



Haiti Reconstruction Fund

Financial Report

Prepared by the Trustee

As of September 30, 2012



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Introduction

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

The Trustee provides administrative and financial services to the HRF Steering Committee and donors, by receiving contributions from donors to the FIF, investing liquid assets pending cash transfer, and transferring funds to the HRF Partner Entities. Working closely with the HRF Secretariat, the Trustee also records funding decisions made by the Steering Committee.

The Trustee periodically provides to the Donors and the Steering Committee reports on the financial status of the Trust Fund.¹ The information contained in this report is prepared based on financial information as of September 30, 2012.

¹ The Trustee's financial status reports are publicly available at: www.worldbank.org/fiftrustee



HRF Trust Fund Financial Summary as of September 30, 2012

Pledges and Contributions:

As of September 30, 2012, 19 donors pledged and signed Administration Agreements or arrangements amounting to USD eq. 396 million. The Trustee has received USD 381 million in cash to date from these donors.

Investment Income:

As of September 30, 2012, the HRF Trust Fund earned investment income of approximately USD 1.07 million on the undisbursed balance of the Trust Fund. The HRF Trust Fund liquid portfolio has returned 0.18%² through the calendar year to date. The HRF Trust Fund balance is allocated to a highly liquid short term investment portfolio.

Funding Approvals:

The cumulative funding decisions made by the HRF Steering Committee through September 30, 2012 totaled USD 278 million. Of the total amount approved, USD 265 million represents project³ approvals. Of this amount, USD 250 million has been committed by the Trustee to the respective Partner Entities based on the approval of their complete project documents, and USD 15 million has been set aside pending no-objection approval by the Steering Committee of complete project documents.

Cash Transfers:

Based on HRF Steering Committee funding decisions, the Trustee has transferred a total of USD 263 million up to June 30, 2012, including USD 250 million for projects.

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

Funds Held in Trust⁴ reflect contributions paid-in from donors, investment income and cash transfers. Funds Held in Trust as of September 30, 2012 amounted to USD 119 million.

Funds available to support new HRF Steering Committee funding decisions amounted to USD 36 million as of September 30, 2012.

Partner Entity Disbursements:

As of September 30, 2012, USD 128 million has been allocated to the UN, of which USD 79 million has been disbursed; USD 42 million has been allocated to the IDB, of which USD 6 million has been disbursed; and USD 90 million has been allocated to the WB, of which USD 30 million has been disbursed. The disbursement rates⁵ are 62%, 14% and 33%, respectively.

² Represents non-annualized rate of return.

³ "Project" refers to all types of HRF funding, including budget support.

⁴ Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.

⁵ Disbursement rate represents cumulative Partner Entity disbursements compared against Cumulative Funding Approvals.



1. HRF Trust Fund Summary – Inception through September 30, 2012

In USD millions

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	396.05	100.0%
Pledges	-	0.0%
Total Pledges and Contributions	396.05	100.0%
<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	381.05	96.0%
Investment Income earned	1.07	0.3%
Total Resources Received	382.12	96.2%
<u>Resources not yet received</u>		
Contributions not yet paid	15.00	3.8%
Total resources not yet received	15.00	3.8%
Total Potential Resources (A) (in USD millions)	397.12	100.0%
<u>Cumulative Funding Decisions</u>		
Projects	264.58	95.2%
Fees	9.50	3.4%
Administrative Budgets	3.71	1.3%
Total Funding Decisions Net of Cancellations (B)	277.79	100.0%
Total Potential Resources Net of Funding Decisions (A) - (B)	119.34	
Financial Reserve	67.50	
Total Potential Resources Net of Funding Decisions and Financial Reserve	51.84	
<u>Funds Available</u>		
Funds Held in Trust with no restrictions	51.90	
Approved Amounts Pending Cash Transfers	15.06	
Total Funds Available to Support HRF Steering Committee Decisions	36.84	



2. Contributions

In USD millions

Donor	Effective Contribution			Receipts	
	Contribution Currency	Agreed Contribution Amount a/	USD eq.	Received Amount b/	USD
Australia	AUD	10.00	8.56	10.00	8.56
Brazil	USD	55.00	55.00	55.00	55.00
Canada	CAD	46.30	45.50	46.30	45.50
Colombia	USD	4.00	4.00	4.00	4.00
Cyprus	USD	0.10	0.10	0.10	0.10
Estonia	USD	0.05	0.05	0.05	0.05
Finland	EUR	1.40	1.84	1.40	1.84
France	EUR	24.82	32.28	24.82	32.28
Ireland	EUR	1.00	1.33	1.00	1.33
Japan	USD	30.00	30.00	30.00	30.00
Latvia	LVL	0.03	0.06	0.03	0.06
Norway	NOK	274.00	44.27	274.00	44.27
Nigeria	USD	5.00	5.00	5.00	5.00
Oman	USD	5.00	5.00	5.00	5.00
State and Peace Building Fund	USD	2.00	2.00	2.00	2.00
Spain	USD	30.00	30.00	20.00	20.00
Sweden	SEK	25.00	3.75	25.00	3.75
Thailand	USD	2.30	2.30	2.30	2.30
United States	USD	125.00	125.00	120.00	120.00
Total USD equivalent			396.05		381.05

a/ per countersigned Administration Agreements or arrangements in currencies

b/ in currencies of contribution

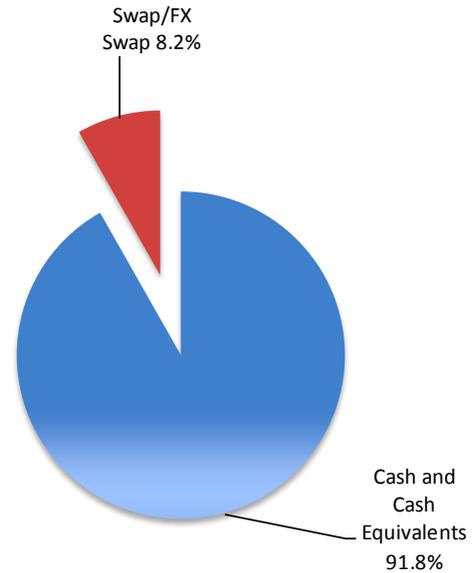
- The above table shows the total contributions to the HRF, defined as those for which Administration Agreements or arrangements have been signed by donors and the Trustee. As of September 30, 2012, the Trustee had entered into Administration Agreements/Administration Arrangements with 19 donors for a total of USD eq. 396 million and received USD 381 million in cash to date from these donors.
- Receipts of USD 5 million are pending from the United States, and USD 10 million from Spain.
- In accordance with the HRF Governance Document, as of September 30, 2012, the voting members of the Steering Committee are the Government of Haiti and those donors with signed contribution agreements of USD eq. 30 million or more; i.e., Brazil, Canada, France, Japan, Norway, Spain and the United States. In accordance with paragraph 5 of the HRF Governance Document, any donor that has not unqualified an amount equal to or exceeding the minimum contribution of USD 30 million will not serve as a member for a period exceeding two years.



3. Asset Mix and Investment Income

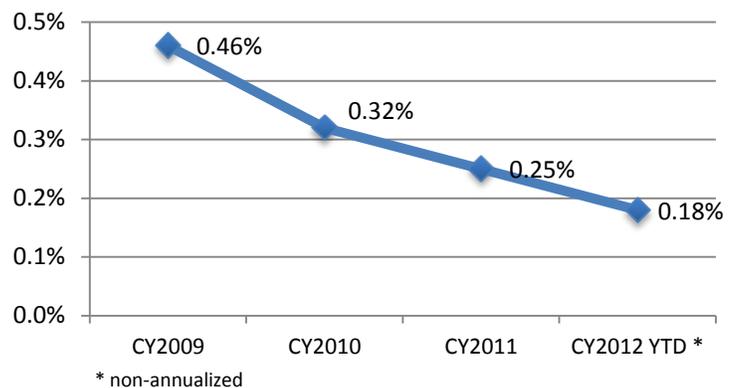
ASSET MIX

Cash assets held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. The assets in the Pool are managed in accordance with the investment strategy established for all trust funds administered by the World Bank. The Pool is actively managed so that the probability of incurring negative returns is no more than 1% over the applicable investment horizon.



INVESTMENT RETURNS

The HRF funds are invested in cash portfolio of the World Bank’s Trust Fund investment pool. This portfolio comprises bank deposits and investments in money market instruments with an investment horizon of less than 3 months. The HRF Trust Fund liquid portfolio (which totaled approximately USD 119 million at end-September 2012) earned USD 1.07 million in investment income since inception.





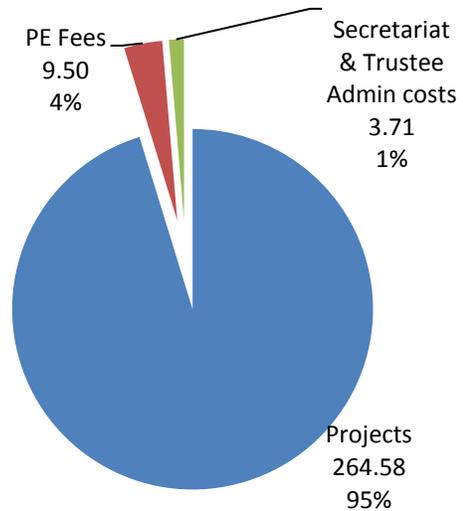
4. Cumulative Funding Decisions

SNAPSHOT OF FUNDING DECISIONS:

- The cumulative funding decisions made by the HRF Steering Committee up to September 30, 2012 amount to USD 278 million.

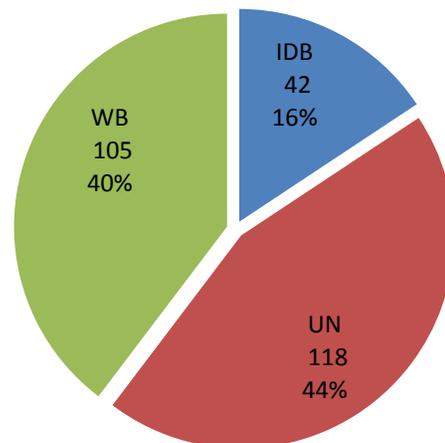
FUNDING DECISIONS BY ACTIVITY

Since inception to September 30, 2012 funding approvals made by the HRF Steering Committee totaled USD 278 million. Projects represent about 95%, fees for Partner Entities 4%, and administrative budgets for the Secretariat and the Trustee 1%.



PROJECT FUNDING DECISIONS BY PARTNER ENTITY

The chart shows the funding decisions by Partner Entity. Of the total USD 265 million of approved projects to date, 40 % has been allocated to the World Bank as Partner Entity, 44 % to the UN, and 16 % to the IDB. The average size of HRF projects is USD 16 million.





5. Funds Available

In USD millions

	As of September 30, 2012 (a)	As of June 30, 2012 (a)	Changes since last report (c) = (a) - (b)
1. Cumulative Receipts	382.12	381.99	0.14
a. Cash receipts from Donors	381.05	381.05	-
b. Investment Income earned on undisbursed balances of HRF Funds	1.07	0.94	0.14
2. Cumulative Cash Transfer	262.76	262.73	0.04
a. Projects	249.58	249.58	-
b. Partner Entity Fees	9.50	9.50	-
c. Administrative Budget	3.68	3.65	0.04
3. Funds held in Trust (3 = 1 - 2)	119.36	119.26	0.10
4. Financial Reserve a/	67.50	47.50	20.00
5. Funds held in Trust with no Restrictions (5 = 3 - 4)	51.86	71.76	-19.90
6. Funding Decisions pending Cash Transfer	15.03	15.06	-0.04
a. Projects	15.00	15.00	-
b. Partner Entity Fees	-	-	-
c. Administrative Budget	0.02	0.06	(0.04)
7. Funds available to support HRF Steering Committee Funding Decisions (7 = 5 - 6)	36.84	56.70	-19.86

a/ Reflects the HRF Steering Committee's decision to reserve resources for future funding decisions.

Highlights for the period July 1, 2012 through September 30, 2012:

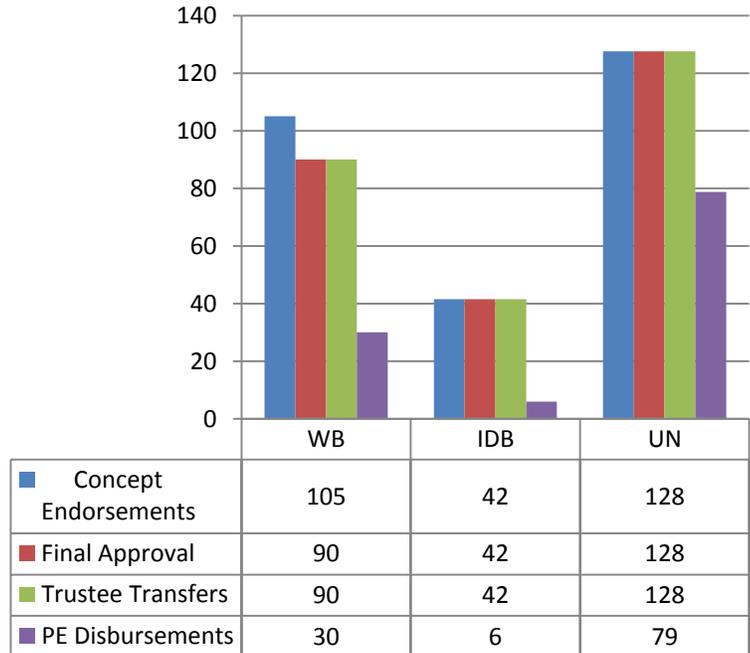
- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 119 million as of September 30, 2012. Funds Held in Trust increased by USD 0.10 million due to:
 - Investment Income earned during the period of July 1, 2012 to September 30, 2012 amounting to USD 0.14 million.
- **Funding Decisions Pending Cash Transfer** arising from the HRF Steering Committee approvals amounting to USD 0.04 million.
- **Funding Availability** decreased by USD 20 million over the prior reporting period as a result of the reserve being increased by USD 20 million.



6. Partner Entity Disbursements⁶

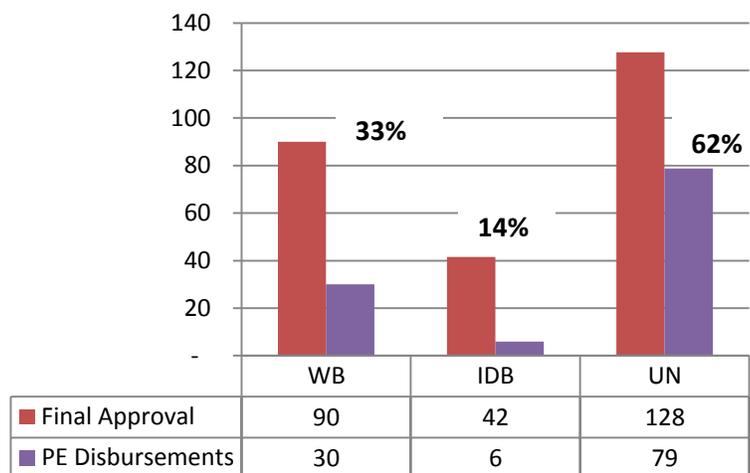
PARTNER ENTITY DISBURSEMENT SUMMARY

As of September 30, 2012, the HRF Steering Committee has endorsed Concept Notes for 17 projects. Sixteen of these have also received final approval from the Steering Committee. The Trustee has transferred funds totaling USD 259 million in respect of these approved projects and associated fees to the Partner Entities, upon receipt of cash transfer requests from the Partner Entities. The figure shows the funding decisions and disbursements by Partner Entity, and the figure in the next page details project-by-project disbursement status. Since the last report, disbursements by the Partner Entity increased by USD 23 million (23%).



DISBURSEMENT RATES

Disbursement rates by Partner Entity are shown in the accompanying chart. As of September 30, 2012, the UN has been allocated USD 128 million, of which USD 79 million has been disbursed; the IDB has been allocated USD 42 million, of which USD 6 million has been disbursed; and the World Bank has been allocated USD 90 million, of which USD 30 million has been disbursed. The disbursement rate⁷ is 62%, 14% and 33%, respectively.



⁶ This section is based on the information provided by the Partner Entities as of September 30, 2012.

⁷ Disbursement rate represents cumulative Partner Entity disbursements compared against Cumulative Funding Approvals.



Annex I - Cumulative Funding Decisions Details

In USD millions

Activity		Partner Entity	
Projects	<i>Title</i>		
	Haiti Emergency Development Policy Operation	WB	25.00
	Program to Establish a Partial Credit Guarantee Fund	IDB	12.50
	Debris Management Project	UN	15.68
	Haiti Southwest Sustainable Development Program	UN	7.40
	Disaster Risk Reduction in the South Department	UN	7.40
	Natural Disaster Mitigation in the South Department	IDB	14.00
	Reconstruction of the Education Sector	IDB	10.00
	Capacity Building for Disaster Risk Management	UN	1.89
	Demolition and Debris Removal with Heavy Equipment	UN	23.13
	Port-au-Prince Neighborhood Housing Reconstruction Project	WB	65.00
	Housing and Neighborhood Reconstruction Support Program	UN	22.83
	Earthquake Prevention Plan for the North of Haiti	UN	9.22
	Capacity Building Program to the IHRC	UN	0.93
	Targeted Budget Support Operation a/ 16 Neighborhoods, 6 Camps	WB	15.00
	Development of Milk Production and Processing in Haiti	UN	1.85
	TVET Education Project	IDB	5.00
	Sub-total	264.58	
Fees	Debris Management Project	UN	1.27
	Haiti Southwest Sustainable Development Program	UN	0.60
	Disaster Risk Reduction in the South Department	UN	0.60
	Capacity Building for Disaster Risk Management	UN	0.11
	Demolition and Debris Removal with Heavy Equipment	UN	1.87
	Housing and Neighborhood Reconstruction Support Program	UN	1.84
	Earthquake Prevention Plan for the North of Haiti	UN	0.74
	Capacity Building Program to the IHRC	UN	0.07
	16 Neighborhoods, 6 Camps	UN	2.24
Development of Milk Production and Processing in Haiti	UN	0.15	
	Sub-total	9.50	
Administrative Budgets	FY11 Secretariat		1.05
	FY11 Trustee		0.45
	FY12 Secretariat		0.88
	FY12 Trustee		0.30
	FY13 Secretariat		0.85
	FY13 Trustee		0.18
	Sub-total	3.71	
	Total	277.79	

a/ The amounts have been set aside following approval by the HRF Steering Committee of the Project Concept Note and subject to the no-objection approval by the Steering Committee of complete project documents.

Annex II – Partner Entity Disbursement Details

In USD millions

