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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES
MULTILATERAL INVESTMENT GUARANTEE AGENCY

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Statement by the Hon. **DANIEL DORSAINVIL**,
Governor of the Bank for **HAITI**,
at the Joint Annual Discussion

REMARKS BY THE GOVERNOR FOR HAITI

Mr. Chairman,

Fellow Governors,

Mr. President of the World Bank,

Mr. Managing Director of the International Monetary Fund,

Ladies and Gentlemen:

On behalf of the Haitian delegation, I would like to begin by conveying my heartfelt appreciation to the Joint Secretariat of the Bank and Fund for the excellent organization of the 2007 Annual Meetings of Governors.

I am also pleased to congratulate Mr. Rodrigo de Rato, who will leave his position at the end of this month, on the work that he has accomplished. I would also like to extend a cordial welcome to Mr. Dominique Strauss-Kahn, who will take up the reins at the IMF. We eagerly await the expeditious implementation, under his leadership, of reforms that impact the role of the IMF in low-income countries and enhance the representation of member countries through quota reform and staff diversity.

The Republic of Haiti warmly welcomes the decision of the World Bank Group, under the leadership of its President, Mr. Robert Zoellick, to allocate US\$3.5 billion to the poorest countries. We also avail ourselves of this opportunity to laud the initiative of the World Bank to undertake a critical review of the conditionalities associated with the disbursement of external aid. It would also be helpful to review the basis for the allocation of resources to post-conflict countries. For such countries, access to Bank resources remains inadequate, given that the allocation of IDA funding based on past performance puts them at a disadvantage.

The Bank should also be commended for the leadership shown in instituting an insurance program to cover disaster-related risks in the Caribbean. However, the recent damage suffered by Jamaica as a result of Hurricane Dean demonstrated the existence of technicalities that impede disbursement of funding under this program.

In Haiti, institutions are becoming stronger, dialogue is deepening, and insecurity has been considerably reduced. In this context, we commend the work done by the Haitian National Police, with assistance from the United Nations Stabilization Mission in Haiti [*Mission des Nations Unies pour la stabilisation en Haïti*—MINUSTAH] through the contingents from several of the countries represented there. We thank them for their steadfast support.

The Government of Haiti has made a commitment to address several challenges and is confident that, with the support of friendly countries and partner institutions, it will manage to achieve the objectives set. A number of important steps have already been taken. Maintaining political stability, a climate of security, and sound macroeconomic management have facilitated the resumption of growth of the Haitian economy, which stood at 1.8 percent in 2005 and 2.3 percent in 2006, with the rate for 2007, under the worst case scenario, being projected at 2.5 percent. It is important to compare three consecutive years of GDP growth with the 3.5 percent contraction posted in 2004. Inflation has fallen from approximately 8 percent in February 2007 to 7.9 percent in September 2007, as compared to 12.4 percent in 2006 after reaching 37.8 percent in September 2003. The gourde/dollar exchange rate has been stabilized.

At the moment, we not only have to build on the gains made in the area of economic and political stabilization, but also to accelerate the growth rate. Rapid and

sustained growth of the Haitian economy is essential for poverty reduction in Haiti. Also, in order to ensure rapid growth, the Government is according special importance to improving the business climate, strengthening democratic institutions, combating corruption, enhancing access to basic social services, and repairing and building economic infrastructure.

Determined to bolster the progress made in the areas of stabilization and good economic governance, the Government will complete the second review of the first year of the Poverty Reduction and Growth Facility (PRGF) with the IMF. Next fall, Haiti will reach the decision point under the HIPC Initiative, a milestone that will make it eligible for the Multilateral Debt Relief Initiative (MDRI).

Efforts to boost domestic resources have already yielded decisive results and are continuing apace, with emphasis being placed on combating smuggling and tax fraud. However, we are also counting on the assistance of our external partners with implementation of our PRSP that we have just completed with input from all sectors of Haitian society.

We would like to express our profound gratitude for the support of the countries in this room that are friends of Haiti. The Haitian Government harbors the hope that it will be able to count on the assistance of all of you with the implementation of its poverty reduction and economic growth promotion program.