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



**Statement by Mr. DANIEL DORSAINVIL,  
Governor for HAITI,  
at the Plenary Session of the Bank and Fund**

1. I would first like to begin by expressing my thanks to the Turkish authorities for their hospitality and my heartfelt gratitude to the people of Istanbul for their patience and the welcome they have accorded to the various delegations. I would, of course, also like to commend the World Bank and the International Monetary Fund for the excellent organization of these Annual Meetings.
2. Some will agree that the crisis currently facing the global economy is rivaled only by the 1929 crisis. Thankfully, we learned from the past, and it was only through the adoption of appropriate countercyclical measures that the worst was averted. The crisis has, nonetheless, caused significant damage and, against this backdrop, I would like to focus on the impact of the crisis on small economies such as that of my country, Haiti, or of our fellow CARICOM countries: a reduction in unrequited transfers, a decline in export receipts and tourism revenue, a significant drop in direct investment, and job losses. While our concerns and fears have been triggered by this latest crisis, but only in part, our attention is firmly focused on the future.
3. A brighter outlook is beginning to take shape. There are signs of recovery, but the process has been sluggish. And we trust that efforts being made by the IMF to develop new instruments such as the Extended Credit Facility (ECF) reflect a commitment to ensure that our economies benefit fully from this recovery. Furthermore, this facility includes a poverty reduction program and thus a certain complementarity, if not to say some synergy, between the World Bank and the Fund. It is our fervent wish that concerted and, in particular, coordinated actions be conducted between these two institutions in order to guarantee achievement of the desired impacts.

4. We must not overlook the fact that the crisis laid bare the shortcomings in the regulation of the international financial system. In view of the negative impact of the system's shocks on our economies, we urge IMF Management to intensify efforts to strengthen the mechanism for the oversight and regulation of financial institutions.
5. The economy of Haiti, like those of other Caribbean countries, was also unable to shield itself from the contraction of the global economy. In Haiti's particular case, however, we also had to recover from the impact of four hurricanes that wreaked significant economic damage in 2008. I wish to take this opportunity to acknowledge the efforts put forward by the World Bank and all our partners to come to the assistance of our country in these circumstances.
6. Even in this difficult situation, in June of this year we reached the completion point under the HIPC Initiative. Simply put, we were not only able to preserve a stable macroeconomic framework, but could implement a relatively cohesive menu of reforms or actions in the areas of government finance and the social sectors. Without question, while reaching the completion point frees up precious resources for our economy and for the implementation of our national poverty reduction strategy, the resources to support the continuation of this strategy have yet to be lined up. In this context, it should be noted that the dearth of resources in recent years has, to some degree, slowed the pace of government action.
7. This said, however, the Government of Haiti made a commitment, which it has honored, to engage in reforms pursuant to an agreement reached with the IMF under the Poverty Reduction and Growth Facility (PRGF). This three-year program, which came to an end last September, led to significant achievements, including in the areas of public finance management, transparency in budget execution, and the modernization of monetary policy.

8. Over the past five years, the Haitian economy has returned to a path of growth, and the authorities remain supportive of all the policies that were able to produce this result, both socially and at the political level. In view of the shocks experienced, in 2008 our economy had its lowest rate of growth in the past four years, at 1.2 percent, significantly below the 3.4 percent recorded in 2007. Thanks to the public investments made, particularly in agriculture and infrastructure, our GDP growth could prove to be in the range of 2 to 2.4 percent here in 2009, and if the necessary resources are available we could anticipate growth of 4 percent for 2010.
  
9. The challenges to be met in order to reduce poverty are great, and, while we are in the process of creating the conditions for mobilizing private capital in support of our development objectives, it is important that an adequate amount of public resources be available. We are counting on the World Bank, the IMF, and all of our partners to guarantee that Haiti has access to the external resources needed to meet these challenges. In conclusion, I would like to mention a number of these challenges:
  - (i) Strengthening food security by increasing agricultural production and productivity;
  - (ii) Improving access to basic social services, particularly in the areas of safe drinking water, health, and education; and
  - (iii) Obtaining the infrastructure investment needed to reduce vulnerability to natural disasters, on the one hand, and to facilitate private investment, stimulate growth, and create jobs, on the other.

Thank you for your attention.