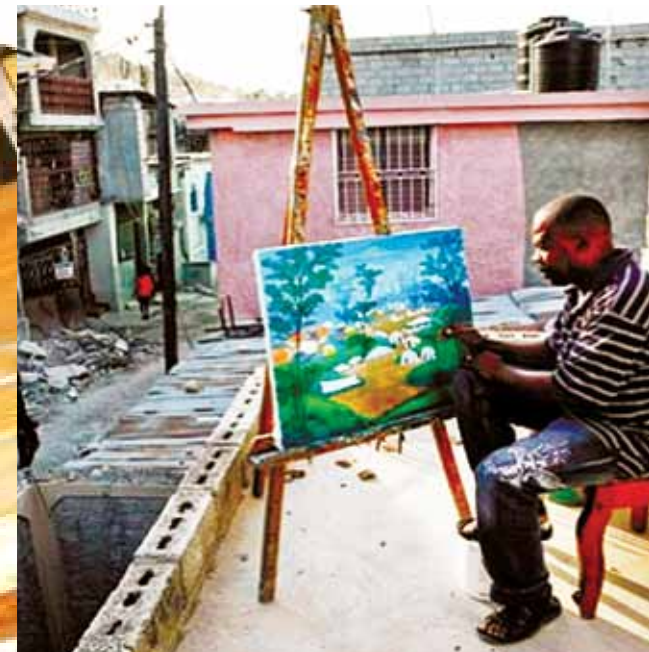


HAITI RECONSTRUCTION FUND

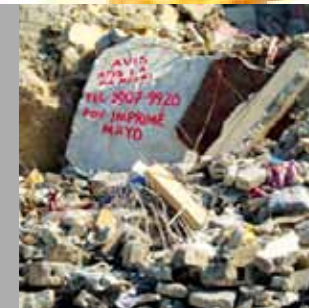
**REBUILDING
TOGETHER**
SIX MONTH
PROGRESS
REPORT

June 17 - December 16 2010



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





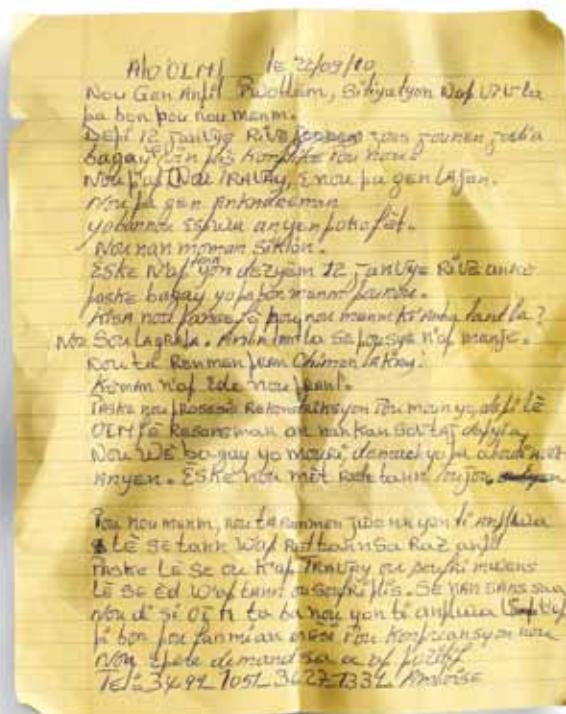
MESSAGE FROM THE IHRC CO-CHAIR

AYITI, WHICH MEANS “THE LAND OF THE HIGH MOUNTAINS” IN THE TAINO LANGUAGE, IS A UNIQUE PLACE. IT IS THE HOMELAND OF A PROUD NATION WHOSE DIGNITY, DESPITE ALL ADVERSITY, HAS NOT BEEN DENTED EVEN IN ITS DARKEST MOMENTS. In the face of the greatest calamities, Haitians have shown that the human spirit remains the greatest source of strength. Haitians, aware of their unique cultural and historical legacy, know that their quest for freedom and independence has served as a beacon of hope and an example for many. Without a doubt, time and again, Haitians have demonstrated with their actions that they have always known the true meaning of the words solidarity, resilience and hope.

The Haitian people were making real progress in improving their plight when the earthquake struck. Sustainability, stability and equality in Haiti’s development were no longer elusive goals but tangible possibilities. Indeed, the opportunity to control their destiny and achieve their potential as a nation was closer than at any other point in recent history. And yet, this new tragedy seemed to threaten what had been accomplished so far. Clearly, we could not allow this to happen and we have not. We remain determined to help out our Haitian sisters and brothers to break this cycle, and the recovery framework put in place is part of our answer to this.

To face these new challenges, the recovery process needs be shaped by the highest degree of coordination, transparency, and collaboration between the Haitian people, their government and the international community. To match strategy with action, and to link solidarity with coordination, the Interim Haiti Recovery Commission (IHRC) has been established along with the Haiti Reconstruction Fund (HRF). Together, both entities can help translate Haitian strategic leadership and international support into a transparent, coordinated and effective effort.

Since its inception, the Haiti Reconstruction Fund has been actively supporting the work of the IHRC, mobilizing and allocating contributions to finance high-priority projects. There is room for improvement and current accomplishments pale in light of what remains to be done. However, Haitians are determined to remain in control of their destiny and the Haiti Reconstruction Fund, in support of the Interim Haiti Recovery Commission, is committed to help them in achieving their goal.



top left: Prime Minister Bellerive, Minister Baudin and President Clinton witness Special Envoy Saetre signing Norway’s contribution to the HRF on June 17, 2010, photo courtesy of Elisabeth Slåttum
top: Photo courtesy of Berjust Merlin
left: Photo courtesy of Daniel Desmarais, IOM (www.citizenhaiti.com)

Cover photos courtesy of Sophie Paris, UNDP, Oscar Emerson, Daniel Desmarais, IOM (www.citizenhaiti.com), Claude Nadon, UNOPS, Simon Darke UNOPS


Jean-Max Bellerive
Co-Chair
Prime Minister





FORWARD BY THE
CHAIR OF THE
HRF STEERING
COMMITTEE

THE HAITI RECONSTRUCTION FUND (HRF) is playing a central role in the strategic coordination and allocation of resources to support recovery efforts in Haiti. It is therefore with great pleasure that, on behalf of my Government and as Chairman of the Steering Committee of the HRF, I want to share with you the successful experience of the past six months.

In March 2010, the Haitian government asked the Haiti Reconstruction Fund to mobilize and allocate a portion of the aid that the international community has committed to invest in rebuilding Haiti. The watchword of the overall reconstruction process is “building back better” and, in that spirit, the contribution of the HRF has been invaluable. The Fund has enabled the pooling of resources resulting in a reduction of our transaction costs. However, the most important thing is that the Government now has access to the largest source of unallocated funds for reconstruction process.

In order to “build back better”, we must rebuild sustainably, which requires effective Haitian leadership in determining the strategic direction of the reconstruction process. Our Government chairs the Steering Committee and we are working in perfect harmony with the IHRC. In addition, the HRF provides a platform for disbursement that promotes predictability, transparency and good governance in close liaison with the Partner Entities. Overall, the global structure of the Fund is both flexible and has good management procedures. We can achieve positive results because we are working to strengthen institutional capacity through good management of the financial costs for reconstruction.

Ronald Baudin
Chair of the HRF Steering Committee
Minister of Economy and Finance



Photo courtesy of Joel Monfils

THE EARTHQUAKE OF THE 12TH OF JANUARY, 2010 BROUGHT INDESCRIBABLE SUFFERING AND DESTRUCTION ON A SCALE RARELY SEEN ANYWHERE IN THE WORLD. This has been further compounded by the recent cholera epidemic that puts additional strains on the Haitian people as they rebuild. Facing such destruction and acknowledging the need to assist Haiti, the international community has risen to the challenge, while at the same time trying to learn from past experiences.

It is critically important that the vision and will of the Haitian people drive the recovery process. From the conception of a strategic vision to the implementation of a given project, all stages must honor the voice of the Haitian people and contribute to the rebuilding of both Haiti's physical and human capital. To achieve maximum impact, the funds provided for this recovery process must be spent effectively and efficiently. Therefore, we fully support the partnership formed by the Interim Haiti Recovery Commission and the Haiti Reconstruction Fund which promotes national ownership, leadership, flexibility, transparency, and accountability.

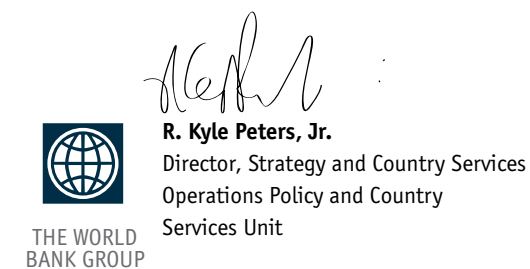
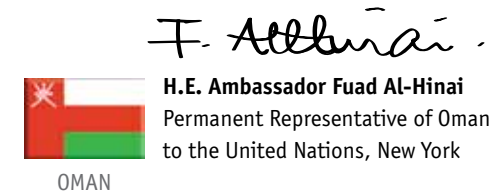
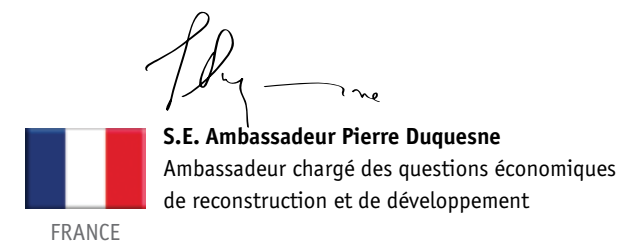
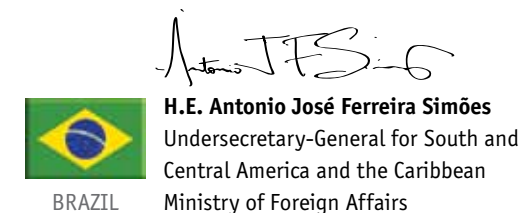
Coordination and harmonization of financial resources through a multilateral fund offer us the opportunity to pool assets, avoid duplication and reduce costs while enabling the Government of Haiti to meet its strategic needs. At the same time, by disbursing through the Partner Entities, their established financial, procurement and, monitoring procedures ensure that the highest standards will apply in the use of those resources.

The HRF has allocated and set aside over US\$193 million to date to support eleven activities. This represents 72% of the total contributions that have been received by the Fund. Strategic finance has been provided to support the operation of the Government, provide housing and restore neighborhoods, manage debris, enhance education, assist small and medium-sized enterprises, mitigate disaster risks, and promote development in the southern part of the country.

The process works, but much remains to be done. The IHRC and the HRF should invest available funds as quickly and strategically as possible to finance the expanding reconstruction effort. Contributions need to enable the HRF's activities to reflect IHRC priorities. Effective performance by the HRF should be leveraged to attract additional contributions.

We look forward to continue supporting the Haiti Reconstruction Fund. We are confident that the level of financial and institutional support provided by the HRF in association with the IHRC and the Partner Entities will allow us to secure additional resources and a superior degree of aid effectiveness as part of our long- term commitment to Haiti.

Contributors to the Fund:



Officially confirmed contributors (Administration Agreement/Arrangement pending signature):



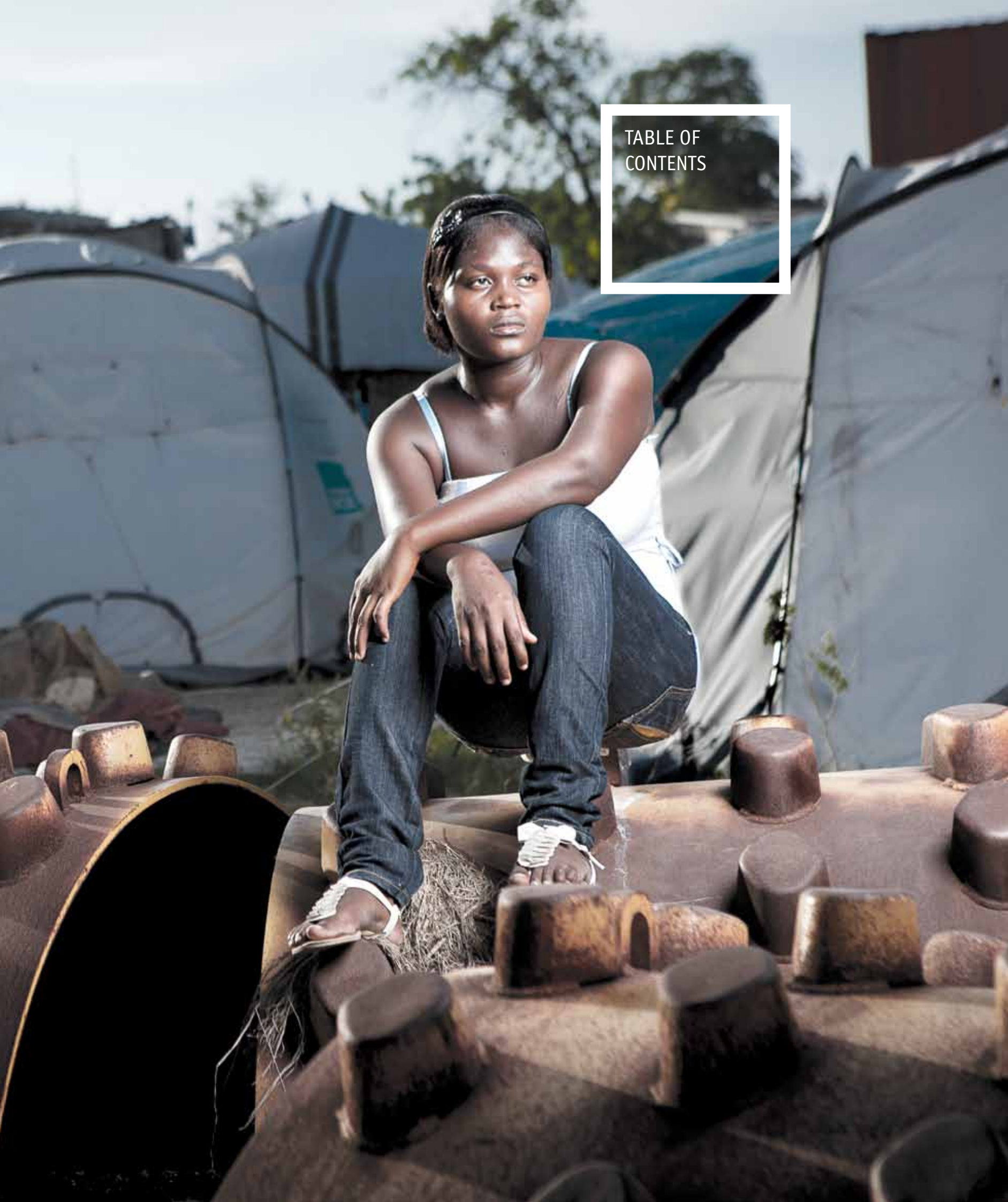


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ABBREVIATIONS
AND ACRONYMS

ACKNOWLEDGE-
MENTS

Photo courtesy of Daniel Desmarais, IOM (www.citizenhaiti.com)

EUR	Euro	NGO	Non-Governmental Organization
FIF	Financial Intermediary Fund	PCN	Project Concept Note
GoH	Government of Haiti	PDNA	Post-Disaster Needs Assessment
HRF	Haiti Reconstruction Fund	SC	Steering Committee of the Haiti Reconstruction Fund
IDB	Inter-American Development Bank	UN	United Nations
IDA	International Development Association	UNDG	United Nations Development Group
IFI	International Financial Institution	UNDP	United Nations Development Programme
IHRC	Interim Haiti Recovery Commission	USD	United States Dollar
LVL	Latvian Lats	WB	World Bank

This report was prepared by the HRF Secretariat. It has benefited from inputs from the Government of Haiti and the HRF Partner Entities. Specific comments and suggestions were received from: Alfred Metellus (Ministry of Finance), Espen Rikter-Svendsen (Norway), Chie Ingvoldstad and Jonathan Caldicott (World Bank/Trustee), David Moloney and Nathalie O’Neil (Canada), Pierre Duquesne (France), Katherine Gilbert (UN Office of the Special Envoy for Haiti), Peter Sollis (IDB), Sana Zemri (UNDP/Multi-Donor Trust Fund Office), and Yvonne Tsikata (World Bank). The text of the report was reviewed at the December 15 meeting of the HRF Steering Committee in Port-au-Prince/Santo Domingo.

Flag images courtesy of 4 International Flags (www.33ff.com/flags/worldflags).

We also thank the following projects for their support: Citizen Haiti | Sitwayen Ayiti (www.citizenhaiti.com) and Viva Rio (www.vivario.org.br).



top right: Photo courtesy of Oscar Emerson, VIVA RIO (www.vivario.org.br)
top: Photo courtesy of Claude Nadon, UNOPS

EXECUTIVE
SUMMARY

HIGHLIGHTS

In its first six months of operation, the Haiti Reconstruction Fund has become:

- The largest source of unprogrammed funding for the reconstruction of Haiti
- An international partnership led by the Government of Haiti and the Interim Haiti Recovery Commission
- An effective mechanism for raising money (US\$267 million so far) and allocating financing for reconstruction (US\$193 million during the first six months)
- A means of strategically closing financing gaps in order to achieve a balanced recovery.



WHY WAS THE HRF CREATED?

The devastating January 12 earthquake in Haiti generated an enormous outpouring of international support. Governments, private entities, non-governmental organizations (NGOs), creditors, and multilateral agencies around the world have mobilized substantial volumes of resources to support relief and recovery. Some of these contributors have the capacity and desire to manage their own resources on the ground with the Government of Haiti (GoH). Others prefer to combine their support in a multi-donor effort to help finance the recovery.

In response to a March 2010 request from the GoH, the Inter-American Development Bank (IDB), the United Nations (UN) and the World Bank, along with contributing donors, established a multi-donor fund called the Haiti Reconstruction Fund (HRF). The role of the HRF is to provide financing for the GoH's post-earthquake **Action Plan for National Recovery and Development of Haiti** and related initiatives. At the GoH's request, the International Development Association (IDA) of the World Bank Group serves as Trustee for the Fund. From March to June 2010, the World Bank worked with the GoH, IDB, UN, and contributing donors to create a governance structure and mobilize resources so that the HRF could become operational.

HOW DOES THE HRF WORK?

The objective of the Fund is to support the mobilization, coordination and allocation of contributions to improve basic living conditions in Haiti and build the capacity of the Government of Haiti in the longer term. To meet this objective, the HRF coordinates its activities with the Government of Haiti, and especially the Interim Haiti Recovery Commission (IHRC). The HRF is a trust fund administered by IDA as Trustee. It pools contributions from donors to provide

grant financing for priority activities that are endorsed by the IHRC and approved by the HRF Steering Committee.

The HRF provides grant funding for projects and programs in support of the GoH's Action Plan for National Recovery and Development. Any proposals that meet the following eligibility criteria may be submitted for funding from the HRF:

- Be endorsed by the IHRC;
- Comply with the Government of Haiti's Recovery Plan or a similar document for recovery, reconstruction and development approved by the Government of Haiti;
- Designed to meet a strategic financing need in the reconstruction;
- Consistent with the Fund's policies and strategies (as amended from time to time);
- Enable the efficient, speedy and sustainable recovery of Haiti, and be completed within the life of the Fund (June 2010 - December 2017);
- Be prepared using the IHRC Project Concept Note template; and
- Be fully compatible with the Partner Entity's policies and procedures and the Trustee's mandate.

The grant approval process consists of six simple steps. To request HRF funding, an implementing agency and Partner Entity jointly submit either a project concept note (PCN) following the IHRC template or a full project document for IHRC approval. The IHRC then forwards approved projects to the HRF Steering Committee (SC) for review and funding consideration. For full project proposals, once the SC and thereafter the IHRC approve the allocation, funds are transferred to the Partner Entity for immediate implementation of the project. PCN-stage proposals are approved conditionally and receive final approval only upon submission of

the complete project document for no-objection approval by the SC and final IHRC approval thereafter.

A range of activities can be financed to achieve the objective of the Fund. These include: (a) technical assistance and capacity building; (b) infrastructure investments; (c) delivery of basic services; (d) community development; (e) environmental protection and clean-up; (f) income generation activities; and (g) budget support. This can include one or more facilities to make small grants that support these activities. Other activities may be agreed by the HRF Steering Committee when consistent with the overall mandate of the Trustee.

The HRF structure consists of a Steering Committee, Partner Entities, a Trustee, and a Secretariat. Their relationship is graphically presented in Figure I below. The Steering Committee is the Fund’s governance body and is responsible for endorsing HRF policies and procedures, allocating resources, and approving financial and progress reports. All proposals for consideration by the Steering Committee must be endorsed and requested by the IHRC. The Steering Committee is chaired by the Minister of Finance of the GoH and consists of decision-making representatives from the GoH and major donors who are contributing at least US\$30 million. Representatives of the Partner Entities and the Trustee constitute non-decision making members. Observers include representatives of Haitian civil society, the private

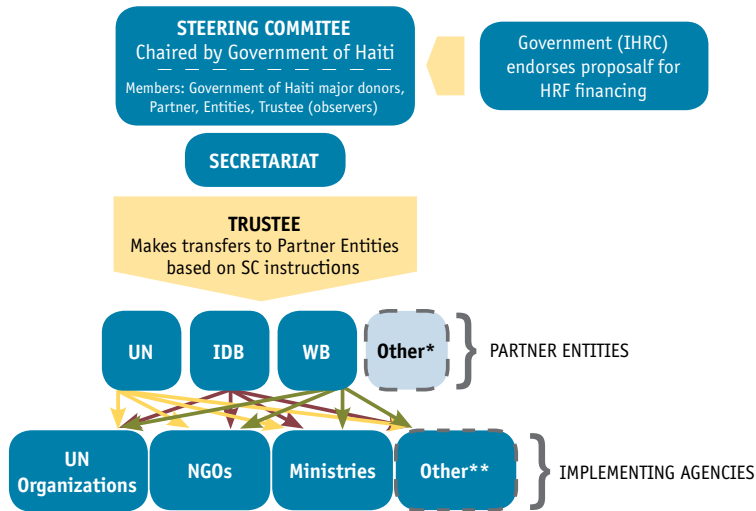
sector, the diaspora, local government, and international NGOs.

WHERE DO THE HRF’S RESOURCES COME FROM?

As of mid-December 2010, twelve donors have signed Administration Agreements or Arrangements with the Trustee for a total commitment to the HRF of US\$267 million. US\$265 million of these funds have been transferred and received by the Trustee. Brazil was the first donor to the Fund, signing an Administration Agreement for a contribution of US\$55 million on May 11, 2010. The United States, with a contribution of US\$120 million, is the largest donor to the Fund. Each donor contributing or committing to contribute (through the signing of an Administration Agreement) a minimum of US\$30 million equivalent becomes a voting member of the HRF Steering Committee. To date, four donors - Brazil, Canada, Norway and the United States – have contributed an amount equivalent to US\$30 million or more to the Fund. Smaller donors can pool their resources to reach this threshold and obtain a seat on the Steering Committee.

The Trustee is currently finalizing Administration Agreements/ Arrangements with six new donors for additional contributions to the Fund totaling an estimated US\$67 million. A number of existing donors to the HRF, most notably Canada, France, Norway and the United States, have also expressed their intention to contribute additional funds.

FIGURE I: THE HRF GOVERNANCE STRUCTURE



*Other Partner Entities may be proposed subject to accreditation by the Trustee based on proposed minimum fiduciary and safeguard standards and approval by the Steering Committee.
**Partner Entities will work through one or more Implementing Agencies that are permitted under the Partner Entity’s rules and procedures to undertake reconstruction and development activities.

70% of committed resources have already been allocated by the Steering Committee for reconstruction activities. US\$187 million was allocated for recipient executed activities, US\$4.5 million was allocated in fees and US\$1.6 million was approved to cover the Trustee and Secretariat costs for the period of July 1, 2010 until June 30, 2011. Of the US\$187 million in approved recipient executed grants to date, 19 percent is being channeled to the IDB as Partner Entity, 30 percent through the UN, and 51 percent via the World Bank.

WHAT HAS THE HRF ACHIEVED SO FAR?

In the six months since its inception, the HRF has proven to be an effective tool for rapid response to fill strategic financing needs. The Steering Committee has in six months allocated US\$187 million for eleven projects in areas where there are funding shortfalls. Allocations have been made for the following areas: reconstruction (US\$107 million for three projects), public administration (US\$25 million for budget support), disaster risk reduction (US\$24 million for three projects), financial and economic recovery (US\$18 million for two projects), education (US\$10 million for one project), and urban development US\$8 million for one project).

The speed of the HRF response reflects the Steering Committee and Secretariat’s adherence to high performance standards, including:

- Rapid review and approval of projects, with a five working-day turnaround for each step in the approval process
- Scheduling of HRF Steering Committee meetings the day of or after IHRC Board meetings to allow immediate funding of IHRC approved projects.
- The use of Partner Entities own policies and procedures, including simplified project designs, use of emergency approval procedures, and streamlined procurement and financial management procedures.

A number of improvements can be made to further improve performance standards, such as closer collaboration with the IHRC on the pipeline of projects to be funded from the HRF and more rapid preparation of complete project proposals by Partner Entities such that final Steering Committee and IHRC approval can be granted more quickly and project implementation can start sooner.

One way to gauge the performance of the HRF is to compare it to other post-disaster and post-conflict multi-donor funds. In an uneven comparison of the performance of such funds **after one year** with the HRF **after six months**, the HRF is performing

well in terms of: a) the rate of processing of funding requests (70% of funds received have already been approved for recipient-executed activities); b) resource mobilization (donors have committed and transferred US\$265 million to the HRF which is only surpassed by the Iraq Reconstruction Funds’ performance over twelve months); and c) the speed of disbursement of approved project funds (the HRF ranks in the top half with a 13 percent disbursement rate).

The HRF has now transferred funds to enable each of the Partner Entities to implement activities. As these operations are in their first few months of implementation, the results are modest but include:

- A Partial Credit Guarantee Fund was launched on December 16, 2010 to assist small and medium-sized Haitian enterprises to recapitalize;
- A Debris Management Project has selected its target zones, contracted for heavy machinery and called for NGO proposals to be financed through the project; and
- An Emergency Development Policy Operation has provided critical budget support to help close the GoH financing gap in FY10 and achieve modest policy reforms.

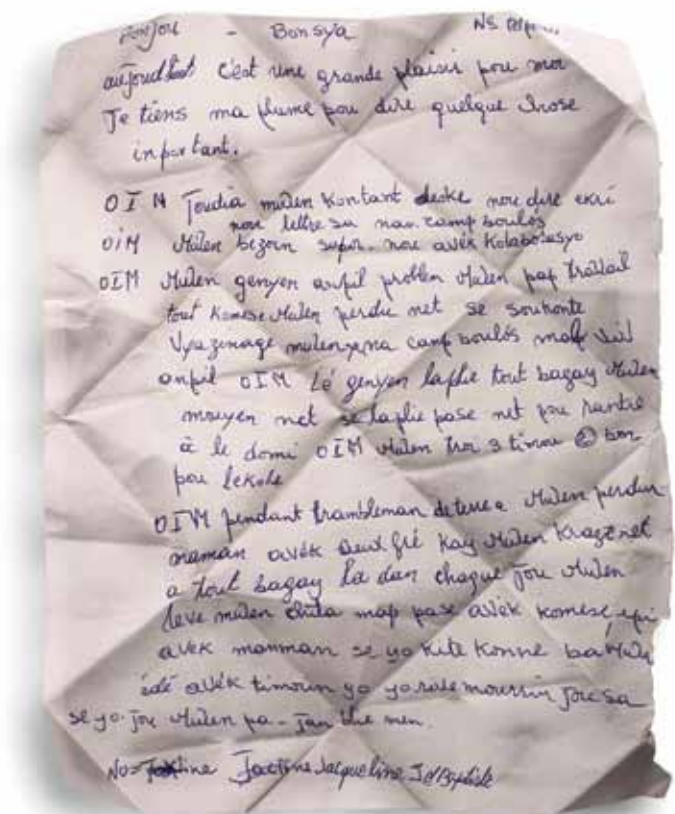
While it is still early days in the life of the Haiti Reconstruction Fund, some initial lessons can be identified. These include lessons about the value of Haitian leadership, the provision of strategic finance, the importance of a financing strategy, flexibility in decision-making, streamlining, and preferencing. The second half of the HRF’s first year of operation should focus on: a) responding to the IHRC’s requests for priority financing needs; b) mobilizing additional contributions, including from non-conventional donors; and c) monitoring how transferred funds are being disbursed by Partner Entities.

right: Photo courtesy of Leonard Doyle, IOM (www.citizenhaiti.com)
bottom: Photo courtesy of Daniel Desmarais, IOM (www.citizenhaiti.com)



“...the recovery process needs to be shaped by the highest degree of coordination, transparency and collaboration between the Haitian people, their government and the international community.”

JEAN-MAX BELLERIVE,
IHRC CO-CHAIR AND PRIME MINISTER



1.1 The devastating January 12 earthquake in Haiti has generated an enormous outpouring of international support. Governments, private entities, non-governmental organizations (NGOs), creditors, and multilateral agencies around the world have mobilized substantial volumes of resources to support relief and recovery. Some of these contributors have the capacity and desire to manage their own resources on the ground with the Government of Haiti (GoH). Others prefer to combine some or all of their support in a multi-donor effort to help finance the reconstruction process and in particular to fill urgent and priority financing gaps.

1.2 In response to a March 2010 request from the GoH, the Inter-American Development Bank (IDB), the United Nations (UN) and the World Bank, along with contributing donors, established a multi-donor fund called the Haiti Reconstruction Fund (HRF or “the Fund”). The role of the HRF is to support the GoH’s post-earthquake **Action Plan for National Recovery and Development of Haiti** and related initiatives. At the GoH’s request, the International Development Association (IDA) of the World Bank Group serves as Trustee for the Fund.

The advantages of this multi-donor approach are that it:

- Increases harmonization by pooling resources from many donors in support of the Government’s Recovery Plan;
- Draws on the comparative advantages of proven international (IDB, UN and World Bank) and locally-active partners that are eligible to implement according to a Partner Entity’s rules and procedures;
- Reduces transaction costs for the Government and donors by working through one funding facility using a common set of financing agreements and procedures;

- Avoids overlapping initiatives and duplication of efforts; and
- Helps to meet strategic financing needs in the reconstruction process as identified by the Government of Haiti.

1.3 This report covers the first six months of HRF operations, from June 17, 2010 when the first HRF Steering Committee was held through December 16, 2010. It is organized as follows:

- The challenge of getting started (Chapter 2) – presents a brief history of the HRF, along with information on its objectives, overall structure and governance arrangements
- Meeting the needs of strategic finance (Chapter 3) – outlines how the HRF provides strategic finance, the status of contributions and disbursements and the HRF’s performance;
- The emerging portfolio (Chapter 4) – details the HRF grant approval process and provides a description of the current portfolio which the Fund is supporting;
- Managing the HRF (Chapter 5) – covers the roles and responsibilities of HRF stakeholders, linkages with the GoH and the IHRC, costs, and the communications strategy;
- Identifying early results (Chapter 6) – provides an assessment of HRF performance, a comparison with other post-disaster and post-conflict funds, early results, lessons learned, and prospects.

1.4 More detailed information is provided in the annexes on the status of HRF financial resources, activities being financed, the structure of the HRF website, and the geographic location of HRF-funded activities.



THE CHALLENGE OF GETTING STARTED

2

2.1 Discussions to establish a multi-donor fund in response to the earthquake began as early as January 2010 between the United Nations, the Inter-American Development Bank and the World Bank. These partners recognized the multiple benefits that such a pooled funding mechanism could bring based on experience in earlier post-disaster and post-conflict situations. During the first two months, a variety of approaches were reviewed by the partners and discussed with the GoH. The way forward was established on March 17th at a reconstruction conference in Santo Domingo when the GoH asked the World Bank to establish a single fund to mobilize, pool and allocate contributions of interested donors. Five days later, the World Bank established the HRF mechanism as a financial intermediary fund (FIF).

2.2 During the next three months (March 17 – June 16, 2010), the design of the Fund was further developed with stakeholders, donors pledged resources for the reconstruction, a first contribution of US\$55 million was made to the HRF by the Government of Brazil, the Interim Haiti Recovery Commission (IHRC) was established, and the first HRF Steering Committee was planned in conjunction with the first IHRC Board meeting. While the HRF could have started its funding activities as soon as the first donor commitment was received in mid-May, the Fund is structured to receive its guidance from the IHRC and consequently began operations as soon as the IHRC became operational in mid-June. A detailed chronology of early events leading up to this point is provided in Box 2.1.

2.3 OBJECTIVE AND ACTIVITIES

The objective of the Fund is to support the mobilization, coordination and allocation of resources in the form of contributions to improve basic living conditions in Haiti and assist in

BOX 2.1: CHRONOLOGY OF THE BIRTH OF THE HAITI RECONSTRUCTION FUND

March 17: Government of Haiti asks World Bank to establish multi-donor trust fund to help finance the reconstruction (Santo Domingo).

March 22: World Bank approves and establishes the HRF.

March 31: Donors make first pledges to the HRF (UN/New York).

April 22: HRF Secretariat circulates draft Framework Document and proposes first Steering Committee (SC) meeting.

May 6-7: Validation of HRF structure with key Presidential advisers and Minister of Finance.

May 11: Brazil becomes first HRF donor by signing Administration Agreement with WB President Zoellick (Washington, DC).

May 19: Brazilian contribution of US\$55 million is received by the Trustee.

May 31: IHRC announces that it will hold its first Board meeting in June.

June 11: HRF Secretariat circulates documents for the first SC meeting to coincide with the IHRC Board meeting.

June 17: IHRC holds its first Board meeting and endorses first request for HRF financing (Port-au-Prince).

June 17: First HRF SC meeting is held (Port-au-Prince);
- Norway becomes the 2nd SC donor member by signing for US\$ eq.32 million;
- HRF SC allocates US\$30 million for budget support.



top: Photo courtesy of Oscar Emerson, VIVA RIO (www.vivario.org.br)
left: Photo courtesy of Sophie Paris, UNDP

BOX 2.2: THE HRF'S GUIDING PRINCIPLES

Government leadership – the governance structure and the process for approving grants will be led by the Government of Haiti as chair of the HRF's governing body

Strategic finance – the HRF resources can increase flexibility by providing reconstruction finance that is not being furnished through earmarked funding from other sources

Standards – the HRF and its financed activities will adhere to international standards and good practice in key areas such as financial management, procurement, poverty alleviation, good governance, environmental sustainability, and gender equity

Build on existing capacity – the HRF will seek to work with and finance existing successful programs including those building social capital, e.g. through community-driven development programs, and enhancing the capacity of line ministries, local governments, private enterprise, and NGOs with a proven track record

Good governance – the HRF and its financed activities will enable the participation of different levels of government, civil society, the private sector, the diaspora, and development partners and promote a transparent, accountable reconstruction process

Speed and risk management – the HRF will ensure the speedy and efficient delivery of its activities while managing risks in order to produce high-quality results.

building the capacity of the Government of Haiti in the longer term consistent with Haiti's Action Plan for Reconstruction and Development.

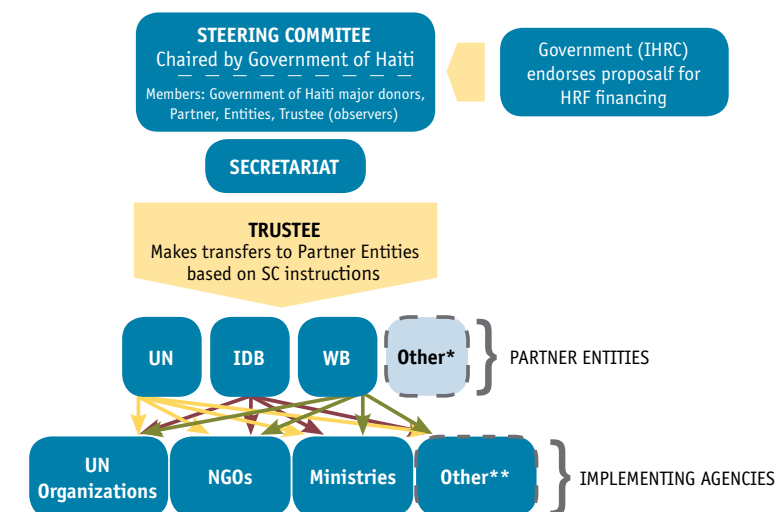
2.4 To meet this objective, the HRF receives guidance from the IHRC and HRF-funded activities are coordinated with the Government of Haiti. The HRF is administered by the International Development Association (IDA) as Trustee, and constitutes pooled contributions and investment income earned on the undisbursed balance. The HRF provides grant financing for priority activities identified and/or endorsed by the IHRC within the GoH's Recovery Plan, and as approved by the HRF Steering Committee. The HRF's guiding principles, as set out in its Operations Manual and approved by its Steering Committee, are presented in Box 2.2.

2.5 The types of activities that can be financed to achieve the objective of the Fund, include: (a) technical assistance and capacity building; (b) infrastructure investments; (c) delivery of basic services; (d) community development; (e) environmental protection and clean-up; (f) income generation activities; and (g) budget support. This can include one or more facilities to make small grants that support these activities. Other activities may be agreed by the HRF Steering Committee when consistent with the overall mandate of the Trustee.

2.6 STRUCTURE

The HRF is a financial intermediary fund that receives resources from multiple donors, pools the funds and then transfers financing to Partner Entities. A Partner Entity has fiduciary re-

FIGURE 2.2: THE HRF GOVERNANCE STRUCTURE



sponsibility for all transferred funds; it appraises and supervises the realization of activities through Implementing Agencies. Currently, the Partner Entities are the Inter-American Development Bank, the United Nations (through the United Nations Development Programme (UNDP), representing the members of the United Nations Development Group (UNDG)) and the World Bank Group. Implementing Agencies that can work with these partners include GoH entities, UN organizations, NGOs, and others, such as private sector enterprises.

2.7 GOVERNANCE

The HRF governance structure consists of: a Steering Committee, Partner Entities, a Trustee, and a Secretariat. The Steering Committee is the Fund's governance body and is responsible for endorsing HRF policies and procedures, allocating resources, and approving financial and progress reports. All proposals for consideration by the Steering Committee must be endorsed and requested by the IHRC. The Steering Committee is chaired by the GoH Minister of Finance and consists of decision-making representatives from the GoH and major donors who are contributing at least US\$30 million. Smaller donors can pool their contributions to reach the threshold and gain a shared seat on the Steering Committee. Representatives of the Partner Entities and the Trustee constitute non-decision making members. Observers include representatives of Haitian civil society, the private sector, the diaspora, local government, and international NGOs. The relationship of each part of the governance structure is graphically presented in Figure 2.2 and some of the highlights of the first four Steering Committee meetings are presented in Box 2.3.

*Other Partner Entities may be proposed subject to accreditation by the Trustee based on proposed minimum fiduciary and safeguard standards and approval by the Steering Committee.

**Partner Entities will work through one or more Implementing Agencies that are permitted under the Partner Entity's rules and procedures to undertake reconstruction and development activities.

BOX 2.3: HRF Steering Committee Meeting Highlights

First meeting (June 17, 2010)

- Allocation of US\$30 million for budget support to the GoH at the request of the IHRC on the same day
- Review of HRF Operations Manual
- Approval of annual budgets for Trustee and Secretariat

Second meeting (August 17, 2010)

- Setting aside US\$29.5 million for two proposals (debris management and partial credit guarantee) requested by the IHRC on the same day
- Approval of criteria and process for selecting new partner entities
- Amendment and approval of Operations Manual

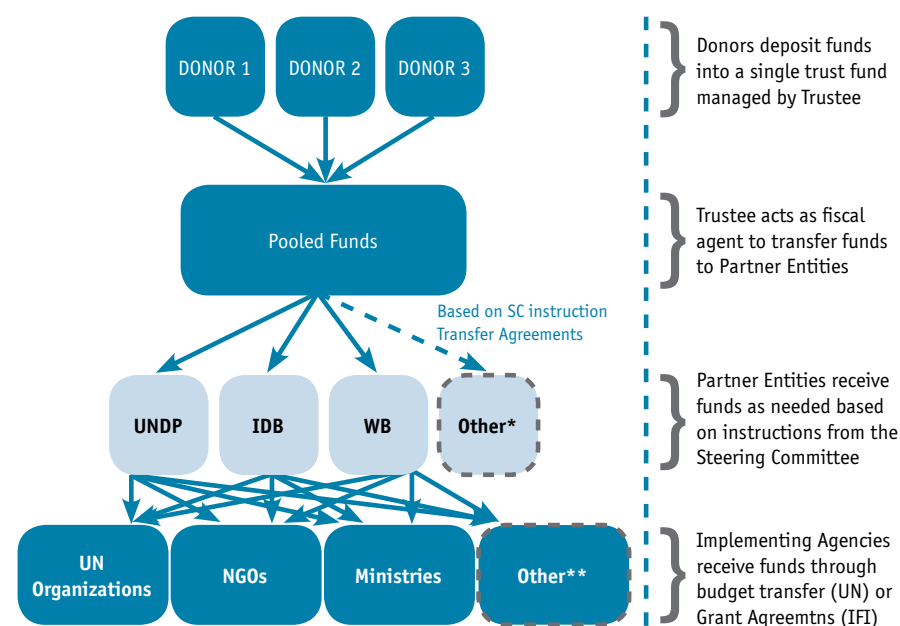
Third meeting (October 7, 2010)

- Setting aside US\$30 million for three proposals (an integrated package of disaster mitigation and reconstruction activities for southern Haiti) requested by the IHRC on the previous day
- Setting aside US\$40 million for forthcoming Artibonite 4c Dam proposal
- Update and approval of a simplified fee structure note

Fourth meeting (December 15, 2010)

- Setting aside US\$102 million for four proposals (debris removal, education, housing reconstruction and disaster risk management)
- Discussion of IHRC Strategy for the HRF and strategy against donor preferencing.
- Presentation of the draft HRF Six-month Progress Report.

FIGURE 2.1: THE HRF'S FINANCING STRUCTURE





top: Photo courtesy of Leonard Doyle, IOM (www.citizenhaiti.com)
left: Photo courtesy of Ti Mondial

3.1 STRATEGIC FINANCE IN SUPPORT OF THE ACTION PLAN

The Haiti Reconstruction Fund provides strategic financing in support of the Government of Haiti’s Action Plan for National Recovery and Development of Haiti. The Action Plan, which was presented by the Government of Haiti (GoH) at the New York pledging conference in March, 2010, presents a multisectoral framework for the rebuilding of Haiti based on the Post Disaster Needs Assessment (PDNA) and consultations with stakeholders. The vision outlined in the Action Plan goes beyond the immediate response to the damage and losses caused by the January 12 earthquake and aims to use the reconstruction process to address and rectify some of the structural causes of Haiti’s underdevelopment.

3.2 FINANCIAL STATUS

At the request of the Government of Haiti, the International Development Association (IDA) of the World Bank Group acts as Trustee for the

HRF. The Trustee receives contributions from donors to the Trust Fund and administers the funds, assets and receipts that constitute the HRF. The following sections of the report provide an overview of the financial status of the Fund; total donor contributions to the Fund and the current Fund balance. The Trustee’s Financial Status Reports, prepared in advance of each Steering Committee meeting, are publicly available on the HRF website¹.

DONOR CONTRIBUTIONS

3.3 As of December 16, 2010, twelve donors have signed Administration Agreements with the Trustee for a total commitment to the HRF of US\$267 million (Table 3.1: Status of Contributions). Out of the total funds committed by donors, US\$265 million has been transferred and received by the Trustee. The US\$2 million contribution from the World Bank’s State and Peace Building Fund is expected to be transferred to the Trustee by the end of December 2010.

TABLE 3.1: HAITI RECONSTRUCTION FUND - STATUS OF CONTRIBUTIONS (IN MILLIONS)

UPDATED AS OF DECEMBER 16, 2010

DONOR	CURRENCY	EFFECTIVE CONTRIBUTION a/	USD EQ.	RECEIPTS	USD EQ.
Australia	AUD	10.00	9	10.00	9
Brazil	USD	55.00	55	55.00	55
Canada	CAD	31.30	30	31.30	30
Colombia	USD	4.00	4	4.00	4
Cyprus	USD	0.10	0.10	0.10	0.10
Estonia	USD	0.05	0.05	0.05	0.05
France	EUR	5.00	7	5.00	7
Norway	NOK	200.00	32	200.00	32
Oman	USD	5.00	5	5.00	5
State and Peace Building Fund	USD	2.00	2	-	-
Sweden	SEK	25.00	4	25.00	4
United States	USD	120.00	120	120.00	120
TOTAL USD EQUIVALENT			267		265

a/ Represents contribution amount under countersigned Administration Agreements or Arrangements

¹ www.haitireconstructionfund.org

TABLE 3.2: HAITI RECONSTRUCTION FUND - CONTRIBUTIONS PENDING CONCLUSION OF ADMINISTRATION AGREEMENTS OR ARRANGEMENTS (IN MILLIONS)

UPDATED AS OF DECEMBER 16, 2010

DONOR	CURRENCY	AMOUNT	USD EQ.
Finland	EUR	0.70	0.93
Ireland	EUR	1.00	1.32
Japan	USD	30.00	30.00
Latvia a/	LVL	0.03	0.06
Nigeria	USD	5.00	5.00
Spain	USD	30.00	30.00
TOTAL USD equivalent b/			67.31

a/ Latvia countersigned the Agreement on December 17, 2010
b/ Valued on the basis of exchange rates of December 16, 2010

3.4 Brazil was the first donor to the Fund, signing an Administration Agreement for a contribution of US\$55 million on May 11, 2010. The United States, with a contribution of US\$120 million, is the largest donor to the Fund. Each donor contributing or committing to contribute (through the signing of an Administration Agreement) a minimum of US\$30 million equivalent is eligible to become a voting member of the HRF Steering Committee. To date, four donors - Brazil, Canada, Norway and the United States – have contributed an amount equivalent to US\$30 million or more to the Fund. Smaller donors can pool their resources to reach this threshold and obtain a voting seat on the Steering Committee.

3.5 Additional donor contributions are expected in the coming months. The Trustee is currently finalizing Administration Agreements/Arrangements with six new donors for additional contributions to the Fund totaling an estimated US\$67.31 million (Table 3.2: Contributions pending conclusion of Administration Agreements or Arrangements). A number of the existing donors to the HRF, most notably Canada, Norway and the

United States, have also expressed their intention to contribute additional funds.

FUND BALANCE

3.6 Of the total US\$267 million in funds contributed to the HRF, the Steering Committee has made cumulative funding decisions totaling US\$193.04 million; US\$186.97 million was allocated for recipient executed activities; US\$4.48 million was allocated in fees; and US\$1.59 million was approved to cover the Trustee and Secretariat costs for the period of July 1, 2010 until June 30, 2011. (Table 3.3: Cumulative Funding Decisions). Of the total US\$186.97 million in approved recipient executed grants to date, 30 percent of funding is being channeled through the UN as Partner Entity, 51 percent is channeled through the World Bank, and for 19 percent of the approved grants the IDB serves as the Partner Entity (Figure 3.1: Project Funding Decisions by Partner Entity).

3.7 Table 3.4 presents the funding availability in the HRF, which refers to “Funds Held in Trust” with no restrictions, less cumulative funding decisions by the Steering Committee for which disbursements are pending. The total “Funds Held in Trust” amounted to US\$209.15 million as of December 16, 2010, representing cumulative receipts and investment income (US\$265.18 million) less cash transfers since inception of the HRF (US\$56.04 million). The amount in respect of HRF funding decisions that is pending disbursement amounts to US\$137.00 million. Investment income earned on the liquid cash balance in the HRF amounted to approximately US\$190,000. Following a decision by the SC, US\$40 million has been set aside as a financial reserve for future funding decisions. The net funding availability in the HRF as of December 16, 2010 therefore amounts to US\$32.15 million.

TABLE 3.3: HAITI RECONSTRUCTION FUND - CUMULATIVE FUNDING DECISIONS (IN MILLIONS)

UPDATED AS OF DECEMBER 16, 2010

ACTIVITY			
PROJECTS	TITLE	PARTNER ENTITY	
	Haiti Emergency Development Policy Operation	WB	25.00
	Budget support	WB	5.00
	Program to Establish a Partial Credit Guarantee Fund	IDB	12.50
	Debris Management Project	UN	15.68
	Haiti Southwest Sustainable Development Program a/	UN	7.40
	Disaster Risk Reduction in the South Department a/	UN	7.40
	Natural Disaster Mitigation in the South Department a/	IDB	14.00
	Reconstruction of the Education Sector a/	IDB	10.00
	Capacity Building for Disaster Risk Management a/	UN	1.85
	Demolition and Debris Removal with Heavy Equipment a/	UN	23.13
	Port-au-Prince Neighborhood Housing Reconstruction Project a/	WB	65.00
		Sub-total	186.97
FEES	Debris Management Project	UN	1.27
	Haiti Southwest Sustainable Development Program a/	UN	0.60
	Disaster Risk Reduction in the South Department a/	UN	0.60
	Capacity Building for Disaster Risk Management a/	UN	0.15
	Demolition and Debris Removal with Heavy Equipment a/	UN	1.87
		Subtotal	4.48
ADMINISTRATIVE	FY 11 Secretariat		1.00
BUDGETS	FY 11 Trustee		0.59
		Subtotal	1.59
TOTAL			193.04

a/ The amounts have been set aside following approval by the HRF Steering Committee of the Project Concept Note and subject to the no-objection approval by the Steering Committee of the complete project document and the final approval of the IHRC thereafter.

TABLE 3.4: HAITI RECONSTRUCTION FUND - SCHEDULE OF FUNDS AVAILABLE (IN USD MILLIONS)

UPDATED AS OF DECEMBER 16, 2010

AS OF DECEMBER 16, 2010		
1. Cumulative Receipts		265.18
a. Cash receipts from Donors	264.99	
b. Investment Income earned on undisbursed balances of HRF	0.19	
2. Cumulative Cash Transfer		56.04
a. Projects	53.18	
b. Fees	1.27	
c. Administrative Budget	1.59	
3. Funds held in Trust (3=1-2)		209.15
4. Financial Reserve a/		40.00
5. Funds held in Trust with no Restrictions (5=3-4)		169.15
6. Funding Decisions pending Cash Transfer		137.00
a. Projects	133.79	
b. Fees	3.21	
c. Administrative Budget	-	
7. Funds available to support HRF Steering Committee Funding Decisions (7=5-6)		32.15

a/ Reflects the HRF Steering Committee’s decision to reserve resources for future funding decisions.

“Strategic finance has been provided to support the operation of the Government, provide housing and restore neighborhoods, manage debris, enhance education, assist small and medium-sized enterprises, mitigate disaster risks, and promote development in the southern part of the country.”

JOINT DONORS STATEMENT



top right: Photo courtesy of Daniel Desmarais, IOM (www.citizenhaiti.com)
top: Photo courtesy of Evelyn Ancion Dégraff



THE EMERGING PORTFOLIO

4

4.1 THE GRANT APPROVAL PROCESS

The HRF provides grant funding for projects and programs in support of the GoH’s Action Plan for National Recovery and Development. Any proposals that meet the following eligibility criteria may be submitted for funding from the HRF:

- Be endorsed by the IHRC;
- Comply with the Government of Haiti’s Recovery Plan or a similar document for recovery, reconstruction and development approved by the Government of Haiti;
- Designed to meet a strategic financing need in the reconstruction;
- Consistent with the Fund’s policies and strategies (as amended from time to time);
- Enable the efficient, speedy and sustainable recovery of Haiti, and be completed within the life of the Fund (May 2010 - December 2017);
- Be prepared using the IHRC Project Concept Note template (referred to as the “PCN”) template; and
- Be fully compatible with the Partner Entity’s policies and procedures and the Trustee’s mandate, including those for emergency operations and follow the Partner Entity’s internal quality assurance processes.

4.2 The grant approval process consists of six simple steps, which are graphically depicted in Figure 4.1: Flow Chart for HRF Grant Approval Process. To request HRF funding, an implementing agency and Partner Entity jointly submit for IHRC approval either a project concept note (PCN) following the IHRC template or a full project document. The IHRC submits the PCN or full project document of approved projects to the HRF Steering Committee (SC) for review and funding consideration. The HRF SC approval of a PCN-stage proposal is on an in-principle basis with resources set aside pending submission of the complete project document

for no-objection approval by the SC and final approval by the IHRC thereafter. For full project proposals, once the HRF SC and thereafter the IHRC approve the allocation, funds can be transferred to the Partner Entity for immediate implementation of the project.

4.3 To ensure a rapid response to the urgent needs on the ground, the HRF Secretariat applies strict performance standards throughout the project approval process (Figure 4.1: Flow Chart for HRF Grant Approval). Similarly, to facilitate swift disbursements from the Fund,

FIGURE 4.1: FLOW CHART FOR HRF GRANT APPROVAL PROCESS

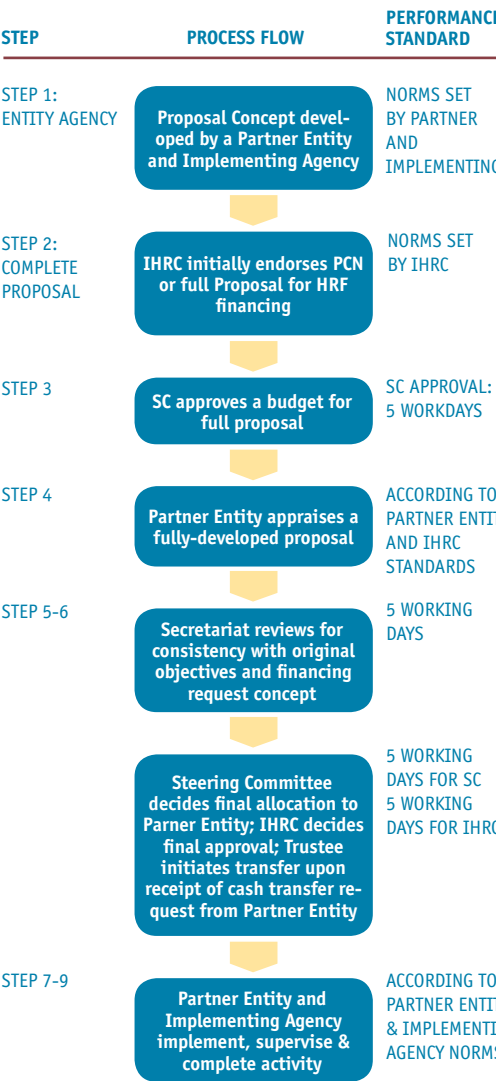


TABLE 4.1: THE HRF PORTFOLIO UPDATED AS OF DECEMBER 16, 2010

PROJECT	AMOUNT (US\$ MILLION)	PROJECT DEVELOPMENT OBJECTIVE	PARTNER ENTITY	STEERING COMMITTEE APPROVAL DATE	STATUS
Haiti Emergency Development Policy Operation (Budget Support)	25	Support enhanced accountability and transparency in the management of public resources in the context of the reconstruction.	World Bank	June 17, 2010	Approved and Fully Disbursed
Budget Support	5	Budget Support	World Bank	June 17, 2010	Approved.
Program to establish a Partial Credit Guarantee Fund	12.5	Contribute to the rehabilitation of the Haitian productive sector by establishing a partial credit guarantee fund to allow enterprises to restructure bank-debt obligations and facilitating continued access to finance.	IDB	August 17, 2010	Approved. Official project launch was held on December 16. First disbursement scheduled for the week of December 13, 2010.
Debris Management Project	16.95	Contribute to the rehabilitation of urban areas of Port-au-Prince devastated by the earthquake, by setting up a recycling system, removing and processing debris.	UN	August 17, 2010	Approved and project implementation underway.
Disaster Risk Reduction in the South Department	8	Contribute to disaster risk reduction through the development and management of watershed basins, employment generation and agricultural development in the Southern Department.	IDB	October 21, 2010	Awaiting submission of full project proposal for final SC & IHRC approval
Natural Disaster Mitigation in the South Department	14	Reducing environmental and socio-economic vulnerability to natural disasters for the population living in the Ravine du Sud and Cavaillon.	IDB	October 21, 2010	Awaiting submission of full project proposal for final SC & IHRC approval
Haiti Southwest Sustainable Development Programme	8	First phase of a 20 year recovery and sustainable development program for the southwest region of the southern peninsula.	UN	October 21, 2010	Awaiting submission of full project proposal for final SC & IHRC approval
Reconstruction of the Education Sector	10	Supporting the Government in ensuring that the necessary conditions are in place for rebuilding the education sector over the next 20 years and to work towards the goal of creating a publicly funded education system.	IDB	December 15, 2010	Awaiting submission of full project proposal for final SC & IHRC approval
Demolition and Debris Removal with Heavy Equipment	25	Demolition of buildings and the removal of debris with heavy equipment to expedite the construction of shelters and houses to allow the relocation of internally displaced people.	UN	December 15, 2010	Awaiting submission of full project proposal for final SC & IHRC approval
Capacity Building for Disaster Risk Management	2	Increase the capacity of the Government to prepare for and manage disaster risk by reinforcing the capacity of the Department of Civil Protection and by rehabilitating and building evacuation centers in priority areas.	UN	December 15, 2010	Awaiting submission of full project proposal for final SC & IHRC approval
Port-au-Prince Neighborhood Housing Reconstruction Project	65	Enable the return of internally displaced people to their communities by investing in urban upgrading programs in heavily damaged communities in Port-au Prince and by supporting the rebuilding of homes and infrastructure in these communities.	WB	December 15, 2010	Awaiting submission of full project proposal for final SC & IHRC approval

* Date of first Steering Committee approval of the PCN or full proposal

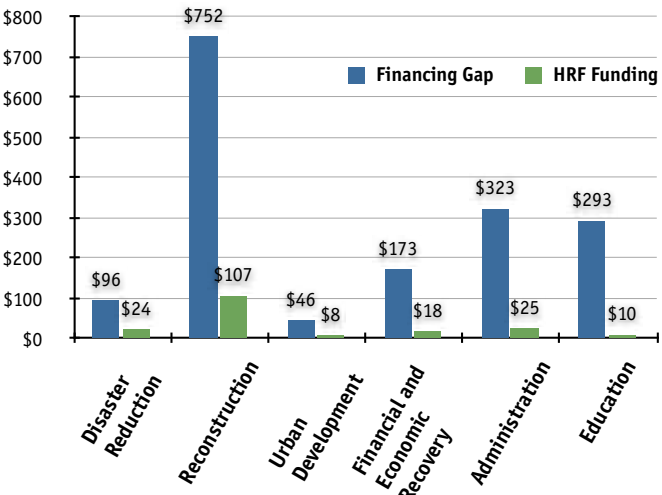
each Partner Entity applies its own procedures, including simplified project design, use of emergency approval procedures, streamlined procurement and financial management procedures, and flexible project start-up support. For example, the Haiti Emergency Development Policy Operation, which provided budget support, was approved by the SC on June 17, project and legal agreements were concluded and, following internal World Bank approval, the operation was fully disbursed by August 24, just two months after approval. Under normal circumstances

such an operation would take at least 6 months to prepare, approve and disburse.

4.4 THE PORTFOLIO

In the six months since the HRF's inception, the Steering Committee has approved funding for eleven operations² for a total of US\$191 million (project costs including fees) (Table 4.1: The HRF Portfolio). All approved projects are in line with the priorities set out in the Government's Action Plan for National

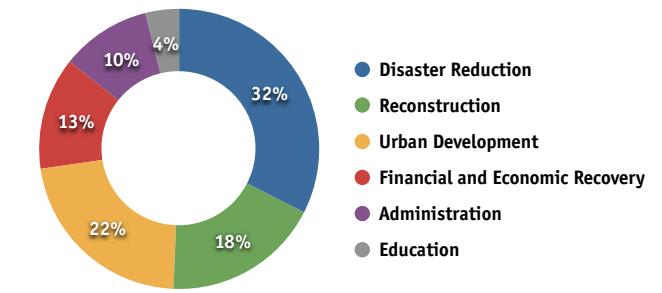
FIGURE 4.2: FINANCING GAPS AND HRF FUNDING BY SECTOR (US\$ MILLION) UPDATED AS OF DECEMBER 16, 2010



Recovery and Development of Haiti. The current HRF portfolio is both sectorally and geographically diverse, reflecting the multidimensional nature of the reconstruction effort and the broad range of financing needs. Additional details about each individual project can be found in the Project Summary Sheets under Annex 2 and a map with project locations is provided under Annex 4.

4.5 Out of the total HRF portfolio, only the Haiti Emergency Development Policy Operation has been fully disbursed to the recipient. The US\$25 million operation is supporting the Ministry of Finance to enhance accountability and transparency in the management of public resources in the context of the reconstruction. More specifically, the operation is supporting the following measures: (i) increasing transparency in budget transfers to the electricity sector; (ii) reinstating budget controls and external and internal audit processes; (iii) improving enforcement of the Law on Declaration of Assets; and (iv) reinforcing public procurement regulations and enhancing transparency in procurement practices. The UNDP and IDB on behalf of the UNDG

FIGURE 4.3: HRF CONTRIBUTION TO FILLING SECTORAL FINANCING GAPS UPDATED AS OF DECEMBER 16, 2010



Source: UN Office of the Special Envoy for Haiti and HRF figures

signed Transfer Agreements with the Trustee on November 29 and December 1 respectively. US\$16.95 million was transferred to UNDP for the implementation of the implementation of the Debris Management Project on December 2 and US\$12.5 million was transferred to the IDB on December 9 for the implementation of the Partial Credit Guarantee Program.

4.6 By channeling HRF funding to priorities identified in the Action Plan, the operations approved to date provide strategic financing to fill identified funding gaps for a number of key sectors. Figure 4.2 provides an overview of the financing gaps for selected priority sectors⁶ identified in the GoH's Action Plan and the funding provided by the HRF to fill these financing gaps. As shown in Figure 4.3, HRF funding has contributed significantly to reducing the financing gap for specific sectors, especially disaster risk reduction where HRF funding reduced the financing gap by 25 percent, urban development where the HRF funding provided 17 percent of outstanding funding and reconstruction where US\$107 million in HRF resources reduced the US\$752 million financing gap by 14 percent.

² The seven projects approved by the Steering Committee on October 21 and December 15 have been approved in-principle subject to submission and no-objection approval of the full project document by the Steering Committee and final approval from the IHRC thereafter.

³ Financing Gaps as identified in Recovery and Development Grant Activities by Sector for 2010 and Beyond from the Office of the Special Envoy for Haiti (November, 2010)



5.1 ROLES AND RESPONSIBILITIES

Several key actors play critical roles in the management of the HRF: the Steering Committee is its governance body; Partner Entities appraise and supervise activities; the Trustee manages contributions and fund transfers; the Secretariat organizes day-to-day operations; and Implementing Agencies execute activities on the ground with HRF financing. These roles and responsibilities are fully spelled out in the HRF Operations Manual and summarized as follows:

- Steering Committee – strategic orientation; approval of policies and procedures; allocation of funds; approval of financial and progress reporting
- Partner Entities – responsible for use of funds transferred to them by the Trustee; appraising and supervising activities according to their own policies and procedures; monitoring and reporting
- Trustee – receiving, pooling and investing donor contributions; recording funding decisions; transferring resources to Partner Entities at request of the Steering Committee; financial reporting and auditing
- Secretariat – receiving funding requests from the IHRC; supporting the operation of the Steering Committee; drafting policies, procedures and reports; communications
- Implementing Agencies – implementing projects and programs in accordance with the rules and procedures of a Partner Entity; reporting on progress to the Partner Entity

5.2 Perhaps the most important actor is the Interim Haiti Recovery Commission which sets priorities for how HRF resources are used and is responsible for endorsing and forwarding all requests for financial support to the Fund.

5.3 LINKAGES WITH GOH AND IHRC

The Government of Haiti and the IHRC which it has established are very much in the driver’s seat when it comes to operating the HRF. The GoH chairs the governance body of the HRF and the IHRC establishes the financing priorities for the Fund. The many linkages between the GoH and IHRC with the HRF are summarized in Box 5.1.

5.4 COSTS

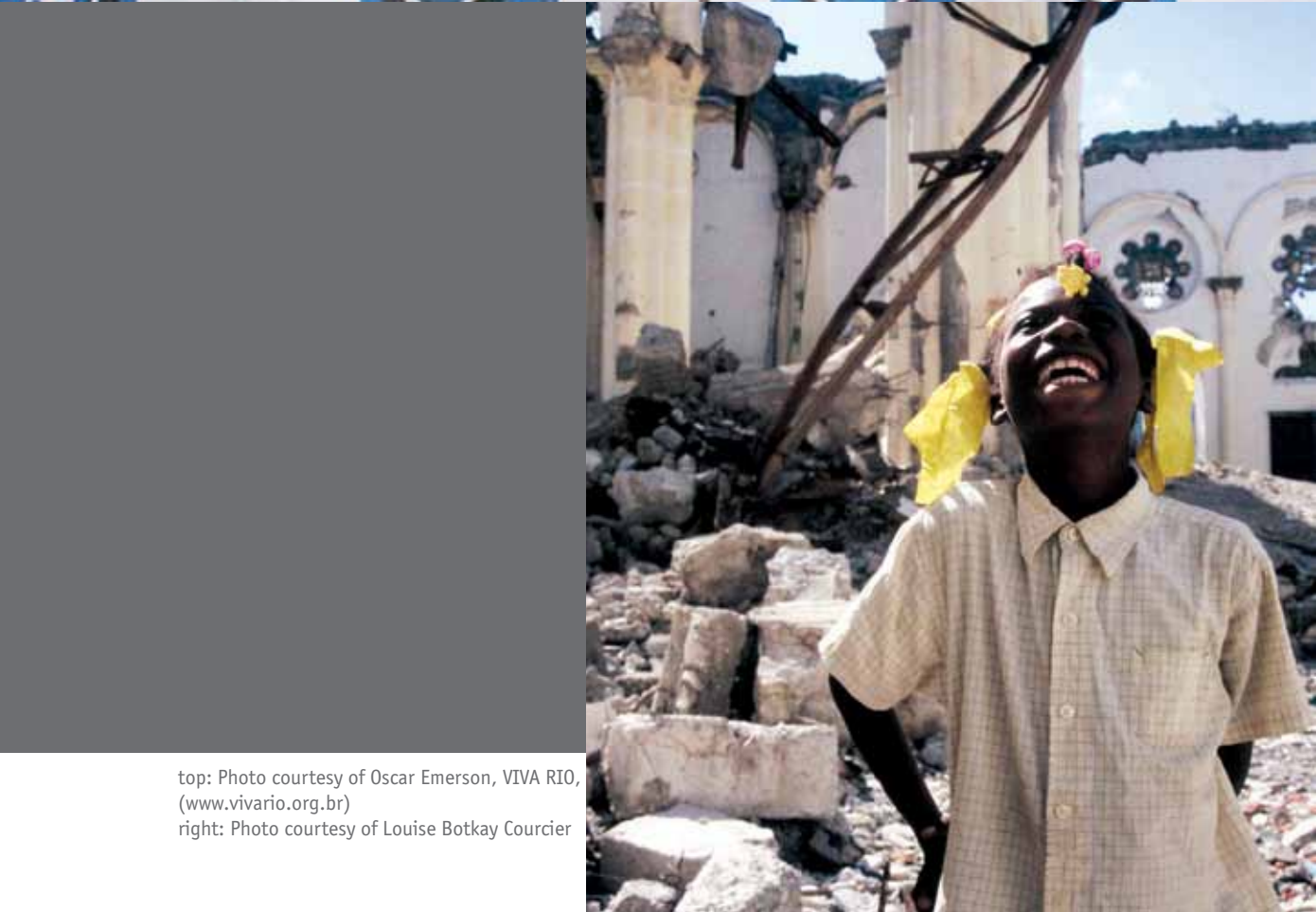
There are three distinct categories of fees and expenses that apply to the HRF:

- Trustee costs to administer the Trust Fund.
- Secretariat costs to serve the Steering Committee, and
- Partner Entity fees and expenses required for the entities to prepare, implement, supervise, and oversee projects and programs

ADMINISTRATIVE BUDGET AND EXPENDITURES

5.5 To defray the costs associated with the management and administration of the HRF, the HRF Trustee and Secretariat annually submit a proposed budget to the Steering Committee for approval containing an estimate of costs and expenses expected for the coming year. Expenditures for the Trustee and Secretariat are accounted on an actual basis; at the end of each fiscal year, the Trustee and Secretariat will return any unused administrative funds to the HRF Trust Fund.

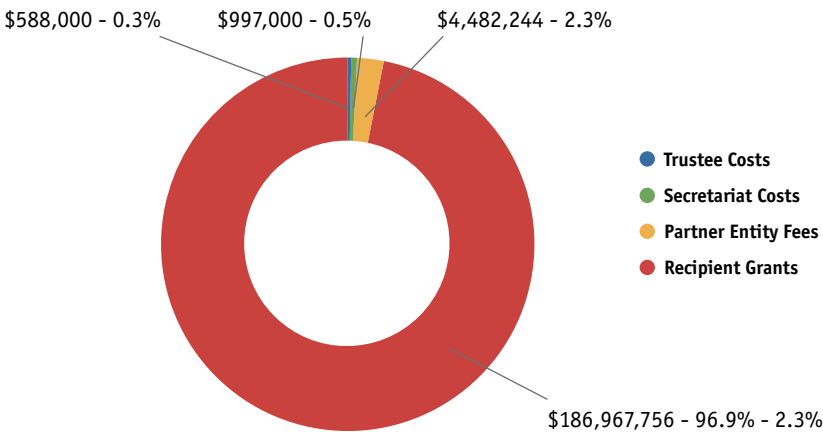
5.6 The Steering Committee approved administrative budget for fiscal year 2011 (July 1, 2010 – June 30, 2011) for the Trustee is US\$588,000 and for the Secretariat is US\$997,000. The Trustee and Secretariat Administrative budgets together represent less than two percent (0.8 %) of the total US\$193.04 million in funds committed by the Steering Committee as of December 16, 2010 (Figure 5.1: Percentage of Total Allocated Funds per Cost Category).



top: Photo courtesy of Oscar Emerson, VIVA RIO, (www.vivario.org.br)
right: Photo courtesy of Louise Botkay Courcier

FIGURE 5.1: PERCENTAGE OF TOTAL ALLOCATED FUNDS PER COST CATEGORY

UPDATED AS OF DECEMBER 16, 2010



PARTNER ENTITY FEES

5.7 Subject to Steering Committee approval, each Partner Entity may receive a project appraisal and supervision budget to cover costs related to the appraisal, preparation, supervision and oversight of a Steering Committee-approved project. For all Partner Entities, the fee guidelines subject to approval by the Steering Committee are:

- a) \$50,000 for projects/programs under \$1 million;
- b) sliding scale of \$50,000 - \$250,000 for projects/programs from \$1 - 10 million; and
- c) \$350,000 for projects/programs over \$10 million.

5.8 For projects/programs where UNDP is the Partner Entity representing the UNDG organizations, the following fees apply⁴:

- a) 1% of the project/program amount is set aside for the UNDP Multi-Donor Trust Fund Office to cover costs associated with reporting and other fund administration tasks done on behalf of the individual UN organizations participating.
- b) The individual participating UN organizations will charge 7% of the total project/program amount to cover their indirect costs when implementing projects approved by the HRF Steering Committee.

5.9 None of the Partner Entities have charged project preparation and supervision costs to the Trust Fund so far. In fact, the UN confirmed that they would not be charging any project preparation and supervision costs to the Fund. The World Bank

will not charge any project preparation and supervision costs to the Fund in the World Bank's current fiscal year (ending June 30, 2011), and thereafter will not charge preparation and supervision costs for HRF-financed projects that are co-financed with IDA funds. The IDB has also waived the requirement to charge preparation and supervision costs for projects that are jointly financed by the IDB and the HRF. The IDB will only charge preparation and supervision costs for stand-alone projects financed from the HRF for which the IDB will serve as the Partner Entity.

5.10 The Steering Committee has to date allocated US\$4.48 million in Partner Entity fees to the UN which represents 2.3 percent of total allocated funds to date. The total of all three categories of fees charged to the Fund amounts to 2.3 percent of the US\$265 million in contributions to the HRF as of December 16.

5.11 COMMUNICATIONS

The HRF Secretariat is implementing a communications strategy to share information with its management partners and beneficiaries. Communications activities during the first six months of operation have included:

- Information dissemination through bilingual brochures and websites in English (www.haitireconstructionfund.org) and French (fondsdeconstructiondhaiti.org). The structure of the website is provided in Annex 3.

- A competition among the schoolchildren of Haiti to design the logo, slogan and jingle for the HRF as well as expand awareness about the Fund (some of the logo designs submitted are reproduced in this publication).
- A workshop for Haitian print and radio journalists to explain the role of the HRF in the reconstruction process and establish media relations.
- A photo competition for citizens and professional photo-journalists to document the reconstruction (participating photos are used in this publication).
- Dissemination of the HRF Progress Report in advance of the one-year anniversary of the earthquake.

5.12 Looking forward the HRF will focus on communicating the results of the reconstruction through additional training as well as media programs and will enhance its identity as well as the visibility of its donors through logo-branded products such as calendars, stickers and t-shirts for project stakeholders. It will also develop a complaint tracking system to ensure that any complaints about problems related to HRF-financed activities are addressed in a timely fashion by the Partner Entities and their Implementing Agencies.

BOX 5.1: GoH and IHRC Linkages with the HRF

- The IHRC reviews and approves all projects and programs for HRF financing
- The IHRC can request that the HRF prioritize specific sectors, projects or regions
- Most HRF Steering Committee members and observers are also members of the IHRC Board
- The GoH through the Minister of Finance chairs the HRF Steering Committee and has an additional seat on the Committee
- The HRF provides budget support to the GoH
- IHRC Board and HRF Steering Committee meetings are synchronized to accelerate financing
- The HRF Secretariat is co-located with the IHRC in Port-au-Prince
- The HRF participates in IHRC Board and other meetings as an observer and resource
- The HRF can be used to contribute to financing IHRC operational expenses
- HRF-financed activities will adhere to quality, reporting and other standards established by the IHRC

Photo courtesy of Valter Mesquita, VIVA RIO, (www.vivario.org.br)



⁴ In accordance with standard fund administration fee and indirect support costs applied to all UN Multi-Donor Trust Funds (MDTFs), and approved by UNDG Organizations and the contributing donors (see: mdtf.undp.org).

right: Photo courtesy of Pierre Aky
bottom: Photo courtesy of Oscar Emerson,
VIVA RIO (www.vivario.org.br)



“The Fund has enabled the pooling of resources resulting in a reduction of our transaction costs. However, the most important thing is that the Government now has access to the largest unallocated source of funds for reconstruction...”

RONALD BAUDIN, CHAIR OF THE HRF STEERING COMMITTEE AND MINISTER OF FINANCE

6.1 ASSESSMENT OF PERFORMANCE

In the six months since its inception, the HRF has proven to be an effective tool for rapid response to fill strategic financing needs. The Steering Committee has in six months allocated US\$193.04 million for eleven projects. The speed of the HRF response reflects the Steering Committee and Secretariat’s adherence to high performance standards, including –

- Rapid review and approval of projects, with a 5 working day turnaround for each step in the approval process (Figure 4.1: Flow Chart for HRF Approval Process).
- Scheduling of HRF Steering Committee meetings the day of or after IHRC Board meetings to allow immediate funding of IHRC approved projects.
- The use of the Partner Entities’ own policies and procedures, including simplified project designs, use of emergency approval procedures, and streamlined procurement and financial management procedures.

6.2 A number of improvements can be made to improve performance standards further such as closer collaboration with the IHRC on the pipeline of projects to be funded from the HRF and more rapid preparation of complete project proposals by Partner Entities such that final Steering Committee and IHRC approval can be granted more quickly and project implementation can start sooner. The signing of the Transfer Agreements with the UN and the IDB on November 29 and December 1 respectively will also greatly increase the speed of the response, allowing for immediate transfer of funds to Partner Entities upon final approval of full project documents by the Steering Committee and the IHRC going forward.

6.3 COMPARISON WITH OTHER MDTFS

One way to gauge the performance of the HRF is to compare its performance to that of other post-disaster and post-conflict multi-donor trust funds. Table 6.1 compares the performance of seven such funds after their first year of operation with the performance of the HRF after only six months of operation. Despite having been operational for only half the time of the other Funds, the HRF shows very good performance in terms of: a) the rate of processing of funding requests; 70% of funds received have already been approved for recipient-executed activities; b) resource mobilization; donors have committed and transferred US\$265 million to the HRF, which is only surpassed by the Iraq Reconstruction Funds’ performance over twelve months; c) the speed of disbursement of approved project funds; the HRF ranks in the top half with a 13 percent disbursement rate.

6.4 EARLY RESULTS

The HRF has now transferred funds to each of the Partner Entities for the implementation of three operations. As these operations are in their first few months of implementation, the progress to date is modest but an attempt to summarize them has been made in Table 6.2.

TABLE 6.1: HRF SIX-MONTH PERFORMANCE COMPARED TO OTHER MULTI-DONOR FUNDS’ FIRST-YEAR PERFORMANCE

MULTI-DONOR TRUST FUNDS	RECEIVED FUNDS/1ST YEAR	APPROVED FUNDS/1ST YEAR	DISBURSED FUNDS/ 1ST YEAR	RATIO OF RECEIVED TO APPROVED FUNDS/ 1ST YEAR	RATIO OF APPROVED TO DISBURSED FUNDS/ 1ST YEAR	RATIO OF RECEIVED FUNDS TO DISBURSED FUNDS
UNDG Iraq Trust Fund	\$628,820,832	\$484,289,328	\$484,289,328	77%	100%	77%
Iraq Reconstruction Fund	\$392,100,000	\$365,600,000	\$23,000,000	93%	6%	6%
Multi Donor Fund for Aceh and Nias	\$247,470,000	\$145,987,000	\$82,440,000	59%	56%	33%
Haiti Reconstruction Fund	\$265,000,000	\$191,450,000	\$25,000,000	72%	13%	9%
Afghanistan Reconstruc-tion Fund	\$184,790,000	\$44,556,000	\$4,836,000	24%	11%	3%
Sudan Recovery Fund – Southern Sudan	\$74,656,800	\$13,038,163	\$13,038,163	17%	100%	17%
Trust Fund for East Timor	\$ 42,262,000	\$55,092,000	\$4,910,000	130%	9%	12%
Java Reconstruction Fund	\$36,500,000	\$9,910,000	\$ -	27%	0%	0%
Liberia Reconstruction Trust Fund	\$21,790,000	\$3,650,000	\$2,000,000	17%	55%	9%
Lebanon Recovery Fund	\$30,370,000	\$18,967,124	\$345,661	62%	2%	1%

6.5 EARLY LESSONS LEARNED

While it is still early days in the life of the Haiti Reconstruction Fund, some initial lessons can be identified. These include:

- The value of Haitian leadership – the leadership role play by the GoH and the IHRC have enabled the HRF to swiftly decided on financing Haitian priorities for the reconstruction
- The provision of strategic finance – the HRF is the largest unallocated source of reconstruction finance and is best used to strategically meet unfulfilled needs in order to achieve recovery targets
- Importance of a financing strategy – the IHRC is increasingly moving from an ad hoc endorsement and forwarding of unfi-nanced activities to using the HRF as a means of supporting key projects that will help to meet its sectoral targets
- Flexibility in decision-making: while the HRF Steering Com-mittee’s formal meetings are synchronized with the IHRC Board meetings, it is able to conduct business efficiently in the interim through virtual decision-making
- Streamlining – opportunities exist to speed up performance, e.g. through quicker Partner Entity appraisal of activities, presentation of full proposals to the IHRC for approval in-stead of project concepts and dispensing with final IHRC ap-proval for activities to which the HRF has allocated resources
- Preferencing – donor preferencing for particular sectors, regions or Partner Entities can constrain the ability of the Fund to respond to Government priorities

6.6 OPPORTUNITIES

The second half of the HRF’s first year of operation should focus on: a) responding to the IHRC’s requests for priority financing needs; b) mobilizing additional contributions, including from non-conventional donors; and c) monitoring how transferred funds are being disbursed by Partner Entities. During this pe-riod, the HRF will be challenged to respond to the following questions:

- How can the IHRC and HRF accelerate the use of available funds for reconstruction while ensuring their strategic al-location?
- Can existing and future HRF donors be dissuaded from pref-erencing their contributions so that the GoH and IHRC are given maximum flexibility to use HRF resources to finance strategic priorities?
- Should the HRF, at the request of the IHRC, create a reserve of unallocated funds in order to respond to financing re-quests that arise during the second year of reconstruction and beyond?
- Can the HRF demonstrate its comparative advantage in reconstruction finance to attract more contributions from donors that are not able to disburse and/or implement on the ground as quickly as anticipated?

TABLE 6.2: EARLY RESULTS FROM HRF-FINANCED ACTIVITIES

ACTIVITY	EARLY RESULTS
Partial Credit Guarantee Fund (PCGF) Partner Entity: IDB	This US\$35 million operation is co-financed with US\$12.5 million from the HRF, US\$2.5 million from the World Bank and US\$20 million from the IDB. The President of the Central Bank launched the Partial Credit Guarantee Fund on December 16 and the Fund will become effective by January 15, 2011. Early progress includes the selection of the Partial Credit Guarantee Fund’s project management staff within the Industrial Development Fund and the revision and validation of the Industrial Development Fund’s information and internal control systems.
Debris Management Partner Entity: UN	<p>The project focuses on 6 zones of Carrefour Feuille in Port-au-Prince and will manage over 234,000 m3 of debris of which at least 72,000 m3 would be recycled, creating small enterprises and almost 5,000 jobs while encouraging return and allowing for housing and livelihood opportunities to be launched.</p> <p>Under the leadership of UNDP, the 3 agencies involved in the implementation of the project started activities in the project zone as of September 2010. Considerable preparatory work has been undertaken including:</p> <ul style="list-style-type: none">• Selection of target zones with the Ministry of Public Works and the municipality;• Preparatory meetings with all NGOs active in the project zone to discuss implementation methodology and gather information on NGO capacity, experience and lessons learned;• Review and harmonization of work and employment methods including standards and criteria;• Development of detailed work plans for the 3 key task for each agency (social mobilization; debris management and microenterprise);• Agreements with UN HABITAT and ILO on implementation and division of labor concluded;• Agreement for contract with UNOPS for the hiring and management of heavy machinery, including crushers, and technical assessment on large scale demolition;• Project director hired; All other positions advertized;• Call for proposals for NGOs to organize labor for debris management, social mobilization and small enterprises was published on December 8. <p>Full scale project implementation will start on January 3, 2011.</p>
Emergency Development Policy Operation (budget support) Partner Entity: World Bank	<p>This activity helped to close the financing gap for the GoH for the 2010 fiscal year and achieved modest policy reforms. In public finance management, The Treasury is finalizing the 2009-10 government account 2009-10 and the Court of Account has started the audit of the 2008-09 government accounts. With respect to transparency in the management of transfers in the electricity sector, the Government has published data on transfers to the electricity sector from December 2009 to September 2010 albeit with delay and although some key data are still missing. With regards procurement, the procurement regulatory body (CNMEP) has published on its website public contracts that had undergone its review. However, at this stage, no information is yet available on public contracts evoking the Emergency Law and processed through limited competitive bidding. No progress has been noted in anti-corruption. At this stage, although the declarations fo assets submitted by the members of the Executives is incomplete, no follow-up actions had been taken by the anti-corruption unit (ULCC) to enforce the corresponding Law.</p> <p>Overall, the progress made remains modest. To move the operation towards achieving its objectives will require stepped-up efforts. The Government intends to adopt key remedial actions to that end. On procurement, the Prime Minister’s office will communicate to the CNMP a copy of the letters authorizing the use of limited competitive bidding for contracts evoking the Emergency Law; and line ministries will send a copy of all contracts (amount and nature as well as procedures used for procurement), including those evoking the Emergency Law, processed during the FY09-10 to the CNMP for publication. Going forward, all public entities will seek the CNMP’s approval even for contracts evoking the Emergency Law that have obtained the Prime Minister’s authorization to use limited competitive bidding. These actions were discussed with the Prime Minister of Haiti. With respect to transparency in the electricity sector, the Government will organize a workshop involving all relevant entities to ensure that key data are incorporated in the table for publication on a monthly basis. Lastly, in anti-corruption, the ULCC is to send reminder notice to defaulters by the end of December 2010. The next supervision mission will assess whether these are in place and implemented as agreed.</p>

ANNEXES

SINCE THE ESTABLISHMENT OF THE HAITI RECONSTRUCTION FUND, donors have committed US\$267 million to the Fund, of which US\$265 million has been received by the Trustee (Table A1: Financial Overview Table). Out of the US\$265 million in cumulative receipts, the Steering Committee has made funding decisions totaling US\$193.04, and transferred US\$56.04 million to Partner Entities for the implementation of projects and select fees. As of December 16, only US\$32.15 million remains available to support future HRF Steering Committee funding decisions.

The flow of HRF funds, receipts, commitments and transfers, over time is graphically depicted in Figure A1: HRF Cumulative Receipts, Commitments, Disbursements and Unallocated Balances over Six Months. The speed of the HRF response is demonstrated by the strong correlation between funds received and committed, showing that the majority of funds received are committed at the first SC meeting following the transfer of the funds to the Trustee by the donor. As a result, after each SC meeting unallocated balances have never been above US\$50 million. Current unallocated balances stand at only US\$32.15 million. The transfer of funds from the Trustee to Partner Entities for the implementation of projects shows a steady increase over time.

TABLE A1: HAITI RECONSTRUCTION FUND - FINANCIAL OVERVIEW TABLE (IN US\$ MILLIONS)

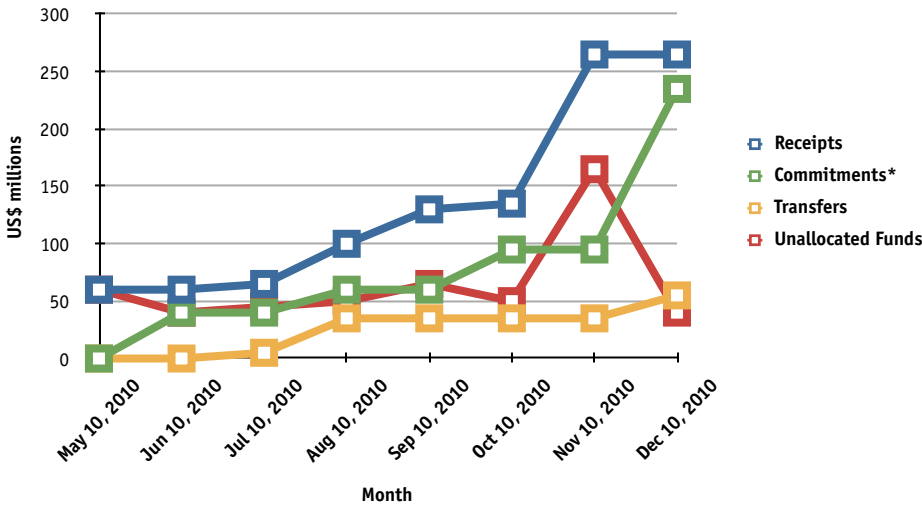
UPDATED AS OF DECEMBER 16, 2010

	TOTAL
1. Effective Contributions (based on countersigned Administration Agreement/Arrangement)	267
2. Cumulative Receipts	265.18
3. Funding Decisions	193.04
4. Cumulative Cash Transfers	56.04
5. Funding Decisions pending Cash Transfer	137.00
6. Financial Reserve a/	40.00
7. Funds available to support HRF Steering Committee Funding Decisions (6=1-2-5)	32.15

a/ Reflects the HRF Steering Committee’s decision to reserve resources for future funding decisions

FIGURE A1: HRF CUMULATIVE RECEIPTS, COMMITMENTS, DISBURSEMENTS AND UNALLOCATED BALANCES OVER SIX MONTHS

UPDATED AS OF DECEMBER 16, 2010



*Includes US\$40 million set aside for a future funding decision.

HAITI EMERGENCY DEVELOPMENT POLICY OPERATION		
AMOUNT	US\$55 Million	PROGRAM OBJECTIVE The objective of the activity is to revamp the legal and regulatory frameworks and systems to create the conditions for accountability and transparency in the management of public resources in the context of the reconstruction. The operation directly supports the Government's Action Plan for National Recovery and Development of Haiti and the governance program presented by the Government at the pledge conference in New York in March 2010. These draw on the Post Disaster Needs Assessment (PDNA) carried out by the Government with donor support following the earthquake in February 2010. The main pillars of these programs are in line with those of the Government's poverty reduction strategy, namely building state capacity and improving management of public resources.
SOURCES	World Bank (\$30 M) and HRF (\$ 25 M)	
APPROVAL DATE	August 5, 2010	
SECTOR	General Public Administration (80%) and General Energy Sector (20%)	
PARTNER ENTITY	World Bank	
IMPLEMENTING AGENCY	Ministry of Finance and Commerce	
MORE INFORMATION AT:	World Bank's Website	
DESCRIPTION		
<p>The activity helps Haiti meet urgent financing needs for reconstruction that have been exacerbated by revenue shortfalls following the earthquake. The PDNA estimates the damages and losses caused by the earthquake at nearly US\$8 billion. The destruction of the Tax Directorate and the impact of the earthquake on economic activities have caused a 20% drop in projected revenue for fiscal year 2009-2010. The IDA and HRF grants provide resources to finance essential expenditures in the last quarter of 2010 in the context of the Action Plan for National Recovery and Development of Haiti.</p> <p>The operation focuses on areas that require urgent strengthening in order to ensure that effective checks and balance mechanisms are in place following the impact of the earthquake on key governance and oversight institutions, while aiming to consolidate the gains achieved in governance over the past years. In particular, it aims to beef up the government capacity to manage public resources efficiently and transparently through measures aimed at:</p> <p>(i) Strengthening transparency in the transfers to the electricity sector;</p> <p>(ii) Reinstating budget controls and the external and internal audit processes;</p> <p>(iii) Improving observance of anti-corruption measures through better enforcement of the declaration of assets Law; and</p> <p>(iv) Reinstating public procurement regulation and enhancing transparency in procurement practices.</p>		
TARGETED THEMATIC OUTCOMES		%
Other Economic Management		20
Public Expenditure, Financial Management and Procurement		60
Other Accountability and Anti-Corruption		20

PROGRAM TO ESTABLISH A PARTIAL CREDIT GUARANTEE FUND FOR ENTERPRISE DEVELOPMENT			
AMOUNT	US\$35 Million	PROGRAM OBJECTIVE	
SOURCES	IDB (US\$20 M), World Bank (US\$2.5 M) HRF (US\$12.5 M)		
APPROVAL DATE	August 17, 2010		
SECTOR	Finance and Investment		
PARTNER ENTITY	IDB		
IMPLEMENTING AGENCY	Ministry of Economy and Finance, Industrial Development Fund		
MORE INFORMATION AT:	IDB Website	The objective of the project is to contribute to the rehabilitation of the Haitian productive sector, by providing funding for the implementation and operation of the first stage of a Partial Credit Guarantee Fund. This first pillar will grant guarantees to firms affected by the earthquake that need support for the restructuring of impaired, but viable, loans which were performing before January 12. The Partial Credit Guarantee Program responds to a request by Haiti’s Central Bank. The project is fully consistent with the Haiti Action Plan emphasis on Investment and Access to Credit as one of the key areas for economic rebuilding: “The proper functioning of economic and financial channels is crucial for funding reconstruction and relaunching growth....” Furthermore, the action plan specifically mentions the creation of a guarantee fund as one of the key initiatives to help borrowers affected by the earthquake.	
DESCRIPTION			
Program Objective: The objective of this operation is to contribute to the rehabilitation of the Haitian productive sector by establishing a partial credit guarantee fund to allow viable enterprises to restructure bank-debt obligations they are currently unable to meet. The Program has two components:			
Component 1. Funding of partial credit guarantees issued by the Partial Credit Guarantee Fund to restructure viable loans affected by the earthquake; this entails the issuing of guarantees to restructure eligible smaller and larger loans. Small loans are those below US\$1 million dollars and larger loans are above US\$1 million.			
Component 2. Technical assistance to strengthen the Executing Agency and to run the Program. Such assistance will consist on hiring an independent advisor or advisory firm that will help the Executing Agency to adjust its operational processes, systems and organizational structure in order to ensure an appropriate administration of the Program and the transfer of knowledge. This component will also fund the costs of the auditing, the technical consultancies and any other expense needed to properly run the Fund, including an impact evaluation at the end of the Program execution. It is expected that the restructuring process will facilitate firms to keep operating and subsequently help to reactivate economic activity and preserve employment.			
TARGETED THEMATIC OUTCOMES			%
Economic Rebuilding			100

AREA-BASED RECOVERY AND DEBRIS REMOVAL IN PORT-AU-PRINCE		
AMOUNT	US\$16.95 Million	PROGRAM OBJECTIVE The overall objective of this project is to contribute to the rehabilitation of urban areas of Port-au-Prince devastated by the earthquake, by setting up a recycling system, and removing and processing debris in at least six districts of the city of Port-au-Prince. The project aims to manage the debris at the neighborhood level by focusing on options for reuse and recycling in situ and by arranging transportation to a rest area and treatment of debris to protect the public interest by reducing the risks associated with discharge of uncontrolled debris. The project objectives are in line with the Government's Action Plan for Reconstruction and Development of Haiti. The project responds to the highest priorities identified by the IHRC, the removal of debris is a prerequisite for most of the rehabilitation and reconstruction.
SOURCES	HRF \$16.95 M	
APPROVAL DATE	August 17, 2010	
SECTOR	Reconstruction and Economic Rebuilding	
PARTNER ENTITY	UN	
IMPLEMENTING AGENCY	UNDP, UN Habitat, BIT, Ministry of public works, transport and communication	
MORE INFORMATION AT:	UNDP's Website	
DESCRIPTION		
Overall project objective: The debris removal will contribute to the rehabilitation and economic revitalization and strengthening of livelihoods in urban areas of Port-au-Prince.		
Immediate Objectives: A strategy for the clearing and recycling of debris will be adopted for those areas mostly affected by the earthquake and most of the debris is removed in the pilot areas. Local capacity for debris management is strengthened in pilot areas and income generating activities around the removal and recycling of debris are created.		
Expected results:		
1. Six area plans are developed and adopted by the community and key project partners.		
2. A strategy for debris removal and processing for Port-au-Prince is developed and adopted by the relevant authorities		
3. The socio-economic environment is improved through the removal and recycling of debris		
4. Information management and implementation of a communication strategy		
5. Preliminary studies for the use of debris, zonal planning and economic revitalization of the		
TARGETED THEMATIC OUTCOMES		%
Reconstruction		75
Economic Rebuilding		25

HAITI SOUTHWEST SUSTAINABLE DEVELOPMENT PROGRAMME 2010 - 11

AMOUNT	US\$ 14 Million	PROGRAM OBJECTIVE This project represents the first phase of a 20 year recovery and sustainable development program for the southwest region of the southern peninsula of Haiti. The objective of the first phase is to rapidly deliver practical benefits and develop the longer term program. Over time the project aims to impact the entire 600 km area of Tiburon-Port Salut and Ile à Vache, reaching an estimated 200,000 beneficiaries. The project addresses in an integrated manner multiple priorities of the Haiti Recovery and Development Action Plan, including, amongst others, disaster risk management, national planning and local development, watershed management, education, health care, sanitation, food security and nutrition, agricultural production, and access to electricity.
SOURCES	UNEP, Earth Institute, Catholic Relief Services (\$6 M) and HRF (\$8 M)	
APPROVAL DATE	October 21, 2010	
SECTOR	Natural Resource Management (40%), Social Services (30%), Economic Development and Infrastructure (12%), Governance and Disaster Risk Reduction (8%), and General (10%)	
PARTNER ENTITY	UN	
IMPLEMENTING AGENCY	UNEP, EI, CRS, Ministry of Planning	
MORE INFORMATION AT:	UNEP's Website	

DESCRIPTION

The project focus area is the Tiburon-Port Salut group of watersheds and the Ile à Vache. In this region poverty levels are worse than the national average and the population is particularly vulnerable to flooding and hurricanes. The rural landscape is highly degraded and the deforested and food insecurity levels are high. In addition, the population has limited access to social services and markets for produce due to a very limited and bad quality rural road network. In-migration following the January earthquake increased the 191,000 population by an estimated 24,000 people.

The 20 year vision and goal of the proposed program will focus on:

- (i) Multiple and multi-thematic catchment and commune level development needs and opportunities within the geographic limits of the program area.
- (ii) Large scale transport and power infrastructure investment opportunities in the Department to transform the potential of the program area.

The catchment of Port à Piment will be the epicenter of the technical development work with the application of the Millennium Village integrated rural development model.

The project will be managed and implemented using a new organizational model, the Haiti Regeneration Partnership, with a strong focus on coordination, national ownership and building the institutional capacity of the government and local partners.

TARGETED THEMATIC OUTCOMES	%
Poverty Reduction	40
Reduction of Disaster Vulnerability	20
Restoration and Sustainable Mgmt of Natural Resources	40

DISASTER RISK REDUCTION IN THE SOUTH DEPARTMENT		
AMOUNT	US\$ 11 Million	PROGRAM OBJECTIVE The objective of this project is to contribute to disaster risk reduction through the development and management of watershed basins, employment generation and agricultural development in the Southern Department. In addition, the project will have an economic impact by creating 200,000 man-days of high-intensity work and improving value chains and opening up national markets for rice and corn. The project objectives are in line with the territorial and economic rebuilding, and agricultural production priorities identified in the Government’s Action Plan for Reconstruction and Development of Haiti. The project activities will focus on the areas of Cavaillon, Tiburon – Port Salut, Les Cayes, and Aquin-Saint Louis du Sud.
SOURCES	WFP (\$2 M), UNDP (\$1M) and HRF (\$8 M)	
APPROVAL DATE	October 21, 2010	
SECTOR	Agriculture, Farming and Fishing, Disaster Management and Prevention, and Watershed Management and Local Development	
PARTNER ENTITY	UN	
IMPLEMENTING AGENCY	UNDP, WFP and FAO	
MORE INFORMATION AT:	UNDP’s Website	
DESCRIPTION		
<p>Poverty levels in the Southern Department are worse than the national average and the population is particularly vulnerable to flooding and hurricanes. The rural landscape is highly degraded due to high levels of deforestation and poor watershed management. Food insecurity levels are high and especially women are marginalized. In addition, the population has limited access to social services and markets for produce due to a very limited and bad quality rural road network. These problems have been exacerbated as a result of the January 12 earthquake. To address these issues the project activities will focus on:</p> <ul style="list-style-type: none">(i) the development of tools, such as geographic information systems, for the development and participatory management of watersheds at the national, regional and local levels.(ii) sustainable practices for the development of watersheds to mitigate the risks of disasters, including strengthening of river banks, establishment of sustainable agroforestry systems, and building of sills and dykes.(iii) addressing the socio-economic vulnerability and food insecurity of the population through environmental protection, employment generation and sustainable agriculture, including the development of agricultural value chains.(iv) capacity building at the national, regional and local levels through workshops on disaster risk and watershed management.		
TARGETED THEMATIC OUTCOMES		%
Agricultural Development		
Economic Rebuilding		
Territorial Rebuilding		

NATURAL DISASTER MITIGATION IN THE SOUTH DEPARTMENT		
AMOUNT	US\$ 34 Million	PROGRAM OBJECTIVE The objective of this project is to reduce long term vulnerability to natural disasters of about 250,000 inhabitants of Ravine du Sud in Les Cayes and Cavaillon through investment in infrastructure, direct support to sustainable agriculture, and local capacity building to ensure sustainable watershed management. The project target is to increase flood control and coastal protection In the targeted areas by 25 percent and to reduce losses in infrastructure due to floods by 50 percent in five years. The project is in line with the territorial rebuilding, economic recovery and agriculture programs in the Government Action Plan for Reconstruction and the Government’s National Agriculture Investment Plan. Les Cayes is one of the three development poles identified as priority target in the Action Plan for Reconstruction.
SOURCES	IDB (\$20 M) and HRF (\$14 M)	
APPROVAL DATE	October 21, 2010	
SECTOR	Budget Support (20%), Agriculture, Farming and Fishing (30%), Disaster Management and Prevention (30%), and Watershed Management and Local Development (20%)	
PARTNER ENTITY	IDB	
IMPLEMENTING AGENCY	Ministry of Agriculture, Natural Resources, and Rural Development	
MORE INFORMATION AT:	IDB’s Website	
DESCRIPTION		
<p>The project activities will focus on reducing environmental and socio-economic vulnerability to natural disasters for the population living in the Ravine du Sud and Cavaillon watersheds (100,000 ha, 4% of the national territory) through three main components:</p> <p>(i) Protective infrastructure, including feasibility studies and substantial public works in particular re-profiling of rivers, strengthening riverbanks and building micro-dams. This component aims to prevent excessive flooding in 40 particularly vulnerable sites of the Les Cayes and Camp Perrin urban areas. Such flooding contributed substantially to impoverish the region.</p> <p>(ii) Support to sustainable agriculture on the slopes, including financial support to legally recognized farmer associations and individual farmers ready to introduce anti-erosion techniques in particularly vulnerable areas. The component will also recruit additional staff within the departmental office of the Ministry of Agriculture to support and supervise the activities.</p> <p>(iii) Institutional strengthening and capacity building for the sustainable management of watershed. This component will focus on substantially increasing the capacity of the Ministries at departmental level, while a small subcomponent will enable the central ministry to play its leadership role. It will also allow for the creation of local committees for the management of the watersheds.</p>		
TARGETED THEMATIC OUTCOMES		%
Budget Support		20
Economic Rebuilding		30
Territorial Rebuilding		50

TARGETED THEMATIC OUTCOMES	%
Budget Support	20
Economic Rebuilding	30
Territorial Rebuilding	50

RECONSTRUCTION OF HAITI'S EDUCATION SECTOR		
AMOUNT	US\$10 Million	PROGRAM OBJECTIVE The objective of the project is to support the reconstruction of school infrastructure in Haiti, expanding access to quality pre-school and basic education by providing superior education facilities. The project responds to the Education Plan prepared by the Presidential Commission on Education and endorsed by the IHRC on August 17, 2010. The plan combines the reconstruction of educational infrastructure with lasting reforms of system management and accountability. Specifically, the plan aims to improve the quality and safety of school infrastructure by: (i) constructing new "basic schools"; (ii) creating an institutional body to develop and enforce uniform building standards and construction codes; (iii) ensuring regular maintenance of school buildings; and (iv) introducing computer and information technology into schools as well as the Ministry of Education.
SOURCES	IDB (US\$50 M)	
APPROVAL DATE	December 15, 2010	
SECTOR	Education	
PARTNER ENTITY	IDB	
IMPLEMENTING AGENCY	Social and Economic Investment Fund (FAES)	
MORE INFORMATION AT:	IDB's Website	
DESCRIPTION		
Program Objective: The objective is to support the reconstruction of schools in Haiti, expanding access to quality pre-school and basic education by providing superior education facilities.		
The Program has two components:		
<i>Component 1. Schools</i> – The component will finance the construction of basic schools in communities that currently have no school. Each school will have nine classrooms, one preschool, sporting grounds, systems for sewage, electricity, potable water and water tank, safety, a school kitchen, bathrooms, office building, and a security guard room.		
<i>Component 2. Training and Equipment</i> – The project will cover teaching training and other activities to improve the quality of teaching. The component will also finance furniture, equipment and didactic material. All classrooms and the school administrative building will be equipped with cupboards as well as desks and chairs for students, teachers and school administrators. The school canteen will be equipped with furniture and kitchen utensils.		
Expected results: Each school will serve 450 primary students and 50 pre-school children for a total of 6000 beneficiaries.		
TARGETED THEMATIC OUTCOMES		%
Education		100

TARGETED THEMATIC OUTCOMES	%
Education	100

CAPACITY BUILDING FOR DISASTER RISK MANAGEMENT		
AMOUNT	US\$ 2 Million	PROGRAM OBJECTIVE The objective of this project is to increase the capacity of the Government of Haiti and the Haitian people to prepare for and manage disaster risk. The project will be implemented at the national level and will specifically provide support to reinforce the coordination and operational capacity of the Department of Civil Protection (DPC). The rehabilitation and building of evacuation centers will be undertaken in priority areas identified by the DPC. This project will contribute directly and indirectly to the socio-economic development of Haiti by improving the population's overall disaster preparedness and risk mitigation capacity. Members of the DPC, volunteers and community leaders will benefit directly from this project. Natural disaster risk management and the preparation for the hurricane season have been identified as one of the key priorities in the Government's Action Plan for Reconstruction and Development of Haiti.
SOURCES	HRF (\$2 M)	
APPROVAL DATE	N/A	
SECTOR	Disaster Management and Prevention	
PARTNER ENTITY	UN	
IMPLEMENTING AGENCY	IOM, Department of Civil Protection of the Ministry of the Interior, Ministry of Public Works, Transport, and Communication.	
MORE INFORMATION AT:	IOM's Website	
DESCRIPTION		
Every year Haiti is exposed to the devastating impact of the hurricane season. The means available to the general population to deal with these natural forces are always insufficient, making disaster preparedness one of the Government's key priorities.		
Project Objectives: Increase the capacity of the Government of Haiti and the Haitian people to prepare for and manage disaster risk by:		
<ul style="list-style-type: none">• Reinforcing the capacity of the Department of Civil Protection in the preparation for and management of disaster risk at the camp and commune level;• Increase the resilience of vulnerable population groups;• Increase the availability of temporary shelters.		
Expected Results:		
(i) A training program on disaster preparedness is developed and adapted to the post-earthquake context;		
(ii) 200 people are trained in disaster preparation using the training program;		
(iii) Completion of several training cycles to train trainers on disaster preparedness and risk mitigation;		
(iv) About 5 community buildings damaged by the earthquake and used as evacuation centers in case of an emergency are repaired;		
(v) About 5 multipurpose evacuation buildings are constructed and operational to provide shelter to internally displaced people in case of a hurricane.		

TARGETED THEMATIC OUTCOMES	%
Territorial Rebuilding	100

TARGETED THEMATIC OUTCOMES	%
Territorial Rebuilding	100

DEMOLITION AND DEBRIS REMOVAL WITH HEAVY EQUIPMENT		
AMOUNT	US\$25 Million	PROGRAM OBJECTIVE The overall objective of this project is to expedite the construction of shelters and houses and facilitate the relocation of Internally Displaced People (IDPs) by facilitating the demolition of buildings and the removal of debris with heavy equipment. The project objectives are in line with the Government’s Action Plan for Reconstruction and Development of Haiti and the Plans of the Ministry of Public Work. The project responds to the highest priorities identified by the IHRC, the removal of debris is a prerequisite for most of the rehabilitation and reconstruction.
SOURCES	HRF \$25 Million	
APPROVAL DATE	N/A	
SECTOR	Housing	
PARTNER ENTITY	UN	
IMPLEMENTING AGENCY	UNDP, Ministry of Public Works, Transport and Communication	
MORE INFORMATION AT:	UNDP’s Website	
DESCRIPTION		
Overall project objective: The overall objective of the project is to accelerate the resettlement of IDPs currently located in squatter settlements by using heavy equipment to expedite the demolition of buildings and debris removal.		

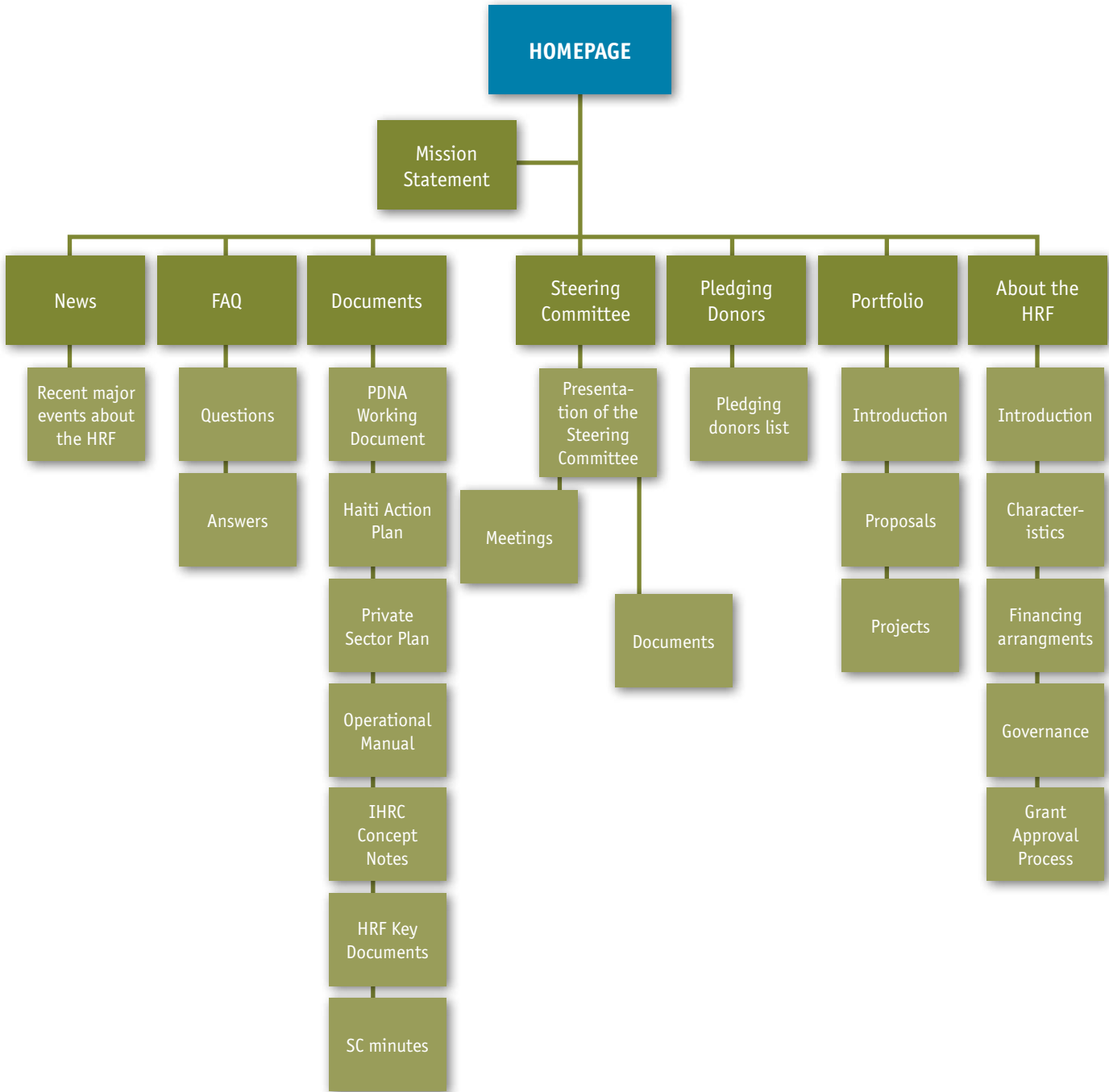
Immediate Objectives: The main objective of the of this project is to accelerate the resettlement of IDPs currently located in squatter settlements into their neighborhoods of origin, with host families or in new, economically viable settlements. During the transition phase of this effort, transitional shelters are to be constructed to replace homes that were destroyed by the January 2010 earthquake. The main obstacles to constructing these shelters include the debris from destroyed homes and the presence of unsafe red homes. In order to expedite the construction of shelters/houses and facilitate the relocation of IDPs, this project will incorporate the use of heavy equipment and other means to augment other efforts in building demolition and debris removal.

PORT-AU-PRINCE NEIGHBORHOOD HOUSING RECONSTRUCTION PROJECT		
AMOUNT	US\$65 Million	PROGRAM OBJECTIVE The objective of the proposed project is to help residents of some of the most severely affected areas in the metropolitan area of Port-au-Prince to return to their communities in safe conditions and start repairing and/or rebuilding their permanent homes and livelihoods in improved neighborhoods. 50,000 individuals (10,000 households) are expected to benefit from housing repairs or new housing reconstruction and 210,000 people are expected to benefit from community-wide upgrading activities. The project is consistent with the Haiti Action Plan for National Recovery and Development, especially its section 4.3.1 on Housing for the population and the Neighborhood Return and Housing Reconstruction Framework prepared by the Government of Haiti and the IHRC in October 2010.
SOURCES	HRF (US\$65 M)	
APPROVAL DATE	N/A	
SECTOR	Housing, Water and Sanitation, Transport, Other Community Infrastructure, Other	
PARTNER ENTITY	World Bank	
IMPLEMENTING AGENCY	Ministry of Economy and Finance, Ministry of Social Affairs	
MORE INFORMATION AT:	World Bank’s Website	
DESCRIPTION		
Overall project objective: To enable the return of internally displaced people (IDPs) to their communities by investing in urban upgrading programs in heavily damaged communities in Port-au Prince and by supporting the rebuilding of homes and infrastructure in these communities.		

- The project activities will include:**
- Removal of building debris from public spaces and private plots;
 - Cash grants for the (i) repair of houses assessed as structurally solid (yellow houses) and (ii) in-situ reconstruction of houses either destroyed or damaged beyond repair (red houses);
 - Investment in essential community service infrastructure such as roads, walkways, water supply systems, waste management, drainage, sanitation and social facilities;
 - Advisory services to assist communities, and government authorities to (i) efficiently manage the debris removal and housing repair and reconstruction process, (ii) comply with seismic and other natural hazard safety standards and (iii) undertake studies in support of the preparation of medium- and long-term urban development and housing strategies.

The primary target areas for the project activities will be neighborhoods where an already strong community organization is in place and is functioning.

TARGETED THEMATIC OUTCOMES	%
Social Rebuilding	87
Territorial Rebuilding	13





	PROJECT	AMOUNT (US\$ MILLION)
1	Haiti Emergency Development Policy Operation (Budget Support)	25
2	Budget Support	5
3	Program to establish a Partial Credit Guarantee Fund	12.5
4	Debris Management Project	16.95
5	Disaster Risk Reduction in the South Department	8
6	Natural Disaster Mitigation in the South Department	14
7	Haiti Southwest Sustainable Development Programme	8
8	Reconstruction of the Education Sector	10
9	Demolition and Debris Removal with Heavy Equipment	25
10	Capacity Building for Disaster Risk Management	2
11	Port-au-Prince Neighborhood Housing Reconstruction Project	65



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