The Programming Committee of the Board met on April 24, 2008 to consider the IDB Country Strategy with Honduras. Directors supported the country strategy, commending in particular the strong role played by the Country Office in its development, its emphasis on inclusive growth, and the country’s progress with economic reform and poverty reduction. Committee members welcomed the poverty focus of the strategy and its alignment with the proposed new Country Strategy Guidelines.

During the course of the meeting, discussion touched on the following issues: (1) poverty reduction, with Management noting that steps were being taken to strengthen conditional cash transfer programs and that studies on ways to promote pro-poor growth in Honduras were nearing completion; (2) natural disaster mitigation, with concern being expressed by some Directors that allocations might come at the expense of social programs (Management responded that they were focusing mitigation efforts on TC grants and co-financing); (3) food security, with Management looking for ways to support national food security measures; (4) remittances, which were expected to accompany the slowdown of the US economy, particularly since many non-resident Hondurans work in the residential construction industry; (5) donor coordination, with the Bank continuing to play a leading role; (6) water supply, sanitation and energy sectors, with the Bank maintaining efforts in supporting ongoing reforms, including the separation of policy and regulatory functions; and (7) the need to establish clearer outcome indicators.

In my capacity as Chair of the Programming Committee, I recommend that the Board approve the IDB Country Strategy with Honduras as set forth in document GN-2475.