

STEERING COMMITTEE MEETING 10/2013

MINUTES

1. The tenth meeting of the Steering Committee of the Haiti Reconstruction Fund (HRF) was held on February 20, 2013 from 3 – 5 p.m. at the World Bank Office, Port-au-Prince (see Annex 1 for a list of members and observers). The purpose of the Steering Committee (SC) was to continue deliberations on the project approvals and other issues from the 9th SC.

Welcome by the Chair

2. The Chair, Her Excellency Marie-Carmelle Jean-Marie, thanked the members of the SC for their presence at the meeting – the second HRF SC held in the month of February. The Chair expressed her appreciation for the interest of the SC in supporting the Government. She also thanked the members who were joining by videoconference, especially those in countries where it was already night time. She further thanked the executing agencies and the United Nations (UN) who worked through the carnival period to revise the Project Concept Notes (PCNs) in response to the concerns raised by the SC at the last meeting.

Approval of minutes of the last SC meeting

3. The Chair said that some remarks on the minutes from the 9th SC meeting had been received in advance and invited members to raise any other remarks they might have on the minutes. The comments on the minutes had been integrated into one document, which was projected for the SC. Spain requested to insert a table summarizing the positions of each SC member on each of the five PCNs reviewed at the last meeting, including clarifications on members' position that were received by the Secretariat since the 9th meeting. The Spanish representative (Maidier Makua García) explained that it could help clarify the positions of each member on the proposed projects as well as the specific requests for information on each PCN.

4. The French representative (Yves Malpel) mentioned that he believed the French delegation in Paris had difficulties getting into the World Bank office in Paris, as such, he said he was the sole representative of France at this meeting. He noted that France would like to amend paragraph 49 of the draft minutes of the 9th meeting. During the last meeting, the French Representative (Pierre Duquesne) noted several times that France had expressed a preference that the French funds transferred to the HRF were intended for budget support and projects in the education sector, and that the SC had had not yet reflected this preference in its funding decisions. At the same time, a formal request to reserve funds had not been submitted to the SC. As such, the representative suggested to amend paragraph 49 stating that the SC would set aside USD 8 million for the Peligre transmission line and USD 10 million for the Cancer Center, but only on condition of the availability of funds after an increase in the Financial Reserve in an amount equal to the contribution from France.

5. The Chair noted France’s position puts into question the funding decisions of the previous meeting and asked the HRF Manager for guidance on a way forward. The HRF Manager suggested the SC discuss the situation identified by France and the impact on the interpretation of what was decided at the previous meeting and amend what needs to be written in the draft minutes accordingly, for approval at this meeting. The Chair suggested continuing to review the draft minutes, approve them and consider the new proposal by France.

6. The Chair asked to see the draft minutes including all proposed changes so the SC could approve it. The HRF Manager asked the SC if the table proposed by Spain properly reflects the positions of each donor around the table. France responded that their position could be clarified. France has an obligation to request the SC set aside funds in the Financial Reserve for budget support and education. Once this was reflected, France would not oppose the cancer center or job creation projects. The HRF Manager suggested reflecting France’s position in a revised Table 1, below, that would be included in the SC-approved minutes of the 9th Steering Committee meeting.

Table 1: Position of each SC Member on the five PCNs presented at SC9 (as amended)

	Brazil	Canada	Spain	US	France ¹	Japan	Norway
Job Creation	Will go with the consensus	Postpone decision	Postpone decision	Postpone decision	Yes		Postpone decision
Radiotherapy Center	Yes	Yes	Postpone decision	Yes	Yes	Yes	Yes
Mirebalais Hospital	Will go with the consensus	Postpone decision	Postpone decision	Postpone decision	Yes	Yes	Yes
Peligre-PaP Transmission Line	Postpone decision	Postpone decision until study to determine cost is completed	Postpone decision. The request should be presented again once the exact costs are known	Yes, but postpone decision until total cost is presented	Yes		Yes, but need to update information based on financial needs
Canaan-Jerusalem	Will go with the consensus	Yes	Yes	Postpone decision	Yes		Yes

The HRF Manager asked the French representative to repeat his proposed change to paragraph 49 of the minutes of the 9th SC. The French representative restated France’s desired change as follows:

DECISION: The SC decided to set aside USD 8 million for the Peligre transmission line and USD 10 million for the Cancer Center, *depending on the availability of funds once the French remarks [on the reserve] have been taken into account.*

¹ After SC approval to increase the Financial Reserve by an amount equal to the total contributions from France (USD 32.28 million). Applicable to France’s positions on each proposed project.

There were no further comments and the minutes of the 9th SC were adopted, as amended reflecting the inclusion of the revised Table 1 above.

Approval of the agenda of the 10th SC meeting

7. The HRF Manager noted that he had received some comments on the agenda of the meeting from France and Norway and had as such changed the agenda to start with a presentation on the funds remaining in the HRF and the French request to create a reserve to reflect its contribution to the Fund. Then, the agenda would move on to consider the funding requests deferred from the last meeting. For this, there were representatives of the UCLBP, MSPP and UNDP to present updates to their project proposals since the last SC meeting. Finally, the agenda would end on a discussion about the future of the HRF and a possible benefit concert. The US representative (Tom Adams) wanted to add another agenda item that the US would want to propose a vote on the USD 5 million (outstanding) for an energy project. The HRF Manager suggested that the SC discuss this following the vote on France's request to put their funds in reserve. The agenda was then adopted by the SC meeting.

Status of Finances

8. The HRF Manager reported that, with the SC decision to revisit the decisions of the 9th meeting, the financial situation was unchanged from the last meeting; the HRF Financial Status Report from the trustee shows USD 36.95 million available to allocate.

9. The Chair then invited France to put forward its request to increase the Financial Reserve by USD 32.28 million, equivalent to the full amount of its contribution to the HRF to date. The French representative then reiterated France's preference that the SC allocate USD 28.57 million for general budget support and USD 3.71 million for projects in the education sector. The Chair invited questions on France's request. The US representative asked whether the global budget support had restrictions on the money, or whether the money would be at the complete disposal of the Government of Haiti. The Chair took note of France's request and will need to determine with the HRF Secretariat how the Government could disburse this budget support. There were no objections to France's request. The Chair noted that this greatly reduces the funds available for the five PCNs proposed at the last meeting.

DECISION: To increase the Financial Reserve by USD 32.28 million, to a total of USD 99.78 million; and acknowledgement of France's preferences for use of funds for general budget support and projects in the education sector.

10. In response to a question from the UN representative (Sophie de Caen), the HRF Manager confirmed that, after the increase in the Financial Reserve, there now remains only USD 4.67 million available for allocation. The World Bank representative asked the Chair to provide a status update on whether the Government was preparing a budget support operation to be financed by the HRF. The Chair responded that the Government of Haiti (GOH) had decided to prepare the proposal for budget

support to be submitted to the World Bank for the budget support operation to be ready by March 2013, comprised of USD 20 million from the World Bank and USD 20 million from the HRF Financial Reserve. However, the GOH needs to discuss further with the World Bank to clarify whether the budget support would be postponed and on the utilization and availability of these resources. The World Bank representative said he would be in Haiti until Friday and could discuss with her.

11. The Chair reminded the SC that there were five project proposals for a total of USD 51 million but with a much reduced envelope of under USD 5 million, plus possibly an additional USD 5 million from the US. The HRF Manager asked the Chair about a possible financing of the five projects from the Government's budget. The Chair said that the US had worked on the possibility of using its funds for the Peligre Transmission line as it is an important investment related to the rehabilitation of the Peligre hydroelectric plant and electricity supply to the capital. As such, the Chair thanked the US for its proposal to support the use by the SC of USD 5 million to complement the financing of this project. In light of the funding shortfall, the Chair said she believed it was necessary to go around the table to see what other proposals could be presented for the financing for the projects presented at the last meeting, and link the discussion on the future of the five projects with the discussion on the future of the Fund itself.

12. The HRF Manager said that he saw four options for addressing the current situation.

1. Mobilize more contributions to the HRF and flag these five projects as priority for any new funds received;
2. Choose one project from the five proposals to be financed with the funds available;
3. Reduce the amount of each project and start funding with the funds available, though this would be difficult for fixed-cost investments such as the Peligre Transmission line; and,
4. Use the money in reserve for budget support operations by HRF Partner Entities to finance the five projects through the Government's budget.

13. The US representative said the last proposal makes the most sense. The problem is not necessarily a lack of funds, but that preferences had been expressed to use the funds for budget support, and yet the budget support could be used to support some of these projects.

14. The Spanish representative asked the Chair for more explanation on the how the GOH would support projects through the Government's budget. Would this apply only to the contributions preferred for budget support, or other contributions? The representative reminded the Chair that the Spanish are launching their own budget support.

15. The Chair responded that some of their resources are fungible and when the GOH receives budget support, it only increases the amount of funds available for the State's budget. Certain projects, for example, the construction of the Radiotherapy center, figure in the investment budget for the next year (FY 2013/14). This applies also to support for the Mirebalais Hospital (HUM), which will be a budget line of the Ministry of Health (MSPP's) budget. As such, the GOH can consider these projects in the next

budget they are elaborating since they know these resources are available [through budget support]. As such, the GOH can commit to financing these projects and include them into next year's budget. With regard to the Peligre Transmission Line, while EDH is not in the budget, there is a possibility to increase the annual subsidy for EDH (currently greater than 2.5 billion gourdes annually) to take into account the Peligre Transmission Line investment. As such, the GOH can already give the guarantee that the projects that were to be financed by the HRF would be financed through the next budget using the budget support from the HRF. The Chair asked the SC for the support for the use of budget support to eventually finance some of the priority projects proposed to the HRF SC. The SC was in agreement.

DECISION: The SC endorses the Chair's proposal to use budget support to finance some of the priority projects proposed to the HRF.

16. The French Representative remarked that with regard to the financing of the Transmission Line through the subsidy line to EDH in the budget, the public subsidization of EDH is a common concern expressed quite regularly. Thus, it might be useful to look for other sources of financing and to consider additional EDH subsidies as a last resort. The Chair acknowledged France's remark and welcomed other proposals of financing.

17. The Chair returned to the approval of France's request to use HRF funds for budget support and projects in the education sector. The Chair mentioned that there is an ongoing education project supervised by the IDB and asked the IDB representative (Peter Sollis) to say a few words. Mr. Sollis said that there is an ongoing IDB operation in the education sector. A project concept note had been submitted to the MPCE by the Ministry of Education and returned for additional clarification. The IDB will now work with the Ministry of Education to submit a revised PCN to the MPCE in order to be considered for HRF financing.

18. The Chair inquired as to when the USD 5 million contribution payment from the US would be available. The US representative said it would transfer this outstanding amount to the Trustee and request the SC to increase the Financial Reserve by an equivalent amount (added to the USD 7.5 million already placed in reserve, for a total of USD 12.5 million available for an energy project). The HRF Manager clarified that the USD 7.5 million currently in reserve is intended for targeted budget support and as such the SC would need to agree that these funds could be allocated for a different purpose (i.e. energy). Secondly, he confirmed that increasing the Financial Reserve by USD 5 million would be a separate request and SC decision. Then the HRF Manager asked if this project would be the Peligre Transmission Line. The US representative said probably but it would depend on the estimated cost of the Peligre Transmission Line project. The Trustee representative (Jonathan Caldicott) clarified that the SC can make funding decisions, including allocation to the Financial Reserve, only to the extent that funds are available in the HRF Trust Fund; this would exclude the outstanding USD 5 million payment from the US as it has not yet been received. The US indicated it could agree to use USD 7.5 million from the Financial Reserve, currently intended for targeted budget support, for a project in the energy sector. The French representative asked whether the SC could already vote on the allocation of the outstanding USD 5 million payment that has not yet been disbursed to the Trustee. The Trustee responded that the

SC could agree on its preferred allocation prior to receipt of funds, but that a formal funding allocation and legal commitment by the Trustee to the Partner Entities cannot be made unless funds are deposited in the HRF Trust Fund; as such the decision could not be reflected in the Trustee's financial status reports on the HRF.

DECISION: the SC confirmed its intention to (1) use USD 7.5 million in the Financial Reserve (initially intended for targeted budget support) for a project in the energy sector and (2) add an additional USD5 million to the Financial Reserve for a project in the energy sector when these funds are received from the US.

19. The UN representative spoke in favor of the unfinanced project proposals, such as Canaan-Jerusalem and the Job Creation projects, which respond to important priorities of the GOH. The Chair said she considers all project financing decisions postponed given there are no resources available. The Chair said they need to identify new resources for HRF to finance these operations such as budget support.

20. The Chair asked the HRF Manager to present the total funds available to support the five project proposals, following the decisions to put funds in reserve. The HRF manager responded that, of the USD 36.95 million previously available, USD 32.28 had been added to the Financial Reserve, and as such USD 4.67 million remains available for the SC to allocate. The Chair then raised the USD 15 million that had been put aside for a targeted budget support operation (reflecting a preference of Canada) and a USD 10 million contribution payment that was outstanding from Spain. Canada remarked that regarding the USD 15 million originally destined for targeted budget support, there was an agreement in principle to support the World Bank's Education for All project, in particular the *cantine scolaire* program. At this point, this is still Canada's preference but it is waiting for ministerial approval to proceed. The Chair asked Spain if it would be preferencing the outstanding USD10 million. Spain remarked that it is premature to express a preference for the USD10 million, which should be disbursed to the Trustee by December 2014. They may be able to express a preference once the money is disbursed or ready to be disbursed.

Consideration of deferred funding requests from Government

21. The HRF Manager proposed to discuss the three deferred projects that the Partner Entities had prepared. The SC can continue to consider these projects subject to availability of new funds. The SC can also flag these projects as priority for financing and this would help the GOH on their decision about how to use the budget support in the Financial Reserve. The Chair agreed with this proposal mentioning that it is too premature to identify which projects might be financed through budget support. As such, all five project proposals should still be considered. The Chair invited the Government entities and Partner Entities to present their projects.

22. **Canaan-Jerusalem (Harry Adam, Director of UCLBP).** The need to intervene in Canaan is well understood by all and inaction brings with it many risks (sanitary, urban, economic, ecological, and political). Approval of this project would recognize and support a responsible urban and housing policy, for which investments are prioritized according to criteria based on all the risks noted above. This project is a challenge, in the medium and long-term, to make this an organized, formalized area eventually integrated into Port-au-Prince and the commune of Croix-de-Bouquets. This project is the starting point for the larger project of developing the entire northern area of the city of Port-au-Prince. UCLBP has established an outline for the development of Canaan, which needs to be deepened with complementary analysis, and a significant involvement of local authorities and the population. Four priorities have been identified: (1) Improve security of people and goods, while reducing natural risks; (2) Support and strengthen the capacity of local authorities in the control of urban development; (3) Encourage local economic development, strongly linking this to housing; and (4) establish a progressive intervention from which they can learn and duplicate this kind of intervention. To meet these priorities two types of work have been identified: (1) mitigation of natural and anthropogenic risks, of benefit to all families in the area; (2) Complete urban development of an identified zone in Canaan, to be defined.

23. With regard to the specific questions raised at the last SC meeting, the first issue was that of land tenure. This is a critical problem in Canaan, in Port-au-Prince and throughout the country. Canaan is an opportunity to apply other experiences that UCLBP is experimenting with in other projects, such as the development of at-risk neighborhoods where land tenure issues are rampant (e.g. Simon-Pelé, Carrefour Feuille, Martissant). The second question was related to the migration of people to Canaan. By improving the area, this will inherently attract people. To respond to this, they propose to carry out a census to identify people living currently in the area and work with the municipality on the application of sanctions against those who invade private property. The third question was on the relocation of displaced persons. The objective would be to limit relocation as much as possible, taking into account the current situation. However this situation would be unavoidable. There are several possible options. For example, there are approximately 5000 houses at the bottom of Morne-a-Cabrit, and UCLBP could use some of these houses for those people finding themselves in zones-at-risk or for those who would need to be relocated due to road construction, for example. This would be an opportunity to provide safe, sustainable housing. However, there would be a need for complementary interventions on support to housing. There is still a need for financing to support the GOH as there remains a significant housing deficit (need to build around 40,000 new houses). The fourth and final question pertained to design of communities and support to governance. In the document, UCLBP did not signal how important it would be to work with the local authorities. This proposal reflects a first step by the GOH to address the urgent situation in Canaan as well as a learning step for the GOH (represented by UCLBP) in the control of urban development. However, the complexity of the problem requires the involvement of other Government institutions, such as the Ministry of Interior, Ministry of Public Works, CIAT, Ministry of Planning as well as the technical and financial support of international organization. We would propose a Steering Committee comprised of these different actors and co-chaired by UCLBP and the Resident Coordinator of the UN.

24. The US representative thanked Mr. Adam for UCBLP's work on the project proposal. The US is convinced that this is a good project and would give its agreement to the project, subject to the availability of financial resources. The Chair then asked for the Brazilian representative to make a remark given that, during the last SC, Brazil had said it would go with the consensus. The Brazilian representative acknowledged that a consensus was indeed reached in favor of the project proposal. The Chair called upon the Japanese representative to react next. The Japanese representative noted that during the last SC, Japan did not comment on the project. Japan acknowledges the importance and necessity of this project. The Chair then recognized a non-member, Mr. Gregory Mevs, who is the Honorary Counsel for Finland. The Finnish representative said that Finland gives again its support for this project which is very important and hopes that at a legal level the Steering Committee studies the best legal structure possible. One of the aspects of this project, which is a new approach, should help to establish the best system, incentive and/or structure to support this project and the Minister of Finance could eventually encourage collaborations so that the informal become formal.

25. The Chair then called on the MSPP representative to make a presentation. She reminded the SC that this project could be financed through the budget of the GOH as a grant.

26. **Mirebalais Hospital (Dr. Maxi Raymonvil, MSPP).** Dr. Raymonvil remarked that the MSPP has worked very hard during the last two weeks to address the questions raised by the SC during the last meeting. Tomorrow is staff orientation at the Mirebalais University Hospital (HUM) and medical supplies and equipment have arrived. The only outstanding issue is to fill the financing gap of USD 8 million out of a total budget of USD 12 million. The difference of USD 4 million has been received from two US foundations. The question posed during the last meeting related to the financial sustainability of the HUM after the provision of an initial year of financial support from the HRF. The scenario that has been proposed by the MSPP would be that the cost would be shared between: (1) Zanmi Lasanté and Partners in Health (PIH); (2) the budget of the Ministry of Health; and (3) cost recovery through co-payments, in particular for elective surgery (there will be six modern operating rooms and a scanner – the first scanner in a public hospital in Haiti). The wait list for elective surgery in Cange is already full until 2014, which demonstrates that there is a lot of demand and the possibility for cost recovery. For those who cannot afford to pay, there would be a mechanism. The MSPP is currently discussing a pilot project with insurance companies for this group of patients. The other important part of this scenario is private health insurance, such as AIC and INASSA and for government employees through GSP and OFATMA. With OFATMA, MSPP is already looking at social protection mechanisms. For subsequent years, the MSPP believes that it would eventually be able to have universal coverage, through special funds at the MSPP, in terms of contracting and performance-based projects. The big debate today is that many hospitals will have challenges in achieving their long-term financing needs, apart from HUM. As such, the MSPP is looking seriously at different financing scenarios, most importantly with public and private insurance companies. Through the philanthropic arm of PIH, the MSPP is looking at setting up an endowment or trust fund. Groups would commit to supporting the HUM and find synergies on cost recovery.

27. The HRF Manager noted a second question that was raised during the last SC meeting: would Zanmi Lasanté continue as a permanent partner of HUM? Dr. Raymonvil responded yes, they discussed with PIH (Zanmi Lasanté's sister organization in Boston) and PIH has confirmed that it is committed over the long-term to supporting HUM. A Memorandum of Understanding (MOU) was signed between MSPP and PIH in which PIH and Zanmi Lasanté commit to support MSPP in identifying innovative financing strategies for public health provision in Haiti.

28. The World Bank representative noted that since this project aims at financing through payment for services for a public hospital, this project could easily be financed by the GOH budget through a general budget support operation because this doesn't concern public procurement but rather reimbursement to the hospital for patients treated. However, financing the other four proposed projects through budget support does involve public procurement. As such the World Bank representative wanted to ensure that the SC members understood what they are voting in favor of financing the other projects through budget support (i.e. using the GOH's country systems, notably its public procurement system).

29. The Brazilian representative made a comment to clarify Brazil's position on the coherency of its position. Brazil supports a rehabilitation center as well as three hospitals and will cover the costs for the first three years of these hospitals. So it seems logical to Brazil that the HUM would have financial aid until the GOH itself could take charge of the costs. As such, Brazil is in favor of this project proposal.

30. **Job Creation (Laura Sheridan, UNDP).** Ms. Sheridan presented the changes that had been made by the MPCE following the questions raised during the last SC meeting, namely geographic targeting of the interventions and the sustainability of the jobs that would be created. The revised PCN changes the proposed geographic targeting from Port-au-Prince and the Department of Nippes to targeting only four communes in Nippes. The second change is programmatic. The first PCN proposed two types of job creation: long-term job creation through private sector development and secondly short-term job creation. The MPCE decided to separate the two approaches and remove short-term job creation from the PCN and will look elsewhere to fund the short-term job creation program. As such, the revised PCN concentrates on private sector development and long-term job creation. In terms of numbers presented in the original PCN mentioned 5,000 jobs that would be created (long-term jobs through private sector development). This has now been reduced to 3,500 jobs that would be created in the four communes of Nippes. The budget has also been reduced from USD 10 million to USD 5.8 million, given the reduced scope. In the original proposal, it would have cost USD 840 per job created but the cost would now be USD 1650 per job created. All activities will be carried out in close collaboration with the Action Plan of the Ministry of Commerce and Industry (MCI), in particular on the Enterprise Survey being carried out right now, which would help to target the firms that would receive support. UNDP is also supporting the MCI to study local products in each Department with economic potential.

31. The Chair asked for questions on the three presentations. The Chair acknowledged the Spanish representative. The Spanish representative thanked UNDP for providing a revised PCN and asked the Chair whether the MPCE could explain at the next SC meeting exactly what role they would play in the

Job Creation project. The UN representative apologized for the absence of the MPCE representative who had to travel at the last minute and as such could not attend the meeting and asked the SC not to take the MPCE's absence as a sign of disinterest as they were very involved and interested in this project.

32. The US representative remarked that the fundamental problem is that the SC members cannot give their approval on any projects because there are no funds available. If these projects are to be financed, it would be through the Minister of Economy and Finance using budget support and there is no need for SC approval on how the GOH would use general budget support.

33. The HRF Manager explained that there are USD 20 million in reserve for budget support plus USD 28 million added today to the Financial Reserve, for a total of USD 48 million reserved for budget support.² The Chair noted that she would discuss in Council of Ministers using this budget support to finance the proposed projects. On this note, the Chair asked SC members whether they could vote that, given the absence of sufficient funds to allocate, that the budget support be used to finance the proposed projects.

34. The Spanish Representative (Carmen Rodriguez) noted that the budget support in reserve is not targeted so the GOH needs to choose what they want to do with this budget support, not the SC. The Chair responded that for the USD 51 million of project proposals from the GOH, USD 48 million would be available through general budget support. The Chair asked the SC to adopt the following resolution: The GOH could use the resources reserved for budget support to finance the five proposed project and the difference [USD 4 million] would come from the funds remaining in the fund [USD 4.5 million]. The UN representative noted that, given the reduction of the Job Creation project from USD 10 million to USD 5.8 million, there is a savings of USD 4.2 million and thus no shortfall. The HRF Manager confirmed that the USD 48 million reserved for general budget support could cover the cost of all five financing requests. The SC approved the motion without objection.

DECISION: SC voted in favor of deferring to the GOH on whether it decides to use the USD 48 million reserved for budget support to finance the five proposed projects.

Other Business

35. The Chair invited the HRF Manager to present the options for the Future of the Fund. The HRF Manager presented the following three options:

Option 1: **Mobilize more funds for the HRF.** This involves the donors around the table and those donors that have not yet discussed the possibility of further contributions. Previously donors were reluctant to donate because USD 119 million were still held by the HRF but now the HRF is in a better position to mobilize more resources within the international community.

² A breakdown of the Financial Reserve is presented in Annex 3

Option 2: **Continue with the current arrangement** (“Business as Usual”), which would include continuing to monitor project execution, work with the GOH and Partner Entities to program the funds that are in reserve and to allocate the USD 4.6 which remain available for allocation.

Option 3: **Move towards closing the Fund.** The HRF Manager has discussed with the Chair an exit strategy. The idea would be to leave the Fund open until the end of its mandate, i.e. December 2017, to allow for the possibility of unforeseen financing needs. For example, the HRF Manager discussed with the World Bank the possibility of using the HRF to receive international contributions for the Anti-Cholera Program. While this was not planned, this would allow the use of existing procedures to accelerate international contributions to Haiti.

The HRF Manager noted that the time was coming for a mid-term review (MTR) of the HRF and for the next SC meeting he would prepare the Terms of Reference (TORs), through which we could investigate much more closely each of these three scenarios. There are two options for the MTR: (1) “quick and dirty” – with resources available in our budget to hire two consultants to do something fast; or, 2) something more detailed and expensive, which would need an allocation from the SC. As such, the HRF Manager would present TORs for each of these options and SC members can see what products would be delivered from each and then take a decision.

36. The HRF Manager then asked if each SC member could indicate its appetite to provide more funds to the HRF. Before giving the chance for each SC member to speak, the Chair noted that the GOH has greatly appreciated the existence of the HRF, especially the views of each SC member on the feasibility of the projects proposed. As a reminder, the reconstruction has not really started in earnest; we are starting. As such, the existence of this Fund is justified as a financial instrument in a country like Haiti where they have great difficulty to mobilize resources.

37. The SC members proceeded to declare their respective positions on the options presented for the future of the fund as well as their inclination to make further contributions for the Fund.

38. **Brazil:** The Brazilian member voted in favor of the third option, to leave the Fund open until 2017. During this time, the SC could see how things develop.

39. **US:** The US Representative stated that in the near-term he does not see the US contributing additional funding given they have other means of supporting Haiti’s reconstruction. Moreover, the US is trying to increasingly work through the GOH, most ambitiously through the Ministry of Health, where by 2017 the Ministry of Health would be able to manage all of Haiti’s health needs through a multi-donor trust fund. However, other countries that do not have a development agency may be more interested in contributing.

40. **Spain:** The Spanish representative noted that it is unlikely that Spain would make further contributions before 2017. They will examine the TORs that will be circulated by the HRF manager.

41. **World Bank:** The World Bank representative noted that the HRF was meant to be a fungible fund, but over the past two years, we have arrived at different scenario. Almost all the main donors have requested financial reserves or specific preferences. Today, donors prefer to preference their funds. As such, the probability to raise more funds could perhaps be easier if there were specific requests for funding instead of for general purposes, e.g., if donors wanted to contribute to eliminating cholera. This is not what was foreseen but, from a practical point of view, this is the reality.

42. **Japan:** Japan had thought that USD 119 million was available for allocation. However, with the large financial reserve, there is less than USD 5 million available for projects and the current financing requests would need to be financed indirectly through budget support. As such, Japan had not yet studied the possibility of providing supplementary funds to the HRF. Japan will examine the three options presented and consult with its capital.

43. **Canada:** The HRF played an important role historically following the earthquake. Over time, one should evaluate what instruments would be most appropriate, especially with regard to the establishment CAED. In its current form, Canada does not foresee another investment in the Fund. However, it would be important to evaluate the options.

44. **France:** France will analyze the options that will be presented. We all recognize the importance of the Fund after the earthquake, especially for projects like debris management. Today, we are in a period where we need to reflection. Could the Fund be appropriated by the GOH? Is it necessary to have this institutional organization (i.e. multilateral institutions as Partner Entities)? Pooling funds from different donors to support the GOH's projects is commendable and the HRF helped to test this concept. If we move towards a Fund run by the GOH, France would be willing to provide support.

45. **Finland:** The representative of Finland agreed with the Minister of Finance that Haiti is at the beginning of reconstruction. A tool like the HRF is useful. Around the table there is sense of a need to evolve. As France said, this idea of pooling funds amongst donors is important and the donors around the table are able to raise significant funds and for countries like Finland, they want to know that their funds are pooled and profit the support and judgment of the international community. We should indeed think about the evolution of this Fund and to re-adapt according to the needs of reconstruction.

46. The representative of the Primature (Aurélie Boukobza) asked the HRF Manager whether, at the conception of the fund, a budget was foreseen for an evaluation. The HRF Manager responded that the medium-term evaluation was identified in the document of the Fund, but the financing of it would need a special allocation from the SC if it surpasses the funds available in the Secretariat's budget. The MTR would be done by independent consultants to avoid a conflict of interest with the Secretariat.

47. The HRF Manager then moved on to the last order of business: the Benefit Concert. The HRF Secretariat has held preliminary discussions with JPHRO and Clinton Foundation on the possibility of receiving the revenues from a benefit concert for Haiti featuring international performers. The concert was originally scheduled for January 2013. However, in order to concentrate on raising funds for

Hurricane Sandy relief, the concert was postponed. It is only an option now. The organizers are also currently discussing a possible partnership with the Red Cross. As such, this is just to inform the HRF SC of this possibility. In the case where the donor is not a sovereign entity, the Trustee would be required to undertake some level of due diligence. The Secretariat will come back to the SC once there is a more definitive proposal. The organizers need to be able to explain the procedures for the use of the funds. There were no objections to this idea from the SC. The HRF Manager will present the request for decision, instead of taking a vote in principle at this SC meeting.

Closing

48. The Minister closed the meeting and invited all SC members to the HRF Photo Exhibit cocktail and concert on February 21, 2013 at the *Institut Français*.

Table 1: Decisions, Responsibilities and Timeframe

Activity-Task	Action	Responsible	Timeframe
Revisions to the minutes of the 9 th Steering Committee meeting	Incorporation of earlier comments, change to para. 49 & insertion of a table summarizing SC members' positions on the five proposed projects; post on Fund's web-site	Secretariat	Immediate
Approved request to increase the Financial Reserve	Increase the Financial Reserve by USD 32.28 million, to a total of USD 99.78 million	Trustee	Immediate
Approved request to (1) change intended use of USD 7.5 million in the Financial reserve and (2) increase to the Financial Reserve by an additional USD 5 million when these funds are received	(1) Use USD 7.5 million in the Financial Reserve (initially intended for targeted budget support) for a project in the energy sector and (2) add an additional USD 5 million to the Financial Reserve for a project in the energy sector when these funds are received from the US	Trustee	Immediate for (1) Immediate upon transfer of USD 5 million from US to the Trustee for (2)
Use of USD 48 million reserved for budget support to finance the five proposed projects	GOH intends to use the USD 48 million reserved for budget support to finance the five proposed projects	Chairperson/Minister of Economy and Finance	GOH FY 12/13 and FY 13/14
Terms of Reference for the Mid-Term Review options	The HRF Secretariat will send Steering Committee members two draft Terms of Reference for a quick Mid-Term Review and for a more in-depth and extensive Mid-Term Review	Secretariat	By end-March

ANNEX 1
Representatives and Official Observers

Voting members

Chair	Ms. Marie-Carmelle Jean Marie, Chairperson and Minister of Economy and Finance
Government of Haiti	Representative of MPCE (absent)
Brazil	Mr. Nelson Antonio Tabajara
Canada	Mr. Vincent Lepape
Japan	Mr. Kenji Kuratomi
Norway	Ms. Eva Tuft (absent)
Spain	Ms. Maider Makua García
United States	Mr. Tom Adams
France	Mr. Yves Malpel

Partner Entities

IDB	Mr. Peter Sollis
UN	Ms. Sophie de Caen
World Bank and IFC	Mr. Alexandre Abrantes

Trustee

Trustee	Mr. Jonathan Caldicott
---------	------------------------

Observers (Official)

Local Authorities (Maires)	Mr. Joseph Gontran “Billy” Louis (absent)
Local Authorities (Casecs)	Mr. Raoul Pierre-Louis (absent)
Diaspora	Mr. Joseph M.G. Bernadel (absent)
National NGOs	Ms. Carmèle Rose-Anne Auguste (absent)
International NGOs	Mr. Jean Claude Mukadi (alternate)
Private Sector	M. Reginald Boulos (absent)

Secretariat

Administrator	Josef Leitmann
Operations Officer	Maria Kim
Communication Officer	Berdine Edmond

Other participants

Mr. Alfred Metellus (MEF)
Ms. Aurelie Boukobza (Prime Minister’s Office)
Ms. Teresa Barba (Prime Minister’s Office)
Mr. Gregory Mevs (Finland)
Mr. Roberts Waddle (Canada)
Ms. Rie Inoue (Japan)
Mr. Roland DeMarcellus
Ms. Liza Morris (USA)
Ms. Patricia Aguilo (USA)
Mr. John Robinson (USA)
Ms. Maria Civit (Spain)

Ms. Carmen Rodriguez (Spain)
Ms. Luciana Farnesi (Brazil)
Ms. Katyna Argueta Membreno (UNDP)
Ms. Elisabeth Diaz (UNDP)
Ms. Laura Sheridan (UNDP)
Mr. Harry Adam (UCLBP)
Mr. Odnell David (UCLBP)
Dr. Maxi Raymonvil (MSPP)

ANNEX 2

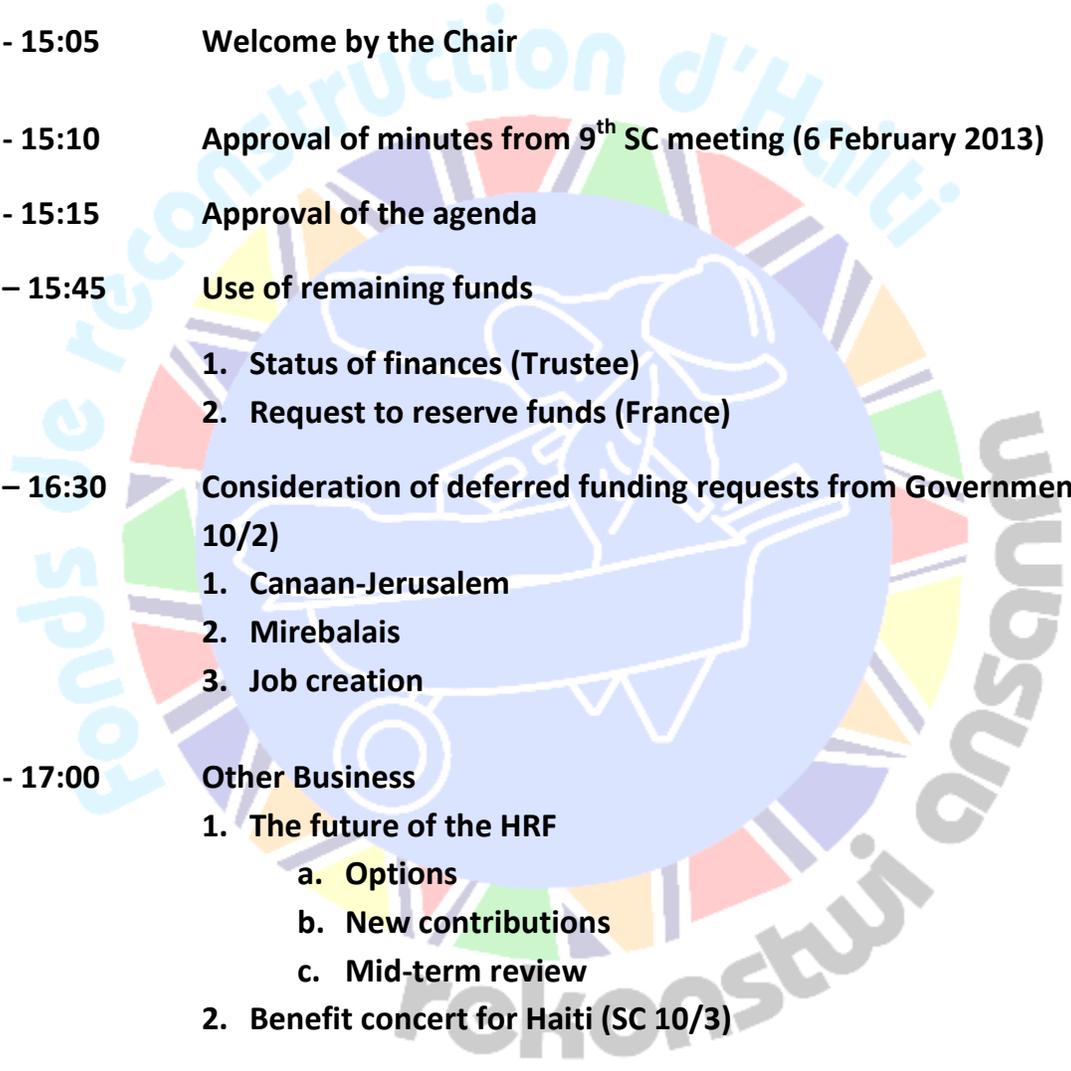
Tenth Steering Committee Meeting

Draft Agenda

February 20, 2013

The World Bank, 7 rue Ogé, Pétiion Ville

15:00 – 17:00

- 
- 15:00 - 15:05** Welcome by the Chair
- 15:05 - 15:10** Approval of minutes from 9th SC meeting (6 February 2013)
- 15:10 - 15:15** Approval of the agenda
- 15:15 – 15:45** Use of remaining funds
1. Status of finances (Trustee)
 2. Request to reserve funds (France)
- 15:45 – 16:30** Consideration of deferred funding requests from Government (SC 10/2)
1. Canaan-Jerusalem
 2. Mirebalais
 3. Job creation
- 16:30 - 17:00** Other Business
1. The future of the HRF
 - a. Options
 - b. New contributions
 - c. Mid-term review
 2. Benefit concert for Haiti (SC 10/3)
- 17:00** Closing

ANNEX 3

Breakdown of the HRF Financial Reserve

Intended Use/Project	USD million
General Budget Support	28.57
General Budget Support	20.00
Energy Project	7.50
Education	3.71
Artibonite 4C Dam	40.00
Total	99.78