

STEERING COMMITTEE MEETING 9/2013
MINUTES

1. The ninth meeting of the Steering Committee of the Haiti Reconstruction Fund (HRF) was held on February 6, 2013 at the Ministry of Planning and External Cooperation (MPCE), Port au Prince (see Annex 1 for a list of members and observers). The purpose of the Steering Committee meeting was to review five requests for financing that were approved by the Council of Ministers on December 21, 2012 and forwarded to the HRF on January 8, 2013. Revised funding requests were received by the Secretariat for a decision by the Steering Committee on January 24, 2013. The Agenda of the meeting is provided in Annex 2 of these minutes.

Welcome by the Chair

2. The Chair, Her Excellency Marie-Carmelle Jean-Marie, Minister of Economy and Finance, welcomed everyone to the ninth HRF Steering Committee (SC) meeting. The chair extended a special welcome and congratulations to new members of the Steering Committee, including Laurent Lamothe, Minister of Planning and External Cooperation as Government representative; Kenji Kuratomi as Japanese representative; Vincent Lepape who is the Alternate Representative for Canada (Lise Filiatrault replaces Isabelle Bérard as the Canadian Representative); Sophie de Caen, acting UN representative; and Dirk Guenther of Welthungerhilfe as Official Observer for international NGOs. The Chair also welcomed the French Representative, Ambassador Pierre Duquesne, who participated in the meeting by videoconference from Paris (due to technical difficulties, the videoconference connection was lost halfway through the meeting).

3. The Chair provided an overview of the current financial situation of the HRF, transfers to PEs and projects. The HRF Trust Fund currently has US\$119.45 million available for new funding decisions; \$67.5 million of which has been set aside by the Steering Committee in a financial reserve, leaving US\$36.95 million available for allocation. Contribution payments are outstanding from Spain (US\$10 million) and the US (\$5 million). The Council of Ministers approved \$51 million of requests for consideration by the SC; exceeding the unrestricted amount available for allocation by US\$15 million. The Chair noted that the Government had already selected the five requests from a longer list of submissions, based on the maturity of the project proposals and the existence of co-financing. Finally, she mentioned that the SC would discuss the future of the HRF and the possibility of mobilizing new contributions in the near future.

4. The Chair invited Mr. Yves-Robert Jean, Director General of MPCE, to say a few words on behalf of the Government. Mr. Jean explained that the Minister of Planning was unable to attend due to scheduling conflicts. The Director General (DG) mentioned that this is the first Committee meeting to take place since the new procedures were put in place and since the MPCE became the counterpart to the HRF. By the end of October 2012, seven Project Concept Notes (PCNs) were received by the MPCE and nine more were submitted by December. The DG also noted the key role that was played by the MPCE's Public Investment Unit (*DIP*) in the analysis and review of the PCNs before transferring the proposals to the Council of Ministers. The new procedures have the MPCE undertaking the role previously played by the IHRC as the HRF's counterpart.

5. The Chair presented the agenda for the meeting and requested adoption of the agenda. Norway's Representative (Eva Tuft) noted that it had requested a discussion on the future of the fund while the proposed agenda item was somewhat different. The agenda item reads: "Future of the Fund: Future Contributions and Mid-term Review" and she felt that the future of the Fund is a separate agenda item from new contributions and the mid-term review. Apart from the comment from Norway, there were no other objections to the agenda.

Brief Updates

6. *Trustee.* The Trustee, represented by Mr. Jonathan Caldicott, noted that due to overall lower returns on investments worldwide, investment revenue on the funds held in trust have been modest. Also, there are outstanding cash contribution payments totaling US\$15 million due from Spain (\$10 million) and the US (\$5 million). Additional financial information on the HRF is available in the Trustee's Quarterly Financial Report posted on the HRF website (also available at www.worldbank.org/fiftrustee).

7. The local French Representative (Yves Malpel) asked the Trustee to provide a breakdown of the funds held in reserve by the Trustee. The trustee provided a clarification that the financial reserve did not represent Steering Committee funding decisions in accordance with the HRF governance documents and Administration Agreements with the trustee, but was rather a notional set aside established by the Steering Committee. Therefore, the HRF Manager (Joe Leitmann) responded that \$67.5 million are currently held in reserve, comprised of: \$40 million for the Artibonite 4c dam; \$20 million for budget support; and \$7.5 million for targeted budget support.

8. The French Representative commented that France had expressed a preference that \$28.6 million of its contribution be used for budget support and that it would not like to see funds allocated for project financing at the expense of budget support. France has also expressed a preference that \$3.7 million be used for project financing in the education sector. After consulting with the HRF Secretariat, France had decided against requesting that these funds be put in reserve.

9. *Secretariat.* The HRF Manager referred to the Secretariat's written report (document SC 9/3) and highlighted that the HRF Secretariat had underspent its approved budget by 12% in the previous fiscal year. Seven months into the current fiscal year, the Secretariat has spent less than half of its budget and is anticipating another budget under-run this fiscal year.

10. The HRF Communications Officer presented the new look of the HRF website to the SC. The most important improvements are easier navigation throughout the site and the Projects page which provides relevant information, photos and links for each HRF-financed project. The Communications Officer then presented the Input Tracking System which will allow project beneficiaries to provide feedback on HRF-financed projects. The System consists of a four-digit number (4737) which beneficiaries can use free of charge to text feedback to the HRF. The HRF Secretariat will then assess, forward and track resolution of the issue by the relevant Partner Entity. The cost of the System, which is being provided through Digicel, is \$300 for installation and 3 gourdes per text.

Partner Entities

11. *IDB* – The IDB Representative stated that there are currently two active operations for which the IDB is serving as Partner Entity, both in the education sector. The first project is going well with a disbursement rate of 39%. The second operation, which focuses on technical and vocational training, will start this year. Next, the IDB Representatives presented the components of the two restructured projects under its supervision. The Partial Credit Guarantee Fund (\$12.5 million) has been reformulated with \$5 million going towards the extension of the pilot program to support small-scale businesses and pilot funding for leasing facilities and \$7.5 million going towards a program to support smallholder agriculture with the Ministry of Agriculture. The Natural Disaster Mitigation in the South Project has been reformulated to go towards the sustainable management of upper watersheds (Macaya National Park) and the Institutional Reform and Modernization of the Energy Sector Project to stimulate investment in micro hydro power plants.

12. *UN* – As of February 1st, the former UN Representative at the SC, Mr. Nigel Fisher, is the acting Special Representative of the Secretary General (SRS) of the UN in Haiti. As such, Ms. Sophie de Caen, Senior Director of the UNDP for Haiti, is the acting Resident Coordinator/Humanitarian Coordinator (RC/HC) of the UN, and the UN representative on the SC. The UN Representative commended the strengthening of the Haitian Government with the transfer of the HRF counterpart from the IHRC to the MPCE. She noted that four of the ten projects under UN supervision are now closed and that the UN is satisfied with the performance of the projects. There has been an acceleration in the implementation of HRF projects supervised by the UN with a rate of implementation with nearly 68% in December 2012 compared to 48% in June 2012. There is a focus on capacity building and national leadership. Four of the 10 programs focus specifically on capacity building, and 64% of allowances projects are implemented through national institutions (whether government, NGO or private). The 16/6 project is a good example of UN-coordinated action in support of the Government through the *Unité de Construction des Logements et des Bâtiments Publics* (UCLBP). So is the Reduction of Vulnerability in the South project where 70% of the project goes through state/municipal/Departmental entities. There has been substantial strengthening of communities through the 16/6, Debris Management and Housing Support projects. These programs have been able to refine their methodologies. The Representative emphasized that programs are administered according to international standards, which is an obligation of Partner Entities for the management of funds. There have been significant advances made possible through HRF financing. Post-earthquake needs remain large and at this time there is a need to look at structural problems.

13. *World Bank* – The World Bank currently has one HRF-financed project under implementation – the Port-au-Prince Neighborhood Reconstruction Project (PREKAD - \$65 million). PREKAD highlights include the signing of contracts and the restructuring of the project. At the request of the Government, the SC approved World Bank restructuring of the project to facilitate the safe return of about 13,000 families from camps back to neighborhoods. Contracts have been signed with IOM and JPHRO who already moved the first families from the camps last week and more will leave this week. Another project for which the World Bank is Partner Entity, but which has not been developed, is the Emergency Social and Economic Recovery Grant (targeted budget support) for which \$15 million was set aside by the SC. In the end, it was not possible to prepare the operation. It has not yet been possible to get a decision from CIDA on an alternative approach for using the \$15 million, i.e. to co-finance the World Bank's Education for All Program. The World Bank is awaiting a response from CIDA on the use of the funds.

14. The Canadian Representative responded by saying that Canada would like to discuss the use of these funds with SC members but CIDA needs a decision from the relevant Minister in Ottawa.

Consideration of funding Requests of the Gov't

15. The Chair reminded the SC that \$36 million is available for allocation while the Government has requested \$51 million to finance projects. She also reminded the SC that there is \$67.5 million in reserve, \$15 million of outstanding payments and \$15 million that has been set aside for targeted budget support (the latter already reflected in the funding availability). To deal with this shortfall, the Secretariat has proposed four options. The Chair invited the HRF Manager to present these options. The HRF Manager presented the four options that have been discussed with the Government:

1. Option 1: Inform the Government of the financial constraint and request the Government to prioritize or reduce the amount of the requests so they correspond to funds available. In this case, the HRF SC would not have to reject requests;
2. Option 2: Permit the allocation of requests in function of administrative agreements/arrangements signed and not what has actually been paid in by donors. In this option, the Trustee would initially be able to transfer only the amount available, e.g. 70% of the requested funds and the remainder could be transferred once the outstanding payments were received. The complication is that Spain and the US would probably want to express a preference for the \$15 million in outstanding funds. Furthermore, Partner Entities would have to accept the risk in the case the funds are not received from Spain or the US.
3. Option 3: Approve the Government's requests based only on funds available, e.g. \$36 million out of \$51 million (70%). The Secretariat and the Government could then try to mobilize additional contributions in the meantime to make up the shortfall. Again, the PEs would have to accept the risk of only receiving 70% of the funds or reduce the amount of each request to match available funds.
4. Option 4: Review the reserved funds and decide to allocate some or all of the funds to the Government's requests.

16. The Chair indicated that all five projects are a priority for the Government. There are some projects that can reduce their budget, but others that cannot, such as the Peligre transmission line. The Chair reminded the SC that since three-quarters of the funding is already available for the Radiotherapy and Chemotherapy Center; it is a Government obligation to pay the remaining one-quarter. At this time, the Chair invited comments from the SC.

17. The US Representative said that with regard to the outstanding \$5 million from the US, the US had anticipated that it would request that the Steering Committee allocate it to budget support, but may be able to support other uses. He then proposed that the SC discuss each project because he was not sure whether all five would be approved at this meeting.

18. The World Bank representative encouraged the SC to reflect on why the HRF was created in the first place. The idea was that bilateral agencies had their own programming objectives and there were other projects that were not likely to be funded via bilateral cooperation – “orphan projects” - and this Fund could finance Government priority projects that were not programmed by the bilateral donors. The Fund was also meant to be flexible and not destined for specific projects. The Representative suggested that the SC keep in mind the multilateral character and country ownership principles of the Fund.

19. Spain agreed with the US proposal to review the five projects before discussing the financial situation. The French Representative agreed with the US and Spain, to look first at the projects, see what the SC members think and then after discuss the financing issue. The Canadian representative further supported the US, France and Spain's proposal to look at the portfolio of projects, which could lead the SC to a choice that would make the financial discussion easier.

20. The UN Representative noted that, for options 2 and 3, the UN cannot receive partial funds. When it signs for a project, the total project funds signed must equal the funds received. As such, the UN could not abide by options 2 and 3. An alternative would be to reduce the funding requested for individual projects in order to correspond with available funding.

21. The Chair invited the Government implementing agencies and Partner Entity to present the five projects to the SC.

22. ***National Center for Radiotherapy, Chemotherapy and Nuclear Medicine in Port-au-Prince (MSPP)***. The first project was presented by Dr. Jean Ronal Cornely, Coordinator of Radiotherapy, from the Ministry of Health. The Ministry of Health (MSPP) renewed cooperation with the International Atomic Energy Agency (IAEA) in 2006 and Dr. Cornely has been working on the project since 1992. The IAEA had some pre-requisites for the construction of this Center, including a law on nuclear energy and naming of an institution to be responsible for nuclear energy. As such, a nuclear unit was set up. The total cost of the project is \$40 million, of which the IAEA will provide \$30 million for the training of personnel at the Center, equipment purchase, and other operational expenses. Chemotherapy was added to the project and at this time approximately 12 people have been trained abroad in chemotherapy and radiotherapy, financed by the IAEA. These people are now on the MSPP payroll. The Center needs to continue to train and offer services to the population since there is no structure in the country that offers this kind of service. Currently if someone has cancer, if untreatable by surgery, the person has no option but to pay \$260,000 to \$300,000 for treatment in the US or elsewhere.

23. The Chair mentioned that she had had cancer and was treated in Haiti. However, she was only able to receive such treatment because her husband is a doctor with knowledge of medical in-country opportunities. Currently, Haitians need to go the Dominican Republic or Cuba for treatment if they can afford to. Dr. Cornely mentioned that the cancer mortality rate in Haiti is 58 out of 100,000. In comparison, Nicaragua is 28 out of 100,000.

24. ***Strengthening of clinical, community and pedagogical activities at the University Hospital of Mirebalais – (MSPP)***. This project was presented by Dr. Maxi Raymonvil of MSPP. Dr. Maxi mentioned that the earthquake badly damaged the General Hospital in Port-au-Prince which had previously trained doctors so the Government decided to build a training hospital outside of Port-au-Prince. The President of Haiti inaugurated the Mirebalais University Hospital (HUM) late last year. This week, the HUM is recruiting staff to start treating patients as of March 1st. HUM serves the Central Plateau as well as the Artibonite and the West Departments. The HUM currently has \$4 million in co-financing from Partners in Health for hospital costs but needs another \$8 million to cover other costs. Dr. Alfred, the head of the MSPP's Project and Evaluation Unit, added that the HRF has not yet financed any projects in the health sector. The two proposed health projects are well-aligned with Haiti's Development Plan in terms of social rebuilding and a health system that provides universal access.

25. **Rehabilitation of the Transmission line between Peligre and Port-au-Prince (EDH).** The EDH representative, Camille Cange, head of the EDH Project Coordination Unit, described its current project to rehabilitate the hydroelectric plant at Peligre which is being financed by the IDB and KfW. This proposal requests funding for the rehabilitation of the transmission line between Peligre and Port-au-Prince, and could cost closer to \$20 million. Peligre is very important for Port-au-Prince's electricity grid but both the hydroelectric plant and the transmission line are 42 years old. The rehabilitation of the line will allow the transport of electricity from the hydropower plant to Port-au-Prince. Amongst other things, additional pylons are needed and transformers need to be replaced. A feasibility study currently taking place will allow the EDH to confirm the exact amount needed for the project.

26. **Job Creation (MPCE)** – Mr. Alejandro Pacheco, the current UNDP manager for the 16/6 project, introduced the Job Creation project. In the execution of the 16/6 project, the main concerns of beneficiaries was work to obtain revenue to pay basic costs and improve their lives. Based on this, a job creation component was included in 16/6. The Job Creation project proposes activities outside of Port-au-Prince to help create economic activity and reduce the incentives for people to migrate to Port-au-Prince. The role of small and medium enterprises in economic growth is undeniable, with more than 90% of jobs in Haiti being created by micro, small and medium enterprises (MSMEs). However, MSMEs are not competitive. This project focuses on the opportunities created by the public and private sectors in Port-au-Prince and the South (*Grand Sud*). The proposal was prepared with MPCE, MCI, MEF, MICT, and the ILO. The first component of the project aims to develop an employment strategy. The first component will develop an employment strategy and provide support to local institutions. The second component would create 5000 jobs in 24 months through support to MSMEs. The project budget totals \$11 million of which UNDP and ILO would contribute \$1 million with \$10 million of co-financing from the HRF.

27. **Canaan-Jerusalem (UCLBP)** – Mr. Odnell David, Director of the Housing Unit at UCLBP, presented the project. After 2010 the area currently known as Canaan-Jerusalem was expropriated by the Government. Uncontrolled occupation began without any respect for the norms of urban planning. UCLBP has carried out a study on the spatial organization of the area. The Government is looking at how it can better organize the area, stop the uncontrolled settlement and improve the condition of families living there. The Government has a moral obligation to take care of these people and undertake investment. This area poses a threat to neighboring industrial and touristic development, especially given its proximity to the *Côte des Arcadins*.

28. The Chair added that the government is also working on a \$20 million proposal for co-financing of a budget support operation that would be done with the World Bank. It hopes to present this to the SC in March. At this time, the Chair invited comments from SC members on the projects.

29. The US representative asked four sets of questions about the projects: (1) Where would the National Chemotherapy Center be built? Is there confirmed agreement that the IAEA will come forward with its funding for the project? (2) How sustainable is the proposal for HUM? Much of this money is to be spent for the first year of operating costs. What happens afterwards? Who will fund ongoing costs after that? (3) For the transmission line, what is the explanation for the difference between the \$8 million proposal for financing and the fact that the EDH representative said it would cost more like \$20 million? (4) On Canaan-Jerusalem, only one-third of the anticipated funding has been requested (i.e. \$15 million out of \$45 million). As \$15 million will primarily go towards planning and studies, where will the additional funding come from?

30. The various government representatives responded to the questions: (1) the funding from the IAEA has been committed to the Government. The Center will be constructed at the Military Hospital site – the current location of the MSPP. The site was identified by the Government due of its proximity to the University Hospital where cancer-related surgeries will be performed. An impact assessment mission will soon take place with WHO and PAHO for the implementation of an anti-cancer campaign. (2) The HUM is integrated with the MSPP's network of health centers and hospitals. For the moment, HUM benefits from various sources of funding (the Global Fund, the World Bank, etc.) It is working on a business plan, including inputs from Social Insurance and the Ministry of Social Affairs. HUM looks forward to eventual funding from the Government's budget. (3) The EDH representative explained that the request of \$8 million for the rehabilitation of the transmission line is based on an estimate from a study done in 2008. For the rehabilitation of the Peligre hydroelectric plant, following the bid, the costs were seen to be nearly double. As such, they applied the same logic to the rehabilitation of the transmission line - that the cost would be higher. The IDB representative added that they would like to start the technical study in March to finalize cost estimates and have the study finished by June. As such, the final cost of the project should be available in July. Also, the IDB has been discussing with the US an additional contribution to cover the project costs. (4) The UCLBP representative explained that the request for HRF funding constitutes a first step in undertaking activities in Canaan-Jerusalem. They estimate they may need around \$50 million but that this amount of funding is not currently available. So, UCLBP prioritized some activities to be able to begin the work so that the Government of Haiti could already start addressing the problem.

31. The Norwegian representative indicated that the US had raised relevant questions on the HUM. She wanted to know what the situation is like with other Departmental hospitals since the Mirebalais hospital has already received considerable support. On the Job Creation project, she noted that it is important that the Project not 'reinvent the wheel' and should build on what already exists. Furthermore, communities have been asked numerous times what their needs are and the project should avoid asking the communities again about their needs since this has already been determined in most departments.

32. The Canadian representative agreed with the questions raised by the US, in particular the question of sustainability of the HUM. He also noted that, in the long term, the funding of the hospital needs to be taken over by the Government. Regarding the Job Creation project, the Canadian representative wondered how one could create 20,000 jobs with a project of \$10 million. Are these figures realistic? The Concept Note doesn't explain clearly how this will be achieved.

33. The Ministry of Health official responded to the question posed by the Norwegian representative on Mirebalais. The HUM is an MSPP hospital and the current focus is making the hospital operational, especially as construction has been completed. The current health situation in Haiti is such that most Haitians have to leave to get health care abroad. If the HUM is functional, people who would have left and paid for care abroad could now go to the Mirebalais hospital. They are currently working on a financing plan. Eventually the need for external funding of hospital costs would be reduced because the MSPP is trying to ensure that it can pay for staff once the hospital is operational.

34. Mr. Pacheco from UNDP addressed Norway's question on job creation. The Job Creation project would follow the approach used in the 16/6 project. Prioritization of community needs is already being done in 16/6 with NGO facilitation so one could build on this approach. Concerning Canada's question,

Mr. Pacheco reiterated that the creation of 5000 jobs would be supported in the private sector. Another 15,000 could be created through the public sector, e.g. through infrastructure projects and training.

35. The Chair recognized a non-member, Mr. Gregory Mevs, who is the Honorary Counsel for Finland. He asked: (1) How will the control of urbanization in Canaan-Jerusalem benefit the entire commune of Croix de Bouquets? (2) Is it foreseen to bridge the work undertaken in the project with strengthening of the cadaster? (3) There are several services that are mentioned – solid waste management, potable water, etc. Is there a chance that the solutions being offered would be too sophisticated and unable to be absorbed by the existing institutions?

36. The UCLBP representative recognized that Canaan-Jerusalem is an ambitious project so all sectoral ministries of the government have to be involved as well as the municipality of Croix de Bouquet as well as the local population. The exact resources needed to finance the various urbanization projects need to be further refined. Furthermore, the landowners and the municipality have an important role to play in terms of taxation.

37. A member of the Norwegian delegation (Mr. Joel Boutroue) asked whether the MSPP has a clear budget for recurring costs for all 12 Departmental hospitals. For the job creation project, the project could be more geographically targeted to avoid being spread too thinly. For Canaan-Jerusalem, the rule of law/law and order are important. Finally, how can one ensure that the project will not create a greater 'pull' factor for people to move from the rural areas to Canaan-Jerusalem due to the availability of better services and improved living conditions?

38. At this point in the meeting, the Minister of Finance thanked the government agencies and asked them to leave so that the SC could continue deliberations on the project proposals.

39. The US volunteered to go first and put forward its recommendations for the five proposals.

- 1) Job Creation – the US recognizes that there is no higher priority than job creation and is pleased to see that the GoH approved this project. However, as came out during the questioning, the project is broad in its objectives (value chains, SMEs, investment funds) and ambitious (\$10 million over two years). The representative noted that permanent job creation was not sufficiently addressed in the project concept note. As such, the US representative asked to defer a decision so that the Government could rework the PCN to focus on permanent and targeted job creation. Deferral should not mean too far in the future but perhaps by the CAED meeting which is scheduled to take place on February 21st.
- 2) Chemotherapy Centre – the US recognizes the importance of expanding health services and strengthening health capacity. There are plans for the MSPP to be more financially independent by 2017 with support from a multi-donor trust fund and this project could support that. The US is very invested in strengthening the MSPP (currently are allocating \$1.1 billion over 5 years). As such, the US would like to support the approval of the project, especially now that IAEA's funding is guaranteed.
- 3) HUM – the proposal only covers one year of expenses and lacks a long-term sustainability plan. Funding and sustainability are problems symptomatic of all government hospitals in Haiti. This project may create a precedence of the HRF subsidizing recurrent costs. Thus, the US would request deferral of a project decision until a sustainable and long term proposal can be submitted.

- 4) Peligre – there is no greater need than improved electricity supply and access. The US supports the \$8 million proposal but is also happy to defer it until the total cost of the budget can be presented.
- 5) Canaan-Jerusalem – The US did not get a clear answer on where the rest of the funds will come from. It was pleased that the Government has already commissioned some studies and asked that the results of these studies be made available to the SC before a decision. The US would also like for the rest of the funds to be identified and requested to defer a decision.

40. The French representative applauded the innovation of having the Government's implementing agencies at the meeting to present the projects. France's position on the project proposals is as follows:

- 1) The Job Creation PCN is too vague. Also, there is some confusion over who is the implementing agency. France would prefer to see a Haitian Government entity at the center of the project.
- 2) The Radio-Chemotherapy Center presents two types of risks. The first is financial – such a Center would have high operating costs and there is no health insurance in Haiti. Secondly, there is a radiation risk. Radiotherapy is potentially dangerous to patients if done in an environment that is not completely controlled.
- 3) HUM - France recognizes the quality of the work Zanmi Lasanté has been doing in the Central Plateau. The hospital was quickly constructed and is modern in design. Zanmi Lasanté is a good partner so France is more inclined to support this, especially if there is more assurance that Zanmi Lasanté will be a partner in the longer-term. Could there be a more formal partnership with Zanmi Lasanté?
- 4) France supports the \$8 million financing request for Peligre and looks forward to the final cost estimate.
- 5) Canaan – France is happy to see that this issue has not been ignored and that the Government is taking responsibility. The Project Sheet should be corrected so that the implementing agency is UCLBP and the PE is UNDP.

41. The Spanish representative presented Spain's position on the five proposals:

- 1) On HUM and the Chemotherapy Center – it is necessary to have sustainability plans and ensure the Government can maintain costs before consideration of the request.
- 2) Peligre is very relevant but the request should be resubmitted once the exact costs are known.
- 3) Canaan – This project is very relevant and Spain supports it.
- 4) Job Creation – Spain endorses the US and Norwegian comments.

42. The Japanese representative manifested its support for the health sector which is a priority for Japan. Japan supports both health projects.

43. The Canadian representative provided Canada's position on the five proposals:

- 1) Job creation – there aren't enough details and analysis to make a definitive decision. Canada supports the US proposal to delay a decision to the near future.
- 2) Radiotherapy – It is good to see that other funds are available. With the involvement of other partners, there could be more financial sustainability. Thus, Canada would support this project.
- 3) HUM – sustainability is an issue and this could create a precedent of financing operating costs. Canada supports deferring a decision.
- 4) Peligre – Canada would prefer to defer until the cost study is completed.

5) Canaan – Canada supports the request.

44. The Brazilian representative supported approving the request for the Cancer Center, deferring a decision on the transmission line and determining whether there was a consensus on the remaining proposals.

45. The Norwegian representative presented Norway's comments and positions on the five project proposals:

1) Job creation – this requires a better business development plan and a need to think more about long-term job creation. Norway prefers to defer a decision at this time.

2) HUM – Norway does not oppose this request but agrees with France's comments and recommends approval.

3) Radiotherapy Center – Norway agrees with consensus, taking into accounts the comments, and supports approval.

4) Peligre – this request is supported though it will require updated information on the needed financing.

5) Canaan – Norway supports this request but notes the need for some mitigation measures to avoid pull factor from the provinces.

46. At this time, the MPCE representative clarified that the MPCE has been deeply involved in the design of the Job Creation project. It would ensure that staff be involved in the running of the project. All PCNs had weaknesses. MPCE provided comments on the weaknesses to sectoral ministry and the DIP team is working on the problems. Revised PCNs could address some of these weaknesses.

47. The Chair sought to close the debate and suggested that available funds should be allocated. At this point, the SC members continued to debate the status of each project. For most SC members, there was support to approve the Peligre transmission line (\$8 million); Radiotherapy Center (\$10 million) and Canaan (\$15 million) and to defer decisions on the Job Creation and HUM funding requests.

48. Participants then made the following final comments and observations:

- France reminded the SC of the US and France's proposal to discuss projects then to return to the discussion on financing.
- The acting US representative (Liza Morris) clarified that the US had said that it could support the Chemotherapy Center and the Peligre transmission line.
- The Chair told the SC that the projects would be reviewed once the Partner Entities resubmit the documents.
- The HRF Manager reminded the SC of its procedures. The proposals presented to the SC are to set aside funds for projects; allocation of funding requires that a complete project document be submitted to the SC which can then decide to allocate resources.

49. The Chair then reiterated the US's proposal to support the Peligre and the Radiotherapy Center proposals and sought everyone's agreement. The HRF Manager said that the SC is seeking clarification on the rest of the PCNs and that the SC could have another meeting around the CAED meeting, which is taking place February 21st. Partner Entities can work on the PCNs and send other supporting docs and the updated information can be circulated before February 21st or for a virtual meeting.

DECISION: The SC decided to set aside \$8 million for the Peligre transmission line and \$10 million for the Cancer Center.

50. The UN representative then made a plea to SC members to look carefully at the PCNs and the information they contain. She noted that the Project Sheets alone do not provide enough information. The Norwegian representative argued that Canaan should be given priority as it is central to reconstruction. There was consensus that the information should be provided in advance of the next SC meeting so that the remaining three funding requests could be fully considered.

DECISION: The UN will work with implementing agencies to address concerns expressed about the three remaining proposals so that they can be fully considered at the next SC meeting. The Canaan-Jerusalem request would be the first to be considered at that meeting.

51. The Chair then re-opened the discussion on the financing gap, noting that the US and Spain still owe a total of \$15 million. Spain responded by saying that it could not transfer its remaining payment of \$10 million because the \$20 million reserved for general budget support has not yet been disbursed. In response, the World Bank representative said that a request for HRF co-financing of its planned budget support operation had not yet been received by the MPCE for review.

52. The French representative then alluded to what it saw was a vicious cycle whereby the money for budget support is not available because the request has not yet been submitted. The SC should decide whether funds should be reserved for budget support. The French contribution of \$32.3 million is preferred as follows: \$28.6 million for budget support and \$3.7 million for project financing in the education sector. This allocation is clearly indicated in the donor spotlight on France in the last HRF Quarterly Update. It is not possible for France to change this preference by transforming budget support into project assistance. Any change would require a prior authorization by the French Parliament and a modification of the decisions of the AFD Board.

53. The acting US Representative noted that when Mr. Adams had mentioned that the possibility that the \$5 million outstanding from the US could be 'liberated', he meant the US could possibly support allocating the funds for an investment project in the energy/electricity sector, such as the Peligre project with the IDB as Partner Entity. When the assessment for the total cost for Peligre is presented, the US could preference these funds for electricity.

54. The Norwegian representative moved to postpone the agenda item 'Future of the HRF', since the meeting was running late. Similarly, the HRF Manager asked for postponement of the discussion on the benefit concert. The Chair agreed with both proposals.

DECISION: The agenda items on the future of the HRF and the benefit concert will be discussed at the next SC meeting.

55. The international NGOs Observer asked whether the SC could provide conditional approval for a project, e.g. for Canaan-Jerusalem. This could possibly speed things up.

56. Responding to the international NGOs Observer's proposal, the French Representative remarked that it is important to let the Canaan project move ahead and enable UCLBP and UNDP to continue elaborating the project. The UN representative said that some preliminary studies have been done in the area. The full amount is larger than the \$15 million proposed, however the HRF financing would

allow the program to start moving forward. The US Representative agreed to review this supplementary document before the next SC meeting. The US reiterated that it is not prepared to provide a conditional approval now. The Canadian representative said that even if the project decision is deferred, Canaan should still be considered a priority. The other members of the SC supported this.

57. The Spanish representative (Carmen Rodriguez, replacing Ambassador Ruigomez) remarked that all PCNs lack clarity and need further clarification and should be revised.

58. The Chair stated that since there was no consensus on Canaan (comment: there was a consensus that Canaan should be considered as a priority project), the most important thing would be to set the date of the next meeting. Given the UNDP’s constraint for February 20th, the date was provisionally set for February 21st, following the CAED meeting. The Chair thanked the SC members for their attendance and closed the 9th Steering Committee of the HRF.

DECISION: The next HRF Steering Committee will be held on or around February 21st in Haiti.

Table 1: Position of each SC Member on the five PCNs presented at SC9

	Brazil	Canada	Spain	US	France	Japan	Norway
Job Creation	Will go with the consensus	Postpone decision	Postpone decision	Postpone decision	Yes ¹		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

Table 2: Decisions, Responsibilities and Timeframe

¹ After SC approval to increase the Financial Reserve by an amount equal to the total contributions from France (USD 32.36 million). Applicable to France’s positions on each proposed project.

Activity-Task	Action	Responsible	Timeframe
Disclosure of Secretariat Report	Posting on Fund's website	Secretariat	Immediate
Disclosure of Financial Report	Posting on Fund's website	Trustee/Secretariat	Immediate
Approved financing requests	Set aside \$8 million for Peligre transmission line and \$10 million for Radio-Chemotherapy Center	Trustee	Immediate
Unapproved financing requests	Additional information to be provided to SC to address their concerns.	UN as Partner Entity	One week prior to next SC meeting
Deferred agenda items for next SC meeting	Remaining three financing requests to be considered, beginning with Canaan-Jerusalem.	Chairperson and Secretariat	Immediate
New agenda items for next SC meeting	Items on the future of the HRF and the benefit concert should be included	Chairperson and Secretariat	Immediate
Date of Next Steering Committee Meeting	Next SC meeting should be organized around the date of the planned CAED meeting (Feb. 21 st)	Chairperson and Secretariat	Around Feb. 21

ANNEX 1
Representatives and Official Observers

Voting members

Chair	Ms. Marie-Carmelle Jean Marie, Chairperson and Minister of Economy and Finance
Government of Haiti	Mr. Yves-Robert Jean
Brazil	Mr. Nelson Antonio Tabajara
Canada	Mr. Vincent Lepape
Japan	Mr. Kenji Kuratomi
Norway	Ms. Eva Tuft
Spain	Mr. Manuel Hernández Ruigomez
United States	Mr. Tom Adams
France	Mr. Pierre Duquesne / 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
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Observers (Official)

Local Authorities (Maires)	Mr. Joseph Gontran “Billy” Louis
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. Dirk Guenther
Private Sector	M. Reginald Boulos (absent)

Secretariat

Administrator	Josef Lloyd Leitmann
Operations Officer	Maria Deborah Kim
Communication Officer	Berdine Edmond

Other participants

Mr. Alfred Metellus (MEF)
Mr. Claude Grand Pierre (MPCE)
Ms. Aurelie Boukobza (Prime Minister’s Office)
Ms. Teresa Barba
Mr. Gregory Mevs (Finland)
Mrs. Rie Inoue (Japan)
Mr. Yuji Takahashi (Japan)
Mr. Karl Noel (Japan)
Mr. Joel Boutroue (Norway)
Mr. Iver Williksen (Norway)

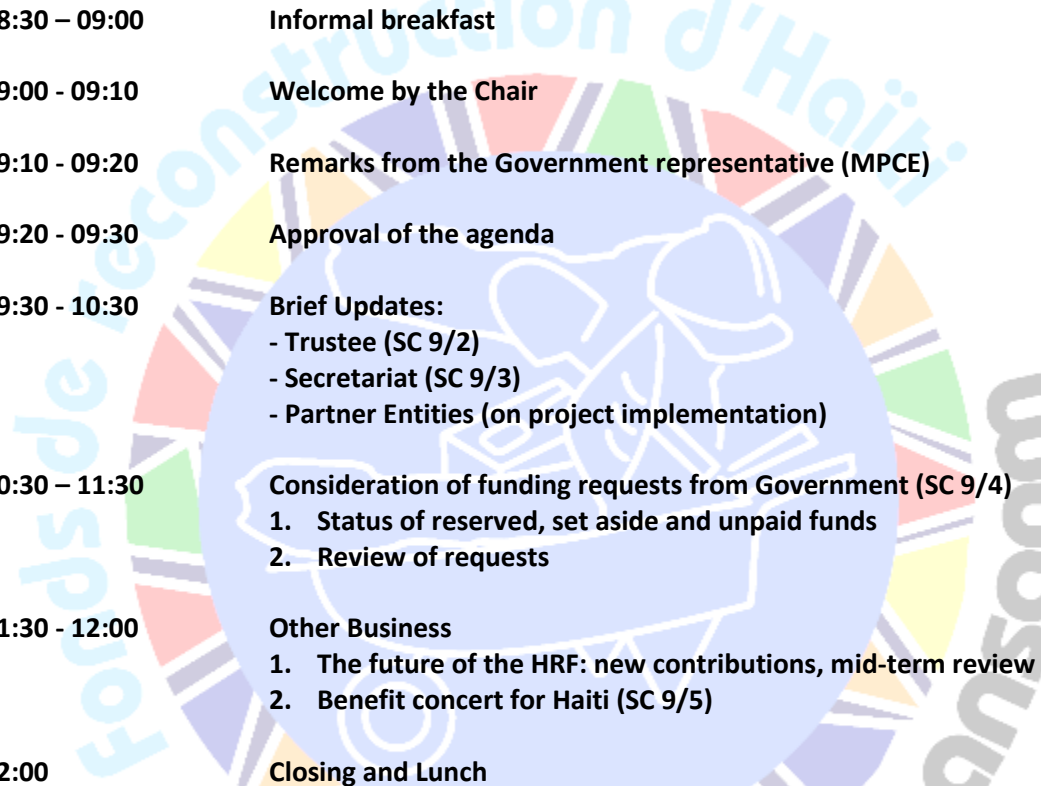
Ms. Liza Morris (USA)
Ms. Marguerite Siemer (USA)
Mr. John Robinson (USA)
Ms. Laura Gassman (USA)
Ms. Maria Civit (Spain)
Ms. Carmen Rodriguez (Spain)
Ms. Luciana Farnesi (Brazil)
Mr. Michel Bonenfant (UNOPS)
Ms. Katyna Argueta Membreno (UNDP)
Ms. Elisabeth Diaz (UNDP)
Mr. Odnell David (UCLBP)
Mr. Alejandro Pacheco (UNDP)
Dr. Jean Ronald Cornely (MSPP)
Dr. Jean Patrick Alfred (MSPP)
Dr. Maxi Raymonvil (MSPP)
Mr. Jean Antoine Alceus (EDH)
Mr. Camille Cange (EDH)

ANNEX 1

SC 9/1

Ninth Steering Committee Meeting
Draft Agenda

February 6, 2013
Ministry of Planning and External Cooperation
09:00 – 12:00



08:30 – 09:00	Informal breakfast
09:00 - 09:10	Welcome by the Chair
09:10 - 09:20	Remarks from the Government representative (MPCE)
09:20 - 09:30	Approval of the agenda
09:30 - 10:30	Brief Updates: <ul style="list-style-type: none">- Trustee (SC 9/2)- Secretariat (SC 9/3)- Partner Entities (on project implementation)
10:30 – 11:30	Consideration of funding requests from Government (SC 9/4) <ol style="list-style-type: none">1. Status of reserved, set aside and unpaid funds2. Review of requests
11:30 - 12:00	Other Business <ol style="list-style-type: none">1. The future of the HRF: new contributions, mid-term review2. Benefit concert for Haiti (SC 9/5)
12:00	Closing and Lunch