

STATUS OF PROJECTS IN EXECUTION – FY06
SOPE
REGION: LATIN AMERICA AND THE CARIBBEAN
COUNTRY: HONDURAS

Operations Policy and Country Services
SEPTEMBER 19, 2006



Report on the Status of Projects in Execution - FY06
SOPE
Region: Latin America and the Caribbean
Country: Honduras

Introduction

The Status of Projects in Execution (SOPE) Report for FY06 provides information on all IBRD/IDA projects that were active on June 30, 2006.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

In addition to the project progress description, the FY06 SOPE report¹ contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date for all active projects.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.



Country: Honduras

Project Name (ID): COMMUNITY-BASED EDUCATION (P007397)

Country: Honduras

Board Approval Date : 04/10/2001

Midterm Review Date : 02/14/2005

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IDA-34970, IDA-3497A, JPN-53767

Sector(s): Pre-primary education (38%), Primary education (38%), Central government administration (18%), Sub-national government administration (6%)

Theme(s): Education for all (P), Rural services and infrastructure (P), Indigenous peoples (P), Participation and civic engagement (S)

Project Development Objectives:

The objectives are to: (a) improve the quality of preschool and lower basic education (grades 1-6) in targeted rural areas; and (b) improve the quality of intercultural and bilingual education in indigenous communities.

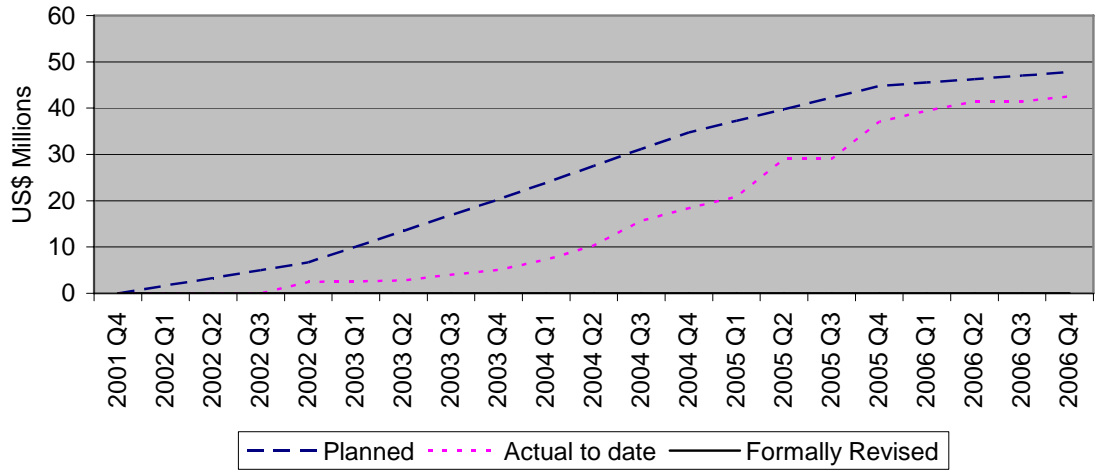
Progress toward achieving development objective(s):

The project is progressing well. Interim targets show that the primary completion rate has increased from 68% in 2001 to about 78% in 2004 in rural areas (drop-outs are decreasing); the Primary Net Enrollment in rural areas has increased from 82.5% in 2002 to 94% in 2004. The distribution of teaching materials is also progressing well. The sustainability of the External Education Evaluation Unit is still at risk, and has received attention from other Education for All (EFA) donors.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34970	Effective	36.35	31.57	4.48	0.00
IDA-3497A	Effective	11.13	11.02	0.00	0.00
JPN-53767	Effective	0.72	0.14	0.58	0.00





Project Name (ID): HEALTH SYSTEM REFORM (P053575)

Country: Honduras

Board Approval Date : 05/07/2002

Midterm Review Date : 06/06/2005

Closing Date : 07/31/2007

Loan/Credit/Grant Number : IDA-36400, IDA-3640A

Sector(s): Health (96%), Compulsory health finance (2%), Central government administration (2%)

Theme(s): Health system performance (P), HIV/AIDS (P), Population and reproductive health (P), Regulation and competition policy (P), Indigenous peoples (S)

Project Development Objectives:

The objective is to extend and improve health care coverage and quality.

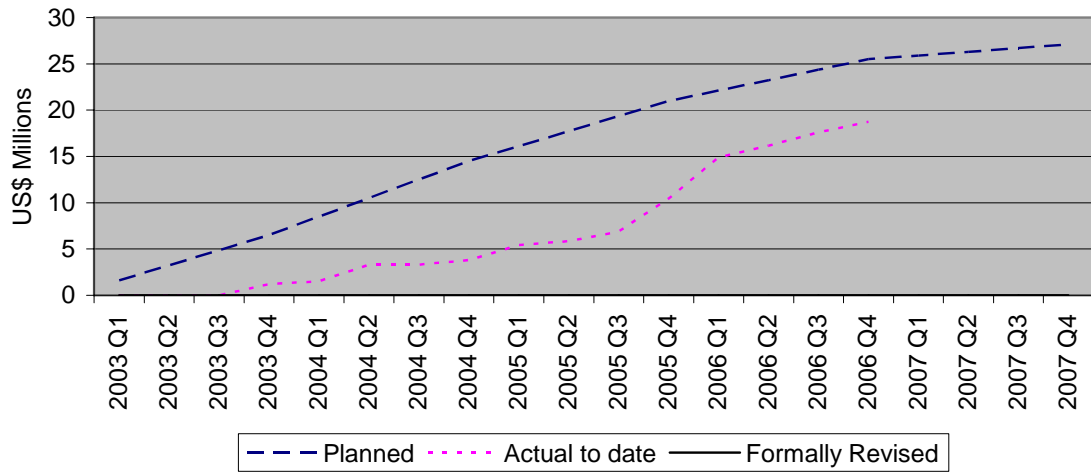
Progress toward achieving development objective(s):

The project has made important progress toward achieving the indicators for the third phase of the Policy Activity Schedules. The Ministry of Health (MOH) and the Honduras Institute of Social Security signed 7 new contracts with NGOs, municipalities, and private health providers to extend coverage. Evaluation of these contracts shows that these models of decentralized health service provision are very successful. As a result, there has been a 35% increase in the number of institutional deliveries. In addition, rehabilitation works has been completed for 6 clinics: Santa Maria (El Paraiso), Reitoca (Francisco Morazan), Lepaterique (Francisco Morazan), Trasceros (Santa Barbara), and Marcala (La Paz). Fourteen mother-child clinics received equipment. Technical assistance and quality improvement program was implemented in 8 hospitals and 7 departments. This program will be extended to 2 other major hospitals.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36400	Effective	28.64	15.36	13.18	0.00
IDA-3640A	Effective	3.41	3.38	0.00	0.00





Project Name (ID): Land Administration Program (P055991)

Country: Honduras

Board Approval Date : 02/26/2004

Midterm Review Date : 03/01/2006

Closing Date : 04/30/2008

Loan/Credit/Grant Number : IDA-38580, IDA-Q3810

Sector(s): General agriculture, fishing and forestry (61%), Central government administration (27%), Sub-national government administration (12%)

Theme(s): Land administration and management (P), Other rural development (P), Personal and property rights (P), Municipal governance and institution building (S), Legal institutions for a market economy (S)

Project Development Objectives:

The objective is to establish an integrated and decentralized land administration system and to provide users with accurate information on urban and rural land parcels and effective land administration services.

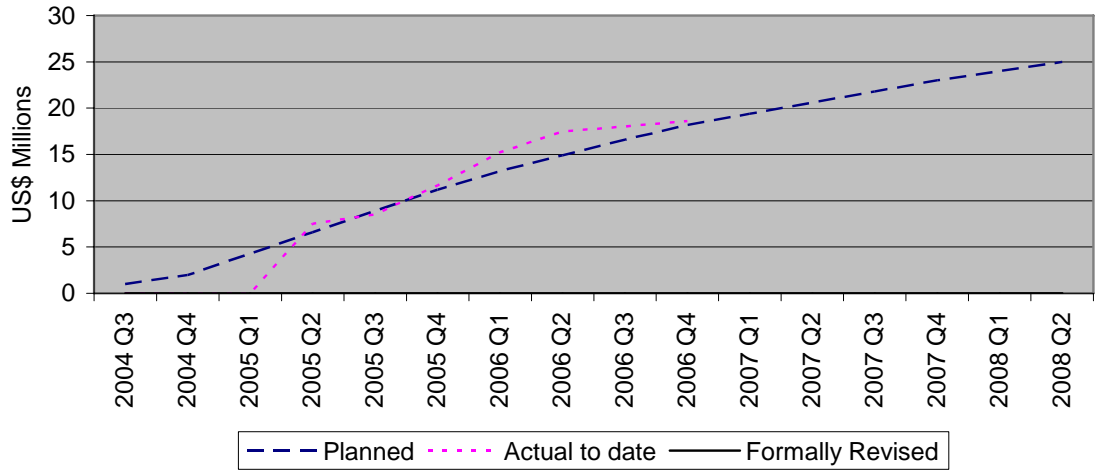
Progress toward achieving development objective(s):

The project has progressed satisfactorily during 2005 despite the electoral season. In January 2006 with the change of administration and sectoral authorities, project implementation underwent a transition phase that resulted in a restructuring of the project implementation unit, and a request from the government to change the executing agency from Secretaria de Gobernacion to the newly established Instituto de la Propiedad (IP). The Bank has initiated the required institutional, procurement and financial assessments of IP, and implementation is expected to progress more quickly.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38580	Effective	24.84	18.62	6.54	0.00
IDA-Q3810	Closed	2.00	0.00	0.00	2.00





Project Name (ID): ROAD RECONSTRUCTION AND IMPROVEMENT (P057538)

Country: Honduras

Board Approval Date : 11/07/2000

Midterm Review Date : 10/22/2004

Closing Date : 06/30/2007

Loan/Credit/Grant Number : IDA-34320, IDA-3432A

Sector(s): Roads and highways (90%), Central government administration (10%)

Theme(s): Natural disaster management (P), Rural services and infrastructure (P)

Project Development Objectives:

The objectives are to: (a) restore roads damaged by Hurricane Mitch; (b) improve trade corridors; and (c) establish a sustainable and accountable financial and institutional set-up for the road sub-sector.

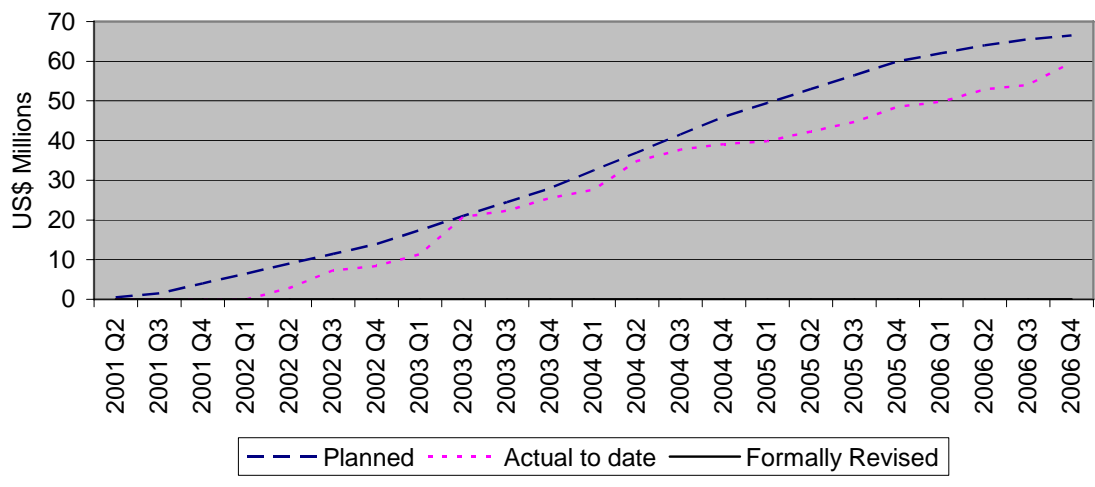
Progress toward achieving development objective(s):

Implementation is proceeding well and all project objectives are expected to be achieved. Physical implementation of works on roads and bridges damaged by Hurricane Mitch, including the rehabilitation of two main roads (Rio Dulce-Porvenir and Santa Rita-Yoro) has been successfully completed. Works are well-advanced on the Taulabe to La Barca section of the main north-south trade corridor. The government has taken action to ensure future maintenance and control of axle loads on the corridor and the support of all sector donors is expected through a "mesa de cooperantes." In regard to financial and institutional sustainability, the national road maintenance microenterprise program is progressing well and has had high development impact. Road maintenance funding objectives have been revised and formally agreed as part of a credit agreement amendment in November 2005 (with a view to ensuring that annual budget allocations are consistent with revised objectives). Action related to road sector institutional strengthening is ongoing. The effectiveness of technical assistance to SOPTRAVI (Secretaría de Obras Públicas, Transporte y Vivienda) has been reviewed and adjustments have been made.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34320	Effective	37.25	23.52	12.65	0.00
IDA-3432A	Effective	38.01	36.08	0.00	0.00





Project Name (ID): ECONOMIC AND FINANCIAL MANAGEMENT (P060785)

Country: Honduras

Board Approval Date : 09/12/2000

Midterm Review Date : 07/07/2003

Closing Date : 09/30/2006

Loan/Credit/Grant Number : IDA-34140, IDA-3414A

Sector(s): Central government administration (100%)

Theme(s): Other accountability/anti-corruption (P), Public expenditure, financial management, and procurement (P), Administrative and civil service reform (P), Regulation and competition policy (P), State enterprise/bank restructuring and privatization (P)

Project Development Objectives:

The objectives are to: (a) improve transparency and accountability in the use and allocation of public resources; (b) develop a budgetary planning and evaluation capacity in key government agencies; (c) promote institutional restructuring within the telecommunications, ports and postal services sector; and (d) strengthen the technical capacity of the regulatory entities.

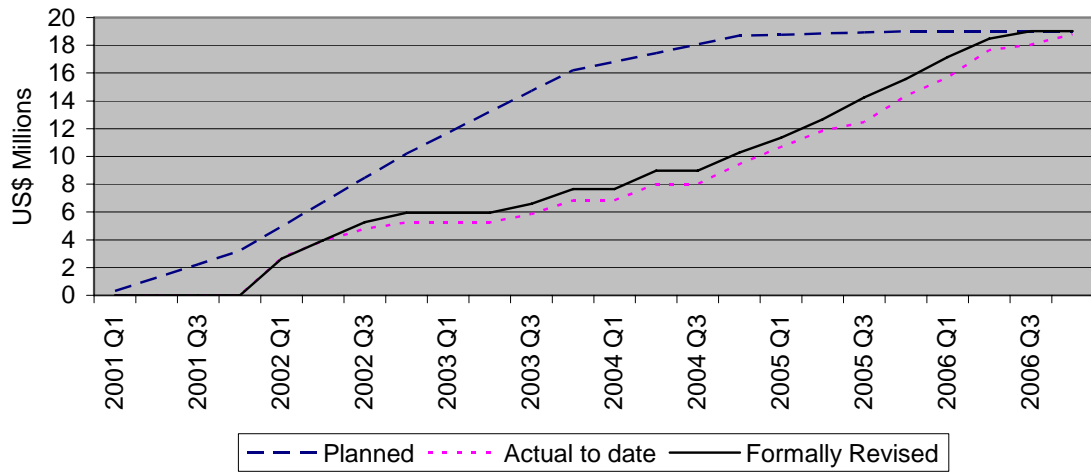
Progress toward achieving development objective(s):

The project has addressed important needs in multiple areas of the modernization agenda. These areas include: enhancing financial management, strengthening of the auditing office, and sectoral reforms in telecommunications, ports, and energy. Most tangible achievements of the project in these areas include the redesigning and implementation of a renewed Financial Management Information System (SIAFI), the creation and operation of a new independent External Comptroller Office (the Tribunal Superior de Cuentas), and the creation of a strong regulatory system for the telecommunication sector after the its opening to private participation. In addition, the project supported the formulation of the poverty reduction strategy. Political conditions have not allowed progress on civil service reform, and recent staffing changes have made work on this component more difficult. The project, however, has made progress in developing the new version of the Financial Management Information System (SIAFI); and integrating it to other related information systems.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34140	Effective	12.11	10.26	1.29	0.00
IDA-3414A	Effective	9.06	8.59	0.00	0.00





Project Name (ID): Financial Sector Technical Assistance (P040177)

Country: Honduras

Board Approval Date : 06/24/2003

Midterm Review Date : 10/30/2006

Closing Date : 09/30/2007

Loan/Credit/Grant Number : IDA-38000

Sector(s): Banking (70%), Payment systems, securities clearance and settlement (25%), Law and justice (5%)

Theme(s): Regulation and competition policy (P), Legal institutions for a market economy (P), Standards and financial reporting (P), State enterprise/bank restructuring and privatization (P), International financial architecture (S)

Project Development Objectives:

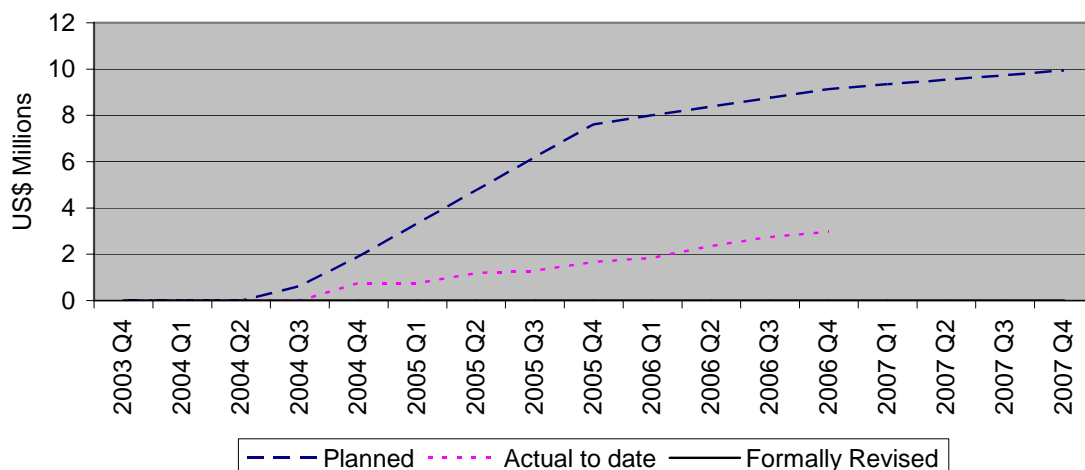
The objective is to increase the institutional capacity of the Comision Nacional de Bancos y Seguros (CNBS) and the Banco Central de Honduras (BCH) to address vulnerabilities of the Honduran financial system.

Progress toward achieving development objective(s):

Project execution has been delayed this fiscal year given the presidential transition, which slowed down activity in the last few months and resulted in the appointment of new project coordinator, procurement officer, and BCH liaison officer by the new administration. The new CNBS and BCH authorities have expressed their commitment to getting implementation back to full speed as soon as possible.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38000	Effective	10.58	2.98	7.61	0.00



Project Name (ID): NATURAL DISASTER MITIGATION (P064913)

Country: Honduras

Board Approval Date : 05/30/2000

Midterm Review Date : 06/04/2003

Closing Date : 01/02/2007

Loan/Credit/Grant Number : IDA-33610, IDA-3361A, JPN-26865, JPN-52879, JPN-55127

Sector(s): Sub-national government administration (51%), Central government administration (49%)

Theme(s): Natural disaster management (P), Administrative and civil service reform (P), Municipal governance and institution building (P), Land administration and management (S)

Project Development Objectives:

The objective is to improve the capacity to reduce vulnerability to natural disasters at the municipal level.

Progress toward achieving development objective(s):

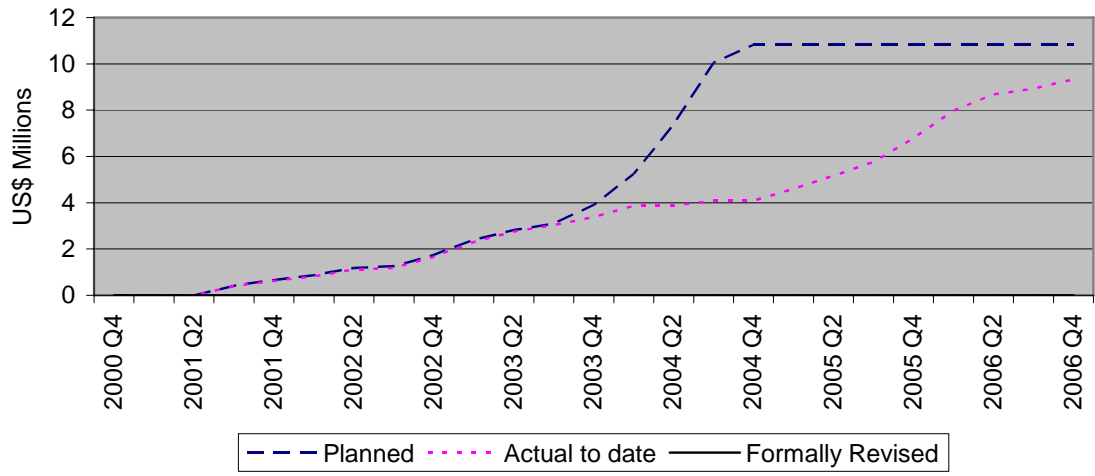
As of June 2005, the project's original objectives were met. Vulnerability analyses were carried out in 61 of the country's most vulnerable municipalities (target of 60).

Investment projects for the first fifteen municipalities were identified and engineering designs have been completed. Early warning systems are in place for 11 municipalities (target of 5). The National Center for Weather Forecasting and its alert system is now fully accessible by all municipalities. The hydro-met designs have been completed, and all five regional emergency response systems have been fully equipped.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-33610	Effective	7.59	5.20	2.15	0.00
IDA-3361A	Effective	4.31	4.12	0.00	0.00
JPN-26865	Closed	0.32	0.31	0.00	0.00
JPN-52879	Effective	1.98	1.39	0.59	0.00
JPN-55127	Effective	0.51	0.10	0.41	0.00





Project Name (ID): Forests and Rural Productivity (P064914)

Country: Honduras

Board Approval Date : 06/24/2004

Midterm Review Date : 05/06/2007

Closing Date : 01/31/2010

Loan/Credit/Grant Number : IDA-39400, IDA-Q3750, JPN-26768

Sector(s): Forestry (50%), Agricultural extension and research (25%), Sub-national government administration (15%), Agricultural marketing and trade (10%)

Theme(s): Land administration and management (P), Rural policies and institutions (P), Biodiversity (S), Personal and property rights (S), Natural disaster management (S)

Project Development Objectives:

The objective is to increase the contribution of sustainable natural resources management to the income and quality of life of the rural poor in selected low-income municipalities with high agro-forestry potential.

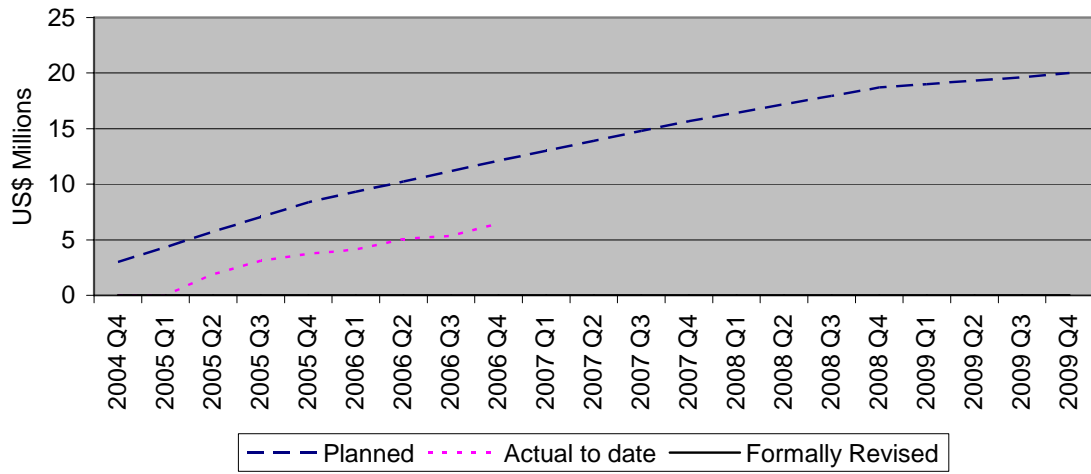
Progress toward achieving development objective(s):

Project implementation was modestly impacted by the electoral season (Presidential elections) in the second half of 2005 as well as by the change of sectoral authorities following the change of administration in the first half of 2006. The project is now through the transition phase and implementation is satisfactory. Activities with the mancomunidades (groups of municipalities), municipalities and community groups are progressing well. Discussions are underway with the new public forest agency administration regarding prioritization of project support for public forest management and reforestation activities. A pilot program will be initiated in CY06 on regularization of occupancy of populations in national lands. The pilot will involve all the governmental institutions charged with policy, regulatory and normative functions for rural land administration and will serve as a structured learning initiative on how to apply the country's new legal framework for regularization.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39400	Effective	19.70	6.44	13.37	0.00
IDA-Q3750	Closed	1.97	0.00	0.00	1.97
JPN-26768	Closed	0.05	0.05	0.00	0.00





Project Name (ID): Enhancing Competitiveness: Trade Facilitation and Productivity Improvement (P070038)

Country: Honduras

Board Approval Date : 10/21/2003

Midterm Review Date : 09/18/2006

Closing Date : 09/30/2008

Loan/Credit/Grant Number : IDA-38260, IDA-Q3630

Sector(s): General industry and trade (35%), General public administration (20%), Vocational training (20%), Ports, waterways and shipping (20%), Micro- and SME finance (5%)

Theme(s): Trade facilitation and market access (P), Other financial and private sector development (P), Export development and competitiveness (P), Legal institutions for a market economy (S), Small and medium enterprise support (S)

Project Development Objectives:

The objective is to increase the productivity of the Honduran private sector, thereby improving Honduras' competitiveness.

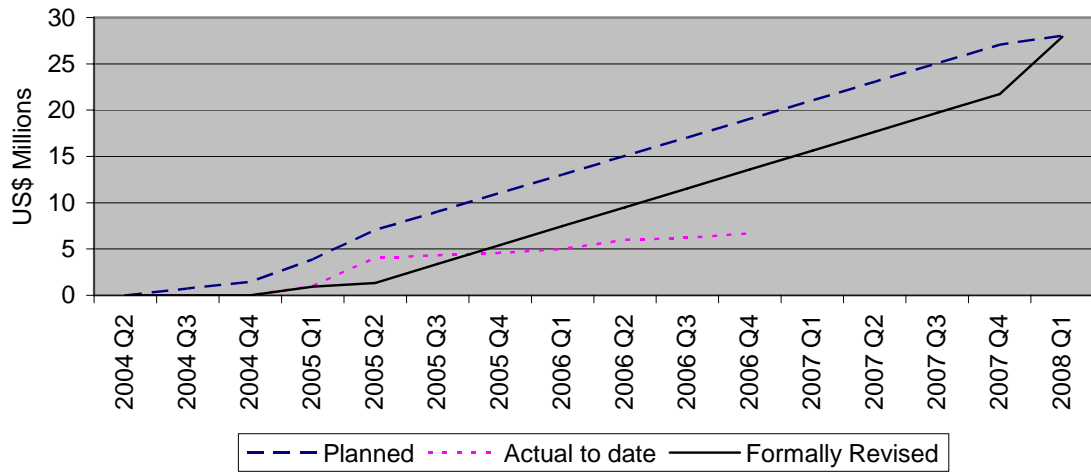
Progress toward achieving development objective(s):

Progress has been achieved during fiscal year 2006 and the project has shown important results, such as: a) the international security certification of Puerto Cortes, b) improvements in Doing Business indicators (time to register property and start a new business), c) rounds of in-situ calibration of laboratory equipment and initiation of laboratory accreditation program, d) preparation of proactive foreign direct investment promotion strategies, e) implementation of activities supporting local economic development in Copan Ruinas (feasibility study for new sewage infrastructure project about to be concluded). Progress has been slower, however, in activities relying heavily on the passage of new laws, or alliances with other organizations, for example, the modernization of the framework for competition and consumer protection policies (a new competition law has yet to be implemented), b) the establishment of Technology Centers for wood products and crafts (due to coordination problems with other institutions), c) the improvement of the National Vocational Training System (no consensus has been reached on a new legal framework for the sector).

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38260	Effective	30.13	6.71	23.54	0.00
IDA-Q3630	Closed	1.76	0.00	0.00	1.76





Project Name (ID): Access to Land Pilot (P073035)

Country: Honduras

Board Approval Date : 11/28/2000

Midterm Review Date : 08/08/2003

Closing Date : 12/30/2006

Loan/Credit/Grant Number : IDA-34350, IDA-3435A, JPN-53137

Sector(s): General agriculture, fishing and forestry (85%), Central government administration (15%)

Theme(s): Other rural development (P), Land administration and management (P)

Project Development Objectives:

The objective is to test a public-private partnership strategy with interested private sector lending institutions to support land acquisition and the formation of sustainable farm enterprises by self-organized landless and land-poor peasant families.

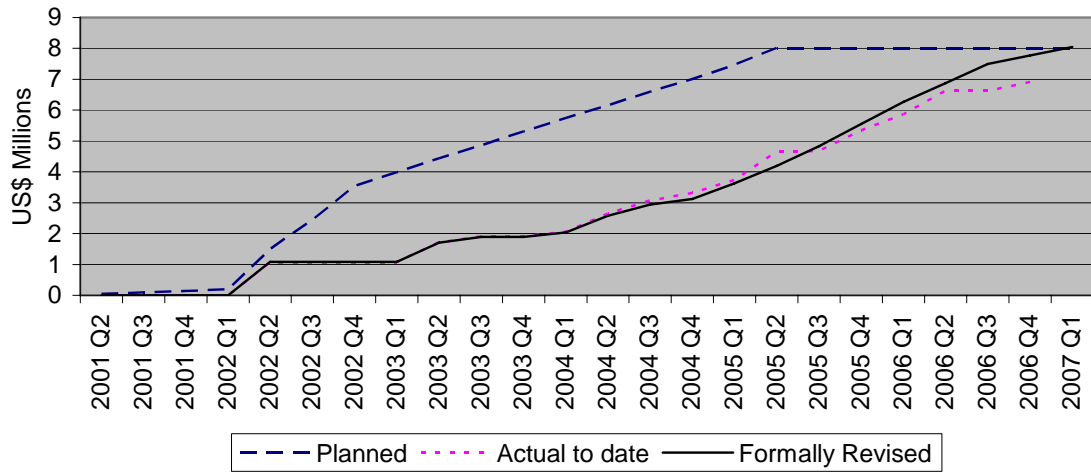
Progress toward achieving development objective(s):

Achievement of the project development objective and implementation progress remain satisfactory, with many of the key performance indicators met six months prior to the conclusion of project activities. Private sector lending institutions (PFIs) participating in PACTA have granted loans for a total of USD 2.56 million, with which 940 rural families (112% of the goal of the program) have been able to acquire 3,000 manzanas of land. The amount of co-financing facilitated by the project to these family farms is USD 4.30 million to establish productive enterprises that have generated indirect employment and income to nearly 3,000 rural families. The last two missions have reviewed and confirmed the quality of the loan portfolio (2.7% default rate, 12% capital repayment, 23% interest repayment). This good standing of the portfolio constitutes one of the main indicators of the success of the PACTA model. The combined offer to provide new PFI credit for smallholder land purchase loans through PACTA (amounting to USD 2.0 million) is at the moment greater than the program can expect to utilize in what remains of the pilot phase. As these lenders have gained more confidence in PACTA, they have gradually improved credit terms and increased their overall commitment. PACTA has also managed to maintain its core staff throughout the 2006 political transition avoiding disruption in implementation of project activities. This is due to the decentralization of the program which has facilitated the formation of strong, interinstitutional alliances on a local level. These alliances are not only the pillars for the future institutionalization of the program, but also provide social accountability regarding all aspects of the program.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34350	Effective	6.20	4.10	1.96	0.00
IDA-3435A	Effective	2.91	2.81	0.00	0.00
JPN-53137	Effective	0.43	0.31	0.12	0.00





Project Name (ID): Regional Development in the Copan Valley (P081172)

Country: Honduras

Board Approval Date : 05/20/2003

Midterm Review Date : 07/15/2006

Closing Date : 03/31/2008

Loan/Credit/Grant Number : IDA-37640, IDA-3764A, JPN-53768

Sector(s): Sub-national government administration (20%), Agricultural extension and research (20%), Micro- and SME finance (20%), Vocational training (20%), Other industry (20%)

Theme(s): Rural non-farm income generation (P), Other environment and natural resources management (P), Gender (S), Indigenous peoples (S)

Project Development Objectives:

The objective is to achieve sustainable tourism development based on the cultural and natural patrimony of the Copan Valley and surrounding areas.

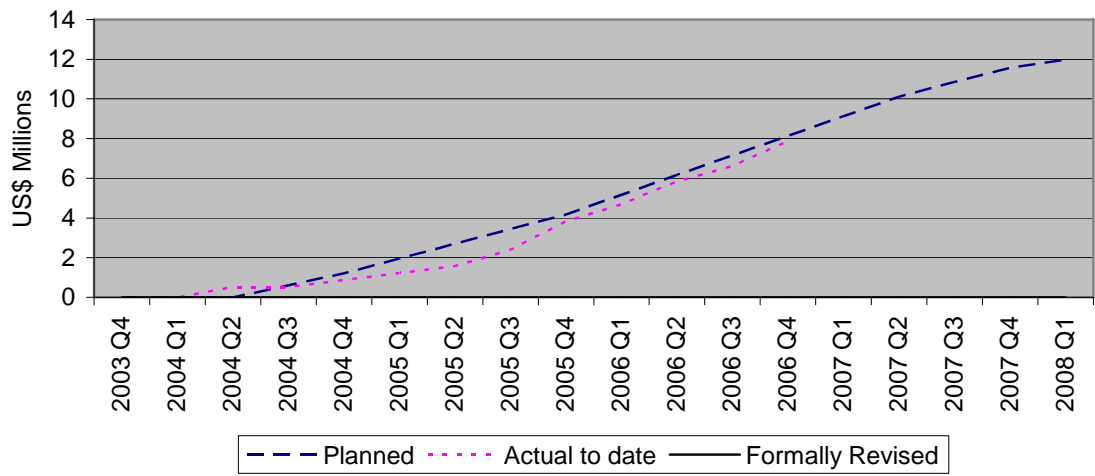
Progress toward achieving development objective(s):

There was progress during the first part of fiscal year 2006, but a slowdown occurred subsequently due to the change in government in January 2006. Yet, key activities related to tourism/infrastructure improvements to help create an archeological tourist circuit continue to be implemented. The reconstruction and improvements to the Sculpture Museum in the Copan Archeological Park were completed and the facility was inaugurated in June 2006. The Fondo Prosperidad (Prosperity Fund--small grants co-investment fund) is operating in the project area, but the technical assistance to accompany the fund has not yet been contracted. The Archeological Park Management Plans are under implementation.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37640	Effective	12.40	7.33	5.04	0.00
IDA-3764A	Effective	0.54	0.53	0.00	0.00
JPN-53768	Effective	0.40	0.27	0.13	0.00





Project Name (ID): JUDICIAL BRANCH MODERNIZATION (P081516)

Country: Honduras

Board Approval Date : 07/07/2005

Midterm Review Date : 09/30/2008

Closing Date : 09/30/2010

Loan/Credit/Grant Number : IDA-40980, IDA-Q3640

Sector(s): Law and justice (100%)

Theme(s): Judicial and other dispute resolution mechanisms (P), Access to law and justice (P), Other public sector governance (S), Gender (S), Indigenous peoples (S)

Project Development Objectives:

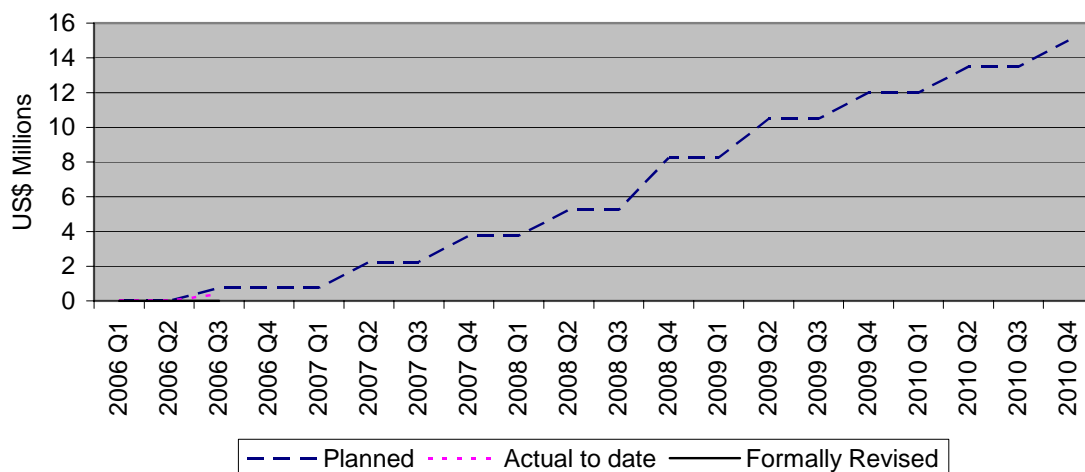
The objective is to improve the capacity and performance of the Judicial Branch in three areas: (a) greater efficiency of case processing, judgments and appeals, (b) enhanced transparency and accountability, and (c) better access to justice, especially for the most disadvantaged groups.

Progress toward achieving development objective(s):

Project was declared effective on February 28, 2006. Procurement plan for next 18 months has been completed and is pending internal approvals. PCU is in place, project unit staff has already received procurement and FM training.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40980	Effective	14.70	0.41	14.28	0.00
IDA-Q3640	Closed	1.50	0.00	0.00	1.50



Project Name (ID): Nutrition and Social Protection (P082242)

Country: Honduras

Board Approval Date : 07/07/2005

Closing Date : 06/30/2010

Loan/Credit/Grant Number : IDA-40970, IDA-Q4700, JPN-52533

Sector(s): Other social services (45%), Vocational training (30%), Central government administration (20%), Sub-national government administration (5%)

Theme(s): Child Health (P), Social safety nets (P), Participation and civic engagement (S), Other human development (S)

Project Development Objectives:

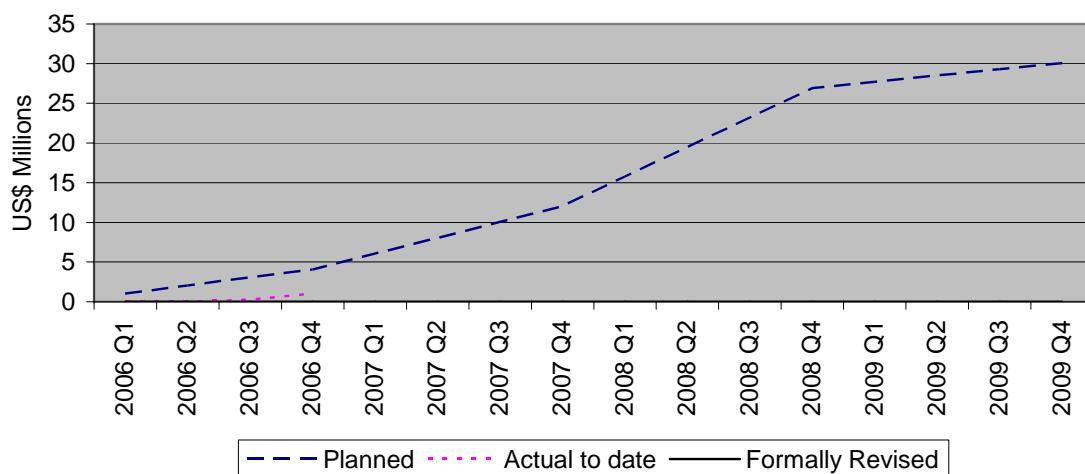
The objective is to improve Honduras' social safety net for children and youth.

Progress toward achieving development objective(s):

The project became effective on February 28, 2006 and is progressing well towards achieving its development objectives. Despite slower progress than expected because of the political transition, the project has completed implementation teams and reviewed 2006 goals accordingly. Implementation of service provision in the health and labor components is under way and is expected to start before the end of the year. Baseline data for component 2 are being collected.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40970	Effective	19.55	1.03	18.50	0.00
IDA-Q4700	Closed	2.00	0.00	0.00	2.00
JPN-52533	Closed	0.59	0.49	0.10	0.00



Project Name (ID): Nuestras Raices Program (P083244)

Country: Honduras

Board Approval Date : 05/04/2004

Midterm Review Date : 11/30/2006

Closing Date : 05/31/2008

Loan/Credit/Grant Number : IDA-38920

Sector(s): Other social services (30%), Health (20%), General water, sanitation and flood protection (20%), Primary education (15%), General agriculture, fishing and forestry (15%)

Theme(s): Participation and civic engagement (P), Indigenous peoples (P), Other human development (P), Other social protection and risk management (P), Gender (S)

Project Development Objectives:

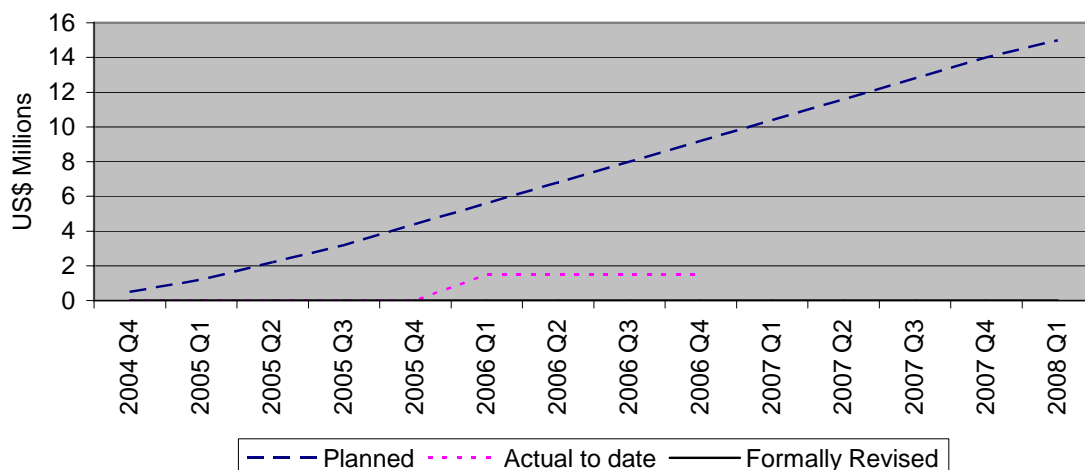
The objective is to facilitate the increased participation of indigenous and Afro-Honduran groups in the holistic development processes of their communities and their nation.

Progress toward achieving development objective(s):

The project is progressing well toward achieving its objective. Two additional staff, an anthropologist and an engineer, were contracted to strengthen the Nuestras Raíces team. Several workshops with the ethnic federations have been carried out to socialize the program and train the technical units of the ethnic federations in the methodology for leading the strategic indigenous people's planning process. Indigenous groups are currently in the process of preparing their strategic plan.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38920	Effective	14.85	1.50	13.33	0.00



Project Name (ID): Programmatic Financial Sector Development Policy (P083311)

Country: Honduras

Board Approval Date : 02/22/2005

Closing Date : 06/29/2007

Loan/Credit/Grant Number : IDA-40360

Sector(s): Banking (37%), General finance (30%), Payment systems, securities clearance and settlement (23%), Law and justice (10%)

Theme(s): Standards and financial reporting (P), Regulation and competition policy (P), Other financial and private sector development (S), Corporate governance (S), Macroeconomic management (S)

Project Development Objectives:

The objective is to support the institutional development of the Honduran financial sector.

Progress toward achieving development objective(s):

The project became effective in August 2005. Progress has consistently been made--albeit at a lower than expected pace due to the political transition--towards meeting the actions required for second tranche disbursement. Due to the implementation delays, the closing date was extended until June 29, 2007. Significant work remains to be done on the existing draft new legal framework for insolvency situations, and work on the design of an efficient liquidation mechanism for foreclosed bank-assets has not yet started.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40360	Effective	23.81	11.62	11.91	0.00



Project Name (ID): Poverty Reduction Support Technical Assistance (P083851)

Country: Honduras

Board Approval Date : 06/24/2004

Closing Date : 06/15/2008

Loan/Credit/Grant Number : IDA-39390, MULT-54176

Sector(s): Central government administration (100%)

Theme(s): Administrative and civil service reform (P), Legal institutions for a market economy (P), Participation and civic engagement (S), Standards and financial reporting (S)

Project Development Objectives:

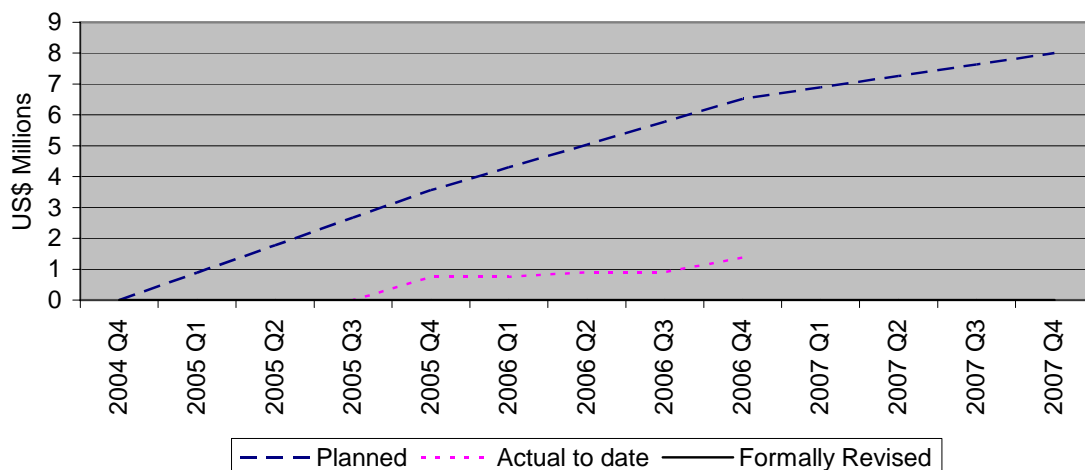
The objective is to support the implementation of the Poverty Reduction Strategy and strengthen the public sector's capacity in the areas of planning, participatory monitoring, public expenditure management, accountability, public administration, and public service delivery.

Progress toward achieving development objective(s):

The project started its operations during 2005. The political transition process has slowed down project implementation during the first half of 2006, but action plans were recently agreed on for all project components and project implementation has regained momentum. Achievements to date include: a) establishment of an office to monitor the implementation of the poverty reduction strategy, b) an agreement on a new approach for civil service reform, and c) consolidation and expansion of the financial management system to sector agencies.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39390	Effective	8.23	1.38	6.86	0.00
MULT-54176	Effective	1.56	0.00	1.58	0.00



Project Name (ID): Rural Infrastructure (P086775)

Country: Honduras

Board Approval Date : 07/07/2005

Midterm Review Date : 06/30/2008

Closing Date : 06/30/2010

Loan/Credit/Grant Number : IDA-40990, IDA-Q4600, JPN-53138

Sector(s): Roads and highways (33%), General water, sanitation and flood protection (27%), Power (20%), Sub-national government administration (12%), Renewable energy (8%)

Theme(s): Rural services and infrastructure (P), Infrastructure services for private sector development (S), Decentralization (S), Public expenditure, financial management, and procurement (S), Social safety nets (S)

Project Development Objectives:

The project development objectives are (a) to improve access, quality and sustainability of infrastructure services (roads, water & sanitation, and electricity) for the rural poor in Honduras; and (b) to develop capacities and an enabling environment for locally-driven service provision and planning.

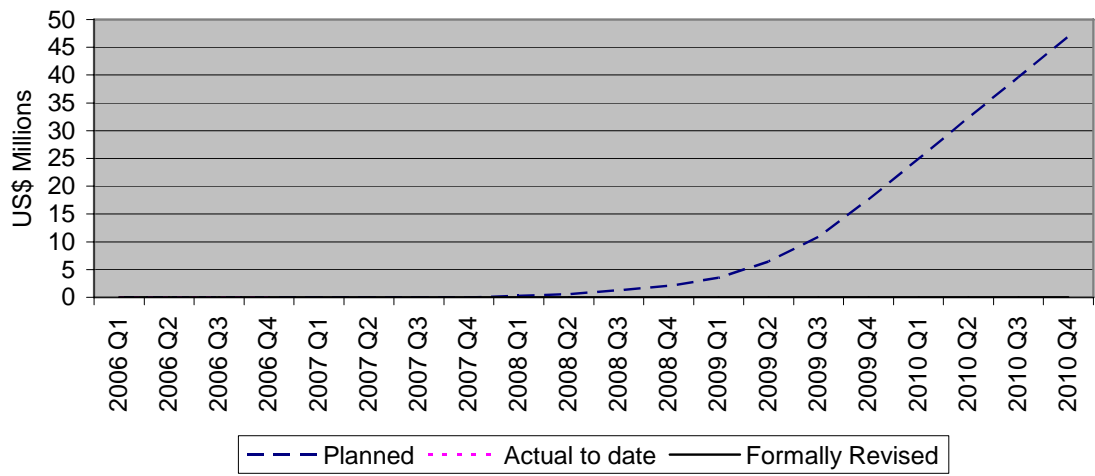
Progress toward achieving development objective(s):

The project is not yet effective, therefore no significant objectives have been achieved so far. Nevertheless, important progress has been achieved in preparation of the first rural investments. The first two mancomunidades (group of communities) selected for the project have completed their participatory rural infrastructure plans, and final designs for the first round of the rural infrastructure projects have been completed.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40990	Effective	47.04	0.00	47.04	0.00
IDA-Q4600	Closed	2.00	0.20	1.80	0.00
JPN-53138	Closed	0.70	0.70	0.00	0.00





Project Name (ID): Barrio-Ciudad (P088319)

Country: Honduras

Board Approval Date : 07/07/2005

Midterm Review Date : 06/18/2008

Closing Date : 06/30/2011

Loan/Credit/Grant Number : IDA-40960, IDA-Q4690, JPN-53766

Sector(s): Sub-national government administration (80%), Water supply (12%), Sanitation (8%)

Theme(s): Access to urban services and housing (P), Municipal finance (P), Municipal governance and institution building (P), Other social protection and risk management (S), Other urban development (S)

Project Development Objectives:

The project development objective is to improve the quality of life for the urban poor and to enable their municipal governments to continue and sustain such improvements through capacity building and improved access to credit.

Progress toward achieving development objective(s):

Given that the project only became effective on March 31, 2006, no considerable progress has been achieved to date. Nevertheless four neighborhoods have been identified to participate in the neighborhood upgrading component, to be financed via grants to municipalities. The urban services and infrastructure component, to be financed via municipal loans, has not yet started due to changes in the directives and technical staff in the corresponding implementing agency.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40960	Effective	14.70	0.20	14.49	0.00
IDA-Q4690	Closed	2.00	0.00	0.00	2.00
JPN-53766	Closed	0.45	0.36	0.09	0.00



