

Implementation Status & Results
Honduras
Honduras Water and Sanitation Sector Modernization Project (P103881)

Operation Name: Honduras Water and Sanitation Sector Modernization Project (P103881) Project Stage: Implementation Seq.No: 13 Status: ARCHIVED Archive Date: 08-Mar-2013

Country: Honduras Approval FY: 2007
 Product Line: IBRD/IDA Region: LATIN AMERICA AND CARIBBEAN Lending Instrument: Specific Investment Loan
 Implementing Agency(ies):

Key Dates

Board Approval Date	21-Jun-2007	Original Closing Date	31-Dec-2013	Planned Mid Term Review Date	31-May-2011	Last Archived ISR Date	27-Sep-2012
Effectiveness Date	22-Feb-2008	Revised Closing Date	31-Dec-2013	Actual Mid Term Review Date	05-May-2011		

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objectives are: (a) to improve the sustainability, efficiency, and reliability of the Recipient's WSS services in eligible municipalities; and (b) to improve the performance of the Recipient's national WSS sector institutions in the exercise of their respective roles in conformity with the WSS Sector Framework Law.

Has the Project Development Objective been changed since Board Approval of the Project?

Yes No

Component(s)

Component Name	Component Cost
Component 1: Support to medium-size municipalities to create autonomous service providers and invest in efficiency, rehabilitation,	21.20
Component 2: Tegucigalpa Non-Revenue Water Reduction	4.50
Component 3: Institutional strengthening of national and regional sector institutions	7.20
Component 4: Project management	1.60

Overall Ratings

	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Moderately Satisfactory
Overall Risk Rating		

Implementation Status Overview

The Project's progress towards the PDO and the implementation pace continues to be generally satisfactory. Up to date, all Project funds have been allocated/committed and US \$21M have been disbursed. During the current year, disbursements are expected to accelerate significantly, considering that most of the activities are already contracted and

committed. Special attention is also being provided on the financial sustainability and service quality of municipal utilities.

The Project is currently supporting six municipal utilities and a regional water utility (Mancomunidad) is expected to become operational soon. Significant works have finalized in Siguatepeque, Comayagua, Choloma and Puerto Cortes and efforts have continued in strengthening municipal service providers. Besides, technical assistance for the municipalities continues progressing with a specific focus on strengthening the governance and managerial capacity of municipal providers and consolidating activities already executed and existing instruments (leak detection and reduction, metering and water balances).

The execution of the second phase of the performance-based contract for Tegucigalpa Non-Revenue Water Reduction has started, focusing on the implementation of micro and macro metering installation and tanks renovation. The first phase of the contract is finished. The works (second phase) are expected to finish in June 2013, and the operation and monitoring phase (phase III of the contract) is expected to finish in December 2013.

Under the Institutional Strengthening component, ERSAPS continues working on the reform of the tariff regulation and benchmarking activities for the utilities, while CONASA has already presented a final draft of the Financial Policy for the WSS sector (which is being discussed and validated among relevant WSS institutions); most consultancies under the TA for the transfer/decentralization in Tegucigalpa are completed, although the date, modality and financing of an actual transfer are still unclear.

In terms of compliance with safeguard policies, no social or environmental issues were identified.

Locations

Country	First Administrative Division	Location	Planned	Actual
Honduras	Departamento de Francisco Morazan	Tegucigalpa		

Results

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
6 of the WSS utilities reach cost recovery (ratio total revenue / total operative cost equal to one).	<input type="checkbox"/>	Number	Value	4.00	3.00	6.00
			Date	31-Dec-2006	30-Nov-2012	30-Oct-2013
			Comments	Baseline's date ranges from 2008 to 2009.		
At least 5 of the WSS utilities increase their service continuity rating by one category defined by ERSAP#s performance indicators (note: definition on the Category A, B, C, and D on service continuit	<input type="checkbox"/>	Number	Value	0.00	0.00	5.00
			Date	31-Dec-2009	30-Nov-2012	30-Oct-2013
			Comments			
At least 50% of the SANAA systems financed under the Project are transferred to the municipalities.	<input type="checkbox"/>	Percentage	Value	0.00	100.00	50.00
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			
CONASA issues the new financial policy of the sector.	<input type="checkbox"/>	Text	Value	No	No	Yes
			Date	18-May-2007	30-Nov-2012	30-Oct-2013

			Comments		The Financing Policy is under review by CONASA	
Number of other water service providers that the project is supporting	<input checked="" type="checkbox"/>	Number	Value	0.00	6.00	
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Piped household water connections that are benefiting from rehabilitation works undertaken by the project	<input checked="" type="checkbox"/>	Number	Value	0.00	1508.00	2000.00
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			
At least 6 design proposals of autonomous service providers approved by ERSAPS.	<input type="checkbox"/>	Number	Value	0.00	7.00	6.00
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			
5 of the WSS utilities increase by 20% the ratio of revenues per volumetric unit of water produced.	<input type="checkbox"/>	Number	Value	0.00	5.00	5.00
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			
Number of active connections in service area.	<input type="checkbox"/>	Number	Value	28328.00	26694.00	37750.00
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments		Some areas of works were changed and the number of connections decreased	
Percentage increase of collection per cubic meter of supplied water to the project area.	<input type="checkbox"/>	Percentage	Value	0.00	15.00	20.00
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			
SANAA / Tegucigalpa has complied with legal requirements for transfer to municipality.	<input type="checkbox"/>	Text	Value	No	No	Yes
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			
SANAA has at least one regional unit operating under the new model.	<input type="checkbox"/>	Text	Value	No	No	Yes
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			
Indicators regarding utilities' performance are published by ERSPAS.	<input type="checkbox"/>	Text	Value	No	Yes	Yes
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			

At least 5 utilities have published their financial statements in a Website.	<input type="checkbox"/>	Number	Value	7.00	5.00	
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments	Not available.		
Cumulative percentage of disbursement targeted according to disbursement plan is met.	<input type="checkbox"/>	Percentage	Value	0.00	63.00	100.00
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			
Number of people in urban areas (covering semi-urban or small urban areas) provided with access to improved sanitation under the project.	<input type="checkbox"/>	Number	Value	0.00	1536.00	10000.00
			Date	18-May-2007	30-Nov-2012	30-Oct-2013
			Comments			

Data on Financial Performance (as of 14-Feb-2013)

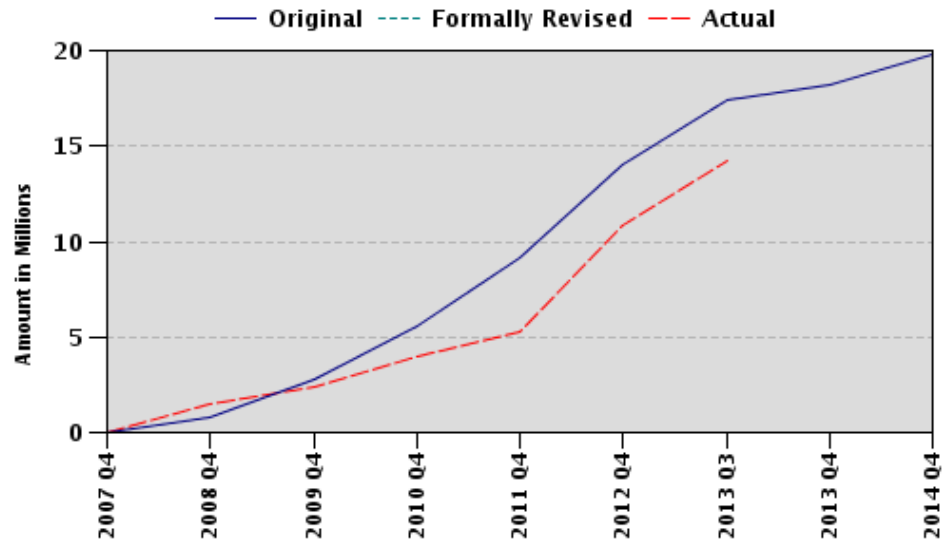
Financial Agreement(s) Key Dates

Project	Ln/Cr/Tf	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P103881	IDA-43350	Effective	21-Jun-2007	16-Nov-2007	22-Feb-2008	31-Dec-2013	31-Dec-2013

Disbursements (in Millions)

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P103881	IDA-43350	Effective	XDR	19.80	19.80	0.00	14.24	5.56	72.00

Disbursement Graph



Key Decisions Regarding Implementation

None

Restructuring History

There has been no restructuring to date.

Related Projects

P144357-HN WSS Modernization Additional Finan.