



HRF QUARTERLY UPDATE

ISSUE 1: FALL 2011



About the HRF Quarterly Update

Welcome to the first 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 will be issued three times a year (Fall, Winter, Spring). Your feedback and inquiries are invited.

Highlights of this Issue

- HRF Steering Committee allocates US\$30 million for President Martelly's 16 Neighborhood/6 Camp program and reserves US\$7.5 million for budget support (see ***Steering Committee Results***)
- The HRF is the largest source of financing for debris management, providing 92% of financing for IHRC-approved activities, i.e. US\$46 million for three projects (see ***Sector Vignette***)
- The US is the largest HRF donor with a contribution of US\$120 million (see ***Donor Spotlight***)
- The HRF accounts for 18% of all reconstruction finance mobilized to date (see ***HRF Role in Reconstruction Finance***)

7th Steering Committee Results

During the past quarter (July – September 2011), the HRF Steering Committee met once, in conjunction with the 7th IHRC Board meeting, on July 22nd, 2011. The highlight of the meeting was a decision to reserve US\$30 million for the first phase of President Martelly's 16 Neighborhood/6 Camp program. This integrated program is designed to rehabilitate the neighborhoods of origin of the displaced families living in six priority camps in Port-au-Prince, Pétionville and Delmas by providing to the displaced, as well as to the residents of those neighborhoods, sustainable housing solutions and improved living conditions through better access to basic services and livelihoods. Following receipt of a final project document, the Steering Committee approved the US\$30 million allocation on August 30, 2011 which was subsequently transferred to the United Nations as the partner entity to enable implementation of the program. In addition, at the request of the Martelly administration, the Steering Committee decided to revisit its decision to set aside

resources for a Milk Production and Transformation Project that had been requested by the IHRC. Finally, the Steering Committee decided to reserve US\$7.5 million for future budget support to the Government.

Sector Vignette: Debris Management

The HRF is the largest single source of support for debris management activities in Haiti, providing 92% of the financing for IHRC-approved activities in this sector through US\$46 million for three activities. These projects are being implemented in partnership with Government of Haiti ministries, local governments and NGOs.



UNDP Public Information Office
Trained workers crushing debris at recycling site
(Rue Becassine, Port-au-Prince)

The Debris Management Project (US\$17 million with the UN as the partner entity) contributes to the rehabilitation of metropolitan Port-au-Prince by removing and recycling debris in a manner that generates employment. The Demolition and Debris Removal Project (US\$25 million with the UN as the partner entity) finances the demolition of condemned buildings and the removal of debris with heavy equipment to expedite the construction of shelters and houses to allow the relocation of internally displaced people. An additional US\$4 million for debris management is included in the Port-au-Prince Neighborhood Housing Reconstruction Project (US\$65 million with the World Bank as the partner entity). Of these, the Debris Management Project has begun implementation and is removing waste from three communities, conducting participatory enumeration and obtaining demolition permits.

Donor Spotlight: USA



The United States of America is the HRF's largest donor, having contributed and transferred US\$120 million in 2010 with an indication of a possible additional contribution of US\$5 million. The US Government has expressed the preference that its contribution be used to finance housing reconstruction and upgrades in priority communities in Port-au-Prince, debris removal, education, a Partial Credit Guarantee Fund for small and medium-size enterprises, and line-item budget support. The HRF Steering Committee has allocated resources for activities in each of these areas based on requests from the IHRC.

Overall, the US is the second largest source of bilateral support for the reconstruction of Haiti. Since the earthquake, the U.S. Government has disbursed over US\$700 million for recovery and development, reconstruction and debt relief efforts to Haiti (as of June 30, 2011). In addition, as of June 30, 2011, funding for humanitarian assistance totaled US\$1.2 billion for the earthquake and US\$66 million for cholera. American support is focusing on infrastructure and energy, food and economic security, health, and other basic services including education, governance and the rule of law.

HRF Financial Update

As at September 30, 2011, nineteen donors have committed to contribute US\$352 million to the HRF. Of this over 95% of funds or US\$335 million has been received by the HRF Trustee.

At the request of the IHRC, the HRF Steering Committee has allocated US\$267.08 million of available funds for 15 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\$65.86 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\$18.35 million available for new funding allocations.

Of the US\$267.08 million in project funds allocated, 94% or US\$252.08 million has already been transferred to the respective Partner Entity. The United Nations serves as Partner Entity for nine out of the fifteen approved

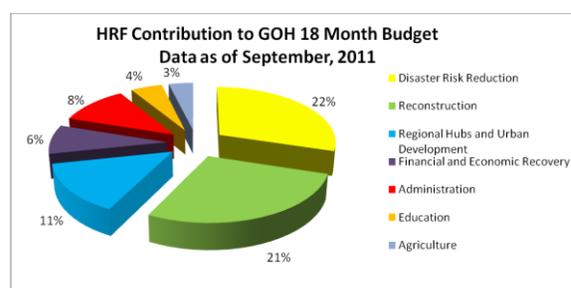
projects, representing 47% of total project funds allocated. The World Bank and the Inter-American Development Bank each supervise three projects, representing respectively 39% and 14% of project funding approved.

Twelve projects have already started implementation with total project-level disbursements at US\$39 million, representing 15% of total funds approved for projects. The World Bank has disbursed 24% of project funds allocated, the UN 11% and the IDB has not yet disbursed HRF funds.

HRF Role in Reconstruction Finance

The donor contributions to the HRF represent 18% of total funds disbursed for the reconstruction of Haiti as of September 2011¹. The HRF funding has been a significant source of flexible financing to respond to government priorities and to finance activities in underfunded sectors. Most notably, the HRF has contributed 92% of the funding for IHRC-approved projects in debris removal and management. Despite debris removal being a key sector for the reconstruction, insufficient funding had been made available through bilateral or multilateral sources for this sector.

Overall the HRF has contributed to reducing the financing gap as identified in the Action Plan for the reconstruction sector, including housing², by 21%. The HRF-funded projects in this sector include the Port-au-Prince Neighborhood Housing Reconstruction Project (US\$65m), Debris Management Project (US\$16.95m), Housing and Neighborhood Reconstruction Support Program (US\$24.67m), Demolition and Debris Removal with Heavy Equipment (US\$25m), and the 16 Neighborhoods/6 Camps program (US\$30m).



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

² Housing is addressed in the Action Plan both under Territorial Rebuilding and Social Rebuilding with no specific financing gap identified for housing alone. Given that most of the HRF housing projects also fund activities related to the Reconstruction of Devastated Areas and Urban Renovation, the Reconstruction and Housing categories have been combined for this report.

HRF Performance

To ensure a rapid response to funding requests the HRF upholds strict performance standards for the processing and approval of projects. The HRF financing request process consists of six simple steps or three for those projects going through the fast-track process. To date, on average the total grant approval process takes 106 days from submission of the project concept note by the IHRC to the transfer of funds by the Trustee to the Partner Entity. Almost half of this time is used for the preparation of the full project document following the approval of the project concept note.

The processing time depends greatly on the complexity of the project under consideration and the level of stakeholder consultations required in the preparation of the full project document. The IHRC Capacity Building Program was the fastest project to be approved, taking only 11 days. The Reconstruction of the Education Sector project was the longest with a processing time of 178 days. Projects approved to date range in size from US\$1 million to US\$65 million, with the average project size being \$17.8 million.

The HRF is a low-cost efficient mechanism with only 0.8% of total funds committed being used to cover the HRF Secretariat and Trustee administrative budgets. In addition, US\$9.35 million of project funds was allocated to cover Partner Entity fees.

The HRF Family: The HRF Secretariat



Joe Leitmann, a U.S. national, is the HRF Manager with responsibility for all aspects of the Fund's Secretariat. He has 30 years of international development experience with the World Bank, the U.S. Peace Corps and as a consultant in reconstruction, climate change, environment, forestry, urban development, clean energy, appropriate technology, and agriculture. Joe has a PhD in city planning from UC Berkeley and a Master's in public policy from the Harvard Kennedy School.



Diego Osorio, a Canadian national, is the HRF Senior Operations Officer with responsibility for communications, coordination with partners, donor relations, preparation of Steering Committee meetings, and acting on behalf of the Manager. He has 15 years of international experience with MINUSTAH, the UN Volunteer Programme, NATO, OCHA, UNDP, the Government of Canada, WFP, IOM, and other UN agencies. Diego has a Master's in international law and economics from the World Trade Institute and in public policy from the Harvard Kennedy School.



Pauline Zwaans, a Dutch national, is the HRF Operations Officer with responsibility for supporting all aspects of the Secretariat. She has six years of international development experience with the World Bank and UNHCR in agriculture, rural development, food security, and trust fund management. Pauline has a Master's in international relations from the University of St. Andrews and in international development and economics from the Johns Hopkins School for Advanced International Studies.



Sarah Mondiere, a Haitian national, is the HRF Team Assistant with responsibility for assisting the Secretariat team to perform their functions. She has six years of

administrative experience with the Agence Française de Développement, USAID and the European Union. Sarah is currently completing her Bachelor of Arts and Law Degree from the State University of Haiti.

information technology. He has two years of experience with the World Bank, Sourire Rent-a-Car and Aproco. Jean Yves has a certificate in Computer Sciences from INUQUA, a private university in Haiti.



Jean Yves Saint Dic, a Haitian national, is the HRF Logistician with responsibility for transportation and

Key Dates

- October 4 – Confirmation of new Prime Minister by Senate
- Mid-October – Parliamentary discussion on extension of IHRC mandate
- October 21 – expiration of first mandate of the IHRC

HRF SECRETARIAT

Nouvelle Primature

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