

### **3. Honduras - Third and Fourth Reviews Under the Arrangement Under the Standby Credit Facility**

1. Honduras has consulted with the Fund in accordance with paragraphs 4A(b) and 4B(b) of the arrangement for Honduras under the Standby Credit Facility (EBS/14/132, the “SCF arrangement”) in order to review program implementation.

2. The letter dated October 13, 2016 from the Chief of the Economic Cabinet and Minister of Finance, and the President of the Central Bank of Honduras (the “October 2016 Letter”), together with its attached Memorandum of Economic and Financial Policies (the “October 2016 MEFP”) and Technical Memorandum of Understanding (the “October 2016 TMU”), shall be attached to the SCF Arrangement and the letter dated November 19, 2014, together with its attachments, shall be read as supplemented and modified by the October 2016 Letter and its attachments.

3. Accordingly, the SCF Arrangement shall be amended as follows:

a. by replacing “October 15, 2016” with “October 26, 2016” in paragraph 2(e) of the SCF Arrangement;

b. by replacing paragraph 4B(vi) of the SCF Arrangement with the following “the ceiling on the net lending of the combined public sector”;

c. by replacing “October 14, 2016” with “October 25, 2016” in paragraph 6(iv) of the SCF Arrangement;

d. In paragraph 5(a) of the SCF arrangement, the words “the ceiling on the contracting and guaranteeing of new non-concessional debt” shall be replaced with “the ceiling on the present value of new external debt contracted”; and

e. In paragraphs 5(a)-(c) of the SCF Arrangement, “Table 1 of the September 2015 Letter and further specified in the April 2015 TMU” shall be replaced with “Table 1 of the October 2016 Letter and further specified in the October 2016 TMU”.

4. The Fund decides that the third and fourth reviews contemplated in paragraphs 4A(b) and 4B(b) of the SCF Arrangement are completed and that Honduras may request the fourth and fifth disbursements specified in paragraphs 2(d) and 2(e) of the SCF Arrangement, notwithstanding the non-observance of the end-December 2015 performance criterion on the ceiling on the stock of net domestic assets of the Central Bank specified in paragraph 4A(a)(v) of the SCF Arrangement, the end-June 2016 performance criterion on the ceiling on the lending of the combined public sector specified in paragraph 4B(vi) of the SCF Arrangement, and the continuous performance criterion on the ceiling of the accumulation of new arrears by ENEE specified in paragraph 5(b) of the SCF Arrangement, on the condition that the information provided by Honduras on the performance under these criteria is accurate, and on the further condition that the information provided by Honduras on the

implementation of the measure specified as a prior action in Table 3 to the October 2016 MEFP is accurate. (EBS/16/98, Sup. 2, 10/19/16)

Decision No. 16064-(16/94), adopted  
October 26, 2016