss of lives and severe damages to property, agriculture, and infrastructure caused by the hurricane Matthew. We recognize the urgent fiscal and balance of payments needs for rehabilitation and reconstruction, noting total damage and loss is estimated at US\$1.9 billion or 23 percent of the GDP and 1.4 million people are in a need of urgent assistance. Taking this situation and the authorities' commitment into consideration, **we support the request for a disbursement under the Rapid Credit Facility (RCF).**

In addition to the reconstruction effort, we strongly encourage the authority to advance medium to long term reforms focusing on fiscal and external sustainability, improving competitiveness, and building resilience to natural disasters.

Since we agree with the thrust of the staff appraisal, we will limit our comments to the following:

We commend the authorities' commitment to maintain fiscal discipline and restoring debt sustainability in the long run. We urge authorities to continue current prudent fiscal policies. In addition, we agree with the staff that it is important to promote gradual shift from external borrowing to FDI financing through implementing reform agenda.

Continued dialogue between the Fund and the Haiti authorities could support immediate recovery efforts and broader economic reforms. It is important for the authorities to maintain political momentum to cooperate with the Fund. In this context, *we would like to know if the current finance minister and the central bank governor could remain after the scheduled presidential elections.*

In the same vein, we are concerned about a challenging political climate of Haiti. We note that the 2015 ECF-supported program went off track on the back of difficult political situation. In this regard, *we would appreciate it if staff could elaborate on whether conditionality of the ECF-supported program was politically contentious issues in Haiti.*

We expect the proposed RCF financing to play a catalytic role to mobilize other donor assistance and official loans to cover the remaining financing needs. According to the BUFF statement, authorities are requesting the second RCF operation in the first quarter of 2017. *We would appreciate the staff's view on the prospect for the second RCF.*