

INFOGRAPHIC SUMMARY

Third **Public** **Infrastructure** Assurance Process



The **Infrastructure Transparency Initiative – CoST Honduras** emerges with the objective of raising the transparency and accountability standards for public infrastructure projects in the country.



I. General Information

1

PROJECTS INCLUDED IN THE ASSURANCE STUDY

Public-Private Partnership Scheme:

- 1 Palmerola International Airport
- 2 Puerto Cortés Containers and Loading Terminal
- 3 Government Civic Center
- 4 Touristic Corridor La Barca – La Ceiba
- 5 Bus Terminal and Market – Danlí

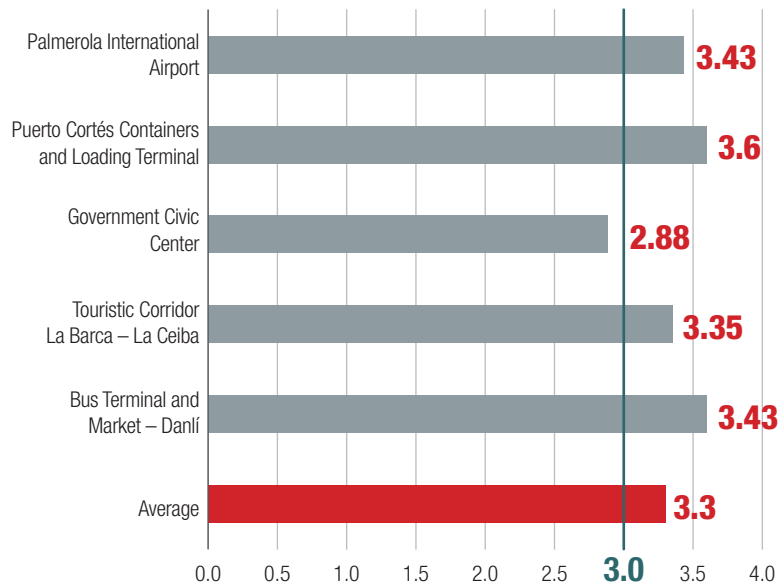
Public Investment Scheme (IP):

- 6 Western Road: from La Entrada to Santa Rosa de Copán
- 7 CA-1 Highway: section Júcaro Galán - El Amatillo



2

ELEGIBILITY INDEX FOR PPP PROJECT DEVELOPMENT



MAXIMUM INDEX: 5

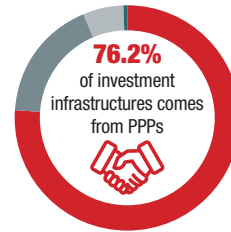


MINIMUM INDEX: 3

3
ORIGIN OF THE FUNDS, DESTINY OF INVESTMENT PER PROJECT

Funds origin (according to data of the SISOCS and CoST-Coalianza portal, Feb. 2017)

	Million US\$	%
Public – Private Partnership	1,830.13	76.2
National funds	141.45	5.9
International Loan	421.40	17.5
No data available	9.64	0.4

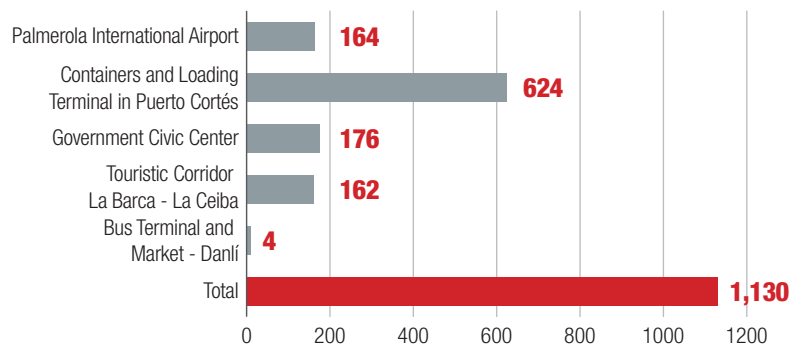


Funds Destination, PPP scheme (according to data of the SISOCS and CoST-Coalianza portal, Feb. 2017)

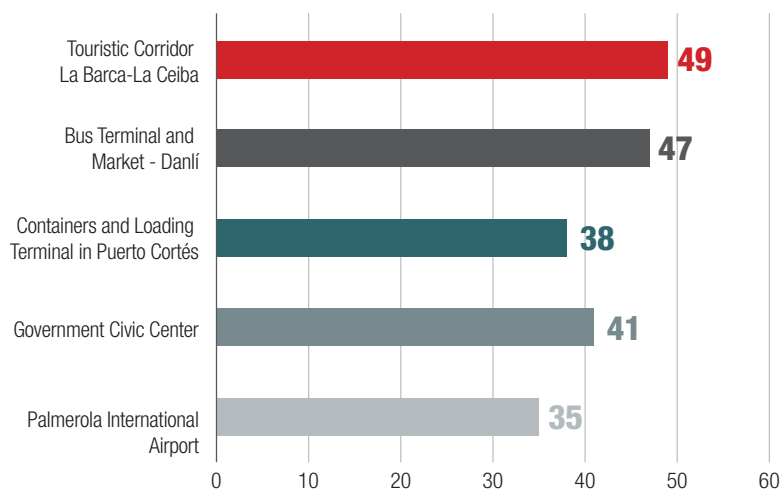
	Million US\$	%
Roads	369.73	20.2
Buildings	200.00	10.9
Airports	139.48	7.7
Markets – Terminals	4.05	0.2
Ports	1,116.87	61.0



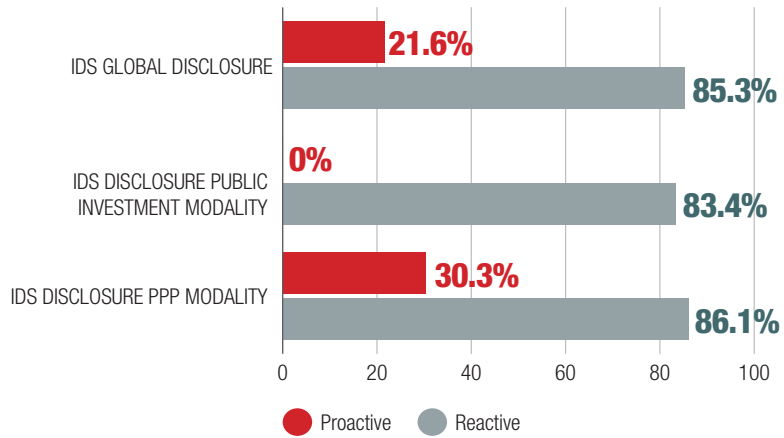
Referential Investment of PPP Projects (Millions of US\$, according Third Assurance Study)



4
LEVEL OF ATTENTION THE PROJECTS DEMAND FOR CONTRACT COMPLIANCE

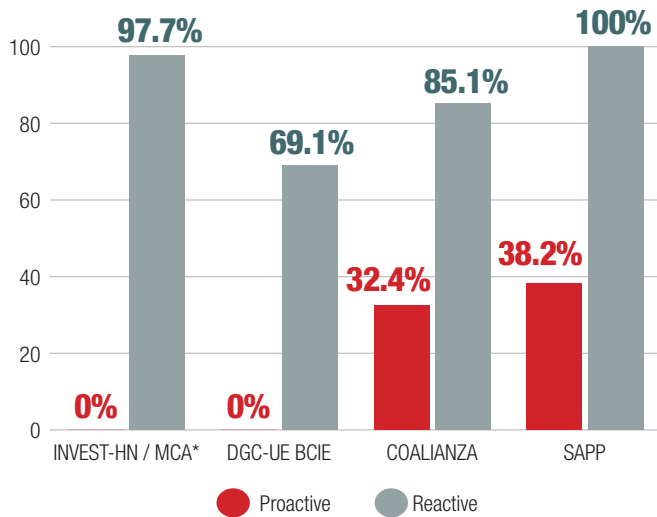


5
**KEY PROJECT
INFORMATION
DISCLOSURE (IDS)**

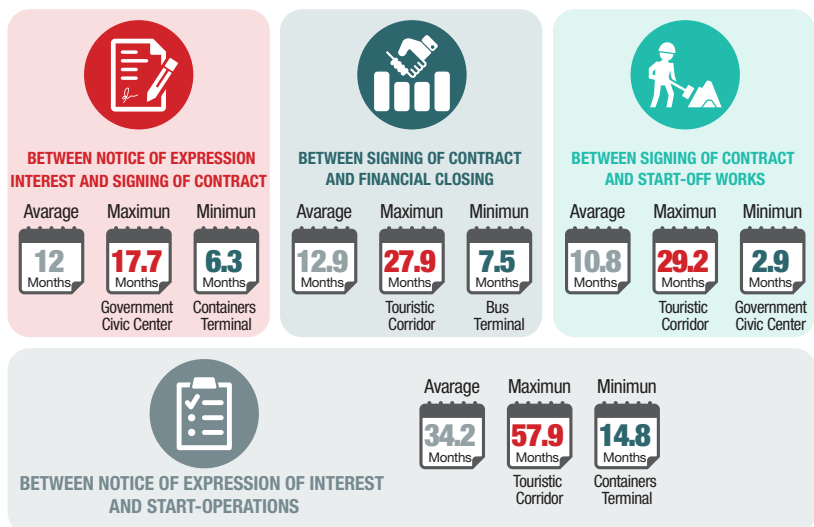


6
**IDS DISCLOSURE
BY ENTITY**

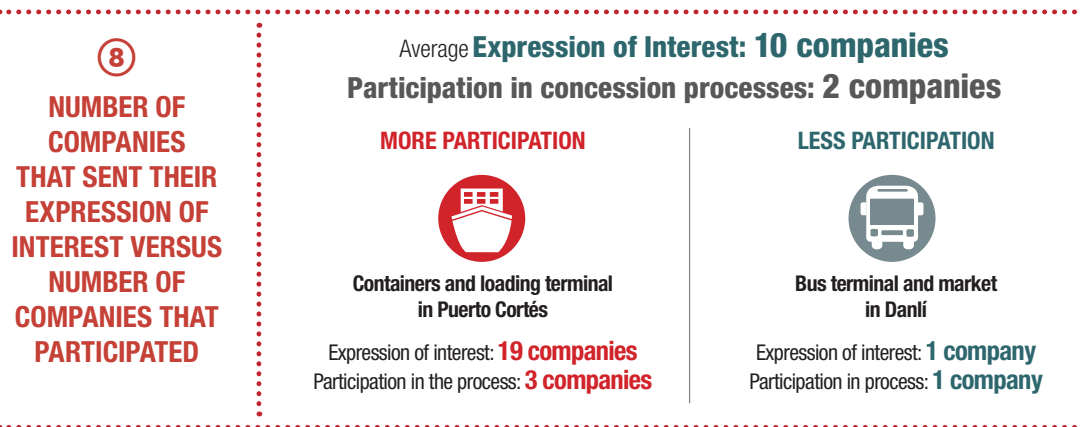
- Coalianza 295 documents
- SAPP 15 documents






7
**TIMEFRAMES
PROJECT
PHASES-PPP**




* Strategic Investment of Honduras (INVEST-HN) / Millennium Account (MCA), General Directorate of Roads (DGC), European Union (EU), Central American Bank for Economic Integration (CABEI), Commission for the Promotion of Public-Private Partnerships (COALIANZA), Superintendence for Public Private Partnerships (SAPP).



II. Findings and recommendations

PROJECT: INTERNATIONAL AIRPORT OF PALMEROLA (IAP)	
FINDINGS	RECOMMENDATIONS
<p>1 Change of location of the passengers terminal near a tank of 2 million gallons of fuel.</p>	<p>Verify with the International Civil Aviation Organization (ICAO), and the National Fire Protection Association NFPA, regarding the provision of Annex 14, aerodromes (ICAO), and the NFPA 30 (2015) and NFPA 407 (2017) Standards.</p> 
<p>2 Risks of non-planned urban development in approximation areas.</p>	<p>Design Plan for Land Use together with neighbors of the municipality.</p> 
<p>3 Disclosure Matrix of CoST IDS+WB Disclosure Framework, 130 datapoints.</p>	<p>Adapt the Information and Monitoring System for Works and Supervision contracts (SISOCS) for PPP and generate a Disclosure framework and protocol.</p>  <p>This finding and recommendation applies to all PPP projects.</p>

PROJECT: CONTAINERS AND LOADING TERMINAL IN PUERTO CORTÉS	
FINDINGS	RECOMMENDATION
<p>1 Delay in sending technical administrative and financial inspector by the concessionaire and trustor.</p>	<p>Application of sanctions by Superintendence for Public Private Partnerships (SAPP).</p> 

- 2 Generation of shared value through the integral management policy: reconstruction of the hospital, repair of power sub-station, gender equity: 50% operators.

Design an integral management public policy to create shared value and verify its impact around PPP projects.



PROJECT: GOVERNMENT CIVIC CENTER (CGG)

FINDINGS

- 1 According to Master Plan, construction of 3 buildings in plot A (Plaza José Cecilio del Valle) and 4 buildings in plot B (El Zarzal). According to the contract, the construction of two 24-floors towers and 4 7 floor low bodies in plot A, concentrating 10 thousand employees in a single site.

RECOMMENDATION

Disclose the criteria that motivated the change.



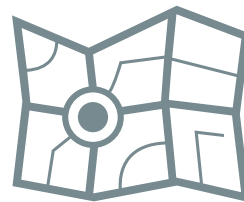
- 2 Deliverance through decree of submitting **18 permits**: Ministry of Natural Resources and the Environment, Firefighters and Municipality.

Carry out road and environment impact analysis, verifying possible impacts as stipulated in the decree.



- 3 Risk of drastic increase of current vehicle traffic.

Disclosure Plan for Road Development of the Municipality of the central District (AMCD) that includes the road impact of the GCC and plan measures related with work schedules.



- 4 Prolonged exposure to contaminants, such as PM10 (thick particles or with aerodynamic diameter).

Create environmental normative for high building projects, monitor PM10 AND PM 2.5 particles, conduct wind simulation analysis to verify the most affected zones.



- 5 According to some associations, non-inclusion of their issues of concern (Association of Mechanical, Electrical and Chemical Engineers, of Honduras CIMEQH, Assoc. of Civil Engineers-CICH and Association of Architects-CAH).

Develop a Communication Plan and present to the public the Investment Risk Management Plan.



PROJECT: TOURISTIC CORRIDOR LA BARCA – LA CEIBA

FINDINGS

- 1 Risk of non – compliance of minimum annual income generation guaranteed

Minimum income per year:

First year **US\$ 20 millions**

Fifteenth year **US\$ 50 millions**

RECOMMENDATION

Renegotiate the contract. In future projects prepare daily traffic studies for at least one year and conduct a multidisciplinary analysis in the first planning stage.



PROJECT: BUS TERMINAL AND MARKET IN DANLÍ

FINDINGS

- 1 Changing scheme to PPP after the bidding process; and after awarding the contract.

Disclose and socialize information on changes in Project Schemes.



- 2 Inadequate construction of market besides the terminal, according to assessment of the Danli Urban Development Plan, 2012.

Respect the Urban Development Plan in future Projects and if there is no design, design, disclose, and socialize it.



- 3 Potential affectation of the response capacity of the metallic structure against sismic movements and winds.

Make structural analysis by a recognized expert, and involve SAPP in follow-up.



4 The socialization did not consider the process of feedback of other stakeholders, generating disagreements and questions among transportation providers and tenants.

Design and implement a feedback mechanism to ensure that citizen opinions and preferences are taken into account or are properly answered.



PROJECT: ROAD CA-4: LA ENTRADA – SANTA ROSA DE COPÁN

FINDINGS

RECOMMENDATION

1 The project funding structure included the payment mechanism through the contract of the contractor, expediting the resettlement process.

Standardize this good practice ensuring, from the procurement entity, peoples' right to receive a fair and adequate resettlement.



2 Satisfaction of stakeholders in the sustainability and socialization strategy.

Implement this type of strategy in similar projects.



PROJECT: CA-1 ROAD JÍCARO GALÁN – EL AMATILLO

FINDINGS

RECOMMENDATION

1 Socialization during the design and before starting implementation.

Standardize this good practice in all procurement entities.



2 Modification of 22% of the contract amount.

Fine-tune design criteria in the Planning phase (Ministry of Infrastructure and Public Services -INSEP).



MULTISTAKEHOLDER GROUP CoST Honduras

