Haiti Reconstruction Fund

Financial Report

Prepared by the Trustee

As of June 30, 2014
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 Development Finance 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 June 30, 2014.

\(^1\) The Trustee’s financial status reports are publicly available at: [www.worldbank.org/fiftrustee](http://www.worldbank.org/fiftrustee)
**Pledges and Contributions:**

As of June 30, 2014, 19 donors had pledged and signed Administration Agreements or arrangements amounting to USD eq. 396.1 million. The Trustee has received USD 386.1 million in cash to date from these donors, an increase of USD 5 million since March 31, 2014.

**Investment Income:**

As of June 30, 2014, the HRF Trust Fund had earned investment income of approximately USD 1.69 million on the undisbursed balances in the Trust Fund. The HRF Trust Fund liquid portfolio returned 0.12%\(^2\) in 2014. 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 June 30, 2014 totaled USD 334.6 million. Of the total amount approved, USD 320.4 million represents project\(^3\) approvals. Of this amount, USD 316.9 million has been committed by the Trustee to the respective Partner Entities based on the approval of their complete project documents, and USD 3.5 million has been set aside pending no-objection approval by the Steering Committee of complete project documents. A total of USD 52.5 million has been set aside in a financial reserve for future project approvals.

**Cash Transfers:**

Based on HRF Steering Committee funding decisions, the Trustee has transferred a total of USD 330.9 million up to June 30, 2014, including USD 326.4 million for projects and Partner Entity fees.

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

**Funds Held in Trust**\(^4\) reflect contributions paid-in from donors, investment income and cash transfers. Funds Held in Trust as of June 30, 2014 amounted to USD 56.8 million.

**Partner Entity Disbursements**\(^5\):

As of June 30, 2014, the UN has been allocated USD 127.6 million, of which USD 114 million has been disbursed; the IDB has been allocated USD 69.7 million, of which USD 9.7 million has been disbursed; and the World Bank has been allocated USD 132.6 million, of which USD 74.8 million has been disbursed.

**Funds available** to support new HRF Steering Committee funding decisions amounted to USD 0.6 million as of June 30, 2014.

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2 Non-annualized rate of return up to June 30, 2014
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 Disbursed amounts are based on the partner entity’s information as of June 30, 2014.
## 1. HRF Trust Fund Summary – Inception through June 30, 2014

*In USD millions*

<table>
<thead>
<tr>
<th>Donor Pledges and Contributions</th>
<th>Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>396.05</td>
<td>100.0%</td>
</tr>
<tr>
<td>Pledges</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Pledges and Contributions</strong></td>
<td><strong>396.05</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cumulative Resources</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Receipts</td>
<td>386.05</td>
<td>97.1%</td>
</tr>
<tr>
<td>Investment Income earned</td>
<td>1.69</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Total Resources Received</strong></td>
<td><strong>387.74</strong></td>
<td><strong>97.5%</strong></td>
</tr>
<tr>
<td>Resources not yet received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions not yet paid</td>
<td>10.00</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Total resources not yet received</strong></td>
<td><strong>10.00</strong></td>
<td><strong>2.5%</strong></td>
</tr>
<tr>
<td><strong>Total Potential Resources (A) (in USD millions)</strong></td>
<td><strong>397.74</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cumulative Funding Decisions</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects</td>
<td>320.36</td>
<td>95.7%</td>
</tr>
<tr>
<td>Fees</td>
<td>9.52</td>
<td>2.8%</td>
</tr>
<tr>
<td>Administrative Budgets</td>
<td>4.77</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>Total Funding Decisions Net of Cancellations (B)</strong></td>
<td><strong>334.64</strong></td>
<td><strong>100.0%</strong></td>
</tr>
<tr>
<td><strong>Total Potential Resources Net of Funding Decisions (A) - (B)</strong></td>
<td><strong>63.10</strong></td>
<td></td>
</tr>
<tr>
<td>Financial Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>52.50</td>
<td></td>
</tr>
<tr>
<td><strong>Total Potential Resources Net of Funding Decisions and Financial Reserve</strong></td>
<td><strong>10.60</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Funds Available**

| Funds Held in Trust with no restrictions | 4.34 |
| Approved Amounts Pending Cash Transfers  | 3.74 |
| **Total Funds Available to Support HRF Steering Committee Decisions** | **0.60** |
2. Contributions

In USD millions

<table>
<thead>
<tr>
<th>Donor</th>
<th>Contribution Currency</th>
<th>Contribution Amount a/</th>
<th>USD eq.</th>
<th>Received Amount b/</th>
<th>USD</th>
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<tbody>
<tr>
<td>Australia</td>
<td>AUD</td>
<td>10.00</td>
<td>8.56</td>
<td>10.00</td>
<td>8.56</td>
</tr>
<tr>
<td>Brazil</td>
<td>USD</td>
<td>55.00</td>
<td>55.00</td>
<td>55.00</td>
<td>55.00</td>
</tr>
<tr>
<td>Canada</td>
<td>CAD</td>
<td>46.30</td>
<td>45.50</td>
<td>46.30</td>
<td>45.50</td>
</tr>
<tr>
<td>Colombia</td>
<td>USD</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Cyprus</td>
<td>USD</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
</tr>
<tr>
<td>Estonia</td>
<td>USD</td>
<td>0.05</td>
<td>0.05</td>
<td>0.05</td>
<td>0.05</td>
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<tr>
<td>Finland</td>
<td>EUR</td>
<td>1.40</td>
<td>1.84</td>
<td>1.40</td>
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<tr>
<td>France</td>
<td>EUR</td>
<td>24.82</td>
<td>32.28</td>
<td>24.82</td>
<td>32.28</td>
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<tr>
<td>Ireland</td>
<td>EUR</td>
<td>1.00</td>
<td>1.33</td>
<td>1.00</td>
<td>1.33</td>
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<td>Japan</td>
<td>USD</td>
<td>30.00</td>
<td>30.00</td>
<td>30.00</td>
<td>30.00</td>
</tr>
<tr>
<td>Latvia</td>
<td>LVL</td>
<td>0.03</td>
<td>0.06</td>
<td>0.03</td>
<td>0.06</td>
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<tr>
<td>Norway</td>
<td>NOK</td>
<td>274.00</td>
<td>44.27</td>
<td>274.00</td>
<td>44.27</td>
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<tr>
<td>Nigeria</td>
<td>USD</td>
<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Oman</td>
<td>USD</td>
<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
</tr>
<tr>
<td>State and Peace Building Fund</td>
<td>USD</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
</tr>
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<td>Spain</td>
<td>USD</td>
<td>30.00</td>
<td>30.00</td>
<td>30.00</td>
<td>30.00</td>
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<tr>
<td>Sweden</td>
<td>SEK</td>
<td>25.00</td>
<td>3.75</td>
<td>25.00</td>
<td>3.75</td>
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<tr>
<td>Thailand</td>
<td>USD</td>
<td>2.30</td>
<td>2.30</td>
<td>2.30</td>
<td>2.30</td>
</tr>
<tr>
<td>United States</td>
<td>USD</td>
<td>125.00</td>
<td>125.00</td>
<td>125.00</td>
<td>125.00</td>
</tr>
<tr>
<td><strong>Total USD equivalent</strong></td>
<td></td>
<td><strong>396.05</strong></td>
<td></td>
<td><strong>386.05</strong></td>
<td></td>
</tr>
</tbody>
</table>

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 June 30, 2014, the Trustee had entered into Administration Agreements/Administration Arrangements with 19 donors for a total of USD eq. 396.1 million and received USD 386.1 million in cash to date from these donors.

- During the last quarter, the United States has contributed the remaining USD 5 million.

- Receipts of USD 10 million are pending from Spain.
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 56.8 million at June 30, 2014) earned USD 1.69 million in investment income since inception.

*non-annualized rate of return up to June 30, 2014
4. Cumulative Funding Decisions

In USD millions

SNAPSHOT OF FUNDING DECISIONS:
The cumulative funding decisions made by the HRF Steering Committee up to June 30, 2014 amount to USD 334.6 million (see Annex I).

FUNDING DECISIONS BY ACTIVITY
Since inception to June 30, 2014 funding approvals made by the HRF Steering Committee totaled USD 331.1 million (USD 3.5 million has been set aside pending no-objection approval by the Steering Committee of complete project documents). Projects represent about 96%, fees for Partner Entities 3%, and administrative budgets for the Secretariat and the Trustee 1%.

PROJECT FUNDING DECISIONS BY PARTNER ENTITY
Of the total USD 316.9 million of approved projects to date, 42% has been allocated to the World Bank as Partner Entity, 37% to the UN, and 21% to the IDB.
5. Funds Available

In USD millions

<table>
<thead>
<tr>
<th>Table 3: Schedule of Funds Available</th>
<th>As of June 30, 2014</th>
<th>As of March 31, 2014</th>
<th>Changes since last report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cumulative Receipts</td>
<td>387.74</td>
<td>382.67</td>
<td>5.07</td>
</tr>
<tr>
<td>a. Cash receipts from Donors</td>
<td>386.05</td>
<td>381.05</td>
<td>5.00</td>
</tr>
<tr>
<td>b. Investment Income earned</td>
<td>1.69</td>
<td>1.62</td>
<td>0.07</td>
</tr>
<tr>
<td>2. Cumulative Cash Transfer</td>
<td>330.90</td>
<td>277.32</td>
<td>53.58</td>
</tr>
<tr>
<td>a. Projects</td>
<td>316.86</td>
<td>263.28</td>
<td>53.58</td>
</tr>
<tr>
<td>b. Partner Entity Fees</td>
<td>9.52</td>
<td>9.52</td>
<td>0.00</td>
</tr>
<tr>
<td>c. Administrative Budget</td>
<td>4.52</td>
<td>4.52</td>
<td>0.00</td>
</tr>
<tr>
<td>3. Funds held in Trust (3 = 1 - 2)</td>
<td>56.84</td>
<td>105.35</td>
<td>(48.51)</td>
</tr>
<tr>
<td>4. Financial Reserve a/</td>
<td>52.50</td>
<td>68.50</td>
<td>(16.00)</td>
</tr>
<tr>
<td>5. Funds held in Trust with no Restrictions (5 = 3 - 4)</td>
<td>4.34</td>
<td>36.85</td>
<td>(32.51)</td>
</tr>
<tr>
<td>6. Funding Decisions pending Cash Transfer</td>
<td>3.74</td>
<td>36.08</td>
<td>(32.34)</td>
</tr>
<tr>
<td>a. Projects</td>
<td>3.50</td>
<td>36.08</td>
<td>(32.58)</td>
</tr>
<tr>
<td>b. Partner Entity Fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c. Administrative Budget</td>
<td>0.24</td>
<td>-</td>
<td>0.24</td>
</tr>
<tr>
<td>7. Funds available to support HRF Steering Committee Funding Decisions (7 = 5 - 6)</td>
<td>0.60</td>
<td>0.77</td>
<td>-0.17</td>
</tr>
</tbody>
</table>

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

Highlights for the period April 1, 2014 through June 30, 2014:

- **Funds Held in Trust** represents cumulative receipts less cumulative cash transfers, and amounted to USD 56.8 million as of June 30, 2014. Funds Held in Trust decreased by USD 48.5 million due to (1) the receipt of contribution amounting to USD 5 million; (2) investment Income earned during the period of April 1, 2014 to June 30, 2014, and (3) cash transfers during the period amounting to USD 53.6 million.

- **Financial Reserve** is USD 52.5 million reflecting the HRF Steering Committee’s decisions to reserve resources for future funding decisions. Financial Reserve decreased by USD 16 million from April 1, 2014 due to USD 21 million funding decision on budget support operation of the IDB and USD 5 million contribution made by the United States.

- **Funding Decisions Pending Cash Transfer** arising from the HRF Steering Committee approvals amounted to USD 3.5 million for projects and USD 0.24 million for half of FY15 administrative budget for Secretariat and Trustee.

- **Funding Availability** remains less than USD 1 million as of June 30, 2014.
6. Partner Entity Disbursements

PARTNER ENTITY DISBURSEMENT SUMMARY

As of June 30, 2014, the HRF Steering Committee has endorsed Concept Notes for 25 projects and approved final project proposals for 24 of these projects. The Trustee has transferred funds totaling USD 326.4 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 below shows the funding decisions and disbursements by Partner Entity, and the figure in Annex II details project-by-project disbursement status. The total disbursements by the Partner Entities are USD 198.6 million. As of June 30, 2014, the UN has been allocated USD 127.6 million, of which USD 114 million has been disbursed; the IDB has been allocated USD 69.7 million, of which USD 9.7 million has been disbursed; and the World Bank has been allocated USD 132.6 million, of which USD 74.8 million has been disbursed.

![Bar Chart](chart.png)

<table>
<thead>
<tr>
<th></th>
<th>WB</th>
<th>IDB</th>
<th>UN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept Endorsements</td>
<td>132.58</td>
<td>69.70</td>
<td>127.58</td>
</tr>
<tr>
<td>Final Approval</td>
<td>132.58</td>
<td>66.20</td>
<td>127.58</td>
</tr>
<tr>
<td>Trustee Transfers</td>
<td>132.58</td>
<td>66.20</td>
<td>127.58</td>
</tr>
<tr>
<td>PE Disbursements</td>
<td>74.80</td>
<td>9.74</td>
<td>114.01</td>
</tr>
</tbody>
</table>

(in USD millions)

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6 This section is based on the information provided by the Partner Entities as of June 30, 2014.
## Annex I - Cumulative Funding Decisions Details

**In USD million**

### Table 2: Cumulative Funding Decisions
Updated as of June 30, 2014

<table>
<thead>
<tr>
<th>Activity</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Haiti Emergency Development Policy Operation</td>
<td>WB 25.00</td>
</tr>
<tr>
<td>Program to Establish a Partial Credit Guarantee Fund</td>
<td>IDB 12.50</td>
</tr>
<tr>
<td>Debris Management Project</td>
<td>UN 15.68</td>
</tr>
<tr>
<td>Haiti Southwest Sustainable Development Program</td>
<td>UN 7.40</td>
</tr>
<tr>
<td>Disaster Risk Reduction in the South Department</td>
<td>UN 7.40</td>
</tr>
<tr>
<td>Environmental Protection of the Macaya National Park a/</td>
<td>IDB 9.00</td>
</tr>
<tr>
<td>Sustainable Energy for Haiti a/</td>
<td>IDB 2.00</td>
</tr>
<tr>
<td>Institutional Transformation and Modernization of the Energy Sector III (PBG) a/</td>
<td>IDB 3.00</td>
</tr>
<tr>
<td>Reconstruction of the Education Sector</td>
<td>IDB 10.00</td>
</tr>
<tr>
<td>Capacity Building for Disaster Risk Management</td>
<td>UN 1.89</td>
</tr>
<tr>
<td>Demolition and Debris Removal with Heavy Equipment</td>
<td>UN 23.13</td>
</tr>
<tr>
<td>Port-au-Prince Neighborhood Housing Reconstruction Project</td>
<td>WB 65.00</td>
</tr>
<tr>
<td>Housing and Neighborhood Reconstruction Support Program</td>
<td>UN 22.83</td>
</tr>
<tr>
<td>Earthquake Prevention Plan for the North of Haiti</td>
<td>UN 9.22</td>
</tr>
<tr>
<td>Capacity Building Program to the IHRC</td>
<td>UN 0.93</td>
</tr>
<tr>
<td>16 Neighborhoods, 6 Camps</td>
<td>UN 27.76</td>
</tr>
<tr>
<td>Development of Milk Production and Processing in Haiti</td>
<td>UN 1.85</td>
</tr>
<tr>
<td>TVET Education Project</td>
<td>IDB 5.00</td>
</tr>
<tr>
<td>School Feeding Program b/</td>
<td>WB 15.00</td>
</tr>
<tr>
<td>Budget Support Operation - Economic Reconstruction and Growth Development Policy Grant (Cofinancing)</td>
<td>WB 10.00</td>
</tr>
<tr>
<td>Pêlîgre-Port-au-Prince Transmission Line Project c/</td>
<td>IDB 3.50</td>
</tr>
<tr>
<td>Support to the Implementation of the Education Plan and Reform in Haiti</td>
<td>IDB 3.70</td>
</tr>
<tr>
<td>Budget Support Operation - Education, and Water and Sanitation sectors</td>
<td>WB 17.58</td>
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<td>Budget Support Operation - Water and Sanitation</td>
<td>IDB 14.00</td>
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<td>Budget Support Operation - Transport</td>
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<td><strong>Sub-total</strong></td>
<td><strong>320.36</strong></td>
</tr>
<tr>
<td>Fees</td>
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<tr>
<td>Debris Management Project</td>
<td>UN 1.27</td>
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<td>Haiti Southwest Sustainable Development Program</td>
<td>UN 0.60</td>
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<tr>
<td>Disaster Risk Reduction in the South Department</td>
<td>UN 0.60</td>
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<tr>
<td>Capacity Building for Disaster Risk Management</td>
<td>UN 0.11</td>
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<tr>
<td>Demolition and Debris Removal with Heavy Equipment</td>
<td>UN 1.87</td>
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<td>Housing and Neighborhood Reconstruction Support Program</td>
<td>UN 1.84</td>
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<td>Earthquake Prevention Plan for the North of Haiti</td>
<td>UN 0.74</td>
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<td>Capacity Building Program to the IHRC</td>
<td>UN 0.07</td>
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<tr>
<td>16 Neighborhoods, 6 Camps</td>
<td>UN 2.24</td>
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<tr>
<td>Development of Milk Production and Processing in Haiti</td>
<td>UN 0.15</td>
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<td>Audit fee</td>
<td>IDB 0.02</td>
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<td><strong>Sub-total</strong></td>
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<td>Administrative</td>
<td>FY11 Secretariat</td>
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<td>Budgets</td>
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<td>FY12 Secretariat</td>
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<td>FY13 Secretariat</td>
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<td>FY14 Secretariat</td>
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<td>FY14 Trustee</td>
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<td>Mid-Term Evaluation</td>
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<td>Half of FY15 Secretariat d/</td>
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<td>Half of FY15 Trustee d/</td>
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<td><strong>Sub-total</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>334.64</strong></td>
</tr>
</tbody>
</table>

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a/ Original project title was Natural Disaster Mitigation in the South Department (USD 14 million).
b/ The Steering Committee agreed to shift the targeted budget support operation (USD 15 million) to a School Feeding Program.
c/ Subject to the SC approval on the final project document.
d/ The Steering Committee approved half of the FY15 draft budget submitted by the HRF Secretariat and the Trustee.
Annex II – Partner Entity Disbursement Details

In USD millions