



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: 18 | ARCHIVED on 12-Oct-2015 | ISR20860 |

Implementing Agencies:

Key Dates

Key Project Dates

Board 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 Unsatisfactory	● Moderately Unsatisfactory
Overall Risk Rating	● Moderate	● Moderate

Implementation Status and Key Decisions

This ISR presents the general project situation as of September 21, 2015 and reports on the main activities and project related events occurred from April 2015 to date. During this period, the World Bank team conducted one supervision mission (between April 27-30, 2015) that included visits to the municipalities of Tegucigalpa, Choloma, Siguatepeque, Villanueva, Pimienta, San Manuel, Danli, San Pedro Tutule and Comayagua. The team held meetings with mayors, council members and officers from the municipal utilities supported by PROMOSAS as well as with the senior officers of ERSAPS, CONASA and SANAA. During the period the WB also participated in technical discussions to support and provide strategic advice to the AMDC for the transfer of the water supply and sanitation systems of the Tegucigalpa Central District.

The Project's progress towards the achievement of its Development Objectives and the implementation pace continue to be moderately satisfactory. To date 99% of the original Project funds (IDA – 4335-HN) have been disbursed. Regarding the Additional Finance (IDA 5270-HN) approximately US\$4.1M have been committed.

A project implementation support mission is currently being carried out (as of September 21). During the ongoing mission the WB team carry out a comprehensive review of project progress in all components, including site visits to five municipalities and progress review meetings with all the beneficiary institutions. The mission findings and plan of action that team expects to agree with the Government of Honduras by the mission end date will be documented in the Aide Memoire and will be documented in an updated ISR.

Component 1: The Project continues to strengthen the capacities of the six municipal service WSS providers and the regional water utility (Prestador Mancomunado) to improve service quality and financial viability. Project activities are underway in the two selected new municipalities (San Pedro Tutule and Teupasenti) with support from the the Technical Assistance

Component 2: The NRW ended on September 2014. All commercial activities and physical works planned under Phase II of the contract, including the provision of a water meter test station, were satisfactorily concluded. The contract results showed significant improvements in service continuity and commercial efficiency in the contract service area. The target set for continuity was only achieved in 93%, while the indicator on revenues/m3 was overachieved. A report on the lessons obtained from the performance based contract was prepared by the Supervision and a video of the pilot experience was produced by the PIU.

Component 3: The execution of the activities for the institutional strengthening of the national WSS sector entities (ERSAPS, CONASA and SANAA) are ongoing. The improvements to SANAA's training center in Siguatepeque, financed under the Project, were completed thus allowing SANAA and other sector institutions to carry out capacity building activities at the center.

As of September 25, 2015 the Project is in satisfactory compliance with safeguard policies and has interesting potential and plans for socio-environmental value added during the remaining implementation period. Regarding fiduciary aspects, the Project Procurement performance maintains the Satisfactory rating. Regarding fiduciary aspects, the Project Procurement performance maintains the Satisfactory rating.

**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**



► 6 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	4.00	5.00	7.00
Date	31-Dec-2006	31-Aug-2014	21-Sep-2015	31-Dec-2016

► 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 continuity) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	31-Dec-2009	31-Aug-2014	21-Sep-2015	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	50.00
Date	18-May-2007	31-Aug-2014	21-Sep-2015	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	67.00	67.00	50.00
Date	31-Jul-2013	31-Aug-2014	21-Sep-2015	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



Date	18-May-2007	09-Mar-2015	21-Sep-2015	31-Dec-2016
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Comments

As reported in the Aide Memoir of the April 2015 mission the Executive Secretariat of CONASA completed the WSS Sector Financial Policy prepared through a participatory process. The proposed Financial Policy was submitted for approval of CONASA's Steering Committee (Consejo Directivo). The Consejo Directivo is expected to meet October 20, 2015 to formalize the Policy's Approval.

► 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	18-May-2007	09-Mar-2015	21-Sep-2015	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	4.00
Date	31-Jul-2013	09-Mar-2015	21-Sep-2015	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	18-May-2007	09-Mar-2015	21-Sep-2015	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	1907.00	2000.00
Date	18-May-2007	09-Mar-2015	21-Sep-2015	31-Dec-2016

► At least 6 design proposals of autonomous service providers approved by ERSAPS. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7.00	10.00	9.00
Date	18-May-2007	31-Aug-2014	21-Sep-2015	31-Dec-2016

Comments

The number of water utilities that have a Dictamen of its management model (Modelo de Gestion) approved by the Regulator (ERSAPS) is 10 (9 EPS beneficiaries of PROMOSAS + 1 Alcaldia Municipal del Distrito Central/Tegucigalpa) The dictamen granted to the AMDC is attributable to PROMOSAS.

► 5 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	5.00	5.00	6.00
Date	18-May-2007	09-Mar-2015	21-Sep-2015	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	3879.00	12757.00	5000.00
Date	31-Jul-2013	09-Mar-2015	21-Sep-2015	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	1916.00	6328.00	3500.00
Date	31-Jul-2013	31-Aug-2014	21-Sep-2015	31-Dec-2016

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	70.00	86.40	75.00
Date	31-Jul-2013	31-Aug-2014	21-Sep-2015	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	10.00	6.00	6.00
Date	31-Jul-2013	09-Mar-2015	21-Sep-2015	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
Date	31-Jul-2013	09-Mar-2015	21-Sep-2015	31-Dec-2016

Comments

El Programa de reduccion de agua que no genera ingresos (ANI) en Tegucigalpa finalizo en 2014



► 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	18-May-2007	09-Mar-2015	09-Mar-2015	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	No	Yes	Yes
Date	18-May-2007	09-Mar-2015	21-Sep-2015	31-Dec-2016

Comments

As of September 2015 SANAA was providing Technical Assistance under the new model, as part of the PROMOSAS activities, through its Technical Division to the Municipalities of Taulabe, Villa de San Antonio and Danli.

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	18-May-2007	09-Mar-2015	21-Sep-2015	31-Dec-2016

► At least 5 utilities have published their financial statements in a Website. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	7.00	7.00	9.00
Date	18-May-2007	31-Aug-2014	21-Sep-2015	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	18-May-2007	31-Aug-2014	21-Sep-2015	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	99.00	99.00	100.00
Date	18-May-2007	09-Mar-2015	09-Mar-2015	31-Dec-2016

▶ 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	--	--	Y	Y
Date	--	09-Mar-2015	09-Mar-2015	--

Overall Comments

Data on Financial Performance**Disbursements (by loan)**

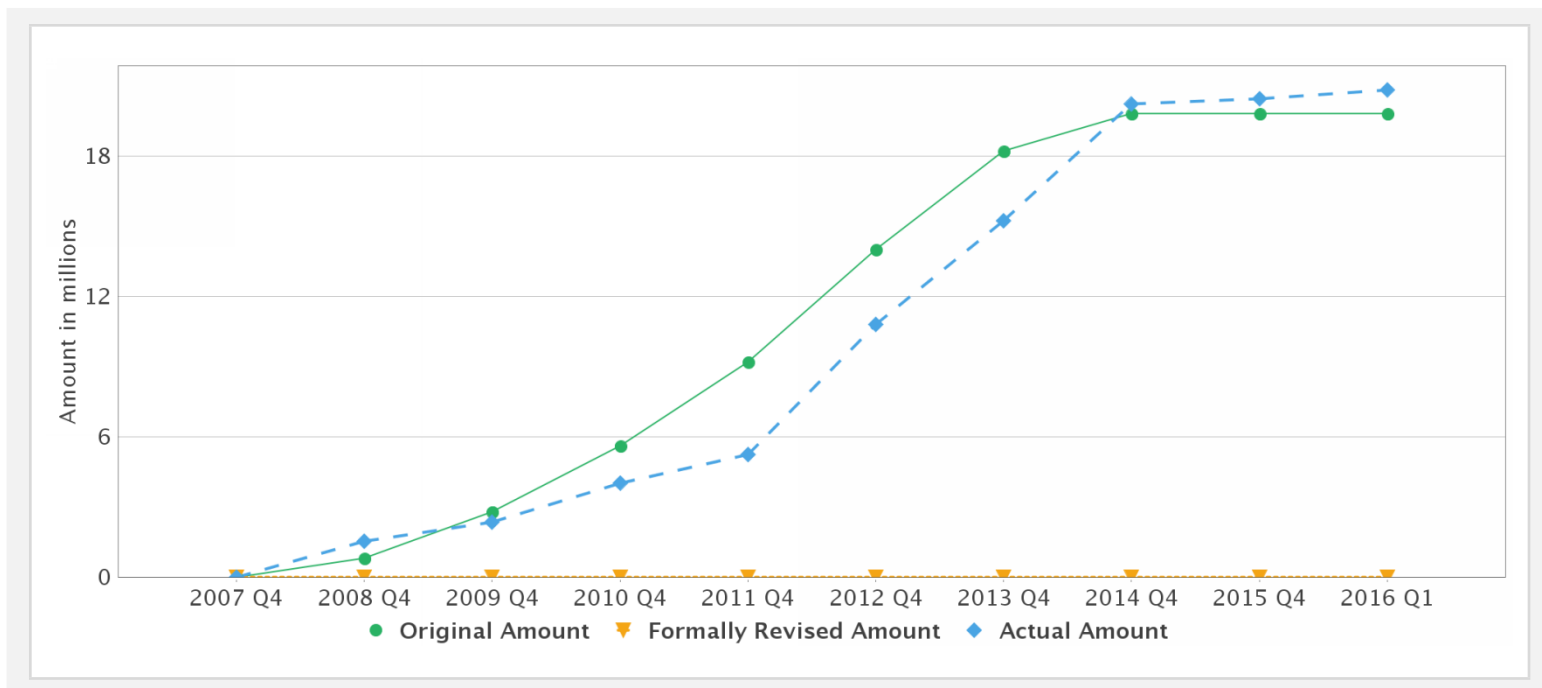
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P103881	IDA-43350	Effective	XDR	19.80	19.80	0.00	19.80	0.00	 100%
P103881	IDA-52700	Effective	XDR	6.70	6.70	0.00	1.03	5.67	 15%

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

There has been no restructuring to date.

Related Project(s)

P144357-HN AF WSS Modernization