



HRF QUARTERLY UPDATE

ISSUE 2: WINTER 2011/12



About the HRF Quarterly Update

Welcome to the second issue of the HRF Quarterly Update. Our objective is to bring you news about how the HRF is supporting the reconstruction in Haiti. The Update is intended to supplement the HRF's annual report and is issued three times a year (Fall, Winter, Spring). Your feedback and inquiries are invited.

Highlights of this Issue

- US\$7 million has been allocated for projects to promote vocational education and milk production; the Prime Minister's Office is the new HRF counterpart (see ***Steering Committee Results***)
- The HRF supports disaster risk reduction and sustainable development in the South Department with US\$30 million for 3 projects (see ***Sector Vignette***)
- Brazil is the HRF's first donor and 2nd largest contributor with US\$55 million (see ***Donor Spotlight***)
- New contributions and pledges of US\$ eq. 42 million from Finland, France, Norway, and the U.S. are being processed by the Trustee. Project level disbursements increased 43 percent in the last three months to US\$56 million (see ***HRF Financial Update***)

Steering Committee Results

During the past quarter (October – December 2011), the HRF Steering Committee approved two new financing requests from the IHRC. US\$5 million was allocated for a project to provide vocational and youth employment training throughout the country. The IDB is serving as the Partner Entity and implementation is through the Ministry of Education and NGOs. US\$2 million was approved for a revised project to promote the production and processing of

milk, especially for child nutrition. The UN is the Partner Entity and the activity is being implemented with the Ministry of Agriculture, Natural Resources and Rural Development (MARNDR) and FAO. As the mandate for the IHRC expired on October 21, 2011, the Government has designated the Prime Minister's Office to be the new counterpart for the HRF with responsibility for identifying, evaluating and forwarding new financing requests to the HRF. The Minister of Economy and Finance, André Lemerrier Georges, will serve as the new chairperson of the HRF Steering Committee.

Geographic Vignette: South Department

The poverty rate in the South Department is higher than the national average and the population is particularly vulnerable to floods and hurricanes. The rural landscape is highly degraded due to high levels of deforestation and poor watershed management. The level of food insecurity is high and women are particularly marginalized. In addition, the population has little access to social services and markets because of the poor quality of rural roads. To address these problems, the HRF has allocated US\$30 million to support three projects in the South Department of Haiti. These three projects were designed to be complementary and implementation is done in a coordinated manner.



Photo courtesy of UNDP

Improving & maintaining irrigation canal, Dory-Cavaillon

A Natural Disaster Mitigation Project (US\$34 million, of which US\$14 million from the HRF with IDB as the Partner Entity and implementation by the MARNDR) is reducing environmental and socio-economic vulnerability to natural disasters for the population living in the Ravine du Sud and Cavaillon. The Southwest Sustainable Development Program (US\$14 million of which US\$8 million from the HRF with the UN as Partner Entity with implementation through UNEP, UNOPS and NGOs) is the first phase of a 20 year recovery and sustainable development program for the southwest region of the southern peninsula. The Disaster Risk Reduction Project (US\$11 million, of which US\$8 million from the HRF with the UN as the Partner Entity with implementation by UNDP, FAO and WFP) contributes to disaster risk reduction through the development and management of watershed basins, employment generation and agricultural development in the South Department.

Out of the US\$30 million in HRF funding allocated for the three projects in the South Department, US\$8.82 million or 29 percent has been disbursed as of mid-December 2011. To date these projects have contributed to –

- The development of a strategic plan for the marine and energy sectors;
- 15 watershed management sub-projects throughout the Southern region are ongoing as follows:
 - 3 reforestation projects
 - 4 river bank protection and cleaning projects
 - 2 soil conservation and ravine correction projects
 - 2 flood protection projects
 - 2 studies on the Joint-Management Plan of Watershed of Aquin and Saint Louis du Sud
 - 1 environmental education project
 - 1 water system rehabilitation project

As a result, approximately 2700 temporary jobs have been created for people living in the project areas. The construction of a total of 430 linear meters of drainage canal has been completed which had a positive impact during the 2011 hurricane season. Overall, the

construction of 1250 linear meters of river bank protection is ongoing with a further 300 linear meters of drainage canal in Coteaux also under construction;

- 11 Community-based organizations and 2 NGOs were engaged to provide field training for farmers in environmental protection and improved food security. In addition seeds were distributed to establish nurseries.

Highlighting Project Results

The HRF Steering Committee has to date approved funding requests totaling US\$274 million for 17 projects. Of this US\$254 million for 15 projects or 93 percent of approved funding has been transferred to Partner Entities. Some key results from projects under implementation include:

- 171,810 cubic meters of debris have been removed;
- Temporary employment has been created for 3339 people through debris removal activities;
- 1503 permits for mechanical and manual destruction of red homes were obtained;
- The demolition of the general hospital of the University of Haiti will be completed at the end of December (6000 cubic meters will have been removed at this site);
- Set up and operationalization of two workshops for the training and production of construction materials out of recycled debris;
- 200 people trained in disaster risk management and over 300 people in IDP camps trained in First Aid;
- 5 new community evacuation centers constructed in Port-au-Prince and Petit Goave, and 9 community centers rehabilitated in Gonaives, Delmas, Port-au-Prince, Jacmel, Cabaret and Tabarre;
- Completion of the return to a sustainable housing solution in their neighborhoods of origin for the displaced families in Place Saint Pierre and Place Boyer;

- The 2010 budget gap was filled through emergency budget support;
- A school census to assist in the strengthening of the governance of the education system was completed;
- Land studies are underway for the construction of 7 schools;
- 120,000 school kits are being procured for the 2012-2013 school year;
- Guarantees were issued for a value of US\$3.3 million, guaranteeing US\$10.6 million in loans through three Banks. The guarantees assisted 245 micro-enterprises and 8 medium-sized enterprises.



Donor Spotlight: Brazil

Brazil was the very first HRF donor and is the second largest, with a contribution of US\$55 million that was made in May 2010. The Brazilian Government has expressed a preference that its contribution be used for budget support and financing for a hydroelectric dam. The HRF Steering Committee has allocated resources for budget support at the request of the IHRC and has reserved resources for an eventual hydropower project.

Overall, Brazil is Haiti's 10th largest donor, having pledged US\$164 million for reconstruction of which 69% has already been disbursed as of December, 2011. The Brazilian cooperation's program in Haiti includes support for agricultural development, community development, debris and waste management, forest rehabilitation, job training, and water resources. Brazil also serves as the Force Commander for the UN Stabilization Mission in Haiti (MINUSTAH), contributing military personnel and police.

HRF Financial Update

In the last three months, additional contribution agreements were signed with three donors, the United States (US\$5 million), Finland (€0.7 million)

and Norway (NOK74 million) for a total additional contribution of approximately US\$18.3 million. This brings the total donor commitments to the HRF as of mid-December, 2011, to US\$370.6 million. Of this over 90 percent of funds or US\$335 million has been received by the HRF Trustee. In addition, France has indicated a new pledge of 19.8 million Euros.

At the request of the IHRC, the HRF Steering Committee has allocated US\$274.08 million of available funds for 17 projects. In addition US\$2.98 million was approved to cover the Trustee and Secretariat budgets for 2010 and 2011. Including the reserve set aside for future project approvals, US\$58.98 million remains available for allocation. Based on Steering Committee decisions US\$40 million of available funds has been reserved for the Artibonite Dam and US\$7.5 million for budget support, leaving US\$11.48 million available for new funding allocations, until the outstanding contributions of US\$ eq. 35.3 million are received.

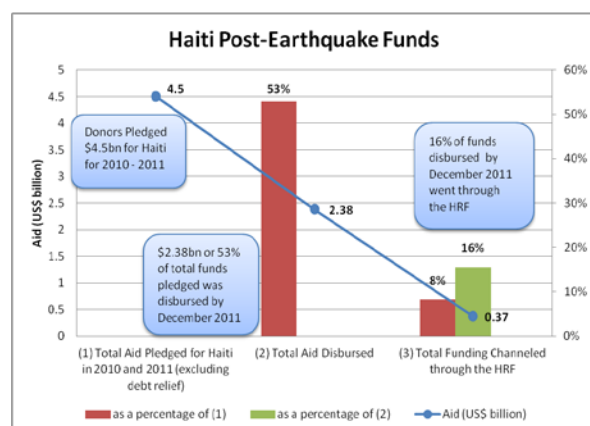
Of the US\$274.08 million in project funds allocated, 93 percent or US\$254.08 million has already been transferred to the respective Partner Entity. The United Nations serves as Partner Entity for ten out of the seventeen approved projects, representing 47% of total project funds allocated. The World Bank supervises three projects and the Inter-American Development Bank four projects, representing respectively 38% and 15% of project funding approved.

Fifteen projects are under implementation with total project-level disbursements at US\$55.73 million, representing 20 percent of total funds approved for projects. Project level disbursements increased by 43 percent in the last three months. This rapid increase in disbursements shows that project implementation is now well underway.

HRF Role in Reconstruction Finance

The donor contributions to the HRF represent 16 percent of total funds disbursed for the

reconstruction of Haiti as of December 2011¹. The HRF funding has been a significant source of flexible financing to respond to government priorities and to finance activities in underfunded sectors and regions. Most notably, the HRF has contributed 22 percent of the funding for IHRC-approved projects in the South.



HRF Performance

During the last quarter the HRF received two final project funding requests from the IHRC before the end of its mandate on October 21st. A total allocation of US\$7 million for the Development of Milk Production and Processing in Haiti and the Support to the Education Plan and Reform in Haiti was approved by the Steering Committee on October 31st. Following the end of the mandate of the IHRC, the Government of Haiti has decided to transfer the responsibility of the review and approval of HRF funding requests to the Prime Minister's Office.

With the approval of 17 projects to date, the overall processing time for HRF funding requests is on average 116 days². A detailed review of the average time for each processing step shows that more than half of the overall time required to prepare and approve a project requesting HRF funding is spent on

the preparation of the full project document. This is a clear reflection of the complexity of many of the projects funded through the HRF and the extensive time required for consultations with stakeholders.

Average project preparation and approval time (Number of days per processing step)

1. Approval of Concept Note by the IHRC and HRF Steering Committee	9.1
2. Preparation of Full Project Document by the Partner Entity	60
3. Approval of Full Project Document by the HRF Steering Committee	8.3
4. Approval of Full Project Document by the IHRC	6.4
5. Time between Final Approval and Fund Transfer Request by the Partner Entity	23.8
6. Fund Transfer from Trustee to Partner Entity	4.4

The HRF Family: United Nations

The United Nations (UN) is one of the HRF's key Partner Entities. To date, 47% of all approved HRF grants are being channeled through the UN to support ten activities. HRF funds are transferred to the UNDP's Multi Donor Trust Fund (MPTF) Office and are coordinated at the operational level by the UN Resident Coordinator in Haiti.

The United Nations Development Group Haiti Reconstruction Fund (UNDG HRF), managed by the MPTF Office, is an integral part of the HRF. The MPTF Office provides a one-stop shop for HRF funds channeled through UN agencies. While participating UN organizations assume full programmatic and financial accountability for the funds received from the HRF, the MPTF Office receives, administers and transfers approved funds to participating UN organizations, and consolidates financial reports in a harmonized manner.

¹ Based on data as reported by the Office of the Special Envoy for Haiti in the Overall Financing Key Facts brief - December 2011

² The average processing times include only those projects that have completed the requisite or all processing steps.



Bisrat Aklilu, an Ethiopian national, is the Executive Coordinator of the MPTF Office which he established in 2004. He oversees the administration of over 45 different trust funds operating in 80 countries with a total portfolio of \$5.8 billion. He was Deputy Executive Director (1996 to 2004) and Division Chief for the IFAD Program (1990 to 1996) at UNOPS. He joined IFAD in 1979 where he managed agricultural investment projects in Africa and the Near East. He holds a Ph.D. in Economics from Boston University.



Patricia Ababio, a Ghanaian national, is the Finance Associate in the MPTF Office responsible for payments and financial oversight for funds and joint programs including the undg HRF. She has ten years of background in banking and two years in insurance supervision. She has been with the United Nations since 1999, with UNOPS on Y2K readiness coordination, software documentation, helpdesk, and finance administrative support before joining UNDP in a finance capacity. Patricia has a degree in Finance and Information Systems Management.



Mahrukh Nalavala, a U.S. citizen, is the Head of the Finance Section of the MPTF Office. As Senior Finance Specialist, she is responsible for the financial administration of all multi-donor trust funds and joint programs including the undg HRF. She joined the MPTF Office in 2004 after having worked in finance at various bureaus of UNDP since 1986. Prior to joining UNDP, Mahrukh worked in the airline and banking industries.



Ernesto Calderón, a Bolivian national, is the Portfolio Analyst covering the undg Haiti Reconstruction Fund, among others. Before joining the MPTF Office, he worked at the European Commission's Directorate of Development Cooperation, the Iberoamerican Secretariat and for several bilateral aid agencies in Bolivia. Ernesto holds an MsC degree in International Law and Development Cooperation and is a PhD fellow of the University Carlos III of Madrid, Spain.

In Haiti, the UN system works to support national leadership in a coherent manner. Under the leadership of Mr. Nigel Fisher, the UN Deputy Representative of the Secretary General/Resident Coordinator/Humanitarian Coordinator (DRSG/RC/HC), mechanisms have been set up at the

country level to ensure that the UN agencies provide an effective and coordinated support to government programs approved by the IHRC and funded by the HRF.

The UN system is currently supporting the implementation of ten government-led projects funded by the HRF, for a total of approximately US\$ 127.6 million. Seven UN agencies are involved in this effort (UNDP, FAO, IOM, ILO, UN-HABITAT, UNEP and UNOPS) in areas such as housing, disaster risk reduction, agriculture, debris management and return/resettlement. The process is facilitated by the Office of the DSRSG/RC/HC, which ensures that agency contributions and reporting are harmonized and that the projects' implementation is moving as planned.

The "16/6" program facilitates the return of camp inhabitants to their communities through the rehabilitation of sixteen neighborhoods and community participation. The program, which is coordinated by the Haitian government, is jointly supported by UNDP, ILO, IOM and UNOPS, and provides a good example of how the UN system operates. The project is coordinated by Mr. Clement Bélizaire.



Clément Bélizaire is a Haitian civil engineer who graduated from the Faculté des Sciences of the State University of Haiti (UEH). Since the mid-1990s, he has held important positions in the private sector in Haiti in manufacturing, retail and banking. For the past four years, he has served as national project director of Food for the Poor, an NGO that works to improve the lives of low-income Haitians. He is currently the project manager for the "16/6" project and part of the recently established Unité de Coordination de Reconstruction de Logements et de Bâtiments Publics.

Key Dates

- Early January – Launch of HRF photo exhibit on reconstruction and 2012 calendar
- January 12 – Second anniversary of the earthquake
- February – 8th HRF Steering Committee meeting

HRF SECRETARIAT

Nouvelle Primature

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