

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

Operation Name: HN Water and Sanitation Sector Modernization Project (P103881) Project Stage: Implementation Seq.No: 14 Status: ARCHIVED Archive Date: 19-Aug-2013

Product Line: IBRD/IDA Country: Honduras Approval FY: 2007
 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	08-Mar-2013
Effectiveness Date	22-Feb-2008	Revised Closing Date	31-Dec-2016	Actual Mid Term Review Date	05-May-2011		

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

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.

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
Component 5: IRM Contingent Component	0.00

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

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The Project's progress towards the PDO and the implementation pace continue to be generally satisfactory and are expected to be strengthened as a result of the approval of the Additional Financing (AF) for the Project in the amount of US\$10 million. The AF was approved by the Bank on June 19, 2013 and was duly countersigned by the Ministry of Finance of Honduras on July 12, 2013. This AF focuses on improving service quality and financial sustainability of the municipal utilities supported by the Project and will allow the Project to achieve the PDO and its original targets and key indicators. To date, all original Project funds have been allocated/committed and US\$24M (80.5% of Project funds) have been disbursed. During the current year, disbursements have been accelerating steadily since most of the activities originally planned are already contracted.

Component 1: The Project is currently supporting six municipal utilities and a regional water utility (Mancomunidad), which is expected to become operational in the coming months, and two new municipalities are being included in the project as part of the Additional Financing to enhance the ongoing decentralization process. Significant efforts have continued in strengthening municipal service providers, with special focus on service quality and sustainability through the provision of technical assistance to municipalities. Some positive results have been obtained, which are registered in the Project indicators.

Component 2: Following a longer than expected network assessment phase that was required to align the investment plan with the budget, the execution of the second phase of the performance-based contract for Tegucigalpa Non-Revenue Water Reduction is ongoing. SEFIN, SANAA and the contractor are working on a plan to minimize risks of delays and are assessing the need to extend the duration of Phase 2.

Component 3: Under the Institutional Strengthening component (Component 3), ERSAPS continues working on the reform of the tariff regulation and benchmarking activities for the utilities, while CONASA is still finalizing the draft Sector Financing Policy for the WSS sector; almost all 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.

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
7 of the WSS utilities reach cost recovery (ratio total revenue / total operative cost equal to one).	<input type="checkbox"/>	Number	Value	4.00	4.00	7.00
			Date	31-Dec-2006	31-Jul-2013	31-Dec-2016
			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	31-Jul-2013	31-Dec-2016
			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	31-Jul-2013	31-Dec-2016
			Comments			

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.	<input type="checkbox"/>	Percentage	Value	0.00	50.00	50.00
			Date	31-Jul-2013	31-Jul-2013	31-Dec-2016
			Comments			
CONASA issues the new financial policy of the sector.	<input type="checkbox"/>	Text	Value	No	No	Yes
			Date	18-May-2007	31-Jul-2013	31-Dec-2016
			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	7.00	9.00
			Date	18-May-2007	31-Jul-2013	31-Dec-2016
			Comments			
Time taken to disburse funds requested by Government for an eligible emergency	<input type="checkbox"/>	Weeks	Value	0.00	0.00	4.00
			Date	31-Jul-2013	31-Jul-2013	31-Dec-2016
			Comments			

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
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	3786.00	3700.00
			Date	18-May-2007	31-Jul-2013	31-Dec-2016
			Comments			
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	31-Jul-2013	31-Dec-2016
			Comments			
At least 9 design proposals of autonomous service providers approved by ERSAPS.	<input type="checkbox"/>	Number	Value	0.00	7.00	9.00
			Date	18-May-2007	31-Jul-2013	31-Dec-2016
			Comments			
6 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	6.00
			Date	18-May-2007	31-Jul-2013	31-Dec-2016
			Comments			
People trained to improve hygiene behavior/ sanitation practices under the proj	<input checked="" type="checkbox"/>	Number	Value	0.00	0.00	5000.00
			Date	31-Jul-2013	31-Jul-2013	31-Dec-2016
			Comments			

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People trained to improve hygiene behavior/ sanitation practices - female	<input checked="" type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	3000.00
			Date	31-Jul-2013	31-Jul-2013	31-Dec-2016
			Comments			
Percentage of grievances redressed satisfactorily by utilities per year	<input type="checkbox"/>	Percentage	Value	0.00	0.00	75.00
			Date	31-Jul-2013	31-Jul-2013	31-Dec-2016
			Comments			
At least 6 of the WSS utilities share indicators in the regional benchmarking database of IBNET according to their protocols	<input type="checkbox"/>	Number	Value	0.00	0.00	6.00
			Date	31-Jul-2013	31-Jul-2013	31-Dec-2016
			Comments			
Urban areas covered by the contract increase service continuity by one category	<input type="checkbox"/>	Text	Value		C	B
			Date	31-Jul-2013	31-Jul-2013	31-Dec-2016
			Comments			
Percentage increase of collection per cubic meter of supplied water to the project area.	<input type="checkbox"/>	Percentage	Value	0.00	18.00	20.00
			Date	18-May-2007	31-Jul-2013	31-Dec-2016
			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	31-Jul-2013	31-Dec-2016
			Comments			
Indicators regarding utilities' performance are published by ERSPAS.	<input type="checkbox"/>	Text	Value	No	Yes	Yes
			Date	18-May-2007	31-Jul-2013	31-Dec-2016
			Comments			
At least 9 utilities have published their financial statements in a Website.	<input type="checkbox"/>	Number	Value		7.00	9.00
			Date	18-May-2007	31-Jul-2013	31-Dec-2016
			Comments	Not available.		
SANAA / Tegucigalpa has complied with legal requirements for transfer to municipality.	<input type="checkbox"/>	Text	Value	No	No	Yes
			Date	18-May-2007	31-Jul-2013	31-Dec-2016
			Comments			
Cumulative percentage of disbursement targeted according to disbursement plan is met.	<input type="checkbox"/>	Percentage	Value	0.00	80.50	100.00
			Date	18-May-2007	31-Jul-2013	31-Dec-2016
			Comments			
IRM established and ready to provide access to financial resources to Honduras in case of an eligible emergency	<input type="checkbox"/>	Number	Value			
			Date			
			Comments			

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Data on Financial Performance (as of 16-Jul-2013)

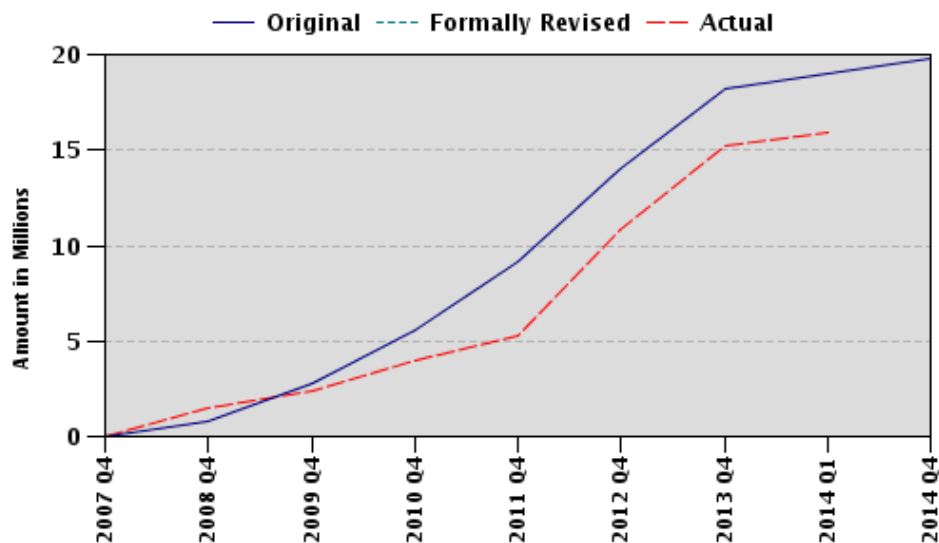
Financial Agreement(s) Key Dates

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-2016
P103881	IDA-52700	Not Effective	19-Jun-2013	12-Jul-2013		31-Dec-2016	31-Dec-2016

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	15.92	3.88	80.00
P103881	IDA-52700	Not Effective	XDR	6.70	6.70	0.00	0.00	6.70	0.00

Disbursement Graph



Key Decisions Regarding Implementation

None

Restructuring History

There has been no restructuring to date.

Related Projects

P144357-HN AF WSS Modernization