

HAITI RECONSTRUCTION FUND

Frequently Asked Questions for Potential Contributors

- 1. What is the Haiti Reconstruction Fund?** The Haiti Reconstruction Fund (HRF) is a new partnership between the international community and the Government of Haiti (GoH) to help finance recovery, reconstruction and development following the devastating January 2010 earthquake.
- 2. How does the HRF operate?** Interested donors are pooling their resources in a single Financial Intermediary Fund (FIF) to finance reconstruction projects and programs as well as to provide budget support to the GoH. These activities will be developed and supervised by Partner Entities that initially include the Inter-American Development Bank, the United Nations and the World Bank. Activities will be implemented on the ground by the GoH, UN organizations, NGOs, and the private sector. At the request of the GoH, the World Bank is serving as Trustee of the HRF.
- 3. Who can contribute to the HRF?** The HRF can receive contributions from bilateral development and aid agencies, foundations, private enterprises, and international NGOs. Contributions are made through an administration agreement between the contributor and the World Bank.
- 4. Is there a minimum contribution amount to the HRF?** There is no minimum or maximum contribution. Donors that contribute at least USD 30 million, however, will have a seat on the HRF Steering Committee (see Question 6 below). Those contributing less than this amount can pool their resources to reach or exceed the threshold in order to obtain a seat, possibly on a rotating basis.
- 5. How can a contribution be made?** In order to contribute, kindly follow these steps:

a. Send a letter or e-mail to the World Bank indicating interest in participating in the HRF as well as the amount of the intended pledge (c/o Ms. Nicolette Bowyer, nbowyer@worldbank.org, 1818 H St. NW, Washington, DC 20433 USA)

b. The World Bank will then send a draft administration agreement for review and signature

c. Sign and return the administration agreement along with a cover letter expressing any preferences for the use of the contribution

d. Transfer the initial contribution to the HRF account (to be indicated)

6. How will the HRF be governed? The HRF will be governed by a Steering Committee that is chaired by a high-level representative of the Government of Haiti and consists of representatives of major donors (see Question 4 above), Partner Entities and the Trustee. The Steering Committee is the ultimate point of accountability for the HRF and is responsible for allocating resources, reviewing reports on progress and financial performance of the HRF portfolio, ensuring strategic alignment with the Government's recovery plan and policies, and reporting to the public.

7. How will funds flow in the HRF? Contributions will be pooled in a single account held by the Trustee. When a proposal is approved by the Steering Committee, the Trustee would transfer funds to a Partner Entity on the basis of a transfer agreement. The Partner Entity would then disburse funds to an Implementing Agency to implement the project or program under the relevant Partner Entity's supervision.

8. Will the HRF be an efficient and flexible mechanism? Economies of scale will be achieved by pooling resources into one fund. This will also reduce transaction costs for the GoH by reducing the number of development partners that it needs to coordinate with. Such multi-donor trust funds have proven to be flexible because they can fill sectoral and geographic gaps in the reconstruction while working with implementing partners that have the best comparative advantage to get the job done.

9. Will the HRF be the key source of reconstruction finance in Haiti? The HRF will be one of many contributors to the process of recovery in Haiti. The UN Flash Appeal mobilizes money for the relief effort and early recovery. The Red Cross organizations are another important source of support for different phases of the recovery. Hundreds of NGOs are

also key partners in the reconstruction. The HRF will likely be the major source of funding that is not earmarked in advance and thus can fill gaps in reconstruction finance.

10. Who can request financing from the HRF? There is no restriction on who can propose an activity for financing. Ideally, it should be done with one of the HRF's partner entities who can assist with developing and supervising the activity. Most important, the GoH will need to certify that the activity is consistent with plans for rebuilding Haiti. It is expected that projects and programs will be implemented by GoH entities, UN organizations, NGOs, and the private sector.

11. How would a Haitian reconstruction and development agency interact with the HRF? Governance of the HRF would be led by the GoH. When the Interim Haiti Reconstruction Commission and later an agency to coordinate the recovery are operational, they could perform several critical functions related to the HRF including: a) representing the Government on the Steering Committee; b) vetting and endorsing all proposals for HRF financing; c) providing the standards that HRF-supported activities should achieve; d) coordinating the donor community; and d) leading the policy dialogue on reconstruction with the international community. These roles were played by the Indonesian reconstruction agency with respect to the post-tsunami Multi Donor Fund.