Welcome to the third issue of the HRF Quarterly Update. Our objective is to keep you informed about how the HRF is supporting Haiti’s reconstruction process. The update is released three times a year and is intended to supplement the HRF annual report which is published in July. Your comments and inquiries are welcome.

HIGHLIGHTS OF THIS ISSUE

✓ The Ministry of Planning and External Cooperation (MPCE) has been proposed as the new HRF government counterpart (p.2)

✓ France becomes a voting member of the HRF Steering Committee (p.2). Its last contribution of €2.8 million brought its total contribution to over the minimum required US$30 million.

✓ 2750 households from 4 camps returned to their neighborhood of origin (p.3).

✓ Jobs have been created for approximately 9000 people among them 35% are women. Sites have been identified for the construction of 11 schools (p.5)

✓ Project-level disbursements increased by 28 percent to US$71.1 million (p.7)

SUMMARY

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Courtesy of UNOPS: Housing progress
During the last quarter (January – March 2012), the HRF Secretariat worked with key government officials to identify a new counterpart that would be responsible for receiving, evaluating, selecting and transmitting new financing requests to the Fund. The mandate of the original HRF counterpart, the Interim Haiti Recovery Commission, expired at the end of October 2011. Without a government counterpart, the HRF cannot allocate any of its remaining resources (up to US$120 million) for reconstruction activities.

On March 30, 2012, the eighth HRF Steering Committee meeting was held in Haiti to address this issue. Members considered different options for a counterpart arrangement. With guidance from Finance Minister and HRF Chairperson, André Lemercier Georges, the members agreed to focus on having the Ministry of Planning and External Cooperation (MPCE) as the new counterpart. This would imply the following new procedure for processing financing requests:

1. The MPCE will receive and evaluate proposals requesting HRF financing;
2. The Prime Minister will receive and recommend the MPCE’s evaluation to the Council of Ministers;
3. The Council of Ministers will decide on which requests should be presented to the HRF for financing;
4. The MPCE will transmit the Council’s decision to the HRF.

The Steering Committee has been asked to endorse this option and approve related changes in the HRF’s Operations Manual and Governance Document.

In other business, the HRF Steering Committee welcomed France as a new voting member. With a recent additional contribution of €2.8 million, France has now contributed more than US$30 million to the Fund.

As of March 31, the HRF has received contributions of US$396 million of which US$274 million has been allocated for 17 priority reconstruction activities that were requested by the Government of Haiti through the IHRC. Details on HRF finances and activities can be obtained at www.haitireconstructionfund.org.

DONOR SPOTLIGHT : CANADA

Canada is the third largest contributor to the HRF, having made two contributions that total US$45 million. The first contribution of US$30 million was unpreferenced and the second contribution of US$15 million came with the preference that it be used for agriculture and education, ideally through budget support to the Government of Haiti. The HRF Steering Committee has allocated resources that respond to Canada’s preference.

Overall, Canada is Haiti’s seventh largest donor for reconstruction, having pledged US$290 million for rebuilding of which US$233 million (91 percent) has already been disbursed as of December 2011. In addition to providing humanitarian assistance, the Canadian International Development Agency (CIDA) focuses on three priority themes in Haiti: increasing food security, securing the future of children and youth, and stimulating sustainable economic growth. CIDA disbursements in Haiti for 2010-11 totaled CA$253 million.
The housing sector is the largest sector supported by the HRF, with US$132 million or 48 percent of total project funds, allocated for five programs (see table). Ensuring the safe housing of people displaced by the earthquake, as well as the upgrading of urban neighborhoods is a key priority of the Martelly government. However, the informal nature of many affected neighborhoods, the pre-earthquake deficit and sub-standard quality of the housing stock and infrastructure, and vulnerability of many sites make the housing sector especially complex for interventions. In addition, the majority of displaced people are former renters and not home-owners, requiring a considerable improvement in the rental housing stock.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>HRF Funds (US$ million)</th>
<th>Partner Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Building for Disaster Risk Management</td>
<td>2</td>
<td>UN</td>
</tr>
<tr>
<td>Port-au-Prince Neighbourhood Housing Reconstruction Project</td>
<td>65</td>
<td>WB</td>
</tr>
<tr>
<td>Housing and Neighborhood Reconstruction Support Program</td>
<td>24.67</td>
<td>UN</td>
</tr>
<tr>
<td>Earthquake Prevention Plan for the North of Haiti</td>
<td>9.96</td>
<td>UN</td>
</tr>
<tr>
<td>16 Neighborhoods/6 Camps</td>
<td>30</td>
<td>UN</td>
</tr>
<tr>
<td></td>
<td><strong>132</strong></td>
<td></td>
</tr>
</tbody>
</table>

To date, almost US$12 million or 9 percent has been disbursed for housing-related project activities funded through the HRF. Due to the complexities inherent in this sector, time required for consultations with communities and lengthy procurement processes the disbursement rate is lower than for other sectors. Despite this, the housing projects are already producing tangible results on the ground, including:

- More than 2750 families received support to leave camps and return to their neighborhoods of origin;
- 1842 red houses have been demolished;
- Grants for the repair and reconstruction of housing, or rental subsidies are being finalized to benefit the return to safe houses for 2000 households;
- Community platforms were established in the communes of Morne Hercule, Morne Lazare, Nerette and Jalousie to assist in the identification of housing solutions and provide support to families returning to the neighborhoods;
- The IHSI building was repaired and renovated;
- Construction of five evacuation centers in Petit-Goave and Port-au-Prince was completed, and nine damaged communication evacuation centers were repaired in Gonaïves, Port-au-Prince, Tabarre, Delmas, Jacmel and, Cabaret;
- Implementation of a training program on disaster risk management for 200 individuals completed;
- $30 million in seed funding from the HRF for the “16/6” project, resulted in additional contributions totaling $19.9 million from other donors to expand project activities.
The past three months have seen an acceleration in the implementation of HRF-funded activities with tangible results for beneficiaries. Out of 17 approved programs, 15 are effective with three projects expected to complete activities in the coming months, one project is under preparation and one project has been completed.

Specific project results achieved to date include:

**Debris and Recycling for Reconstruction through 2 projects**
- 2,252 demolition authorizations have been signed and 1842 red houses demolished;
- Removal of more than 360 000 cubic meters of debris in difficult to access zones. 20 percent of which was recycled;
- 2 recycling centers have been established and started producing adoquins at the end of March. They will be used to rehabilitate public spaces identified by communities with specialists’ support;
- A catalog of recycled building material transformed from debris has been prepared and is available through the following link: [http://www.calameo.com/read/0010866927d1253ff359](http://www.calameo.com/read/0010866927d1253ff359)

**Risk and disaster management: reducing vulnerability of the population to natural disasters in the South and strengthening government capacity**
- 430 linear meters of drainage canals constructed, 30 kilometers cleaned
- 1320 linear meters of gabion walls finalized, which mitigated the impact of the 2011 hurricane season
- Over 200 hectares of reforested area
- The nationwide DPC inventory of buildings identified as evacuation shelters was updated (over 600 buildings visited and evaluated);

**Prevention of seismic risks in the North**
- The project was launched by the Minister of the Interior, Territorial Collectivities and National Defense, M. Thierry Mayard Paul and UNDP Administrator, Helen Clark on March 23, 2012.
- The Minister highlighted the importance of this project in supporting the government’s disaster risk management agenda. The Minister expressed the wish that this project be replicated in other departments.

**Milk and schools for students**
- Preliminary work has started for the milk production and processing project, to provide milk for 3000 children throughout the school year.
- Sites have been identified for the building of eleven schools. School kits and uniforms will be distributed starting September 2012.
As of March 31, 2012, **19 donors have committed US$396 million to the HRF**, of which US$381 million has been transferred to the Trustee. During the last quarter additional Contribution Agreements were signed with France, for a total additional contribution of US$25.4 million. Including their initial contribution of US$6.8 million, France has now contributed a total of US$32.3 million thereby becoming the 7th donor Steering Committee member. In addition, fund transfers were received by the Trustee from France (US$25.4 million), Norway (US$12.4 million), Spain (US$7 million), and Finland (US$0.9 million). This brings the **total available funding**, including US$47.5 million in reserves and US$0.8 million in investment income, to **US$105 million**. With outstanding contributions of US$15 million from Spain (US$10 million) and the United States (US$5 million) total funding available for project allocations stands at US$120 million.

The HRF Steering Committee, at the request of the IHRC, has allocated **US$274.1 million**, representing **69 percent** of committed funds for **17 reconstruction programs**, including Partner Entity fees. Due to the lack of an HRF government counterpart since the end of the mandate of the IHRC in October 2011 no additional funding was allocated during the last quarter. In addition to project allocations, the SC approved US$2.8 million to cover the HRF Secretariat and Trustee administrative expenses for two years. This represents 0.7 percent of total HRF funds. Of the **US$274.1 million** in project funds allocated, **95 percent** or **US$259.1 million** has already been transferred to the respective **Partner Entity**. The United Nations serves as Partner Entity for ten of the 17 approved projects, representing

47 percent of total project funds allocated. The World Bank supervises three projects and the Inter-American Development Bank four projects, representing respectively 38 and 15 percent of project funding approved. The **majority of HRF funding**, roughly **67 percent** of total project allocations, is implemented through national or local government entities, with remaining funds implemented by local and international NGOs, UN agencies and other entities.

15 projects are currently under implementation with **total project-level disbursements at US$71.1 million**, representing **26 percent** of total funds approved for projects. Project level disbursements increased by 28 percent in the last three months. This continued steady increase in disbursements shows that project implementation is now well underway.

Donor contributions to the HRF represent 17 percent of total funds disbursed for the reconstruction of Haiti as of December 2011.

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1 Based on data as reported by the Office of the Special Envoy for Haiti in the Overall Financing Key Facts brief - December 2011
The Inter-American Development Bank (IDB) is one of the four approved HRF Partner Entities. To date, 15 percent of all approved HRF grants are being channeled through the IDB to support three vital programs: a Partial Credit Guarantee Fund, Natural Disaster Mitigation in the South Department, and Reconstruction of the Education Sector (two projects).

The IDB’s response to the Haiti earthquake recovery and contribution to the country’s long-term development process is coordinated by a Haiti Country Department and a Haiti Country Office. The Haiti Country Department is responsible for managing the US$200 million a year in grants that will be available over the period until 2020. The 55 member, country-based team is constituted by sector specialists, operational analysts and administrative staff as well as a 6 person procurement and financial management group. The country office staff is supported by a front office staff of 9 based in Washington DC.

The IDB’s country strategy (2011-15) prioritizes education, private sector development, energy, transport, agriculture, and water and sanitation. The strategy also has a regional focus on the northern part of the country with the construction of an industrial park in Caracol to de-concentrate economic activity and create jobs. The IDB has seen significant improvements in project execution over previous years with record disbursements of US$225 million in 2011.

**José Agustín Aguerre** is the manager of the Haiti Country Department, which was established to coordinate the IDB’s response to the January 12, 2010 earthquake. A citizen of Uruguay, Mr. Aguerre joined the IDB in 2003 as a transportation and infrastructure specialist, focusing on Central America, the Dominican Republic and Haiti. Prior to joining the IDB he worked in both the private and public sectors in his native country, where he was chairman of the National Ports Administration, undersecretary of state in the Ministry of Transportation and Public Works, director of the National Roads Agency and chairman of the Institute of Transportation and Infrastructure Planning. Mr. Aguerre received a civil engineering degree from Universidad de la República of Uruguay and a master of science in construction management, with honors, from the University of Reading, England.

**Eduardo Marques Almeida** has been the representative of the Inter-American Development Bank in Haiti since December 2009. He worked at the IDB in Haiti as a Private Sector Specialist in 2008 and 2009. Before joining the IDB, Mr. Almeida worked for 22 years as a senior executive or consultant at the following institutions: McKinsey & Company, Development Alternatives, Inc., TechnoServe, Inc., Diamond Cluster, Promon, and Det Norske Veritas. Mr. Almeida holds an MPA from the Harvard Kennedy School, an MBA from COPPEAD, Federal University of Rio de Janeiro, Brazil, and a M.Sc., Civil Engineering, from COPPE, Federal University of Rio de Janeiro, Brazil.
ABOUT THE HRF

The Haiti Reconstruction Fund (HRF) is a partnership between the international community and the Government of Haiti to help finance post-earthquake reconstruction. The HRF mobilizes, coordinates and allocates contributions from bilateral and other donors to finance high-priority reconstruction projects, programs and budget support. The advantages of this multi-donor approach are that it:

- Increases harmonization by pooling resources from many donors in support of the Government of Haiti's reconstruction priorities;
- Draws on the comparative advantages of proven international and locally-active partners;
- Reduces transaction costs for the Government and donors by working through one funding facility;
- Avoids overlapping initiatives and duplication of efforts; and
- Helps to meet strategic financing needs in the reconstruction process as identified by the Government of Haiti.

The HRF is the largest source of unprogrammed funding for reconstruction.
As of March 31, 2012, nineteen donors have committed US$396 million to the Fund. This money is unprogrammed and can be used flexibly to meet the Government of Haiti’s strategic reconstruction needs. 17 percent of all reconstruction funds disbursed to Haiti as of December 2011 was channeled through the HRF.

The HRF is chaired by the Government of Haiti, which also sets its priorities.
The HRF Steering Committee is chaired by the Minister of Finance. Every reconstruction activity financed by the HRF must be requested and approved by the entity designated by the Haitian Government as the HRF counterpart.

The HRF provides the largest amount of money for some of Haiti's top reconstruction priorities in the housing, debris removal and disaster risk management sectors.

The HRF is a low-cost, efficient mechanism for financing reconstruction.
Only 3 percent of committed resources are being used to cover the administrative costs of the HRF Secretariat, Trustee and Partner Entities. The HRF can approve fast track financing for small projects of up to US$1 million in one week and larger amounts in as little as two weeks after receiving a request from the HRF government counterpart.

The HRF is a long-term partner for Haiti’s rebuilding.
The HRF will continue to support the reconstruction until December 2017.