

IMF to tackle reform, debt relief

An International Monetary Fund delegation will begin negotiating today an economic program with Haiti.

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WASHINGTON - A high-level mission from the International Monetary Fund arrives in Haiti today to negotiate an economic-reform program that could lead to massive debt relief for the beleaguered nation.

Anoop Singh, the head of the IMF's Western Hemisphere department, will initially lead the mission and meet with Haitian President René Préval and other officials. Much of the negotiating will be done by a team of about 10 IMF staffers led by Przemek Gajdeczka, an advisor who has overseen Haiti for more than three years.

Haiti owes about \$1 billion to the World Bank and the Inter-American Development Bank, of which a large portion could be written off either immediately or over a number of years, depending on how aggressively Haiti carries out key reforms.

According to IMF officers and other observers, Haiti needs to set up an independent Central Bank more committed to battling inflation, improve the way it manages its fiscal accounts, boost its tax intake and end rampant smuggling in ports.

Under an IMF program, Haiti would remain under tight IMF surveillance during the program's three-year duration, with periodic missions to ensure targets are being met.

The negotiations are also a test of the willingness of Préval to commit his administration to potentially sweeping changes, officials say.

"The international community has got to keep Préval and his cabinet on a very strict regimen of reforms," said Roger Noriega of the pro-business American Enterprise Institute. He said ending contraband and corruption at Haiti's notoriously porous ports is especially important. "It is the heart of all evils."

More importantly, Singh told The Miami Herald in a phone interview, the IMF program would signal to investors and donors that Haiti is serious about tackling its chronic political instability and economic mismanagement.

Haiti has been on an economic decline for decades but its political situation worsened after a bloody armed revolt ended the presidency of Jean-Bertrand Aristide in 2004.

After Aristide's fall, the IMF gave the country about \$30 million in assistance for the transition government that, Gajdeczka said, undertook some reforms like curtailing government spending and drafting a new banking law.