The Executive Directors discussed the joint IDA-IFC Country Assistance Strategy for the Republic of Haiti for FY09-12. They appreciated the broad based consultations undertaken to inform the CAS.

Directors commended the authorities for their progress in stabilizing the economy despite the exogenous shocks of 2008, including high world prices for food and fuel and a devastating hurricane season. They also noted Haiti’s achievements toward Completion Point under the Enhanced Heavily Indebted Poor Country (HIPC) Initiative. In this regard, Directors stressed the importance of deepening the reform agenda and gaining legislative approval for the proposed Procurement Law. Directors welcomed the Government’s commitment to reducing poverty, while remarking on the still fragile situation and the enormous challenges faced by the country. The need to consider the effect of the global financial and economic crisis on Haiti was also noted.

Directors expressed support for the proposed strategy, welcoming its consistency with Haiti’s National Growth and Poverty Reduction Strategy Paper and the 18-Month Priority Program. Directors supported the CAS focus on the three pillars. They also considered appropriate the cross-cutting theme that combines longer term institutional strengthening with support for the Government in the delivery of quick, visible results to the population. Given the need to support long term development, Directors expressed concern about the projected decline in IDA allocations, with some encouraging the World Bank Group to maintain strong support for the country.

Directors supported the CAS emphasis on strengthening human capital, particularly primary education, and local development through community driven development. Some Directors underlined the importance of Bank support for public institutional capacity building. Directors welcomed the initiatives to address the constraints to sustainable economic growth. They noted that developing the private sector would help the country to take advantage of preferential U.S. market access under the Haitian Hemispheric Opportunity through Partnership II (HOPE II) Act. In this context, they welcomed IFC’s planned investment and advisory activities. Directors concurred with the priority given to reducing Haiti’s vulnerability to natural disasters, which should consider the broader context of climate change and environment issues. The results matrix, which includes quantifiable baseline and end targets, was welcomed.

Finally, Directors urged the Bank to intensify its efforts to work closely with the Government and other development partners on the ground.