

**Governance Document For Haiti Reconstruction Fund**

The governance and organizational structure of the Trust Fund includes a Steering Committee, a Secretariat and a Trustee.

**A. Steering Committee**

1. The Steering Committee will be established to oversee the Activities of the Trust Fund, and will consist of the following members (the Members):
  - (a) Two (2) representatives of the Government of Haiti;
  - (b) a representative of each Donor making the minimum aggregate contribution to the Trust Fund of USD 30 million;
  - (c) a representative of each Partner Entity; and
  - (d) a representative of the Trustee.
2. Observers on the Steering Committee may consist of the following:
  - (a) a representative of international non-governmental organizations;
  - (b) a representative of the private sector;
  - (c) a representative of other development partners;
  - (d) a representative of Haitian civil society;
  - (e) a representative of the Haitian diaspora; and
  - (f) a representative of Haitian local government;
  - (g)
3. Members referred to in paragraphs 1(a) and (b) above will be the decision making Members in all matters relevant to the Steering Committee. The Members in paragraphs 1(c) and (d) above will be non-decision making Members. The composition, selection process and role of observers will be decided upon by the Steering Committee.
4. In order to be selected as a Member representing a Donor or Donors on the Steering Committee pursuant to paragraph 1(b) above, a Donor (or group of Donors) will be required to make a commitment, by way of entering into an Administration Agreement(s) with the Trustee, to contribute to the Trust Fund an aggregate amount not less than the minimum amount of USD 30 million, or such other amount decided by the Steering Committee.
5. In the event that all or a part of the Donor's contribution is subject to legislative approval, the Donor may enter into an Administration Agreement with the Trustee for the total amount of the contribution, but qualify all or the portion of the contribution that is subject to legislative approval ; provided that if that Donor has not unqualified the contribution

in an amount no less than the minimum contribution within eighteen (18) months of the effectiveness of the Administration Agreement, that Donor country will not be eligible to apply for a seat at the Steering Committee for the subsequent term until and unless the minimum contribution is unqualified. In no case will a Donor country that has not unqualified an amount equal to or exceeding the minimum contribution serve as a Member of the Steering Committee for a period exceeding two years.

6. The Steering Committee will decide on any changes to the size and composition of the Steering Committee.
7. The Steering Committee will be responsible for:
  - (a) ensuring that the strategic orientation of the Trust Fund is guided by the principles of Haiti's recovery, reconstruction and development needs as defined by the Government of Haiti's Action Plan for Reconstruction and Development or a similar document for recovery reconstruction and development approved by the Government of Haiti;
  - (b) conducting discussions on a regular basis on the strategic orientation of the Trust Fund;
  - (c) establishing the criteria and requirements for Project and Program Proposals for consideration for funding from the Trust Fund;
  - (d) approving, rejecting or sending back for revision Projects and Programs submitted to it by the Secretariat;
  - (e) approving all allocations of Trust Fund funds for Projects and Programs, administrative budget and fees and informing the Secretariat and the Trustee thereof;
  - (f) approving the common format for progress reports submitted by the Partner Agencies;
  - (g) receiving and approving progress and financial reports as well as receiving a mid-term review from Partner Entities;
  - (h) ensuring that allocations to Partner Entities will be based on the Government of Haiti's Action Plan for Reconstruction and Development and based on requests by the Ministry of Planning and External Cooperation (MPCE) approved by the Council of Ministers following consultation with the Prime Minister<sup>1</sup>;
  - (i) reviewing periodic financial reports and an annual audited financial statement on the finances of the Trust Fund received from the Trustee;

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<sup>1</sup> The current counterpart procedures are as follows: a) the Ministry of Planning and External Cooperation (MPCE) receives and coordinates the strategic and technical review of project proposals in collaboration with the relevant line ministries. Project proposals will be submitted to the Council of Ministers following consultation with the Prime Minister; b) the Council of Ministers will decide on the funding requests to be submitted to the HRF for funding; and c) the MPCE will submit project proposals approved by the Council of Ministers to the HRF for financing.

- (j) deciding to withhold disbursements to Partner Entities under the Transfer Agreements for the following reasons including but not limited to: (a) a substantial deviation from work plans and budgets approved by the Steering Committee; (b) failure of the Partner Entity to provide reports required under the Transfer Agreement; (c) evidence of financial mismanagement in Projects; or (d) noncompliance of any applicable terms as set forth in the Transfer Agreement;
  - (k) approving an operational manual;
  - (l) establishing any other subcommittee necessary for the Steering Committee to carry out its responsibilities effectively and efficiently;
  - (m) exercising oversight of the Trustee;
  - (n) considering and approving requests to reserve funds for future use; and
  - (o) exercising such other functions as the Steering Committee may deem appropriate to fulfill the purposes of the Trust Fund.
8. One of the representatives of the Government of Haiti will serve as the chair of the Steering Committee and will convene its meetings. The chair of the Steering Committee will not express his/her viewpoint in deliberations nor participate in voting at any Steering Committee meeting. The non-chair Government representative will exercise voting rights on behalf of the Government of Haiti.
  9. Decisions by the Steering Committee will be made by consensus of its decision making Members. Consensus is a procedure for adopting a decision when no participant in the decision-making process blocks a proposed decision. For the purposes of the Trust Fund, consensus does not necessarily imply unanimity. A dissenting decision maker, who does not wish to block a decision, may state an objection by attaching a statement or note to the decision. If consensus is not possible, then a proposed decision will be postponed or withdrawn.
  10. The Steering Committee will meet at such frequency as it may decide, but at least twice per year.
  11. Decisions may be made and meetings may be held by means of telephone conference or electronic communication media. Any decisions of the Steering Committee will be made by: (a) consensus of all its decision making Members participating in a meeting; or (b) affirmative approval or no objection within ten (10) business days on the part of all the decision-making Members by virtual (email) correspondence.
  12. A member of the Secretariat will serve as secretary to the Steering Committee to facilitate the role of the chair-person in coordinating activities and recording Steering Committee decisions.

## **B. Secretariat**

13. The Secretariat will be established to support the work of the Steering Committee. The Secretariat will comprise a small team of professional and administrative staff employed by the World Bank. The Secretariat will be headed by a program manager within the office of the Director of Strategy of the Latin America and the Caribbean Region of the World Bank.
14. The Secretariat will be responsible for:
  - (a) receiving Project and Program proposals and funding requests from the office or entity designated by the Government of Haiti as the HRF counterpart for review by the Steering Committee;
  - (b) notifying the Trustee of funding requests approved by the Steering Committee;
  - (c) submitting Project and Program proposals approved by the Steering Committee for information to the office or entity designated by the Government of Haiti as the HRF counterpart and thereafter communicating instructions by the Steering Committee for transfer of funds to the Partner Entities;
  - (d) organizing meetings of the Steering Committee;
  - (e) drafting and circulating minutes of Steering Committee discussions;
  - (f) providing public information on Trust Fund Activities on a website to be created;
  - (g) offering guidance to the Partner Entities on the processes and requirements as laid out by the Steering Committee;
  - (h) receiving and consolidating annual reports on implementation results;
  - (i) receiving periodic financial reports submitted by the Partner Entities for distribution to the Steering Committee and Donors;
  - (j) drafting an operational manual;
  - (k) collaborating with the Trustee to ensure that the Trustee has all the information necessary to carry out its responsibilities; and
  - (l) performing any other functions assigned to it by a decision of the Steering Committee.

## **C. Trustee**

15. IDA will serve as Trustee for the Trust Fund. IDA, in its capacity as the Trustee, will establish the Trust Fund to receive contributions from Donors to the Trust Fund, and will hold in trust, as a legal owner, and administer the funds, assets and receipts that constitute the Trust Fund, pursuant to Annex 1 of this Agreement.
16. The Trustee will make commitments and transfers of the Trust Fund funds, in accordance with the Standard Provisions for the HRF.

17. The Trustee will provide to the Steering Committee reports on the financial status of the Trust Fund, as set forth in the Standard Provisions for the HRF or otherwise agreed between the Trustee and the Steering Committee.
18. The Trustee shall claim repayment from Partner Entities as set out in the Standard Provisions for the HRF and the Transfer Agreements and will send notices to Partner Entities pursuant to the Transfer Agreement as directed by the Steering Committee.
19. The Trustee will be accountable to the Steering Committee for the performance of its functions.
20. The Trustee will have no responsibility for the use of the Trust Fund funds transferred and Activities carried out therewith. In particular, the Trustee shall have no responsibility, fiduciary or otherwise, for the implementation or supervision of Activities financed by such funds, including without limitation, any duties and obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law.

**D. Partner Entities**

21. Each Partner Entity will be responsible for the use of funds transferred by the Trustee and Activities carried out therewith in accordance with: (a) its own policies, guidelines, and procedures, including its framework to combat fraud and corruption; and (b) the applicable decisions of the Steering Committee, including the purpose for which the allocations of the funds have been approved as set out in the Transfer Agreement.
22. For transfers to Partner Entities, including the World Bank, categories of expenditure will be determined by the policies and procedures of the Partner Entity, and with the approval and instruction of the Steering Committee, and may include costs for Project and/or Program preparation and supervision.

**E. Miscellaneous**

23. Terms used but not defined herein shall have the meaning assigned to them in the other Annex to this Agreement.

**F. Amendment**

24. This Governance Document may be amended by agreement of the Steering Committee.

