STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: AFRICA
COUNTRY: MADAGASCAR

Operations Policy and Country Services
SEPTEMBER 23, 2005

Report on the Status of Projects in Execution - FY05
Region: Africa
Country: Madagascar

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart[1] showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

[1] Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Madagascar

Project Name (ID): Energy Sector Development (P001533)
Country: Madagascar
Board Approval Date: 04/16/1996
Midterm Review Date: 04/19/1999
Closing Date: 12/31/2005
Loan/Credit/Grant Number: IDA-28440, IDA-P8050, IDA-P8051
Sector(s): Power (75%), Renewable energy (17%), District heating and energy efficiency services (8%)
Theme(s): Rural services and infrastructure (P), Other urban development (P), Pollution management and environmental health (P), Regulation and competition policy (P), Infrastructure services for private sector development (P)

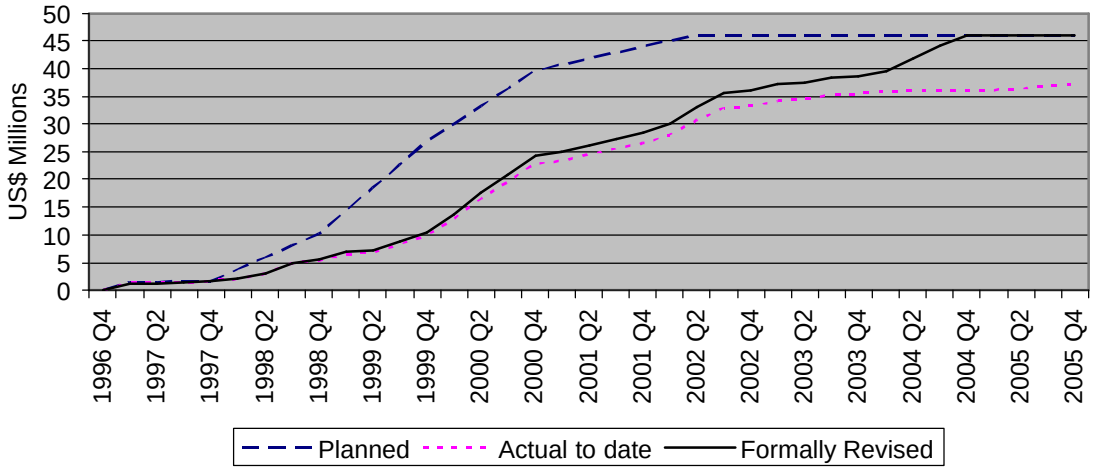
Project Development Objectives:
The project aims at ensuring an adequate supply of electricity both for businesses and households, including increased access of the population to the service, creating the institutional foundation in the power sub sector to increase economic and management efficiency and attract private investment, and at increasing the efficiency of the overall energy production and consumption, thereby helping to mitigate the adverse environmental impact of wood fuel use.

Progress toward achieving development objective(s):
During the last twelve months, decisive actions have been completed by the Government toward increased private participation and improved governance: (i) Signing in January 2005 of a Management Contract for State owned Water and Electricity utility JIRAMA, with Lahmeyer International; (ii) institutional capacity building through the creation in July 2004 of the Independent Electricity Regulator (ORE) and the Rural Electrification Agency (ADER); (iii) creation of a Least Cost Electricity Generation Plan to increase the rationale behind investments in generation for the short, medium and long term (contract signed with HydroQuebec International in November 2004); (iv) framework in place to enable ADER to increase rural access to electricity services through public-private partnerships and concession-based partial subsidy schemes. However, the financial situation of JIRAMA has deteriorated significantly. An emergency financial plan and a short term operational enhancement plan are expected to be implemented very quickly preparing JIRAMA for a long- term sustainable solution to its chronic mismanagement, probably in the form of a concession or affermage agreement with an experienced operator.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-28440	Effective	46.40	37.18	5.84	0.00
IDA-P8050	Closed	0.40	0.00	0.00	0.40
IDA-P8051	Closed	1.10	0.00	0.00	1.10

Status of Projects in Execution - FY05



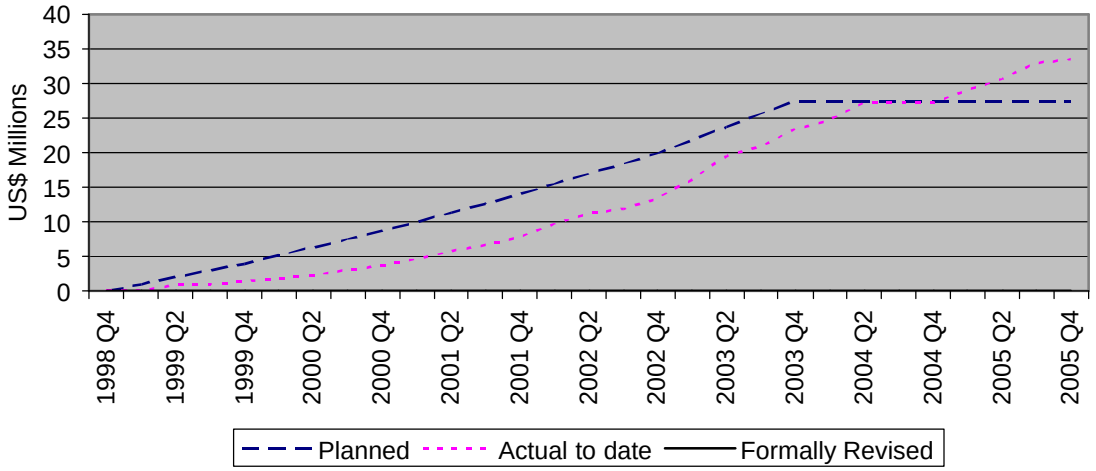
Project Name (ID): Second Community Nutrition (P001568)
Country: Madagascar
Board Approval Date: 04/21/1998
Midterm Review Date: 09/18/2001
Closing Date: 12/31/2005
Loan/Credit/Grant Number: IDA-30600, IDA-30601, JPN-29249
Sector(s): Health (70%), Primary education (19%), Central government administration (10%), Agricultural extension and research (1%)
Theme(s): Nutrition and food security (P), Participation and civic engagement (P), Child health (S)

Project Development Objectives:
The key objective is to improve the nutritional status of children under three, primary school children and pregnant and lactating women.

Progress toward achieving development objective(s):
As the Project comes to a close, the impact evaluation of the Program activities demonstrates a reduction in underweight malnutrition rates from 43% to 36% over the period between 1998 and 2004. The Project objective was to reduce from 43% to 34%. The difference can be explained by the number of crises, both natural and political that Madagascar suffered over the same period and which had substantial negative effects on the nutrition situation and Program implementation. The challenge going forward for the government will be to mainstream the very positive results obtained under the project.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-30600	Closed	29.77	27.23	0.00	0.00
IDA-30601	Effective	10.65	6.23	4.60	0.00
JPN-29249	Closed	0.36	0.36	0.00	0.01



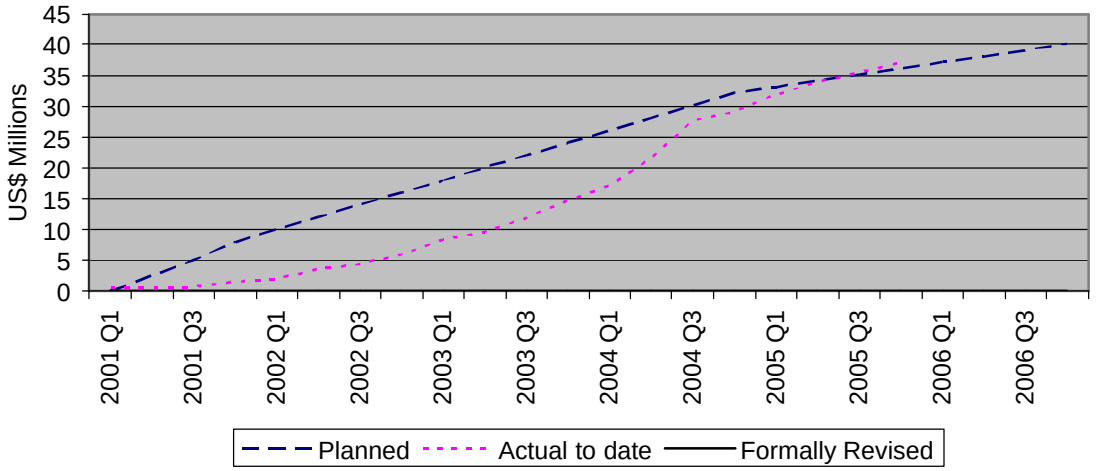
Project Name (ID): Second Health Sector Support (P051741)
Country: Madagascar
Board Approval Date: 12/02/1999
Midterm Review Date: 01/22/2004
Closing Date: 12/31/2006
Loan/Credit/Grant Number: IDA-33020, IDA-33021, JPN-25442, JPN-52803
Sector(s): Health (96%), Central government administration (4%)
Theme(s): Health system performance (P), Other communicable diseases (P), Nutrition and food security (S), Population and reproductive health (S), Participation and civic engagement (S)

Project Development Objectives:
The objective is to contribute to the improvement of the health status of the population.

Progress toward achieving development objective(s):
Results of the recent demographic and health survey indicate that, except for its performance on maternal mortality, Madagascar is on track for achieving its objectives within the framework of the Millennium Development Goals (MDGs): (a) infant mortality has been considerably reduced from 96 per thousand (1997) to 58 per thousand (2003); (b) under-five mortality has been reduced from 159 per thousand (1997) to 94 per thousand (2003); and (c) maternal mortality ratio has barely been reduced from 488 per 100,000 live births (1997) to 469 per 100,000 (2003), which is far from the interim objective of 245 (in 2005) in order to achieve the MDGs' objective of 123 (2015). Utilization rates at primary health care facilities peaked at 0.7 visit per inhabitant in 2003 during the period of free drug distribution. Other indicators are also positive: the modern contraceptive prevalence rate and the immunization rate have increased while the case fatality rate for hospitalized malnourished children has been significantly reduced. HIV/AIDS prevalence among pregnant women was assessed at 0.97% in 2003. With respect to institutional capacity building for health sector management, the Project is contributing to major Government initiatives in the areas of decentralization, sector planning and resource management, and public private partnerships.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-33020	Effective	42.32	37.13	3.83	0.00
IDA-33021	Not Effective	17.95	0.00	17.95	0.00
JPN-25442	Closed	0.40	0.23	0.00	0.17
JPN-52803	Effective	0.66	0.13	0.52	0.00



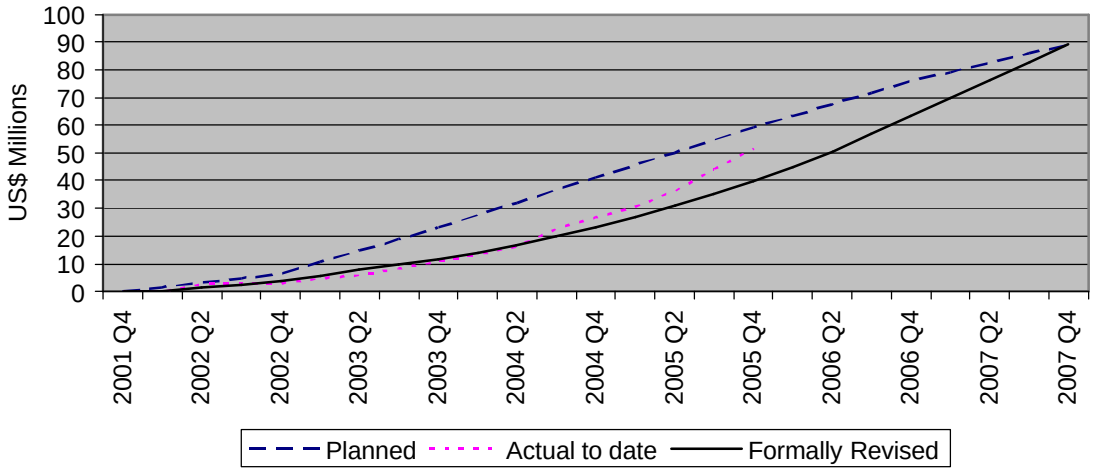
Project Name (ID): Rural Development Support (P051922)
Country: Madagascar
Board Approval Date: 06/19/2001
Midterm Review Date: 06/24/2004
Closing Date: 06/30/2007
Loan/Credit/Grant Number: IDA-35240, IDA-Q2530, JPN-26222
Sector(s): Other social services (27%), Agro-industry (21%), Irrigation and drainage (21%), Central government administration (18%), Agricultural extension and research (13%)
Theme(s): Improving labor markets (P), Other rural development (P), Participation and civic engagement (S)

Project Development Objectives:
The objective is to increase incomes and reduce poverty in rural areas, while preserving the natural resource base.

Progress toward achieving development objective(s):
Despite the political crisis in 2002, the project is making significant progress toward achieving its development objective: (i) the project is now executing 4,095 sub-projects (exceeding the original target of 4,000 sub-projects), and is considering another 6,169 sub-projects; (ii) based on its own monitoring system, the project has assisted about 840 farmers' organizations, representing about 114,600 beneficiary families and women constitute about 29% of project beneficiaries; and (iii) preliminary results suggest that 61% of projects under execution have achieved productivity gains of more than 30 percent one year after implementation.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35240	Effective	100.97	51.95	48.72	0.00
IDA-Q2530	Closed	0.60	0.00	0.00	0.60
JPN-26222	Closed	0.43	0.10	0.00	0.33



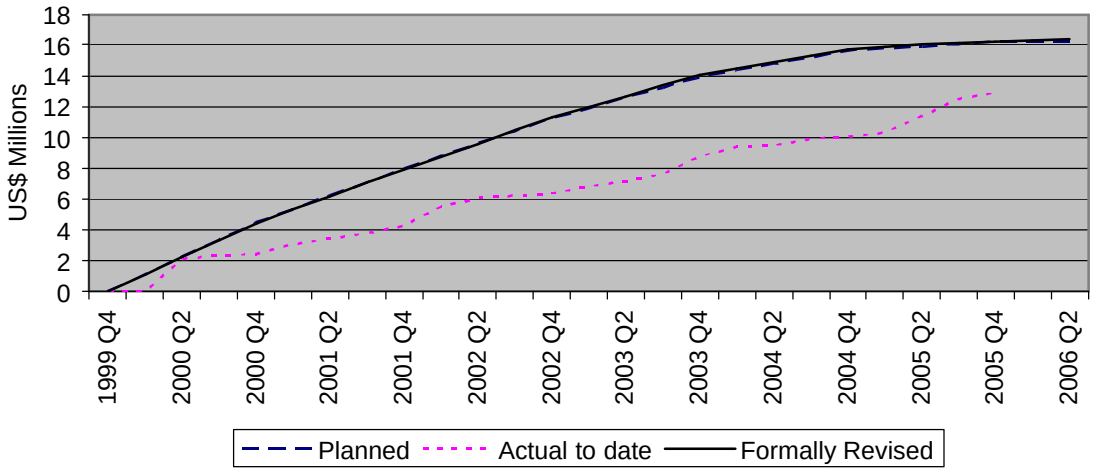
Project Name (ID): Micro Finance (P052186)
Country: Madagascar
Board Approval Date: 05/20/1999
Midterm Review Date: 02/19/2004
Closing Date: 12/31/2005
Loan/Credit/Grant Number: IDA-32170, IDA-Q0680, IDA-Q0681
Sector(s): Micro and SME finance (94%), Central government administration (6%)
Theme(s): Small and medium enterprise support (P), Regulation and competition policy (P), Rural markets (P), Gender (S), Improving labor markets (S)

Project Development Objectives:
The objectives of the project are to adopt a policy framework appropriate for microfinance institutions, build their capacity, and increase their outreach and sustainability.

Progress toward achieving development objective(s):
The project which is the first phase of a 15-year program has made remarkable progress toward achieving its objectives of providing increased access of financial services to low-income Malagasies in a conducive legal and regulatory environment. The five microfinance networks supported by the project have increased their outreach and sustainability by delivering more than Fmg 79 billion (US$7.9 million) in savings and Fmg 35 billion (US$3.5 million) in loans to more than 110,000 mostly rural Malagasies. Meanwhile, law and regulations for microfinance institutions are being put in place to encourage further investments in the sector. The capacity of the supervision authority at the Central Bank is also being strengthened to ensure the long term soundness of the sector.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-32170	Effective	17.66	12.98	3.90	0.00
IDA-Q0680	Closed	1.50	0.00	0.00	1.50
IDA-Q0681	Closed	0.50	0.00	0.00	0.50



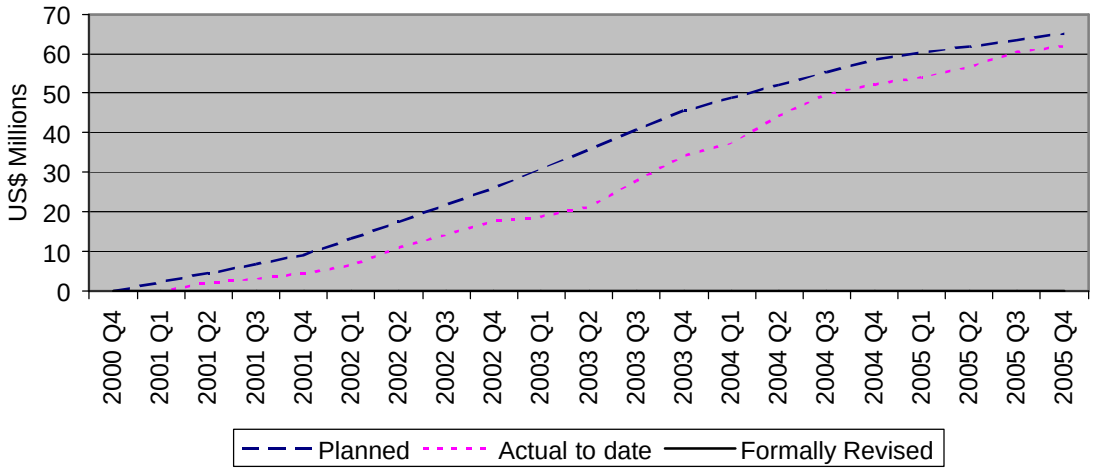
Project Name (ID): Transport Sector Reform and Rehabilitation (P052208)
Country: Madagascar
Board Approval Date: 06/01/2000
Midterm Review Date: 09/27/2002
Closing Date: 07/31/2005
Loan/Credit/Grant Number: IDA-33640, IDA-P7870, IDA-P7871, IDA-P7872
Sector(s): Central government administration (53%), Roads and highways (26%), Ports, waterways, and shipping (15%), Other industry (3%), Aviation (3%)
Theme(s): Small and medium enterprise support (P), Social risk mitigation (S), Environmental policies and institutions (S)

Project Development Objectives:
The objective is to reduce transport costs and to sustainably improve accessibility especially in rural areas.

Progress toward achieving development objective(s):
Overall the project development objectives have been achieved. Achievements that are noteworthy: (i) all conditions to trigger subsequent loans were met; (ii) Civil works for National roads as well as planned periodic maintenance for paved roads of key economic importance have been completed; (iii) Civil Aviation Act was enacted, and thus air transport was liberalized; (iv) road maintenance to/from the main production and consumption areas contributed to lower transportation costs and improved accessibility from remote areas; (v) the concession of the Northern Railway was signed and concessioned in October 2002, (vi) cargo transport is operational; and (vii) capacity building of the Transport and Road Sector Program Executive Secretariat.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-33640	Closed	70.62	61.76	5.40	0.00
IDA-P7870	Closed	0.50	0.00	0.00	0.50
IDA-P7871	Closed	0.75	0.00	0.00	0.75
IDA-P7872	Closed	0.25	0.00	0.00	0.25



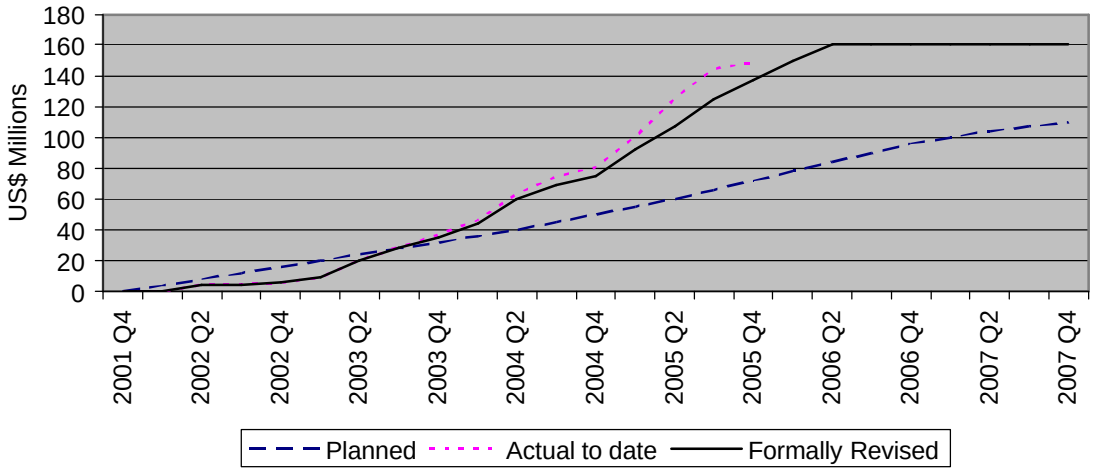
Project Name (ID): Community Development Fund (P055166)
Country: Madagascar
Board Approval Date: 04/19/2001
Midterm Review Date: 04/01/2005
Closing Date: 06/30/2007
Loan/Credit/Grant Number: IDA-34980, IDA-34981
Sector(s): General public administration (35%), Other social services (20%), General education (15%), General water, sanitation and flood protection (15%), General agriculture, fishing, and forestry (15%)
Theme(s): Rural services and infrastructure (P), Improving labor markets (P), Participation and civic engagement (S), Decentralization (S)

Project Development Objectives:
The objective is to improve the use of, and the satisfaction with, project-supported social and economic services provided to participating rural and urban communities.

Progress toward achieving development objective(s):
The objective is expected to be achieved with the Fund having significantly contributed to the improvement of use of public services through the construction of community and administrative infrastructures, all of which (1,500) became fully operational. Over 800 development plans have been developed at the communal level, and half of them were directly managed by the local development committees. A growing number of IEC activities (e.g., on health issues) were also organized, and closer cooperation was sought with the major international donors to ensure the sustainability of some of the largest projects. The Fund also recently underwent some organizational restructuring based on the government's new decentralization plan in order to strengthen support to the country's 22 regions.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34980	Effective	124.32	112.75	8.36	0.00
IDA-34981	Effective	49.90	36.02	15.30	0.00



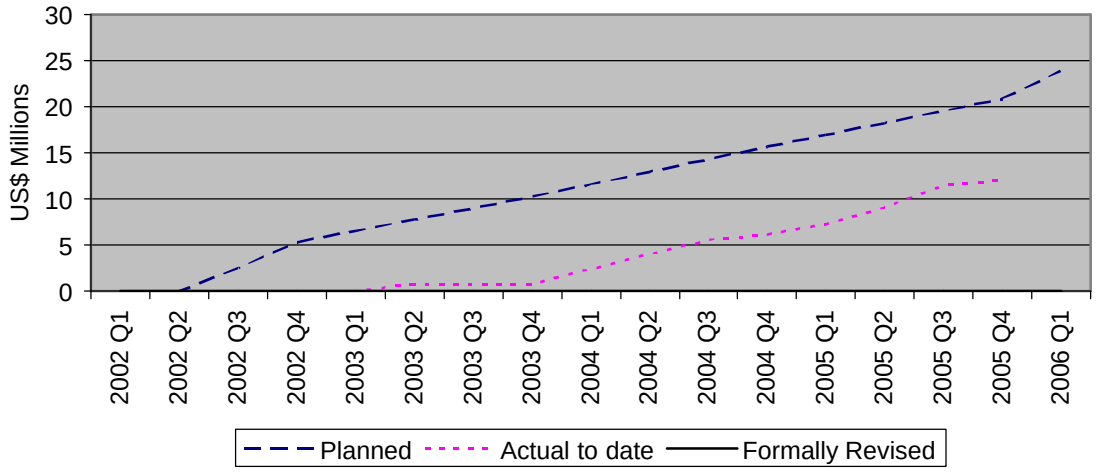
Project Name (ID): Second Private Sector Development (P072160)
Country: Madagascar
Board Approval Date: 08/28/2001
Closing Date: 06/30/2006
Loan/Credit/Grant Number: IDA-35670
Sector(s): Central government administration (95%), General finance (2%), General industry and trade (2%), Micro and SME finance (1%)
Theme(s): Regulation and competition policy (P), State enterprise/bank restructuring and privatization (P), Small and medium enterprise support (S)

Project Development Objectives:
The objective of the project is to improve access, reliability and affordability of key utilities, through completion of the divestiture program of key state-owned enterprises, and capacity building initiatives to strengthen the capacity of autonomous regulators and privatization agencies, and facilitate entry of new operators in the deregulated sectors, and increase the competitiveness of Malagasy companies.

Progress toward achieving development objective(s):
For higher impact on improving business environment and because of its limited institutional capacity, the government concentrates its efforts on setting up private-public partnerships in major sectors. The telecommunication and the cotton companies were privatized in 2004. Private operators of both companies are expected to implement their planned investment programs. The sugar and the energy companies are under private management, respectively since July 2004 and January 2005. Progress made in eliminating bureaucratic obstacles is significant as a result of the work of the one-stop shop for business creation. The Forum for dialogue between public and private sectors is helping to strengthen the role and voice of the private sector. The government is in the process of setting up an investment promotion agency to spur foreign direct investment.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35670	Effective	27.72	11.98	15.85	0.00



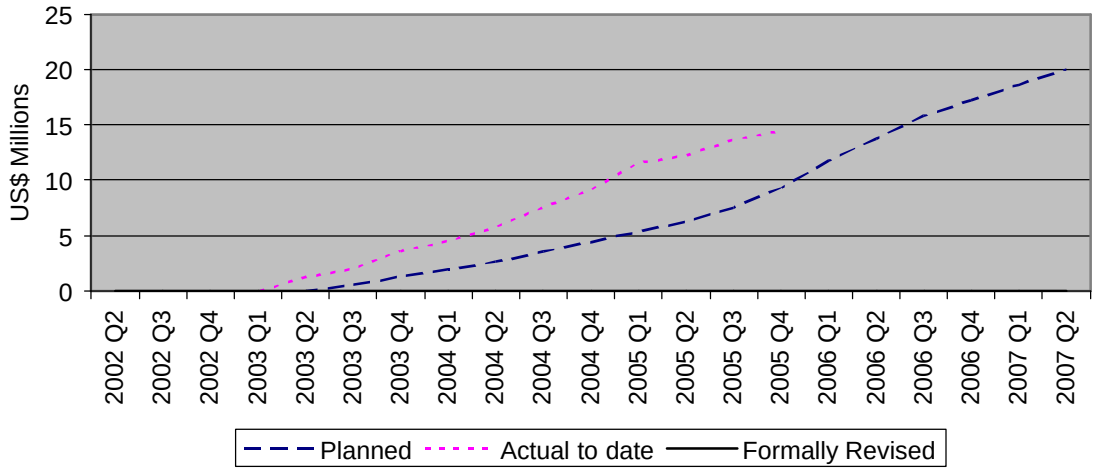
Project Name (ID): Multisectoral STI/HIV/AIDS Prevention (P072987)
Country: Madagascar
Board Approval Date: 12/14/2001
Midterm Review Date: 12/23/2004
Closing Date: 12/31/2006
Loan/Credit/Grant Number: IDA-35890, IDA-Q2780
Sector(s): Health (77%), Central government administration (13%), Other social services (10%)
Theme(s): HIV/AIDS (P), Population and reproductive health (S), Participation and civic engagement (S), Gender (S)

Project Development Objectives:
The objective is to promote a multi-sectoral response to the HIV/AIDS crisis and contain the spread of HIV/AIDS.

Progress toward achieving development objective(s):
The objective is on track to being achieved. Good progress is being made in the development of HIV/AIDS strategies in eight different sectors with most pilot programs putting a special emphasis on the effective sexual behavior change of the main target groups (youth, commercial sex workers, army and truckers). The local response component has been strengthened, with local HIV/AIDS committees operational throughout the country and over 850 non-governmental organizations involved in the implementation of subprojects nationwide (965 subprojects funded). A national communication strategy for HIV/AIDS is in place and sexually-transmitted-infection control mechanisms and volunteer counseling and training facilities have been reinforced to contribute to the reduction of the risk of infection. A national monitoring and evaluation plan has been adopted, and a new methodology is being introduced to screen the project's impact in 45 high-risk zones nationwide.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35890	Effective	22.91	14.47	8.32	0.00
IDA-Q2780	Closed	0.60	0.00	0.00	0.60



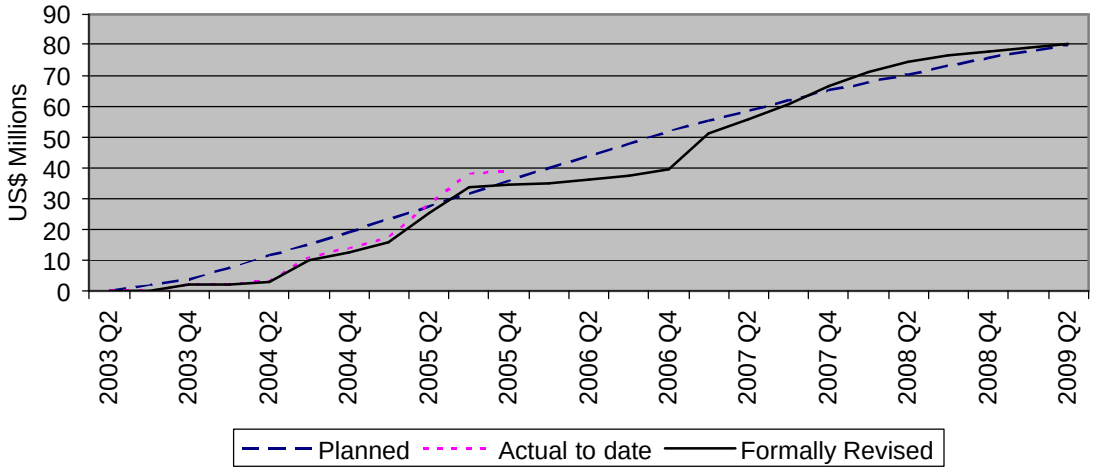
Project Name (ID): Rural Transport (P073689)
Country: Madagascar
Board Approval Date: 11/14/2002
Midterm Review Date: 11/23/2004
Closing Date: 06/30/2009
Loan/Credit/Grant Number: IDA-37170
Sector(s): Roads and highways (81%), Railways (9%), General transportation (7%), Ports, waterways, and shipping (3%)
Theme(s): Rural services and infrastructure (P), Other rural development (S)

Project Development Objectives:
The objective is to improve the access of rural communities to markets, schools, health centers and other economic and social infrastructure, and to enhance the mobility of the rural population, in order to improve their quality of life and promote economic development.

Progress toward achieving development objective(s):
The project has encountered considerable implementation difficulties during the past year. The main problem was the weakened Project Implementation Unit (PIU) due to a variety of reasons, including the dismissal of technical assistance, Ministerial interference, weak leadership and a general overload functioned poorly. The problem of the PIU was exacerbated by the delay in the creation of the planned road agency to which the majority of the PIU's tasks should have been delegated. Due to higher than planned standards, rehabilitation costs of rural roads were much higher than expected and thus fewer roads than planned will be improved, reducing the expected increase in the rural population which will have access to reliable access. Furthermore, the quality of the roads rehabilitated is generally poor. An action plan to remedy these problems was agreed upon with Government and was updated in June 2005. The key element of the action plan is the handing over of the fiduciary functions of the PIU to an international audit company and the creation of a small unit in the ministry led by technical assistance, which takes over the management of the rural roads rehabilitation contracts. As well, the creation of the road authority is being accelerated into which the above unit will be integrated. The project is currently being restructured to reflect these improvements.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37170	Effective	88.57	38.99	50.40	0.00



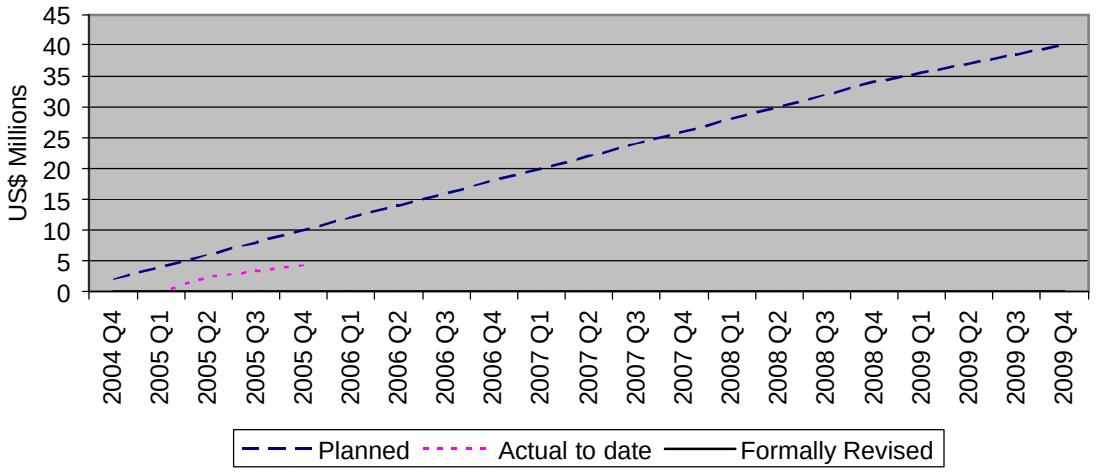
Project Name (ID): Third Environment Program Support (P074235)
Country: Madagascar
Board Approval Date: 05/11/2004
Closing Date: 12/31/2009
Loan/Credit/Grant Number: IDA-H0870, IDA-Q3620, JPN-51121
Sector(s): General agriculture, fishing, and forestry (45%), Central government administration (25%), Sub-national government administration (20%), Renewable energy (10%)
Theme(s): Biodiversity (P), Environmental policies and institutions (P), Other environment and natural resources management (P), Climate change (S), Participation and civic engagement (S)

Project Development Objectives:
The objectives are to: (i) improve the protection and sustainable management of critical biodiversity resources at the field level; (ii) mainstream conservation in macroeconomic management and sector programs; and (iii) facilitate the establishment of sustainable financing mechanisms for the environment.

Progress toward achieving development objective(s):
The project became effective in the latter part of the reporting period and was still in an early stage. So far, an Environmental Foundation has been created to enable sustainable financing, and is being funded by Non- Governmental Organization and donor financing.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H0870	Effective	39.10	4.31	34.89	0.00
IDA-Q3620	Closed	1.98	0.00	0.00	1.98
JPN-51121	Closed	0.70	0.26	0.44	0.00



Project Name (ID): Governance and Institutional Development (P074448)
Country: Madagascar
Board Approval Date: 11/18/2003
Closing Date: 06/30/2009
Loan/Credit/Grant Number: IDA-38290, IDA-Q3440, JPN-26791
Sector(s): Central government administration (73%), Vocational training (27%)
Theme(s): Public expenditure, financial management, and procurement (P), Other accountability/anti-corruption (P), Administrative and civil service reform (S), Education for the knowledge economy (S)

Project Development Objectives:
The objectives of the project are to (a) rationalize and modernize budget and expenditure management, (b) improve accountability and transparency of government operations, and (c) strengthen the capacity of public institutions to deal with complex change processes.

Progress toward achieving development objective(s):
Progress has been made towards achieving the project objectives. Public finance reforms are progressing reasonably well and the installation of a transitional integrated financial management system in the capital and all five provincial treasuries will be completed in late August 2005. The government has introduced program budgets to improve the link between policies and public expenditures; the new budget system is expected to be fully operational in 2006. To improve budget preparation, the government is for the fist time preparing a budget framework paper for 2006 which outlines the macroeconomic benchmarks and spending priorities. The new procurement code was passed by Parliament in 2004; application texts are being prepared and will be available by the end of July 2005. Internal and external controls within government have been systematically strengthened through technical advice and capacity building. The government has also introduced a new results framework (Politique Générale de l'État 2005) which outlines specific targets and results for all sector ministries. This framework is linked to the budget and a vision document (Madagascar naturellement) which details PRSP objectives. Training and capacity building has focused on enhancing the capacity of Cabinet and of the government machinery to prioritize and to manage change. The Prime Minister's Office is putting in place a monitoring and evaluation framework that will guide policy design and implementation.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38290	Effective	31.96	5.28	26.78	0.00
IDA-Q3440	Closed	1.58	0.00	0.00	1.58
JPN-26791	Closed	0.20	0.19	0.01	0.00

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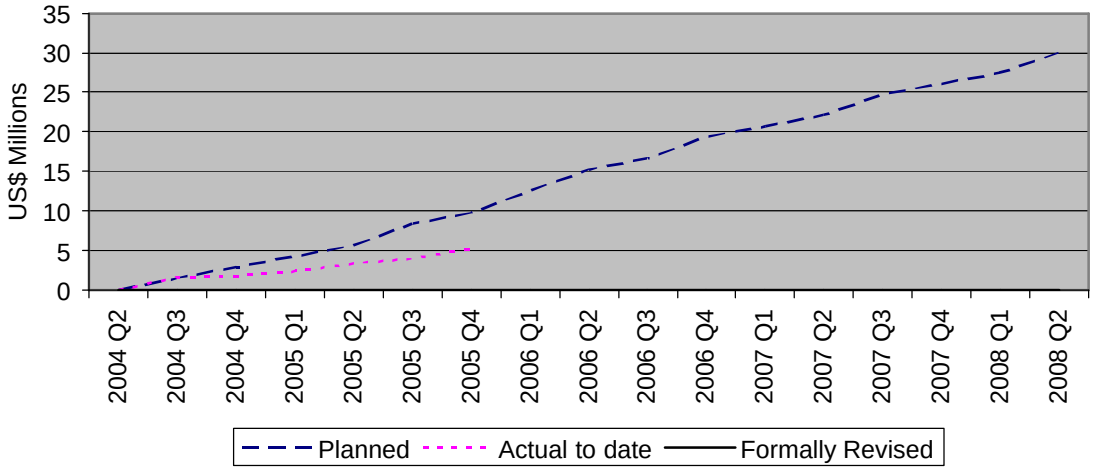


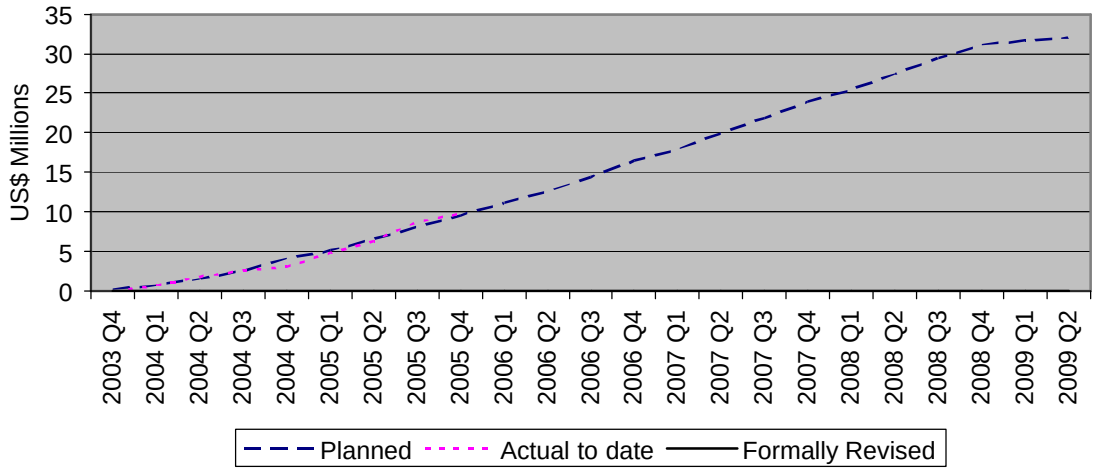
Project Name (ID): Mineral Resources Governance (P076245)
Country: Madagascar
Board Approval Date: 05/13/2003
Closing Date: 12/31/2008
Loan/Credit/Grant Number: IDA-37540, IDA-Q3120, JPN-50618
Sector(s): Mining and other extractive (60%), Central government administration (40%)
Theme(s): Decentralization (P), State enterprise/bank restructuring and privatization (P), Environmental policies and institutions (S), Participation and civic engagement (S), Small and medium enterprise support (S)

Project Development Objectives:
The project aims at strengthening transparency and governance in the mining sector, promoting key institutional reforms for the decentralized management of mineral resources and promoting private investments and value added in the sector.

Progress toward achieving development objective(s):
Implementation is proceeding as planned. The current legal and regulatory framework of the sector has attracted mining companies from around the world. However, the project had to be partly restructured to address important remaining barriers to large scale mining investments, mostly in relation to institutional limitations and constraints (e.g. a state owned agency still controlling important mineral areas; lack of mechanisms to optimize local economic development). A Mining/Forestry Committee has been created and is instrumental in facilitating the harmonization between mining development and the establishment and conservation of protected areas, under the Presidential 'Durban Declaration.' The Gemological Institute and the Lapidary School have been launched.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

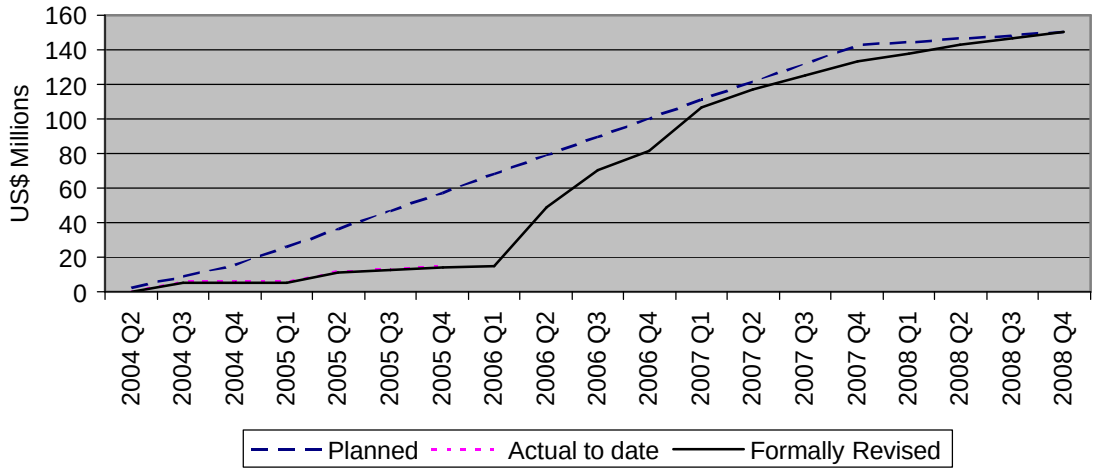
Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37540	Effective	33.85	9.82	24.21	0.00
IDA-Q3120	Closed	0.95	0.00	0.00	0.95
JPN-50618	Closed	0.72	0.46	0.25	0.00



Project Name (ID): Transport Infrastructure (P082806)
Country: Madagascar
Board Approval Date: 12/08/2003
Closing Date: 06/30/2008
Loan/Credit/Grant Number: IDA-38360
Sector(s): Roads and highways (75%), Ports, waterways, and shipping (15%), Aviation (5%), Central government administration (5%)
Theme(s): Trade facilitation and market access (P), Infrastructure services for private sector development (S), Pollution management and environmental health (S), Administrative and civil service reform (S), State enterprise/bank restructuring and privatization (S)

Project Development Objectives:
The objective is to rehabilitate the country's major transport infrastructure in order to reduce transport costs and to facilitate trade.

Progress toward achieving development objective(s):
The project has encountered implementation difficulties. The main problem was the weakened Project Implementation Unit (PIU) which due to variety of reasons, including the dismissal of technical assistance, Ministerial interference, weak leadership and a general overload functioned poorly. The problem of the PIU were exacerbated due to the delay of the creation of the planned road agency to which the majority of the PIU's tasks should have been delegated. During the earlier part of 2005 an action plan was agreed upon with Government to improve project performance. This includes the delegation of the management of large work contracts to an existing entity that had been created to manage European Union (EU) contracts and which is planned to become the core of the planned road authority. An international audit company has been employed to carry out fiduciary functions of the PIU and the PIU itself has been dismantled. The project is currently being restructured; this is not expected to lead to a revision of the Project Development Objectives.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38360	Effective	152.33	15.04	137.74	0.00