



# **HAITI RECONSTRUCTION FUND**

## **Financial Report**

*As of March 31, 2011  
(Revised April 19, 2011)*

This report was prepared by the World Bank as Trustee for the Haiti Reconstruction Fund (HRF), with inputs from HRF Partner Entities (Annex 1) and the HRF Secretariat (Annex 2).

## I. Introduction

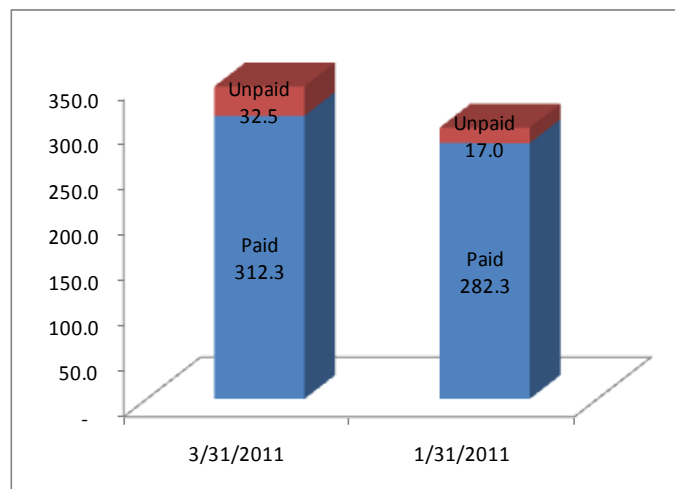
1. At the request of the Government of Haiti, the International Development Association (IDA) of the World Bank Group acts as Trustee for the Haiti Reconstruction Fund (HRF). The Trustee provides administrative and financial services to the HRF Steering Committee and donors, by receiving contributions from donors to the Trust Fund, investing liquid assets pending cash transfer, and transferring funds to the HRF Partner Entities. Working closely with the HRF Secretariat, the Trustee also records funding decisions made by the Steering Committee and produces financial status reports in advance of each Steering Committee meeting.<sup>1</sup>

2. This report provides the HRF Steering Committee and donors to the HRF Trust Fund with financial status of the HRF. The following sections of the report provide detail on the status of contributions and receipts to the HRF (Section II); cumulative funding decisions made by the HRF Steering Committee (Section III); and funding currently available to support new approvals by the Steering Committee (Section IV). The status of disbursements made by the Partner Entities is contained in Annex 1. Annex 2, prepared by the HRF Secretariat, provides analysis on roles of the HRF in Haiti's overall reconstruction finance.

## II. Status of Contributions and Total Receipts

3. Table 1 shows the total contributions to the HRF, defined as those for which Administration Agreements or arrangements have been signed by donors and the Trustee. The table shows the amount of the contribution in the respective currency and in USD equivalent ("Effective Contribution"), and the amount of the contribution received to date by the Trustee ("Receipts"). As of March 31, 2011, the Trustee had entered into Administration Agreements or arrangements with 17 donors for a total of USD eq. 345 million. The Trustee has received USD 312 million in cash to date from these donors. Figure 1 shows the amount of signed Contribution Agreements or arrangements by payment status.

Figure 1: Contribution Agreements or Arrangements by Payment Status (USD million)



<sup>1</sup> The Trustee's financial status reports are publicly available on the HRF website: [www.haitireconstructionfund.org](http://www.haitireconstructionfund.org)

4. In accordance with the HRF Governance Document, as at March 31, 2011, the voting members of the Steering Committee are the Government of Haiti and those donors with signed contribution agreements of USD eq. 30 million or more; i.e., Brazil, Canada, Japan, Norway, Spain and the United States.

| Donor                         | Effective Contribution   |                           |              | Receipts              |              |
|-------------------------------|--------------------------|---------------------------|--------------|-----------------------|--------------|
|                               | Contribution<br>Currency | Agreed                    |              | Received<br>Amount b/ | USD          |
|                               |                          | Contribution<br>Amount a/ | USD eq.      |                       |              |
| Australia                     | AUD                      | 10.00                     | 9            | 10.00                 | 9            |
| Brazil                        | USD                      | 55.00                     | 55           | 55.00                 | 55           |
| Canada                        | CAD                      | 46.30                     | 45           | 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         |
| Finland                       | EUR                      | 0.70                      | 0.92         | 0.70                  | 0.92         |
| France                        | EUR                      | 5.00                      | 7            | 5.00                  | 7            |
| Ireland                       | EUR                      | 1.00                      | 1.33         | 1.00                  | 1.33         |
| Japan                         | USD                      | 30.00                     | 30           | 30.00                 | 30           |
| Latvia                        | LVL                      | 0.03                      | 0.06         | 0.03                  | 0.06         |
| 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            | 2.00                  | 2            |
| Spain                         | USD                      | 30.00                     | 30           | 13.00                 | 13 c/        |
| Sweden                        | SEK                      | 25.00                     | 4            | 25.00                 | 4            |
| United States                 | USD                      | 120.00                    | 120          | 120.00                | 120          |
| <b>Total USD equivalent</b>   |                          |                           | <b>344.8</b> |                       | <b>312.3</b> |

a/ per countersigned Administration Agreements or arrangements in currencies  
b/ in currencies of contribution  
c/ represents the first installment

### III. Cumulative Funding Decisions

5. Table 2 presents the cumulative funding decisions by the Steering Committee, amounting to USD 223 million.

6. Of the total USD 223 million allocated, USD 214 million was allocated for twelve recipient executed projects (96%), USD 7 million was allocated in Partner Entity fees (3%), and USD 2 million was allocated to cover the Secretariat and the Trustee costs to provide their services to the HRF for the period of July 1, 2010 until June 30, 2011 (1%) (see Figure 2). Of the total USD 214 million of approved recipient-executed grants to date, 42 % is channeled through the World Bank as Partner Entity, 41 % of funding through the UN, and 17 % through the IDB (see Figure 3 ). The average size of recipient executed grants is USD 18 million.

**Table 2: Cumulative Funding Decisions**  
Updated as of March 31, 2011  
(in millions)

| <b>Activity</b>               | <i>Title</i>   | <i>Partner Entity</i> |               |
|-------------------------------|--|-----------------------|---------------|
| <b>Projects</b>               | Haiti Emergency Development Policy Operation               | WB                    | 25.00         |
|                               | Program to Establish a Partial Credit Guarantee Fund       | IDB                   | 12.50         |
|                               | Debris Management Project                                  | UN                    | 15.68         |
|                               | Haiti Southwest Sustainable Development Program            | UN                    | 7.40          |
|                               | Disaster Risk Reduction in the South Department            | UN                    | 7.40          |
|                               | Natural Disaster Mitigation in the South Department        | IDB                   | 14.00         |
|                               | Reconstruction of the Education Sector a/                  | IDB                   | 10.00         |
|                               | Capacity Building for Disaster Risk Management             | UN                    | 1.89          |
|                               | Demolition and Debris Removal with Heavy Equipment a/      | UN                    | 23.13         |
|                               | Port-au-Prince Neighborhood Housing Reconstruction Project | WB                    | 65.00         |
|                               | Housing and Neighborhood Reconstruction Support Program a/ | UN                    | 22.83         |
|                               | Earthquake Prevention Plan for the North of Haiti a/       | UN                    | 9.22          |
|                               |  | <b>Sub-total</b>      | <b>214.04</b> |
| <b>Fees</b>                   | Debris Management Project                                  | UN                    | 1.27          |
|                               | Haiti Southwest Sustainable Development Program            | UN                    | 0.60          |
|                               | Disaster Risk Reduction in the South Department            | UN                    | 0.60          |
|                               | Capacity Building for Disaster Risk Management             | UN                    | 0.11          |
|                               | Demolition and Debris Removal with Heavy Equipment a/      | UN                    | 1.87          |
|                               | Housing and Neighborhood Reconstruction Support Program a/ | UN                    | 1.84          |
|                               | Earthquake Prevention Plan for the North of Haiti a/       | UN                    | 0.74          |
|                               | <b>Sub-total</b>   | <b>7.04</b>           |               |
| <b>Administrative Budgets</b> | FY11 Secretariat   |                       | 1.00          |
|                               | FY11 Trustee   |                       | 0.59          |
|                               | <b>Sub-total</b>   | <b>1.59</b>           |               |
|                               | <b>Total</b>   | <b>222.67</b>         |               |

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.

Figure 2: Funding Decisions by Activity

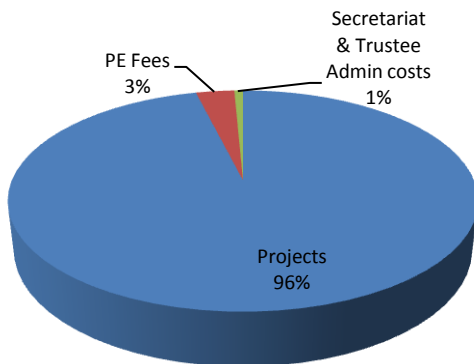
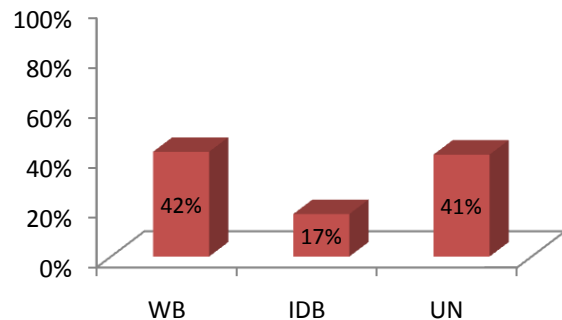


Figure 3: Project Funding Decisions by Partner Entity



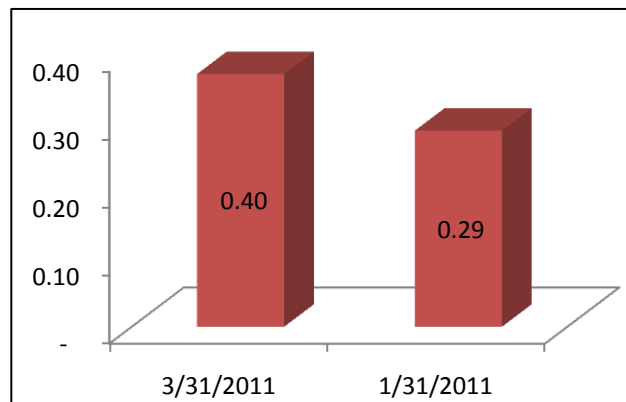
#### IV. Funding Availability

7. Table 3 presents funding available in the HRF, and refers to “Funds Held in Trust” with no restrictions, less cumulative funding decisions by the Steering Committee for which cash transfers are pending. As presented in Table 3, Funds Held in Trust amounted to USD 160 million, representing cumulative receipts and investment income (USD 313 million) less cash transfers since inception of the HRF (USD 153 million).

8. The amount in respect of HRF funding decisions that were pending transfer to Partner Entities amounted to USD 70 million. The funds set aside will be transferred to the Partner Entities upon their request, subject to the Steering Committee’s approval (on a no-objection basis) of the final project documents and, thereafter, the final approval of the Interim Haiti Recovery Commission (IHRC).

9. Investment income earned on the liquid cash balance in the HRF from inception to March 31, 2011 amounted to USD 0.4 million (0.29% of the average monthly HRF balance since inception). The Trust Fund balance is allocated to a liquid short term investment portfolio comprised almost exclusively of cash.

Figure 4: Investment Income (USD million)



10. The net funding availability in the HRF as of March 31, 2011 therefore amounted to USD 50 million.

**Haiti Reconstruction Fund**  
**Table 3: Schedule of Funds Available**  
 Updated as of March 31, 2011  
 (in USD millions)

|  | <u>As of March 31, 2011</u> | <u>As of January 31, 2011</u> |
|--|-----------------------------|-------------------------------|
| <b><u>1. Cumulative Receipts</u></b>   | <b>312.71</b>               | <b>282.60</b>                 |
| a. Cash receipts from Donors   | 312.31                      | 282.31                        |
| b. Investment Income earned on undisbursed balances of HRF Funds                                   | 0.40                        | 0.29                          |
| <b><u>2. Cumulative Cash Transfer</u></b>  | <b>153.04</b>               | <b>64.04</b>                  |
| a. Projects  | 148.87                      | 60.58                         |
| b. Partner Entity Fees   | 2.58                        | 1.87                          |
| c. Administrative Budget   | 1.59                        | 1.59                          |
| <b><u>3. Funds held in Trust ( 3 = 1 - 2 )</u></b>   | <b>159.68</b>               | <b>218.56</b>                 |
| <b><u>4. Financial Reserve a/</u></b>  | <b>40.00</b>                | <b>40.00</b>                  |
| <b><u>5. Funds held in Trust with no Restrictions ( 5 = 3 - 4 )</u></b>                            | <b>119.68</b>               | <b>178.56</b>                 |
| <b><u>6. Funding Decisions pending Cash Transfer</u></b>   | <b>69.63</b>                | <b>129.00</b>                 |
| a. Projects  | 65.17                       | 126.38                        |
| b. Partner Entity Fees   | 4.46                        | 2.62                          |
| c. Administrative Budget   | -                           | -                             |
| <b><u>7. Funds available to support HRF Steering Committee Funding Decisions ( 7 = 5 - 6 )</u></b> | <b><u>50.05</u></b>         | <b><u>49.56</u></b>           |

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

Figure 5: Funds Held in Trust (USD million)

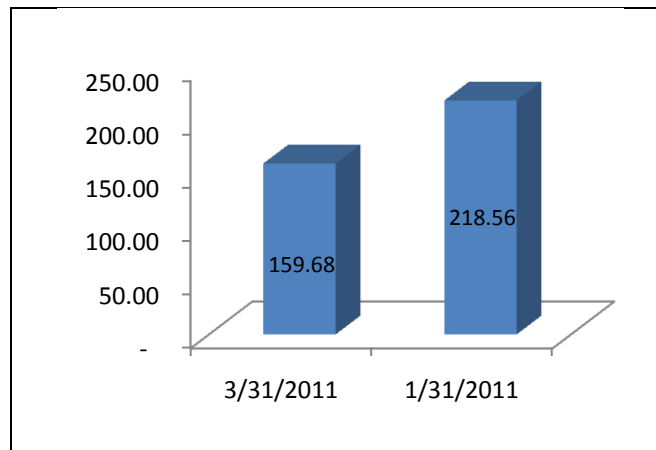
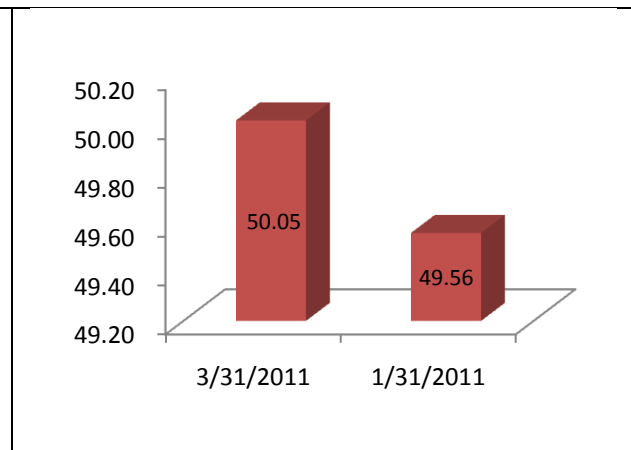


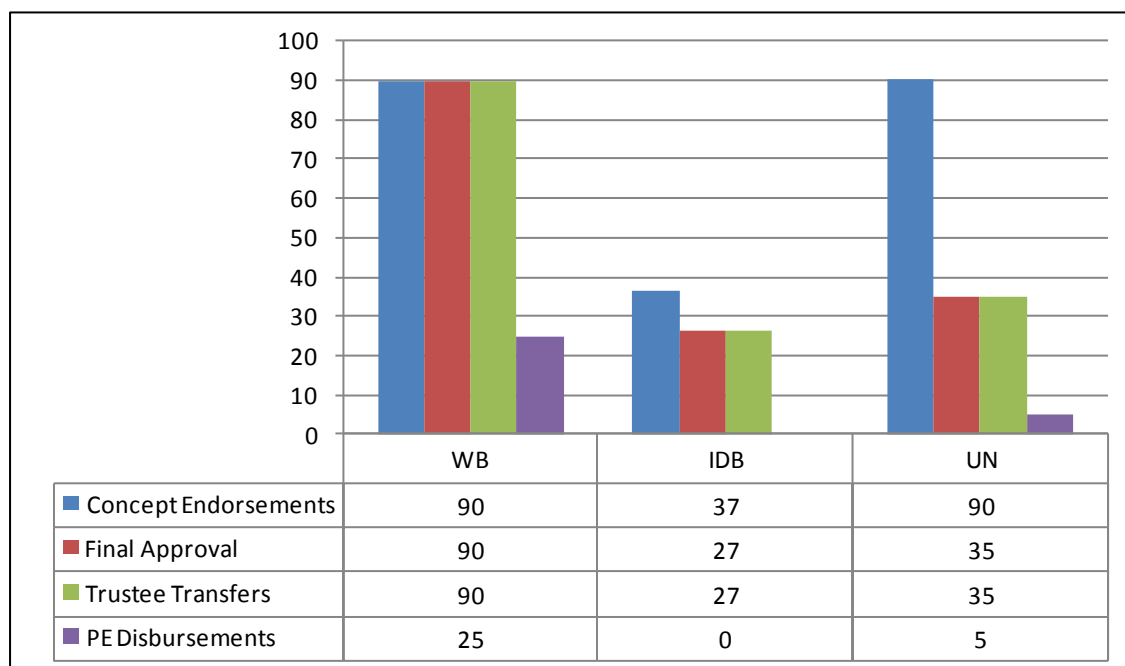
Figure 6: Funds Available (USD million)



## Annex 1: Partner Entity Disbursements<sup>2</sup>

- As of March 31, 2011, the HRF Steering Committee has endorsed the Concept Notes of twelve projects, of which eight projects have also received final approval from the Steering Committee and the IHRC. The Trustee has transferred funds totaling USD 151 million in respect of those approved projects and associated fees to the Partner Entities, upon receipt of cash transfer requests from the Partner Entities. Figure 7 shows the funding decisions and disbursements by Partner Entity, and Figure 8 details project-by-project disbursement status.

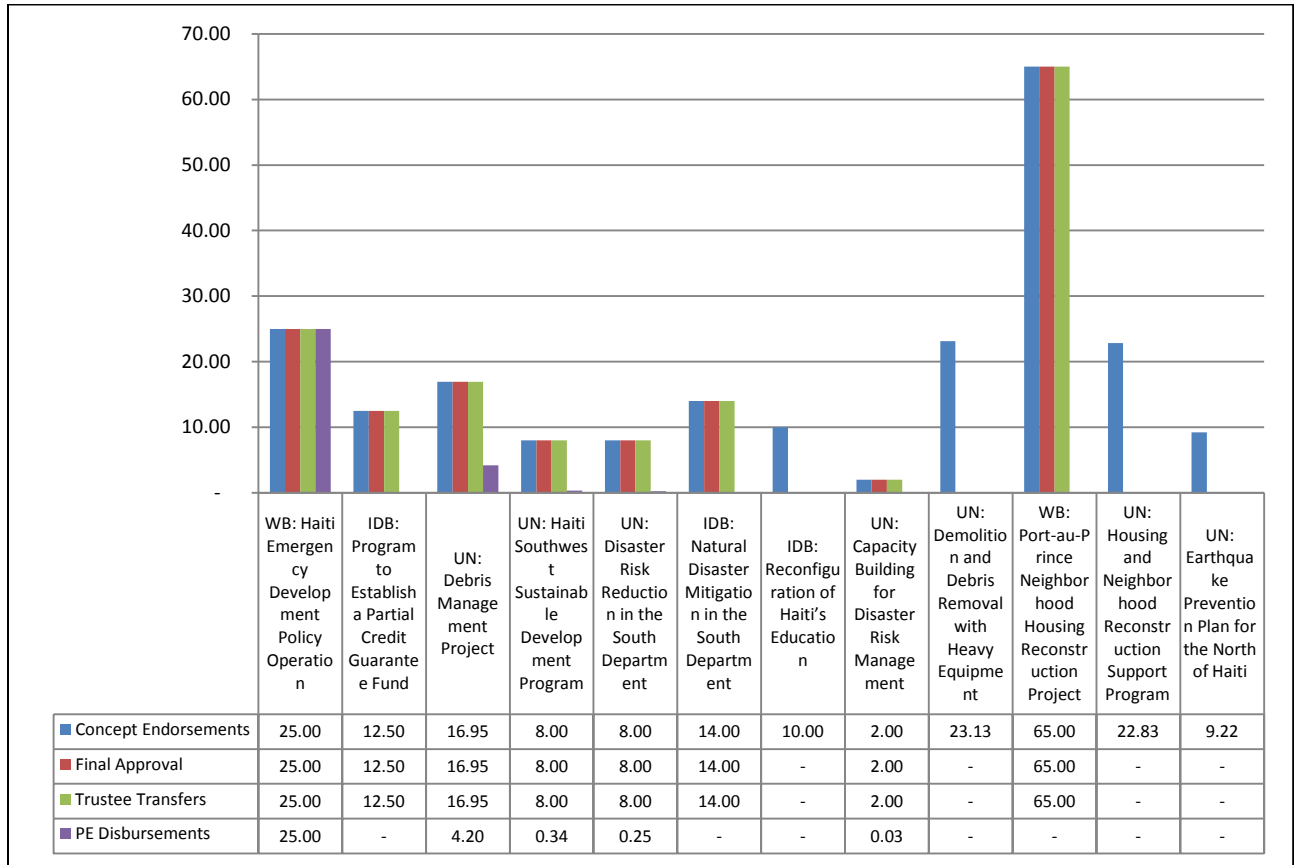
Figure 7: Funding Decisions and Disbursements by Partner Entity (USD million)



<sup>2</sup> This section is based on the information provided by the Partner Entities.

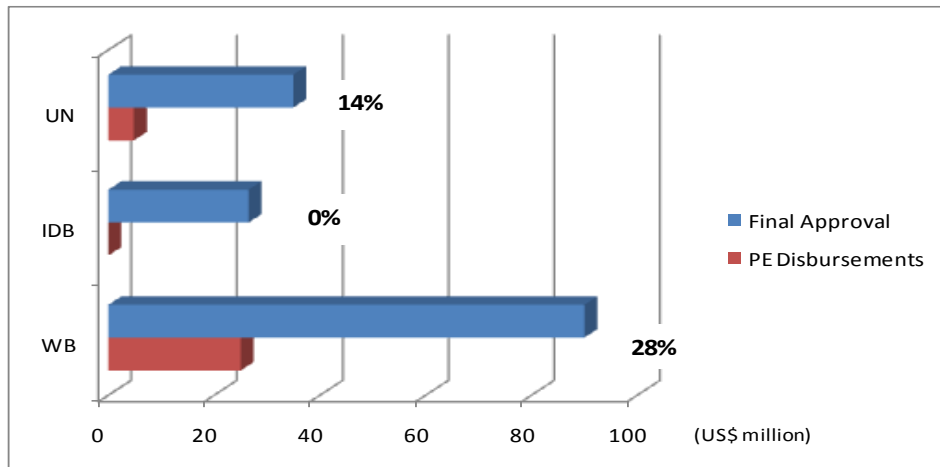


Figure 8: Funding Decisions and the Status of Disbursements by Project (USD million)



2. Figure 9 presents the disbursement rate by Partner Entity. As of March 31, 2011, the UN has been allocated USD 35 million, of which USD 5 million has been disbursed; the IDB has been allocated USD 27 million, all of which is pending disbursement; and the World Bank has been allocated USD 90 million, of which USD 25 million has been disbursed. The disbursement rate is 14%, 0% and 28%, respectively.

Figure 9: Disbursement Rate by Partner Entity (%)

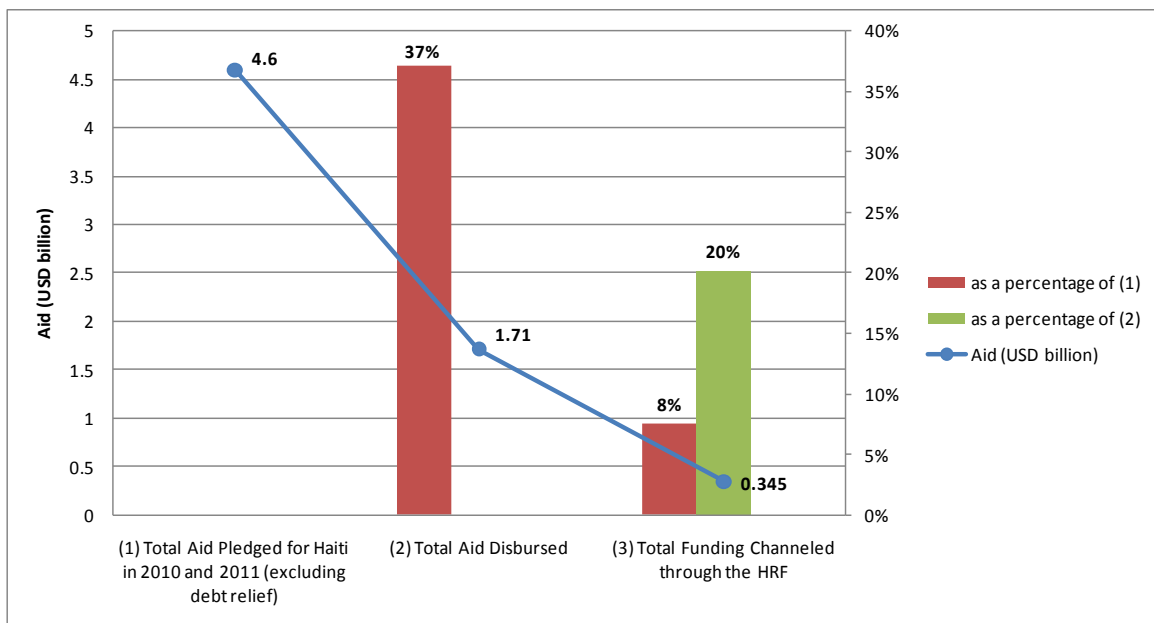


## Annex 2: Role of the HRF in Haiti’s Overall Reconstruction Finance (prepared by the HRF Secretariat)

### I. HRF funding as part of overall reconstruction finance

In March 2010, donors pledged USD 4.6 billion in grant funding to be committed in 2010 and 2011 to rebuild Haiti<sup>3</sup>. Of this, at the end of March 2011, donors had disbursed USD 1.71 billion, representing 37 % of total funds pledged to Haiti for 2010 and 2011. Out of the USD 1.71 billion in grant funding that was disbursed, 20 % was channeled through the Haiti Reconstruction Fund which, as of March 31, 2011, had received commitments totaling USD 345 million (see Figure 10).

Figure 10: Haiti Post-Earthquake Funds



### II. HRF contribution to filling sectoral financing gaps

All projects financed through the HRF are in line with the March 2010 Action Plan for the National Recovery and Development of Haiti. The funds channeled through the Haiti Reconstruction Fund have thus made a significant contribution to addressing the financing needs identified by the Government of Haiti in the Action Plan. Figure 11 provides an overview of the key sectors as defined in the Action Plan supported by the HRF and details the total HRF and other donor contributions to the funding needs identified for each sector and the remaining

<sup>3</sup> Funds Pledged by national governments and multilateral organizations, excluding debt relief. Data as reported by the Office of the Special Envoy for Haiti in the Overall Financing Key Facts brief of March, 2011.

financing gap<sup>4</sup>. Most notably, the HRF has contributed to reducing the Government of Haiti (GoH)'s projected 18 month budget need for Disaster Risk Reduction and Reconstruction, including housing, by 22 % and 17 % respectively<sup>5</sup> (see Figure 12).

Figure 11: HRF Contribution to Funding Post-Earthquake Recovery

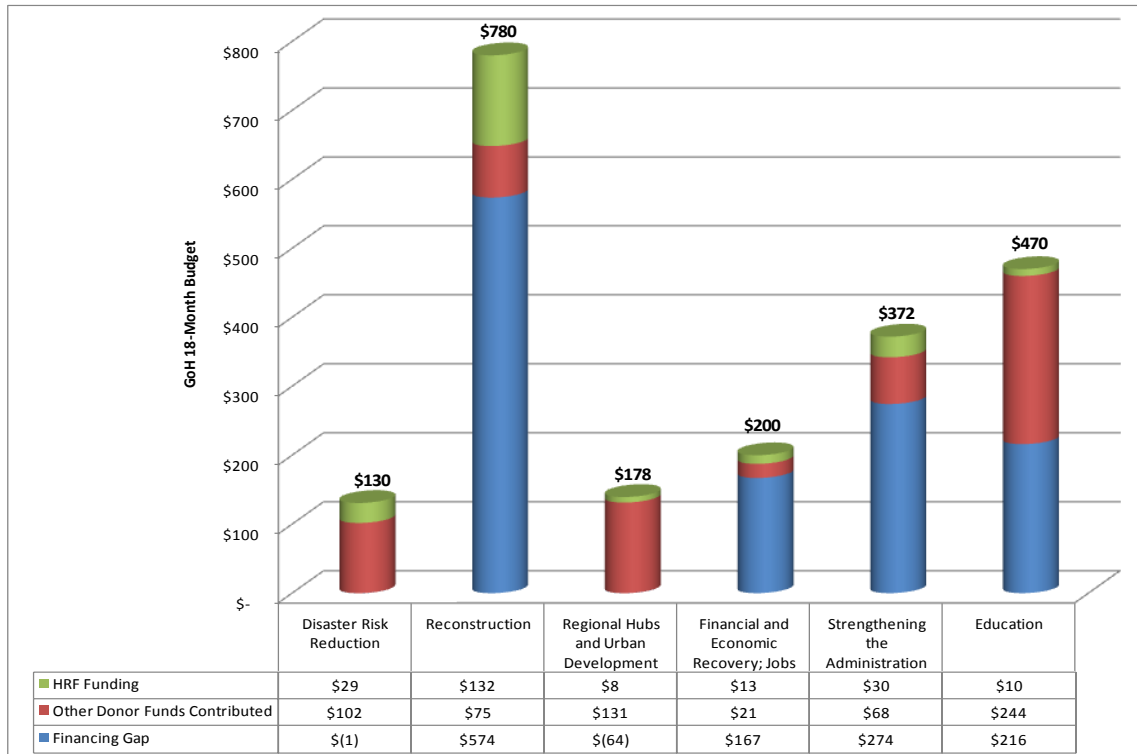
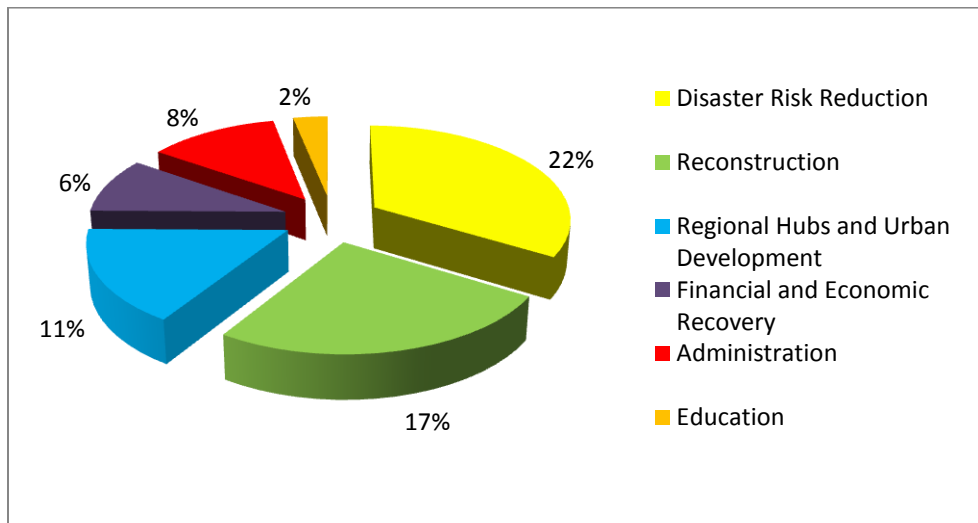


Figure 12: HRF Contribution to GOH 18 Month Budget



<sup>4</sup> Data from the HRF Secretariat and the Office of the Special Envoy for Haiti's end March 2011 Recovery Sector Analysis.

<sup>5</sup> Government of Haiti 18 month budget figures as detailed in the Action Plan for the National Recovery and Development of Haiti, March 2010.

### III. HRF funding of IHRC priority sectors

In the December 2010 Strategic Plan for the Remainder of the IHRC's Mandate the IHRC outlined eight priority sectors for funding; housing, debris removal and management, education, energy, health, job creation, water and sanitation, and capacity building. These sectors are those that (i) were directly affected by the earthquake and that would contribute greatly to reducing the vulnerability of the people through a "build back better" approach; (ii) create tangible impact on people's lives, with particular focus on the most vulnerable; (iii) would achieve significant, measurable progress within the 18-month mandate of the Commission; and (iv) would lay the foundation for longer-term development.

85 % of funding allocated to reconstruction through the HRF has gone to one of the eight priority sectors identified by the IHRC. In particular, the HRF has provided USD 102 million for housing, including the largest housing project to date (USD 65 million for the Neighborhood Housing Reconstruction Project administered by the World Bank), USD 42 million for debris removal and management, for which the HRF has been the largest funding source through two projects administered by the UN, USD 35 million for job creation and USD 10 million for education. The remaining funds were allocated for Budget Support to assist the Government of Haiti to close the fiscal year 2010 budget deficit. Most notably the HRF has contributed significantly to funding IHRC approved projects in the areas of debris removal and management, providing 81 % of total funding and housing, funding 37 % of approved projects (see Table 4).

| <b>IHRC Priority Sectors</b>     | <b>IHRC Approved Projects</b>                                     |  |  | <b>HRF Funded Projects*</b>                                       |  |  |
|----------------------------------|---|--|--|---|--|--|
|                                  | <b>(a) Total Value of Projects Approved by the IHRC by Sector</b> | <b>(b) Total Value of Projects Approved by the IHRC with Funding</b> | <b>(c) Funded Projects as a Percentage of All IHRC Approved Projects (b)/(a)</b> | <b>(d) Total HRF Funding for IHRC Approved Projects by Sector</b> | <b>(e) Percentage of Funding Provided by the HRF (d)/(a)</b> | <b>(f) Percentage of HRF Funding Transferred by Sector</b> |
| 1. Housing                       | 273   | 144  | 53%  | 102   | 37%  | 66%  |
| 2. Debris Removal and Management | 52  | 10   | 19%  | 42  | 81%  | 40%  |
| 3. Education                     | 676   | 308  | 46%  | 10  | 1%   | -  |
| 4. Energy                        | 211   | 14   | 7%   | 0   | -  | -  |
| 5. Health                        | 344   | 277  | 81%  | 0   | -  | -  |
| 6. Job Creation                  | 735   | 579  | 79%  | 35  | 5%   | 100%   |
| 7. Water and Sanitation          | 217   | 129  | 59%  | 0   | -  | -  |
| 8. Capacity Building             | 61  | 47   | 77%  | 0   | -  | -  |
| 9. Other/Cross-Sectoral          | 677   | 216  | 32%  | 33  | 5%   | 100%   |
| <b>Total</b>                     | <b>3,245</b>  | <b>1,723</b>   | <b>53%</b>   | <b>221</b>  | <b>26%</b>   | <b>77%</b>   |

\* Project amounts including Partner Entity fees