



Press Release  
Luxembourg, 12 January 2017

## EU aid to Honduras addressing needs, but poverty and violence remain high, say Auditors

**EU aid to Honduras has helped with a number of positive developments, but the overall situation in the country remains worrying, according to a new report from the European Court of Auditors. Poverty has increased, the area of forest has decreased, and there is still widespread violence with a very high homicide rate.**

The auditors assessed the European Commission's management of development support to Honduras and the extent to which its objectives had been achieved. Overall EU aid increased from €223 million for the 2007-2013 period to €235 million for the 2014-2020 period. The priority sectors examined were poverty reduction, forestry, and security and justice.

EU action was relevant and generally delivered the expected outputs, say the auditors, but difficult circumstances in the country and a number of management weaknesses hindered its impact. The Commission's approach was insufficiently focused, while financial assistance was spread over many areas, which increased the risk of jeopardising its impact. They also found shortcomings in the Commission's monitoring.

*"Honduras faces significant development challenges," said Bettina Jakobsen, the member of the European Court of Auditors responsible for the report. "To strengthen the EU's approach, the Commission needs to enhance both its consistency and its focus."*

Although there is a good donor coordination structure in Honduras, actual collaboration was relatively limited, which in some cases led to overlapping support. The Commission is working towards joint programming with EU Member States from 2018 onwards.

The Commission has developed strategies to structure a constructive policy dialogue with the Government of Honduras in various areas. This is good practice, say the auditors, although there are no written assessments of the degree to which the objectives have been achieved.

*The purpose of this press release is to convey the main messages of the special report adopted by the European Court of Auditors. The full report is on [www.eca.europa.eu](http://www.eca.europa.eu)*

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Budget support in Honduras involved substantial risks due to the unstable macroeconomic framework and weak public financial management. Although the Commission managed to partly mitigate these risks, it did not assess budget support eligibility in a sufficiently structured manner to show that the country's progress was in line with clearly defined benchmarks and targets.

Furthermore, the Commission did not always react consistently when Honduras did not comply with the budget support eligibility conditions. This sent contradictory messages that could reduce the aid's effectiveness.

The auditors make a number of recommendations for the Commission to strengthen the EU's approach, its management of budget support operations, performance measurement for EU action and policy dialogue in the priority sectors.

### **Note to Editors**

Honduras is a Central American country with a population of just over 8 million people. Almost 70% of them are affected by poverty, with nearly 40% living in extreme poverty. Macroeconomic instability has been identified as one of the causes of low growth and insufficient poverty reduction. Honduras is also known as a very violent country, with a per capita murder rate among the highest in the world. Together with impunity and corruption, this is a fundamental obstacle to development in Honduras.

In recent years, the EU and its Member States have strengthened their cooperation with Honduras, notably with the signature of an Association Agreement in 2012. The EU has channelled its development cooperation funding in the form of both projects and budget support.

Special Report No 30/2016: "The effectiveness of EU support to priority sectors in Honduras" is available in 23 EU languages.