



HN Water and Sanitation Sector Modernization Project (P103881)

LATIN AMERICA AND CARIBBEAN | Honduras | Water Global Practice |
IBRD/IDA | Specific Investment Loan | FY 2007 | Seq No: 21 | ARCHIVED on 13-Dec-2016 | ISR26019 |

Implementing Agencies: Ministry of Finance (Secretaria de Finanzas)

Key Dates

Key Project Dates

Bank Approval Date:21-Jun-2007

Effectiveness Date:22-Feb-2008

Planned Mid Term Review Date:31-May-2011

Actual Mid-Term Review Date:05-May-2011

Original Closing Date:31-Dec-2013

Revised Closing Date:31-Dec-2016

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed project development objective is to improve the sustainability, efficiency and reliability of Honduras's water supply and sanitation (WSS) services in the participating municipalities through implementing the Strategic Plan to Modernize the WSS Sector (PEMAPS).

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

Yes

Board Approved Revised Project Development Objective (If project is formally restructured)

Revised project development objective: to support the Recipient to improve: (a) the sustainability, efficiency, and reliability of its WSS services in Eligible Municipalities; (b) the performance of its national WSS sector institutions in the exercise of their respective roles in accordance with the WSS Sector Framework Law; and (c) its capacity to respond promptly and effectively to an Eligible Emergency.

Components

Name

Component 1: Support to medium-size municipalities to create autonomous service providers and invest in efficiency, rehabilitation,.(Cost \$21.20 M)

Component 2: Tegucigalpa Non-Revenue Water Reduction:(Cost \$4.50 M)

Component 3: Institutional strengthening of national and regional sector institutions:(Cost \$7.20 M)

Component 4: Project management:(Cost \$1.60 M)

Component 5: IRM Contingent Component

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory



Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Moderate	● Moderate

Implementation Status and Key Decisions

The project has met five of the seven outcome indicators as of November 2016: cost recovery of nine water supply and sanitation utilities; transfer of at least 50% SANAA systems to the municipalities; conversion of at least 50% of municipal service providers supported by the project as autonomous municipal service providers; issue of a new financial policy for the sector; and number of other service providers supported by the project; the sixth indicator on the time taken to disburse funds requested by the Government for an eligible emergency has not been triggered. The indicator that at least five water supply and sanitation utilities increase their service continuity by one category defined by the national regulator has been partially met. The team is closely following the performance of the utilities as well as the technical assistance firm hired to support utilities on the ground to ensure targets are met and sustained.

Based on the overall substantial compliance of indicators, the materialization of the PDO in terms of increasing sustainable water and sanitation services to Honduras' urban areas, and the transformational role the Project has played in the 9 water and sanitation utilities, for this reason the team proposes to keep the PDO rating as MS.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Substantial	● Substantial
Macroeconomic	--	● Substantial	● Substantial



Sector Strategies and Policies	--	● Moderate	● Moderate
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● Substantial	● Substantial
Fiduciary	--	● Moderate	● Moderate
Environment and Social	--	● Moderate	● Moderate
Stakeholders	--	● Moderate	● Moderate
Other	--	--	--
Overall	--	● Moderate	● Moderate

Results

Project Development Objective Indicators

- 7 of the WSS utilities reach cost recovery (ratio total revenue / total operative cost equal to one). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.00	8.00	8.00	7.00
Date	01-Jan-2008	31-Mar-2016	11-Nov-2016	31-Dec-2016

- At least 5 of the WSS utilities increase their service continuity rating by one category defined by ERSAPs performance indicators (note: definition on the Category A, B, C, and D on service continuity (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	4.00	5.00
Date	01-Dec-2008	31-Mar-2016	11-Nov-2016	31-Dec-2016

- At least 50% of the SANAA systems financed under the Project are transferred to the municipalities. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
Date	01-Jan-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016



► At least 50% of municipal service providers (non-SANAA WSS systems that are operated directly by municipalities) supported by the Project are converted into autonomous municipal service providers. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
Date	01-Jan-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

► CONASA issues the new financial policy of the sector. (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	01-Jan-2008	31-Dec-2015	11-Nov-2016	31-Dec-2016

► Number of other water service providers that the project is supporting (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	9.00	9.00	9.00
Date	01-Jan-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

► Time taken to disburse funds requested by Government for an eligible emergency (Weeks, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	0.00
Date	01-Jan-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

Overall Comments

Intermediate Results Indicators



► Number of people in urban areas (covering semi-urban or small urban areas) provided with access to improved sanitation under the project. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3786.00	3786.00	3700.00
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

► Piped household water connections that are benefiting from rehabilitation works undertaken by the project (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1907.00	13167.00	2000.00
Date	22-Feb-2008	31-Dec-2015	11-Nov-2016	31-Dec-2016

► At least 9 design proposals of autonomous service providers approved by ERSAPS. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	9.00	9.00	9.00
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

► 6 of the WSS utilities increase by 20% the ratio of revenues per volumetric unit of water produced. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6.00	6.00	6.00
Date	22-Feb-2008	21-Sep-2015	11-Nov-2016	31-Dec-2016



► People trained to improve hygiene behavior/sanitation practices under the proj (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	5641.00	16899.00	5000.00
Date	22-Feb-2008	31-Dec-2015	11-Nov-2016	31-Dec-2016

▲ People trained to improve hygiene behavior/sanitation practices - female (Number, Core Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4902.00	5536.00	3000.00
Date	22-Feb-2008	31-Dec-2015	11-Nov-2016	31-Dec-2016

► Percentage of grievances redressed satisfactorily by utilities per year (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	54.20	77.00	75.00
Date	22-Feb-2008	31-Dec-2015	11-Nov-2016	31-Dec-2016

► At least 6 of the WSS utilities share indicators in the regional benchmarking database of IBNET according to their protocols (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6.00	6.00	6.00
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016



► Urban areas covered by the contract increase service continuity by one category (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	C	B	B	B
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

Comments

In average, utilities started at level B of water service continuity (12.00 to 15.9 hours). The categories of level continuity are defined by the National Regulator (ERSAPS). All utilities were able to increase the water continuity, but not all of them were able to reach the next threshold.

► Percentage increase of collection per cubic meter of supplied water to the project area. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	25.00	25.00	20.00
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

► SANAA has at least one regional unit operating under the new model. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

► Indicators regarding utilities' performance are published by ERSAPS. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Yes	Yes	Yes	Yes
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016



► At least 9 utilities have published their financial statements in a Website. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	9.00	9.00	9.00
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

► SANAA / Tegucigalpa has complied with legal requirements for transfer to municipality. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes, the AMDC has complied	Yes, the AMDC has complied	Yes
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

► Cumulative percentage of disbursement targeted according to disbursement plan is met. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	87.00	94.00	100.00
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	30-Apr-2017

► IRM established and ready to provide access to financial resources to Honduras in case of an eligible emergency (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	22-Feb-2008	18-Mar-2016	11-Nov-2016	31-Dec-2016

Overall Comments

Data on Financial Performance



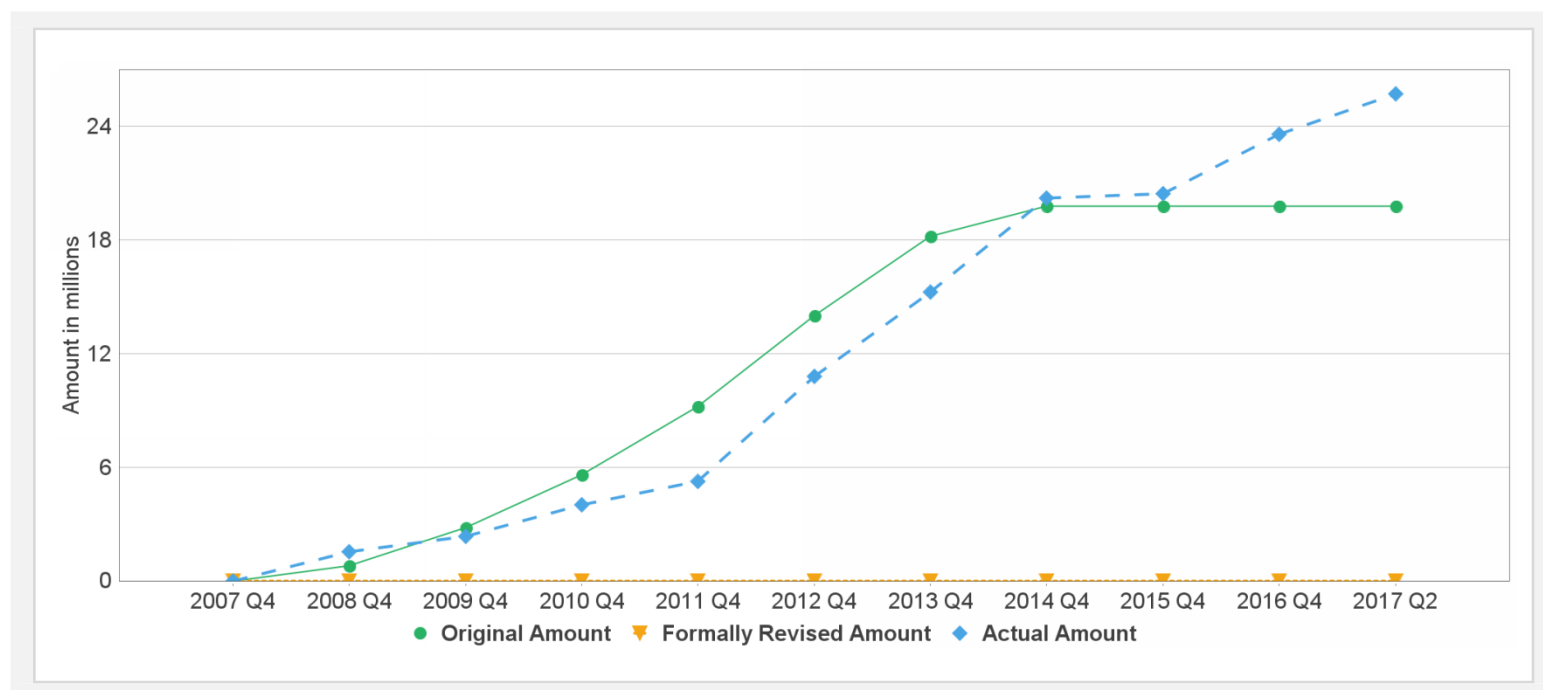
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P103881	IDA-43350	Effective	XDR	19.80	19.80	0.00	19.80	0.00	100%
P103881	IDA-52700	Effective	XDR	6.70	6.70	0.00	5.92	0.78	88%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P103881	IDA-43350	Effective	21-Jun-2007	16-Nov-2007	22-Feb-2008	31-Dec-2013	31-Dec-2016
P103881	IDA-52700	Effective	19-Jun-2013	12-Jul-2013	09-Oct-2013	31-Dec-2016	31-Dec-2016

Cumulative Disbursements



Restructuring History

Level Approved on , Level 2 Approved on 06-Oct-2016

Related Project(s)



P144357-HN AF WSS Modernization
