

<b>1. CAS Data</b>	
<b>Country:</b> Honduras	
<b>CAS Year:</b> FY03	<b>CAS Period:</b> FY03 - FY06
<b>CASCR Review Period:</b> FY03 - FY06	<b>Date of this review:</b> October 17, 2006

<b>2. Executive Summary</b>
<p>The FY03-06 CAS was fully aligned with the Government's 2001 Poverty Reduction Strategy Paper (PRSP) which placed poverty reduction squarely at the center of the agenda and was well designed to tackle the country's primary development constraints. The core goal of the CAS echoed that of the PRSP, i.e., support Honduran efforts to shift to a sustainable and higher growth path as the principal means to reduce poverty. The strategy in the CAS was relevant and the proposed lending and non-lending were well aligned with the strategy. The CAS included about 20 quantified and concrete "Key Benchmark Indicators" for evaluating CAS results.</p> <p>The CAS lending proposals and most of the core economic and sector work (ESW) were almost fully delivered as planned. The ESW served not only to underpin IDA's own strategy, but also provided much intellectual input for other donors and the Government. A Debt Relief credit was added to the basic program, when Honduras reached the HIPC completion point.</p> <p>However, the core objective of the CAS was not achieved. Growth did accelerate but there has been little progress in reducing poverty or inequality. The Key Benchmark indicator in this regard, a reduction in extreme poverty, shows an increase instead. However, important advances were made in other areas of the CAS program as most of the other Key Benchmark indicators were achieved. Foremost among these were macro-stability, financial sector strengthening, and improved public financial management. On balance, IEG rates the outcome of the FY03-06 CAS as <u>moderately satisfactory</u>.</p> <p>At the same time, little or no progress was made in tackling some of the most binding constraints to sustainable progress as reviewed in IEG's recent Country Assistance Evaluation (CAE), which was discussed by the Informal Subcommittee of the Committee on Development Effectiveness (CODE) on July 10, 2006: cost-effective public utility services, quality education, civil service reform, and forestry management. The CAE, which covered the longer period, FY95-05, found the overall outcome of IDA's assistance over that period to have been <u>moderately unsatisfactory</u>, but also noted that <u>improvements had taken place after 2002</u>.</p> <p>In the difficult Honduran environment, IDA's performance was satisfactory. IDA's initiatives in the area of the most binding constraints were often derailed because of vested interests and political resistance to reform.</p> <p>The CCR is a candid, thorough and complete document. IEG fully agrees with its conclusions. The CCR rightly points out that IDA can best address the primary constraints to development in Honduras by focusing on fewer areas, while building constituencies for reform.</p>

<b>CASCR Reviewed by:</b>	<b>Peer Reviewed by:</b>	<b>Group Manager</b>
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### 3. CASCR Summary

#### *Overview of CAS Relevance:*

Honduras is one of the lowest income countries in Latin America, with a poor long term growth record and widespread poverty. The overriding challenge for the longer term is to break this cycle of low and narrowly-based growth. The deep-seated long-term obstacles to progress in Honduras are: a comparatively low level of human capital development, inefficient provision of public infrastructure, a poorly developed financial market, and governance issues, including deficient public financial management and a weak civil service. The Poverty Reduction Strategy Paper (PRSP), which was completed in October 2001, placed poverty reduction squarely at the center of the government's development agenda. The PRSP was well designed in accord with diagnostic studies to address the many challenges confronting Honduran policymakers. The strategy is structured around six pillars:

- (a) accelerating equitable and sustainable growth;
- (b) reducing rural poverty;
- (c) reducing urban poverty;
- (d) investing in human capital;
- (e) strengthening social protection for vulnerable groups; and
- (f) ensuring the sustainability of the strategy through governance and institutional reforms and enhanced environmental sustainability.

The FY03–06 CAS was fully aligned with the PRSP. The core goal of the CAS echoed that of the PRSP, i.e. support Honduran efforts to shift to a sustainable and inclusive higher-growth path as the principal means to reduce poverty. Taking into account IDA's comparative advantage and the activities of the government and of other development partners (the activities of the latter were shown in detail in the CAS), IDA's support was selective with primary focus on: (a) barriers to growth; (b) human capital formation and protection of vulnerable groups; and (c) transparent and responsive functioning of the public sector. In the end, although the CAS provided support to all six pillars of the PRSP, it did so in varying degrees.

The strategy in the CAS was relevant but the policy agenda was exceedingly broad. The proposed lending and Analytical and Advisory Activities (AAA) were well aligned with the strategy. Three lending scenarios were envisaged (a low, base, and high case) depending on the degree of progress in policy reforms, with specific triggers for moving from one case to the next. At the time of CAS presentation to the Board, ongoing progress towards a satisfactory macro-economic framework meant that movement to the base lending case of US\$296 million was expected. Close to 20 percent of the total was allocated to a Poverty Reduction Strategy Credit (PRSC) and associated technical assistance, with cross-cutting purposes: the focus was on education sector reform, civil service reform, and public resource management. About 60 percent was allocated to growth and rural poverty reduction: 20 percent for financial sector reform and trade facilitation, and 40 percent for rural development. Ten percent was lending for social protection (substantial lending for education and health had been approved just prior to this CAS). The remainder was allocated to Judicial Reform and an urban project.

The CAS included about 20 quantified and concrete "Key Benchmark Indicators" for evaluating CAS results. These indicators were realistic with the exception of an expected poverty reduction which was optimistic given the short time frame of a CAS. They did not include a goal for economic growth, per se, but did include a poverty reduction target. There were also more than 50 "progress indicators" but these were mostly not quantified and therefore of limited use.

The CAS reviewed and discussed the different elements of the lending program and AAA in the context of their contribution to each of the six pillars of the PRSP. But these were broadly defined and long-term objectives. On the other hand, the "Key Benchmark Indicators" in the CAS not only covered the essence of IDA's planned impact through its lending and AAA, but they were also quantified and concrete and therefore the more appropriate guide by which to judge results.

**Overview of CAS Implementation:**

The CAS lending proposals were delivered as planned, with minor rearrangements over time and few variations in amount (Annex Table 1). The one exception was a planned Education for All project, which had been given a notional allocation in the CAS and was dropped because of ample availability of funds from other sources. In addition, a Debt Relief credit for US\$67 million was added to the program in May 2005, following fulfillment of all conditions for Honduras to reach the HIPC completion point in March 2005. This brought the total lending during the FY03-06 CAS period to US\$365.8 million.

Most of the planned core economic and sector work (ESW) was also delivered within the CAS period, including a Development Policy Review, a Country Financial Accountability Assessment, a Country Procurement Assessment Report (the latter two in collaboration with IDB), an Investment Climate Assessment and a Poverty Assessment. Also delivered were a number of regional studies. The analytical work served not only to underpin IDA's own strategy, but also provided much intellectual input on structural reforms for other donors and the Government as well as the basis for the dialogue with partners. It was of high quality and defined the issues clearly and professionally. However, there were some shortcomings as regards to timing. First, the poverty assessment should have been scheduled earlier in the CAS period, both as a tool for monitoring purposes and to help set policy. Second, a planned public expenditure review was delayed beyond the CAS period; an earlier completion would have been helpful to the incoming administration in early 2006.

Very few projects exited the portfolio during the FY03-06 CAS period, and only one of these (the PRSC) was approved during this period. All projects were given satisfactory outcome ratings by IEG (Annex Table 3). By the end of FY06, two projects in the portfolio were at risk (the Land Administration Project, and a project to assist ethnic groups – Nuestras Raices) representing 11 percent of commitments (Annex Table 4).

Total lending during the CAS period exceeded the base case scenario by roughly the amount of the Debt Relief credit. At the same time, while the CAS had postulated five triggers for moving to the base case, only four of these were met: a sustainable macro-economic framework, satisfactory implementation of the PRSP, improved public financial management, and at most five IDA-supported projects in the portfolio rated unsatisfactory. The fifth trigger, passage of a new civil service law to provide for a coherent public sector wage policy, protection from political interference, and competitive hiring practices, was not met. It must be stressed that this issue is a key component for long-term sustainable public financial stability in Honduras and for sustainable growth. It would have been helpful for the CCR to have explained why bypassing this trigger was warranted.

**Overview of Achievement by Objective:**

The CAS core objective to achieve a sustainable and inclusive higher growth path as the principal means to reduce poverty was not achieved during the CAS period. Per capita growth did accelerate during the 2003-05 period to 1.6 percent per annum compared to 0.8 percent per annum over the past four decades for a number of reasons. First, for the first time in many years, the electoral cycle (elections were held in November 2005) did not lead to a fiscal crisis and inflation was kept in check. To this IDA contributed through its close alignment with the IMF policy dialogue and through the PRSC. Second, there was continuing recovery in agriculture, following Hurricane Mitch in late 1998, further growth in tourism and maquila industries (free trade zones) and spectacular growth in foreign remittances. At the same time, available data show that there has been little progress in reducing poverty or inequality. The Key Benchmark indicator in this regard, a reduction in extreme poverty, shows an increase instead from 45 percent in 2002 to 47 percent in 2005. Nevertheless, IDA ESW has been helpful in identifying the primary constraints to growth as well as the necessary actions to make growth more inclusive in the future. This ESW includes: a Development Policy Review, an Investment Climate Assessment, a Drivers of Rural Growth Study, and a Poverty Assessment. In retrospect, the expected poverty reduction was probably too optimistic given the short time period covered by the CAS.

While the CAS core objective was not achieved, important advances were made in other areas of the CAS program, and most of the other Key Benchmark indicators were either achieved or good progress was made towards their achievement. On this basis, the FY03-06 CAS outcome merits a moderately satisfactory rating. These other achievements are reviewed below. While this was not a results-based CAS, IEG welcomes the use of the clear and concrete Benchmark Indicators (Table 1 in the CCR). At the same time, as the CCR notes (para 16, para 41) it is important to ensure that the information needed to track each indicator is always readily available.

The Business Climate has improved. IDA contributed to this through its Trade Facilitation and Competitiveness Project by, among others, supporting passage of the Competition Law, through an earlier Road Reconstruction and Improvement Project, as well as through the Investment Climate Assessment. In April 2006, Honduras ratified the Dominican Republic-Central American Free Trade Agreement (DR-CAFTA) which should generate new development opportunities. Still, Honduras' business climate remains less favorable than that in other Central American countries, as reported in the World Bank/IFC "Doing Business in 2006". Above all, little progress has been made through the FY03-06 CAS towards improving the quality and efficiency of public utility services (especially the provision of cost-effective electricity services).

In the education sector, enrollments have increased and the CAS Benchmark Indicator was achieved. IDA played a primary role in this through its efforts to promote local control of schools in remote and poor areas. But the low quality of education did not improve and neither did the functioning of the Ministry of Education.

In health the Key Benchmark Indicators were achieved and an earlier IDA project helped improve the performance of the Honduran Institute for Social Security. But, as in education, the functioning of the Ministry of Health remained deficient.

As mentioned, in terms of macro-economic stability and fiscal management, the Key Benchmark Indicators were achieved. IDA supported these achievements primarily through the PRSC.

Public Poverty spending increased in line with objectives. IDA's Poverty Assessment which, as mentioned earlier, came late in the CAS period, highlighted the need to improve targeting and monitoring.

A major advance in governance was the design of a new public expenditure management system, with IDA support especially through the CFAA and CPAR, and through dialogue. The impact of a Judicial Reform project, on the other hand, is too early to judge, given that it was approved only in FY06. At the same time, efforts to professionalize the civil service have stalled.

IDA's assistance to the financial sector (Financial Sector TA, a Financial Sector Adjustment Credit) has resulted in substantial reform and strengthening of the sector. Finally, in the area of rural development significant progress has been made towards improving land titling and registration, and setting up a modern land administration system, all with IDA assistance. But in other crucial areas, such as management of the country's extensive forest resources, little progress has been made.

In sum, IDA's achievements during the FY03-06 CAS period were significant. Foremost among them are macro-stability, financial sector strengthening and improved public financial management. Economic growth picked up but it was not broad-based, particularly as the advances in rural development were advances in pre-conditions for growth (land administration) rather than rural growth per se. At the same time, little or no progress was made in tackling many of the key constraints to sustainable progress as reviewed in IEG's recent CAE on Honduras, which was discussed by the Informal Subcommittee of the Committee on Development Effectiveness (CODE) on July 10, 2006. The CAE covered the longer period FY95-05 and found the overall outcome of IDA's assistance over that period to have been moderately unsatisfactory, but also noted that improvements had taken place after 2002. Among the key constraints to long-term sustainable progress identified in the CAE, and

towards whose resolution the CCR confirms that little or no progress was made during the FY03-06 CAS period are: the quality and efficiency of public utility services (especially electricity), the quality of education and efficient functioning of the ministries of education and health, civil service reform and rationalization of public sector wage and employment policies, and forestry sector management.

Achievement of CAS Objectives			
Objectives	CASCR Rating	IEG Rating	Explanation / Comments
Growth with poverty reduction	Moderately satisfactory	Moderately satisfactory	

**Comments on Bank Performance:**

In the difficult Honduran environment, IDA's efforts were highly relevant and well directed to help resolve the country's long-standing development constraints. The proposed lending and AAA were fully supportive of the Bank's strategy which, in turn, was well-aligned with the country's PRSP. IDA's analytical work defined the issues clearly and served as a guide for the Government and other donors. As a result, IDA played a constructive role in donor coordination. In addition, IDA took the lead in the PRSP process, which guides all of Honduras' development efforts. On the other hand, as mentioned above, some of the ESW could have been better timed to support the lending strategy. In addition, IDA's program was spread over a wide range of sectors and areas, which may have reduced its effectiveness. As the CCR notes (para 68), the focus was so broad that it made it "difficult for the Government to focus on a manageable reform agenda."

The key Benchmark Indicators in the CAS were realistic. In those areas where little or no progress was made—public utility services, education quality, rationalization of public sector wage and employment policies, forestry sector management—IDA's efforts and initiatives were warranted nevertheless because resolution of these constraints is a *sine qua non* for sustainable development in Honduras. In most instances IDA's initiatives were derailed because of political resistance to reform.

**4. Overall IEG Assessment**

<b>Outcome:</b>	<i>Moderately satisfactory</i>
<b>Bank Performance:</b>	<i>Satisfactory</i>

While the core CAS objective of higher growth as the principal means to reduce poverty was not achieved, important advances were made in most other areas of the CAS program. On this basis, a moderately satisfactory outcome rating is given by IEG. Growth did accelerate during the CAS period, partly because macro-economic stability was achieved, to which IDA contributed through its support for the IMF-led programs. There were no major exogenous events affecting growth during the period.

### **5. Assessment of CAS Completion Report**

The CCR is thorough and complete in its coverage of the FY03-06 CAS. It is very well written. Instead of being focused on the qualitative objectives in the CAS, it is focused on the concrete Key Benchmark Indicators in the CAS for evaluating results. This makes the analysis very clear, easy to follow and convincing. The coverage of lending and non-lending activities is exhaustive. IEG fully agrees with the lessons in the CCR. Both the FY07-10 CAS and the FY03-06 CCR made good use of IEG's recently completed CAE on Honduras.

### **6. Findings and Lessons**

Sustainable growth in Honduras will require that the above-mentioned key constraints to development—cost-effective public utility services, quality education, a rational public sector wage and employment policy, forestry reform—are addressed in a decisive manner. In the past, vested interest and political resistance have inhibited reform. The CCR rightly points out that IDA can best address this issue by focusing its strategy on fewer sectors while building constituencies for reform.

The Informal Subcommittee of CODE, in its review of the Honduras' CAE, broadly agreed with these findings and recommendations.

**Annex Table 1: Honduras Planned vs. Actual Commitments (US\$Millions) FY03-06**

FY	Project	Planned IDA	Actual IDA
2003	Copan Valley Development	12.0	12.0
	Financial Sector TA	9.0	9.9
	<b>Subtotal FY03</b>	<b>21.0</b>	<b>21.9</b>
2004	Trade Facilitation & Competitiveness	25.0	28.1
	Poverty Reduction Support Credit (PRSC)	45.0	58.8
	Poverty Reduction Support TAC	10.0	8.0
	Forestry and Rural Productivity	20.0	20.0
	Land Regularization and Administration	25.0	25.0
	Financial Sector Adjust Credit (FSAC)	25.0	Delayed to FY05
	Judicial Reform	15.0	Delayed to FY06
	Education for All (EFA)	5.0	Dropped*
	<i>Additional Projects</i>		
	Nuestras Raices		15.0
<b>Subtotal FY04</b>	<b>170.0</b>	<b>154.9</b>	
2005	Nutrition and Social Protection Project	20.0	Delayed to FY06
	Urban Services and Urban Violence	15.0	Dropped*
	Nuestras Raices	10.0	Advanced to FY04
	<i>Additional Projects</i>		
	Financial Sector Adjust Credit (FSAC)		25.0
	Debt Relief Credit		67.0
	<b>Subtotal FY05</b>	<b>45.0</b>	<b>92.0</b>
2006	Rural Infrastructure	60.0	47.0
	<i>Additional Projects</i>		
	Judicial Reform		15.0
	Nutrition and Social Protection Project		20.0
	Barrio-Ciudad Project		15.0
<b>Subtotal FY06</b>	<b>60.0</b>	<b>97.0</b>	
<b>Grand Total</b>		<b>296.0</b>	<b>365.8</b>

Source: BW 2a1, 2a7, 2a8 as of 8/15/06

\* According to CASCR

**Annex Table 2: Analytical and Advisory Work for Honduras, FY03-06**

Document Title	Date	Report No
<b><u>Country Assistance Strategy Document</u></b>		
Honduras - Country assistance strategy (English)	05/29/2003	25873
<b><u>Country Financial Accountability Assessment</u></b>		
Honduras - Country Financial Accountability Assessment (English)	01/03/2004	28418
<b><u>Economic Report</u></b>		
Honduras - Investment climate assessment (Vol. 1 of 2): Executive summary (English)	11/27/2004	31458
Honduras - Investment climate assessment (Vol. 2 of 2): Main report (English)	11/27/2004	31458
<b><u>ESMAP Paper</u></b>		
Remote energy systems and rural connectivity: technical assistance to the aldeas solares program of Honduras (English)	12/01/2005	35995
<b><u>Poverty Reduction Strategy Paper (PRSP)</u></b>		
Honduras - Poverty Reduction Strategy Paper (PRSP) Second Annual Report and joint staff advisory note (English)	03/07/2005	31732
Honduras - Poverty Reduction Strategy Paper First Annual Progress Report and Joint IDA-IMF Staff Assessment of the PRSP Progress Report (English)	02/02/2004	27648
<b><u>Sector Report</u></b>		
Honduras - Poverty assessment : attaining poverty reduction (Vol. 1 of 2): Main report (English)	06/30/2006	35622
Honduras - Poverty assessment : attaining poverty reduction (Vol. 2 of 2): Background papers (English)	06/30/2006	35622
Honduras - Development policy review : accelerating broad-based growth (English)	11/08/2004	28222
<b><u>Chairman's Concluding Remarks</u></b>		
Honduras - Poverty Reduction Strategy Paper (PRSP) Second Annual Progress Report, and, Enhanced Heavily Indebted Poor Countries (HIPC) Debt Initiative : Chairman's Summing Up (English)	04/05/2005	31987
Honduras - Poverty Reduction Strategy Paper (PRSP) first annual progress report and joint assessment : Chairman's Summing up (English)	02/26/2004	28054
Honduras - Country assistance strategy : Chairman's concluding remarks (English)	06/24/2003	36890

Source: Imagebank as of 8/15/06



**Annex Table 3: IEG Project Ratings for Honduras, Exit FY03-06**

Exit FY	Project Name	Total Evaluated (\$M)	IEG Outcome	IEG Sustainability	IEG ID Impact
2003	Transport Sector Rehabilitation	83.9	Satisfactory	Likely	Substantial
2003	Fourth Social Investment Fund	66.7	Moderately Satisfactory	Unlikely	Substantial
2005	GEF-Biodiversity Conservation	0.0	Moderately Satisfactory	Non-evaluable	Modest
2005	Poverty Reduction Support Credit	61.2	Satisfactory	Non-evaluable	Substantial

Source: BW 4a6 as of 8/16/06

	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (No)	Inst Dev Impact % Subst (No)	Sustainability % Likely (No)
Honduras	211.8	4	100.0	75.0	50.0
LCR	18,712.1	189	81.0	57.8	79.0
Bank Wide	59,296.9	887	78.7	54.9	78.9

Source: BW 4a5 as of 8/16/06

**Annex Table 4: Honduras - Portfolio Status Indicators by Year, 2003-2006**  
(in US\$ millions)

Country	Fiscal Year	2003	2004	2005	2006
<b>Honduras</b>	<b># Proj</b>	<b>12</b>	<b>17</b>	<b>18</b>	<b>18</b>
	<b>Net Comm Amt</b>	<b>314.4</b>	<b>427.0</b>	<b>460.6</b>	<b>412.9</b>
	<b># Proj At Risk</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>2</b>
	<b>% At Risk</b>	<b>16.7</b>	<b>0.0</b>	<b>5.6</b>	<b>11.1</b>
	<b>Comm At Risk</b>	<b>18.8</b>	<b>0.0</b>	<b>28.1</b>	<b>40.0</b>
	<b>% Commit at Risk</b>	<b>6.0</b>	<b>0.0</b>	<b>6.1</b>	<b>9.7</b>
Costa Rica	# Proj	3	2	3	4
	Net Comm Amt	65.6	49.6	79.6	106.6
	# Proj At Risk	0	0	1	2
	% At Risk	0.0	0.0	33.3	50.0
	Comm At Risk	0.0	0.0	17.0	44.0
	% Commit at Risk	0.0	0.0	21.3	41.3
Guatemala	# Proj	13	13	11	12
	Net Comm Amt	558.6	558.6	502.8	549.8
	# Proj At Risk	2	2	0	0
	% At Risk	15.4	15.4	0.0	0.0
	Comm At Risk	48.5	79.5	0.0	0.0
	% Commit at Risk	8.7	14.2	0.0	0.0
Nicaragua	# Proj	15	16	13	13
	Net Comm Amt	428.1	498.7	369.2	357.3
	# Proj At Risk	4	1	2	1
	% At Risk	26.7	6.3	15.4	7.7
	Comm At Risk	94.2	13.5	39.6	12.0
	% Commit at Risk	22.0	2.7	10.7	3.4
El Salvador	# Proj	7	6	8	8
	Net Comm Amt	396.8	380.8	476.0	436.0
	# Proj At Risk	2	0	2	3
	% At Risk	28.6	0.0	25.0	37.5
	Comm At Risk	160.8	0.0	160.8	145.2
	% Commit at Risk	40.5	0.0	33.8	33.3
LAC	# Proj	285	265	268	256
	Net Comm Amt	19,480.0	18,911.1	18,595.3	16,208.0
	# Proj At Risk	70	46	59	44
	% At Risk	24.6	17.4	22.0	17.2
	Comm At Risk	5,836.2	3,580.1	3,831.7	2,557.7
	% Commit at Risk	30.0	18.9	20.6	15.8

Source: BW 3a4 as of 8/16/06

**Annex Table 5: Honduras - IBRD/IDA Net Disbursements and Charges, FY03-06**

FY	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
2003	76,762,074.67	27,514,479.17	49,247,595.50	16,330,268.43	0.00	32,917,327.07
2004	47,300,694.85	28,917,774.43	18,382,920.42	14,278,319.91	482,387.24	3,622,213.27
2005	209,224,168.45	88,678,927.09	120,545,241.36	13,829,325.49	1,556,261.50	105,159,654.37
2006	77,244,474.01	14,035,405.09	63,209,068.92	9,904,047.49	601,130.58	52,703,890.85
<b>TOTAL</b>	<b>410,531,411.98</b>	<b>159,146,585.78</b>	<b>251,384,826.20</b>	<b>54,341,961.32</b>	<b>2,639,779.32</b>	<b>194,403,085.56</b>

Source: Client Connection as of 8/16/06

**Annex Table 6: External Assistance to Honduras, Total Net Disbursements, 2003-2005**  
(in US\$Million)

	2003	2004	2005 (preliminary)	Total
Austria	0.02	0.03	-	0.05
Belgium	0.57	1.3	-	1.87
Canada	12.73	9.37	-	22.1
Czech Republic	0.01	0.01	-	0.02
Denmark	3.93	-0.02	-	3.91
Finland	1.16	1.24	-	2.4
France	1.18	21.3	-	22.48
Germany	17.14	26.14	-	43.28
Ireland	2.72	3.05	-	5.77
Italy	7.78	19.62	-	27.4
Japan	31.99	31.34	-	63.33
Korea	0.42	4.29	-	4.71
Luxembourg	0.01	0.09	-	0.1
Netherlands	6.45	16.11	16.32	38.88
Norway	1.63	1.84	-	3.47
Spain	57.61	54	-	111.61
Sweden	13.48	27.66	-	41.14
Switzerland	1.79	2	-	3.79
United Kingdom	5.21	1.23	-	6.44
United States	70.11	112.08	-	182.19
<b>All Bilateral Donors</b>	<b>235.94</b>	<b>332.68</b>	<b>16.32</b>	<b>584.94</b>
Arab Agencies	1.93	-1.06	-	0.87
Arab Countries	3.36	0.65	-	4.01
DAC Countries, Total	235.51	328.38	16.32	580.21
DAC EU Members, Total	117.26	171.75	16.32	305.33
EC	26.37	47.96	-	74.33
G7, Total	146.14	221.08	-	367.22
GEF	1.31	0.67	1.18	3.16
IDA	35.8	113.42	-	149.22
IDB Sp. Fund	72.02	116.16	42.5	230.68
IFAD	8.9	2.91	2.44	14.25
Non-DAC Bilateral Donors, Total	3.89	5.02	-	8.91
Nordic Dev. Fund	6.59	2.97	1.19	10.75
Other Bilateral Donors	0.1	0.07	-	0.17
Other UN	1.32	1.46	-	2.78
SAF+ESAF+PRGF (IMF)	-7.55	15.24	-	7.69
UNDP	0.84	1.04	-	1.88
UNFPA	1.65	3.22	-	4.87
UNICEF	1.13	1.37	1.27	3.77
UNTA	0.75	0.74	-	1.49
WFP	1.94	2.11	-	4.05
<b>Multilateral, Total</b>	<b>153</b>	<b>308.21</b>	<b>48.58</b>	<b>509.79</b>
<b>ALL Donors, Total</b>	<b>392.4</b>	<b>641.61</b>	<b>64.9</b>	<b>1,098.91</b>

Source: OECD DAC as of 8/16/06

**Annex Table 7: Economic and Social Indicators for Honduras, 2000-2004**

Series Name	Honduras					Average					
	2000	2001	2002	2003	2004	Honduras	Costa Rica	Guatemala	Nicaragua	El Salvador	LAC
GDP growth (annual %)	6.0	2.0	3.0	3.0	5.0	3.8	3.4	2.6	3.0	2.0	2.2
GNI per capita, Atlas method (current US\$)	860.0	900.0	920.0	970.0	1040.0	938.0	4,012.0	1,884.0	768.0	2,124.0	3,470.2
GNI per capita, PPP (current international \$)	2,441.0	2,500.0	2,552.0	2,629.0	2,760.0	2,576.4	8,447.6	4,089.0	3,264.6	4,696.2	7,170.0
GDP per capita growth (annual %)	3.0	0.0	0.0	1.0	2.0	1.2	1.2	0.2	1.0	0.0	0.8
Agriculture, value added (% of GDP)	16.0	14.0	13.0	14.0	..	14.3	9.0	22.6	19.6	9.6	7.8
Exports of goods and services (% of GDP)	41.0	38.0	37.0	37.0	..	38.3	45.0	17.8	23.8	26.6	23.0
Imports of goods and services (% of GDP)	55.0	55.0	53.0	54.0	..	54.3	47.2	29.2	50.6	42.4	21.6
Industry, value added (% of GDP)	32.0	31.0	31.0	31.0	..	31.3	29.8	19.4	29.6	31.8	32.6
Services, etc., value added (% of GDP)	52.0	55.0	56.0	55.0	..	54.5	61.4	57.8	55.2	58.6	59.8
Current account balance (% of GDP)	-4.0	-5.0	-4.0	-5.0	-6.0	-4.8	-4.4	-4.8	-18.6	-3.2	-1.0
Total debt service (% of exports of goods, services and income)	13.0	11.0	12.0	12.0	8.0	11.2	8.8	7.6	14.0	8.0	32.0
External debt (% of GNI)	96.0	81.0	85.0	85.0	90.0	87.4	31.0	20.2	162.4	42.6	42.6
Gross domestic savings (% of GDP)	17.0	13.0	12.0	12.0	..	13.5	18.4	6.8	1.2	0.6	21.2
IBRD loans and IDA credits (PPG DOD, current US\$) (millions)	989.0	1,028.0	1,119.0	1,228.0	1,380.0	1,148.8	94.6	386.4	865.2	361.2	41,825.2
Gross national expenditure (% of GDP)	114.0	117.0	116.0	117.0	..	116.0	102.0	111.4	126.6	115.8	...
Inflation, consumer prices (annual %)	11.0	10.0	8.0	8.0	8.0	9.0	10.4	6.8	7.2	2.8	...
Immunization, DPT (% of children ages 12-23 months)	95.0	95.0	95.0	92.0	89.0	93.2	90.2	83.6	83.4	90.0	89.0
Improved sanitation facilities (% of population with access)	..	..	68.0	..	..	68.0	92.0	61.0	66.0	63.0	75.0
Improved water source (% of population with access)	..	..	90.0	..	..	90.0	97.0	95.0	81.0	82.0	89.0
Life expectancy at birth, total (years)	67.0	..	68.0	68.0	68.0	67.8	78.6	67.0	69.5	70.8	71.8
Mortality rate, infant (per 1,000 live births)	33.0	..	..	..	31.0	32.0	12.0	36.0	32.5	26.5	28.5
Population growth (annual %)	3.0	2.0	2.0	2.0	2.0	2.2	2.0	2.0	2.0	2.0	1.2
Population, total	6,424,340.0	6,581,875.0	6,737,843.0	6,892,959.0	7,048,327.0	6,737,068.8	4,093,916.8	11,720,837.8	5,164,886.2	6,522,408.6	530,500,339.2
School enrollment, preprimary (% gross)	21.0	22.0	..	31.0	33.0	26.8	61.0	37.6	31.8	47.6	59.0
School enrollment, primary (% gross)	106.0	106.0	..	119.0	118.0	112.3	108.8	107.6	109.0	111.6	122.0
School enrollment, secondary (% gross)	..	..	..	..	..	...	65.2	43.2	59.4	57.2	85.0
Urban population (% of total)	44.0	45.0	45.0	46.0	46.0	45.2	60.2	46.0	57.0	59.0	76.2

Source: DDP as of 8/16/06

**Annex Table 8: Millennium Development Goals**

	1990	1994	1997	2000	2003	2004
<b>Goal 1: Eradicate extreme poverty and hunger</b>						
Income share held by lowest 20%	..	..	..	..	3	3
Malnutrition prevalence, weight for age (% of children under 5)	..	18	25	..	..	..
Poverty gap at \$1 a day (PPP) (%)	..	..	..	8	..	..
Poverty headcount ratio at \$1 a day (PPP) (% of population)	..	..	..	21	..	..
Poverty headcount ratio at national poverty line (% of population)	..	..	47	48	..	..
Prevalence of undernourishment (% of population)	..	..	21	..	22	22
<b>Goal 2: Achieve universal primary education</b>						
Literacy rate, youth total (% of people ages 15-24)	80	..	..	..	..	89
Persistence to grade 5, total (% of cohort)	..	..	..	..	66	66
Primary completion rate, total (% of relevant age group)	..	69.6	..	..	..	79.4
School enrollment, primary (% net)	..	..	..	88	90	91
<b>Goal 3: Promote gender equality and empower women</b>						
Proportion of seats held by women in national parliament (%)	10	..	8	9	6	6
Ratio of girls to boys in primary and secondary education (%)	..	..	..	..	..	..
Ratio of young literate females to males (% ages 15-24)	103	..	..	..	..	104.6
Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	48	48	50	50	51	51
<b>Goal 4: Reduce child mortality</b>						
Immunization, measles (% of children ages 12-23 months)	90	93	99	98	95	92
Mortality rate, infant (per 1,000 live births)	44	..	..	33	..	31
Mortality rate, under-5 (per 1,000)	59	..	..	43	..	41
<b>Goal 5: Improve maternal health</b>						
Births attended by skilled health staff (% of total)	..	..	54.9	..	..	..
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	..	110	..	..
<b>Goal 6: Combat HIV/AIDS, malaria, and other diseases</b>						
Children orphaned by HIV/AIDS	..	..	..	..	..	..
Contraceptive prevalence (% of women ages 15-49)	..	..	50	..	..	..
Incidence of tuberculosis (per 100,000 people)	119.6	..	..	..	..	77.3
Prevalence of HIV, female (% ages 15-24)	..	..	..	..	..	..
Prevalence of HIV, total (% of population ages 15-49)	..	..	..	..	2	2
Tuberculosis cases detected under DOTS (%)	..	..	..	63.1	80.1	83.2
<b>Goal 7: Ensure environmental sustainability</b>						
CO2 emissions (metric tons per capita)	0.5	0.6	0.7	0.8	0.9	..
Forest area (% of land area)	66	..	..	49	..	..
GDP per unit of energy use (constant 2000 PPP \$ per kg of oil equivalent)	5	5	5	5	5	5
Improved sanitation facilities (% of population with access)	49	..	..	..	68	..
Improved water source (% of population with access)	83	..	..	..	90	..
Nationally protected areas (% of total land area)	..	..	..	..	6.4	6.4
<b>Goal 8: Develop a global partnership for development</b>						
Aid per capita (current US\$)	92.3	54	49.9	70	56.9	91
Debt service (PPG and IMF only, % of exports of G&S, excl. workers' remittances)	33	32	20	9	9	7
Fixed line and mobile phone subscribers (per 1,000 people)	18.1	24	41.7	70.7	103.5	153
Internet users (per 1,000 people)	0	..	1.7	8.6	26.9	31.5
Personal computers (per 1,000 people)	..	..	3.4	10.9	14.5	15.6
Total debt service (% of exports of goods, services and income)	35	33	23	13	12	8
Unemployment, youth female (% of female labor force ages 15-24)	..	6.9	..	7.8	12.1	12.1
Unemployment, youth male (% of male labor force ages 15-24)	..	4.3	..	7	6.1	6.1
Unemployment, youth total (% of total labor force ages 15-24)	..	5	..	7.3	7.9	7.9
<b>Other</b>						
Fertility rate, total (births per woman)	5.1	..	4.3	4	3.6	3.6
GNI per capita, Atlas method (current US\$)	710	620	720	860	970	1040
GNI, Atlas method (current US\$) (billions)	3.5	3.4	4.3	5.5	6.7	7.3
Gross capital formation (% of GDP)	22.9	37.7	32.2	30.6	29.4	29.4
Life expectancy at birth, total (years)	65.3	..	67	67.3	67.9	68.2
Literacy rate, adult total (% of people ages 15 and above)	68.1	..	..	..	..	80
Population, total (millions)	4.9	5.5	5.9	6.4	6.9	7
Trade (% of GDP)	76.1	82.1	98.1	96.4	90.8	90.8

Source: World Development Indicators database, April 2006