Haiti Reconstruction Fund

Financial Report

Prepared by the Trustee

*As of June 30, 2016*

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| Introduction |  |  |

The Haiti Reconstruction Fund (HRF) is a partnership between the international community and the Government of Haiti to help finance post-earthquake reconstruction. The Latin America and Caribbean Region of the World Bank acts as the HRF Secretariat; and the Development Finance Vice-Presidency acts as the Trustee for a Financial Intermediary Fund (FIF) in support of the HRF. The HRF mobilizes, coordinates and allocates contributions from bilateral and other donors to finance high-priority projects, programs and budget support. Proponents partner with the Inter-American Development Bank (IDB), the United Nations (UN) or the World Bank (WB and IFC) to ensure that international standards for quality, good governance and financial management are met.

The Trustee provides administrative and financial services to the HRF Steering Committee and donors, by receiving contributions from donors to the FIF, 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.

The Trustee periodically provides to the Donors and the Steering Committee reports on the financial status of the Trust Fund.[[1]](#footnote-1) The information contained in this report is prepared based on financial information as of June 30, 2016.

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| HRF Trust Fund Financial Summary as of June 30, 2016 |  |  |

***Pledges and Contributions***:

As of June 30, 2016, 19 donors had pledged and signed Administration Agreements or arrangements amounting to USD eq. 411.40 million. The Trustee has received USD 401.40 million in cash to date from these donors.

***Investment Income:***

As of June 30, 2016, the HRF Trust Fund had earned investment income of approximately USD 2.12 million on the undisbursed balances in the Trust Fund. The HRF Trust Fund liquid portfolio returned 0.27%[[2]](#footnote-2) in 2016. The HRF Trust Fund balance is allocated to a highly liquid short term investment portfolio.

In addition, the investment income received from the partner entities UNDP and IDB is USD 0.88 million.

***Funding Approvals:***

The cumulative funding decisions made by the HRF Steering Committee through June 30, 2016 totaled USD 365.93 million. Of the total amount approved, USD 350.55 million represents project[[3]](#footnote-3) approvals, and USD 15.38 million is for the partner entity fees and admin budget. Of the project approval amount, USD 350.55 million has been committed and transfered by the Trustee to the respective Partner Entities based on the approval of their complete project documents. A total of USD 37 million has been set aside in a financial reserve for future project approvals.

***Cash Transfers:***

Based on HRF Steering Committee funding decisions, the Trustee has transferred a total of USD 365.93 million up to June 30, 2016, including USD 360.72 million for projects and Partner Entity fees.

***Funds Held in Trust and Funds Available for HRF Steering Committee Funding Decisions***

***Funds Held in Trust[[4]](#footnote-4)*** reflect contributions paid-in from donors, investment income and cash transfers. Funds Held in Trust as of June 30, 2016 amounted to USD 38.47 million , of which USD 37 million has been set aside in a financial reserve for future project approvals.

***Partner Entity Disbursements***[[5]](#footnote-5)***:***

As of June 30, 2016, the UN has been allocated USD 130.58 million, of which USD 123.66 million has been disbursed; the IDB has been allocated USD 97.56 million, of which USD 39.08 million has been disbursed; and the World Bank has been allocated USD 132.58 million, of which USD 126.77 million has been disbursed.

**Funds available** to support new HRF Steering Committee funding decisions amounted to USD 1.47 million as of June 30, 2016.

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| HRF Trust Fund Summary – Inception through June 30, 2016 |  |  |

*In USD millions*



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| Contributions |  |  |

*In USD millions*



The above table shows the total contributions to the HRF, defined as those for which Administration Agreements or arrangements have been signed by donors and the Trustee. As of June 30, 2016, the Trustee had entered into Administration Agreements/Administration Arrangements with 19 donors for a total of USD eq.  411.40 million and received USD 401.4 million in cash to date from these donors. Receipts of USD 10 million are pending from Spain.

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| Asset Mix and Investment Income |  |  |

**ASSET MIX**

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| Funds held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. On July 1, 2015, the World Bank formally adopted the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. Funds are managed such that the expected maximum loss, as measured by the CVaR, at the portfolio’s investment horizon, is not to exceed 1% with 99% confidence. |

**INVESTMENT RETURNS**

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| The HRF funds are invested in cash portfolio of the World Bank’s Trust Fund investment pool. This portfolio comprises bank deposits and investments in money market instruments with an investment horizon of less than 3 months. The HRF Trust Fund liquid portfolio (which totaled approximately USD 38.47 million at June 30, 2016) earned USD 2.12 million in investment income since inception. In addition, the investment income of USD 0.88 million received from the partner entities UNDP and IDB. |  |

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| Cumulative Funding Decisions |  |  |

*In USD millions*

**Snapshot of funding decisions:**

The cumulative funding decisions made by the HRF Steering Committee up to June 30, 2016 amount to USD 365.93 million (see Annex I).

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| **FUNDING DECISIONS BY ACTIVITY**  Since inception to June 30, 2016 funding approvals made by the HRF Steering Committee totaled USD 365.93 million. Projects represent about 96%, fees for Partner Entities 3%, and administrative budgets for the Secretariat and the Trustee 1%. |  |

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| **PROJECT FUNDING DECISIONS BY PARTNER ENTITY**  Of the total USD 350.55 million of approved projects to date, 38 % has been committed to the World Bank as Partner Entity, 34 % to the UN, and 28 % to the IDB. |  |

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| Funds Available |  |  |

*In USD millions*



**Highlights for the period January 1, 2016 through June 30, 2016:**

* ***Funds Held in Trust*** represents cumulative receipts less cumulative cash transfers, and amounted to USD 38.47 million as of June 30, 2016. Funds Held in Trust decreased by USD 15.26 million due to the increase in cash transfers by USD 15.35 million, offset by USD 0.09 million in investment income.
* ***Financial Reserve*** is USD 37 million reflecting the HRF Steering Committee’s decision to reserve resources for future funding decisions.
* ***Funding Availability*** is USD 1.47 million as of June 30, 2016.

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| Partner Entity Disbursements[[6]](#footnote-6) |  |  |

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| **PARTNER ENTITY DISBURSEMENT SUMMARY FOR PROJECTS AND ASSOCIATED FEES**  As of June 30, 2016, the HRF Steering Committee has endorsed Concept Notes for 29 projects and approved final project proposals for all these projects. The Trustee has transferred funds totaling USD 360.72 million in respect of these approved projects and associated fees to the Partner Entities, upon receipt of cash transfer requests from the Partner Entities. The figure below shows the funding decisions and disbursements by Partner Entity, and the figure in Annex II details project-by-project disbursement status. The total disbursements by the Partner Entities are USD 289.51 million. As of June 30, 2016, the UN has been allocated USD 130.58 million, of which USD 123.66 million has been disbursed; the IDB has been allocated USD 97.56 million, of which USD 39.08 million has been disbursed; and the World Bank has been allocated USD 132.58 million, of which USD 126.77 million has been disbursed.    *(in USD millions)* |

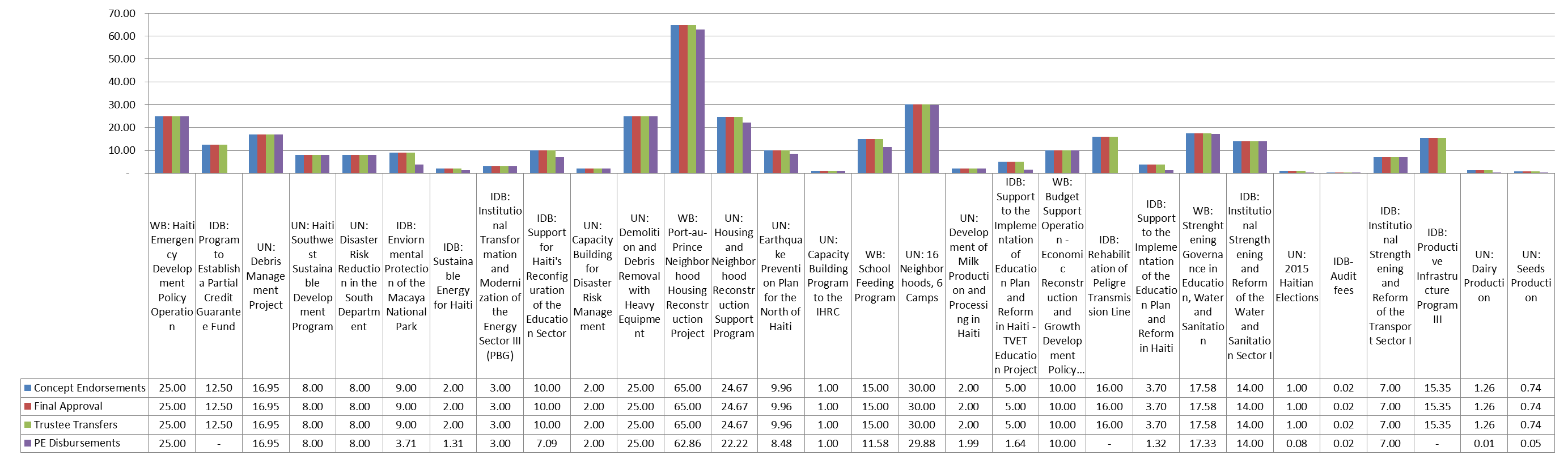
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| Annex I - Cumulative Funding Decisions Details |  |  |

*In USD million*



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| Annex II – Partner Entity Disbursement Details [[7]](#footnote-7) |  |  |

*In USD millions*



1. The Trustee’s financial status reports are publicly available at: [www.worldbank.org/fiftrustee](http://fiftrustee.worldbank.org/Pages/Home.aspx) [↑](#footnote-ref-1)
2. Non-annualized rate of return up to June 30, 2016. [↑](#footnote-ref-2)
3. “Project” refers to all types of HRF funding, including project budget support. [↑](#footnote-ref-3)
4. Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date. [↑](#footnote-ref-4)
5. Disbursed amounts are based on the partner entity’s information as of June 30, 2016. [↑](#footnote-ref-5)
6. This section is based on the information provided by the Partner Entities as of June 30, 2016. The WB disbursements are added based on SAP data. [↑](#footnote-ref-6)
7. This section is based on the information provided by the Partner Entities as of June 30, 2016. [↑](#footnote-ref-7)