



Haiti Reconstruction Fund
A Fund for Recovery, Reconstruction and Development of Haiti



\$30 Million for Debris Management and Business Development by Haiti Reconstruction Fund

The Haiti Reconstruction Fund's Steering Committee met in Port au Prince on August 17, 2010 and set aside money for two funding requests submitted by the Interim Haiti Recovery Commission (IHRC). The first supports debris removal and recycling. This project will be implemented by a consortium of agencies led by the UN. The total cost is \$ 16.95 million fully funded by the HRF. The second request was for the financing of a program to establish a partial credit guarantee fund for enterprise development. This project will be co-funded by the Inter-American Development Bank (with a contribution of \$20 million), the HRF (with a contribution of \$12.5 million) and the World Bank (with a contribution of \$2 million).

"The two projects approved today are strategic for urban development and the rehabilitation of Haiti's productive sector", said Josef Leitmann, Manager of the HRF. The guarantee fund will be key for firms affected by the earthquake that need support for the restructuring of impaired, but viable, loans which were performing before January 12th 2010. On the other hand, the debris removal project will not only mitigate potential risks associated with uncontrolled dumping, but also, will free up the streets for people to be able to rebuild.

During this meeting, the Canadian International Development Agency (CIDA) signed an agreement with the International Development Association (IDA) to contribute US\$30 million to the HRF. This contribution brings the total amount of contributions received to US\$130 million. In addition, the United States announced that it will contribute at least US\$100 million while France pledged US\$30 million. The Fund expects to receive up to \$500 million based on pledges made in previous international summits. Canada's contribution makes it eligible to become a voting member of the Steering Committee of the Fund. It will join Brazil and Norway in the Committee, and Estonia, Australia and Colombia as other members of the HRF.

During the meeting, members also reviewed a set of criteria for the selection of partner entities e.g. those agencies that are eligible to manage funding from the HRF. Currently, the HRF partners with the UNDP, the World Bank and the IDB. These agencies, in turn, work with implementing agencies, such as government agencies and NGOs in the preparation and implementation of programs and projects.

The Fund transferred a first allocation of US\$ 25 million for budget support which complemented US\$ 30 million from the World Bank. This first operation assists the government to be able to provide key services for reconstruction while increasing transparency and diminishing corruption. In words of the Bank's Director for the Caribbean, Yvonne Tsikata, *"Speedy assistance to Haiti is of the essence, but so are controls to ensure that funds are not misspent. This grant supports that by providing the Government of Haiti urgently needed budget support for activities related to good governance."*

For more information on the HRF please visit www.haitireconstructionfund.org/hrf or <http://www.haitireconstructionfund.org/hrf/fr>.