

A STEP CLOSER TO THE END



**HAITI
RECONSTRUCTION
FUND**





I. WHO WE ARE

ORIGIN :

The HRF is a multi-donor trust fund established by the Government of Haiti and contributing donors in support of the Government's Action Plan for Recovery and Development following the January 2010 earthquake.

FINANCING: :

19 conventional and unconventional donors committed USD 396 million to the HRF. To date, the donors have disbursed USD 386 million to assist the recovery and development efforts of the Haitian Government following the January 2010 earthquake.

OPERATIONAL MECHANISM :

The HRF pools contributions from donors in order to provide grant financing for priority activities requested by the Government and approved by the HRF Steering Committee. There is a streamlined grant approval process as well as a fast track procedure for smaller requests of less than USD 1 million. The Fund may be used to finance activities relating to infrastructure, services, community development, the environment, income generation, and budget support. Over the past five years, the Steering Committee has physically met twelve times and decided to allocate or earmark USD 342.3 million for 25 priority projects from the Haitian Government. Its implementing agencies initiate the activities, which are evaluated and supervised by one of the four Partner Entities: the Inter-American Development Bank (IDB), the United Nations, the World Bank, and the International Finance Corporation (IFC).



GOVERNANCE STRUCTURE :

The HRF is governed by a Steering Committee chaired by the Ministry of Economy and Finance and whose members include representatives of the Government (Ministry of Planning and External Cooperation), donors having contributed over USD 30 million to the Fund (Brazil, Canada, Spain, France, Japan, Norway, and the United States), the four Partner Entities (World Bank, Inter-American Development Bank, United Nations, and the International Financing Corporation), and the Trustee as well as observers from Haitian civil society, local government, private sector, Diaspora, and the international NGOs. The World Bank serves as the Secretariat and Trustee of the Fund.



Seedlings are prepared in Macaya Park and distributed to the residents of the area for reforestation

Protecting the Environment of the Macaya National Park

II. CURRENT ACTIVITIES

Several projects in the sectors of education, rehousing, risk management, and energy are underway in 2015.

A. Port-au-Prince Neighborhood Housing Reconstruction Project (PREKAD) (USD 65 million)

This project supplements a program financed by the World Bank already underway that aims to facilitate residents' return to their communities in Port-au-Prince neighborhoods severely damaged by the earthquake (Delmas, Carrefour Feuilles, and others) by helping them repair or rebuild their homes or by improving conditions of return and basic community services and infrastructures. It also supplements the achievements of Project 16/6 and the Housing and Neighborhoods Reconstruction Support Program (PARLOQ) financed by the HRF with the United Nations as Partner Entity.

The project is constructing pilot multi-family housing complexes in three (3) neighborhoods (Delmas 32, Sans-fil and, Poupelard). It also aims to create a Community Center for Reconstruction in each neighborhood that will be open to all residents and offer advice and training in home repair and reconstruction.

Improvements to community infrastructures have benefitted tens of thousands of individuals. Sports fields, pedestrian walkways, new public spaces, street lighting, and an improved water supply make residents' lives more pleasant and manageable. In addition to drainage and the rehabilitation and paving of roads, streets, and lanes, the construction of retaining walls creates a safer environment for residents.

Achievements in 2014-2015 include:

- 2,975 additional families returned homes thanks to home repairs, construction work, and subsidies for safer housing;
- In May 2015, 75,000+ families benefited from community improvements;
- An additional 1,547.65 m³ of debris was removed, bringing the total to 2,404.65 m³;
- 400 additional units were rebuilt (802 in total) and 10 more homes were repaired (1,134 in total).

B. Rehabilitation of Neighborhoods and Voluntary Return from Camps (USD 30 million)

The initial objective was to rehabilitate 16 neighborhoods in order to improve basic living conditions through community participation, close six (6) priority camps, and allow displaced persons to return to their neighborhoods with the help of returning benefits and subsidies for rents or home repair or reconstruction.

The project has been ongoing for five (5) years. During that time, it has made it possible to close 50 camps and for 10,000+ families to return to their original neighborhoods. More importantly, neighborhood improvement work undertaken alongside communities has made this project a resounding success in the eyes of residents.

Results from 2014-2015 include

- 142 additional severely damaged homes rebuilt (total: 250);
- One (1) additional small neighborhood project completed (total: 13);
- 133 builders trained in earthquake-resistant construction (total: 718);
- 31 additional children received earthquake preparedness training (total: 127);
- Three (3) additional water kiosks built (total: 14);
- 83 micro-enterprises or businesses received loans (microcredit) (total: 441);
- 570 linear meters of retaining walls built;
- 2,238 linear meters of drainage channels built (total: 2,719);
- 1,000 additional linear meters of roads built (total: 4,550);
- 987 additional jobs created (total: 5,460).

C. Education Projects (USD 33.7 million)

Funds allocated to this sector are used primarily to improve education access and quality as well to strengthen professional training in Haiti. Current projects include: (i) **Support for the Recovery of the Education Sector**; (ii) the **Project in Support of the Implementation of Education Reform in Haiti**; (iii) **Support for the Development of Technical and Vocational Training**; and (iv) the **School Feeding Program**. This last project enhances and expands school feeding initiatives conducted under Phase 2 of the World Bank's Education for All project.

Achievements seen during the 2014-2015 school year include :

- Signature in April and May 2015 of food supply contracts for 252 schools covering 93,000+ students per day, which exceeds the goal of 76,500, in four departments;
- These contracts cover all remaining schooldays in 2015 and the entire 2015-2016 school year;
- Construction completed of four (4) schools in Lagumite, Sans Souci, Lafleur, and Ravine Trompette, which are ready for the 2015-2016 school year. A fifth school in Bois Laurence is under construction and should open in December 2015;
- Procurement finalized for supplying seven (7) schools built as part of the project;

D. Natural Disaster Risk Reduction Project in Sud Department (USD 9 million)

The objective of this project is to create the Macaya National Park and to reduce rapid environmental degradation in the upper watersheds of Southwestern Haiti.

Three major steps were taken in 2014-2015::

- Establishment of the physical boundaries of the Macaya National Park;
- 500,000+ trees planted in the park's buffer zone;
- Initial corps of more than 40 wardens recruited.

E. Péligre–Port-au-Prince Power Transmission Line Project (USD 16 million)

This project is critical to improving transmission from the largest electricity generation center to areas outside of Port-au-Prince. This year, it received final approval for USD 16 million from the Steering Committee.

More specifically, the project consists of rehabilitating two circuits (above ground and underground), which will have an estimated combined transfer capacity of 160 MVA. This will enable the secure transmission of up to 80 MW of production capacity in the country's capital.

Calls for expressions of interest from potential supervisors were initiated and six (6) firms selected. The call for proposals is expected to be made in the third week of July 2015.

F. Project for the Development of Dairy Production and Processing in Haiti (USD 2millions)

The objective of this USD 2-millionsproject was to improve the living conditions of small farmers and supporting an environment-friendly development of the entire dairy sector in Haiti. It aimed to gradually creating 30 dairy-processing factories (6 with cheese production capabilities) managed by farmers' organizations and to provide milk and cheese to school feeding programs.

This project ended in June 2015. Its main results include:

- Construction of three (3) dairies or service centers in the project areas;
- Three (3) dairies outfitted with appropriate equipment;
- A new marketing strategy designed and implemented by a project partner (Marketing Center for Let Agogo Products of the National Federation of Haitian Milk Producers (FENAPWOLA);
- Legalization of three (3) livestock and milk producers' associations, with 884 members;
- Training of 56 dairy sector professionals;
- Nine (9) employees from three (3) dairies trained in dairy technology.



Multifamily housing units built at Morne Lazare, a neighborhood that was destroyed by the earthquake.

Rehabilitation of Neighborhoods and Voluntary Return from Camps (16/6)



The pressed cheese, very popular in Haiti, during production in the dairy at Thomazeau .

Project for the Development of Dairy Production and Processing in Haiti.

III. FINANCIAL POSITION OF THE HRF

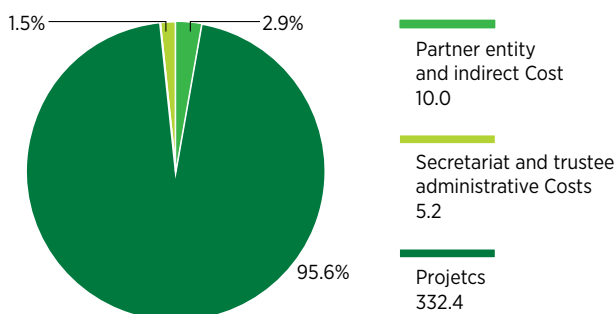
A. HRF Resources

From its creation until the close of the 2014-2015 fiscal year (June 30, 2015), the HRF accumulated **USD 388.8 million** in resources, comprising **USD 386.05 million** in donor contributions and **USD 2.75 million** from investments made by the Trustee as well as from balances of funds disbursed to Partner Entities but not yet spent on projects. At the close of the fiscal year, the only remaining disbursement is a USD 10-million contribution promised by Spain.

B. Allocation of Funds

The HRF Steering Committee approved financing decisions for a total of **USD 347.6 million**, comprising **USD 332.4 million** (or **95.6% of commitments**) earmarked for financing the Partner Entity projects direct activities, **USD 10 million** (or **2.9% of commitments**) for Partner Entity project fees, and **USD 5.2 million** (or **1.5% of commitments**) to cover the administrative expenses of the HRF Secretariat and Trustee until the end of June 2016.

Figure 3.1 Allocation of HRF Resources to Projects, Partner Entity Fees, and Administrative Costs (in USD million and %)



C. Available Funds

Following these allocations by the Steering Committee, the total amount still available to the HRF as of June 30, 2015 was **USD 41.2 million**, comprised of USD 40 million earmarked for several projects in preparation and **USD 1.2 million** eligible to be used for future funding decisions (Table 4-2).

D. New Funding Granted in 2014-2015

The Steering Committee's only financing approval in 2014-2015 was for the Péligre Power Transmission Line Project to the amount of USD 16 million. To cover the project's total cost, estimated at USD 23.5 million, the IDB co-financed an additional USD 7.5 million.

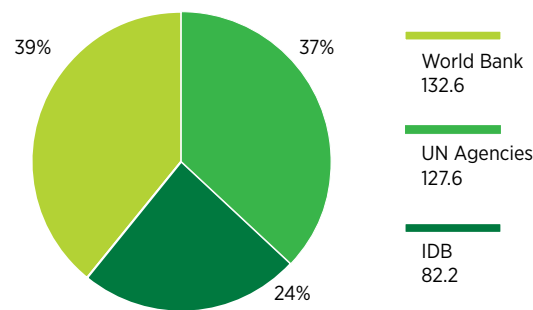
The Committee also approved **USD 334,000** to cover the administrative expenses of the Trustee and Secretariat in 2016.

E. Disbursements in 2014-2015

Nearly all financial commitments to the HRF (roughly USD 347.6 million) have been disbursed. Partner Entities received a total of **USD 342.4 million** for approved projects and fees. The Secretariat and Trustee received **USD 5.2 million** for approved administrative budgets and the feasibility study. This year, the Trustee finally disbursed **USD 16 million** following the final project approval by the Steering Committee in June 2015.

The distribution of HRF resources among Partner Entities changed little from last year. A large portion of HRF resources for projects (totaling USD 132.6 million, or 39%) was allocated to five (5) projects supervised by the World Bank. The IDB sustained its share of resource, equivalent to USD 82.2 million allocated to 10 projects under its supervision, which account for 24% of overall allocations. The United Nations Agencies also sustained their portion of resource, representing USD 127.6 million, and accounting for 37% of funds approved or earmarked by the HRF. *figure 4.2 : Total des Ressources Affectées aux Entités Partenaires).*

Figure 3.2 Total Transfers to Partner Entities (in USD million and %)

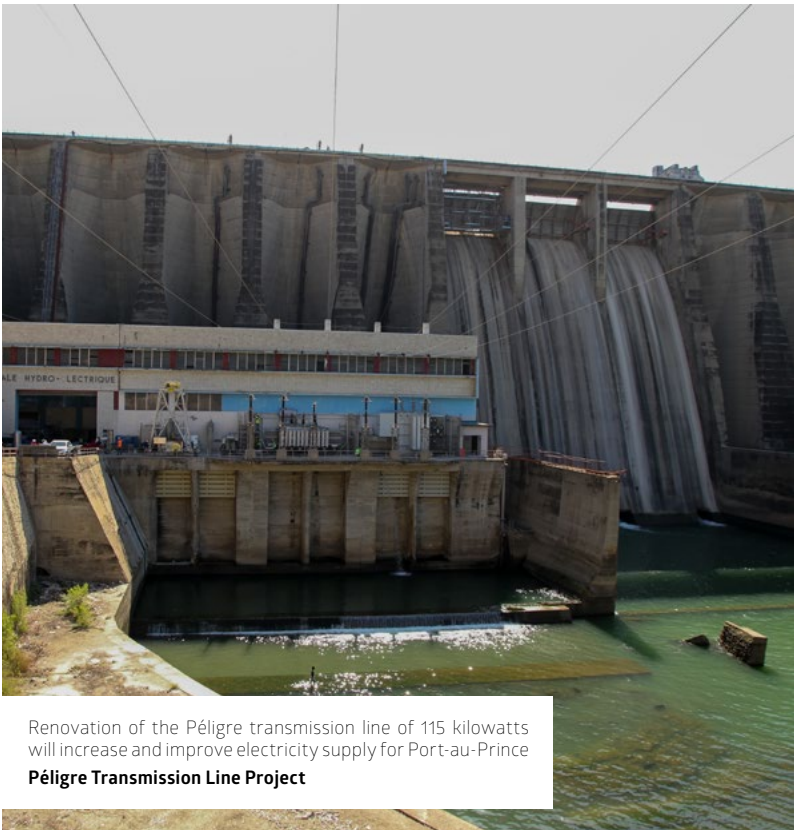


Disbursements by Partner Entities to their respective projects rose sharply.

Disbursements of HRF funds to final beneficiaries at the end of June 2015 stood at USD 263 million (disbursement rate of 77%) compared to total transfers of USD 342.3 million. The World Bank disbursed USD **108.2 million**, a cumulative disbursement rate of **81.6%** versus only **56%** in 2014. The IDB disbursed USD 33.3 million (cumulative rate of 40% versus 15% in 2014), while the United Nations disbursed **USD 121.4 million (cumulative rate of 91% versus 89% in 2014)**. These figures demonstrate the accelerated speed with which many projects in the HRF portfolio were executed this year.

F. Administrative Costs

The administrative costs of the Secretariat and Trustee remain at reasonable levels. This attests to the prudent management of the HRF. Cumulative administrative costs represented only 1.5% of HRF allocations.



Renovation of the Péligre transmission line of 115 kilowatts will increase and improve electricity supply for Port-au-Prince
Péligre Transmission Line Project



Haiti Reconstruction Fund

A fund for Recovery, Reconstruction and Development of Haiti



BID



IFC



The School Feeding Program allows 905 children at *Ecole Jesus Enfant* of Port-au-Prince to be fed on a daily basis: meal of the day: corn meal and beans, fish gravy and natural orange juice.

School Feeding Program



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