



Approach Paper

Honduras **2011-2014**

Country Program Evaluation



Inter-American Development Bank

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Office of Evaluation and Oversight

1350 New York Avenue, N.W.

Washington, D.C. 20577

www.iadb.org/evaluation

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I. INTRODUCTION

- 1.1 As part of its 2014 annual work plan, the Office of Evaluation and Oversight (OVE) is preparing the Country Program Evaluation (CPE) with Honduras for the period 2011-2014. This approach paper defines the evaluation's scope.
- 1.2 According to the Protocol for Country Program Evaluation (document RE-348-3), the main goal of a CPE is to “to provide information on Bank performance at the country level that is credible and useful, and that enables the incorporation of lessons and recommendations that can be used to improve the development effectiveness of the Bank's overall strategy and program of country assistance.”
- 1.3 This CPE therefore aims to analyze the Bank's relationship with the country, taking an independent and comprehensive view, particularly the program's relevance, efficiency, effectiveness, and sustainability, including both financial and nonfinancial products offered by the Bank during the period under analysis. This evaluation is intended as an input to the new country strategy document being prepared by the Bank.
- 1.4 This CPE is the fourth OVE evaluation of the Bank's program with Honduras. Past evaluations covered the periods 1990-2000 (document RE-263), 2001-2006 (document RE-328), and 2007-2010 (document RE-390). This CPE covers the Bank's program for the period 2011-2014.

II. GENERAL CONTEXT

- 2.1 **The period under evaluation began just a few months after the Bank declared a “pause” in its relations with Honduras in the wake of the 2009 political crisis.** On 7 July 2009, as a result of the political crisis, the Bank's Board of Executive Directors approved a pause in relations with Honduras, which meant the freezing of disbursements and suspension of new operations. The Bank did not therefore have formal dealings with the Government of Honduras during this period. This pause lasted until 2010. The challenges the Bank faced when reestablishing relations and reactivating the portfolio were substantial.
- 2.2 **Honduras suffers from high levels of poverty and inequality, and a large percentage of its population is engaged in low productivity occupations.** Honduras is Central America's second poorest country, with an estimated per capita GDP of US\$2,322¹ and the region's lowest productivity, exacerbated by the low quality of capital formation.² Honduras has the worst child poverty in Latin America. Seventy-five percent of the population aged 0-17 lives in households considered poor and 50% lives in extreme poverty.³ With a Gini index of 57,

¹ World Bank. *World Development Indicators*. Estimated figure for year-end 2012.

² Pagés, C. 2010. *The Age of Productivity*. Inter-American Development Bank. Washington, D.C.

³ Economic Commission for Latin America and the Caribbean (2014). *Economic and Social Panorama of the Community of Latin American and Caribbean States*, ECLAC, Chile, p. 31.

Honduras⁴ is, after Haiti, the second most unequal country in Latin America and the Caribbean, and the eighth most unequal in the world.⁵ While the top earning 10% of the population accounts for 42.4% of total income, the lowest paid 10% receives just 0.4%.⁶ Approximately 47% of the population lives in rural areas and is mainly engaged in agricultural activities, and as a result of their low productivity, account for just 14% of GDP (see Table 1).

Table 1. GDP distribution and labor force by Economic Sector (2012)

Sector	% GDP	% labor force
Agriculture	14	39
Industry	28	21
Services	58	40

Source: ECLAC, Economic and social data.

- 2.3 **The fiscal situation of Honduras's central government has deteriorated considerably.** Honduras's fiscal deficit in 2007 represented 2.9% of GDP. The fiscal deficit is projected to reach 7.8% of GDP by year-end 2013, above the 4.5% initially envisaged (see Figure 1). A variety of factors underlie this deterioration, including excessive and rigid spending, particularly in the case of wages and salaries, and difficulties collecting taxes.⁷

⁴ See *The World Bank* <http://data.worldbank.org/indicator/SI.POV.GINI>, retrieved 13 March 2014.

⁵ See *Index Mundi* <http://www.indexmundi.com/facts/indicators/SI.POV.GINI/rankings>, retrieved 13 March 2014.

⁶ See note 4 above.

⁷ During its final months in office, the previous government made a series of changes to the tax system and reorganized public expenditure, which are expected reduce the fiscal deficit to 4.5% by the end of 2014. The legislative changes passed at the end of the last government's term, which should be implemented by the current government, include the *Ley de Reordenamiento de las Finanzas Públicas, Control de las Exoneraciones y Medidas Antievasión (Law on the Reorganization of Public Finance, Exemptions Control, and Anti-Evasion Measures)*. The law aims to expand the tax base for income tax, and regulate tax exemptions, sales tax, and tariffs on imports. It also includes measures to improve tax collection and curb tax evasion. These changes are expected to increase tax collection by 4%. However, the Honduran Congress relaxed the measures, particularly as regards exemptions, such that the initial objective may not be met.

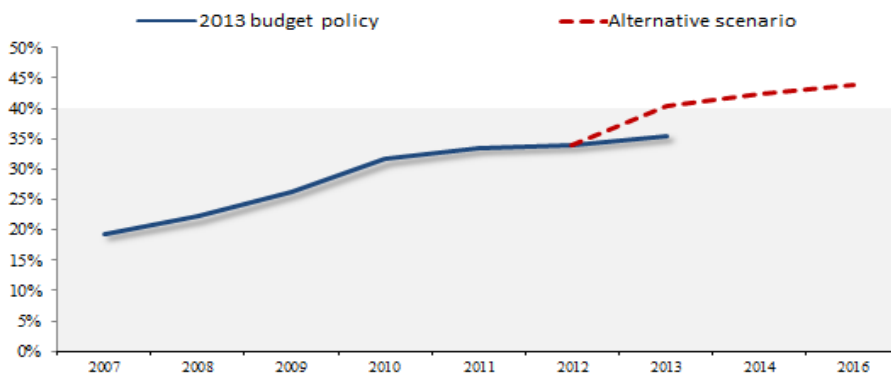
Figure 1. Central Government Deficit (% of GDP)



Sources: OVE, based on BCH and SEFIN data.

2.4 **Public debt has increased and there is a risk that it will continue to do so over the short and medium term.** Honduras's participation in the HIPC debt relief initiative in 2007 enabled it to reduce its public debt by approximately 75%. Nonetheless, according to the most recent estimates, total public debt as a share of GDP reached 42% at the end of 2013 and is expected to rise to 46% by the end of 2014 (see Figure 2). This growth is in response to the need to finance the fiscal deficit referred to above. The composition of public debt has changed over time. In 2008, domestic debt represented just over 20% of the total. At the end of 2013 it was approximately 40%. This resulted in higher debt servicing costs. Debt principal and interest payments amounted to 20% of total spending.

Figure 2. Total public debt



Sources: IDB, based on SEFIN and *EIU data.

- 2.5 The payment schedule for the 2014 and 2015 tax years suggests that the fiscal outlook may deteriorate even further if the enacted fiscal measures currently being implemented do not substantially increase tax revenues. This does not seem likely to happen in the short term, as the Honduran government's budgetary policy guidelines for 2014 envisage the government's total income covering just 78% of total spending. According to the Economist Intelligence Unit (EIU), the debt could come to 43% of GDP in 2016 (see Figure 2). Last year, when assessed using the Debt Sustainability Framework (DSF) model, Honduras's debt was low risk.⁸
- 2.6 **Honduras's economic activity is closely linked to the economic cycle in the United States.** Around 65% of Honduras's exports go to the United States, and remittances from Honduran emigrants, mostly living in the United States, account for approximately 17% of GDP.
- 2.7 **Honduras's economic growth has not yet returned to pre-crisis levels and is showing signs of slowdown.** The 2009 economic and political crisis led to a drop in Honduras's output of 2.4% after nine straight years of growth. The country's economy has recently returned to positive growth, but at rates below those observed in the period immediately prior to 2009. At the end of 2013 economic activity registered a year-on-year change of 2.6%, which was less than the 4.6% seen in 2012.⁹ Various external factors weighed on Honduras's economic performance in 2013, such as the slow global recovery overall, and particularly in the U.S., and the weak international prices for Honduras's exports. Domestically, the fiscal situation has increased the pressure on the performance of the economy as a whole.¹⁰
- 2.8 **The Honduran economy is highly vulnerable to weather events.** *Germanwatch Global Risk Index* (CRI) ranks Honduras as the world's most vulnerable country in terms of climate risk.¹¹ Honduras experienced a total of 65 extreme weather events between 1992 and 2011, causing losses of 2.62% of GDP (US\$667.26 million, PPP) and 330 fatalities.
- 2.9 **The high homicide rate affects social coexistence and economic activity.** Honduras has the world's highest homicide rate of any country not involved in armed conflict (79 homicides per 100,000 inhabitants in 2013). According to experts' opinions, the reasons for the high crime rate are complex and include the activities of international criminal groups involved in drug trafficking, gangs in poor districts of cities such as Tegucigalpa, San Pedro de Sula, and El Progreso.

⁸ Document GN-2442-44. Fund for Special Operations. Review of the Implementation of the Debt Sustainability Framework and Enhanced Performance-based Allocation 2011-2012, 13 February 2013.

⁹ Central Bank of Honduras, ECLAC (2014), *World Development Indicators* (2014), *Economist Intelligence Unit*.

¹⁰ IDB, Honduras Monthly Newsletter, Country Department Central America, Mexico, Panama and Dominican Republic.

¹¹ *Germanwatch Global Climate Risk Index* 2014. <http://germanwatch.org/en/download/8551.pdf>, retrieved on 13 March 2014.

Crime rates curb private investment and tourism development,¹² as is reflected by various operational risk indexes (i.e., *operational risk environment*) for investors.¹³

- 2.10 **Honduras's weak institutional framework limits its ability to implement policies and execute development projects.** The Bank's country strategy with Honduras (2011-2014) identified institutional weakness as one of the main challenges to achieving effective reforms and enhancing portfolio execution.¹⁴ Unsurprisingly, various institutional development indices place Honduras at the bottom of the table in the region.¹⁵ Moreover, at the start of the evaluation period, the Bank's outstanding disbursements totaled 70% of its portfolio (US\$699 million), 26% higher than in the previous period.¹⁶

III. OVERVIEW OF THE BANK'S PROGRAM (2011-2014)

A. Country strategy

- 3.1 **The Bank's program in the country has traditionally been very scattered.** In its CPE for the period 2007-2010, OVE diagnosed the Bank's program as being very scattered and that clear criteria for the sector allocation of resources had not been identified. The 2007-2010 country strategy proposed achieving a total of 120 objectives.¹⁷ Over the period 2007-2010 a total of 35 operations were approved, spread across almost 15 sectors, with the involvement of more than 20 executing units. It is possible that the Bank's financial significance in the country is one of the

¹² Carrión, M. and M. Dammert, comp. 2009. *Economía política de la seguridad ciudadana*. FLACSO. Quito, Ecuador.

¹³ For example, The Economist Intelligence Unit, Maplecroft Global Risk Analytics, Business Monitor International, and Michigan State University's globalEDGE.

¹⁴ During the previous period, preparation costs and investment loan costs and execution times were significantly higher than the Bank's averages. See document RE-390, Country Program Evaluation: Honduras 2007-2010, paragraphs 3.6-3.9.

¹⁵ For example, Honduras obtained a score of -0.71 on the World Bank "Government Effectiveness" index, compared with a regional average of 0.01 (World Bank. *Worldwide Governance Indicators*. <http://www.worldbank.org/wbi>). Honduras also obtained a score of 17 on the index of meritocratic practices in the civil service prepared by the IDB (*Informe sobre la situación del servicio civil en América Latina, 2006*), more than 50% lower than the regional average. The Global Economic Forum gave Honduras's public institutions a score of 3.42, while the region's average was 4.16.

¹⁶ The key factors contributing to the backlog in balances to be disbursed include the implementation of debt relief and the Bank's concessional financing reform in 2007. This reform increased the availability of financing for the Bank's Group D2 countries. In the specific case of Honduras, the average annual sovereign guaranteed investment loan approvals in the period 2003-2006 came to \$95 million, while in the period 2007-2010 the figure was \$130 million, an increase of 36%. The global financial crisis also meant supplementary allocations for the period 2009-2010, doubling the FSO resources for Group D2 countries relative to the period 2007-2008 (paragraph 3.3 of document GN-2442-34). Lastly, as a consequence of the crisis in late 2009, the Bank approved an exception for Honduras concerning the FSO carryover policy to allow the whole quota of funds allocated for the 2009-2010 cycle but not approved in 2009 to be used in 2010 (paragraph 3.5 of document GN-2442-34)

¹⁷ Document RE-390.

- reasons it is difficult to target its investments, since if the Bank exits a sector there is a risk it will be left underfinanced.
- 3.2 The Bank's country strategy for the period 2011-2014 aimed to reduce this strategic dispersion. The Bank therefore defined five sectors on which it aimed to concentrate: (i) public management; (ii) financial system; (iii) social protection; (iv) health; and (v) energy. These sectors were agreed with the Government of Honduras in the 2010-2014 Government Plan and the Bank's diagnostic assessments.¹⁸ The Bank also proposed maintaining the policy dialogue in the following areas: food security, early childhood development, labor markets, telecommunications, fiscal sustainability, and citizen security.¹⁹ Lastly, it was proposed that an effort be made to enhance portfolio execution.
- 3.3 According to the country strategy, the four private sector windows will cater to the following areas: (i) support to financial intermediaries, credit lines for exports; (ii) support for micro, small, and medium-sized enterprises (MSMEs) in agriculture, manufacturing, tourism, finance, and textiles; and (iii) support to the agroindustrial sector, and to health, low-income housing, higher education, and ports through public-private partnerships (PPPs).
- 3.4 Under the country strategy, the main aim in the selected sectors was to support achievement of the following three objectives in the "Country Vision":²⁰ (i) an educated, healthy Honduras free of extreme poverty, with consolidated social welfare systems; (ii) a productive Honduras that produces opportunities and decent jobs, and that uses its resources in a sustainable way and reduces environmental vulnerability; and (iii) a modern, transparent, responsible, efficient, and competitive State. The strategic objectives associated with each sector of Bank intervention are described below (Table 2).

¹⁸ Competitiveness and growth in Honduras.

¹⁹ The Country Strategy also envisaged the Bank's continuing to define its strategic focus to support implementation of the comprehensive policy on coexistence and citizen security 2011-2012.

²⁰ Legislative Decree 286-2009, dated 2 February 2010.

**Table 2. The Bank's strategic objectives at sector level
(document GN-2645)**

Sector	Strategic Objectives
Public management	Improve the financial and actuarial sustainability of social welfare systems and the capacity to control and manage spending by central administration personnel.
Financial system	Strengthen the financial security network and promote greater financial inclusion.
Social protection	Increase the effectiveness and efficiency of the conditional cash transfer program.
Health	Improve coordination of and access to basic health and nutrition services.
Energy	Increase the rate of coverage for electric power at the national level.
	Increase the share of renewable sources in the electric power grid.
	Improve the operational and commercial efficiency of the electricity sector.
Financial management and public procurement	Use of country systems

3.5 The strategy envisaged a base **estimated lending framework** for sovereign guaranteed loan approvals of a total of US\$648 million over the period 2011-2014 (US\$162 million per year), of which US\$48.6 million (30%) would come from the Fund for Special Operations (FSO) and US\$113.4 million (70%) from the Ordinary Capital.²¹ Total disbursements were estimated to come to US\$703 million (US\$176 million per year). The Bank announced that if portfolio indicators were to improve, annual approvals could rise to US\$171 million (US\$684 million) and average annual disbursements to US\$196 million (US\$783). The financial flow estimates were consistent with public debt equivalent to 27% of GDP and a fiscal deficit of close to 2% in 2014.

B. Implemented program

3.6 The Honduras portfolio that will be analyzed in this evaluation is equal to US\$1.353 billion distributed over 122 operations, including loans and technical cooperation operations. Of these, 70 operations for a total of US\$696 million were approved between January 2011 and February 2014. Of the total, US\$467 million was in the form of sovereign-guaranteed investment loans, US\$80 million in that of fast-disbursing loans, US\$115 million in private sector loans, US\$1.7 million in a reimbursable MIF operation, US\$3.8 million in MIF grants, and US\$28 million in technical cooperation operations (see Table 3). The remainder was accounted for by operations at some point of execution at the start of the evaluation period (US\$657 million).

3.7 The sectors with the largest number of operations approved during the period were the social sector (US\$289 million or 42% of the approved amount), health (US\$86 million or 12% of the approved amount), and financial markets (US\$71 million or 10% of the approved amount). Of operations approved in the period, 79.4% are sovereign-guaranteed (SG) loans and include 10 investment loans

²¹ See note 8 above.

and two policy-based or programmatic loans; 4% correspond to 42 technical cooperation grants; 16.7% to non-sovereign guaranteed (NSG) loans and 0.6% to MIF grants. The analyzed portfolio includes 55 operations that were approved before 2011, for a total amount of US\$657 million, and are primarily concentrated in the transportation sector (51%) (See Figure 3 and Tables 3 and 4).

Figure 3. Distribution of approvals by year and instrument

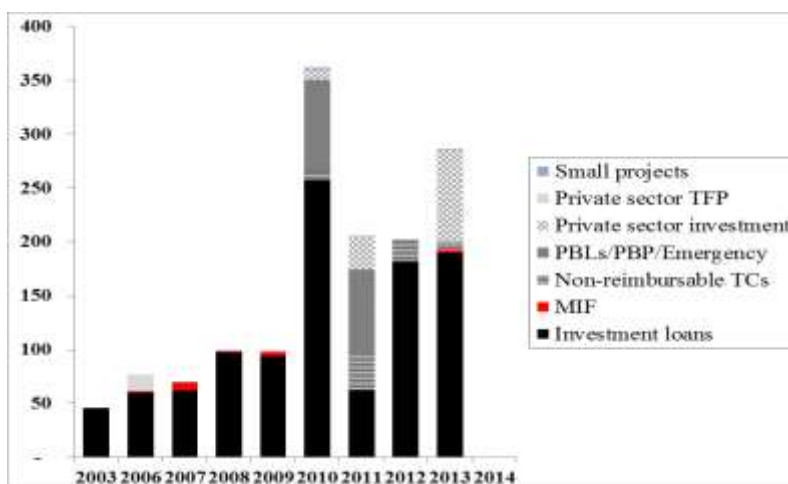


Table 3. Amounts approved by Sector 2011-2014

Sectors	US\$
Urban Development and Housing	17,200,000
Education	37,000,000
Energy	22,930,000
Social Investment	234,800,000
Reform and Modernization of the State	25,000,000
Health	80,000,000
Transportation	17,200,000
Total	434,130,000

Table 4. Balance pending disbursement in January 2011

Sectors	US\$
Transportation	321,466,985
Health	35,720,019
Foreign Trade	10,000,000
Social Investment	90,018,504
Environment and Natural Disasters	19,342,836
Energy	42,295,947
Reform and Modernization of the State	27,764,707
Agriculture and Rural Development	26,600,000
Urban Development and Housing	18,066,319
Education	6,984,876
Tourism	15,493,051
Water and Sanitation	34,527,067
Total	648,280,312

IV. EVALUATION SCOPE AND QUESTIONS

- 4.1 This CPE will evaluate **the Bank’s program during the period 2011-2014**. In particular, the evaluation will analyze the set of operations active during the period from 2011 to 31 April 2014, and those operations approved earlier but for which funds were pending disbursement at the start of 2011. The types of operations to be evaluated include: sovereign-guaranteed loans, guarantees and non-sovereign guaranteed loans (SCF and OMJ), technical cooperation and nonreimbursable investment operations.
- 4.2 This evaluation will use the standard country program evaluation framework to analyze the **relevance, effectiveness, efficiency, and sustainability** of the Bank’s program. The evaluation will place particular emphasis on analyzing the efforts the Bank and the country may have made to remedy the portfolio implementation issues identified at the start of the period.
- A. Relevance**
- 4.3 *Relevance* refers to the degree of consistency between (i) the formulation and objectives of the Bank’s support strategy and program with (ii) the country’s needs, development plans, and government priorities.
- 4.4 The fundamental question of relevance the CPE will seek to answer is whether the Bank’s program was adequately structured to help Honduras address its principal structural development challenges and the challenges that arose during strategy execution (e.g., fiscal tensions, climatological emergencies). Specifically, the CPE aims to answer the following questions:
- To what extent is the strategy relevant to the country’s needs?
 - To what extent were operation approvals between 2011 and April 2014 adequately targeted and consistent with Honduras’s main development

objectives, as identified in the Bank's country strategy: increasing productivity, reducing poverty and inequality, and modernizing the State?²²

- To what extent were operation approvals between 2011 and April 2014 consistent with the strategic priorities set forth in the country strategy: public management, financial system, social protection, health, and energy?
- To what extent did the criteria for targeting the Bank's intervention in the period 2011-2014 improve so as to reduce the dispersion detected in the previous period?
- To what extent was the approval and/or reformulation of operations arising between 2011 and April 2014 (i.e., sector and type of instrument) consistent with the priorities set during the country strategy implementation period, such as fiscal consolidation and responding to climatological emergencies?
- To what extent are the indicators of specific operations approved between 2011 and April 2014 aligned with the indicators set forth in the country strategy?

B. Efficiency and implementation

4.5 *Efficiency* refers to the extent to which program execution and design have been cost-effective. As part of the efficiency analysis, the CPE will include an analysis of the factors affecting program *implementation*. On this dimension, the CPE aims to answer the following questions:

- What are the main problems or factors explaining the success or failure of program implementation (including those regarding operation design and portfolio management)?
- How has the use of national systems evolved and to what extent has this helped program implementation?
- How has the Bank's support for the country's institutional framework developed to alleviate execution problems?
- To what extent did the risks identified in the country strategy adequately identify operation design elements?
- Given the importance of international cooperation in Honduras, what role has the Bank played in enhancing donor cooperation?

C. Effectiveness

4.6 *Effectiveness* refers to the extent to which the support instruments achieved the proposed objectives. On this dimension, the CPE aims to answer the following questions:

²² Paragraph 1.3 of the country strategy (document GN-2645) states that Honduras is facing a multiplicity of challenges, such as overcoming shortcomings in service delivery, inadequate infrastructure, and geographical concentration.

- To what extent were the strategic objectives set out in the country strategy achieved?
- What specific contributions did the Bank make to help Honduras reduce its fiscal deficit and address its climatological vulnerability?
- To what extent have the projects' outputs been achieved?
- How likely is it, based on the information available to date, that the projects' outcomes will be achieved?

D. Sustainability

4.7 *Sustainability* refers to the likelihood of the outcomes of the Bank's support persisting after the program has concluded. On this dimension, the CPE aims to answer the following question:

- What evidence is there that the outcomes obtained with the Bank's program are sustainable?

V. METHODOLOGY

- 5.1 To answer these questions, the evaluation will use an integrated set of methods. The main evaluation tools and sources of information are described in Annex I.
- 5.2 To analyze the country's main development challenges, government priorities, and the challenges and context in the period, the evaluation will analyze a set of country-level economic and social data and documents including, for example, the government plan, national sector-level plans, and other relevant diagnostic studies at country or sector level produced by the government, the Bank, or other bodies (e.g., the IMF, World Bank).
- 5.3 The analysis of the relevance of the implemented program will focus on the alignment of the executed program with the government program's priorities, strategic objectives, and the extent to which the Bank's program was adapted to the challenges that arose during program implementation. To assess program efficiency and implementation, the evaluation will analyze how the Bank's portfolio efficiency indicators with Honduras have progressed and the factors that have enabled a substantial improvement.
- 5.4 In terms of effectiveness, the evaluation will analyze the Bank's contribution to achieving the strategic objectives and the progress of operations towards those objectives.
- 5.5 To this end, the evaluation team will use all the available empirical evidence and develop an **evaluation template** focused on fundamental questions concerning the relevance, implementation, outcomes, and sustainability of the loan and technical cooperation operations.

5.6 This analysis of documentation and data will be supplemented with interviews of the various stakeholders involved in Bank program design and implementation at both the strategic and operational level, including:

- Bank staff involved in the design and implementation of the country strategy and Bank program operations.
- Authorities responsible for sector policies, in the current and previous administrations, who are familiar with the strategic relationship with the Bank in the various sectors in which it acts.
- Staff of the executing agencies for Bank projects.
- Officials of other multilateral and bilateral agencies with a presence in the country.
- Other sector specialists, representatives of academia or think tanks.

VI. EVALUATION TEAM AND TIMELINE

6.1 **Evaluation team:** The evaluation team consists of Oliver Azuara, José Claudio Pires, Miguel Soldano, Alayna Tetreault-Rooney, Saleema Vellani, María de los Ángeles Aulet, Christopher Willoughby, and Pablo Alonso.

6.2 **Timeline:** The evaluation timeline is as follows:

Activity	Date
Mission	5-16 May
Draft CPE for review by Management/government	29 August 2014
Reception of comments from government/Management	29 September 2014
CPE sent to SEC	10 October 2014
CPE discussed by the Board of Executive Directors	October 2014

EVALUATION MATRIX

Evaluation questions	Sources of information	Method used to gather information	Type of analysis
Relevance			
Were the strategic objectives established in the country strategy consistent with Honduras's development priorities?	Country strategy, programming documents, government program, national sector-level plans, OECD, World Bank, and IDB diagnostic studies	Document review	Mapping of strategic objectives in relation to the main development challenges and government program priorities
To what extent did the Bank's intervention targeting criteria improve?	Country strategy, IDB team, counterparts	Document review Interviews with IDB team and counterparts	Analysis of country strategy (strategic areas and objectives, results matrix)
To what extent was the implemented program (including technical cooperation operations) consistent with the strategic priorities established in the country strategy and adequately targeted to help achieve the principal objectives of increasing productivity, reducing poverty, and modernizing the State?	Country strategy, programming documents, loan documents, and technical cooperation profiles	Document review	Mapping of project and technical cooperation objectives in relation to the strategy objectives and government program objectives
To what extent was the implemented program (including technical cooperation operations) consistent with the priorities set during the country strategy implementation period, such as fiscal consolidation and responding to climatological emergencies?	Loan and technical cooperation documents, IDB team, counterparts	Document review Interviews with IDB team and counterparts	Portfolio analysis (design of projects and technical cooperation operations) in terms of innovation and knowledge creation Analysis of selection criteria for technical cooperation operations
To what extent were the technical cooperation and (SG and NSG) loan operations used strategically to help achieve the stated objectives?	Loan and technical cooperation documents, IDB team, counterparts	Document review Interviews with IDB team and counterparts	Portfolio analysis (design of projects and technical cooperation operations) in terms of innovation and knowledge creation

Evaluation questions	Sources of information	Method used to gather information	Type of analysis
To what extent are the indicators of specific operations aligned with the indicators set out in the country strategy?		Document review Interviews with IDB team and counterparts	Portfolio analysis (design of projects and technical cooperation operations) in terms of innovation and knowledge creation Analysis of selection system for technical cooperation operations
Efficiency			
How have the Bank's efficiency indicators with Honduras progressed?	Country programming documents (CPDs), loan and technical cooperation documents, general information at operational level from the Bank's information systems, such as OPS, OVEDA, Finance Data Mart, FIN LMS Portfolio review reports	Document review Qualitative portfolio analysis Interviews with IDB team and counterparts	Analysis of approved portfolio Analysis of canceled operations Analysis of results of interviews
What factors explain the substantive improvements in the Bank's portfolio indicators with Honduras?	CPDs, loan and technical cooperation documents, general information at operational level from the Bank's information systems, such as OPS, OVEDA, Finance Data Mart, FIN LMS Portfolio review reports	Document review Interviews with IDB team and counterparts	Analysis of approved portfolio Analysis of canceled operations Analysis of results of interviews
Effectiveness			
To what extent has the programmatic commitment envisaged by the Bank (including use of loans and technical cooperation operations) progressed and what factors explain its success/failure?	PMRs, PCRs, portfolio review reports, technical cooperation outputs, IDB team, counterpart	Document review Interviews with IDB team and counterparts	Analysis of evaluation templates and results of interviews
To what extent were the strategic objectives set forth in the country strategy achieved?	PMRs, PCRs, portfolio review reports, technical cooperation outputs, IDB team, counterpart	Document review Interviews Production of evaluation templates	Analysis of evaluation templates in terms of outcomes associated with strategic objectives

Evaluation questions	Sources of information	Method used to gather information	Type of analysis
What specific contributions did the Bank make to help Honduras increase the productivity of the economy, reduce extreme poverty, reduce the fiscal deficit, address climatological vulnerability, and modernize the State?	PMRs, PCRs, technical cooperation outputs, Bank team, counterparts	Document review Interviews Production of evaluation templates for projects and technical cooperation operations	Analysis of evaluation templates focusing on design and knowledge transfer outcomes
To what extent were the strategic objectives at the sector level achieved?	PMRs, PCRs, technical cooperation outputs, Bank team, counterparts	Document review Interviews Production of evaluation templates	Analysis of evaluation templates in terms of outcomes linked to sector objectives
<i>Sustainability</i>			
What evidence is there that the outcomes obtained with the Bank's program are sustainable?	PMRs, PCRs, technical cooperation monitoring/outcome reports, IDB team, counterparts	Document review Interviews with IDB team and counterparts	Analysis of project and technical cooperation evaluation templates in terms of sustainability