Elements for Preparing an External Debt Strategy Fcr Honduras

Submitted to
USAID/Honduras

Under
Policy Analysis and
Implementation Project (522-0325)
Contract No. PDC-0095-I-00-9096-00
Delivery Order 17

Submitted by
Nathan Associates Inc.

February 1992

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Nathan Associates Inc.
Economic and Management Consultants
Arlington, Virginia

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Acronyms

BCH	Central Bank of Honduras (Banco Central de Honduras)
BIAPE	Inter-American Savings and Loan Bank (Banco Interamericano de Ahorro y Préstamo)
BIRF	International Reconstruction and Development Bank (Banco Internacional de Reconstrucción y Fomento)
BLADEX	Latin American Export Bank (Banco Latinoamericano de Exportaciones)
BM	World Bank (Banco Mundial)
CABEI	Central American Bank for Economic Integration (Banco Centroamericano para la Integración Económica)
CCC	Commodity Credit Corporation
CCFF	Compensatory Contingency Financing Facility
CDC	Commonwealth Development Corporation
COLAC	Latin American Savings and Loan Council (Consejo Latinoamericano de Ahorro y Crédito)
DGCP	Office of Public Credit (Dirección General de Crédito Público)
ENEE	Empresa Nacional de Energía Eléctrica
ESAF	Enhanced Structural Adjustment Facility
FHIS	Honduran Social Investment Fund (Fondo Hondureño de Inversión Social)
FIV	Investment Fund of Venezuela (Fondo de Inversiones de Venezuela)
FMO	Nederlandse Fin. Maatschapiijh
FMS	foreign military sales
GDP	gross domestic products (producto bruto interno)
IDA	International Development Agency
IDAF	International Agricultural Development Fund (Fondo Internacional de Desarrollo Agrícola)
IDB	Inter-American Development Bank (Banco Interamericano de Desarrollo)
IMF	International Monetary Fund (Fondo Monetario Internacional)
KFW	Kreditanstalt für Wiederaufbau
MHCP	Ministry of Housing and Public Credit (Ministro de Hacienda y Crédito Público)
NIO	Nederlandse Investerings Bank
OECF	Overseas Economic Cooperation Fund (Japan)
OPEC	Oil Producing and Exporting Countries
PFP	policy framework paper
SAF	Structural Adjustment Facility
SAL	Structural Adjustment Loan
SDR	special drawing rights (derechos especiales de giro [DEG])
SIGADE	External Debt Management and Administration Information System (Sistema Informatizado de Administración y Gestión Deuda Externa)
SOI	International Agency Section (Central Bank of Honduras, Sección de Organismos Internacionales)
UBS	Union de Banque Suisse
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
US	United States

Executive Summary

Honduras faces economic hardship, in large part because of an overburdening debt service on its external debt relative to its ability to pay. This situation inspired the need to analyze the management of the external debt, in the light of not only its current status but also its immediate prospects for change, both of which are explored in this report. The purpose of this exercise is to identify advisable policy measures that could be adopted to guide the handling of the country's external debt realistically compared with its actual capability to manage the different variables involved.

To achieve this objective, the author began by identifying the magnitude of the debt maintained with each of Honduras's foreign creditors. These assessments were made partly through estimates, which had to be constructed through a slow, painstaking process of data gathering. The data were gathered from available records from the Central Bank of Honduras and from the Office of Public Credit at the Ministry of Housing and Public Credit. During this stage, it became clear that there was no statistical information system in place in the public sector that could generate data periodically, comprehensively, and sequentially to facilitate analysis of the debt situation and its history.

Honduras's total external debt was estimated at US$3.037 billion, after forgiveness of US$430 million in concessional debt by the United States. The total includes renegotiation of maturities with the Paris Club in 1990 and with other requests for financing from entities such as the Nederlandse Fin. Maatschapiijh (FMO) in Holland, the Commonwealth Development Corporation (CDC) in the United Kingdom, and the Central American Bank for Economic Integration (CABEI). The most significant creditors to Honduras are multilateral agencies, which as a whole constitute 57 percent of Honduras's external creditors. Paris Club members make up 26 percent, and Latin American countries constitute 11 percent. The remaining 6 percent consists of various suppliers and commercial banks, debt to which has been drastically reduced through debt conversion and privatization over the last 6 years.

The main weakness in managing the debt stems from the lack of analytical mechanisms to measure the overall effect of disbursements and debt service of outstanding and prospective loans on public finance and foreign exchange availability. To correct and illustrate this deficiency, it was necessary to inventory loans for which there are existing agreements on financing for 1992-1994. The intended effect was to construct a scenario representative of future loans, assuming that those awaiting agreement will be made.

The results show the advantages of performing this type of analysis. Within just 4 years, the disbursements on loans to be contracted will totally replace the projected income from existing loan agreements. For debt service, the payments from new loans will increase from 2.9 percent in 1992 to an average of 42 percent in 1998. It can easily be concluded that the effect of future external indebtedness should be included in the analysis so that the debt can be reasonably managed.

The principal indicators of external debt remain virtually stable between 1992 and 1995, excluding further negotiations during 1992. The ratio of debt to gross domestic product (*producto bruto interno*, or PBI) fluctuates between 103.3 and 107.3. The ratio of debt service to PBI varies between 10.6 and 11.4, and the ratio of debt service to exports wavers between 35.1 and 37.9. In all cases, these levels are higher than the ability of the Honduran economy to support them, unless further measures are adopted to facilitate their management.

The analysis therefore included, among other variables, the impact of (1) new negotiations, such as those over the debt with Mexico; (2) the extension of the consolidation period by the 1990 Paris Club

pact (in order to reflect the extension of the time limit of the International Monetary Fund [IMF] accord to February 1992); (3) a new Paris Club meeting scheduled for June 1992; (4) the overall resolution of the banking debt and formalization of a grant for US$10 million from the International Development Agency (IDA) for that purpose; (5) access to IMF concessional funds (Enhanced Structural Adjustment Facility, or ESAF); and (6) the possibility of further negotiations with the United States to reduce Honduras's existing commercial debt with it.

The effect of incorporating all these options into the debt profile shows in some cases an initial lessening of the debt service, but an increase in the amount owed and later debt service. In other cases, there is a decrease in the amount of debt service in the first several years, but an increase in later years with no effect on the amount of debt, as in the case of Mexico. The banking debt shows a decrease in the amount of debt but in an increase in debt service. In the hypothetical case with the United States (a combination of forgiveness and debt conversion to social security and environmental protection), the debt and its service decrease simultaneously. The combined effect of all these options is a decrease in debt service as a percentage of exports of almost 9 percent in 1992, 2.3 percent in 1993, and 0.9 percent in 1994. The ratio of debt to PBI decreases 1.9 percent in 1992 and a mere 0.5 percent in 1993, after which it begins to increase 0.6 percent.

The behavior of the indicators described above shows that the alternatives developed to improve the debt situation will merely temper Honduras's indebtedness. Successfully renegotiating the contractual terms of prior agreements to noticeably improve the external debt situation is not enough. Positive changes over the medium term cannot be limited to resolving collective difficulties that, while providing relief in the short term, neither improve nor account for prospects in the medium and long terms. Thus, measures and policies should be adopted that consider the desired changes in the debt resulting from investment programs or government expenditures that might incur new external debt.

Consequently, additional measures should be adopted that allow the external debt to be stabilized and administered under conditions compatible with the ability of Honduras to utilize funds and be responsible for liabilities from external financing through loans. By passing such measures, the government will be helping to avoid a relapse in 4 or 5 years, producing a new debt crisis wherein old liabilities cannot be met and access to new external funds is restricted.

In order to improve the external debt situation in the medium term, some measures are proposed to complement the negotiation of unpaid maturities—a principal feature of the steps taken to date. Among the proposed measures to be adopted are the following.

- Adopt methods of projecting or simulating the external debt in order to analyze the changes produced by various assumptions on external financing, as well as their impact on international reserves. A tool of this type can help define policies on external indebtedness to improve its management and guide its evolution.
- Organize, systematize, and institutionalize data processing on loan agreements. The method of managing data can and should be improved in order to obtain representative and reliable information on the debt as of a given date, as well as on the maturities due in subsequent periods.
- After analyzing the overall and individual effects of new external indebtedness, prepare an annual program that includes forecasts of new external debt, making both political and technical criteria compatible. The loans included in the program should be approved first agencywide and then individually as part of the program.
- Establish a unit for the indebtedness program mentioned in the preceding item at a high enough political level where decisions are respected. This unit should also have the authority to make the final decision on a specific loan agreement, without which it cannot commit loans for

the government or with its backing. New loans should not be processed by improperly authorized individuals or entities.

- Try to broaden international financial cooperation through grants to carry out socially beneficial projects, which generate no direct revenue, and reserve the incurrence of indebtedness for projects with economic and financial potential.
- Promote implementation of the Public Credit Law, which establishes standard procedures for managing the external debt, after the law is reviewed to overcome conceptual weaknesses in it.
- Incorporate the results of the overall projections into a more aggregated economic model, in order to make the results compatible with the overall goals of the economic program in effect.

1. Introduction

The external debt crisis that has affected developing countries since the beginning of the 1980s originated partly from the abundance of funds available in international capital markets during the 1970s. This abundance contributed heavily to the creation of indiscriminate indebtedness by many Third World countries, without considering the potential effects of such a policy on their respective economies.

From a practical viewpoint, the circumstances in many countries afforded the public sector the opportunity to carry out countless projects without depending on direct foreign investment. Quite frequently, however, the public sector entities responsible for project oversight showed little ability to select or successfully carry out profitable projects. Many times, the cost of such projects was disproportionate compared with their potential benefits and with the country's ability to fund any liabilities that might result from these projects. In addition, not enough importance was given to raising foreign capital as a requisite for selecting feasible projects.

Sustained artificial price levels in international business transactions were another frequent factor in increasing external debt. Balance-of-payment loans, which were aimed at maintaining the level of international reserves and were accompanied by long periods of fixed-exchange policy, were totally unproductive as a method of external indebtedness. Thus, imports at artificially lower prices than the ability of the economy to finance them were favored, while the ability to attract foreign exchange through productive infrastructure was limited.

A weak or nonexistent ability to analyze the impact of external debt on public finance, particularly on the balance of payments, helped consolidate the elements necessary to produce an external debt crisis. One common characteristic of the process of indebtedness of countries affected by such a crisis was the separate evaluation of loan projects from their intended purposes, without incorporating them into an aggregated analytical framework. Prospective loans were evaluated on their merits or demerits in each case and relative to the prevailing market conditions when the loans were issued. Moreover, the administrative and institutional disarray that pervaded (and in some countries still does pervade) the management of loans allowed different public sector institutions to carry out uncoordinated, independent contract negotiations. The resulting chaos was (and still is) a factor that helps perpetuate the untidy process of incurring external debt.

The primary purpose of this report is to describe the criteria and basic principles to be considered in formulating an external debt strategy, from determining the total value of the debt to determining the debt service payments that should be made for 1992 through 1998 to each of Honduras's foreign creditors.

The options in reconciling the foreign debt do not have to center on arrears, except that options available should provide for some arrangement for or resolution of payment on the balance owed each creditor, as long as the solutions proposed are acceptable to the creditor.

In practice, this focus has continued to be applied by authorities at the Central Bank of Honduras, as well as by those at the Ministry of Housing and Public Credit (MHCP). In fact, throughout last year a series of agreements was reached that have succeeded in reducing the amount of debt in some cases or the amount of debt service in other cases, reviving the possibility of third-party financing, or a combination.

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The most well-known case has been forgiveness in September 1991 of the balance owed (approximately US$430 million) on concessional loans disbursed by the United States and its agencies (P.L. 480 and A.I.D. loans). Added to that amount were disbursements that were being made on loans being processed. The measure excluded loans granted for commercial ventures backed by the United States or its agencies; these loans must continue to be repaid according to the loan agreement.

The Nederlandse Investerings Bank (NIO), a government agency in the Netherlands that finances development projects on totally concessional terms, also has adopted a policy of debt forgiveness toward Honduras. The NIO has made known and begun to put in practice its aim of forgiving proportional payments of principal and interest due in a given period if the country's financial situation has not improved enough to allow it to handle its external liabilities. As a result of this policy, it is envisaged that in the near future, the debt service for each year will also be forgiven at its maturity.

To handle international agencies with parties that have not resolved arrears, and whose statutes preclude them from entering into arrangements involving any form of forgiveness, Honduran authorities have proposed, and in some cases used, a new tactic for resolving debt maturity. Through this mechanism, such institutions grant new loans, whose funds in foreign currency are applied toward arrears. The project to be financed is carried out with its own budgetary funds, which are calculated as though they were processed with funds from loan agreements. Disbursements are made in freely usable foreign currency instead of being used to acquire goods or services for the project. Foreign currency funds generated this way must be applied toward repayment of existing arrears with each financing agency. Once this mechanism is in place, the participating creditors agree to extend new loans to Honduras. This alternative solution has been applied in the cases of the Central American Bank for Economic Integration (CABEI) and the Organization of Petroleum Exporting Countries (OPEC), and negotiations are under way with the International Fund for Agricultural Development (IFAD). Meanwhile, data were collected to analyze possible strategies in handling the debt. Similar arrangements have been made with the Commonwealth Development Corporation (CDC) in the United Kingdom, with which negotiations had progressed significantly by the end of 1991.

Foreign commercial banking debt has also been targeted for gradual reduction through implementation of two programs: one to convert foreign debt, the other to privatize. Under both programs, foreign banking debt securities may be used as a tool for acquiring assets and public sector firms. Successful results with these programs clearly show how effective they are in reducing debt. In fact, since these programs were implemented toward the end of 1991, debt to this type of creditor had been reduced to US$151 million, from a starting balance of US$225 million in late November 1982.

The actions taken by Honduran authorities and the willingness of a wide range of creditors to accept the requirements set forth by Honduras, in exchange for meeting the conditions determined in negotiations with each creditor, have lightened the burden of debt service and its severity. Nevertheless, a substantial part of the debt remains, and how it is handled should be put in perspective in order to prevent past situations, such as debt service that exceeds tolerable and manageable economic limits, from reoccurring. A review of the outlook for external debt in view of current circumstances and immediate opportunities will allow basic criteria for a suitable policy to be identified.

2. Analytical Methodology

Determining the degree of validity of attempts to interpret quantifiable events depends largely on the representativeness of the data available on the subject being evaluated or analyzed. Such is the case with the debt of any institution or country. External debt is only one small part of the total picture.

In trying to analyze the outlook of foreign debt for Honduras or any other country, it is necessary to rely on information about the size of the debt as well as about the bulk of payments that should be made based on outstanding liabilities. This necessarily assumes the use of a work methodology that allows systematic collection of data under specified parameters so that the data are at least meaningful and representative.

The idea of data integrity determined the need to identify the size of the debt as of a given date, arbitrarily December 31, 1991. This date corresponded not only to the end of the calendar year closest to the period of this analysis, but also coincidentally to the end of the fiscal year. From the information on loans outstanding on that date, it was necessary to pinpoint the bulk of payments through amortization and interest accrual that will mature in the coming years.

To satisfy this requirement, each lender's claims were ascertained in order to measure the lender's outstanding debt and the level of debt service expected for 1992 through 1998, including the application of balances outstanding toward disbursements from loan agreements. This task was the slowest and most complicated part of the job, because flaws in the method of disseminating information at the Office of Public Credit (DGCP) did not allow access to the bulk of the information needed; thus, the information had to be constructed for each creditor on the basis of available information, and numerous estimates had to be made. Consequently, part of the information had to approximated (see Annex 1, Tables 1 and 2).

To effectively use meaningful information on the debt service of loan agreements, projections were made separately of outstanding balances on disbursements (when available). The projections were then incorporated into the debt service of corresponding payments according to the conditions of each loan.

However, dealing with only liabilities from outstanding loan agreements produces a one-dimensional and unrealistic criterion, because it does not account for future financing needs. This presents an incomplete picture of how the debt might have evolved and of the demands for funds that the debt might generate in the future.

To compensate for this distortion, it was necessary to inventory loans in which the Honduran public sector might be interested over the next 3 years. In order to create realistic conditions, the inventory accounted for loan agreements that the central government foreseeably expects to make. Added to these were several additional financial budgets that included investment plans by public entities, such as Hondutel and the National Electrical Energy Company (ENEE), with the greatest capacity to absorb foreign funding for the rest of the public sector. This scenario provides a more dynamic view of foreign indebtedness.

Potential loans were identified, starting with those that were expected to be granted by each of the prospective principal creditors over the next 3 years (1992 to 1994), according to the creditors' own preferences. These lists were modified to include events that occurred between the date the lists were originally prepared (in some cases mid-1991) and the date the data were collected to make the projections described in this report. These adjustments allowed some data to be dismissed and others to be omitted. It could be seen that the most active creditors during the period analyzed fit the

category of international agencies (Inter-American Development Bank [IDB], International Development Agency [IDA], CABEI, International Monetary Fund [IMF]). The next most active creditors are divided among various bilateral financing sources as a whole.

Generally, a more conservative assumption about increases in the number of new loans should be adopted. Investment projects in the inventory handled by the Secretariat of Planning and Budgets were not accounted for, even though the secretariat will take on many of the loans likely to be issued in the next 3 years. Thus the author believes that the results of the scenario presented in this report can be useful to illustrate to Honduran authorities the overall effects of external indebtedness on the flow of foreign funding. These effects can be added to the balance of payments, international reserves, public finance, and the overall economy.

A DIGRESSION

For reasons that are not a central part of this analysis, there is still no easy method of obtaining organized, comprehensive, up-to-date data on the external debt incurred by all the Honduran public sector bodies that might be responsible for it. There is no one government agency that has consolidated all public sector (including the Central Bank) liabilities systematically and continually.

This assertion does not ignore the efforts under way or the successes achieved by the DGCP. It merely underscores the need to improve the management and processing of information, which although available, is insufficiently exploited because it is not incorporated into a comprehensive form in which it can be useful.

The DGCP relies on an extensive database consisting of numerous operating procedures that permit the generation of disaggregated information, in addition to determining in detail the status of each loan. Most of the basic information on the external public debt is processed through, or generated at, DGCP. The office uses two independent data processing systems that produce information with different criteria and degrees of flexibility, both in the use of units of account and in the generation of data. One of the systems was developed by the DGCP, the other is a customized program (SIGADE) furnished by the U.N. Conference on Trade and Development (UNCTAD).

Basic data are generated, but they are not part of a master database that systematically produces consolidated results. Moreover, there seems to be no application of criteria designed to periodically consolidate data on institutional users. Nevertheless, the DGCP relies on basic data to achieve its results, but in the past it has been a major effort. Adequate training of DGCP's mid-level managers in identifying criteria and procedures that need improvement, coupled with the systematization and integration of the department's functions so that data gathering, processing, and generation become complementary, will help rectify many of the inadequacies present today.

The Central Bank had generated information on the external debt through the Department of Economic Studies until mid-November 1991, when the International Agency Section (SOI) within the Department of Foreign Exchange was created. The SOI has assumed responsibility for compiling, processing, and monitoring the Central Bank's debt, as well as obtaining and consolidating data on the overall status of the external debt. The SOI also needs to define its functions and objectives, organize its internal procedures, and institutionalize the use of the UNCTAD data processing system used at the DGCP, the last of which is already under way.

3. General Considerations in Preparing an External Debt Strategy

A comprehensive analysis of the outlook on the external debt requires consideration of not only the existing debt and future loans, but also the impact of its management on the foreign sector and on the overall economy.

In a simple context, this assertion assumes the inclusion of both debt service and expected disbursements from loans outstanding. These items are added because of new loan agreements the government expects to make based on its investment plans and its management of international reserves. Thus, the overall impact of these items on the domestic budget and on the balance of payments can be analyzed by examining the ability of the budget to absorb additional cost in Honduran currency (in many cases, new loans) and, most important, the effect of this absorption on the balance of payments. This analysis is intended to apply a very selective criterion to the purposes of external financing, especially when other variables governed by the economy do not permit financing of all the projects expected to be carried out within a relatively short time.

The future indebtedness referred to in the preceding paragraph should be added to "real-world" elements. Such elements include suspension of payments to a specific type of creditor, enlistment of help from the Paris Club, application of debt conversion mechanisms, or remittance of specific payments on major, anticipated disbursements. This category also includes everyday as well as ongoing decisions.

The simultaneous, coordinated management of the above-mentioned components should help to define a comprehensive external debt policy, without considering external debt as a sign of economic and financial instability. In order to do this, the analytical framework must be kept in mind, and the following factors must be considered.

- Familiarity of Honduran political and economic officials with the benefits of projecting external debt variables on the basis of the loan requirements of different sectors, as well as the need to identify the country's ability to absorb loans and payments.
- Availability of reliable, current information on contractual liabilities and on overall flows and balances.
- Setting of priorities on loans anticipated and projection of the financial flows generated by them, as well as consolidation of this information with that on loan agreements.
- Incorporation of the consolidated data within an overall analytical model, in order to compare the results with the behavior of other economic variables.
- Periodic updating of computations and analyses to include in the data bank events that took place between readings.

From the information generated by applying these factors, a general outline can be drawn to define an external debt policy. This outline certainly can include political and practical definitions. This type of focus provides a way to view in advance the benefits of delaying new loan agreements, propose goals to increase the debt smoothly as the economy expands or shrinks, or determine the need and opportunity to renegotiate matured loans or to apply unconventional methods for reducing the debt.

It is evident that the usefulness of a framework such as that described is weakened if Honduran officials decide to adopt analytical options on a less comprehensive scale. However, such a decision is

a policy prerogative, and when it is exercised because of insufficient information on which to base a judgment, the risk of creating financial problems for the country grows.

THE CASE OF HONDURAS

Judging from the information available, Honduras, like many other Latin American countries, has made decisions about external debt on a microeconomic level. The real or anticipated benefits of pursuing one loan or a group of loans were considered, excluding macroeconomic variables; these factors seem to have governed the decision to make new foreign loan agreements when the market possibilities or the inclinations of bilateral or institutional lenders permitted.

This situation prevails today, even when the MHCP and the Central Bank have access to most of the basic data needed to construct an overall picture of events. Moreover, the MHCP relies on a data processing system (SIGADE) that lets it process and consolidate information on outstanding and future loan agreements without the risk of mixing information or losing track of outstanding liabilities. In addition, the system can incorporate data into balance-of-payment projections, which are part of the same system.

The real problems to be overcome are in the handling of data fed into the system and in the quality and versatility of the information that the system can generate. The MHCP and the Central Bank should pay attention in these areas not only to the procedures for data management, but also to the organizational and functional aspects of their activities. Likewise, they should try to integrate and provide a sense of continuity to the various projects currently being developed; at times they are autonomous and uncoordinated within the same agency. Improving these areas will subsequently improve the quality of information flow and establish a regular method of producing information.

Honduras is one of the countries that had difficulties with both the magnitude of its overall external debt and its debt service. Consequently, the country had to limit (if not suspend) its external payments because it could not realistically continue financing them. It fell into arrears with its creditors, experiencing at the same time a drastic reduction in financing sources and in flows of foreign funding. This situation could not persist for long without marked deterioration of the economy. Therefore, the need to carry out efforts that would allow Honduras to regain access to external financing was recognized.

As part of this effort, Honduran officials began by implementing an economic program, on the basis of which it requested and was granted, in September 1990, a pact with the Paris Club, in order to organize its arrears with its members and reduce its bulk of payments in the immediate future. As of the beginning of 1992, several bilateral agreements resulting from this pact were still being formalized.

After the pact was signed, with the cooperation of the international community Honduras resolved its arrears problem with major multilateral financing agencies. Thus began a new and aggressive period of borrowing, especially rapidly disbursable loans, in the form of structural adjustment loans. Furthermore, the country was targeted by the World Bank to be reclassified as a borrower, making it eligible to receive only IDA funds, that is, funds on completely concessional terms (low interest rates and a generous grace period and amortization schedule). Likewise, Honduras was granted access to compensatory loans under the same conditions as "reflow" loans granted by the IDA. The purpose of reflow loans is to significantly balance out the cost of outstanding loans borrowed on World Bank terms with those borrowed on IDA terms.

DEBT FROM OUTSTANDING LOAN AGREEMENTS

The public sector's medium- and long-term external debt as of December 1991, after data began to be collected, is estimated at US$3.037 billion. This amount is higher than that reported to the Paris Club in 1990. The report prepared for that meeting stated that the external public debt was approximately US$3.010 billion, an increase of only US$27 million. However, this assertion excludes the reduction of approximately US$430 million forgiven by the U.S. Government.

Comparison of the two sets of figures showing the amount of debt from June 1990 to December 1991 (Table 1a) indicates an increase of almost US$318 million in the balance owed to multilateral agencies in a 1½-year span. A similar trend can be seen in Honduran debt to other Latin American countries, which grew US$87.8 million, from an increase in the debt to Venezuela to the calculation of debt with Colombia and El Salvador.

Similarly, the debt classified under the category "Paris Club" shows an increase of US$272.5 million, because this category did not exist in the June 1990 evaluation of the debt. The real increase represented by this group of loans should equal the amount of the interest compounded as a result of the Paris Club pact. Nevertheless, it can be noted from the analysis of the figures that this statement does not correspond to the data reported to the Paris Club. In fact, the amount of capital and interest renegotiated according to those figures is only US$166.8 million, whereas the calculations made after the meeting were US$272.5 million. The likely explanation for this difference stems from the classification of some loans from Paris Club member countries as being granted by suppliers (private sector creditors) and which were actually backed by some government agency, necessitating their reclassification and inclusion under renegotiation. This appears to be supported by a reduction in the debt to suppliers of almost US$71 million, which, added to the US$166.8 million in principal from the 1990 Paris Club pact, almost equals the amount of principal represented in the new total figure.

Conversely, there has been a reduction in the debt that was not renegotiated with the Paris Club of US$487 million, the bulk of which pertained to the United States as a result of the aforementioned forgiveness. Likewise, completed debt conversion operations and privatization translate into a reduction in the banking debt of US$152.1 million.

At the end of 1991, the total balance to be disbursed on loan agreements rose to US$655 million. Of this total, almost $180 million is scheduled to be disbursed in 1992 from loans whose main characteristic is a relatively short disbursement period. These loans were granted mainly by international agencies as support financing to sectoral or structural adjustment programs. In reality, these loans are a form of support toward the balance of payments. Taking into account disbursements pending on loans associated with investment projects, in 1992 the projected disbursements from outstanding loans will be US$386 million.

The patterns in debt service and in disbursements from loan agreements shown in Tables 1 and 2 are typical of a static projection: there is a continuous decrease throughout the period analyzed (1992-1998). Amortization and interest payments (which are assumed to be made at their maturity) progressively decrease from US$351 million in 1992 to US$254 million in 1998. The same pattern can be observed for disbursements, although much more markedly, since in only 5 years they will decrease from US$386 million in 1992 to just under US$1.6 million in 1996. These patterns are merely the logical result of putting together these figures, because when the committed funds run out after future disbursements are made and amortization, exclusive of that from new loans, is completed, interest payments begin to get smaller until the balance of the debt gradually diminishes.

It is relatively frequent to find that in some less developed countries, analysis of the outlook for external debt accounts for only debt flows from loan agreements, thereby creating a narrow framework that barely represents what occurs in practice.

PROSPECTIVE LOAN AGREEMENTS

To create a total picture of external indebtedness, an inventory was taken of loan agreements that were expected to be made during 1992-1994 not only by the Honduran public sector, but also by potential creditors, namely, those that have shown express interest in granting them. A longer reference period was not adopted for projections because it was found that no creditor forecasts loan grants for more than a 3-year period.

The purpose of this exercise, described below, is to try to create the most probable scenario, which is to narrow down loans to those for which some form of understanding between creditors and debtors exists. This is the case for the loans given in Table 3 for multilateral agencies such as the IDA, IDB, and CABEI, with some adjustments. Not considered were projects that although given priority by the Secretariat of Planning and Budget, were not part of any of the forecasts of the creditor agencies.

Table 3 gives a detailed list of the loans forecast and the approximate amount of their disbursements over the period 1992-1998. As can be observed, despite the application of a relatively rigid criterion in selecting the loans to be included in the projection, the total amount from loan agreements to be made between 1992 and 1994 is almost US$1.824 billion, some of the disbursements on which will be terminated in 1998.

The IDA loans include those that are expected to come out of the World Bank's Fifth Dimension Resources, which are identified in Table 3 as reflows and are scheduled for 1992-1994.

The contracting year for some of the IDB loans was arbitrarily delayed in order to incorporate events that affected their postponement and that occurred after the list of projects to be financed was made. To the loans in the CABEI pipeline that are expected to be completely formalized in 1993 have been added loan applications intended to be submitted by some public sector agencies. For the IMF, stand-by arrangements were assumed for 1992 and 1993, as well as the Compensatory Contingency Financing Facility (CCFF), which is scheduled to be formalized in February 1992.

Forecasts were also made of possible loans from bilateral sources, on the basis of revolving agreement(San José Agreement) or on the progress of specific negotiations (such as with Japan). Finally, lacking information on the plans of other types of creditors to grant loans, estimates were made on the basis of Hondutel's debt projections (financing to expand a telephone system), as well as ENEE's investment program for the next several years. In both cases, a distribution curve was estimated of the amount to be financed among the likely types of creditors remaining (governments and their official agencies, suppliers, and commercial banks).

The figures were constructed by attempting to duplicate the behavior of disbursements for each type of loan. Similarly, for each loan a projection of payments was constructed on the basis of the projected disbursements in Table 3 and the interest rates and schedules offered by each of the creditors on loans that they grant. Table 4 shows the projection of the debt service of prospective loan agreements during the next 3 years, by each creditor or type of creditor expected to be actively involved during that period.

Table 5 gives a different view of potential disbursements after estimated flows corresponding to prospective loan agreements are added. The levels of disbursement rise dramatically. In 1992, for example, the total draw-down of funds from new loans could reach US$613 million, of which 37 percent will come from new loans. In 1993 that percentage will increase to almost 70 percent, and in the following 2 years draw-down will constitute almost the entire amount of income, even though in absolute terms the flow of funds will begin to decrease in 1995. This drop is rooted in one of the basic assumptions of this task—that new loans are forecast only until 1994. Table 5a shows how the disbursement of new loans (in this case, loan agreements) will grow and progressively replace within a relatively short time the flows of existing loan agreements.

Debt service shows similar behavior (Table 6), rising from US$364 million in 1992 to US$470 million in 1995 and peaking in 1997. The total debt service payment in that year will reach US$478 million before beginning to decrease, assuming—unrealistically—that there will be no loans. Although it happens much more slowly, the debt service on new loans tends to grow in magnitude compared with maturity on liabilities already contracted. The ratios given in Table 6a present a clearer idea of those changes.

This behavior illustrates the information gap visible when data are maintained only on outstanding loan agreements. This gap sets up conditions from which draw faulty conclusions and even proposed actions that do not meet the demands of a balanced external debt.

As shown in the foregoing example, the dramatic rise in foreign liabilities resulting from an increase in external debt raises some issues. First, the bulk of new loans are aimed at strengthening various parts of the infrastructure or expediting consumption costs (such as petroleum imports). The relationship between the financing projects considered in this exercise and the country's generation or saving of foreign currency is shaky; thus, it helps to create or free up funds in the medium term so the country can concentrate more on liabilities owing on loans. In other words, more foreign currency would have to be made available to other economic sectors in order to maintain a balance in the foreign sector.

Another option that should be considered is resizing investment programs, especially when these programs tie up too much foreign funding from loans and less stringent financing alternatives are not recommended. One possible option in this type of situation is to strengthen the administration of grants that might be used to back prospective projects or that free up the use of foreign currency targeted for the financing of other activities.

Whatever the future holds, it will be made easier by analyzing the possible effects of any type of external indebtedness. The solution to any difficulties faced can be better envisaged by relying on institutional mechanisms of information on and analysis of the effect of external debt forecasts. However, the institutionalization and use of appropriate mechanisms to achieve this purpose is a challenge requiring thought and self-control. The results of the projections previously cited should help encourage Honduran political and economic officials in their decisions. Doing so will help rationalize and modernize plans for decision and policy making on external debt, unlike other countries in Latin America, which lack these abilities. Otherwise, if actions are not taken, within a few years the same conditions now affecting the country will again cause difficulties in obtaining foreign sector financing and create a new external debt crisis, alienating Honduras from foreign financing sources and blocking its possibilities for growth.

Undoubtedly, tracking the growth of the nonpublic sector in order to make up for generation of funds in areas in which the public sector is underqualified is another option that should not be overlooked. Otherwise, other appropriate components of an aggregate analytical model should be incorporated into the analysis.

Table 6b summarizes the changes in debt service and the total debt amount for 1992-1998 after the assumptions on projected loan agreements given in Table 3 are added. The usefulness of the summary from an analytical viewpoint, however, really applies only to 1992-1994, the years highlighted for identifying new loan agreements and the bulk of the flows that they will produce.

A glance at three of the most frequently used indicators of external debt can give some idea about the various angles at which to view the subject. Table 6c shows that under the assumptions for loan agreements, disbursements, and debt service made in the projections, the ratio of service to exports (Serv./Export.) will fluctuate over the next 5 years but remain at basically the same level despite a somewhat optimistic steady increase forecast for exports. In 1992 this ratio reaches its peak (37.9 percent), suggesting that special efforts will have to be made to raise it to a level that does not impede

the flow of debts to foreign creditors. In other terms, it will be necessary to look for mechanisms, such as the Paris Club or payment restructuring, that can minimize the level of debt service payments.

During the following 2 years (1993-1994), the share of export income devoted to debt service will fall 2 percentage points but rise again in 1995. Again, that change will require monitoring the behavior of exports and the possible increase in debt service. It should be kept in mind that these projections exclude variations, in either outstanding balances or debt service, resulting from fluctuations in the exchange rate for loans disbursed in currencies other than U.S. dollars or those based on basket-of-currency mechanisms. Such fluctuations frequently translate into an increase in the debt and the debt service, respectively.

The ratio of debt to gross domestic product [GDP; in Spanish, *producto bruto interno*, or PBI] (Deuda/PBI) in Table 6c trends upward between 1992 and 1994, from 103.9 to 107.3, even when changes in the GDP assume an annual increase of 3.5 percent for the whole period. In other terms, during the first 3 years the debt will grow faster than the GDP. Although the trend will reverse itself in 1995, the underlying assumptions used to make the projections implicitly show a slowing in the growth of the debt, while the growth of the GDP was assumed to remain constant. Thus, the behavior of this indicator after 1995 should not be interpreted necessarily as an improvement in the debt situation where the GDP is concerned.

The ratio of debt service to GDP (Serv./PBI) given in Table 6 remains nearly stable between 1992-1996. If the GDP did not grow at the rate projected (3.5 percent a year), the portion of the GDP that would have to be applied toward paying the external debt would grow throughout the period being studied. This behavior is a warning to concentrate on efforts that will (1) slow the debt's growth rate, (2) concentrate more on forgiveness, or, in the worst case, (3) distribute the debt service on new loans with more generous installment terms and the lowest possible interest rates, even if the GDP grows as predicted.

4. Prospective External Debt Strategies

The difficulties experienced by many countries in handling external debt during the 1980s were based on their inability to meet their foreign obligations. The annual bulk of their payments due exceeded the availability of foreign currency to cover these debts. This situation suggests that, to a certain degree, the problem is rooted more in an inconvenient payment schedule on maturity than in the bulk of the debt itself.

Most of the apparatuses used in the past to lessen the debt problem have focused exactly on this aspect, that is, on looking for a way to redistribute debt service, delaying until a later time the bulk of the balance due that cannot be paid in times of limited availability of foreign currency. Paris Club meetings, bank refinancing, readjustment of bilateral debts, and other mechanisms have traditionally been used for such arrangements.

The result of such arrangements until recently has invariably been an increase in debt in exchange for relief in debt service. Now some bilateral creditors have begun to add debt forgiveness to its list of criteria for assistance. This option, although the most attractive, in most cases is not very likely to apply in most cases.

Creditors' attitudes toward relief mechanisms are the counterpart of any debtor's efforts to use these mechanisms. However, not all types of creditors (multilateral agencies, banks, governments) think highly of this form of assistance to manage external debt.

To define priorities, the first step is to break down the external debt by type of creditor. The second step is to add information on any ongoing effort or negotiation, in order to simulate the effects it will have on the debt amount as well as on debt service. Evaluation of the results of this simulation will allow determination of the advantages or disadvantages in each case, as well as whether action should be taken overall or individually.

In the following paragraphs, the overall projection for debt service on outstanding and prospective loan agreements will incorporate negotiations completed or projected to be completed after 1992 with various creditors, according to terms already agreed on or proposed. The resulting figures should give some idea of the impact of negotiations when they are completed. In all cases, events occurring in January 1992 are included that affect the balance due as of December 31, 1991, as well as debt service starting in 1992.

The simulations described later are not intended to exhaust all methods of renegotiation, but rather to show the mechanism that can be used to project the results of using such methods. Analysis of the results will help determine their appropriateness of implementing them.

The usefulness of further simulations will depend on the ability to identify conditions that have a chance of being negotiated or on hypothetical negotiating positions by the government. This assumes continual efforts by Honduran officials handling debt management to seek negotiable solutions with other creditors listed in Table 1, except those prohibiting this type of arrangement, as discussed in the next sections.

MULTILATERAL AGENCIES

Distribution of the Debt

The current distribution of public external debt, by creditor and type of creditor, is given in the first column in Table 1. As can be seen, the largest part of the debt (59 percent) comes from loans received from multilateral agencies and from other financial institutions ("Multilaterales y Otras inst. financ."), the latter including institutions that in practice operate much like the former.

This feature of how external debt is currently distributed introduces a significant degree of inflexibility in the methods for reducing the amount of debt. This option is almost negligible for multilateral agencies because it is an unconventional method of repaying loans. With this type of creditor, even readjustment of payments is not a viable option. Any means of reaching an understanding with multilateral agencies starts with a write-off of the entire unpaid balance due, if any, as a prior condition to resuming loan operations with a country that has had any arrears in paying its liabilities. This situation is not unknown to Honduras.

There has been and continues to be some discussion about the inflexibility of multilateral organizations, mainly because of their statutes, to allow repayment schedules on outstanding loans separate from payment of liabilities at maturity of both principal and interest and late interest accrued. These organizations still do not allow payment arrangements whereby payments due are readjusted because of the limited availability of foreign exchange in debtor countries, much less entertain the possibility of forgiveness or even partial repayment. In the last sense, however, they have provided assistance through new loans that are widely available and quickly disbursed; in some cases, these loans may help write off debtor countries' liabilities.

This practice by multilateral organizations leads inevitably to the conclusion that defining a strategy of external debt cannot include among its aims the alteration of contractual conditions with them, in either payment schedules or interest rates.

The only multilateral organizations that have been known to alter their contractual conditions are CABEI and OPEC, who agreed to grant new loans on condition that liquid funds paid out of disbursements be applied toward payment of arrears with them. However, projects scheduled under the loan had to be carried out with the borrower's own funds, but the loans had to be registered as if they were used to finance the projects. CABEI also set a precedent by allowing payments due to be readjusted on a few occasions. Nevertheless, CABEI does not want to give the impression that this mechanism is its usual order of business

The above discussed position of international agencies on contributing toward alleviating the debt introduces a high degree of inflexibility to the management and service of a significant part of the external debt, which is currently US$1.800 billion (about 59 percent of Honduras's external debt).

Debt with Mexico

Outstanding debt with Mexico has two principal components. The largest component is the outstanding unpaid balance renegotiated in June 1990 (almost US$41.5 million), plus interest due and late interest accrued through the end of 1991 for the outstanding, unpaid part of the balance. The other component

consists of outstanding unpaid balances plus interest accrued from various compensatory loans and loans granted under the San José agreement.[1]

The relatively short term granted under the original renegotiation discouraged advantageous distribution of the debt service, which helped to incur new arrears. The outstanding cumulative total payment across all categories as of December 31, 1991, reached US$55.3 million.

Starting at the end of 1991 negotiations were under way with Mexico to consolidate its total Honduran debt, including installments due and late interest on a new transaction. By mid-January 1992, an agreement had been reached under which the principal, interest due, and late interest would be converted to a new transaction, namely a zero coupon bond.[2]

Under this agreement, in order to write off the total debt, Honduras should buy U.S. T-bonds for approximately US$6.4 million, which after 28.5 years of successive compounding of interest, should equal the renegotiated debt (US$55.3 million). By using this formula, payment of principal will be resolved. To this arrangement should be added new interest and interest paid over the total agreement period (28.5 years). During the first 5 years, interest will be charged at a 6.25 percent annual rate, or at the London interbank offered rate (LIBOR), plus 13 to 16 percent, whichever is higher. After the sixth year, only the LIBOR will be applied, plus the surtax. Interest will be payable quarterly.

It should be noted that although in practice Honduras will write off the balance of its debt with Mexico in one payment of US$6.4 million, the amount of debt calculated will remain the same throughout the 28.5-year term of the loan, even while Mexico is holding the T-bonds. During this period, the expenditure on bonds will be listed as a Honduran investment in foreign securities.

The effect of this agreement on debt service and total debt is given in Table 7. As can be seen, the total amount of debt will not change, and the total payment through amortization and interest accrual will decrease in 1992-1996. The largest reduction in debt service will take place in 1993 (US$10.1 million). From 1993 on, debt service will continue to diminish until 1996, when it reaches US$1.5 million. The table shows a net increase in payments after 1996 equal to the amount of interest to be paid over the 28.5-year term of the loan (US$3.5 million a year).

To sum up, the arrangement with Mexico will not reduce the debt in measurable terms, but the debt service over the next 5 years will be less than that projected before renegotiation. However, the debt service will increase over the following 23.5 years by the equivalent amount of the interest agreed on.

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[1]The San José agreement grants Central American signatories of the agreement access to the financed purchase of petroleum from Venezuela and Mexico. The financing conditions vary each time the agreement is renewed, generally every year. According to the mechanisms set forth in the agreement, it is possible to convert a first loan (usually one granted through the central bank of each beneficiary country) toward the acquisition of goods and services of the countries that granted the loan (Mexico or Venezuela) through investment projects. By exercising this option, a new loan is determined, on a longer installment schedule than that for the first loan, thereby making the government that receives the loan the new debtor.

[2]A bond for which interest due is not collected but rather compounded over a period previously agreed to by debtor and creditor. Under the pact between Honduras and Mexico, this period is 28.5 years. Interest accrued during this period equals the amount of principal owed, which will be written off using this mechanism. The interest rate applicable on the principal is the same as for the bonds that were purchased to carry out this transaction. U.S. Treasury bonds (T-bonds) are currently the type of securities preferred for implementing this agreement.

EXTENSION OF THE CONSOLIDATION PERIOD BY THE PARIS CLUB IN 1990

On September 14, 1990, Honduras obtained its first agreement with the Paris Club. Among other terms it succeeded in including in its renegotiations were arrears as of August 30, 1990 plus maturities between September 1, 1990, and July 1, 1991. However, Honduras's problems in taking care of its debt service did not end in July 1991. Therefore, some time in August 1991, Honduras asked the Paris Club to extend by 7 months (to February 1992) the consolidation period originally agreed on. This request was based on an agreement with the IMF (one of the requirements of the Paris Club) that would remain in effect until February 1992.

The petition was initially rejected on the basis that the request for extension had not complied in the manner considered proper by the Paris Club for a country that requires its intervention. However, faced with the risk of not complying with the goals of the IMF agreement by failing to obtain additional relief from the extension, Honduras learned during the third week of January 1992 that the prior decision of the Paris Club had been modified to accept the request to extend the consolidation period to February 1992.

The quantitative effects of this decision are shown in the upper half of Table 8. The figures in this table are based on the results of the negotiations with Mexico. One of the effects of the extension is an increase of US$14.4 million in Honduras's total debt as of December 31, 1991. This increase is a result of the compounding of interest due over the course of the extension period. Furthermore, the projected debt service for 1992 decreases almost US$5.4 million, corresponding to principal and interest that fall due during January and February 1992.

Not shown in Table 8 is the minimum required payment on payments due between August and December 1991, some US$32.4 million. However, it does identify the increase in debt service from 1992 through 1998. Nevertheless, the burden of this reorganization will first be felt in 1999, when the grace period of both concessional and commercial loans expires.

The balance and debt service calculated after allowing for the extension of the consolidation period is given under the heading "Status After 1990 Paris Club Extension" ("Situación después ampliación Club París 1990") in Table 8. To sum up, the overall effect of extending the consolidation period creates on the one hand an increase in the debt, and on the other a decrease in the debt service in 1992, only to increase again between 1993 and 2011, the year in which payment of the liabilities renegotiated will end.

PARIS CLUB 1992

Honduran financial officials are expecting to request a new Paris Club meeting in 1992. According to current projections of the foreign sector, it will be necessary to reduce the amount of expenditures of foreign currency in 1992 in order to facilitate the balance of income and expenditures within the goals set for 1992.

The date of the Paris Club meeting will depend on whether Honduras is in a position to satisfy one of the mandatory requisites stipulated by the Paris Club: to have an adjustment program in effect with the IMF during the consolidation period requested. Since the current IMF program ends in February 1992, the amount of time required to analyze, negotiate, approve, and put in force a new economic program should be estimated from then in order to estimate a likely date for a new Paris Club meeting.

An IMF mission is scheduled to visit Honduras in March 1992 to gather relevant information to outline the bases for a new program. It can thus be reasonably presumed that after IMF's internal

procedures are adhered to, the IMF Directorate could approve the program by the end of April, or most likely the end of May, given the limited amount of time it has to satisfy its own requirements in negotiation and internal approval procedures. Therefore, a new meeting between the Paris Club and Honduras could take place as early as June 1992.

The progression shown in Table 8 assumes that as a country qualified to receive only IDA loans, Honduras is eligible to exercise any of the three options covered by the Toronto Terms.[3] One of these options includes forgiveness of one-third of the amount renegotiated and up to 25 years to repay it, with market interest rates for commercial loans and low interest rates for concessional loans (Option A). Nevertheless, judging from past experiences at Paris Club meetings until 1990, this type of conditions has been applied only by Finland, Sweden, France, and Japan. Japan applied the conditions only to concessional loans granted to countries classified as less developed. Since Finland and Sweden are not creditors of Honduras, only France could extend forgiveness to Honduras. Thus, for the sake of simplicity in this simulation (independently of the negotiating position that might be defined), the assumption chosen was that all creditors will use Option B in the Toronto Terms, which offers a 25-year term with a 14-year grace period for both concessional and commercial loans, as well as low interest rates for first loans and market interest rates for second loans. Likewise, it is assumed that renegotiation covers 100 percent of the principal and interest due during the consolidation period (or, viewed another way, the period during which the new agreement with the IMF is in effect), estimated to be March 1992 through March 1993.

The lower half of Table 8 gives the likely results of a new Paris Club meeting with Honduras, on the basis of the aforementioned assumptions. As can be seen, the total debt increases in the value of the interest compounded (US$33.8 million), similar to the case of the interest due during the extension granted in 1990 by the Paris Club of the consolidation period. In the same way, the debt service for 1992 and 1993 decreases in net terms US$64.9 and US$5.7 million, respectively. In the following 12 years (the remainder of the grace period), there should be an increase in interest payments on the order of US$5.5 million and in repayment of the principal renegotiated.

The last line in Table 8 shows the amount of current debt, calculated as a result of the 1990 Paris Club extension. The results of these negotiations again show a shrinking of the debt service in the first several years and an increase in successive years. Allowing for assumptions in the larger picture, that is, a new meeting with the Paris Club and renegotiations with Mexico, in 1992 Honduras will have a

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[3]The Toronto Terms are a menu of concessional terms applied by the Paris Club to low-income countries in their renegotiations of external debt. The menu of options was defined in a summit meeting in Toronto in June 1988. The application of one particular option depends on the decision of the creditor nation and on the progress of negotiations with each debtor whose debt is being renegotiated. All of these options are applicable only to debt being considered for consolidation. The options are as follows:

	Option 1	*Option 2*	*Option 3*
Commercial Debt			
Total term (yr)	14	25	14
Grace period (yr)	8	14	8
Forgiveness (percent)	33	None	None
Interest rate	Market	Market	Market less 3 percent
Concessional Debt			
Total term (yr)	25	25	25
Grace period	14	14	14
Forgiveness (percent)	33	None	None
Interest rate	Concessional	Concessional	Concessional

lower debt service, US$72.8 million, than expected (US$291.7 million) before the effect of both sets of negotiations are figured in.

BANK RENEGOTIATION

In 1982, when the Honduran public sector had difficulty in meeting its payments to foreign commercial banks, the debt had risen to US$225.1 million. Unsuccessful attempts at negotiations were made over the years to resolve the problem of a debt that was due in full. In 1985 a program was created by special law to reduce the banking debt through privatization. At the end of 1988, the opportunities were expanded to reduce this type of debt. Another law was passed to create a new debt reduction program called the External Debt Conversion Program (Programa de Conversión de Deuda Externa). In both cases, selected securities from the banking debt are received by the public sector at a fraction of their face value (excluding accrued interest, which is disregarded and is not part of the arrangement), payable in local currency, to carry out investments within Honduras or to pay off totally or partially the purchase of public sector enterprises.

The first transactions anticipated under the privatization law were carried out in 1987. The debt conversion program began operating soon thereafter. Both mechanisms helped significantly reduce the banking debt, so that by the end of 1991 the outstanding debt was US$74 million, of which almost US$4 million belonged to BLADEX (an institution prepared to handle its own debt under a separate plan). Keeping in mind the different treatment of the preceding loan, there would be a reduction in the banking debt of US$155 million, distributed over more than 4 years.

Although both mechanisms (privatization and debt conversion) are operative, an IDA program has been learned of wherein the IDA offers a grant of up to US$10 million only for countries with access to its financing funds ("IDA-only countries"). The grant must be used to reduce the banking debt, as long as clearly defined requisites are satisfied. The recipient country must

1. Have in place a medium-term adjustment program acceptable to the IDA, preferably with the World Bank or the IMF.
2. Use a strategy to manage debt acceptable to the IDA that
   - Includes a program to resolve the country's overall banking debt based on funds to be provided by the IDA,
   - Substantially alleviates debt with official creditors through the Paris Club, preferably by applying the Toronto Terms, and
   - Stimulates growth in the country and its development prospects.

A review of these conditions shows that Honduras exactly meets both requisites. Moreover, development of the strategy indicated in Item 2 is part of the aim of this report. Consequently, it is only logical to analyze the feasibility of using a financing facility designed by IDA. Nevertheless, it should be remembered that the maximum term for using such funds expires in September 1992.

The possibility of reaching an agreement with the current security holders of the banking debt is high and relatively easily attainable, because the number of creditors Honduras has compared with 3 years ago has dropped significantly. In addition, it is known that about 50 percent of the outstanding balance is at Lloyds Bank, which has continued operations in Honduras even in the most difficult times. Furthermore, Lloyds had an excellent and favorable relationship with Honduras many years ago, when the country tried to formalize a comprehensive renegotiation with a private bank.

The solution appears to be to use the US$10 million from the IDA grant to repurchase in a secondary market securities from the Honduran banking debt. In the recent past, securities from the Honduran debt have been available at 20 percent of their face value. At this price, with the IDA

contribution the debt could be acquired at a face value of US$50 million. If the price were 30 percent of face value, only US$33 million in debt could be purchased. This arrangement assumes that, as in the privatization and debt conversion programs, the accrued interest and outstanding balance of the debt repurchased remain the same.

If the repurchase were made at 20 percent of face value, a balance would remain of only US$20 million in principal plus accrued interest, whose payment should be renegotiated with commercial banks. If the repurchase price were 30 percent, the balance to be renegotiated would be US$36.7 million without interest. In either case, the Central Bank of Honduras estimates that the accrued interest equals 50 percent of the balance owed. As often happens in banking renegotiations, it is assumed that the amount of interest accrued on the principal being renegotiated should be paid to the banks as part of an overall arrangement of debt outstanding with this type of creditor.

Finally, according to the payment plan previously negotiated with the banks (although none was implemented), the outstanding balance would be paid off in 20 years, in semiannual installments with a 7-year grace period at an interest rate matching the LIBOR. However, it was also stipulated that for each year in which there is full compliance with the conditions agreed on, 5 percent of the debt would be forgiven. Conversely, if during the grace period any amortization payment is made, the amount of the debt equal to that paid would be forgiven. Taking advantage of all the benefits offered by these conditions, the banking debt would be written off in 7 years, with actual payment equal to 32.5 percent of the estimated total debt without this option. Clearly, by applying this option the banking debt would be erased and it would make little sense to maintain the privatization and debt conversion programs in their present form.

Table 9 shows two alternative methods of generating funding flows as a result of complete renegotiation of the banking debt. (This scenario omits the level of debt and debt service scheduled to come out of the Paris Club meeting in 1992.) The effect of renegotiation is calculated after incorporating the registration of existing debt with the Union de Banque Suisse (UBS). This registration resulted from an arrangement made in January 1992 with the UBS. Through the arrangement, Honduras must pay the UBS the debt matured since 1986 in six consecutively monthly installments.

The first alternative in renegotiating the total banking debt is to assume a purchase price of 20 percent of face value of the debt securities; the second alternative assumes 30 percent. In both cases the hypothesis rests on taking full advantage of the options in reducing the debt, so that it is written off over a span of 7 years. The flows produced, as well as the bulk of the debt and debt service projections, in each case are analyzed separately in Table 9. As can be inferred from the figures, in both cases there is a decrease in the balance owed and an increase in the debt service over the following 7 years. Any alternative used in renegotiation must refer to the entire amount of the banking debt. It is evident that if either of these alternatives is used, the privatization and debt conversion programs in their present form would not be suitable once securities applicable to this program are disregarded.

The rest of these simulations will be made on the basis of the results obtained using Alternative 1. This alternative takes full advantage of debt forgiveness, even though payments end in only 7 years. This translates into a reduction in the debt of US$40 million, higher than the estimated balance from the 1992 Paris Club and the debt arrangement with UBS. As for debt service, it will grow slightly after 1993 by applying this particular option. However, under this option additional debt service will turn downward until the end of the 7 years. The overall effect of this option is undoubtedly beneficial, despite a slight increase in debt service, which in part is compensated for by additional reduction of the debt (US$13.5 million) from complying with the conditions of the loan agreement. Otherwise, the overall gross decrease in this type of debt would amount to only US$63.5 million after a starting debt of US$70 million.

ADDITIONAL CONCESSIONAL RENEGOTIATION WITH THE UNITED STATES

The unilateral forgiveness of concessional loans by the United States freed Honduras from approximately 14 percent of its total debt. However, there is still an outstanding balance on debt acquired on concessional terms with guarantees from the U.S. Government or any of its dependencies.

According to figures prepared for the Paris Club meeting in 1990, the amount owed on loans of this type was US$127.3 million. To these loans was added the amount of interest compounded, some US$13.2 million. Thus, excluding the accrual of interest during the interim, there still exists a debt of US$140.5 million with the United States.

Through the Initiative for the Americas, North American officials appear quite willing to prolong the concessional treatment bestowed on Honduras regarding external debt. This presumes the possibility of obtaining further reductions and even erasing the outstanding debt.

Given these circumstances, an attractive solution could be sought whereby the debt would have, in the worst of cases, a higher (if not complete) level of forgiveness. The only cost to cover in this case is to explore the feasibility of this option with the appropriate U.S. Government officials. If they indicate a willingness, a formal request should be submitted.

The proposal should be made at a minimum cost and at maximum benefit to Honduras. The most attractive of the possible alternatives is applying debt conversion to the bilateral debt. Currently there has been little experience with this particular option, but a plan based on Honduras's experience in handling its banking debt could be proposed.

Taking this example a step further, establishment of a fund in domestic currency could be proposed. The fund would consist of government resources (compatible with the monetary program) and be used to finance the purchase of the outstanding debt in question, at 20 percent of its face value, excluding interest accrued under any category. It could be requested that these accruals be dropped and considered unmatured. The entire debt would be immediately withdrawn (including the debt from the Paris Club agreement), although the disbursement of domestic currency would be made in more than one period. The funds generated could be used for social assistance programs, including health infrastructure, in accord with the agreement among the presidents of Central America at their most recent meeting in Tegucigalpa. Another application could be at least partial channeling of funds toward environmental protection programs.

This type of plan would act directly on the size of the debt without increasing debt service in later years. These features are suitable from the debtor's viewpoint in order to reduce the bulk and the burden of the debt. If this proposal were carried out, the balance owed would decrease by US$132.8 million and the debt service would decrease by US$90 million between 1992 and 1998 (Table 10). Conversely, the equivalent of US$26.5 million in domestic currency would have to be available to qualify it as matching funding for the mechanism described. This amount is lower than the one used in previous years in the privatization and debt conversion programs combined. It is even probable that disbursements in domestic currency could be made in more than one fiscal period.

Establishment of this program would complement renegotiations with the banks. Once the privatization and debt conversion programs are dissolved after bank negotiations, the anticipated domestic currency funds could be smoothly channeled into the new program.

It is unnecessary to overstate the advantages of making contact with U.S. officials as soon as possible to explore the feasibility of implementing a plan like the one described or a similar plan yielding the same results. The pace at which steps are taken will determine whether the results will be seen in 1992.

ACCESS TO CONCESSIONAL FUNDS THROUGH AN ENHANCED STRUCTURAL ADJUSTMENT FACILITY

Besides managing a general fund, the IMF also manages funds that it lends to countries with scarce resources on relatively concessional terms. One of these funds is the Enhanced Structural Adjustment Facility (ESAF). This type of financing was established at the end of 1987 and was aimed at low-income countries applying structural adjustment programs to complement funds available in the Structural Adjustment Facility (SAF), which is financed by grants that had been used up.

ESAF funds are administered by a trust fund and are taken partly from loans and partly from grants awarded by various countries to be expressly used in this program. It was not until April 1988 that enough funds had accumulated to initiate loan operations under this program. The financing granted along with these funds is aimed principally at backing macroeconomic policy and structural adjustment measures to strengthen the balance of payments and foster economic growth.

The 62 countries with access to this type of financing were chosen originally on the basis of per capita income level within limits set by IDA. The criteria establishing which countries could benefit from this financing did not explicitly account for an increase in the number of countries that could access it. However, recently IMF officials decided to invite 11 other countries to take advantage of the program, given the availability of funds and the economic and financial difficulties affecting the countries chosen to receive this assistance. One of these 11 countries is Honduras.

The expanded list of countries that will benefit from this program should be decided by the IMF Directorate by the end of February 1992. The general understanding is that new countries will be able to access ESAF funds approved in the same manner as requests submitted for the use of extended facility or even stand-by arrangements. The amount of financing for the new countries will not exceed 80 percent of their share in the IMF, which in Honduras's case equals SDR[4] 67.8 million. Consequently, the loan cannot exceed SDR 54.2 million (approximately US$76 million). The interest rate usually applied to these loans is 0.05 percent annually, but it could rise to 1.4 percent if subsidized contributions are not received to meet the expected demand. The disbursement should be made in semiannual installments over a period of 3 years. The total term is 10 years, with a 5½-year grace period, and amortization should be made in 10 equal, consecutive semiannual installments, starting from the date of disbursement. The form of repayment and the period of disbursements in force extend the term to a total of 13 years.

Preparation of a policy framework paper (PFP) by national authorities, with assistance from both the IMF and the World Bank, will be an integral part of requirements to be met. This condition coincides with one of the IDA requirements to award a grant for US$10 million for the full-scale arrangement of the banking debt described in the "Bank Renegotiation Option" section earlier in this chapter. This coincidence will help facilitate the award of the grant, by expediting shortly the steps needed to obtain ESAF for Honduras.

The conditions under which ESAF financing are granted are concessional compared with the financing granted by the IMF for its general funds, which have commercial interest rates and a term not greater than 5 years.

The effects of contracting this loan are given in Table 11. Given the low interest rate, the method of disbursement, and the grace period, the impact of this operation on debt service during 1992-1998 is significantly lessened. The cumulative payment to be made for this period is US$3 million, 54 percent of which is repayment of principal. When analyzing the figures in Table 11, it should be kept in mind that because of the method used to construct the table, the amount owed in the last column

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[4]Special drawing rights.

("Situación después crédito ESAF") includes only the initial disbursement, which should take place in 1992. The effect of other disbursements on the amount owed is shown in Tables 12 and 13.

DEBT REDUCTION THROUGH THE COMMODITY CREDIT CORPORATION

On November 26, 1991, U.S. Representative E. de la Garza (D-Tex.) introduced into the U.S. Congress a proposed amendment to the Agricultural Trade Development and Assistance Act of 1954 to authorize the President of the United States to apply supplementary measures as part of the Initiative for the Americas.

The purpose of the initiative is to establish a "Good Neighbor Environmental Fund" with the equivalent in domestic currency of not less than 40 percent of the price paid by the beneficiary country to acquire up to 40 percent of the debt eligible for this purpose. The debt eligible in this case is the debt incurred and outstanding with the Commodity Credit Corporation (CCC) before January 1, 1991, for agricultural commodities purchased on credit with the guarantee of the CCC or for loans restructured before that date under the Paris Club agreement.

Because Honduras's outstanding debt with the CCC is some US$30 million (including interest accrued as of December 31, 1991), applying the terms proposed by Rep. de la Garza would constitute a local currency fund of US$4.8 million, if the price paid by the 40 percent of the debt equaled its face value (US$12 million). The balance of the original debt remaining would then be US$18 million.

Nevertheless, because the price at which the debt can be acquired must be set by the executive branch (according to the proposed amendment), the price should be less than 100 percent of its value in order to encourage countries to support the project. The project stipulates that the executive branch will establish the price paid by the eligible country for the debt. A price of 50 percent for Honduras would translate into an investment of US$6 million in order to constitute a local currency fund of US$2.4 million. The resulting order of magnitude of relief in foreign currency (US$6 million) would not be significant in the projections made earlier in this report, since the potential effects derived from it were not incorporated into the projections. Disregarding local currency payments, net relief would be US$3.6 million.

SUMMARY OF THE EFFECTS OF THE SIMULATIONS

The overall effect of negotiations (described in this chapter) on debt service and total amount of external debt can be seen from the projections for the main variables for 1992-1998 (see Table 12) and for the ratios "debt service to exports" (Servicio/Exportaciones), "amount owed to GDP" (Adeudado/PBI) and "debt service to GDP" (Servicio/PBI) in Table 13.

If all the options analyzed were implemented, the percentage of export income committed to debt service in 1992 will have decrease almost 9 percentage points. This is not a spectacular reduction, but the magnitude of debt service will be brought to a more controllable level. Although the ratio steadily increases over the projected period, if all the forecasts made actually happen, the ratio will fall to lower levels than those given in Table 6c for 1993-1995 before the simulations. Still, these ratios continue to show a high amount of anticipated income from exports.

The ratio "amount owed to GDP" will decrease almost 2 percentage points in 1992 because of the reduction of the commercial debt with the United States estimated in Table 10 and of part of the commercial banking debt in Table 9. However, in future years this indicator increases steadily, above even the levels estimated before the simulations (Table 6c), except for a slight contraction in 1993.

Finally, the "debt service to GDP" ratio in Table 13 shows a reduction of 3.6 percentage points in 1992 and 0.7 percentage points in 1993, as a result of the reduction of debt service from Paris Club

efforts and renegotiation with Mexico. The importance of this reduction becomes weaker and weaker until in 1996 it is negligible.

In summary, it is evident that the comparison and behavior of this small number of indicators strengthens the idea that the restructuring of maturities is only one way to delay the debt problem into the future, at the expense of incurring a higher total debt. In general, the relative magnitude of the debt and its service will not change much in the medium term. The government will be forced to readdress a financing policy based on foreign funds, the uses of and conditions on foreign loans that it should examine, and especially, renegotiation of the external debt.

However, a more complete picture of the impact of the debt can be obtained by incorporating the results of the projections presented in this report into an aggregated model in which the debt component is one of the principal variables. This type of model can be obtained from the World Bank. The data processing system provided by UNCTAD (SIGADE) to the MHCP and the Central Bank of Honduras has a module that allows results of various simulations to be added to balance-of-payments projections. The simulations are taken from the database on outstanding loans and on different hypotheses on indebtedness that can be posed. However, the objectiveness of the results depends on whether the information handled by the database is organized and arranged properly. Both the Central Bank and the MHCP should not overlook this aspect.

5. Conclusions

An inventory of the conditions for solving external debt and the results of comparing the data on existing debt with those estimated to come from new loan agreements suggest the following basic conclusions.

1. The simulations developed in this report have allowed identification of areas in which public sector agencies dealing with the management and administration of external debt have made great strides. The existence of standards and detailed procedures for sending payments through the Ministry of Housing and Public Credit and the monitoring of loan projects before they are financed are examples of progress. These gains should not be taken as a sign to relax these efforts or to ignore weaknesses that still exist.
2. One of the important factors in improving external debt management is to continually train personnel handling the debt, as well as to retain experienced personnel in whom the time and effort invested makes them assets. Their sudden replacement could produce serious distortions and numerous adverse consequences. Generally, the best experience tends to be related directly to those who achieve successful results. Thus, areas of activity with a high degree of specialization and familiarity with the proper application of external financing methods should be examined.
3. The public sector does not use any one methodology to systematically analyze the effects of new external debt, such as that scheduled to result from investment programs, on balance of payments, public finance, and the overall economy. Financing decisions tend to be based on individual analysis of each potential loan. Officials do not appear to be informed about the implications of this omission. At best, analyses are attempted of the effect of new loans from each of the most important creditors, usually multilateral agencies. Because of this omission, the Central Bank lacks important information for formulating an adequate external debt policy.
4. The grounds for proposing a debt policy encompassing current and future liabilities, as well as political and practical circumstances, are weak because they do not consider the overall effect of new external debt likely to be incurred. Decisions in this regard appear to be based quite frequently on group considerations.
5. The indebtedness produced by contracting a group of loans likely to come out over the next 3 years should increase the debt service. Over 4 years this increase will in turn increase annual payments to a little more than US$100 million. This will set the stage for a new crisis if complementary policies are not adopted that effectively increase the availability of foreign exchange. According to available projections on exports, the result of this new debt (Table 6b) does not damage the ratio of service to exports; nor, however, does it improve the initial situation, whereby payments are not easily made because they are too large compared with projected income from foreign exchange. The projections for exports tend to be more promising. Alternatively, expectations will have to be lowered for external financing through loans, or absent that, steps must be taken to further reduce or forgive debt with other creditors under guidelines similar to those applied by the United States.
6. The results of adding the effect after 1992 of various ongoing and proposed negotiations to the consolidated projection of new and old loans are a significant decrease (almost 9 percent) in

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the ratio of debt service to exports in 1992 and other minor decreases over the following 3 years. Nevertheless, the debt increases 40 percent in only 4 years (US$1.207 billion by 1995), assuming that the United States grants additional debt forgiveness in 1992 on nonconcessional loans backed by the public sector. If this forgiveness is not granted, the debt would increase 44 percent (US$1.340 billion).

7. The possibilities for reducing and managing the debt should not be limited to the options described in this report. Any further possibility can be calculated. However, the practical usefulness of other possibilities depends on the feasibility of carrying it out, that is, the contacts and negotiations that Honduran officials plan to make as part of a medium-term negotiation policy. The actual options vary from country to country and depend not only on the country's negotiating ability, but also on the contacts at and relationship with the creditor, which generally determine their attitude in setting flexible or inflexible conditions for renegotiating a country's debt with them.
8. There is no way to periodically and systematically access stored and current statistical data on loan agreements. The systems used at MHCP use various processes that are not unified. There is a gap in the perception of problems and procedures between the executive and intermediate levels. The various facets of the information system are not unified and its functions are not clearly defined, so that data cannot be easily generated to perform an overall analysis. Without the generation of periodic, comprehensive, reliable data, the ability to analyze the external debt cannot be firmly developed.
9. The data processing system most useful to the MHCP (SIGADE) for analyzing figures has no local technical support. When the system breaks down, it can remain so indefinitely, until a solution is offered by the UNCTAD headquarters in Geneva. When these breakdowns have occurred in the past, the information stored temporarily elsewhere has been seriously impaired.
10. A more long-term analysis can be made on the basis of general assumptions about indebtedness. The period for projecting figures can be lengthened for the purposes of analysis, raising the overall size of the debt as a function of achieving growth and hypothesizing on the characteristics of creditors and the conditions under which financing might be obtained.

6. Recommendations

The conditions governing the definition of external debt strategies and the management of pertinent information for their definition and administration imply a quest for specific mechanisms and objectives to help organize and institutionalize its management. Specifically, these conditions are as follows.

1. Develop efforts to renegotiated contracted debt, attempting to obtain as much as possible partial if not total forgiveness of the amount of debt in question. An alternative that might be explored is to seek to erase interest due but unpaid, in order to avoid an increase in the balance owed because of compounded interest. The results of the projections made in this report indicate that the debt situation will not improve greatly if measures are not taken or policies are not adopted toward reducing external debt. Extended amortization periods and the lowest possible interest rates must also be sought given the large debt service forecast in the projections.
2. Broaden renegotiation efforts to include creditor countries in the region, as well as Paris Club members, such as the United States and the Netherlands (NIO), who show a tendency toward more concessional treatment than that expressed in their minutes and who, although using different methods, granted forgiveness instead of restructuring or refinancing the debt outstanding.
3. Adopt the use of simulations of the variables involved in external debt, as a basic tool for Honduran economic officials to analyze and illustrate the possible effects of the level of external debt programmed. This is a support mechanism that, in addition, can help propose external debt policies, improve their administration, and guide their evolution. Institutionalization of one analytical mechanism such as that developed throughout this report is an alternative to consider. The possibility of its adoption could be facilitated by the use of computer programs at DGCP and the Central Bank of Honduras that can already perform this type of exercise. However, simply knowing how these programs work is not enough. Attention must be paid to the quality of information on loan agreements, the program's principal input. The periodic updating of data (every 3 or 6 months) would give a more accurate idea of how prevailing circumstances are unfolding, as well as the advantage of proposing corrective measures if needed.
4. In order to activate a mechanism for monitoring such as that indicated in Item 3, organize, systematize, and institutionalize the processing of information on contracted and outstanding loans. In this area particularly, it is advisable to try to obtain technical assistance that can guide agencies that centralize data on the external debt. The goal of this assistance is to not only improve the organization and distribution of tasks at these agencies, but also define their respective procedures. Similarly, the updating of criteria used to manage information and systematic data generation should be looked into, to make them compatible with the common needs of users and officials, as well as with the requirements for an analytical plan like that described earlier. The technical assistance should take place through training or a workshop at the same work site under the criterion "learning by doing," preferably using the help of an in-house expert for the medium term like the one used at DGCP in the past.

5. Develop an "annual external debt program," which includes external financing projects or purposes that are contracted, after their individual and overall effects are analyzed, with the hope of satisfying political as well as technical criteria. The loans that become part of such a program would have to be approved first agencywide (like a program), and then each loan could be contracted as part of the larger program, as a way of ensuring its fulfillment.
6. Establish a unit for the external debt program (see Articles 8 and 9 of the Public Credit Law, Decree No. 111-90, September 20, 1990) at a high enough political level where the final decision can rest to carry out the contracting of a specific loan, without the approval of which a loan cannot be committed to or backed by the Central Bank. Also, establish a Technical Secretariat for this role, where all the required information would be prepared, thus institutionalizing its functions and authority. The information that a secretariat might handle must be of high quality.
7. Avoid the uncoordinated management of new loans by entities that have no prior authorization. Authorization should be given in cases like those suggested in the preceding paragraph, or according to the guidelines established on this particular subject in the Public Credit Law, which should be regulated and applied without any delay. In principle, the management of new loans should be limited to those set apart in an External Debt Program. In addition, it would be advantageous to try to overcome (as much as possible through regulation) conceptual weaknesses in the law.
8. Place greater emphasize on financing without repayment (grants) to carry out social projects, which usually do not generate any type of direct income, in order to make them more feasible to carry out. In addition, preserve the incurrence of indebtedness for projects with economic and financial potential. Emphasize the promotion of activities that may not be directly linked to the duties of the public sector but that tend to increase the availability of foreign exchange for Honduras.
9. Expedite the award of the financial facility offered by IDA (grants) to resolve the banking debt, coordinating with the current security holders beforehand how the debt might be resolved through a grant. Swift action should allow the process to be completed before the expiration of the term established to use these funds.
10. Contact U.S. Government officials to determine the feasibility of implementing a debt conversion program like that suggested in Chapter 4 ("Additional Concessional Renegotiation with the United States") or any other program that takes full advantage of the willingness of the United States to continue treating Honduras favorably.
11. Incorporate the results obtained from overall projections into a more aggregated economic model, in order to make them compatible with the overall goals anticipated in the current economic program.
12. Grant autonomy to the technical support required by the data processing system provided by UNCTAD, through training of specialized personnel (programmers) in program structures. This can be achieved in coordination with UNCTAD, which has already developed similar programs with other countries in the region. To meet this objective requires having access to financing to cover the costs of travel and accommodations of selected personnel while in Geneva. UNCTAD does not have the ability to offer financial assistance. The length of the training should be about one month.
13. When possible, cultivate and maintain specialized personnel with duties related to management of the external debt. Since external debt management is a specialized activity in which experience is a relevant factor, the replacement of personnel without education and experience could translate into not only operating deficiencies, but also into high financial costs.

7. Action Plan

The recommendations detailed in Chapter 6 can be classified in two main groups: (1) those that address the adoption of measures by the government to increase administrative efficiency and the quality of decision making related to the external debt, and (2) those that address specific negotiations or measures that will set up conditions to improve the external debt situation, achieve redistribution of maturities, reduce the magnitude of the debt, or obtain some form of foreign aid.

Although both types of action are necessary, it is up to Honduran political and economic officials to decide how and when to carry out the recommendations of the first type. Clearly, the sooner these actions are implemented, the faster positive results will be obtained. However, these recommendations involve policy decisions that require evaluation and decision making by the proper authorities over the cost and timing of implementing them.

Regarding recommendations on specific measures to be taken with multilateral agencies, other governments, or in other instances to improve the external debt situation, following are proposed actions to be taken to achieve these objectives, as indicated throughout this report.

1. Begin negotiations with the International Monetary Fund (scheduled for March 1992) to continue the momentum of the economic program undertaken by the Honduran government and keep access of the country open to various financing sources that normally have an agreement in effect with the IMF.
2. Proceed immediately with preparation of a policy framework paper (PFP), with the assistance of the IMF and the World Bank. This report is required in order to classify Honduras as a country with access to ESAF resources.
3. Request the IDA at once (if the request has not already been made) to appropriate US$10 million of nonreimbursable funds to be applied to the total renegotiation of the banking debt. The PFP mentioned in Item 2 will also help qualify Honduras for the grant, because it satisfies one of the requirements for gaining access to such funds. It should be kept in mind that the period for using this financing expires in September 1992.
4. Complete as quickly as possible the preparation of a renegotiation plan on the outstanding banking debt, preferably in coordination with the current security holders of the debt, in order to present to IDA a coordinated, ready-to-implement plan.
5. Request the Secretariat of the Paris Club, no later than the end of April 1992, to hold a meeting to consider the need to renegotiate the maturities on Honduras's external debt during its next meeting with the IMF. The probable date of the meeting should be considered in the light of progress in negotiations with the IMF, since such an agreement is a requisite of the Paris Club.
6. Finish preparing, and have available, information on the external debt normally required by the Secretariat of the Paris Club. In addition, continue to develop the report explaining why the country deserves to receive another restructuring of its maturities. Request that the Toronto Terms be applied, emphasizing the need to forgive part of the renegotiated amount due. Alternatively, aim for the longest repayment periods and lowest interest rates possible.
7. Start coordinating right away with the proper U.S. Government officials to determine the chances of receiving forgiveness of the debt backed by it or its agencies and to set up in return

a domestic currency fund for social assistance or environmental protection projects equivalent to 20 percent of the principal owed.

8. Given the multitude of activities scheduled for the next three months, begin an aggressive campaign—after the next Paris Club meeting (after June 1992)—to renegotiate with other bilateral creditors the debt outstanding, when possible incorporating forgiveness in arrangements that become final.
9. Expedite at once a policy of financing with foreign funds, with emphasis on grants, and find a way to reduce the flow of financing from external loans.
10. Seek financial assistance immediately in order to train specialized personnel at the Ministry of Housing and Public Credit in technical support of the data processing system furnished by UNCTAD and grant the unit autonomy in upkeep of the system.

Most of the recommendations mentioned above should be started or implemented almost simultaneously, within a span of no more than three months, which is rather short given the tasks that need to be done. Therefore, no further recommendations are made on the sequence and timing of their execution. This will require from authorities at the Central Bank of Honduras and the MHCP a tremendous effort to coordinate and simultaneously carry out these tasks in order to meet the tight constraints on time and resources they face in order to fully profit from opportunities available.

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APPENDIX A

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CUADRO 1 : PROYECCION DEL SERVICIO DE LA DEUDA POR ACREEDOR – CREDITOS CONTRATADOS. 1/

(En miles de US$)

ACREEDOR	Saldo Adeudado al 31/12/91	1992 Princip.	1992 Interes	1992 Total	1993 Princip.	1993 Interes	1993 Total	1994 Princip.	1994 Interes	1994 Total	1995 Princip.	1995 Interes	1995 Total	1996 Princip.	1996 Interes	1996 Total	1997 Princip.	1997 Interes	1997 Total	1998 Princip.	1998 Interes	1998 Total
MULTILATERALES	1737168	111075	81770	192845	115784	78461	194245	122723	76060	198783	127238	63537	190775	74093	55226	129319	110668	49258	159926	108012	43049	149061
BIRF 2/	545885	31804	31031	62885	31811	29618	61429	29618	31811	81429	35060	25215	60275		22427	22427	38693	19322	58015	39322	16379	55701
IDA 3/	106823	1432	1325	2757	1432	1481	2913	1492	1532	3024	1492	1522	3014	1629	1510	3139	1817	1493	3310	1918	1472	3388
BID 4/	686610	34437	19785	54222	35309	19362	54671	31784	18479	50263	31813	17454	49267	33724	16918	50342	36026	15797	51823	31325	14912	46237
BCIE 5/	324945	36615	24170	60785	37248	22444	59692	38790	19653	58443	37152	16592	53744	32339	13298	45637	29757	11497	41254	29404	9281	38685
OPEC 6/	23270	1948	686	2634	1948	854	2802	1948	611	2759	2094	757	2851	2355	694	3049	2526	612	3138	2196	534	2730
FIDA 6/	12183	1538	743	2281	1769	732	2501	1769	702	2471	1769	841	2410	1769	579	2348	1769	516	2285	1769	454	2223
BIAPE 7/	2343	414	150	564	414	119	533	414	69	503	414	59	473	247	30	277	80	21	101	80	17	97
BLADEX	4375	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
FMI 8/	23550	–	3429	3429	2966	3633	6599	15680	2929	18609	17194	1284	18478	2030	70	2100	–	–	–	–	–	–
COLAC 8a/	1000	250	87	317	250	49	299	250	31	281	250	13	263	–	–	–	–	–	–	–	–	–
S.Centroam.Pagos 8b/	6404	2637	334	2971	2637	169	2806	978	23	1001	–	–	–	–	–	–	–	–	–	–	–	–
PAISES C.DE PARIS 9/	506304	38904	28818	67722	35713	25454	61167	35258	22842	58100	32576	21461	54039	31729	18192	49921	28219	16208	44427	30051	14798	44849
Alemania 10/	47903	673	1028	1701	752	1015	1767	752	974	1726	1240	920	2160	1390	859	2249	1591	793	2384	1937	726	2663
Canadá 10a/	26966	534	–	534	735	–	735	735	–	735	735	–	735	735	–	735	735	–	735	735	–	735
Dinamarca 11/	7920	1440	501	1941	1440	373	1813	1440	274	1714	1440	174	1614	1440	75	1515	–	–	0	–	–	0
Espana 12/	23946	2176	3106	5282	5554	3073	8627	5599	2753	8352	6084	2425	8509	6464	2063	8527	5688	1696	7384	5688	1376	7064
Estados Unidos 13/	95800	10750	6219	16969	5599	5344	10943	5482	4791	10273	2166	4310	6476	1510	4114	5624	3190	3946	7136	4440	3741	8181
Francia 10a/	57000	6167	2855	9022	6168	2331	8499	5170	1813	6983	3942	1410	5352	3649	1280	4929	3726	806	4532	2148	562	2710
Gran Betana 10a/	16900	181	–	181	181	–	181	181	–	181	181	–	181	181	–	181	181	–	181	181	–	181
Holanda 10b/	10400	1644	183	1827	669	49	718	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Israel 14/	1365	390	95	485	390	66	456	390	37	427	195	7	202	–	–	–	–	–	–	–	–	–
Italia 10/	17900	3960	2666	6666	1500	1661	3161	1028	1499	2527	1972	2356	4328	0	767	767	0	767	767	0	767	767
Japón 10/	182500	9122	10909	20031	10878	10402	21280	12634	9685	22319	12634	8971	21605	14371	8286	22657	11119	7596	18715	9600	7184	16964
Suiza 15/	17704	1867	1236	3103	1867	1140	3007	1867	1016	2883	2009	888	2897	2009	748	2757	2009	604	2613	5142	462	5604
CLUB DE PARIS I 16/	272517	–	22760	22760	–	22642	22642	–	22642	22642	9997	22607	32604	19993	21393	41386	19993	19695	39688	19993	18051	38044
PAISES L. AMERICA	338771	39521	10324	49845	32755	8086	40841	27884	6054	33938	24416	4188	28604	14933	2539	17472	8029	1675	9704	7010	1226	8236
Argentina 17/	30049	3785	941	4726	3717	623	4340	3309	402	3711	1905	204	2109	711	72	783	214	26	240	186	12	198
Brasil 18/	11374	2017	332	2349	1874	171	1845	644	64	708	322	13	335	–	–	–	–	–	–	–	–	
Colombia 19/	18542	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Costa Rica 20/	23838	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Guatemala 21/	22590	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
México 22/	55310	11444	3510	14954	10804	2794	13598	10004	1958	11962	9402	1141	10543	4825	320	4945	–	–	–	–	–	–
Salvador 23/	8231	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Venezuela 24/	168837	22275	5541	27816	16560	4496	21058	13927	3630	17557	12767	2830	15617	9597	2147	11744	7815	1849	9464	6824	1214	8038
OTROS PAISES																						
Taiwan 25/	20625	250	1164	1414	2750	1121	3871	2625	946	3571	2500	801	3301	2500	665	3165	2500	522	3022	2500	383	2883
PROVEEDORES 26/	40045	10530	2141	12671	5594	1479	7073	4478	1305	5781	3389	1228	4617	2976	1059	4037	2414	716	3130	1990	660	2650
OTRAS INST. FINANC.	41880	1967	2385	4372	3003	6014	9017	6081	6348	12429	6676	5531	12207	6213	4660	10873	4819	3704	8523	4817	2948	7765
FMO – Holanda 27/	7309	1987	741	2728	1828	570	2398	1596	431	2027	1364	313	1677	901	213	1114	901	141	1042	899	88	987
CDC – UK 28/	34571	–	1644	1644	1175	5444	6619	4485	5917	10402	5312	5218	10530	5312	4447	9759	3916	3563	7481	3916	2860	6776
BCOS COMERCIALES 29/	80263	1474	785	2259	1928	863	2791	1928	685	2613	1928	507	2435	1928	329	2257	1701	150	1851	405	19	424
TOTAL GENERAL	3037573	203741	150187	353908	197527	144120	341647	200975	136882	337857	208722	119860	328582	154367	104063	258430	178343	91928	270271	172778	81134	253912

23-Jan-92 / Filename: PROACRED.WK3

Cuadro No. 1

1/ Construido en base a informacion proporcionada por Credito Publico y el Banco Central de Honduras.
2/ Deuda al 31/12/91 estimada en base a informacion del BM. Al saldo al 31-12-90 se sumaron desembolsos (excepto SALT II) y restaron amortizac. previstas p. 1991. Servicio según C. Público.
3/ Adeudado al 31/12/91 estimado en base a informacion del BM. Al adeudado al 31/12/90 se le sumaron los desembolsos esperados ($12'160) en Dic. 1991 por prestamo FHIS por SDR 14'300.
Proyección del servicio preparado por C. Público.
4/ Deuda según Estado de Situación de C. Publico (Gobierno $676'150) y del BCH ($10'460) al 30/11/91. Proyección consolida servicio BCH y Gobierno con información de ambas entidades.
5/ Deuda directa e indirecta del Gobierno ($271'7) y del BCH ($113'224). Obtenido de Estado de Situación de C. Público a Nov. 91 y de reporte saldos del BCH. Servicio suma
información ambas entidades a Dic. 91. Proyección consolida servicio del Gob. y del BCH.
6/ Deuda del Gobierno. Obtenido del Estado de Situación (al 30/11/91) y proyección servicio preparados por C. Publico.
7/ Saldo y proyección servicio obtenidos del Banco Central, encargado de la administracion de recursos provenientes del BIAPE. Estado de la deuda al 31/12/91.
8/ Corresponde al Stand-By de 1990. Saldo y servicio calculados en base a informacion del FMI.
8a)/ Consejo Latinoamericano de Ahorro y Crédito. Se origina en préstamo recibido en 1991 y administrado por el Banco Central.
8b/ Deuda proviene de déficit comercial con países centroamericanos que no se canceló através del Sistema Centroamericano de Pagos. Se convirtió en deuda a mediano plazo.
9/ El adeudado con cada país se estimó a partir de la informacion preparada para el Club de Paris de 1990.
10/ Adeudado estimado. Incluye desembosiso del KFW de fines de 1991 por DM 10'0 ($5'977) de préstamo vinculado al SALT II. A cifras a Junio 90 se le restaron atrasos asi como cuotas que
vencian hasta cierre del primer semestre 1991, que fueron renegociados en C. París 90. Cifras del servicio basado en registros C. Público.
10a/ Adeudado estimado. Al saldo a Junio 90 se le restaron atrasos asi como cuotas que vencian hasta cierre 1er. semestre 91, montos que fueron renegociados en el Club de París. Basado
en cifras del documento preparado para el C. París 90. Datos del servicio de acuerdo a los registros C. Público.
10b/ Adeudado estimado bajo los mismos supuestos que en el caso de Canadá, Francia y Gran Bretana. Se excluye servicio a NIO. Se asume condonación anual de los vencimientos en base al
tratamiento dado recientemente a la deuda de Honduras.
11/ Adeudado estimado. Equivale a cuotas de principal por vencer 92-98 de proyección del servicio (C. Público). Incluye vencimientos 2do. sem. 91 tomado de documento C. París 90.
12/ Adeudado estimado. Corresponde a suma de cuotas principal 92-98 de proyección del servicio elaborado por C. Público mas cuota correspondiente al 99. Datos 91 de docmto. C. París.
13/ Adeudado estimado después condonación ptmos. concesionales. Se obtiene restando a saldo Jun. 90 los atrasos a esa fecha y vencimientos hasta 1er. sem. 91. Deuda corresponde a prés-
tamos garantizados para programas de vivienda, C.C.C. y F.M.S. Servicio según registros Crédito Público. Ano 1992 incluye información BCH sobre vencimientos C.C.C.
14/ Adeudado estimado. Resulta de sumar cuotas principal 2do. semestre 91 y cuotas por vencer 92-95 en que se cancela la deuda.
15/ Adeudado estimado. Se obtiene de sumar cuotas de principal por vencer 92-98incluya vencimientos 2do. sem 91. Proyección servicio elaborado por C. Público.
16/ Resultado del primer Club de Paris para Honduras, llevado a cabo en 1990.
17/ Deuda del Gobierno ($14'569) y del Banco Central ($15'490)al 31/12/91, incluyendo intereses vencidos. Servicio deuda comprende ambos deudores. Datos del BCH y de C. Público.
18/ Deuda del Gobierno Central. De acuerdo a C. Público el servicio corresponde al período 91/94. Se trasladó al período 92/95 por ser mas representativo de los pagos pendientes.
19/ Deuda del BCH. Incluya atrasos de intereses por $3'977 y saldo de principal vencido ($14'566).
20/ Deuda del BCH. Corresponde a la totalidad del principal vencido ($23'614) mas intereses acumulados ($223,).
21/ Deuda del BCH. Corresponde a saldo del principal vencido ($15'933).Incluye intereses atrasados ($6'666).
22/ Deuda del BCH. Incluye principal vencido ($3'281) e intereses acumulados ($5'737). Servicio en base a registros del BCH.
23/ Deuda del BCH. Toda la deuda está vencida ($6,766). Intereses acumulados impagos por $1,465.
24/ Comprende deuda del Gobierno ($108'558) según informe C. Público Nov. 1991 y deuda del BCH ($59'122) que incluye intereses vencidos por $1'157. Servicio toma registros ambas entidades.
25/ Deuda del BCH. Servicio según sus registros.
26/ Adeudado estimado en base al monto de cuotas de principal que vencen desde 2do. semestre 1991 hasta la cancelación total de los préstamos contratados. Datos de C. Público.
27/ Saldo adeudado según Estado de Situación a Nov.91 de C.Público. Corresponde a renegociación de deuda asumida por el Gobierno, incluyendo deuda de Hondutel. Servicio según C. Público.
28/ Adeudado según renegociación deuda total con CDC en proceso llevada a cabo por el gobierno. Proyección pagos derivada de renegociación.
29/ Adeudado compuesto por $69'664 de deuda bancaria destinada a conversión de deuda, $4'202 pendientes con UBS desde 1986 por financiamiento para proyecto el Cajón y $6'937 estimados de crédito
por crédito reciente del City Bank a Hondutel para adquisición de suministros. Servicio estimado corresponde sólo a este último préstamo.

CUADRO 1A. VARIACION DEL SALDO ADEUDADO ENTRE
JUNIO 1990 Y DICIEMBRE 1991.
(En millones de US$)

ACREEDOR	Saldo al 31/12/91	Saldo al 30/06/90	Variación en el saldo
MULTILATERALES	1737.2	1419.5	317.7
BIRF	545.9	377.4	168.5
IDA	106.6	76.5	30.1
BID	686.6	628.5	58.1
BCIE	324.9	291.9	33.0
OPEC	23.3	22.0	1.3
FIDA	12.2	12.3	-0.1
BIAPE	2.3	3.3	-1.0
BLADEX	4.4	4.4	0.0
FMI	23.6	3.2	20.4
COLAC	1.0	-	1.0
S.Centroam.Pagos	6.4	-	6.4
PAISES C.DE PARIS	506.3	993.7	-487.4
Alemania	47.9	45.2	2.7
Canadá	27.0	28.3	-1.3
Dinamarca	7.9	14.4	-6.5
Espana	23.9	15.6	8.3
Estados Unidos	95.8	551.2	-455.4
Francia	57.0	68.4	-11.4
Gran Bretaña	16.9	30.8	-13.9
Holanda	10.4	12.3	-1.9
Israel	1.4	2.3	-0.9
Italia	17.9	21.5	-3.6
Japón	182.5	191.7	-9.2
Suiza	17.7	11.0	6.7
Bélgica	-	1.0	-1.0
CLUB DE PARIS I	272.5	-	272.5
PAISES L. AMERICA	338.7	250.9	87.8
Argentina	30.1	30.2	-0.1
Brasil	11.4	32.2	-20.8
Colombia	18.5	-	18.5
Costa Rica	23.8	33.4	-9.6
Guatemala	22.6	14.6	8.0
México	55.3	49.1	6.2
Salvador	8.2	-	8.2
Venezuela	168.8	91.4	77.4
OTROS PAISES			
Taiwan	20.6	2.5	18.1
PROVEEDORES	40.0	111.2	-71.2
OTRAS INST. FINANC.	41.9	-	41.9
FMO - Holanda	7.3	-	7.3
CDC - U.K.	34.6	-	34.6
BCOS.COMERCIALES	80.3	232.4	-152.1
TOTAL GENERAL	3037.5	3010.2	27.3

CUADRO 1B. DEUDA EXTERNA POR ACREEDOR
Y TIPO DE ACREEDOR.
(En millones de US$)

ACREEDOR	Saldo al 31/12/91	Acreedor/Deuda Total %
MULTILATERALES	1737.2	57.19
BIRF	545.9	17.97
IDA	106.6	3.51
BID	686.6	22.60
BCIE	324.9	10.70
OPEC	23.3	0.77
FIDA	12.2	0.40
BIAPE	2.3	0.08
BLADEX	4.4	0.14
FMI	23.6	0.78
COLAC	1.0	0.03
S.Centroam.Pagos	6.4	0.21
PAISES C.DE PARIS	506.3	16.67
Alemania	47.9	1.58
Canadá	27.0	0.89
Dinamarca	7.9	0.26
Espana	23.9	0.79
Estados Unidos	95.8	3.15
Francia	57.0	1.88
Gran Bretaña	16.9	0.56
Holanda	10.4	0.34
Israel	1.4	0.05
Italia	17.9	0.59
Japón	182.5	6.01
Suiza	17.7	0.58
Bélgica	–	0.00
CLUB DE PARIS I	272.5	8.97
PAISES L. AMERICA	338.7	11.15
Argentina	30.1	0.99
Brasil	11.4	0.38
Colombia	18.5	0.61
Costa Rica	23.8	0.78
Guatemala	22.6	0.74
México	55.3	1.82
Salvador	8.2	0.27
Venezuela	168.8	5.56
OTROS PAISES		
Taiwan	20.6	0.68
PROVEEDORES	40.0	1.32
OTRAS INST. FINANC.	41.9	1.38
FMO – Holanda	7.3	0.24
CDC – U.K.	34.6	1.14
BCOS.COMERCIALES	80.3	2.64
TOTAL GENERAL	3037.5	100.00

CUADRO 2 : PROYECCION DE DESEMBOLSOS POR ACREEDOR - CREDITOS CONTRATADOS

(En miles de US$)

ACREEDOR	Contratado 1/	1992 1er.Sem.	1992 2do.Sem.	1993	1994	1995	1996	1997	1998
I)DESEMB. RAPIDO 2/	386911	99162	80502	41380	-	-	-	-	-
BIRF - Salt II 3/	90000	-	25000	-	-	-	-	-	-
IDA	86450	35420	15750	16380	-	-	-	-	-
Sectoral Energia 4/	53130	2100	15750	16380	-	-	-	-	-
Reflujos 5/	33320	33320	-	-	-	-	-	-	-
BID	115000	30000	30000	15000	-	-	-	-	-
Hibrido Energia a)	46000	17000	17000	12000	-	-	-	-	-
Hibrido Energia b)	9000	3000	3000	3000	-	-	-	-	-
Sect. Agricola a)	14000	2000	2000	-	-	-	-	-	-
Sect. Agricola b)	46000	8000	8000	-	-	-	-	-	-
FMI-Stand-By 6/	42700	9800	-	-	-	-	-	-	-
OPEC 7/	9000	5730	-	-	-	-	-	-	-
KFW-Apoyo Salt II	8965	2988	-	-	-	-	-	-	-
Taiwan 8/	20000	10000	-	10000	-	-	-	-	-
C.D.C. 9/	14796	5224	9752	-	-	-	-	-	-
II)DESEMB. STANDARD	-	97145	109566	130455	73321	21725	1627	-	-
BID	50000	38000	47273	72279	50978	18447	-	-	-
Sectori. Energia 10/	50000	3000	5000	18000	16000	8000	-	-	-
Varios-Pipeline 11/	-	35000	42273	54279	34978	10447	-	-	-
BIRF-Pipeline 12/	-	4000	4189	6151	4911	3278	1627	-	-
IDA-FHIS 13/	20000	7840	-	-	-	-	-	-	-
BCIE 14/	-	19705	20918	22110	14740	-	-	-	-
FIDA 15/	-	-	2306	-	-	-	-	-	-
PAISES C.PARIS-Pipe.		20100	24717	19222	2692	-	-	-	-
Alemania 16/	-	3100	4264	7355	2692	-	-	-	-
Italia 17/	20855	5000	8000	1127	-	-	-	-	-
Espana 18/	-	9000	8900	10740	-	-	-	-	-
Japon 19/	-	3000	3553	-	-	-	-	-	-
PAISES L. AMERICA									
Venezuela 20/	-	7500	10163	10600	-	-	-	-	-
TOTAL GENERAL		196307	190068	171835	73321	21725	1627	-	-

1/ Información representativa tratándose de préstamos de desemb. rápido. de reciente contratación. Poco significativa en otros casos.
2/ Montos según estimaciones de unidad del BCH a cargo de desembolsos. Mayores montos contratados significa existencia de desembolsos en períodos anteriores.
3/ Desembolso del 2do. semestre 92 equivale a saldo por desembolsar del ptmo.
4/ El prestamo fue por SDR 37'950. Convertido a dólares a la tasa de 1 SDR=$1.4
5/ Prestamo fue por SDR 23'800. Convertido a dólares a la tasa de 1 SDR=1.4 US$.
6/ Estimado en base a información del FMI. Se asume que los SDR 7' pendientes de desembolso se utilizarán en el 1er. trimestre de 1992.
7/ US$ 4' contratados en 1991.
8/ Préstamo por $20'0 contratado por el gobierno para el sector transportes.
9/ Supone la implementación de acuerdo de renegociación deuda de Nov. 91. desembolsos elaborados por el BIRF.
10/ Préstamo contratado en 1991. Desembolsos estimados en base a coeficientes
11/ Corresponde a préstamos contratados y en proceso de desembolso. Estimado en base a listado de proyectos en ejecución del BID al cierre de 1991.
12/ Desembolsos estimados. Se basan en información del BIRF sobre deuda pública externa a Diciembre 1990.
13/ Desembolso 1992 equivale a saldo por desemb. estimado a Dic.91.
14/ Desembolsos 1992 estimados en base a programación BCIE. Desembolsos posteriores en base a supuestos propios.
15/ Desemb. 1992 equivale a monto por desembolsar según registros de C. Público. Supone renegociación deuda vencida con el FIDA.
16/ Desemb. ptmos. contratados en 1991. Incluye la parte del KFW-SALT II que fué desembolsado en 1991.
17/ Saldo por utilizar de ptmo. Mediocredito Centrale por equivalente a $20'855.
18/ Saldo por desembolsar estimado de ptmos. contratados en 1991 por $35'800.
19/ Información de C. Público. Saldo por desembolsar de ptmos. ya contratados.
20/ Distribución de saldo por desembolsar (consolidado) por diversos créditos otorgados al Gobierno por un total de $28'998 (Electrif. Rural, Adquisición.

CUADRO 3 : PROYECCION DE DESEMBOLSOS POR ACREEDOR: CREDITOS A CONTRATAR. 1/

(En miles de US$)

ACREEDOR	A contratar	1992	1993	1994	1995	1996	1997	1998
BID 2/	823000	63550	191950	231700	173050	116050	40050	10400
1992								
Rehab. Carreteras a)	85000	6800	22950	18700	15300	15050	6800	3400
Rehab. Carreteras b)	25000	1750	4000	5000	4750	4000	3250	2000
Agricola Ajuste II	50000	25000	25000	-	-	-	-	-
Cred. Multisect. I	75000	20000	30000	25000	-	-	-	-
Ref.Sec.Pub.y Social	90000	10000	40000	40000	-	-	-	-
1993								
Valle Sula	40000	-	15000	15000	10000			
Bay Islands - Roatan	18000	-	6000	6000	6000	-	-	-
Conservac. El Cajon	18000	-	9000	9000	-	-	-	-
Sector Inversion	80000	-	30000	30000	20000	-	-	-
Alcantarillado Tegu.	80000	-	10000	20000	25000	25000	-	-
1994								
Aprov. Agua IV	32000	-	-	8000	12000	12000	-	-
Agua ciudads.interm.	80000	-	-	20000	30000	20000	10000	-
Cred. Multisect. II	70000	-	-	20000	25000	20000	5000	-
Rehab.Carreteras II	80000	-	-	15000	25000	20000	15000	5000
IDA 3/	176900	55000	89800	32100	-	-	-	-
Sector Social 1992	20000	10000	10000	-	-	-	-	-
Sector Agricola 1992	50000	25000	25000	-	-	-	-	-
Reflujos 1992	35000	20000	15000	-	-	-	-	-
Reflujos 1993	39800	-	39800	-	-	-	-	-
Reflujos 1994	32100	-	-	32100	-	-	-	-
FMI	149450	100860	42700	6090	-	-	-	-
Stand-By 92 4/	42700	36610	6090	-	-	-	-	-
CCFF 92 5/	64050	64050	-	-	-	-	-	-
Stand-By 93 4/	42700	-	36610	3090	-	-	-	-
BCIE 6/	147880	-	5736	29100	41269	30787	23040	7700
1992 7/								
Control Sigatoka II	9000	-	1800	3510	2430	1260	-	-
Estudio Proy. Viales	500	-	300	200	-	-	-	-
Red Digital Telecom.	5560	-	1116	2176	1507	781	-	-
Educación y Trabajo	2600	-	520	1014	702	364	-	-
Expans. Piscicultura	4300	-	860	1677	1161	602	-	-
Ferrovía Pto. Cortés	5700	-	1140	2223	1539	1260	-	-
1993 8/								
Honduras-Salvador	10500	-	-	2100	4095	2835	1470	-
Carret. Pto. Amapala	5500	-	-	1100	2145	1485	770	-
Proy.Sico Remolino	9100	-	-	3800	4100	1200	-	-
Turbina Gas	17000	-	-	5100	1190	-	-	-
Expansión Telecom.	24000	-	-	5500	14300	4200	-	-
1994								
Varios 9/	54100	-	-	700	8100	16800	20800	7700
Japón - 1992 10/								
Cuenca Río Choluteca	110000	-	30000	40000	30000	10000	-	-
Gob.y Ag.Ofic. 11/	140000	-	-	13200	38600	43000	30800	14400
1993	60000	-	-	13200	21000	15000	10800	-
1994	80000	-	-	-	17600	28000	20000	14400
FIV 12/	18000	3000	6000	6000	3000	-	-	-
Factura Petro. 1992	6000	3000	3000	-	-	-	-	-
Factura Petro. 1993	6000	-	3000	3000	-	-	-	-
Factura Petro. 1994	6000	-	-	3000	3000	-	-	-
México 12a/								
Petróleo 92-94	15000	5000	5000	5000	-	-	-	-
Otros Multilat. 13/	62400	-	4000	12336	21368	16696	8000	-
1993	26000	-	4000	8000	10000	4000	-	-
1994	36400	-	-	4336	11368	12696	8000	-
Proveed. Varios 14/	133948	-	16500	57900	49600	9948	-	-
1993	73948	-	16500	42900	10600	3948	-	-
1994	60000	-	-	15000	39000	6000	-	-
Bancos 15/	47298	-	-	15180	23318	8800	-	-
1993	25298	-	-	15180	10118	-	-	-
1994	22000	-	-	-	13200	8800	-	-
TOTAL GENERAL	1823876	227210	391686	448606	380205	235281	101890	32500

1/ Este cuadro se basa en una relación de proyectos cuyo financiamiento está en proceso de contratación o que, en la mayoría de los casos cuenta con prestamistas interesados en financiarlos. No pretende ser una relación exhaustiva de la intención de obtener de préstamos externos del Sector Público. En ocasiones se hacen supuestos globales de nuevos créditos en base a necesidades del sector público no conocidas todavía por los acreedores potenciales. Sólo se consideraron préstamos nuevos para el período 92-94.

2/ Los créditos a ser financiados por el BID se basan en el Programa de Préstamos de esa institución para el período 91-93 al que se le hicieron ajustes para dar cabida a eventos que tuvieron lugar a lo largo de 1991. Por esta razón en algunos casos se desse desfasó la contratación prevista originalmente. Salvo algunas excepciones, los desembolsos fueron estimados independientemente.

3/ Financiamiento de proyectos y desembolsos de 1992 según previsiones del Banco Mundial. Financiamiento conocido como Reflujos estimados en base a información del BCH.

4/ Se asume que en 1992 y 1993 se obtendrán créditos Stand-By, por el 40% de la cuota de Honduras en cada período. Tipo de cambio empleado: DEG 1 = US$ 1.4

5/ Se asume que Honduras tendrá acceso al Compensatory Contingency Financing Facility (CCFF) y que el financimiento será por el 60% de la cuota de Honduras en el FMI. Se estima que la totalidad del financiamiento se desembolsa a su aprobación, el mismo que tendrá lugar dentro de los dos primeros meses de 1992.

6/ Los préstamos listados en 1992 y parte de los de 1993 según relación del BCIE sobre préstamos en gestión.

7/ Los 4 primeros créditos consignados en 1992 están aprobados por BCIE y en proceso de formalización que debe concluir en la primera mitad de 1992. Se asume que los otros dos préstamos también se perfeccionarán en 1992.

8/ Todo el financiamiento asociado al BCIE a partir del Proyecto Sico-Ilemolino, corresponde a intenciones de solicitudes de financiamiento de parte de entidades del sector público y a créditos ya recibidos por éste como solicitudes de préstamo.

9/ Incluye contrataciones estimadas por ENEE para adquisición de turbina gas ($17'), distribución eléctrica ($34'3) y además, para pesca artesanal ($2'8).

10/ Préstamo que tiene negociaciones avanzadas. Se estima en C. Público que pueden concluir en 1992.

11/ Se incluyen cifras globales de este tipo de acreedor, para respaldar la eventual ampliación/construcción de un aereopuerto internacional, el proyecto turístico Bahía de Tela y otros proyectos de menor cuantía.

12/ Cifra anual de financiamiento estimado derivado de la factura petrolera.

13/ Previsiones para financiar proyectos agropecuarios (Plandero II, Desarrollo Agrícola Comayagua, de Jamastrán, etc.). Supone la participación de organismos como el FIDA y OPEC.

14/ Previsiones para cubrir financiamiento destinado al programa de Expansión Telefónica Urbana que tiene previsto iniciar Hondutel y otras necesidades de equipamiento no financiadas de ENEE principalmente.

15/ Contrataciones 1993 destinadas al financiamiento del Programa de Expansión Telefónica Urbana de Hondutel. Previsiones de 1994 son supuesto global para cubrir necesidades de diversa índole

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CUADRO 4 : PROYECCION DEL SERVICIO DE LA DEUDA POR ACREEDOR - CREDITOS POR CONTRATAR. 1/

(En miles de US$)

ACREEDOR	1992			1993			1994			1995			1996			1997			1998		
	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total
MULTILATERALES																					
IDA	-	10397	10397		32276	32276		55672	55672	32004	75524	107528	60845	85734	146579	63213	87163	150376	41156	85332	126488
BID	-	298	298	-	1018	1018	-	1379	1379	-	1469	1469	-	1553	1553	-	1553	1553	-	1553	1553
BCIE	-	5104	5104	-	18076	18076	-	34601	34601	-	50847	50847	-	61864	61864	13600	66228	79828	16867	66305	83172
FMI	-	719	719	-	2882	2882	-	6126	6126	1249	8828	10077	1436	9834	11270	6404	11021	17425	8914	11465	20379
Stand-By 92-93	-	1145	1145	-	4644	4644	-	7127	7127	6737	7193	13930	27325	6000	33325	35201	3144	38345	15375	705	16080
CCFF 1992	-	3131	3131	-	5444	5444	-	5444	5444	24018	4934	28952	32080	2362	34466	8008	170	8178	-	-	-
Otros Multilaterales	-	-	-	-	212	212	-	995	995	-	2253	2253	-	4101	4101	-	5049	5049	-	5304	5304
PAISES																					
Japon - OECF	-	242	242	1900	1705	3605	4100	3879	7979	6300	6415	12715	6600	8563	15163	7267	10055	17322	6034	10751	16785
Alemania-KFW 2/	-	-	-	-	210	210	-	1600	1600	-	3100	3100	-	4100	4100	-	4400	4400	-	4400	4400
Taiwan 3/	-	42	42	-	67	67	-	67	67	-	67	67	-	67	67	-	67	67	-	67	67
Venezuela-FIV-BCH	-	200	200	-	800	800	-	800	800	-	800	800	-	800	800	667	800	1467	1334	760	2094
México-Fac.Petrolera	-	-	-	900	248	1148	2100	732	2832	3300	1020	4320	3600	864	4464	3600	576	4178	2700	300	3000
Gob.y Ag. Ofic 93-94	-	-	-	1000	380	1380	2000	680	2680	3000	900	3900	3000	660	3660	3000	420	3420	2000	200	2200
	-	-	-	-	-	0	-	-	-	-	528	528	-	2072	2072	-	3792	3792	-	5024	5024
OTROS ACREEDORES																					
Proveedores 93-94	-	-	-	-	-	-	-	4698	4698	7512	13755	21267	24054	14410	38464	27584	12557	40141	27584	10193	37777
Bancos 93-94	-	-	-	-	-	-	-	4091	4091	4350	11608	15958	12230	11468	23698	15760	10209	25969	15760	8790	24550
								607	607	3162	2147	5309	11824	2942	14766	11824	2348	14172	11824	1403	13227
TOTAL GENERAL	-	10839	10839	1900	33981	35881	4100	64249	68349	45818	95694	141510	91499	108707	200206	98064	109775	207839	74774	108276	181050

1/ Servicio estimado de los créditos que se proyecta contratar por cada acreedor, según relación del cuadro No. 3. El cálculo del servicio se efectuó a nivel de cada crédito. El detalle de los cálculos no hace parte de la información que se presenta.

2/ Pagos que se derivan de préstamo por DM 150 como apoyo al SALT II contratado en 1991. Se consigna en éste cuadro por que el servicio de este préstamo no fué incluido en la proyección de pagos de créditos contratados (Cuadro No. 1).

3/ Servicio por préstamo para el Sector Transporte por $20'0 contratado a fines de 1991. No fué incluido en servicio de préstamos contratados (Cuadro No. 1).

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CUADRO 5 : PROYECCION DE DESEMBOLSOS – CREDITOS CONTRATADOS Y POR CONTRATAR.
(En miles de US$)

	1992	1993	1994	1995	1996	1997	1998
Créditos Contratados	386375	171835	73321	21725	1627	–	–
Créd. Por Contratar	227210	391686	448606	380205	235281	101890	32500
DESEMBOLSOS TOTALES	613585	563521	521927	401930	236908	101890	32500

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CUADRO 5A: COMPORTAMIENTO DE LOS DESEMBOLSOS DE CREDITOS CONTRATADOS Y POR CONTRATAR.
(Participación porcentual)

	1992	1993	1994	1995	1996	1997	1998
Créditos Contratados	62.97	30.49	14.05	5.41	0.69	–	–
Créditos Por Contratar	37.03	69.51	85.95	94.59	99.31	100.00	100.00
DESEMBOLSOS TOTALES	100.00	100.00	100.00	100.00	100.00	100.00	100.00

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CUADRO 6 : PROYECCION CONSOLIDADA DEL SERVICIO DE LA DEUDA: PRESTAMOS CONTRATADOS Y POR CONTRATAR - POR ACREEDORES
(En miles de US$)

		1992			1993			1994			1995			1996			1997			1998		
	Adeudado al 31/12/91	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total
Ptmos. Contratados	3037573	203741	150167	353908	137527	144120	341647	200975	136882	337857	208722	119660	328532	154367	104063	258430	178343	91926	270271	172778	81134	253912
Ptmos. a Contratar	-	-	10639	10639	1900	33981	35881	4100	64249	68349	45816	95694	141510	91499	106707	200206	98064	109775	207839	74774	106276	181050
TOTAL GENERAL	3037573	203741	160806	364547	139427	178101	377528	205075	201131	406206	254538	215554	470092	245866	212770	458636	276407	201703	478110	247552	187410	434962

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CUADRO 6A: COMPORTAMIENTO DEL SERVICIO DE LOS CREDITOS CONTRATADOS Y POR CONTRATAR.
(En %)

	1992			1993			1994			1995			1996			1997			1998		
	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total
Ptmos. Contratados	55.9	41.2	97.1	52.3	38.2	90.5	49.5	33.7	83.2	44.4	25.5	69.9	33.7	22.7	56.3	37.3	19.2	56.5	39.7	18.7	50.4
Ptmos. a Contratar	0.0	2.9	2.9	0.5	9.0	9.5	1.0	15.8	16.8	9.7	20.4	30.1	20.0	23.7	43.7	20.5	23.0	43.5	17.2	24.4	41.6
TOTAL GENERAL	55.9	44.1	100.0	52.8	47.2	100.0	50.5	49.5	100.0	54.1	45.9	100.0	53.6	46.4	100.0	57.8	42.2	100.0	56.9	43.1	100.0

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CUADRO 6B: PROYECCION DEL SALDO ADEUDADO 1992-1998 - SIN RENEGOCIACIONES 1/
(En miles de US$)

Año	Saldo Período Anterior	Desembolsos	SERVICIO Amortización	Intereses	Total	Nuevo Adeud.
1992	3037573	613585	203741	160806	364547	3447417
1993	3447417	563521	199427	178101	377528	3811511
1994	3811511	521927	205075	201131	406206	4128363
1995	4128363	401930	254538	215554	470092	4275755
1996	4275755	236908	245866	212770	458636	4266797
1997	4266797	101890	276407	201703	478110	4092280
1998	4092280	32500	247552	187410	434962	3877228

1/ Construido en base al saldo adeudado al 31/12/91, a los que se agregaron el flujo de desembolsos y servicios de los préstamos contratados y por contratar a fines de Diciembre de 1992, antes de incluir cualquier nuevo efecto o o simulación a partir de Enero de 1992.

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CUADRO 6C: PROYECCION DE ALGUNOS INDICADORES DE LA DEUDA EXTERNA 1992-1996. 1/
ANTES DE SIMULACIONES ADICIONALES
(En miles de US$ y en %)

Año	PBI 2/	Exportac. 3/	Adeudado	Servicio	Deuda/ PBI	Serv./Export	Serv./PBI
1992	3319440	961200	3447417	364547	103.9	37.9	11.0
1993	3573040	1054000	3811511	377528	106.7	35.8	10.6
1994	3846030	1157500	4128363	406206	107.3	35.1	10.6
1995	4139860	1271700	4275755	470092	103.3	37.0	11.4
1996	4456150	1367200	4266797	458636	95.8	33.5	10.3

1/ Construido en base al servicio y saldos de deuda consignados en el Cuadro 6B.
2/ Proyectado bajo el supuesto de un crecimiento anual del PBI de 3.5% y una tasa de inflación internacional de 4% anual para todo el período. Tipo de cambio empleado: 5.32 lempiras por dólar (promedio de 1991).
3/ En base a cifras del Banco Central de Honduras y estimados del FMI.

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CUADRO 7: SALDO Y SERVICIO DE LA DEUDA EXTERNA DESPUES DE LA RENEGOCIACION CON MEXICO - PERIODO 1992-1998 1/
(En miles de US$)

		1992			1993			1994			1995			1996			1997			1998		
	Adeudado	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total
TOTAL SERVICIO 2/	3037573	203741	160806	364547	199427	178101	377528	205075	201131	406206	254538	215554	470092	245868	212770	458638	276407	201703	478110	247552	187410	434962
Menos:																						
México-Sit.Previa 3/	55310	11444	3510	14954	10804	2794	13598	10004	1958	11962	9402	1141	10543	4625	320	4945	-	-	-	-	-	-
Mas:																						
Renegociac.México 4/	-	6400	3457	9857	-	3457	3457	-	3457	3457	-	3457	3457	-	3457	3457	-	3457	3457	-	3457	3457
Efecto Neto	-	-5044	-53	-5097	-10804	663	-10141	-10004	1499	-8505	-9402	2316	-7086	-4625	3137	-1488	0	3457	3457	0	3457	3457
TOTAL GENERAL I	3037573	198697	160753	359450	188623	178764	367387	195071	202630	397701	245136	217870	463006	241241	215907	457148	276407	205160	481567	247552	190867	438419

1/ Muestra el efecto de la renegociación con México en el adeudado y el servicio consolidado de préstamos contratados y por contratar. Formalización del Convenio prevista para Enero 92.
2/ Servicio global de la deuda, incluyendo los pagos por préstamos a contratar en el período 92-94.
3/ Cifras extraídas del Cuadro No. 1. De acuerdo a registros del BCH.
4/ Pagos previstos que se derivan del convenio de readecuación con México de Enero de 1992.

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CUADRO 8: SALDO Y SERVICIO DE LA DEUDA EXTERNA DESPUES DE AMPLIACION PERIODO CONSOLIDACION CLUB PARIS 1990 Y CLUB PARIS 1992. 1/
(En miles de US$)

		1992			1993			1994			1995			1996			1997			1998		
	Adeudado	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total	Princip.	Interes	Total
TOTAL GENERAL I 1/	3037573	198697	160753	359450	188623	178764	367387	195071	202630	397701	245136	217870	463006	241241	215907	457148	276407	205160	481567	247552	190867	438419
Efecto de ampliación C. París 1990 2/	14442	-4216	-1179	-5395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Servicio Ampliación C. París 1990 3/	-	-	2577	2577	-	2808	2808	-	2808	2808	-	2808	2808	-	2808	2808	2768	2753	5521	3038	2506	5544
Efecto Neto	14442	-4216	1398	-2818	-	2808	2808	-	2808	2808	-	2808	2808	-	2808	2808	2768	2753	5521	3038	2506	5544
Situación después Ampliac. C París 90	3052015	194481	162151	356632	188623	181570	370193	195071	205436	400507	245136	220678	465812	241241	218713	459954	279175	207913	487088	250590	193373	443963
Efecto C.París 92 4/	33855	-37862	-27993	-65855	-4925	-5862	-10787	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Servicio C. París 92	-	-	772	772	-	5079	5079	-	5484	5484	-	5484	5484	-	5484	5484	-	5484	5484	-	5484	5484
Efecto Neto	33855	-37862	-27221	-64883	-4925	-783	-5708	-	5484	5484	-	5484	5484	-	5484	5484	-	5484	5484	-	5484	5484
TOTAL GENERAL II Serv. después C.P.92	3085870	156819	134930	291749	183698	180787	364485	195071	210920	405991	245136	226160	471296	241241	224197	465438	279175	213397	492572	250590	198857	449447

1/ Saldo y servicio de la deuda, resultante de la readecuación de la deuda con México.
2/ El adeudado se incrementa en el monto de los intereses que vencen en el período de consolidación, porque se capitalizan. El servicio disminuye por el valor de los vencimientos que corresponden a los meses de Enero y Febrero, que se readecúan. Los vencimientos de 1991 que se reestructuran no tienen impacto en los flujos, por corresponder a un período anterior.
3/ Servicio que resulta de la readecuación de los vencimientos al amparo del Club de París de 1990.
4/ Representa el mismo concepto de la nota 2, aplicado al nuevo período de consolidación estimado (Mar92/Mar93). Se asumen términos de Toronto de acuerdo a la preferencia demostrada por los países acreedores de Honduras en reuniones sucesivas del Club de París. Plazo de 25 años con 14 de gracia y tasas de interés reducidas para créditos concesionales. Mismo plazo con tasas de interés de mercado para créditos comerciales.

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CUADRO 9: ALTERNATIVAS Y EFECTOS DE RENEGOCIACION BANCARIA
(En miles de US$)

	TOTAL GRAL.I	Renegociación Deuda UBS Efecto	Renegociación Deuda UBS Nuevo Total	ALTERNATIVA I 2/ Efecto	ALTERNATIVA I 2/ Nuevo Total	ALTERNATIVA II 4/ Efecto	ALTERNATIVA II 4/ Nuevo Total
Saldo Adeudado	3085870	-4202	3081668	-40168 3/	3041500	-15167 5/	3066501
Amortización	156819	4202	161021	-	161021	-	161021
Intereses 1992	134930	2767	137697	-	137697	-	137697
Total	291749	6969 1/	298718	-	298718	-	298718
Amortización	183698	-	183698	1367	185065	2529	186227
Intereses 1993	180787	-	180787	1758	182545	3248	184035
Total	364485	-	364485	3125	367610	5777	370262
Amortización	195071	-	195071	1367	196438	2529	197600
Intereses 1994	210920	-	210920	1495	212415	2762	213682
Total	405991	-	405991	2862	408853	5291	411282
Amortización	245136	-	245136	1367	246503	2529	247665
Intereses 1995	226160	-	226160	1232	227392	2276	228436
Total	471296	-	471296	2599	473895	4805	476101
Amortización	241241	-	241241	1367	242608	2529	243770
Intereses 1996	224197	-	224197	969	225166	1788	225985
Total	465438	-	465438	2336	467774	4317	469755
Amortización	279175	-	279175	1367	280542	2529	281704
Intereses 1997	213397	-	213397	706	214103	1302	214699
Total	492572	-	492572	2073	494645	3831	496403
Amortización	250590	-	250590	1367	251957	2529	253119
Intereses 1998	198857	-	198857	443	199300	816	199673
Total	449447	-	449447	1810	451257	3345	452792

1/ Pagos que se suman al servicio de la deuda por no haber estado incluidos en las proyecciones anteriores. Destinados a la cancelación de crédito otorgado por la Union de Banque Suisse (UBS). Saldo pendiente de pago desde 1986.
2/ Supone recompra de títulos de deuda bancaria al 20% de su valor facial con el producto de una donación de $10'0 de IDA.
3/ Reducción neta de la deuda después de capitalización de intereses vencidos y no pagados.
4/ Supone recompra de títulos deuda bancaria al 30% de su valor facial con donación IDA por $10'0.
5/ Resultado de restarle al valor facial de la recompra ($33'333) los intereses que se capitalizan que se estima ascienden al 50% ($18166) del saldo de principal que queda después de la recompra. (Igual que en Alternativa I)

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CUADRO 10: EFECTO NEGOCIACION CREDITOS NO CONCESIONALES CON ESTADOS UNIDOS. 1/
(En miles de US$)

	Ref.Bancaria Total Alt. I 2/	Nueva Reneg. con Estados Unidos 3/	Total después de renegoc. c/.USA
Saldo Adeudado	3041500	-132800	2908700
Amortización	161021	-10750	150271
Intereses 1992	137697	-9320	128377
Total	298718	-20070	278648
Amortización	185065	-5599	179466
Intereses 1993	182545	-8436	174109
Total	367610	-14035	353575
Amortización	196438	-5482	190956
Intereses 1994	212415	-7883	204532
Total	408853	-13365	395488
Amortización	246503	-2623	243880
Intereses 1995	227392	-7402	219990
Total	473895	-10025	463870
Amortización	242608	-2424	240184
Intereses 1996	225166	-7164	218002
Total	467774	-9588	458186
Amortización	280542	-4104	276438
Intereses 1997	214103	-6920	207183
Total	494645	-11024	483621
Amortización	251957	-5354	246603
Intereses 1998	199300	-6646	192654
Total	451257	-12000	439257

1/ En este cuadro se desarrolla la hipótesis de que el saldo total de los créditos no concesionales (CCC, FMS, garantías para vivienda, etc.) son cancelados como consecuencia de la aplicación un programa de conversión de deuda en el que se recompra la misma en moneda nacional por un 20% del valor del capital. Los intereses acumulados se condonan.

2/ El saldo adeudado y la proyección del servicio 92-98, corresponden a la primera alternativa de la renegociación bancaria, asumiendo que ésta fué la opción seleccionada para ejecutar, por tener el máximo de beneficio.

3/ El saldo adeudado de préstamos no concesionales se estimó a partir del monto de la deuda pendiente por préstamos no concesionales en base a las cifras preparadas para el Club de París 1990. Se le agregaron los intereses que se capitalizaron como consecuencia del mismo Club de París.

CUADRO 11: ACCESO DE HONDURAS A CREDITOS ESAF DEL FMI. 1/
(En miles de US$)

	Total después de renegoc. con USA	Crédito ESAF	Situación después crédito ESAF
Saldo Adeudado	2908700	12656 2/	2921356
Amortización	150271	–	150271
Intereses 1992	128377	–	128377
Total	278648	–	278648
Amortización	179466	–	179466
Intereses 1993	174109	95	174204
Total	353575	95	353670
Amortización	190956	–	190956
Intereses 1994	204532	222	204754
Total	395488	222	395710
Amortización	243880	–	243880
Intereses 1995	219990	348	220338
Total	463870	348	464218
Amortización	240184	–	240184
Intereses 1996	218002	380	218382
Total	458186	380	458566
Amortización	276438	–	276438
Intereses 1997	207183	380	207563
Total	483621	380	484001
Amortización	246603	1266	247869
Intereses 1998	192654	380	193034
Total	439257	1646	440903

1/ Se preve que a fines de Febrero de 1992 el Directorio del FMI incrementará en 11 el número de países con acceso al ESAF (Enhanced Structural Adjustment Facility) entre los que se encuentra Honduras. Esta clasificación le dará acceso a un financiamiento equivalente al 80% de la cuota de Honduras al FMI, actualmente de DEG 67.8 millones a un plazo total de 10 años con 5 1/2 de gracia. El desembolso se efectuará en tramos semestrales durante tres años. Se asume que la tasa de interés será de 0.05% anual (que es la tasa que se aplica actualmente), aunque existen posibilidades que aumente a 1.4%. Parte de la posible condicionalidad para acceder a éstos créditos será su uso combinado con recursos generales del Fondo, derivados de convenios Stand By o de facilidad ampliada, supuestos ya asumidos en la construcción inicial de las proyecciones desarrolladas anteriormente.

2/ Se estima que el adeudado se incrementará en 1992 en US$12.6 millones, monto que corresponde al primer desembolso ESAF, que se estima tendrá lugar en el segundo semestre de 1992. Los desembolsos correspondientes a los años 1993, 1994 y primer semestre de 1995 se incorporan a la columna del adeudado de los cuadros 12 y 13 adjuntos.

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CUADRO 12: PROYECCION DEL SALDO ADEUDADO 1992-1998 - DESPUES SIMULACIONES ADICIONALES 1/

(En miles de US$)

Año	Saldo Período Anterior	Desembolsos	SERVICIO Amortización	Intereses	Total	Nuevo Adeud.
1992	2/ 2908700	626241	150271	128377	278648	3384670
1993	3384670	588833	179466	174109	353575	3794037
1994	3794037	547239	190956	204754	395710	4150320
1995	4150320	414590	243880	220338	464218	4321030
1996	4321030	236908	240184	218382	458566	4317754
1997	4317754	101890	276438	207563	484001	4143206
1998	4143206	32500	247869	193034	440903	3927837

1/ Construido en base al saldo adeudado al 31/12/91, a los que se agregaron el efecto de todas las negociaciones reales y simuladas a partir de Enero 1992, desarrolladas a lo largo del documento.

2/ Este saldo resulta de agregarle todos los efectos de las simulaciones al saldo de la deuda al 31/12/91 incluyendo la referida a USA antes del cierre de 1992. Por esta razón se le considera como como un saldo de partida en este cuadro, al que se le agregan los desembolsos ESAF proyectados.

54.

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CUADRO 13: PROYECCION DE ALGUNOS INDICADORES DE LA DEUDA EXTERNA 1992-1996 1/
DESPUES DE SIMULACIONES ADICIONALES.
(En miles de US$ y en %)

Año	PBI 2/	Exportac. 3/	Adeudado	Servicio	Deuda/ PBI	Serv./Export	Servicio/PBI
1992	3319440	961200	3384670	278648	102.0	29.0	8.4
1993	3573040	1054000	3794037	353575	106.2	33.5	9.9
1994	3846030	1157500	4150320	395710	107.9	34.2	10.3
1995	4139860	1271700	4321030	464218	104.4	36.5	11.2
1996	4456150	1367200	4317754	458566	96.9	33.5	10.3

1/ Construido en base al servicio y saldos de deuda consigandos en el Cuadro 10A.
2/ Proyectado bajo el supuesto de un crecimiento anual del PBI de 3.5% y una tasa de inflación internacional de 4% anual para todo el período. Tipo de cambio empleado: 5.32 lempiras por dólar (promedio de 1991).
3/ En base a cifras del Banco Central de Honduras y estimados del FMI.

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APPENDIX B

List of Interviewees

I.	**Ministry of Housing and Public Credit (Ministerio de Hacienda y Crédito Público)**	
1.	Lic. René Ardón Matute	Viceministro de Hacienda
2.	Lic. Cristiana Nufio de F.	Directora, Asesoría Técnica
3.	Lic. César Carranza	Director Gral. Crédito Público
4.	Dr. Ariel Turcios	SubDirector Gral. Créd. Público
5.	Lic. José Abraham Flores	Analista, Créd. Público
6.	Lic. Gloria de Castro	Oficial Crédito, Créd. Público
7.	Lic. Orfidia Pastora	Oficial Crédito, Créd. Público
8.	Lic. Maribel Ochoa de Ruiz	Oficial Crédito, Créd. Público
9.	Lic Amalia Guzmán	Oficial Crédito, Créd. Público
II.	**Central Bank of Honduras (Banco Central de Honduras)**	
1.	Dra. Ana Cristina de Pereira	Secretaria Gabinete Económico
2.	Lic. Analía Napky	Coordinadora Deuda Externa
3.	Ing. Roberto Gálvez	Rep. BCH Comisión Conv. Deuda
4.	Lic. Carlos Sierche	Jefe, Dpto. Estudios Económicos
5.	Lic. Rosa L. Montes de Oca	Jefe, Secc. Organismos Internac.
6.	Lic. Olger Torres	Encargado SIGADE, Org. Internac.
7.	Lic. Juan Carlos Reyes	Encargado Secc. Endeudamto. Ext.
8.	Lic. Orlando Garner	Analista
9.	Lic. Gerardo Casco	Analista
III.	**Empresa Nacional de Energía Eléctrica (ENEE)**	
1.	Lic. William Wildt	Sub-Gerente Administrativo
IV.	**HONDUTEL**	
1.	Lic. Carlos Manuel Borjas	Director Financiero
V.	**Secretariat of Planning and Budget (Secretaría de Planificación y Presupuesto)**	
1.	Dr. Jorge Navarro	Director de Planificac. Global
VI.	**International Monetary Fund (Fondo Monetario Internacional)**	
1.	Dr. José Valderrama	Represent. Residente, Honduras