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November 16, 2016

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

At the outset, we would like to express our sympathy to the authorities and the people of Haiti for the loss of lives and infrastructure destruction caused by Hurricane Matthew.

**We agree that Haiti meets the criteria for assistance under the Rapid Credit Facility and support the authorities' request for an emergency financial assistance under this facility.** Given the pressing financial needs associated with the reconstruction of basic public infrastructure, we are hopeful that under this RCF-supported arrangement, the Fund's assistance will have a catalytic effect by facilitating the provision to Haiti of additional financing from other development partners.

**Hurricane Matthew has had a devastating impact on the economy. We note that rehabilitation and reconstruction needs are very large and will intensify the pressure on the external position.** In their informative Buff statement, Mr. Tombini and Ms. Florestal convey the authorities' concern about the possibility of other donors gauging their pledges to the level of IMF funding. In this connection, we associate ourselves with their call for staff to consider the possibility of a second RCF operation in 2017.

**As regards, economic and financial policies, we encourage the authorities to follow a prudent approach.** To this end, we welcome their determination to limit the non-hurricane budget deficit to 2.3 percent as indicated in the FY 2016/17 budget. We also encourage them to increase the transparency of reconstruction efforts and channel donors and lenders' support through the single treasury account. Going forward, taking necessary steps to prevent a rapid build-up of public debt will be also needed. We welcome the authorities' commitment not to contract non concessional loan during FY 2016/17 and to not to allow the accumulation of arrears on public sector foreign debts.

**Finally, we encourage them to deepen structural reforms to unleash Haiti's competitiveness and enhance growth prospects.** In parallel, reform efforts to enhance private sector's access to credit will be needed. At the same time, strengthening the resilience of the financial sector will help prevent the rise of NPLs in financial institutions.

**With these remarks we wish the Haitian authorities every success in their challenging endeavors.**