

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: EUROPE AND CENTRAL ASIA
COUNTRY: BULGARIA

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: Europe and Central Asia
Country: Bulgaria

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 chart¹ 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: Bulgaria

Project Name (ID): District Heating (P008314)

Country: Bulgaria

Board Approval Date: 06/17/2003

Closing Date: 06/30/2008

Loan/Credit/Grant Number: IBRD-47030, IBRD-47040, JPN-29111

Sector(s): District heating and energy efficiency services (100%)

Theme(s): Other urban development (P)

Project Development Objectives:

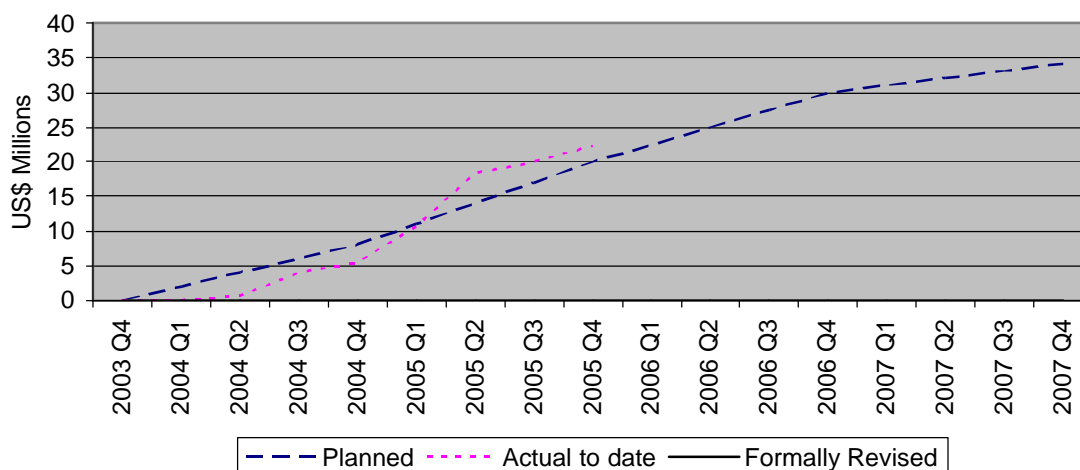
The project development objectives are to assist the Sofia and Pernik District Heating Companies to: (a) improve the quality of their services; (b) improve their financial viability; and (c) increase environmentally friendly operations through energy conservation and pollution reduction measures.

Progress toward achieving development objective(s):

The project is making progress towards meeting its development objectives, despite the delay in private participation. This is evidenced by the following: (a) more consumers are coming back to district heating services both in Sofia and Pernik; (b) the financial viability of the companies is increasing, which has allowed the phase-out of operating subsidies; (c) the heat consumption per apartment is decreasing due to increase in tariffs and demand side measures supported under the project.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47030	Effective	7.00	3.92	3.08	0.00
IBRD-47040	Effective	31.36	18.34	13.93	0.00
JPN-29111	Closed	0.53	0.56	0.00	0.00



Project Name (ID): Registration and Cadastre (P055021)

Country: Bulgaria

Board Approval Date: 06/21/2001

Midterm Review Date: 10/25/2004

Closing Date: 03/01/2007

Loan/Credit/Grant Number: IBRD-46190, NETH-50265

Sector(s): Central government administration (100%)

Theme(s): Personal and property rights (P), Land administration and management (P), Legal institutions for a market economy (P), Regulation and competition policy (P), Administrative and civil service reform (S)

Project Development Objectives:

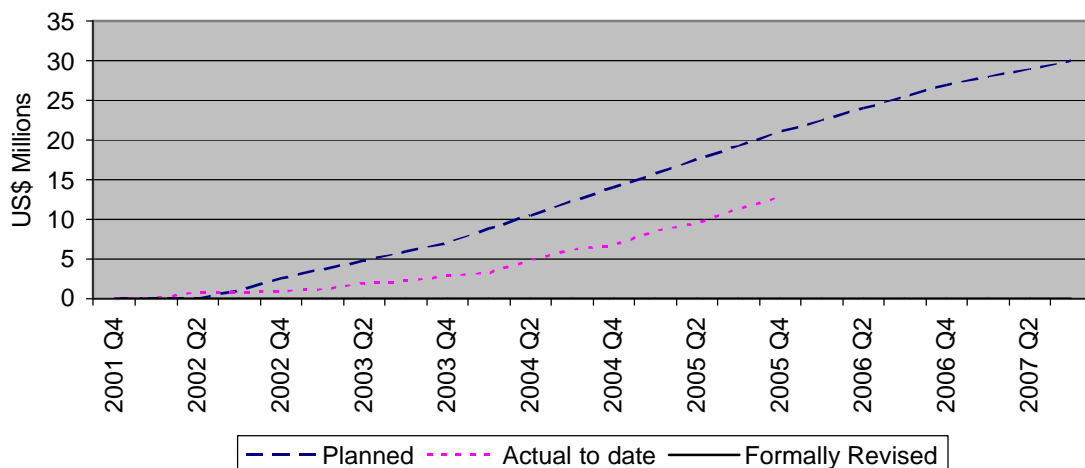
The development objective of the proposed project is to improve the coverage, completeness, accuracy and responsiveness of the cadastre and real property registration systems, and, therefore, contribute to the development of secure tenure of real property (and hence investments in housing, agriculture, commerce, manufacturing, and services), and of an efficient real property market, which is one of the requirements of EU accession.

Progress toward achieving development objective(s):

There is substantially improved coordination between the agencies involved and visible acceleration in the project's performance during the past year. However due to initially incurred delays it will no longer be possible to fully achieve the original project objectives as regards the coverage and completeness of the integrated registration and cadastre system. However it is still possible to meet significant development objectives in improving the efficiency of the land market and meeting EU requirements for real estate transactions if the regulations for cadastral mapping are improved and brought in line with best international practice. This will allow the quicker coverage of the country with approved cadastral maps.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46190	Effective	40.41	13.06	27.13	0.00
NETH-50265	Effective	2.00	1.08	0.92	0.00



Project Name (ID): Health Sector Reform (P055157)

Country: Bulgaria

Board Approval Date: 06/22/2000

Midterm Review Date: 05/23/2003

Closing Date: 03/31/2007

Loan/Credit/Grant Number: IBRD-45650, SWZ-23359

Sector(s): Health (81%), Central government administration (19%)

Theme(s): Health system performance (P), Access to urban services and housing (P), Rural services and infrastructure (P), Social risk mitigation (P)

Project Development Objectives:

The objective is to implement fundamental reform of the health sector, improving access and cost-effectiveness, and ensuring ongoing financial and operational sustainability.

The Project was restructured during the 2005 Fiscal Year

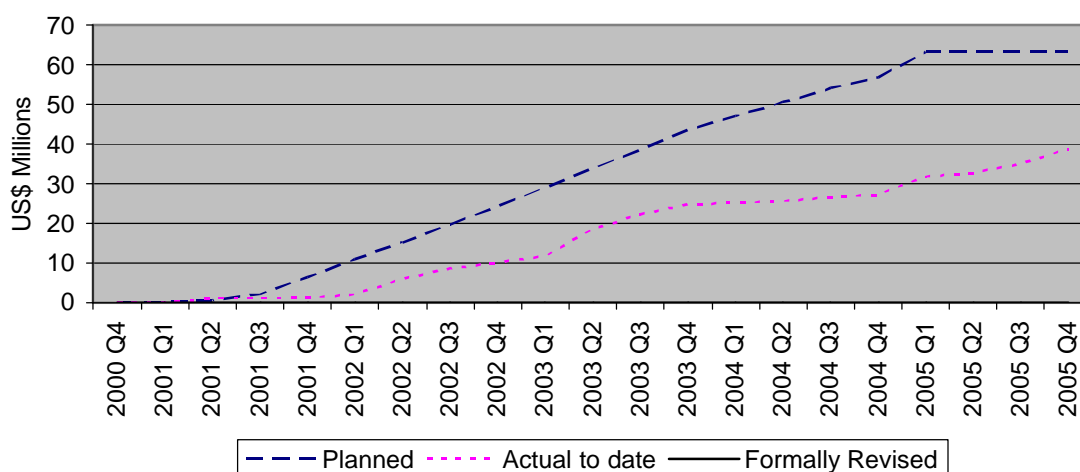
The project was restructured to support the Government's hospital restructuring strategy.

Progress toward achieving development objective(s):

Good progress has been made since the project was restructured in April 2004, particularly in the policy front, and it is expected that the project will achieve its development objectives. Critical policy actions were undertaken in time before the June 2005 Parliamentary Elections. An updated National Health Map was adopted by the Council of Ministers, and a new Accreditation ordinance was developed and approved by the Ministry of Health. Hospital restructuring at the national level has started, and discussions on local level restructuring has begun with municipalities and hospital managers. Recommendations concerning the National Health Insurance Fund's (NHIF) financial sustainability have been made. Numerous health-related legislative acts and amendments were adopted by Parliament to fine-tune the healthcare system.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45650	Effective	83.10	38.79	38.66	0.00
SWTZ-23359	Closed	2.22	1.76	0.00	0.01



Project Name (ID): Child Welfare Reform (P064536)

Country: Bulgaria

Board Approval Date: 03/06/2001

Midterm Review Date: 12/02/2003

Closing Date: 06/30/2006

Loan/Credit/Grant Number: IBRD-45960, JPN-24743, JPN-54221

Sector(s): Other social services (68%), Central government administration (16%), Sub-national government administration (16%)

Theme(s): Vulnerability assessment and monitoring (P), Improving labor markets (P), Social safety nets (P), Participation and civic engagement (S), Access to law and justice (S)

Project Development Objectives:

The objective is to improve child welfare and protect children's rights by promoting community-based child welfare approaches such as de-institutionalization, abandonment prevention and street children services, as cost-effective alternatives to institutionalized child care.

The Project was restructured during the 2005 Fiscal Year

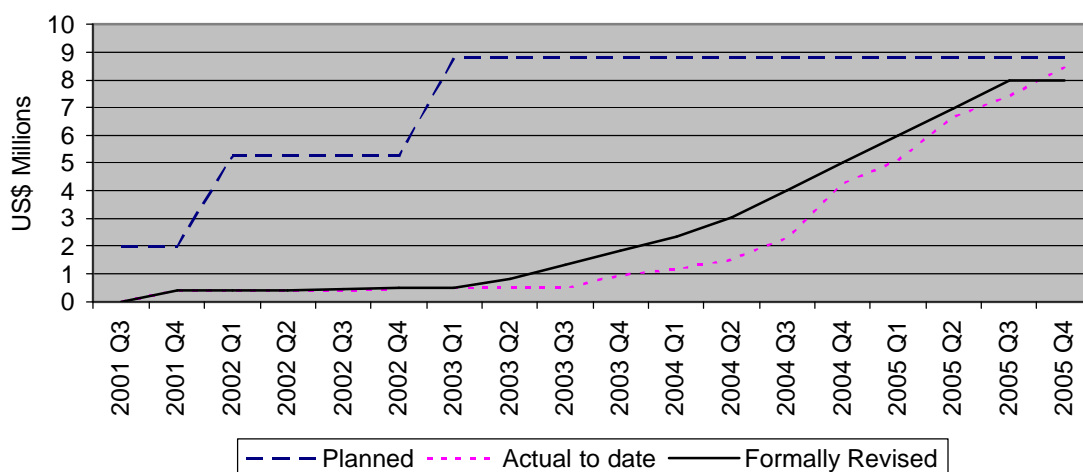
The project was restructured and loan funds were re-allocated to finance a pilot effort to provide alternative child care services by non-governmental providers instead of current institutions, for one calendar year (July 2005-June 2006).

Progress toward achieving development objective(s):

The project is expected to meet its objectives as overall implementation is now on track. Key prerequisites for improving the child welfare outcomes have been put in place. The legal and institutional framework for prevention of institutional care and de-institutionalization is now also in place. Relevant legislation on family, labor, health, and social insurance have also been harmonized with the requirements of the Child Protection Act. Private and non-governmental providers have been licensed and child welfare services have been outsourced to them following their observance of approved standards for quality of care.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45960	Effective	10.61	8.44	2.18	0.00
JPN-24743	Closed	1.05	1.05	0.00	0.00
JPN-54221	Effective	0.54	0.05	0.49	0.00



Project Name (ID): Wetlands Restoration and Pollution Reduction (P068858)

Country: Bulgaria

Board Approval Date: 06/13/2002

Closing Date: 03/15/2008

Loan/Credit/Grant Number: MULT-50706, WBTF-24837

Sector(s): General agriculture, fishing, and forestry (91%), Central government administration (9%)

Theme(s): Biodiversity (P), Pollution management and environmental health (P), Water resources management (P), Environmental policies and institutions (S), Other rural development (S)

Project Development Objectives:

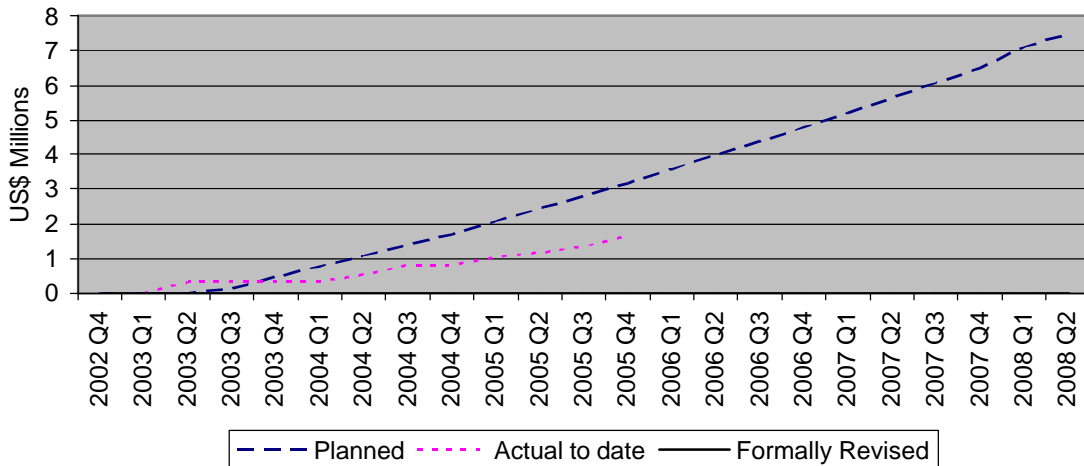
The objective is that local communities and local authorities in the Persina Nature Park and Kalimok/Brushlen Protected Site areas adopt sustainable natural resources management practices.

Progress toward achieving development objective(s):

Progress has been better in some aspects than in others. Protected areas management administrations have been established and their capacity is improving. Local awareness and support for biodiversity conservation and natural resources management is increasing. Although detailed designs of restoration works have been developed in a participatory manner and are fully endorsed by local authorities and local communities, they are not proceeding while central authorities reassess their plans to restore wetlands along the Danube river.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-50706	Effective	7.50	1.65	5.85	0.00
WBTF-24837	Closed	0.35	0.34	0.00	0.01



Project Name (ID): Social Investment and Employment Promotion (P069532)

Country: Bulgaria

Board Approval Date: 12/17/2002

Midterm Review Date: 05/12/2005

Closing Date: 12/31/2007

Loan/Credit/Grant Number: IBRD-46810, JPN-26777

Sector(s): Other social services (50%), General water, sanitation and flood protection (20%), Health (15%), General education (10%), Sub-national government administration (5%)

Theme(s): Participation and civic engagement (P), Improving labor markets (P), Access to urban services and housing (P), Municipal governance and institution building (S)

Project Development Objectives:

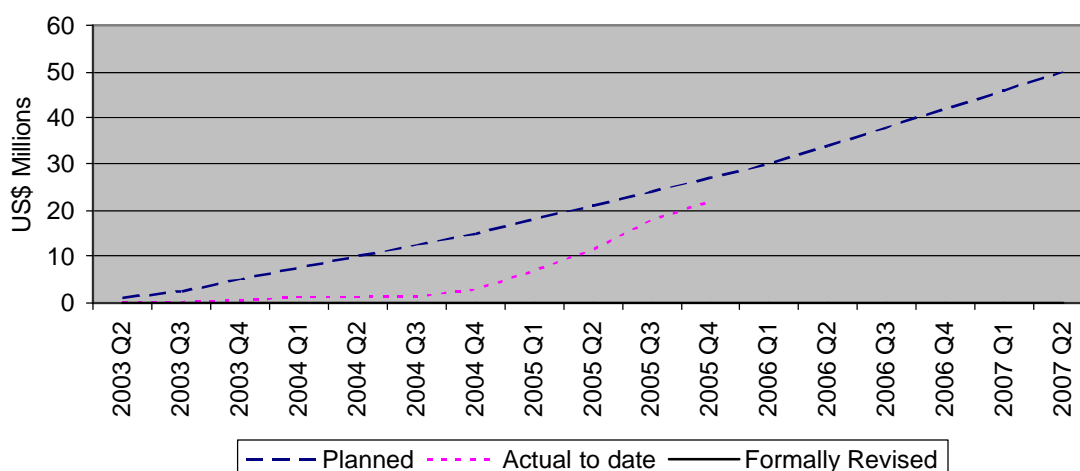
The objective is to improve the living conditions of people locked in persisting pockets of poverty in Bulgaria, concentrated regionally, among the long-term unemployed, and among specific ethnic minorities (Roma, Turkish).

Progress toward achieving development objective(s):

The project implementation over the last 12-18 months has developed very positively. The project has completed its integrated management information system and improved its staffing. The Implementing Agency (the Social Investment Fund) and its partners (Ministry of Labor and Social Policy and the Employment Agency) are committed to the project and to fast and efficient implementation. The municipal financing window has established itself as a useful tool for municipalities to finance priority projects benefiting the poor and has committed almost 60% of its allocated loan funding, represented by 264 signed contracts, of which, 128 micro-projects have been successfully completed. An additional 33 micro-projects under the community financing window have been approved and are under implementation.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46810	Effective	61.27	21.97	40.42	0.00
JPN-26777	Closed	0.37	0.36	0.01	0.00



Project Name (ID): Trade and Transport Facilitation In Southeast Europe (P070086)

Country: Bulgaria

Board Approval Date: 05/25/2000

Closing Date: 09/30/2005

Loan/Credit/Grant Number: IBRD-45530

Sector(s): Central government administration (100%)

Theme(s): Regional integration (P), Tax policy and administration (P), Other accountability/anti-corruption (P), Infrastructure services for private sector development (P)

Project Development Objectives:

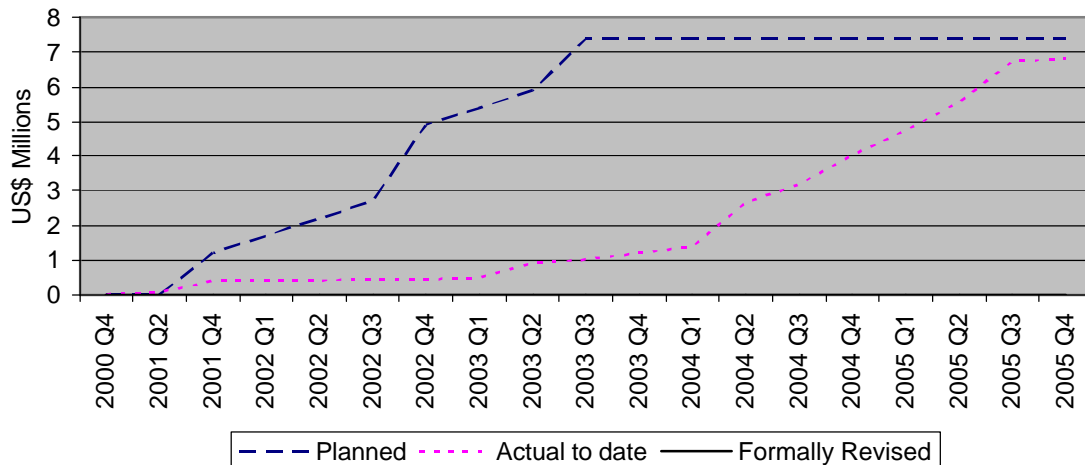
The project development objectives are to: (a) reduce non-tariff costs to trade and transport; and (b) reduce smuggling and corruption at border crossings.

Progress toward achieving development objective(s):

In the final months before loan closing in September 2005, the project is making progress towards achieving its development objectives. Specifically, border crossing times at the pilot sites have been significantly reduced, revenue collected has increased, and the annual number of declarations processed has almost tripled. However, construction of the largest border crossing point has been delayed due to inadequate funds for construction works in the state budget.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45530	Effective	9.32	6.82	2.36	0.00



Project Name (ID): Revenue Administration Reform (P073427)

Country: Bulgaria

Board Approval Date: 06/05/2003

Closing Date: 06/30/2009

Loan/Credit/Grant Number: IBRD-46990, JPN-26692

Sector(s): Central government administration (85%), Compulsory pension and unemployment insurance (10%), Sub-national government administration (5%)

Theme(s): Tax policy and administration (P), Administrative and civil service reform (P), Law reform (S), Participation and civic engagement (S)

Project Development Objectives:

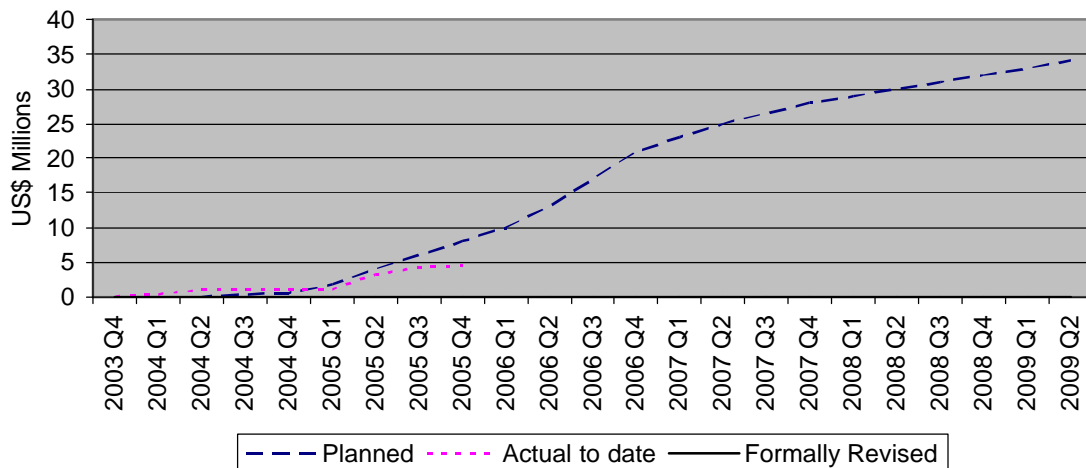
The objective is to implement a sustainable revenue collection system for Bulgaria by (i) establishing an economically-efficient public revenue collection system that facilitates private sector development and complies with requirements for EU accession; and (ii) preparing for the separation of central and municipal revenue collection functions.

Progress toward achieving development objective(s):

Progress toward the achievement of the development objectives has been very good. Many of the departments of the new National Revenue Agency are already functioning although the official launch of operations is scheduled for 2006. Project indicators already point to a sustained increase in revenue and taxpayer compliance.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46990	Effective	38.48	4.51	34.17	0.00
JPN-26692	Closed	0.31	0.28	0.00	0.03



Project Name (ID): Third Programmatic Adjustment (P078675)

Country: Bulgaria

Board Approval Date: 06/02/2005

Closing Date: 03/31/2006

Loan/Credit/Grant Number: IBRD-47850, JPN-52681

Sector(s): General public administration (45%), General industry and trade (22%), General energy (11%), General education (11%), Health (11%)

Theme(s): Health system performance (P), Administrative and civil service reform (P), State enterprise/bank restructuring and privatization (P), Social risk mitigation (P), Education for all (P)

Project Development Objectives:

The objectives are the achievement of average annual growth rates of 4.5-5.0 percent during 2002-05, the reduction of the poverty rate by half by 2005 compared to 2001, the reduction of the unemployment rate from 18.1 percent in 2001 to 12-14 percent in 2005, and substantial progress towards European Union (EU) accession, expected in 2007.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47850	Not Effective	140.03	0.00	140.03	0.00
JPN-52681	Effective	0.50	0.37	0.13	0.00

Project Name (ID): Energy Efficiency (P084831)

Country: Bulgaria

Board Approval Date: 03/22/2005

Loan/Credit/Grant Number: JPN-51713, MULT-52641

Sector(s): Banking (55%), General energy (45%)

Theme(s): Climate change (P), Environmental policies and institutions (S), Other financial and private sector development (S)

Project Development Objectives:

The Global Environment Objective is to support a large increase in energy efficiency investments in Bulgaria through development of self-sustaining market-based financing mechanisms.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-51713	Effective	0.89	0.62	0.27	0.00
MULT-52641	Closed	0.30	0.30	0.00	0.00

